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**VIA EMAIL**

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March 13, 2014

Ms. Diane Roy  
Director, Regulatory Affairs  
FortisBC Energy Inc.  
16705 Fraser Highway  
Surrey, BC V4N 0E8

Dear Ms. Roy:

Re: FortisBC Energy Inc.  
2014 First Quarter Report on the Biomethane Variance Account  
and Biomethane Energy Recovery Charge Rate effective April 1, 2014  
for the Lower Mainland, Inland and Columbia Service Areas

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Further to your February 19, 2014 filing noted above, enclosed please find Commission Order G-40-14.

Yours truly,

A handwritten signature in black ink, appearing to read "Erica Hamilton".

Erica Hamilton

cms  
Enclosure



BRITISH COLUMBIA  
UTILITIES COMMISSION

ORDER  
NUMBER G-40-14

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

and

FortisBC Energy Inc.  
Application regarding its 2014 First Quarter Report on the Biomethane Variance Account  
and Biomethane Energy Recovery Charge Rate effective April 1, 2014  
for the Lower Mainland, Inland and Columbia Service Areas

**BEFORE:** L.F. Kelsey, Commissioner  
C.A. Brown, Commissioner March 13, 2014  
R.D. Revel, Commissioner  
C. van Wermeskerken, Commissioner

### O R D E R

#### WHEREAS:

- A. By Order G-210-13 and Reasons for Decision (Decision) dated December 11, 2013, the British Columbia Utilities Commission (Commission) approved the continuance of the Biomethane Program on a permanent basis with certain modifications as directed in the Decision;
- B. On February 18, 2014, the Commission issued L-10-14 in response to a letter from Fortis Energy Inc. (FEI) seeking clarification on five aspects of the Decision, including the recovery of interconnection facility costs, continuation of the AIR MILES acquisition program, the applicability of expression of interest and contract template to existing negotiations, the recovery of the Biomethane Variance Account (BVA) balances under certain circumstances, and the effective date of education and marketing cost recovery;
- C. On February 19, 2014, FEI filed its 2014 First Quarter Report on the BVA (the Report) forecasting a BVA balance, based on the existing rates and after adjustment for the value of unsold biomethane volumes at December 31, 2014, of approximately \$384 thousand deficit after tax, and a balance at December 31, 2015, of approximately \$900 thousand deficit after tax;
- D. FEI requests that the biomethane project cost information in Tab 1, Pages 4.1 to 4.4, of the Report, be held confidential pursuant to section 71(5) of the *Utilities Commission Act* on the basis that it contains market sensitive information regarding the biomethane supply contracts, the disclosure of which may impair FEI's ability to negotiate favourable terms for future biomethane supply;
- E. FEI requests approval to increase the BERG rate by \$2.369/GJ, from \$11.696/GJ to \$14.065/GJ, for all affected rate schedules within the Lower Mainland, Inland, and Columbia Service Areas effective April 1, 2014;

BRITISH COLUMBIA  
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- F. The BERC Rate would increase Lower Mainland Rate Schedule 1B rates by \$0.237/GJ (based on 10% biomethane), which is equivalent to an increase of approximately \$23 or 2.3 percent per year for a typical residential customer's annual bill based on an average annual consumption of 95 GJ; and
- G. The Commission determines that the requested rate changes as outlined in the Report are consistent with the Decision and should be approved.

**NOW THEREFORE** pursuant to section 61(4) of the *Utilities Commission Act*, the British Columbia Utilities Commission orders as follows:

1. The Commission approves the Biomethane Energy Recovery Charge be increased to a rate of \$14.065/GJ for all affected rate schedules within the Lower Mainland, Inland, and Columbia service areas, effective April 1, 2014, as set out in the 2014 First Quarter Report on the Biomethane Variance Account.
2. FortisBC Energy Inc. must notify all affected customers of the rate change by way of a bill insert or bill message to be submitted to the Commission prior to its release with the next monthly gas billing.
3. The Commission will hold the biomethane project cost information in Tab 1, Pages 4.1 to 4.4, of the 2014 First Quarter Report on the Biomethane Variance Account confidential as requested by FEI to protect commercially sensitive information as set out in Recital G above.

**DATED** at the City of Vancouver, In the Province of British Columbia, this 13<sup>th</sup> day of March 2014.

BY ORDER



L.F. Kelsey  
Commissioner