



Doug Slater
Director, Regulatory Affairs

Gas Regulatory Affairs Correspondence
Email: gas.regulatory.affairs@fortisbc.com

Electric Regulatory Affairs Correspondence
Email: electricity.regulatory.affairs@fortisbc.com

FortisBC
16705 Fraser Highway
Surrey, B.C. V4N 0E8
Tel: (778) 578-3874
Cell: (778) 214-3842
Fax: (604) 576-7074
Email: doug.slater@fortisbc.com
www.fortisbc.com

March 21, 2019

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Mr. Patrick Wruck, Commission Secretary and Manager, Regulatory Support

Dear Mr. Wruck:

Re: FortisBC Energy Inc. (FEI)

Application for Approval of Tariff Changes to Rate Schedule 46 – Liquefied Natural Gas Sales, Dispensing and Transportation Service on a Permanent Basis, Effective April 1, 2019 (Application)

FEI hereby applies for approval, pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA), to make permanent the temporary tariff changes to Rate Schedule 46 (RS 46) which were approved by the British Columbia Utilities Commission (BCUC) in Order G-233-18, effective April 1, 2019.

Background:

On December 7, 2018, by Order G-233-18, the BCUC approved temporary tariff changes to Section 5.2 (Curtailement of Dispensing Service) and Section 5.4 (Title Transfer) of the RS 46 tariff, effective until March 31, 2019, as follows.

- Amendments to Section 5.2 which provide relief to curtailed customers from their take or pay obligations to the extent that such customers are curtailed or use alternative fuel;
- Amendments to Section 5.2(b) which allow customers to voluntarily agree to be curtailed in whole or in part; and
- Amendments to Section 5.4 to accommodate transfer of title of LNG to ensure FEI is able to contract additional LNG supply from third parties.

Directive 5 of Order G-233-18 also directed as follows:

FEI is further directed to file replacement RS 46 tariff pages for the tariff expiring March 31, 2019 by no later than March 31, 2019.

This submission constitutes FEI's request for approval to make the temporary tariff changes to RS 46 permanent, effective April 1, 2019.

The tariff amendments approved by Order G-233-18 on a temporary basis are beneficial for RS 46 customers because they provide relief to customers in the event that curtailment of any form becomes necessary. In accordance with the RS 46 tariff, curtailment may be necessary either by reason of Force Majeure (Section 16), for Periodic Repair (Section 16.7), or for purposes and reasons under FEI's Right to Restrict (Section 13.2 of FEI's General Terms and Conditions). These tariff amendments enable voluntary curtailment by customers, if they so choose. In addition, to the extent that customers are curtailed (voluntarily or otherwise) or use an alternative fuel, the tariff amendments provide relief to curtailed customers from their take or pay obligations. Given that these tariff amendments are beneficial for customers, they should be made permanent so customers can rely upon them going forward. Further, the tariff amendments to Section 5.4 which were also approved by Order G-233-18 on a temporary basis are also necessary on a permanent basis in order to remain consistent with the intention of RS 46 to accommodate transfer of title of LNG in the case where an LNG facility may be owned by a third party.

Conclusion:

FEI believes that all of the tariff amendments approved by Order G-233-18 on a temporary basis are beneficial for customers and should be made permanent. The customers who participated in the Streamlined Review Process (SRP) which resulted in Order G-233-18 did not raise any issues with these specific tariff amendments. In anticipation of the expiration of these temporary tariff changes, in early March, FEI contacted the customers who participated in the SRP by email to advise them of FEI's intention to request that these temporary tariff changes be made permanent. FEI asked that these customers contact us if they had any concerns or issues with this approach. To date, no feedback has been received.

Approval Sought:

FEI hereby applies to the BCUC, pursuant to sections 59 to 61 of the UCA, for approval to make the temporary tariff changes approved by Order G-233-18 permanent, effective April 1, 2019. A draft form of order is provided in Appendix A.

In Appendix B, FEI encloses for BCUC endorsement of the following Tariff page effective April 1, 2019.

Rate Schedule 46

Third Revision of Page R-46.6

In addition, in Appendix C, FEI encloses a Blacklined copy of the tariff page to assist the BCUC Staff in reviewing the amendments of the above tariff page.

If you require further information or have any questions regarding this submission, please contact Ilva Bevacqua at 604-592-7664.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Doug Slater

Attachments

cc (email only): Ian McIver (Ian.McIver@seaspan.com); Alana Gallagher (Alana.gallagher@bcferries.com); Ian Brown (Ian.Brown@ledcor.com)



ORDER NUMBER

G-xx-xx

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

and

FortisBC Energy Inc.

Rate Schedule 46 – Liquefied Natural Gas (LNG) Sales, Dispensing and Transportation Service
Application for Approval of Temporary Tariff Changes on a Permanent Basis, Effective April 1, 2019

BEFORE:

[Panel Chair]
Commissioner
Commissioner

on **Date**

ORDER

WHEREAS:

- A. On March 21, 2019, 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 tariff changes to Rate Schedule 46 (RS 46), on a permanent basis effective April 1, 2019 (Application);
- B. By BCUC Order G-211-13 dated December 12, 2013, RS 46 was approved in accordance with Order in Council (OIC) 557, B.C. Regulation 245/2013, deposited November 28, 2013, issuing Direction No. 5 to the BCUC, as amended by OIC 749, B.C. Regulation 265/2014, and further amended by OIC 162, B.C. Regulation 115/2017;
- C. By Order G-233-18 dated December 7, 2018, the BCUC approved certain tariff changes to RS 46 on a temporary basis, effective until March 31, 2019, as follows:
 - 1. Changes to Section 5.2(b) and associated provisions that allow RS 46 customers relief from their take or pay obligations to the extent they are curtailed or use alternative fuel; and
 - 2. Section 5.4;
- D. Order G-233-18 directed FEI to file replacement RS 46 tariff pages for the tariff expiring March 31, 2019 by no later than March 31, 2019; and
- E. The BCUC has completed its review of the Application and finds that approval is warranted.

NOW THEREFORE pursuant to sections 59 to 61 of the *Utilities Commission Act*, the British Columbia Utilities Commission orders as follows:

1. The temporary tariff changes to RS 46 as approved by Order G-233-18, are approved on a permanent basis, effective April 1, 2019.

DATED at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month Year).

BY ORDER

(X. X. last name)
Commissioner

Appendix B

PROFORMA TARIFF PAGE

5 Dispensing of LNG

- 5.1 **Dispensing of LNG** - Subject to section 13.2 (Right to Restrict) of the General Terms and Conditions of FortisBC Energy and all of the terms and conditions of this Rate Schedule, the Customer or its agent(s) is responsible for directly connecting Tanker or other similar equipment to the LNG Facilities for Dispensing unless the Customer has entered into a LNG Transportation Service Agreement.
- 5.2 **Curtailment of Dispensing Service** - FortisBC Energy may, for any length of time, curtail under this Rate Schedule by reason of Force Majeure under section 16, for Periodic Repair by FortisBC Energy under section 16.7 of this Rate Schedule, and for purposes and reasons under section 13.2 (Right to Restrict) of the General Terms and Conditions of FortisBC Energy.
- If FortisBC Energy determines that curtailment under this Section is required, FortisBC Energy will curtail in the following manner:
- (a) Spot LNG Service will be curtailed first.
 - (b) If further curtailment is required, then Customers that provide written notice to FortisBC Energy that they agree to be curtailed in whole or in part will be curtailed to the extent agreed to in their written notice.
 - (c) If further curtailment is required, then Short-Term LNG Service will be curtailed before Long-Term LNG Service. Short-Term LNG Service will be curtailed pro-rata based on Contract Demand.
 - (d) If further curtailment is required, then Long-Term LNG Service with a Contract Term of between five (5) and ten (10) years in duration will be curtailed pro-rata based on Contract Demand.
 - (e) If further curtailment is required, then Long-Term LNG Service with a Contract Term longer than ten (10) years will be curtailed pro-rata based on Contract Demand.
- In the event that FortisBC Energy is not able to supply LNG by reason of a curtailment under section 5.2 (Curtailment of Dispensing Service) of this Rate Schedule, the Customer may utilize an alternative fuel until FortisBC Energy is able to resume supply and the Contract Demand shall be adjusted by the amount of alternative fuel utilized. For clarity, the amount of alternative fuel will be converted into energy units comparable to gigajoules of LNG as described in section 12 of this Rate Schedule.
- In the event of any curtailment in excess of 72 hours in any given Month, then the Minimum Monthly Charge will be prorated in that Month to reflect the full duration of the curtailment. The Customer remains responsible for the total Minimum Monthly Charge if the curtailment is less than 72 hours in that Month.
- 5.3 **Notice of Curtailment** – Notwithstanding section 13.3 (Notice) of the General Terms and Conditions, unless prevented by Force Majeure, each notice from FortisBC Energy to the Customer with respect to curtailment of LNG Service by FortisBC Energy will be by telephone, email or fax and will specify the portion of the Customer's Contract Demand that is to be curtailed and the time at which such curtailment is to commence.
- 5.4 **Title Transfer** - Possession of, title to and risk of loss of, damage to, or damage caused by the LNG sold and Dispensed hereunder shall pass from FortisBC Energy to the Customer at the LNG Facilities; specifically, title transfer shall occur at the point of Dispensing to the Tanker or at the outlet flange of the LNG Facilities' mass flow meter (or applicable measuring equipment), as applicable. This is the case irrespective of whether FortisBC Energy has provided the Tanker for the LNG Transportation Service.

Order No.:

Issued By: Doug Slater, Director, Regulatory Affairs

Effective Date: April 1, 2019

Accepted for Filing: _____

BCUC Secretary: _____

Third Revision of Page R-46.6

Appendix C

BLACKLINED TARIFF PAGE

5 Dispensing of LNG

5.1 **Dispensing of LNG** - Subject to section 13.2 (Right to Restrict) of the General Terms and Conditions of FortisBC Energy and all of the terms and conditions of this Rate Schedule, the Customer or its agent(s) is responsible for directly connecting Tanker or other similar equipment to the LNG Facilities for Dispensing unless the Customer has entered into a LNG Transportation Service Agreement.

5.2 **Curtailment of Dispensing Service** - FortisBC Energy may, for any length of time, curtail under this Rate Schedule by reason of Force Majeure under section 16, for Periodic Repair by FortisBC Energy under section 16.7 of this Rate Schedule, and for purposes and reasons under section 13.2 (Right to Restrict) of the General Terms and Conditions of FortisBC Energy.

If FortisBC Energy determines that curtailment under this Section is required, FortisBC Energy will curtail in the following manner:

- (a) Spot LNG Service will be curtailed first.
- (b) If further curtailment is required, then Customers that provide written notice to FortisBC Energy that they agree to be curtailed in whole or in part will be curtailed to the extent agreed to in their written notice.
- (c) If further curtailment is required, then Short-Term LNG Service will be curtailed before Long-Term LNG Service. Short-Term LNG Service will be curtailed pro-rata based on Contract Demand.
- (d) If further curtailment is required, then Long-Term LNG Service with a Contract Term of between five (5) and ten (10) years in duration will be curtailed pro-rata based on Contract Demand.
- (e) If further curtailment is required, then Long-Term LNG Service with a Contract Term longer than ten (10) years will be curtailed pro-rata based on Contract Demand.

In the event that FortisBC Energy is not able to supply LNG by reason of a curtailment under section 5.2 (Curtailment of Dispensing Service) of this Rate Schedule, the Customer may utilize an alternative fuel until FortisBC Energy is able to resume supply and the Contract Demand shall be adjusted by the amount of alternative fuel utilized. For clarity, the amount of alternative fuel will be converted into energy units comparable to gigajoules of LNG as described in section 12 of this Rate Schedule.

In the event of any curtailment in excess of 72 hours in any given Month, then the Minimum Monthly Charge will be prorated in that Month to reflect the full duration of the curtailment. The Customer remains responsible for the total Minimum Monthly Charge if the curtailment is less than 72 hours in that Month.

5.3 **Notice of Curtailment** – Notwithstanding section 13.3 (Notice) of the General Terms and Conditions, unless prevented by Force Majeure, each notice from FortisBC Energy to the Customer with respect to curtailment of LNG Service by FortisBC Energy will be by telephone, email or fax and will specify the portion of the Customer's Contract Demand that is to be curtailed and the time at which such curtailment is to commence.

5.4 **Title Transfer** - Possession of, title to and risk of loss of, damage to, or damage caused by the LNG sold and Dispensed hereunder shall pass from FortisBC Energy to the Customer at the LNG Facilities; specifically, title transfer shall occur at the point of Dispensing to the Tanker or at the outlet flange of the LNG Facilities' mass flow meter (or applicable measuring equipment), as applicable. This is the case irrespective of whether FortisBC Energy has provided the Tanker for the LNG Transportation Service.

C/N/O

Deleted: G-233-18

Deleted: November 15, 2018

Deleted: December 18, 2018

Deleted: Original signed by Patrick Wruck

Deleted: Second

Order No.: _____ Issued By: Doug Slater, Director, Regulatory Affairs

Effective Date: April 1, 2019 Accepted for Filing: _____

BCUC Secretary: _____ Third Revision of Page R-46.6