



Diane Roy
Vice President, 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: (604) 576-7349
Cell: (604) 908-2790
Fax: (604) 576-7074
www.fortisbc.com

December 23, 2020

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

Attention: Ms. Marija Tresoglavic, Acting Commission Secretary

Dear Ms. Tresoglavic:

Re: FortisBC Energy Inc. (FEI)

Application for Approval of Revised/Renewal Rates for the Langford Compressed Natural Gas (CNG) Fueling Station under the Province's Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR) in Langford, BC (the Application)

FEI hereby applies, pursuant to sections 59 to 61 and section 89 of the *Utilities Commission Act*, for approval from the British Columbia Utilities Commission (BCUC) for the rates established in the Fueling Services Agreements with ColdStar Solutions Inc. and GFL Environmental Inc., on an interim and permanent basis, effective January 1, 2021, for CNG fueling service at FEI's Victoria Regional Office located in Langford, BC.

CONFIDENTIALITY

FEI requests that the live financial model provided in Appendix C be filed on a confidential basis pursuant to Section 18 of the BCUC's Rules of Practice and Procedure regarding confidential documents as set out in Order G-15-19. The financial model in Confidential Appendix B 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. FEI believes that there is more than adequate non-confidential information provided with the financial schedules included in Appendix C to permit a transparent review process.

If further information is required, please contact Sarah Smith at (604) 592-7874.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachments



FORTISBC ENERGY INC.

**Application for Approval of Revised/Renewal Rates
and Agreements for Operating a Compressed Natural
Gas Fueling Station
under the
Greenhouse Gas Reduction (Clean Energy) Regulation
for
the Langford Fueling Station**

December 23, 2020

Table of Contents

1.	Introduction and Approvals Sought	1
1.1	Introduction.....	1
1.2	Background on Langford Fueling Station	1
1.3	Approvals Sought	2
2.	Langford Fueling Station is a Prescribed Undertaking	2
3.	Proposed Rates for Fueling Services to Coldstar and GFL at Langford Fueling Station	4
3.1	Proposed Rates	6
3.1.1	<i>Cost of Service Model.....</i>	<i>6</i>
3.2	Terms and Conditions.....	8
3.3	Third Party Customers established at current rates	9
4.	Conclusion	9

List of Appendices

- Appendix A** FEI – ColdStar and GFL Fueling Services Agreements
- Appendix B** GFL Evergreen Transfer Letter
- Appendix C** Live Financial Model - **CONFIDENTIAL**
- Appendix D** Financial Schedules
- Appendix E** Draft Orders

1. INTRODUCTION AND APPROVALS SOUGHT

1.1 INTRODUCTION

FortisBC Energy Inc. (FEI) files this application (Application) to seek approval of a fueling service agreement with ColdStar Solutions Inc. (ColdStar) and a fueling service agreement with GFL Environmental Inc. 2018 (GFL) for compressed natural gas (CNG) at the Langford Fueling Station. FEI's construction and operation of the Langford Fueling Station is a prescribed undertaking under section 18 of the Clean Energy Act and section 2(2) of the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR or the Regulation). The proposed fueling service agreements provide a market competitive rate for CNG at the Langford Fueling Station, while maximizing cost recovery to reduce risk to FEI's other non-bypass customers. The following subsections provide background information to the Application and set out FEI's approvals sought.

1.2 BACKGROUND ON LANGFORD FUELING STATION

The Langford Fueling Station is located at FEI's Victoria Regional Office Facility in Langford and provides CNG fueling services to approved customers.

By Order G-187-13, dated November 19, 2013, the BCUC approved FEI's rates for providing fueling service from the Langford Fueling Station, as set out in the CNG fueling service agreement (Original Fueling Agreement) between FEI and ColdStar. The rates were effective beginning on the in-service date of the Langford Fueling Station and for an initial term of five years, which ended on January 1, 2019. The Original Fueling Agreement included a two-year renewal term which allowed ColdStar to fuel at the station until December 31, 2020. ColdStar has been the "anchor tenant" for the Langford Fueling Station since it went into service in 2014.

Over the first five-year term of the Original Fueling Agreement, the Langford Fueling Station met the requirements of section 2(2)(c)(i) of the GGRR, as 80% of the station's forecast total operating costs for the first five years of the operation were recovered from one or more persons under a take-or-pay agreement with a minimum term of five years.

In addition to ColdStar, there are currently five other customers approved by the BCUC for fuelling at the Langford Fueling Station.¹ The overall demand served from the Langford Fueling Station in the first five years of operation resulted in FEI recovering approximately 117 percent of the forecasted cost of service in the Original Fueling Agreement.

On December 17, 2020, ColdStar and GFL have both entered into new Fueling Services Agreements with FEI for fueling at the Langford Fueling Station. GFL will be a new customer at

¹ Waste Management of Canada Corporation (Tariff Supplement J-19); DanFoss Industries Ltd. (Tariff Supplement J-36); McRae's Environmental LTD (Tariff Supplement J-38); BC Transit (Tariff Supplement J-47), and Evergreen (Tariff Supplement J-13).

the Langford Fueling Station. The two executed agreements (collectively, the ColdStar and GFL Fueling Agreements) are attached in Appendix A. The rates proposed in the ColdStar and GFL Fueling Agreements are new rates for refueling at the Langford Fueling Station based on a cost of service model that includes the collective volume commitment of 21,000 GJs per year over a new five-year term and will result in recovery of 80 percent of FEI's forecast cost of service of the station over a five-year period.

1.3 APPROVALS SOUGHT

FEI hereby applies to the BCUC, pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA) of the ColdStar and GFL Fueling Agreements, on a permanent basis effective January 1, 2021, which includes the Total Dispensing Rate that will apply to ColdStar and GFL (Appendix A; Part I) for providing CNG fueling service from the Langford Fueling Station. FEI requests that permanent rates be effective January 1, 2021 to coincide with the expiry date of the Original Fueling Agreement and the commencement date of the ColdStar and GFL Fueling Agreements.

Pursuant to section 89 of the UCA, FEI seeks approval of the ColdStar and GFL Fueling Agreements effective January 1, 2021 on an interim and refundable/recoverable basis. Any variance between the interim and permanent rates will be refunded to or collected from ColdStar and GFL by way of a billing mechanism following the approval of the permanent rates.

Further, as a result of GFL's acquisition of the solid waste business of Evergreen Industries Ltd. (Evergreen) on Vancouver Island, GFL has requested that Evergreen's existing third party fueling agreement for the Langford Fueling Station (filed with the BCUC under Tariff Supplement J-13) be terminated. For administrative efficiency and consolidated billing, GFL is assuming Evergreen's minimum annual quantity commitment of 500 GJs per year within GFL's new five-year Fueling Services Agreement. GFL has made the termination of the service agreement with Evergreen a condition to its execution of the new five-year agreement. A copy of a letter from GFL is provided in Appendix B to support this request for termination of the Evergreen agreement.

Draft forms of interim and final orders sought are provided in Appendix E.

As detailed in Section 3.1 below, the proposed ColdStar and GFL Fueling Agreements secure 21,000 GJs per year from GFL and ColdStar over a five-year term. The ColdStar and GFL Fueling Agreements include a market competitive rate at the Langford Fueling Station, while maximizing cost recovery and reducing non-bypass customer risk.

2. LANGFORD FUELING STATION IS A PRESCRIBED UNDERTAKING

The Langford Fueling Station met the requirements to be a prescribed undertaking under section 2 (2)(c) of the GGRR, which states:

(2) A public utility's undertaking that is in the class defined as follows is a prescribed undertaking for the purposes of section 18 of the Act:

(c) at least

(i) 80% of the station's forecast total operating costs for the first 5 years of the operation are recovered from one or more persons under a take-or-pay agreement with a minimum term of 5 years, or

(ii) 60% of the station's forecast total operating costs for the first 7 years of the operation are recovered from one or more persons under a take-or-pay agreement with a minimum term of 7 years.

The table below summarizes the terms and completion of the GGRR requirements, which were approved by Order G-187-13 and have been completed.

Table 1: Fueling Agreement and Minimum GGRR Requirements

Item	Term	Notes	GGRR Section	ColdStar and GFL Agreements	Agreement Section
1	Description of service	<ul style="list-style-type: none"> Public utility constructs and operates, or purchases and operates, one or more compressed natural gas fueling stations 	Section 2(2), (a)(i)(ii)	FEI owns and operates the Langford Fueling Station	Part 2 (B)
2	Expenditure limits	<ul style="list-style-type: none"> Average station expenditures do not exceed \$3 million per station in any year 	Section 2(2), (b)	FEI did not exceed the \$3 million per station average when the Langford Fueling Station was completed. No additional expenditures are expected.	Program related; no specific contract reference
3	Minimum term and minimum energy use	<ul style="list-style-type: none"> 80 percent of the forecast total operating costs of the asset for the first five years of operation; or 60 percent of the forecast total operating costs of the asset for the first seven years of operation. 	Section 2(2), (c)	Minimum term and minimum energy use completed.	Program related; no specific contract reference

As the Langford Fueling Station met the GGRR requirements, it is a prescribed undertaking pursuant to section 18 of the *Clean Energy Act*. As such, FEI will continue to execute fueling contracts for CNG service at the Langford Fueling Station by securing volume commitments to provide maximum cost recovery certainty and mitigate non-bypass customer risk, while meeting the requirements of the station customers. This may include a revision of station rates based on customer volumes and a market rate that is acceptable to customers after the initial term of the

GGRR station. FEI believes this is the best approach to encourage continued adoption of natural gas for transportation and use of FEI fueling stations constructed as a prescribed undertakings under the GGRR and to maximize cost recovery on a go forward basis.

3. PROPOSED RATES FOR FUELING SERVICES TO COLDSTAR AND GFL AT LANGFORD FUELING STATION

The ColdStar and GFL Fueling Agreements reflect a market rate that was sufficiently competitive for both ColdStar and GFL make five-year take-or-pay volume commitments, while maximizing cost recovery to minimize cost risk to FEI's other non-bypass customers.

ColdStar currently has a volume commitment of 15,000 GJs with a fleet of 23 tractors and wishes to renew their volume commitment for another five years, provided FEI can offer a competitive rate at this station. A competitive rate will continue to encourage ColdStar to replace retired or near end of life fleet vehicles with natural gas vehicles which will help them meet their volume commitment during the new five-year term. As FEI vehicle incentives are scaled back every year in accordance with GGRR section 2(1)(b) (currently the base is at 10 percent), a competitive refueling rate ensures ColdStar continue to operate their existing CNG trucks while also growing their CNG fleet for the next five years, further contributing to GHG reductions and air quality improvements in the province of BC.

GFL is seeking to add CNG vehicles to their Vancouver Island fleet with a plan to add more CNG trucks over time, dependent upon their ability to access refueling service at the Langford location at a competitive rate. GFL is a national customer with trucks across Canada and has many options to address their fleet needs, including keeping their CNG trucks in the Lower Mainland, build their own fueling station, or take their CNG fueling fleet out of the province if they can obtain a more favourable rate.

Given the competitive markets in which Coldstar and GFL operate, a CNG fueling rate based on 100 percent recovery of the Landford Feuling Station costs was not acceptable to ColdStar or GFL. GFL indicated it would not sign a fueling agreement for the Langford Fueling Station at a 100 percent cost recovery rate. On the other hand, ColdStar indicated that, at a 100 percent cost recovery rate, they would only renew their fueling agreement on a spot basis, begin to retire their existing CNG trucks, and make no further investments in new CNG vehicles. This scenario would reduce revenue from the station and increase cost recovery risk for FEI's other non-bypass customers. As such, it was necessary for FEI to negotiate a market competitive rate with Coldstar and GFL.

The rate in the ColdStar and GFL Fueling Agreements reflects 80 percent cost recovery over the next five-year term. At this rate, ColdStar and GFL are both willing to commit to long term fueling volumes. The proposed rate based on ColdStar and GFL's collective volume commitment of 21,000 GJs for a five-year term creates revenue and cost recovery certainty,

which mitigates non-bypass customer risk from the Langford Fueling Station for an additional five years.

In addition to the volume commitments in the ColdStar and GFL Fueling Agreements, FEI has had approximately 5,000 GJs of demand from other third party customers in 2020 at the Langford station. FEI expects that the 5,000 GJs will continue to be consumed by these customers on a go forward basis.

Further, at the proposed rates, it is also likely that FEI will be able to attract additional volumes from ColdStar, GFL, new and renewal third party customers, and spot customers. These additional volumes will increase cost recovery of the station.

As a point of comparison and to illustrate the benefit of securing the new ColdStar and GFL Fueling Agreements, FEI modelled a scenario to demonstrate the impact if, instead of agreeing to their volume and term commitment, Coldstar elected to be served on a short-term spot basis, resulting in an increase of \$5.708 per GJ in Year 1 over the proposed rates. As mentioned above, GFL would not fuel at the Langford Fueling Station if a competitive rate is not offered, therefore no GFL volumes have been included in the short-term spot scenario. As can be seen from the below table, the revenues from securing a firm volume commitment for the next five years from Coldstar and GFL provides greater revenue recovery and a greater percentage of the cost of service collected. A five-year term commitment would also reduce the risk to non-bypass customers because it guarantees at least 80 percent cost recovery for the station.

Table 2: Comparison of % Recovery Between Committed and Short-term Spot Volumes

Line	Particular	Reference	2021	2022	2023	2024	2025
1	PV Total COS	Appendix C, Schedule 10, Line 82	173,345	165,057	156,327	147,606	139,030
2	Sum of PV Total COS	Sum of Line 1	781,364				
3							
4	Volume with Commitment (GJ)	Appendix C, Schedule 10, Line 77	21,000	21,000	21,000	21,000	21,000
5	Proposed Capital Rate (\$/GJ)	Appendix C, Schedule 10, Line 74	4.420	4.509	4.599	4.691	4.785
6	Proposed O&M Rate (\$/GJ)	Appendix C, Schedule 10, Line 75	2.286	2.331	2.378	2.426	2.474
7	Proposed Total Rate (\$/GJ)	Appendix C, Schedule 10, Line 76	6.706	6.840	6.977	7.117	7.259
8	Revenue at Committed Volume (\$)	Appendix C, Schedule 10, Line 78	140,824	143,640	146,513	149,443	152,432
9	PV of Revenue at Committed (\$)	Appendix C, Schedule 10, Line 80	133,520	129,127	124,878	120,770	116,796
10	Sum of PV Revenue at Committed (\$)	Sum of Line 14	625,092				
11	% Recovery w/ Committed Volume	Line 15 / Line 2	80%				
12							
13	Volume at Spot (GJ)	Estimated Spot Volume	15,000	10,000	5,000	2,000	-
14	Capital Rate (\$/GJ)	Current Capital Rate + 2% Inflation	8.649	8.822	8.998	9.178	9.362
15	O&M Rate (\$/GJ)	Appendix C, Schedule 10, Line 75	2.286	2.331	2.378	2.426	2.474
16	Spot and Short Charge (\$/GJ)		2.000	2.000	2.000	2.000	2.000
17	Spot Total Rate (\$/GJ)	Sum of Line 9 to Line 11	12.934	13.153	13.376	13.604	13.836
18	Revenue at Spot Volume (\$)	Line 8 x Line 12	194,014	131,530	66,880	27,207	-
19	PV of Revenue at Spot (\$)		183,952	118,240	57,005	21,987	-
20	Sum of PV Revenue at Spot (\$)	Sum of Line 16	381,184				
21	% Recovery w/ Spot Volume	Line 17 / Line 2	49%				

3.1 PROPOSED RATES

This section provides a summary of the inputs to the cost of service model used to calculate the proposed charges for CNG fueling service at the Langford Fueling Station. The proposed rates represents an 80 percent cost recovery of the forecasted operating costs of the station over a five-year term. Below is a comparison of the current rates and the proposed rates.

Table 3: Comparison of Current and Proposed 2021 Rates

Output	Current Rates	Proposed 2021 Rates
Capital Rate	\$8.479 per GJ	\$4.420 per GJ
O&M Rate	\$2.995 per GJ	\$2.286 per GJ
OH&M Rate	\$0.520 per GJ	\$0.520 per GJ
Total Dispensing Rate	\$11.994 per GJ	\$7.226 per GJ

The proposed 2021 total dispensing rates reflect a \$4.768 per GJ decrease compared to the current rates primarily due to a lower undepreciated value of the station (\$0.812 million as of December 31, 2020), a lower cost recovery from 91 percent² to 80 percent, and an increased volume commitment of 21,000 GJs per year.

The following subsection summarizes the assumptions included in the cost of service model for establishing the proposed 2021 rates as shown in Table 3 above. Please also refer to Confidential Appendix C for the financial model and Appendix D for the detailed financial schedules.

3.1.1 Cost of Service Model

The cost of service model used to calculate the fueling charges for ColdStar and GFL is based on FEI's approved capital structure, allowed rate of return and tax rates as per BCUC Order G-319-20.

Table 4 below summarizes the key inputs and resulting outputs for 2021 as discussed in Table 3 above.

Table 4: Cost of Service Model – Inputs and Outputs

Input	Notes	Amount
Term	• Term commencing on January 1, 2021	5 years
Volume	• Annual take-or-pay minimum of 15,000 GJs per year from ColdStar and 6,000 GJs per year from GFL	21,000 GJs per year
Fueling station Undepreciated Value	• Undepreciated value remaining on the station as of December 31, 2020	\$0.812 million

² The current rates in the Initial Term at the Langford Fueling Station were based on a 91% cost recovery over a 5 year term, meeting the minimum cost recovery requirement under the GGRR prescribed undertaking section 2 (2)(c)(i) of the GGRR.

Input	Notes	Amount
Annual O&M	• Annual amount for regular and preventive maintenance	\$60,000 per year
Allowance for overhead and marketing costs	• Applicable pursuant to Order G-78-13 and Compliance Filing pursuant to Order G-105-15	\$0.52 per GJ
Application costs	• Deferred charge over the Term	\$10,000
Percent of Cost of Service Recovery	• 80 percent of the forecast operating cost of the Langford Fueling Station for the 5 year term	80 percent

1

Output	Notes	Amount (for 2021)
Capital Rate	• Escalates at 2% per year beginning on January 1, 2022	\$4.420 per GJ
O&M Rate	• Escalates annually by British Columbia Consumer Price Index (BC CPI) beginning on January 1, 2022)	\$2.286 per GJ
OH&M Rate	• Not inflated by BC CPI	\$0.520 per GJ
Total Dispensing Rate	• Sum of Capital, O&M and OH&M Rates	\$7.226 per GJ

2

3 The Capital Rate is determined by using the undepreciated capital of the Langford Fueling
 4 Station of \$0.812 million as of December 31, 2020.

5 The O&M Rate is determine by using a forecasted average O&M of the station over the next
 6 five years. FEI anticipates an average annual O&M expense of \$60 thousand is required.
 7 Below is a table showing the annual O&M for the Langford Fueling Station from 2015 to 2020.

8 **Table 5: Actual O&M between 2015 and 2019, and Projected 2020 O&M**

Year	O&M Spend (\$)
2015	28,257
2016	22,273
2017	38,297
2018	272,568
2019	98,589
2020 (Projected)	62,795
Total	522,779
Average	87,130
Average O&M excluding unplanned upgrades/maintenance*	40,270

**2018 and 2019 estimated O&M expenditure excluding unplanned upgrades/maintenance was \$45,000 in each year*

While the average O&M expenditures (i.e. approximately \$87 thousand) from 2015 to 2020 for the Langford Fueling Station is higher than FEI's annual O&M forecast of \$60 thousand over the next five years, FEI believes this is reasonable as FEI does not expect any unplanned upgrades/maintenance to occur over the next five years that was required in 2018 and 2019 (totalled to approximately \$280 thousand). The additional unplanned expenditures incurred by FEI in 2018 and 2019 were due to upgrades to the high pressure storage at the station to reduce the increase queuing durations during peak times and software updates to the priority panel that would eliminate ongoing issues experienced with simultaneous refuelling of two vehicles. Without the unplanned upgrades/maintenance, the O&M expenditure in 2018 and 2019 would have been approximately \$45 thousand in each year.

FEI determines the O&M forecast of \$60 thousand per year based on the historical average O&M costs (exclude unplanned expenditures) plus FEI's estimate preventative maintenance and repair schedule over the next five years. FEI believes increasing the forecast O&M to \$60 thousand is reasonable as the preventative maintenance and repair/servicing requirement over the next five years will likely increase from the initial operating years given the hours already incurred by the equipment as well as some of the fueling equipment is no longer covered by warranty.

3.2 TERMS AND CONDITIONS

Table 6 below shows the key terms and conditions of the ColdStar and GFL Fueling Agreements.

Table 6: Summary of Key Terms and Conditions of the ColdStar and GFL Fueling Agreements

Term	Notes/Description	Section of Agreement
Ownership of the fueling station	<ul style="list-style-type: none"> The fueling station shall at all times remain the property of FEI unless purchased by the customer. 	Part II Section A (B)
Minimum Quantity	<ul style="list-style-type: none"> Minimum monthly volume of 1,750 GJs (21,000 GJs annually: 15,000 GJs per year from ColdStar and 6,000 GJs per year from GFL) at the Langford Fueling Station represents recovery of 80 percent of the forecast operating cost over the five-year term. 	Part I
Expiry of Term	<ul style="list-style-type: none"> The Initial Term will commence on January 1, 2021 and expire on December 31, 2025. The ColdStar and GFL Fueling Agreements will renew automatically upon expiry of the term for ColdStar and upon written mutual agreement between FEI and GFL. 	Part I

The proposed rates from the cost of service model for the Langford Fueling Station will enable recovery of at least 80 percent of the forecasted operating costs over the five-year term established in the ColdStar and GFL Fueling Agreements.

3.3 *THIRD PARTY CUSTOMERS ESTABLISHED AT CURRENT RATES*

If approved, FEI would apply the revised rates for the Langford Fueling Station to new third party agreements executed on or after January 1, 2021, which would be filed with the BCUC for approval. Existing third party customers will continue to obtain service from the Langford Fueling Station under the terms and rates established in their respective agreements approved by the BCUC until expiry or termination.

4. CONCLUSION

FEI has entered into the ColdStar and GFL Fueling Agreements for CNG fueling service at the Langford Fueling Station. In order to provide the fueling service at the new proposed rates, FEI respectfully requests that the BCUC approve the rates established in the ColdStar and GFL Fueling Agreements on an interim and permanent basis, effective January 1, 2021.

Appendix A

COLDSTAR FUELING SERVICES AGREEMENT

GFL FUELING SERVICES AGREEMENT



FUELING SERVICES AGREEMENT (LANGFORD SITE) PART I – BASIC TERMS

Customer					
Company name: ColdStar Solutions Inc.			Mailing/billing address: 101-937 Dunford Avenue, Victoria, BC V9B 2S4		
Contact name and title: Kelly Hawes, CEO			Telephone: 250-391-7425	Email: khawes@coldstarsolutions.com	
Fueling Location					
Langford Site – 1027 Langford Parkway, Victoria, BC					
Term					
Commencement Date: January 1 st , 2021		Rate Change Date: (see section 4(b) of Part II) January 1st of each year with the first escalation occurring on January 1 st , 2022		Initial Term: 5 years starting from the Commencement Date	
Renewal: (see section 1(b) of Part II) Auto Renew Annually					
Dispensing Rate					
\$/Gigajoule ("GJ"), as at the Commencement Date, subject to adjustment pursuant to sections 4(b) and (c) of Part II.					
Capital Rate	O & M Rate	Overhead Rate	Short Term Charge	Spot Charge	Total
\$4.420	\$2.286	\$0.520	N/A	N/A	\$7.226
Minimum Annual Quantity					
15,000 GJs, subject to adjustment pursuant to section 4(d) of Part II.					
Supplemental Terms and Conditions					
<ol style="list-style-type: none">Additional Charges - The Dispensing Rate payable pursuant to this Agreement is in addition to any amounts payable by the Customer to FEI for the purchase of fuel and transportation services, if applicable, pursuant to the Rate Schedules.Fueling Vehicles - Unless otherwise directed by FEI by written notice to the Customer, the dispensing of fuel into the Customer's vehicles shall be performed by the Customer.					
<p>The Customer and FortisBC Energy Inc. ("FEI"), by signing this Agreement, accept and agree to be bound by the terms and conditions herein contained. This Agreement, including Part I and Part II, constitutes the entire agreement between the parties and supersedes all other agreements with respect to the services described herein.</p> <p>This Agreement will not come into effect and does not bind the parties until FEI has obtained the necessary approvals for this Agreement from all regulatory or other applicable governmental authorities having jurisdiction, including the British Columbia Utilities Commission ("BCUC"), on terms and conditions which are satisfactory to FEI.</p> <p>If the condition listed above is not satisfied or waived by the Commencement Date, at FEI's sole discretion, this Agreement will automatically terminate and neither party will have recourse against the other party due its termination nor will either party have any further rights or obligations under this Agreement. Sections 5(d) and 6 shall survive termination of this Agreement.</p>					
CUSTOMER:			FORTISBC ENERGY INC.:		
 Signature			 Signature		
17 Dec 20 Date			December 17/20 Date		
			Sarah Smith Director, NGT, Regional LNG and Renewable Gases		

Name	Title	Name	Title
K. HAWES	CSO		

PART II – BACKGROUND AND TERMS AND CONDITIONS

SECTION A – BACKGROUND AND INTERPRETATION

- A. Capitalized terms shall have the meanings ascribed to those terms as set out in Part I - Basic Terms and Part II – Background and Terms and Conditions.
- B. FEI, as at the Commencement Date, owns and operates fueling equipment at the Fueling Location from which it sells and distributes fuel (the “**Fueling Equipment**”).
- C. The Customer has agreed to purchase fuel, and obtain transportation services (if applicable), from FEI pursuant to FortisBC Rate Schedules as established or amended from time to time (the “**Rate Schedules**”) and wishes to use the Fueling Equipment to fuel their vehicles.

SECTION B – TERMS AND CONDITIONS

1. TERM

- (a) *Initial Term* - The initial term of this Agreement will be for the period set out in Part I.
- (b) *Renewal* - This Agreement automatically renews at the end of the Initial Term for the additional period(s) of time set out in Part I. The Customer may decide not to renew this Agreement by providing FEI with written notice at least sixty (60) days prior to the expiry of the Initial Term.

2. USE OF FUELING EQUIPMENT AND ACCESS TO PROPERTY

- (a) *Use of Fueling Equipment* – Provided the Customer is, at all times, in compliance with this Agreement, and unless otherwise provided herein, the Customer shall be entitled to access and use the Fueling Equipment to fuel vehicles.
- (b) *Training and Operation* - The Customer shall not permit any of its personnel to access the Fueling Location until such person has participated in and successfully completed the applicable orientation/training (including safety training) and, when required, refresher training, either directly from FEI or a supervisor/manager of the Customer approved by FEI or provided by any other party that is deemed satisfactory to FEI, on the use of the Fueling Equipment, in accordance with the manufacturer’s dispensing instructions, if applicable, all applicable laws, and the requirements of FEI, as established or amended from time to time. The Customer shall provide, and shall ensure each of its personnel accessing the Fueling Location and dispensing fuel from the Fueling Equipment, or using a Fueling Card or FOB (as defined in subsection (e) below) if applicable, provides proof of orientation/training to FEI upon request.
- (c) *Emergency Preparedness and Response* - The Customer will, when requested by FEI from time to time, participate in emergency preparedness and emergency response training exercises and initiatives.
- (d) *Access to Property*
 - (i) The Customer shall only access those parts of the property on which the Fueling Equipment is located and designated for access to the Fueling Equipment and shall, at all times, comply with site safety instructions communicated by FEI and any on-site signage or instructions. The Customer is aware access to the Fueling Equipment may be detoured or made unavailable by FEI from time to time, and to the extent reasonably possible, FEI will provide prior notice to the Customer accordingly.

- (ii) If the Fueling Location is the FortisBC site in Burnaby, BC, the Customer will have access to the Fueling Location between the hours of 6 a.m. and 6 p.m. (the "**Hours of Operation**"). The Customer may obtain access to the Fueling Location outside of the Hours of Operation upon making prior arrangements with FEI and subject to the requirements of FEI, including use of FOBs (as defined in Part II - Section 2(e)) issued by FEI at the Customer's cost and expense. FEI may, at its sole discretion, and upon prior written notice to the Customer, alter the Hours of Operation and means of access to correspond with its own operating requirements at the Fueling Location.
- (e) *Fueling Cards and FOBs*
 - (i) Use of FOBs – If the Fueling Location is the FortisBC site in Burnaby, BC, the Customer shall be required to obtain from, and use, keys, access cards, fobs or other devices or systems (the "**FOBs**") issued or implemented by FEI to gain access to the Fueling Equipment and/or the Fueling Location. As at the Commencement Date, FOBs are not required for access to the FortisBC site in Langford, BC.
 - (ii) Use of Fueling Cards - To dispense fuel from the Fueling Equipment, the Customer shall use only those fueling cards or other tracking devices or systems issued or implemented by FEI to the Customer (the "**Fueling Cards**").
 - (iii) Cancellation/Withdrawal - The Fueling Cards and FOBs shall, at all times, be and remain the property of FEI. FEI may cancel or withdraw any Fueling Card or FOB at any time where the Customer or anyone using the Fueling Card or FOB fails to comply with the terms of this Agreement, including any on-site signage or instructions issued by FEI from time to time. In such event, the Customer shall surrender the Fueling Cards and FOBs to FEI on demand.
 - (iv) Liability - Except to the extent prohibited by law, unless the Customer has notified FEI of any loss or theft, the Customer shall be liable for and shall pay FEI in accordance with the terms of this Agreement for the full amount of all transactions in respect of the use of any lost or stolen Fueling Card or for any damage caused to the Fueling Location or the Fueling Equipment by anyone who obtained access through use of a FOB issued to the Customer.
- (f) *Personal Identification Numbers* – Use of Fueling Cards shall be restricted through the use of personal identification numbers ("**PINs**"). The Customer shall not reveal its PINs to any person other than those authorized by the Customer to use the Fueling Cards. The Customer shall be liable for and shall pay FEI in accordance with the terms of this Agreement for the full amount of all transactions where the Customer has in any way compromised the security and confidentiality of its PIN.
- (g) *Security Deposit for FOBs* – Prior to the issuance of any FOBs, FEI may require the Customer to deliver a deposit to FEI in an amount established by FEI to cover the replacement cost of each FOB and a reasonable administration fee thereon. Upon return of a FOB, and provided there are no payments outstanding by the Customer to FEI pursuant to this Agreement, FEI will return the applicable deposit to the Customer, without interest. FEI shall be entitled to set off the amount of any deposit held by FEI against any outstanding payments. If a FOB is lost or stolen, the deposit delivered to FEI for such FOB will be forfeited to FEI and the Customer will be required to remit another deposit to FEI for any replacement FOB.

3. SAFETY

- (a) *Responsibility for Safety* – The Customer is, at all times, responsible for the safety and protection of its employees, contractors, agents, representatives, subcontractors and any other person for whom the Customer is at law responsible (collectively, the “Representatives”) using the Fueling Equipment or otherwise accessing the property on which the Fueling Equipment is located.
- (b) *Covenant re: Training and Operation* – By issuing a Fueling Card and/or FOB to any person, the Customer covenants and agrees such person has successfully completed the applicable orientation and training and will continually access and use the Fueling Equipment in a safe manner. The Customer shall ensure, at all times, all safety requirements and on-site signage are adhered to strictly by its Representatives. Failure to do so constitutes a material breach of this Agreement. In addition to any remedies set out in section 6(a) or available at law, the Customer shall not permit any Representatives who have failed to adhere to the safety requirements and on-site signage from accessing the Fueling Equipment upon written request by FEI.

4. FEES, BILLING AND PAYMENT

- (a) *Dispensing Fees* – The Customer, in consideration of access to and use of the Fueling Equipment, shall pay to FEI the Dispensing Rate for each GJ of Fuel dispensed by or to the Customer from the Fueling Equipment, as measured by a meter located on the Fueling Equipment and attributable to the Customer through use of the Fueling Cards.
- (b) *Annual Rate Escalation* – On the Rate Change Date of each year:
 - (i) the Capital Rate will increase by 2%; and
 - (ii) the O & M Rate will increase by the percentage increase, if any, in the Consumer Price Index (published by Statistics Canada for the Province of British Columbia, all items, not seasonally adjusted) from the previous twelve-month period.
- (c) FEI may adjust the Dispensing Rate in Part 1 by the above Annual Rate Escalation if:
 - (i) this Agreement is signed by the Customer prior to the Rate Change Date but the Commencement Date occurs after the Rate Change Date; or
 - (ii) the Customer signs this Agreement after the Rate Change Date but those rates have not yet been escalated by FEI due to the unavailability of the Consumer Price Index as it has not yet been published by Statistics Canada for the previous twelve-month period.

Change in Dispensing Rate

- (iii) If FEI upgrades or expands the Fueling Equipment to accommodate added demand for fueling services, FEI and the Customer agree to negotiate in good faith an adjustment to the Dispensing Rate and the Minimum Annual Quantity going forward, subject to BCUC approval.
- (iv) FortisBC may, in its discretion, provide temporary reductions to the Dispensing Rate from time to time if the aggregate volume of fuel dispensed from the Fueling Equipment to all customers of FEI using the Fueling Equipment who have entered into a fueling agreement with FEI (save and except customers using the Fueling Equipment on a spot basis) materially exceeds the aggregate contracted demand for Fuel for such customers.
- (d) *Minimum Guarantee* - The Customer acknowledges the Dispensing Rate has been calculated by FEI having regard to, among other things, the Customer’s estimated fuel demand profile and the

number of vehicles to be served by the Fueling Equipment, and accordingly, the Customer agrees to pay a minimum annual charge (the "**Minimum Guarantee**") calculated by multiplying the Dispensing Rate by the Minimum Annual Quantity shown in Part I for each Service Year (pro-rated for part years); where a "**Service Year**" means the twelve month period of the Term calculated from the Rate Change Date or the anniversary thereof, provided that the first Service Year shall commence on the Commencement Date and end the first Rate Change Date.

- (e) *Billing and Payment* - Bills will be rendered by FEI monthly and payable by the Customer, without deduction or set-off, within thirty (30) days following the billing date.
- (f) *Payment of Minimum Guarantee* - Where the annual amount billed to the Customer is less than the Minimum Guarantee, the shortfall will be added to the next bill.
- (g) *Taxes* - Any applicable taxes will be added to all rates and charges on each bill.
- (h) *Late Payments* - Overdue payments shall be subject to a late payment charge of 1.5% per month (19.56% per annum).
- (i) *Verification* - The Customer must report any billing errors promptly to FEI. Statements shall be final and binding unless questioned by the Customer within one year after its billing date. The Customer shall have the right to review meter data and other relevant records to verify statements. Such review shall be conducted at the Customer's expense unless such review discloses errors in the amount of fuel dispensed which exceed two percent (2%).

5. LIABILITY, RELEASE, DISCLAIMER, INSURANCE AND ENVIRONMENTAL COMPLIANCE

- (a) *Liability* - The Customer is responsible for, and shall indemnify and save harmless FEI from all expenses, claims and liability incurred by FEI with respect to the access to and use of the Fueling Location and the Fueling Equipment by the Customer's personnel or any person using the Fueling Cards or FOBs issued to the Customer, including any damage to the Fueling Equipment occasioned by its use.
- (b) *Release* - The Customer, on its own behalf and on behalf of its Representatives, hereby releases, defends, indemnifies and holds harmless FEI, and its directors, officers, employees, agents, contractors, successors and assigns, from and against any and all adverse claims, losses, suits, actions, judgments, demands, debts, accounts, damages, costs, penalties and expenses (including all legal fees and disbursements) arising from or incurred by or suffered as a result of the Customer's presence at the Fueling Location or while using the Fueling Equipment, howsoever caused, save and except from any negligent act or omission of FEI.
- (c) *No Warranty and Disclaimer* - The Customer acknowledges and agrees:
 - (i) Suitability of Fueling Equipment - FEI does not represent or warrant the adequacy or suitability of the Fueling Equipment for the Customer's purpose and all express or implied warranties, terms or conditions of merchantability or fitness for a particular purpose, whether existing at law or in equity, are expressly disclaimed by FEI.
 - (ii) Limitations on Use - The Customer acknowledges and is aware the fuel supply may be temporarily suspended or unavailable from time to time, including as a result of equipment breakdown, to make repairs or improvements to the Fueling Equipment or to comply with the requirements of any law. FEI will, regardless of the cause of fuel suspension or equipment breakdown and whenever practicable, give prior notice to the Customer of such suspension, will diligently undertake required repairs to minimize

Fueling Equipment down-time and will use commercially reasonable efforts to provide the Customer with the right to access substituted fueling equipment on an interim basis for the duration of fuel supply suspension or equipment breakdown and, in the event the Customer elects to exercise such right, the Customer will bear FEI's reasonable costs associated with the implementation of substituted fueling equipment, on a pro rata basis. If the supply of fuel from the Fueling Equipment is interrupted or curtailed and FEI is unable to provide an interim dispensing location, the Customer may temporarily utilize another source of fuel until FEI is able to resume supply and, if applicable, the amount of such third party Fuel will be taken into account when calculating any Minimum Guarantee payable for such year.

- (d) *Limitation of Liability* – Neither party shall be liable to the other party for any indirect, punitive, exemplary, incidental, aggravated, punitive or consequential damages of any kind regardless of the form of action whether in contract, tort, strict product liability, breach of warranty, breach of representation, misrepresentation, statutory duty, or any other legal or equitable theory, even if such party has been advised of the possibility of such damages. This provision shall not apply to third party claims or to any claim by FEI for loss of profit, use or interruption of business.
- (e) *Insurance* - The Customer shall obtain and maintain the following insurance coverage and provide proof of coverage to FEI:
 - (i) Workers' Compensation Insurance in accordance with the statutory requirements;
 - (ii) Automobile Liability Insurance with a limit of not less than \$5,000,000 per occurrence in respect of bodily injury, death and property damage;
 - (iii) Comprehensive General Liability Insurance from insurers registered in and licensed to underwrite insurance in British Columbia for bodily injury, death and property damage in the amount of \$5,000,000 per occurrence naming FEI as an additional insured with respect to this Agreement and providing that the insurance shall not be cancelled or materially changed without the insurer using best efforts to provide at least 30 calendar days' written notice to FEI; and
 - (iv) Such other insurance as reasonably required by FEI from time to time.
- (f) *Environmental Compliance* - The Customer acknowledges and agrees the Customer has environmental responsibilities arising from the Customer's use of the Fueling Equipment pursuant to environmental laws and regulations, including related spills, and is required to comply with the requirements of FEI as they relate to environmental management, compliance and reporting, copies of which requirements will be provided by FEI to the Customer from time to time. The Customer covenants and agrees to co-operate with FEI in coordinating, establishing, implementing and verifying processes and procedures to manage and address environmental impacts and ensure compliance with environmental laws and regulations.

