



ORDER NUMBER
G-279-22

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 McRae's Environmental Services Ltd. in Richmond, BC

BEFORE:

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

on October 7, 2022

ORDER

WHEREAS:

- A. On July 28, 2022, 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 rate design and rates established in the Fueling Equipment License and Use Agreement with McRae's Environmental Ltd. (McRae's) (McRae's Agreement) on an interim refundable/recoverable basis, effective January 1, 2023 (Application). In the Application FEI states that the fuelling station located on McRae's property in Richmond, BC (McRae's Fuelling Station) is undertaken by FEI as a prescribed undertaking under the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR);
- B. FEI requests that the live financial model filed as Appendix D to the Application be held on a confidential basis as 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 GGRR established the need for Compressed Natural Gas (CNG) and Liquefied Natural Gas fuelling stations that are undertaken by FEI as prescribed undertakings as defined by the GGRR, and that these prescribed undertakings are exempt from the Certificate of Public Convenience and Necessity (CPCN) requirements for the term of the GGRR;
- D. On March 31, 2022, FEI entered into the McRae's Agreement which enables FEI to construct and operate the McRae's Fuelling Station and establishes the terms, conditions and rates for McRae's to receive CNG fuelling service from the McRae's Fuelling Station;
- E. On August 30, 2022, BCUC staff issued questions to FEI and on September 9, 2022 FEI responded, whereby it confirmed that the binding commitment with McRae's was entered on March 31, 2022, and not before

March 31, 2022 as required by the GGRR. FEI submits that if the BCUC is unable to determine that the agreement is a prescribed undertaking under the GGRR, FEI continues to request that the BCUC approve the McRae's Agreement on an interim basis pursuant to section 59 to 61 of the UCA and requests that the BCUC grant a CPCN for the construction of the station pursuant to section 45 and 46 of the UCA;

- F. The BCUC has reviewed the Application and FEI's responses to staff questions and determines that the McRae's Fuelling Station does not qualify as a prescribed undertaking as defined by the GGRR and therefore considers that a regulatory timetable is warranted to review whether a CPCN should be granted and whether FEI's proposed interim rates should be approved.

NOW THEREFORE the BCUC orders as follows:

1. A regulatory timetable as set out in Appendix A to this order is established for the review of the Application.
2. FEI is directed to file the supplemental information as outlined in Appendix B to this order by November 30, 2022.
3. The live financial model filed as Appendix D to the Application will remain confidential unless the BCUC orders otherwise due to its commercially sensitive nature.

DATED at the City of Vancouver, in the Province of British Columbia, this 7th day of October 2022.

BY ORDER

Original signed by:

W. M. Everett, KC
Commissioner

Attachments

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REGULATORY TIMETABLE

Action	Date (2022)
FEI to file Supplemental Information	Wednesday, November 30
Further process	To be determined

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SUPPLEMENTAL INFORMATION

1. Please provide the information outlined in the British Columbia Utilities Commission (BCUC) 2015 Certificate of Public Convenience and Necessity (CPCN) Application Guidelines, attached as Appendix A to Order G-20-15 or an explanation of any variances from the CPCN Application Guidelines.
2. Please discuss if and how FortisBC Energy Inc. (FEI) intends to meet the requirements of Section 12B of its General Terms and Conditions (GT&C 12B) with respect to the recovery of the cost of service and the rates established in the Fueling Equipment License and Use Agreement with McRae's Environmental Ltd. (McRae's) (McRae's Agreement). As part of the response, please specify whether FEI intends to amend the McRae's Agreement to comply with the GT&C 12B and the expected timeline of the amendment(s). If not, please explain why the McRae's Agreement does not need to comply with the GT&C 12B.
3. On December 27, 2012, the BCUC issued Order G-201-12 and its report on the Inquiry into the Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives (AES Inquiry Report). With consideration for the BCUC's determinations and findings in Section 3.3 of the AES Inquiry Report, please discuss whether FEI should be providing fuelling services at the McRae's Fuelling Station as a regulated or unregulated business.
4. Please discuss the applicability of Section 3 of Direction No. 5 to the BCUC¹ to FEI's request for a CPCN and whether that section has any implications on the BCUC's jurisdiction with respect to the BCUC's review of the McRae's Agreement or on FEI providing fuelling services at the McRae's Fuelling Station as a regulated or unregulated business.

¹ [Direction No. 5 to the British Columbia Utilities Commission \(gov.bc.ca\)](https://www.gov.bc.ca/energy/consultation/direction-no-5-to-the-bcuc/)