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VIA ELECTRONIC FILING

83862/523

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Attention: Patrick Wruck
Commission Secretary

**Re: British Columbia Utilities Commission
An Inquiry into Gasoline and Diesel Prices in British Columbia
Project No. 1599007
Response to Information Request No. 1**

Dear Mr. Wruck:

We act on behalf of Suncor Energy ("**Suncor**") in respect of British Columbia Utilities Commission ("**BCUC**") Project No. 1599007: An Inquiry into Gasoline and Diesel Prices in British Columbia.

Enclosed please find Suncor's response to BCUC Information Request No. 1.

Should you have any questions or require any additional information, please do not hesitate to contact the undersigned.

Sincerely,



Terri-Lee Oleniuk

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Encl.

cc. Chris Hustwick, Director, Downstream Legal Affairs Canada, Suncor Energy



British Columbia Utilities Commission
An Inquiry into Gasoline and Diesel Prices in British Columbia

PANEL INFORMATION REQUEST NO. 1 TO SUNCOR ENERGY

**1.0 Reference: Exhibit C2-15, p. 3
Vancouver Wharves Terminal**

On page 3, Suncor Energy (Suncor) states:

Third parties, other than the Oil Companies, have invested in terminals in B.C. For example, the Vancouver Wharves Terminal was developed in 2009 and is owned by Kinder Morgan Canada and leased by Idemitsu. This terminal is located in North Vancouver and brings diesel and biodiesel into Western Canada.

1.1 Please confirm, or otherwise explain, that Vancouver Wharves Terminal facility capacity is contracted partially for import diesel volumes sold within BC and to non-industrial users.

1.1.1 If confirmed, please provide details of the import diesel volumes sold within BC and to non-industrial customers.

1.2 Please explain whether Vancouver Wharves Terminal is permitted to handle gasoline.

1.2.1 If so, please provide details of the import gasoline volumes sold within BC.

Response:

1.1 To the best of Suncor's knowledge, Vancouver Wharves Terminal facility capacity is contracted partially for import diesel volumes sold within B.C. Suncor does not know whether the facility capacity is contracted for non-industrial users.

1.1.1 Suncor believes that Idemitsu (for example), through its Vancouver Wharves Terminal facility, has domestic sales less than 75 million litres per year and thus is not considered a "Part 2 & Part 3 Fuel Supplier" as defined in the Renewable and Low Carbon Fuel Requirements Regulation. By not exceeding the Small Supplier Exemption's annual threshold, they are not required to comply with the B.C. Low Carbon Fuel Standard and therefore have a significant price advantage as compared to Oil Companies who are large suppliers and are obligated to comply.

1.2 No.

1.2.1 N/A.

**2.0 Reference: Exhibit C2-15, p. 3
Ashcroft Terminal**

On page 3, Suncor states:

A second example is the Ashcroft Terminal located near Kamloops which has supplemented interior B.C. demand for many customers, including parties other than the Oil Companies. This facility moves numerous products, including gasoline.

- 2.1 For the Ashcroft Terminal, please provide the following information:
- 2.1.1 Is it a Primary or Bulk Terminal? If the former, does it have blending capability?
 - 2.1.2 What is the capacity?
 - 2.1.3 When was it built?
 - 2.1.4 Who is the owner?
- 2.2 Please list the products, in addition to gasoline, that this facility handles.
- 2.2.1 Who owns the products moving through this facility?
 - 2.2.2 Where do the products come from?
 - 2.2.3 Please describe how products move through this facility.

