



ORDER NUMBER
G-308-19

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Energy Inc.
Application regarding its 2019 Fourth Quarter Gas Cost Report
and Rate Changes effective January 1, 2020
for the Revelstoke Service Area

BEFORE:

B. A. Magnan, Commissioner
T. A. Loski, Commissioner
R. D. Revel, Commissioner

on November 28, 2019

ORDER

WHEREAS:

- A. On November 20, 2019, FortisBC Energy Inc. (FEI) filed its 2019 Fourth Quarter Gas Cost Report for the Revelstoke Service Area (Report) and applied for approval of an increase in the propane reference price, effective January 1, 2020;
- B. The British Columbia Utilities Commission (BCUC) established guidelines for gas cost rate setting in Letter L-5-01 dated February 5, 2001, and further modified the guidelines in Letter L-40-11 dated May 19, 2011 (together the Guidelines);
- C. By Order G-129-19 dated June 13, 2019, the BCUC approved the current propane rates for Revelstoke and surrounding areas (Revelstoke) effective July 1, 2019;
- D. Using a propane price forecast based on the November 12, 2019 NMYEX B0 - Mt. Belvieu propane swap prices, and based on the existing rates, the projected after-tax deferral balance at December 31, 2019 of \$47,485 surplus is forecast to change to a \$282,452 deficit at December 31, 2020. The rate change trigger mechanism is calculated to be 83.1 percent, which falls outside the deadband range of 95 percent to 105 percent. The proposed rate increase is calculated to be \$1.732/GJ, which is greater than the minimum \$0.50/GJ threshold established in the Guidelines;
- E. In the Report, FEI indicates that current propane cost recovery rates will under recover costs and a propane rate increase of \$1.732/GJ is required, effective January 1, 2020;

- F. The proposed Commodity Cost Recovery Charge requested within the Report would be equivalent to a bill increase of approximately \$99 or 11.8 percent for a typical Revelstoke residential customer, based on an 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 contains market sensitive information; and
- H. The BCUC has determined that the requested changes to the propane reference price and propane rate for Revelstoke are warranted.

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

- 1. An increase of \$1.732 per gigajoule in customer rates is approved, effective January 1, 2020, based on a propane reference price increase of \$0.0422 per litre, from the existing propane reference price of \$0.2078 per litre to \$0.2500 per litre.
- 2. FEI is directed to notify all customers that are affected by the rate changes with a bill insert or bill message to be included with the next monthly gas billing.
- 3. The information in Tab 2 of the Report will be held confidential as requested by FEI as it contains market sensitive information.
- 4. FEI is directed to file revised tariff pages with the BCUC within 15 days of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of November 2019.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner