

Doug Slater

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November 20, 2019

British Columbia Utilities Commission Suite 410, 900 Howe Street Vancouver, BC V6Z 2N3

Attention: Mr. Patrick Wruck, Commission Secretary and Manager, Regulatory Support

Dear Mr. Wruck:

Re: FortisBC Energy Inc. – Revelstoke

2019 Fourth Quarter Gas Cost Report

FortisBC Energy Inc. (FEI or the Company) hereby submits to the British Columbia Utilities Commission (BCUC) the 2019 Fourth Quarter Gas Cost Report for Revelstoke (the Fourth Quarter Report). The attached schedules provide a summary of the forecast monthly Propane Cost Deferral Account balances based on the November 12, 2019 forward prices.

The schedule at Tab 1, Page 1, based on the November 12, 2019 forward prices, using the NYMEX B0 – Mt. Belvieu Propane Swap prices, and based on the current rates, the projected deferral account balance at December 31, 2019 is \$47,485 surplus (after tax), and the forecast balance at December 31, 2020 is \$282,452 deficit (after tax). The rate change trigger ratio is calculated to be 83.1%, which falls outside the 95% to 105% deadband range. The proposed rate increase that would be required to produce a 100% propane cost recovery-to-cost ratio is calculated to be \$1.732/GJ (Tab 1, Page 3, Line 20), which falls outside the \$0.50/GJ minimum rate change threshold. The results of the two-criteria rate adjustment mechanism indicate that a rate change is required effective January 1, 2020.

Provided in Tab 2 are the details of the forecast gas costs for Revelstoke. The Company requests the information contained in Tab 2 be treated as CONFIDENTIAL.

# CONFIDENTIALITY

FEI is requesting that this information be filed on a confidential basis pursuant to Section 18 of the BCUC's Rules of Practice and Procedure regarding confidential documents adopted by Order G-15-19, and Section 71(5) of the Utilities Commission Act and requests that the BCUC exercise its discretion under Section 6.0 of the Rules for Natural Gas Energy Supply Contracts and allow these documents to remain confidential. FEI believes this will ensure

November 20, 2019 British Columbia Utilities Commission FEI – Revelstoke 2019 Fourth Quarter Gas Cost Report Page 2



that market sensitive information is protected, and FEI's ability to obtain favourable commercial terms for future natural gas contracting is not impaired.

In this regard, FEI further believes that the Core Market could be disadvantaged and may well shoulder incremental costs if utility gas supply procurement strategies as well as contracts are treated in a different manner than those of other gas purchasers, and believes that since it continues to operate within a competitive environment, there is no necessity for public disclosure and risk prejudice or influence in the negotiations or renegotiation of subsequent contracts.

#### **SUMMARY**

In summary, the Company requests BCUC approval for an increase in the propane reference price (based on the NYMEX B0 – Mt. Belvieu Propane Swap prices) for use in the Revelstoke Propane Cost Deferral Account from \$0.2078/litre to \$0.2500/litre which corresponds to a rate increase of \$1.732/GJ, effective January 1, 2020.

The bill impact tables at Tab 1, Page 5 have been prepared showing the combined effects of FEI's proposed interim delivery rates and delivery rate riders<sup>1</sup>, and the proposed Revelstoke propane rate as requested within the Fourth Quarter Report, to be effective January 1, 2020. As a result, the annual bill for a typical Revelstoke residential customer with an average annual consumption of 50 GJ per year will increase by approximately \$99 or 11.8%.

The Company will continue to monitor the forward prices and will report these results in the 2020 First Quarter Gas Cost Report.

We trust the BCUC will find the attached to be in order. However, should any further information be required, please contact Gurvinder Sidhu 604-592-7675.

FORTISBC ENERGY INC.

# Original signed:

Doug Slater

Attachments

FEI Application for Approval of 2020 Rates on an interim Basis, effective January 1, 2020, and FEI Application for Approval of the Biomethane Variance Account and the Revenue Stabilization Adjustment Mechanism Rate Riders effective January 1, 2020.

