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Director, Regulatory Affairs

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January 16, 2020

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

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

Dear Mr. Wruck:

**Re: FortisBC Energy Inc. (FEI)**

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

**Application for Permanent Rates and Revised Tariff Pages effective January 1, 2020**

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On December 18, 2019, the British Columbia Utilities Commission (BCUC) issued Order G-334-19, making the existing Table of Charges for Liquefied Natural Gas (LNG) Transportation Service, the Table of Charges for LNG Service, and the Table of Charges for Transportation Service, (collectively the Tables of Charges), interim effective January 1, 2020, pending FEI filing an application for permanent rates on or before January 31, 2020. This application constitutes FEI's application for permanent rates, effective January 1, 2020.

**Background:**

On December 12, 2013, the British Columbia Utilities Commission (BCUC) issued Order G-211-13 approving RS 46<sup>1</sup>, which was further amended by subsequent BCUC Orders and OICs.<sup>2</sup> More recently, Order G-225-19, dated September 16, 2019, approved changes to RS 46 including changing the structure of the commodity rate and inclusion of terms and conditions for a Transportation only service, on a permanent basis, effective May 1, 2019. On November 28, 2019, by way of Order G-306-19, the BCUC approved, among other things, the Storage and Transport Charges and the Midstream Cost Reconciliation Account Rate Rider 6 to RS 46 on a permanent basis, effective January 1, 2020.

Certain charges in the RS 46 Tables of Charges<sup>3</sup> are to be reviewed on an annual basis and adjusted as required, using the British Columbia Consumer Price Index (BC CPI).

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<sup>1</sup> Pursuant to Order in Council (OIC) 557, B.C. Regulation 245/2013.

<sup>2</sup> BCUC Order G-207-14, pursuant to OIC 749, B.C. Regulation 265/2014, and BCUC Order G-65-17, pursuant to OIC 162, B.C. Regulation 115/2017.

<sup>3</sup> Collectively referring to the Table of Charges for Liquefied Natural Gas (LNG) Transportation Service, the Table of Charges for LNG Service, and the Table of Charges for Transportation Service.

Consistent with charges approved effective January 1, 2019, for the calculation of the changes to certain charges in the Table of Charges effective January 1, 2020, FEI has used Statistics Canada BC CPI data product Table 18-10-0004-13<sup>4</sup>, obtained from the Statistics Canada website, for the period of November 2018 to November 2019, as the basis for selecting the greater of BC CPI or 2 percent to apply as an increase, based on the escalation language in RS 46. Based on this BC CPI data, for the period of November 2018 to November 2019, BC CPI averaged 2.2 percent, which is above 2 percent.<sup>5</sup> As a result, the following RS 46 charges, (with the exception of the 2019 Electricity Surcharge, which will increase by 2 percent<sup>6</sup>), will increase by 2.2 percent effective January 1, 2020.

***Table of Charges for LNG Transportation Service:***

- **2020 LNG Tanker Charges per Day or Partial Day:**
  - Standard Tanker: \$289.00, an increase of \$6.00 as compared to the 2019 rate of \$283.00.
  - Tridem Tanker: \$346.00, an increase of \$7.00 as compared to the 2019 rate of \$339.00.
  - Marine Equipped Tridem Tanker: \$487.00, an increase of \$10.00 as compared to the 2019 rate of \$477.00.

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

- 2020 LNG Facility Charge: \$4.03 per GJ, an increase of \$0.09 per GJ as compared to the 2019 rate of \$3.94 per GJ.
- 2020 Electricity Surcharge: \$1.00 per GJ, an increase of \$0.02 per GJ as compared to the 2019 rate of \$0.98 per GJ.
- 2020 LNG Spot Charge: \$5.28 per GJ (equal to \$4.03 per GJ LNG Facility Charge, plus \$1.00 per GJ Electricity Surcharge, plus \$0.25 per GJ LNG Spot Charge), which is an increase of \$0.11 per GJ, as compared to the 2019 rate of \$5.17 per GJ.

In addition to the revised 2020 permanent rates, FEI proposes to make two other minor revisions to RS 46 that are housekeeping in nature, both of which will have a negligible impact, if any, on RS 46 customers.

<sup>4</sup> Statistics Canada. Table 18-10-0004-13 Consumer Price Index by product group, monthly, not seasonally adjusted, Canada, provinces, Whitehorse, Yellowknife and Iqaluit. British Columbia.

<sup>5</sup> <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810000413&pickMembers%5B0%5D=1.26>

<sup>6</sup> Pursuant to the RS 46 Table of Charges for LNG Service, Note 4 (1)(b). The current RS 46 available LNG capacity has not exceeded 20,000 GJ per day for one full year, therefore the Electricity Surcharge has been adjusted by 2%. FEI anticipates that pursuant to Note 4 (1)(b), the Electricity Surcharge rate per GJ effective January 1, 2021 will be adjusted based upon the estimated prior year electricity use per GJ of LNG output of the LNG Facilities and approved interim or permanent BC Hydro rate increases incurred at the LNG facilities.

The first proposed revision is an update to the percentage factor used to calculate the applicable process fuel gas for FEI facilities, included in the definition of Process Fuel Gas on page R-46.5 of the RS 46 Tariff. The factor has been updated from 1 percent to 1.8 percent of the LNG dispensed to RS 46 customers<sup>7</sup>.

The second proposed revision is a small housekeeping change on page R-46.26, rounding to three decimal places the energy density values in Section 23.3.

Pursuant to Directive 3 of Order G-334-19, FEI will recover the variance between interim and permanent rates from customers, with interest at the average prime rate of FEI's principal bank for the most recent year.

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

FEI has also attached in Appendix B the following revised tariff pages for BCUC endorsement of permanent rates effective January 1, 2020.

**Rate Schedule 46**

Third Revision of Page R-46.5 (housekeeping)  
First Revision of Page R-46.26 (housekeeping)  
Second Revision of Pages R-46.35 to R-46.37  
Second Revision of Pages R-46.39 to R-46.40

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

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

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

Sincerely,

**FORTISBC ENERGY INC.**

***Original signed:***

Doug Slater

Attachments

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<sup>7</sup> Which began when the available LNG capacity exceeded 20,000 gigajoules (GJ) per day, effective when the Tilbury 1A went into service in Q4 2019.



**ORDER NUMBER**

**G-xx-xx**

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

and

FortisBC Energy Inc.  
Rate Schedule 46 – Liquefied Natural Gas Sales, Dispensing, Liquefied Natural Gas Transportation Service  
and Transportation Service  
Application for Permanent Rates effective January 1, 2020

**BEFORE:**

[Panel Chair]  
Commissioner  
Commissioner

on **Date**

**ORDER**

**WHEREAS:**

- A. On January 16, 2020, pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA), FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (BCUC), for revised rates for certain charges in the Rate Schedule 46 (RS 46) Table of Charges for Liquefied Natural Gas (LNG) Transportation Service, the Table of Charges for LNG Service, and the Table of Charges for Transportation Service, (collectively the Tables of Charges), in addition to minor housekeeping changes, on a permanent basis effective January 1, 2020 (Application);
- B. On December 12, 2013, the BCUC issued Order G-211-13 approving RS 46, in accordance with Order in Council (OIC) 557, B.C. Regulation 245/2013, deposited November 28, 2013, issuing Direction No. 5 to the BCUC, and effective December 12, 2013;
- C. On December 24, 2014, the BCUC issued Order G-207-14, effective January 1, 2015, approving amendments to RS 46 and Direction No. 5, in accordance with OIC 749, B.C. Regulation 265/2014, and deposited December 22, 2014;
- D. On May 4, 2017, the BCUC issued Order G-65-17, effective May 4, 2017, approving further amendments to RS 46 and Direction No. 5, in accordance with section 5 (1.2) of OIC 162, B.C. Regulation 115/2017, and deposited March 22, 2017;
- E. Due to the timing of the release of the British Columbia Consumer Price Index (BC CPI) data for November, which is required to calculate the annual adjustment to the rates in the Tables of Charges for the LNG Tanker Charges per Day or Partial Day, the LNG Facility Charge, the Electricity Surcharge, and the LNG Spot Charge, existing rates for those charges were made interim, effective January 1, 2020 by Order G-334-19;

F. The BCUC has reviewed FEI's Application and finds that approval is warranted.

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

1. The proposed amendments, including the revised rates, housekeeping changes and tariff pages, as applied for by FEI for RS 46 are approved on a permanent basis, effective January 1, 2020.
2. The variance between the interim rates and the permanent rates is to be recovered by FEI from RS 46 LNG customers, with interest at the average prime rate of FEI's principal bank for its most recent year.

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

BY ORDER

(X. X. last name)  
Commissioner

**Appendix B**

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**REVISED TARIFF PAGES - PROFORMA**

(mm) **Process Fuel Gas** – means:

- (i) Gas consumed in the production of LNG at the LNG Facilities; and
- (ii) losses of Gas.