6. DEFAULT AND TERMINATION

- (a) *Default* - If the Customer, or any person using the Fueling Cards and/or FOBs, is unable, refuses or fails to produce proof of training upon request by FEI, or the Customer is otherwise in default of this Agreement, FEI may terminate this Agreement, or de-activate the applicable Fueling Cards and/or FOBs, temporarily or permanently, without prior notice to the Customer and without any liability to FEI as a result thereof.

- (b) *Surrender of Fueling Cards and FOBs* – Upon termination of this Agreement, all Fueling Cards and FOBs issued under this Agreement will immediately cease to be valid and the Customer shall surrender the Fueling Cards and FOBs to FEI upon demand.
- (c) *Effect of Termination* – If, prior to the expiry of the Initial Term, this Agreement is terminated by the Customer for any reason or by FEI pursuant to section 6(a), in addition to any other amounts due and owing by the Customer to FEI and despite any other remedies available at law or in equity, the Customer shall pay to FEI, within 30 days of billing, the Dispensing Rate (as escalated annually) calculated on the Minimum Annual Quantity to the end of the Initial Term.
- (d) *Survival* - Upon expiry or early termination of this Agreement, all claims, causes of action or other outstanding obligations remaining or being unfulfilled as of the expiry or termination date and all the provisions of this Agreement relating to the obligation of either the parties to account to or indemnify the other and to pay to the other any amounts owing as at the date of expiry or termination in connection with this Agreement will survive such expiry or termination.
- (e) *Effect of Termination on Other Agreements* – The expiration or termination of this Agreement does not affect or result in the expiry or termination of any other agreements made between FEI and the Customer, including any fuel purchase agreements or transportation agreements.

7. MISCELLANEOUS

- (a) *Amendments* - Except as set out in this Agreement, no amendment or variation of this Agreement shall be effective or binding unless in writing and signed by the parties and, where applicable, upon receipt of BCUC approval.
- (b) *Further Assurances* - The Customer will execute and deliver any further agreement, document or instrument and do and perform any further act or thing as may be reasonably required by FEI from time to time to evidence or give full force and effect to the terms, conditions and intent of this Agreement.
- (c) *Governing Law* - This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada. The parties hereby attorn to the jurisdiction of the courts of British Columbia and all courts competent to hear appeals therefrom.
- (d) *Assignment* - FEI may assign, transfer or sell its right, title and interest in this Agreement, to any Affiliate, as that term is defined in the *Business Corporation Act*, S.B.C. 2002, c.57.
- (e) *Waiver* - FEI is not bound by any waiver of any provision of this Agreement unless it consents to such waiver in writing. No waiver of any provision of this Agreement constitutes a waiver of any other provision, nor does any waiver constitute a continuing waiver unless otherwise provided.
- (f) *Severability* - If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination does not impair or affect the validity, legality or enforceability of any other provision of this Agreement.
- (g) *Time of the Essence* - Time is of the essence of this Agreement.

END OF DOCUMENT





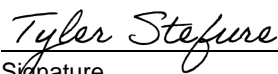
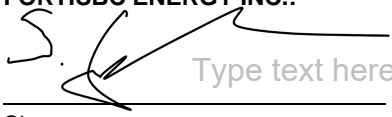
FUELING SERVICES AGREEMENT (LANGFORD SITE) PART I – BASIC TERMS

Customer					
Company name: GFL Environmental Inc.			Mailing/billing address: 8409 – 15 th Street NW, Edmonton, AB T6P 0B8		
Contact name and title: Tyler Stefure – Fleet Director, Western Canada			Telephone: 780-444-8805	Email: tstefure@gflenv.com	
Fueling Location					
Langford Site - 1027 Langford Parkway, Victoria, BC					
Term					
Commencement Date: January 1 st , 2021		Rate Change Date: (see section 4(b) of Part II) January 1st of each year with the first escalation occurring on January 1 st , 2022		Initial Term: 5 years starting from the Commencement Date	
Renewal: (see section 1(b) of Part II) Auto Renew Annually					
Dispensing Rate					
\$/Gigajoule ("GJ") , as at the Commencement Date, subject to adjustment pursuant to sections 4(b) and (c) of Part II.					
Capital Rate	O & M Rate	Overhead Rate	Short Term Charge	Spot Charge	Total
\$4.420	\$2.286	\$0.520	N/A	N/A	\$7.226
Minimum Annual Quantity					
6,000 GJs, subject to adjustment pursuant to section 4(d) of Part II.					
Supplemental Terms and Conditions					
<ol style="list-style-type: none">Additional Charges - The Dispensing Rate payable pursuant to this Agreement is in addition to any amounts payable by the Customer to FEI for the purchase of fuel and transportation services, if applicable, pursuant to the Rate Schedules.Fueling Vehicles - Unless otherwise directed by FEI by written notice to the Customer, the dispensing of fuel into the Customer's vehicles shall be performed by the Customer.					

The Customer and FortisBC Energy Inc. ("FEI"), by signing this Agreement, accept and agree to be bound by the terms and conditions herein contained. This Agreement, including Part I and Part II, constitutes the entire agreement between the parties and supersedes all other agreements with respect to the services described herein.

This Agreement will not come into effect and does not bind the parties until FEI has obtained the necessary approvals for this Agreement from all regulatory or other applicable governmental authorities having jurisdiction, including the British Columbia Utilities Commission ("BCUC"), on terms and conditions which are satisfactory to FEI.

If the condition listed above is not satisfied or waived by the Commencement Date, at FEI's sole discretion, this Agreement will automatically terminate and neither party will have recourse against the other party due its termination nor will either party have any further rights or obligations under this Agreement. Sections 5(d) and 6 shall survive termination of this Agreement.

CUSTOMER: GFL Environmental Inc		FORTISBC ENERGY INC.:	
	12.17.2020		December 17/20
Signature	Date	Signature	Date
Tyler Stefure Fleet Director Western Canada		Sarah Smith Director, NGT, Regional LNG and Renewable Gases	

Name	Title	Name	Title

PART II – BACKGROUND AND TERMS AND CONDITIONS

SECTION A – BACKGROUND AND INTERPRETATION

- A. Capitalized terms shall have the meanings ascribed to those terms as set out in Part I - Basic Terms and Part II – Background and Terms and Conditions.
- B. FEI, as at the Commencement Date, owns and operates fueling equipment at the Fueling Location from which it sells and distributes fuel (the “**Fueling Equipment**”).
- C. The Customer has agreed to purchase fuel, and obtain transportation services (if applicable), from FEI pursuant to FortisBC Rate Schedules as established or amended from time to time (the “**Rate Schedules**”) and wishes to use the Fueling Equipment to fuel their vehicles.

SECTION B – TERMS AND CONDITIONS

1. TERM

- (a) *Initial Term* - The initial term of this Agreement will be for the period set out in Part I.
- (b) *Renewal* - This Agreement may be renewed at the end of the Initial Term for the additional period(s) of time set out in Part I upon the mutual written agreement of the parties herto.

2. USE OF FUELING EQUIPMENT AND ACCESS TO PROPERTY

- (a) *Use of Fueling Equipment* – Provided the Customer is, at all times, in compliance with this Agreement, and unless otherwise provided herein, the Customer shall be entitled to access and use the Fueling Equipment to fuel vehicles.
- (b) *Training and Operation* - The Customer shall not permit any of its personnel to access the Fueling Location until such person has participated in and successfully completed the applicable orientation/training (including safety training) and, when required, refresher training, either directly from FEI or a supervisor/manager of the Customer approved by FEI or provided by any other party that is deemed satisfactory to FEI, on the use of the Fueling Equipment, in accordance with the manufacturer’s dispensing instructions, if applicable, all applicable laws, and the requirements of FEI, as established or amended from time to time. The Customer shall provide, and shall ensure each of its personnel accessing the Fueling Location and dispensing fuel from the Fueling Equipment, or using a Fueling Card or FOB (as defined in subsection (e) below) if applicable, provides proof of orientation/training to FEI upon request.
- (c) *Emergency Preparedness and Response* - The Customer will, when requested by FEI from time to time, participate in emergency preparedness and emergency response training exercises and initiatives.
- (d) *Access to Property*
 - (i) The Customer shall only access those parts of the property on which the Fueling Equipment is located and designated for access to the Fueling Equipment and shall, at all times, comply with site safety instructions communicated by FEI and any on-site signage or instructions. The Customer is aware access to the Fueling Equipment may be detoured or made unavailable by FEI from time to time, and to the extent reasonably possible, FEI will provide prior notice to the Customer accordingly.
 - (ii) If the Fueling Location is the FortisBC site in Burnaby, BC, the Customer will have access to the Fueling Location between the hours of 6 a.m. and 6 p.m. (the “**Hours of**”

Operation”). The Customer may obtain access to the Fueling Location outside of the Hours of Operation upon making prior arrangements with FEI and subject to the requirements of FEI, including use of FOBs (as defined in Part II - Section 2(e)) issued by FEI at the Customer’s cost and expense. FEI may, at its sole discretion, and upon prior written notice to the Customer, alter the Hours of Operation and means of access to correspond with its own operating requirements at the Fueling Location.

(e) *Fueling Cards and FOBs*

- (i) Use of FOBs – If the Fueling Location is the FortisBC site in Burnaby, BC, the Customer shall be required to obtain from, and use, keys, access cards, fobs or other devices or systems (the **“FOBs”**) issued or implemented by FEI to gain access to the Fueling Equipment and/or the Fueling Location. As at the Commencement Date, FOBs are not required for access to the FortisBC site in Langford, BC.
- (ii) Use of Fueling Cards - To dispense fuel from the Fueling Equipment, the Customer shall use only those fueling cards or other tracking devices or systems issued or implemented by FEI to the Customer (the **“Fueling Cards”**).
- (iii) Cancellation/Withdrawal - The Fueling Cards and FOBs shall, at all times, be and remain the property of FEI. FEI may cancel or withdraw any Fueling Card or FOB at any time where the Customer or anyone using the Fueling Card or FOB fails to comply with the terms of this Agreement, including any on-site signage or instructions issued by FEI from time to time. In such event, the Customer shall surrender the Fueling Cards and FOBs to FEI on demand.
- (iv) Liability - Except to the extent prohibited by law, unless the Customer has notified FEI of any loss or theft, the Customer shall be liable for and shall pay FEI in accordance with the terms of this Agreement for the full amount of all transactions in respect of the use of any lost or stolen Fueling Card or for any damage caused to the Fueling Location or the Fueling Equipment by anyone who obtained access through use of a FOB issued to the Customer.

- (f) *Personal Identification Numbers* – Use of Fueling Cards shall be restricted through the use of personal identification numbers (**“PINs”**). The Customer shall not reveal its PINs to any person other than those authorized by the Customer to use the Fueling Cards. The Customer shall be liable for and shall pay FEI in accordance with the terms of this Agreement for the full amount of all transactions where the Customer has in any way compromised the security and confidentiality of its PIN.

- (g) *Security Deposit for FOBs* – Prior to the issuance of any FOBs, FEI may require the Customer to deliver a deposit to FEI in an amount established by FEI to cover the replacement cost of each FOB and a reasonable administration fee thereon. Upon return of a FOB, and provided there are no payments outstanding by the Customer to FEI pursuant to this Agreement, FEI will return the applicable deposit to the Customer, without interest. FEI shall be entitled to set off the amount of any deposit held by FEI against any outstanding payments. If a FOB is lost or stolen, the deposit delivered to FEI for such FOB will be forfeited to FEI and the Customer will be required to remit another deposit to FEI for any replacement FOB.

3. SAFETY

- (a) *Responsibility for Safety* – The Customer is, at all times, responsible for the safety and protection of its employees, contractors, agents, representatives, subcontractors and any other person for whom the Customer is at law responsible (collectively, the “**Representatives**”) using the Fueling Equipment or otherwise accessing the property on which the Fueling Equipment is located.
- (b) *Covenant re: Training and Operation* – By issuing a Fueling Card and/or FOB to any person, the Customer covenants and agrees such person has successfully completed the applicable orientation and training and will continually access and use the Fueling Equipment in a safe manner. The Customer shall ensure, at all times, all safety requirements and on-site signage are adhered to strictly by its Representatives. Failure to do so constitutes a material breach of this Agreement. In addition to any remedies set out in section 6(a) or available at law, the Customer shall not permit any Representatives who have failed to adhere to the safety requirements and on-site signage from accessing the Fueling Equipment upon written request by FEI.

4. FEES, BILLING AND PAYMENT

- (a) *Dispensing Fees* – The Customer, in consideration of access to and use of the Fueling Equipment, shall pay to FEI the Dispensing Rate for each GJ of Fuel dispensed by or to the Customer from the Fueling Equipment, as measured by a meter located on the Fueling Equipment and attributable to the Customer through use of the Fueling Cards.
- (b) *Annual Rate Escalation* – On the Rate Change Date of each year:
 - (i) the Capital Rate will increase by 2%; and
 - (ii) the O & M Rate will increase by the percentage increase, if any, in the Consumer Price Index (published by Statistics Canada for the Province of British Columbia, all items, not seasonally adjusted) from the previous twelve-month period.
- (c) FEI may adjust the Dispensing Rate in Part 1 by the above Annual Rate Escalation if:
 - (i) this Agreement is signed by the Customer prior to the Rate Change Date but the Commencement Date occurs after the Rate Change Date; or
 - (ii) the Customer signs this Agreement after the Rate Change Date but those rates have not yet been escalated by FEI due to the unavailability of the Consumer Price Index as it has not yet been published by Statistics Canada for the previous twelve-month period.

Change in Dispensing Rate

- (iii) If FEI upgrades or expands the Fueling Equipment to accommodate added demand for fueling services, FEI and the Customer agree to negotiate in good faith an adjustment to the Dispensing Rate and the Minimum Annual Quantity going forward, subject to BCUC approval.
- (iv) FortisBC may, in its discretion, provide temporary reductions to the Dispensing Rate from time to time if the aggregate volume of fuel dispensed from the Fueling Equipment to all customers of FEI using the Fueling Equipment who have entered into a fueling agreement with FEI (save and except customers using the Fueling Equipment on a spot basis) materially exceeds the aggregate contracted demand for Fuel for such customers.
- (d) *Minimum Guarantee* - The Customer acknowledges the Dispensing Rate has been calculated by FEI having regard to, among other things, the Customer’s estimated fuel demand profile and the

number of vehicles to be served by the Fueling Equipment, and accordingly, the Customer agrees to pay a minimum annual charge (the “**Minimum Guarantee**”) calculated by multiplying the Dispensing Rate by the Minimum Annual Quantity shown in Part I for each Service Year (pro-rated for part years); where a “**Service Year**” means the twelve month period of the Term calculated from the Rate Change Date or the anniversary thereof, provided that the first Service Year shall commence on the Commencement Date and end the first Rate Change Date.

- (e) *Billing and Payment* - Bills will be rendered by FEI monthly and payable by the Customer, without deduction or set-off, within thirty (30) days following the billing date.
- (f) *Payment of Minimum Guarantee* – Where the annual amount billed to the Customer is less than the Minimum Guarantee, the shortfall will be added to the next bill.
- (g) *Taxes* - Any applicable taxes will be added to all rates and charges on each bill.
- (h) *Late Payments* - Overdue payments shall be subject to a late payment charge of 1.5% per month (19.56% per annum).
- (i) *Verification* - The Customer must report any billing errors promptly to FEI. Statements shall be final and binding unless questioned by the Customer within one year after its billing date. The Customer shall have the right to review meter data and other relevant records to verify statements. Such review shall be conducted at the Customer’s expense unless such review discloses errors in the amount of fuel dispensed which exceed two percent (2%).

5. LIABILITY, RELEASE, DISCLAIMER, INSURANCE AND ENVIRONMENTAL COMPLIANCE

- (a) *Liability* - The Customer is responsible for, and shall indemnify and save harmless FEI from all expenses, claims and liability incurred by FEI with respect to the access to and use of the Fueling Location and the Fueling Equipment by the Customer’s personnel or any person using the Fueling Cards or FOBs issued to the Customer, including any damage to the Fueling Equipment occasioned by its use.
- (b) *Release* - The Customer, on its own behalf and on behalf of its Representatives, hereby releases, defends, indemnifies and holds harmless FEI, and its directors, officers, employees, agents, contractors, successors and assigns, from and against any and all adverse claims, losses, suits, actions, judgments, demands, debts, accounts, damages, costs, penalties and expenses (including all legal fees and disbursements) arising from or incurred by or suffered as a result of the Customer’s presence at the Fueling Location or while using the Fueling Equipment, howsoever caused, save and except from any negligent act or omission of FEI.
- (c) *No Warranty and Disclaimer* – The Customer acknowledges and agrees:
 - (i) Suitability of Fueling Equipment - FEI does not represent or warrant the adequacy or suitability of the Fueling Equipment for the Customer’s purpose and all express or implied warranties, terms or conditions of merchantability or fitness for a particular purpose, whether existing at law or in equity, are expressly disclaimed by FEI.
 - (ii) Limitations on Use - The Customer acknowledges and is aware the fuel supply may be temporarily suspended or unavailable from time to time, including as a result of equipment breakdown, to make repairs or improvements to the Fueling Equipment or to comply with the requirements of any law. FEI will, regardless of the cause of fuel suspension or equipment breakdown and whenever practicable, give prior notice to the Customer of such suspension, will diligently undertake required repairs to minimize

Fueling Equipment down-time and will use commercially reasonable efforts to provide the Customer with the right to access substituted fueling equipment on an interim basis for the duration of fuel supply suspension or equipment breakdown and, in the event the Customer elects to exercise such right, the Customer will bear FEI's reasonable costs associated with the implementation of substituted fueling equipment, on a pro rata basis. If the supply of fuel from the Fueling Equipment is interrupted or curtailed and FEI is unable to provide an interim dispensing location, the Customer may temporarily utilize another source of fuel until FEI is able to resume supply and, if applicable, the amount of such third party Fuel will be taken into account when calculating any Minimum Guarantee payable for such year.

- (d) *Limitation of Liability* – Neither party shall be liable to the other party for any indirect, punitive, exemplary, incidental, aggravated, punitive or consequential damages of any kind regardless of the form of action whether in contract, tort, strict product liability, breach of warranty, breach of representation, misrepresentation, statutory duty, or any other legal or equitable theory, even if such party has been advised of the possibility of such damages. This provision shall not apply to third party claims or to any claim by FEI for loss of profit, use or interruption of business.
- (e) *Insurance* - The Customer shall obtain and maintain the following insurance coverage and provide proof of coverage to FEI:
 - (i) Workers' Compensation Insurance in accordance with the statutory requirements;
 - (ii) Automobile Liability Insurance with a limit of not less than \$5,000,000 per occurrence in respect of bodily injury, death and property damage;
 - (iii) Comprehensive General Liability Insurance from insurers registered in and licensed to underwrite insurance in British Columbia for bodily injury, death and property damage in the amount of \$5,000,000 per occurrence naming FEI as an additional insured with respect to this Agreement and providing that the insurance shall not be cancelled or reduced without the customer using reasonable efforts to provide at least 30 calendar days' written notice to FEI; and
 - (iv) Such other insurance as reasonably required by FEI from time to time.
- (f) *Environmental Compliance* - The Customer acknowledges and agrees the Customer has environmental responsibilities arising from the Customer's use of the Fueling Equipment pursuant to environmental laws and regulations, including related spills, and is required to comply with the requirements of FEI as they relate to environmental management, compliance and reporting, copies of which requirements will be provided by FEI to the Customer from time to time. The Customer covenants and agrees to co-operate with FEI in coordinating, establishing, implementing and verifying processes and procedures to manage and address environmental impacts and ensure compliance with environmental laws and regulations.

6. DEFAULT AND TERMINATION

- (a) *Default* - If the Customer, or any person using the Fueling Cards and/or FOBs, is unable, refuses or fails to produce proof of training upon request by FEI, or the Customer is otherwise in default of this Agreement, FEI may terminate this Agreement, or de-activate the applicable Fueling Cards and/or FOBs, temporarily or permanently, without prior notice to the Customer and without any liability to FEI as a result thereof.

- (b) *Surrender of Fueling Cards and FOBs* – Upon termination of this Agreement, all Fueling Cards and FOBs issued under this Agreement will immediately cease to be valid and the Customer shall surrender the Fueling Cards and FOBs to FEI upon demand.
- (c) *Effect of Termination* – If, prior to the expiry of the Initial Term, this Agreement is terminated by the Customer for any reason or by FEI pursuant to section 6(a), in addition to any other amounts due and owing by the Customer to FEI and despite any other remedies available at law or in equity, the Customer shall pay to FEI, within 30 days of billing, the Dispensing Rate (as escalated annually) calculated on the Minimum Annual Quantity to the end of the Initial Term.
- (d) *Survival* - Upon expiry or early termination of this Agreement, all claims, causes of action or other outstanding obligations remaining or being unfulfilled as of the expiry or termination date and all the provisions of this Agreement relating to the obligation of either the parties to account to or indemnify the other and to pay to the other any amounts owing as at the date of expiry or termination in connection with this Agreement will survive such expiry or termination.
- (e) *Effect of Termination on Other Agreements* – The expiration or termination of this Agreement does not affect or result in the expiry or termination of any other agreements made between FEI and the Customer, including any fuel purchase agreements or transportation agreements.

7. MISCELLANEOUS

- (a) *Amendments* - Except as set out in this Agreement, no amendment or variation of this Agreement shall be effective or binding unless in writing and signed by the parties and, where applicable, upon receipt of BCUC approval.
- (b) *Further Assurances* - The Customer will execute and deliver any further agreement, document or instrument and do and perform any further act or thing as may be reasonably required by FEI from time to time to evidence or give full force and effect to the terms, conditions and intent of this Agreement.
- (c) *Governing Law* - This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada. The parties hereby attorn to the jurisdiction of the courts of British Columbia and all courts competent to hear appeals therefrom.
- (d) *Assignment* - FEI may assign, transfer or sell its right, title and interest in this Agreement, to any Affiliate, as that term is defined in the *Business Corporation Act*, S.B.C. 2002, c.57.
- (e) *Waiver* - FEI is not bound by any waiver of any provision of this Agreement unless it consents to such waiver in writing. No waiver of any provision of this Agreement constitutes a waiver of any other provision, nor does any waiver constitute a continuing waiver unless otherwise provided.
- (f) *Severability* - If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination does not impair or affect the validity, legality or enforceability of any other provision of this Agreement.
- (g) *Time of the Essence* - Time is of the essence of this Agreement.

END OF DOCUMENT

Appendix B

GFL EVERGREEN TRANSFER LETTER



FortisBC Energy Inc.
16705 Fraser Highway
Surrey, BC V4N 0E8

To whom it may concern

GFL Environmental Inc. ("GFL") purchased a solid waste business on Vancouver Island from Evergreen Industries Ltd.

Accordingly, and effective immediately, GFL will assume the Fueling Services Agreement, entered into January 12, 2015, between Evergreen Industries Ltd. and FortisBC Energy Inc. ("Fortis"), and the minimum annual quantity commitment of 500GJ. GFL requests that the 500GJ commitment be counted towards the minimum annual quantity commitment of 6000GJ in the new Fueling Services Agreement that GFL and Fortis intend to enter into. We further request that upon the execution of the new Fueling Services Agreement that billing under the new and existing Fueling Services Agreements be consolidated and made out to GFL.

If you have any questions or concerns about this letter, please do not hesitate to contact the undersigned.

Tyler Stefure

Tyler Stefure
Fleet Director - Western Canada
GFL Environmental Inc
Cell: (587) 357-1791
tstefure@gflenv.com

Appendix C

LIVE FINANCIAL MODEL

FILED CONFIDENTIALLY

Appendix D

FINANCIAL SCHEDULES

FortisBC Energy Inc.
Langford CNG Station
December 2020

Langford CNG Station: Revenue Requirement
Schedule 1
(\$000's), unless otherwise stated

Line	Particulars	Reference	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
1	Revenue Requirement																					
2	Cost of Energy Sold		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Operation and Maintenance	Schedule 2, Line 18	60	61	62	64	65	66	68	69	70	72	73	75	76	78	79	81	82	84	86	87
4	Property Taxes	Schedule 2, Line 23	2	2	2	2	2	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
5	Depreciation Expense	Schedule 8, Line 13 + Line 30	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58
6	Amortization Expense	Schedule 9, Line 46	1	1	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other Revenue	Schedule 2, Line 19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Income Taxes	Schedule 3, Line 20	12	15	17	19	20	20	21	21	21	21	21	21	20	20	19	19	18	18	17	16
9	Earned Return	Schedule 5, Line 23	49	46	42	38	35	31	27	24	20	17	13	9	6	2	(2)	(5)	(9)	(12)	(16)	(20)
10																						
11	Annual Revenue Requirement	Sum of Lines 2 through 9	183	184	183	183	181	178	176	174	172	170	168	165	163	160	158	155	153	150	148	145
12																						
13	Calendar Year = Contract Year																					

Langford CNG Station: O&M, Other Revenue and Property Tax

Schedule 2

(\$000's), unless otherwise stated

Line	Particulars	Reference	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
1	Gross O&M																					
2	Labour Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Vehicle Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Employee Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Materials & Supplies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Computer Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Lease Cost		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Contractor Costs		60	61	62	64	65	66	68	69	70	72	73	75	76	78	79	81	82	84	86	87
9	Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Recoveries & Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11																						
12	Non-Labour Costs		60	61	62	64	65	66	68	69	70	72	73	75	76	78	79	81	82	84	86	87
13																						
14	Total Gross O&M Expenses		60	61	62	64	65	66	68	69	70	72	73	75	76	78	79	81	82	84	86	87
15																						
16	(Less): Capitalized Overhead		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Add (Less): Adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Net O&M		60	61	62	64	65	66	68	69	70	72	73	75	76	78	79	81	82	84	86	87
19																						
20	Property Taxes																					
21	General, School and Other		2	2	2	2	2	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
22	1% in Lieu of General Municipal Tax ¹	Schedule 10, Line 57/1000 x 1%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Total Property Taxes		2	2	2	2	2	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
24																						
25	1 - Calculation is based on the second preceeding year; ex., 2023 is based on 2021 revenue																					

FortisBC Energy Inc.
Langford CNG Station
December 2020

Langford CNG Station: Income Tax Expense
Schedule 3
((\$000's), unless otherwise stated)

Line	Particulars	Reference	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
1	Income Tax Expense																					
2																						
3	Earned Return	Schedule 5, Line 23	49	46	42	38	35	31	27	24	20	17	13	9	6	2	(2)	(5)	(9)	(12)	(16)	(20)
4	Deduct: Interest on debt	Schedule 5, Line 22	(23)	(21)	(19)	(18)	(16)	(14)	(13)	(11)	(9)	(8)	(6)	(4)	(3)	(1)	1	2	4	6	7	9
5	Add (Deduct): Amortization Expense	Schedule 9, Line 46	1	1	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Add: Depreciation Expense	Schedule 8, Line 13 + Line 30	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58
7	Add: Removal Cost Provision		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	Deduct: Overhead Capitalized Expensed for Tax Purposes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Deduct Removal Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Deduct: Capital Cost Allowance	Schedule 4, Line 22	(54)	(44)	(36)	(29)	(24)	(20)	(16)	(14)	(11)	(10)	(8)	(7)	(6)	(5)	(5)	(4)	(4)	(3)	(3)	(3)
11	Taxable Income After Tax	Sum of Lines 3 through 10	32	40	46	51	54	55	56	57	57	57	57	56	55	54	52	51	49	48	46	45
12																						
13	Income Tax Rate		27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%
14	1 - Current Income Tax Rate	1 - Line 13	73%	73%	73%	73%	73%	73%	73%	73%	73%	73%	73%	73%	73%	73%	73%	73%	73%	73%	73%	73%
15																						
16	Taxable Income	Line 11 / Line 14	44	55	64	70	74	75	77	78	79	78	78	77	75	74	72	70	68	66	63	61
17																						
18	Total Income Tax Expense	Line 16 x Line 13	12	15	17	19	20	20	21	21	21	21	21	21	20	20	19	19	18	18	17	16
19	Adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Net Tax Expense	Line 18 + Line 19	12	15	17	19	20	20	21	21	21	21	21	21	20	20	19	19	18	18	17	16

FortisBC Energy Inc.
Langford CNG Station
December 2020

Langford CNG Station: Capital Cost Allowance
Schedule 4
((\$000's), unless otherwise stated)

Line	Particulars	Reference	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
1	CNG Dispensing Equipment (hoses and fill posts)- Class 8 @ 20%																					
2	Opening Balance	Preceding Year, Line 5	234	187	150	120	96	77	61	49	39	31	25	20	16	13	10	8	7	5	4	3
3	Additions	Schedule 7, Line 10 - AFUDC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	CCA	[Line 2 + (Line 3 x 1/2)] x CCA Rate	(47)	(37)	(30)	(24)	(19)	(15)	(12)	(10)	(8)	(6)	(5)	(4)	(3)	(3)	(2)	(2)	(1)	(1)	(1)	(1)
5	Closing Balance	Sum of Lines 2 through 4	187	150	120	96	77	61	49	39	31	25	20	16	13	10	8	7	5	4	3	3
6																						
7	CNG Foundations- Class 1 @ 4%																					
8	Opening Balance	Preceding Year, Line 11	109	105	101	97	93	89	85	82	79	76	73	70	67	64	62	59	57	55	52	50
9	Additions	Schedule 7, Line 11 - AFUDC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	CCA	[Line 8 + (Line 9 x 1/2)] x CCA Rate	(4)	(4)	(4)	(4)	(4)	(4)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(2)	(2)	(2)	(2)	(2)	(2)
11	Closing Balance	Sum of Lines 8 through 10	105	101	97	93	89	85	82	79	76	73	70	67	64	62	59	57	55	52	50	48
12																						
13	CNG Dehydrator- Class 8 @ 20%																					
14	Opening Balance	Preceding Year, Line 17	13	10	8	6	5	4	3	3	2	2	1	1	1	1	1	0	0	0	0	0
15	Additions	Schedule 7, Line 12 - AFUDC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	CCA	[Line 14 + (Line 15 x 1/2)] x CCA Rate	(3)	(2)	(2)	(1)	(1)	(1)	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
17	Closing Balance	Sum of Lines 14 through 16	10	8	6	5	4	3	3	2	2	1	1	1	1	1	0	0	0	0	0	0
18																						
19	Total CCA																					
20	Opening Balance	Preceding Year, Line 23	355	302	258	223	194	170	150	134	120	109	99	91	84	78	72	68	64	60	57	54
21	Additions	¹	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	CCA	²	(54)	(44)	(36)	(29)	(24)	(20)	(16)	(14)	(11)	(10)	(8)	(7)	(6)	(5)	(5)	(4)	(4)	(3)	(3)	(3)
23	Closing Balance	Sum of Lines 20 through 22	302	258	223	194	170	150	134	120	109	99	91	84	78	72	68	64	60	57	54	51
24	1 - Schedule 4, Sum of detailed Additions lines																					

FortisBC Energy Inc.
Langford CNG Station
December 2020

Langford CNG Station: Rate Base
Schedule 5
((\$000's), unless otherwise stated)

Line	Particulars	Reference	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
1	Rate Base																					
2	Gross Plant In Service- Beginning	Schedule 7, Line 7	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158
3	Gross Plant In Service- Ending	Schedule 7, Line 25	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158
4																						
5	Accumulated Depreciation- Beginning	Schedule 8, Line 7	(345)	(403)	(461)	(519)	(577)	(635)	(692)	(750)	(808)	(866)	(924)	(982)	(1,040)	(1,098)	(1,155)	(1,213)	(1,271)	(1,329)	(1,387)	(1,445)
6	Accumulated Depreciation- Ending	Schedule 8, Line 25	(403)	(461)	(519)	(577)	(635)	(692)	(750)	(808)	(866)	(924)	(982)	(1,040)	(1,098)	(1,155)	(1,213)	(1,271)	(1,329)	(1,387)	(1,445)	(1,503)
7																						
8	Contributions in Aid of Construction- Beginning	Schedule 7, Line 29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Contributions in Aid of Construction- Ending	Schedule 7, Line 32	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10																						
11	Accumulated Amortization- Beginning	Schedule 8, Line 29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Accumulated Amortization- Ending	Schedule 8, Line 32	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13																						
14	Net Plant in Service, Mid-Year	Sum (Lines 2 through 12)/2	784	726	668	610	552	494	436	378	320	263	205	147	89	31	(27)	(85)	(143)	(200)	(258)	(316)
15																						
16	Unamortized Deferred Charges, Mid-Year	Schedule 9, Line 49	3	5	4	2	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Cash Working Capital	¹	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
18	Total Rate Base	Sum of Lines 14 through 17	788	733	673	614	555	496	438	380	322	264	207	149	91	33	(25)	(83)	(141)	(199)	(257)	(314)
19																						
20	Return on Rate Base																					
21	Equity Return	Line 18 x ROE x Equity %	27	25	23	21	19	17	15	13	11	9	7	5	3	1	(1)	(3)	(5)	(7)	(9)	(11)
22	Debt Component	²	23	21	19	18	16	14	13	11	9	8	6	4	3	1	(1)	(2)	(4)	(6)	(7)	(9)
23	Total Earned Return	Line 21 + Line 22	49	46	42	38	35	31	27	24	20	17	13	9	6	2	(2)	(5)	(9)	(12)	(16)	(20)
24	Return on Rate Base %	Line 23 / Line 18	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
25																						
26	1 - Schedule 7, Line 25 x FEI CWC/Closing GPIS %																					
27	2 - Line 18 x (LTD Rate x LTD% + STD Rate x STD %)																					

FortisBC Energy Inc.
Langford CNG Station
December 2020

Langford CNG Station: Capital Spending
Schedule 6
((\$000's), unless otherwise stated)

Line	Particulars	Reference	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
1	Capital Spending Prior to 2021																					
2	CNG Dispensing Equipment (hoses and fill posts)		-																			
3	CNG Foundations		-																			
4	CNG Dehydrator		-																			
5	Total Capital Spending Prior to 2021	Sum of Lines 2 through 4	-																			
6																						
7	AFUDC Prior to 2021																					
8	CNG Dispensing Equipment (hoses and fill posts)		-																			
9	CNG Foundations		-																			
10	CNG Dehydrator		-																			
11	Total AFUDC Prior to 2021	Sum of Lines 8 through 10	-																			
12																						
13	Capital Spending 2021 Onwards																					
14	CNG Dispensing Equipment (hoses and fill posts)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	CNG Foundations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	CNG Dehydrator		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Total Capital Spending 2021 Onwards	Sum of Lines 14 through 16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18																						
19	Total Capital Spending ¹	Line 5 + Line 17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Total AFUDC	Line 11 + Line 18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Total Annual Capital Spending and AFUDC	Line 19 + Line 20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22																						
23	Contributions in Aid of Construction		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Removal Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Net Annual Project Costs- Capital	Line 21 + 23 + 24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26																						
27	Total Project Costs- Capital Spending and AFUDC	Sum of Line 21	-																			
28	Total Net Project Costs- including CIAC & Removal Costs	Sum of Line 25	-																			
29																						
30	1 - Excluding capitalized overhead; First year of analysis includes all prior year spending																					

FortisBC Energy Inc.
Langford CNG Station
December 2020

Langford CNG Station: Gross Plant in Service & Contributions in Aid of Construction

Schedule 7
(\$000's), unless otherwise stated

Line	Particulars	Reference	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
1	Gross Plant in Service																					
2																						
3	Gross Plant in Service, Beginning																					
4	CNG Dispensing Equipment (hoses and fill po: Preceeding Year, Line 22		962	962	962	962	962	962	962	962	962	962	962	962	962	962	962	962	962	962	962	962
5	CNG Foundations	Preceeding Year, Line 23	142	142	142	142	142	142	142	142	142	142	142	142	142	142	142	142	142	142	142	142
6	CNG Dehydrator	Preceeding Year, Line 24	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
7	Total Gross Plant in Service, Beginning	Sum of Lines 4 through 6	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158
8																						
9	Gross Plant in Service, Additions																					
10	CNG Dispensing Equipment (hoses and fill po: Schedule 6, Lines 2 + 8 + 14 + 18		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	CNG Foundations	Schedule 6, Lines 3 + 9 + 15 + 18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	CNG Dehydrator	Schedule 6, Lines 4 + 10 + 16 + 18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Total Gross Plant in Service, Additions	Sum of Lines 10 through 12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14																						
15	Gross Plant in Service, Retirements																					
16	CNG Dispensing Equipment (hoses and fill posts)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	CNG Foundations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	CNG Dehydrator		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Total Gross Plant in Service, Retirements	Sum of Lines 16 through 18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20																						
21	Gross Plant in Service, Ending																					
22	CNG Dispensing Equipment (hoses and fill po: Line 4 + Line 10 + Line 16		962	962	962	962	962	962	962	962	962	962	962	962	962	962	962	962	962	962	962	962
23	CNG Foundations	Line 5 + Line 11 + Line 17	142	142	142	142	142	142	142	142	142	142	142	142	142	142	142	142	142	142	142	142
24	CNG Dehydrator	Line 6 + Line 12 + Line 18	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
25	Total Gross Plant in Service, Ending	Sum of Lines 22 through 24	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158
26																						
27																						
28	Contributions in Aid of Construction (CIAC)																					
29	CIAC, Beginning		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Additions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Retirements		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	CIAC, Ending	Sum of Lines 29 through 31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Langford CNG Station: Accumulated Depreciation & Amortization
Schedule 8
(5000's), unless otherwise stated

Line	Particulars	Reference	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
1	Accumulated Depreciation																					
2																						
3	Accumulated Depreciation, Beginning																					
4	CNG Dispensing Equipment (hoses and fill posts)	Preceding Year, Line 22	(287)	(335)	(383)	(431)	(479)	(527)	(575)	(623)	(671)	(719)	(768)	(816)	(864)	(912)	(960)	(1,008)	(1,056)	(1,104)	(1,152)	(1,201)
5	CNG Foundations	Preceding Year, Line 23	(43)	(50)	(57)	(64)	(71)	(78)	(85)	(92)	(99)	(107)	(114)	(121)	(128)	(135)	(142)	(149)	(156)	(164)	(171)	(178)
6	CNG Dehydrator	Preceding Year, Line 24	(16)	(19)	(21)	(24)	(27)	(29)	(32)	(35)	(37)	(40)	(43)	(45)	(48)	(51)	(53)	(56)	(59)	(61)	(64)	(67)
7	Total Accumulated Depreciation, Beginning	Sum of Lines 4 through 6	(345)	(403)	(461)	(519)	(577)	(635)	(692)	(750)	(808)	(866)	(924)	(982)	(1,040)	(1,098)	(1,155)	(1,213)	(1,271)	(1,329)	(1,387)	(1,445)
8																						
9	Accumulated Depreciation, Depreciation Expense ¹																					
10	CNG Dispensing Equipment (hoses and fill posts)@ 5%	Schedule 7, Line 4 & Line 10	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)	(48)
11	CNG Foundations@ 5%	Schedule 7, Line 5 & Line 11	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)
12	CNG Dehydrator@ 5%	Schedule 7, Line 6 & Line 12	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
13	Total Accumulated Depreciation, Depreciation Expense	Sum of Lines 10 through 12	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)	(58)
14																						
15	Accumulated Depreciation, Retirements																					
16	CNG Dispensing Equipment (hoses and fill posts)	Schedule 7, Line 16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	CNG Foundations	Schedule 7, Line 17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	CNG Dehydrator	Schedule 7, Line 18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Total Accumulated Depreciation, Retirements	Sum of Lines 16 through 18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20																						
21	Accumulated Depreciation, Ending																					
22	CNG Dispensing Equipment (hoses and fill posts)	Line 4 + Line 10 + Line 16	(335)	(383)	(431)	(479)	(527)	(575)	(623)	(671)	(719)	(768)	(816)	(864)	(912)	(960)	(1,008)	(1,056)	(1,104)	(1,152)	(1,201)	(1,249)
23	CNG Foundations	Line 5 + Line 11 + Line 17	(50)	(57)	(64)	(71)	(78)	(85)	(92)	(99)	(107)	(114)	(121)	(128)	(135)	(142)	(149)	(156)	(164)	(171)	(178)	(185)
24	CNG Dehydrator	Line 6 + Line 12 + Line 18	(19)	(21)	(24)	(27)	(29)	(32)	(35)	(37)	(40)	(43)	(45)	(48)	(51)	(53)	(56)	(59)	(61)	(64)	(67)	(69)
25	Total Accumulated Depreciation, Ending	Sum of Lines 22 through 24	(403)	(461)	(519)	(577)	(635)	(692)	(750)	(808)	(866)	(924)	(982)	(1,040)	(1,098)	(1,155)	(1,213)	(1,271)	(1,329)	(1,387)	(1,445)	(1,503)
26																						
27																						
28	Accumulated Amortization of Contributions in Aid of Construction (CIAC)																					
29	Accumulated Amortization CIAC, Beginning		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Amortization	¹	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Retirements		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Accumulated Amortization CIAC, Ending	Sum of Lines 29 through 31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33																						
34	1- Depreciation & Amortization Expense calculation is based on opening balance + (additions x in-service days/365 if it is the in-service year for project; otherwise, it is based on the opening balance of the plant-in-service)																					

FortisBC Energy Inc.
Langford CNG Station
December 2020

Langford CNG Station: Deferred Charges & Deficiency / Surplus [Tracker]

Schedule 9

(\$000's), unless otherwise stated

Line	Particulars	Reference	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
1	Deferred Charge- Lease during Construction																					
2	Opening Balance	Previous Year, Line 7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Gross Additions																					
4	Tax	Line 3 x Tax Rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Net Additions	Sum of Lines 3 through 4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Amortization Expense @ 5 years		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Closing Balance	Lines 2 + 5 + 6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8																						
9	Deferred Charge- Application Costs																					
10	Opening Balance	Previous Year, Line 15	-	6	4	3	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Gross Additions		10																			
12	Tax	Line 11 x Tax Rate	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Net Additions	Sum of Lines 11 through 12	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Amortization Expense @ 5 years		(1)	(1)	(1)	(1)	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Closing Balance	Lines 10 + 13 + 14	6	4	3	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16																						
17	Deficiency / Surplus [Tracker]																					
18	Opening Balance	Previous Year, Line 26	-	5	9	10	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Gross Addition	Schedule 10, Line 31 / 1000	5	3	0	(3)	(7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Net Addition	Line 19 + Line 20	5	3	0	(3)	(7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	AFUDC																					
23	Equity	Line 18 x (Schedule 10, Lines 17 x Line 18)	-	0	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Debt	¹	-	0	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Interest Adjustment	²	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Closing Balance	Sum of Lines 21 through 25	5	9	10	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27																						
28																						
29	Deferred Charge- Non Rate Base																					
30	Opening Balance	Previous Year, Line 38	-	5	9	10	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Opening Balance, Adjustment	Opening balance transfer to rate base	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Gross Additions		5	3	0	(3)	(7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	AFUDC		-	0	0	1	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Net Additions	Sum of Lines 32 through 34	5	4	1	(3)	(7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Interest Adjustment		-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Amortization Expense		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Closing Balance	Lines 30 + 31 + 35 + 36 + 37	5	9	10	7	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39																						
40	Deferred Charge- Rate Base																					
41	Opening Balance	Previous Year, Line 47	-	6	4	3	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Opening Balance, Adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Gross Additions		10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Tax		(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	Net Additions		7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Amortization Expense		(1)	(1)	(1)	(1)	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Closing Balance	Lines 41 + 45 + 46	6	4	3	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48																						
49	Deferred Charge, Mid-Year	(Line 41 + Line 42 + Line 47) / 2	3	5	4	2	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50																						
51	1- Line 18 x [Schedule 10 , (Lines 20 x 21+ Lines 22 x 23) x (1- Tax Rate)]																					
52	2- Adjustment to net account to zero in final year; result of varying WACC rates throughout contract																					

	Particulars	Reference	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
1	Annual Cost of Service (Total)	Schedule 1, Line 11	182,827	183,608	183,410	182,651	181,449	177,954	176,239	174,311	172,218	169,999	167,684	165,300	162,867	160,400	157,913	155,417	152,920	150,430	147,952	145,491
2	Annual Cost of Service (O&M, excl. lease)	Schedule 1, Line 3 - Line 3	60,000	61,200	62,424	63,672	64,946	66,245	67,570	68,921	70,300	71,706	73,140	74,602	76,095	77,616	79,169	80,752	82,367	84,014	85,695	87,409
3	Annual Cost of Service (Lease Only)	Schedule 2, Line 7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Annual Cost of Service (Incl. Lease)	Line 1 + Line 2	122,827	122,408	120,986	119,678	116,503	111,709	108,669	105,390	101,918	98,293	94,545	90,698	86,772	82,784	78,744	74,665	70,553	66,415	62,257	58,082
5	Annual Volume (TJ)	Minimum contract demand	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
6																						
7	% of Annual Revenue Required to be Collected	GRRR: 80% during Contract Term; 100% thereafter	80%	80%	80%	80%	80%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
8	Annual Revenue Required to be Collected (Incl. Lease)	Line 4 x Line 7	98,262	97,927	96,788	95,183	93,203	111,709	108,669	105,390	101,918	98,293	94,545	90,698	86,772	82,784	78,744	74,665	70,553	66,415	62,257	58,082
9	Annual Revenue Required to be Collected (O&M, excl. lease)	Line 2 x Line 7	48,000	48,960	49,939	50,938	51,957	66,245	67,570	68,921	70,300	71,706	73,140	74,602	76,095	77,616	79,169	80,752	82,367	84,014	85,695	87,409
10	Annual Revenue Required to be Collected (Lease Only)	Line 3 x Line 7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	PV of Annual Revenue Required to be Collected (Incl. Lease)	Line 8 / (1 + Line 26)^Yr	93,165	88,032	82,496	76,920	71,414	81,154	74,852	68,828	63,108	57,707	52,628	47,868	43,421	39,277	35,422	31,845	28,531	25,465	22,632	20,020
12	PV of Annual Revenue Required to be Collected (O&M, excl. Lease)	Line 9 / (1 + Line 26)^Yr	45,511	44,013	42,565	41,165	39,810	48,126	46,542	45,011	43,530	42,098	40,713	39,373	38,078	36,825	35,613	34,442	33,308	32,213	31,153	30,128
13	PV of Annual Revenue Required to be Collected (Lease)	Line 10 / (1 + Line 27)^Yr	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14																						
15	Annual Discount Rate																					
16	Equity Component																					
17	ROE %		8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%
18	Equity Portion		38.50%	38.50%	38.50%	38.50%	38.50%	38.50%	38.50%	38.50%	38.50%	38.50%	38.50%	38.50%	38.50%	38.50%	38.50%	38.50%	38.50%	38.50%	38.50%	38.50%
19	Debt Component																					
20	Long Term Debt Rate		4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%
21	Long Term Debt Portion		59.14%	59.14%	59.14%	59.14%	59.14%	59.14%	59.14%	59.14%	59.14%	59.14%	59.14%	59.14%	59.14%	59.14%	59.14%	59.14%	59.14%	59.14%	59.14%	59.14%
22	Short Term Debt Rate		2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%
23	Short Term Debt Portion		2.36%	2.36%	2.36%	2.36%	2.36%	2.36%	2.36%	2.36%	2.36%	2.36%	2.36%	2.36%	2.36%	2.36%	2.36%	2.36%	2.36%	2.36%	2.36%	2.36%
24	Tax Rate		27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%
25																						
26	Annual Discount Factor [(After-Tax WACC)	1	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%
27	1 - ROE % x Equity Portion + [(LTD x LTD Portion + STD x STD Portion) x (1 - Tax Rate)]																					
28																						
29	Cost of Service (Include Lease, Exclude O&M)																					
30	Annual Capital Rate	Line 37 during Contract Term, Line 8 thereafter	92,824	94,680	96,574	98,505	100,475	111,709	108,669	105,390	101,918	98,293	94,545	90,698	86,772	82,784	78,744	74,665	70,553	66,415	62,257	58,082
31	Annual Deficiency (Surplus); Cost of Service - beyond Contract	Line 8 - Line 30	5,438	3,246	215	3,622	(7,272)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Annual Volumetric O&M Rate (\$/GJ): COS based on Contract Term	Line 8 / (Line 5 / 1000	4.420	4.509	4.599	4.691	4.785	5.319	5.175	5.019	4.853	4.681	4.502	4.319	4.132	3.942	3.750	3.555	3.360	3.163	2.965	2.766
33																						
34	Contract Term Capital Rate Calculation and Present Value Proof																					
35	Capital Rate over Contract Term	Yr 1 = Line 50; Previous Year rate x Line 47	4.420	4.509	4.599	4.691	4.785	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Volume (TJ)	Line 5	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
37	Capital Rate Revenue over Contract Term	Line 35 x Line 36 x 1000	92,824	94,680	96,574	98,505	100,475	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38																						
39	Present Value Proof																					
40	PV of Capital Rate Revenue over Contract Term	Line 37 / (1 + Line 26)^Yr	88,009	85,114	82,313	79,605	76,986	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Sum of PV Rate Revenue	Sum of Line 40	412,028																			
42	PV Cost of Service over Contract Term	Sum of Line 11, from 2021 to 2025	412,028																			
43	Difference from required Delivery Revenue (should be zero)	Line 41 - Line 42	-																			
44																						
45	Calculation of Year 1 Capital Rate over Contract Term (excluding O&M)																					
46	Annual Capital Rate Escalation over Contract Term		2.00%	2.00%	2.00%	2.00%	2.00%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
47	Annual Escalator over Contract Term	No escalation year 1; Yr2-> (1 + Line 46)	100%	102%	102%	102%	102%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
48	Product of Escalators	Cumulative Product of Line 47	100.00%	102.00%	104.04%	106.12%	108.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
49	Formula		0.0483	0.0467	0.0452	0.0437	0.0423	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	r ₁	<div>$r_1 = \frac{1}{\sum_{n=1}^N PV COS \left(\frac{V_n \times (1+E)^{(n-1)}}{(1+D)^n} \right)}$</div>	4.420																			
51																						
52																						
53																						
54																						
55																						
56	where:	r ₁ = Contract Rate Year 1 D = Discount Rate E = Annual Rate Escalation percentage PVCOS = Present Value of the Cost of Service (excluding O&M) over Contract Term																				
57																						
58																						
59	Cost of Service (O&M, Excl. Lease)																					
60	Forecast Annual BC CPI Rate	CPI BC Stats Canada	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
61	Annual O&M Expense (Excl. Lease)	Line 9	48,000	48,960	49,939	50,938	51,957	66,245	67,570	68,921	70,300	71,706	73,140	74,602	76,095	77,616	79,169	80,752	82,367	84,014	85,695	87,409
62	Annual Volumetric O&M Rate (\$/GJ)	Line 61 / Line 5 / 1000	2.286	2.331	2.378	2.426	2.474	3.155	3.218	3.282	3.348	3.415	3.483	3.552	3.624	3.696	3.770	3.845	3.922	4.001	4.081	4.162
63																						
64																						
65	Fueling Station Rate																					
66	Capital Rate (\$/GJ)	Line 32	4.420	4.509	4.599	4.691	4.785	5.319	5.175	5.019	4.853	4.681	4.502	4.319	4.132	3.942	3.750	3.555	3.360	3.163	2.965	2.766
67	O&M Rate (\$/GJ)	Line 62	2.286	2.331	2.378	2.426	2.474	3.155	3.218	3.282	3.348	3.415	3.483	3.552	3.624	3.696	3.770	3.845	3.922	4.001	4.081	4.162
68	OTH&M Rate (\$/GJ)	G-78-13	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520
69	Total Annual Volumetric Contract Rate (\$/GJ)	Sum of Line 66 to Line 68	7.226	7.360	7.497	7.636	7.779	8.994	8.912	8.821	8.721	8.615	8.505	8.391	8.276	8.158	8.040	7.921	7.802	7.683	7.565	7.448
70	Annual Forecast Revenue	(Line 5 x Line 69) x 1000	151,744	154,560	157,433	160,363	163,352	188,874	187,159	185,231	183,138	180,919	178,604	176,220	173,787	171,320	168,833	166,337	163,840	161,350	158,872	156,411
71																						