Response:

- 2.1 Information about the Ashcroft Terminal in Ashcroft can be found at: www.ashcroftterminal.com.
- 2.1.1 Primary. Suncor believes it has some blending capabilities.
 - 2.1.2 6,500 rail cars annually.
 - 2.1.3 1997.
 - 2.1.4 It is privately owned. A recent press release suggests ownership is split 60/40 between PAS International, one of the world's biggest container port operators, and the Landucci Family (611216 B.C. Ltd), see: www.ashcroftterminal.com/news/psa-partners-with-ashcroft-terminal-to-provide-inland-terminal-services-in-canada. Additionally, the project was funded by the Asia-Pacific Gateway and Corridor Initiative (APGCI).
- 2.2 Ashcroft transloads chemicals, fuel, asphalt, and heavy oil.
- 2.2.1 Suncor does not have the requested information.
 - 2.2.2 The facility is connected to both CN and CP, so any production facility that has rail connectivity can provide product to this transloader.
 - 2.2.3 Transloading is done by moving a rail car filled with fuel onto a rail spur (off the mainline) and connecting it to a transloader that is also connected directly to a fuel truck. The transloader then pumps and meters the product from the railcar into the fuel truck. The process of transloading from a railcar to a fuel truck is similar to loading a fuel truck at a truck rack at a primary terminal or refinery.

Reference: Exhibit C2-15, p. 3
Transloading Facilities

On page 3, Suncor states:

In addition, in the last 10 years, with the addition of biofuels, the barriers of entry have also seemingly decreased with the presence of new transloading facilities across Canada. These transloading facilities have become a mainstay in the finished product industry and, although primarily used to support the biofuels industry, they are not restricted in doing so, as they often have the ability to move gasoline and diesel as well.

- 3.1 Please indicate how many transloading facilities exist across Canada and provide the breakdown by province and by owner.
- 3.2 If any such facility exists in BC, please describe how they support the movement of gasoline and diesel in BC.
- 3.3 Do the new transloading facilities in Canada have blending capabilities? Please explain.
- 3.4 Please explain the permitting process and the estimated capacity of these transloading facilities. How much volume (and in percentage of total demand) will these facilities serve in BC? Please provide supporting evidence.

Response:

- 3.1 There are, at minimum, 40 transloading facilities across Canada. Many of these facilities are owned by CN or CP, but there are other third-party owners as well. Information about CN Transloaders can be found at: <http://cnebusiness.geomappguide.ca/?map=TL&lang=en&P=cargoflo>. Information about CP Transloaders can be found at: www.cpr.ca/en/choose-rail/transload-trucking. Information about other third party transloading facilities in BC can be found at: www.bulktransporter.com/transload-directory/british-columbia.

In Ontario which, like B.C., is a net importer of refined product, transloader operators compete with the Oil Companies to supply refined product. By way of example, Greenergy owns a rail-to-road facility in Concord, just north of Toronto, which opened in 2015. Greenergy developed the terminal in partnership with CN, which acts as the facility's operator.¹ In less than four years, Greenergy has doubled the size of the facility.² Greenergy is also currently constructing a terminal at Johnstown, Ontario, which is due to be completed in the fall of 2019 – just over a year after Greenergy announced the project.³ There is no reason why Greenergy or another firm like it could not operate a transloader to service Greater Vancouver or other regions in B.C.

- 3.2 The process of transloading is described in our response to question 2.2.3, above. Transloading supports the movement of finished products in B.C. by allowing for finished products to be moved without having to go through a terminal. The product is moved by rail and then transferred to truck for further distribution. This can save the cost of terminalling refined

¹ Greenergy, "Greenergy announces innovative rail-to-road fuel supply location north of Toronto" (May 22, 2019), online: <https://www.greenergy.com/press/news/article3>.

Greenergy, "Greenergy announces major expansion to rail-to-road facility in Toronto" (August 9, 2017), online: <https://www.greenergy.com/press/release/article38>.

² Greenergy, "Supply infrastructure", online: <https://www.greenergy.com/canada/supply>.

³ Greenergy, "Greenergy expands Ontario fuel supply infrastructure" (July 9, 2018), online: <https://www.greenergy.com/press/release/article45>.

- products, particularly when the transloader is in close proximity to the end customer.
- 3.3 Suncor's understanding is that some transloaders have these capabilities.
 - 3.4 Suncor is not aware of the permitting process and is not familiar with the capacity of these facilities.