



ORDER NUMBER
G-195-17

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

and

FortisBC Energy Inc.

Application for Approval of Rates and Contract for Constructing and Operating a Compressed Natural Gas Fueling Station under the Province's Greenhouse Gas Reduction (Clean Energy) Regulation for United Parcel Service Canada Ltd.

BEFORE:

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

on December 20, 2017

ORDER

WHEREAS:

- A. On December 12, 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 approval of the rates established in the Fueling Equipment Licence and Use Agreement between FEI and United Parcel Service Canada Ltd. (UPS) (UPS Agreement) on an interim basis, effective January 5, 2018 (Application);
- B. FEI also requests that the Commission keep confidential the live financial model in Confidential Appendix D as it is the result of significant development effort by FEI on behalf of its customers and therefore the formulas and configuration of the model are commercially sensitive;
- C. On April 11, 2013, the Commission issued Order G-56-13 accepting that the Greenhouse Gas Regulation (GGRR), established the need for Compressed Natural Gas (CNG) and Liquefied Natural Gas fueling stations that are undertaken by FEI as prescribed undertakings as defined by the GGRR, and that these prescribed undertaking projects are exempt from the Certificate of Public Convenience and Necessity requirements for the term of the GGRR;
- D. On November 27, 2013, the Lieutenant Governor in Council issued Order in Council No. 556 amending the GGRR. The GGRR was further amended by Orders in Council No. 297 and No. 609, dated June 3, 2015 and August 19, 2016, respectively;
- E. On January 5, 2017, FEI and UPS entered into the UPS Agreement which established the terms, conditions and rates for UPS to receive CNG fueling service from the CNG station located at the Vancouver International Airport in Richmond, British Columbia (UPS Fueling Station).

- F. The UPS Agreement is subject to a written lease agreement (Consent Agreement) between UPS and the Vancouver International Airport Authority. On February 27, 2017, the UPS Agreement was amended to extend the receipt date of the Consent Agreement (Amending Letter Agreement). The executed Consent Agreement was provided to FEI on March 15, 2017;
- G. The expected in-service date of the UPS Fueling Station is anticipated to be January 5, 2018; and
- H. The Commission has reviewed the Application and determines that 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 rates established in the UPS Agreement are approved on an interim basis, effective January 5, 2018.
2. The live financial model provided in Confidential Appendix D of the Application will be kept confidential.
3. FEI is directed to file an application seeking permanent rates, effective January 5, 2018, upon the determination of the actual capital expenditures for the UPS Fueling Station.
4. FEI is directed to refund to/recover from UPS the variance between the interim rates and the permanent rates, as determined by the Commission following the final determination of the application to be filed by FEI seeking permanent rates, with interest calculated at the average prime rate of FEI's principal bank for its most recent year.
5. FEI is to file the UPS Agreement and the Amending Letter Agreement 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 20th day of December 2017.

BY ORDER

Original signed by:

W.M. Everett, QC
Commissioner