

Operational Changes: Imbalance Return

November 28, 2022

As you may be aware, on June 15, 2022, FEI filed a Transportation Service Report (Report) in accordance with British Columbia Utilities Commission Decision and Orders G-135-18 and G-210-20. The purpose of the Report was to review and assess the performance of the Transportation Service Model under the new business rules which were approved in Order G-135-18 and made effective in November 2018. As required and in preparation of the Report, FEI initiated individual and group stakeholder sessions with all active shipper agents in 2021 and 2022 to gain feedback for how the new rules were working under the Transportation Service Model. Based on the commentary and discussions with shipper agents, FEI has proceeded with the following changes to the Imbalance Return service.

Change #1:

For shipper agents representing smaller customer groups with smaller demand, based on the current allocation methodology, if the aggregate customer demand is small, then the corresponding amount of imbalance return allocated is also small. It was reported by these shipper agents that small volumes of imbalance return are insignificant and cause challenges for nominations and inventory management. After evaluation of this issue, as discussed in the Report, FEI believes it is fair, reasonable and feasible to implement a change to allocate a baseline volume of imbalance return to smaller groups to assist with customer group management. For shipper agents representing customer groups whose daily average is under 100 GJ, these groups will receive a baseline of 100 GJ of Imbalance Return. Once the minimum allocation is applied to smaller groups, the remaining volume would be allocated using the existing methodology to the remaining shipper agents.

Change #2:

When the imbalance return service is reduced or interrupted, shipper agents currently receive a cut report issued from the WINS nomination system showing the reduction. Shipper agents asked for another layer of notification flagging reductions of the service on the nomination screen in WINS. Following evaluation, and as indicated in the Report, FEI believes this change is minor and reasonable, and has implemented this change in WINS.

Below are the volumes of imbalance return made available by service area under normal operating conditions¹:

Lower Mainland: 20,000 GJ

Interior/Inland: 40,000 GJ

East Kootenay: 500 GJ

Columbia: 9,500 GJ

Going forward, when imbalance return is reduced by service area from the above listed levels, including shipper agents with the 100 GJ of baseline volume, imbalance return nominations will have a “Reduced” flag included in the line item in WINS.

In summary, the above two changes will go into affect as of December 1, 2022 and will apply to all groups in each service areas including the Lower Mainland (including Vancouver Island), Interior, Columbia and East Kootenay regions.

Note this posting will be appended to the news flash section of our web site for your future reference:

<https://www.fortisbc.com/NaturalGas/Business/TransportationServiceOption/TransportMarket ersActivities/Pages/default.aspx>

Thanks,
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¹ Normal operating conditions refer to the general health of the region taking into account the following considerations: upstream/downstream planned or unplanned pipeline supply curtailments and capacity constraints; downstream planned or unplanned regional storage facility outages; actual or forecasted extreme cold weather conditions by region; duration of actual or forecasted extreme cold weather conditions by region; health and inventory level of regional storage facilities; and the time of year (i.e., winter). If any of these considerations impact the BC system, imbalance return may be reduced or eliminated as needed.