

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-99-15**

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

**BEFORE:** L. F. Kelsey, Commissioner  
C. A. Brown, Commissioner  
H. G. Harowitz, Commissioner June 11, 2015  
K. A. Keilty, Commissioner  
D. M. Morton, Commissioner

**O R D E R**

**WHEREAS:**

- A. By Order G-38-15 dated March 12, 2015, the British Columbia Utilities Commission (Commission) approved the propane rates for the FortisBC Energy Inc. (FEI) Revelstoke Service Area (Revelstoke) effective April 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 June 3, 2015, FEI filed its 2015 Second Quarter Gas Cost Report for Revelstoke (Report);
- D. In the Report, using a propane price forecast based on May 20, 2015 NYMEX B0 - Mt. Belvieu propane swap prices, and based on the existing rates, the projected after tax deferral balance at June 30, 2015 of \$309,371 surplus is forecast to change to \$492,803 surplus at June 30, 2016. The rate change trigger mechanism ratio is calculated to be 148.1 percent, which falls outside the recovery-to-cost threshold dead band range of 95 percent to 105 percent. The proposed rate decrease is calculated to be \$3.203/GJ, which also falls outside the minimum \$0.50/GJ threshold;
- E. In the Report, FEI indicates that current propane cost recovery rates will over recover costs and a propane rate decrease is required effective July 1, 2015;

**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-99-15

2

- F. The proposed gas cost recovery charge requested by FEI is equivalent to a decrease of approximately \$160 or 18.6 percent in the annual bill for a typical Revelstoke residential customer with an average annual consumption of 50 GJ;
- G. FEI requests that the forecast gas cost information for Revelstoke in Tab 2 of the Report be held confidential on the basis that it is market sensitive information; and
- H. The Commission reviewed the Report within the context of the Guidelines and considers that the requested rate change is warranted.

**NOW THEREFORE** pursuant to sections 61(4) and 71(5) of the *Utilities Commission Act*, the British Columbia Utilities Commission orders as follows:

1. A decrease to the propane reference price as requested by FortisBC Energy Inc. from the existing propane reference price of \$0.2407 per litre to \$0.1625 per litre, which corresponds to a decrease of \$3.203 per gigajoule in customer rates, effective July 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 Second Quarter Gas Cost Report will be held confidential as it contains market sensitive information.

**DATED** at the City of Vancouver, In the Province of British Columbia, this 12<sup>th</sup> day of June 2015.

BY ORDER

*Original signed by:*

D. Morton  
Commissioner