



**ORDER NUMBER
G-271-22**

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

and

FortisBC Energy Inc. (FEI)
Application for Approval of a Biomethane
Long Term Large Volume Interruptible Sales Agreement
between BC Transit and FEI as Tariff Supplement No. K-4 to Rate Schedule 5B

BEFORE:

D. M. Morton, Panel Chair

on September 29, 2022

ORDER

WHEREAS:

- A. On September 21, 2022, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (BCUC), pursuant to sections 59 to 61 of the Utilities Commission Act (UCA), for permanent approval and endorsement of Tariff Supplement No. K-4 to Rate Schedule 5B (RS5B), a Biomethane Long Term Large Volume Interruptible Sales Agreement (Agreement) between BC Transit and FEI (Tariff Supplement K-4), effective October 1, 2022 (Application);
- B. By Order G-133-16 and the accompanying Reasons for Decision regarding the FEI Application for Approval of Biomethane Energy Recovery Charge (BERC) Rate Methodology dated August 12, 2016 (BERC Methodology Decision), the BCUC approved the following:
 - i. A premium of \$7 per gigajoule (GJ) above the Conventional Gas Cost (defined as the sum of the Commodity Cost Recovery Charge, the carbon tax, and any other taxes applicable to conventional natural gas sales) as the Short Term BERC Rate;
 - ii. The Long Term BERC Rate set at the greater of \$10 per GJ, and a \$1 per GJ discount to the Short Term BERC Rate, subject to certain conditions set out in Directive 2 of Order G-133-16;
- C. The BERC Methodology Decision also stipulated that approval of the specific terms will be on a contract-by-contract basis as FEI executes each contract and files it as a tariff supplement for approval as a rate as required under sections 59 to 61 of the UCA;
- D. By Decision and Order G-242-21 dated August 12, 2021, the BCUC directed FEI to include in any subsequent long term biomethane contracts, a condition that the BERC rate or mechanism for calculating the long-term contract rate will be subject to any BCUC determinations in the Stage 2 Comprehensive Review and Application for changes to the FEI Renewable Gas Program;

- E. By Order G-354-21 dated December 2, 2021, the BCUC approved, among other things, the Long Term BERC rate at \$12.808/GJ, effective January 1, 2022;
- F. FEI submits that the BC Transit Biomethane Agreement meets the criteria for a long-term agreement as established by the BCUC in the BERC Methodology Decision;
- G. On September 27, 2022, FEI submitted responses to BCUC Staff Questions No. 1; and
- H. The BCUC has reviewed the Application including FEI's responses and considers that approval is warranted.

NOW THEREFORE pursuant to sections 59 to 61 of the UCA, the BCUC orders that the Rate Schedule 5B Tariff Supplement K-4 Biomethane Long Term Large Volume Interruptible Sales Service Agreement between FEI and BC Transit is approved on a permanent basis, effective October 1, 2022.

DATED at the City of Vancouver, in the Province of British Columbia, this 29th day of September 2022.

BY ORDER

Original signed by:

D. M. Morton
Commissioner