



**ORDER NUMBER
G-238-21**

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

and

FortisBC Energy Inc.

Application for Approval of Permanent Rates and Agreement for Constructing and Operating a Compressed Natural Gas Fueling Station under the Province's Greenhouse Gas Reduction (Clean Energy) Regulation for London Drugs Limited

BEFORE:

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

on August 10, 2021

ORDER

WHEREAS:

- A. On June 10, 2021, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (BCUC), pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA), for approval of the rate design and rates, on a permanent basis effective January 1, 2020, established in the Fueling Equipment Licence and Use Agreement between FEI and London Drugs Ltd. (London Drugs) (London Drugs Agreement) and an amending agreement dated May 10, 2021 to the London Drugs Agreement (Amending Agreement No. 1) (Application);
- B. FEI requests that 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 September 12, 2019, FEI and London Drugs entered into the London Drugs Agreement, which established the rate design and rates for London Drugs to receive CNG fueling service from the CNG station located on London Drugs' property in Richmond, British Columbia (London Drugs Fueling Station);

- F. By Order G-299-19, dated November 25, 2019, the BCUC approved the rate design and rates for London Drugs to receive CNG fueling service at the London Drugs Fueling Station on an interim and refundable basis effective January 1, 2020, and directed FEI to file an application seeking permanent rates upon determination of the actual capital expenditures for the London Drugs Fueling Station;
- G. On May 10, 2021, FEI entered into Amending Agreement No. 1 with London Drugs to revise the Capital Rate to take into account the final capital expenditures for the London Drugs Fueling Station;
- H. On July 5, 2021, BCUC staff issued questions to FEI, and FEI responded on July 19, 2021. BCUC staff issued follow-up questions to FEI on July 27, 2021, and FEI responded on August 3, 2021; and
- I. The BCUC has completed its review of the Application and evidence filed in the proceeding, 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 London Drugs Agreement and Amending Agreement No. 1 are approved on a permanent basis, effective January 1, 2020.
- 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 refund to or recover from London Drugs any variance between the interim and permanent rates with interest calculated at the average prime rate of FEI's principal bank for its most recent year.
- 4. FEI is to file the London Drugs Agreement and Amending Agreement No. 1 in tariff supplement form for endorsement by the BCUC within 15 days of the date of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 10th day of August 2021.

BY ORDER

Original signed by:

W. M. Everett, QC
Commissioner