



ORDER NUMBER
G-172-18

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

and

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

BEFORE:

B. A. Magnan, Commissioner/Panel Chair
R. D. Revel, Commissioner

on September 13, 2018

ORDER

WHEREAS:

- A. On September 6, 2018, FortisBC Energy Inc. (FEI) filed with the British Columbia Utilities Commission (BCUC) its 2018 Third Quarter Gas Cost Report for the Revelstoke Service Area (Report) and applied for approval of an increase in the propane reference price of \$0.0257 per litre from \$0.2650 per litre to \$0.2907 per litre, effective October 1, 2018;
- B. The 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 No. G-112-18 dated June 14, 2018, the BCUC approved the current propane rates for Revelstoke and surrounding areas (Revelstoke) effective July 1, 2018;
- D. Using a propane price forecast based on August 29, 2018 NMYEX B0 - Mt. Belvieu propane swap prices, and based on the existing rates, the projected after tax deferral balance at September 30, 2018 of \$47,344 surplus is forecast to change to a \$180,790 deficit at September 30, 2019. The revenue to cost ratio is calculated to be 91.1 percent which falls outside the deadband range of 95 percent to 105 percent. The tested rate increase is calculated to be \$1.051 per gigajoule (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 \$1.051/GJ, effective October 1, 2018;
- F. The proposed Gas Cost Recovery Charge requested within the Report would be equivalent to a bill increase of approximately \$53 or 5.5 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 UCA, the BCUC orders as follows:

1. The BCUC approves a propane reference price increase of \$0.0257 per litre from \$0.2650 per litre to \$0.2907 per litre, which corresponds to an increase of \$1.051 per gigajoule in customer rates, effective October 1, 2018.
2. FEI will 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 Report as requested by FEI as it contains market sensitive information.

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of September, 2018.

BY ORDER

Original signed by

B. A. Magnan
Commissioner