



ORDER NUMBER
G-338-24

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

and

FortisBC Energy Inc.
Permanent Rates and Agreements under the GGRR
for the Port Kells LNG Fuelling Station in Langley

BEFORE:

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

on December 13, 2024

ORDER

WHEREAS:

- A. On November 14, 2024, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (BCUC), pursuant to sections 59 to 61 of the *Utilities Commission Act*, for permanent approval of rates for fuelling services at the liquified natural gas (LNG) fuelling station located at Port Kells in Langley, BC (Port Kells Fuelling Station), as established in three separate fuelling service agreements as amended between FEI and the following customers (Application):
1. Vedder Transportation Ltd. (Vedder), effective June 8, 2021;
 2. Ken Johnson Trucking Ltd. (Ken Johnson), effective June 8, 2021; and
 3. D. Jones Trucking Ltd. (D. Jones), effective January 1, 2024;
- B. FEI requests that the live financial model filed as Appendix C to the Application be held confidential on the basis that it is the result of significant development effort by FEI on behalf of its customers and therefore the formulas and configuration of the model are commercially sensitive;
- C. By Order G-56-13, the BCUC accepted that the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR) established the need for Compressed Natural Gas (CNG) and LNG fuelling stations that are undertaken by FEI as prescribed undertakings as defined by the GGRR, and that these prescribed undertakings are exempt from the Certificate of Public Convenience and Necessity requirements for the term of the GGRR;
- D. By Order G-230-21, the BCUC determined that the Port Kells Fuelling Station met the requirements of a prescribed undertaking as defined by the GGRR. The order also approved the rate design and rates established in the fuelling services agreements between FEI and Vedder (Vedder Fuelling Service Agreement) and between FEI and Ken Johnson (Ken Johnson Fuelling Service Agreement) for LNG fuelling

service at the Port Kells Fuelling Station on an interim and recoverable/refundable basis, effective June 8, 2021. The BCUC also directed FEI to file an application seeking permanent rates upon the determination of the actual capital expenditures for the Port Kells Fuelling Station;

- E. By Order G-355-23, the BCUC approved the rates established in the fuelling service agreement between FEI and D. Jones for LNG fuelling service at the Port Kells Fuelling Station (D. Jones Fuelling Service Agreement) on an interim and refundable/recoverable basis, effective January 1, 2024. The order also directed FEI to file an application seeking permanent rates for D. Jones once the BCUC issues a decision on permanent rates for the Port Kells Fuelling Station;
- F. In the Application, FEI states that the total final capital costs of the Port Kells Fuelling Station are greater than the estimated forecast, which results in a proposed permanent capital rate that is greater than that approved on an interim basis, and is partially offset by the increased overall total volume commitment for the initial term;
- G. On May 21, 2024, FEI and D. Jones entered into an amending agreement (Amending Agreement No. 1) to the D. Jones Fuelling Service Agreement to extend the initial term from 2 years to 3 years, add a minimum annual quantity in years 1 and 2 of the initial term, and amend the rates;
- H. FEI also prepared amending agreements to the Vedder Fuelling Service Agreement and Ken Johnson Fuelling Service Agreement, respectively, to adjust, among other things, the capital rate based on the final actual capital costs and updated total volumes at the Port Kells Fuelling Station. In the Application, FEI states that Vedder and Ken Johnson are unwilling to execute the amending agreements at this time;
- I. On December 10, 2024, BCUC staff issued a question to FEI regarding Amending Agreement No. 1 to the D. Jones Fuelling Service Agreement. On December 12, 2024, FEI filed its response; and
- J. The BCUC has commenced review of the Application and determines that the establishment of a regulatory timetable is warranted.

NOW THEREFORE the BCUC orders as follows:

1. A regulatory timetable for the review of the Application is established as set out in Appendix A of this order.
2. FEI is directed to provide a copy of the Application and this order to Vedder, Ken Johnson, and D. Jones by Tuesday, December 17, 2024.
3. FEI is directed to provide to the BCUC, by Thursday, December 19, 2024, written confirmation of compliance with the notice requirements in Directive 2 of this order.
4. In accordance with BCUC's Rules of Practice and Procedure, any party wishing to comment on the Application is invited to submit a Letter of Comment by the date established in the regulatory timetable. Letters of comment must be in the Letter of Comment Form available on the BCUC's website at <https://www.bcuc.com/Forms/LetterOfComment>.
5. The live financial model provided in Appendix C of the Application will be kept confidential unless the BCUC determines otherwise.

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of December 2024.

BY ORDER

Electronically signed by Bernard Magnan

Bernard Magnan
Commissioner

Attachment

FortisBC Energy Inc.
Permanent Rates and Agreements under the GRR
for the Port Kells LNG Fuelling Station in Langley

REGULATORY TIMETABLE

Action	Date (2024)
FEI provides notice of the Application and this order	Tuesday, December 17
FEI provides the BCUC with written confirmation of compliance with the notice directive	Thursday, December 19

Action	Date (2025)
Letters of comment deadline	Tuesday, January 7
FEI reply to letters of comment	Tuesday, January 14