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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-33-14**

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

and

Application by FortisBC Energy Inc.
for Approval of Rate Design and Rates for providing and operating a Liquefied Natural
Gas Mobile Refueling Station under the Province's Greenhouse Gas Reduction Regulation
for Arrow Transportation Systems Inc.

BEFORE: L.A. O'Hara, Commissioner

March 11, 2014

O R D E R

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 that 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 December 12, 2013, the Commission issued Order G-211-13 in response to OIC 557 which directed the Commission to set Rate Schedule 46 – LNG Sales, Dispensing and Transportation Service as a rate for FEI. Rate 46 contains the definition of "Tanker – means a cryogenic receptacle used for receiving, storing and transporting LNG, including without limitation, portable tankers, ISO containers, or other similar equipment";
- D. On December 13, 2013, FEI and Arrow Transportation Systems Inc. (Arrow) entered into a Mobile Re-Fueling Equipment Agreement (Agreement) that establishes terms and conditions for FEI's provision of the LNG fueling service (LNG Fueling Service);

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- E. On January 28, 2014, FEI applied to the Commission, pursuant to sections 59 to 61 of the *Utilities Commission Act* (Act), for approval of rate design and rates established in the Agreement (Application);
- F. On February 5, 2014, the Commission issued BCUC Information Request No. 1 to FEI, and on February 27, 2014, FEI provided responses to BCUC Information Request No. 1;
- G. The Commission reviewed and considered the Application and determines the rate design and rates should be approved.

NOW THEREFORE pursuant to Sections 59-61 of the *Utilities Commission Act*, the Commission orders as follows:

- 1. The rate design and rates established in the Mobile Re-Fueling Equipment Agreement with Arrow for LNG Fueling Service, including the Host Fee of \$1.50/GJ, are approved effective December 13, 2013.
- 2. The FortisBC Energy Inc. Rate 46 is varied to eliminate the “LNG Tanker Charge per Day or Partial Day” as related to the “Fueling Equipment” of the Arrow Agreement.
- 3. FEI is to file the Arrow 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 11th day of March, 2014.

BY ORDER

Original signed by:

L.A. O’Hara
Commissioner