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September 22, 2025

B.C. Sustainable Energy Association
c/o William J. Andrews, Barrister & Solicitor
70 Talbot Street
Guelph, ON
N1G 2E9

Attention: William J. Andrews

Dear William J. Andrews:

Re: FortisBC Energy Inc. (FEI)

2025 and 2026 Annual Review of Delivery Rates (Application)

Response to the B.C. Sustainable Energy Association (BCSEA) Information Request (IR) No. 1

On July 24, 2025, FEI filed the Application referenced above. In accordance with the regulatory timetable established in the British Columbia Utilities Commission Order G-179-25 for the review of the Application, FEI respectfully submits the attached response to BCSEA IR No. 1.[1]

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Sarah Walsh

Attachments

cc (email only): Registrar
Registered Interveners

[1] For convenience and efficiency, if FEI has provided an internet address for referenced reports instead of attaching the documents to its IR responses, FEI intends for the referenced documents to form part of its IR responses and the evidentiary record in this proceeding.

1.0 Topic: Proposed 2025 and 2026 Permanent Rates

Reference: Exhibit B-2

1.1 Please provide a graph and table showing FEI's annual and cumulative delivery rates and rate changes from 2016 to 2024 (approved) and 2025 to 2026 (proposed) in comparison with BC Consumer Price Index.

Response:

Please refer to Table 1 and Figure 1 below for the approved annual and cumulative delivery rate changes from 2016 to 2024, and the proposed delivery rate changes for 2025 and 2026. FEI notes the average delivery rate increase per year from 2016 to 2026 is approximately 4.83 percent (i.e., 53.09 percent / 11 years). The table and graph also provide a comparison of the delivery rate changes with BC CPI between 2016 and 2025 (up to July 2025).

Table 1: Annual and Cumulative Delivery Rate Changes from 2016 to 2024 Approved and 2025 and 2026 Proposed with Comparison to BC CPI from 2016 to 2025 (up to July 2025)[1]

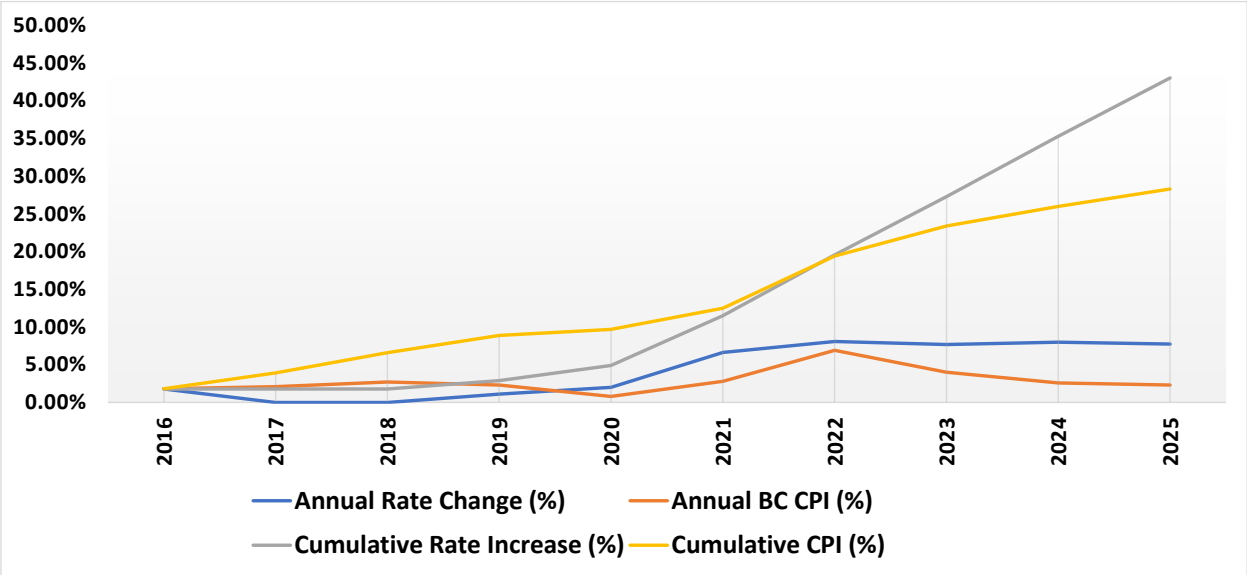
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Annual Rate Change (%)	1.79%	0.00%	0.00%	1.10%	2.00%	6.62%	8.07%	7.69%	8.00%	7.75%	10.07%
Cumulative Rate Increase (%)	1.79%	1.79%	1.79%	2.89%	4.89%	11.51%	19.58%	27.27%	35.27%	43.02%	53.09%
BCUC Order	G-193-15	G-182-16	G-196-17	G-237-18	G-319-20	G-319-20	G-366-21	G-352-22	G-334-23	G-313-24 (Interim)	
Annual BC CPI (%)	1.80%	2.10%	2.70%	2.30%	0.80%	2.80%	6.90%	4.00%	2.60%	2.30%	
Cumulative CPI (%)	1.80%	3.90%	6.60%	8.90%	9.70%	12.50%	19.40%	23.40%	26.00%	28.31%	
										See Note 2	

Notes to Table:

[1] Source: BC Stats Release Consumer Price Index (CPI) Data Tables and Highlights (https://catalogue.data.gov.bc.ca/dataset/2c75c627-3eb6-41ee-bb54-7b089eade484/resource/17289c62-e7a0-484b-8300-ed6e002b5a88).

[2] Based on 12-month average of BC CPI up to July 2025.

Figure 1: Annual and Cumulative Delivery Rate Changes from 2016 to 2024 Approved and 2025 Interim with Comparison to BC CPI from 2016 to 2025 (up to July 2025)



2.0 Topic: Total Bills with Proposed 2025 and 2026 Permanent Rates

Reference: Exhibit B-2

2.1 Please provide quantitative estimates and corresponding explanations of customers' total bills taking into account the impact of the proposed 2025 and 2026 Permanent rates.

Response:

Please refer to Table 1 below for the total bill (inclusive of delivery rate riders, storage and transportation charges and cost of gas, where applicable) as a result of the proposed 2025 permanent delivery rate increase of 7.75 percent and 2026 permanent delivery rate increase of 10.07 percent for an average customer in Rate Schedules (RS) 1 to 7. FEI has excluded transport model customers as FEI does not have insight into the commodity charge portion of their total bills. FEI also notes that the impact on customers' total bills shown in Table 1 below does not include the elimination of the BC Carbon Tax, effective April 1, 2025.

Table 1: Total Bill Impact Due to Proposed 2025 and 2026 Delivery Rate Increases for Average RS 1 to 7 Customers

2025 Bill Impact			
Rate Schedule	Average Annual Volume (GJ)	Total Bill Impact ($)	Total Bill Impact (%)
1	90	$85.44	7.79%
2	325	$246.29	7.61%
3	3,629	$2,245.24	7.34%
4	9,478	($1,734.43)	-3.09%
5	18,941	$1,941.44	1.49%
6	1,137	$393.34	4.38%
7	132,620	$12,201.07	1.68%
2026 Bill Impact			
Rate Schedule	Average Annual Volume (GJ)	Total Bill Impact ($)	Total Bill Impact (%)
1	90	$88.89	7.52%
2	325	$237.28	6.81%
3	3,629	$2,086.63	6.35%
4	9,478	$2,710.64	4.99%
5	18,941	$6,556.21	4.96%
6	1,137	$513.86	5.48%
7	132,620	$27,850.28	3.78%

The bill impacts for RS 1 to 7 shown in Table 1 above were calculated based on the following:

1. The effective delivery margin increases as required by each rate schedule (i.e., 7.75 percent for 2025 and 10.07 percent for 2026) as shown in Section 11, Schedule 19, Column 4 (2025 and 2026);

2. Current Commodity Cost Recovery Charge of $2.230 per GJ approved by Order G-88-25, effective January 1, 2025;[1]

3. Current Storage & Transport (S&T) Charge applicable to RS 1 to 7 approved by Order G-88-25, effective January 1, 2025. For RS 1, the approved applicable S&T charge, effective January 1, 2025, is $1.260 per GJ; and

