



ORDER NUMBER
G-65-17

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

and

FortisBC Energy Inc.
An Application for an Order Amending Rate Schedule 46 –
Liquefied Natural Gas Sales, Dispensing, and Transportation Service

BEFORE:

D. M. Morton, Commissioner
D. J. Enns, Commissioner
W. M. Everett, Commissioner
H. G. Harowitz, Commissioner
B. A. Magnan, Commissioner
R. I. Mason, Commissioner

on May 4, 2017

ORDER

WHEREAS:

- A. On April 10, 2017, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (Commission), pursuant to section 5 (1.2) of Order in Council (OIC) No. 162, for approval to amend Rate Schedule 46. FEI also requests Commission endorsement of amended Rate Schedule 46 Tariff pages, pursuant to section 5 (1.2) of OIC No. 162, to be effective upon issuance of a Commission order (Application);
- B. On November 28, 2013, the Province of British Columbia deposited OIC No. 557, dated November 27, 2013, as B.C. Regulation 245/2013, Special Direction No.5 to the Commission. By Order G-211-13, dated December 12, 2013, the Commission approved Rate Schedule 46;
- C. On December 22, 2014, the Province of British Columbia deposited OIC No. 749, dated December 19, 2014, as B.C. Regulation 265/2014, making amendments to Special Direction No. 5 to the Commission. By Order G-207-14, dated December 24, 2014, the Commission approved and endorsed amendments to Rate Schedule 46;
- D. On March 22, 2017, the Province of British Columbia deposited OIC No. 162, dated March 21, 2017, as B.C. Regulation 115/2017, making amendments to Special Direction No. 5 to the Commission;
- E. Section 5 of OIC No. 162 amends section 5 of Special Direction No. 5 by adding the following subsection:
 - (1.2) Within 60 days of the date this subsection comes into force, the commission must issue an order amending the LNG rate schedule by deleting section 3 (1) (b) and (c) on the version of page R-46.22 accepted for filing on January 25, 2016; and

F. The Commission reviewed FEI's Application and finds that approval of the amendments to Rate Schedule 46, as outlined in Appendix A to this order, are warranted based on the requirements of OIC 162.

NOW THEREFORE pursuant to Order in Council No. 162 and Special Direction No. 5, the British Columbia Utilities Commission approves, effective the date of this order, the amendments to Rate Schedule 46 – Liquefied Natural Gas Sales, Dispensing, and Transportation Service, as outlined in Appendix A to this order, and the rates contained therein.

DATED at the City of Vancouver, in the Province of British Columbia, this 4th day of May 2017.

BY ORDER

Original signed by:

D. M. Morton
Commissioner

Attachment

**Amendments to FortisBC Energy Inc. Rate Schedule 46
Liquefied Natural Gas Sales, Dispensing and Transportation Service Tariff**

Rate Schedule 46 Reference Information and Amendments			
Section Number	Section Name	Existing Tariff Language	Amended Tariff Language
Page R-46.8 8.1 (i)(A)(i.)	LNG Service Charges	(i.) the Delivery Charge, plus the premium(s) (if applicable), multiplied by the quantity of LNG, measured in Gigajoules, Dispensed to the Customer,	(i.) the Delivery Charge, plus the premium(s) (if applicable), multiplied by the quantity of LNG, measured in Gigajoules, Dispensed to the Customer,
Page R-46.9 8.1 (i) (C) (iii) (ii.)	LNG Service Charges	(ii.)the LNG Spot Charge, plus the premium(s) (if applicable).	(ii.)the LNG Spot Charge, plus the premium(s) (if applicable).
Page R-46.21 Table of Charges for LNG Service	LNG Facility Charges, Electricity Charges, premiums and LNG Spot Charges for 2018 and beyond	LNG Facility Charges, Electricity Charges, premiums, and LNG Spot Charges for 2018 and beyond	LNG Facility Charges, Electricity Charges, premiums, and LNG Spot Charges for 2018 and beyond
Page R-46.22 Table of Charges for LNG Service	Note 3. LNG Facility Charges, Electricity Charges, premiums and LNG Spot Charges for 2018 and beyond	<p>3. LNG Facility Charges, Electricity Charges, premiums and LNG Spot Charges for 2018 and beyond - The LNG Facility Charges, Electricity Surcharges, premiums and LNG Spot Charges for 2018 and thereafter will be determined by taking the base charges shown in (1) below, which are expressed in 2017 dollars, and resetting and adjusting those base charges annually on January 1 in accordance with (2) below.</p> <p>(1) The following base charges, expressed in 2017 dollars, shall apply in accordance with the specified aggregate daily Contract Demand for all Customers and the specified Available LNG Capacity:</p>	<p>3. LNG Facility Charges, Electricity Charges, premiums and LNG Spot Charges for 2018 and beyond - The LNG Facility Charges, Electricity Surcharges, premiums and LNG Spot Charges for 2017 and thereafter will be determined by taking the base charges shown in (1) below, which are expressed in 2017 dollars, and resetting and adjusting those base charges annually on January 1 in accordance with (2<u>1</u>) below.</p> <p>(1) The following base charges, expressed in 2017 dollars, shall apply in accordance with the specified aggregate daily Contract Demand for all Customers and the specified Available LNG Capacity:</p>

Rate Schedule 46 Reference Information and Amendments			
Section Number	Section Name	Existing Tariff Language	Amended Tariff Language
Page R-46.22 Table of Charges for LNG Service	Note 3. LNG Facility Charges, Electricity Charges, premiums and LNG Spot Charges for 2018 and beyond	(1) (a) Where on January 1 of a given year each of the aggregate prorated daily Contract Demand for all Customers and the Available LNG Capacity is between 0 Gigajoules per day and 35,000 Gigajoules per day, the following base charges apply for that year:	(1) (a) Where on January 1 of a given year each of the aggregate prorated daily Contract Demand for all Customers and the Available LNG Capacity is between 0 Gigajoules per day and 35,000 Gigajoules per day, the following base charges apply for that year:
		LNG Facility Charge \$3.75/GJ	LNG Facility Charge \$3.75/GJ
		Electricity Surcharge \$0.94/GJ	Electricity Surcharge \$0.94/GJ
		LNG Spot Charge \$4.94/G	LNG Spot Charge \$4.94/
Page R-46.22 Table of Charges for LNG Service	Note 3. LNG Facility Charges, Electricity Charges, premiums and LNG Spot Charges for 2018 and beyond	(1) (b) Where on January 1 of a given year each of the aggregate prorated daily Contract Demand for all Customers and the Available LNG Capacity is at least 35,000 Gigajoules per day and less than 100,000 Gigajoules per day, the following base charges apply for that year:	(1) (b) Where on January 1 of a given year each of the aggregate prorated daily Contract Demand for all Customers and the Available LNG Capacity is at least 35,000 Gigajoules per day and less than 100,000 Gigajoules per day, the following base charges apply for that year:
		LNG Facility Charge \$2.90/GJ	LNG Facility Charge \$2.90/GJ
		Electricity Surcharge \$0.93/GJ	Electricity Surcharge \$0.93/GJ
		LNG Spot Charge \$4.08/GJ	LNG Spot Charge \$4.08/GJ
Page R-46.22 Table of Charges for LNG Service	Note 3. LNG Facility Charges, Electricity Charges, premiums and LNG Spot Charges for 2018 and beyond	(1) (c) Where on January 1 of a given year each of the aggregate prorated daily Contract Demand for all Customers and the Available LNG Capacity is at least 100,000 Gigajoules per day, the following base charges apply for that year:	(1) (c) Where on January 1 of a given year each of the aggregate prorated daily Contract Demand for all Customers and the Available LNG Capacity is at least 100,000 Gigajoules per day, the following base charges apply for that year:
		LNG Facility Charge \$2.00/GJ	LNG Facility Charge \$2.00/GJ
		Electricity Surcharge \$0.92/GJ	Electricity Surcharge \$0.92/GJ
		LNG Spot Charge \$3.17/GJ	LNG Spot Charge \$3.17/GJ

Rate Schedule 46 Reference Information and Amendments			
Section Number	Section Name	Existing Tariff Language	Amended Tariff Language
Page R-46.22 Table of Charges for LNG Service	Note 3. LNG Facility Charges, Electricity Charges, premiums and LNG Spot Charges for 2018 and beyond	<p>(2) The base charges shown in (1) above, which are presented in 2017 dollars, will be reset and adjusted annually as follows:</p> <p>(a) The LNG Facility Charge and all premium charges in (d) below shall be escalated annually at the greater of 2% or the British Columbia Consumer Price Index.</p>	<p>(2) The base charges shown in (1) above, which are presented in 2017 dollars, will be reset and adjusted annually as follows:</p> <p>(a) The LNG Facility Charge and all premium charges in (d) below shall be escalated annually at the greater of 2% or the British Columbia Consumer Price Index.</p>
Page R-46.23 Table of Charges for LNG Service	Note 3. LNG Facility Charges, Electricity Charges, premiums and LNG Spot Charges for 2018 and beyond	<p>(d) Where each of the aggregate prorated daily Contract Demand for all Customers and the Available LNG Capacity is at least 35,000 Gigajoules per day:</p> <p>i. Customers with a daily prorated Contract Demand of less than 5,000 GJ/day shall pay a premium of \$0.15/GJ;</p> <p>ii. Customers with a Contract Term of less than 10 years shall pay a premium of \$0.28/GJ; and</p> <p>iii. Customers with a daily prorated Contract Demand of less than 5,000 GJ/day and a Contract Term of less than 10 years shall pay a premium of \$0.43/GJ.</p>	<p>(d) Where each of the aggregate prorated daily Contract Demand for all Customers and the Available LNG Capacity is at least 35,000 Gigajoules per day:</p> <p>i. Customers with a daily prorated Contract Demand of less than 5,000 GJ/day shall pay a premium of \$0.15/GJ;</p> <p>ii. Customers with a Contract Term of less than 10 years shall pay a premium of \$0.28/GJ; and</p> <p>iii. Customers with a daily prorated Contract Demand of less than 5,000 GJ/day and a Contract Term of less than 10 years shall pay a premium of \$0.43/GJ.</p>