



ORDER NUMBER
G-54-19

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

and

FortisBC Energy Inc.
Application for Approval of Rates and Agreement for Compressed Natural Gas (CNG) Fueling Service
from FortisBC Energy Inc.'s CNG Fueling Station in Kamloops, BC for the City of Kamloops

BEFORE:

W. M. Everett, QC, Panel Chair
B. A. Magnan, Commissioner

on March 14, 2019

ORDER

WHEREAS:

- A. On August 31, 2018, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (BCUC) pursuant to sections 59 to 61 and 89 of the *Utilities Commission Act* (UCA), for approval of the rates established in the fueling services agreement between FEI and the City of Kamloops (City of Kamloops Agreement), on an interim and permanent basis effective September 1, 2018 (Application). FEI's Application also seeks an order that the BCUC keep confidential the live financial model provided in Appendix C of the Application;
- B. In the Application and clarified in response to the BCUC's staff questions, FEI submits that it intends to correct the commencement date in the City of Kamloops Agreement (Amended Agreement) once the BCUC has made a final determination to the Application.
- C. On April 11, 2013, the BCUC issued Order G-56-13 exempting CNG and Liquefied Natural Gas (LNG) fueling stations undertaken as prescribed undertakings by FEI under the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR) from the Certificate of Public Convenience and Necessity requirements for the term of the GGRR. The BCUC determined that it would set rates considering FEI's total expenditures on the fueling station for the prescribed undertaking;
- D. While the Kamloops CNG Station was not constructed as a prescribed undertaking under the GGRR, in the Application FEI proposes rates based on the actual capital expenditure on the fueling station, consistent with the determination made in Order G-56-13;
- E. Construction of the CNG station located at FEI's operations centre in Kamloops, BC (Kamloops CNG Station) was undertaken by FEI in 2017. The capital expenditure was part of the formula capital under FEI's Multi-Year Performance Based Ratemaking Plan for 2014-2019 and was placed into rates effective January 1, 2018 by Order G-196-17;

- F. On July 30, 2018, FEI and the City of Kamloops entered into the City of Kamloops Agreement which establishes rates for the City of Kamloops to receive CNG fueling service from the Kamloops CNG Station;
- G. On September 27, 2018, the BCUC issued Order G-187-18 approving the rates established in the City of Kamloops Agreement on an interim and refundable basis, effective September 1, 2018; and
- H. The BCUC has completed its review of the Application and the responses to the BCUC's staff questions, and finds that approval is warranted.

NOW THEREFORE pursuant to sections 59 to 61 of the UCA, the BCUC orders as follows:

- 1. The rate design and rates established in the City of Kamloops Agreement are approved, on a permanent basis, effective September 1, 2018.
- 2. The live financial model provided in Confidential Appendix C of the Application will be kept confidential due to its commercially sensitive nature.
- 3. FEI is to file the City of Kamloops Agreement and the Amended Agreement in tariff supplement form for endorsement by the BCUC within 30 days of the date of this order.
- 4. FEI must include in its annual compliance filing to the BCUC, directed by directive 4 of Order G-158-13, the following:
 - a. A summary of the fueling station agreements for the Kamloops CNG Station and any other CNG or LNG fueling station that FEI constructs to primarily support FEI's internal operations. The summary must include the same detail of information for each fueling station agreement as directed by directive 4 of Order G-158-13; and
 - b. The details of any CNG or LNG fueling station that FEI is contemplating to construct or have begun constructing that are primarily intended to support FEI's internal operations. The details must include the following:
 - i. The location of the station;
 - ii. The anticipated capital cost of the station; and
 - iii. The alternatives to constructing the station that FEI has considered.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of March 2019.

BY ORDER

Original signed by:

W. M. Everett, QC
Commissioner