



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-38-14**

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

FortisBC Energy (Whistler) Inc.
Application regarding Gas Cost Recovery Charge effective April 1, 2014

BEFORE: L.F. Kelsey, Commissioner
C.A. Brown, Commissioner March 13, 2014
R.D. Revel, Commissioner
C. van Wermeskerken, Commissioner

O R D E R

WHEREAS:

- A. The British Columbia Utilities Commission (Commission) 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);
- B. By Order G-138-10 and its accompanying Reasons for Decision, the Commission approved the treatment of various components of the Cost of Gas for FortisBC Energy (Whistler) Inc. (FortisBC Whistler), which included determining the FortisBC Whistler Gas Cost Recovery Charge from the FortisBC Energy Inc. (FortisBC Energy) Rate Schedule 3 commodity and midstream gas cost allocation and recovery rates;
- C. By Order G-202-13 dated November 29, 2013, the Commission approved the FortisBC Whistler Gas Cost Recovery Charge of \$4.386/GJ, effective January 1, 2014;
- D. On March 5, 2014, FortisBC Energy filed its 2014 First Quarter Gas Cost Report (FortisBC Energy First Quarter Report), which includes a recommended Commodity Cost Recovery Charge proposed rate increase of \$0.868/GJ in the Rate Schedule 3 commodity related charges, effective April 1, 2014, based on a 24 month period for recovery of costs rather than the usual 12 month period set out in the Guidelines;
- E. The FortisBC Energy First Quarter Report also included a calculation of an indicated rate increase of \$1.368/GJ based on the 12 month period set out in the Guidelines;
- F. On March 5, 2014, FortisBC Whistler filed its 2014 First Quarter Gas Cost Report on the Gas Cost Recovery Charge that was based on the five-day average forward prices ending February 19, 2013 (FortisBC Whistler First Quarter Report);

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- G. The FortisBC Whistler 2014 First Quarter Report requested approval to flow-through an increase of \$0.868/GJ in the Gas Cost Recovery Charge, to a rate of \$5.254/GJ, effective April 1, 2014;
- H. On March 13, 2014, the Commission issued Order G-37-14 with Reasons for Decision in which the Commission denied the rate change requested by FortisBC Energy in the FortisBC Energy First Quarter Report and directed FortisBC Energy to flow-through an increase of \$1.368/GJ in the FortisBC Energy Rate Schedule 3 Commodity Cost Recovery Charge;
- I. The Gas Cost Recovery Charge increase of \$1.368/GJ is equivalent to an increase of approximately \$123 or 7.8 percent for a typical Whistler residential customer's annual bill based on an average annual consumption of 90 GJ; and
- J. The Commission reviewed the FortisBC Whistler 2014 First Quarter Report, the rate changes approved for FortisBC Energy Rate Schedule 3 and considers the same rate change to be warranted for FortisBC Whistler customers.

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

1. The requested increase to the Gas Cost Recovery Charge of \$0.868/GJ is denied and FortisBC Energy (Whistler) Inc. is directed to increase the Gas Cost Recovery Charge by \$1.368/GJ to a rate of \$5.754/GJ, effective April 1, 2014, based on the increase to the FortisBC Energy Inc. Rate Schedule 3 Commodity Gas Cost Charge approved in Commission Order G-37-14 and Reasons for Decision dated March 13, 2014.
2. FortisBC Energy (Whistler) Inc. must notify all customers of the rate change by way of a bill insert or bill message with the next monthly gas billing, to be submitted to the Commission prior to its release.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of March 2014.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner