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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-79-14**

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

and

FortisBC Energy Inc.
Application regarding the 2014 Second Quarter Gas Cost Report and
Propane Commodity Charges effective July 1, 2014
for the Revelstoke Service Area

BEFORE: D.M. Morton, Commissioner
C.A. Brown, Commissioner
H.G. Harowitz, Commissioner June 12, 2014
K.A. Keilty, Commissioner
B.A. Magnan, Commissioner
R.D. Revel, Commissioner
C. van Wermeskerken, Commissioner

O R D E R

WHEREAS:

- A. By Order G-41-14 dated March 13, 2014, the British Columbia Utilities Commission (Commission) approved the propane rates for the FortisBC Energy Inc. (FEI) Revelstoke service area (Revelstoke) effective April 1, 2014;
- B. On June 4, 2014, FEI filed its 2014 Second Quarter Gas Cost Report for Revelstoke (2014 Second Quarter Report);
- C. Using a propane price forecast based on the May 21, 2014 NMYEX B0 - Mt. Belvieu propane swap prices, and based on the existing rates, the projected after tax deferral balance at June 30, 2014 of \$338,273 deficit is forecast to change to \$195,662 surplus at June 30, 2015. The rate change trigger mechanism is calculated to be a recovery-to-cost ratio of 107.1 percent and the proposed rate decrease is calculated to be \$1.235/GJ. The recover-to-cost ratio and the calculated rate change fall outside the dead band range of 95 percent to 105 percent and the \$0.50/gigajoule threshold, respectively, that are set out in the Commission's Guidelines established in Commission Letter L-40-11 dated May 19, 2011;
- D. In the 2014 Second Quarter Report, FEI indicates that current propane cost recovery rates will over recover costs and a propane rate decrease is required, effective July 1, 2014;

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2

- E. The proposed Gas Cost Recovery Charge requested within the 2014 Second Quarter Report would be equivalent to a decrease of approximately \$62 or 4.8 percent, based on an annual consumption of 50 gigajoules;
- F. FEI requests that the forecast gas cost information for Revelstoke in Tab 2 of the 2014 Second Quarter Report be held confidential on the basis that it is market sensitive information; and
- G. The Commission determines that the requested changes to the propane reference price and propane rate for Revelstoke should be approved and that the information in Tab 2 of the 2014 Second Quarter Report will be held confidential.

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

1. The requested propane reference price decrease of \$0.0302 per litre is approved effective July 1, 2014. The existing propane reference price of \$0.4539 per litre is to be decreased to \$0.4237 per litre, which corresponds to a decrease of \$1.235 per gigajoule in customer rates.
2. FortisBC Energy Inc. must notify all customers that are affected by the rate change with a bill insert or bill message included in the next monthly billing, to be submitted to the Commission prior to its release.
3. The Commission will hold the gas cost information for Revelstoke in Tab 2 of the 2014 Second Quarter Report confidential.

DATED at the City of Vancouver, In the Province of British Columbia, this 12th day of June 2014.

BY ORDER

Original signed by:

D. Morton
Commissioner