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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-39-13**

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

and

FortisBC Energy Inc.
Application for Reconsideration of British Columbia Utilities Commission Order G-29-13
in the Matter of Biomethane Service Offering:
Post Implementation Report and Application for Approval
of the Continuation and Modification of the Biomethane Program on a Permanent Basis

BEFORE: D.M. Morton, Panel Chair/Commissioner
D.A. Cote, Commissioner March 18, 2013
L.A. O'Hara, Commissioner
C. van Wermeskerken, Commissioner

O R D E R

WHEREAS:

- A. On December 19, 2012, FortisBC Energy Inc. (FEI) filed an application with the British Columbia Utilities Commission (Commission) seeking approvals for the continuation of the Biomethane Program on a permanent basis with certain modifications (the 2012 Biomethane Application);
- B. In the 2012 Biomethane Application, in addition to a number of other approvals, FEI seeks acceptance, pursuant to section 71 of the *Utilities Commission Act (the Act)*, of four Biomethane Purchase Agreements between FEI and the following suppliers (the Four Biomethane Suppliers):
 - EarthRenu Energy Corp. (Earth Renu),
 - Greater Vancouver Sewerage and Drainage District (GVS&DD),
 - Seabreeze Farm Ltd. (Seabreeze), and
 - Dicklands Farms (Dicklands);
- C. FEI also seeks acceptance, pursuant to section 44.2 of the *Act*, of the capital costs related to the facilities required for the four biomethane supply projects as described in Section 7 of the 2012 Biomethane Application;
- D. On January 8, 2013, by Order G-1-13, the Commission issued a Preliminary Regulatory Timetable establishing a Workshop on the Post-Implementation Report and a Procedural Conference. The Workshop was held on January 17, 2013 and the Procedural Conference was held on January 22, 2013;

- E. On February 5, 2013, the Commission issued Order G-18-13 that established a Regulatory Timetable and provided an opportunity for FEI, Interveners and other stakeholders to make comments on a number of issues regarding the biomethane suppliers regulatory process;
- F. Submissions from Interveners and other stakeholders on the issues regarding to the biomethane suppliers regulatory process were received from B.C. Pensioners' and Seniors' Organization *et al.*, B.C. Sustainable Energy Association, Commercial Energy Consumers Association, Dicklands, Earth Renu, GVS&DD, Paradigm Environmental Technologies Inc., Seabreeze and FEI;
- G. The Commission reviewed the submissions regarding the biomethane suppliers regulatory process and on February 18, 2013, issued Commission Order G-29-13. In Order G-29-13, the Commission determined that the supply cap set in Commission Order G-194-10 would be increased by an amount sufficient to accommodate the supply from the four new biomethane suppliers provided FEI confirmed to the Commission by March 6, 2013 that the natural gas non-bypass customers bear no actual or potential risk for unsold biomethane pending the outcome of the 2012 Biomethane Application;
- H. On March 6, 2013, FEI filed its response to Commission Order G-29-13, stating FEI would not assume the economic risk for the unsold biomethane from the four new supply contracts over the lives of the contracts. FEI further requested that the Commission reconsider the need for FEI to assume this risk;
- I. The Commission issued Letter L-14-13 dated March 11, 2013, and noted that FEI had not fully elaborated on its reasons for a reconsideration in its March 6, 2013 response. However, in order to accommodate the timelines of the third party biomethane suppliers, the Commission acknowledged it would proceed directly to Phase 2 of the reconsideration provided FEI filed a fulsome amended reconsideration application by March 15, 2013, and the application included all necessary evidence required in Phase 2 of a reconsideration;
- J. The Commission also determined that if the conditions set out in Order G-29-13 were satisfied, Registered Interveners, Registered Interested Parties, and the Four Biomethane Suppliers in the 2012 Biomethane Application proceeding would be eligible to be Participants in the reconsideration proceeding;
- K. FEI submitted its Application for Reconsideration of Commission Order G-29-13 (Reconsideration Application) on March 15, 2013;
- L. The Commission reviewed the Reconsideration Application, determined that the criteria set out in Letter L-14-13 were satisfied and deems there to be just cause that the Reconsideration Application proceed to Phase 2 where the Commission will hear written submissions on the merits of the Reconsideration Application.

NOW THEREFORE the Commission orders as follows:

1. The Reconsideration Application will proceed to Phase 2.
2. FEI's Reconsideration Application is to be considered as FEI's submission in Phase 2 of the Reconsideration Application proceeding.
3. Registered Interveners, Registered Interested Parties, and the four Biomethane Suppliers in the 2012 Biomethane Application proceeding are eligible to be Participants in the reconsideration proceeding.

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4. Participants wishing to provide comments on the FEI Reconsideration Application, specifically comments on the merits of the Reconsideration Application and why the original decision set out in G-29-13 should or should not be varied or overturned, are to provide written submission to the Commission by Thursday, March 21, 2013, with copies to FEI, Registered Interveners, Registered Interested Parties and the Four Biomethane Suppliers.
5. FEI may respond to the submissions of Participants by submitting its written reply submission to the Commission by Tuesday, March 26, 2013.

DATED at the City of Vancouver, in the Province of British Columbia, this 18th day of March 2013.

BY ORDER

Original signed by:

D.M. Morton
Panel Chair/Commissioner