



**RDER NUMBER
G-187-18**

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

and

FortisBC Energy Inc.

Application for Approval of Rates and Agreement for Compressed Natural Gas (CNG) Fueling Service from
FortisBC Energy Inc.'s CNG Fueling Station in Kamloops, BC for the City of Kamloops

BEFORE:

W. M. Everett, QC, Commissioner
B. A. Magnan, Commissioner

on September 27, 2018

ORDER

WHEREAS:

- A. On August 31, 2018, FortisBC Energy Inc. (FEI) filed an application with the British Columbia Utilities Commission (BCUC), pursuant to sections 59 to 61 and 89 of the *Utilities Commission Act* (UCA), for approval of the rates established in the fueling services agreement between FEI and the City of Kamloops (City of Kamloops Agreement) on an interim and permanent basis, effective September 1, 2018 (Application). FEI's Application also requests that the BCUC keeps confidential the live financial model provided in Appendix C of the Application;
- B. On April 11, 2013, the BCUC issued Order G-56-13, exempting CNG and Liquefied Natural Gas fueling stations undertaken as prescribed undertakings by FEI under the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR) from the Certificate of Public Convenience and Necessity requirements for the term of the GGRR and determined that the BCUC would set rates considering FEI's total expenditures on the fueling station for the prescribed undertaking;
- C. Construction of the CNG station located at FEI's operations centre in Kamloops, BC (Kamloops CNG Station) was undertaken by FEI in 2017. The capital expenditure was part of the formula capital under FEI's Multi-Year Performance Based Ratemaking Plan for 2014-2019, which was placed into rates effective January 1, 2018, by Order G-196-17;
- D. In the Application, while the Kamloops CNG Station was not constructed as a prescribed undertaking under the GGRR, FEI has proposed rates based on the actual capital expenditure on the fueling station, consistent with the determination made in Order G-56-13;

- E. On July 30, 2018, FEI and the City of Kamloops entered into the City of Kamloops Agreement which establishes rates for the City of Kamloops to receive CNG fueling service from the Kamloops CNG Station; and
- F. The BCUC has reviewed the Application and considers that rates should be approved on an interim basis.

NOW THEREFORE pursuant to sections 59 to 61 and 89 of the UCA, the BCUC orders as follows:

1. The rates established in the City of Kamloops Agreement are approved, on an interim basis, effective September 1, 2018.
2. The live financial model provided in Confidential Appendix C of the Application will be kept confidential due to its commercially sensitive nature.
3. FEI is directed to refund/recover from the City of Kamloops the variance between the interim rates and the permanent rates, following the final disposition of the Application, with interest calculated at the average prime rate of FEI's principal bank for its most recent year.
4. FEI is to file with the BCUC the City of Kamloops Agreement in tariff supplement form for endorsement within 30 days of the date of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 27th day of September 2018.

BY ORDER

Original Signed by:

W. M. Everett, QC
Commissioner