



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-145-15**

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

BEFORE: H. G. Harowitz, Commissioner
K. A. Keilty, Commissioner
D. M. Morton, Commissioner
September 10, 2015

O R D E R

WHEREAS:

- A. By Order G-99-15 dated June 11, 2015, the British Columbia Utilities Commission (Commission) approved the propane rates for the FortisBC Energy Inc. (FEI) Revelstoke service area effective July 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 September 1, 2015, FEI filed its 2015 Third Quarter Gas Cost Report for Revelstoke (Report);
- D. In the Report, using a propane price forecast based on August 18, 2015 NYMEX B0 - Mt. Belvieu propane swap prices, and based on the existing rates, the projected after tax deferral balance at September 30, 2015 of \$373,522 surplus is forecast to change to \$253,572 surplus at September 30, 2016. The rate change trigger mechanism ratio is calculated to be 132.5 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 \$1.633/GJ, which exceeds 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 October 1, 2015;
- F. The proposed gas cost recovery charge requested by FEI is equivalent to a decrease of approximately \$82 or 11.6 percent in the annual bill for a typical Revelstoke residential customer with an average annual consumption of 50 GJ;

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2

- 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 \$0.1625 per litre to \$0.1226 per litre, which corresponds to a decrease of \$1.633 per gigajoule in customer rates, effective October 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 Third 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 10th day of September 2015.

BY ORDER

Original signed by:

D. M. Morton
Commissioner