



ORDER NUMBER
G-238-19

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

and

FortisBC Energy Inc.

Application for Approval of Rates and Agreement for Constructing and Operating a Compressed Natural Gas Fueling Station under the Province's Greenhouse Gas Reduction (Clean Energy) Regulation for Fresh Direct Produce Ltd. in Vancouver, British Columbia

BEFORE:

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

October 1, 2019

ORDER

WHEREAS:

- A. On July 19, 2019, 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 Equipment Licence and Use Agreement between FEI and Fresh Direct Produce Ltd. (Fresh Direct) (Fresh Direct Agreement) on an interim basis, effective November 1, 2019 (Application);
- B. FEI requests the live financial model filed as Appendix B to the Application be held confidential on the basis it is the result of significant development effort by FEI on behalf of its customers and therefore the formulas and configuration of the model are commercially sensitive;
- C. On April 11, 2013, the BCUC issued Order G-56-13 accepting that the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR) established the need for Compressed Natural Gas (CNG) and Liquefied Natural Gas (LNG) fueling stations that are undertaken by FEI, as prescribed undertakings as defined by the GGRR, and that these prescribed undertaking projects are exempt from the Certificate of Public Convenience and Necessity requirements for the term of the GGRR;
- D. BCUC Order G-56-13 also states that the BCUC will set rates considering FEI's total expenditures on the prescribed undertakings, but confirms that the BCUC'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;
- E. On May 17, 2019, FEI and Fresh Direct entered into the Fresh Direct Agreement which established the terms, conditions and rates for Fresh Direct to receive CNG fueling service from the CNG station located on Fresh Direct's property in Vancouver, British Columbia (Fresh Direct Fueling Station);
- F. The expected in-service date for the Fresh Direct Fueling Station is anticipated to be November 1, 2019; and

G. The BCUC has reviewed the Application and determines that the interim rates applied for are warranted.

NOW THEREFORE pursuant to sections 59 to 61 and 89 of the UCA, the BCUC orders as follows:

1. The rate design and rates established in the Fresh Direct Agreement are approved on an interim and refundable basis, effective November 1, 2019.
2. The live financial model filed as Appendix B to the Application will be kept confidential due to its commercially sensitive nature.
3. FEI is directed to file an application seeking permanent rates, upon the determination of the actual capital expenditures for the Fresh Direct Fueling Station.
4. FEI is directed to refund to/recover from Fresh Direct the variance between the interim rates and the permanent rates, as determined by the BCUC following the final determination of the application to be filed by FEI seeking permanent rates, with interest calculated at the average prime rate of FEI's principal bank for its most recent year.
5. FEI is to file the Fresh Direct Agreement in tariff supplement form for endorsement by the BCUC within 30 days of the date of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 1st day of October 2019.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner