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February 11, 2025

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

Attention: Patrick Wruck, Commission Secretary

Dear Patrick Wruck:

Re: FortisBC Energy Inc. (FEI)

Application for a Certificate of Public Convenience and Necessity (CPCN) and Approval of Amending Agreements to Expand the Compressed Natural Gas (CNG) Fueling Station at Annacis Island in Delta, BC (Application)

Pursuant to sections 45 and 46 of the *Utilities Commission Act* (UCA), FEI applies to the British Columbia Utilities Commission (BCUC) for a CPCN for the expansion of the CNG fueling station located at Annacis Island in Delta, BC (Annacis Island Fueling Station) consisting of a second compressor (2025 Expansion or Project). In addition, FEI seeks approval from the BCUC, pursuant to sections 59 to 61 and 89 of the UCA, for the rates established in seven amending agreements (Amending Agreements) to the Fueling Service Agreements (FSAs) between FEI and seven anchor customers (Anchor Customers),[1] based on the requirements in Section 12B of FEI's General Terms and Conditions of its Tariff (GT&Cs), to facilitate the 2025 Expansion.

CONFIDENTIALITY

FEI requests that the live financial model provided in Appendix C be filed on a confidential basis and held confidential by the BCUC in perpetuity, pursuant to Section 18 of the BCUC's Rules of Practice and Procedure regarding confidential documents as set out in Order G-296-24. The financial model 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

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[1] The seven Anchor Customers are:
1 Ancor Transport Ltd. (Ancor);
2 ColdStar Solutions Inc. (ColdStar);
3 Encorp Pacific (Canada) (Encorp);
4 Martin-Brower of Canada Co. (Martin-Brower);
5 United Parcel Services Canada Ltd. (UPS);
6 Western Pacific Transport Ltd. (Western Pacific); and
7 McRae's Environmental services Ltd. (McRae's).

sensitive. FEI believes that there is more than adequate non-confidential information provided with the financial schedules included in Appendix D to permit a transparent review process.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Sarah Walsh

Attachments

FORTISBC ENERGY INC.

Application for Approval of a Certificate of Public Convenience and Necessity and Approval of Amending Agreements to Expand the Compressed Natural Gas Fueling Station at Annacis Island in Delta, BC

February 11, 2025

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1. INTRODUCTION AND APPROVALS SOUGHT

FEI hereby applies to the British Columbia Utilities Commission (BCUC), pursuant to sections 45 and 46 of the *Utilities Commission Act* (UCA) for a CPCN for the expansion of the CNG fueling station located at Annacis Island in Delta, BC (Annacis Island Fueling Station) consisting of a second compressor (2025 Expansion or Project). In addition, FEI seeks approval from the BCUC, pursuant to sections 59 to 61 and 89 of the UCA, for the rates established in seven amending agreements (Amending Agreements) to the Fueling Service Agreements (FSAs) between FEI and seven anchor customers (Anchor Customers),[1] based on the requirements in Section 12B of FEI's General Terms and Conditions of its Tariff (GT&Cs), to facilitate the 2025 Expansion.

FEI submits that granting of a CPCN for the 2025 Expansion is in the public interest as the proposed rates in the Amending Agreements incorporate the full forecast and actual capital cost of the Project to be recovered from the seven Anchor Customers of the Annacis Island Fueling Station. Therefore, there is no impact to FEI's other customers as a result of the 2025 Expansion.

Specifically, FEI seeks the following related to the Project and the Amending Agreements:

1. Granting of a CPCN, pursuant to sections 45 and 46 of the UCA, for the 2025 Expansion of the Annacis Island Fueling Station which involves FEI installing a new, second compressor and associated facilities at the estimated capital expenditure amount of $475,528, including Allowance for Funds Used During Construction (AFUDC); and
2. Approval of the rates, pursuant to sections 59 to 61 and 89 of the UCA, established in the Amending Agreements with Anchor Customers, based on the requirements in Section 12B of FEI's GT&Cs, which specifically revises the Capital Rate to $4.703 per GJ to account for the estimated capital expenditures of $475,528 effective July 1, 2025,[2] on an interim and refundable/recoverable basis, pending the final actual capital expenditures and an application by FEI for permanent rates.

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[1] The seven Anchor Customers are:
1 Ancor Transport Ltd. (Ancor);
2 ColdStar Solutions Inc. (ColdStar);
3 Encorp Pacific (Canada) (Encorp);
4 Martin-Brower of Canada Co. (Martin-Brower);
5 United Parcel Services Canada Ltd. (UPS);
6 Western Pacific Transport Ltd. (Western Pacific); and
7 McRae's Environmental services Ltd. (McRae's).

[2] The anticipated In-Service Date will be approximately one to two months from the granting of a CPCN, if approved, which accounts for the current anticipated lead time to receive the compressor and one to two weeks for the installation and commissioning of the compressor and related facilities. Per Anchor Amending Agreements 3 (a), "In-Service Date" means the first day of the month following the date the second compressor is installed and operational, in FEI's sole discretion.

1.1 *BACKGROUND AND REGULATORY HISTORY*

On June 11, 2019, FEI and Coastland Wood Industries Ltd. (Coastland Wood) entered into a Property Access and Use Agreement for FEI to lease a portion of Coastland Wood's land on Annacis Island, which was further amended with three amending agreements,[3] which are collectively referred to as the Host Agreement, to enable FEI to construct, own and operate the Annacis Island Fueling Station. The initial term of the Host Agreement expired on January 17, 2025. On September 13, 2024, FEI and Coastland Wood signed a letter to exercise both Renewal Term #1 and #2 options to extend the Host Agreement for a total of six years, expiring on January 17, 2031. A copy of this signed letter for renewal is provided in Appendix B.

In 2021, FEI separately entered into six FSAs (collectively, the Original Agreements) to provide CNG fueling service to six customers[4] (Original Anchor Customers). By Order G-313-21 dated November 1, 2021, the BCUC approved the rate design and rates established in the Original Agreements on an interim and refundable basis, as well as consented to the amendments to the RS 6P Tariff and rates for public fueling service at the Annacis Island Fueling Station, on an interim and non-refundable/non-recoverable basis, effective November 30, 2021.

By Order G-45-22 dated February 22, 2022, the BCUC determined that the Annacis Island Fueling Station met the requirements for a prescribed undertaking as defined by the *Greenhouse Gas Reduction (Clean Energy) Regulation* (GGRR), and approved the amending agreements dated November 26, 2021, separately signed with each of the Original Anchor Customers (collectively Amending Agreements No. 1) to amend the commencement date to January 18, 2022 and the Rate Change Date to July 1 of each year with the first escalation occurring on July 1, 2023.

FEI further entered into additional amending agreements with each of the Original Anchor Customers to adjust the Capital Rate and O&M Rate based on the final actual capital costs and updated total volumes at the Annacis Island Fueling Station, in addition to specific amendments to the minimum annual quantity for Martin-Brower, ColdStar and Western Pacific (collectively, Amending Agreements No. 2 and 3). By Order G-198-23 dated July 25, 2023, the BCUC approved the rate design and rates established in the Original Agreements as amended by Amending Agreements No. 1, 2 and 3 on a permanent basis, effective January 18, 2022.

During 2022 and 2023, FEI entered into four third-party FSAs, which were approved by Orders G-52-22,[5] G-53-22,[6] G-67-22,[7] and G-156-23,[8] on an interim and refundable/recoverable basis, and subsequently the BCUC approved permanent rates and amending agreements by Order

[3] Amending Agreement No. 1 dated April 16, 2021, and Amending Agreement No. 2 dated June 29, 2021, were signed extending the deadline in Section 1.1(a) for the Condition Precedent to obtain the necessary approvals required, including from the BCUC, to December 31, 2021. Amending Agreement No. 3 dated November 10, 2024, is to increase the leasing area by 1,175 square feet of land in exchange for a higher lease price.

[4] The Agreements signed with six Original Anchor Customers are: Ancor, ColdStar, Encorp, Martin-Brower, UPS, and Western Pacific.

[5] McRae's Environmental services Ltd. (McRae's), effective March 1, 2022.

[6] SF Disposal Queen Ltd. (Disposal Queen), effective February 20, 2022.

[7] Clark Reefer Lines Ltd. (Clark Reefer), effective March 7, 2022.

[8] Mullen Trucking Corp. (Mullen), effective June 25, 2023.

G-344-23, effective on the commencement date of each agreement. An additional third-party FSA was approved on a permanent basis by Order G-324-23.[9]

In September 2024, FEI and McRae's entered into Amending Agreement No. 3 to extend the initial term, commit to a minimum annual volume, and eliminate the spot charge, which was approved by Order G-261-24, effective October 1, 2024. By committing to a minimum annual volume at the Annacis Island Fueling Station, McRae's became the seventh anchor customer.

The Annacis Island Fueling Station is serving a total of seven Anchor Customers, four third-party customers, and has an average of approximately 300 public fueling service (RS 6P) events per year.

1.2 *2025 EXPANSION*

Given the number of customers who rely on the Annacis Island Fueling Station, FEI and the Anchor Customers have discussed and agreed upon the 2025 Expansion to add a new second compressor. The 2025 Expansion will enhance resiliency at the Annacis Island Fueling Station by providing compressor redundancy which will improve reliability and will also improve service quality by allowing for fueling of more than one vehicle concurrently and expediting fueling times.

In order to proceed with the 2025 Expansion, FEI and the seven Anchor Customers have entered into the Amending Agreements to amend the Capital Rate based on the estimated capital cost of the 2025 Expansion and the total volume at the Annacis Island Fueling Station, taking into consideration the committed minimum annual volume from McRae's (pursuant to Amending Agreement No. 3). The existing O&M Rate and OH&M Rate remain unchanged.

The following are the seven Amending Agreements with the Anchor Customers:

- Ancor Amending Agreement No. 3;
- ColdStar Amending Agreement No. 3;
- Encorp Amending Agreement No. 3;
- Martin-Brower Amending Agreement No. 4;
- UPS Amending Agreement No. 3;
- Western Pacific Amending Agreement No. 3; and
- McRae's Amending Agreement No. 4.

Copies of the Amending Agreements are provided in Appendix A.

9 Canada Minibins Ltd. (Minibins), effective November 30, 2023.

1.3 APPROVALS SOUGHT

FEI hereby seeks the following from the BCUC related to the 2025 Expansion and the Amending Agreements:

- Granting of a CPCN, pursuant to sections 45 and 46 of the UCA, for the 2025 Expansion of the Annacis Island Fueling Station which involves FEI installing a new second compressor and associated facilities at an estimated capital expenditure amount of $475,528 including AFUDC; and
- Approval of the rates, pursuant to sections 59 to 61 and 89 of the UCA, established in the Amending Agreements with the Anchor Customers, based on the requirements in Section 12B of FEI's GT&Cs, which revises the Capital Rate to $4.703 per GJ to account for the estimated capital expenditures of $475,528 effective July 1, 2025, on an interim and refundable/recoverable basis, pending the final actual capital expenditures and an application by FEI for permanent rates.

A draft form of order sought is provided in Appendix F-2.

As set out in section 3(e) of the Amending Agreements, FEI will file an application for approval of permanent rates with the BCUC once the final capital costs of the 2025 Expansion are known and accounted for. If the actual capital expenditures for the Project differ from the forecast capital expenditures, FEI will enter into additional amending agreements with the Anchor Customers if required. Any variance between interim and permanent rates will be refunded to or recovered from the Anchor Customers following the approval of permanent rates.

1.4 PROPOSED REGULATORY PROCESS

FEI considers that a written review process with one round of information requests (IRs) is appropriate in the circumstances. Given that the Annacis Island Fueling Station provides public fueling service, FEI anticipates that it would be appropriate to post notice of the proposed rate change for public fueling service at the station.

A draft procedural order is included as Appendix F-1.

Table 1-1: Proposed Preliminary Regulatory Timetable

ACTION	DATE (2025)
FEI Posts Notice	Thursday, March 13
BCUC IR No. 1	Thursday, March 13
FEI Response to IR No. 1	Thursday, April 3
Letters of Comment	Tuesday, April 8
FEI Final Argument	Friday, April 11
Anticipated BCUC Decision by	Thursday, May 1

1.5 *ORGANIZATION OF THE APPLICATION*

The Application provides detailed information in support of the Project. The remainder of the Application is organized into the following sections:

- **Section 2** provides an overview of FEI, and its financial and technical capabilities to carry out the Project.
- **Section 3** describes the need and justification for the Project.
- **Section 4** provides a detailed description of the Project, including design, construction, resource planning and management, schedule, and basis of the cost estimate, as well as setting out a risk analysis and discussing potential Project impacts.
- **Section 5** provides the Project cost estimate, the assumptions upon which the financial analysis is based, and the rate impacts.
- **Section 6** discusses the alignment of the Project with BC's energy objectives and FEI's Long-Term Gas Resource Plan (LTGRP).
- **Section 7** concludes that the Project is in the public interest and should be approved.

Given that this CPCN Application is very limited in scope, certain sections in the BCUC's CPCN Guidelines[10] are not relevant and are, therefore, not included in this Application. For example, a discussion of environmental and archaeological impacts has not been included in the Application, as the 2025 Expansion will not require changes to the location or site area.

2. APPLICANT

2.1 *NAME, ADDRESS AND NATURE OF BUSINESS*

FEI is a company incorporated under the laws of the Province of British Columbia and is a wholly-owned subsidiary of FortisBC Holdings Inc., which in turn is a wholly-owned subsidiary of Fortis Inc., a Canadian-based utility holding company. FEI maintains an office and place of business at 16705 Fraser Highway, Surrey, British Columbia, V4N 0E8.

As the largest natural gas distribution utility in British Columbia, FEI provides sales and transportation services to residential, commercial, and industrial customers in more than 100 communities throughout British Columbia, with over 1 million customers served throughout British Columbia. FEI's distribution network provides more than 95 percent of the natural gas energy delivered to customers in British Columbia.

FEI is regulated by the BCUC and can finance the Project either directly or through its parent, FortisBC Holdings Inc. FEI has credit ratings for senior unsecured debentures from Dominion

[10] Issued by Order G-20-15.

Bond Rating Service and Moody's Investors Service of A and A3, respectively. FortisBC Holdings Inc. is a wholly owned subsidiary of Fortis Inc. Fortis Inc. shares are listed on the Toronto Stock Exchange and the New York Stock Exchange.

2.2 TECHNICAL CAPACITY

FEI has designed and constructed a system of integrated high, intermediate, and low-pressure pipelines and operates more than 51,600 kilometers of natural gas transmission and natural gas distribution mains and service lines in British Columbia. FEI has completed other large natural gas projects, including 18 CNG stations, and has the technical capacity to complete the Project.

2.3 COMPANY CONTACT

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2.4 LEGAL COUNSEL

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Fax: (604) 632-4715

3. PROJECT NEED AND JUSTIFICATION

The 2025 Expansion is needed to increase the capacity, reliability and quality of service for customers of the Annacis Island Fueling Station.

The Annacis Island Fueling Station is a fast-fill station where trucks are filled as they arrive. The existing station consists of one fast-fill dispenser with two hoses, a high-pressure storage assembly, and one compressor. The Annacis Island Fueling Station is located close to a major transportation hub along Highways 91 and 91A. These highways connect Richmond, New Westminster and Surrey and are a major route for port drayage and other commercial transport.

The Annacis Island Fueling Station has been operating at near full capacity performance levels during peak times, typically in the afternoons, consistently since 2022. The station currently serves seven Anchor Customers and four third-party customers, with approximately 8,400 fueling service events per year. In addition, the station also serves public fueling customers, and there is an average of approximately 300 public fueling service events per year through RS 6P at the station.

FEI's service to Annacis Island Fueling Station customers relies on a single compressor. This limits the capacity of the station to serve customers and means that only one vehicle can fill at the station at a time, causing wait times during periods of peak demand, forcing salaried drivers to queue for long periods of time. Commercial customers with larger size trucks have expressed their disappointment with the long queuing time and expect FEI to improve the fueling speed.

Service at the station can also be interrupted due to equipment failure or required maintenance to the compressor. Given the number of customers relying on the station, an outage of the single compressor would be a significant disruption of service to customers, as the closest alternative CNG stations are in Burnaby and Surrey.

There is only one feasible alternative to address the needs of customers at the Annacis Island Fueling Station, which is to add a second compressor to the station. Adding the second compressor will improve the station's capacity, reliability and service quality by:

- allowing for fueling of more than one vehicle concurrently;
- expediting fill-times resulting from the dynamics of two compressors running simultaneously; and
- providing backup for the current single compressor, allowing the station to continue operations even when the primary unit undergoes maintenance or repairs or experiences an unexpected outage.

All the Anchor Customers have entered into Amending Agreements to enable the 2025 Expansion, which is indicative of their agreement that the 2025 Expansion is needed.

4. PROJECT DESCRIPTION

The 2025 Expansion involves installation and commissioning of a new, second compressor added to the existing Annacis Island Fueling Station, located at 675 Belgrave Way in Delta, BC.

4.1 *THE SECOND COMPRESSOR*

The compressor that FEI intends to purchase for the 2025 Expansion is a Clean Energy IMW50 200HP, with the following specifications:

- Model Number: IMW50-5500DA-200-4500-4AC
- CBA Config.: I-03

- No. of Stages: 4
- Inlet 25 to 57.5 PSIG
- Flowrate: 244 to 471 SCFM
- Discharge Pressure: 4500 PSIG
- Electrical Specification: 200HP, 575 VAC 60HZ
- Hazardous Area Classification: C1D2 Prime Mover
- Type: Premium Sound Attenuated
- Cooling System: Air Cooled
- Design Temperature: -20°C To 45°C

4.2 *STANDARDS, SPECIFICATIONS AND BASIS OF DESIGN*

The Project will comply with all applicable codes and standards, including the following:

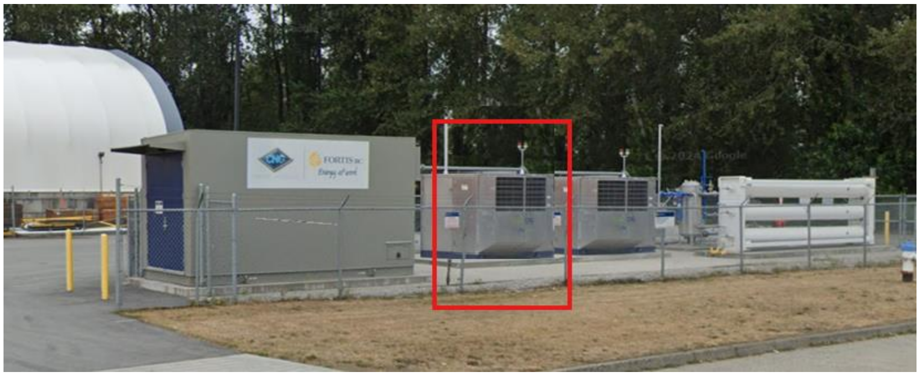
- CSA/ANSI NGV 4.8 – Natural gas vehicle fueling station compressor packages
- CSA B108.1 – Compressed natural gas refueling stations installation code
- CSA B51 – Canadian Boiler Pressure Vessel and Piping Code Part 1 and Part 3
- American Society of Mechanical Engineers (ASME) Boiler and Pressure Vessel Code
- ASME B31.3 – Process Piping
- CSA B149.1 – Natural Gas and Propane Installation Code
- American Petroleum Institute (API) 520 – Sizing, Selection and Installation of Pressure-Relieving Devices in Refineries
- CSA C22.1 – Canadian Electrical Code (CEC)
- British Columbia Building Code 2018

The existing compressor is located in a compound area which currently houses the electrical kiosk, gas dryer, gas meter set, high pressure storage assembly and a CNG compressor package. The compound is surrounded by a chain-link fence with locked man-gates, and crash protection around the compressor compound is provided by jersey barriers. As the 2025 Expansion will not require changes to the location or site area, no additional traffic study or geotechnical investigations are necessary.

For illustrative purposes, FEI has provided the following figures. Figure 4-1 shows the existing compressor compound and Figure 4-2 shows where the second compressor would be situated in the compound.

Figure 4-1: Current Site with One Compressor

Figure 4-2: Current Site with Proposed Second Compressor



4.3 *INSTALLATION AND PROJECT SCHEDULE*

Once a CPCN is granted, FEI anticipates it will take one to two months to receive, install and commission the new compressor. Once the new compressor arrives, it will be sited beside the existing compressor, on top of a pre-existing concrete pad that was completed during the initial station construction. Based on the proposed regulatory review process, the anticipated timing for receipt of the new compressor and the installation as well as the commissioning process, FEI estimates the earliest in-service date for the Project to be July 1, 2025.

4.4 *PROJECT RESOURCES*

In addition to the FEI Project team, FEI will utilize the following external service providers:

- IMW Industries Ltd. (IMW) – manufacturing and commissioning of CNG compressor
- Jenmar Concepts Inc. (Jenmar) – engineering design of the CNG station

- Five Start Utility services – installation of new CNG compressor, including all the gas connections
- JJL Electrical Services – electrical connections of the new CNG compressor, including prime-mover and control systems
- Rivark Automation Ltd. – compressor's PLC and HMI programming

4.4.1 Design and Quality Control

Jenmar, an external engineering consultant based in Langley, BC, will undertake the engineering tasks and deliverables. FEI has previously used the services of Jenmar for CNG stations.

4.4.2 Construction Services

Civil, mechanical, and electrical construction services will be performed by certified service contractors as assigned by FEI. The external engineering consultant will provide the civil, mechanical, and electrical scope of work to these contractors.

4.4.3 Materials

Approved materials will strictly be used for this Project, in accordance with the codes and standards listed in Section 4.2 of the Application. The external engineering consultant will provide approved Bills of Material[11] and FEI will supply all the materials for completion of the required work as approved by the engineering consultant.

4.5 REQUIRED PERMITS AND APPROVALS

As the Project is limited to adding a second compressor to the existing station, no changes are proposed to the location, site area, and design. Therefore, no permit will be required.

4.6 BASIS OF ESTIMATE

The total estimated Project capital cost is $475,528. This value was determined using quotes for the compressor at $370,286. Leveraging previous construction of the initial station, the contractor construction costs, plus contingency, were also estimated to be approximately $100,000. The engineering costs were determined based on a proposal from a consultant that has significant experience designing these types of facilities. The Project management costs were determined based on the project management costs of previous similar projects.

[11] A comprehensive list of parts, items, assemblies, subassemblies, intermediate assemblies, documents, drawings, and other materials required to create a product.

4.7 *RISK ANALYSIS*

The primary risks to the Project cost are associated with equipment and contractor costs increasing due to inflation or other unforeseen changes. FEI has obtained price quotes for major equipment. The quote for the compressor package, which is the majority of the estimated total Project cost, is a fixed price quote, while other quotes for materials and parts are not.

The primary schedule risk is associated with the lead time for the equipment delivery. Currently, the expected lead time for the compressor package is one to two weeks; however, the lead time is subject to change.

In order to account for these potential risks, FEI has determined that a 15 percent contingency is reasonable for the Project to account for the volatility of inflation impacts in recent years which has impacted cost certainty.

5. PROJECT COSTS, FINANCIAL ANALYSIS, ACCOUNTING TREATMENT AND RATE IMPACT

This section provides a breakdown of the total estimated capital cost, summarizes the financial analysis undertaken, details the accounting treatment of the capital costs, and sets out the proposed fueling rates.

5.1 *SUMMARY OF CAPITAL COSTS*

5.1.1 Estimated Project Capital Costs

The total Project capital cost is estimated to be $475,528, including AFUDC. FEI has also included a contingency of 15 percent on the subtotal of estimated capital expenditures, excluding the CNG compressor package. Since FEI received a firm quoted price from IMW for the compressor package, FEI has only applied the contingency to mechanical, installation, commissioning, and other costs.

Table 5-1 below summarizes the total estimated capital cost for major installation components.

Table 5-1: Summary of the Estimated Project Capital Costs

Component	Cost ($)
Compressor	
CNG Compressor Package	370,286
Mechanical, Installation, Commissioning	
Mechanical and Field Piping	31,000
Electrical Work	18,000
Equipment Shipping	7,000
Commissioning	15,000
Engineering, Project Management	17,317
Contingency (15%)	13,247
Estimated Project Capital Cost, excluding AFUDC	**471,850**
AFUDC	3,678
Total Estimated Project Capital Cost, including AFUDC	**475,528**

The Project's cost estimate has an expected accuracy range between -15 percent and +20 percent, which is consistent with a Class 4 degree of accuracy as defined in the latest version of the Association for the Advancement of Cost Engineering (AACE) International Recommended Practices.

5.1.2 Capital Cost of the Existing Station

The existing Annacis Island Fueling Station was designed and constructed pursuant to the requirements as set out in the GGRR, with recovery of at least 60 percent of the cost of service over an initial term of seven years. The total capital expenditures for the existing station are $1.901 million, including AFUDC, which are comprised of FEI expenditures of $1.158 million and the Natural Resources Canada (NRCan) contribution of $0.743 million.[12]

5.2 *RATE DESIGN FOR THE ANNACIS ISLAND FUELING STATION AFTER THE 2025 EXPANSION IS IN-SERVICE*

This section provides a summary of the key inputs used to calculate the fueling service charges for the Annacis Island Fueling Station once the Project is completed and in-service. Details of the financial schedules as well as the rate calculation are provided in Confidential Appendix C (Schedule 10 for the rate calculation).

[12] NRCan funding contraction was treated as contributions in aid of construction (CIAC) under the BCUC Uniform System of Account for Gas Utilities.

5.2.1 Terms and Conditions

Table 5-2 below sets out the key terms and conditions of the Original Agreements (as amended) and the Amending Agreements.

Table 5-2: Summary of Key Terms and Conditions

Term	Notes/Description	Section of Agreements
Ownership of the Fueling Equipment	The fueling station shall at all times remain the property of FEI.	Part II, Section A (B) of the FSAs
Minimum Quantity	Annual take-or-pay minimum for the Annacis Island Fueling Station is contracted as 20,000 GJ for Year 1, 20,500 GJ for Year 2, 30,250 GJ for Year 3, 32,500 GJ from Year 4 to 6, and 29,000 GJ for Year 7. See Table 5-3 for details.	Part I, Term and Minimum Annual Quantity of the FSAs and amending agreements to FSA
Expiry of Term	The Initial Term of seven years, commencing on July 1, 2023 and expiring on June 30, 2029.	Part I, Term of the FSAs

Table 5-3 below sets out the minimum take-or-pay volumes contracted by the Anchor Customers.

Table 5-3: Summary of Minimum Annual Volumes (in GJ)

Period	Ancor	ColdStar	Encorp	Western Pacific	UPS	Martin-Brower	McRae's[13]	Total
YR 1	1,000	3,000	2,500	7,000	6,500	-	-	**20,000**
YR 2	1,000	3,000	2,500	7,000	6,500	500	-	**20,500**
YR 3	1,000	3,000	2,500	7,000	6,500	3,500	6,750	**30,250**
YR 4	1,000	3,000	2,500	7,000	6,500	3,500	9,000	**32,500**
YR 5	1,000	3,000	2,500	7,000	6,500	3,500	9,000	**32,500**
YR 6	1,000	3,000	2,500	7,000	6,500	3,500	9,000	**32,500**
YR 7	1,000	3,000	2,500	7,000	6,500	3,500	6,000	**29,000**

Amending Agreements

FEI has entered into the Amending Agreements with each Anchor Customer, as noted in Section 1.1. The key elements of the Amending Agreements are:

1. Acknowledgement of the 2025 Expansion to install a new second compressor on the current site of the Annacis Island Fueling Station;
2. Revision of the Capital Rate to account for the estimated capital expenditures for the 2025 Expansion, based on the total of the minimum annual quantity commitments at the

[13] FEI and McRae's entered into Amending Agreement No.3 approved by Order G-261-24 to extend the initial term, commit to a minimum annual volume, and eliminate the spot charge, effective October 1, 2024.

Annacis Island Fueling Station, effective as of July 1, 2025, the estimated In-Service Date for the 2025 Expansion;

3. Revision to the Dispending Rate to account for the revised Capital Rate; and
4. Agreement that FEI will amend the Dispensing Rate in the Amending Agreements by way of a further amending agreement to be executed by each Anchor Customer, if the actual capital costs differ from the estimate, when seeking approval of permanent rates.

5.2.2 Summary of Key Inputs

5.2.2.1 Recovery of the Cost of Service

The existing Annacis Island Fueling Station was approved as a prescribed undertaking defined under the GGRR, with recovery of at least 60 percent of the cost of service over an initial term of seven years. The 2025 Expansion, if approved, will take place after the expiration of the prescribed undertaking in section 2(2) of the GGRR and is, therefore, governed by Section 12B of FEI's GT&Cs. Section 12B.4 of FEI's GT&Cs requires the cost of service to be based on the actual capital investment in the fueling station.

Therefore, FEI has calculated the proposed rates in the Amending Agreements to recover, at a minimum:

a) 60 percent of the capital-related cost of service items of the existing station (as approved by Order G-198-23 as part of FEI's filing for the permanent rates of the existing Annacis Island Fueling Station) until the end of the term of the Original Agreements (i.e., from 2025 to 2028) based on the Anchor Customer's minimum take-or-pay in the Original Agreements; and

b) 100 percent of the present value (PV) of the cost of service of the 2025 Expansion over the term of the Amending Agreements in accordance with Section 12B[14] of FEI's GT&Cs.

Table 5-4 below provides a summary of the key inputs from the Original Agreements and the Amending Agreements for calculating the cost of service over the remaining term of the Annacis Island Fueling Station.

[14] Section 12B.5 of the GT&Cs includes a provision where, at the end of the expiry of the initial term of an executed service agreement, if the customer does not wish to renew the service agreement, the customer can terminate the service agreement provided the customer agrees to pay any unrecovered capital costs (including the positive or negative salvage value) associated with the fueling station. Because the Annacis Island Fueling Station is a public station, the Anchor Customer Agreements (original and amended) do not include a requirement to pay the unrecovered capital cost of the fueling station.

1 **Table 5-4: Cost of Service – Key Inputs and Outputs**

Input	Notes	Amount
Term	• Initial Term remaining from the Original Agreements.	4 years remaining, out of 7-year initial term
Volume	• Annual take-or-pay commitment contracted among all Anchor Customers, as shown in Table 5-3 above.	Contract Year 4 (2025): 32,500 GJ Contract Year 5 (2026): 32,500 GJ Contract Year 6 (2027): 32,500 GJ Contract Year 7 (2028): 29,000 GJ
Existing Station Capital Rate Recovery	• The forecast recovery from 2025 to 2028 under the Capital Rate of the existing station (i.e., cost of service of the existing station, excluding O&M) as approved by Order G-198-23 and set out in Appendix D, Schedule 10, Line 27 of FEI's 2023 Permanent Rate Application, dated March 31, 2023 (included as Appendix E to this Application). • Set to recover 60 percent of the cost of service, excluding O&M of the existing station as a GGRR prescribed undertaking at the annual take-or-pay commitment from the Anchor Customers as discussed above.	Approved capital-related forecast recoveries of the existing station: 2025: $107,478 2026: $109,628 2027: $111,820 2028: $111,630
2025 Expansion Capital	• Estimated capital expenditure of the 2025 Expansion, including AFUDC as shown in Table 5-1 above.	2025 Expansion Capital: $475,528
Annual O&M	• The incremental O&M (i.e., regular and preventative maintenance, electricity costs, and ongoing training) for the new compressor is estimated to be approximately $10,000 per year over the remaining term of the Original Agreements. • FEI is proposing no change to the existing O&M Rate for the Fueling Station as the incremental minimum take-or-pay volume of 9,000 GJ from McRae's (i.e., as the seventh Anchor Customer of the Station starting from September 2024) would be sufficient to cover over 100 percent of the incremental O&M costs of the new compressor. As such, the existing O&M Rate with the total minimum take-or-pay volume from all seven Anchor Customers would be sufficient to recover 60 percent of the O&M of the existing station and 100 percent of the incremental O&M due to the new compressor. • The annual O&M Rate will continue to escalate annually by British Columbia Consumer Price Index (BC-CPI) inflation rates as published by BC Stats on a monthly basis.	Estimated Incremental O&M due to the new compressor over the remaining term of the Original Agreement is approx. $10,000

Input	Notes	Amount
Lease Costs	• No additional lease costs result from the 2025 Expansion. As discussed in Section 4.2 above, the new compressor will be sited on the existing concrete pad that was installed as part of the existing Fueling Station. • The lease costs, currently $44,628 with a 6 percent escalation per year, are included as part of the existing station Capital Rate discussed above.	2025: $44,628 with 6% escalation per annum (Already included as part of the capital-related forecast recoveries under the current Capital Rate from 2025 to 2028 as shown above)
Allowance for OH&M Costs	• Applicable pursuant to Order G-78-13 and Compliance Filing pursuant to Order G-105-15.	$0.520 per GJ

As shown in Table 5-4 above, the Capital Rate in the Amending Agreements includes the forecast recovery of 60 percent of the cost of service of the existing Annacis Island Fueling Station until 2028 (as permitted under the GGRR) and 100 percent of the cost of service of the 2025 Expansion (as required by Section 12B of FEI's GT&Cs).

The total forecast capital expenditure for the 2025 Expansion is $475,528, including AFUDC, as presented in Section 5.1 above. FEI expects the 2025 Expansion to be commissioned and ready for service approximately one to two months after issuance of the CPCN, if granted.

Since Section 12B of FEI's GT&Cs requires the cost of service of the 2025 Expansion to be based on the actual capital expenditures, the Amending Agreements (Section A.3(a)) stipulate that the station rates will be amended if the actual capital expenditure for the Project differs from the estimated capital expenditure of $475,528.

5.2.3 Proposed Annacis Island Fueling Station Interim Rates

Table 5-5 below provides the breakdown of the proposed interim total fueling service rates which incorporate both the recovery for the existing station (at 60 percent of the cost of service) and the estimated costs of the 2025 Expansion (at 100 percent of the cost of service) as discussed in Section 5.2.2 above.

Table 5-5: Annacis Island Fueling Station Proposed Fueling Service Rates

Output	Notes	Current Rates (January 2025)	Proposed Interim Rates (July 2025)
Capital Rate	Escalates at 2% per year beginning on the anniversary of the Rate Change Date.	$4.484 per GJ	$4.703 per GJ
O&M Rate	Escalates annually by BC-CPI beginning on the anniversary of the Rate Change Date.	$2.775 per GJ	$2.828 per GJ

Output	Notes	Current Rates (January 2025)	Proposed Interim Rates (July 2025)
OH&M Rate	Not inflated by BC-CPI.	$0.520 per GJ	$0.520 per GJ
Total Fueling Service Rate	**Sum of Capital, O&M and OH&M Rates**	**$7.779 per GJ**	**$8.051 per GJ**

Once the total final actual capital expenditure amount for the 2025 Expansion is known, FEI will file for permanent rate approval for the Annacis Island Fueling Station with the BCUC.

5.3 *FINANCIAL EVALUATION AND RATE IMPACT TO FEI'S CUSTOMERS*

This section provides a financial evaluation of the 2025 Expansion, showing that the PV of the incremental revenue requirement of the Annacis Island Fueling Station is a surplus of approximately $185 thousand (i.e., a benefit to FEI's other customers).

Table 5-6 below provides the financial evaluation of the Project, including:

- the levelized delivery rate impact to FEI's other customers over a 20-year analysis period based on the total estimated capital costs of $475,528 (as discussed in Section 5.1 above);
- the forecast O&M expense; and
- the service charge revenue recovery from the Project at the rates presented in Section 5.2.3 (with escalation) under the minimum take-or-pay contract demand assuming that the Anchor or other customers continue to consume 29,000 GJ of CNG throughout the analysis period (2025 – 2044).

FEI selected an analysis period of 20 years based on the expected service life of the fueling station (equivalent to the approved depreciation rates of 5 percent).[15]

Table 5-6: Financial Analysis of the Project

Line	Particular	Total	Reference
1	Total Project Capital Costs ($millions)	0.476	Schedule 6, Line 28
2	Incremental Rate Base in 2025 ($millions)	0.467	Schedule 5, Line 18
3	Incremental Revenue Requirement in 2025 ($millions)	0.023	Schedule 1, Line 10
4	**PV of Incremental Revenue Requirement 20 years ($ millions)**	**(0.185)**	**Schedule 10, Line 6 + 63 - 72**
5	Delivery Rate Impact in 2025, compared to 2024 Approved (%)	-0.003%	Schedule 10, Line 4 + 61 + 70 / 2024 Delivery Margin at 2024 Rates
6	**Levelized Delivery Rate Impact 20 Years (%)**	**-0.001%**	**Line 4 / 2024 Delivery Margin at 2024 Rates**

[15] FEI 2017 Depreciation Study approved as part of the BCUC's Decision and Order G-165-20 regarding the 2020-2024 Multi-year Rate Plan (MRP) Application.

The financial evaluation of the 2025 Expansion includes the following key inputs and assumptions:

- **Capital Costs:** Capital cost estimate of $475,528 in as-spent dollars as summarized in Table 5-4 of the Application with construction expected to complete in 2025. The capital cost is provided in Confidential Appendix C, Schedule 6.
- **O&M Expense:** Based on current O&M Rate (adjusted for CPI) at the forecast minimum take-of-pay volume from the Anchor Customers.
- **Inflation:** Two percent annually from 2026 onwards applied to the approved O&M Rate. FEI used the midpoint of the inflation-control target range of 1 to 3 percent, set by the Bank of Canada for long-term inflation forecasts for 2026 and beyond.
- **Revenue (Term from Years 4 to 7):** Calculated based on the fueling station rates (capital, O&M, and OH&M rates) as listed in Table 5-5 of the Application at the minimum contract demand per year during the remaining 4 years of the 7-year Initial Term, as summarized in Table 5-4 of the Application. The Capital Rate will escalate annually at 2 percent while the O&M Rate will escalate annually at BC-CPI. For the purpose of this financial analysis, FEI assumed annual BC-CPI at 2 percent inflation as discussed above. The OH&M Rate will remain constant at $0.52 per GJ as directed by the BCUC in Order G-198-23.
- **Revenue (Years 8 to 20):** As noted in Table 5-4, the fueling station rates (capital and O&M) were calculated based on the PV of cost of service over a 20-year expected life of the asset with annual escalation of 2 percent. FEI assumed the capital and O&M rates will continue to escalate at 2 percent from Year 8 to Year 20, with the minimum volume assumed to remain at the level of Year 7, which is 29,000 GJ per year, with no changes throughout the analysis period.

Based on the above assumptions, the PV of the incremental revenue requirement of the fueling station is a surplus of approximately $185 thousand (i.e., a benefit to FEI's other customers), as set out on Line 4 of the table above, with a levelized rate impact of -0.001 percent over the analysis period. The small beneficial rate impact of -0.001 percent is due to the accumulation of revenue associated with the allowance for FEI's OH&M costs (i.e., $0.52 per GJ) included in the station fueling rate.

5.3.1 Accounting Treatment of Costs and Revenues

Consistent with FEI's existing fueling stations, the treatment of any surplus or deficiency in FEI's revenue requirement resulting from the operation of the Project in any given year will be as follows:

1. As part of FEI's revenue requirements process (e.g., Annual Review), FEI forecasts the cost of service impact of the fueling station (i.e., depreciation, O&M, income tax, earned return, etc.) as well as the revenues (i.e., capital, O&M, OH&M, and Short-Term fueling charge) that would be recovered from the fueling customers (including both Anchor Customers and any other third-party customers) based on their minimum take-or-pay

contract demand only. FEI records this revenue as "Other Revenue" as part of the revenue requirement. In any given year, the difference between the cost of service impact of the fueling stations and the station-related revenues forecast under "Other Revenue", which can be either in a credit (surplus) or debit (deficiency) position, will be embedded in the delivery rates that are set for all of FEI's non-bypass customers. For example, the forecast surplus or deficiency for the Project in 2026 will be included in the delivery rates of non-bypass customers in 2026 (the station rates are designed to recover the cost of service of the station over the expected life of the assets, thus a surplus or deficiency in each individual year during the term is likely to occur).

2. The variance between the actual and forecast surplus or deficiency of the fueling station based on the minimum take-or-pay contract volumes as described in point 1 above will be captured in the non-rate base Flow-through deferral account.[16] The balance of the Flow-through deferral account will be returned to FEI's non-bypass customers through amortization in the subsequent years. For example, the variance between the 2026 actual and forecast (either a surplus or deficiency) from the fueling customers with volume commitments at a fueling station will be recorded in the Flow-through deferral account and returned to or recovered from non-bypass customers in 2028 delivery rates.[17]

For the volumes at FEI's fueling stations in excess of the minimum take-or-pay contract volumes (i.e., volumes sold at the fueling station that are not recognized in points 1 and 2 above), the capital and O&M revenues[18] recovered will be captured in the rate base CNG and LNG Recoveries deferral account (approved by Order G-128-11) and returned to all non-bypass customers by amortizing the balance in delivery rates over a one-year period. For example, the actual capital and O&M revenues in 2026 from volumes in excess of the minimum take-or-pay contract volumes will be recognized when setting 2028 delivery rates.

6. BC ENERGY OBJECTIVES AND LONG-TERM GAS RESOURCE PLAN

Further to the requirements of section 46(3.1) of the UCA, this section considers the applicable of British Columbia's energy objectives and FEI's most recent LTGRP.

The Project will enable FEI to increase its capacity to provide CNG to transportation customers at the Annacis Island Fueling Station, replacing the reliance on diesel which is a higher GHG-

[16] In the FortisBC Application for a Rate Setting Framework for 2025-2027, FEI proposed to continue to use the existing Flow-through deferral account that was approved for the 2020-2024 MRP term. During the 2014 to 2019 Performance Based Rate-making (PBR) Plan term, FEI similarly utilized the Flow-through deferral account. The proposed treatment for CNG and LNG recoveries under Other Revenue in the Rate Setting Framework is consistent with the treatment during the MRP and PBR Plan terms.

[17] There is a two-year lag as the actual 2026 results will not be known until FEI is preparing the 2028 revenue requirement application.

[18] Only the capital and O&M revenues for volumes in excess of the minimum take-or-pay contract are captured by the rate base CNG and LNG Recoveries deferral account. OH&M revenues and Short Term fueling charges are not included. Variances in OH&M and Short Term Fueling Charges are captured in the Flow-through deferral account.

emitting fuel. The Project is, therefore, consistent with BC's energy objectives to reduce GHG emissions and encourage the switching from one kind of energy source or use to another that decreases GHG emissions in BC.

The Project is consistent with FEI's most recently accepted LTGRP, filed on May 9, 2022, which discussed the continued investment in low-carbon transportation infrastructure, which includes CNG stations such as the Annacis Island Fueling Station.

7. CONCLUSION

FEI respectfully requests that the BCUC find that the 2025 Expansion of the Annacis Island Fueling Station is in the public interest and grant a CPCN for the Project at the estimated capital cost of $475,528, including AFUDC.

FEI also respectfully requests that the BCUC approve the rates for service established in the Amending Agreements with Anchor Customers, based on the requirements in Section 12B of FEI's GT&Cs, on an interim and refundable/recoverable basis, effective July 1, 2025, pending an application by FEI for permanent rates once actual final capital expenditures are known.

Appendix A

AMENDING AGREEMENTS

AMENDING AGREEMENT No. 3 TO FUELING SERVICES AGREEMENT

THIS AMENDING AGREEMENT No. 3 is made as at October 15, 2024 (**"Effective Date"**).

BETWEEN:

ANCOR TRANSPORT LTD., 12582 82 Ave, Surrey, BC V3W 3E9

(the **"Customer"**)

AND:

FORTISBC ENERGY INC., 16705 Fraser Highway, Surrey, BC V4N 0E8

(**"FEI"**)

WHEREAS:

A. The Customer and FEI entered into a Fueling Services Agreement (Annacis Island Site) effective October 4, 2021, and as amended by the Parties in writing by the way of Amending Agreement No. 1 effective November 26, 2021, and Amending Agreement No. 2 effective March 20, 2023 (together the "**Fueling Agreement**")**.**

B. FEI will undertake an upgrade to the Fueling Location (Annacis Island Site) by installing a new, second compressor to ensure equipment redundancy to improve reliability and quality of service, once operational (the "Upgrade").

C. The parties wish to further amend the Fueling Agreement to reflect the effect of the Upgrade to the Fueling Equipment on the terms and conditions set out in this Amending Agreement, specifically an increase to the Capital Rate.

NOW THEREFORE IN CONSIDERATION of the promises and mutual covenants and agreements hereinafter contained and other good and valuable consideration, the parties hereto covenant and agree with each other as follows:

1. Unless otherwise defined herein, capitalized words and expressions shall have the same meanings as are assigned to them in the Fueling Agreement.

2. The Customer and FEI, by signing this Amending Agreement No. 3, accept and agree to be bound by the terms and conditions herein contained. This Amending Agreement No. 3 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.

3. The following amendments are made to the Fueling Agreement, effective as of the "In-Service Date", as follows:

   (a) "In-Service Date" means the first day of the month following the date the second compressor is installed and operational, in FEI's sole discretion. FEI will provide the Customer with written notice of the In-Service Date.

   (b) Delete Part II, section A (B) and replace it with the following:

      "B. FEI owns and operates fueling equipment at the Fueling Location from which it sells and distributes fuel (the "**Fueling Equipment**").

   (c) The Capital Rate, as amended and as defined in Part I of the Fueling Agreement is amended from $4.484 per GJ to $4.703 per GJ;

(d) The Total Dispensing Rate, as amended and as defined in Part I of the Fueling Agreement is amended from $7.779 per GJ to $8.051 per GJ; and

(e) The Customer agrees and acknowledges that the Dispensing Rate is an interim rate as approved by the BCUC. FEI will amend the Dispensing Rate as set out in this agreement following BCUC approval of the permanent Dispensing Rate by way of an amending agreement to be executed by the Customer. Failure of the Customer to execute the amending agreement will be deemed to be a default of this Fueling Services Agreement and be subject to section 6 of the Fueling Agreement. The Customer acknowledges that FEI will be required to recover from or return to the Customer any difference between the permanent Dispensing Rate and the interim Dispensing Rate to the date the permanent Dispensing rate becomes effective.

4. The Fueling Agreement, as amended herein, will remain in full force and effect and, together with this Amending Agreement No. 3, will be read and interpreted as one agreement.

5. This Amending Agreement No. 3 may be executed and delivered in any number of counterparts with the same effect as if all parties had signed and delivered the same document and all counterparts will be construed together to constitute one and the same agreement. A party may deliver an executed copy of this Amending Agreement in electronic form and will immediately deliver to the other party an originally executed copy of this Amending Agreement.

IN WITNESS WHEREOF the parties have executed this Amending Agreement as of the Effective Date.

ANCOR TRANSPORT LTD.,
by its authorized signatory:

Balpreet Nijjar

Signature
Name: Balpreet Nijjar
Title: Operations Manager

FORTISBC ENERGY INC.,
by its authorized signatory:

Signature
Name: ***Phil Horacek***
Title: ***Director, Low Carbon Transportation***

AMENDING AGREEMENT No. 3 TO FUELING SERVICES AGREEMENT

THIS AMENDING AGREEMENT No. 3 is made as at October 15, 2024 (**"Effective Date"**).

BETWEEN:

COLDSTAR SOLUTIONS INC., 101-937 Dunford Avenue, Victoria, BC V9B 2S4
(the **"Customer"**)

AND:

FORTISBC ENERGY INC., 16705 Fraser Highway, Surrey, BC V4N 0E8
(**"FEI"**)

WHEREAS:

A. The Customer and FEI entered into a Fueling Services Agreement (Annacis Island Site) effective September 28, 2021, and as amended by the Parties in writing by the way of Amending Agreement No. 1 effective November 26, 2021, and Amending Agreement No. 2 effective March 20, 2023 (together the "Fueling Agreement").

B. FEI will undertake an upgrade to the Fueling Location (Annacis Island Site) by installing a new, second compressor to ensure equipment redundancy to improve reliability and quality of service, once operational (the "Upgrade").

C. The parties wish to further amend the Fueling Agreement to reflect the effect of the Upgrade to the Fueling Equipment on the terms and conditions set out in this Amending Agreement, specifically an increase to the Capital Rate.

NOW THEREFORE IN CONSIDERATION of the promises and mutual covenants and agreements hereinafter contained and other good and valuable consideration, the parties hereto covenant and agree with each other as follows:

1. Unless otherwise defined herein, capitalized words and expressions shall have the same meanings as are assigned to them in the Fueling Agreement.

2. The Customer and FEI, by signing this Amending Agreement No. 3, accept and agree to be bound by the terms and conditions herein contained. This Amending Agreement No. 3 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.

3. The following amendments are made to the Fueling Agreement, effective as of the "In-Service Date", as follows:

   (a) "In-Service Date" means the first day of the month following the date the second compressor is installed and operational, in FEI's sole discretion. FEI will provide the Customer with written notice of the In-Service Date.

   (b) Delete Part II, section A (B) and replace it with the following:

      "B. FEI owns and operates fueling equipment at the Fueling Location from which it sells and distributes fuel (the "**Fueling Equipment**").

(c) The Capital Rate, as amended and as defined in Part I of the Fueling Agreement is amended from \$4.484 per GJ to \$4.703 per GJ;

(d) The Total Dispensing Rate, as amended and as defined in Part I of the Fueling Agreement is amended from \$7.779 per GJ to \$8.051 per GJ; and

(e) The Customer agrees and acknowledges that the Dispensing Rate is an interim rate as approved by the BCUC. FEI will amend the Dispensing Rate as set out in this agreement following BCUC approval of the permanent Dispensing Rate by way of an amending agreement to be executed by the Customer. Failure of the Customer to execute the amending agreement will be deemed to be a default of this Fueling Services Agreement and be subject to section 6 of the Fueling Agreement. The Customer acknowledges that FEI will be required to recover from or return to the Customer any difference between the permanent Dispensing Rate and the interim Dispensing Rate to the date the permanent Dispensing rate becomes effective.

4. The Fueling Agreement, as amended herein, will remain in full force and effect and, together with this Amending Agreement No. 3, will be read and interpreted as one agreement.

5. This Amending Agreement No. 3 may be executed and delivered in any number of counterparts with the same effect as if all parties had signed and delivered the same document and all counterparts will be construed together to constitute one and the same agreement. A party may deliver an executed copy of this Amending Agreement in electronic form and will immediately deliver to the other party an originally executed copy of this Amending Agreement.

IN WITNESS WHEREOF the parties have executed this Amending Agreement as of the Effective Date.

COLDSTAR SOLUTIONS INC.,
by its authorized signatory:

Signature
Name: K. HAWES.
Title: CEO.

FORTISBC ENERGY INC.,
by its authorized signatory:

Signature
Name: ***Phil Horacek***
Title: ***Director, Low Carbon Transportation***

AMENDING AGREEMENT No. 3 TO FUELING SERVICES AGREEMENT

THIS AMENDING AGREEMENT No. 3 is made as at October 15, 2024 (**"Effective Date"**).

BETWEEN:

ENCORP PACIFIC (CANADA), 100-4259 Canada Way, Burnaby, BC V5G 4Y2

(the **"Customer"**)

AND:

FORTISBC ENERGY INC., 16705 Fraser Highway, Surrey, BC V4N 0E8

(**"FEI"**)

WHEREAS:

A. The Customer and FEI entered into a Fueling Services Agreement (Annacis Island Site) effective September 9, 2021, and as amended by the Parties in writing by the way of Amending Agreement No. 1 effective November 26, 2021, and Amending Agreement No. 2 effective March 20, 2023 (together the "**Fueling Agreement**").

B. FEI will undertake an upgrade to the Fueling Location (Annacis Island Site) by installing a new, second compressor to ensure equipment redundancy to improve reliability and quality of service, once operational (the "Upgrade").

C. The parties wish to further amend the Fueling Agreement to reflect the effect of the Upgrade to the Fueling Equipment on the terms and conditions set out in this Amending Agreement, specifically an increase to the Capital Rate.

NOW THEREFORE IN CONSIDERATION of the promises and mutual covenants and agreements hereinafter contained and other good and valuable consideration, the parties hereto covenant and agree with each other as follows:

1. Unless otherwise defined herein, capitalized words and expressions shall have the same meanings as are assigned to them in the Fueling Agreement.

2. The Customer and FEI, by signing this Amending Agreement No. 3, accept and agree to be bound by the terms and conditions herein contained. This Amending Agreement No. 3 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.

3. The following amendments are made to the Fueling Agreement, effective as of the "In-Service Date", as follows:

   (a) "In-Service Date" means the first day of the month following the date the second compressor is installed and operational, in FEI's sole discretion. FEI will provide the Customer with written notice of the In-Service Date.

   (b) Delete Part II, section A (B) and replace it with the following:

      "B. FEI owns and operates fueling equipment at the Fueling Location from which it sells and distributes fuel (the "**Fueling Equipment**").

   (c) The Capital Rate, as amended and as defined in Part I of the Fueling Agreement is amended from $4.484 per GJ to $4.703 per GJ;

(d) The Total Dispensing Rate, as amended and as defined in Part I of the Fueling Agreement is amended from $7.779 per GJ to $8.051 per GJ; and

(e) The Customer agrees and acknowledges that the Dispensing Rate is an interim rate as approved by the BCUC. FEI will amend the Dispensing Rate as set out in this agreement following BCUC approval of the permanent Dispensing Rate by way of an amending agreement to be executed by the Customer. Failure of the Customer to execute the amending agreement will be deemed to be a default of this Fueling Services Agreement and be subject to section 6 of the Fueling Agreement. The Customer acknowledges that FEI will be required to recover from or return to the Customer any difference between the permanent Dispensing Rate and the interim Dispensing Rate to the date the permanent Dispensing rate becomes effective.

4. The Fueling Agreement, as amended herein, will remain in full force and effect and, together with this Amending Agreement No. 3, will be read and interpreted as one agreement.

5. This Amending Agreement No. 3 may be executed and delivered in any number of counterparts with the same effect as if all parties had signed and delivered the same document and all counterparts will be construed together to constitute one and the same agreement. A party may deliver an executed copy of this Amending Agreement in electronic form and will immediately deliver to the other party an originally executed copy of this Amending Agreement.

IN WITNESS WHEREOF the parties have executed this Amending Agreement as of the Effective Date.

ENCORP PACIFIC (CANADA),
by its authorized signatory:

DocuSigned by:
Chris Campbell
A96EE9AEA79E419

Signature
Name: Chris Campbell
Title: Vice President, Operations

FORTISBC ENERGY INC.,
by its authorized signatory:

Signature
Name: ***Phil Horacek***
Title: ***Director, Low Carbon Transportation***

AMENDING AGREEMENT No. 4 TO FUELING SERVICES AGREEMENT

THIS AMENDING AGREEMENT No. 4 is made as at October 15, 2024 (**"Effective Date"**).

BETWEEN:

MARTIN-BROWER OF CANADA CO., 6985 Financial Drive, Mississauga, ON L5N 0G3

(the **"Customer"**)

AND:

FORTISBC ENERGY INC., 16705 Fraser Highway, Surrey, BC V4N 0E8

(**"FEI"**)

WHEREAS:

A. The Customer and FEI entered into a Fueling Services Agreement (Annacis Island Site) effective October 1, 2021, and as amended by the Parties in writing by the way of Amending Agreement No. 1 effective November 26, 2021, Amending Agreement No. 2 effective June 23, 2022, and Amending Agreement No. 3 effective March 20, 2023, (together the "**Fueling Agreement**").

B. FEI will undertake an upgrade to the Fueling Location (Annacis Island Site) by installing a new, second compressor to ensure equipment redundancy to improve reliability and quality of service, once operational (the "Upgrade").

C. The parties wish to further amend the Fueling Agreement to reflect the effect of the Upgrade to the Fueling Equipment on the terms and conditions set out in this Amending Agreement, specifically an increase to the Capital Rate.

NOW THEREFORE IN CONSIDERATION of the promises and mutual covenants and agreements hereinafter contained and other good and valuable consideration, the parties hereto covenant and agree with each other as follows:

1. Unless otherwise defined herein, capitalized words and expressions shall have the same meanings as are assigned to them in the Fueling Agreement.

2. The Customer and FEI, by signing this Amending Agreement No. 4, accept and agree to be bound by the terms and conditions herein contained. This Amending Agreement No. 4 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.

3. The following amendments are made to the Fueling Agreement, effective as of the "In-Service Date", as follows:

   (a) "In-Service Date" means the first day of the month following the date the second compressor is installed and operational, in FEI's sole discretion. FEI will provide the Customer with written notice of the In-Service Date.

   (b) Delete Part II, section A (B) and replace it with the following:

      "B. FEI owns and operates fueling equipment at the Fueling Location from which it sells and distributes fuel (the "**Fueling Equipment**").

   (c) The Capital Rate, as amended and as defined in Part I of the Fueling Agreement is amended from $4.484 per GJ to $4.703 per GJ;

(d) The Total Dispensing Rate, as amended and as defined in Part I of the Fueling Agreement is amended from \$7.779 per GJ to \$8.051 per GJ; and

(e) The Customer agrees and acknowledges that the Dispensing Rate is an interim rate as approved by the BCUC. FEI will amend the Dispensing Rate as set out in this agreement following BCUC approval of the permanent Dispensing Rate by way of an amending agreement to be executed by the Customer. Failure of the Customer to execute the amending agreement will be deemed to be a default of this Fueling Services Agreement and be subject to section 6 of the Fueling Agreement. The Customer acknowledges that FEI will be required to recover from or return to the Customer any difference between the permanent Dispensing Rate and the interim Dispensing Rate to the date the permanent Dispensing rate becomes effective.

4. The Fueling Agreement, as amended herein, will remain in full force and effect and, together with this Amending Agreement No. 4, will be read and interpreted as one agreement.

5. This Amending Agreement No. 4 may be executed and delivered in any number of counterparts with the same effect as if all parties had signed and delivered the same document and all counterparts will be construed together to constitute one and the same agreement. A party may deliver an executed copy of this Amending Agreement in electronic form and will immediately deliver to the other party an originally executed copy of this Amending Agreement.

IN WITNESS WHEREOF the parties have executed this Amending Agreement as of the Effective Date.

MARTIN-BROWER OF CANADA CO., by its authorized signatory:	**FORTISBC ENERGY INC.,** by its authorized signatory:
Signature	*Signature*
Name: **Julie Dell'Aniello**	*Name:* ***Phil Horacek***
Title: **President**	*Title:* ***Director, Low Carbon Transportation***

AMENDING AGREEMENT No. 3 TO FUELING SERVICES AGREEMENT

THIS AMENDING AGREEMENT No. 3 is made as at October 15, 2024 (**"Effective Date"**).

BETWEEN:

UNITED PARCEL SERVICES CANADA LTD., 1900 Steeles Avenue West, Concord, ON L4K 3S2

(the **"Customer"**)

AND:

FORTISBC ENERGY INC., 16705 Fraser Highway, Surrey, BC V4N 0E8

(**"FEI"**)

WHEREAS:

A. The Customer and FEI entered into a Fueling Services Agreement (Annacis Island Site) effective September 9, 2021, and as amended by the Parties in writing by the way of Amending Agreement No. 1 effective November 26, 2021, and Amending Agreement No. 2 effective March 20, 2023 (together the "**Fueling Agreement**").

B. FEI will undertake an upgrade to the Fueling Location (Annacis Island Site) by installing a new, second compressor to ensure equipment redundancy to improve reliability and quality of service, once operational (the "Upgrade").

C. The parties wish to further amend the Fueling Agreement to reflect the effect of the Upgrade to the Fueling Equipment on the terms and conditions set out in this Amending Agreement, specifically an increase to the Capital Rate.

NOW THEREFORE IN CONSIDERATION of the promises and mutual covenants and agreements hereinafter contained and other good and valuable consideration, the parties hereto covenant and agree with each other as follows:

1. Unless otherwise defined herein, capitalized words and expressions shall have the same meanings as are assigned to them in the Fueling Agreement.

2. The Customer and FEI, by signing this Amending Agreement No. 3, accept and agree to be bound by the terms and conditions herein contained. This Amending Agreement No. 3 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.

3. The following amendments are made to the Fueling Agreement, effective as of the "In-Service Date", as follows:

   (a) "In-Service Date" means the first day of the month following the date the second compressor is installed and operational, in FEI's sole discretion. FEI will provide the Customer with written notice of the In-Service Date.

   (b) Delete Part II, section A (B) and replace it with the following:

      "B. FEI owns and operates fueling equipment at the Fueling Location from which it sells and distributes fuel (the "**Fueling Equipment**").

   (c) The Capital Rate, as amended and as defined in Part I of the Fueling Agreement is amended from $4.484 per GJ to $4.703 per GJ;

(d) The Total Dispensing Rate, as amended and as defined in Part I of the Fueling Agreement is amended from $7.779 per GJ to $8.051 per GJ; and

(e) The Customer agrees and acknowledges that the Dispensing Rate is an interim rate as approved by the BCUC. FEI will amend the Dispensing Rate as set out in this agreement following BCUC approval of the permanent Dispensing Rate by way of an amending agreement to be executed by the Customer. Failure of the Customer to execute the amending agreement will be deemed to be a default of this Fueling Services Agreement and be subject to section 6 of the Fueling Agreement. The Customer acknowledges that FEI will be required to recover from or return to the Customer any difference between the permanent Dispensing Rate and the interim Dispensing Rate to the date the permanent Dispensing rate becomes effective.

4. The Fueling Agreement, as amended herein, will remain in full force and effect and, together with this Amending Agreement No. 3, will be read and interpreted as one agreement.

5. This Amending Agreement No. 3 may be executed and delivered in any number of counterparts with the same effect as if all parties had signed and delivered the same document and all counterparts will be construed together to constitute one and the same agreement. A party may deliver an executed copy of this Amending Agreement in electronic form and will immediately deliver to the other party an originally executed copy of this Amending Agreement.

IN WITNESS WHEREOF the parties have executed this Amending Agreement as of the Effective Date.

UNITED PARCEL SERVICES CANADA LTD.,
by its authorized signatory:

Signature
Name: David Dressler
Title: VP Procurement

FORTISBC ENERGY INC.,
by its authorized signatory:

Signature
Name: ***Phil Horacek***
Title: ***Director, Low Carbon Transportation***

AMENDING AGREEMENT No. 3 TO FUELING SERVICES AGREEMENT

THIS AMENDING AGREEMENT No. 3 is made as at October 15, 2024 (**"Effective Date"**).

BETWEEN:

WESTERN PACIFIC TRANSPORT LTD., 1364 Cliveden Avenue, Delta, BC V3M 3M1

(the **"Customer"**)

AND:

FORTISBC ENERGY INC., 16705 Fraser Highway, Surrey, BC V4N 0E8

(**"FEI"**)

WHEREAS:

A. The Customer and FEI entered into a Fueling Services Agreement (Annacis Island Site) effective September 9, 2021, and as amended by the Parties in writing by the way of Amending Agreement No. 1 effective November 26, 2021, and Amending Agreement No. 2 effective March 20, 2023 (together the "**Fueling Agreement**").

B. FEI will undertake an upgrade to the Fueling Location (Annacis Island Site) by installing a new, second compressor to ensure equipment redundancy to improve reliability and quality of service, once operational (the "Upgrade").

C. The parties wish to further amend the Fueling Agreement to reflect the effect of the Upgrade to the Fueling Equipment on the terms and conditions set out in this Amending Agreement, specifically an increase to the Capital Rate.

NOW THEREFORE IN CONSIDERATION of the promises and mutual covenants and agreements hereinafter contained and other good and valuable consideration, the parties hereto covenant and agree with each other as follows:

1. Unless otherwise defined herein, capitalized words and expressions shall have the same meanings as are assigned to them in the Fueling Agreement.

2. The Customer and FEI, by signing this Amending Agreement No. 3, accept and agree to be bound by the terms and conditions herein contained. This Amending Agreement No. 3 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.

3. The following amendments are made to the Fueling Agreement, effective as of the "In-Service Date", as follows:

   (a) "In-Service Date" means the first day of the month following the date the second compressor is installed and operational, in FEI's sole discretion. FEI will provide the Customer with written notice of the In-Service Date.

   (b) Delete Part II, section A (3) and replace it with the following:

      "B. FEI owns and operates fueling equipment at the Fueling Location from which it sells and distributes fuel (the "**Fueling Equipment**").

   (c) The Capital Rate, as amended and as defined in Part I of the Fueling Agreement is amended from $4.484 per GJ to $4.703 per GJ;

(d) The Total Dispensing Rate, as amended and as defined in Part I of the Fueling Agreement is amended from $7.779 per GJ to $8.051 per GJ; and

(e) The Customer agrees and acknowledges that the Dispensing Rate is an interim rate as approved by the BCUC. FEI will amend the Dispensing Rate as set out in this agreement following BCUC approval of the permanent Dispensing Rate by way of an amending agreement to be executed by the Customer. Failure of the Customer to execute the amending agreement will be deemed to be a default of this Fueling Services Agreement and be subject to section 6 of the Fueling Agreement. The Customer acknowledges that FEI will be required to recover from or return to the Customer any difference between the permanent Dispensing Rate and the interim Dispensing Rate to the date the permanent Dispensing rate becomes effective.

4. The Fueling Agreement, as amended herein, will remain in full force and effect and, together with this Amending Agreement No. 3, will be read and interpreted as one agreement.

5. This Amending Agreement No. 3 may be executed and delivered in any number of counterparts with the same effect as if all parties had signed and delivered the same document and all counterparts will be construed together to constitute one and the same agreement. A party may deliver an executed copy of this Amending Agreement in electronic form and will immediately deliver to the other party an originally executed copy of this Amending Agreement.

IN WITNESS WHEREOF the parties have executed this Amending Agreement as of the Effective Date.

WESTERN PACIFIC TRANSPORT LTD.,
by its authorized signatory:

Signature
Name: Ravinder Dhanoa
Title: President

FORTISBC ENERGY INC.,
by its authorized signatory:

Signature
Name: ***Phil Horacek***
Title: ***Director, Low Carbon Transportation***

AMENDING AGREEMENT No. 4 TO FUELING SERVICES AGREEMENT

THIS AMENDING AGREEMENT No. 4 is made as at October 15, 2024 (**"Effective Date"**).

BETWEEN:

MCRAE'S ENVIRONMENTAL SERVICES LTD., 23591 Dyke Road, Richmond, BC V6V 1E3
(the **"Customer"**)

AND:

FORTISBC ENERGY INC., 16705 Fraser Highway, Surrey, BC V4N 0E8
(**"FEI"**)

WHEREAS:

A. The Customer and FEI entered into a Fueling Services Agreement (Annacis Island Site) effective February 16, 2022, and as amended by the Parties in writing by the way of Amending Agreement No. 1 effective September 1, 2023, Amending Agreement No. 2 effective November 28, 2023 and Amending Agreement No. 3 effective October 1, 2024 (together the **"Fueling Agreement"**).

B. FEI will undertake an upgrade to the Fueling Location (Annacis Island Site) by installing a new, second compressor to ensure equipment redundancy to improve reliability and quality of service, once operational (the "Upgrade").

C. The parties wish to further amend the Fueling Agreement to reflect the effect of the Upgrade to the Fueling Equipment on the terms and conditions set out in this Amending Agreement, specifically an increase to the Capital Rate.

NOW THEREFORE IN CONSIDERATION of the promises and mutual covenants and agreements hereinafter contained and other good and valuable consideration, the parties hereto covenant and agree with each other as follows:

1. Unless otherwise defined herein, capitalized words and expressions shall have the same meanings as are assigned to them in the Fueling Agreement.

2. The Customer and FEI, by signing this Amending Agreement No. 4, accept and agree to be bound by the terms and conditions herein contained. This Amending Agreement No. 4 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.

3. The following amendments are made to the Fueling Agreement, effective as of the "In-Service Date", as follows:

   (a) "In-Service Date" means the first day of the month following the date the second compressor is installed and operational, in FEI's sole discretion. FEI will provide the Customer with written notice of the In-Service Date.

   (b) Delete Part II, section A (B) and replace it with the following:

      "B. FEI owns and operates fueling equipment at the Fueling Location from which it sells and distributes fuel (the **"Fueling Equipment"**).

(c) The Capital Rate, as amended and as defined in Part I of the Fueling Agreement is amended from $4.484 per GJ to $4.703 per GJ;

(d) The Dispensing Rate, as amended and as defined in Part I of the Fueling Agreement is amended from $7.779 per GJ to $8.051 per GJ; and

(e) The Customer agrees and acknowledges that the Dispensing Rate is an interim rate as approved by the BCUC. FEI will amend the Dispensing Rate as set out in this agreement following BCUC approval of the permanent Dispensing Rate by way of an amending agreement to be executed by the Customer. Failure of the Customer to execute the amending agreement will be deemed to be a default of this Fueling Services Agreement and be subject to section 6 of the Fueling Agreement. The Customer acknowledges that FEI will be required to recover from or return to the Customer any difference between the permanent Dispensing Rate and the interim Dispensing Rate to the date the permanent Dispensing rate becomes effective.

4. The Fueling Agreement, as amended herein, will remain in full force and effect and, together with this Amending Agreement No. 4, will be read and interpreted as one agreement.

5. This Amending Agreement No. 4 may be executed and delivered in any number of counterparts with the same effect as if all parties had signed and delivered the same document and all counterparts will be construed together to constitute one and the same agreement. A party may deliver an executed copy of this Amending Agreement in electronic form and will immediately deliver to the other party an originally executed copy of this Amending Agreement.

IN WITNESS WHEREOF the parties have executed this Amending Agreement as of the Effective Date.

MCRAE'S ENVIRONMENTAL SERVICES LTD.,
by its authorized signatory:

Signature
Name: Bert Blair
Title: V. P. of Operations

FORTISBC ENERGY INC.,
by its authorized signatory:

Signature
Name: ***Phil Horacek***
Title: ***Director, Low Carbon Transportation***

Appendix B

FEI-COASTLAND WOOD HOST AGREEMENT RENEWAL TERMS

FORTIS BC™

16705 Fraser Highway
Surrey, BC V4N 0E8
Tel: (604) 576-7000
Fax: (604) 592-7444
fortisbc.com

September 13, 2024

Coastland Wood Industries LTD
755 Belgrave Way, Delta, BC
V3M 5R8
Attention: Brad King, Mill Manager

Pursuant to section 1.3 (a) of the Property Access and Use Agreement dated June 11, 2019 (the "Agreement"), the Parties agree and acknowledge that the Agreement is renewed for a Renewal Term #1 and #2, for a total of six years. As the Initial Term expires on January 17, 2025, the Renewal Term #1 and #2 will extend the expiry date to January 17, 2031.

Please execute this letter below and return a copy to me acknowledging you agree and consent to the Renewal Term #1 and #2.

If you have any questions, please send an email to:
Georgina.Wheatcroft@FortisBC.com or call 604-592-7473.

Sincerely,

FORTISBC ENERGY INC.
by its authorized signatory(ies):

Phil Horacek

Director, Low Carbon Transportation

COASTLAND WOOD INDUSTRIES LTD.
by its authorized signatory(ies):

Brad King

BRAD KING - MILL MANAGER

Appendix C

FINANCIAL COST OF SERVICE MODEL

REFER TO LIVE SPREADSHEET MODEL

Provided in electronic format only

FILED CONFIDENTIALLY

Appendix D

FINANCIAL SCHEDULES

FortisBC Energy Inc.
Annacis Island
Aug 2024

Annacis Island: Revenue Requirement
Schedule 1
($000's), unless otherwise stated

Line	Particulars	Reference	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
1	**Revenue Requirement**																					
2	Operation and Maintenance	Schedule 2, Line 18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Lease Costs	Schedule 2, Line 19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Property Taxes	Schedule 2, Line 23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Depreciation Expense	Schedule 8, Line 13 + Line 30	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24
6	Amortization Expense	Schedule 9, Line 38	2	2	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Income Taxes	Schedule 3, Line 20	(35)	(8)	(3)	0	2	4	6	7	8	9	9	9	10	10	10	9	9	9	9	9
8	Earned Return	Schedule 5, Line 23	32	31	29	27	26	24	22	21	19	17	16	14	12	11	9	7	6	4	3	1
9																						
10	**Annual Revenue Requirement**	Sum of Lines 2 through 8	**23**	**49**	**51**	**53**	**52**	**52**	**52**	**52**	**51**	**50**	**49**	**47**	**46**	**44**	**42**	**41**	**39**	**37**	**35**	**33**
11																						
12	Calendar Year = Contract Year																					

FortisBC Energy Inc.
Annacis Island
Aug 2024

Annacis Island: O&M, Lease, and Property Tax
Schedule 2
($000's), unless otherwise stated

Line	Particulars	Reference	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
1	**Gross O&M**																					
2	Labour Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Vehicle Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Employee Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Materials & Supplies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Computer Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Facilities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Contractor Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Recoveries & Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11																						
12	Non-Labour Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13																						
14	Total Gross O&M Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15																						
16	(Less): Capitalized Overhead		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Add (Less): Adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Net O&M		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19																						
20	**Property Taxes**																					
21	General, School and Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	1% in Lieu of General Municipal Tax[1]	Schedule 10, Line 57/1000 x 1%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Total Property Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24																						
25	1 - Calculation is based on the second preceeding year; ex., 2027 is based on 2025 revenue																					

FortisBC Energy Inc.
Annacis Island
Aug 2024

Annacis Island: Income Tax Expense
Schedule 3
($000's), unless otherwise stated

Line	Particulars	Reference	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
1	**Income Tax Expense**																					
2																						
3	Earned Return	Schedule 5, Line 23	32	31	29	27	26	24	22	21	19	17	16	14	12	11	9	7	6	4	3	1
4	Deduct: Interest on debt	Schedule 5, Line 22	(12)	(12)	(11)	(10)	(10)	(9)	(8)	(8)	(7)	(7)	(6)	(5)	(5)	(4)	(3)	(3)	(2)	(2)	(1)	(0)
5	Add (Deduct): Amortization Expense	Schedule 9, Line 38	2	2	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Depreciation Expense	Schedule 8, Line 13 + Line 30	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24
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 10	(142)	(66)	(53)	(42)	(34)	(27)	(22)	(17)	(14)	(11)	(9)	(7)	(6)	(5)	(4)	(3)	(2)	(2)	(1)	(1)
11	Taxable Income After Tax	Sum of Lines 3 through 10	(96)	(21)	(9)	0	6	12	16	19	22	24	25	26	26	26	26	26	25	25	24	23
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	(131)	(29)	(12)	1	8	16	22	27	30	32	34	35	35	36	35	35	34	34	33	32
17																						
18	Total Income Tax Expense	Line 16 x Line 13	(35)	(8)	(3)	0	2	4	6	7	8	9	9	9	10	10	10	9	9	9	9	9
19	Adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Net Tax Expense	Line 18 + Line 19	(35)	(8)	(3)	0	2	4	6	7	8	9	9	9	10	10	10	9	9	9	9	9

FortisBC Energy Inc.
Annacis Island
Aug 2024

Annacis Island: Capital Cost Allowance
Schedule 4
($000's), unless otherwise stated

Line	Particulars	Reference	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
1	**CNG Dispensing Equipment (hoses and fill posts)**																					
2	Opening Balance	Preceeding Year, Line 5	-	330	264	211	169	135	108	87	69	55	44	35	28	23	18	15	12	9	7	6
3	Additions	Schedule 7 , Line 10 - AFUDC	472	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	CCA	[Line 2 + (Line 3 x AF)] x CCA Rate; See Note 1	(142)	(66)	(53)	(42)	(34)	(27)	(22)	(17)	(14)	(11)	(9)	(7)	(6)	(5)	(4)	(3)	(2)	(2)	(1)	(1)
5	Closing Balance	Sum of Lines 2 through 4	330	264	211	169	135	108	87	69	55	44	35	28	23	18	15	12	9	7	6	5
6																						
7	**Total CCA**																					
8	Opening Balance	Preceeding Year, Line 11	-	330	264	211	169	135	108	87	69	55	44	35	28	23	18	15	12	9	7	6
9	Additions	[2]	472	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	CCA	[3]	(142)	(66)	(53)	(42)	(34)	(27)	(22)	(17)	(14)	(11)	(9)	(7)	(6)	(5)	(4)	(3)	(2)	(2)	(1)	(1)
11	Closing Balance	Sum of Lines 8 through 10	330	264	211	169	135	108	87	69	55	44	35	28	23	18	15	12	9	7	6	5
12	1 - AF = Acceleration Factor; AF = 1.5 from 2022 to 2023, AF = 1.0 from 2024 to 2027; AF = 0.5 from 2028 onward																					
13	2 - Schedule 4 , Sum of detailed Additions lines																					

FortisBC Energy Inc.
Annacis Island
Aug 2024

Annacis Island: Rate Base
Schedule 5
($000's), unless otherwise stated

Line	Particulars	Reference	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
1	**Rate Base**																					
2	Gross Plant In Service- Beginning	Schedule 7, Line 7	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476
3	Gross Plant In Service- Ending	Schedule 7, Line 25	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476
4																						
5	Accumulated Depreciation- Beginning	Schedule 8, Line 7	-	(24)	(48)	(71)	(95)	(119)	(143)	(166)	(190)	(214)	(238)	(262)	(285)	(309)	(333)	(357)	(380)	(404)	(428)	(452)
6	Accumulated Depreciation- Ending	Schedule 8, Line 25	(24)	(48)	(71)	(95)	(119)	(143)	(166)	(190)	(214)	(238)	(262)	(285)	(309)	(333)	(357)	(380)	(404)	(428)	(452)	(476)
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	464	440	416	392	369	345	321	297	273	250	226	202	178	155	131	107	83	59	36	12
15																						
16	Unamortized Deferred Charges, Mid-Year	Schedule 9, Line 41	3	5	3	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Cash Working Capital	[1]	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
18	**Total Rate Base**	**Sum of Lines 14 through 17**	**467**	**446**	**420**	**394**	**370**	**346**	**322**	**298**	**275**	**251**	**227**	**203**	**179**	**156**	**132**	**108**	**84**	**61**	**37**	**13**
19																						
20	**Return on Rate Base**																					
21	Equity Return	Line 18 x ROE x Equity %	20	19	18	17	16	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1
22	Debt Component	[2]	12	12	11	10	10	9	8	8	7	7	6	5	5	4	3	3	2	2	1	0
23	Total Earned Return	Line 21 + Line 22	**32**	**31**	**29**	**27**	**26**	**24**	**22**	**21**	**19**	**17**	**16**	**14**	**12**	**11**	**9**	**7**	**6**	**4**	**3**	**1**
24	Return on Rate Base %	Line 23 / Line 18	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%
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.
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Annacis Island: Capital Spending
Schedule 6
($000's), unless otherwise stated

Line	Particulars	Reference	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
1	Capital Spending Prior to 2025																					
2	CNG Dispensing Equipment (hoses and fill posts)		472																			
3	CNG Foundations		-																			
4	CNG Dehydrator		-																			
5	Total Capital Spending Prior to 2025	Sum of Lines 2 through 4	472																			
6																						
7	AFUDC Prior to 2025																					
8	CNG Dispensing Equipment (hoses and fill posts)		4																			
9	CNG Foundations		-																			
10	CNG Dehydrator		-																			
11	Total AFUDC Prior to 2025	Sum of Lines 8 through 10	4																			
12																						
13	Capital Spending 2025 Onwards																					
14	CNG Dispensing Equipment (hoses and fill posts)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	CNG Foundations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	CNG Dehydrator		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Total Capital Spending 2025 Onwards	Sum of Lines 14 through 16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18																						
19	Total Capital Spending[1]	Line 5 + Line 17	472	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Total AFUDC	Line 11 + Line 18	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Total Annual Capital Spending and AFUDC	Line 19 + Line 20	476	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22																						
23	Contributions in Aid of Construction		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Removal Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Net Annual Project Costs- Capital	Line 21 + 23 + 24	476	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26																						
27	Total Project Costs- Capital Spending and AFUDC	Sum of Line 21	**476**																			
28	Total Net Project Costs- including CIAC & Removal Costs	Sum of Line 25	**476**																			
29																						
30	1 - Excluding capitalized overhead; First year of analysis includes all prior year spending																					

FortisBC Energy Inc.
Annacis Island
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Annacis Island: Gross Plant in Service & Contributions in Aid of Construction
Schedule 7
($000's), unless otherwise stated

Line	Particulars	Reference	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
1	**Gross Plant in Service**																					
2																						
3	Gross Plant in Service, Beginning																					
4	CNG Dispensing Equipment (hoses and fill posts)	Preceeding Year, Line 22	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476
5	CNG Foundations	Preceeding Year, Line 23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	CNG Dehydrator	Preceeding Year, Line 24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Total Gross Plant in Service, Beginning	Sum of Lines 4 through 6	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476
8																						
9	Gross Plant in Service, Additions																					
10	CNG Dispensing Equipment (hoses and fill posts)	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 posts)	Line 4 + Line 10 + Line 16	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476
23	CNG Foundations	Line 5 + Line 11 + Line 17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	CNG Dehydrator	Line 6 + Line 12 + Line 18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Total Gross Plant in Service, Ending	Sum of Lines 22 through 24	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476	476
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

FortisBC Energy Inc.
Annacis Island
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Annacis Island: Accumulated Depreciation & Amortization
Schedule 8
($000's), unless otherwise stated

Line	Particulars	Reference	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
1	**Accumulated Depreciation**																					
2																						
3	Accumulated Depreciation, Beginning																					
4	CNG Dispensing Equipment (hoses and fill posts)	Preceeding Year, Line 22	-	(24)	(48)	(71)	(95)	(119)	(143)	(166)	(190)	(214)	(238)	(262)	(285)	(309)	(333)	(357)	(380)	(404)	(428)	(452)
5	CNG Foundations	Preceeding Year, Line 23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	CNG Dehydrator	Preceeding Year, Line 24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Total Accumulated Depreciation, Beginning	Sum of Lines 4 through 6	-	(24)	(48)	(71)	(95)	(119)	(143)	(166)	(190)	(214)	(238)	(262)	(285)	(309)	(333)	(357)	(380)	(404)	(428)	(452)
8																						
9	Accumulated Depreciation, Depreciation Expense[1]																					
10	CNG Dispensing Equipment (hoses and fill posts)@ 5%	Schedule 7, Line 4 & Line 10	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)
11	CNG Foundations@ 5%	Schedule 7, Line 5 & Line 11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	CNG Dehydrator@ 5%	Schedule 7, Line 6 & Line 12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Total Accumulated Depreciation, Depreciation Expense	Sum of Lines 10 through 12	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)	(24)
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	(24)	(48)	(71)	(95)	(119)	(143)	(166)	(190)	(214)	(238)	(262)	(285)	(309)	(333)	(357)	(380)	(404)	(428)	(452)	(476)
23	CNG Foundations	Line 5 + Line 11 + Line 17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	CNG Dehydrator	Line 6 + Line 12 + Line 18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Total Accumulated Depreciation, Ending	Sum of Lines 22 through 24	(24)	(48)	(71)	(95)	(119)	(143)	(166)	(190)	(214)	(238)	(262)	(285)	(309)	(333)	(357)	(380)	(404)	(428)	(452)	(476)
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.
Annacis Island
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Annacis Island: Deferred Charges & Deficiency / Surplus [Tracker]
Schedule 9
($000's), unless otherwise stated

Line	Particulars	Reference	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
1	**Deferred Charge- Application Costs**																					
2	Opening Balance	Previous Year, Line 7	-	5	4	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Gross Additions		10																			
4	Tax	Line 3 x Tax Rate	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Net Additions	Sum of Lines 3 through 4	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Amortization Expense @ 4 years		(2)	(2)	(2)	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Closing Balance	Lines 2 + 5 + 6	5	4	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8																						
9	**Deficiency / Surplus [Tracker]**																					
10	Opening Balance	Previous Year, Line 18	-	(20)	(17)	(12)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Gross Addition	Schedule 10, Line 36 / 1000	(20)	5	7	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Net Addition	Line 11 + Line 12	(20)	5	7	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	AFUDC																					
15	Equity	Line 10 x (Schedule 10, Lines 19 x Line 20)	-	(1)	(1)	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Debt	[1]	-	(0)	(0)	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Interest Adjustment	[2]	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Closing Balance	Sum of Lines 13 through 17	(20)	(17)	(12)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19																						
20																						
21	**Deferred Charge- Non Rate Base**																					
22	Opening Balance	Previous Year, Line 30	-	(20)	(17)	(12)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Opening Balance, Adjustment	Opening balance transfer to rate base	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Gross Additions		(20)	5	7	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	AFUDC		-	(1)	(1)	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Net Additions	Sum of Lines 24 through 26	(20)	3	5	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Interest Adjustment		-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Amortization Expense		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Closing Balance	Lines 22 + 23 + 27 + 28 + 29	(20)	(17)	(12)	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31																						
32	**Deferred Charge- Rate Base**																					
33	Opening Balance	Previous Year, Line 39	-	5	4	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Opening Balance, Adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Gross Additions		10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Tax		(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Net Additions		7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Amortization Expense		(2)	(2)	(2)	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Closing Balance	Lines 33 + 37 + 38	5	4	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40																						
41	Deferred Charge, Mid-Year	(Line 33 + Line 34 + Line 39) / 2	3	5	3	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42																						

43 1- Line 10 x [Schedule 10 , (Lines 22 x 23+ Lines 24 x 25) x (1- Tax Rate)]
44 2- Adjustment to net account to zero in final year; result of varying WACC rates throughout contract

FortisBC Energy Inc.
Annacis Island
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Annacis Island: Contract Rate Design (Blending of Existing and Expansion Station)
Schedule 10
($), unless otherwise stated

Line	Particulars	Reference	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
1	Annual Cost of Service (Excl. O&M) - Expansion	Schedule 1, Line 10 - Line 2	22,651	48,699	51,398	53,121	51,639	52,110	52,080	51,650	50,900	49,894	48,682	47,307	45,800	44,189	42,494	40,731
2	For existing station - how much we need to recover		**107,478**	**109,628**	**111,820**	**111,630**	**180,421**	**182,138**	**183,550**	**184,771**	**185,894**	**187,000**	**188,154**	**189,414**	**190,828**	**192,442**	**194,294**	**196,422**
3	% of Annual Revenue Required to be Collected - Expansion	100% of Annual COS to be Recovered	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
4	Annual Revenue Required to be Collected (Excl. O&M) - Total	Line 1 x Line 3	130,129	158,327	163,219	164,750	232,060	234,247	235,630	236,421	236,794	236,894	236,836	236,721	236,629	236,631	236,788	237,153
5	PV of Annual Revenue Required to be Collected (Excl. O&M) - Total	Line 4 / (1 + Line 19)^Yr	130,129	149,033	144,619	137,407	182,184	173,106	163,906	154,802	145,945	137,436	129,337	121,685	114,498	107,777	101,518	95,706
6	Total PV Revenue Required to be Collected (Excl. O&M) - Total	Sum of Line 5	2,315,028															
7																		
8	**Annual Discount Rate**																	
9	Equity Component																	
10	ROE %		9.65%	9.65%	9.65%	9.65%	9.65%	9.65%	9.65%	9.65%	9.65%	9.65%	9.65%	9.65%	9.65%	9.65%	9.65%	9.65%
11	Equity Portion		45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%	45.00%
12	Debt Component																	
13	Long Term Debt Rate		4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%	4.68%
14	Long Term Debt Portion		56.37%	56.37%	56.37%	56.37%	56.37%	56.37%	56.37%	56.37%	56.37%	56.37%	56.37%	56.37%	56.37%	56.37%	56.37%	56.37%
15	Short Term Debt Rate		3.21%	3.21%	3.21%	3.21%	3.21%	3.21%	3.21%	3.21%	3.21%	3.21%	3.21%	3.21%	3.21%	3.21%	3.21%	3.21%
16	Short Term Debt Portion		-1.37%	-1.37%	-1.37%	-1.37%	-1.37%	-1.37%	-1.37%	-1.37%	-1.37%	-1.37%	-1.37%	-1.37%	-1.37%	-1.37%	-1.37%	-1.37%
17	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%
18																		
19	Annual Discount Rate (After-Tax WACC)	[1]	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%	6.24%
20	1 - ROE % x Equity Portion + [(LTD x LTD Portion + STD x STD Portion) x (1 - Tax Rate)]																	
21																		
22	**Capital Rate Calculation and Present Value Proof**		**Contract Years**															
23	Capital Rate over Contract Term	Yr 1 = Line 38; Previous Year rate x Line 35	4.703	4.797	4.893	4.991												
24	Volume (TJ) - Total	Line 49	32.500	32.500	32.500	29.000												
25	Capital Rate Revenue (total) over Contract Term	Line 23 x Line 24 x 1000	152,840	155,897	159,015	144,728	-	-	-	-	-	-	-	-	-	-	-	-
26																		
27	Present Value Proof																	
28	PV of Capital Rate Revenue over Contract Term	Line 25 / (1 + Line 19)^Yr	152,840	146,746	140,894	120,708	-	-	-	-	-	-	-	-	-	-	-	-
29	Sum of PV Rate Revenue	Sum of Line 28	**561,187**															
30	PV Cost of Service over Contract Term	Sum of Line 5, from 2025 to 2028	**561,187**															
31	*Difference from required Delivery Revenue (should be zero)*	Line 29 - Line 30	-															
32																		
33	Calculation of Year 1 Capital Rate (blended) over Contract Term																	
34	Annual Capital Rate Escalation over Contract Term		2.00%	2.00%	2.00%	2.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0%	0%	0%	0%	0%
35	Annual Escalator over Contract Term	No escalation year 1; Yr2-> (1 + Line 34)	100%	102%	102%	102%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
36	Product of Escalators	Cumulative Product of Line 35	100.00%	102.00%	104.04%	106.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
37	Formula		0.0579	0.0556	0.0534	0.0457	-	-	-	-	-	-	-	-	-	-	-	-
38	r_1		**4.703**															

$$r_1 = \frac{1}{\left[\dfrac{\sum_n^1 \left(V_n \times (1+E)^{(n-1)} \big/ (1+D)^n \right)}{\sum_n^1 PVCOS}\right]}$$

where: r_1 = Contract Rate Year 1; V = Annual Volume; D = Discount Rate; n = Contract Year; E = Annual Rate Escalation percentage; PVCOS = Present Value of the Cost of Service (excluding O&M) over Contract Term

Line	Particulars	Reference	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
39																		
40																		
41																		
42																		
43																		
44																		
45																		
46																		
47	**Capital Rate Blending of Exisitng and Expansion Station**																	
48	Total Capital Component to be recovered through Capital Rate		152,840	155,897	159,015	144,728	232,060	234,247	235,630	236,421	236,794	236,894	236,836	236,721	236,629	236,631	236,788	237,153
49	Take or Pay Volume Contracted (TJ) - Total		32.500	32.500	32.500	29.000	29.000	29.000	29.000	29.000	29.000	29.000	29.000	29.000	29.000	29.000	29.000	29.000
50	Take or Pay Volume Contracted (TJ) - Existing Station	G-198-23, Fueling Station Agreement	23.500	23.500	23.500	23.000	23.000	23.000	23.000	23.000	23.000	23.000	23.000	23.000	23.000	23.000	23.000	23.000
51	Incremental Contract Volume due to Expansion (TJ)	*Line 49 - Line 50*	9.000	9.000	9.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000	6.000
52																		
53	**Annual Volumetric Capital Rate ($/GJ); Rate blended btw Existing and Expansion**	**Line 48 / Line 49 / 1000**	**4.70**	**4.80**	**4.89**	**4.99**	**8.00**	**8.08**	**8.13**	**8.15**	**8.17**	**8.17**	**8.17**	**8.16**	**8.16**	**8.16**	**8.17**	**8.18**
54																		
55	**O&M Rate Blending of Exisitng and Expansion Station**																	
56	Current O&M Rate ($/GJ) - Existing Station at 60% recovery (under GGRR)	Year 2024 O&M Rate	2.773															
57	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%
58	Annual Volumetric O&M Rate ($/GJ); Existing Station at 60% recovery (under GGRR)	**Previous Year Rate + BC CPI**	2.828	2.885	2.943	3.002	3.062	3.123	3.185	3.249	3.314	3.380	3.448	3.517	3.587	3.659	3.732	3.807
59	Annual O&M Expense in 2025 at 60% recovery; Existing Station ($)	Line 50 x Line 58	**66,469**															
60																		
61	Annual O&M Expense	Line 58 x Line 49 x 1000	91,925	93,763	95,639	87,046	88,787	90,563	92,374	94,221	96,106	98,028	99,988	101,988	104,028	106,109	108,231	110,395
62	PV of Annual O&M Expense	Line 61 / (1 + Line 19)^Yr	91,925	88,259	84,740	72,599	69,704	66,925	64,256	61,694	59,234	56,872	54,604	52,427	50,336	48,329	46,402	44,551
63	Total PV O&M Expense	Sum of Line 62	1,173,990															
64																		
65	**Fueling Station Rate**																	
66	Capital Rate ($/GJ)	Line 53	4.703	4.797	4.893	4.991	8.002	8.077	8.125	8.152	8.165	8.169	8.167	8.163	8.160	8.160	8.165	8.178
67	O&M Rate ($/GJ)	Line 58	2.828	2.885	2.943	3.002	3.062	3.123	3.185	3.249	3.314	3.380	3.448	3.517	3.587	3.659	3.732	3.807
68	OH&M Rate ($/GJ)	G-78-13	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520
69	**Total Annual Volumetric Contract Rate ($/GJ)**	Sum of Line 66 to Line 68	**8.051**	**8.202**	**8.355**	**8.512**	**11.584**	**11.720**	**11.830**	**11.921**	**11.999**	**12.069**	**12.135**	**12.200**	**12.267**	**12.339**	**12.417**	**12.504**
70	Annual Forecast Revenue	(Line 49 x Line 69) x 1000	261,665	266,560	271,554	246,854	335,927	339,890	343,084	345,722	347,980	350,002	351,905	353,789	355,737	357,820	360,099	362,628
71	PV of Annual Forecast Revenue	Line 70 / (1 + Line 19)^Yr	261,665	250,913	240,608	205,884	263,727	251,174	238,652	226,370	214,473	203,056	192,176	181,863	172,130	162,975	154,385	146,343
72	Total PV Forecast Revenue	Sum of Line 71	3,674,444															

