



**ORDER NUMBER
G-112-18**

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

and

FortisBC Energy Inc.
Application regarding its 2018 Second Quarter Gas Cost Report
and Rate Changes effective July 1, 2018
for the Revelstoke Service Area

BEFORE:

B. A. Magnan, Commissioner
R. D. Revel, Commissioner
D. J. Enns, Commissioner

on June 14, 2018

ORDER

WHEREAS:

- A. On June 6, 2018, FortisBC Energy Inc. (FEI) filed its 2018 Second Quarter Gas Cost Report for the Revelstoke Service Area (Report) and applied for approval of an increase in the propane reference price, effective July 1, 2018;
- B. The British Columbia Utilities Commission (BCUC) established guidelines for gas cost rate setting in Letter L-5-01 dated February 5, 2001, and further modified the guidelines in Letter L-40-11 dated May 19, 2011 (together the Guidelines);
- C. By Order G-60-18 dated March 15, 2018, the BCUC approved the current propane rates for Revelstoke and surrounding areas (Revelstoke) effective April 1, 2018;
- D. Using a propane price forecast based on May 29, 2018 NMYEX B0 - Mt. Belvieu propane swap prices, and based on the existing rates, the projected after tax deferral balance at June 30, 2018 of \$60,719 surplus is forecast to change to a \$122,591 deficit at June 30, 2019. The revenue to cost ratio is calculated to be 92.9 percent which falls outside the deadband range of 95 percent to 105 percent. The tested rate increase is calculated to be \$0.769/GJ, which is greater than the minimum \$0.50/GJ threshold established in the Guidelines;
- E. In the Report, FEI indicates that current propane cost recovery rates will under recover costs and proposes a propane rate increase of \$0.769/GJ, effective July 1, 2018;

- F. The proposed Gas Cost Recovery Charge requested within the Report would be equivalent to a bill increase of approximately \$38 or 4.2 percent to a typical Revelstoke residential customer, based on 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 BCUC has determined that the requested changes to the propane reference price and propane rate for Revelstoke 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 BCUC approves a propane reference price increase of \$0.0188 per litre from \$0.2462 per litre to \$0.2650 per litre, which corresponds to an increase of \$0.769 per gigajoule in customer rates, effective July 1, 2018.
2. FEI is directed to notify all customers that are affected by the rate change by way of a bill insert or bill message included with the next monthly billing.
3. The BCUC will hold confidential the information in Tab 2 of the 2018 Second Quarter Gas Cost Report as requested by FEI as it contains market sensitive information.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of June 2018.

BY ORDER

Original signed by

B. A. Magnan
Commissioner