

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-38-15**

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 Inc.
Application regarding the 2015 First Quarter Gas Costs Report and
Propane Commodity Charges effective April 1, 2015
for the Revelstoke Service Area**

BEFORE:

L. F. Kelsey, Commissioner
C. A. Brown, Commissioner
H. G. Harowitz, Commissioner
K. A. Keilty, Commissioner
N. E. MacMurchy, Commissioner
I. F. MacPhail, Commissioner
B. A. Magnan, Commissioner
D. M. Morton, Commissioner

March 12, 2015

O R D E R

WHEREAS:

- A. By Order G-176-14 dated November 14, 2014, the British Columbia Utilities Commission (Commission) approved the propane rates for the FortisBC Energy Inc. (FEI) Revelstoke Service Area (Revelstoke), effective January 1, 2015;
- B. By Letter L-40-11 dated May 19, 2011, the Commission revised the guidelines for the review of quarterly gas costs and rate setting mechanisms that were originally established by Letter L-5-01 (Guidelines);
- C. On March 5, 2015, FEI filed its 2015 First Quarter Gas Cost Report for Revelstoke (Report);
- D. In the Report, using a propane price forecast based on February 18, 2015 NYMEX B0 – Mt. Belvieu propane swap prices, and based on existing rates, FEI calculates a projected after tax deferral balance surplus of \$162,696 at March 31, 2015 and a projected after tax deferral balance surplus of \$693,802 at March 31, 2016. The rate change trigger ratio is calculated to be 145.8 percent which falls outside the recovery-to-cost threshold dead band range of 95 percent to 105 percent;
- E. In the Report, FEI indicates that current propane cost recovery rates will over recover costs and a propane rate decrease is required, effective April 1, 2015;

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-38-15

2

- F. FEI requests Commission approval for a decrease in the propane reference price for use in the Revelstoke Propane Cost Deferral Account from \$0.3509 per litre to \$0.2407 per litre which corresponds to a rate decrease of \$4.513 per gigajoule, effective April 1, 2015;
- G. The proposed propane rate change, effective April 1, 2015, equates to a decrease to a typical residential customer's annual bill of approximately \$226 or 20.8 percent, based on an annual consumption of 50 GJ;
- H. FEI requests that the forecast gas cost information for Revelstoke in Tab 2 of the Report be held confidential as it contains market sensitive information;
- I. The Commission reviewed the Report within the context of the Guidelines and considers that the requested rate change is warranted.

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

1. A decrease to the propane reference price requested by FortisBC Energy Inc. from \$0.3509 per litre to \$0.2407 per litre, which corresponds to a decrease of \$4.513 per gigajoule in customer rates, effective April 1, 2015.
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.
3. The information in Tab 2 of the 2015 First 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 16th day of March 2015.

BY ORDER

Original signed by:

D. Morton
Commissioner