

ORDER NUMBER
G-312-20

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

and

FortisBC Energy Inc.
Application regarding its 2020 Fourth Quarter Gas Cost Report
and Rate Changes effective January 1, 2021
for the Fort Nelson Service Area

BEFORE:

B. A. Magnan, Panel Chair
C. Brewer, Commissioner
E. B. Lockhart, Commissioner
T. A. Loski, Commissioner
R. I. Mason, Commissioner

on December 3, 2020

ORDER

WHEREAS:

- A. On November 25, 2020, FortisBC Energy Inc. (FEI) filed its 2020 Fourth Quarter Report on the Gas Cost Reconciliation Account (GCRA) and Commodity Cost Recovery Charge (CCRC) for the Fort Nelson Service Area (Fort Nelson) based on a five-day average of November 6, 9, 10, 12, and 13, 2020 forward gas prices (Five-Day Average Forward Prices ending November 13, 2020) (altogether the 2020 Q4 Report);
- 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-230-20, the BCUC established the current CCRC for the Fort Nelson Service Area at \$2.407 per gigajoule (\$/GJ) effective October 1, 2020;
- D. In the 2020 Q4 Report, using the Five-Day Average Forward Prices ending November 13, 2020, the after-tax balance of the GCRA is projected to be a deficit of \$77,356 at December 31, 2020. Based on the existing CCRC of \$2.407/GJ, FEI calculates the GCRA recovery-to-cost ratio to be 80.3 percent for the following 12 months. The tested rate increase related to the forecast under-recovery of costs is calculated at \$0.592/GJ, which exceeds the minimum rate change threshold set out in the Guidelines, and indicates that a rate change to the CCRC is required effective January 1, 2021;
- E. FEI requests approval to reset the previously approved Storage and Transport Charges to all sales rate classes, effective January 1, 2021, as set out in the schedule on Tab 1, page 8 of the 2020 Q4 Report;

- F. The combined effects of proposed changes to the CCRC and the Storage and Transport Charges, as requested in the 2020 Q4 Report, would increase the total annual bill for a typical Fort Nelson residential customer with an average annual consumption of 125 gigajoules by approximately \$73 or 7.5 percent; and
- G. The BCUC has reviewed the 2020 Q4 Report and considers that the requested rate changes are warranted, and that Tab 3 of the Report should be held confidential as requested by FEI, as it contains market sensitive information.

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

1. Approves the following:
 - a. Commodity Cost Recovery Charge applicable to the Sales Rate Classes in the Fort Nelson Service Area to increase by \$0.592/GJ, from \$2.407/GJ to \$2.999/GJ, effective January 1, 2021.
 - b. Storage and Transport Charges applicable to the Sales Rate Classes in the Fort Nelson Service Area effective January 1, 2021 as set out in Appendix A of this Order.
2. FEI will 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 BCUC will hold confidential the information in Tab 3 of the Fourth Quarter Report, 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 the date of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 3rd day of December 2020.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner

Attachment

FortisBC Energy Inc.
Application regarding its 2020 Fourth Quarter Gas Cost Report
and Rate Changes effective January 1, 2021
for the Fort Nelson Service Area

Storage and Transport Charges rate changes applicable to FortisBC Energy Inc. – Fort Nelson Service Area
Effective January 1, 2021

		Residential	Commercial		General	
	(\$/GJ)	RS-1	RS-2	RS-3	Firm Service	NGV
					RS-5	RS-6
Storage and Transport Charges						
Effective January 1, 2020	\$	0.050	\$0.050	\$0.042	\$ 0.033	\$ 0.015
Flow-through Changes		(0.007)	(0.007)	(0.006)	(0.007)	(0.002)
Proposed for January 1, 2021	\$	0.043	\$0.043	\$0.036	\$ 0.026	\$ 0.013