## FORTISBC ENERGY INC. - REVELSTOKE PROPANE COST DEFERRAL ACCOUNT WITH EXISTING PROPANE REFERENCE PRICE

### (NOVEMBER 12, 2019 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars (1)	Sales Volumes In Litre (2)	Average Price Per Litre (3)	Approved Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-tax Deferral Balance (7)	After-tax Deferral Balance (8)
1	July 2019 (Recorded)	320,579	\$0.2789	\$0.2078	\$0.0711	\$22,782	(\$161,228)	(\$117,696)
2	August (Recorded)	130,021	\$0.1169	\$0.2078	(\$0.0909)	(\$11,825)	(\$173,052)	(\$126,328)
3	September (Recorded)	540,502	\$0.2085	\$0.2078	\$0.0007	\$386	(\$172,666)	(\$126,046)
4	October (Recorded)	691,170	\$0.2004	\$0.2078	(\$0.0074)	(\$5,138)	(\$177,804)	(\$129,797)
5	November (Projected)	997,968	\$0.2418	\$0.2078	\$0.0340	\$33,950	(\$143,854)	(\$105,013)
6	December (Projected)	1,396,030	\$0.2642	\$0.2078	\$0.0564	\$78,806	(\$65,048)	(\$47,485)
7	Total July, 2019 to December, 2019	4,076,271	**	*	*	\$118,962	(+,,	(+ ,,
8	•							
9	Forecast Volumes and Forecast Prices							
10	January, 2020 (Forecast)	1,438,501	\$0.2606	\$0.2078	\$0.0528	\$75,953	\$10,905	\$7,961
11	February (Forecast)	1,249,512	\$0.2530	\$0.2078	\$0.0452	\$56,478	\$67,383	\$49,190
12	March (Forecast)	1,089,318	\$0.2406	\$0.2078	\$0.0328	\$35,730	\$103,113	\$75,273
13	April (Forecast)	693,444	\$0.2271	\$0.2078	\$0.0193	\$13,383	\$116,496	\$85,042
14	May (Forecast)	386,458	\$0.2245	\$0.2078	\$0.0167	\$6,454	\$122,950	\$89,754
15	June (Forecast)	321,833	\$0.2382	\$0.2078	\$0.0304	\$9,784	\$132,734	\$96,896
16	July (Forecast)	300,266	\$0.2414	\$0.2078	\$0.0336	\$10,089	\$142,823	\$104,261
17	August (Forecast)	290,107	\$0.2474	\$0.2078	\$0.0396	\$11,488	\$154,311	\$112,647
18	September (Forecast)	358,092	\$0.2457	\$0.2078	\$0.0379	\$13,572	\$167,883	\$122,555
19	October (Forecast)	640,150	\$0.2642	\$0.2078	\$0.0564	\$36,104	\$203,987	\$148,911
20	November (Forecast)	1,003,087	\$0.2771	\$0.2078	\$0.0693	\$69,514	\$273,501	\$199,656
21	December (Forecast)	1,401,969	\$0.2887	\$0.2078	\$0.0809	\$113,419	\$386,920	\$282,452
22	Total January, 2020 to December, 2020	9,172,736				\$451,968		
23								
24	Fare and Danasand Onde I/Line 00 Only	2) (1 != - 04 O=1 4)1			<b>#4 000 005</b>			
25	Forecast Recovered Costs [(Line 22 Col. 2	, · , , , , , , , , , , , , , , , , , ,	- 40 0 -1 0)	<del>-</del> =	\$1,906,095	83.1%		
26 27 28	December 31, 2019 Deferral Balance (Line 6 Col. 7) + Fore	cast Costs (Page 2 Lin	e 13 Col. 9)		\$2,293,152			
29	January, 2021 (Forecast)	1,457,529	\$0.2851	\$0.2078	\$0.0773	\$112,667	\$499,587	\$364,699
30	February (Forecast)	1,267,133	\$0.2807	\$0.2078	\$0.0729	\$92,374	\$591,961	\$432,132
31	March (Forecast)	1,103,618	\$0.2694	\$0.2078	\$0.0616	\$67,983	\$659,944	\$481,759
32	April (Forecast)	703,055	\$0.2381	\$0.2078	\$0.0303	\$21,303	\$681,247	\$497,311
33	May (Forecast)	391,850	\$0.2343	\$0.2078	\$0.0265	\$10,384	\$691,631	\$504,891
34	June (Forecast)	326,326	\$0.2482	\$0.2078	\$0.0404	\$13,184	\$704,815	\$514,515
35	July (Forecast)	304,485	\$0.2519	\$0.2078	\$0.0441	\$13,428	\$718,243	\$524,318
36	August (Forecast)	293,936	\$0.2574	\$0.2078	\$0.0496	\$14,579	\$732,822	\$534,960
37	September (Forecast)	363,132	\$0.2549	\$0.2078	\$0.0471	\$17,104	\$749,926	\$547,446
38	October (Forecast)	649,137	\$0.2689	\$0.2078	\$0.0611	\$39,662	\$789,588	\$576,400
39	November (Forecast)	1,016,293	\$0.2773	\$0.2078	\$0.0695	\$70,632	\$860,220	\$627,961
40	December (Forecast)	1,420,880	\$0.2910	\$0.2078	\$0.0832	\$118,217	\$978,437	\$714,259
41	Total January, 2021 to December, 2021	9,297,374	ψυ.Σστυ	ψυ.Συτυ	ψ0.0002	\$591,517	ψοι ο, τοι	ψι 17,203
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# FORTISBC ENERGY INC. - REVELSTOKE PROPANE COST DEFERRAL ACCOUNT FORECAST AVERAGE COST OF PROPANE

