



**ORDER NUMBER
G-72-19**

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

and

FortisBC Energy Inc.

Application for Approval of Amended Rates Established in the Amending Agreement dated February 14, 2019 to the Fueling Station Agreement under the Greenhouse Gas Reduction (Clean Energy) Regulation between Fortis BC Energy Inc. and GFL Environmental Inc. 2018 (formerly Smithrite Disposal Ltd.)

BEFORE:

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

on April 1, 2019

ORDER

WHEREAS:

- A. On February 27, 2019, 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 interim and permanent approval of the amended rates established in the Amending Agreement dated February 14, 2019 (Amending Agreement No. 6) to the Fueling Station Licence and Use Agreement between FEI and GFL Environmental Inc. 2018 (GFL) (formerly Smithrite Disposal Ltd.) for Compressed Natural Gas (CNG) service at the GFL Fueling Station (GFL Agreement). Amending Agreement No. 6 amends the Operations & Maintenance (O&M) Rate and the rate applied to consumption in excess of the Minimum Monthly Quantity by eliminating the Excess Capital Rate, effective March 1, 2019 (Application);
- B. On April 11, 2013, the BCUC issued Order G-56-13 accepting that the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR) established the need for CNG and Liquefied Natural Gas (LNG) fueling stations that are undertaken by FEI as prescribed undertakings as defined by the GGRR, and that these prescribed undertaking projects are exempt from the Certificate of Public Convenience and Necessity requirements for the term of the GGRR;
- C. BCUC Order G-56-13 also states that the BCUC will set rates considering FEI's total expenditures on the prescribed undertakings, but confirms that the BCUC's role does not include whether FEI ought to have negotiated different terms and conditions for those agreements with CNG or LNG fueling station customers;
- D. By Order G-113-13 dated July 31, 2013, the BCUC approved, on a permanent basis, the rate design and rates established in the GFL Agreement as amended by Directives 1 and 2 and the amending agreement dated September 30, 2013 (Amending Agreement No. 1) to the GFL Agreement;

- E. By Order G-72-14 dated June 10, 2014, the BCUC approved the amended rates established in the amending agreement dated May 12, 2014 (Amending Agreement No. 2), to the GFL Agreement;
- F. On June 10, 2016, FEI and GFL entered into a third amending agreement to the GFL Agreement (Amending Agreement No. 3), which contemplated a capital expansion of the GFL Fueling Station at an estimated capital cost of \$333,841.50, an increase in the annual take-or-pay volume commitment for CNG fueling service and an amended capital rate due to the expansion and increased annual take-or-pay volume commitment by GFL;
- G. On November 30, 2016, FEI and GFL entered into a fourth amending agreement to the GFL Agreement (Amending Agreement No. 4), which reflected the revised estimated capital cost of the GFL expansion of \$390,000.00, plus Allowance for Funds Used During Construction (AFUDC) of \$8,825.00 for a total estimated capital cost of \$398,825.00;
- H. By Order G-58-17 dated April 25, 2017, the BCUC approved the amended rates established in the fifth amending agreement dated December 22, 2016 (Amending Agreement No. 5) to the GFL Agreement. Amending Agreement No. 5 reflected the final actual capital cost of the GFL expansion of \$389,866.32 (including AFUDC) which included the installation of 16 additional time-fill posts and associated infrastructure at the GFL Fueling Station, an increase to the annual take-or-pay commitment and an amendment to the capital rate; and
- I. The BCUC has commenced review of the Application and considers the approval of the rates on an interim basis is warranted.

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

- 1. The amended rates established in Amending Agreement No. 6 to the GFL Agreement are approved, on an interim basis, effective March 1, 2019.
- 2. FEI is directed to refund/recover from GFL the variance between the interim rates and the permanent rates, as determined by the BCUC following final disposition of the Application, with interest calculated at the average prime rate of FEI's principal bank for its most recent year.
- 3. FEI is to file with the BCUC Amending Agreement No. 6 to GFL 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 1st day of April 2019.

BY ORDER

Original Signed By:

W. M. Everett, QC
Commissioner