



**ORDER NUMBER
G-230-21**

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

and

FortisBC Energy Inc.

Application for Approval of Rates and Agreements for Constructing and Operating a Liquefied Natural Gas
Fueling Station under the Province's Greenhouse Gas Reduction (Clean Energy) Regulation
for Vedder Transport Ltd. and Ken Johnson Trucking Ltd. in Port Kells, BC

BEFORE:

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

on July 28, 2021

ORDER

WHEREAS:

- A. On June 8, 2021, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (BCUC), pursuant to sections 59 to 61 and section 89 of the *Utilities Commission Act* (UCA), for approval of rates established in separate Fueling Services Agreements between Vedder Transport Ltd. (Vedder) and FEI (Vedder Agreement) and Ken Johnson Trucking Ltd. (Ken Johnson) and FEI (Ken Johnson Agreement), on an interim basis effective June 8, 2021 (Application);
- B. FEI requests that the live financial model filed as Appendix D 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. On May 5, 2021, FEI and Pacific Coast Heavy Truck Group (Pacific Coast) entered into a Fueling Equipment Licence Agreement (Pacific Coast Host Agreement) for access and use of a portion of Pacific Coast's land located in Port Kells in Langley, BC, to establish an LNG fueling station (Port Kells Fueling Station);
- E. On June 7, 2021, FEI and Vedder entered into the Vedder Agreement and FEI and Ken Johnson entered into the Ken Johnson Agreement each of which established the terms, conditions and rates for Vedder and Ken Johnson, respectively, to receive fueling service from the Port Kells Fueling Station;

- F. The expected in-service date for the Port Kells Fueling Station is anticipated to be June 8, 2021;
- G. On June 24, 2021, BCUC staff issued questions to FEI and on July 12, 2021, FEI responded; and
- H. The BCUC has reviewed the Application and the responses to BCUC staff's questions and determines that the Port Kells Fueling Station meets the requirements for a prescribed undertaking as defined by the GGRR and 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 Vedder Agreement and the Ken Johnson Agreement are approved on an interim and refundable basis, effective June 8, 2021.
2. FEI is directed to file an application seeking permanent rates, upon the determination of the actual capital expenditures for the Port Kells Fueling Station.
3. FEI is directed to file an amended Vedder Agreement that includes a Spot Charge for years four and five of the agreement when seeking permanent rates.
4. FEI is directed to refund to/recover from Vedder and Ken Johnson the variance between the interim rates and the permanent rates, as determined by the BCUC following the final determination of 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 Vedder Agreement and the Ken Johnson Agreement in tariff supplement form for endorsement by the BCUC within 15 days of the date of this order.
6. The live financial model provided in Appendix D of the Application will be kept confidential due to its commercially sensitive nature.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of July 2021.

BY ORDER

Original signed by:

W. M. Everett, QC
Commissioner