



ORDER NUMBER
G-267-21

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

and

FortisBC Energy Inc.
Application regarding its 2021 Third Quarter Gas Cost Report
and Rate Changes effective October 1, 2021
for the Fort Nelson Service Area

BEFORE:

B. A. Magnan, Panel Chair
C. M. Brewer, Commissioner
E. B. Lockhart, Commissioner

on September 9, 2021

ORDER

WHEREAS:

- A. On September 1, 2021, FortisBC Energy Inc. (FEI) filed its 2021 Third Quarter Report on the Gas Cost Reconciliation Account (GCRA) and Commodity Cost Recovery Charge (CCRC) for the Fort Nelson service area (Fort Nelson) based on a five-day average of August 16, 17, 18, 19, and 20, 2021 forward gas prices (Five-Day Average Forward Prices ending August 20, 2021) (altogether, the Third 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-312-20, the BCUC approved the current CCRC for the Fort Nelson service area at \$2.999 per gigajoule (\$/GJ) effective January 1, 2021;
- D. In the Third Quarter Report, using the Five-Day Average Forward Prices ending August 20, 2021, the after-tax balance of the GCRA is projected to be a deficit of \$46,856 at September 30, 2021. Based on the existing CCRC of \$2.999/GJ, FEI calculates the GCRA recovery-to-cost ratio to be 75.7 percent for the following 12 months. The tested rate increase related to the forecast under recovery of costs is calculated at \$0.965/GJ, which exceeds the minimum rate change threshold set out in the Guidelines, and indicates that a rate change to the CCRC applicable to the Sales Rate Classes in the Fort Nelson service area is required effective October 1, 2021;
- E. The proposed rate increase of \$0.965/GJ increases the total annual bill for a typical Fort Nelson residential customer with an average annual consumption of 125 gigajoules by approximately \$121 or 12.2 percent;
and

- F. The BCUC has reviewed the Third Quarter Report and considers the requested rate change is warranted, and that Tab 3 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 the Commodity Cost Recovery Charge applicable to the Sales Rate Classes in the Fort Nelson service area to increase by \$0.965/GJ, from \$2.999/GJ to \$3.964/GJ, effective October 1, 2021.
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 Tab 3 of the Third 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 9th day of September 2021.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner