



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-49-14**

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

and

FortisBC Energy (Vancouver Island) Inc.
Application for Approval of Tariff Supplement No. 4 Amended Storage and Delivery Agreements
Effective April 1, 2012 and April 1, 2013 between
FortisBC Energy (Vancouver Island) Inc. and FortisBC Energy Inc.

BEFORE: L.F. Kelsey, Commissioner
C.A. Brown, Commissioner
N.E. MacMurchy, Commissioner March 27, 2014
B.A. Magnan, Commissioner
D.M. Morton, Commissioner
R.D. Revel, Commissioner
C. van Wermeskerken, Commissioner

O R D E R

WHEREAS:

- A. Order C-9-07 contained as directive 5: "The Storage and Delivery Agreement in the TGVI Application is approved pursuant to Section 61 of the Act for TGVI and pursuant to Section 71 of the Act for TGI, subject to the filing of the Agreement in fully executed form with amendments necessary to give effect to an Agreement that does not include provisions establishing rates, as contemplated in the Agreement in Section 13 and Schedule A. The amendments are to provide for the filing from time to time of a rate schedule to be approved by the Commission";
- B. By Order G-161-11 on September 22, 2011, the British Columbia Utilities Commission (Commission) approved the rates in Schedule A of Tariff Supplement No. 4, effective April 1, 2011. After the first year, FortisBC Energy (Vancouver Island) Inc.'s (FEVI) Tariff Supplement No. 4 Schedule A should have been updated on an annual basis to reflect changes to British Columbia Hydro and Power Authority RS 1823 (B);
- C. On July 17, 2013, FEVI filed an application for approval of Amended Storage and Delivery Agreements (SDA) between FEVI and FortisBC Energy Inc. (FEI) to set new Commodity rates effective April 1, 2012 and April 1, 2013;
- D. On September 9, 2013, the Commission issued Information Request No. 1 (BCUC IR-1) to FEVI, and on October 11, 2013, FEVI provided responses to BCUC IR-1. On December 2, 2013, the Commission issued BCUC IR-2 to FEVI, and on December 19, 2013, FEVI provided responses to BCUC IR-2. On January 31, 2014, the Commission issued BCUC IR-3 to FEVI, and on March 7, 2014, FEVI provided responses to BCUC IR-3;
- E. The Commission reviewed and considered the Application, including the responses to the information requests, and determines the commodity rates require setting effective April 1, 2012 and April 1, 2013; and

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- F. The range of liquefaction factors reviewed in the Application and Information Requests range from 9.866 kWh/GJ to 12.558 kWh/GJ, and a three year average of 10.269 kWh/GJ. The vapourization factor as a percentage of liquefaction, in the Application, ranges from 12.2 percent to 14.0 percent, with a three year average of 13.1 percent.

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

1. The Liquefaction Commodity Charge, for April 1, 2012 and April 1, 2013, must be calculated using a liquefaction factor of 10.269 kWh/GJ.
2. The Vapourization Commodity Charge, for April 1, 2012 and April 1, 2013, must be calculated as 13.1 percent of the Liquefaction Commodity Charge.
3. The following rates are approved for FortisBC Energy (Vancouver Island) Inc. (FEVI) effective April 1, 2012, using the factors in items 1 and 2 above, for Schedule A of Tariff Supplement No. 4:

Vapourization Commodity Charge	\$0.0461 per GJ
Liquefaction Commodity Charge	\$0.3516 per GJ

4. The following rates are approved for FEVI effective April 1, 2013, using the factors in items 1 and 2 above, for Schedule A of Tariff Supplement No. 4:

Vapourization Commodity Charge	\$0.0526 per GJ
Liquefaction Commodity Charge	\$0.4015 per GJ

5. FEVI must file for Commission approval and endorsement the tariff pages for Tariff Supplement No. 4, the second revision of Page 18 effective April 1, 2012, and the third revision of Page 18 effective April 1, 2013, within 30 days of the date of this Order.
6. FEVI must make appropriate adjustments to the billings to FortisBC Energy Inc. since April 1, 2012.
7. FEVI must use the factor of 10.269 kWh/GJ for liquefaction, with the vapourization commodity rate being 13.1 percent of the liquefaction commodity rate, when it makes an application for commodity rates effective April 1, 2014.

DATED at the City of Vancouver, In the Province of British Columbia, this 27th day of March 2014.

BY ORDER
Original Signed by:

D.M. Morton
Commissioner