4. All rate riders are included in the bill impact:

   - Delivery Clean Growth Innovation Fund (CGIF) Rate Rider 2: $0.0131 per day as approved in the RSF Decision;
   - Delivery RSAM Rate Rider 5: $0.149 per GJ for 2025 and $0.212 per GJ for 2026 as proposed in the Application;
   - S&T MCRA Rate Rider 6: Current MCRA Rate Rider 6 applicable to RS 1 to 7 approved by Order G-88-25, effective January 1, 2025. For RS 1, the approved applicable MCRA Rider 6, effective January 1, 2025, is a credit of $0.164 per GJ; and
   - S&T RNG Rate Rider 8: $0.692 per GJ as approved by Order G-181-25, effective July 1, 2025.

FEI also notes the following in the bill impacts shown in Table 1 above:

- The 2025 total bill impacts for RS 4, 5, and 7 are less than the bill impact for the other rate schedules due to the revenue rebalancing resulting from the BCUC's Decision and Order G-144-24 regarding FEI's 2023 Cost of Service Allocation (COSA) Study and Revenue Rebalancing Application. The rebalancing was effective January 1, 2025 and includes revenue reductions to RS 4, 5, 7, 22, 25 and 27, which are offset by increases to RS 1, 2 and 6.[2]
- The 2025 total bill impact appears to be lower than the 2026 total bill impact for RS 1, 2 and 3 (e.g., for RS 1, 7.79 percent for 2025 and 7.52 percent for 2026) despite the proposed delivery rate increases for 2025 and 2026 which are 7.75 percent and 10.07 percent, respectively. This is because the total bill impacts for RS 1, 2 and 3 include the changes to the RSAM Rate Rider 5, which moved from a credit of $0.106 per GJ in 2024 to a debit of $0.149 per GJ in 2025 (i.e., an overall increase of $0.255 per GJ from 2024 to 2025), and then from a debit of $0.149 per GJ to a debit of $0.212 per GJ in 2026 (i.e., an overall increase of $0.063 per GJ). The reduced increase in the RSAM rate rider from 2025 to 2026 when compared to the increase from 2024 to 2025 offset the higher delivery rate increase in 2026.

[1] By Letters L-9-25 and L-27-25, FEI was approved to maintain the commodity cost recovery charge at the existing rate, effective July 1, 2025 and October 1, 2025, respectively.

[2] The delivery rates of RS 4, 7 and 27 are discounted based on RS 5 and 25. As such, the revenues of RS 4, 7 and 27 are also reduced because of revenue rebalancing from RS 5 and 25 to RS 1, 2 and 6.

3.0 Topic: Load Forecast

Reference: Exhibit B-2, 3. Load Forecast and Revenue at Existing Rates; 13. Service Quality Indicators

3.1 Please clarify which figures are actual and which figures are weather normalized, throughout chapters 3 and 11.

Response:

For Section 3 of the Application, consistent with the forecasting methods approved in the RSF Decision,[3] residential and commercial demand forecasts are based on weather normalized actual use rates. All other demand forecasts are based on actual values and are not normalized for weather. Please refer to Table 1 below which identifies the figures and tables in Section 3 where the demand forecasts include normalized use rates.

Table 1: Figures and Tables in Section 3 that Include Weather Normalized Residential and Commercial Use Rates

Figure	Notes
Figure 3-1: Total Energy Demand in PJ	The residential and commercial components of this figure are weather normalized.
Figure 3-3: Rate Schedule 1 UPC	Residential use rate forecast is weather normalized.
Figure 3-4: Normalized Residential Demand	The normalized residential demand forecast is based on the normalized residential use rate forecast.
Figures 3-6 to 3-8: Rate Schedule 2/3/23 UPC	All three commercial use rate forecasts are weather normalized.
Figure 3-9: Commercial Demand	The commercial demand forecast is based on the three normalized commercial use rate forecasts.
Tables 3-3 and 3-4: Forecast Sales Revenue at Approved Rates and Forecast Gross Margin at Approved Delivery Rates	The residential and commercial sales revenue and delivery margin are calculated at approved rates and based on the weather-normalized demand forecasts of RS 1, 2, 3, and 23.