Process Fuel Gas is deemed to be a quantity equal to 1.8% (one point eight percent) of the LNG Dispensed to the Customer for this Rate Schedule after the Available LNG Capacity exceeds 20,000 Gigajoules per Day, but thereafter the Process Fuel Gas percentage will be updated annually based on the prior year's actual percentages of Gas consumed and losses of Gas at the LNG Facilities. | C/N/O

- (nn) **Rate Schedule 46 or this Rate Schedule** - means this Rate Schedule, inclusive of the appended Table of Charges for LNG Transportation Service, the Table of Charges for LNG Service, the Table of Charges for Transportation Service, the LNG Agreement, the LNG Transportation Service Agreement and the Transportation Agreement.
- (oo) **Replacement Gas** - means Gas which is provided to a Shipper by FortisBC Energy in the event the Shipper fails to return Peaking Gas Quantity pursuant to Section 15.6 (Return of Peaking Gas Quantity).
- (pp) **Requested Peaking Gas Quantity** - means the quantity of energy for each Day requested as Peaking Gas under this Rate Schedule.
- (qq) **Requested Quantity** - means the quantity of energy for each Day requested for firm transportation Service under Rate Schedule 46, or for sales by FortisBC Energy under an applicable Rate Schedule, or any component or aggregate of these quantities, as the context requires.
- (rr) **Shipper** - means a Customer who enters into a Transportation Agreement with FortisBC Energy and who is also the consumer of the Gas transported.
- (ss) **Shipper Agent** - means a person who enters into a Shipper Agent Agreement with FortisBC Energy.
- (tt) **Shipper Agent Agreement** - means an agreement between FortisBC Energy and a Shipper Agent, the form of which is appended as Schedule A to the Transportation Agreement.
- (uu) **Short-Term LNG Service** – means the LNG Service under this Rate Schedule with a minimum Contract Term of one (1) year and a maximum Contract Term of less than five (5) years and a specified Contract Demand for the duration of the Contract Term.
- (vv) **Southern Crossing Pipeline** – means the pipeline and other facilities constructed by FortisBC Energy from EKE to an interconnection with existing FortisBC Energy facilities near Oliver that will enable FortisBC Energy to transport Gas between EKE and the Delivery Point.

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Order No.:

Issued By: Doug Slater, Director, Regulatory Affairs

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Accepted for Filing: \_\_\_\_\_

BCUC Secretary: \_\_\_\_\_

Third Revision of Page R-46.5



shall be measured through the use of other industry standard measuring methods and measuring equipment.

**Conversion to Energy Units** - In accordance with the Electricity and Gas Inspection Act of Canada, volumes of LNG Dispensed each Day will be converted to energy units by multiplying the standard volume by the Heat Content of each unit of LNG. Volumes will be specified in kilograms or pounds rounded to the nearest unit and energy will be specified in Gigajoules rounded to one decimal place. FortisBC Energy will use the following formula to convert kilograms or pounds of LNG to GJ of LNG:

23.3

### Converting Weight of LNG to Gigajoules

	Gross Weight after LNG Dispensing (kilograms or pounds)
minus	Gross Weight prior to Dispensing (kilograms or pounds)
equals	Net Weight of the Delivered LNG (kilograms or pounds)
	Net Weight of the Delivered LNG (kilograms or pounds)
multiplied by	The energy density as determined by FortisBC Energy through analysis of vaporized LNG on a periodic basis. For greater certainty, unless otherwise determined by FortisBC Energy, the energy density shall be 0.055 gigajoule/kilogram or 0.025 gigajoule/pound equals Delivered LNG (Gigajoule).   C/N/O

## 24 Default or Bankruptcy

24.1

**Default by the Customer or the Shipper** - If the Customer or the Shipper at any time fails or neglects

- (a) to make any payment due to FortisBC Energy or as designated under this Rate Schedule within 30 calendar Days after payment is due, or
- (b) to correct any default of any of the other terms, covenants, agreements, conditions or obligations imposed upon it under this Rate Schedule, within 30 calendar Days after FortisBC Energy gives to the Customer or Shipper notice of such default, or
- (c) in the case of a default that cannot with due diligence be corrected within a period of 30 Days, the Customer or Shipper fails to proceed promptly after the giving of such notice to correct the same and thereafter to prosecute the correcting of such default with all due diligence,

then FortisBC Energy may in addition to any other remedy that it has, including the rights of FortisBC Energy set out in Sections 10.3 (Default Regarding Curtailment), 11.2 (Charges for Unauthorized Service), 11.3 (Payments Not License), and 11.4 (Demand Surcharge), at its option and without liability therefor:

Order No.:

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BCUC Secretary: \_\_\_\_\_

First Revision of Page R-46.26

## Table of Charges for LNG Transportation Service

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

<b>2020 LNG Tanker Charges per Day or Partial Day</b>	Standard Tanker	\$289.00	A
	Tridem Tanker	\$346.00	
	Marine Equipped Tridem Tanker	\$487.00	
<b>LNG Tanker Charges per Day or Partial Day for 2021 and subsequent years</b>	2020 LNG Tanker Charges, escalated annually at the greater of 2% or the British Columbia Consumer Price Index.		
<b>LNG Tanker Hauling Charge</b>	FortisBC Energy cost plus 15% Administration Charge		

### Notes:

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

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Second Revision of Page R-46.35

