



**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER G-144-11**

TELEPHONE: (604) 660-4700  
BC TOLL FREE: 1-800-663-1385  
FACSIMILE: (604) 660-1102

SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, BC V6Z 2N3 CANADA  
web site: <http://www.bcuc.com>

IN THE MATTER OF  
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by FortisBC Energy Inc.  
For Approval of a Temporary Service Agreement for Liquefied Natural Gas Service,  
for Approval of a Service Agreement for LNG Delivery, for Approval of a Daily Charge for the Use of a LNG Tanker and for  
Approval of a Daily Charge for the Use of a Mobile LNG Refueling Station

**BEFORE:** A.A. Rhodes, Panel Chair/Commissioner  
D.A. Cote, Commissioner August 12, 2011  
D. Morton, Commissioner

**O R D E R**

**WHEREAS:**

- A. On July 12, 2011, FortisBC Energy Inc. (FEI) filed an application with the British Columbia Utilities Commission (Commission), pursuant to sections 59-61 and 89 of the *Utilities Commission Act (Act)*, for approval of a Temporary Liquefied Natural Gas (LNG) Station Installation and Operation Agreement dated May 12, 2011 between FEI and Vedder Transport Ltd. (Vedder) (Temporary Refueling Agreement) and for approval of a Transportation Services Agreement dated May 12, 2011 between FEI and Vedder (Delivery Agreement) (Vedder Application);
- B. In the Vedder Application, FEI sought approval of the Temporary Refueling Agreement on an interim basis pending the decision from the Commission on FEI's December 1, 2010 application for approval of a Service Agreement for Compressed Natural Gas (CNG) Service and for approval of General Terms and Conditions (GT&C) for CNG and LNG Service (NGV Application);
- C. FEI sought approval of the Temporary Refueling Agreement and the Delivery Agreement by mid-August 2011;
- D. In the Vedder Application, FEI also sought approval of a daily charge of \$81.96 for the use of a LNG tanker owned by FEI (LNG Tanker Rental Charge) on a permanent basis and approval of a daily charge of \$105.14 for the use of a mobile LNG refueling station (IMC 6000) also owned by FEI (IMC 6000 Charge) on an interim basis pending the Commission's decision on the NGV Application;
- E. FEI proposed that, if approved, FEI would incorporate the LNG Tanker Rental Charge into Rate Schedule 16 and the IMC 6000 Charge into its GT&C;
- F. On July 19, 2011, the Commission issued Order G-181-10 and Reasons for Decision regarding the NGV Application. The Commission denied the proposed GT&C for CNG and LNG Service and set out the conditions under which the Commission would approve revised GT&C;

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- G. On August 8, 2011, FEI filed an amendment to the Vedder Application (Amendment). The Amendment revised the IMC 6000 Charge to \$107.24 and the LNG Tanker Rental Charge to \$84.34. In the Amendment, FEI also requested permanent approval of the Temporary Refueling Agreement, the Delivery Agreement, the revised LNG Tanker Rental Charge and the revised Delivery Charge. FEI also requested approval to incorporate the LNG Tanker Charge into Rate Schedule 16 and to incorporate the Delivery Charge into FEI's GT&C;
- H. On August 10, 2011, FEI filed a letter requesting interim approval of both the Temporary Refueling Agreement and the Delivery Agreement in the event the Commission was unable to render a decision on permanent rates prior to August 15, 2011 (Letter);
- I. The Commission Panel has reviewed the Letter and concludes that granting interim approval of the Temporary Refueling Agreement and the Delivery Agreement, subject to certain conditions and pending a more complete review of the Vedder Application and the Amendment and a final decision by the Commission Panel, is warranted.

**NOW THEREFORE** pursuant to sections 59 to 61, 89 and 90 of the *Act*, the Commission Panel orders as follows:

- 1. The Commission Panel approves the following agreements on an interim basis, subject to the conditions noted below and pending a final decision by the Commission Panel on the Vedder Application and Amendment:
  - a. The Temporary Refueling Agreement between FEI and Vedder; and
  - b. The Delivery Agreement between FEI and Vedder subject to FEI having priority use of the LNG tankers for scheduled as well as emergency disruptions to its system.
- 2. Any difference between the interim rates and the permanent rates will be recovered from or repaid to Vedder with interest.
- 3. FEI's request to incorporate the LNG Tanker Rental Charge into Rate Schedule 16 and to incorporate the IMC 6000 Charge into FEI's GT&C will be reviewed as part of the ongoing Commission Panel review of the Vedder Application and Amendment.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 12<sup>th</sup> day of August 2011.

BY ORDER

*Original signed by:*

Alison A. Rhodes  
Panel Chair/Commissioner