



ORDER NUMBER
G-85-25

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

and

FortisBC Energy Inc.
Rescind Order G-66-25 and Rate Changes effective April 1, 2025
for the Mainland and Vancouver Island Service Area, and the Fort Nelson Service Area

BEFORE:

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

on March 28, 2025

ORDER

WHEREAS:

- A. On March 25, 2025, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (BCUC) to request that the BCUC rescind Order G-66-25 and issue a new order accepting the 2025 First Quarter Gas Cost Report and approving rates, pursuant to section 89 of the *Utilities Commission Act* (UCA), on an interim and refundable or recoverable basis, effective April 1, 2025 (Application);
- B. On March 5, 2025, FEI filed its 2025 First Quarter Gas Cost Report on the Commodity Cost Reconciliation Account (CCRA) and Midstream Cost Reconciliation Account (MCRA) for the Mainland and Vancouver Island service area, and the Fort Nelson service area based on the five-day average February 13, 14, 18, 19, and 20, 2025 forward gas prices (Five-Day Average Forward Prices ending February 20, 2025) (altogether the First Quarter Report);
- C. The 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);
- D. By Order G-244-23 dated September 14, 2023, the BCUC approved the Commodity Cost Recovery Charge (CCRC) applicable to all sales rate classes, including Rate Schedule 46 Liquefied Natural Gas (LNG) Service, for the Mainland and Vancouver Island service area, and the Fort Nelson service area at \$2.230 per GJ effective October 1, 2023;
- E. By Order G-160-24 dated June 13, 2024, the BCUC approved the current Renewable Natural Gas (RNG) Charge for Voluntary RNG service to non-Natural Gas Vehicle (NGV) Sales customers for the Mainland and Vancouver Island service area, and the Fort Nelson service area at \$13.216 per GJ effective July 1, 2024, which was subsequently approved on a permanent basis pursuant to Order G-242-24, dated September 11, 2024;

- F. By Order G-325-24A dated December 6, 2024, with regard to FEI's 2024 Fourth Quarter Gas Cost Report the BCUC ordered, among other things, that the CCRC remain unchanged at \$2.230 per GJ and the RNG Charge for Voluntary RNG service to non-NGV Voluntary Sales customers remain unchanged at \$13.216 per GJ, effective January 1, 2025, on an interim and refundable or recoverable basis;
- G. In the First Quarter Report, using the Five-Day Average Forward Prices ending February 20, 2025, the CCRA is projected to have an after-tax surplus balance of approximately \$29 million on March 31, 2025. FEI calculates the CCRA recovery-to-cost ratio at the existing rate would be 105.7 percent for the following 12 months, and the rate decrease related to the forecast over recovery of gas costs would be \$0.121 per GJ, which falls within the minimum rate change threshold set out in the Guidelines, indicating that no rate change to the CCRC is required at this time;
- H. FEI requested in the First Quarter Report that the CCRC remain unchanged at \$2.230 per GJ and that the RNG Charge for Voluntary RNG service to non-NGV Sales customers applicable to Rate Schedules 1RNG, 2RNG, 3RNG, 5RNG, 7RNG, and 46, within the Mainland and Vancouver Island service area, and the Fort Nelson service area increase by \$0.747 per GJ, from \$13.216 per GJ to \$13.963 per GJ, effective April 1, 2025;
- I. FEI also requested that Tabs 3 and 4 of the First Quarter Report be kept confidential as they contain market sensitive information;
- J. On March 13, 2025, the BCUC issued Order G-66-25, approving the CCRC applicable to all sales rate classes, including Rate Schedule 46 LNG Service, for the Mainland and Vancouver Island service area, and the Fort Nelson service area to remain unchanged at \$2.230 per GJ, effective April 1, 2025 and approved FEI to increase the RNG Charge for Voluntary RNG service to non-NGV Sales customers for the Mainland and Vancouver Island service area, and the Fort Nelson service area by \$0.747 per GJ from \$13.216 per GJ to \$13.963 per GJ, effective April 1, 2025;
- K. In the Application, FEI states that, although the Province has announced its intent to table legislation on Monday, March 31, 2025 to remove the carbon tax, effective April 1, 2025, FEI has a legal obligation to continue to collect the tax based on the carbon tax legislation in place until a legislative change occurs; and
- L. The BCUC has reviewed the Application and considers that the following determinations are warranted.

NOW THEREFORE pursuant to sections 89 and 99 of the UCA, the BCUC orders as follows:

1. Order G-66-25 is rescinded.
2. The CCRC applicable to all sales rate classes, including Rate Schedule 46 LNG Service, for the Mainland and Vancouver Island service area, and the Fort Nelson service area is approved to remain unchanged at \$2.230/GJ, on an interim and refundable or recoverable basis, effective April 1, 2025.
3. FEI is approved to increase the RNG Charge for Voluntary RNG service to non-NGV Sales customers for the Mainland and Vancouver Island service area, and the Fort Nelson service area by \$0.747/GJ, from \$13.216/GJ to \$13.963/GJ, on an interim and refundable or recoverable basis, effective April 1, 2025.
4. 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.

5. The BCUC will hold confidential the information in Tabs 3 and 4 of the First Quarter Report, unless the BCUC determines otherwise.
6. 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 March 2025.

BY ORDER

Electronically signed by Bernard Magnan

B. A. Magnan
Commissioner