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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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- 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