bcuc
British Columbia
Utilities Commission

Marija Tresoglavic
Acting Commission Secretary

Commission.Secretary@bcuc.com
bcuc.com

Suite 410, 900 Howe Street
Vancouver, BC Canada V6Z 2N3
P: 604.660.4700
TF: 1.800.663.1385
F: 604.660.1102

November 17, 2020

Sent via eFile

FEI – APPLICATION FOR AMENDMENTS TO RS 6P
EXHIBIT A-8

Ms. Roy
Vice President, Regulatory Affairs
FortisBC
16705 Fraser Highway
Surrey, BC V4N 0E8
gas.regulatory.affairs@fortisbc.com

Re: FortisBC Energy Inc. – Application for Approval of Amendments to the Rate Schedule 6P Tariff and Rates Effective July 31, 2020 – Suspension

Dear Ms. Roy:

Further to your July 9, 2020 above-noted application, enclosed please find British Columbia Utilities Commission Order G-294-20 suspending the review of the Application.

Sincerely,

Original Signed By:

Marija Tresoglavic
Acting Commission Secretary

/mp
Enclosure

bcuc
British Columbia
Utilities Commission

Suite 410, 900 Howe Street
Vancouver, BC Canada V6Z 2N3
bcuc.com

P: 604.660.4700
TF: 1.800.663.1385
F: 604.660.1102

ORDER NUMBER
G-294-20

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

and

FortisBC Energy Inc.
Application for Approval of Amendments to Rate Schedule 6P – Public Service – Natural Gas Refueling Service Tariff and Rates Effective July 31, 2020

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

on November 17, 2020

ORDER

WHEREAS:

A. On July 9, 2020, 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 amendments to Rate Schedule 6P – Public Service – Natural Gas Refueling Service (RS 6P), on an interim and permanent basis, effective July 31, 2020 (Application). Due to the nature of the service, FEI submits that it will not have the ability to refund or recover any differences between interim and permanent rates for public users;

B. On March 1, 2019, FEI and Environmental 360 Solutions Ltd. (E360S) entered into a Fueling Equipment Licence and Use Agreement (E360S Agreement) which established the terms, conditions and rates for E360S to receive Compressed Natural Gas (CNG) fueling service from the CNG station located on E360S's property in Kelowna, BC (E360S Fueling Station). On May 21, 2019, FEI and E360S entered into the Amending Agreement to the E360S Agreement that revised the rates based on the addition of a capital contribution from E360S and a third-party capital contribution from Natural Resources Canada (NRCan) (Amending Agreement No. 1);

C. By Order G-237-19 dated September 30, 2019, the BCUC determined that the E360S Fueling Station met the requirements for a prescribed undertaking as defined by the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR), and approved on an interim and refundable basis the rate design and rates established in the E360S Agreement and as amended by Amending Agreement No. 1, effective October 1, 2019. The Order also directed FEI to file an application seeking permanent rates, upon the determination of the actual capital expenditures for the E360S Fueling Station;

D. The requirements of the funding contribution agreement between NRCan and FEI for the E360S Fueling Station include that the fueling station accommodates public fueling service, effective July 31, 2020. In the Application, FEI proposes amendments to RS 6P to address this requirement, which include amendments to the table of charges to reflect the following:

i. Delivery margin and commodity-related charges for the E360S Fueling Station based on FEI's approved RS 5 charges consistent with the rate schedule the E360S Fueling Station is currently served under; and

ii. Station service-related charges based on the charges for the E360S Fueling Station currently approved by the BCUC on an interim basis by Order G-237-19. The station service-related charges will be updated from time to time to ensure that the current E360S Fueling Station rates, as approved by the BCUC, are reflected in the RS 6P public fueling rates for that station;

E. By Order G-195-20 dated July 21, 2020, the BCUC established a regulatory timetable for the review of the Application, which included one round of BCUC information requests (IR) and further process to be determined;

F. By Order G-199-20 dated July 23, 2020, the BCUC approved further amendments to the E360S Agreement (Amending Agreement No. 2) to enable public fueling service at the E360S Fueling Station pursuant to sections 59 to 61 and 89 of the UCA on an interim basis, effective July 31, 2020;

G. By Orders G-200-20, G236-20 and G-244-20, the BCUC continued and further amended the regulatory timetable for the review of the Application to include a second round of IRs and further process to be determined. Order G-200-20 also approved the proposed amendments and rates to RS 6P as set out in the Application on an interim and non-refundable basis, effective July 31, 2020; and

H. The BCUC has reviewed the responses provided by FEI to the second round of IRs, and finds that the review of the Application may be informed by information in the application that FEI has been directed to file with the BCUC seeking permanent rates between FEI and E360S for CNG fueling service from the E360S Fueling Station. In the interest of regulatory efficiency, the BCUC determines that suspending the regulatory process and timetable for the Application, pending the outcome of FEI's upcoming application seeking permanent rates between FEI and E360S for CNG fueling service from the E360S Fueling Station, is warranted.

NOW THEREFORE the BCUC orders as follows:

1. The BCUC review of the Application is suspended pending the outcome of FEI's upcoming application seeking permanent rates between FEI and E360S for CNG fueling service from the E360S Fueling Station.

2. FEI to include responses to the questions set out in Appendix A to this order when it files its application seeking permanent rates between FEI and E360S for CNG fueling service from the E360S Fueling Station.

DATED at the City of Vancouver, in the Province of British Columbia, this 17th day of November 2020.

BY ORDER

Original Signed By:

W. M. Everett, QC
Commissioner

Attachment

FortisBC Energy Inc.
Application for Approval of Amendments to Rate Schedule 6P – Public Service – Natural Gas Refueling Service
Tariff and Rates Effective July 31, 2020

---

1. Whether the Environmental 360 Solutions Ltd. (E360S) Fueling Station would meet the criteria set out in section 2(2)(c) of the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR) when revenues from all third party customers and public fueling customers are included in the calculation of the forecast payments to Natural Resources Canada (NRCan).
2. Whether the E360S Fueling Station would meet the criteria set out in section 2(2)(c) of the GGRR when the various charges that make up the dispensing rate of the station (e.g. Capital Rate, O&M Rate, OH&M Charge, Short Term Charge, Spot Charge and Host Fee) are considered under the following scenarios:
    a. The maximum volume of CNG that can be dispensed from the E360S Fueling Station is sold annually.
    b. The forecast volume of CNG sold equals the actual volume sold in 2020 increased annually by:
        - 10 percent of the previous year volume (i.e. forecast volume = previous year volume x 1.1) up to the maximum volume capacity of the station. For example, if 28,008 GJ was the actual volume sold in 2020, then the forecast volume sold would be 30,809 GJ for 2021, 33,890 GJ for 2022, 37,279 GJ for 2023, and so on, up to the maximum volume capacity of the station;
        - 20 percent of the previous year volume (i.e. forecast volume = previous year volume x 1.2) up to the maximum volume capacity of the station; and
        - 30 percent of the previous year volume (i.e. forecast volume = previous year volume x 1.3) up to the maximum volume capacity of the station.
3. Since E360S' minimum take-or-pay volume agreement with FEI does not recover 100 percent of the station's costs when any payments to NRCan are considered, would amending the agreement between FEI and E360S to include the amount of any payments to NRCan in the calculation of the unrecovered and un-depreciated capital or the rate in the renewal period result in this agreement being more consistent with FEI's other fueling agreements where the Host customer has signed a minimum take-or-pay volume agreement that recovers 100 percent of the station's cost over the contract term? Why or why not?
4. Whether amending the agreement between FEI and E360S to explicitly state that the unrecovered undepreciated capital cost of the station includes NRCan's contribution would reduce ambiguity in the buyout value. Why or why not?