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October 15, 2021

BCUC File 65500

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

Attention: Mr. Patrick Wruck, Commission Secretary

Dear Mr. Wruck:

Re: FortisBC Energy Inc. (FEI)

Application for Approval of:

- **Rates and Agreements for Constructing and Operating a Compressed Natural Gas (CNG) Fueling Station under the Province's Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR) at Annacis Island, BC; and**
- **Amendments to Rate Schedule 6P – Public Service – Natural Gas Refueling Service (RS 6P)**

FEI hereby applies to the British Columbia Utilities Commission (BCUC), pursuant to sections 59 to 61 and 89 of the *Utilities Commission Act* (UCA), for approval for rates for service established in the Fueling Services Agreements between FEI and six anchor customers for the CNG fueling station at Annacis Island (Annacis Island Fueling Station), on an interim basis, effective November 1, 2021. The six anchor customers are:

1. Ancor Transport Ltd. (Ancor), dated October 4, 2021 (Appendix B);
2. ColdStar Solutions Inc. (ColdStar), dated September 28, 2021 (Appendix C);
3. Encorp Pacific (Canada) (Encorp), dated September 9, 2021 (Appendix D);
4. Martin-Brower of Canada Co. (Martin-Brower), dated October 1, 2021 (Appendix E);
5. United Parcel Services Canada Ltd. (UPS), dated October 12, 2021 (Appendix F); and
6. Western Pacific Transport Ltd. (Western Pacific), dated August 31, 2021 (Appendix G).

FEI also applies, pursuant to sections 59 to 61 and 89 of the UCA for approval of amendments to the RS 6P tariff and rates to accommodate public fueling at the Annacis Island Fueling

Station, on an interim basis, effective November 30, 2021 pending approval of permanent rates for the Annacis Island Fueling Station.

CONFIDENTIALITY

FEI requests that the live financial model provided in Appendix H be filed on a confidential basis pursuant to Section 18 of the BCUC's Rules of Practice and Procedure regarding confidential documents as set out in Order G-15-19. The financial model in Confidential Appendix H is the result of significant development effort by FEI on behalf of its customers and, therefore, the formulas and configuration of the model are commercially sensitive. FEI believes that there is more than adequate non-confidential information provided with the financial schedules included in Appendix I to permit a transparent review process.

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

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachments



FORTISBC ENERGY INC.

**Application for Approval of Rates and Agreements for
Constructing and Operating a
Compressed Natural Gas Fueling Station
under the
Greenhouse Gas Reduction (Clean Energy) Regulation
at Annacis Island**

October 15, 2021

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1. INTRODUCTION

1.1 BACKGROUND

By Order G-329-19, dated December 13, 2019, the British Columbia Utilities Commission (BCUC) did not approve an application by FortisBC Energy Inc. (FEI) for, among other things, the rates established in a Fueling Services Agreement between FEI and ColdStar Solutions Inc. (ColdStar) for a compressed natural gas (CNG) fueling station at Annacis Island (Annacis Island Fueling Station). In its reasons, the Panel found:

...the Annacis Island Fueling Station, as structured under the ColdStar-Annacis-Langford Agreement, does not meet the requirements for a prescribed undertaking under section 2(2)(c) of the GGRR. Therefore, the rates established in the ColdStar-Annacis-Langford Agreement are not approved.¹ [emphasis in original]

The Panel further noted that:

FEI has indicated that it believes it can secure additional volume commitments in the future, and in the event the Panel does not find the Annacis Island Fueling Station to meet the requirements for a prescribed undertaking, it would seek to refile the Application once an additional anchor tenant commitment is secured. Accordingly, the Panel invites FEI to resubmit the Application once it has secured additional volume commitments for the Annacis Island Fueling Station to meet the requirements of section 2(2)(c) of the GGRR.²

FEI has now secured more volume commitments for the Annacis Island Fueling Station to meet the requirements of section 2(2)(c) of the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR or the Regulation).

1.2 INTRODUCTION

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 on which to construct, own and operate the Annacis Island Fueling Station. Subsequently, FEI and Coastland Wood entered into two letter amending agreements, the first dated April 16, 2021 and the second dated June 29, 2021, 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 (collectively referred to as the Host Agreement). The Host Agreement enables FEI to construct, own, and operate the Annacis Island Fueling Station. The

¹ Order G-329-19, Appendix A, p. 9.

² Ibid.

Annacis Island Fueling Station will allow FEI to provide CNG fast-fill fueling service to CNG vehicles. A copy of the executed Host Agreement is provided in Appendix A.

In 2021, FEI entered into six Fueling Services Agreements (Agreements) to provide CNG fueling service to the following six customers (Anchor Customers), to fuel their CNG trucks from the Annacis Island Fueling Station, effective November 1, 2021:

1. Ancor Transport Ltd. (Ancor), dated October 4, 2021 (Appendix B);
2. ColdStar Solutions Inc. (ColdStar), dated September 28, 2021 (Appendix C);
3. Encorp Pacific (Canada) (Encorp), dated September 9, 2021 (Appendix D);
4. Martin-Brower of Canada Co. (Martin-Brower), dated October 1, 2021 (Appendix E);
5. United Parcel Services Canada Ltd. (UPS), dated October 12, 2021 (Appendix F); and
6. Western Pacific Transport Ltd. (Western Pacific), dated August 31, 2021 (Appendix G).

FEI is seeking BCUC approval of the rates established in the Agreements for CNG fueling service at the Annacis Island Fueling Station, effective November 1, 2021.

The Annacis Island Fueling Station is undertaken by FEI as a prescribed undertaking under the GGRR. Thus, pursuant to BCUC Order G-56-13, this fueling station is exempt from the Certificate of Public Convenience and Necessity (CPCN) requirements. The Agreements meets the requirements under the GGRR, as discussed in Section 4.2.

Pursuant to BCUC Order G-56-13, the BCUC will set rates considering FEI's total expenditures on the fueling station. As detailed in Section 4.2 below, FEI has negotiated and executed the Agreements, which conform to the parameters and meet the requirements as set forth under the GGRR. With the proposed rates, FEI will recover 60 percent of its cost of service over the initial seven year term as permitted under the GGRR for fueling services provided to the Annacis Island Fueling Station, as further explained in Section 5 below.

Under the Government of Canada's Natural Resources Canada (NRCan) Electric Vehicle and Alternative Fuel Infrastructure Deployment Program, FEI was successful in securing a capital contribution from NRCan to support the Annacis Island Fueling Station, as discussed in Section 5.3. Under the NRCan contribution agreement, FEI is required to provide public fueling access to the Annacis Island Fueling Station by November 30, 2021. Therefore, FEI is also seeking approval of amendments to Rate Schedule 6P – Public Service – Natural Gas Refueling Service (RS 6P) to accommodate public fueling service at the Annacis Island Fueling Station.

2. APPROVAL SOUGHT

FEI hereby applies to the BCUC, pursuant to sections 59 to 61 and 89 of the UCA, for the following:

1. Approval of the rates established in the Agreements, on an interim refundable/recoverable basis, effective November 1, 2021, which is the date the Annacis Island Fueling Station is expected to be operational; and
2. Approval to amend the RS 6P tariff and rates, on an interim non-refundable/non-recoverable basis, to accommodate point-of-sale public fueling at the Annacis Island Fueling Station, effective November 30, 2021.

FEI requests approval of the rates established in the Agreements on an interim and refundable/recoverable basis, pending the finalization of actual capital costs, and the determination of the resulting final rates. Once final capital costs are known, FEI and the Anchor Customers may enter into amending agreements, if required, based on the final costs of the Annacis Island Fueling Station. Once the final capital costs are known, FEI will file with the BCUC for approval of rates on a permanent basis. Any variance between interim and permanent rates will be refunded to or recovered from the Anchor Customers following the approval of permanent rates.

FEI requests approval of the RS 6P tariff and rates on an interim and non-refundable/non-recoverable basis, given that public fueling will occur through transactions at the point of sale terminals at the fueling stations, it will not be possible to refund or recover any differences between interim and permanent rates for public users. Once final permanent rates for the Annacis Island Fueling Station are determined by the BCUC following a permanent rates application by FEI, FEI will file for permanent approval of the Annacis Island Fueling Station public fueling rates in RS 6P.

3. PROJECT DESCRIPTION

The Annacis Island Fueling Station is designed as a fast-fill station where trucks are filled as they arrive. The station will consist of one fast-fill dispenser with two hoses, a storage tank, and a compressor. The fast-fill dispenser will be able to provide fuel to the Anchor Customers, future third party customers and public fueling customers. FEI expects the fueling station to be operational by November 1, 2021.

The Annacis Island Fueling Station location is close to a major transportation hub along Highway 91 and 91A. These highways connect Richmond, New Westminster and Surrey and are a major route for port drayage and other commercial transport. By adding a CNG fueling station at Annacis Island, current and potential CNG fleets will have the ability to fuel their CNG vehicles, on a third-party basis, at the Annacis Island Fueling Station which is along this main transportation route for medium and heavy-duty trucks. FEI anticipates that, in addition to the Anchor Customers, the Annacis Island Fueling Station will serve a number of other third-party customers once operational, due to the station's ability to fast-fuel medium and heavy duty CNG trucks.

4. THE AGREEMENTS UNDER THE GGRR

This section provides background on the GGRR and the conformity of the Agreements to the requirements under the GGRR.

4.1 MINIMUM GGRR REQUIREMENTS FOR CNG FUELING STATIONS

Section 2(2) of the GGRR establishes CNG fueling station service as a prescribed undertaking for the purposes of section 18 of the Clean Energy Act (Prescribed Undertaking 2). Section 2(2) of Prescribed Undertaking 2 provides as follows³:

(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;

(b) the average expenditure on stations, in any year of the undertaking, does not exceed \$3 million per station;

(b.1) expenditures, during the undertaking period, on administration and marketing do not exceed \$240 000; and

(c) at least

(i) 80% of the forecast total operating costs of the asset for the first five years of operation,

(ii) 60% of the forecast total operating costs of the asset for the first seven years of operation.

(3.01) The amount determined by adding the following must not exceed \$62.5 million:

(a) total expenditures during the undertaking period on the undertaking described in subsection (2), including expenditures on administration and marketing;

³ The definition incorporates the most current changes incorporated by the Order of the Lieutenant Governor in Council No. 199, dated April 20, 2018 B.C. Reg. 84/2018.

(b) total expenditures during the undertaking period on the undertaking described in subsection (3), including expenditures on administration and marketing.

The current GRR spending limit is \$62.5 million over the undertaking period (commencing on April 1, 2011 and expiring on March 31, 2022), and all expenditures (which is defined under the GRR to include commitments to expend) must be incurred by March 31, 2022. In the GRR Decision and Order G-56-13, the BCUC clarified that these expenditure limits are based on the actual cost of construction and the average station expenditure relates to expenditures on completed stations in any specific year of the undertaking.

The Annacis Island Fueling Station will be completed within Year 11 (April 1, 2021 to March 31, 2022) of the undertaking period at a budgeted capital cost of \$0.962 million excluding AFUDC (\$1.074 million including AFUDC) which is FEI's estimate of its direct capital expenditures and net of the contribution from NRCAN (as discussed in Section 5.3). Should any expenditures be incurred after March 31, 2022, these expenditures will continue to be subject to the applicable GRR cost recovery requirements as these expenditure are committed prior to the expiry of the GRR. The average capital expenditure for all FEI's CNG fueling stations in Year 11 of the undertaking period will not exceed the average \$3 million capital expenditure. Furthermore, FEI's total capital expenditure to date under the GRR will remain under \$62.5 million for CNG or LNG infrastructure.

4.2 THE AGREEMENTS CONFORMS TO THE GRR

The Agreements meets the requirements of Section 2(2) of the GRR. The table below summarizes the terms of the GRR and the provisions of the Agreements that conform to the parameters established by the GRR.

Table 1: The Agreements and Minimum GRR Requirements

Term	Notes	GRR Section	The Agreements	Agreements Section
Description of service	<ul style="list-style-type: none"> Public utility constructs and operates, or purchases and operates, one or more compressed natural gas fueling stations 	Section 2(2), (a)(i)(ii)	FEI will own and operate the Annacis Island Fueling Station	Part II, Section A (B) of the Fueling Services Agreements
Expenditure limits	<ul style="list-style-type: none"> Total expenditures do not exceed \$62.5 million during the undertaking period; Average station expenditures do not exceed \$3 million per station in any year 	Section 2(2), (b)(i)	With the construction of the Annacis Island Fueling Station, the total expenditures for stations to date will remain below \$62.5 million, and FEI will not exceed the \$3 million per station average in Year 11 of the undertaking period	Program related; no specific contract reference

Term	Notes	GGRR Section	The Agreements	Agreements Section
Minimum term and minimum energy use	<ul style="list-style-type: none">80 percent of the forecast total operating costs of the asset for the first five years of operation; or 60 percent of the forecast total operating costs of the asset for the first seven years of operation.	Section 2(2), (c)(ii)	The proposed rates in the Agreement are projected to recover at least 60% of the forecast operating costs of the Annacis Island Fueling Station over the initial term of the first seven years.	Part I, Term and Minimum Annual Quantity of the Fueling Services Agreements

- 1
- 2 Please refer to Section 5 below for further discussion on the key terms and conditions of the
- 3 Agreements.

5. PROPOSED RATES FOR FUELING SERVICES

This section provides a summary of the inputs to the cost of service model used to calculate the interim rate charges for fueling service provided at the Annacis Island Fueling Station.

Please refer to Confidential Appendix H for the financial model and Appendix I for the detailed financial schedules.

5.1 TERMS AND CONDITIONS

Table 2 below shows the key terms and conditions of the Agreement.

Table 2: Summary of Key Terms and Conditions of the Agreement

Term	Notes/Description	Section of Agreements
Ownership of the fueling station	<ul style="list-style-type: none"> The fueling station shall at all times remain the property of FEI. 	Part II, Section A (B) of the Fueling Services Agreements
Minimum Quantity	<ul style="list-style-type: none"> Minimum annual volume of 21,000 GJs from Year 1 to 5 and 20,000 GJs from Year 6 to 7 at the Annacis Island Fueling Station represents recovery of 60 percent of the forecast operating cost over the term of the Agreements 	Part I, Term and Minimum Annual Quantity of the Fueling Services Agreements
Expiry of Term	<ul style="list-style-type: none"> The Initial Term will commence on Rate Change Date of January 1, 2022 and expire on December 31, 2028. 	Part I, Term of the Fueling Services Agreements

The proposed rates in the Agreements represent a recovery of 60 percent of the forecast operating costs of the Annacis Island Fueling Station over the first seven year term as permitted under GGRR. Any additional volumes from the Anchor Customers, other third-party customers or public fueling customers will increase the cost recovery of the Annacis Island Fueling Station.

5.2 COST OF SERVICE MODEL

The cost of service model used to calculate the proposed permanent fueling rates for the Annacis Island Fueling Station is based on FEI's approved capital structure, allowed rate of return and tax rates as of October 2021.

Table 3 below summarizes the key inputs and resulting outputs for 2022, the first year of the term for the Annacis Island Fueling Station.

A fully functional cost of service financial model is provided in Appendix H on a confidential basis.

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Table 3: Cost of Service Model - Inputs and Outputs

Input	Notes	Amount
Term	<ul style="list-style-type: none"> Initial Term commencing on the Rate Change Date of January 1, 2022 and continuing for a period of seven years 	7 years
Volume	<ul style="list-style-type: none"> Annual take-or-pay minimum of 21,000 GJs per year from Year 1 to 5 and 20,000 GJs per year from Year 6 to 7 represents 60 percent of the forecast operating cost for the Annacis Island Fueling Station 	21,000 GJs per year from Year 1 to 5 and 20,000 GJs per year from Year 6 to 7
Fueling station capital	<ul style="list-style-type: none"> Expenditures for dispensing equipment, civil work, engineering, project management and commissioning, branding costs, and AFUDC. Total capital expenditure is \$1.817 million (including AFUDC) comprised of: <ul style="list-style-type: none"> FEI forecast expenditure of \$1.074 million, (including AFUDC) NRCan funding contribution of \$0.743 million (treated as contributions in aid of construction (CIAC) under BCUC Uniform System of Account for Gas Utilities) 	\$1.817 million (including AFUDC)
Annual O&M	<ul style="list-style-type: none"> Annual amount for regular and preventive maintenance, electricity costs and ongoing training as required of Annacis Island Fueling Station <ul style="list-style-type: none"> Average annual repair and maintenance of approximately \$60,000 per year Electricity cost of approximately \$34,000 per year 	Approx. \$94,000 per year
Lease Costs	<ul style="list-style-type: none"> Lease costs payable to Coastland Wood (Host) of \$34,468 per year, escalates by 6% per annum. Year 1 lease costs also include \$77,549 of lease costs paid during the construction of the fueling station.⁴ 	\$34,466 per year
Allowance for overhead and marketing costs	<ul style="list-style-type: none"> Applicable pursuant to Order G-78-13 and Compliance Filing pursuant to Order G-105-15 	\$0.520 per GJ
Application costs	<ul style="list-style-type: none"> Deferred charge over Initial Term 	\$10,000

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Output	Notes	Proposed Rates
Capital Rate	<ul style="list-style-type: none"> Escalates at 2% per year beginning on January 1, 2023 	\$4.382 per GJ
O&M Rate	<ul style="list-style-type: none"> Escalates annually by British Columbia Consumer Price Index (BC CPI) beginning on January 1, 2023 	\$2.686 per GJ

⁴ Appendix I, Schedule 1, Line 3 of the Financial Schedules include \$77,549 of lease costs paid during construction, plus the \$34,466 per year lease cost for a total cost of \$112,015 in Year 1.

Output	Notes	Proposed Rates
OH&M Rate	• Not inflated by BC CPI	\$0.520 per GJ
Total Base Rate	• Sum of Capital, O&M and OH&M Rates	\$7.588 per GJ

1
 2 For the period from the expected operation and in-service date of November 1, 2021 to January
 3 1, 2022, the Anchor Customers will pay the Base Rate as set out in Table 3 above for all volumes
 4 of fuel dispensed but will not be subject to the applicable Minimum Monthly Quantity. This
 5 treatment for the period prior to the first Rate Change Date is consistent with previous BCUC
 6 decisions for CNG and LNG stations. After the expected Rate Change Date of January 1, 2022,
 7 the Capital Rate, O&M Rate, and OH&M Rate will be applied to the Minimum Monthly Quantity
 8 and for any volumes above for each of the Anchor Customers.

9 The total capital expenditure for the Annacis Island Fueling Station is estimated to be \$1.817
 10 million, including AFUDC. The capital contribution from NRCan is \$0.743 million, as discussed in
 11 Section 5.3, and therefore FEI's capital investment for the station is expected to be \$1.074 million.
 12 FEI expects the Annacis Island Fueling Station to be commissioned and ready for service on
 13 November 1, 2021 with public fueling to be available by November 30, 2021, as required under
 14 the NRCan funding contribution agreement. As such, FEI is also applying for approval of
 15 amendments the RS 6P tariff and rates to accommodate public fueling services at the Annacis
 16 Island Fueling Station.

17 The Capital Rate for the Annacis Island Fueling Station is determined in part by using the
 18 projected FEI net capital expenditure of \$1.074 million and including the property access and use
 19 cost identified in the Host Agreement. The property access and use cost is recovered from the
 20 participating customers through the Capital Rate under the Agreements and will be directly
 21 remitted to Coastland Wood. Once the total capital expenditure is known and finalized, FEI will
 22 file for permanent rate approval with the BCUC.

23 The O&M Rate is based on an approximate budget of \$94 thousand escalated by 2 percent
 24 inflation for years 2 to 5 (year 5 escalated forecast of approx. \$102 thousand). In year 6, the O&M
 25 drops to approximately \$99 thousand and is increased by 2 percent inflation thereafter. The
 26 reduction in the forecasted O&M in year 6 is due to a reduction in overall volume commitment of
 27 1,000 GJs per year (from 21,000 GJs per year to 20,000 GJs per year) as Martin-Brower has no
 28 volume commitment starting in year 6. Martin-Brower will be charged an additional Spot Charge
 29 for any volumes taken from the Annacis Island Fueling Station starting in year 6. The forecast
 30 takes into consideration scheduled maintenance, electricity costs, and the volume commitment
 31 over the seven year period.

32 All Capital and O&M Rate revenues generated and collected from users of the Annacis Island
 33 Fueling Station will be applied toward the cost of service recovery of this fueling station. Any
 34 incremental demand beyond the take-or-pay commitments of the Anchor Customers from the

Anchor Customers, additional third-party customers, or public fueling customers will increase the cost recovery of the Annacis Island Fueling Station.

5.3 NRCAN FUNDING

NRCan is providing FEI with a funding contribution of \$0.743 million towards the development and construction of the Annacis Island Fueling Station. In accordance with the Contribution Agreement and amending agreement executed between FEI and NRCan (collectively, NRCan Contribution Agreement), FEI is required to provide NRCan a portion of the annual profit equivalent to the percentage of the NRCan contribution from the overall project budget up to the funding amount of \$0.743 million over the ten year term of the NRCan Contribution Agreement. In addition, the NRCan funding contribution is contingent on the Annacis Island Fueling Station being available for fueling service to the general public by November 30, 2021.

FEI has prepared a sample of the NRCan repayment model, provided in Appendix J, showing a forecast of the expected revenue and expenses arising from the Annacis Island Fueling Station. This model is based on the minimum annual take-or-pay of 21,000 GJs⁵ provided by the Anchor Customers, and does not consider any third-party or public fueling volumes. The actual profit will include revenue from third-party and public fueling customers. FEI is not projecting to earn a profit on this station for the entirety of the initial seven year term. If the Annacis Island Fueling Station does earn a profit during the term, a portion of the annual profit will be required to be remitted back to NRCan.

⁵ 20,000 GJs for contract years 6 and 7.

6. AMENDMENTS TO RS 6P

FEI's proposed rates for public fueling at the Annacis Island Fueling Station consist of two broad components. First, there are delivery margin and commodity related charges. Second, there are charges related to the CNG fueling service station. FEI's proposals for each are set out below.

Delivery Margin and Commodity Related Charges

FEI proposes that the delivery margin and commodity related charges per GJ in the Table of Charges for the Annacis Island Fueling Station be based on FEI's approved Rate Schedule 5 (RS 5) charges because the Annacis Island Fueling Station will be served under RS 5. The Delivery Charge per GJ is calculated based on the RS 5 Demand Charge plus the Basic Charge per Month divided by the monthly equivalent of the minimum Annual Take or Pay volume commitment (21,000 GJs). This ensures consistent delivery margin and commodity related charges for all users of the Annacis Island Fueling Station, including the Anchor Customers and all other fueling customers at the Annacis Island Fueling Station.

Station Service Related Charges

FEI proposes that the station service related charges reflect the rates set out in the Agreements for the Capital Rate, the O&M Rate, the OH&M Charge, the Short Term Charge, Host Fee, and the Spot Charge.

FEI confirms that in future, if the Annacis Island Fueling Station rates change from time to time as a result of the annual escalations or by BCUC Order, FEI will apply to amend the public fueling rates in RS 6P for the Annacis Island Fueling Station such that they remain consistent.

The proposed amends to RS 6P tariff pages are provided in Appendix K showing the blacklined revisions to with the BCUC's review.

1 **7. CONCLUSION**

2 FEI respectfully requests that the BCUC approve the rates established in the Agreements on an
3 interim and refundable basis, effective November 1, 2021, and the amendments to the RS 6P
4 tariff and rates as applied for in an interim and non-refundable/non-recoverable basis, effective
5 November 30, 2021.

6 A Draft Form of Order is provided in Appendix L.

Appendix A

COASTLAND WOOD HOST AGREEMENT

PROPERTY ACCESS AND USE AGREEMENT
(Fueling Equipment – Host Agreement)

THIS AGREEMENT is made effective as of June 11, 2019 (the “Effective Date”)

BETWEEN:

COASTLAND WOOD INDUSTRIES LTD., of 755 Belgrave Way, Delta, BC V3M 5R8
(the “Property Owner”)

AND:

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

WHEREAS:

- A. FEI wishes to install and maintain fueling equipment, including infrastructure, apparatus, conduits, lines and pipes (the “Fueling Equipment”) on the lands and premises of the Property Owner at 675 Belgrave Way, Delta, (the “Lands”) for the sale of compressed natural gas (the “Fuel”) to the customers of FEI (the “Customers”) which may include the Property Owner (the “Approved Purpose”).
- B. The Property Owner agrees to grant a license to FEI for access over the Lands and use of a portion of the Lands for the installation and maintenance of the Fueling Equipment for the Approved Purpose, all on the terms and conditions set out in this Agreement.

NOW THEREFORE, in consideration of the mutual promises set out herein and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the parties agree as follows:

1. Conditions, Term, Renewal, Expiry and Early Termination.

1.1 Conditions Precedent. The obligations of the parties to carry out the transactions contemplated by this Agreement are conditional upon FEI:

- (a) obtaining the necessary approvals required, including from the British Columbia Utilities Commission (“BCUC”), affecting or necessary for the ownership, installation, maintenance and operation of the Fueling Equipment, and the terms and conditions of use of the Fueling Equipment by Customers;

by no later than **September 1, 2019**, or such later date as may be agreed between the parties. The foregoing condition is a true condition precedent and may not be unilaterally waived by either party, and if the condition is not met by the specified date, then the parties’ obligations under this Agreement will be at an end, and thereafter neither party shall have any further or continuing obligation to the other under this Agreement, except for those obligations and provisions which are specifically stated to survive the expiration or termination of this Agreement.

1.2 Term. Subject to section 1.1 (*Conditions Precedent*), the term of this Agreement shall commence on the Effective Date and shall expire on the third (3rd) anniversary of the In-Service Date (the “Initial Term”), unless extended or renewed, or terminated earlier, in accordance with this Agreement (the “Term”), where “In-Service Date” means the first



day of the month after the Fueling Equipment is operational and capable of dispensing Fuel, as determined by FortisBC in its sole discretion.

1.3 **Renewal.** This Agreement may be renewed for three (3) further terms (each, a “**Renewal Term**”) of the following lengths:

- (a) Renewal Term #1 – three (3) years;
- (b) Renewal Term #2 – three (3) years; and
- (c) Renewal Term #3 - one (1) year;

on the same terms and conditions, save and except the Fee payable during the applicable Renewal Term; so long as the parties enter into a by renewal or amending agreement in accordance with section 14.9 (*Amendments to be in writing*) within three (3) months prior to the end of the Initial Term or Renewal Term, as the case may be.

1.4 **Early Termination.** FEI may terminate this Agreement at any time *prior* to the installation of the Fueling Equipment for any reason, without liability for any payment to the Property Owner for such termination.

1.5 **Removal of the Fueling Equipment upon Expiry or Termination.** Upon expiry or termination of this Agreement, FEI will remove those portions of the Fueling Equipment to surface level, including any concrete pads or asphalt curbs, but excluding any portion of the Fueling Equipment below ground; and will restore any damage to the Lands as a result of such removal.

2. **Access to and Use of Lands.**

2.1 **Grant of Licence.**

- (a) The Property Owner, as legal and beneficial owner of the Lands, hereby grants to FEI a non-exclusive irrevocable licence to those portions of the Lands on which the Fueling Equipment is located, as mutually agreed between the parties, (the “**Fueling Site**”) at all times and from time to time, with or without vehicles, machinery and equipment:

- (i) for FEI and its authorized employees, contractors and agents, to excavate, install, place, construct, renew, alter, repair, maintain, use, abandon, remove or replace the Fueling Equipment, in whole or in part; and
- (ii) for FEI, its authorized employees, contractors and agents, and the Customers to use the Fueling Site for the Approved Purpose;

subject to compliance by FEI with the terms of this Agreement.

- (b) The proposed location of the Fueling Site is as more particularly shown in the drawing attached as Schedule A (*Fueling Site*), which schedule will be amended by the parties by amending agreement upon completion of installation of the Fueling Equipment to accurately reflect the Fueling Site.

- 2.2 **Access over the Lands.** The Property Owner hereby grants to FEI the free and unobstructed right of access over and across the Lands using the designated access route shown outlined in Schedule A (*Fueling Site*), with or without vehicles, machinery and equipment, as required from time to time, for FEI and its authorized employees, contractors, agents and the Customers to access the Fueling Equipment; provided, however, this right shall in no way restrict the Property Owner from maintaining, changing or improving the Lands as long as FEI and its authorized employees, contractors, agents and the Customers continue to have access to the Fueling Equipment.
- 2.3 **No Interest in Land.** Despite any other provision herein or any rule of law to the contrary, this Agreement does not create any interest in land passing between the Property Owner and FEI.
- 2.4 **Grant of Rights to Third Parties.** Subject to section 3.1, the grant of rights to FEI hereunder does not preclude or prevent the Property Owner from granting easements, statutory rights of way or other grants, leases or licences over the Lands to any other person.
3. **Use of the Lands**
- 3.1 **Non-Interference.** The Property Owner will not do or knowingly permit to be done anything in, under, over, upon or with respect to the Lands which, in the reasonable opinion of FEI, may interfere with, diminish or injure FEI's rights hereunder or the installation, maintenance use or operation of the Fueling Equipment, including anything which:
- (a) interrupts, endangers, impedes, disturbs or causes damage to the Fueling Equipment or its operation, use, security or functionality;
 - (b) removes, diminishes or impairs any vertical support, lateral support or ventilation for, or causes the movement or settlement of, the Fueling Equipment; and
 - (c) causes, permits or suffers any structure, equipment, act or function to exert any vertical load or lateral load upon or against, or impair the structural integrity of, the Fueling Equipment;
- without the prior written consent of FEI and in accordance with any conditions FEI may specify as a condition of such consent.
- 3.2 **Payment of Taxes.** If the operation of the Fueling Site results in the BC Assessment Authority reassessing the Lands to include that additional use of the Lands, any incremental increase in taxes caused solely and directly by such reassessment of the value of the Lands will be the responsibility of FEI. Otherwise, FEI will not be responsible for the payment of any property taxes or assessments levied against the Lands.
- 3.3 **Compliance with Property Owner Directions.** FEI will abide by all reasonable rules, regulations and directives made by the Property Owner from time to time pertaining to the use, operation, safety, care or cleanliness of the Fueling Site or the Lands.

4. **Permits and Approvals.**

4.1 **FEI Approvals.** FEI shall obtain and maintain any consents, permits, filings, orders or other approvals and including governmental consents and approvals, building and construction permits, environmental permits, zoning changes or variances (collectively, the "Approvals") required, affecting or necessary for the ownership, installation, maintenance and operation of the Fueling Equipment, including necessary Approvals from BCUC.

4.2 **Assistance.** The Property Owner shall, upon FEI request, use commercially reasonable efforts to advise and assist FEI in obtaining any Approvals.

4.3 **BCUC Approval.** The Property Owner acknowledges FEI is a public utility as defined in the *Utilities Commission Act (British Columbia)* and this Agreement, including all terms and conditions contained herein, is subject to BCUC Approval. If BCUC Approval is not granted or is granted subject to terms and conditions which are not reasonably satisfactory to FEI and the Property Owner having regard to their *bona fide* business interests, the parties agree to negotiate in good faith to address the impacts thereof, including mitigation of costs; provided that if the parties are not able to reach agreement within six (6) months of commencing negotiations, or such later period as agreed by the parties in writing (the "Negotiation Period"), this Agreement will terminate at the end of the Negotiation Period.

5. **Installation and Ownership of the Fueling Equipment.**

5.1 **Installation.** FEI shall install the Fueling Equipment, of a size and with such other specifications as reasonably determined by FEI to be suitable for the Approved Purpose and as approved by the Property Owner (such approval not to be unreasonably withheld, conditioned or delayed), in a good and workmanlike manner consistent with industry standards and in compliance with all applicable Approvals, laws and regulations.

5.2 **Electrical Supply.**

(a) FEI shall be entitled to access the electrical power supply servicing the Lands to operate the Fueling Equipment. FEI shall be responsible for providing electrical connections directly to the Fueling Equipment and undertaking any electrical service upgrades required to service the Fueling Equipment, including installation of separate electric metering for the Fueling Equipment. The Property Owner shall not be liable to FEI for any failure or interruption in electrical power supply unless caused by the negligence of the Property Owner.

(b) FEI shall pay for all electrical costs directly attributable to FEI's use of the Fueling Site and the Fueling Equipment based on separate metering.

5.3 **Ownership.** The Fueling Equipment is, and shall, at all times, remain, the property of FEI and freely alienable by FEI as its own property despite the degree to which the Fueling Equipment may be annexed or affixed to the Lands and despite any rule of law or equity to the contrary. FEI shall be entitled to install signage within the Fueling Site and notices on the Fueling Equipment identifying FEI's ownership of the Fueling Equipment.

- 5.4 **Corporate Branding.** In addition to any signage or notices installed pursuant to section 5.3, FEI shall be entitled to affix its corporate logo and other branding and/or marketing elements to the exterior of the Fueling Equipment, all of reasonable size and prominence.
6. **Maintenance of the Lands and Fueling Site.**
- 6.1 **Cleaning and Waste and Snow Removal.** Unless otherwise agreed between the parties, FEI will be responsible for keeping the Fueling Site in a clean and tidy condition and, as required, free of ice and snow. FEI will not permit the Fueling Site to become untidy, unsightly or hazardous, or permit any waste paper, garbage, refuse or objectionable materials to accumulate on or around the Fueling Site. Despite the foregoing, FEI will not be responsible for any waste or other materials disposed of or left at the Fueling Site by the Owner or anyone for whom the Owner is responsible at law.
- 6.2 **Occupier's Liability.** Nothing contained in this Agreement will abrogate or detract from the liabilities and obligations of the Property Owner as the owner and occupier of the Lands.
- 6.3 **Security.** FEI shall provide and maintain security to protect the Fueling Equipment from vandalism and other damage.
7. **Maintenance and Operation of the Fueling Equipment.**
- 7.1 **Maintenance.** FEI shall maintain the Fueling Equipment in good and safe working order in accordance with all applicable Approvals, laws and regulations. FEI shall promptly remove or repair any parts of the Fueling Equipment that have been vandalized, damaged or poses a risk to the public. FEI will not be considered to be in default under this Agreement while undertaking maintenance or repair of the Fueling Equipment.
- 7.2 **Operation.** FEI shall operate the Fueling Equipment in accordance with the manufacturer's dispensing instructions and all applicable Approvals, laws and regulations.
8. **Fees and Payments.**
- 8.1 **Land Use Fee.** In consideration for the access to and use of the Lands for the Approved Purpose, FEI agrees to pay to the Property Owner a monthly fee (the "Fee"), plus applicable taxes thereon, of **\$2,872.19 per month** commencing September 1, 2019, and escalated annually on the anniversary of the In-Service Date by six (6%) percent.
- 8.2 **No Additional Payments.** The Fee is all-inclusive and, except for payments for incremental property taxes pursuant to section 3.2 (*Payment of Property Taxes*) and electrical consumption pursuant to section 5.2 (*Electrical Supply*), no additional amounts shall be payable by FEI for access to the Lands and use of the Fueling Site.
- 8.3 **Payment.** FEI will pay the Fee to the Property Owner for each month in advance on the first day of the month for each month of the Term.
- 8.4 **Overdue Payments.** Overdue payments shall be subject to a late payment charge of 1.5% per month (19.56% per annum).

9. **Default.**

9.1 **Default.** Subject to section 12, either party (the “**Defaulting Party**”) shall be in default of this Agreement if the Defaulting Party is in breach of any term, covenant, agreement, condition or obligation imposed on it under this Agreement, provided that:

- (a) the other party (the “**Non-Defaulting Party**”) provides the Defaulting Party with a written notice of such default and a 30-day period within which to cure such a default (the “**Cure Period**”); and
- (b) the Defaulting Party fails to cure such default during the Cure Period, or if such default is not capable of being cured within the Cure Period, fails in good faith to commence the curing of such default upon receipt of notice of default and to continue to diligently pursue the curing of such default thereafter until cured.

9.2 **Effect of Default.** Upon default, the Non-Defaulting Party may, at its option and in addition to and without liability therefore or prejudice to any other right or remedy it may have:

- (a) cease performing its obligations under the agreement, including suspending or refusing to make any payment due hereunder, until the default has been fully remedied, and no such action shall relieve the Defaulting Party from any of its obligations under this Agreement;
- (b) undertake the necessary steps to remedy the default at the Defaulting Party’s expense, and such action shall not relieve the Defaulting Party from any of its obligations under this Agreement; or
- (c) terminate this Agreement immediately upon notice to the other party, whereupon the provisions of section 1.5 shall apply.

10. **Insurance, Liability and Indemnity.**

10.1 **Insurance.** FEI shall maintain Comprehensive General Liability Insurance, including without limitation, contractual liability insurance, against claims for bodily injury, death or property damage or loss howsoever arising out of the operations of FEI to a combined limit of not less than \$5,000,000 with respect to injury or death to a single person or in respect of any one occurrence concerning property damage. Such policy shall contain a cross liability clause, a severability of interest clause, shall be primary without calling into contribution any other insurance available to the Property Owner and shall include the Property Owner as additional insured.

10.2 **Liability and Release.** The Property Owner shall not be liable for any damage or injury caused to FEI or its property while on the Fueling Site except to the extent caused by the acts or omissions of the Property Owner or any person for whom it is in law responsible. FEI hereby releases the Property Owner and its officers, directors, employees, agents, consultants, contractors and subsidiaries (the “**Property Owner’s Representatives**”) and waives any rights, including rights of subrogation, it may have against them for compensation for any loss or damage occasioned by FEI, except to the extent caused by the Property Owner or any person for whom it is in law responsible.

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10.3 **Indemnity.** FEI hereby irrevocably indemnifies, defends and saves harmless the Property Owner and the Property Owner's Representatives from and against all losses, claims, suits, costs, actions, damages, liabilities and expenses arising out of any act or omission of FEI, whether occurring in and about the Fueling Site or arising out of any breach by FEI of any provision of this Agreement.

10.4 **Limitation of Liability.**

(a) Each party's liability to the other party under this Section 10 shall be limited to the payment of direct damages. In no event shall either party be responsible or liable to the other party for any indirect, consequential, punitive, exemplary or incidental damages of the other party or any third party arising out of or related to this Agreement even if the loss is directly attributable to the gross negligence or wilful misconduct of such party, its employees, or contractors.

(b) In no event whatsoever will FEI be liable for any acts or omissions of any Customer accessing the Lands or using the Fueling Site.

10.5 **Duty to Mitigate.** Each party has a duty to mitigate the damages that would otherwise be recoverable from the other party pursuant to this Agreement by taking appropriate and commercially reasonable actions to reduce or limit the amount of such damages or amounts.

11. **Environmental Provisions.**

11.1 **Definition of Contaminants.** "Contaminants" means collectively, any contaminant, toxic substances, dangerous goods, or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health, and includes any radioactive materials, asbestos materials, urea formaldehyde, underground or aboveground tanks, pollutants, contaminants, deleterious substances, dangerous substances or goods, hazardous, corrosive or toxic substances, hazardous waste or waste of any kind, pesticides, defoliants, or any other solid, liquid, gas, vapour, odour or any other substance the storage, manufacture, disposal, handling, treatment, generation, use, transport, remediation or release into the environment of which is now or hereafter prohibited, controlled or regulated by law.

11.2 **FEI Liability.** Despite any other provision of this Agreement, the Property Owner acknowledges and agrees FEI is not and shall not be responsible for any Contaminants now present, or present in the future, in, on or under the Lands, or that may or may have migrated on or off the Lands, save and except any Contaminants brought onto the Lands by FEI or to the extent that such release was a direct result of the acts or omissions of FEI or any person for whom it is in law responsible.

11.3 **FEI Release and Indemnity.** FEI hereby releases and indemnifies the Property Owner and its directors, officers, employees, successors and permitted assigns, from any and all liabilities, actions, damages, claims (including remediation cost recovery claims), losses, costs, orders, fines, penalties and expenses whatsoever (including all consulting and legal fees and expenses on a solicitor-client basis and the cost of remediation of the Fueling Site) arising from or in connection with any release or alleged release of any Contaminants

as a direct result of the acts or omissions of FEI or any person for whom it is in law responsible.

11.4 **Environmental Representations and Warranties.** The Property Owner represents and warrants to FEI that, as at the Effective Date, to the best of its knowledge there are no actions, proceedings, investigations, claims (including remediation cost recovery claims) pending, or threatened, that would interfere with FEI's use of the Fueling Equipment or the Fueling Site or access over the Lands or that relate to the presence of Contaminants in, under or migrating to or from the Fueling Site or the Lands.

11.5 **Environmental Compliance.** The parties acknowledge and agree they each have responsibility for environmental compliance, management and reporting pursuant to environmental laws and regulations arising from the ownership, operation, maintenance and use of the Fueling Equipment, including related to emissions and spills. The parties covenant and agree to co-operate with each other in co-ordinating, establishing, implementing and verifying processes and procedures to manage and address environmental impacts and ensure each party's respective compliance with environmental laws and regulations. In no way limiting the foregoing, the Property Owner agrees to assist and support FEI in the implementation and compliance with FEI's Emergency Response Assistance Plan approved by Transport Canada for the transportation of dangerous goods (the "ERAP").

11.6 **Environmental Assessments and Clean-Up**

(a) **Initial Environmental Assessment.** The parties will retain, and equally share in the cost of, a consultant to conduct a Phase 1 environmental assessment of the Fueling Site to establish a baseline of the environmental condition of the Fueling Site.

(b) **Environmental Condition at end of Term.** FEI will conduct, at its own cost, a follow-up environmental assessment of the Fueling Site at the end of the Term. If such assessment identifies an increase in Contaminants from the assessment conducted pursuant to section 11.6(a) (*Initial Environmental Assessment*) and FEI is responsible for such Contaminants pursuant to section 11.2 (*FEI Liability*), FEI will be responsible for remediation of the Fueling Site to the condition as identified in the initial environmental assessment.

12. **Force Majeure.**

12.1 No party will be in default of this Agreement by reason only of any failure in the performance of such party's obligations pursuant to this Agreement if such failure arises without the fault or negligence of such party and is caused by any event of Force Majeure (as defined below) that makes it commercially impracticable or unreasonable for such party to perform its obligations under this Agreement and, in such event, the obligations of the parties will be suspended to the extent necessary for the period of the Force Majeure condition, save and except neither party will be relieved of or released from its obligations to make payments to the other party as a result of an event of Force Majeure. For the purpose of this section, "**Force Majeure**" means any cause which is unavoidable or beyond the reasonable control of any party to this Agreement and which, by the

exercise of its reasonable efforts, such party is unable to prevent or overcome, including, acts of God, war, riots, intervention by civil or military authority, strikes, lockouts, accidents, acts of civil or military authority, or orders of government or regulatory bodies having jurisdiction, or breakage or accident to machinery or lines of pipes, or freezing of wells or pipelines or the failure of gas supply, temporary or otherwise, from a supplier; provided however, the lack of funds or other financial cause shall not be an event of Force Majeure.

- 12.2 The party whose performance is prevented by an event of Force Majeure must provide notification to the other party of the occurrence of such event as soon as reasonably possible and take commercially reasonable steps to eliminate any such occurrence.

13. **Representations, Warranties and Covenants.**

- 13.1 **Mutual Representations and Warranties.** Subject to receipt of approval of this Agreement by BCUC as identified in section 4.3, each party represents and warrants to the other party that, as of the Effective Date:

- (a) it has the full right, power and authority to enter into this Agreement and all necessary corporate action has been taken to authorize and approve the execution and delivery of this Agreement and performance of obligations hereunder;
- (b) to the best of its knowledge, this Agreement and the performance of its obligations hereunder do not breach any provisions of any other agreement or law that is binding on or applicable to such party;
- (c) it is not party to any action, suit or legal proceeding, actual or threatened, and there are no circumstances, matters or things known to such party which might give rise to any such action, suit or legal proceeding, and there are no actions, suits or proceedings pending or threatened against such party before or by any governmental authority, which could affect its ability to perform its obligations under this Agreement.

14. **General.**

- 14.1 **Costs.** Except as otherwise set out in this Agreement, each party will be responsible for the payment of its own costs related to performing its obligations under this Agreement.
- 14.2 **Survival.** The following sections shall survive the termination or expiration of this Agreement: Sections 10 [*Insurance, Liability, Indemnity*], 11 [*Environmental Provisions*] and 14.7 [*Notice*].
- 14.3 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada. The parties hereby attorn to the jurisdiction of the courts of British Columbia and all courts competent to hear appeals therefrom.



- 14.4 **Compliance with Laws.** Each party covenants, as a material provision of this Agreement, it will comply with all codes, statutes, by-laws, regulations or other laws in force in British Columbia during the Term.
- 14.5 **Assignment.** Neither party shall assign its rights and obligations under this Agreement without the prior written consent of the other party, such consent not to be unreasonably withheld, delayed or conditioned. Despite the foregoing, FEI may assign the Agreement, or parts thereof, to any of its affiliates.
- 14.6 **No Joint Venture or Partnership.** Nothing contained in this Agreement shall be construed to place the parties in the role of partners or joint venturers or agents and no party shall have the power to obligate or bind any other party in any manner whatsoever.
- 14.7 **Notice.** Any notices or other communication required to be given or made pursuant to the Agreement shall, unless otherwise expressly provided herein, shall be in writing and shall be personally delivered to or sent by facsimile to either party at its address set forth below:

<p>If to FEI: FORTISBC ENERGY INC. 16705 Fraser Highway, Surrey, BC V4N 0E8</p> <p>Attention: Tyson Jerry, CNG/LNG Account Manager</p> <p>Copy to: tyson.jerry@fortisbc.com</p>	<p>If to the Property Owner: COASTLAND WOOD INDUSTRIES LTD. 755 Belgrave Way, Delta, BC</p> <p>Attention: Doug Pauze, SVP, Operations</p>
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- 14.8 **Schedules.** The schedules attached to this agreement are an integral part of this Agreement and are hereby incorporated into this Agreement as a part thereof.
- 14.9 **Amendments to be in writing.** Except as set out in this Agreement, no amendment or variation of the Agreement shall be effective or binding upon the parties unless such amendment or variation is set forth in writing and duly executed by the parties.
- 14.10 **Waiver.** No party is bound by any waiver of any provision of this Agreement unless such waiver is consented to in writing by that party. No waiver of any provisions of this Agreement constitutes a waiver of any other provision, nor does any waiver constitute a continuing waiver unless otherwise provided.
- 14.11 **Enurement.** This Agreement enures to the benefit of and is binding on the parties and their respective successors and permitted assigns.
- 14.12 **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination does not impair or affect the validity, legality or enforceability of any other provision of this Agreement.
- 14.13 **Further Assurances.** The parties shall sign such further and other documents and do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable to give full effect to this Agreement.

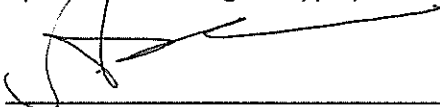
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- 14.14 **Remedies Cumulative.** All rights and remedies of each party under this Agreement are cumulative and may be exercised at any time and from time to time, independently and in combination.
- 14.15 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no conditions, covenants, representations, warranties or other provisions, whether express or implied, collateral, statutory or otherwise, relating to the subject matter of this Agreement except as provided in this Agreement.
- 14.16 **Time of the Essence.** Time is of the essence of this Agreement.
- 14.17 **Execution.** This Agreement may be executed in counterparts, each of which shall be deemed as an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or electronic transmission hereof shall be as effective as delivery of an originally executed counterpart hereof.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

FORTISBC ENERGY INC.

by its authorized signatory(ies):

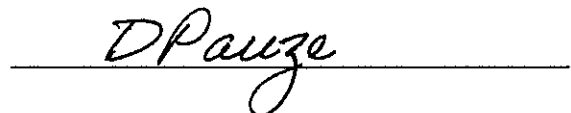


Sarah Smith

Director, NGT, Regional LNG & RNG

COASTLAND WOOD INDUSTRIES LTD.

by its authorized signatory(ies):



DOUG PAUZE

Schedules attached:

Schedule A – Fueling Site

Schedule A
Fueling Site
(Fueling Site Location and Access Route(s))

Appendix B

ANCOR FUELING SERVICES AGREEMENT



FUELING SERVICES AGREEMENT (ANNACIS ISLAND SITE)

PART I – BASIC TERMS

Customer						
Company name: Ancor Transport Ltd.			Mailing/billing address: 12582 82 Ave Surrey BC V3W 3E9			
Contact name and title: Bajinder Nijjar			Telephone: 604-572-5266		Email: dispatch@ancortransport.com	
Fueling Location						
Annacis Island CNG Fueling Station – 675 Belgrave Way, Delta, BC V3M 5R8						
Term						
Commencement Date: November 1, 2021		Rate Change Date: (see section 4(b) of Part II) January 1 st of each year with the first rate escalation occurring on January 1, 2023		Initial Term: 7 years starting from the Rate Change Date of January 1 st , 2022		Renewal Period: (see section 1(b) of Part II) One 3 year renewal and annual auto renewal thereafter
Dispensing Rate						
\$/Gigajoule ("GJ"), as at the Commencement Date, subject to adjustment pursuant to sections 4(b) and (c) of Part II.						
Capital Rate	O & M Rate	Overhead Rate	Short Term Charge	Spot Charge	Host Fee	Total
\$4.382	\$2.686	\$0.520	N/A	N/A	N/A	\$7.588
Minimum Annual Quantity						
1000 GJs, subject to adjustment pursuant to section 4(d) of Part II.						
Supplemental Terms and Conditions						
<ol style="list-style-type: none">Additional Charges - The Dispensing Rate payable pursuant to this Agreement is in addition to any amounts payable by the Customer to FEI for the purchase of fuel and transportation services, if applicable, pursuant to the Rate Schedules.Fueling Vehicles - Unless otherwise directed by FEI by written notice to the Customer, the dispensing of fuel into the Customer's vehicles shall be performed by the Customer.						

The Customer and FortisBC Energy Inc. ("FEI"), by signing this Fueling Services Agreement (this "Agreement"), accept and agree to be bound by the terms and conditions herein contained. This Agreement, including Part I and Part II, constitutes the entire agreement between the parties and supersedes all other agreements with respect to the services described herein. This Agreement will not come into effect and does not bind the parties until:

- FEI has obtained the necessary approvals for this Agreement from all regulatory or other applicable governmental authorities having jurisdiction, including the British Columbia Utilities Commission ("BCUC"), on terms and conditions which are satisfactory to FEI;
- FEI has entered into an agreement with the Host (as defined in Part II) with respect to the installation and operation of the Fueling Equipment at the Fueling Location and permitting access over its lands to enable access to and use of the Fueling Equipment, and, if applicable, that agreement has been approved by the BCUC; and
- the Fueling Equipment has been installed at the Fueling Location and is operational as determined by FEI, in its sole discretion; and

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

CUSTOMER:		FORTISBC ENERGY INC.:	
			
Signature	Date	Signature	Date
Bajinder S. Nijjar	Sept 30, 2021	Sarah Smith, Director, Low Carbon Transportation and LNG Business Growth	October 4, 2021
Name	Title		

	Name	Title
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PART II – BACKGROUND AND TERMS AND CONDITIONS

SECTION A – BACKGROUND AND INTERPRETATION

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

SECTION B – TERMS AND CONDITIONS

1. TERM

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

2. USE OF FUELING EQUIPMENT AND ACCESS TO PROPERTY

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

FEI may cancel or withdraw any Fueling Card at any time where the Customer or anyone using the Fueling Card fails to comply with the terms of this Agreement, including any on-site signage or instructions. In such event, the Customer shall surrender the Fueling Cards to FEI on demand. Except to the extent prohibited by law, unless the Customer has notified FEI of any loss or theft, the Customer shall be liable for and shall pay FEI in accordance with the terms of this Agreement for the full amount of all transactions in respect of the use of any lost or stolen Fueling Card.

- (f) *Personal Identification Numbers* – Use of Fueling Cards shall be restricted through the use of personal identification numbers (“**PINs**”). The Customer shall not reveal its PINs to any person other than those authorized by the Customer to use the Fueling Cards. The Customer shall be liable for and shall pay FEI in accordance with the terms of this Agreement for the full amount of all transactions where the Customer has in any way compromised the security and confidentiality of its PIN. The Customer shall notify FEI as soon as reasonably practicable when it becomes aware of any unauthorized use of a Fueling Card or if a Fueling Card becomes lost or stolen.

3. SAFETY

- (a) *Responsibility for Safety* – The Customer is, at all times, responsible for the safety and protection of its employees, contractors, agents, representatives, subcontractors and any other person for whom the Customer is at law responsible (collectively, the “**Representatives**”) using the Fueling Equipment or otherwise accessing the property on which the Fueling Equipment is located; provided however, where the Customer’s vehicles are fueled by a third party designated by FEI, such third parties shall not be considered Representatives of the Customer for the purposes of this section 3.
- (b) *Covenant re: Training and Operation* – By issuing a Fueling Card to any person, the Customer covenants and agrees such person has successfully completed the applicable orientation and training and will continually access and use the Fueling Equipment in a safe manner. The Customer shall ensure, at all times, all safety requirements and on-site signage are adhered to strictly by its Representatives. Failure to do so constitutes a material breach of this Agreement. In addition to any remedies set out in section 6(a) or available at law, the Customer shall not permit any Representatives who have failed to adhere to the safety requirements and on-site signage from accessing the Fueling Equipment upon written request by FEI or the Host.

4. FEES, BILLING AND PAYMENT

- (a) *Dispensing Fees* – The Customer, in consideration of access to and use of the Fueling Equipment, shall pay to FEI the Dispensing Rate for each GJ of Fuel dispensed by or to the Customer from the Fueling Equipment, as measured by a meter located on the Fueling Equipment and attributable to the Customer through use of the Fueling Cards.

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

Change in Dispensing Rate

- (iii) If FEI upgrades or expands the Fueling Equipment to accommodate added demand for fueling services, FEI and the Customer agree to negotiate in good faith an adjustment to the Dispensing Rate and the Minimum Annual Quantity going forward, subject to BCUC approval.
- (iv) FortisBC may, in its discretion, provide temporary reductions to the Dispensing Rate from time to time if the aggregate volume of fuel dispensed from the Fueling Equipment to all customers of FEI using the Fueling Equipment who have entered into a fueling agreement with FEI (save and except customers using the Fueling Equipment on a spot basis) materially exceeds the aggregate contracted demand for Fuel for such customers.
- (d) *Minimum Guarantee* - The Customer acknowledges the Dispensing Rate has been calculated by FEI having regard to, among other things, the Customer's estimated fuel demand profile and the number of vehicles to be served by the Fueling Equipment, and accordingly, the Customer agrees to pay a minimum annual charge (the "**Minimum Guarantee**") calculated by multiplying the Dispensing Rate by the Minimum Annual Quantity shown in Part I for each Service Year (pro-rated for part years); where a "**Service Year**" means the twelve month period of the Term calculated from the Rate Change Date or the anniversary thereof, provided that the first Service Year shall commence on the Commencement Date and end the first Rate Change Date.
- (e) *Billing and Payment* - Bills will be rendered by FEI monthly and payable by the Customer, without deduction or set-off, within thirty (30) days following the billing date.
- (f) *Payment of Minimum Guarantee* – Where the annual amount billed to the Customer is less than the Minimum Guarantee, the shortfall will be added to the next bill.
- (g) *Taxes* - Any applicable taxes will be added to all rates and charges on each bill.
- (h) *Late Payments* - Overdue payments shall be subject to a late payment charge of 1.5% per month of compound interest (19.56% per annum).
- (i) *Verification* - The Customer must report any billing errors promptly to FEI. Statements shall be final and binding unless questioned by the Customer within one year after its billing date. The Customer shall have the right to review meter data and other relevant records to verify statements. Such review shall be conducted at the Customer's expense unless such review discloses errors in the amount of fuel dispensed which exceed two percent (2%).

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

- (a) *Liability* - The Customer is responsible for, and shall indemnify and save harmless each of FEI and the Host from all expenses, claims and liability incurred by FEI or the Host, as applicable, with respect to the access to and use of the Fueling Location and the Fueling Equipment by the Customer's personnel, including any damage to the Fueling Equipment occasioned by its use.
- (b) *Release* - The Customer, on its own behalf and on behalf of its Representatives, hereby releases, defends, indemnifies and holds harmless FEI and the Host, and their respective directors, officers, employees, agents, contractors, successors and assigns, from and against any and all adverse claims, losses, suits, actions, judgments, demands, debts, accounts, damages, costs, penalties and expenses (including all legal fees and disbursements) arising from or incurred by or suffered as a result of the Customer's presence at the Fueling Location or while using the Fueling Equipment, howsoever caused, save and except from any negligent act or omission of FEI.
- (c) *No Warranty and Disclaimer* – The Customer acknowledges and agrees:
 - (i) Suitability of Fueling Equipment - FEI does not represent or warrant the adequacy or suitability of the Fueling Equipment for the Customer's purpose and all express or implied warranties, terms or conditions of merchantability or fitness for a particular purpose, whether existing at law or in equity, are expressly disclaimed by FEI.
 - (ii) Limitations on Use - The Customer acknowledges and is aware the fuel supply may be temporarily suspended or unavailable from time to time, including as a result of equipment breakdown, to make repairs or improvements to the Fueling Equipment or to comply with the requirements of any law. FEI will, regardless of the cause of fuel suspension or equipment breakdown and whenever practicable, give prior notice to the Customer of such suspension, will diligently undertake required repairs to minimize Fueling Equipment down-time and will use commercially reasonable efforts to provide the Customer with the right to access substituted fueling equipment on an interim basis for the duration of fuel supply suspension or equipment breakdown and, in the event the Customer elects to exercise such right, the Customer will bear FEI's reasonable costs associated with the implementation of substituted fueling equipment, on a pro rata basis. If the supply of fuel from the Fueling Equipment is interrupted or curtailed and FEI is unable to provide an interim dispensing location, the Customer may temporarily utilize another source of Fuel until FEI is able to resume supply and, if applicable, the amount of such third party fuel will be taken into account when calculating any Minimum Guarantee payable for such year.
- (d) *Limitation of Liability* – Neither party shall be liable to the other party for any indirect, punitive, exemplary, incidental, aggravated, punitive or consequential damages of any kind regardless of the form of action whether in contract, tort, strict product liability, breach of warranty, breach of representation, misrepresentation, statutory duty, or any other legal or equitable theory, even if such party has been advised of the possibility of such damages. This provision shall not apply to third party claims or to any claim by FEI for loss of profit, use or interruption of business.
- (e) *Insurance* - The Customer shall obtain and maintain the following insurance coverage and provide proof of coverage to FEI:
 - (i) Workers' Compensation Insurance in accordance with the statutory requirements;
 - (ii) Automobile Liability Insurance with a limit of not less than \$5,000,000 per occurrence in respect of bodily injury, death and property damage;

- (iii) Comprehensive General Liability Insurance from insurers registered in and licensed to underwrite insurance in British Columbia for bodily injury, death and property damage in the amount of \$5,000,000 per occurrence naming FEI as an additional insured with respect to this Agreement and providing that the insurance shall not be cancelled or materially changed without the insurer using best efforts to provide at least 30 calendar days' written notice to FEI; and
- (iv) Such other insurance as reasonably required by FEI from time to time.
- (f) *Environmental Compliance* - The Customer acknowledges and agrees the Customer has environmental responsibilities arising from the Customer's use of the Fueling Equipment pursuant to environmental laws and regulations, including related spills, and is required to comply with the requirements of FEI as they relate to environmental management, compliance and reporting, copies of which requirements will be provided by FEI to the Customer from time to time. The Customer covenants and agrees to co-operate with FEI in coordinating, establishing, implementing and verifying processes and procedures to manage and address environmental impacts and ensure compliance with environmental laws and regulations.

6. DEFAULT AND TERMINATION

- (a) *Default*- If the Customer, or any person using the Fueling Cards, is unable, refuses or fails to produce proof of training upon request by FEI, or the Customer is otherwise in default of this Agreement, FEI may terminate this Agreement, or de-activate the applicable Fueling Cards, temporarily or permanently, without prior notice to the Customer and without any liability to FEI as a result thereof.
- (b) *Termination of Property Agreement /Transfer of Equipment/Decommissioning of Fueling Equipment* - In addition to any other termination provisions contained herein, this Agreement will terminate concurrent with the termination of the property agreement between FEI and the Host, the sale or transfer of the Fueling Equipment to a third party or the decommissioning of the Fueling Equipment, at no cost or liability accruing to FEI as a result of such termination, provided that, in such event, FEI will use reasonable efforts to secure an alternate fueling location and/or alternate Fueling Equipment for the Customer.
- (c) *Surrender of Fueling Cards* – Upon termination of this Agreement, all Fueling Cards issued under this Agreement will immediately cease to be valid and the Customer shall surrender the Fueling Cards to FEI upon demand.
- (d) *Effect of Termination* – If, prior to the expiry of the Initial Term, this Agreement is terminated by the Customer for any reason or by FEI pursuant to section 6(a), in addition to any other amounts due and owing by the Customer to FEI and despite any other remedies available at law or in equity, the Customer shall pay to FEI, within 30 days of billing, the Dispensing Rate (as escalated annually) calculated on the Minimum Annual Quantity to the end of the Initial Term.
- (e) *Survival* - Upon expiry or early termination of this Agreement, all claims, causes of action or other outstanding obligations remaining or being unfulfilled as of the expiry or termination date and all of the provisions of this Agreement relating to the obligation or either the parties to account to or indemnify the other and to pay to the other any amounts owing as at the date of expiry or termination in connection with this Agreement will survive such expiry or termination.
- (f) *Effect of Termination on Other Agreements* – The expiration or termination of this Agreement does not affect or result in the expiry or termination of any other agreements made between FEI and the Customer, including any fuel purchase agreements or transportation agreements.

7. MISCELLANEOUS

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

END OF DOCUMENT

Appendix C

COLDSTAR FUELING SERVICES AGREEMENT







FUELING SERVICES AGREEMENT (ANNACIS ISLAND SITE) PART I – BASIC TERMS

Customer						
Company name: ColdStar Solutions Inc.			Mailing/billing address: 101-937 Dunford Avenue, Victoria, BC V9B 2S4			
Contact name and title: Kelly Hawes, CEO			Telephone: 250-391-7425	Email: khawes@coldstarsolutions.com		
Fueling Location						
Annacis Island CNG Fueling Station – 675 Belgrave Way, Delta, BC V3M 5R8						
Term						
Commencement Date: November 1, 2021		Rate Change Date: (see section 4(b) of Part II) January 1 st of each year with the first rate escalation occurring on January 1, 2023		Initial Term: 7 years starting from the Rate Change Date of January 1 st , 2022		Renewal Period: (see section 1(b) of Part II) One 3 year renewal and annual auto renewal thereafter
Dispensing Rate						
\$/GigaJoule ("GJ"), as at the Commencement Date, subject to adjustment pursuant to sections 4(b) and (c) of Part II.						
Capital Rate	O & M Rate	Overhead Rate	Short Term Charge	Spot Charge	Host Fee	Total
\$4.382	\$2.686	\$0.520	N/A	N/A	N/A	\$7.588
Minimum Annual Quantity						
5000 GJs, subject to adjustment pursuant to section 4(d) of Part II.						
Supplemental Terms and Conditions						
<ol style="list-style-type: none">Additional Charges - The Dispensing Rate payable pursuant to this Agreement is in addition to any amounts payable by the Customer to FEI for the purchase of fuel and transportation services, if applicable, pursuant to the Rate Schedules.Fueling Vehicles - Unless otherwise directed by FEI by written notice to the Customer, the dispensing of fuel into the Customer's vehicles shall be performed by the Customer.						

The Customer and FortisBC Energy Inc. ("FEI"), by signing this Fueling Services Agreement (this "Agreement"), accept and agree to be bound by the terms and conditions herein contained. This Agreement, including Part I and Part II, constitutes the entire agreement between the parties and supersedes all other agreements with respect to the services described herein. This Agreement will not come into effect and does not bind the parties until:

- FEI has obtained the necessary approvals for this Agreement from all regulatory or other applicable governmental authorities having jurisdiction, including the British Columbia Utilities Commission ("BCUC"), on terms and conditions which are satisfactory to FEI;
 - FEI has entered into an agreement with the Host (as defined in Part II) with respect to the installation and operation of the Fueling Equipment at the Fueling Location and permitting access over its lands to enable access to and use of the Fueling Equipment, and, if applicable, that agreement has been approved by the BCUC; and
 - the Fueling Equipment has been installed at the Fueling Location and is operational as determined by FEI, in its sole discretion; and
- If the condition listed above is not satisfied or waived by the Commencement Date or such later date agreed to by both parties in writing, at FEI's sole discretion, this Agreement will automatically terminate and neither party will have recourse against the other party due its termination nor will either party have any further rights or obligations under this Agreement. Sections 5(d) and 6 shall survive termination of this Agreement.

CUSTOMER:		FORTISBC ENERGY INC.:	
		September 28, 2021	
Signature	Date	Signature	Date
		Sarah Smith, Director, Low Carbon Transportation and LNG Business Growth	
Name	Title	Name	Title

PART II – BACKGROUND AND TERMS AND CONDITIONS

SECTION A – BACKGROUND AND INTERPRETATION

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

SECTION B – TERMS AND CONDITIONS

1. TERM

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

2. USE OF FUELING EQUIPMENT AND ACCESS TO PROPERTY

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

FEI may cancel or withdraw any Fueling Card at any time where the Customer or anyone using the Fueling Card fails to comply with the terms of this Agreement, including any on-site signage or instructions. In such event, the Customer shall surrender the Fueling Cards to FEI on demand. Except to the extent prohibited by law, unless the Customer has notified FEI of any loss or theft, the Customer shall be liable for and shall pay FEI in accordance with the terms of this Agreement for the full amount of all transactions in respect of the use of any lost or stolen Fueling Card.

- (f) *Personal Identification Numbers* – Use of Fueling Cards shall be restricted through the use of personal identification numbers (“**PINs**”). The Customer shall not reveal its PINs to any person other than those authorized by the Customer to use the Fueling Cards. The Customer shall be liable for and shall pay FEI in accordance with the terms of this Agreement for the full amount of all transactions where the Customer has in any way compromised the security and confidentiality of its PIN. The Customer shall notify FEI as soon as reasonably practicable when it becomes aware of any unauthorized use of a Fueling Card or if a Fueling Card becomes lost or stolen.

3. SAFETY

- (a) *Responsibility for Safety* – The Customer is, at all times, responsible for the safety and protection of its employees, contractors, agents, representatives, subcontractors and any other person for whom the Customer is at law responsible (collectively, the “**Representatives**”) using the Fueling Equipment or otherwise accessing the property on which the Fueling Equipment is located; provided however, where the Customer’s vehicles are fueled by a third party designated by FEI, such third parties shall not be considered Representatives of the Customer for the purposes of this section 3.
- (b) *Covenant re: Training and Operation* – By issuing a Fueling Card to any person, the Customer covenants and agrees such person has successfully completed the applicable orientation and training and will continually access and use the Fueling Equipment in a safe manner. The Customer shall ensure, at all times, all safety requirements and on-site signage are adhered to strictly by its Representatives. Failure to do so constitutes a material breach of this Agreement. In addition to any remedies set out in section 6(a) or available at law, the Customer shall not permit any Representatives who have failed to adhere to the safety requirements and on-site signage from accessing the Fueling Equipment upon written request by FEI or the Host.

4. FEES, BILLING AND PAYMENT

- (a) *Dispensing Fees* – The Customer, in consideration of access to and use of the Fueling Equipment, shall pay to FEI the Dispensing Rate for each GJ of Fuel dispensed by or to the Customer from the Fueling Equipment, as measured by a meter located on the Fueling Equipment and attributable to the Customer through use of the Fueling Cards.

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

Change in Dispensing Rate

- (iii) If FEI upgrades or expands the Fueling Equipment to accommodate added demand for fueling services, FEI and the Customer agree to negotiate in good faith an adjustment to the Dispensing Rate and the Minimum Annual Quantity going forward, subject to BCUC approval.
 - (iv) FortisBC may, in its discretion, provide temporary reductions to the Dispensing Rate from time to time if the aggregate volume of fuel dispensed from the Fueling Equipment to all customers of FEI using the Fueling Equipment who have entered into a fueling agreement with FEI (save and except customers using the Fueling Equipment on a spot basis) materially exceeds the aggregate contracted demand for Fuel for such customers.
- (d) *Minimum Guarantee* - The Customer acknowledges the Dispensing Rate has been calculated by FEI having regard to, among other things, the Customer's estimated fuel demand profile and the number of vehicles to be served by the Fueling Equipment, and accordingly, the Customer agrees to pay a minimum annual charge (the "**Minimum Guarantee**") calculated by multiplying the Dispensing Rate by the Minimum Annual Quantity shown in Part I for each Service Year (pro-rated for part years); where a "**Service Year**" means the twelve month period of the Term calculated from the Rate Change Date or the anniversary thereof, provided that the first Service Year shall commence on the Commencement Date and end the first Rate Change Date.
- (e) *Billing and Payment* - Bills will be rendered by FEI monthly and payable by the Customer, without deduction or set-off, within thirty (30) days following the billing date.
- (f) *Payment of Minimum Guarantee* – Where the annual amount billed to the Customer is less than the Minimum Guarantee, the shortfall will be added to the next bill.
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- (b) *Release* - The Customer, on its own behalf and on behalf of its Representatives, hereby releases, defends, indemnifies and holds harmless FEI and the Host, and their respective directors, officers, employees, agents, contractors, successors and assigns, from and against any and all adverse claims, losses, suits, actions, judgments, demands, debts, accounts, damages, costs, penalties and expenses (including all legal fees and disbursements) arising from or incurred by or suffered as a result of the Customer's presence at the Fueling Location or while using the Fueling Equipment, howsoever caused, save and except from any negligent act or omission of FEI.
- (c) *No Warranty and Disclaimer* – The Customer acknowledges and agrees:
 - (i) Suitability of Fueling Equipment - FEI does not represent or warrant the adequacy or suitability of the Fueling Equipment for the Customer's purpose and all express or implied warranties, terms or conditions of merchantability or fitness for a particular purpose, whether existing at law or in equity, are expressly disclaimed by FEI.
 - (ii) Limitations on Use - The Customer acknowledges and is aware the fuel supply may be temporarily suspended or unavailable from time to time, including as a result of equipment breakdown, to make repairs or improvements to the Fueling Equipment or to comply with the requirements of any law. FEI will, regardless of the cause of fuel suspension or equipment breakdown and whenever practicable, give prior notice to the Customer of such suspension, will diligently undertake required repairs to minimize Fueling Equipment down-time and will use commercially reasonable efforts to provide the Customer with the right to access substituted fueling equipment on an interim basis for the duration of fuel supply suspension or equipment breakdown and, in the event the Customer elects to exercise such right, the Customer will bear FEI's reasonable costs associated with the implementation of substituted fueling equipment, on a pro rata basis. If the supply of fuel from the Fueling Equipment is interrupted or curtailed and FEI is unable to provide an interim dispensing location, the Customer may temporarily utilize another source of Fuel until FEI is able to resume supply and, if applicable, the amount of such third party fuel will be taken into account when calculating any Minimum Guarantee payable for such year.
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- (a) *Default*- If the Customer, or any person using the Fueling Cards, is unable, refuses or fails to produce proof of training upon request by FEI, or the Customer is otherwise in default of this Agreement, FEI may terminate this Agreement, or de-activate the applicable Fueling Cards, temporarily or permanently, without prior notice to the Customer and without any liability to FEI as a result thereof.
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- (e) **Waiver** - FEI is not bound by any waiver of any provision of this Agreement unless it consents to such waiver in writing. No waiver of any provision of this Agreement constitutes a waiver of any other provision, nor does any waiver constitute a continuing waiver unless otherwise provided.
- (f) **Severability** - If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination does not impair or affect the validity, legality or enforceability of any other provision of this Agreement.
- (g) **Time of the Essence** - Time is of the essence of this Agreement.

END OF DOCUMENT

Appendix D

ENCORP FUELING SERVICES AGREEMENT



FUELING SERVICES AGREEMENT (ANNACIS ISLAND SITE)

PART I – BASIC TERMS

Customer							
Company name: Encorp Pacific (Canada)			Mailing/billing address: 100-4259 Canada Way Burnaby, BC V5G 4Y2				
Contact name and title: Sargun Saran Manager, Special Projects			Telephone: 778-892-0731		Email: SSaran@returnit.ca		
Fueling Location							
Annacis Island CNG Fueling Station – 675 Belgrave Way, Delta, BC V3M 5R8							
Term							
Commencement Date: November 1, 2021		Rate Change Date: (see section 4(b) of Part II) January 1 st of each year with the first rate escalation occurring on January 1, 2023		Initial Term: 7 years starting from the Rate Change Date of January 1 st , 2022		Renewal Period: (see section 1(b) of Part II) One 3 year renewal and annual auto renewal thereafter	
Dispensing Rate							
\$/Gigajoule ("GJ"), as at the Commencement Date, subject to adjustment pursuant to sections 4(b) and (c) of Part II.							
<u>Capital Rate</u>	<u>O & M Rate</u>	<u>Overhead Rate</u>	<u>Short Term Charge</u>	<u>Spot Charge</u>	<u>Host Fee</u>	<u>Total</u>	
\$4.382	\$2.686	\$0.520	N/A	N/A	N/A	\$7.588	
Minimum Annual Quantity							
2500 GJs, subject to adjustment pursuant to section 4(d) of Part II.							
Supplemental Terms and Conditions							
<ol style="list-style-type: none"> Additional Charges - The Dispensing Rate payable pursuant to this Agreement is in addition to any amounts payable by the Customer to FEI for the purchase of fuel and transportation services, if applicable, pursuant to the Rate Schedules. Fueling Vehicles - Unless otherwise directed by FEI by written notice to the Customer, the dispensing of fuel into the Customer's vehicles shall be performed by the Customer. 							

The Customer and FortisBC Energy Inc. ("FEI"), by signing this Fueling Services Agreement (this "**Agreement**"), accept and agree to be bound by the terms and conditions herein contained. This Agreement, including Part I and Part II, constitutes the entire agreement between the parties and supersedes all other agreements with respect to the services described herein. This Agreement will not come into effect and does not bind the parties until:

- (a) 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;
- (b) FEI has entered into an agreement with the Host (as defined in Part II) with respect to the installation and operation of the Fueling Equipment at the Fueling Location and permitting access over its lands to enable access to and use of the Fueling Equipment, and, if applicable, that agreement has been approved by the BCUC; and
- (c) the Fueling Equipment has been installed at the Fueling Location and is operational as determined by FEI, in its sole discretion; and

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

CUSTOMER:		FORTISBC ENERGY INC.:	
DocuSigned by: 4E9890C9D3EF4BF... Signature	9/7/2021 Date	 Signature	September 9, 2021 Date
Steve Rutherford Name	Director of Logistics Title	Sarah Smith, Director, Low Carbon Transportation and LNG Business Growth Signature	

	Name	Title
--	------	-------

PART II – BACKGROUND AND TERMS AND CONDITIONS

SECTION A – BACKGROUND AND INTERPRETATION

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

SECTION B – TERMS AND CONDITIONS

1. TERM

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

2. USE OF FUELING EQUIPMENT AND ACCESS TO PROPERTY

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

FEI may cancel or withdraw any Fueling Card at any time where the Customer or anyone using the Fueling Card fails to comply with the terms of this Agreement, including any on-site signage or instructions. In such event, the Customer shall surrender the Fueling Cards to FEI on demand. Except to the extent prohibited by law, unless the Customer has notified FEI of any loss or theft, the Customer shall be liable for and shall pay FEI in accordance with the terms of this Agreement for the full amount of all transactions in respect of the use of any lost or stolen Fueling Card.

- (f) *Personal Identification Numbers* – Use of Fueling Cards shall be restricted through the use of personal identification numbers (“**PINs**”). The Customer shall not reveal its PINs to any person other than those authorized by the Customer to use the Fueling Cards. The Customer shall be liable for and shall pay FEI in accordance with the terms of this Agreement for the full amount of all transactions where the Customer has in any way compromised the security and confidentiality of its PIN. The Customer shall notify FEI as soon as reasonably practicable when it becomes aware of any unauthorized use of a Fueling Card or if a Fueling Card becomes lost or stolen.

3. SAFETY

- (a) *Responsibility for Safety* – The Customer is, at all times, responsible for the safety and protection of its employees, contractors, agents, representatives, subcontractors and any other person for whom the Customer is at law responsible (collectively, the “**Representatives**”) using the Fueling Equipment or otherwise accessing the property on which the Fueling Equipment is located; provided however, where the Customer’s vehicles are fueled by a third party designated by FEI, such third parties shall not be considered Representatives of the Customer for the purposes of this section 3.
- (b) *Covenant re: Training and Operation* – By issuing a Fueling Card to any person, the Customer covenants and agrees such person has successfully completed the applicable orientation and training and will continually access and use the Fueling Equipment in a safe manner. The Customer shall ensure, at all times, all safety requirements and on-site signage are adhered to strictly by its Representatives. Failure to do so constitutes a material breach of this Agreement. In addition to any remedies set out in section 6(a) or available at law, the Customer shall not permit any Representatives who have failed to adhere to the safety requirements and on-site signage from accessing the Fueling Equipment upon written request by FEI or the Host.

4. FEES, BILLING AND PAYMENT

- (a) *Dispensing Fees* – The Customer, in consideration of access to and use of the Fueling Equipment, shall pay to FEI the Dispensing Rate for each GJ of Fuel dispensed by or to the Customer from the Fueling Equipment, as measured by a meter located on the Fueling Equipment and attributable to the Customer through use of the Fueling Cards.

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

Change in Dispensing Rate

- (iii) If FEI upgrades or expands the Fueling Equipment to accommodate added demand for fueling services, FEI and the Customer agree to negotiate in good faith an adjustment to the Dispensing Rate and the Minimum Annual Quantity going forward, subject to BCUC approval.
- (iv) FortisBC may, in its discretion, provide temporary reductions to the Dispensing Rate from time to time if the aggregate volume of fuel dispensed from the Fueling Equipment to all customers of FEI using the Fueling Equipment who have entered into a fueling agreement with FEI (save and except customers using the Fueling Equipment on a spot basis) materially exceeds the aggregate contracted demand for Fuel for such customers.
- (d) *Minimum Guarantee* - The Customer acknowledges the Dispensing Rate has been calculated by FEI having regard to, among other things, the Customer's estimated fuel demand profile and the number of vehicles to be served by the Fueling Equipment, and accordingly, the Customer agrees to pay a minimum annual charge (the "**Minimum Guarantee**") calculated by multiplying the Dispensing Rate by the Minimum Annual Quantity shown in Part I for each Service Year (pro-rated for part years); where a "**Service Year**" means the twelve month period of the Term calculated from the Rate Change Date or the anniversary thereof, provided that the first Service Year shall commence on the Commencement Date and end the first Rate Change Date.
- (e) *Billing and Payment* - Bills will be rendered by FEI monthly and payable by the Customer, without deduction or set-off, within thirty (30) days following the billing date.
- (f) *Payment of Minimum Guarantee* – Where the annual amount billed to the Customer is less than the Minimum Guarantee, the shortfall will be added to the next bill.
- (g) *Taxes* - Any applicable taxes will be added to all rates and charges on each bill.
- (h) *Late Payments* - Overdue payments shall be subject to a late payment charge of 1.5% per month of compound interest (19.56% per annum).
- (i) *Verification* - The Customer must report any billing errors promptly to FEI. Statements shall be final and binding unless questioned by the Customer within one year after its billing date. The Customer shall have the right to review meter data and other relevant records to verify statements. Such review shall be conducted at the Customer's expense unless such review discloses errors in the amount of fuel dispensed which exceed two percent (2%).

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

- (a) *Liability* - The Customer is responsible for, and shall indemnify and save harmless each of FEI and the Host from all expenses, claims and liability incurred by FEI or the Host, as applicable, with respect to the access to and use of the Fueling Location and the Fueling Equipment by the Customer's personnel, including any damage to the Fueling Equipment occasioned by its use.
- (b) *Release* - The Customer, on its own behalf and on behalf of its Representatives, hereby releases, defends, indemnifies and holds harmless FEI and the Host, and their respective directors, officers, employees, agents, contractors, successors and assigns, from and against any and all adverse claims, losses, suits, actions, judgments, demands, debts, accounts, damages, costs, penalties and expenses (including all legal fees and disbursements) arising from or incurred by or suffered as a result of the Customer's presence at the Fueling Location or while using the Fueling Equipment, howsoever caused, save and except from any negligent act or omission of FEI.
- (c) *No Warranty and Disclaimer* – The Customer acknowledges and agrees:
 - (i) Suitability of Fueling Equipment - FEI does not represent or warrant the adequacy or suitability of the Fueling Equipment for the Customer's purpose and all express or implied warranties, terms or conditions of merchantability or fitness for a particular purpose, whether existing at law or in equity, are expressly disclaimed by FEI.
 - (ii) Limitations on Use - The Customer acknowledges and is aware the fuel supply may be temporarily suspended or unavailable from time to time, including as a result of equipment breakdown, to make repairs or improvements to the Fueling Equipment or to comply with the requirements of any law. FEI will, regardless of the cause of fuel suspension or equipment breakdown and whenever practicable, give prior notice to the Customer of such suspension, will diligently undertake required repairs to minimize Fueling Equipment down-time and will use commercially reasonable efforts to provide the Customer with the right to access substituted fueling equipment on an interim basis for the duration of fuel supply suspension or equipment breakdown and, in the event the Customer elects to exercise such right, the Customer will bear FEI's reasonable costs associated with the implementation of substituted fueling equipment, on a pro rata basis. If the supply of fuel from the Fueling Equipment is interrupted or curtailed and FEI is unable to provide an interim dispensing location, the Customer may temporarily utilize another source of Fuel until FEI is able to resume supply and, if applicable, the amount of such third party fuel will be taken into account when calculating any Minimum Guarantee payable for such year.
- (d) *Limitation of Liability* – Neither party shall be liable to the other party for any indirect, punitive, exemplary, incidental, aggravated, punitive or consequential damages of any kind regardless of the form of action whether in contract, tort, strict product liability, breach of warranty, breach of representation, misrepresentation, statutory duty, or any other legal or equitable theory, even if such party has been advised of the possibility of such damages. This provision shall not apply to third party claims or to any claim by FEI for loss of profit, use or interruption of business.
- (e) *Insurance* - The Customer shall obtain and maintain the following insurance coverage and provide proof of coverage to FEI:
 - (i) Workers' Compensation Insurance in accordance with the statutory requirements;
 - (ii) Automobile Liability Insurance with a limit of not less than \$5,000,000 per occurrence in respect of bodily injury, death and property damage;

- (iii) Comprehensive General Liability Insurance from insurers registered in and licensed to underwrite insurance in British Columbia for bodily injury, death and property damage in the amount of \$5,000,000 per occurrence naming FEI as an additional insured with respect to this Agreement and providing that the insurance shall not be cancelled or materially changed without the insurer using best efforts to provide at least 30 calendar days' written notice to FEI; and
- (iv) Such other insurance as reasonably required by FEI from time to time.
- (f) *Environmental Compliance* - The Customer acknowledges and agrees the Customer has environmental responsibilities arising from the Customer's use of the Fueling Equipment pursuant to environmental laws and regulations, including related spills, and is required to comply with the requirements of FEI as they relate to environmental management, compliance and reporting, copies of which requirements will be provided by FEI to the Customer from time to time. The Customer covenants and agrees to co-operate with FEI in coordinating, establishing, implementing and verifying processes and procedures to manage and address environmental impacts and ensure compliance with environmental laws and regulations.

6. DEFAULT AND TERMINATION

- (a) *Default*- If the Customer, or any person using the Fueling Cards, is unable, refuses or fails to produce proof of training upon request by FEI, or the Customer is otherwise in default of this Agreement, FEI may terminate this Agreement, or de-activate the applicable Fueling Cards, temporarily or permanently, without prior notice to the Customer and without any liability to FEI as a result thereof.
- (b) *Termination of Property Agreement /Transfer of Equipment/Decommissioning of Fueling Equipment* - In addition to any other termination provisions contained herein, this Agreement will terminate concurrent with the termination of the property agreement between FEI and the Host, the sale or transfer of the Fueling Equipment to a third party or the decommissioning of the Fueling Equipment, at no cost or liability accruing to FEI as a result of such termination, provided that, in such event, FEI will use reasonable efforts to secure an alternate fueling location and/or alternate Fueling Equipment for the Customer.
- (c) *Surrender of Fueling Cards* – Upon termination of this Agreement, all Fueling Cards issued under this Agreement will immediately cease to be valid and the Customer shall surrender the Fueling Cards to FEI upon demand.
- (d) *Effect of Termination* – If, prior to the expiry of the Initial Term, this Agreement is terminated by the Customer for any reason or by FEI pursuant to section 6(a), in addition to any other amounts due and owing by the Customer to FEI and despite any other remedies available at law or in equity, the Customer shall pay to FEI, within 30 days of billing, the Dispensing Rate (as escalated annually) calculated on the Minimum Annual Quantity to the end of the Initial Term.
- (e) *Survival* - Upon expiry or early termination of this Agreement, all claims, causes of action or other outstanding obligations remaining or being unfulfilled as of the expiry or termination date and all of the provisions of this Agreement relating to the obligation or either the parties to account to or indemnify the other and to pay to the other any amounts owing as at the date of expiry or termination in connection with this Agreement will survive such expiry or termination.
- (f) *Effect of Termination on Other Agreements* – The expiration or termination of this Agreement does not affect or result in the expiry or termination of any other agreements made between FEI and the Customer, including any fuel purchase agreements or transportation agreements.

7. MISCELLANEOUS

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

END OF DOCUMENT

Appendix E

MARTIN-BROWER FUELING SERVICES AGREEMENT



FUELING SERVICES AGREEMENT (ANNACIS ISLAND SITE) PART I – BASIC TERMS

Customer

Company name:
MARTIN-BROWER OF CANADA CO.

Mailing/billing address:
6985 Financial Drive, Mississauga, ON L5N 0G3

Contact name and title:
Wayne Dingee

Telephone:
(506) 857-9126

Email:
wdingee@mbcan.com

Fueling Location

Annacis Island CNG Fueling Station – 675 Belgrave Way, Delta, BC V3M 5R8

Term

Commencement Date:

November 1, 2021

Rate Change Date:

(see section 4(b) of Part II)
January 1st of each year
with the first rate
escalation occurring on
January 1, 2023

Initial Term:

7 years starting from the Rate Change Date of
January 1st, 2022

Renewal Period:

(see section 1(b) of Part II)

One 3 year renewal and annual auto
renewal thereafter

Dispensing Rate

\$/Gigajoule ("GJ"), as at the Commencement Date, subject to adjustment pursuant to sections 4(b) and (c) of Part II.

<u>Capital Rate</u>	<u>O & M Rate</u>	<u>Overhead Rate</u>	<u>Short Term Charge</u>	<u>Spot Charge</u>	<u>Host Fee</u>	<u>Total</u>
\$4.382	\$2.686	\$0.520	N/A	No Spot Charge from Year 1 to Year 5. \$1.00 to apply starting in year 6 and thereafter including the Renewal Period	N/A	\$7.588

Minimum Annual Quantity

Starting on the Rate Change Date of each year, and adjusted by the volume below, subject to adjustment pursuant to section 4(d) of Part II.

<u>Year</u>	<u>Year</u>	<u>Minimum Annual Quantity (GJs)</u>
1	January 1 2022 to December 31, 2022	1,000
2	January 1 2023 to December 31, 2023	1,000
3	January 1 2024 to December 31, 2024	1,000
4	January 1 2025 to December 31, 2025	1,000
5	January 1 2026 to December 31, 2026	1,000
6	January 1 2027 to December 31, 2027	0
7	January 1 2028 to December 31, 2028	0
Renewal Period	January 1, 2029 and thereafter	0

Supplemental Terms and Conditions

- Additional Charges** - The Dispensing Rate payable pursuant to this Agreement is in addition to any amounts payable by the Customer to FEI for the purchase of fuel and transportation services, if applicable, pursuant to the Rate Schedules.
- Fueling Vehicles** - Unless otherwise directed by FEI by written notice to the Customer, the dispensing of fuel into the Customer's vehicles shall be performed by the Customer.

The Customer and FortisBC Energy Inc. ("FEI"), by signing this Fueling Services Agreement (this "Agreement"), accept and agree to be bound by the terms and conditions herein contained. This Agreement, including Part I and Part II, constitutes the entire agreement between the parties and supersedes all other agreements with respect to the services described herein. This Agreement will not come into effect and does not bind the parties until:

- (a) 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;
- (b) FEI has entered into an agreement with the Host (as defined in Part II) with respect to the installation and operation of the Fueling Equipment at the Fueling Location and permitting access over its lands to enable access to and use of the Fueling Equipment, and, if applicable, that agreement has been approved by the BCUC; and
- (c) the Fueling Equipment has been installed at the Fueling Location and is operational as determined by FEI, in its sole discretion; and

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

CUSTOMER:

Wayne Dingee
Signature

September 21, 2021
Date

Wayne Dingee General Manager
Name Title

FORTISBC ENERGY INC.:

S. Smith
Signature

October 1, 2021
Date

Sarah Smith, Director, Low Carbon Transportation and LNG Business Growth
Name Title

PART II – BACKGROUND AND TERMS AND CONDITIONS

SECTION A – BACKGROUND AND INTERPRETATION

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

SECTION B – TERMS AND CONDITIONS

1. TERM

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

2. USE OF FUELING EQUIPMENT AND ACCESS TO PROPERTY

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

FEI may cancel or withdraw any Fueling Card at any time where the Customer or anyone using the Fueling Card fails to comply with the terms of this Agreement, including any on-site signage or instructions. In such event, the Customer shall surrender the Fueling Cards to FEI on demand. Except to the extent prohibited by law, unless the Customer has notified FEI of any loss or theft, the Customer shall be liable for and shall pay FEI in accordance with the terms of this Agreement for the full amount of all transactions in respect of the use of any lost or stolen Fueling Card.

- (f) *Personal Identification Numbers* – Use of Fueling Cards shall be restricted through the use of personal identification numbers (“**PINs**”). The Customer shall not reveal its PINs to any person other than those authorized by the Customer to use the Fueling Cards. The Customer shall be liable for and shall pay FEI in accordance with the terms of this Agreement for the full amount of all transactions where the Customer has in any way compromised the security and confidentiality of its PIN. The Customer shall notify FEI as soon as reasonably practicable when it becomes aware of any unauthorized use of a Fueling Card or if a Fueling Card becomes lost or stolen.

3. SAFETY

- (a) *Responsibility for Safety* – The Customer is, at all times, responsible for the safety and protection of its employees, contractors, agents, representatives, subcontractors and any other person for whom the Customer is at law responsible (collectively, the “**Representatives**”) using the Fueling Equipment or otherwise accessing the property on which the Fueling Equipment is located; provided however, where the Customer’s vehicles are fueled by a third party designated by FEI, such third parties shall not be considered Representatives of the Customer for the purposes of this section 3.
- (b) *Covenant re: Training and Operation* – By issuing a Fueling Card to any person, the Customer covenants and agrees such person has successfully completed the applicable orientation and training and will continually access and use the Fueling Equipment in a safe manner. The Customer shall ensure, at all times, all safety requirements and on-site signage are adhered to strictly by its Representatives. Failure to do so constitutes a material breach of this Agreement. In addition to any remedies set out in section 6(a) or available at law, the Customer shall not permit any Representatives who have failed to adhere to the safety requirements and on-site signage from accessing the Fueling Equipment upon written request by FEI or the Host.

4. FEES, BILLING AND PAYMENT

- (a) *Dispensing Fees* – The Customer, in consideration of access to and use of the Fueling Equipment, shall pay to FEI the Dispensing Rate for each GJ of Fuel dispensed by or to the Customer from the Fueling Equipment, as measured by a meter located on the Fueling Equipment and attributable to the Customer through use of the Fueling Cards.

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

Change in Dispensing Rate

- (iii) If FEI upgrades or expands the Fueling Equipment to accommodate added demand for fueling services, FEI and the Customer agree to negotiate in good faith an adjustment to the Dispensing Rate and the Minimum Annual Quantity going forward, subject to BCUC approval.
- (iv) FortisBC may, in its discretion, provide temporary reductions to the Dispensing Rate from time to time if the aggregate volume of fuel dispensed from the Fueling Equipment to all customers of FEI using the Fueling Equipment who have entered into a fueling agreement with FEI (save and except customers using the Fueling Equipment on a spot basis) materially exceeds the aggregate contracted demand for Fuel for such customers.
- (d) *Minimum Guarantee* - The Customer acknowledges the Dispensing Rate has been calculated by FEI having regard to, among other things, the Customer's estimated fuel demand profile and the number of vehicles to be served by the Fueling Equipment, and accordingly, the Customer agrees to pay a minimum annual charge (the "**Minimum Guarantee**") calculated by multiplying the Dispensing Rate by the Minimum Annual Quantity shown in Part I for each Service Year (pro-rated for part years); where a "**Service Year**" means the twelve month period of the Term calculated from the Rate Change Date or the anniversary thereof, provided that the first Service Year shall commence on the Commencement Date and end the first Rate Change Date.
- (e) *Billing and Payment* - Bills will be rendered by FEI monthly and payable by the Customer, without deduction or set-off, within thirty (30) days following the billing date.
- (f) *Payment of Minimum Guarantee* – Where the annual amount billed to the Customer is less than the Minimum Guarantee, the shortfall will be added to the next bill.
- (g) *Taxes* - Any applicable taxes will be added to all rates and charges on each bill.
- (h) *Late Payments* - Overdue payments shall be subject to a late payment charge of 1.5% per month of compound interest (19.56% per annum).
- (i) *Verification* - The Customer must report any billing errors promptly to FEI. Statements shall be final and binding unless questioned by the Customer within one year after its billing date. The Customer shall have the right to review meter data and other relevant records to verify statements. Such review shall be conducted at the Customer's expense unless such review discloses errors in the amount of fuel dispensed which exceed two percent (2%).

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

- (a) *Liability* - The Customer is responsible for, and shall indemnify and save harmless each of FEI and the Host from all expenses, claims and liability incurred by FEI or the Host, as applicable, with respect to the access to and use of the Fueling Location and the Fueling Equipment by the Customer's personnel, including any damage to the Fueling Equipment occasioned by its use.
- (b) *Release* - The Customer, on its own behalf and on behalf of its Representatives, hereby releases, defends, indemnifies and holds harmless FEI and the Host, and their respective directors, officers, employees, agents, contractors, successors and assigns, from and against any and all adverse claims, losses, suits, actions, judgments, demands, debts, accounts, damages, costs, penalties and expenses (including all legal fees and disbursements) arising from or incurred by or suffered as a result of the Customer's presence at the Fueling Location or while using the Fueling Equipment, howsoever caused, save and except from any negligent act or omission of FEI.
- (c) *No Warranty and Disclaimer* – The Customer acknowledges and agrees:
 - (i) Suitability of Fueling Equipment - FEI does not represent or warrant the adequacy or suitability of the Fueling Equipment for the Customer's purpose and all express or implied warranties, terms or conditions of merchantability or fitness for a particular purpose, whether existing at law or in equity, are expressly disclaimed by FEI.
 - (ii) Limitations on Use - The Customer acknowledges and is aware the fuel supply may be temporarily suspended or unavailable from time to time, including as a result of equipment breakdown, to make repairs or improvements to the Fueling Equipment or to comply with the requirements of any law. FEI will, regardless of the cause of fuel suspension or equipment breakdown and whenever practicable, give prior notice to the Customer of such suspension, will diligently undertake required repairs to minimize Fueling Equipment down-time and will use commercially reasonable efforts to provide the Customer with the right to access substituted fueling equipment on an interim basis for the duration of fuel supply suspension or equipment breakdown and, in the event the Customer elects to exercise such right, the Customer will bear FEI's reasonable costs associated with the implementation of substituted fueling equipment, on a pro rata basis. If the supply of fuel from the Fueling Equipment is interrupted or curtailed and FEI is unable to provide an interim dispensing location, the Customer may temporarily utilize another source of Fuel until FEI is able to resume supply and, if applicable, the amount of such third party fuel will be taken into account when calculating any Minimum Guarantee payable for such year.
- (d) *Limitation of Liability* – Neither party shall be liable to the other party for any indirect, punitive, exemplary, incidental, aggravated, punitive or consequential damages of any kind regardless of the form of action whether in contract, tort, strict product liability, breach of warranty, breach of representation, misrepresentation, statutory duty, or any other legal or equitable theory, even if such party has been advised of the possibility of such damages. This provision shall not apply to third party claims or to any claim by FEI for loss of profit, use or interruption of business.
- (e) *Insurance* - The Customer shall obtain and maintain the following insurance coverage and provide proof of coverage to FEI:
 - (i) Workers' Compensation Insurance in accordance with the statutory requirements;
 - (ii) Automobile Liability Insurance with a limit of not less than \$5,000,000 per occurrence in respect of bodily injury, death and property damage;

- (iii) Comprehensive General Liability Insurance from insurers registered in and licensed to underwrite insurance in British Columbia for bodily injury, death and property damage in the amount of \$5,000,000 per occurrence naming FEI as an additional insured with respect to this Agreement and providing that the insurance shall not be cancelled or materially changed without the insurer using best efforts to provide at least 30 calendar days' written notice to FEI; and
- (iv) Such other insurance as reasonably required by FEI from time to time.
- (f) *Environmental Compliance* - The Customer acknowledges and agrees the Customer has environmental responsibilities arising from the Customer's use of the Fueling Equipment pursuant to environmental laws and regulations, including related spills, and is required to comply with the requirements of FEI as they relate to environmental management, compliance and reporting, copies of which requirements will be provided by FEI to the Customer from time to time. The Customer covenants and agrees to co-operate with FEI in coordinating, establishing, implementing and verifying processes and procedures to manage and address environmental impacts and ensure compliance with environmental laws and regulations.

6. DEFAULT AND TERMINATION

- (a) *Default*- If the Customer, or any person using the Fueling Cards, is unable, refuses or fails to produce proof of training upon request by FEI, or the Customer is otherwise in default of this Agreement, FEI may terminate this Agreement, or de-activate the applicable Fueling Cards, temporarily or permanently, without prior notice to the Customer and without any liability to FEI as a result thereof.
- (b) *Termination of Property Agreement /Transfer of Equipment/Decommissioning of Fueling Equipment* - In addition to any other termination provisions contained herein, this Agreement will terminate concurrent with the termination of the property agreement between FEI and the Host, the sale or transfer of the Fueling Equipment to a third party or the decommissioning of the Fueling Equipment, at no cost or liability accruing to FEI as a result of such termination, provided that, in such event, FEI will use reasonable efforts to secure an alternate fueling location and/or alternate Fueling Equipment for the Customer.
- (c) *Surrender of Fueling Cards* – Upon termination of this Agreement, all Fueling Cards issued under this Agreement will immediately cease to be valid and the Customer shall surrender the Fueling Cards to FEI upon demand.
- (d) *Effect of Termination* – If, prior to the expiry of the Initial Term, this Agreement is terminated by the Customer for any reason or by FEI pursuant to section 6(a), in addition to any other amounts due and owing by the Customer to FEI and despite any other remedies available at law or in equity, the Customer shall pay to FEI, within 30 days of billing, the Dispensing Rate (as escalated annually) calculated on the Minimum Annual Quantity to the end of the Initial Term.
- (e) *Survival* - Upon expiry or early termination of this Agreement, all claims, causes of action or other outstanding obligations remaining or being unfulfilled as of the expiry or termination date and all of the provisions of this Agreement relating to the obligation or either the parties to account to or indemnify the other and to pay to the other any amounts owing as at the date of expiry or termination in connection with this Agreement will survive such expiry or termination.
- (f) *Effect of Termination on Other Agreements* – The expiration or termination of this Agreement does not affect or result in the expiry or termination of any other agreements made between FEI and the Customer, including any fuel purchase agreements or transportation agreements.

7. MISCELLANEOUS

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

END OF DOCUMENT

Appendix F

UPS FUELING SERVICES AGREEMENT




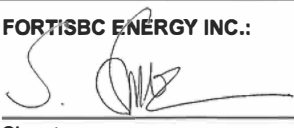
FUELING SERVICES AGREEMENT (ANNACIS ISLAND SITE) PART I – BASIC TERMS

Customer						
Company name: United Parcel Services Canada Ltd.			Mailing/billing address: 2900 Steeles Avenue West, Concord, ON L4K 3S2			
Contact name and title: Bob Gill, Automotive Fleet Manager, West Canada			Telephone: 604-528-4213		Email: harjeetbobgill@ups.com	
Fueling Location						
Annacis Island CNG Fueling Station – 675 Belgrave Way, Delta, BC V3M 5R8						
Term						
Commencement Date: November 1, 2021		Rate Change Date: (see section 4(b) of Part II) January 1 st of each year with the first rate escalation occurring on January 1, 2023		Initial Term: 7 years starting from the Rate Change Date of January 1 st , 2022		Renewal Period: (see section 1(b) of Part II) One 3 year renewal and annual auto renewal thereafter
Dispensing Rate						
\$/Gigajoule ("GJ"), as at the Commencement Date, subject to adjustment pursuant to sections 4(b) and (c) of Part II.						
Capital Rate	O & M Rate	Overhead Rate	Short Term Charge	Spot Charge	Host Fee	Total
\$4.382	\$2.686	\$0.520	N/A	N/A	N/A	\$7.588
Minimum Annual Quantity						
6500 GJs, subject to adjustment pursuant to section 4(d) of Part II.						
Supplemental Terms and Conditions						
<ol style="list-style-type: none">Additional Charges - The Dispensing Rate payable pursuant to this Agreement is in addition to any amounts payable by the Customer to FEI for the purchase of fuel and transportation services, if applicable, pursuant to the Rate Schedules.Fueling Vehicles - Unless otherwise directed by FEI by written notice to the Customer, the dispensing of fuel into the Customer's vehicles shall be performed by the Customer.						

The Customer and FortisBC Energy Inc. ("FEI"), by signing this Fueling Services Agreement (this "Agreement"), accept and agree to be bound by the terms and conditions herein contained. This Agreement, including Part I and Part II, constitutes the entire agreement between the parties and supersedes all other agreements with respect to the services described herein. This Agreement will not come into effect and does not bind the parties until:

- FEI has obtained the necessary approvals for this Agreement from all regulatory or other applicable governmental authorities having jurisdiction, including the British Columbia Utilities Commission ("BCUC"), on terms and conditions which are satisfactory to FEI;
- FEI has entered into an agreement with the Host (as defined in Part II) with respect to the installation and operation of the Fueling Equipment at the Fueling Location and permitting access over its lands to enable access to and use of the Fueling Equipment, and, if applicable, that agreement has been approved by the BCUC; and
- the Fueling Equipment has been installed at the Fueling Location and is operational as determined by FEI, in its sole discretion.

If the conditions listed above are not satisfied or waived by the Commencement Date or such later date agreed to by both parties in writing, this Agreement will terminate, at FEI's sole discretion, and neither party will have recourse against the other party due its termination nor will either party have any further rights or obligations under this Agreement. Sections 5(d) and 6 shall survive termination of this Agreement.

CUSTOMER:		FORTISBC ENERGY INC.:	
			
Signature	Date	Signature	Date
Eric Dowd	10/7/2021	Sarah Smith	October 12, 2021
Name	Title	Sarah Smith, Director, Low Carbon Transportation and LNG Business Growth	

	Name	Title
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PART II – BACKGROUND AND TERMS AND CONDITIONS

SECTION A – BACKGROUND AND INTERPRETATION

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

SECTION B – TERMS AND CONDITIONS

1. TERM

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

2. USE OF FUELING EQUIPMENT AND ACCESS TO PROPERTY

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

FEI may cancel or withdraw any Fueling Card at any time where the Customer or anyone using the Fueling Card fails to comply with the terms of this Agreement, including any on-site signage or instructions. In such event, the Customer shall surrender the Fueling Cards to FEI on demand. Except to the extent prohibited by law, unless the Customer has notified FEI of any loss or theft, the Customer shall be liable for and shall pay FEI in accordance with the terms of this Agreement for the full amount of all transactions in respect of the use of any lost or stolen Fueling Card.

- (f) *Personal Identification Numbers* – Use of Fueling Cards shall be restricted through the use of personal identification numbers (“PINs”). The Customer shall not reveal its PINs to any person other than those authorized by the Customer to use the Fueling Cards. The Customer shall be liable for and shall pay FEI in accordance with the terms of this Agreement for the full amount of all transactions where the Customer has in any way compromised the security and confidentiality of its PIN. The Customer shall notify FEI as soon as reasonably practicable when it becomes aware of any unauthorized use of a Fueling Card or if a Fueling Card becomes lost or stolen.

3. SAFETY

- (a) *Responsibility for Safety* – The Customer is, at all times, responsible for the safety and protection of its employees, contractors, agents, representatives, subcontractors and any other person for whom the Customer is at law responsible (collectively, the “Representatives”) using the Fueling Equipment or otherwise accessing the property on which the Fueling Equipment is located; provided however, where the Customer’s vehicles are fueled by a third party designated by FEI, such third parties shall not be considered Representatives of the Customer for the purposes of this section 3.
- (b) *Covenant re: Training and Operation* – By issuing a Fueling Card to any person, the Customer covenants and agrees such person has successfully completed the applicable orientation and training and will continually access and use the Fueling Equipment in a safe manner. The Customer shall ensure, at all times, all safety requirements and on-site signage are adhered to strictly by its Representatives. Failure to do so constitutes a material breach of this Agreement. In addition to any remedies set out in section 6(a) or available at law, the Customer shall not permit any Representatives who have failed to adhere to the safety requirements and on-site signage from accessing the Fueling Equipment upon written request by FEI or the Host.

4. FEES, BILLING AND PAYMENT

- (a) *Dispensing Fees* – The Customer, in consideration of access to and use of the Fueling Equipment, shall pay to FEI the Dispensing Rate for each GJ of Fuel dispensed by or to the Customer from the Fueling Equipment, as measured by a meter located on the Fueling Equipment and attributable to the Customer through use of the Fueling Cards.

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

Change in Dispensing Rate

- (iii) If FEI upgrades or expands the Fueling Equipment to accommodate added demand for fueling services, FEI and the Customer agree to negotiate in good faith an adjustment to the Dispensing Rate and the Minimum Annual Quantity going forward, subject to BCUC approval.
 - (iv) FortisBC may, in its discretion, provide temporary reductions to the Dispensing Rate from time to time if the aggregate volume of fuel dispensed from the Fueling Equipment to all customers of FEI using the Fueling Equipment who have entered into a fueling agreement with FEI (save and except customers using the Fueling Equipment on a spot basis) materially exceeds the aggregate contracted demand for Fuel for such customers.
- (d) *Minimum Guarantee* - The Customer acknowledges the Dispensing Rate has been calculated by FEI having regard to, among other things, the Customer's estimated fuel demand profile and the number of vehicles to be served by the Fueling Equipment, and accordingly, the Customer agrees to pay a minimum annual charge (the "**Minimum Guarantee**") calculated by multiplying the Dispensing Rate by the Minimum Annual Quantity shown in Part I for each Service Year (pro-rated for part years); where a "**Service Year**" means the twelve month period of the Term calculated from the Rate Change Date or the anniversary thereof, provided that the first Service Year shall commence on the Commencement Date and end the first Rate Change Date.
- (e) *Billing and Payment* - Bills will be rendered by FEI monthly and payable by the Customer, without deduction or set-off, within thirty (30) days following the billing date.
- (f) *Payment of Minimum Guarantee* – Where the annual amount billed to the Customer is less than the Minimum Guarantee, the shortfall will be added to the next bill.
- (g) *Taxes* - Any applicable taxes will be added to all rates and charges on each bill.
- (h) *Late Payments* - Overdue payments shall be subject to a late payment charge of 1.5% per month of compound interest (19.56% per annum).
- (i) *Verification* - The Customer must report any billing errors promptly to FEI. Statements shall be final and binding unless questioned by the Customer within one year after its billing date. The Customer shall have the right to review meter data and other relevant records to verify statements. Such review shall be conducted at the Customer's expense unless such review discloses errors in the amount of fuel dispensed which exceed two percent (2%).

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

- (a) *Liability* - The Customer is responsible for, and shall indemnify and save harmless each of FEI and the Host from all expenses, claims and liability incurred by FEI or the Host, as applicable, with respect to the access to and use of the Fueling Location and the Fueling Equipment by the Customer's personnel, including any damage to the Fueling Equipment occasioned by its use.
- (b) *Release* - The Customer, on its own behalf and on behalf of its Representatives, hereby releases, defends, indemnifies and holds harmless FEI and the Host, and their respective directors, officers, employees, agents, contractors, successors and assigns, from and against any and all adverse claims, losses, suits, actions, judgments, demands, debts, accounts, damages, costs, penalties and expenses (including all legal fees and disbursements) arising from or incurred by or suffered as a result of the Customer's presence at the Fueling Location or while using the Fueling Equipment, howsoever caused, save and except from any negligent act or omission of FEI.
- (c) *No Warranty and Disclaimer* – The Customer acknowledges and agrees:
 - (i) Suitability of Fueling Equipment - FEI does not represent or warrant the adequacy or suitability of the Fueling Equipment for the Customer's purpose and all express or implied warranties, terms or conditions of merchantability or fitness for a particular purpose, whether existing at law or in equity, are expressly disclaimed by FEI.
 - (ii) Limitations on Use - The Customer acknowledges and is aware the fuel supply may be temporarily suspended or unavailable from time to time, including as a result of equipment breakdown, to make repairs or improvements to the Fueling Equipment or to comply with the requirements of any law. FEI will, regardless of the cause of fuel suspension or equipment breakdown and whenever practicable, give prior notice to the Customer of such suspension, will diligently undertake required repairs to minimize Fueling Equipment down-time and will use commercially reasonable efforts to provide the Customer with the right to access substituted fueling equipment on an interim basis for the duration of fuel supply suspension or equipment breakdown and, in the event the Customer elects to exercise such right, the Customer will bear FEI's reasonable costs associated with the implementation of substituted fueling equipment, on a pro rata basis. If the supply of fuel from the Fueling Equipment is interrupted or curtailed and FEI is unable to provide an interim dispensing location, the Customer may temporarily utilize another source of Fuel until FEI is able to resume supply and, if applicable, the amount of such third party fuel will be taken into account when calculating any Minimum Guarantee payable for such year.
- (d) *Limitation of Liability* – Neither party shall be liable to the other party for any indirect, punitive, exemplary, incidental, aggravated, punitive or consequential damages of any kind regardless of the form of action whether in contract, tort, strict product liability, breach of warranty, breach of representation, misrepresentation, statutory duty, or any other legal or equitable theory, even if such party has been advised of the possibility of such damages. This provision shall not apply to third party claims or to any claim by FEI for loss of profit, use or interruption of business.
- (e) *Insurance* - The Customer shall obtain and maintain the following insurance coverage and provide proof of coverage to FEI:
 - (i) Workers' Compensation Insurance in accordance with the statutory requirements;
 - (ii) Automobile Liability Insurance with a limit of not less than \$5,000,000 per occurrence in respect of bodily injury, death and property damage;

- (iii) Comprehensive General Liability Insurance from insurers registered in and licensed to underwrite insurance in British Columbia for bodily injury, death and property damage in the amount of \$5,000,000 per occurrence naming FEI as an additional insured with respect to this Agreement and providing that the insurance shall not be cancelled or materially changed without the insurer using best efforts to provide at least 30 calendar days' written notice to FEI; and
 - (iv) Such other insurance as reasonably required by FEI from time to time.
- (f) *Environmental Compliance* - The Customer acknowledges and agrees the Customer has environmental responsibilities arising from the Customer's use of the Fueling Equipment pursuant to environmental laws and regulations, including related spills, and is required to comply with the requirements of FEI as they relate to environmental management, compliance and reporting, copies of which requirements will be provided by FEI to the Customer from time to time. The Customer covenants and agrees to co-operate with FEI in coordinating, establishing, implementing and verifying processes and procedures to manage and address environmental impacts and ensure compliance with environmental laws and regulations.

6. DEFAULT AND TERMINATION

- (a) *Default*- If the Customer, or any person using the Fueling Cards, is unable, refuses or fails to produce proof of training upon request by FEI, or the Customer is otherwise in default of this Agreement, FEI may terminate this Agreement, or de-activate the applicable Fueling Cards, temporarily or permanently, without prior notice to the Customer and without any liability to FEI as a result thereof.
- (b) *Termination of Property Agreement /Transfer of Equipment/Decommissioning of Fueling Equipment* - In addition to any other termination provisions contained herein, this Agreement will terminate concurrent with the termination of the property agreement between FEI and the Host, the sale or transfer of the Fueling Equipment to a third party or the decommissioning of the Fueling Equipment, at no cost or liability accruing to FEI as a result of such termination, provided that, in such event, FEI will use reasonable efforts to secure an alternate fueling location and/or alternate Fueling Equipment for the Customer.
- (c) *Surrender of Fueling Cards* – Upon termination of this Agreement, all Fueling Cards issued under this Agreement will immediately cease to be valid and the Customer shall surrender the Fueling Cards to FEI upon demand.
- (d) *Effect of Termination* – If, prior to the expiry of the Initial Term, this Agreement is terminated by the Customer for any reason or by FEI pursuant to section 6(a), in addition to any other amounts due and owing by the Customer to FEI and despite any other remedies available at law or in equity, the Customer shall pay to FEI, within 30 days of billing, the Dispensing Rate (as escalated annually) calculated on the Minimum Annual Quantity to the end of the Initial Term. An example of this calculation is attached hereto as Appendix A.
- (e) *Survival* - Upon expiry or early termination of this Agreement, all claims, causes of action or other outstanding obligations remaining or being unfulfilled as of the expiry or termination date and all of the provisions of this Agreement relating to the obligation or either the parties to account to or indemnify the other and to pay to the other any amounts owing as at the date of expiry or termination in connection with this Agreement will survive such expiry or termination.
- (f) *Effect of Termination on Other Agreements* – The expiration or termination of this Agreement does not affect or result in the expiry or termination of any other agreements made between FEI and the Customer, including any fuel purchase agreements or transportation agreements.

7. MISCELLANEOUS

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

Appendix A

The table below is an example of the payment as described in Section 6(d) of Part II, if this Agreement was terminated by the Customer prior to the expiry of the Initial Term.. The table below is designed to display the methodology and to provide an example on how to calculate the payment by the Customer to FEI, and does not reflect the actual amounts that would be calculated pursuant to section 6(d), in the event a payment is required:

Example of Payment Pursuant to Section 6(d) of Part II, if the Agreement was terminated in Year 2 of the Initial Term (all amounts are estimated):							
Escalating Factor*	2%						
Year	1	2	3	4	5	6	7
Capital Rate (\$/GJ)	4.382	4.470	4.559	4.650	4.743	4.838	4.935
O&M Rate (\$/GJ)	2.686	2.740	2.795	2.851	2.908	2.966	3.025
OH&M Rate (\$/GJ)	0.520						
Total Dispensing Rate	7.588	7.740	7.895	8.053	8.214	8.378	8.546
Minimum Annual Quantity (GJ per year)	6,500						
Payment from year 3 to 5			51,317.50	52,344.50	53,391.00	54,457.00	55,549.00
Total Termination Payment (\$)	267,059.00						
Notes							
*Assumes 2% Capital Rate and CPI escalation							

Appendix G

WESTERN PACIFIC FUELING SERVICES AGREEMENT




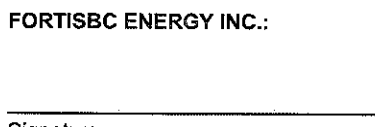
FUELING SERVICES AGREEMENT (ANNACIS ISLAND SITE) PART I – BASIC TERMS

Customer						
Company name: Western Pacific Transport Ltd.			Mailing/billing address: 1364 Cliveden Ave, Delta, BC V3M 3M1			
Contact name and title: Ravi Dhanoa			Telephone: 604-598-1669	Email: ravi@westernpacifictransport.ca		
Fueling Location						
Annacis Island CNG Fueling Station – 675 Belgrave Way, Delta, BC V3M 5R8						
Term						
Commencement Date: November 1, 2021		Rate Change Date: (see section 4(b) of Part II) January 1 st of each year with the first rate escalation occurring on January 1, 2023		Initial Term: 7 years starting from the Rate Change Date of January 1 st , 2022		Renewal Period: (see section 1(b) of Part II) One 3 year renewal and annual auto renewal thereafter
Dispensing Rate						
\$/Gigajoule ("GJ"), as at the Commencement Date, subject to adjustment pursuant to sections 4(b) and (c) of Part II.						
Capital Rate	O & M Rate	Overhead Rate	Short Term Charge	Spot Charge	Host Fee	Total
\$4.382	\$2.686	\$0.520	N/A	N/A	N/A	\$7.588
Minimum Annual Quantity						
5000 GJs, subject to adjustment pursuant to section 4(d) of Part II.						
Supplemental Terms and Conditions						
<ol style="list-style-type: none">Additional Charges - The Dispensing Rate payable pursuant to this Agreement is in addition to any amounts payable by the Customer to FEI for the purchase of fuel and transportation services, if applicable, pursuant to the Rate Schedules.Fueling Vehicles - Unless otherwise directed by FEI by written notice to the Customer, the dispensing of fuel into the Customer's vehicles shall be performed by the Customer.						

The Customer and FortisBC Energy Inc. ("FEI"), by signing this Fueling Services Agreement (this "**Agreement**"), accept and agree to be bound by the terms and conditions herein contained. This Agreement, including Part I and Part II, constitutes the entire agreement between the parties and supersedes all other agreements with respect to the services described herein. This Agreement will not come into effect and does not bind the parties until:

- FEI has obtained the necessary approvals for this Agreement from all regulatory or other applicable governmental authorities having jurisdiction, including the British Columbia Utilities Commission ("BCUC"), on terms and conditions which are satisfactory to FEI;
- FEI has entered into an agreement with the Host (as defined in Part II) with respect to the installation and operation of the Fueling Equipment at the Fueling Location and permitting access over its lands to enable access to and use of the Fueling Equipment, and, if applicable, that agreement has been approved by the BCUC; and
- the Fueling Equipment has been installed at the Fueling Location and is operational as determined by FEI, in its sole discretion; and

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

CUSTOMER:		FORTISBC ENERGY INC.:	
			
Signature	Date	Signature	Date
Ravi Dhanoa	Aug 18 / 2021	Sarah Smith, Director, Low Carbon Transportation and LNG Business Growth	
Name	Title	Name	Title

PART II – BACKGROUND AND TERMS AND CONDITIONS

SECTION A – BACKGROUND AND INTERPRETATION

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

SECTION B – TERMS AND CONDITIONS

1. TERM

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

2. USE OF FUELING EQUIPMENT AND ACCESS TO PROPERTY

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

the Fueling Card fails to comply with the terms of this Agreement, including any on-site signage or instructions. In such event, the Customer shall surrender the Fueling Cards to FEI on demand. Except to the extent prohibited by law, unless the Customer has notified FEI of any loss or theft, the Customer shall be liable for and shall pay FEI in accordance with the terms of this Agreement for the full amount of all transactions in respect of the use of any lost or stolen Fueling Card.

- (f) *Personal Identification Numbers* – Use of Fueling Cards shall be restricted through the use of personal identification numbers (“**PINs**”). The Customer shall not reveal its PINs to any person other than those authorized by the Customer to use the Fueling Cards. The Customer shall be liable for and shall pay FEI in accordance with the terms of this Agreement for the full amount of all transactions where the Customer has in any way compromised the security and confidentiality of its PIN. The Customer shall notify FEI as soon as reasonably practicable when it becomes aware of any unauthorized use of a Fueling Card or if a Fueling Card becomes lost or stolen.

3. SAFETY

- (a) *Responsibility for Safety* – The Customer is, at all times, responsible for the safety and protection of its employees, contractors, agents, representatives, subcontractors and any other person for whom the Customer is at law responsible (collectively, the “**Representatives**”) using the Fueling Equipment or otherwise accessing the property on which the Fueling Equipment is located; provided however, where the Customer’s vehicles are fueled by a third party designated by FEI, such third parties shall not be considered Representatives of the Customer for the purposes of this section 3.
- (b) *Covenant re: Training and Operation* – By issuing a Fueling Card to any person, the Customer covenants and agrees such person has successfully completed the applicable orientation and training and will continually access and use the Fueling Equipment in a safe manner. The Customer shall ensure, at all times, all safety requirements and on-site signage are adhered to strictly by its Representatives. Failure to do so constitutes a material breach of this Agreement. In addition to any remedies set out in section 6(a) or available at law, the Customer shall not permit any Representatives who have failed to adhere to the safety requirements and on-site signage from accessing the Fueling Equipment upon written request by FEI or the Host.

4. FEES, BILLING AND PAYMENT

- (a) *Dispensing Fees* – The Customer, in consideration of access to and use of the Fueling Equipment, shall pay to FEI the Dispensing Rate for each GJ of Fuel dispensed by or to the Customer from the Fueling Equipment, as measured by a meter located on the Fueling Equipment and attributable to the Customer through use of the Fueling Cards.

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

Change in Dispensing Rate

- (iii) If FEI upgrades or expands the Fueling Equipment to accommodate added demand for fueling services, FEI and the Customer agree to negotiate in good faith an adjustment to the Dispensing Rate and the Minimum Annual Quantity going forward, subject to BCUC approval.
 - (iv) FortisBC may, in its discretion, provide temporary reductions to the Dispensing Rate from time to time if the aggregate volume of fuel dispensed from the Fueling Equipment to all customers of FEI using the Fueling Equipment who have entered into a fueling agreement with FEI (save and except customers using the Fueling Equipment on a spot basis) materially exceeds the aggregate contracted demand for Fuel for such customers.
- (d) *Minimum Guarantee* - The Customer acknowledges the Dispensing Rate has been calculated by FEI having regard to, among other things, the Customer's estimated fuel demand profile and the number of vehicles to be served by the Fueling Equipment, and accordingly, the Customer agrees to pay a minimum annual charge (the "**Minimum Guarantee**") calculated by multiplying the Dispensing Rate by the Minimum Annual Quantity shown in Part I for each Service Year (pro-rated for part years); where a "**Service Year**" means the twelve month period of the Term calculated from the Rate Change Date or the anniversary thereof, provided that the first Service Year shall commence on the Commencement Date and end the first Rate Change Date.
- (e) *Billing and Payment* - Bills will be rendered by FEI monthly and payable by the Customer, without deduction or set-off, within thirty (30) days following the billing date.
- (f) *Payment of Minimum Guarantee* – Where the annual amount billed to the Customer is less than the Minimum Guarantee, the shortfall will be added to the next bill.
- (g) *Taxes* - Any applicable taxes will be added to all rates and charges on each bill.
- (h) *Late Payments* - Overdue payments shall be subject to a late payment charge of 1.5% per month of compound interest (19.56% per annum).
- (i) *Verification* - The Customer must report any billing errors promptly to FEI. Statements shall be final and binding unless questioned by the Customer within one year after its billing date. The Customer shall have the right to review meter data and other relevant records to verify statements. Such review shall be conducted at the Customer's expense unless such review discloses errors in the amount of fuel dispensed which exceed two percent (2%).

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

- (a) *Liability* - The Customer is responsible for, and shall indemnify and save harmless each of FEI and the Host from all expenses, claims and liability incurred by FEI or the Host, as applicable, with respect to the access to and use of the Fueling Location and the Fueling Equipment by the Customer's personnel, including any damage to the Fueling Equipment occasioned by its use.
- (b) *Release* - The Customer, on its own behalf and on behalf of its Representatives, hereby releases, defends, indemnifies and holds harmless FEI and the Host, and their respective directors, officers, employees, agents, contractors, successors and assigns, from and against any and all adverse claims, losses, suits, actions, judgments, demands, debts, accounts, damages, costs, penalties and expenses (including all legal fees and disbursements) arising from or incurred by or suffered as a result of the Customer's presence at the Fueling Location or while using the Fueling Equipment, howsoever caused, save and except from any negligent act or omission of FEI.
- (c) *No Warranty and Disclaimer* – The Customer acknowledges and agrees:
 - (i) Suitability of Fueling Equipment - FEI does not represent or warrant the adequacy or suitability of the Fueling Equipment for the Customer's purpose and all express or implied warranties, terms or conditions of merchantability or fitness for a particular purpose, whether existing at law or in equity, are expressly disclaimed by FEI.
 - (ii) Limitations on Use - The Customer acknowledges and is aware the fuel supply may be temporarily suspended or unavailable from time to time, including as a result of equipment breakdown, to make repairs or improvements to the Fueling Equipment or to comply with the requirements of any law. FEI will, regardless of the cause of fuel suspension or equipment breakdown and whenever practicable, give prior notice to the Customer of such suspension, will diligently undertake required repairs to minimize Fueling Equipment down-time and will use commercially reasonable efforts to provide the Customer with the right to access substituted fueling equipment on an interim basis for the duration of fuel supply suspension or equipment breakdown and, in the event the Customer elects to exercise such right, the Customer will bear FEI's reasonable costs associated with the implementation of substituted fueling equipment, on a pro rata basis. If the supply of fuel from the Fueling Equipment is interrupted or curtailed and FEI is unable to provide an interim dispensing location, the Customer may temporarily utilize another source of Fuel until FEI is able to resume supply and, if applicable, the amount of such third party fuel will be taken into account when calculating any Minimum Guarantee payable for such year.
- (d) *Limitation of Liability* – Neither party shall be liable to the other party for any indirect, punitive, exemplary, incidental, aggravated, punitive or consequential damages of any kind regardless of the form of action whether in contract, tort, strict product liability, breach of warranty, breach of representation, misrepresentation, statutory duty, or any other legal or equitable theory, even if such party has been advised of the possibility of such damages. This provision shall not apply to third party claims or to any claim by FEI for loss of profit, use or interruption of business.
- (e) *Insurance* - The Customer shall obtain and maintain the following insurance coverage and provide proof of coverage to FEI:
 - (i) Workers' Compensation Insurance in accordance with the statutory requirements;
 - (ii) Automobile Liability Insurance with a limit of not less than \$5,000,000 per occurrence in respect of bodily injury, death and property damage;

- (iii) Comprehensive General Liability Insurance from insurers registered in and licensed to underwrite insurance in British Columbia for bodily injury, death and property damage in the amount of \$5,000,000 per occurrence naming FEI as an additional insured with respect to this Agreement and providing that the insurance shall not be cancelled or materially changed without the insurer using best efforts to provide at least 30 calendar days' written notice to FEI; and
 - (iv) Such other insurance as reasonably required by FEI from time to time.
 - (f) *Environmental Compliance* - The Customer acknowledges and agrees the Customer has environmental responsibilities arising from the Customer's use of the Fueling Equipment pursuant to environmental laws and regulations, including related spills, and is required to comply with the requirements of FEI as they relate to environmental management, compliance and reporting, copies of which requirements will be provided by FEI to the Customer from time to time. The Customer covenants and agrees to co-operate with FEI in coordinating, establishing, implementing and verifying processes and procedures to manage and address environmental impacts and ensure compliance with environmental laws and regulations.
- 6. DEFAULT AND TERMINATION**
- (a) *Default*- If the Customer, or any person using the Fueling Cards, is unable, refuses or fails to produce proof of training upon request by FEI, or the Customer is otherwise in default of this Agreement, FEI may terminate this Agreement, or de-activate the applicable Fueling Cards, temporarily or permanently, without prior notice to the Customer and without any liability to FEI as a result thereof.
 - (b) *Termination of Property Agreement /Transfer of Equipment* - In addition to any other termination provisions contained herein, this Agreement will terminate concurrent with the termination of the property agreement between FEI and the Host or the sale or transfer of the Fueling Equipment to a third party, at no cost or liability accruing to FEI as a result of such termination, provided that, in such event, FEI will use reasonable efforts to secure an alternate fueling location and/or alternate Fueling Equipment for the Customer.
 - (c) *Surrender of Fueling Cards* – Upon termination of this Agreement, all Fueling Cards issued under this Agreement will immediately cease to be valid and the Customer shall surrender the Fueling Cards to FEI upon demand.
 - (d) *Effect of Termination* – If, prior to the expiry of the Initial Term, this Agreement is terminated by the Customer for any reason or by FEI pursuant to section 6(a), in addition to any other amounts due and owing by the Customer to FEI and despite any other remedies available at law or in equity, the Customer shall pay to FEI, within 30 days of billing, the Dispensing Rate (as escalated annually) calculated on the Minimum Annual Quantity to the end of the Initial Term.
 - (e) *Survival* - Upon expiry or early termination of this Agreement, all claims, causes of action or other outstanding obligations remaining or being unfulfilled as of the expiry or termination date and all of the provisions of this Agreement relating to the obligation or either the parties to account to or indemnify the other and to pay to the other any amounts owing as at the date of expiry or termination in connection with this Agreement will survive such expiry or termination.
 - (f) *Effect of Termination on Other Agreements* – The expiration or termination of this Agreement does not affect or result in the expiry or termination of any other agreements made between FEI and the Customer, including any fuel purchase agreements or transportation agreements.

