

## Important Notice: Rate Design Decision

August 1, 2018

The purpose of this notice is to advise on the timing of the approved rate design changes and address the imbalance return service.

On July 20, 2018, FEI received a Decision on the 2016 Rate Design Application in Order G-135-18.

<https://www.ordersdecisions.bcuc.com/bcuc/decisions/en/item/316310/index.do>

The Decision approved the following changes for all transportation customers' Rate Schedules as were proposed in the Application:

- Eliminate monthly balancing and implement daily balancing for all transportation customers. *Rate Schedules 22 and 22A are currently daily balanced rate schedules.*
- Reduce the daily balancing tolerance to a 10 percent threshold and to introduce a balancing charge of \$0.25/ gigajoule (GJ) for gas supply shortfalls within a 10 to 20 percent tolerance level. *The existing balancing charge of \$1.10/GJ in winter and \$0.30/GJ in summer for gas supply shortfalls beyond the 20 percent tolerance level remains the same.*

With these amendments, all transportation customers will be subject to the same balancing rules. With the exception of Rate Schedule 22B customers, the Commission has directed FEI to implement the balancing changes in Q4 of 2018. Given this, FEI will implement the approved balancing provisions across all Rate Schedules effective **November 1, 2018**.

For Rate Schedule 22B customers, the Commission directed FEI to implement the revised balancing provisions effective November 1, 2019.

With respect to Imbalance Return, the Commission encouraged FEI to engage in a consultation process to address any issues with this existing service. FEI will be hosting a workshop in September to review and clarify the current day methodology, and elicit feedback for allocation changes in light of the changes to the balancing rules.

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/TransportMarketersActivities/Pages/default.aspx>

Thanks,  
Transportation Services  
FortisBC Energy Inc.  
604-592-7799