



**ORDER NUMBER
G-74-18**

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 Agreements No. 3 to No. 5 for the Fueling Station under
FortisBC Energy Inc.'s General Terms and Conditions Section 12B

BEFORE:

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

on April 12, 2018

ORDER

WHEREAS:

- A. On August 29, 2017, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (BCUC), 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 BCUC 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 BCUC, 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 and September 1, 2017, FEI and KSD entered into a third and fourth amending agreement (Amending Agreements No. 3 and No. 4) to the Original Agreement, respectively, 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. On February 7, 2018, FEI and KSD entered into a fifth amending agreement (Amending Agreement No. 5) to the Original Agreement, which corrects the O&M escalator and the expiry date of the initial term of the Original Agreement to properly reflect the approvals granted by the BCUC in Order G-158-13. Amending Agreement No. 5, retroactive to September 1, 2013, corrects the O&M escalator from Vancouver Consumer Price Index (CPI) to British Columbia CPI and corrects the expiry of the initial term of the Original Agreement from August 31, 2026 to August 31, 2028;
- I. On August 30, 2017, Order G-136-17 approved the rates established in Amending Agreement No. 3 on an interim and refundable basis, effective September 1, 2017; and
- J. The BCUC has now completed its review of the Application and Amending Agreements No. 3 to No. 5 and determines that permanent rates should be approved.

NOW THEREFORE pursuant to sections 59 to 61 of the UCA, the BCUC orders as follows:

1. The amended rates established in Amending Agreements No. 3 and No. 4 and as calculated in accordance with Amending Agreement No. 5 are approved on a permanent basis, effective September 1, 2017.
2. Amending Agreement No. 5 is accepted in accordance with the original approvals granted by Order G-158-13, correcting the following in the Original Agreement:
 - a. The O&M escalator is corrected to British Columbia CPI; and
 - b. The expiry date of the initial term of the Original Agreement is corrected to August 31, 2028.
3. The live financial model provided in Confidential Appendix C of the Application be kept confidential due to its commercially sensitive nature.
4. FEI is directed to refund/recover the variance between the interim rates and the permanent rates, and any variance resulting from the correction of the O&M escalator to British Columbia CPI, with interest calculated at the average prime rate of FEI's principal bank for its most recent year.

DATED at the City of Vancouver, in the Province of British Columbia, this 12th day of April 2018.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner