



ORDER NUMBER
G-299-19

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 (CNG) Fueling Station under the Province's Greenhouse Gas Reduction (Clean Energy) Regulation for London Drugs Limited and for Approval of Rates and Agreement for CNG Fueling Service from the CNG Fueling Station located at FortisBC Energy Inc.'s Burnaby Operations Facility in Burnaby, BC, for London Drugs Limited

BEFORE:

B.A. Magnan, Commissioner
W.M. Everett, QC, Commissioner
R. I. Mason, Commissioner

November 25, 2019

ORDER

WHEREAS:

- A. On October 31, 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 following:
 - i. The rates established in the Fueling Equipment Licence and Use Agreement between FEI and London Drugs Limited (London Drugs) dated September 12, 2019 (London Drugs Agreement) on an interim basis, effective January 1, 2020, and
 - ii. The rates established in the Fueling Services Agreement between FEI and London Drugs dated October 18, 2019 (London Drugs Burnaby Agreement), on an interim and permanent 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 that 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 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 June 22, 2016, by Order G-96-16, the BCUC found that the CNG station located on FEI's property in Burnaby, British Columbia (Burnaby Operations Fueling Station) met the requirements for a prescribed undertaking as defined by the GGRR;
- F. On September 12, 2019, FEI and London Drugs entered into the London Drugs Agreement, which established the terms and conditions for London Drugs to receive CNG fueling service from the CNG station location on London Drugs' property in Richmond, British Columbia (London Drugs Fueling Station). The expected in-service date for the London Drugs Fueling Station is January 1, 2020;
- G. On October 18, 2019, FEI and London Drugs entered into the London Drugs Burnaby Agreement, which established the terms and conditions for London Drugs to receive CNG fueling service from the Burnaby Operations Fueling Station. The Burnaby Operations Fueling station will provide fueling services to London Drugs prior to the in-service date of the London Drugs Fueling Station, and after which, will provide supplementary fueling services to London Drugs; and
- H. The BCUC has reviewed the Application and finds that the London Drugs Fueling Station meets the requirements for a prescribed undertaking as defined by the GGRR and that approval of rates is 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 London Drugs Agreement are approved on an interim and refundable basis, effective January 1, 2020.
2. The rates established in the London Drugs Burnaby Agreement are approved on a permanent basis, effective November 1, 2019.
3. The live financial model filed as Appendix B to the Application will be kept confidential due to its commercially sensitive nature.
4. FEI is directed to file an application seeking permanent rates, upon the determination of the actual capital expenditures for the London Drugs Fueling Station.
5. FEI is directed to refund to/recover from London Drugs 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 for London Drugs to receive CNG fueling service from the London Drugs Fueling Station, with interest calculated at the average prime rate of FEI's principal bank for its most recent year.
6. FEI is to file the London Drugs Agreement and the London Drugs Burnaby 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 25th day of November 2019.

BY ORDER

Original Signed By:

B.A. Magnan
Commissioner