



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-99-15**

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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 the 2015 Second Quarter Gas Cost Report and
Propane Commodity Charges effective July 1, 2015
for the Revelstoke Service Area

BEFORE: L. F. Kelsey, Commissioner
C. A. Brown, Commissioner
H. G. Harowitz, Commissioner June 11, 2015
K. A. Keilty, Commissioner
D. M. Morton, Commissioner

O R D E R

WHEREAS:

- A. By Order G-38-15 dated March 12, 2015, the British Columbia Utilities Commission (Commission) approved the propane rates for the FortisBC Energy Inc. (FEI) Revelstoke Service Area (Revelstoke) effective April 1, 2015;
- B. By Letter L-40-11 dated May 19, 2011, the Commission revised the guidelines for the review of quarterly gas costs and rate setting mechanisms that were originally established by Letter L-5-01 (Guidelines);
- C. On June 3, 2015, FEI filed its 2015 Second Quarter Gas Cost Report for Revelstoke (Report);
- D. In the Report, using a propane price forecast based on May 20, 2015 NYMEX B0 - Mt. Belvieu propane swap prices, and based on the existing rates, the projected after tax deferral balance at June 30, 2015 of \$309,371 surplus is forecast to change to \$492,803 surplus at June 30, 2016. The rate change trigger mechanism ratio is calculated to be 148.1 percent, which falls outside the recovery-to-cost threshold dead band range of 95 percent to 105 percent. The proposed rate decrease is calculated to be \$3.203/GJ, which also falls outside the minimum \$0.50/GJ threshold;
- E. In the Report, FEI indicates that current propane cost recovery rates will over recover costs and a propane rate decrease is required effective July 1, 2015;

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- F. The proposed gas cost recovery charge requested by FEI is equivalent to a decrease of approximately \$160 or 18.6 percent in the annual bill for a typical Revelstoke residential customer with an average annual consumption of 50 GJ;
- G. FEI requests that the forecast gas cost information for Revelstoke in Tab 2 of the Report be held confidential on the basis that it is market sensitive information; and
- H. The Commission reviewed the Report within the context of the Guidelines and considers that the requested rate change is warranted.

NOW THEREFORE pursuant to sections 61(4) and 71(5) of the *Utilities Commission Act*, the British Columbia Utilities Commission orders as follows:

1. A decrease to the propane reference price as requested by FortisBC Energy Inc. from the existing propane reference price of \$0.2407 per litre to \$0.1625 per litre, which corresponds to a decrease of \$3.203 per gigajoule in customer rates, effective July 1, 2015.
2. FortisBC Energy Inc. must notify all customers that are affected by the rate change by way of a bill insert or bill message included with the next monthly gas billing.
3. The information in Tab 2 of the 2015 Second Quarter Gas Cost Report will be held confidential as it contains market sensitive information.

DATED at the City of Vancouver, In the Province of British Columbia, this 12th day of June 2015.

BY ORDER

Original signed by:

D. Morton
Commissioner