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May 13, 2014

**Via Email**  
**Original via Mail**

British Columbia Utilities Commission  
6<sup>th</sup> Floor, 900 Howe Street  
Vancouver, BC  
V6Z 2N3

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

**Re: FortisBC Energy Inc. (FEI or the Company)**

**Application for Approval to Amend the Balancing Charges for FEI Rate Schedules 23, 25, 26 and 27**

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FEI hereby applies to the British Columbia Utilities Commission (the Commission), pursuant to sections 59 through 61 of the *Utilities Commission Act* (the Act), for approval to amend the charge per gigajoule (GJ) for monthly Balancing Gas under FEI Rate Schedules 23, 25, 26, and 27. FEI believes that it is necessary and appropriate to increase the Charge per GJ for monthly Balancing Gas supplied from the Sumas Daily Price<sup>1</sup> Average for the Month (as set out in the Table of Charges for the Rate Schedules) to the Sumas Daily Price Average for the Month plus \$0.10 per GJ (Canadian dollars). FEI believes this increase is necessary to more appropriately incent Shipper Agents or Marketers (collectively referred to as Shipper Agents or Shippers) to become accountable to balance their groups and to align with the intent and spirit of the tariff.

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<sup>1</sup> As defined in Rate Schedules 23, 25, 26, and 27 as the "NW Sumas" Daily Midpoint Price as set out in Gas Daily's Daily Price Survey for Gas delivered to Northwest Pipeline Corporation at Sumas, converted to Canadian dollars using the noon exchange rate as quoted by the Bank of Canada, one business day prior to Gas flow date, for each Day. Energy units are converted from MMBtu to Gigajoule by application of a conversion factor equal to 1.055056 Gigajoule per MMBtu.

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### **Regulatory Background:**

On November 17, 2000, FEI (then BC Gas Utility Ltd.) applied to the Commission for approval of market-based Backstopping, Balancing and Unauthorized Overrun charges for various rate schedules including Rate Schedules 23, 25, and 27. On November 30, 2000, the Commission issued Order G-110-00 setting, among other charges, the Balancing Charge for Rate Schedules 23, 25, and 27 to be based on the average for the month of the Sumas Daily Price. Further, Order G-110-00 directed that, among other things, in the 2001 Rate Design Application, FEI address the appropriate level for the Balancing Charge.

On February 5, 2001, FEI filed its 2001 Rate Design Application (the 2001 RDA) in which it applied for Grouping and Balancing<sup>2</sup>. The discussion in the 2001 RDA included information regarding the transportation terms and conditions which permit customers to join with other customers in a “group” in order to take advantage of benefits that grouping creates, such as reduced gas management administration and improved load factors, thereby lowering overall gas costs for all members of the group. Balancing was described as a service provided by the Company to transportation customers when actual gas consumption differs from the amount of gas transported on any day, for example, if a customer ships less gas than is actually used, the Company provides Backstopping or Balancing Gas. Shippers are expected to order and transport only those quantities of gas that will equal the Shipper’s best estimate of the quantity of gas the Shipper will actually consume. Gas supply orders for Shippers who are over or under effectively cause the core market to subsidize their gas procurement activities. There was recognition that the Sumas Daily Price may not adequately compensate core market customers for the gas and services provided and that inadequate price levels for Backstopping or Balancing may be regarded by some Shippers as a low-cost alternative source of gas, rather than a source of last resort. FEI noted that monitoring of Balancing requirements and Shipper ordering practices would be necessary to determine if tariff changes to tolerance levels may be required in future.

During the 2001 RDA, FEI requested (among other things), that the Balancing Charge be revised to reflect the Gas Daily NW Sumas Common high price. At the time it was the Company’s view that the Common high price would provide a reasonable deterrent to abuse of these services under normal circumstances, and adequately compensate core market customers for gas provided under these services.

On November 7, 2001, after a Negotiated Settlement Process, the Commission issued Order G-116-01 approving the Settlement Document in the 2001 RDA, in which no changes were made to the Balancing Charge. Further, the Commission noted that if FEI could demonstrate that the services provided are being used in an inappropriate manner, proposals for change could be made<sup>3</sup>.

### **Operational Practice:**

Transportation Service customers on FEI’s system have their gas commodity supplied by a Shipper Agent. These customers are governed under FEI Rate Schedules 23, 25, 26, and

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<sup>2</sup> 2001 RDA, Tab 7, Sections 6 and 7, commencing at page 12.

<sup>3</sup> Order G-116-01, Appendix 1, page 2 of 3, item 7.

27. Daily metered consumption of each customer under these rate schedules is made available to the appointed Shipper Agent. Shipper Agents use this information as a basis to nominate appropriate gas receipts and manage inventory within reasonable levels on the FEI system. However, even with this consumption information available, FEI believes that not all Shipper Agents are making reasonable efforts to balance their supply with their customer burns.

The Shipper Agents have the ability to aggregate customers into groups; groups can be daily or monthly balanced. As per section 7.2 in Rate Schedules 23, 25, 26, and 27, FEI requests that all groups nominate gas receipts that are equal to the Shipper Agent's best estimate of the quantity of gas the customer will actually consume on a given day. If a Shipper Agent's group actual gas burn exceeds the authorized quantity of gas brought onto the system, FEI will sell the Shipper the deficient quantities at the Balancing Gas Charge set out in the Table of Charges.

Charges for the Balancing Gas are applied differently to daily and monthly balanced groups. For under-deliveries in daily balanced groups, FEI will sell to the Shipper the deficiency quantities at the Sumas Daily Price on the day the under-delivery occurs. In addition, daily balanced groups may be subject to Balancing Gas surcharges if the Balancing Gas sold exceeds the greater of 100 GJs or 20 percent of the Shipper's authorized quantity. According to the current tariff rates, surcharges are \$1.10 per GJ in the winter, November to October, and \$0.30 per GJ in the summer, April to October.

Monthly balanced groups are not charged for imbalances on a daily basis; the groups' imbalances are settled at the last day of the month. As indicated in Rate Schedules 23, 25, 26, and 27, for under-deliveries whereby the sum of the authorized quantities is less than the Shipper's monthly consumption, FEI will balance the group and sell the Shipper the deficient quantities of gas. The charge for this sale of gas as per the Table of Charges is currently the average of the Sumas Daily Price for the Month.

The current price of the monthly Balancing Gas sold is not a pricing mechanism available in the marketplace or representative of what a Shipper could transact for in the marketplace. FEI believes that a premium is required in order to incent the right behavior from Shippers to bring on sufficient supply and balance by month end. FEI believes a \$0.10 per GJ premium would incent the appropriate behavior from the Shipper Agents to better adhere to the spirit and intent of the tariff.

Despite repeated requests made to Shipper Agents to increase their supply and minimize monthly Balancing Gas, certain Shipper Agents have continued to abuse monthly Balancing Gas sales as a default source of supply. FEI has included, on a confidential basis, a spreadsheet in Appendix A, which contains a list of Shipper Agents and the quantities of monthly Balancing Gas sold in 2012 and 2013. A public, non-confidential version of Appendix A is also included which does not identify the specific Shipper Agents. Appendix A shows that the high amount of Balancing Gas sold in 2012 and 2013 (total of 399,214 GJs and 426,282 GJs respectively) demonstrates that Shipper Agents with monthly balanced groups are not making best efforts to provide sufficient quantities of gas over the month to balance their groups. Appendix A shows that of the total load of gas delivered by all Shipper Agents, 1.68 percent in 2012 and 1.72 percent in 2013, was provided by Balancing Gas.

Further, over the two years, the same six Shippers were the worst offenders in both years, with individual Balancing Gas requirements during the two years ranging from 0.29 percent to 7.13 percent.

Shippers have all the necessary tools and reporting information at their disposal to meet the objective of balancing their groups, and achieving a minimal amount of Balancing Gas sold.

When comparing Shipper Agents with similar load on the system, the information clearly indicates that several Shipper Agents are not effectively balancing their groups and are instead deliberately relying on monthly Balancing Gas sales from FEI to do so. Shipper Agents G and A, having an annual load of 4.2 and 1.1 petajoules (PJs) respectively in 2013, incurred insignificant and zero monthly Balancing Gas sales. It is clear that the current charge for Balancing Gas is not sufficiently incenting Shippers to implement appropriate ordering practices; therefore, a change to the charge for Balancing Gas is now required.

### **Approval Sought:**

FEI believes that the information contained in Confidential Appendix A clearly demonstrates that some Shippers are using the Balancing Gas services provided in a manner that is inappropriate and contrary to the intent of the tariff. As a result, FEI believes that an increase to the existing charge for Balancing Gas is required in order to more appropriately incent Shipper Agents to become accountable to balance their groups and be less reliant on monthly Balancing Gas sales from FEI.

FEI requests approval to increase the existing Charge per GJ for Balancing Gas supplied in Rate Schedules 23, 25, 26, and 27 to the Sumas Daily Price Average for the Month plus \$0.10 per GJ (Canadian dollars), effective January 1, 2015, to coincide with the planned effective date of the gas utilities amalgamation, and to ensure consistent treatment for all transportation customers.<sup>4</sup>

In Appendix B, FEI has included blacklined changes to the affected tariff pages for each rate schedule, consistent with the approval sought. Should the Commission approve the requested increase to the Balancing Gas Charge, FEI will submit the revised tariff pages for Commission endorsement in due course. If approval is granted, FEI intends to continue to monitor monthly Balancing Gas sold to the Shipper Agents to determine if the increased Balancing Gas Charge incents the appropriate behavior to align with the spirit and intent of the tariff.

A Draft Form of Order sought is included in Appendix C.

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<sup>4</sup> Order G-21-14 in the FortisBC Energy Utilities (FEU), (comprised of FEI, FEVI and FortisBC Energy (Whistler) Inc.) Application for Reconsideration and Variance of Order G-26-13 on the FEU Common Rates, Amalgamation and Rate Design.

**Request for Confidentiality:**

FEI requests that the information contained in Confidential Appendix A be held confidentially by the Commission as it contains commercially sensitive Shipper billing information.

If you require further information or have any questions regarding this submission, please contact Shawn Hill at (604) 592-7840.

Sincerely,

**FORTISBC ENERGY INC.**

***Original signed:***

Diane Roy

Attachments

cc (email only): Licensed Gas Marketers

**Appendix A**

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**LIST OF MARKETERS WITH BALANCING GAS**

**Appendix A – List of Marketers with Balancing Gas and Load in 2012 and 2013  
(Quantities in GJs)**

**SUMMARY OF MONTHLY BALANCING GAS SOLD IN 2012**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Grand Total	% of Total Load
SHIPPER AGENT A	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
SHIPPER AGENT B	9,714	18,711	-	27,219	24,539	9,642	30,999	3,027	26,538	26,455	-	-	176,844	3.71%
SHIPPER AGENT C	-	-	-	-	-	-	-	-	4,424	-	-	-	4,424	0.29%
SHIPPER AGENT D	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
SHIPPER AGENT E	-	-	-	-	-	-	-	-	-	-	199	-	199	0.07%
SHIPPER AGENT F	18,406	19,492	-	-	-	-	-	-	6,787	-	-	-	44,684	2.26%
SHIPPER AGENT G	-	736	-	-	-	1,521	-	-	-	307	-	-	2,565	0.06%
SHIPPER AGENT H	-	5,343	10,527	-	-	-	-	-	2,254	10,292	8,585	6,658	43,660	7.13%
SHIPPER AGENT I	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
SHIPPER AGENT J	9,798	12,662	-	-	-	1,912	-	-	41,946	46,063	13,554	-	125,935	1.74%
SHIPPER AGENT K	-	-	-	-	556	-	50	-	193	-	-	104	904	0.89%
SHIPPER AGENT L	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
<b>Grand Total</b>	<b>37,917</b>	<b>56,944</b>	<b>10,527</b>	<b>27,219</b>	<b>25,095</b>	<b>13,075</b>	<b>31,050</b>	<b>3,027</b>	<b>82,143</b>	<b>83,118</b>	<b>22,338</b>	<b>6,762</b>	<b>399,214</b>	<b>1.68%</b>

**SUMMARY OF MONTHLY LOAD IN 2012**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Grand Total
SHIPPER AGENT A	146,823	132,343	136,402	104,440	77,682	52,300	39,080	35,751	45,083	78,274	98,273	117,492	1,063,941
SHIPPER AGENT B	554,849	483,257	502,801	383,673	315,793	300,164	242,270	231,014	253,644	385,850	502,054	617,524	4,772,891
SHIPPER AGENT C	219,509	177,682	181,922	127,414	104,888	89,180	67,216	65,080	72,599	124,995	121,790	147,473	1,499,748
SHIPPER AGENT D	134,649	142,277	216,012	119,188	112,869	121,703	167,426	93,765	95,815	65,427	74,663	60,413	1,404,206
SHIPPER AGENT E	12,257	7,859	7,573	1,874	29,585	20,282	24,747	18,027	25,468	31,755	41,912	48,313	269,652
SHIPPER AGENT F	254,910	219,492	233,695	160,098	124,895	107,860	82,923	79,888	102,086	163,260	192,364	254,606	1,976,077
SHIPPER AGENT G	536,575	684,163	481,111	355,705	302,558	266,683	229,048	208,547	231,976	343,335	416,118	473,277	4,529,096
SHIPPER AGENT H	85,079	72,894	74,240	52,083	38,423	31,900	28,597	27,028	32,621	57,842	49,999	61,384	612,091
SHIPPER AGENT I	29,993	25,294	20,108	18,207	18,828	10,812	23,573	11,181	11,373	11,537	11,848	9,493	202,247
SHIPPER AGENT J	882,961	776,117	695,688	557,645	474,691	424,873	450,676	391,716	433,231	656,174	735,436	770,795	7,250,003
SHIPPER AGENT K	-	2,409	12,431	8,758	7,549	6,578	5,898	5,187	6,931	11,965	15,097	19,077	101,879
SHIPPER AGENT L	-	-	-	-	-	-	-	-	-	22,651	27,531	20,485	70,667
<b>Grand Total</b>	<b>2,857,605</b>	<b>2,723,786</b>	<b>2,561,982</b>	<b>1,889,085</b>	<b>1,607,761</b>	<b>1,432,334</b>	<b>1,361,454</b>	<b>1,167,184</b>	<b>1,310,826</b>	<b>1,953,067</b>	<b>2,287,084</b>	<b>2,600,331</b>	<b>23,752,498</b>

**Appendix A – List of Marketers with Balancing Gas and Load in 2012 and 2013  
(Quantities in GJs)**

**SUMMARY OF MONTHLY BALANCING GAS SOLD IN 2013**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Grand Total	% of Total Load
SHIPPER AGENT A	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
SHIPPER AGENT B	30,280	74,217	-	3,231	20,529	498	1,662	12,269	16,987	-	-	6,122	165,794	2.91%
SHIPPER AGENT C	9,177	-	-	-	-	-	-	494	8,509	339	-	-	18,518	1.56%
SHIPPER AGENT D	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
SHIPPER AGENT E	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
SHIPPER AGENT F	-	1,462	-	-	3,583	8,957	4,579	-	-	157	-	42,817	61,556	2.61%
SHIPPER AGENT G	-	-	-	-	-	-	-	14,368	-	-	-	-	14,368	0.33%
SHIPPER AGENT H	2,897	947	-	-	463	-	-	-	1,150	-	-	76	5,533	1.54%
SHIPPER AGENT I	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
SHIPPER AGENT J	-	92,236	-	18,801	3,810	-	-	-	30,369	-	12,593	-	157,809	1.98%
SHIPPER AGENT K	2,704	-	-	-	-	-	-	-	-	-	-	-	2,704	3.11%
SHIPPER AGENT L	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
<b>Grand Total</b>	<b>45,058</b>	<b>168,861</b>	<b>-</b>	<b>22,031</b>	<b>28,385</b>	<b>9,455</b>	<b>6,241</b>	<b>27,130</b>	<b>57,015</b>	<b>496</b>	<b>12,593</b>	<b>49,016</b>	<b>426,282</b>	<b>1.72%</b>

**SUMMARY OF MONTHLY LOAD IN 2013**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Grand Total
SHIPPER AGENT A	140,256	114,034	130,696	113,951	73,824	56,373	42,621	43,134	49,666	90,373	192,500	306,678	1,354,105
SHIPPER AGENT B	680,951	552,521	549,384	463,609	358,100	307,265	260,666	258,792	311,245	469,389	651,908	834,954	5,698,785
SHIPPER AGENT C	185,420	121,391	119,308	99,099	76,092	64,799	61,996	62,325	70,172	99,402	101,348	129,294	1,190,647
SHIPPER AGENT D	65,778	91,089	53,288	49,420	85,301	90,533	59,118	67,419	50,609	60,070	-	-	672,625
SHIPPER AGENT E	48,103	46,113	49,297	44,224	26,674	19,979	18,275	18,902	20,603	25,884	38,782	61,526	418,360
SHIPPER AGENT F	318,561	258,471	273,869	232,087	167,200	136,783	118,173	112,549	139,507	210,372	175,571	211,618	2,354,761
SHIPPER AGENT G	518,186	419,091	426,948	360,327	279,060	229,981	225,067	221,713	255,435	390,314	461,964	503,536	4,291,620
SHIPPER AGENT H	65,788	53,239	47,216	41,280	29,126	23,696	17,825	11,887	13,123	20,957	15,005	19,462	358,602
SHIPPER AGENT I	6,022	3,415	13,904	7,347	24,589	19,961	11,670	20,954	12,295	9,177	8,429	12,501	150,264
SHIPPER AGENT J	768,274	688,735	703,944	645,604	554,756	446,821	448,314	508,254	512,890	672,741	961,369	1,042,665	7,954,367
SHIPPER AGENT K	20,282	16,388	7,016	5,839	4,424	3,520	2,921	2,996	3,456	5,219	6,487	8,438	86,985
SHIPPER AGENT L	20,354	19,780	26,396	27,706	19,228	13,073	12,887	18,505	21,888	25,475	22,237	27,403	254,934
<b>Grand Total</b>	<b>2,837,975</b>	<b>2,384,268</b>	<b>2,401,265</b>	<b>2,090,492</b>	<b>1,698,372</b>	<b>1,412,782</b>	<b>1,279,535</b>	<b>1,347,430</b>	<b>1,460,889</b>	<b>2,079,372</b>	<b>2,635,601</b>	<b>3,158,075</b>	<b>24,786,054</b>



**Appendix A – List of Marketers with Balancing Gas and Load in 2012 and 2013  
(Quantities in GJs)**

**PERCENT OF BALANCING GAS REQUIRED COMPARED TO TOTAL ANNUAL LOAD BY YEAR**

		<b>Total Annual Balancing Gas Required (GJs)</b>	<b>% of Total Load</b>
<b>2013</b>	<b>Total Annual Load (GJs)</b>		
1	SHIPPER AGENT K	86,985	2,704 3.11%
2	SHIPPER AGENT B	5,698,785	165,794 2.91%
3	SHIPPER AGENT F	2,354,761	61,556 2.61%
4	SHIPPER AGENT J	7,954,367	157,809 1.98%
5	SHIPPER AGENT C	1,190,647	18,518 1.56%
6	SHIPPER AGENT H	358,602	5,533 1.54%
7	SHIPPER AGENT G	4,291,620	14,368 0.33%
8	SHIPPER AGENT A	1,354,105	- 0.00%
9	SHIPPER AGENT D	672,625	- 0.00%
10	SHIPPER AGENT E	418,360	- 0.00%
11	SHIPPER AGENT L	254,934	- 0.00%
12	SHIPPER AGENT I	150,264	- 0.00%
	<b>Grand Total</b>	<b>24,786,054</b>	<b>426,282 1.72%</b>

		<b>Total Annual Balancing Gas Required (GJs)</b>	<b>% of Total Load</b>
<b>2012</b>	<b>Total Annual Load (GJs)</b>		
1	SHIPPER AGENT H	612,091	43,660 7.13%
2	SHIPPER AGENT B	4,772,891	176,844 3.71%
3	SHIPPER AGENT F	1,976,077	44,684 2.26%
4	SHIPPER AGENT J	7,250,003	125,935 1.74%
5	SHIPPER AGENT K	101,879	904 0.89%
6	SHIPPER AGENT C	1,499,748	4,424 0.29%
7	SHIPPER AGENT E	269,652	199 0.07%
8	SHIPPER AGENT G	4,529,096	2,565 0.06%
9	SHIPPER AGENT D	1,404,206	- 0.00%
10	SHIPPER AGENT A	1,063,941	- 0.00%
11	SHIPPER AGENT I	202,247	- 0.00%
12	SHIPPER AGENT L	70,667	- 0.00%
	<b>Grand Total</b>	<b>23,752,498</b>	<b>399,214 1.68%</b>

**Appendix B**

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**BLACKLINED TARIFF PAGES  
RATE SCHEDULES 23, 25, 26 AND 27**

**Table of Charges**

	<u>Lower Mainland Service Area</u>	<u>Inland Service Area</u>	<u>Columbia Service area</u>	
<b>1. Transportation</b>				
(a) Basic Charge per Month	\$ 132.52	\$ 132.52	\$ 132.52	
(b) Delivery Charge per Gigajoule	\$ 2.587	\$ 2.587	\$ 2.587	A
(c) Administration Charge per Month	\$ 78.00	\$ 78.00	\$ 78.00	
<b>2. Sales</b>				
(a) Charge per Gigajoule of Balancing Gas supplied	Sumas Daily Price <sup>1</sup> Average for the Month <u>plus \$0.10/GJ</u>	Sumas Daily Price <sup>1</sup> Average for the Month <u>plus \$0.10/GJ</u>	Sumas Daily Price <sup>1</sup> Average for the Month <u>plus \$0.10/GJ</u>	
(b) Charges for Backstopping Gas	Sumas Daily Price <sup>1</sup>	Sumas Daily Price <sup>1</sup>	Sumas Daily Price <sup>1</sup>	
(c) Replacement Gas <sup>2</sup>	Sumas Daily Price <sup>1</sup> plus 20 Percent	Sumas Daily Price <sup>1</sup> plus 20 Percent	Sumas Daily Price <sup>1</sup> plus 20 Percent	
<b>(d) Unauthorized Overrun Charges</b>				
(i) Per Gigajoule on first 5 percent of specified quantity	Sumas Daily Price <sup>1</sup>	Sumas Daily Price <sup>1</sup>	Sumas Daily Price <sup>1</sup>	
(ii) Per Gigajoule on all Gas over 5 percent of specified quantity	The greater of \$20.00/GJ or 1.5 x the Sumas Daily Price <sup>1</sup>	The greater of \$20.00/GJ or 1.5 x the Sumas Daily Price <sup>1</sup>	The greater of \$20.00/GJ or 1.5 x the Sumas Daily Price <sup>1</sup>	
3. <b>Rider 4</b> per Gigajoule	\$ 0.000	\$ 0.000	\$ 0.000	A
4. <b>Rider 5</b> per Gigajoule	\$ (0.120)	\$ (0.120)	\$ (0.120)	R

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Order No.: \_\_\_\_\_ Issued By: Diane Roy, Director, Regulatory Affairs

Effective Date: January 1, 2015

BCUC Secretary: \_\_\_\_\_ Sixth Revision of Page R-23.30

**Table of Charges**

	<u>Lower Mainland Service Area</u>	<u>Inland Service Area</u>	<u>Columbia Service area</u>	
<b>1. Transportation</b>				
(a) Basic Charge per Month	\$ 587.00	\$ 587.00	\$ 587.00	
(b) Demand Charge per Month per Gigajoule of Daily Demand	\$ 17.850 <sup>2</sup>	\$ 17.850 <sup>2</sup>	\$ 17.850 <sup>2</sup>	A
(c) Delivery Charge per Gigajoule	\$ 0.736	\$ 0.736	\$ 0.736	A
(d) Administration Charge per Month	\$ 78.00	\$ 78.00	\$ 78.00	
<b>2. Sales</b>				
(a) Charge per Gigajoule of Balancing Gas supplied	Sumas Daily Price <sup>1</sup> Average for the Month <u>plus \$0.10/GJ</u>	Sumas Daily Price <sup>1</sup> Average for the Month <u>plus \$0.10/GJ</u>	Sumas Daily Price <sup>1</sup> Average for the Month <u>plus \$0.10/GJ</u>	
(b) Charges for Backstopping Gas	Sumas Daily Price <sup>1</sup>	Sumas Daily Price <sup>1</sup>	Sumas Daily Price <sup>1</sup>	
(c) Replacement Gas <sup>3</sup>	Sumas Daily Price <sup>1</sup> plus 20 Percent	Sumas Daily Price <sup>1</sup> plus 20 Percent	Sumas Daily Price <sup>1</sup> plus 20 Percent	
(d) Unauthorized Overrun Charges				
(i) Per Gigajoule on first 5 percent of specified quantity	Sumas Daily Price <sup>1</sup>	Sumas Daily Price <sup>1</sup>	Sumas Daily Price <sup>1</sup>	
(ii) Per Gigajoule on all Gas over 5 percent of specified quantity	The greater of \$20.00/GJ or 1.5 x the Sumas Daily Price <sup>1</sup>	The greater of \$20.00/GJ or 1.5 x the Sumas Daily Price <sup>1</sup>	The greater of \$20.00/GJ or 1.5 x the Sumas Daily Price <sup>1</sup>	
<b>3. Rider 4</b> per Gigajoule	\$ 0.000	\$ 0.000	\$ 0.000	A

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Order No.: \_\_\_\_\_ Issued By: Diane Roy, Director, Regulatory Affairs

Effective Date: January 1, 2015

BCUC Secretary: \_\_\_\_\_ Sixth Revision of Page R-25.30

**Table of Charges**

	<u>Lower Mainland Service Area</u>	<u>Inland Service Area</u>	<u>Columbia Service area</u>
<b>1. Transportation</b>			
(a) Basic Charge per Month	\$ 61.00	\$ 61.00	\$ 61.00
(b) Delivery Charge per Gigajoule	\$ 4.029	\$ 4.029	\$ 4.029
(c) Administration Charge per Month	\$ 78.00	\$ 78.00	\$ 78.00
<b>2. Sales</b>			
(a) Charge per Gigajoule of Balancing Gas supplied	Sumas Daily Price <sup>1</sup> Average for the Month <u>plus \$0.10/GJ</u>	Sumas Daily Price <sup>1</sup> Average for the Month <u>plus \$0.10/GJ</u>	Sumas Daily Price <sup>1</sup> Average for the Month <u>plus \$0.10/GJ</u>
(b) Charges for Backstopping Gas	Sumas Daily Price <sup>1</sup>	Sumas Daily Price <sup>1</sup>	Sumas Daily Price <sup>1</sup>
(c) Replacement Gas <sup>2</sup>	Sumas Daily Price <sup>1</sup> plus 20 Percent	Sumas Daily Price <sup>1</sup> plus 20 Percent	Sumas Daily Price <sup>1</sup> plus 20 Percent
(d) Unauthorized Overrun Charges			
(i) Per Gigajoule on first 5 percent of specified quantity	Sumas Daily Price <sup>1</sup>	Sumas Daily Price <sup>1</sup>	Sumas Daily Price <sup>1</sup>
(ii) Per Gigajoule on all Gas over 5 percent of specified quantity	The greater of \$20.00/GJ or 1.5 x the Sumas Daily Price <sup>1</sup>	The greater of \$20.00/GJ or 1.5 x the Sumas Daily Price <sup>1</sup>	The greater of \$20.00/GJ or 1.5 x the Sumas Daily Price <sup>1</sup>
<b>3. Rider 4</b> per Gigajoule	\$ 0.000	\$ 0.000	\$ 0.000

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Effective Date: January 1, 2015  
BCUC Secretary: \_\_\_\_\_ Sixth Revision of Page R-26.31