Langford CNG Station: Discounted Cash Flow Analysis
Schedule 11
(*\$000's*), unless otherwise stated

Line	Particulars	Reference	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
1	Cash Flow																					
2	Add: Revenue	Schedule 10, (Line 66 + Line 67) x Line 5 / Line 7	176	180	183	187	191	178	176	174	172	170	168	165	163	160	158	155	153	150	148	145
3	Less: O&M, Property Tax Expense	Schedule 1, - (Line 3 + Line 4)	(62)	(64)	(65)	(66)	(67)	(69)	(70)	(72)	(73)	(74)	(76)	(77)	(79)	(81)	(82)	(84)	(86)	(87)	(89)	(91)
4	EBITDA ¹	Line 2 + Line 3	114	116	118	121	123	109	106	103	99	96	92	88	84	80	76	72	67	63	59	55
5	Capital Expenditures ²	Schedule 6, Line 19 + Line 23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Pre-Tax Cash Flow	Line 4 + Line 5	114	116	118	121	123	109	106	103	99	96	92	88	84	80	76	72	67	63	59	55
7	Income Tax Expense	Line 4 x (- Schedule 3, Line 13)	(31)	(31)	(32)	(33)	(33)	(29)	(29)	(28)	(27)	(26)	(25)	(24)	(23)	(22)	(20)	(19)	(18)	(17)	(16)	(15)
8	Overhead Capitalized Tax Shield	Schedule 3, -Line 8 x Line 13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	CCA Tax Shield / Removal Cost	Schedule 3, (-Line 9 + Line 10) x Schedule 3, Line 13	14	12	10	8	6	5	4	4	3	3	2	2	2	1	1	1	1	1	1	1
10	Terminal Value of CCA Tax Shield	⁴	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
11	Terminal Value	⁵	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12																						
13	Free Cash Flow	Sum of Line 6 to Line 11	97	96	96	96	96	85	82	79	76	72	69	66	63	60	57	53	50	47	44	41
14																						
15	After Tax WACC %	Schedule , Line 17	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%
16	Present Value of Free Cash Flow ³	Line 13 / (1 + Line 15)^Yr	92	87	82	78	74	62	56	51	47	42	39	35	31	28	25	23	20	18	16	14
17	Total Present Value of Free Cash Flow	Sum of Line 16	<u>921</u>																			
18																						
19	1 - Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)																					
20	2 - Net of CIAC and removal costs (if applicable) and excludes capitalized overhead																					
21	3 - 2021 present value calculates capital expenditure to occur at time zero																					
22	4 - [Class 8 UCC Closing Balance x CCA Rate / (CCA Rate + WACC) + Class 1.3 UCC Closing Balance x CCA Rate / (CCA Rate + WACC)] x Income Tax Rate																					
23	5 - Evaluation period reflects the useful life of the assets, therefore it is assumed that the terminal value is zero																					

FortisBC Energy Inc.
Langford CNG Station
December 2020

Langford CNG Station : Approximate Contract Termination Fee
Schedule 12
(5000's), unless otherwise stated

Line	Particulars	Reference	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
1	Total Gross Plant in Service, Ending	Schedule 7, Line 25	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158
2	Accumulated Depreciation, Ending	Schedule 8, Line 25	(403)	(461)	(519)	(577)	(635)	(692)	(750)	(808)	(866)	(924)	(982)	(1,040)	(1,098)	(1,155)	(1,213)	(1,271)	(1,329)	(1,387)	(1,445)	(1,503)
3	Contributions in Aid of Construction- Ending	Schedule 5, Line 9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Accumulated Amortization- Ending	Schedule 5, Line 12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Deferral Account Repayment	Schedule 9, Line 10	5	9	10	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Removal Costs ¹		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Less: Excess Fueling Station Recoveries ²		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Net Termination before Surcharge Payment ³	Sum of Line 1 to Line 7	760	706	648	588	523	465	407	349	292	234	176	118	60	2	(56)	(114)	(172)	(229)	(287)	(345)
9	Station Surcharge Contribution	Schedule 9, Line 27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Net Termination after Surcharge Payment³		760	706	648	588	523	465	407	349	292	234	176	118	60	2	(56)	(114)	(172)	(229)	(287)	(345)
11																						
12	1- Actual removal costs to be determined at time of contract termination and will be less the net salvage collected to date																					
13	2 - Cumulative fueling station recoveries received from volumes in excess of minimum contract demand																					
14	3 - The forecast early termination fee has been calculated on a year end basis. The actual fee would be determined at the time of contract termination and may be different than the amount shown on Line 10																					

Appendix E

DRAFT ORDERS

ORDER NUMBER

G-xx-xx

IN THE MATTER OF

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

and

FortisBC Energy Inc.

Application for Approval of Revised/Renewal Rates and Agreements for Operating a Compressed Natural Gas Fueling Station under the Province's Greenhouse Gas Reduction (Clean Energy) Regulation for the Langford Fueling Station

BEFORE:

[Panel Chair]
Commissioner
Commissioner

on **[DATE]** X, 2020

ORDER

WHEREAS:

- A. On December 23, 2020, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (BCUC), pursuant to sections 59 to 61 and section 89 of the *Utilities Commission Act* (UCA), for approval of rates established in the Fueling Services Agreements between FEI and ColdStar Solutions Inc. (ColdStar) and FEI and GFL Environmental Inc. (GFL), on an interim and permanent basis, effective January 1, 2021 (Application);
- B. FEI requests that the live financial model filed as Appendix C to the Application be held confidential on the basis 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. On April 11, 2013, the BCUC issued Order G-56-13 accepting that the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR) established the need for CNG and Liquefied Natural Gas (LNG) fueling stations that are undertaken by FEI, as prescribed undertakings as defined by the GGRR, and that these prescribed undertaking projects are exempt from the Certificate of Public Convenience and Necessity requirements for the term of the GGRR;
- D. BCUC Order G-56-13 also states that the BCUC will set rates considering FEI's total expenditures on the prescribed undertakings, but confirms that the BCUC's role does not include whether FEI ought to have negotiated different terms and conditions for those agreements with CNG or LNG fueling station customers;
- E. On December 17, 2020, FEI entered into Fueling Services Agreements with ColdStar (ColdStar Agreement) and GFL (GFL Agreement) which established the terms, conditions and rates for ColdStar and GFL to receive

CNG fueling service from the CNG station located at FEI's Victoria Regional Office Facility in Langford, BC (Langford Fueling Station);

- F. The Application also requests approval to terminate the Fueling Services Agreement between FEI and Evergreen Industries Ltd. (Evergreen) approved by Order G-13-15¹ (Evergreen Agreement), effective December 31, 2020, because GLF has acquired the solid waste business of Evergreen and is assuming the volume commitment from the Evergreen Agreement under the GFL Agreement; and
- G. The BCUC has commenced its review of the Application and determines that interim approval is warranted.

NOW THEREFORE pursuant to sections 59 to 61 and 89 of the UCA, the BCUC orders as follows:

- 1. The rates established in the ColdStar Agreement and the GFL Agreement are approved on an interim refundable/recoverable basis, effective January 1, 2021.
- 2. The live financial model provided in Appendix C of the Application will be kept confidential due to its commercially sensitive nature.
- 3. FEI is directed to refund to/recover from ColdStar and GFL any variance between the interim rates and the permanent rates, as determined by the BCUC following the final determination of the Application, with interest calculated at the average prime rate of FEI's principal bank for its most recent year.
- 4. FEI is to file the ColdStar Agreement and GFL Agreement in tariff supplement form for endorsement by the BCUC within 30 days of the date of this order.

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

¹ Filed with the BCUC under Tariff Supplement J-13.

ORDER NUMBER

G-xx-xx

IN THE MATTER OF

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

and

FortisBC Energy Inc.

Application for Approval of Revised/Renewal Rates and Agreements for Operating a Compressed Natural Gas
Fueling Station under the Province's Greenhouse Gas Reduction (Clean Energy) Regulation
for the Langford Fueling Station

BEFORE:

[Panel Chair]
Commissioner
Commissioner

on **[DATE]** X, 2020

ORDER

WHEREAS:

- A. On December 23, 2020, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (BCUC), pursuant to sections 59 to 61 and section 89 of the *Utilities Commission Act* (UCA), for approval of rates established in the Fueling Services Agreements between FEI and ColdStar Solutions Inc. (ColdStar) and FEI and GFL Environmental Inc. (GFL), on an interim and permanent basis, effective January 1, 2021 (Application);
- B. FEI requests that the live financial model filed as Appendix C to the Application be held confidential on the basis 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. On April 11, 2013, the BCUC issued Order G-56-13 accepting that the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR) established the need for CNG and Liquefied Natural Gas (LNG) fueling stations that are undertaken by FEI, as prescribed undertakings as defined by the GGRR, and that these prescribed undertaking projects are exempt from the Certificate of Public Convenience and Necessity requirements for the term of the GGRR;
- D. BCUC Order G-56-13 also states that the BCUC will set rates considering FEI's total expenditures on the prescribed undertakings, but confirms that the BCUC's role does not include whether FEI ought to have negotiated different terms and conditions for those agreements with CNG or LNG fueling station customers;
- E. On December 17, 2020, FEI entered into Fueling Services Agreements with ColdStar (ColdStar Agreement) and GFL (GFL Agreement) which established the terms, conditions and rates for ColdStar and GFL to receive

CNG fueling service from the CNG station located at FEI's Victoria Regional Office Facility in Langford, BC (Langford Fueling Station);

- F. The Application also requests approval to terminate the Fueling Services Agreement between FEI and Evergreen Industries Ltd. (Evergreen) approved by Order G-13-15¹ (Evergreen Agreement), effective December 31, 2020, because GLF has acquired the solid waste business of Evergreen and is assuming the volume commitment from the Evergreen Agreement under the GFL Agreement;
- G. By Order G-xx-20, the BCUC approved the rates established in the ColdStar Agreement and GFL Agreement on an interim and refundable basis, effective January 1, 2021; and
- H. The BCUC has reviewed the Application and determines that approval is warranted.

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

- 1. The rates established in the ColdStar Agreement and the GFL Agreement are approved on a permanent basis, effective January 1, 2021.
- 2. The live financial model provided in Appendix C of the Application will be kept confidential due to its commercially sensitive nature.
- 3. FEI is directed to refund to/recover from ColdStar and GFL any variance between the interim rates and the permanent rates, with interest calculated at the average prime rate of FEI's principal bank for its most recent year.
- 4. The Evergreen Agreement is approved to be terminated, effective December 31, 2020.
- 5. FEI is to file the ColdStar Agreement and GFL Agreement in tariff supplement form for endorsement by the BCUC within 30 days of the date of this order.

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

¹ Filed with the BCUC under Tariff Supplement J-13.