



ORDER NUMBER
G-101-16

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Energy Inc.

Application for Approval of Rates for Constructing and Operating a Compressed Natural Gas Fueling Station
under the Province's Greenhouse Gas Reduction (Clean Energy) Regulation for Nanaimo
Cold Storage and Trucking Ltd. and the City of Nanaimo at Mid Island
Consumer Services Co-operative

BEFORE:

K. A. Keilty, Commissioner

on June 29, 2016

ORDER

WHEREAS:

- A. On April 22, 2016, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (Commission), pursuant to sections 59 to 61 and 89 of the *Utilities Commission Act*, for among other things, interim and permanent approval of the Host Fee rate and the mechanism for adjusting the Host Fee rate as established in sections 7.1 and 7.2 of the fueling equipment licence agreement between FEI and Mid Island Consumer Services Co-operative (Mid Island), effective August 1, 2016 (Application). FEI also requests that the Commission keep confidential the live financial model in Confidential Appendix D;
- B. On April 11, 2013, the Commission issued Order G-56-13 accepting that the Greenhouse Gas Reduction Regulation (GGRR) established the need for Compressed Natural Gas (CNG) and Liquefied Natural Gas fueling stations that are undertaken by FEI as prescribed undertakings as defined by the GGRR, and that these prescribed undertaking projects are exempt from the Certificate of Public Convenience and Necessity requirements for the term of the GGRR;
- C. On November 27, 2013, the Lieutenant Governor in Council issued Order in Council No. 556 amending the GGRR. The GGRR was further amended by Order in Council No. 297, dated June 3, 2015;
- D. FEI and Mid Island entered into a fueling equipment licence agreement (Host Agreement), effective December 31, 2015, that grants a license to FEI for access over the lands and premises of Mid Island (Lands) and use of a portion of the Lands for the installation and maintenance fueling equipment for the sale of CNG to the customers of FEI (Mid Island Fueling station). The Host Agreement also establishes the terms and conditions for FEI's provision of the CNG fueling service from the Mid Island Fueling station;
- E. The expected in-service date of the Mid Island Fueling Station is anticipated to be August 1, 2016; and

- F. The Commission has commenced review of the Application and determines interim rates should be approved.

NOW THEREFORE pursuant to sections 59 to 61 and 89 of the *Utilities Commission Act*, the British Columbia Utilities Commission orders as follows:

1. The Host Fee rate and the mechanism for adjusting the Host Fee rate as established in sections 7.1 and 7.2 of the fueling equipment licence agreement between FEI and Mid Island Consumer Services Co-operative are approved on an interim basis, effective on August 1, 2016.
2. The live financial model provided in Confidential Appendix D of the Application will be kept confidential due to its commercially sensitive nature.
3. FortisBC Energy Inc. must file an application seeking permanent rates, effective on August 1, 2016, upon the determination of the actual capital expenditures for the Compressed Natural Gas Station located at Mid Island Consumer Services Co-operative, in Nanaimo, British Columbia.
4. Any variance between the interim rates and the permanent rates as determined by the Commission following final disposition of the Application are subject to refund/recovery, with interest at the average prime rate of FortisBC Energy Inc.'s principal bank for its most recent year.
5. FortisBC Energy Inc. is to file the fueling equipment licence agreement between FortisBC Energy Inc. and the Mid Island Consumer Services Co-operative in tariff supplement form for endorsement by the Commission within 30 days of the date of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 29th day of June 2016.

BY ORDER

Original signed by:

K. A. Keilty
Commissioner