## Table of Charges for LNG Service

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

<b>2020 LNG Facility Charge</b>	\$ 4.03/GJ	A
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<b>2020 Electricity Surcharge</b>	\$ 1.00/GJ	A
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### Commodity Related Charges per Gigajoule

<b>Storage and Transport Charge</b>	\$ 0.716/GJ
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<b>Rider 6</b>	\$ (0.045)/GJ
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Subtotal of <b>Storage and Transport</b> Related Charges	<b>\$ 0.671/GJ</b>
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<b>Cost of Gas</b> <sup>1</sup> (Commodity Cost Recovery Charge)	\$ 1.549/GJ
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<b>Cost of Biomethane</b> (Biomethane Energy Recovery Charge) <sup>2, 3</sup>	\$ 10.535/GJ
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<b>2020 LNG Spot Charge</b>	\$ 5.28/GJ	A
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<b>LNG Facility Charges, Electricity Surcharges, and LNG Spot Charges for 2021 and thereafter</b>	Per Note 4
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### Storage and Transport Related Riders

<b>Rider 6</b>	<b>Midstream Cost Reconciliation Account</b> - Applicable to Mainland and Vancouver Island Service Area Customers, excluding Revelstoke, for the Year ending December 31, 2020.
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Effective Date: January 1, 2020	Accepted for Filing: _____
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BCUC Secretary: _____	Second Revision of Page R-46.36
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**Notes:**

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

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

2. The Cost of Biomethane is based on the calculation of a Customer's selection of the percentage of Biomethane measured in Gigajoules, multiplied by the Cost of Biomethane (Biomethane Energy Recovery Charge) per Gigajoule.
3. The Cost of Biomethane (Biomethane Energy Recovery Charge) per Gigajoule has been determined in accordance with Section 28.4 (Price Determination) in the General Terms and Conditions of FortisBC Energy). The Cost of Biomethane effective January 1, 2020 equals the sum of:

(i)	The British Columbia Utilities Commission approved January 1st Commodity Cost Recovery Charge per Gigajoule	\$ 1.549
(ii)	The current British Columbia carbon tax applicable to conventional natural gas Customers per Gigajoule	\$ 1.986
(iii)	Other taxes applicable to conventional natural gas sales per Gigajoule	\$ 0.000
(iv)	A premium of \$7.00 per Gigajoule	\$ <u>7.000</u>
(v)	<b>Total Cost of Biomethane per Gigajoule</b>	<b>\$ 10.535</b>

4. **LNG Facility Charges, Electricity Surcharges, and LNG Spot Charges for 2021 and beyond** - The LNG Facility Charges, Electricity Surcharges, and LNG Spot Charges for 2021 and thereafter will be determined by taking the charges, which are expressed in 2020 dollars, and resetting and adjusting those charges annually on January 1 in accordance with (1) below.

- (1) The charges, which are presented in 2020 dollars, will be reset and adjusted annually as follows:

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

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Second Revision of Page R-46.37

## Table of Charges for Transportation Service

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

### Dispensing Service Charges

1. 2020 LNG Facility Charge	\$ 4.03/GJ
2. 2020 Electricity Surcharge	\$ 1.00/GJ
3. 2020 LNG Spot Charge	\$ 5.28/GJ
4. LNG Facility Charges, Electricity Surcharges, and LNG Spot Charges for 2021 and thereafter	Per Note 1

A

### Transportation Charges

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

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(ii) between and including November 1 and March 31	\$ 1.10
8. <b>Charge per Gigajoule of Balancing and Backstopping Gas</b>	Sumas Daily Price <sup>2</sup>
9. <b>Replacement Gas</b> <sup>3</sup>	Sumas Daily Price <sup>2</sup> plus 20 Percent

**Notes:**

1. **LNG Facility Charges, Electricity Surcharges, and LNG Spot Charges for 2021 and beyond** - The LNG Facility Charges, Electricity Surcharges, and LNG Spot Charges for 2021 and thereafter will be determined by taking the charges, which are expressed in 2020 dollars, and resetting and adjusting those charges annually on January 1 in accordance with (1) below.
2. As defined under Section 1.1, the Sumas Daily Price quoted each Day will apply to Gas Dispensed on that gas day.
3. The Sumas Daily Price for the sixth Business Day following the Day for which the Peaking Gas was authorized plus 20 percent.

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BCUC Secretary: \_\_\_\_\_

Second Revision of Page R-46.40

**Appendix C**

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**REVISED TARIFF PAGES – BLACKLINED**

(mm) **Process Fuel Gas** – means:

- (i) Gas consumed in the production of LNG at the LNG Facilities; and
- (ii) losses of Gas.

Process Fuel Gas is deemed to be a quantity equal to 1.8% (one point eight percent) of the LNG Dispensed to the Customer for this Rate Schedule after the Available LNG Capacity exceeds 20,000 Gigajoules per Day, but thereafter the Process Fuel Gas percentage will be updated annually based on the prior year's actual percentages of Gas consumed and losses of Gas at the LNG Facilities.

(nn) **Rate Schedule 46 or this Rate Schedule** - means this Rate Schedule, inclusive of the appended Table of Charges for LNG Transportation Service, the Table of Charges for LNG Service, the Table of Charges for Transportation Service, the LNG Agreement, the LNG Transportation Service Agreement and the Transportation Agreement.

(oo) **Replacement Gas** - means Gas which is provided to a Shipper by FortisBC Energy in the event the Shipper fails to return Peaking Gas Quantity pursuant to Section 15.6 (Return of Peaking Gas Quantity).

(pp) **Requested Peaking Gas Quantity** - means the quantity of energy for each Day requested as Peaking Gas under this Rate Schedule.

(qq) **Requested Quantity** - means the quantity of energy for each Day requested for firm transportation Service under Rate Schedule 46, or for sales by FortisBC Energy under an applicable Rate Schedule, or any component or aggregate of these quantities, as the context requires.

(rr) **Shipper** - means a Customer who enters into a Transportation Agreement with FortisBC Energy and who is also the consumer of the Gas transported.

(ss) **Shipper Agent** - means a person who enters into a Shipper Agent Agreement with FortisBC Energy.

(tt) **Shipper Agent Agreement** - means an agreement between FortisBC Energy and a Shipper Agent, the form of which is appended as Schedule A to the Transportation Agreement.

(uu) **Short-Term LNG Service** – means the LNG Service under this Rate Schedule with a minimum Contract Term of one (1) year and a maximum Contract Term of less than five (5) years and a specified Contract Demand for the duration of the Contract Term.

(vv) **Southern Crossing Pipeline** – means the pipeline and other facilities constructed by FortisBC Energy from EKE to an interconnection with existing FortisBC Energy facilities near Oliver that will enable FortisBC Energy to transport Gas between EKE and the Delivery Point.

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C/N/O

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**ted:** G-225-19

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

Effective Date: January 1, 2020 Accepted for Filing: \_\_\_\_\_

BCUC Secretary: \_\_\_\_\_ Third Revision of Page R-46.5



shall be measured through the use of other industry standard measuring methods and measuring equipment.

- 23.3 Conversion to Energy Units** - In accordance with the *Electricity and Gas Inspection Act* of Canada, volumes of LNG Dispensed each Day will be converted to energy units by multiplying the standard volume by the Heat Content of each unit of LNG. Volumes will be specified in kilograms or pounds rounded to the nearest unit and energy will be specified in Gigajoules rounded to one decimal place. FortisBC Energy will use the following formula to convert kilograms or pounds of LNG to GJ of LNG:

**Converting Weight of LNG to Gigajoules**

	Gross Weight after LNG Dispensing (kilograms or pounds)
minus	Gross Weight prior to Dispensing (kilograms or pounds)
equals	Net Weight of the Delivered LNG (kilograms or pounds)
	Net Weight of the Delivered LNG (kilograms or pounds)
multiplied by	The energy density as determined by FortisBC Energy through analysis of vaporized LNG on a periodic basis. For greater certainty, unless otherwise determined by FortisBC Energy, the energy density shall be 0.055 gigajoule/kilogram or 0.025 gigajoule/pound equals Delivered LNG (Gigajoule).

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**24 Default or Bankruptcy**

- 24.1 Default by the Customer or the Shipper** - If the Customer or the Shipper at any time fails or neglects

- to make any payment due to FortisBC Energy or as designated under this Rate Schedule within 30 calendar Days after payment is due, or
- to correct any default of any of the other terms, covenants, agreements, conditions or obligations imposed upon it under this Rate Schedule, within 30 calendar Days after FortisBC Energy gives to the Customer or Shipper notice of such default, or
- in the case of a default that cannot with due diligence be corrected within a period of 30 Days, the Customer or Shipper fails to proceed promptly after the giving of such notice to correct the same and thereafter to prosecute the correcting of such default with all due diligence,

then FortisBC Energy may in addition to any other remedy that it has, including the rights of FortisBC Energy set out in Sections 10.3 (Default Regarding Curtailment), 11.2 (Charges for Unauthorized Service), 11.3 (Payments Not License), and 11.4 (Demand Surcharge), at its option and without liability therefor:

C/N

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Deleted: May 1, 2019

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

Effective Date: January 1, 2020 Accepted for Filing: \_\_\_\_\_

BCUC Secretary: \_\_\_\_\_ First Revision of Page R-46.26

## Table of Charges for LNG Transportation Service

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

<b>2020 LNG Tanker Charges per Day or Partial Day</b>	Standard Tanker	\$28 <del>9</del> .00
	Tridem Tanker	\$3 <del>4</del> 6.00
	Marine Equipped Tridem Tanker	\$4 <del>8</del> 7.00
<b>LNG Tanker Charges per Day or Partial Day for 2021 and subsequent years</b>	2020 LNG Tanker Charges, escalated annually at the greater of 2% or the British Columbia Consumer Price Index.	
<b>LNG Tanker Hauling Charge</b>	FortisBC Energy cost plus 15% Administration Charge	

### Notes:

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

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

Effective Date: January 1, 2020 \_\_\_\_\_ Accepted for Filing: \_\_\_\_\_

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Deleted: (Interim)

Deleted: December 19, 2019

Deleted: Original signed by Patrick Wruck

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## Table of Charges for LNG Service

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

**2020 LNG Facility Charge** \$ 4.03/GJ

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**2020 Electricity Surcharge** \$ 1.00/GJ

Deleted: 0.98

### Commodity Related Charges per Gigajoule

**Storage and Transport Charge** \$ 0.716/GJ

**Rider 6** \$ (0.045)/GJ

Subtotal of **Storage and Transport** Related Charges \$ **0.671/GJ**

**Cost of Gas<sup>1</sup>** (Commodity Cost Recovery Charge) \$ 1.549/GJ

**Cost of Biomethane** (Biomethane Energy Recovery Charge)<sup>2,3</sup> \$ 10.535/GJ

**2020 LNG Spot Charge** \$ 5.28/GJ

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**LNG Facility Charges, Electricity Surcharges, and LNG Spot Charges for 2021 and thereafter** Per Note 4

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### Storage and Transport Related Riders

**Rider 6** **Midstream Cost Reconciliation Account** - Applicable to Mainland and Vancouver Island Service Area Customers, excluding Revelstoke, for the Year ending December 31, 2020.

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**Notes:**

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

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

2. The Cost of Biomethane is based on the calculation of a Customer's selection of the percentage of Biomethane measured in Gigajoules, multiplied by the Cost of Biomethane (Biomethane Energy Recovery Charge) per Gigajoule.
3. The Cost of Biomethane (Biomethane Energy Recovery Charge) per Gigajoule has been determined in accordance with Section 28.4 (Price Determination) in the General Terms and Conditions of FortisBC Energy). The Cost of Biomethane effective January 1, 2020 equals the sum of:

(i)	The British Columbia Utilities Commission approved January 1st Commodity Cost Recovery Charge per Gigajoule	\$	1.549
(ii)	The current British Columbia carbon tax applicable to conventional natural gas Customers per Gigajoule	\$	1.986
(iii)	Other taxes applicable to conventional natural gas sales per Gigajoule	\$	0.000
(iv)	A premium of \$7.00 per Gigajoule	\$	<u>7.000</u>
(v)	<b>Total Cost of Biomethane per Gigajoule</b>	<b>\$</b>	<b>10.535</b>

4. **LNG Facility Charges, Electricity Surcharges, and LNG Spot Charges for 2021 and beyond** - The LNG Facility Charges, Electricity Surcharges, and LNG Spot Charges for 2021 and thereafter will be determined by taking the charges, which are expressed in 2020 dollars, and resetting and adjusting those charges annually on January 1 in accordance with (1) below.

- (1) The charges, which are presented in 2020 dollars, will be reset and adjusted annually as follows:

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

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Effective Date: January 1, 2020 \_\_\_\_\_ Accepted for Filing: \_\_\_\_\_

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## Table of Charges for Transportation Service

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

### Dispensing Service Charges

1. 2020 LNG Facility Charge	\$ <del>4.03</del> /GJ
2. 2020 Electricity Surcharge	\$ <del>1.00</del> /GJ
3. 2020 LNG Spot Charge	\$ 5. <del>28</del> /GJ
4. LNG Facility Charges, Electricity Surcharges, and LNG Spot Charges for 2021 and thereafter	Per Note 1

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### Transportation Charges

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

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(ii) between and including November 1 and March 31

\$ 1.10

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

Sumas Daily Price<sup>2</sup>

9. **Replacement Gas<sup>3</sup>**

Sumas Daily Price<sup>2</sup> plus  
20 Percent

**Notes:**

1. **LNG Facility Charges, Electricity Surcharges, and LNG Spot Charges for 2021 and beyond** - The LNG Facility Charges, Electricity Surcharges, and LNG Spot Charges for 2021 and thereafter will be determined by taking the charges, which are expressed in 2020 dollars, and resetting and adjusting those charges annually on January 1 in accordance with (1) below.
2. As defined under Section 1.1, the Sumas Daily Price quoted each Day will apply to Gas Dispensed on that gas day.
3. The Sumas Daily Price for the sixth Business Day following the Day for which the Peaking Gas was authorized plus 20 percent.

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Appendix D

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**TARIFF CONTINUITY AND BILL IMPACT SCHEDULES**

FORTISBC ENERGY INC.  
 CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY  
 PROPOSED JANUARY 1, 2020 RATES  
 BCUC ORDERS G-306-19, G-XX-20

PAGE 1  
 SCHEDULE 46.1

RATE SCHEDULE 46: LNG SERVICE		EXISTING RATES JANUARY 1, 2019	DELIVERY MARGIN AND COMMODITY RELATED CHARGES CHANGES	<sup>1</sup> PROPOSED JANUARY 1, 2020 RATES
Line No.	Particulars	Mainland and Vancouver Island	Mainland and Vancouver Island	Mainland and Vancouver Island
	(1)	(2)	(3)	(4)
1	<u>Dispensing Service Charges per GJ</u>			
2	<b>LNG Facility Charge per GJ</b>	\$3.94	\$0.09	\$4.03
3	<b>Electricity Surcharge per GJ</b>	\$0.98	\$0.02	\$1.00
4	<b>LNG Spot Charge per GJ</b>	\$5.17	\$0.11	\$5.28
5				
6				
7	<u>Commodity Related Charges</u>			
8	Storage and Transport Charge per GJ	\$1.029	(\$0.313)	\$0.716
9	Rider 6 MCRA per GJ	(\$0.016)	(\$0.029)	(\$0.045)
10	Subtotal Storage and Transport Related Charges per GJ	<b>\$1.013</b>	<b>(\$0.342)</b>	<b>\$0.671</b>
11				
12	<b>Cost of Gas (Commodity Cost Recovery Charge) per GJ</b>	<b>\$1.549</b>	<b>\$0.000</b>	<b>\$1.549</b>
13				
14	<b>Cost of Biomethane per GJ</b>	<b>\$10.287</b>	<b>\$0.248</b>	<b>\$10.535</b>
15	(Biomethane Energy Recovery Charge)			
16				
17				
18	Total Variable Cost per gigajoule (excluding LNG Spot Charge per GJ)	<u>\$7.482</u>	<u>(\$0.232)</u>	<u>\$7.250</u>

<sup>1</sup> Commodity Related Charges have been approved by the BCUC effective January 1, 2020 pursuant to Order G-306-19.



FORTISBC ENERGY INC.  
 CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY  
 PROPOSED JANUARY 1, 2020 RATES  
 BCUC ORDER G-XX-20

PAGE 2  
 SCHEDULE 46.2

RATE SCHEDULE 46: LNG TRANSPORTATION SERVICE		EFFECTIVE JANUARY 1, 2019	DELIVERY MARGIN RELATED CHARGES CHANGES	PROPOSED JANUARY 1, 2020
Line No.	Particulars	Mainland and Vancouver Island	Mainland and Vancouver Island	Mainland and Vancouver Island
	(1)	(2)	(3)	(4)
1	<b>Dispensing Service Charges per GJ</b>	\$3.94	\$0.09	\$4.03
2				
3	<b>Electricity Surcharge per GJ</b>	\$0.98	\$0.02	\$1.00
4				
5	<b>LNG Spot Charge per GJ</b>	\$5.17	\$0.11	\$5.28
6				
7	<b>Administration Charge per Month</b>	\$39.00	\$0.00	\$39.00
8				
9				
10	<b>Unauthorized Overrun Gas Charges</b>			
11	Per Gigajoule on first 5 percent of specified quantity	Sumas Daily Price	\$0.00	Sumas Daily Price
12		The greater of \$20.00/GJ or 1.5 x		The greater of \$20.00/GJ or 1.5 x
13	Per Gigajoule on all Gas over 5 percent of specified quantity	the Sumas Daily Price	\$0.00	the Sumas Daily Price
14				
15	<b>Charge per Gigajoule of Balancing Service provided</b>			
16	Quantities of Gas less than 10% of the Rate Schedule 25			
17	Authorized Quantity	No charge	\$0.00	No charge
18	Quantities of Gas over the greater of 100 Gigajoules or equal to or			
19	in excess of 10% or less than 20% of the Rate Schedule 25			
20	Authorized Quantity	\$0.25	\$0.00	\$0.25
21				
22	Quantities of Gas over the greater of 100 Gigajoules or equal to or			
23	in excess of 20% of the Rate Schedule 25 Authorized Quantity			
24	(i) between and including April 1 and Oct 31	\$0.30	\$0.00	\$0.30
25	(ii) between and including Nov 1 and March 31	\$1.10	\$0.00	\$1.10
26				
27				
28	<b>Charge per Gigajoule of Balancing and/or Backstopping Gas</b>	Sumas Daily Price	\$0.00	Sumas Daily Price
29				
30	<b>Charge per Gigajoule of Replacement Gas</b>	Sumas Daily Price plus 20%	\$0.00	Sumas Daily Price plus 20%
31				
32				
33	<b>Total Variable Cost per gigajoule</b>	<u>\$4.92</u>	<u>\$0.11</u>	<u>\$5.03</u>

FORTISBC ENERGY INC.  
DELIVERY MARGIN AND COMMODITY RELATED CHARGES CHANGES  
BCUC ORDERS G-306-19, G-XX-20  
**RATE SCHEDULE 46 - LNG SERVICE**

PAGE 3

Line No.	Particular	EXISTING RATES JANUARY 1, 2019			PROPOSED JANUARY 1, 2020 RATES			Annual Increase/Decrease		
		Quantity	Rate	Annual \$	Quantity	Rate	Annual \$	Rate	Annual \$	% of Previous Annual Bill
1										
2	<b>MAINLAND AND VANCOUVER ISLAND SERVICE AREA</b>									
3	<u>Dispensing Service Charges per GJ</u>									
4										
5	LNG Facility Charge per GJ	222,100.0	GJ x \$3.94 =	\$875,074.0000	222,100.0	GJ x \$4.03 =	\$895,063.0000	\$0.090	\$19,989.0000	1.20%
6	Electricity Surcharge per GJ	222,100.0	GJ x \$0.98 =	217,658.0000	222,100.0	GJ x \$1.00 =	222,100.0000	\$0.020	\$4,442.0000	0.27%
7	LNG Spot Charge per GJ	0.0	GJ x \$5.17 =	0.0000	0.0	GJ x \$5.28 =	0.0000	\$0.110	0.0000	0.00%
8	Subtotal Delivery Margin Related Charges			<b>\$1,092,732.00</b>			<b>\$1,117,163.00</b>		<b>\$24,431.00</b>	<b>1.47%</b>
9										
10	<u>Commodity Related Charges</u>									
11	Storage and Transport Charge per GJ	222,100.0	GJ x \$1.029 =	\$228,540.9000	222,100.0	GJ x \$0.716 =	\$159,023.6000	(\$0.313)	(\$69,517.3000)	-4.18%
12	Rider 6 MCRA per GJ	222,100.0	GJ x (\$0.016) =	(3,553.6000)	222,100.0	GJ x (\$0.045) =	(9,994.5000)	(\$0.029)	(\$6,440.900)	-0.39%
13	Commodity Cost Recovery Charge per GJ	222,100.0	GJ x \$1.549 =	344,032.9000	222,100.0	GJ x \$1.549 =	344,032.9000	\$0.000	0.0000	0.00%
14	Subtotal Cost of Gas (Commodity Related Charge)			<b>\$569,020.20</b>			<b>\$493,062.00</b>		<b>(\$75,958.20 )</b>	<b>-4.57%</b>
15										
16	Total (with effective \$/GJ rate)	222,100.0	\$7.482	<b>\$1,661,752.20</b>	222,100.0	\$7.250	<b>\$1,610,225.00</b>	(\$0.232)	<b>(\$51,527.20 )</b>	<b>-3.10%</b>

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

FORTISBC ENERGY INC.  
DELIVERY MARGIN RELATED CHARGES CHANGES  
BCUC ORDER G-XX-20  
**RATE SCHEDULE 46 - LNG TRANSPORTATION SERVICE**

Line No.	Particular	EFFECTIVE JANUARY 1, 2019			PROPOSED JANUARY 1, 2020			Annual Increase/Decrease		% of Previous Annual Bill
		Quantity	Rate	Annual \$	Quantity	Rate	Annual \$	Rate	Annual \$	
1										
2	<b>MAINLAND AND VANCOUVER ISLAND SERVICE AREA</b>									
3	Administration Charge	12 months x	\$39.00	= <b>\$468.00</b>	12 months x	\$39.00	= <b>\$468.00</b>	\$0.00	<b>\$0.00</b>	<b>0.00%</b>
4										
5	Dispensing Service Charges per GJ	275,000.0 GJ x	\$3.94	= \$1,083,500.0000	275,000.0 GJ x	\$4.03	= \$1,108,250.0000	\$0.090	\$24,750.0000	1.83%
6	Electricity Surcharge per GJ	275,000.0 GJ x	\$0.98	= 269,500.0000	275,000.0 GJ x	\$1.00	= 275,000.0000	\$0.020	5,500.0000	0.41%
7	LNG Spot Charge per GJ	0.0 GJ x	\$5.17	= 0.0000	0.0 GJ x	\$5.28	= 0.0000	\$0.110	0.0000	0.00%
8	Transportation			<b>\$1,353,000.00</b>			<b>\$1,383,250.00</b>		<b>\$30,250.00</b>	<b>2.23%</b>
9										
10										
11	Total (with effective \$/GJ rate)	275,000.0	\$4.922	<b>\$1,353,468.00</b>	275,000.0	\$5.032	<b>\$1,383,718.00</b>	\$0.110	<b>\$30,250.00</b>	<b>2.23%</b>

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