



**ORDER NUMBER**  
**G-54-23**

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

and

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

**BEFORE:**

B. A. Magnan, Panel Chair  
T. A. Loski, Commissioner  
A. Pape-Salmon, Commissioner

on March 16, 2023

**ORDER**

**WHEREAS:**

- A. On March 8, 2023, FortisBC Energy Inc. (FEI) filed its 2023 First Quarter 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 of February 10, 13, 14, 15, and 16, 2023 forward gas prices (Five-Day Average Forward Prices ending February 16, 2023) (altogether the First 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, then modified the guidelines in Letter L-40-11 dated May 19, 2011, and L-15-16 dated June 17, 2016 (together the Guidelines);
- C. By Order G-347-22, the BCUC approved the current CCRC for the Mainland and Vancouver Island service area, and Fort Nelson Service Area at \$5.159 per gigajoule (GJ) effective January 1, 2023;
- D. In the First Quarter Gas Report, using the Five-Day Average Forward Prices ending February 16, 2023, the CCRA is projected to have an after-tax deficit balance of approximately \$23 million on March 31, 2023. Based on the existing rate FEI calculates the CCRA recovery-to-cost ratio to be 159.4 percent for the following 12 months. FEI calculates the tested rate decrease required to produce a 100 percent commodity recovery-to-cost ratio to be \$1.922/GJ, which exceeds 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 April 1, 2023; and
- E. The BCUC reviewed the First Quarter Report and considers that the requested rate change is warranted, and that Tabs 4 and 5 of the Report should be held confidential as requested by FEI, as they contain 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 FEI to decrease the Commodity Cost Recovery Charge applicable to the Sales Rate Classes and Rate Schedule 46 LNG Service within Mainland and Vancouver Island Service Area, and the Fort Nelson Service Area by \$1.000/GJ, from \$5.159/GJ to \$4.159/GJ, effective April 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 First Quarter Gas 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 16<sup>th</sup> day of March 2023.

BY ORDER

*Original signed by:*

B.A. Magnan  
Commissioner