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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-41-14**

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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 First Quarter Gas Cost Report and
Propane Commodity Charges effective April 1, 2014
for the Revelstoke Service Area**

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. By Order G-204-13 dated November 28, 2013, the British Columbia Utilities Commission (Commission) approved the propane rates for the FortisBC Energy Inc. (FEI) Revelstoke Service Area (Revelstoke) effective January 1, 2014;
- B. On March 5, 2014, FEI filed its 2014 First Quarter Gas Cost Report for Revelstoke (2014 First Quarter Report);
- C. Using a propane price forecast based on the February 19, 2014 NYMEX B0 - Mt. Belvieu propane swap prices, and based on the existing rates, the projected after tax deferral balance at March 31, 2014 of \$463,911 deficit is forecast to increase to \$674,583 at March 31, 2015. The rate change trigger mechanism is calculated to be 76.9 percent, which falls outside the deadband range of 95 percent to 105 percent. The proposed rate increase is calculated to be \$4.290/GJ, which also falls outside the \$0.50/GJ threshold;
- D. In the 2014 First Quarter Report, FEI indicates that current propane reference price will under recover costs and a propane rate increase is required, effective April 1, 2014;
- E. The proposed Gas Cost Recovery Charge requested within the 2014 First Quarter Report would be equivalent to an increase of approximately \$215 or 19.7 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 2014 First Quarter Report be held confidential on the basis that it is market sensitive information; and

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- G. The Commission determines that the requested changes to the propane reference price and corresponding rate increase for Revelstoke should be approved.

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 increase of \$0.3490 per litre to \$0.4539 per litre, which corresponds to an increase of \$4.290 per gigajoule in customer rates, is approved effective April 1, 2014.
2. FortisBC Energy Inc. must notify all affected customers by way of a bill insert or bill message to be submitted to the Commission 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 2014 First Quarter Report confidential as requested by FortisBC Energy Inc. to protect commercially sensitive information.

DATED at the City of Vancouver, In the Province of British Columbia, this 13th day of March 2014.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner