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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-176-14**

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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 Fourth Quarter Gas Cost Report and
Propane Commodity Charges effective January 1, 2015
for the Revelstoke Service Area**

BEFORE: C. A. Brown, Commissioner
H. G. Harowitz, Commissioner
K. A. Keilty, Commissioner
N. E. MacMurchy, Commissioner November 13, 2014
B. A. Magnan, Commissioner
D. M. Morton, Commissioner
R. D. Revel, Commissioner

O R D E R

WHEREAS:

- A. By Order G-79-14 dated June 12, 2014, the British Columbia Utilities Commission (Commission) approved the propane commodity rates for the FortisBC Energy Inc. (FEI) Revelstoke service area (Revelstoke) effective July 1, 2014;
- B. On November 5, 2014, FEI filed its 2014 Fourth Quarter Gas Cost Report for Revelstoke (Fourth Quarter Report);
- C. Using a propane price forecast based on October 21, 2014 NMYEX B0 - Mt. Belvieu propane swap prices, and based on the existing rates, the projected after tax deferral balance at December 31, 2014 of \$123,548 deficit is forecast to change to \$440,947 surplus at December 31, 2015. The rate change trigger mechanism is calculated to be 120.7 percent and the proposed rate decrease is calculated to be \$2.977/GJ. The recovery-to-cost ratio and the calculated rate change fall outside the recovery-to-cost threshold 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 Fourth Quarter Report, FEI indicates that current propane cost recovery rates will over-recover costs and a propane rate decrease is required, effective January 1, 2015;

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- E. The proposed Gas Cost Recovery Charge rate decrease requested by FEI in the Fourth Quarter Report is equivalent to a decrease of approximately \$149 or 11.9 percent, based on an annual consumption of 50 GJ;
- F. FEI requests that the forecast gas cost information for Revelstoke in Tab 2 of the Fourth 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 are warranted and should be approved, and that the information in Tab 2 of the Fourth Quarter Report should be held confidential as it is commercially sensitive information, the disclosure of which could impede FEI's ability to obtain favourable propane supply terms for its customers in the future .

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 \$0.0728 per litre for Revelstoke customers is approved to be effective January 1, 2015. The existing propane reference price of \$0.4237 per litre is to be decreased to \$0.3509 per litre, which corresponds to a decrease of \$2.977 per gigajoule in customer rates.
- 2. FortisBC Energy Inc. must notify all customers that are affected by the rate change by way of a bill insert or bill message included with the next monthly gas billing, to be submitted to the Commission prior to its release.
- 3. The information in Tab 2 of the Fourth Quarter Report will be held confidential as it contains market sensitive information.

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

BY ORDER

Original signed by:

D. M. Morton
Commissioner