### (NOVEMBER 12, 2019 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Lina		Sales Volume	Fixed Volume	Variable Volume	Fixed Price (a)	Variable Price <sup>(a)</sup>			Variable			Total		
Line No.	Particulars	(Litres)	(Litres)	(Litres)	(\$/litre)	(\$/litre)		•		(\$) (\$)		Charges (\$)		Total (\$)
	(1)	(2)	(3)	(4)	(5)	 (6)		(7)		(8)		(9)		
1	January, 2020 (Forecast)	1,438,501	600,000	838,501	\$ 0.2353	0.2787	\$	141,183	\$	233,708		374,890		
	February (Forecast)	1,249,512	600,000	649,512	\$ 0.2353	0.2694	\$	141,183	\$	•	\$	316,188		
3	March (Forecast)	1,089,318	600,000	489,318	\$ 0.2353	\$ 0.2471	\$	141,183	\$	120,902	\$	262,085		
4	April (Forecast)	693,444	-	693,444	\$ -	\$ 0.2271	\$	-	\$	157,448	\$	157,448		
5	May (Forecast)	386,458	-	386,458	\$ -	\$ 0.2245	\$	-	\$	86,775	\$	86,775		
6	June (Forecast)	321,833	-	321,833	\$ -	\$ 0.2382	\$	-	\$	76,663	\$	76,663		
7	July (Forecast)	300,266	-	300,266	\$ -	\$ 0.2414	\$	-	\$	72,494	\$	72,494		
8	August (Forecast)	290,107	-	290,107	\$ -	\$ 0.2474	\$	-	\$	71,761	\$	71,761		
9	September (Forecast)	358,092	-	358,092	\$ -	\$ 0.2457	\$	-	\$	87,986	\$	87,986		
10	October (Forecast)	640,150	-	640,150	\$ -	\$ 0.2642	\$	-	\$	169,144	\$	169,144		
11	November (Forecast)	1,003,087	600,000	403,087	\$ 0.2795	\$ 0.2735	\$	167,696	\$	110,255	\$	277,951		
12	December (Forecast)	1,401,969	600,000	801,969	\$ 0.2795	\$ 0.2957	\$	167,696	\$	237,119	\$	404,815		
13	Total January, 2020 to December, 2020	9,172,736	3,000,000	6,172,736			\$	758,940	\$	1,599,260	\$	2,358,199		
14	•						_		_					
15	Forecast Average Cost of Propane (\$	/Litre) <sup>(b), (c)</sup>												
16		9,172,736	Litres								\$	0.25709		
17	Forecast Average Cost of Propane (\$	/GJ) <sup>(b), (d)</sup>												
18	(Conversion factor 1 Litre = 0.025594 GJ)	234,767	GJ								\$	10.045		
19														
20	January, 2021 (Forecast)	1,457,529	600,000	857,529	\$ 0.2795	0.2891	\$	167,696	\$	247,875		415,571		
21	February (Forecast)	1,267,133	600,000	667,133	\$ 0.2795	0.2818	\$	167,696	\$	,	\$	355,712		
22	(	1,103,618	600,000	503,618	\$ 0.2795	0.2574	\$	167,696	\$	129,622	\$	297,317		
23	April (Forecast)	703,055	-	703,055	\$ -	\$ 0.2381	\$	-	\$	167,384	\$	167,384		
24	May (Forecast)	391,850	-	391,850	\$ -	\$ 0.2343	\$	-	\$	91,817	\$	91,817		
25	June (Forecast)	326,326	-	326,326	\$ -	\$ 0.2482	\$	-	\$	80,984	\$	80,984		
26	July (Forecast)	304,485	-	304,485	\$ -	\$ 0.2519	\$	-	\$	76,700	•	76,700		
27	August (Forecast)	293,936	-	293,936	\$ -	\$ 0.2574	\$	-	\$	75,672		75,672		
28	. ,	363,132	-	363,132	\$ -	\$ 0.2549	\$	-	\$	92,556	\$	92,556		
29	October (Forecast)	649,137	-	649,137	\$ -	\$ 0.2689	\$	-	\$	174,558	\$	174,558		
30	,	1,016,293	-	1,016,293	\$ -	\$ 0.2773	\$	-	\$	281,857	\$	281,857		
31	December (Forecast)	1,420,880	4 900 000	1,420,880	\$ -	\$ 0.2910	\$	E02.007	\$	413,491	<u>\$</u>	413,491		
32	Total January, 2021 to December, 2021	9,297,374	1,800,000	7,497,374			Þ	503,087	\$	2,020,533	Þ	2,523,620		

#### Notes:

- (a) Includes transportation costs.
- (b) Forecast Average Cost of Propane excludes company use, vaporizer use, and unaccounted for gas.
- (c) Forecast Average Cost of Propane (\$/Litre) = Total Cost (Column 9 Line 13) / Sales Volume in Litres (Column 2 Line 13).
- (d) Forecast Average Cost of Propane (\$/GJ) = Total Cost (Column 9 Line 13) / Sales Volume in GJ (Column 2 Line 18).

# FORTISBC ENERGY INC. - REVELSTOKE PROPANE COST DEFERRAL ACCOUNT

# CALCULATION OF PROPANE COST DECREASE FLOWTHROUGH

### (NOVEMBER 12, 2019 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line			
No.	Particulars	\$/Litre	\$/GJ
	(1)	(2)	(3) = (2) divided by 0.025594
1	Calculation of New Propane Reference Price		
2			Convert from Litre to GJ
3	i. Forecast Average Cost of Propane (Tab 1, Page 2, Col. 9, Line 16 and Line 18)		(for information only)
4	January 1, 2020 to December 31, 2020	\$0.25709	\$10.0449
5			
6	ii. Twelve Month Amortization of \$ (65,048) (Deferral Balance, Tab 1, Page 1, Col. 7, Line 6)		
7	Projected Deferral Account Balance 9,172,736 (Volume in Litres, Tab 1, Page 1, Col. 2, Line 22)	(0.00709)	(\$0.2770)
8	(a)		
9	Proposed Reference Price	\$0.2500	\$9.7679
10			
11	(a)		
12	Existing Propane Reference Price	0.2078	\$8.1191
13			
14			
15			
16	Increase in Propane Reference Price to be Flowed Through in Customers' Rates	\$0.0422	\$1.6488
17	(b)		
18	Add: Company Use/Vaporizer Use/Unaccounted For Gas Adjustment of 5.02%		0.0828
19			
20	Total Propane Cost Flowthrough (c)		\$1.732

#### Notes:

Conversion factor 1 Litre = 0.025594 GJ

- (a) Propane Reference Price per litre is set at 4 decimals. Individual calculation components are shown to 5 decimals, then rounded to 4 decimals.
- (b) The Company Use / Vaporizer Use / Unaccounted For Gas Adjustment of 5.02% is based on the 3-year average of 2016, 2017, and 2018 data. Unaccounted For Gas relates to the entire Revelstoke system including the propane tank farm / plant and the distribution system.

	Litres	Percentage of Sales
Sales	8,608,698	
Company Use	3,931	0.05%
Propane Used for Vaporizer	107,891	1.25%
Unaccounted For	320,060	3.72%
Total Fuel / UAF Requirement	431,881	5.02%

(c) Propane cost flowthrough components, converted from litre to GJ, are shown to 4 decimals, then rounded to 3 decimals. Breakdown of Rate Change:

Projected Deferral Balance at Dec 31, 2019
Propane Cost Under (Over) Recovery (including amount at Line 18) for Jan 1, 2020 to Dec 31, 2020 period
Total Propane Cost Flow Through

(\$0.2770) 2.0090 \$1.732

# Tab 1 Page 4

# FORTISBC ENERGY INC. - REVELSTOKE PROPANE COST DEFERRAL ACCOUNT

# WITH PROPOSED REFERENCE PRICE JANUARY 1, 2020

## (NOVEMBER 12, 2019 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line		Volumes	Average Price	Proposed Reference	Amount Deferred	Amount	Pre-tax Deferral	After-tax Deferral
No.	Particulars	In Litre	Per Litre	Price	Per Litre	Deferred	Balance	Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)	(8)
1	Forecast Volumes and Forecast Prices	4 400 504			<b>#</b> 0.0400	<b>*</b> 1= 010	(0.40.000)	(000.05.4)
2	January, 2020 (Forecast)	1,438,501	\$0.2606	\$0.2500	\$0.0106	\$15,248	(\$49,800)	(\$36,354)
3	February (Forecast)	1,249,512	\$0.2530	\$0.2500	\$0.0030	\$3,749	(\$46,051)	(\$33,617)
4	March (Forecast)	1,089,318	\$0.2406	\$0.2500	(\$0.0094)	(\$10,240)	(\$56,291)	(\$41,092)
5	April (Forecast)	693,444	\$0.2271	\$0.2500	(\$0.0229)	(\$15,880)	(\$72,171)	(\$52,685)
6	May (Forecast)	386,458	\$0.2245	\$0.2500	(\$0.0255)	(\$9,855)	(\$82,026)	(\$59,879)
7	June (Forecast)	321,833	\$0.2382	\$0.2500	(\$0.0118)	(\$3,798)	(\$85,824)	(\$62,651)
8	July (Forecast)	300,266	\$0.2414	\$0.2500	(\$0.0086)	(\$2,582)	(\$88,406)	(\$64,536)
9	August (Forecast)	290,107	\$0.2474	\$0.2500	(\$0.0026)	(\$754)	(\$89,160)	(\$65,087)
10	September (Forecast)	358,092	\$0.2457	\$0.2500	(\$0.0043)	(\$1,540)	(\$90,700)	(\$66,211)
11	October (Forecast)	640,150	\$0.2642	\$0.2500	\$0.0142	\$9,090	(\$81,610)	(\$59,575)
12	November (Forecast)	1,003,087	\$0.2771	\$0.2500	\$0.0271	\$27,184	(\$54,426)	(\$39,731)
13	December (Forecast)	1,401,969	\$0.2887	\$0.2500	\$0.0387	\$54,256	(\$170)	(\$124)
14	Total January, 2020 to December, 2020	9,172,736				\$64,878		
15								
16								
17	January, 2021 (Forecast)	1,457,529	\$0.2851	\$0.2500	\$0.0351	\$51,159	\$50,989	\$37,222
18	February (Forecast)	1,267,133	\$0.2807	\$0.2500	\$0.0307	\$38,901	\$89,890	\$65,620
19	March (Forecast)	1,103,618	\$0.2694	\$0.2500	\$0.0194	\$21,410	\$111,300	\$81,249
20	April (Forecast)	703,055	\$0.2381	\$0.2500	(\$0.0119)	(\$8,366)	\$102,934	\$75,142
21	May (Forecast)	391,850	\$0.2343	\$0.2500	(\$0.0157)	(\$6,152)	\$96,782	\$70,651
22	June (Forecast)	326,326	\$0.2482	\$0.2500	(\$0.0018)	(\$587)	\$96,195	\$70,223
23	July (Forecast)	304,485	\$0.2519	\$0.2500	\$0.0019	\$579	\$96,774	\$70,645
24	August (Forecast)	293,936	\$0.2574	\$0.2500	\$0.0074	\$2,175	\$98,949	\$72,233
25	September (Forecast)	363,132	\$0.2549	\$0.2500	\$0.0049	\$1,779	\$100,728	\$73,532
26	October (Forecast)	649,137	\$0.2689	\$0.2500	\$0.0189	\$12,269	\$112,997	\$82,488
27	November (Forecast)	1,016,293	\$0.2773	\$0.2500	\$0.0273	\$27,745	\$140,742	\$102,742
28	December (Forecast)	1,420,880	\$0.2910	\$0.2500	\$0.0410	\$58,256	\$198,998	\$145,269
29	Total January, 2021 to December, 2021	9,297,374	ψ0.2010	ψ0.2000	ψ0.0-10	\$199,168	ψ100,000	φ1-10,200
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### Tab 1 Page 5

