



ORDER NUMBER

G-344-23

IN THE MATTER OF

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

and

FortisBC Energy Inc.

Permanent Rates for Third Party Customers for
the Annacis Island CNG Fuelling Station in Delta

BEFORE:

B. A. Magnan, Panel Chair
W. E. Royle, Commissioner

On December 13, 2023

ORDER

WHEREAS:

- A. On October 5, 2023, 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 approval of the rates established in the following amending agreements (Third Party Amending Agreements) to the fuelling service agreements for third party customers (Third Party Customers) on a permanent basis, for fuelling services at the compressed natural gas (CNG) station located at Annacis Island in Delta, BC (Annacis Island Fuelling Station) (Application):
- (i) Amending Agreement No. 1 dated September 1, 2023 and Amending Agreement No. 2 dated September 12, 2023, to the fuelling service agreement between FEI and SF Disposal Queen Ltd. (Disposal Queen), effective February 20, 2022;
 - (ii) Amending Agreement No. 1, dated September 1, 2023, to the fuelling service agreement between FEI and McRae's Environmental Services Ltd. (McRae's), effective March 1, 2022;
 - (iii) Amending Agreement No. 1, dated September 1, 2023, to the fuelling service agreement between FEI and Clark Reefer Lines Ltd. (Clark Reefer), effective March 7, 2022; and
 - (iv) Amending Agreement No. 1, dated September 1, 2023, to the fuelling service agreement between FEI and Mullen Trucking Corp. (Mullen), effective June 25, 2023;
- B. By Order G-45-22 dated February 22, 2022, the BCUC determined that the Annacis Island Fuelling Station met the requirements of a prescribed undertaking under the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR) and approved FEI to use the rate design and rates established in six separate fuelling service agreements with anchor customers as amended by amending agreements dated November 26, 2021 (Anchor Agreements) for CNG fuelling services at the Annacis Island Fuelling Station on an interim and refundable/recoverable basis, effective January 18, 2022. The order also directed FEI to file an application seeking permanent rates, upon the determination of the actual capital expenditures of the Annacis Island Fuelling Station;
- C. The BCUC approved the rates established in the fuelling service agreements for the Third Party Customers at the Annacis Island Fuelling Station on an interim and refundable/recoverable basis, pending the finalization of actual capital expenditures and permanent rates for the station, as follows:

- (i) Order G-53-22 dated February 25, 2022 approved the rates established in the agreement between FEI and Disposal Queen (Disposal Queen-Annacis Island Agreement), effective February 20, 2022;
 - (ii) Order G-52-22 dated February 25, 2022 approved the rates established in the agreement between FEI and McRae's (McRae's-Annacis Island Agreement), effective March 1, 2022;
 - (iii) Order G-67-22 dated March 8, 2022 approved the rates established in the agreement between FEI and Clark Reefer (Clark Reefer-Annacis Island Agreement), effective March 7, 2022; and
 - (iv) Order G-156-23 dated June 20, 2023 approved the rates established in the agreement between FEI and Mullen (Mullen-Annacis Island Agreement), effective June 25, 2023;
- D. By Order G-198-23 dated July 25, 2023, the BCUC approved the use of the rate design and rates established in the Anchor Agreements as further amended between FEI and the anchor customers for fuelling services at the Annacis Island Fuelling Station, on a permanent basis, effective January 18, 2022;
- E. The Third Party Amending Agreements revise the rates approved on an interim basis by Orders G-53-22, G-52-22, G-67-22, and G-156-23, respectively, to reflect the permanent rates approved by Order G-198-23 and revise the *Rate Change Date* in the Disposal Queen-Annacis Island Agreement;
- F. On November 30, 2023, FEI filed the following amending agreements to the fuelling service agreements to enable the rates in the Third Party Amending Agreements to be effective as of the commencement date of each respective fuelling service agreement:
- (i) Amending Agreement No. 3 dated November 28, 2023 to the Disposal Queen-Annacis Island Agreement (Disposal Queen Amending Agreement No. 3);
 - (ii) Amending Agreement No. 2 dated November 28, 2023 to the McRae's-Annacis Island Agreement (McRae's Amending Agreement No. 2),
 - (iii) Amending Agreement No. 2 dated November 28, 2023 to the Clark Reefer-Annacis Island Agreement (Clark Reefer Amending Agreement No. 2); and
 - (iv) Amending Agreement No. 2 dated November 28, 2023 to the Mullen-Annacis Island Agreement (Mullen Amending Agreement No. 2);
- G. By Order G-264-23 dated October 6, 2023, the BCUC approved the rate design and rates sought in a fuelling services agreement, as amended, for Canadian Linen & Uniform Service to continue to receive CNG fuelling services from a fuelling station located in Burnaby, on a permanent basis, effective July 1, 2023 (Canadian Linen-Burnaby Operations Agreement). The order also directed FEI to apply to the BCUC for approval of any adjustments to the rates made pursuant to clause 4(c)(iv) of Part II of the Canadian Linen-Burnaby Operations Agreement. Clause 4(c)(iv) allows FEI, at its discretion, to temporarily reduce the dispensing rate from time to time under certain conditions;
- H. The Disposal Queen-Annacis Island Agreement, McRae's-Annacis Island Agreement, Clark Reefer-Annacis Island Agreement and Mullen-Annacis Island Agreement include the same clause 4(c)(iv) of Part II in the Canadian Linen-Burnaby Operations Agreement; and
- I. The BCUC has reviewed the Application and determines that the following directives are warranted.

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

1. FEI is approved, to use the rates established in the respective fuelling service agreements, as amended, for the Third Party Customers, on a permanent basis, as follows:
 - i) Disposal Queen-Annacis Island Agreement as amended by Amending Agreements No. 1, No. 2, and No. 3 to the Disposal Queen-Annacis Island Agreement, effective February 20, 2022;
 - ii) McRae's-Annacis Island Agreement as amended by Amending Agreements No. 1 and No. 2 to the McRae's-Annacis Island Agreement, effective March 1, 2022;
 - iii) Clark Reefer-Annacis Island Agreement as amended by Amending Agreements No. 1 and No. 2 to the Clark Reefer-Annacis Island Agreement, effective March 7, 2022; and
 - iv) Mullen-Annacis Island Agreement as amended by Amending Agreements No. 1 and No. 2 to the Mullen-Annacis Island Agreement, effective June 25, 2023.
2. FEI is directed to refund to the Third Party Customers any variance between the interim and permanent rates with interest calculated at the average prime rate of FEI's principal bank for its most recent year.
3. FEI must apply to the BCUC for approval of any adjustments to the rates made pursuant to clause 4(c)(iv) of Part II of the Disposal Queen-Annacis Island Agreement, McRae's-Annacis Island Agreement, Clark Reefer-Annacis Island Agreement or Mullen-Annacis Island Agreement.
4. The tariff supplement pages as filed in Appendix C of the Application, which contain the Disposal Queen-Annacis Island Agreement, McRae's-Annacis Island Agreement, Clark Reefer-Annacis Island Agreement, Mullen-Annacis Island Agreement, and the Third Party Amending Agreements, are accepted for filing.
5. FEI is to file the following amending agreements in tariff supplement form for endorsement by the BCUC within 15 days of the date of this order:
 - i) Amending Agreement No. 3 to the Disposal Queen-Annacis Island Agreement;
 - ii) Amending Agreement No. 2 to the McRae's-Annacis Island Agreement;
 - iii) Amending Agreement No. 2 to the Clark Reefer-Annacis Island Agreement; and
 - iv) Amending Agreement No. 2 to the Mullen-Annacis Island Agreement.

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of December 2023.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner