



**ORDER NUMBER**  
**G-148-17**

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

and

FortisBC Energy Inc.  
Application for Approval of Tariff Supplement No. K-1  
Biomethane Long Term Large Volume Interruptible Sales Agreement between  
the University of British Columbia and FortisBC Energy Inc.

**BEFORE:**

H. G. Harowitz, Commissioner/Panel Chair  
B. A. Magnan, Commissioner  
W. M. Everett, QC, Commissioner

on September 28, 2017

**ORDER**

**WHEREAS:**

- A. On September 14, 2017, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (Commission), pursuant to sections 59 to 61 and section 89 of the *Utilities Commission Act* (UCA), for interim and permanent approval and endorsement of a Rate Schedule 11B Tariff Supplement No. K-1, a Biomethane Long Term Large Volume Interruptible Sales Agreement (Tariff Supplement No. K-1), effective October 1, 2017 (Application), filed as Appendix A of the Application;
- B. By Order G-133-16 and the accompanying Reasons for Decision regarding the FEI Application for Approval of Biomethane Energy Recovery Charge (BERC) Rate Methodology (BERC Methodology Decision) dated August 12, 2016, the Commission approved the following:
  - i. a premium of \$7 per gigajoule (GJ) above the Conventional Gas Cost (defined as the sum of the Commodity Cost Recovery Charge, the carbon tax and any other taxes applicable to conventional natural gas sales) as the Short Term BERC Rate;
  - ii. the Long Term BERC Rate set at the greater of \$10 per GJ, and a \$1 per GJ discount to the Short Term BERC Rate, subject to certain conditions set out in Directive 2 of Order G-133-16;
- C. The BERC Methodology Decision also stipulated that approval of the specific terms will be on a contract-by-contract basis as FEI executes each contract and files it as a tariff supplement for approval as a rate as required under sections 59 to 61 of the UCA;
- D. In its Application, FEI submits that Tariff Supplement No. K-1, negotiated and entered into by FEI and the University of British Columbia (UBC) on September 13, 2017, has an effective date noted on the agreement

of July 1, 2017. However, due to the length of time required for UBC to execute the agreement, FEI is seeking interim and permanent approval for the rate, effective October 1, 2017; and

- E. The Commission has commenced review of the Application and determines that the requested interim rates should be approved.

**NOW THEREFORE** pursuant to section 89 of the *Utilities Commission Act*, the Commission orders as follows:

1. The rates established in Rate Schedule 11B Tariff Supplement No. K-1 Biomethane Long Term Volume Interruptible Sales Agreement between FEI and UBC, of \$10.00/GJ is approved on an interim basis, effective October 1, 2017.
2. The manner by which any variance between the interim rate and the approved permanent tariff supplement would be refunded or collected, including any interest, will be determined at the time the Commission renders its decision on the Application.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 28<sup>th</sup> day of September 2017.

BY ORDER

*Original signed by:*

H. G. Harowitz  
Commissioner