7. MISCELLANEOUS

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

END OF DOCUMENT

Appendix H

LIVE FINANCIAL MODEL

REFER TO LIVE SPREADSHEET MODEL

Provided in electronic format only

FILED CONFIDENTIALLY

Appendix I

FINANCIAL SCHEDULES

FortisBC Energy Inc.
Annacis Island
August 2021

Annacis Island: Revenue Requirement
Schedule 1
(\$000's), 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	Revenue Requirement																					
2	Operation and Maintenance	Schedule 2, Line 18	94	96	98	100	102	99	101	103	105	107	109	111	114	116	118	120	123	125	128	130
3	Lease Costs	Schedule 2, Line 23	112	37	39	41	44	46	49	52	55	58	62	65	69	74	78	83	88	93	98	104
4	Property Taxes	Schedule 2, Line 28	4	4	4	4	4	4	4	5	5	5	5	5	5	5	5	5	5	6	6	6
5	Depreciation Expense	Schedule 8, Line 13 + Line 30	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54
6	Amortization Expense	Schedule 9, Line 38	1	1	1	1	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Income Taxes	Schedule 3, Line 20	(63)	(13)	(4)	2	7	11	14	16	17	18	19	20	20	20	20	20	20	19	19	19
8	Earned Return	Schedule 5, Line 23	66	63	59	56	52	49	45	42	39	35	32	29	25	22	19	15	12	9	5	2
9																						
10	Annual Revenue Requirement	Sum of Lines 2 through 8	268	241	250	257	263	264	268	271	274	277	281	284	287	290	294	297	301	305	310	315
11																						
12	Calendar Year = Contract Year																					

FortisBC Energy Inc.
Annacis Island
August 2021

Annacis Island: O&M, Lease, and Property Tax
Schedule 2
(\$000's), 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	Gross O&M																					
2	Labour Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Vehicle Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Employee Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Materials & Supplies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Computer Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Facilities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Contractor Costs		60	61	62	64	65	63	64	66	67	68	70	71	72	74	75	77	78	80	82	83
9	Electricity		34	35	35	36	37	36	36	37	38	39	39	40	41	42	43	44	44	45	46	47
10	Recoveries & Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11																						
12	Non-Labour Costs		94	96	98	100	102	99	101	103	105	107	109	111	114	116	118	120	123	125	128	130
13																						
14	Total Gross O&M Expenses		94	96	98	100	102	99	101	103	105	107	109	111	114	116	118	120	123	125	128	130
15																						
16	(Less): Capitalized Overhead		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Add (Less): Adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Net O&M		94	96	98	100	102	99	101	103	105	107	109	111	114	116	118	120	123	125	128	130
19																						
20	Lease Costs																					
21	Annual Lease Costs		34	37	39	41	44	46	49	52	55	58	62	65	69	74	78	83	88	93	98	104
22	Lease Costs During Construction		78	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Total Lease Costs		112	37	39	41	44	46	49	52	55	58	62	65	69	74	78	83	88	93	98	104
24																						
25	Property Taxes																					
26	General, School and Other		4	4	4	4	4	4	4	5	5	5	5	5	5	5	5	5	5	6	6	6
27	1% in Lieu of General Municipal Tax ¹	Schedule 10, Line 57/1000 x 1%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Total Property Taxes		4	4	4	4	4	4	4	5	5	5	5	5	5	5	5	5	5	6	6	6
29																						
30	1 - Calculation is based on the second preceeding year; ex., 2024 is based on 2022 revenue																					

FortisBC Energy Inc.
Annacis Island
August 2021

Annacis Island: Income Tax Expense
Schedule 3
(\$000's), 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	Income Tax Expense																					
2																						
3	Earned Return	Schedule 5, Line 23	66	63	59	56	52	49	45	42	39	35	32	29	25	22	19	15	12	9	5	2
4	Deduct: Interest on debt	Schedule 5, Line 22	(30)	(29)	(27)	(26)	(24)	(23)	(21)	(19)	(18)	(16)	(15)	(13)	(12)	(10)	(9)	(7)	(5)	(4)	(2)	(1)
5	Add (Deduct): Amortization Expense	Schedule 9, Line 38	1	1	1	1	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Depreciation Expense	Schedule 8, Line 13 + Line 30	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54
7	Add: Removal Cost Provision		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Deduct: Overhead Capitalized Expensed for Tax Purposes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Deduct Removal Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Deduct: Capital Cost Allowance	Schedule 4, Line 22	(260)	(123)	(99)	(80)	(64)	(52)	(42)	(34)	(28)	(23)	(19)	(16)	(13)	(11)	(9)	(8)	(7)	(6)	(5)	(4)
11	Taxable Income After Tax	Sum of Lines 3 through 10	(170)	(34)	(12)	5	19	29	37	42	46	50	52	54	54	55	55	54	54	53	52	50
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	(233)	(47)	(17)	7	25	40	51	57	64	68	71	73	74	75	75	74	73	72	71	69
17																						
18	Total Income Tax Expense	Line 16 x Line 13	(63)	(13)	(4)	2	7	11	14	16	17	18	19	20	20	20	20	20	20	19	19	19
19	Adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Net Tax Expense	Line 18 + Line 19	(63)	(13)	(4)	2	7	11	14	16	17	18	19	20	20	20	20	20	20	19	19	19

FortisBC Energy Inc.

Annacis Island

August 2021

Annacis Island: Capital Cost Allowance

Schedule 4

(\$000's), 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	CNG Dispensing Equipment (hoses and fill posts)																					
2	Opening Balance	Preceeding Year, Line 5	-	567	454	363	290	232	186	149	119	95	76	61	49	39	31	25	20	16	13	10
3	Additions	Schedule 7, Line 10 - AFUDC	810	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	CCA	[Line 2 + (Line 3 x AF)] x CCA Rate; See Note 1	(243)	(113)	(91)	(73)	(58)	(46)	(37)	(30)	(24)	(19)	(15)	(12)	(10)	(8)	(6)	(5)	(4)	(3)	(3)	(2)
5	Closing Balance	Sum of Lines 2 through 4	567	454	363	290	232	186	149	119	95	76	61	49	39	31	25	20	16	13	10	8
6																						
7	CNG Foundations																					
8	Opening Balance	Preceeding Year, Line 11	-	111	106	102	98	94	90	87	83	80	77	74	71	68	65	62	60	58	55	53
9	Additions	Schedule 7, Line 11 - AFUDC	118	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	CCA	[Line 8 + (Line 9 x AF)] x CCA Rate; See Note 1	(7)	(4)	(4)	(4)	(4)	(4)	(4)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(2)	(2)	(2)	(2)	(2)
11	Closing Balance	Sum of Lines 8 through 10	111	106	102	98	94	90	87	83	80	77	74	71	68	65	62	60	58	55	53	51
12																						
13	CNG Dehydrator																					
14	Opening Balance	Preceeding Year, Line 17	-	24	19	15	12	10	8	6	5	4	3	3	2	2	1	1	1	1	1	0
15	Additions	Schedule 7, Line 12 - AFUDC	34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	CCA	[Line 14 + (Line 15 x AF)] x CCA Rate; See Note 1	(10)	(5)	(4)	(3)	(2)	(2)	(2)	(1)	(1)	(1)	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
17	Closing Balance	Sum of Lines 14 through 16	24	19	15	12	10	8	6	5	4	3	3	2	2	1	1	1	1	1	0	0
18																						
19	Total CCA																					
20	Opening Balance	Preceeding Year, Line 23	-	702	579	480	400	336	284	242	207	179	156	137	121	108	98	88	81	74	69	64
21	Additions	²	962	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	CCA	³	(260)	(123)	(99)	(80)	(64)	(52)	(42)	(34)	(28)	(23)	(19)	(16)	(13)	(11)	(9)	(8)	(7)	(6)	(5)	(4)
23	Closing Balance	Sum of Lines 20 through 22	702	579	480	400	336	284	242	207	179	156	137	121	108	98	88	81	74	69	64	59
24	1 - AF = Acceleration Factor; AF = 1.5 from 2022 to 2023, AF = 1.0 from 2024 to 2027; AF = 0.5 from 2028 onward																					
25	2 - Schedule 4, Sum of detailed Additions lines																					

FortisBC Energy Inc.

Annacis Island

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Annacis Island: Rate Base

Schedule 5

(*\$000's*), 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	Rate Base																					
2	Gross Plant In Service- Beginning	Schedule 7, Line 7	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817
3	Gross Plant In Service- Ending	Schedule 7, Line 25	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817
4																						
5	Accumulated Depreciation- Beginning	Schedule 8, Line 7	-	(91)	(182)	(273)	(363)	(454)	(545)	(636)	(727)	(818)	(908)	(999)	(1,090)	(1,181)	(1,272)	(1,363)	(1,454)	(1,544)	(1,635)	(1,726)
6	Accumulated Depreciation- Ending	Schedule 8, Line 25	(91)	(182)	(273)	(363)	(454)	(545)	(636)	(727)	(818)	(908)	(999)	(1,090)	(1,181)	(1,272)	(1,363)	(1,454)	(1,544)	(1,635)	(1,726)	(1,817)
7																						
8	Contributions in Aid of Construction- Beginning	Schedule 7, Line 29	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)
9	Contributions in Aid of Construction- Ending	Schedule 7, Line 32	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)
10																						
11	Accumulated Amortization- Beginning	Schedule 8, Line 29	-	37	74	111	149	186	223	260	297	334	372	409	446	483	520	557	594	632	669	706
12	Accumulated Amortization- Ending	Schedule 8, Line 32	37	74	111	149	186	223	260	297	334	372	409	446	483	520	557	594	632	669	706	743
13																						
14	Net Plant in Service, Mid-Year	Sum (Lines 2 through 12)/2	1,047	993	940	886	832	779	725	671	617	564	510	456	403	349	295	242	188	134	81	27
15																						
16	Unamortized Deferred Charges, Mid-Year	Schedule 9, Line 41	3	6	5	4	3	2	1	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Cash Working Capital	¹	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
18	Total Rate Base	Sum of Lines 14 through 17	1,053	1,002	947	892	838	783	728	674	620	567	513	459	406	352	298	244	191	137	83	30
19																						
20	Return on Rate Base																					
21	Equity Return	Line 18 x ROE x Equity %	35	34	32	30	28	26	25	23	21	19	17	15	14	12	10	8	6	5	3	1
22	Debt Component	²	30	29	27	26	24	23	21	19	18	16	15	13	12	10	9	7	5	4	2	1
23	Total Earned Return	Line 21 + Line 22	66	63	59	56	52	49	45	42	39	35	32	29	25	22	19	15	12	9	5	2
24	Return on Rate Base %	Line 23 / Line 18	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
25																						
26	1 - Schedule 7, Line 25 x FEI CWC/Closing GPIS %																					
27	2 - Line 18 x (LTD Rate x LTD% + STD Rate x STD %)																					

FortisBC Energy Inc.

Annacis Island

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Annacis Island: Capital Spending

Schedule 6

(\$000's), 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	Capital Spending Prior to 2022																					
2	CNG Dispensing Equipment (hoses and fill posts)		1,435																			
3	CNG Foundations		209																			
4	CNG Dehydrator		61																			
5	Total Capital Spending Prior to 2022	Sum of Lines 2 through 4	1,705																			
6																						
7	AFUDC Prior to 2022																					
8	CNG Dispensing Equipment (hoses and fill posts)		94																			
9	CNG Foundations		14																			
10	CNG Dehydrator		4																			
11	Total AFUDC Prior to 2022	Sum of Lines 8 through 10	112																			
12																						
13	Capital Spending 2022 Onwards																					
14	CNG Dispensing Equipment (hoses and fill posts)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	CNG Foundations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	CNG Dehydrator		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Total Capital Spending 2022 Onwards	Sum of Lines 14 through 16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18																						
19	Total Capital Spending ¹	Line 5 + Line 17	1,705	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Total AFUDC	Line 11 + Line 18	112	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Total Annual Capital Spending and AFUDC	Line 19 + Line 20	1,817	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22																						
23	Contributions in Aid of Construction		(743)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Removal Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Net Annual Project Costs- Capital	Line 21 + 23 + 24	1,074	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26																						
27	Total Project Costs- Capital Spending and AFUDC	Sum of Line 21	1,817																			
28	Total Net Project Costs- including CIAC & Removal Costs	Sum of Line 25	1,074																			
29																						
30	1 - Excluding capitalized overhead; First year of analysis includes all prior year spending																					

FortisBC Energy Inc.
Annacis Island
August 2021

Annacis Island: Gross Plant in Service & Contributions in Aid of Construction

Schedule 7
(\$000's), 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	Gross Plant in Service																					
2																						
3	Gross Plant in Service, Beginning																					
4	CNG Dispensing Equipment (hoses and fill posts)	Preceding Year, Line 22	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530
5	CNG Foundations	Preceding Year, Line 23	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222
6	CNG Dehydrator	Preceding Year, Line 24	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65
7	Total Gross Plant in Service, Beginning	Sum of Lines 4 through 6	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817
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	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530
23	CNG Foundations	Line 5 + Line 11 + Line 17	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222
24	CNG Dehydrator	Line 6 + Line 12 + Line 18	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65
25	Total Gross Plant in Service, Ending	Sum of Lines 22 through 24	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817
26																						
27																						
28	Contributions in Aid of Construction (CIAC)																					
29	CIAC, Beginning		(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)
30	Additions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Retirements		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	CIAC, Ending	Sum of Lines 29 through 31	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)

FortisBC Energy Inc.
Annacis Island
August 2021

Annacis Island: Accumulated Depreciation & Amortization
Schedule 8
(\$000's), 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	Accumulated Depreciation																					
2																						
3	Accumulated Depreciation, Beginning																					
4	CNG Dispensing Equipment (hoses and fill posts)	Preceding Year, Line 22	-	(76)	(153)	(229)	(306)	(382)	(459)	(535)	(612)	(688)	(765)	(841)	(918)	(994)	(1,071)	(1,147)	(1,224)	(1,300)	(1,377)	(1,453)
5	CNG Foundations	Preceding Year, Line 23	-	(11)	(22)	(33)	(44)	(56)	(67)	(78)	(89)	(100)	(111)	(122)	(133)	(144)	(156)	(167)	(178)	(189)	(200)	(211)
6	CNG Dehydrator	Preceding Year, Line 24	-	(3)	(7)	(10)	(13)	(16)	(20)	(23)	(26)	(29)	(33)	(36)	(39)	(42)	(46)	(49)	(52)	(55)	(59)	(62)
7	Total Accumulated Depreciation, Beginning	Sum of Lines 4 through 6	-	(91)	(182)	(273)	(363)	(454)	(545)	(636)	(727)	(818)	(908)	(999)	(1,090)	(1,181)	(1,272)	(1,363)	(1,454)	(1,544)	(1,635)	(1,726)
8																						
9	Accumulated Depreciation, Depreciation Expense ¹																					
10	CNG Dispensing Equipment (hoses and fill posts)@ 5%	Schedule 7, Line 4 & Line 10	(76)	(76)	(76)	(76)	(76)	(76)	(76)	(76)	(76)	(76)	(76)	(76)	(76)	(76)	(76)	(76)	(76)	(76)	(76)	(76)
11	CNG Foundations@ 5%	Schedule 7, Line 5 & Line 11	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)
12	CNG Dehydrator@ 5%	Schedule 7, Line 6 & Line 12	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
13	Total Accumulated Depreciation, Depreciation Expense	Sum of Lines 10 through 12	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)
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	(76)	(153)	(229)	(306)	(382)	(459)	(535)	(612)	(688)	(765)	(841)	(918)	(994)	(1,071)	(1,147)	(1,224)	(1,300)	(1,377)	(1,453)	(1,530)
23	CNG Foundations	Line 5 + Line 11 + Line 17	(11)	(22)	(33)	(44)	(56)	(67)	(78)	(89)	(100)	(111)	(122)	(133)	(144)	(156)	(167)	(178)	(189)	(200)	(211)	(222)
24	CNG Dehydrator	Line 6 + Line 12 + Line 18	(3)	(7)	(10)	(13)	(16)	(20)	(23)	(26)	(29)	(33)	(36)	(39)	(42)	(46)	(49)	(52)	(55)	(59)	(62)	(65)
25	Total Accumulated Depreciation, Ending	Sum of Lines 22 through 24	(91)	(182)	(273)	(363)	(454)	(545)	(636)	(727)	(818)	(908)	(999)	(1,090)	(1,181)	(1,272)	(1,363)	(1,454)	(1,544)	(1,635)	(1,726)	(1,817)
26																						
27																						
28	Accumulated Amortization of Contributions in Aid of Construction (CIAC)																					
29	Accumulated Amortization CIAC, Beginning		-	37	74	111	149	186	223	260	297	334	372	409	446	483	520	557	594	632	669	706
30	Amortization	¹	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37
31	Retirements		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Accumulated Amortization CIAC, Ending	Sum of Lines 29 through 31	37	74	111	149	186	223	260	297	334	372	409	446	483	520	557	594	632	669	706	743
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

August 2021

Annacis Island: Deferred Charges & Deficiency / Surplus [Tracker]

Schedule 9

(\$000's), 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	Deferred Charge- Application Costs																					
2	Opening Balance	Previous Year, Line 7	-	6	5	4	3	2	1	-	-	-	-	-	-	-	-	-	-	-	-	-
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 @ 7 years		(1)	(1)	(1)	(1)	(1)	(1)	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Closing Balance	Lines 2 + 5 + 6	6	5	4	3	2	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8																						
9	Deficiency / Surplus [Tracker]																					
10	Opening Balance	Previous Year, Line 18	-	12	6	2	(1)	(4)	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Gross Addition	Schedule 10, Line 28 / 1000	12	(7)	(4)	(3)	(3)	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Net Addition	Line 11 + Line 12	12	(7)	(4)	(3)	(3)	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-
14	AFUDC																					
15	Equity	Line 10 x (Schedule 10, Lines 14 x Line 15)	-	0	0	0	(0)	(0)	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Debt	¹	-	0	0	0	(0)	(0)	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Interest Adjustment	²	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Closing Balance	Sum of Lines 13 through 17	12	6	2	(1)	(4)	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19																						
20																						
21	Deferred Charge- Non Rate Base																					
22	Opening Balance	Previous Year, Line 30	-	12	6	2	(1)	(4)	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Opening Balance, Adjustment	Opening balance transfer to rate base	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Gross Additions		12	(7)	(4)	(3)	(3)	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	AFUDC		-	1	0	0	(0)	(0)	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Net Additions	Sum of Lines 24 through 26	12	(6)	(4)	(3)	(3)	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Interest Adjustment		-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Amortization Expense		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Closing Balance	Lines 22 + 23 + 27 + 28 + 29	12	6	2	(1)	(4)	(2)	0	-	-	-	-	-	-	-	-	-	-	-	-	-
31																						
32	Deferred Charge- Rate Base																					
33	Opening Balance	Previous Year, Line 39	-	6	5	4	3	2	1	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Opening Balance, Adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Gross Additions		10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Tax		(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Net Additions		7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Amortization Expense		(1)	(1)	(1)	(1)	(1)	(1)	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Closing Balance	Lines 33 + 37 + 38	6	5	4	3	2	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40																						
41	Deferred Charge, Mid-Year	(Line 33 + Line 34 + Line 39) / 2	3	6	5	4	3	2	1	-	-	-	-	-	-	-	-	-	-	-	-	-
42																						
43	1- Line 10 x [Schedule 10 , (Lines 17 x 18+ Lines 19 x 20) x (1- Tax Rate)]																					
44	2- Adjustment to net account to zero in final year; result of varying WACC rates throughout contract																					

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	267,596	241,183	250,081	257,399	263,496	263,718	268,086	270,553	274,130	277,477	280,696	283,875	287,085	290,387	293,835	297,473	301,345	305,485	309,929	314,700
2	Annual Cost of Service (O&M)	Schedule 1, Line 2 - Line 2	94,000	95,880	97,798	99,754	101,749	98,842	100,818	102,835	104,891	106,989	109,129	111,312	113,538	115,809	118,125	120,487	122,897	125,355	127,862	130,419
3	Annual Cost of Service	Line 1 + Line 1 - Line 2	173,596	145,303	152,283	157,645	161,747	164,877	167,268	167,718	169,239	170,488	171,567	172,563	173,547	174,578	175,710	176,986	178,448	180,130	182,067	184,290
4	Annual Volume (TJ)	Minimum contract demand	21.0	21.0	21.0	21.0	21.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
5																						
6	% of Annual Revenue Required to be Collected	GRR: 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	104,158	87,182	91,370	94,587	97,048	98,926	100,361	167,718	169,239	170,488	171,567	172,563	173,547	174,578	175,710	176,986	178,448	180,130	182,067	184,290
8	Annual Revenue Required to be Collected (O&M)	Line 2 x Line 6	56,400	57,528	58,679	59,852	61,049	59,305	60,491	102,835	104,891	106,989	109,129	111,312	113,538	115,809	118,125	120,487	122,897	125,355	127,862	130,419
9	PV of Annual Revenue Required to be Collected	Line 7 / (1 + Line 23)*Yr	98,756	78,373	77,878	76,439	74,360	71,868	69,129	109,533	104,794	100,092	95,502	91,074	86,843	82,828	79,041	75,486	72,162	69,065	66,187	63,520
10	PV of Annual Revenue Required to be Collected (O&M)	Line 8 / (1 + Line 23)*Yr	53,475	51,715	50,014	48,368	46,777	43,084	41,666	67,159	64,949	62,813	60,746	58,747	56,814	54,945	53,137	51,389	49,698	48,063	46,482	44,952
11																						
12	Annual Discount Rate																					
13	Equity Component																					
14	RDE %		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 - RDE % 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 Line 7 - Line 27	92,031	93,872	95,749	97,664	99,617	96,771	98,707	167,718	169,239	170,488	171,567	172,563	173,547	174,578	175,710	176,986	178,448	180,130	182,067	184,290
28	Annual Deficiency (Surplus): Cost of Service - Contract Rate		12,126	(6,690)	(4,379)	(3,077)	(2,569)	2,155	1,654	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Annual Volumetric Capital Rate (\$/GJ); COS based beyond Contract Term	Line 27 / Line 4 / 1000	4.382	4.470	4.559	4.651	4.744	4.839	4.935	8.386	8.462	8.524	8.578	8.628	8.677	8.729	8.785	8.849	8.922	9.007	9.103	9.214
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	4.382	4.470	4.559	4.651	4.744	4.839	4.935	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Volume (TJ)	Line 4	21.0	21.0	21.0	21.0	21.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
34	Capital Rate Revenue over Contract Term	Line 32 x Line 33 x 1000	92,031	93,872	95,749	97,664	99,617	96,771	98,707	-	-	-	-	-	-	-	-	-	-	-	-	-
35																						
36	Present Value Proof																					
37	PV of Capital Rate Revenue over Contract Term	Line 34 / (1 + Line 23)^Yr	87,258	84,387	81,611	78,926	76,329	70,302	67,989	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Sum of PV Rate Revenue	Sum of Line 37	546,802																			
39	PV Cost of Service over Contract Term	Sum of Line 9, from 2022 to 2028	546,802																			
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		0.0364	0.0352	0.0341	0.0329	0.0319	0.0293	0.0284	-	-	-	-	-	-	-	-	-	-	-	-	-
47	r ₁	$r_1 = \frac{1}{\sum_{n=1}^N \left(\frac{V_n \times (1+E)^{(n-1)}}{(1+D)^n} \right)}$	4.382																			
48																						
49																						
50																						
51																						
52	where:	r ₁ = Contract Rate Year 1 D = Discount Rate E = Annual Rate Escalation percentage PVCOS = Present Value of the Cost of Service (excluding O&M) over Contract Term																				
53																						
54																						
55																						
56	Cost of Service (O&M, Excl. Lease)																					
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%	2.00%	2.00%	2.00%	2.00%
58	Annual O&M Expense	Line 8	56,400	57,528	58,679	59,852	61,049	59,305	60,491	102,835	104,891	106,989	109,129	111,312	113,538	115,809	118,125	120,487	122,897	125,355	127,862	130,419
59	Annual Volumetric O&M Rate (\$/GJ)	Line 58 / Line 4 / 1000	2.686	2.739	2.794	2.850	2.907	2.965	3.025	5.142	5.245	5.349	5.456	5.566	5.677	5.790	5.906	6.024	6.145	6.268	6.393	6.521
60																						
61	Fuelling Station Rate																					
62	Capital Rate (\$/GJ)	Line 29	4.382	4.470	4.559	4.651	4.744	4.839	4.935	8.386	8.462	8.524	8.578	8.628	8.677	8.729	8.785	8.849	8.922	9.007	9.103	9.214
63	O&M Rate (\$/GJ)	Line 59	2.686	2.739	2.794	2.850	2.907	2.965	3.025	5.142	5.245	5.349	5.456	5.566	5.677	5.790	5.906	6.024	6.145	6.268	6.393	6.521
64	O&M Rate (\$/GJ)	G-7B-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
65	Total Annual Volumetric Contract Rate (\$/GJ)	Sum of Line 62 to Line 64	7.588	7.730	7.874	8.021	8.171	8.324	8.480	14.048	14.227	14.394	14.555	14.714	14.874	15.039	15.212	15.394	15.587	15.794	16.016	16.255
66	Annual Forecast Revenue	(Line 4 x Line 65) x 1000	159,351	162,320	165,348	168,436	171,587	166,476	169,598	280,953	284,530	287,877	291,096	294,275	297,485	300,787	304,235	307,873	311,745	315,885	320,329	325,109
67																						
68	Present Value Proof of Total Revenue Required under GRR																					
69	GRR 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																					
70	Capital Rate (\$/GJ)	Line 62 over Contract Term of 7 years	4.382	4.470	4.559	4.651	4.744	4.839	4.935													
71	O&M Rate (\$/GJ)	Line 63 over Contract Term of 7 years	2.686	2.739	2.794	2.850	2.907	2.965	3.025													

FortisBC Energy Inc.

Annacis Island

August 2021

Annacis Island: Discounted Cash Flow Analysis

Schedule 11

(\$000's), 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	Cash Flow																					
2	Add: Revenue	Schedule 10, (Line 62 + Line 63) x Line 4 / Line 6	247	252	257	263	268	260	265	271	274	277	281	284	287	290	294	297	301	305	310	315
3	Less: O&M, Property Tax Expense, Lease Expense	Schedule 1, - (Line 2 + Line 3 + Line 4)	(210)	(136)	(141)	(145)	(150)	(149)	(154)	(159)	(164)	(170)	(176)	(182)	(188)	(194)	(201)	(208)	(216)	(224)	(232)	(241)
4	EBITDA ¹	Line 2 + Line 3	37	116	117	117	118	111	111	111	110	107	105	102	99	96	93	89	85	82	78	74
5	Capital Expenditures ²	Schedule 6, Line 19 + Line 23	(962)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Pre-Tax Cash Flow	Line 4 + Line 5	(925)	116	117	117	118	111	111	111	110	107	105	102	99	96	93	89	85	82	78	74
7	Income Tax Expense	Line 4 x (- Schedule 3, Line 13)	(10)	(31)	(32)	(32)	(32)	(30)	(30)	(30)	(30)	(29)	(28)	(28)	(27)	(26)	(25)	(24)	(23)	(22)	(21)	(20)
8	Overhead Capitalized Tax Shield	Schedule 3, -Line 8 x Line 13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	CCA Tax Shield / Removal Cost	Schedule 3, (-Line 9 + Line 10) x Schedule 3, Line 13	70	33	27	22	17	14	11	9	8	6	5	4	4	3	2	2	2	2	1	1
10	Terminal Value of CCA Tax Shield	⁴	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2
11	Terminal Value	⁵	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12																						
13	Free Cash Flow	Sum of Line 6 to Line 11	(864)	118	112	107	104	95	93	91	88	85	82	79	76	73	70	67	64	61	58	57
14																						
15	After Tax WACC %	Schedule , Line 17	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%
16	Present Value of Free Cash Flow ³	Line 13 / (1 + Line 15)^Yr	(869)	106	95	87	79	69	64	59	54	50	46	42	38	35	31	29	26	23	21	20
17	Total Present Value of Free Cash Flow	Sum of Line 16	<u>104</u>																			
18																						
19	1 - Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)																					
20	2 - Net of CIAC and removal costs (if applicable) and excludes capitalized overhead																					
21	3 - 2022 present value calculates capital expenditure to occur at time zero																					
22	4 - [Class 8 UCC Closing Balance x CCA Rate / (CCA Rate + WACC) + Class 1.3 UCC Closing Balance x CCA Rate / (CCA Rate + WACC)] x Income Tax Rate																					
23	5 - Evaluation period reflects the useful life of the assets, therefore it is assumed that the terminal value is zero																					

FortisBC Energy Inc.
Annacis Island
August 2021

Annacis Island : Approximate Contract Termination Fee
Schedule 12
(\$000's), 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	Total Gross Plant in Service, Ending	Schedule 7, Line 25	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817
2	Accumulated Depreciation, Ending	Schedule 8, Line 25	(91)	(182)	(273)	(363)	(454)	(545)	(636)	(727)	(818)	(908)	(999)	(1,090)	(1,181)	(1,272)	(1,363)	(1,454)	(1,544)	(1,635)	(1,726)	(1,817)
3	Contributions in Aid of Construction- Ending	Schedule 5, Line 9	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)	(743)
4	Accumulated Amortization- Ending	Schedule 5, Line 12	37	74	111	149	186	223	260	297	334	372	409	446	483	520	557	594	632	669	706	743
5	Deferral Account Repayment	Schedule 9, Line 10	12	6	2	(1)	(4)	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Add: Removal Costs ¹		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Less: Excess Fueling Station Recoveries ²		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Net Termination before Surcharge Payment ³	Sum of Line 1 to Line 7	1,032	973	915	858	802	750	698	644	591	537	483	430	376	322	268	215	161	107	54	0
9	Station Surcharge Contribution	Schedule 9, Line 19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Net Termination after Surcharge Payment³		1,032	973	915	858	802	750	698	644	591	537	483	430	376	322	268	215	161	107	54	0
11																						
12	1- Actual removal costs to be determined at time of contract termination and will be less the net salvage collected to date																					
13	2 - Cumulative fueling station recoveries received from volumes in excess of minimum contract demand																					
14	3 - The forecast early termination fee has been calculated on a year end basis. The actual fee would be determined at the time of contract termination and may be different than the amount shown on Line 10																					

Appendix J

ANNACIS NRCAN REPAYMENT

REFER TO LIVE SPREADSHEET MODEL

Provided in electronic format only

(accessible by opening the Attachments Tab in Adobe)

Appendix K

**RATE SCHEDULE 6P REVISED TARIFF PAGES -
BLACKLINED**

- (b) The Environmental 360 Solutions Ltd. (E360S) Vehicle Fueling Station located at 2935 Acland Road, Kelowna, British Columbia (E360S Fueling Station).
- (c) The Annacis Island Vehicle Fueling Station located at 755 Belgrave Way, Delta, British Columbia.

N

2.3 British Columbia Utilities Commission

This Rate Schedule may be amended from time to time with the consent of the British Columbia Utilities Commission.

3. Conditions of Service

3.1 Conditions

Service under this Rate Schedule is available at Applicable Vehicle Fueling Stations during the hours of operation posted at each station and is provided by FortisBC Energy under the FortisBC Energy tariff of which this Rate Schedule is a part, if:

- (a) adequate Gas volumes for such Service are available;
- (b) adequate capacity exists on the FortisBC Energy System;
- (c) Customers' access to the designated Dispensing area is for the sole purpose of on-site Gas vehicle refueling; and
- (d) FortisBC Energy has installed at the Delivery Point the facilities and equipment referred to in Section 4.1 (Facilities and Equipment).

C/N/O

3.2 Sale of Gas

Subject to Section 13 of the General Terms and Conditions of FortisBC Energy (Interruption of Service), FortisBC Energy will sell to the Customer and the Customer will buy from FortisBC Energy at the Delivery Point such quantity of Gas as is required by the Customer for the operation of the Customer's vehicle, for the charges as calculated in accordance of the Table of Charges contained herein and shown on the gas dispenser, and on all of the terms and conditions as set out in this Rate Schedule.

3.3 Service Agreement

By Dispensing Gas from the Delivery Point, the Customer acknowledges and agrees with FortisBC Energy Inc. that:

- (a) the Customer will be bound by the terms and conditions of this Rate Schedule;
- (b) the Customer agrees to pay the FortisBC Energy the charges for the quantity of Gas dispensed from the:

Deleted: G-200-20

leted: Doug Slater, Director

leted: July 3

leted: 0

C/N/O leted: July 31, 2020

leted: Acting

leted: Original signed by Marija Tresoglavic

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

Effective Date: November 1, 2021, (Interim) Accepted for Filing: _____

BCUC Secretary: _____ Second Revision of Page R-6P.4

Table of Charges

Annacis Island
Fueling Station^{1,2,3}

Delivery Margin Related Charges:

1. Delivery Charge per Gigajoule \$ 2.195

2. Rider 3 per Gigajoule \$ 0.022

**Subtotal of per Gigajoule Delivery
Margin Related Charges** \$ 2.217

Commodity Related Charges:

3. Commodity Cost Recovery
Charge per Gigajoule \$ 3.844

4. Storage and Transport Charge
per Gigajoule \$ 0.830

5. Rider 6 per Gigajoule \$ 0.029

**Subtotal of per Gigajoule
Commodity Related Charges** \$ 4.703

Station Service Related Charges:

6. Compression Charge per
Gigajoule n/a

7. Capital Rate per Gigajoule \$ 4.382

8. O&M Rate per Gigajoule \$ 2.686

9. OH&M Charge per Gigajoule \$ 0.520

10. Short Term Charge per Gigajoule \$ 1.000

11. Spot Charge per Gigajoule \$ 1.000

12. Host Fee per Gigajoule \$ 2.500

**Subtotal of per Gigajoule Station
Service Related Charges** \$ 12.088

TOTAL per Gigajoule Rate \$ 19.008

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Deleted: G-314-20/G-319-20

Deleted: January

Deleted: December 21, 2020

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Delivery Margin Related Riders

- Rider 2** (Reserved for future use.)
- Rider 3** **Biomethane Variance Account** - Applicable to Mainland and Vancouver Island Service Area Customers for the Year ending December 31, 2021.
- Rider 4** (Reserved for future use.)
- Rider 7** (Reserved for future use.)

C

Storage and Transport Related Riders

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

C/O

Permanent Delivery Rate Establishment

Pursuant to British Columbia Utilities Commission Order G-302-19, 2020 delivery rates were set on an interim basis for consumption on and after January 1, 2020. Pursuant to British Columbia Utilities Commission Order G-319-20, interim 2020 delivery rates are made permanent for consumption on and after January 1, 2020, up to and including December 31, 2020. Pursuant to British Columbia Utilities Commission Order G-319-20, 2021 delivery rates and delivery rate riders are approved permanent and implemented for consumption on and after January 1, 2021.

C/N/O

Notes:

1. All charges are exclusive of any applicable taxes.
2. The variable Delivery Charge per Gigajoule is based on the British Columbia Utilities Commission approved FortisBC Energy Rate Schedule 5 Demand Charge per Month per Gigajoule and Delivery Charge per Gigajoule. All remaining Delivery Margin Related Charges and Commodity Related Charges equal FortisBC Energy's Rate Schedule 5 Delivery Related Charges and Commodity Related Charges. These charges are subject to change from time to time in accordance with changes to FortisBC Energy Rate Schedule 5.
3. The Station Service Related Charges are equal to the British Columbia Utilities Commission approved rates established in the applicable agreements, and are subject to change from time to time.

Deleted: E360S Fueling Equipment Agreement,

Deleted: in accordance with changes to the rates in the E360S Fueling Equipment Agreement

Order No.:

Issued By: Diane Roy, Vice President, Regulatory Affairs

Effective Date: November 1, 2021 (Interim)

Accepted for Filing: _____

BCUC Secretary: _____

Original of Page R-6P.11



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 Rates and Agreements for Constructing and Operating a Compressed Natural Gas Fueling Station under the Province's Greenhouse Gas Reduction (Clean Energy) Regulation at Annacis Island and for Amendments to Rate Schedule 6P – Public Service – Natural Gas Refueling Service

BEFORE:

[Panel Chair]
Commissioner
Commissioner

on **[DATE]** X, 2021

ORDER

WHEREAS:

- A. On October 15, 2021, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (BCUC), pursuant to sections 59 to 61 and 89 of the *Utilities Commission Act* (UCA), for approval of:
1. Rates established in separate Fueling Services Agreements between FEI and six Anchor Customers, namely Ancor Transport Ltd. (Ancor), ColdStar Solutions Inc. (ColdStar), Encorp Pacific (Canada) (Encorp), Martin-Brower of Canada Co. (Martin-Brower), United Parcel Services Canada Ltd. (UPS), and Western Pacific Transport Ltd. (Western Pacific) (collectively the Agreements) for Compressed Natural Gas (CNG) fueling service at the Annacis Island Fueling Station, on an interim and refundable/recoverable basis, effective November 1, 2021; and
 2. To amend the Rate Schedule 6P – Public Service – Natural Gas Refueling Service (RS 6P) tariff and rates, on an interim non-refundable/non-recoverable basis, to accommodate point-of-sale public fueling at the Annacis Island Fueling Station, effective November 30, 2021 (Application);
- B. FEI requests that the live financial model filed as Appendix H to the Application be held confidential on the basis it is the result of significant development effort by FEI on behalf of its customers and therefore the formulas and configuration of the model are commercially sensitive;
- C. On April 11, 2013, the BCUC issued Order G-56-13 accepting that the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR) established the need for CNG and Liquefied Natural Gas (LNG) fueling stations that are undertaken by FEI, as prescribed undertakings as defined by the GGRR, and that these prescribed

undertaking projects are exempt from the Certificate of Public Convenience and Necessity requirements for the term of the GGRR;

- D. BCUC Order G-56-13 also states that the BCUC will set rates considering FEI's total expenditures on the prescribed undertakings, but confirms that the BCUC's role does not include whether FEI ought to have negotiated different terms and conditions for those agreements with CNG or LNG fueling station customers;
- E. On June 11, 2019, FEI and Coastland Wood Industries Ltd. (Coastland Wood) Property Access and Use Agreement for FEI and two subsequent letter amending agreements to lease a portion of Coastland Wood's land on Annacis Island on which to construct, own and operate a CNG fueling station (Annacis Island Fueling Station);
- F. Between August 31, 2021 and October 12, 2021, FEI entered into the Agreements which established terms, conditions and rates for the Anchor Customers to receive CNG fueling service from the Annacis Island Fueling Station; and
- G. The BCUC has reviewed the Application and finds that the approval of interim rates is warranted.

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

1. Approval of the rates established in the Agreements on an interim and refundable/recoverable basis, effective November 1, 2021.
2. Approval of the amendments to the RS 6P tariff and rates is approved on an interim and non-refundable/non-recoverable basis, effective November 30, 2021.
3. FEI is directed to file an application seeking permanent rates, upon determination of the actual capital expenditures for the Annacis Island Fueling Station.
4. FEI is directed to refund to/recover from the Anchor Customers of the Annacis Island Fueling Station the variance between the interim rates and the permanent rates, as determined by the BCUC following the final determination of permanent rates, with interest calculated at the average prime rate of FEI's principal bank for its most recent year.
5. Upon a BCUC determination of final rates for the Annacis Island Fueling Station, FEI is directed to file an application seeking permanent rates for public fueling service at the Annacis Island Fueling Station under RS 6P.
6. FEI is to file the Agreements in tariff supplement form for endorsement by the BCUC within 15 days of the date of this order.
7. FEI is to file the RS 6P revised tariff pages for endorsement by the BCUC within 15 days of the date of this order.
8. The live financial model provided in Appendix H of the Application will be kept confidential due to its commercially sensitive nature.

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