**Table of Charges**

	<u>Lower Mainland Service Area</u>	<u>Inland Service Area</u>	<u>Columbia Service Area</u>	
<b>1. Transportation</b>				
(a) <b>Basic Charge</b> per Month	\$ 880.00	\$ 880.00	\$ 880.00	
(b) <b>Delivery Charge</b> per Gigajoule	\$ 1.195	\$ 1.195	\$ 1.195	A
(c) <b>Administration Charge</b> per Month <sup>2</sup>	\$ 78.00	\$ 78.00	\$ 78.00	
<b>2. Sales</b>				
(a) <b>Charge per Gigajoule of Balancing Gas</b> supplied	Sumas Daily Price <sup>1</sup> Average for the Month <u>plus \$0.10/GJ</u>	Sumas Daily Price <sup>1</sup> Average for the Month <u>plus \$0.10/GJ</u>	Sumas Daily Price <sup>1</sup> Average for the Month <u>plus \$0.10/GJ</u>	
(b) <b>Charge for Backstopping Gas</b>	Sumas Daily Price <sup>1</sup>	Sumas Daily Price <sup>1</sup>	Sumas Daily Price <sup>1</sup>	
<b>(c) Unauthorized Overrun Charges</b>				
(i) Per Gigajoule on first 5 percent of specified quantity	Sumas Daily Price <sup>1</sup>	Sumas Daily Price <sup>1</sup>	Sumas Daily Price <sup>1</sup>	
(ii) Per Gigajoule on all Gas over 5 percent of specified quantity	The greater of \$20.00/GJ or 1.5 x the Sumas Daily Price <sup>1</sup>	The greater of \$20.00/GJ or 1.5 x the Sumas Daily Price <sup>1</sup>	The greater of \$20.00/GJ or 1.5 x the Sumas Daily Price <sup>1</sup>	
<b>3. Rider 4</b> per Gigajoule	\$ 0.000	\$ 0.000	\$ 0.000	A

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Effective Date: January 1, 2015

BCUC Secretary: \_\_\_\_\_ Sixth Revision of Page R-27.24

**Appendix C**

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**DRAFT FORM OF ORDER**

**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER**

TELEPHONE: (604) 660-4700  
BC TOLL FREE: 1-800-663-1385  
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SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, BC V6Z 2N3 CANADA  
web site: <http://www.bcuc.com>



**DRAFT ORDER**

IN THE MATTER OF  
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by FortisBC Energy Inc.  
For Approval to Amend the Balancing Charges for Rate Schedules 23, 25, 26 and 27

**BEFORE:**

(Date)

**WHEREAS:**

- A. On November 30, 2000, by Order G-110-00, the British Columbia Utilities Commission (the Commission) set (among other charges) the Balancing Charge for Rate Schedules 23, 25 and 27 to be based on the average for the month of the Sumas Daily Price, and directed that FEI address the appropriate level for the Balancing Charge in the 2001 Rate Design Application (2001 RDA);
- B. On November 7, 2011, by Order G-116-01, the Commission approved the Negotiated Settlement Agreement in the 2001 RDA, which made no changes to the Balancing Charge, and invited FEI to bring forward proposals for change should it be demonstrated that the services provided were being used in an inappropriate manner;
- C. On November 26, 2009, by Order G-141-09, the Commission accepted the Negotiated Settlement Agreement as approved, which included (among other things) Rate Schedule 26 NGV Transportation Service, effective January 1, 2010, and set the Charges, including the Balancing Charge, to be based on the average for the month of the Midpoint Price;
- D. On May 9, 2014, FEI applied to the Commission for approval to increase the existing Charge per Gigajoule (GJ) of Balancing Gas supplied in Rate Schedules 23, 25, 26 and 27, to the Sumas Daily Price Average for the Month plus \$0.10 per GJ, effective January 1, 2015 (the Application);



**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER**

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- E. FEI has requested that the information contained in Confidential Appendix A of the Application be kept be kept confidential due to the commercially sensitive nature of the information;
- F. The Commission has reviewed the Application and concludes that approval is warranted.

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

1. The request to amend the Charge per GJ for monthly balancing to the Sumas Daily Price Average for the Month plus \$0.10 per GJ for Rate Schedules 23, 25, 26 and 27 is approved, effective January 1, 2015.
2. The Commission will keep confidential the information contained in Confidential Appendix A.
3. FEI is to file the revised Tariff Pages for endorsement in due course prior to the effective date.

**DATED** at the City of Vancouver, In the Province of British Columbia, this        day of **<MONTH>**, 2014.

BY ORDER