# FORTISBC ENERGY INC. - REVELSTOKE JANUARY 1, 2020 PROPOSED PROPANE COST INCREASE TYPICAL ANNUAL CONSUMPTION

### (NOVEMBER 12, 2019 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

		Rate 1 - Residential						Rate 2 - Small Commercial					Rate 3 - Large Commercial					
		Unit					Unit					Unit						
Line		Use per Customer		Revenue (\$/GJ) or	Revenue	%	Use per Customer		Revenue (\$/GJ) or	Revenue	%	Use per Customer		Revenue (\$/GJ) or	Revenue	%		
No.	Particulars	(GJ)		(\$/GJ) or (\$/day)	(\$)	% Increase	(GJ)		(\$/GJ) or (\$/day)	(\$)	% Increase	(GJ)		(\$/GJ) or (\$/day)	(\$)	% Increase		
140.	1 articulars	(00)		(\psi/day)	(Ψ)	morease	(00)		(ψ/day)	(Ψ)	morcasc	(00)		(ф/аау)	(Ψ)	morease		
		Ī														ĺ		
1	REVELSTOKE PROPANE																	
2	- MAINLAND SERVICE AREA																	
3																		
4	Existing:																	
5	D.F. M. : D.L. 101																	
6	Delivery Margin Related Charges	005.05	d =	Φ0.400F	<b>#4.40.00</b>		005.05	dans	<b>CO 0405</b>	CO 40 44		005.05		£4.700E	C4 740 00			
/	Basic Charge per Day	365.25 50.0	days	\$0.4085	\$149.20 \$217.45		365.25	days	\$0.9485	\$346.44		365.25	days GJ	\$4.7895	\$1,749.36			
8	Delivery Margin Related Charge (incl. riders)	50.0	GJ	\$4.349	\$217.45		300.0	GJ	\$3.357	\$1,007.10		8,140.0	GJ	\$2.950	\$24,013.00			
10	Cost of Gas (Commodity Related Charges)																	
11	Cost of Gas Recovery Related Charges	50.0	GJ	\$9.448	\$472.40		300.0	GJ	\$8.357	\$2,507.10		8,140.0	GJ	\$8.357	\$68,025.98			
12	Cook of Cac Recovery Related Charges	00.0	00	ψο. 1 10	Ψ172.10		000.0	00	ψ0.007	Ψ2,007.10		0,110.0	00	ψ0.007	Ψ00,020.00			
13	Typical Annual Bill at Current Rates (excluding																	
14	any applicable taxes)	50.0	GJ		\$839.05		300.0	GJ		\$3,860.64		8,140.0	GJ		\$93,788.34			
15	,																	
16																		
17	Proposed Changes January 1, 2020:																	
18																		
19	Delivery Margin Related Charge			\$0.247	\$12.35	1.5%			\$0.212	\$63.60	1.7%			\$0.193	\$1,571.02	1.7%		
20	Cost of Gas Recovery Related Charge			\$1.732	\$86.60	10.3%			\$1.732	\$519.60	13.5%			\$1.732	\$14,098.48	15.0%		
21	Total Charges			\$1.979	\$98.95	11.8%			\$1.944	\$583.20	15.1%			\$1.925	\$15,669.50	16.7%		
22																		
23	Typical Annual Bill at Proposed Rates (excluding																	
24	any applicable taxes)	I			\$938.00	11.8%				\$4,443.84	15.1%				\$109,457.84	16.7%		



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# ORDER NUMBER G-xx-xx

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

and

FortisBC Energy Inc.

Application regarding its 2019 Fourth Quarter Gas Cost Report

And Rate Changes effective January 1, 2020

For Revelstoke

#### **BEFORE:**

[Panel Chair] Commissioner Commissioner

on Date

#### **ORDER**

# **WHEREAS:**

- A. On November 20, 2019, FortisBC Energy Inc. (FEI) filed its 2019 Fourth Quarter Gas Cost Report for Revelstoke (the Report) and applied for approval of an increase in the propane reference price, effective January 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-129-19 dated June 13, 2019, the BCUC approved the current propane rates for Revelstoke and surrounding areas (Revelstoke) effective July 1, 2019;
- D. Using a propane price forecast based on November 12, 2019 NMYEX B0 Mt. Belvieu propane swap prices, and based on the existing rates, the projected after tax deferral balance at December 31, 2019 of \$47,485 surplus is forecast to change to a \$282,452 deficit at December 31, 2020. The revenue to cost ratio is calculated to be 83.1 percent that falls outside the deadband range of 95 percent to 105 percent. The proposed rate increase is calculated to be \$1.732/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 \$1.732/GJ, effective January 1, 2020;
- F. The combined effects of the FEI Application for Approval of 2020 Rates on an Interim Basis, the FEI Application for Approval of the Biomethane Variance Account and the Revenue Stabilization Adjustment

Mechanism Rate Riders, effective January 1, 2020, and the proposed Gas Cost Recovery Charge requested within the Report would be equivalent to an increase of approximately \$99 or 11.8 percent, 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 is market sensitive information;
- H. The BCUC reviewed the Report and considers that the requested changes to the propane reference price and propane rate for Revelstoke are warranted, and that Tab 2 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 British Columbia Utilities Commission orders as follows:

- 1. The BCUC approves a propane reference price increase of \$0.0422 per litre, from the existing propane reference price of \$0.2078 per litre to \$0.2500 per litre, which corresponds to an increase of \$1.732 per gigajoule in customer rates, effective January 1, 2020.
- 2. FEI will notify all customers that are affected by the rate change by way of a bill insert or bill message.
- 3. The BCUC will hold the gas cost information for Revelstoke in Tab 2 of the 2019 Fourth Quarter Report confidential.

**DATED** at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month) 2019.

BY ORDER

(X. X. last name) Commissioner