



ORDER NUMBER
G-85-17

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

and

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

BEFORE:

W. M. Everett, QC, Commissioner
K. A. Keilty, Commissioner
B. A. Magnan, Commissioner

on May 25, 2017

ORDER

WHEREAS:

- A. On April 10, 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 for amending the Capital Rate from \$1.78 per GJ to \$2.697 per GJ as established in the amending agreements, executed on January 10, 2017 (Third Amending Agreement) and March 23, 2017 (Fourth 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);
- 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 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;
- G. On January 27, 2017, FEI applied to the Commission, pursuant to sections 59 to 61 and 89 of the UCA, for interim and permanent approval of the Third Amending Agreement to the Permanent Refueling Agreement for LNG service at the Vedder Fueling Station, effective on January 27, 2017 (Third Amending Agreement Application). FEI also requested that the Commission keep confidential the live financial model provided in Appendix B of the Third Amending Agreement Application due to its commercially sensitive nature;
- H. On February 27, 2017, Order G-24-17A approved the amended Capital Rate established in the Third Amending Agreement to the Permanent Refueling Agreement between Vedder and FEI on an interim basis, effective on January 27, 2017. The order also approved FEI's request to hold confidential the live financial model in Confidential Appendix B; and
- I. The Commission has reviewed the Application and determines the rates should be approved.

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

1. The amendment of the Capital Rate from \$1.78 per GJ to \$2.697 per GJ as established in the amending agreements, executed on January 10, 2017 (Third Amending Agreement) and March 23, 2017 (Fourth Amending Agreement) to the Liquefied Natural Gas Fueling Station Installation and Operation Agreement between Vedder Transport Ltd. and FortisBC Energy Inc. is approved on a permanent basis, effective on January 27, 2017.
2. FortisBC Energy Inc. is directed to file the Third and Fourth Amending Agreements 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 29th day of May 2017.

BY ORDER

Original signed by:

W. M. Everett, QC
Commissioner