



ORDER NUMBER
G-198-17

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

and

FortisBC Energy Inc.
Utilities Commission Act Section 71 Filing – Biomethane Purchase Agreement
Between FortisBC Energy Inc. and the City of Surrey
British Columbia Utilities Commission Order G-93-17
Compliance Filing – Monthly Facilities Fee Status Update

BEFORE:

D. M. Morton, Commissioner
D. J. Enns, Commissioner
W. M. Everett, Commissioner
M. Kresivo, Commissioner
B. A. Magnan, Commissioner
R. I. Mason, Commissioner

on December 21, 2017

ORDER

WHEREAS:

- A. On December 8, 2017, FortisBC Energy Inc. (FEI) filed with the British Columbia Utilities Commission (Commission) an application to extend the timeline to file an application for permanent rates of the Monthly Facilities Fee from December 31, 2017 to September 30, 2018 (Application);
- B. On November 24, 2015, FEI filed with the Commission an application under section 71 of the UCA for acceptance of an executed Biomethane Purchase Agreement between FEI and the City of Surrey dated September 16, 2015 (Agreement) and also under sections 59 to 61 of the *Utilities Commission Act* (UCA) for approval of a Monthly Facilities Fee as set forth in Schedule D of the Agreement;
- C. The Monthly Facility Fee is designed to recover the operation and administration of the Agreement and the actual costs associated with the design, construction, operation and maintenance of the FEI facilities on Surrey's land (Interconnection Facilities). The Interconnection Facilities will monitor the quantity and quality of the biomethane delivered from Surrey's biofuel processing facility (Surrey Biofuel Facility) to FEI's distribution system;
- D. On January 19, 2016, FEI filed with the Commission, on a non-confidential basis, an Amending Agreement with the City of Surrey dated January 19, 2016, which contained three changes to the Agreement, as set out in FEI's covering letter to its Information Request Response No. 1 (collectively the Amended Agreement);

- E. On February 29, 2016, under sections 59 to 61 of the UCA, Commission Order E-3-16, Directive 2, approved the Monthly Facilities Fee in the Amended Agreement and directed FEI to file the final Monthly Facilities Fee amount, within 30 days of when the actual initial capital costs and project development costs are known. FEI was also directed to file a status update on the final Monthly Facilities Fee if the actual costs are not available for filing on or before December 31, 2016;
- F. On December 13, 2016, FEI filed a letter stating that the Monthly Facilities Fee has not been finalized because the Surrey Biofuel Facility was not complete and the final project capital costs were not yet known. FEI also stated that it would either provide actual final costs on May 30, 2017, or provide an update as to when the actual costs would be finalized;
- G. On May 29, 2017, FEI applied to the Commission, pursuant to sections 59 to 61 of the UCA, for interim approval of the Monthly Facilities Fee of \$12,325, effective July 1, 2017. FEI stated that it had substantially completed construction of the Interconnection Facilities however, the final capital costs are not yet known and will not be finalized until several months after the expected July 2017 in-service date;
- H. On June 15, 2017, the Commission issued Order G-93-17, approving the Monthly Facilities Fee of \$12,325 per month on an interim basis and directed FEI to file an application for permanent rates, effective July 1, 2017, on or before December 31, 2017;
- I. FEI submits that construction of the Surrey Biofuel Facility has taken longer than originally anticipated due to some technical challenges which Surrey is managing, and the expected in-service date is now estimated to be March 1, 2018; and
- J. The Commission reviewed FEI's Application and has determined a variance to Directive 3 of Order G-93-17 is warranted.

NOW THEREFORE pursuant to section 77 of the *Utilities Commission Act*, the Commission approves FEI's Application to vary Directive 3 of Order G-93-17 and extend the timeline to file an application for permanent rates of the Monthly Facilities Fee from December 31, 2017 to September 30, 2018.

DATED at the City of Vancouver, in the Province of British Columbia, this 21st day of December 2017.

BY ORDER

Original signed by:

D. M. Morton
Commissioner