



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

January 26, 2021

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)

Rate Schedule 46 – Liquefied Natural Gas Sales, Dispensing, Liquefied Natural Gas Transportation Services and Transportation Service (RS 46)

Application for Permanent Rates and Revised Tariff Pages effective January 1, 2021

On December 15, 2020, the British Columbia Utilities Commission (BCUC) issued Order G-332-20, ordering that existing rates for certain charges in RS 46 be extended and made interim on a refundable/recoverable basis, effective January 1, 2021, pending the calculation of the annual adjustment and FEI's application for permanent rates. The rates in RS 46 requiring annual adjustment are in the Table of Charges for Liquefied Natural Gas (LNG) Transportation Service, the Table of Charges for LNG Service, and the Table of Charges for Transportation Service (collectively, the Tables of Charges). The four charges in the Tables of Charges which require the annual adjustment are: LNG Tanker Charges per Day or Partial Day, the LNG Facility Charge, the Electricity Surcharge, and the LNG Spot Charge (collectively, the Charges). This application constitutes FEI's application for permanent rates, effective January 1, 2021.

Background:

On December 12, 2013, the BCUC issued Order G-211-13 approving RS 46¹, which was further amended by subsequent BCUC Orders and OICs.² The BCUC issued Order G-225-19 on September 16, 2019, which approved commodity structure and transportation service changes to RS 46 effective May 1, 2019. On December 3, 2020, by way of Order G-314-20, the BCUC approved, among other things, the Storage and Transport Charge, the Midstream

¹ Pursuant to Order in Council (OIC) 557, B.C. Regulation 245/2013, deposited November 28, 2013, issuing Direction No. 5 to the BCUC, and effective December 12, 2013.

² BCUC Order G-207-14, effective January 1, 2015, pursuant to OIC 749, B.C. Regulation 265/2014, deposited December 22, 2014, and BCUC Order G-65-17, effective May 4, 2017, pursuant to OIC 162, section 5(1.2), B.C. Regulation 115/2017, deposited March 22, 2017.

Cost Reconciliation Account Rate Rider 6 and the Biomethane Energy Recovery Charge to RS 46 on a permanent basis, effective January 1, 2021.

ANNUAL ADJUSTMENTS FOR 2021:

As specified in the RS 46 Tariff, the Charges are to be reviewed on an annual basis and adjusted. The LNG Tanker Charges per Day or Partial Day, LNG Facility Charge, and LNG Spot Charge are all escalated using the greater of 2 percent or the British Columbia Consumer Price Index (BC CPI). The Electricity Surcharge is adjusted by 2 percent until and including the next annual rate update after the Available LNG Capacity³ exceeds 20,000 Gigajoules (GJs) per Day. FEI confirms that the Available LNG Capacity has not yet exceeded 20,000 GJs per day on a consistent basis. As such, the Electricity Surcharge will be adjusted by 2 percent for 2021 and no annual update to the Process Fuel Gas⁴ rate is required at this time.

Consistent with the calculation of past annual adjustments, FEI has used Statistics Canada BC CPI data product Table 18-10-0004-13⁵, obtained from the Statistics Canada website, for the period of November 2019 to November 2020, as the basis for selecting the greater of BC CPI or 2 percent to apply as an increase. Based on this BC CPI data, for the period of November 2019 to November 2020, BC CPI averaged 1.1 percent, which is below 2 percent.⁶ As a result, each of the Charges will increase by 2 percent effective January 1, 2021.

Table of Charges for LNG Transportation Service:

- **2021 LNG Tanker Charges per Day or Partial Day:**
 - Standard Tanker: \$295.00, an increase of \$6.00 as compared to the 2020 rate of \$289.00.
 - Tridem Tanker: \$353.00, an increase of \$7.00 as compared to the 2020 rate of \$3469.00.
 - Marine Equipped Tridem Tanker: \$497.00, an increase of \$10.00 as compared to the 2020 rate of \$487.00.

³ As defined in the RS 46 Tariff: means the total quantity of LNG available for sale to all Customers from LNG Facilities under this Rate Schedule as determined by FortisBC Energy in its sole discretion. FortisBC Energy's determination of the Available LNG Capacity may consider FortisBC Energy's assessment of its overall LNG liquefaction and storage requirements, which include providing peaking and emergency resources.

⁴ As defined in the RS 46 Tariff: means (i) Gas consumed in the production of LNG at the LNG Facilities; and (ii) losses of Gas. Process Fuel Gas is deemed to be a quantity equal to 1% (one percent) of the LNG Dispensed to the Customer for this Rate Schedule after the Available LNG Capacity exceeds 20,000 Gigajoules per Day, but thereafter the Process Fuel Gas percentage will be updated annually based on the prior year's actual percentages of Gas consumed and losses of Gas at the LNG Facilities.

⁵ Statistics Canada. Table 18-10-0004-13 Consumer Price Index by product group, monthly, not seasonally adjusted, Canada, provinces, Whitehorse, Yellowknife and Iqaluit. British Columbia.

⁶ <https://www150.statcan.gc.ca>

Table of Charges for LNG Service and the Table of Charges for Transportation Service:

- 2021 LNG Facility Charge: \$4.11 per GJ, an increase of \$0.08 per GJ as compared to the 2020 rate of \$4.03 per GJ.
- 2021 Electricity Surcharge: \$1.02 per GJ, an increase of \$0.02 per GJ as compared to the 2020 rate of \$1.00 per GJ.
- 2021 LNG Spot Charge: \$5.38 per GJ (equal to \$4.11 per GJ LNG Facility Charge, plus \$1.02 per GJ Electricity Surcharge, plus \$0.25 per GJ LNG Spot Charge), which is an increase of \$0.10 per GJ, as compared to the 2020 rate of \$5.28 per GJ.

In addition to the annual adjustments to the Charges for 2021 permanent rates, FEI proposes some minor revisions to RS 46 that are housekeeping in nature, such as removing reference to specific years in the Tables of Charges which will simplify tariff changes for the annual rate adjustments for future years.

The following table summarizes the proposed housekeeping amendments.

Page	Housekeeping Revision Description	Reason
R-46.35	<ul style="list-style-type: none"> Deleted reference to the applicable year from both LNG Tanker Charges per Day or Partial Day and LNG Tanker Hauling Charge Added Note 1 to address LNG Tanker Charges annual escalation. 	Removing reference to years in the table of charges and added the rate escalation language to the Note 1.
R-46.36 to R-46.38	<ul style="list-style-type: none"> Deleted reference to the applicable year from the LNG Facility Charge, Electricity Surcharge, and LNG Spot Charge. Revisions to Note 4. 	Removing reference to years in the table of charges and added/adjusted rate escalation language in the notes. Capitalized defined term for "Available LNG Capacity".
R-46.39 & R-46.40	<ul style="list-style-type: none"> Deleted the applicable year from LNG Facility Charge, Electricity Surcharge, and LNG Spot Charge. Revisions to Note 1. 	Removing reference to years in the table of charges and added/adjusted rate escalation language in the Note 1, including items (a), (b), (c) which were inadvertently omitted.

In addition, for regulatory efficiency and to avoid having to file for interim rates prior to year end followed by permanent rates later in January each year, going forward FEI intends to use Statistics Canada BC CPI data for the period of October from the prior year to October of the current year in order to calculate the annual adjustment to the Charges. FEI believes that the proposed housekeeping changes and use of October reference period for the BC CPI data will result in the ability to file a single application for permanent rates in December of each year, effective January 1 of the following year.

Further, pursuant to Directive 3 of Order G-332-20, FEI will recover the variance between interim and permanent rates, with interest at the average prime rate of FEI's principal bank

for the most recent year, from customers through a billing adjustment in the billing period following approval of permanent rates,.

FEI has attached a draft form of Order sought in Appendix A.

FEI has also attached in Appendix B the following revised tariff pages for BCUC endorsement of permanent rates effective January 1, 2021.

Rate Schedule 46

Fourth Revision of Page R-46.35

Sixth Revision of Page R-46.36

Fourth Revision of Page R-46.37

First Revision of Page R-46.38

Fourth Revision of Pages R-46.39 to R-46.40

FEI requests BCUC endorsement of these tariff pages, and that one set of the tariff pages be returned to FEI for its records.

In addition, FEI encloses Blacklined copies of the tariff pages in Appendix C, as well as the Tariff Continuity and Bill Impact Schedules in Appendix D, to assist the BCUC Staff in reviewing the amendments of the above tariff pages.

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

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachments

Appendix A
DRAFT ORDER

ORDER NUMBER

G-xx-xx

IN THE MATTER OF

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

and

FortisBC Energy Inc.

Rate Schedule 46 – Liquefied Natural Gas Sales, Dispensing,

Liquefied Natural Gas Transportation Service and Transportation Service

Application for Permanent Rates effective January 1, 2021

BEFORE:

[Panel Chair]

Commissioner

Commissioner

on **Date**

ORDER

WHEREAS:

- A. On January 26, 2021, pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA), FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (BCUC) seeking approval for certain charges in Rate Schedule 46 (RS 46) Table of Charges for Liquefied Natural Gas (LNG) Transportation Service, the Table of Charges for LNG Service, and the Table of Charges for Transportation Service, (collectively, the Tables of Charges), in addition to several housekeeping changes, on a permanent basis effective January 1, 2021 (Application);
- B. On December 12, 2013, the BCUC issued Order G-211-13 approving RS 46, in accordance with Order in Council (OIC) No. 557, B.C. Regulation 245/2013, deposited November 28, 2013, issuing Direction No. 5 to the BCUC, and effective December 12, 2013;
- C. On December 24, 2014, the BCUC issued Order G-207-14, effective January 1, 2015, approving amendments to RS 46 and Direction No. 5 in accordance with OIC No. 749, B.C. Regulation 265/2014, and deposited December 22, 2014;
- D. On May 4, 2017, the BCUC issued Order G-65-17, effective May 4, 2017, approving further amendments to RS 46 and Direction No. 5, in accordance with section 5(1.2) of OIC No. 162, B.C. Regulation 115/2017, and deposited March 22, 2017;
- E. Certain charges contained in the Tables of Charges are to be reviewed on an annual basis and adjusted as required, using the greater of two percent or the British Columbia Consumer Price Index (CPI) data, historically using the period of November of the prior year to November of the current year, which is not available until late December;

- F. On December 15, 2020, due to the timing of the release of British Columbia CPI November data, the BCUC issued Order G-332-20 approving existing rates, on an interim basis, for the Tables of Charges, effective January 1, 2021;
- G. FEI requests that the current interim rates for the Tables of Charges be adjusted based on 2 percent. FEI's housekeeping changes include removing specific reference to years in the Tables of Charges as well as minor revisions to the related notes. FEI also advised that going forward it will use British Columbia CPI October data to enable the annual adjustment filings to be filed in December of each year for permanent rates effective January 1 of the following year; and
- H. The BCUC has reviewed the Application and considers following determination is warranted.

NOW THEREFORE pursuant to Direction No. 5, the BCUC orders as follows:

1. The proposed amendments, including the revised rates, housekeeping changes and tariff pages, as applied for by FEI for RS 46 are approved on a permanent basis, effective January 1, 2021.
2. The variance between the interim rates and the permanent rates is to be recovered by FEI for RS 46 LNG customers, with interest at the average prime rate of FEI's principal bank for its most recent year.

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

BY ORDER

(X. X. last name)
Commissioner

Appendix B

REVISED TARIFF PAGES - PROFORMA

Table of Charges for LNG Transportation Service

All sales and service taxes, carbon tax and any future new taxes, are extra and shall be applied as applicable.

LNG Tanker Charges per Day or Partial Day	Standard Tanker	\$295.00	O/A
	Tridem Tanker	\$353.00	A
	Marine Equipped Tridem Tanker	\$497.00	A
LNG Tanker Hauling Charge	FortisBC Energy cost plus 15% Administration Charge		O

Notes:

1. The LNG Tanker Charges will be escalated annually at the greater of 2% or the British Columbia Consumer Price Index. N
2. For the purpose of calculating LNG Tanker Charges per Day or Partial Day:
 - (a) Standard Tanker means a Tanker with a capacity of approximately 11,000 US gallons;
 - (b) Tridem Tanker means a Tanker with a capacity of approximately 16,000 US gallons; and
 - (c) Marine Equipped Tridem Tanker means a Tridem Tanker equipped with apparatus specific to marine fueling requirements.
3. The charges set out in this Table of Charges for LNG Transportation Service are not applicable if the Tanker is used as both Dispensing equipment for LNG Service and as equipment for LNG Transportation Service.

Order No.:

Issued By: Diane Roy, Vice President, Regulatory Affairs

Effective Date: January 1, 2021

Accepted for Filing: _____

BCUC Acting Secretary: _____

Fourth Revision of Page R-46.35

Table of Charges for LNG Service

All sales and service taxes, carbon tax and any future new taxes, are extra and shall be applied as applicable.

LNG Facility Charge	\$ 4.11/GJ	O/A
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Electricity Surcharge	\$ 1.02/GJ	O/A
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Commodity Related Charges per Gigajoule

Storage and Transport Charge	\$ 0.830/GJ
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Rider 6	\$ 0.029/GJ
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Subtotal of Storage and Transport Related Charges	\$ 0.859/GJ
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Cost of Gas ¹ (Commodity Cost Recovery Charge)	\$ 2.844/GJ
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Cost of Biomethane (Biomethane Energy Recovery Charge) ^{2, 3}	\$ 11.830/GJ
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LNG Spot Charge	\$ 5.38/GJ	O/A
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Storage and Transport Related Riders

Rider 6	Midstream Cost Reconciliation Account - Applicable to Mainland and Vancouver Island Service Area Customers for the Year ending December 31, 2021.
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Order No.:

Issued By: Diane Roy, Vice President, Regulatory Affairs

Effective Date: January 1, 2021

Accepted for Filing: _____

BCUC Acting Secretary: _____

Sixth Revision of Page R-46.36

Notes:

1. The Cost of Gas is based on the calculation of 100% of a Customer's consumption in Gigajoules, minus the percentage of a Customer's selection of Biomethane measured in Gigajoules, multiplied by the Cost of Gas (Commodity Cost Recovery Charge) per Gigajoule. For example, if a Customer selects 30% Biomethane, the Cost of Gas will be calculated on 70% (100% - 30%) of a Customer's consumption.

The percentage of Biomethane of a Customer's Gas usage available to Customers is set by FortisBC Energy and includes a range between 5% of Biomethane and 100% of Biomethane, increasing by increments of 5%.

2. The Cost of Biomethane is based on the calculation of a Customer's selection of the percentage of Biomethane measured in Gigajoules, multiplied by the Cost of Biomethane (Biomethane Energy Recovery Charge) per Gigajoule.

3. The Cost of Biomethane (Biomethane Energy Recovery Charge) per Gigajoule has been determined in accordance with Section 28.4 (Price Determination) in the General Terms and Conditions of FortisBC Energy). The Cost of Biomethane effective January 1, 2021 equals the sum of:

(i)	The British Columbia Utilities Commission approved January 1st Commodity Cost Recovery Charge per Gigajoule	\$ 2.844
(ii)	The current British Columbia carbon tax applicable to conventional natural gas Customers per Gigajoule	\$ 1.986
(iii)	Other taxes applicable to conventional natural gas sales per Gigajoule	\$ 0.000
(iv)	A premium of \$7.00 per Gigajoule	\$ <u>7.000</u>
(v)	Total Cost of Biomethane per Gigajoule	\$ 11.830

4. The LNG Facility Charge, Electricity Surcharge, and LNG Spot Charge will be adjusted annually in accordance with (a), (b) and (c) below:

- (a) The LNG Facility Charge shall be escalated annually at the greater of 2% or the British Columbia Consumer Price Index.

C/N/O

Order No.:

Issued By: Diane Roy, Vice President, Regulatory Affairs

Effective Date: January 1, 2021

Accepted for Filing: _____

BCUC Acting Secretary: _____

Fourth Revision of Page R-46.37

- (b) The Electricity Surcharge shall be adjusted by a 2% increase in 2015 and each subsequent year until and including the next annual rate update for this Rate Schedule after the Available LNG Capacity exceeds 20,000 Gigajoules per Day, but thereafter shall be adjusted based upon the estimated prior year electricity use per Gigajoule of LNG output of the LNG Facilities and approved interim or permanent BC Hydro rate increases incurred at the LNG Facilities.
- (c) The LNG Spot Charge is \$0.25/GJ greater than the sum of the LNG Facility Charge and adjusted Electricity Surcharge, as adjusted under (a) and (b) above.
- 5. The charges for transporting natural gas from the Interconnection Point to the LNG Facilities, defined as “firm demand toll” and as set out in Table of Charges in FortisBC Energy Rate Schedule 50, are embedded in the LNG Facility Charge in this Rate Schedule.
- 6. Process Fuel Gas is applied as set out in Section 9.1 (i) (B).

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Order No.:

Issued By: Diane Roy, Vice President, Regulatory Affairs

Effective Date: January 1, 2021

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BCUC Acting Secretary: _____

First Revision of Page R-46.38

Table of Charges for Transportation Service

All sales and service taxes and any future new taxes, are extra and shall be applied as applicable.

Dispensing Service Charges

1. LNG Facility Charge	\$ 4.11/GJ
2. Electricity Surcharge	\$ 1.02/GJ
3. LNG Spot Charge	\$ 5.38/GJ

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Transportation Charges

4. Administrative Charge per Month	\$ 39.00
5. Unauthorized Overrun Gas Charges	
(a) Per Gigajoule on first 5 percent of specified quantity	Sumas Daily Price ²
(b) Per Gigajoule on all Gas over 5 percent of specified quantity	The greater of \$20.00/GJ or 1.5 x the Sumas Daily Price ³
6. Charge per Gigajoule of Balancing Service provided	
(a) Quantities of Gas less than 10% of the Rate Schedule 46 Authorized Quantity	
(i) between and including April 1 and October 31	No charge
(ii) between and including November 1 and March 31	No charge
(b) Quantities of Gas over the greater of 100 Gigajoules or equal to or in excess of 10% or less than 20% of the Rate Schedule 46 Authorized Quantity	
(i) between and including April 1 and October 31	\$ 0.25
(ii) between and including November 1 and March 31	\$ 0.25
(c) Quantities of Gas over the greater of 100 Gigajoules or equal to or in excess of 20% of the Rate Schedule 46 Authorized Quantity	
(i) between and including April 1 and October 31	\$ 0.30

Order No.:

Issued By: Diane Roy, Vice President, Regulatory Affairs

Effective Date: January 1, 2021

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BCUC Acting Secretary: _____

Fourth Revision of Page R-46.39

(ii) between and including November 1 and March 31	\$ 1.10
7. Charge per Gigajoule of Balancing and Backstopping Gas	Sumas Daily Price ²
8. Replacement Gas³	Sumas Daily Price ² plus 20 Percent

Notes:

