



ORDER NUMBER
G-182-18

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

and

FortisBC Energy Inc.
Application for Approval of Tariff Supplement No. K-2
Biomethane Long Term Large Volume Interruptible Sales Agreement between
the City of Vancouver and FortisBC Energy Inc.

BEFORE:

K. A. Keilty, Commissioner

on September 26, 2018

ORDER

WHEREAS:

- A. On August 10, 2018, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (BCUC), pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA), for permanent approval and endorsement of a Rate Schedule 11B Tariff Supplement No. K-2, a Biomethane Long Term Large Volume Interruptible Sales Agreement between the City of Vancouver (GOV) and FEI (Tariff Supplement No. K-2), effective October 1, 2018 (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 BCUC 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-2, negotiated and entered into by FEI and the COV on July 30, 2018, has a commencement date being the later of October 1, 2018, and the date that is accepted for filing by the BCUC. However, should the BCUC be unable to complete its review and issue a decision on this Application in time for the October 1, 2018 commencement date, FEI requested, pursuant to section 89 of the UCA, interim approval of the COV Biomethane LTSA, effective October 1, 2018; and

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

NOW THEREFORE pursuant to section 89 of the UCA, the BCUC orders as follows:

1. The rates established in Rate Schedule 11B Tariff Supplement No. K-2 Biomethane Long Term Volume Interruptible Sales Agreement between FEI and COV, of \$10.00/GJ is approved on an interim basis, effective October 1, 2018.
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 BCUC renders its decision on the Application.

DATED at the City of Vancouver, in the Province of British Columbia, this 26th day of September 2018.

BY ORDER

Original signed by:

K. A. Keilty
Commissioner