



ORDER NUMBER
G-183-16

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

and

FortisBC Energy Inc.
Application for Approval of a Rate to Provide Short-Term Liquefied Natural Gas (LNG)
Fuelling Service using Specified LNG Assets

BEFORE:

D. M. Morton, Commissioner
D. J. Enns, Commissioner
H. G. Harowitz, Commissioner
M. Kresivo, Commissioner
R. D. Revel, Commissioner

on December 8, 2016

ORDER

WHEREAS:

- A. On November 28, 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 approval, on an interim and permanent basis, of a rate of \$10,500 per month to provide Short-Term Liquefied Natural Gas (LNG) Fuelling Services using the IMC 6000 and two Orca LNG units (Specified LNG Assets) and a pro forma Short-Term LNG Fuelling Service Agreement, effective January 1, 2017 (Application). The Application also requests that the live financial model in Appendix C of the Application be kept confidential;
- B. On November 28, 2013, the Lieutenant Governor in Council approved Special Direction No. 5 to the Commission, B.C. Reg. 245/2013, relating to FEI's LNG and Compressed Natural Gas (CNG) services. Special Direction No. 5 states, that among other things, the Commission must "treat CNG service and LNG service, and all costs and revenues related to those services, as part of the utility's natural gas class of service";
- C. On August 25, 2016, pursuant to Special Direction No. 5, Commission Order G-138-16 approved the transfer of the net book value of the Specified LNG Assets to FEI's general natural gas rate base, Asset Class 476.20, effective January 1, 2017. The order also directed FEI to file an application seeking approval of the rates for using the Specified LNG Assets, effective January 1, 2017, within 90 days of the order; and
- D. The Commission has commenced a review of the Application and finds that approval of the requested interim rate to provide Short-Term LNG Fuelling Services using the Specified LNG Assets, including a pro forma Short-Term LNG Fuelling Service Agreement, on an interim and refundable basis is warranted.

NOW THEREFORE pursuant to section 89 of the *Utilities Commission Act*, the British Columbia Utilities Commission orders as follows:

1. FortisBC Energy Inc.'s application for rate of \$10,500 per month to provide Short-Term Liquefied Natural Gas (LNG) Fuelling Services using the IMC 6000 and two Orca LNG units and a pro forma Short-Term LNG Fuelling Service Agreement, effective January 1, 2017, is approved on an interim and refundable basis.
2. The live financial model provided in Confidential Appendix C of the Application will be kept confidential.
3. Any variance between the interim rate and the permanent rate as determined by the Commission following final disposition of the Application is subject to refund/recovery, with interest at the average prime rate of FortisBC Energy Inc.'s principal bank for its most recent year.

DATED at the City of Vancouver, in the Province of British Columbia, this 8th day of December 2016.

BY ORDER

Original signed by:

D. M. Morton
Commissioner