



**ORDER NUMBER  
G-309-19**

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 the Fort Nelson Service Area

**BEFORE:**

B. A. Magnan, Commissioner  
T. A. Loski, Commissioner  
R. D. Revel, Commissioner

on November 28, 2019

**ORDER**

**WHEREAS:**

- A. On November 20, 2019, FortisBC Energy Inc. (FEI) filed its 2019 Fourth Quarter Report (Report) on the Gas Cost Reconciliation Account (GCRA), Commodity Cost Recovery Charge, Storage and Transport Charges and the Revenue Stabilization Adjustment Mechanism (RSAM) Deferral Account and Rate Rider 5 for the Fort Nelson Service Area (Fort Nelson) based on a five-day average November 5, 6, 7, 8, and 12, 2019 forward gas prices;
- 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. Pursuant to Order G-48-19 dated March 5, 2019, the BCUC approved the 2019 and 2020 Revenue Requirements and Rates Application for the Fort Nelson Service Area;
- D. By Order G-128-19, the BCUC established the current Gas Cost Recovery Charge for the Fort Nelson Service Area at \$1.048/GJ effective July 1, 2019;
- E. In the Report, using the five-day average forward prices ending November 12, 2019, the GCRA balance is projected to be \$169,640 surplus after tax at December 31, 2019. FEI calculates the GCRA recovery-to-cost ratio based on the previously approved January 1, 2020 commodity cost recovery rate would be 84.3 percent for the following 12 months. The tested rate increase related to the forecast over recovery of costs would be \$0.196/GJ which falls below the minimum rate change threshold set out in the Guidelines indicating that a rate change for the Commodity Cost Recovery Charge is not required effective January 1, 2020;

- F. In the Report, FEI requests approval to reset the previously approved Storage and Transport Charges to all sales rate classes, effective January 1, 2020, as set out in the schedule Tab 1, Page 8;
- G. FEI also requests approval to set RSAM Rate Rider 5 for RS 1, RS 2, and RS 3 from \$0.199/GJ to \$0.177/GJ effective January 1, 2020;
- H. FEI requests approval for RSAM Rate Rider 5 for RS 5 and RS 25 to remain unchanged at \$0.199/GJ effective January 1, 2020;
- I. The combined effects of the approved January 1, 2020 delivery rates, the proposed Storage and Transport Charges, and the proposed RSAM Rate Rider 5 as requested in the Report would increase the total annual bill for a typical Fort Nelson residential customer with an average annual consumption of 125 gigajoules by approximately \$49 or 6.4 percent; and
- J. The BCUC reviewed the Report and considers that the requested rate changes are warranted.

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

1. The Commodity Cost Recovery Charge applicable to the Sales Rate Classes in Fort Nelson Service Area remain unchanged at \$1.048/GJ effective January 1, 2020.
2. The Storage and Transport Charges applicable to the Sales Rate Classes in Fort Nelson Service Area, be reset, as set out in Tab 1, Page 8 effective January 1, 2020.
3. The RSAM Rate Rider 5 applicable to RS 1, 2, and 3 in the Fort Nelson Service Area to decrease from \$0.199/GJ to \$0.177/GJ effective January 1, 2020.
4. The RSAM Rate Rider 5 applicable to RS 5 and RS 25 in Fort Nelson Service Area to remain unchanged at \$0.199/GJ effective January 1, 2020.
5. 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.
6. The information in Tab 3 of the Report will be held confidential as requested by FEI as it contains market sensitive information.
7. 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 28<sup>th</sup> day of November 2019.

BY ORDER

*Original signed by:*

B. A. Magnan  
Commissioner