



ORDER NUMBER
G-242-24

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

and

FortisBC Energy Inc.
Implementation of the RNG Blend Service,
Storage and Transportation RNG Rider, and Changes to the RNG Charge

BEFORE:

B. A. Magnan, Panel Chair
E. A. Brown, Commissioner
E. B. Lockhart, Commissioner

on September 11, 2024

ORDER

WHEREAS:

- A. On May 31, 2024, 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 certain rates and a new deferral account, effective July 1, 2024, to implement the BCUC's decision on its revised Renewable Natural Gas (RNG) program (Decision and Order G-77-24 or RNG Decision) issued on March 20, 2024 (Application);
- B. In the Application, FEI seeks approval of the following, effective July 1, 2024:
- to establish a new deferral account to record RNG mitigation revenue;
 - to set the RNG Blend at one percent, resulting in an RNG volume of 713 terajoules (TJ) that FEI plans to deliver through the RNG Blend, commencing July 1, 2024;
 - to deliver, on a forecast basis, 1,343 TJ of RNG to Voluntary RNG customers from April 1 to December 31, 2024;
 - to set the Storage & Transportation RNG Rider (S&T RNG Rider) (Rider 8) equal to \$0.181 per gigajoule (GJ);
 - to set the RNG Charge for the RNG offerings in certain rate schedules under the Voluntary RNG program as follows:
 - Rate Schedules 1RNG, 2RNG, 3RNG, 5RNG, 7RNG equal to \$13.216 per GJ;
 - Rate Schedules 3VRNG, 5VRNG equal to \$24.696 per GJ;
 - Rate Schedule 11RNG equal to \$24.877 per GJ;
 - Rate Schedule 46 for Natural Gas Vehicle (NGV) equal to \$24.696 per GJ; and
 - Rate Schedule 46 for non-NGV equal to \$13.216 per GJ.

- to hold the commercially sensitive information related to FEI's renewable gas supply acquisition volume and price contained in Appendix B of the Application confidential in perpetuity.
- C. Concurrently, on May 31, 2024, FEI filed a separate application (RNG Tariff Amendment Request) seeking the BCUC's approval of amendments to the rate schedules and General Terms and Conditions (GT&Cs) of FEI's tariff (Tariff), effective July 1, 2024, to implement the BCUC's RNG Decision;
 - D. On June 13, 2024, by Order G-160-24, the BCUC approved the above-noted rates on an interim and refundable/recoverable basis pending the BCUC's final determinations;
 - E. On July 15, 2024, FEI responded to BCUC Staff Questions on the Application;
 - F. By Order G-237-24 dated August 29, 2024, the BCUC approved the FEI RNG Tariff Amendment Request, effective July 1, 2024, and directed FEI to file revised Tariff pages for BCUC endorsement as may be directed when the BCUC renders its final decision on this Application; and
 - G. The BCUC has reviewed the Application and the responses to the BCUC Staff Questions and considers that the following determinations are warranted.

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

1. FEI is approved to establish a new non-rate base deferral account attracting FEI's after-tax weighted average cost of capital, titled the RNG Mitigation Revenue deferral account, to record RNG mitigation revenue received by FEI from the redirection of RNG under its RNG purchase agreements to other markets.
2. FEI is approved to set the RNG Blend percent at 1 percent and to deliver, on a forecast basis, 713 TJ of RNG through the RNG Blend, effective July 1, 2024.
3. FEI is approved to deliver, on a forecast basis, 1,343 TJ of RNG to Voluntary RNG customers from April 1 to December 31, 2024.
4. FEI is approved to set the S&T RNG Rider (Rider 8) equal to \$0.181 per GJ, effective July 1, 2024, on a permanent basis.
5. FEI is approved to set the RNG Charge as set out below, effective July 1, 2024, on a permanent basis:
 - Rate Schedules 1RNG, 2RNG, 3RNG, 5RNG, and 7RNG equal to \$13.216 per GJ;
 - Rate Schedules 3VRNG and 5VRNG equal to \$24.696 per GJ;
 - Rate Schedule 11RNG equal to \$24.877 per GJ;
 - Rate Schedule 46 for NGV equal to \$24.696 per GJ; and
 - Rate Schedule 46 for non-NGV equal to \$13.216 per GJ.
6. FEI is directed to file revised Tariff pages reflecting the permanent approvals in Directives 4 and 5 above and the amendments to the FEI's GT&Cs and rate schedules approved by Order G-237-24 for BCUC endorsement within 30 days of the date of this order.
7. FEI is directed to include, as part of future applications to set the S&T RNG Rider, annual forecast information pertaining to the RNG Blend service for a minimum of five years following the effective date of

the proposed S&T RNG Rider, with consideration given to whether a rate smoothing mechanism may be appropriate for the proposed S&T RNG Rider in light of the forecast information. This information should include a minimum of the following:

- The forecast ending balance of the RNG Account in both dollars and volumes (TJs) for each year;
- The forecast RNG Blend percentage for each year;
- The forecast S&T RNG Rider and impact to customer bills resulting from the S&T RNG Rider for each year; and
- The age of unsold RNG inventory for each year.

8. The BCUC will hold confidential the information in Appendix B of the Application as it contains commercially sensitive information, until the BCUC determines otherwise.

DATED at the City of Vancouver, in the Province of British Columbia, this 11th day of September 2024.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner