



ORDER NUMBER
G-244-23

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

and

FortisBC Energy Inc.
2023 Third Quarter Gas Cost Report
for the Mainland and Vancouver Island Service Area, and the Fort Nelson Service Area

BEFORE:

B. A. Magnan, Panel Chair
E. B. Lockhart, Commissioner
T. A. Loski, Commissioner
E. Brown, Commissioner

on September 14, 2023

ORDER

WHEREAS:

- A. On September 6, 2023, FortisBC Energy Inc. (FEI) filed its 2023 Third Quarter Gas Cost Report on the Commodity Cost Reconciliation Account (CCRA) and Midstream Cost Reconciliation Account for the Mainland and Vancouver Island Service Area, and the Fort Nelson Service Area based on the five-day average August 17, 18, 21, 22, and 23, 2023 forward gas prices (Five-Day Average Forward Prices ending August 23, 2023) (altogether the Third Quarter Gas Cost 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 and Letter L-15-16 dated June 17, 2016 (together the Guidelines);
- C. By Order G-148-23, the BCUC approved the current Commodity Cost Recovery Charge for the Mainland and Vancouver Island Service Area, and the Fort Nelson Service Area at \$3.159 per gigajoule (\$/GJ) effective July 1, 2023;
- D. In the Third Quarter Gas Cost Report, using the Five-Day Average Forward Prices ending August 23, 2023, the CCRA is projected to have an after-tax surplus balance of approximately \$21 million on September 30, 2023. Based on the existing rate, FEI calculates the CCRA recovery-to-cost ratio would be 141.6 percent for the following 12 months, and the tested rate decrease required to produce 100 percent commodity recovery-to-cost ratio to be \$0.929/GJ, which falls outside the minimum rate change threshold set out in the Guidelines, indicating that a change to the Commodity Cost Recovery Charge is required at this time;

- E. The proposed \$0.929/GJ decrease to the Commodity Cost Recovery Charge requested in the Third Quarter Gas Cost Report would decrease the total annual bill for a typical Mainland and Vancouver Island residential customer with an average annual consumption of 90 GJ by approximately \$84 or 7.8 percent, and would decrease the total annual bill for a typical Fort Nelson residential customer with an average annual consumption of 125 GJ by approximately \$116 or 10.2 percent;
- F. FEI requests that Tabs 4 and 5 of the Third Quarter Gas Cost Report be kept confidential as they contain market sensitive information; and
- G. The BCUC reviewed the Third Quarter Gas Cost Report and considers the following determinations are warranted.

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

1. FEI is approved to decrease the Commodity Cost Recovery Charge applicable to the Sales Rate Classes and Rate Schedule 46 LNG Service within the Mainland and Vancouver Island Service Area, and the Fort Nelson Service Area by \$0.929/GJ, from \$3.159/GJ to \$2.230/GJ, effective October 1, 2023.
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 Tabs 4 and 5 of the Third Quarter Gas Cost Report, as requested by FEI, until such time as BCUC determines otherwise.
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 14th day of September 2023.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner