



**ORDER NUMBER
G-299-22**

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

and

FortisBC Energy Inc.
Transportation Service Report

BEFORE:

A. K. Fung, KC, Panel Chair
M. Kresivo, KC, Commissioner
T. A. Loski, Commissioner

on October 25, 2022

ORDER

WHEREAS:

- A. On June 15, 2022, FortisBC Energy Inc. (FEI) filed with the British Columbia Utilities Commission (BCUC) its Transportation Service Report (Report) pursuant to BCUC Decisions and Orders G-135-18 and G-210-20;
- B. In the Report, among other things, FEI reviews 29 specific requests made by shipper agents during stakeholder engagement sessions for changes to FEI's Transportation Service model; however, FEI concludes that the Transportation Service balancing rules are generally working as intended and proposes to make only two of those requested changes;
- C. By Order G-135-18 dated July 20, 2018, the BCUC, among other things, approved adjustments to FEI's Transportation Service model which included daily balancing for all transportation customers, reduced daily balancing tolerance thresholds and the introduction of a balancing charge of \$0.25 per gigajoule for transportation customers for gas supply shortfalls within a 10 to 20 percent tolerance level;
- D. Order G-135-18 noted that the effectiveness of the approved balancing changes, any adverse impacts and any need for further changes should be reviewed by the BCUC once there had been sufficient experience with the new balancing rules. The BCUC directed FEI to file the Report, which was to include discussion of the following:
 - Impact of new balancing rules on the use of core resources including both changes to variable costs of balancing the system to accommodate transportation service and changes to fixed costs arising from a need to contract midstream resources differently;
 - Effectiveness of imbalance return as a tool for Shippers/Shipper Agents to manage excess inventory including discussion of any modifications made to the allocation methodology in response to changes in demand for imbalance return after the balancing rule changes are implemented;
 - Whether there should be further tightening of tolerances for under-supply;

- Whether it is necessary to implement tolerances and associated charges for over-supply; and
 - Whether the balancing charges appropriately recover the costs of providing balancing to transportation service customers and provide sufficient incentive to transportation service customers to balance their supply and demand.
- E. By Order G-210-20 dated August 10, 2020, in response to a 2019 complaint filed by Cascadia Energy Ltd., Direct Energy Marketing Limited and Access Gas Services Inc. regarding FEI's administration of Rate Schedules 22, 23, 25 and 27 related to transportation customer service (Complaint), the BCUC directed FEI to engage in stakeholder review with all shipper agents and to include results of that review in the Report to be filed. FEI was directed to include the following topics in the stakeholder review and Report:
- a) Nature, timing and adequacy of information provided to shipper agents to manage gas supply resources;
 - b) Administration of inter-customer group balancing and transparency of inter-customer group balancing rules; and
 - c) FEI's criteria for curtailment of inventory returns to shipper agents.
- F. By Order G-209-22 dated July 25, 2022, and as amended by Order G-262-22 dated September 16, 2022, the BCUC established a written hearing process and regulatory timetable to review the Report. The timetable included intervenor registration and one round of BCUC and intervenor information requests (IRs), a deadline for letters of comment, and further process to be determined;
- G. Direct Energy Marketing Limited and the Commercial Energy Consumers of British Columbia registered as interveners;
- H. By October 6, 2022, the BCUC had received FEI's responses to BCUC and intervenor IRs and had not received any letters of comment by the deadline set out in the regulatory timetable; and
- I. The BCUC has reviewed the evidence and submissions to date and determines that proceeding to final argument is warranted.

NOW THEREFORE a further regulatory timetable is established as set out in Appendix A to this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 25th day of October 2022.

BY ORDER

Original signed by:

A. K. Fung, KC
Commissioner

Attachment

FortisBC Energy Inc.
Transportation Service Report

REGULATORY TIMETABLE

Action	Date (2022)
FEI Written Final Argument	Wednesday, November 16
Intervener Written Final Arguments	Wednesday, November 30
FEI Written Reply Argument	Wednesday, December 14