



ORDER NUMBER
G-33-16

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Energy Inc.
Application regarding its 2016 First Quarter Gas Cost Report and
Propane Commodity Charges effective April 1, 2016
For the Revelstoke Service Area

BEFORE:

D. M. Morton, Commissioner
H. G. Harowitz, Commissioner
R. D. Revel, Commissioner

on March 10, 2016

ORDER

WHEREAS:

- A. By Order G-145-15 dated September 10, 2015, the British Columbia Utilities Commission (Commission) approved the current propane rates for the FortisBC Energy Inc. (FEI) Revelstoke service area (Revelstoke) effective October 1, 2015. These rates were maintained effective January 1, 2016 through Letter L-44-15;
- 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 March 2, 2016, FEI filed its 2016 First Quarter Gas Cost Report for Revelstoke (Report);
- D. Using a propane price forecast based on the February 24, 2016 NYMEX B0 - Mt. Belvieu propane swap prices, and based on existing rates, the projected after tax deferral balance at March 31, 2016 of \$227,413 surplus is forecast to change to \$121,895 deficit at March 31, 2017. The rate change trigger mechanism is calculated to be 84.9 percent, which falls outside the deadband range of 95 percent to 105 percent. The proposed rate increase is calculated to be \$0.887/GJ, which falls outside the minimum \$0.50/GJ threshold;
- E. In the Report, FEI indicates that current propane cost recovery rates will under recover costs and a propane rate increase is required, effective April 1, 2016;
- F. The proposed Gas Cost Recovery Charge requested by FEI is equivalent to an increase of approximately \$44 or 6.9 percent in the annual bill for a typical Revelstoke customer with an 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 commodity 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. The Revelstoke propane reference price is increased by \$0.0218 per litre to \$0.1444 per litre as requested by FortisBC Energy Inc., which corresponds to an increase of \$0.887 per gigajoule in customer rates, effective April 1, 2016.
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 2016 First 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 March 2016.

BY ORDER

Original signed by:

D. M. Morton
Commissioner