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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-111-14**

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

and

FortisBC Energy Inc.
Request for Transfer to the Natural Gas Class of Service

BEFORE: L.F. Kelsey, Commissioner
H.G. Harowitz, Commissioner
K.A. Keilty, Commissioner
I.F. MacPhail, Commissioner
B.A. Magnan, Commissioner
D.M. Morton, Commissioner

August 7, 2014

O R D E R

WHEREAS:

- A. On April 30, 2012, the British Columbia Utilities Commission (Commission) issued Order C-6-12 and the accompanying Reasons for Decision granting a Certificate of Public Convenience and Necessity (CPCN) to FortisBC Energy Inc. (FEI) for constructing and operating a Compressed Natural Gas (CNG) refueling station at BFI Canada Inc. (BFI). Directive 3. of Order C-6-12 directed FEI to establish two new service classes, one for CNG service and one for Liquefied Natural Gas (LNG) service;
- B. On May 14, 2012, the Lieutenant Governor in Council approved the Greenhouse Gas Reduction (Clean Energy) Regulation, B.C. Reg. 102/2012 (GGRR);
- C. On October 17, 2012, the Commission issued Order G-150-12, which varied Directive 3. of Order C-6-12 to instead state that "FEI is directed to establish a new class of service for CNG service on an interim basis pending the outcome of the [Inquiry into the Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives (AES Inquiry)]." Orders C-6-12 and G-150-12 are collectively referred to as the BFI Decision;
- D. On December 27, 2012, the Commission issued its Report on the AES Inquiry (AES Inquiry Report). With respect to the appropriate class of service for CNG and LNG activities, the AES Inquiry Report stated the following:
 - CNG activities done under the Prescribed Undertaking should be structured as a separate class of service with the costs to be recovered from the traditional gas utility ratepayers, to the prescribed limit.
 - LNG Activities which are done as a Prescribed Undertaking under the Greenhouse Gas Reduction Regulation are to be maintained as a separate class of service with the costs recoverable from the traditional gas utility ratepayers, to the prescribed limit.

Regarding the class of service for the CNG refueling station at BFI, the AES Inquiry Report stated that "[t]he Panel does not see this report as directing any change to the [BFI Decision]";

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E. Following the BFI Decision and the AES Inquiry Report, FEI reclassified its existing CNG and LNG stations into the following four classes of service:

- Non-GGRR CNG Stations;
- Non-GGRR LNG Stations;
- GGRR CNG Stations; and
- GGRR LNG Stations;

F. On November 28, 2013, the Lieutenant Governor in Council approved Special Direction No. 5 to the Commission, B.C. Reg. 245/2013, relating to FEI's LNG and CNG services. Special Direction No. 5 states, amongst other things, that the Commission must "treat CNG service and LNG service, and all costs and revenues related to those services, as part of the utility's natural gas class of service";

G. On January 30, 2014, FEI filed an application with the Commission requesting, amongst other things, the following approvals in accordance with Special Direction No. 5:

- The transfer of the service provided to BFI from the Non-GGRR CNG Stations class of service to the natural gas class of service; and
- The transfer of the service provided to Smithrite Disposal Ltd. from the GGRR CNG Stations class of service to the natural Gas class of service (FEI Application).

Currently, FEI submits that the fueling station service to BFI is the only service included in the Non-GGRR CNG Stations class or service and the fueling station service to Smithrite is the only service in the GGRR CNG Stations class of service;

H. The Commission has reviewed the FEI Application and Special Direction No. 5 and considers that approval is warranted.

NOW THEREFORE pursuant to section 60 of the *Utilities Commission Act* the British Columbia Utilities Commission orders as follows:

1. The transfer of the service provided by FortisBC Energy Inc. to BFI Canada Inc. from the Non-GGRR CNG Stations class of service to the natural gas class of service is approved.
2. The transfer of the service provided by FortisBC Energy Inc. to Smithrite Disposal Ltd. from the GGRR CNG Stations class of service to the natural gas class of service is approved.
3. The following classes of service are Closed effective the date of this Order: Non-GGRR CNG Stations; Non-GGRR LNG Stations; GGRR CNG Stations; and GGRR LNG Stations.

DATED at the City of Vancouver, in the Province of British Columbia, this 8th day of 2014.

BY ORDER

Original signed by:

D.M. Morton
Commissioner