The other section of the Application that contains weather normalized residential and commercial use rates is Section 11 (i.e., the Financial Schedules for FEI's 2025 Projected and 2026 Forecast revenue requirements). The schedules containing weather normalized residential and commercial use rates are the volume and revenue at existing rate forecasts for RS 1, 2, 3, and 23 in Schedule 17, the cost of energy for RS 1, 2, 3, and 23 in Schedule 18, and the margin and revenue forecast for RS 1, 2, 3, and 23 in Schedule 19.

FEI notes that as explained in Section 3.3.2 of the Application, variances between forecast and actual demand related to the use rates of RS 1, 2, 3, and 23 are captured in the RSAM deferral account and all other variances related to the demand forecast are captured in the Flow-through deferral account.

[3] As described in Appendix C4-1 of the FortisBC 2025-2027 RSF Application.

4.0 [IR deleted by BCSEA]

5.0 Topic: Scope 1 GHG Emissions, Scope 3 GHG Emissions, RNG Volumes, NGT

Reference: Exhibit B-2, 13.2.4 Energy Transition Informational Indicators, pages 196-199, pdf pp.206-209; Table 13-17: Historical Scope 1 Emissions, page 197, pdf p.207; Table 13-18: Historical Scope 3 Emissions, page 198, pdf p.208; Table 13-19: Historical Renewable and Lower Carbon Energy Supply, page 199, pdf p.209; Table 13-20: Natural Gas for Transportation Volumes, page 199, pdf p.209

5.1 Please provide extended versions of Tables 13-17 and 13-18, showing Line 1 (Scope 1 GHG Emissions and Scope 3 GHG Emissions) as a percentage of the appropriate (apples to apples) metric for gas throughput (and define the metric).

Response:

FEI provides the requested information in the table below, including the ratio of Scope 1 and Scope 3, Category 11 GHG emissions to Total Gas Throughput. FEI has provided a ratio, rather than a percentage, as a ratio is a more appropriate mathematical comparison of two distinct data sets.

Table 1: Ratio of Scope 1 and Scope 3, Category 11 GHG emissions to Total Gas Throughput

Description	2020	2021	2022	2023	2024
Scope 1 and Scope 3 Category 11 GHG Emissions ($MtCO_2e$)	11	12	12	11	11
Total Gas Throughput (PJ)	220	230	230	210	220
Ratio of Scope 1 and Scope 3, Category 11 GHG Emissions to Total Gas Throughput ($MtCO_2e$/PJ)	0.050	0.052	0.052	0.052	0.050

5.2 Please provide further extended versions of Tables 13-17, 13-18, 13-19 and 13-20 showing Projected 2025 and Estimated 2026.

Response:

FEI is unable to provide the requested information. Further, such information is inconsistent with the intent and scope of reviewing the performance of service quality indicators in the Annual Reviews. In the Annual Reviews, FEI reports on the actual results of the SQIs for the most recently completed year and provides year-to-date information where possible for the current year.

5.3 For each of Scope 1 GHG Emissions, Scope 3 GHG Emissions, and RNG, as a percentage of gas throughput, please provide a summary statement regarding any trend in the 2025-2026 estimates in relation to the historical annual figures.

Response:

Please refer to the response to BCSEA IR1 5.2.

5.4 Noting that "Category 11 Scope 3 [GHG] emissions … are the total annual BC GHG emissions resulting from customers' combustion of gas delivered by FEI sources," [page 198, underline added] please clarify if Table 13-18 (Scope 3 GHG Emissions) includes BC GHG emissions from transportation customers' combustion of gas and BC GHG emissions from Natural Gas for Transportation, but not non-BC GHG emissions from Natural Gas for Transportation.

Response:

Table 13-18 includes non-BC GHG emissions from NGT customers.

FEI supplies volumes of fuel (CNG and LNG) for use in the transportation sector. This volume is measured through a Measurement Canada certified meter (see FortisBC's 2024 Sustainability Report, page 45).[4]

Supplied volumes purchased by FEI customers (including NGT customers) are not controlled or monitored by FEI after point of sales. As such, data on the amount of natural gas delivered to domestic customers and then either consumed outside of BC or diverted for non-domestic use is unknown.

Table 13-20 shows the Total Gas Consumed by CNG and LNG Customers in 2024 and Table 13-19 shows the Total Volume of Gas Consumed by Customers. The volume of natural gas delivered to customers and either consumed outside of BC or diverted outside of BC is assumed to be insignificant relative to the total consumed given the values in these two tables. In the same manner, the GHG emissions from natural gas delivered to customers and either consumed outside of BC or diverted would be insignificant relative to the total GHG emissions.

[4] Available online at: https://www.cdn.fortisbc.com/libraries/docs/default-source/sustainability/25-038-2-fbc-2024-sustainability-report-design-press.pdf?sfvrsn=3b840697_2.

5.5 Please explain how in-Province and out-of-Province RNG are accounted for in Table 13-18 (Scope 3 GHG Emissions).

Response:

Table 13-18 provides historical Scope 3, Category 11 GHG emissions, which are the total annual BC GHG emissions resulting from customers' combustion of natural gas delivered by FEI. The natural gas delivered is a function of the total volume of gas consumed by customers minus the RNG delivered. In determining this value, there is no distinguishment between in-province or out-of-province RNG supply.

For additional detail on FEI's GHG emissions data evaluation criteria, please refer to the information on pages 42 to 45 of FortisBC's 2024 Sustainability Report[5], summarized below.

Total Scope 3 GHG emissions (tCO_2e)

Definition: Scope 3 emissions include indirect emissions that are a consequence of FortisBC's activities but occur outside of sources owned and controlled by FortisBC. Currently, FortisBC reports on Category 11: use of sold product.

Units: Metric tonnes of CO_2 equivalent (tCO_2e).

Calculation methodology: Category 11. Category 11 emissions relate to use of sold products. GHG emissions are calculated using primary activity data obtained based on actual consumption and monthly meter readings. The emission factors are sourced from the Western Climate Initiative (WCI). For natural gas designated as RNG, as the CO_2 emissions from customer usage are considered biogenic, only the N_2O and CH_4 emissions from combustion are considered a source of Scope 3 GHG emissions.

Biogenic CO_2 emissions from customer use of natural gas designated as RNG (tCO_2)

Definition: Biogenic CO_2 emissions are emissions related to the natural carbon cycle and are not considered a net contributor to climate change. For FEI, biogenic CO_2 emissions represent GHG emissions from the customer usage of natural gas designated as RNG and are reported separately from Scope 1, 2 and 3 emissions in alignment with the GHG Protocol.

Units: Metric tonnes of CO_2 (tCO_2).

Calculation methodology: Biogenic GHG emissions are calculated using customer use of natural gas designated as RNG and a CO_2 emission factor sourced from the WCI.

[5] Available online at: https://www.cdn.fortisbc.com/libraries/docs/default-source/sustainability/25-038-2-fbc-2024-sustainability-report-design-press.pdf?sfvrsn=3b840697_2.

Environmental benefits

The 2024 Sustainability Report provides the quantity of LNG and CNG provided to the transportation sector as well as the reduction in Scope 3 – Category 11 GHG emissions for customers from the use of natural gas designated as RNG. Where applicable, FortisBC uses methodologies required by provincial or federal regulations.

Renewable Natural Gas: The reduction in Scope 3 – Category 11 GHG emissions for customers from the use of natural gas designated as RNG in comparison to conventional natural gas is based on the volume of RNG multiplied by the CO_2 emission factor as sourced from the WCI.

5.6 For Natural Gas for Transportation Volumes (Table 13-20), please break out BC GHG emissions and non-BC GHG emissions.

Response:

As discussed in the response to BCSEA IR1 5.4, FEI does not control or monitor fuel use past the point of sale and is therefore unable to provide the requested information.

6.0 Topic: Methane Leak Detection

Reference: Exhibit B-2, 13.2.3.2 Leaks per KM of Distribution System Mains, page 195, pdf p.205; Exhibit B-8, FEI Response to BCSEA IR 4.1, Annual Review of 2024 Delivery Rates

6.1 Please explain how FEI expects to implement satellite-based methane leak detection in 2025-2026.

Response:

FEI continues to run pilots to test satellite-based leak technology. FEI will be focusing on tests in Vancouver in 2025 and 2026 and will be receiving multiple data captures to verify the satellite technology's capabilities to detect methane leaks in a complex, urban environment. Through field verification of satellite detected indications, FEI will measure the success of the technology in four areas:

- Leak detection on above ground assets;
- Leak detection on below ground assets;
- Resource efficiency compared to traditional leak survey methods; and
- Cost comparison of a satellite-based program versus a traditional program.

FEI expects to complete its assessment of satellite-based leak survey technology in 2026, which will inform where FEI may implement this method of leak detection in the future.

7.0 Topic: Prescribed Undertakings

Reference: Exhibit B-2; section 18 of the *Clean Energy Act* (CEA); Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR)

7.1 Please identify the proposed capital and O&M spending in 2025-2026 on prescribed undertakings under the GGRR and indicate the type of prescribed undertaking. Please use a table format, if convenient.

Response:

Please refer to Table 1 below for the 2025 Projected and 2026 Forecast capital as well as O&M spending on prescribed undertakings under the GGRR.

Table 1: 2025 Projected and 2026 Forecast Flow-through Capital and O&M for Prescribed Undertakings under the GGRR

	2025 Projected	2026 Forecast	Notes
Capital			
RNG	$ 19.181	$ 4.800	See Note 1 Below
NGT	6.323	-	See Note 2 Below
Total GGRR Capital ($ millions)	**$ 25.504**	**$ 4.800**	
O&M			
RNG	$ 7.278	$ 7.946	See Note 1 Below
NGT	1.544	1.570	See Note 3 Below
Total GGRR O&M ($ millions)	**$ 8.822**	**$ 9.516**	

Notes to Table:

1) All of FEI's RNG projects (and associated capital and O&M) discussed in Sections 6.3.6 and 7.3.3.2 of the Application are prescribed undertakings under section 2.2 of the GGRR. Each RNG undertaking was filed and individually accepted by the BCUC (as shown in Table 7-6 of the Application).

2) The $6.323 million of 2025 Projected NGT capital discussed in Section 7.3.3.3 of the Application is related to the Tilbury 1A (T1A) truck load-out project, which is a prescribed undertaking under section 2(3)(a)(ii) of the GGRR.[6]

[6] Effective prior to May 22, 2023 under section 2(3)(a)(ii) of the GGRR (https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/102_2012_pit#pit16):
(3) A public utility's undertaking that is in the class defined as follows is a prescribed undertaking for the purposes of section 18 of the Act:
(a) the public utility, before March 31, 2022, enters into a binding commitment to construct and operate, or purchase and operate, one or more of the following:
(ii) one or more tanker truck load-outs for the purposes of providing within British Columbia liquefied natural gas fuel and fuelling services to owners of vehicles that operate on liquefied natural gas or to owners or operators of marine vehicles that operate on liquefied natural gas;

3) Of the total $3.075 million and $2.994 million of the 2025 Projected and 2026 Forecast NGT O&M, respectively, shown in Table 6-10 of the Application, approximately $1.544 million for 2025 and $1.570 million for 2026 is related to FEI's CNG and LNG fueling stations that are prescribed undertakings under sections 2(a) and 3(a)(ii) of the GGRR.[7] The rest of the NGT O&M is related to FEI's CNG and LNG Fueling Stations that received CPCN and rate approval pursuant to the applicable sections of the *Utilities Commission Act*, conforming to FEI's General Terms and Conditions (GT&C) 12B, as well as O&M costs related to FEI's LNG tanker service under RS 46. The fueling rate of each CNG and LNG station was approved individually by the BCUC.

[7] Effective prior to May 22, 2023 under sections 2(2)(a) and 2(3)(a)(i) of the GGRR (https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/102_2012_pit#pit16):

(2) A public utility's undertaking that is in the class defined as follows is a prescribed undertaking for the purposes of section 18 of the Act:
  (a) the public utility, before March 31, 2022, enters into a binding commitment to
    (i) construct and operate, or
    (ii) purchase and operate one or more compressed natural gas fuelling stations, including storage, compression and dispensing equipment and facilities, within the service territory of the public utility for the purposes of providing compressed natural gas fuel and fuelling services to owners of vehicles that operate on compressed natural gas;

(3) A public utility's undertaking that is in the class defined as follows is a prescribed undertaking for the purposes of section 18 of the Act:
  (a) the public utility, before March 31, 2022, enters into a binding commitment to construct and operate, or purchase and operate, one or more of the following:
    (i) one or more liquefied natural gas tank trailers or liquefied natural gas fuelling stations for the purposes of providing within British Columbia liquefied natural gas fuel and fuelling services to owners of vehicles that operate on liquefied natural gas;

8.0 Topic: Renewable Natural Gas

Reference: Exhibit B-2, 6.3.6 Clean Growth Initiative – RNG O&M, 6.3.7 Clean Growth Initiative – Renewable Gas Development

8.1 Please discuss FEI's 2025-2026 approach to in-Province versus out-of-Province sources of RNG for new RNG contracts. What factors impact FEI's approach? Is FEI's 2025-2026 approach different than in the past?

Response:

FEI's approach to the acquisition of RNG for 2025-2026 is generally the same as in the past. FEI continues to consider several criteria when considering supply, including:

- Cost ($/GJ): Cost for ratepayers associated with the acquisition of the RNG;
- Volume/size: Larger projects generally provide for greater efficiency when contracting and tend to result in lower costs for customers;
- Carbon intensity: FEI considers carbon intensity as it contributes to value related to the BC-LCFS, the *Clean Fuel Regulations* and total GHG emissions reductions; and
- Time to first gas: FEI prioritizes suppliers who can meet supply needs sooner.

FEI continues to prioritize projects located in BC. In addition to local benefits, RNG projects located in BC qualify for the BC-LCFS, which provides value to FEI's NGT customers. However, RNG projects in BC generally have a longer development cycle and tend to be smaller, which can contribute to higher costs compared to out-of-BC supply.

8.2 Please explain what FEI expects during 2025 and 2026 regarding certification and monetization of Low Carbon Fuel Standard Credits from in-Province and out-of-Province RNG supplies.

Response:

FEI will seek a BC LCFS fuel code for all of its in-province supply of RNG, which for 2025 and 2026 is approximately 380 TJ and 700 TJ, respectively. Typically, however, there is a delay between new in-province RNG plants producing RNG and the BC LCFS fuel code application process as plant operations need to be stabilized so that the required data can be collected.

With respect to BC LCFS credit monetization, carbon credits are awarded to the dispenser (or user) of the eligible fuel. In the case of RNG, the credits will be awarded to CNG or LNG customers who dispense (or use) the RNG, not FEI. As such, FEI cannot provide a forecast of how customers will manage their BC LCFS credits.

9.0 Topic: Hydrogen

Reference: Exhibit B-2, 6.3.6 Clean Growth Initiative – RNG O&M, 6.3.7 Clean Growth Initiative – Renewable Gas Development

Under the heading "6.3.7 Clean Growth Initiative – Renewable Gas Development" on page 58 of the Application, FEI summarizes the specific activities and projects that FEI is undertaking and expected to undertake in 2025 and 2026 regarding Hydrogen Production, Hydrogen Offtake, Gas System Hydrogen Readiness Assessment and Conversion, Enabling Initiatives, and Hydrogen Demonstration Pilot Projects.

9.1 Please explain FEI's intentions for 2025-2026 regarding the actual injection of Hydrogen into FEI's gas distribution system. What type (colour) of Hydrogen would be involved?

Response:

While FEI continues to explore and evaluate the technical and economic feasibility of various lower-carbon hydrogen production pathways and pilot projects, FEI does not expect to inject hydrogen into its gas distribution system in 2025 or 2026. At this time, FEI's focus remains on completing its detailed feasibility and project development activities that would enable hydrogen blending into its distribution system.

10.0 Topic: Major Projects Capital Expenditures

Reference: Exhibit B-2, 7.4 Major Projects Capital Expenditures

10.1 Please summarize in table format the projected and forecast 2025-2026 expenditures on approved major projects, indicating the project name, the source of the approval (e.g., BCUC CPCN order number, or BC OIC number), the approval amount, the expected year the project will be in service date, and a brief description of the project status in terms of completed work and spending (e.g., on time, on budget).

Response:

Please refer to Table 1 below for a summary of the 2025 Projected and 2026 Forecast capital expenditures on approved major projects.

Table 1: Summary of FEI's 2025 Projected and 2026 Forecast Major Projects Capital Expenditures

Project Name	BCUC/OIC Approval Order	Total Estimated Project Cost (000s)	Expected In-Service Date	2025 Projected CapEx (000s)	2026 Forecast CapEx (000s)	Project Status
IGU CPCN	G-12-20	$360,000	2020 to 2024	$7,194	$ -	Completed in phases from 2020 to 2024. The 2025 expenditures are related to close-out activities. Project is on time and on budget.
PGR CPCN	C-2-21	$175,354	2022: New pipeline); 2024: Decommission / abandonment of existing infrastructure	$33	$ -	Project completed on time and under budget. The 2025 expenditures of $33 thousand are for close-out activities.
GCU	G-352-22	$12,194	2024	$581	$ -	Project completed on time but above budget by approximately $1.323 million. 2025 expenditures are related to close-out activities.
CTS-TIMC CPCN	C-3-22	$137,843	2024 & 2025	$25,598	$1,023	Project expected to complete in 2025 (on time) and under budget.
ITS-TIMC CPCN	C-1-24	$84,588	2025 & 2026	$41,992	$29,164	Project is in progress and is currently expected to complete on time and on budget.
AMI CPCN	C-2-23	$751,800	2026 to 2029	$194,157	$306,634	Project is in progress and is currently expected to complete on time and on budget.
OCMP CPCN	C-2-25	$50,389	2026 & 2027	$11,160	$19,800	Project was approved earlier in 2025 and is in early stages.
Tilbury 1A/1B Expansion	OIC No. 557 (2013), 749 (2014) and 162 (2017)	$825,000	T1A: 2018 T1B: Ongoing	$23,108	$22,700	Tilbury 1A completed within budget and was in-service in 2018. Tilbury 1B Expansion development work in progress.

Project Name	BCUC/OIC Approval Order	Total Estimated Project Cost (000s)	Expected In-Service Date	2025 Projected CapEx (000s)	2026 Forecast CapEx (000s)	Project Status
CTS Expansion Project	OIC No. 557 (2013), 749 (2014) and 162 (2017)	N/A	2028	$6,000	$12,000	There is no prescribed amount or timing for the CTS expansion project under the OIC.
Total				**$309,823**	**$391,321**	**Table 7-8 of Application, Line 20**

1

2

11.0 Topic: CoV Landfill RNG Project

Reference: Exhibit B-2, 5.2.5 RNG Other Revenue

11.1 Please elaborate on the timing and the commercial structure of the CoV Landfill RNG Project. Is it now in service? Why was it delayed? Why is it not an energy supply contract?

Response:

FEI considers the agreement with the COV to be an energy supply contract. Commercially, FEI pays the COV a fixed price per GJ of raw landfill gas and FEI is responsible for upgrading it to RNG. At the time FEI and the COV agreed to this project, the COV was not interested in acting as an owner/operator of a landfill gas upgrading plant.

The facility construction is now complete and the plant is operational. Currently, FEI is running the plant across a range of operational scenarios to ensure it can run reliably. The primary cause of the delay to the in-service date from late 2024 to early 2025 was related to addressing electrical interface issues between equipment components prior to the startup of the facility.