Appendix E

SCHEDULE 10 – FEI 2023 ANNACIS ISLAND CNG FUELING STATION PERMANENT RATES APPLICATION

FortisBC Energy Inc.
Annacis Island
March 2023

Annacis Island: Contract Rate Design
Schedule 10
($), unless otherwise stated

Line	Particulars	Reference	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
1	Annual Cost of Service (Total)	Schedule 1, Line 10	267,916	247,946	267,863	275,955	282,690	288,390	291,800	294,734	298,737	302,481	306,081	309,631	313,211	316,889	320,724	324,765	329,057	333,642	338,556	343,836
2	Annual Cost of Service (O&M)	Schedule 1, Line 2 - Line 2	89,667	92,803	104,934	107,033	109,173	111,357	112,072	114,313	116,599	118,931	121,310	123,736	126,211	128,735	131,310	133,936	136,615	139,347	142,134	144,977
3	Annual Cost of Service	Line 1 + Line 1 - Line 2	178,249	155,142	162,929	168,922	173,517	177,034	179,728	180,421	182,138	183,550	184,771	185,894	187,000	188,154	189,414	190,828	192,442	194,294	196,422	198,859
4	Annual Volume (TJ)	Minimum contract demand	20.0	20.5	23.5	23.5	23.5	23.5	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0
5																						
6	% of Annual Revenue Required to be Collected	GGRR: 60% during Contract Term; 100% thereafter	60%	60%	60%	60%	60%	60%	60%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
7	Annual Revenue Required to be Collected	Line 3 x Line 6	106,949	93,085	97,757	101,353	104,110	106,220	107,837	180,421	182,138	183,550	184,771	185,894	187,000	188,154	189,414	190,828	192,442	194,294	196,422	198,859
8	Annual Revenue Required to be Collected (O&M)	Line 2 x Line 6	53,800	55,682	62,960	64,220	65,504	66,814	67,243	114,313	116,599	118,931	121,310	123,736	126,211	128,735	131,310	133,936	136,615	139,347	142,134	144,977
9	PV of Annual Revenue Required to be Collected	Line 7 / (1 + Line 23)^Yr	101,402	83,680	83,322	81,907	79,771	77,167	74,278	117,829	112,781	107,761	102,851	98,110	93,575	89,269	85,206	81,390	77,822	74,496	71,405	68,542
10	PV of Annual Revenue Required to be Collected (O&M)	Line 8 / (1 + Line 23)^Yr	51,010	50,056	53,663	51,898	50,190	48,539	46,317	74,655	72,199	69,824	67,526	65,305	63,156	61,078	59,069	57,125	55,246	53,428	51,670	49,970
11																						
12	Annual Discount Rate																					
13	Equity Component																					
14	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%
15	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%
16	Debt Component																					
17	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%
18	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%
19	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%
20	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%
21	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%
22																						
23	Annual Discount Rate (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%
24	1 - ROE % x Equity Portion + [(LTD x LTD Portion + STD x STD Portion) x (1 - Tax Rate)]																					
25																						
26	Cost of Service (Include Lease, Exclude O&M)																					
27	Annual Capital Rate	Line 34 during Contract Term, Line 7 thereafter	86,195	90,117	105,371	107,478	109,628	111,820	111,630	180,421	182,138	183,550	184,771	185,894	187,000	188,154	189,414	190,828	192,442	194,294	196,422	198,859
28	*Annual Deficiency (Surplus); Cost of Service - Contract Rate*	*Line 7 - Line 27*	*20,754*	*2,969*	*(7,613)*	*(6,125)*	*(5,517)*	*(5,600)*	*(3,793)*	-	-	-	-	-	-	-	-	-	-	-	-	-
29	**Annual Volumetric Capital Rate ($/GJ); COS based beyond Contract Term**	**Line 27 / Line 4 / 1000**	**4.310**	**4.396**	**4.484**	**4.574**	**4.665**	**4.758**	**4.853**	**7.844**	**7.919**	**7.980**	**8.034**	**8.082**	**8.130**	**8.181**	**8.235**	**8.297**	**8.367**	**8.448**	**8.540**	**8.646**
30																						
31	Contract Term Capital Rate Calculation and Present Value Proof																					
32	Capital Rate over Contract Term	Yr 1 = Line 47; Previous Year rate x Line 44	4.310	4.396	4.484	4.574	4.665	4.758	4.853	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Volume (TJ)	Line 4	20.0	20.5	23.5	23.5	23.5	23.5	23.5	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0
34	Capital Rate Revenue over Contract Term	Line 32 x Line 33 x 1000	86,195	90,117	105,371	107,478	109,628	111,820	111,630	-	-	-	-	-	-	-	-	-	-	-	-	-
35																						
36	Present Value Proof																					
37	PV of Capital Rate Revenue over Contract Term	Line 34 / (1 + Line 23)^Yr	81,724	81,011	89,811	86,856	83,999	81,235	76,891	-	-	-	-	-	-	-	-	-	-	-	-	-
38	PV Rate Revenue	Sum of Line 37	**581,528**																			
39	PV Cost of Service over Contract Term	Sum of Line 9, from 2022 to 2028	**581,528**																			
40	*Difference from required Delivery Revenue (should be zero)*	Line 38 - Line 39	-																			
41																						
42	Calculation of Year 1 Capital Rate over Contract Term (excluding O&M)																					
43	Annual Capital Rate Escalation over Contract Term		2.00%	2.00%	2.00%	2.00%	2.00%	2%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
44	Annual Escalator over Contract Term	No escalation year 1; Yr2-> (1 + Line 43)	100%	102%	102%	102%	102%	102%	102%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
45	Product of Escalators	Cumulative Product of Line 44	100.00%	102.00%	104.04%	106.12%	108.24%	110.41%	112.62%	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%
46	Formula		0.0326	0.0323	0.0358	0.0347	0.0335	0.0324	0.0307	-	-	-	-	-	-	-	-	-	-	-	-	-
47	r_1		**4.310**																			
48	$r_1 = \frac{1}{\left[\frac{\sum_n^1 \left(V_n \times (1+E)^{(n-1)} / (1+D)^n\right)}{\sum_n^1 PVCOS}\right]}$																					
49																						
50																						
51																						
52	where: r_1 = Contract Rate Year 1; V = Annual Volume																					
53	D = Discount Rate; n = Contract Year																					
54	E = Annual Rate Escalation percentage																					
55	PVCOS = Present Value of the Cost of Service (excluding O&M) over Contract Term																					
56																						
57	Fueling Station Rate																					
58	Capital Rate ($/GJ)	Line 29	4.310	4.396	4.484	4.574	4.665	4.758	4.853	7.844	7.919	7.980	8.034	8.082	8.130	8.181	8.235	8.297	8.367	8.448	8.540	8.646
59	O&M Rate ($/GJ)		2.614	2.666	2.719	2.773	2.828	2.885	2.943	4.970	5.070	5.171	5.274	5.380	5.487	5.597	5.709	5.823	5.940	6.059	6.180	6.303
60	OH&M Rate ($/GJ)	G-78-13	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520	0.520
61	**Total Annual Volumetric Contract Rate ($/GJ)**	Sum of Line 58 to Line 60	**7.444**	**7.582**	**7.723**	**7.867**	**8.013**	**8.163**	**8.316**	**13.335**	**13.509**	**13.671**	**13.828**	**13.982**	**14.138**	**14.298**	**14.465**	**14.640**	**14.827**	**15.026**	**15.240**	**15.469**
62	Annual Forecast Revenue	(Line 4 x Line 61) x 1000	148,875	155,430	181,487	184,864	188,306	191,838	191,279	306,694	310,697	314,441	318,041	321,591	325,171	328,849	332,684	336,725	341,017	345,602	350,516	355,796
63																						
64	Present Value Proof of Total Revenue Required under GGRR																					
65	*GGRR Requirement: 60% of total COS (incl. O&M) for the first 7 Years of the operation recovered under take-or-pay agreement (contract demand) with a minimum term of 7 years*																					
66	Capital Rate ($/GJ)	Line 58 over Contract Term of 7 years	4.310	4.396	4.484	4.574	4.665	4.758	4.853													
67	O&M Rate ($/GJ)	Line 59 over Contract Term of 7 years	2.614	2.666	2.719	2.773	2.828	2.885	2.943													
68	**Total Annual Volumetric Contract Rate (Capital & O&M only)**	Line 66 + Line 67	6.924	7.062	7.203	7.347	7.493	7.643	7.796													
69	Annual Volume (TJ)	Minimum contract demand	20	21	24	24	24	24	23													
70	**Annual Cost of Service Collected over Contract Term**	(Line 68 x Line 69) x 1000	138,475	144,770	169,267	172,644	176,086	179,618	179,319													
71																						
72	PV of REVENUE Collected	Line 70 / (1 + Line 23)^Yr	131,293	130,142	144,273	139,519	134,920	130,489	123,515													
73	Sum of PV REVENUE Collected over Contract Term	Sum of Line 72	934,151																			
74	PV @ Total Cost of Service (100%) over Contract Term (incl. O&M)	(Line 1 + Line 1)/(1 + Line 23)^Yr	254,021	222,894	228,310	223,008	216,603	209,510	200,992													
75	Sum of PV @ 100% Cost of Service over Contract Term (incl. O&M)	Sum of Line 74	1,555,337																			
76																						
77	GGRR: 60% of total Cost of Service over Contract Term in PV	Line 75 x 60%	933,202																			
78	*Check: Percent of Cost of Service Collected over Contract Term (should be over 60 %)*	Line 73 / Line 75	60%																			

Appendix F

DRAFT ORDERS

bcuc
British Columbia
Utilities Commission

Suite 410, 900 Howe Street
Vancouver, BC Canada V6Z 2N3
bcuc.com

P: 604.660.4700
TF: 1.800.663.1385

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 a Certificate of Public Convenience and Necessity and Amending Agreements
To Expand the Compressed Natural Gas Fueling Station at Annacis Island in Delta, BC

BEFORE:
[Panel Chair]
Commissioner
Commissioner

on Date

ORDER

WHEREAS:

A. On February 11, 2025, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (BCUC), pursuant to sections 45 and 46 of the *Utilities Commission Act* (UCA) for approval of a Certificate of Public Convenience and Necessity (CPCN) to construct a new second compressor (2025 Expansion) at the Compressed Natural Gas (CNG) fueling station located at Annacis Island in Delta, BC (Annacis Island Fueling Station), for an estimated capital cost of $475,528 (Application);

B. In the Application, FEI also requests approval pursuant to sections 59 to 61 and 89 of the UCA for the rates, based on the requirements in Section 12B of FEI's General Terms and Conditions of its Tariff (GT&Cs), established in the following seven amending agreements (collectively Amending Agreements) to the respective Fueling Service Agreements (FSAs) as amended between FEI and the anchor customers (Anchor Customers) to facilitate the 2025 Expansion, on an interim and refundable/recoverable basis, effective July 1, 2025:

   i. Amending Agreement No. 3 dated October 15, 2024, to the FSA between FEI and Ancor Transport Ltd. (Ancor);
   ii. Amending Agreement No. 3 dated October 15, 2024, to the FSA between FEI and ColdStar Solutions Inc. (ColdStar);
   iii. Amending Agreement No. 3 dated October 15, 2024, to the FSA between FEI and Encorp Pacific (Canada) (Encorp);
   iv. Amending Agreement No. 4 dated October 15, 2024, to the FSA between FEI and Martin-Brower of Canada Co. (Martin-Brower);
   v. Amending Agreement No. 3 dated October 15, 2024, to the FSA between FEI and United Parcel Services Canada Ltd. (UPS);

vi. Amending Agreement No. 3 dated October 15, 2024, to the FSA between FEI and Western Pacific Transport Ltd. (Western Pacific); and
vii. Amending Agreement No. 4 dated October 15, 2024, to the FSA between FEI and McRae's Environmental Services Ltd. (McRae's);

C. By Order G-45-22 dated February 22, 2022, the BCUC, among other things, determined that the Annacis Island Fueling Station met the requirements for a prescribed undertaking as defined by the *Greenhouse Gas Reduction (Clean Energy) Regulation* (GGRR) and approved rates on an interim and refundable/recoverable basis, effective January 18, 2022;

D. By Order G-198-23 dated July 25, 2023, the BCUC, among other things, determined that the Annacis Island Fueling Station continues to meet the requirements for a prescribed undertaking as defined by the GGRR and approved the rate design and rates on a permanent basis, effective January 18, 2022, and by Order G-261-24 dated October 17, 2024, the BCUC approved the rates established in an amending agreement between FEI and McRae's on a permanent basis, effective October 1, 2024;

E. In the Application, FEI states that it has calculated the rates in the Amending Agreements to recover 100 percent of the present value of the cost of service of the 2025 Expansion over the term of the Amending Agreements, in accordance with Section 12B of FEI's GT&Cs;

F. FEI requests that the live financial model filed as Appendix C to the Application be held confidential on the basis that it is the result of significant development effort by FEI on behalf of its customers and therefore the formulas and configuration of the model are commercially sensitive; and

G. The BCUC has commenced review of the Application and finds that the establishment of a regulatory timetable for the review of the Application is warranted.

NOW THEREFORE the BCUC orders as follows:

1. A regulatory timetable for the review of the Application is established as set out in Appendix A to this order.
2. On or before [DATE], FEI is directed to post notice of the proposed rate change at the Annacis Island Fueling Station.
3. Appendix C to the Application will be held confidential until the BCUC determines otherwise.
4. Parties may submit a letter of comment by completing a Letter of Comment Form available on the BCUC's website at https://www.bcuc.com/GetInvolved/GetInvolvedProceeding, by Day/DATE, as established in the regulatory timetable.

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

Attachment

FortisBC Energy Inc.
Application for Approval of a Certificate of Public Convenience and Necessity and Amending Agreements
To Expand the Compressed Natural Gas Fueling Station at Annacis Island in Delta, BC

REGULATORY TIMETABLE

Action	Date (2025)
BCUC Information Request (IR) No. 1	Thursday, March 13
FEI Response to BCUC IR No. 1	Thursday, April 3
Deadline for Letters of Comment	Tuesday, April 8
FEI Final Argument	Friday, April 11

bcuc
British Columbia Utilities Commission

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ORDER NUMBER
C-xx-xx

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

and

FortisBC Energy Inc.
Application for Approval of a Certificate of Public Convenience and Necessity and Amending Agreements
To Expand the Compressed Natural Gas Fueling Station at Annacis Island in Delta, BC

BEFORE:
[X. X. Last Name, Panel Chair]
[X. X. Last Name, Commissioner]
[X. X. Last Name, Commissioner]

on [Month Day, Year]

ORDER

WHEREAS:

A. On February 11, 2025, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (BCUC), pursuant to sections 45 and 46 of the *Utilities Commission Act* (UCA) for approval of a Certificate of Public Convenience and Necessity (CPCN) to construct a new second compressor (2025 Expansion) at the Compressed Natural Gas (CNG) fueling station located at Annacis Island in Delta, BC (Annacis Island Fueling Station), for an estimated capital cost of $475,528 (Application);

B. In the Application, FEI also requests approval pursuant to sections 59 to 61 and 89 of the UCA for the rates, based on the requirements in Section 12B of FEI's General Terms and Conditions of its Tariff (GT&Cs), established in the following seven amending agreements (collectively Amending Agreements) to the respective Fueling Service Agreements (FSAs) as amended between FEI and the anchor customers (Anchor Customers) to facilitate the 2025 Expansion, on an interim and refundable/recoverable basis, effective July 1, 2025:

   1. Amending Agreement No. 3 dated October 15, 2024, to the FSA between FEI and Ancor Transport Ltd. (Ancor);
   2. Amending Agreement No. 3 dated October 15, 2024, to the FSA between FEI and ColdStar Solutions Inc. (ColdStar);
   3. Amending Agreement No. 3 dated October 15, 2024, to the FSA between FEI and Encorp Pacific (Canada) (Encorp);
   4. Amending Agreement No. 4 dated October 15, 2024, to the FSA between FEI and Martin-Brower of Canada Co. (Martin-Brower);
   5. Amending Agreement No. 3 dated October 15, 2024, to the FSA between FEI and United Parcel Services Canada Ltd. (UPS);

6. Amending Agreement No. 3 dated October 15, 2024, to the FSA between FEI and Western Pacific Transport Ltd. (Western Pacific); and
7. Amending Agreement No. 4 dated October 15, 2024, to the FSA between FEI and McRae's Environmental Services Ltd. (McRae's);

C. By Order G-45-22 dated February 22, 2022, the BCUC, among other things, determined that the Annacis Island Fueling Station met the requirements for a prescribed undertaking as defined by the *Greenhouse Gas Reduction (Clean Energy) Regulation* (GGRR) and approved rates on an interim and refundable/recoverable basis, effective January 18, 2022;

D. By Order G-198-23 dated July 25, 2023, the BCUC, among other things, determined that the Annacis Island Fueling Station continues to meet the requirements for a prescribed undertaking as defined by the GGRR and approved the rate design and rates on a permanent basis, effective January 18, 2022, and by Order G-261-24 dated October 17, 2024, the BCUC approved the rates established in an amending agreement between FEI and McRae's on a permanent basis, effective October 1, 2024;

E. In the Application, FEI states that it has calculated the rates in the Amending Agreements to recover 100 percent of the present value of the cost of service of the 2025 Expansion over the term of the Amending Agreements, in accordance with Section 12B of FEI's GT&Cs;

F. FEI requests that the live financial model filed as Appendix C to the Application be held confidential on the basis that it is the result of significant development effort by FEI on behalf of its customers and therefore the formulas and configuration of the model are commercially sensitive;

G. By Order G-##-25, dated [DATE], the BCUC established a regulatory timetable for the review of the Application, which included one round of information requests, a comment period, and the filing of FEI's final argument; and

H. The BCUC has reviewed the Application and responses to information requests in this proceeding and finds that the following determinations are warranted.

NOW THEREFORE pursuant to sections 45 to 46, 59 to 61, and 89 of the *Utilities Commission Act*, the BCUC orders as follows:

1. FEI is granted a CPCN for the 2025 Expansion of the Annacis Island Fueling Station.

2. FEI is approved to use the rates established in the Amending Agreements with Anchor Customers on an interim and refundable/recoverable basis, effective July 1, 2025.

3. FEI is directed to file an application for permanent rates once final capital costs for the 2025 Expansion are known. FEI is directed to refund to/recover from the Anchor Customers any variance between the interim rates and the permanent rates once determined by the BCUC with interest calculated at the average prime rate of FEI's principal bank for its most recent year.

4. Appendix C to the Application will be held confidential until the BCUC determines otherwise.

5. FEI is to file the Amending Agreements in tariff supplement form for endorsement by the BCUC at least five days prior to July 1, 2025.

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

BY ORDER

(X. X. last name)
Commissioner