



ORDER NUMBER
G-355-21

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

and

FortisBC Energy Inc.
Application regarding its 2021 Fourth Quarter Gas Cost Report
and Rate Changes effective January 1, 2022
for the Fort Nelson Service Area

BEFORE:

B. A. Magnan, Pane Chair
T. A. Loski, Commissioner
R. I. Mason, Commissioner
A. Pape-Salmon, Commissioner

on December 2, 2021

ORDER

WHEREAS:

- A. On November 24, 2021, FortisBC Energy Inc. (FEI) filed its 2021 Fourth Quarter Report on the Gas Cost Reconciliation Account (GCRA), Commodity Cost Recovery Charge (CCRC), Storage and Transport Charges for the Fort Nelson service area (Fort Nelson) based on a five-day average of November 9, 10, 12, 15 and 16, 2021 forward gas prices (the Fourth Quarter 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-267-21, the BCUC approved the current CCRC for the Fort Nelson service area at \$3.964 per gigajoule (\$/GJ) effective October 1, 2021;
- D. By Order G-277-21, the BCUC approved interim delivery rates and Revenue Stabilization Adjustment Mechanism (RSAM) rate rider to the FEI Application for Common Rates and 2022 Revenue Requirements for the Fort Nelson Service Area effective January 1, 2022;
- E. In the Fourth Quarter Report, the after-tax balance of the GCRA is projected to be a deficit of \$64,790 at December 31, 2021. Based on the existing CCRC of \$3.964/GJ, FEI calculates the GCRA recovery-to-cost ratio to be 95.9 percent for the following 12 months. The tested rate increase related to the forecast under recovery of costs is calculated at \$0.169/GJ, which does not exceed the minimum rate change threshold set out in the Guidelines, and indicates that a rate change to the CCRC is not required effective January 1, 2022;

- F. In the Fourth Quarter Report, FEI requests approval to reset the Storage and Transport Charges to all sales rate classes, effective January 1, 2022, as set out in the schedule at Tab 1, Page 8;
- G. The combined effects of the FEI Application for Common Rates and 2022 Revenue Requirements for the Fort Nelson Service Area approved interim delivery rates and RSAM rate rider effective January 1, 2022, and the proposed Storage and Transport Charges as requested in the Fourth Quarter Report, would increase the total annual bill for a typical Fort Nelson residential customer with an average annual consumption of 125 gigajoules by approximately \$17 or 1.5 percent; and
- H. The BCUC has reviewed the Fourth Quarter Report and considers the requested rate change is 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. The BCUC approves the Commodity Cost Recovery Charge applicable to the Sales Rate Classes in the Fort Nelson service area remain unchanged from \$3.964/GJ, effective January 1, 2022.
2. The Storage and Transport Charges applicable to the Sales Rate Classes in Fort Nelson Service Area, as set out in Tab 1, Page 8, effective January 1, 2022.
3. 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.
4. The BCUC will hold confidential the information in Tab 3 of the Fourth Quarter Report as it contains market sensitive information.
5. FEI is directed to file with the BCUC revised tariff pages within 15 days of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 2nd day of December 2021.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner

Attachment