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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-113-13**

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**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and**

**An Application by FortisBC Energy Inc.
For Approval of Rate Design and Rates for Constructing and Operating a Compressed Natural Gas
Refueling Station under the Province's Greenhouse Gas Reduction Regulation for Smithrite Disposal Ltd.**

BEFORE: L.A. O'Hara, Commissioner July 31, 2013

ORDER

WHEREAS:

- A. On April 11, 2013, the British Columbia Utilities Commission (Commission) issued Order G-56-13 accepting that the Greenhouse Gas Reduction Regulation (GGRR) established the need for compressed natural gas (CNG) and liquefied natural gas (LNG) fueling stations that are undertaken by FortisBC Energy Inc. (FEI) as prescribed undertakings as defined by the GGRR, and that these prescribed undertaking projects are exempt from the Certification of Public Convenience and Necessity (CPCN) requirements for the term of the GGRR;
- B. Order G-56-13 also confirmed the Commission will set rates considering FEI's total expenditures on the prescribed undertakings, but will not consider whether FEI ought to have negotiated different terms and conditions for those agreements with CNG or LNG fueling station customers;
- C. On May 13, 2013, FEI applied to the Commission, pursuant to sections 59 to 61 of the *Utilities Commission Act* (the Act), for approval of rate design and rates established in the Fueling Station Licence and Use Agreement (Agreement) with Smithrite Disposal Ltd. (Smithrite), for CNG service (Application), on an interim basis, pending a decision on the proposed overhead and marketing charge with respect to Order G-150-12;
- D. On May 14, 2013, Order G-78-13 was issued with the finding that \$0.52 per GJ represents a reasonable allocation of the overhead and marketing costs to CNG and LNG customers. This Order also approved permanent rates for BFI Canada Inc. as set out in the Order G-150-12 Compliance Filing. As part of the Order G-150-12 Compliance Filing, FEI proposed to not inflate the overhead and marketing rate of \$0.52 per GJ as escalation was embedded in the calculation of that rate.
- E. The Commission has reviewed and considered the Application including the responses to Information Requests 1 and 2.

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NOW THEREFORE the Commission finds the Application will meet the Greenhouse Gas Reduction Regulation requirements as defined in Order G-56-13, and pursuant to Sections 59 to 61 of the Utilities Commission Act orders as follows:

1. FEI is to change the cost of service model and the Smithrite Agreement to eliminate British Columbia Consumer Price Index (BC CPI) escalation to the overhead and marketing charge to follow the FEI proposal in the Order G-150-12 Compliance Filing to not inflate the overhead and marketing rate of \$0.52 per GJ by BC CPI as escalation was embedded in the calculation of that rate.
2. The rate design and rates established in the Fueling Station Licence and Use Agreement with Smithrite for CNG Service are approved, as amended by the responses to the IR process and by this Order, effective the in-service date of the CNG fueling station.
3. FEI is to file the revised Smithrite Agreement in tariff supplement form on a timely basis for endorsement by the Commission.

DATED at the City of Vancouver, In the Province of British Columbia, this 31 day of July, 2013.

BY ORDER

Original Signed by:

L.A. O'Hara, Commissioner