



ORDER NUMBER
G-93-17

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

and

FortisBC Energy Inc.
Utilities Commission Act Section 71 Filing – Biomethane Purchase Agreement
Between FortisBC Energy Inc. and the City of Surrey
British Columbia Utilities Commission Order E-3-16
Compliance Filing – Monthly Facilities Fee Status Update

BEFORE:

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

on June 15, 2017

ORDER

WHEREAS:

- A. On May 29, 2017, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (Commission), pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA), for interim approval of the Monthly Facilities Fee of \$12,325, effective July 1, 2017 (Application);
- B. On November 24, 2015, FEI filed with the Commission an application under section 71 of the UCA for acceptance of an executed Biomethane Purchase Agreement between FEI and the City of Surrey dated September 16, 2015 (Agreement) and also under sections 59 to 61 of the UCA for approval of a Monthly Facilities Fee as set forth in Schedule D of the Agreement;
- C. The Monthly Facilities Fee is designed to recover the operation and administration of the Agreement and the actual costs associated with the design, construction, operation, and maintenance of the FEI facilities on Surrey's land (Interconnection Facilities). The Interconnection Facilities will monitor the quantity and quality of the biomethane delivered from Surrey's biofuel processing facility to FEI's distribution system;
- D. On January 19, 2016, FEI filed with the Commission, on a non-confidential basis, an Amending Agreement with the City of Surrey dated January 19, 2016, which contained three changes to the Agreement, as set out in FEI's covering letter to its Information Request Response No. 1 (collectively the Amended Agreement);

- E. On February 29, 2016, under sections 59 to 61 of the UCA, Commission Order E-3-16, Directive 2, approved the Monthly Facilities Fee in the Amended Agreement and directed FEI to file the final Monthly Facilities Fee amount, within 30 days of when the actual initial capital costs and project development costs are known. FEI was also directed to file a status update on the final Monthly Facilities Fee, if the actual costs are not available for filing on or before December 31, 2016;
- F. On December 13, 2016, FEI filed a letter, stating that the Monthly Facilities Fee has not been finalized, because the Surrey Biofuel Facility was not complete and the final project capital costs were not yet known. FEI also stated that it would either provide actual final costs on May 30, 2017 or provide an update as to when the actual costs would be finalized;
- G. On May 29, 2017, FEI filed a status update, advising the Commission that the capital costs used to determine the Monthly Facilities Fee will not be available until several months after the July 2017 in-service date of the Interconnection Facility; and
- H. The Commission reviewed FEI's Application and finds that approval of the Application is warranted.

NOW THEREFORE the British Columbia Utilities Commission, pursuant to sections 59 to 61 and section 89 of the *Utilities Commission Act*, orders as follows:

1. The Monthly Facilities Fee of \$12,325 per month is approved on an interim basis, effective July 1, 2017.
2. Any variance between the interim rate and the permanent rate as determined by the Commission is subject to refund/recovery, with interest at the average prime rate of FortisBC Energy Inc.'s principal bank for its most recent year.
3. FortisBC Energy Inc. is directed to file an application for permanent rates, effective on July 1, 2017, on or before December 31, 2017.

DATED at the City of Vancouver, in the Province of British Columbia, this 15th day of June 2017.

BY ORDER

Original signed by:

D. M. Morton
Commissioner