



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-187-13**

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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

an Application by FortisBC Energy (Vancouver Island) Inc.
for Approval of Rate Design and Rates
for Constructing and Operating a Compressed Natural Gas Refueling Station
under the Greenhouse Gas Reduction Regulation for Cold Star Freight Systems Inc.

BEFORE: L.A. O'Hara, Commissioner

November 19, 2013

ORDER

WHEREAS:

- A. On April 11, 2013, the British Columbia Utilities Commission (Commission) issued Order G-56-13, exempting Compressed Natural Gas (CNG) and Liquefied Natural Gas (LNG) fueling stations undertaken as prescribed undertakings by FortisBC Energy Inc. (FEI) under the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR) from the Certification of Public Convenience and Necessity requirements for the term of the GGRR;
- B. Order G-56-13 also states that the Commission will set rates considering FEI's total expenditures on the prescribed undertakings, but confirms that the Commission's role does not include whether FEI ought to have negotiated different terms and conditions for those agreements with CNG or LNG fueling station customers;
- C. On May 14, 2013, the Commission issued Order G-78-13, setting \$0.52 per GJ as the overhead and marketing charge allocated to CNG and LNG fueling station customers. On July 31, 2013, the Commission issued Order G-113-13, directing that the overhead and marketing charge is not to be inflated by British Columbia Consumer Price Index;
- D. On June 17, 2013, FortisBC Energy (Vancouver Island) Inc. (FEVI) applied for approval of the same regulatory accounting and rate treatment methodology for prescribed undertakings with respect to CNG refueling stations and LNG fueling stations under section 2(2) and section 2(3) of the GGRR, as it was approved for FEI in Orders G-161-12 and G-56-13;
- E. On June 27, 2013, by Order G-101-13 the Commission accepted FEVI's June 17, 2013 filing, providing the same conditions as in Order G-56-13;

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- F. On September 19, 2013, FEVI applied to the Commission, pursuant to sections 59 to 61 of the *Utilities Commission Act*, for approval of rate design and rates established in the Fueling Station Licence and Use Agreement with Cold Star Freight Systems Inc. (Cold Star) for CNG service (Application);
- G. The Application requests a rate design methodology for a multi-year rate process, with annual adjustments of two percent for the capital rate and by the British Columbia Consumer Price Index for the operating and maintenance rate, such that, once the methodology is approved by the Commission, FEVI will not be applying for approval of the annual rate changes over the term of the agreement with the specific customer; and
- H. The Commission has reviewed and considered the Application, including the responses to an Information Request.

NOW THEREFORE, pursuant to sections 59 to 61 of the *Utilities Commission Act*, the Commission orders as follows:

1. The rate design and rates established in the Fueling Services Agreement with Cold Star Freight Systems Inc. (Cold Star) for Compressed Natural Gas (CNG) fueling station service are approved effective the in-service date of the CNG fueling station, which is anticipated to be December 2013.
2. FortisBC Energy (Vancouver Island) Inc. (FEVI) must file on a timely basis the Cold Star Agreement, including any Amending Agreement, in Tariff Supplement form for endorsement by the Commission.
3. FEVI must submit a compliance filing to the Commission by March 1 of each year until the end of all CNG and Liquefied Natural Gas Agreements in the same manner as outlined in Order G-158-13. Each annual compliance filing by FEVI is to be filed in the FEVI Tariff binder.

DATED at the City of Vancouver, In the Province of British Columbia, this 19th day of November, 2013.

BY ORDER

Original signed by:

L.A. O'Hara,
Commissioner