



ORDER NUMBER
G-136-17

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

and

FortisBC Energy Inc.

Application for Approval of Amended Rates for Compressed Natural Gas Fueling Service between the Central Okanagan School District No. 23 and FortisBC Energy Inc. for the 2017 Fueling Station Expansion and Amending Agreement No. 3 for the Fueling Station under FortisBC Energy Inc.'s General Terms and Conditions Section 12B

BEFORE:

K. A. Keilty, Commissioner
B. A. Magnan, Commissioner

on August 30, 2017

ORDER

WHEREAS:

- A. On August 29, 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, of the amended rates established in the third amending agreement (Amending Agreement No. 3) to the Fueling Station Licence and Operation Agreement with Central Okanagan School District No. 23 (KSD) under FEI's Revised General Terms and Conditions (GT&C) 12B for Compressed Natural Gas (CNG) service (Original Agreement) effective September 1, 2017 (Application). FEI also requests that the Commission keep confidential the live financial model provided in Appendix C of the Application;
- B. On February 7, 2012, Order G-14-12 approved FEI's Revised GT&C 12B;
- C. On July 12, 2013, FEI applied to the Commission, pursuant to sections 59 to 61 of the UCA, for approval of the rate design and rates established in the Original Agreement;
- D. On September 30, 2013 Order G-158-13 approved, on a permanent basis, the rate design and rates established in the Original Agreement, as amended by the responses to the Information Request process and by Order G-158-13, effective September 1, 2013;
- E. On February 5, 2014, FEI and KSD entered into an amending agreement to the Original Agreement, effective September 1, 2013, to include a revised Capital Rate as well as the addition of an OH&M charge in accordance with Directive 1 of Order G-158-13;
- F. On January 30, 2017, FEI and KSD entered into a second amending agreement (Amending Agreement No. 2) to the Original Agreement, which contemplated a capital expansion of the KSD Fueling Station at an

estimated capital cost of \$120,000, an amended Capital and O&M rate of \$7.646/GJ and \$3.337/GJ, respectively and an increase in the annual take-or-pay volume commitment for CNG fueling service (Minimum Quantity) to 6,460 GJ/year;

- G. On July 14, 2017, FEI and KSD entered into Amending Agreement No. 3 to reflect the total actual capital cost of the expansion of the KSD Fueling Station of \$87,188, an amended Capital and O&M rate of \$6.696/GJ and \$3.418/GJ, respectively, and an increase in the Minimum Quantity to 7,000 GJ/year;
- H. In the Application, FEI submitted that FEI and KSD will enter into a fourth amending agreement (Amending Agreement No. 4) to the Original Agreement to amend the language in section 7.1(b) in September of 2017;
- I. 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 UCA, the Commission orders as follows:

- 1. The amended rates established in Amending Agreement No. 3 are approved on an interim basis, effective September 1, 2017.
- 2. The live financial model provided in Confidential Appendix C of the Application will be kept confidential due to its commercially sensitive nature.
- 3. FEI is directed to refund/recover the variance between the interim rates and the permanent rates, as determined by the Commission following final determination of the Application, with interest calculated at the average prime rate of FEI's principal bank for its most recent year.
- 4. FEI is directed to file Amending Agreement No. 2 in tariff supplement form within 30 days of the date of this order.
- 5. FEI is directed to file Amending Agreement No. 3 in tariff supplement form for endorsement by the Commission within 30 days of the date of this order.
- 6. FEI is directed to file Amending Agreement No. 4 in tariff supplement form for endorsement by the Commission on a timely basis.

DATED at the City of Vancouver, in the Province of British Columbia, this 5th day of September 2017.

BY ORDER

Original signed by:

K. A. Keilty
Commissioner