



ORDER NUMBER
G-47-20

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

and

FortisBC Energy Inc.
Application regarding its 2020 First Quarter Gas Cost Report
and Rate Changes effective April 1, 2020
for Revelstoke

BEFORE:

B. A. Magnan, Commissioner
E. B. Lockhart, Commissioner
T. A. Loski, Commissioner

on March 12, 2020

ORDER

WHEREAS:

- A. On March 4, 2020, FortisBC Energy Inc. (FEI) filed its 2020 First Quarter Gas Cost Report for Revelstoke (Report) and applied for approval of an increase in the propane reference price, effective April 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-308-19 dated November 28, 2019, the BCUC approved the current propane rates for Revelstoke and surrounding areas (Revelstoke) effective January 1, 2020;
- D. Using a propane price forecast based on February 24, 2020 NMYEX B0 – Mt. Belvieu propane swap prices, and based on the existing rates, the projected after tax deferral balance at March 31, 2020 of \$290,133 deficit is forecast to change to a \$117,088 deficit at March 31, 2021. The revenue to cost ratio is calculated to be 93.5 percent that falls outside the deadband range of 95 percent to 105 percent. The proposed rate increase is calculated to be \$0.709/GJ, which falls outside 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 proposes a propane rate increase of \$0.709/GJ, effective April 1, 2020;
- F. The proposed Commodity Cost Recovery Charge requested within the Report would be equivalent to a bill increase of approximately \$35 or 3.8 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 \$0.709 per gigajoule in customer rates is approved, effective April 1, 2020, based on a propane reference price increase of \$0.0174 per litre, from the existing propane reference price of \$0.2500 per litre to \$0.2674 per litre.
2. FEI is directed to notify all customers that are affected by the rate change by way of 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 12th day of March 2020.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner