



ORDER NUMBER
G-148-23

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

and

FortisBC Energy Inc.
2023 Second Quarter Gas Cost Report and Rate Changes effective July 1, 2023
for the Mainland and Vancouver Island Service Area, and the Fort Nelson Service Area

BEFORE:

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

on June 15, 2023

ORDER

WHEREAS:

- A. On June 7, 2023, FortisBC Energy Inc. (FEI) filed its 2023 Second 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 May 16, 17, 18, 19, and 23, 2023 forward gas prices (Five-Day Average Forward Prices ending May 23, 2023) (altogether the Second Quarter Gas 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 16, 2015 (together the Guidelines);
- C. By Order G-54-23, the BCUC approved the current Commodity Cost Recovery Charge (CCRC) for the Mainland and Vancouver Island Service Area, and the Fort Nelson Service Area at \$4.159 per gigajoule (GJ) effective April 1, 2023;
- D. In the Second Quarter Gas Report, using the Five-Day Average Forward Prices ending May 23, 2023, the CCRA is projected to have an after-tax surplus balance of approximately \$23 million on June 30, 2023. Based on the existing rate, FEI calculates the CCRA recovery-to-cost ratio would be 213.0 percent for the following 12 months, FEI calculates the tested rate decrease required to produce 100 percent commodity recovery-to-cost ratio to be \$2.206/GJ, which falls outside the minimum rate change threshold set out in the Guidelines. Further, consistent with the commodity rate change cap criteria approved within the Guidelines, FEI requests approval to flow-through a \$1.000/GJ decrease to the CCRC effective July 1, 2023;
- E. FEI requests that Tabs 4 and 5 of the Second Quarter Report be kept confidential as they contain market sensitive information; and
- F. The BCUC reviewed the Second Quarter Report and considers the following determinations are warranted.

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

1. FEI is approved to decrease the CCRC 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 \$1.000/GJ, from \$4.159/GJ to \$3.159/GJ, effective July 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 Second Quarter Report, as requested by FEI, as it contains market sensitive information.
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 15th day of June 2023.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner