



SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC V6Z 2N3 CANADA
web site: <http://www.bcuc.com>

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-149-13**

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by FortisBC Energy Inc.
regarding the 2013 Third Quarter Gas Costs Report and
Propane Commodity Charges effective October 1, 2013
for the Revelstoke Service Area

BEFORE: L.F. Kelsey, Commissioner
C.A. Brown, Commissioner September 12, 2013
N.E. MacMurchy, Commissioner
B.A. Magnan, Commissioner
D.M. Morton, Commissioner
C. van Wermeskerken, Commissioner

WHEREAS:

- A. By Order G-117-12 dated September 7, 2012, the British Columbia Utilities Commission (Commission) approved the propane rates for the FortisBC Energy Inc. (FEI) Revelstoke service area (Revelstoke), effective October 1, 2012;
- B. By Letter L-40-11 dated May 19, 2011, the Commission revised the guidelines (Guidelines) for the review of quarterly gas costs and rate setting mechanisms that were originally established by Letter L-5-01;
- C. On September 6, 2013, FEI filed its 2013 Third Quarter Gas Cost Report for the Revelstoke service area (Report);
- D. In the Report, using a propane price forecast based on August 23, 2013 NMYEX B0 – Mt. Belvieu propane swap prices, and based on existing rates, FEI calculates a projected after tax deferral balance surplus of \$247,969 at September 30, 2013 and a projected after tax deferral balance deficit of \$544,069 at September 30, 2014. The rate change trigger ratio is calculated to be 72.5 percent which falls outside the deadband range of 95 percent to 105 percent indicating that existing rates are under recovering;
- E. FEI requests Commission approval for an increase in the propane reference price for use in the Revelstoke Propane Cost Deferral Account from \$0.2294/litre to \$0.3166/litre which corresponds to a rate increase of \$3.559/GJ, effective October 1, 2013;

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2

- F. The proposed propane rate change, effective October 1, 2013, equates to an increase to a typical residential customer's annual bill of approximately \$178 or 21.4 percent, 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 as it contains market sensitive information;
- H. The Commission considers the confidentiality request by FEI is warranted to protect commercially sensitive information;
- I. The Commission has reviewed the Report within the context of the Guidelines and considers that the requested rate change is warranted.

NOW THEREFORE pursuant to Section 61(4) of the *Utilities Commission Act*, the Commission orders as follows:

- 1. The requested increase to the propane reference price is approved from \$0.2294 per litre to \$0.3166 per litre, which corresponds to an increase of \$3.559 per gigajoule in customer rates, effective October 1, 2013.
- 2. FortisBC Energy Inc. (FEI) must notify all affected customers of the rate change by way of a bill insert or bill message to be submitted to the Commission for review prior to its release with the next monthly gas billing.
- 3. The Commission will hold the gas cost information for Revelstoke in Tab 2 of the 2013 Third Quarter Report confidential as requested by FEI to protect commercially sensitive information.

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of September, 2013.

BY ORDER

Original Signed By:

D.M. Morton
Commissioner