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VIA EMAIL

gas.regulatory.affairs@fortisbc.com

September 12, 2014

Ms. Diane Roy
Director, Regulatory Affairs
FortisBC Energy Inc.
16705 Fraser Highway
Surrey, BC V4N 0E8

Dear Ms. Roy:

Re: FortisBC Energy Inc.
An Application regarding its 2014 Third Quarter Gas Cost Report
and Commodity Cost Recovery Rate Change effective October 1, 2014
for the Lower Mainland, Inland and Columbia Service Areas

Further to your September 3, 2014 filing of the 2014 Third Quarter Gas Cost Report, enclosed please find Commission Order G-133-14.

Yours truly,

A handwritten signature in black ink, appearing to read "Erica Hamilton".

Erica Hamilton

cms
Enclosure



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-133-14

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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

FortisBC Energy Inc.
An Application regarding its 2014 Third Quarter Gas Cost Report
and Commodity Cost Recovery Rate Change effective October 1, 2014
for the Lower Mainland, Inland and Columbia Service Areas

BEFORE:

L.F. Kelsey, Commissioner
C.A. Brown, Commissioner
H.G. Harowitz, Commissioner
K.A. Keilty, Commissioner
N.E. MacMurchy, Commissioner
I.F. MacPhail, Commissioner
B.A. Magnan, Commissioner
D.M. Morton, Commissioner
R.D. Revel, Commissioner
C. van Wermeskerken, Commissioner

September 11, 2014

O R D E R

WHEREAS:

- A. By Order G-37-14 dated March 13, 2014, the British Columbia Utilities Commission (Commission) approved an increase in the Commodity Cost Recovery Charge sales rate classes within the FortisBC Energy Inc. (FEI) Lower Mainland, Inland and Columbia Service Areas to a rate of \$4.640/gigajoule (GJ), effective April 1, 2014;
- B. On September 3, 2014, FEI filed its 2014 Third Quarter Report on the Commodity Cost Reconciliation Account (CCRA) and Midstream Cost Reconciliation Account (MCRA) for the Lower Mainland, Inland and Columbia Service Areas based on a five-day average of August 13, 14, 15, 18, and 19, 2014 forward gas prices (2014 Third Quarter Report);
- C. In the 2014 Third Quarter Report, FEI forecasts commodity cost recoveries at the existing rate will be 122.7 percent of costs for the following 12 months, and the indicative rate decrease related to the forecast over-recovery of gas costs is \$0.859/GJ, which exceeds the rate change threshold indicating that a change to the commodity rate is warranted, effective October 1, 2014;

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- D. In the 2014 Third Quarter Report, FEI forecasts a MCRA balance at existing rates of approximately \$15 million surplus after tax at December 31, 2014, and a balance of approximately \$11 million surplus after tax at December 31, 2015;
- E. FEI requests approval to flow-through a decrease of the Commodity Cost Recovery Charge from \$4.640/GJ to \$3.781/GJ for natural gas sales rate class customers in the Lower Mainland, Inland, and Columbia Service Areas effective October 1, 2014;
- F. The requested Commodity Cost Recovery Charge would decrease Lower Mainland Rate Schedule 1 rates by \$0.859/GJ, which is equivalent to a decrease of approximately \$82 or 7.8 percent per year for a typical residential customer's annual bill based on an average annual consumption of 95 GJ; and
- G. The Commission reviewed the 2014 Third Quarter Report and considers the requested rate change is warranted.

NOW THEREFORE pursuant to section 61(4) of the *Utilities Commission Act*:

1. The British Columbia Utilities Commission approves the requested flow-through decrease in the amount of \$0.859/GJ to the Commodity Cost Recovery Charge for the sales rate classes within the Lower Mainland, Inland, and Columbia Service Areas to a rate of \$3.781/GJ, effective October 1, 2014, as set out in the FortisBC Energy Inc. 2014 Third Quarter Report.
2. FortisBC Energy Inc. must notify all affected customers of the rate changes by way of a bill insert or bill message to be submitted to the Commission prior to its release with the next monthly gas billing.

DATED at the City of Vancouver, In the Province of British Columbia, this 12TH day of September, 2014.

BY ORDER



D.M. Morton
Commissioner