1. The LNG Facility Charge, Electricity Surcharge, and LNG Spot Charge will be adjusted annually in accordance with (a), (b) and (c) below:
 - (a) The LNG Facility Charge will be escalated annually at the greater of 2% or the British Columbia Consumer Price Index.
 - (b) The Electricity Surcharge shall be adjusted by a 2% increase in 2015 and each subsequent year until and including the next annual rate update for this Rate Schedule after the Available LNG capacity exceeds 20,000 Gigajoules per Day, but thereafter shall be adjusted based upon the estimated prior year electricity use per Gigajoule of LNG output of the LNG Facilities and approved interim or permanent BC Hydro rate increases incurred at the LNG Facilities.
 - (c) The LNG Spot Charge is \$0.25/GJ greater than the sum of the LNG Facility Charge and adjusted Electricity Surcharge, as adjusted under (a) and (b) above.
2. As defined under Section 1.1, the Sumas Daily Price quoted each Day will apply to Gas Dispensed on that gas day.
3. The Sumas Daily Price for the sixth Business Day following the Day for which the Peaking Gas was authorized plus 20 percent.

C/N/O

Order No.:

Issued By: Diane Roy, Vice President, Regulatory Affairs

Effective Date: January 1, 2021

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BCUC Acting Secretary: _____

Fourth Revision of Page R-46.40

Appendix C

REVISED TARIFF PAGES - BLACKLINED

Table of Charges for LNG Transportation Service

All sales and service taxes, carbon tax and any future new taxes, are extra and shall be applied as applicable.

LNG Tanker Charges per Day or Partial Day	Standard Tanker	\$295.00
	Tridem Tanker	\$353.00
	Marine Equipped Tridem Tanker	\$497.00
LNG Tanker Hauling Charge	FortisBC Energy cost plus 15% Administration Charge	

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Deleted: LNG Tanker Charges per Day or Partial Day for 2022 and subsequent years

Notes:

- The LNG Tanker Charges will be escalated annually at the greater of 2% or the British Columbia Consumer Price Index.
- For the purpose of calculating LNG Tanker Charges per Day or Partial Day:
 - Standard Tanker means a Tanker with a capacity of approximately 11,000 US gallons;
 - Tridem Tanker means a Tanker with a capacity of approximately 16,000 US gallons; and
 - Marine Equipped Tridem Tanker means a Tridem Tanker equipped with apparatus specific to marine fueling requirements.
- The charges set out in this Table of Charges for LNG Transportation Service are not applicable if the Tanker is used as both Dispensing equipment for LNG Service and as equipment for LNG Transportation Service.

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Table of Charges for LNG Service

All sales and service taxes, carbon tax and any future new taxes, are extra and shall be applied as applicable.

LNG Facility Charge \$ 4.11/GJ

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Electricity Surcharge \$ 1.02/GJ

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Commodity Related Charges per Gigajoule

Storage and Transport Charge \$ 0.830/GJ

Rider 6 \$ 0.029/GJ

Subtotal of **Storage and Transport** Related Charges \$ 0.859/GJ

Cost of Gas¹ (Commodity Cost Recovery Charge) \$ 2.844/GJ

Cost of Biomethane (Biomethane Energy Recovery Charge)^{2, 3} \$ 11.830/GJ

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LNG Spot Charge \$ 5.38/GJ

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Storage and Transport Related Riders

Rider 6 **Midstream Cost Reconciliation Account** - Applicable to Mainland and Vancouver Island Service Area Customers for the Year ending December 31, 2021.

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Order No.: _____ Issued By: Diane Roy, Vice President, Regulatory Affairs

Effective Date: January 1, 2021 Accepted for Filing: _____

BCUC Acting Secretary: _____ Sixth Revision of Page R-46.36

Notes:

1. The Cost of Gas is based on the calculation of 100% of a Customer's consumption in Gigajoules, minus the percentage of a Customer's selection of Biomethane measured in Gigajoules, multiplied by the Cost of Gas (Commodity Cost Recovery Charge) per Gigajoule. For example, if a Customer selects 30% Biomethane, the Cost of Gas will be calculated on 70% (100% - 30%) of a Customer's consumption.

The percentage of Biomethane of a Customer's Gas usage available to Customers is set by FortisBC Energy and includes a range between 5% of Biomethane and 100% of Biomethane, increasing by increments of 5%.

2. The Cost of Biomethane is based on the calculation of a Customer's selection of the percentage of Biomethane measured in Gigajoules, multiplied by the Cost of Biomethane (Biomethane Energy Recovery Charge) per Gigajoule.
3. The Cost of Biomethane (Biomethane Energy Recovery Charge) per Gigajoule has been determined in accordance with Section 28.4 (Price Determination) in the General Terms and Conditions of FortisBC Energy). The Cost of Biomethane effective January 1, 2021 equals the sum of:

(i)	The British Columbia Utilities Commission approved January 1st Commodity Cost Recovery Charge per Gigajoule	\$	2.844
(ii)	The current British Columbia carbon tax applicable to conventional natural gas Customers per Gigajoule	\$	1.986
(iii)	Other taxes applicable to conventional natural gas sales per Gigajoule	\$	0.000
(iv)	A premium of \$7.00 per Gigajoule	\$	<u>7.000</u>
(v)	Total Cost of Biomethane per Gigajoule	\$	11.830

4. The LNG Facility Charge, Electricity Surcharge, and LNG Spot Charge will be adjusted annually in accordance with (a), (b) and (c) below:

- (a) The LNG Facility Charge shall be escalated annually at the greater of 2% or the British Columbia Consumer Price Index.

Order No.: _____ Issued By: Diane Roy, Vice President, Regulatory Affairs

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The charges, which are presented in 2021 dollars,

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(b) The Electricity Surcharge shall be adjusted by a 2% increase in 2015 and each subsequent year until and including the next annual rate update for this Rate Schedule after the Available LNG Capacity exceeds 20,000 Gigajoules per Day, but thereafter shall be adjusted based upon the estimated prior year electricity use per Gigajoule of LNG output of the LNG Facilities and approved interim or permanent BC Hydro rate increases incurred at the LNG Facilities.

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(c) The LNG Spot Charge is \$0.25/GJ greater than the sum of the LNG Facility Charge and adjusted Electricity Surcharge, as adjusted under (a) and (b) above.

5. The charges for transporting natural gas from the Interconnection Point to the LNG Facilities, defined as "firm demand toll" and as set out in Table of Charges in FortisBC Energy Rate Schedule 50, are embedded in the LNG Facility Charge in this Rate Schedule.

6. Process Fuel Gas is applied as set out in Section 9.1 (i) (B).

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Effective Date: January 1, 2021 Accepted for Filing: _____

BCUC Acting Secretary: _____ First Revision of R-46.38

Table of Charges for Transportation Service

All sales and service taxes and any future new taxes, are extra and shall be applied as applicable.

Dispensing Service Charges

- | | |
|--------------------------|------------|
| 1. LNG Facility Charge | \$ 4.11/GJ |
| 2. Electricity Surcharge | \$ 1.02/GJ |
| 3. LNG Spot Charge | \$ 5.38/GJ |

Transportation Charges

- | | |
|---|---|
| 4. Administrative Charge per Month | \$ 39.00 |
| 5. Unauthorized Overrun Gas Charges | |
| (a) Per Gigajoule on first 5 percent of specified quantity | Sumas Daily Price ² |
| (b) Per Gigajoule on all Gas over 5 percent of specified quantity | The greater of
\$20.00/GJ or 1.5 x the
Sumas Daily Price ³ |
| 6. Charge per Gigajoule of Balancing Service provided | |
| (a) Quantities of Gas less than 10% of the Rate Schedule 46 Authorized Quantity | |
| (i) between and including April 1 and October 31 | No charge |
| (ii) between and including November 1 and March 31 | No charge |
| (b) Quantities of Gas over the greater of 100 Gigajoules or equal to or in excess of 10% or less than 20% of the Rate Schedule 46 Authorized Quantity | |
| (i) between and including April 1 and October 31 | \$ 0.25 |
| (ii) between and including November 1 and March 31 | \$ 0.25 |
| (c) Quantities of Gas over the greater of 100 Gigajoules or equal to or in excess of 20% of the Rate Schedule 46 Authorized Quantity | |
| (i) between and including April 1 and October 31 | \$ 0.30 |

Order No.:		Issued By: Diane Roy, Vice President, Regulatory Affairs
Effective Date:	January 1, 2021	Accepted for Filing:
BCUC Acting Secretary:		Fourth Revision of Page R-46.39

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Deleted: <#>LNG Facility Charges, Electricity Surcharges, and LNG Spot Charges for 2022 and thereafter

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(ii) between and including November 1 and March 31

\$ 1.10

7. **Charge per Gigajoule of Balancing and Backstopping Gas**

Sumas Daily Price²

8. **Replacement Gas³**

Sumas Daily Price² plus
20 Percent

Notes:

1. The LNG Facility Charge, Electricity Surcharge, and LNG Spot Charge will be adjusted annually in accordance with (a), (b) and (c) below:

(a) The LNG Facility Charge will be escalated annually at the greater of 2% or the British Columbia Consumer Price Index.

(b) The Electricity Surcharge shall be adjusted by a 2% increase in 2015 and each subsequent year until and including the next annual rate update for this Rate Schedule after the Available LNG Capacity exceeds 20,000 Gigajoules per Day, but thereafter shall be adjusted based upon the estimated prior year electricity use per Gigajoule of LNG output of the LNG Facilities and approved interim or permanent BC Hydro rate increases incurred at the LNG Facilities.

(c) The LNG Spot Charge is \$0.25/GJ greater than the sum of the LNG Facility Charge and adjusted Electricity Surcharge, as adjusted under (a) and (b) above.

2. As defined under Section 1.1, the Sumas Daily Price quoted each Day will apply to Gas Dispensed on that gas day.

3. The Sumas Daily Price for the sixth Business Day following the Day for which the Peaking Gas was authorized plus 20 percent.

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Order No.: _____ Issued By: Diane Roy, Vice President, Regulatory Affairs

Effective Date: January 1, 2021 _____ Accepted for Filing: _____

BCUC Acting Secretary: _____ **Fourth** Revision of Page R-46.40

Appendix D

TARIFF CONTINUITY AND BILL IMPACT SCHEDULES

FORTISBC ENERGY INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
PROPOSED JANUARY 1, 2021 RATES
BCUC ORDERS G-314-20 G-XX-21

PAGE 1
SCHEDULE 46.1

RATE SCHEDULE 46: LNG SERVICE		EFFECTIVE RATES OCTOBER 1, 2020	DELIVERY MARGIN AND COMMODITY RELATED CHARGES CHANGES	PROPOSED JANUARY 1, 2021 RATES ¹
Line No.	Particulars	Mainland and Vancouver Island	Mainland and Vancouver Island	Mainland and Vancouver Island
	(1)	(2)	(3)	(4)
1	<u>Dispensing Service Charges per GJ</u>			
2	LNG Facility Charge per GJ	\$4.03	\$0.08	\$4.11
3	Electricity Surcharge per GJ	\$1.00	\$0.02	\$1.02
4	LNG Spot Charge per GJ	\$5.28	\$0.10	\$5.38
5				
6				
7	<u>Commodity Related Charges</u>			
8	Storage and Transport Charge per GJ	\$0.716	\$0.114	\$0.830
9	Rider 6 MCRA per GJ	(\$0.045)	\$0.074	\$0.029
10	Subtotal Storage and Transport Related Charges per GJ	\$0.671	\$0.188	\$0.859
11				
12	Cost of Gas (Commodity Cost Recovery Charge) per GJ	\$2.844	\$0.000	\$2.844
13				
14	Cost of Biomethane per GJ	\$10.535	\$1.295	\$11.830
15	(Biomethane Energy Recovery Charge)			
16				
17				
18	Total Variable Cost per gigajoule (excluding LNG Spot Charge per GJ)	\$8.545	\$0.288	\$8.833

¹ Commodity Related Charges have been approved by the BCUC effective January 1, 2021 pursuant to Order G-314-20.

FORTISBC ENERGY INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
PROPOSED JANUARY 1, 2021 RATES
BCUC ORDER G-XX-21

PAGE 2
SCHEDULE 46.2

RATE SCHEDULE 46: LNG TRANSPORTATION SERVICE		EFFECTIVE JANUARY 1, 2020	DELIVERY MARGIN RELATED CHARGES CHANGES	PROPOSED JANUARY 1, 2021
Line No.	Particulars	Mainland and Vancouver Island	Mainland and Vancouver Island	Mainland and Vancouver Island
	(1)	(2)	(3)	(4)
1	Dispensing Service Charges per GJ	\$4.03	\$0.08	\$4.11
2				
3	Electricity Surcharge per GJ	\$1.00	\$0.02	\$1.02
4				
5	LNG Spot Charge per GJ	\$5.28	\$0.10	\$5.38
6				
7	Administration Charge per Month	\$39.00	\$0.00	\$39.00
8				
9				
10	Unauthorized Overrun Gas Charges			
11	Per Gigajoule on first 5 percent of specified quantity	Sumas Daily Price	\$0.00	Sumas Daily Price
12		The greater of \$20.00/GJ or 1.5 x the		The greater of \$20.00/GJ or 1.5 x the
13	Per Gigajoule on all Gas over 5 percent of specified quantity	Sumas Daily Price	\$0.00	Sumas Daily Price
14				
15	Charge per Gigajoule of Balancing Service provided			
16				
17	Quantities of Gas less than 10% of the Rate Schedule 25 Authorized Quantity	No charge	\$0.00	No charge
18				
19	Quantities of Gas over the greater of 100 Gigajoules or equal to or in excess			
20	of 10% or less than 20% of the Rate Schedule 25 Authorized Quantity	\$0.25	\$0.00	\$0.25
21				
22	Quantities of Gas over the greater of 100 Gigajoules or equal to or in excess			
23	of 20% of the Rate Schedule 25 Authorized Quantity			
24	(i) between and including April 1 and Oct 31	\$0.30	\$0.00	\$0.30
25	(ii) between and including Nov 1 and March 31	\$1.10	\$0.00	\$1.10
26				
27				
28	Charge per Gigajoule of Balancing and/or Backstopping Gas	Sumas Daily Price	\$0.00	Sumas Daily Price
29				
30	Charge per Gigajoule of Replacement Gas	Sumas Daily Price plus 20%	\$0.00	Sumas Daily Price plus 20%
31				
32				
33	Total Variable Cost per gigajoule	\$5.03	\$0.10	\$5.13

