



ORDER NUMBER

P-1-18

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Kinder Morgan Canada (Jet Fuel) Inc.
2019 Tariff Filing Application

BEFORE:

B. A. Magnan, Commissioner

on December 14, 2018

ORDER

WHEREAS:

- A. On November 29, 2018, Kinder Morgan Canada (Jet Fuel) Inc. (KMJF) filed with the British Columbia Utilities Commission (BCUC) an application for approval of Tariff No. 40 (Toll), which extends the existing terms of service and tolls payable for the transportation of turbine fuel to the Vancouver International Airport (YVR) and the Burnaby Terminal (Application), effective January 1, 2019;
- B. The jet fuel transported to YVR is purchased by Vancouver Airport Fuel Facilities Corporation, which is owned by a consortium of airlines flying from YVR;
- C. The Application is filed pursuant to section 65 of the *Utilities Commission Act*, which requires tolls charged by common carriers to be filed with the BCUC;
- D. KMJF requests the BCUC approval of the Toll, which continues the Annual Revenues and Gather Line Fee calculated based on the existing toll methodology approved by the BCUC in Order P-5-09, issued December 16, 2009. The existing toll methodology fixes Annual Revenues based on an annual escalation of 2.5 percent per year;
- E. KMJF submits that discussions are currently underway with its shippers regarding final tolls and will continue these discussions in an effort to reach a negotiated agreement. Pending the outcome of such negotiations, KMJF requests approval of the interim Toll;
- F. On December 6, 2018, Air Canada and the Vancouver Airport Fuel Facilities Corporation notified the BCUC of their intentions to participate as stakeholders in the Application;
- G. The BCUC reviewed the Application and considers that approval of the interim Toll, from the period of January 1, 2019 to the earlier of December 31, 2019, or the parties reaching a mutual agreement, has merit as the fees are consistent with existing toll methodology for the Annual Revenues and Gathering Line Fee. Therefore, the BCUC considers the interim approval of the Toll is warranted; and

H. The BCUC acknowledges the potential effect of the interim Toll on stakeholders and, as such, finds that a written public submission process to continue the Annual Revenues and Gathering Line Fee is warranted.

NOW THEREFORE pursuant to section 65 and 89 of the *Utilities Commission Act*, the BCUC orders as follows:

1. The BCUC approves KMJF's Application on an interim basis effective January 1, 2019 to the earlier of December 31, 2019, or the parties reaching a mutual agreement.
2. A public written submission process and a regulatory timetable, attached as Appendix A to this order, are established to explore stakeholder submissions or other potential issues.
3. KMJF is to publish the Application, this order and regulatory timetable on its website and provide a copy of the Application and this order to all shippers by December 20, 2018.
4. All shippers are invited to provide written submissions on the merits of continuing the existing methodology for the Annual Revenues and Gathering Line Fee in the Application to the BCUC by the dates established in the regulatory timetable, attached as Appendix A to this order.
5. In the event that KMJF and its shippers finalize a toll agreement prior to the regulatory timetable outlined in Appendix A, KMJF will file the agreement with the BCUC.
6. Any variance between the interim toll and the permanent toll as determined by the BCUC may be subject to refund/recovery, with interest at the average prime rate of KMJF's principal bank for its most recent year.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of December 2018.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner

Attachment

Kinder Morgan Canada (Jet Fuel) Inc.
2019 Toll Filing Application

REGULATORY TIMETABLE

Action	Date (2018)
KMJF is to notify all affected shippers of this order	Thursday, December 20
BCUC Information Request (IR) No. 1 to KMJF	Friday, December 21
Action	Date (2019)
KMJF response to BCUC IR No. 1	Tuesday, January 8
Submissions from Stakeholders	Wednesday, January 9
KMJF response to Submissions	Wednesday, January 16
Further Process	To be determined