



ORDER NUMBER
G-128-19

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

and

FortisBC Energy Inc.
Application regarding its 2019 Second Quarter Gas Cost Report
and Rate Changes effective July 1, 2019
for the Fort Nelson Service Area

BEFORE:

B. A. Magnan, Commissioner
R. D. Revel, Commissioner
R. I. Mason, Commissioner

on June 13, 2019

ORDER

WHEREAS:

- A. On June 5, 2019, FortisBC Energy Inc. (FEI) filed its 2019 Second Quarter Report on the Gas Cost Reconciliation Account (GCRA) and Commodity Cost Recovery Charge for the Fort Nelson Service Area (Fort Nelson) based on a five-day average May 17, 21, 22, 23, and 24, 2019 forward gas prices (the 2019 Second 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-135-18, the BCUC established the current Commodity Cost Recovery Charge for the Fort Nelson Service Area at \$1.552/GJ effective January 1, 2019;
- D. In the 2019 Second Quarter Report, using the five-day average forward prices ending May 24, 2019, the GCRA balance is projected to be \$189,940 surplus after tax at June 30, 2019. FEI calculates the GCRA recovery-to-cost ratio would be 148.1 percent for the following 12 months. The tested rate decrease related to the forecast over recovery of costs would be \$0.504 per gigajoule (GJ), which falls outside the minimum rate change threshold set out in the Guidelines, indicating that a rate change for the Commodity Cost Recovery Charge is required effective July 1, 2019;
- E. The proposed Commodity Cost Recovery Charge requested in the 2019 Second Quarter Report would decrease the total annual bill for a typical Fort Nelson residential customer with an average annual consumption of 125 gigajoules by approximately \$63 or 7.7 percent;

- F. The BCUC reviewed the 2019 Second Quarter Report and considers that the requested rate change is warranted, and that Tab 3 of the 2019 Second Quarter 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 to decrease by \$0.504/GJ, from \$1.552/GJ to \$1.048/GJ, effective July 1, 2019.
2. 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.
3. The BCUC will hold confidential the information in Tab 3 of the 2019 Second Quarter Report, as requested by FEI, as it contains market-sensitive information.
4. 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 14th day of June 2019.

BY ORDER

A handwritten signature in black ink, appearing to read 'B. A. Magnan', with a long, sweeping horizontal stroke extending to the right.

B. A. Magnan
Commissioner