



bcuc
British Columbia
Utilities Commission

Patrick Wruck
Commission Secretary

Commission.Secretary@bcuc.com
bcuc.com

Suite 410, 900 Howe Street
Vancouver, BC Canada V6Z 2N3
P: 604.660.4700
TF: 1.800.663.1385
F: 604.660.1102

November 21, 2019

Via email

Letter L-55-19

Mr. Doug Slater
Director, Regulatory Affairs
FortisBC Energy Inc.
16705 Fraser Highway
Surrey, BC V4N 0E8
gas.regulatory.affairs@fortisbc.com

Re: FortisBC Energy Inc. – Application for Approval of Rates and Agreements for Constructing and Operating a Compressed Natural Gas Fueling Station under the Province’s Greenhouse Gas Reduction (Clean Energy) Regulation for ColdStar Solutions Inc. at Annacis Island, BC

Dear Mr. Slater:

On September 20, 2019, pursuant to sections 59 to 61 and section 89 of the *Utilities commission Act*, FortisBC Energy Inc. (FEI) filed with the British Columbia Commission (BCUC) for approval of the rates established in the Fueling Services Agreement between FEI and ColdStar Solutions Inc. (ColdStar) (ColdStar-Annacis-Langford Agreement), on an interim basis, effective June 1, 2020 (Application).

In the Application, FEI states that the construction, ownership and operation of a CNG fueling station located on Annacis Island in Delta, BC (Annacis Island Fueling Station) “is undertaken by FEI as a prescribed undertaking under the Greenhouse Gas (Clean Energy) Reduction Regulation (GGRR).”¹ FEI further states that the ColdStar-Annacis-Langford Agreement meets the requirements of section 2(2) of the GGRR. In particular, with respect to section 2(2)(c)(ii) of the GGRR, FEI states that “[t]he proposed rates in the ColdStar-Annacis-Langford Agreement are projected to recover at least 60% of the forecast operating costs of the Annacis Island Fueling Station over the initial term of the first seven years” based on an annual minimum take-or-pay volume commitment of 17,000 GJ.² FEI submits that the ColdStar-Annacis-Langford Agreement commits Coldstar to an annual volume of 17,000 GJ to be consumed between the Langford Fueling Station and the proposed Annacis Island Fueling Station.³

To assist the Panel in its review of the Application, the Panel invites FEI to provide a final argument to the BCUC by **Tuesday, November 26, 2019** that includes a discussion of how the terms and conditions of the ColdStar-Annacis-Langford Agreement meet the requirements of section 2(2)(c)(ii) of the GGRR given that the annual minimum take-or-pay volume commitment is consumed between two different stations.

Sincerely,

Original signed by:

Patrick Wruck
Commission Secretary

TL/dg

¹ Application, p. 2.

² Application, pp. 7–9, Tables 1, 2.

³ Application, p. 12.