FORTISBC ENERGY INC.
DELIVERY MARGIN AND COMMODITY RELATED CHARGES CHANGES
BCUC ORDER G-314-20 G-XX-21
RATE SCHEDULE 46 - LNG SERVICE

PAGE 3

Line No.	Particular	EFFECTIVE RATES OCTOBER 1, 2020					PROPOSED JANUARY 1, 2021 RATES					Annual Increase/Decrease		
		Quantity	Rate		Annual \$		Quantity	Rate		Annual \$		Rate	Annual \$	% of Previous Annual Bill
1														
2	MAINLAND AND VANCOUVER ISLAND SERVICE AREA													
3	<u>Dispensing Service Charges per GJ</u>													
4														
5	LNG Facility Charge per GJ	157,412.0	GJ x	\$4.03 =	\$634,370.3600		157,412.0	GJ x	\$4.11 =	\$646,963.3200		\$0.08	\$12,592.96	0.94%
6	Electricity Surcharge per GJ	157,412.0	GJ x	\$1.00 =	157,412.0000		157,412.0	GJ x	\$1.02 =	160,560.2400		\$0.020	3,148.2400	0.23%
7	LNG Spot Charge per GJ	0.0	GJ x	\$5.28 =	0.0000		0.0	GJ x	\$5.38 =	0.0000		\$0.100	0.0000	0.00%
8	Subtotal of Per GJ Delivery Margin Related Charges				\$791,782.36					\$807,523.56			\$15,741.20	1.17%
9														
10	<u>Commodity Related Charges</u>													
11	Storage and Transport Charge per GJ	157,412.0	GJ x	\$0.716 =	\$112,706.9920		157,412.0	GJ x	\$0.830 =	\$130,651.9600		\$0.114	\$17,944.9680	1.33%
12	Rider 6 MCRA per GJ	157,412.0	GJ x	(\$0.045) =	(7,083.5400)		157,412.0	GJ x	\$0.029 =	4,564.9480		\$0.074	11,648.4880	0.87%
13	Commodity Cost Recovery Charge per GJ	157,412.0	GJ x	\$2.844 =	447,679.7280		157,412.0	GJ x	\$2.844 =	447,679.7280		\$0.000	0.0000	0.00%
14	Subtotal Cost of Gas (Commodity Related Charges)				\$553,303.18					\$582,896.64			\$29,593.46	2.20%
15														
16	Total (with effective \$/GJ rate)	157,412.0		\$8.545	\$1,345,085.54		157,412.0		\$8.833	\$1,390,420.20		\$0.288	\$45,334.66	3.37%

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations.
Slight differences in totals due to rounding

FORTISBC ENERGY INC.
DELIVERY MARGIN RELATED CHARGES CHANGES
BCUC ORDER G-XX-21

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RATE SCHEDULE 46 - LNG TRANSPORTATION SERVICE

Line No.	Particular	EFFECTIVE JANUARY 1, 2020			PROPOSED JANUARY 1, 2021			Annual Increase/Decrease		% of Previous Annual Bill
		Quantity	Rate	Annual \$	Quantity	Rate	Annual \$	Rate	Annual \$	
1										
2	MAINLAND AND VANCOUVER ISLAND SERVICE AREA									
3	Administration Charge	12 months x	\$39.00	= \$468.00	12 months x	\$39.00	= \$468.00	\$0.00	\$0.00	0.00%
4										
5	Dispensing Service Charges per GJ	275,000.0 GJ x	\$4.03	= \$1,108,250.0000	275,000.0 GJ x	\$4.11	= \$1,130,250.0000	\$0.080	\$22,000.0000	1.59%
6	Electricity Surcharge per GJ	275,000.0 GJ x	\$1.00	= 275,000.0000	275,000.0 GJ x	\$1.02	= 280,500.0000	\$0.020	5,500.0000	0.40%
7	LNG Spot Charge per GJ	0.0 GJ x	\$5.28	= 0.0000	0.0 GJ x	\$5.38	= 0.0000	\$0.100	0.0000	0.00%
8	Transportation			\$1,383,250.00			\$1,410,750.00		\$27,500.00	1.99%
9										
10										
11	Total (with effective \$/GJ rate)	<u>275,000.0</u>	<u>\$5.032</u>	<u>\$1,383,718.00</u>	<u>275,000.0</u>	<u>\$5.132</u>	<u>\$1,411,218.00</u>	<u>\$0.100</u>	<u>\$27,500.00</u>	<u>1.99%</u>

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations.

Slight differences in totals due to rounding