



ORDER NUMBER
G-129-19

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 Revelstoke 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 Gas Cost Report for the Revelstoke Service Area (Report) and applied for approval of a decrease in the propane reference price, effective July 1, 2019;
- 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-56-19 dated March 14, 2019, the BCUC approved the current propane rates for Revelstoke and surrounding areas (Revelstoke) effective April 1, 2019;
- D. Using a propane price forecast based on the May 24, 2019 NMYEX B0 - Mt. Belvieu propane swap prices, and based on the existing rates, the projected after-tax deferral balance at June 30, 2019 of \$178,640 surplus is forecast to change to a \$358,650 surplus at June 30, 2020. The rate change trigger mechanism is calculated to be 123.4 percent, which falls outside the deadband range of 95 percent to 105 percent. The proposed rate decrease is calculated to be \$1.998/GJ, which is greater than the minimum \$0.50/GJ threshold established in the Guidelines;
- E. In the Report, FEI indicates that current propane cost recovery rates will over recover costs and a propane rate decrease of \$1.998/GJ is required, effective July 1, 2019;

- F. The proposed Commodity Cost Recovery Charge requested within the Report would be equivalent to a bill decrease of approximately \$99.90 or 10.6 percent for a typical Revelstoke residential customer, 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 contains market-sensitive information; and
- H. The BCUC has determined that the requested changes to the propane reference price and propane rate for Revelstoke are warranted.

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

1. The BCUC approves a propane reference price decrease of \$0.0487 per litre, from the existing propane reference price of \$0.2565 per litre to \$0.2078 per litre, which corresponds to a decrease of \$1.998 per gigajoule in customer rates, effective July 1, 2019.
2. FEI is directed to notify all customers that are affected by the rate change by way of a bill insert or bill message included with the next monthly billing.
3. The BCUC will hold confidential the information in Tab 2 of the 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



B. A. Magnan
Commissioner