



Seaspan Ferries Corporation
7700 Hopcott Road
Delta, BC V4G 1B6
Canada

(604) 940-7228
(604) 940-7236 fax
www.seaspan.com

July 12, 2019

BY E-FILING

British Columbia Utilities Commission

Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Attention: Patrick Wruck, Commission Secretary

**Re: FortisBC Energy Inc. (FEI) Application for Approval of Tariff Changes to Rate Schedule (RS) 46 – Seaspan Ferries Corporation (Seaspan)
Seaspan submission for Discussion at July 16 Workshop**

Dear Sir:

Seaspan plans to participate in the July 16, 2019 workshop related to changes in the Rate Schedule 46 LNG tariff. To facilitate constructive discussion at the workshop, we have prepared a summary of our views relative to the proposed changes and the responses FortisBC Energy Inc. has provided in its letter of May 30, 2019, which addressed issues raised in Seaspan's letter of comment dated May 23, 2019. This submission is intended to identify common ground and to highlight remaining areas for discussion.

Item (i) - Remedying the self-supply threshold issue identified in the Commission's Information Requests (IRs) by lowering the opt-out threshold

FEI has suggested that the self-supply threshold in Rate 46 be amended to 182,500 GJ per year rather than 6,000 GJ/year suggested by Seaspan. Seaspan has no objection to the 182,500 GJ/yr limit suggested by FEI.

FEI also states:

“Various terms and conditions of service will need to be established for RS 46 customers selecting transportation service. For example, the requirement for customers (or their marketer) to provide the volume of gas required at the Huntingdon receipt point, the timing of liquefaction at the LNG facilities, and the management of balancing and inventory levels would need to be defined in terms and conditions in a tariff supplement between FEI and the RS 46 customer, if the customer qualifies for and chooses the transportation service option.”

Seaspan accepts FEI's need to establish a tariff supplement to address the details of commodity self-supply, but views it as very straightforward. We request that FEI implement the tariff supplement as soon as possible, to enable Seaspan to have the flexibility to consider contracting for self-supply prior to the 2020 gas supply year. As that year begins in November 2019, ideally the new tariff supplement would be operational by August 15, 2019 and filed with the Commission by the end of July as part of the conclusion of this process.



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Item (ii) - Retaining Sumas index based pricing as an option

FEI has suggested that there may be significant additional cost associated with maintaining the existing alternative for supply of commodity. Seaspan disagrees because it does not understand how retention of an existing alternative will create additional cost and we would like to explore this issue in more depth - - but this can occur after an initial tariff supplement is filed for use in the F2020 gas year.

If significant additional costs are involved for FEI we would accept FEI's suggestion to "...reduce the minimum volume requirement to elect the transportation service option in RS 46, which would allow RS 46 customers that meet the minimum volume requirement to purchase their own commodity..."

Item (iii) - A direction for FEI to report back to the Commission at the sooner of the next RS 46 tariff application, or 24 months, to provide additional information concerning the storage costs allocated to RS 46.

Seaspan accepts FEI's position that "An assessment of the continuing appropriateness for RS 46 of the RS 5 Storage and Transport Charge can be included in a future rate design process or at some future time when the volumes at Tilbury are fully contracted."

We thank you for the opportunity to provide this additional comment on the proposed changes to our contracted supply arrangements and we look forward to participating in the workshop.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Ian McIver', written over a white background.

Seaspan Ferries Corporation

Per: Ian McIver, Vice President

Cc: Doug Slater, Director Regulatory Affairs
FortisBC Energy Inc.
Gas.Regulatory.Affairs@fortisbc.com