



ORDER NUMBER
G-24-17

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

and

FortisBC Energy Inc.
Application for Approval to Amend the Capital Rate for the Vedder Transport
Ltd. (Vedder) Liquefied Natural Gas (LNG) Fueling Station Established in the
Third Amending Agreement between FEI and Vedder

BEFORE:

K. A. Keilty, Commissioner

on February 27, 2017

ORDER

WHEREAS:

- A. On January 27, 2017, 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* (UCA), for interim and permanent approval the amending agreement, executed on January 10, 2017 (Third Amending Agreement) to the Liquefied Natural Gas (LNG) Fueling Station Installation and Operation Agreement between Vedder Transport Ltd. (Vedder) and FEI (Permanent Refueling Agreement) for LNG service at the Vedder Fueling Station, effective January 27, 2017 (Application). FEI also requests that the Commission keep confidential the live financial model provided in Appendix D of the Application;
- B. On October 5, 2012, Order C-11-12A, granted FEI a Certificate of Public Convenience and Necessity for the construction and operation of the Vedder Fueling Station. Order C-11-12A also approved the rate design and the rates established in the Permanent Refueling Agreement on an interim basis;
- C. On November 5, 2013, FEI and Vedder amended the Permanent Refueling Agreement in order to permit Other Users access to receive LNG supply from the Vedder Fueling Station (First Amending Agreement). By Order G-228-13, the Commission approved the First Amending Agreement, which included the approval of the Host Fee of \$1.50 per GJ payable to Vedder;
- D. On January 31, 2014, Vedder and FEI made a subsequent amendment to the Permanent Refueling Agreement (Second Amending Agreement). The Second Amending Agreement included changes to reflect the terms and directives of previous Commission Orders G-78-13, C-11-12A, G-113-13, and amendments to the fueling charges;
- E. On March 4, 2014, Order G-22-14 approved among other things the rates Permanent Refueling Agreement and subsequent Amending Agreements between Vedder and FEI on a permanent basis effective January 1, 2013;

- F. On January 10, 2017, FEI and Vedder executed the Third Amending Agreement to amend the Capital Rate from \$1.78/GJ to \$2.697/GJ and change the Minimum Quantity from 11,667 GJ/month to 8,334 GJ/month; and
- G. 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 amended Capital Rate established in the amending agreement, executed on January 10, 2017, to the Liquefied Natural Gas (LNG) Fueling Station Installation and Operation Agreement between Vedder Transport Ltd. and FortisBC Energy Inc. for LNG service is approved on an interim basis, effective on January 27, 2017.
2. The live financial model provided in Confidential Appendix D of the Application will be kept confidential due to its commercially sensitive nature.
3. 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.
4. FortisBC Energy Inc. is directed to file the amending agreement, executed on January 10, 2017, to the Liquefied Natural Gas Fueling Station Installation and Operation Agreement between Vedder Transport Ltd. and FortisBC Energy Inc. 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 27th day of February 2017.

BY ORDER

K. A. Keilty
Commissioner

SS/kn