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March 5, 2014

Via Email
Original via Mail

British Columbia Utilities Commission 6th Floor, 900 Howe Street Vancouver, BC V6Z 2N3

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

Re: FortisBC Energy Inc. – Revelstoke Service Area

2014 First Quarter Gas Cost Report

FortisBC Energy Inc. (FEI or the Company) hereby submits to the British Columbia Utilities Commission (the Commission) the 2014 First Quarter Gas Cost Report for the Revelstoke Service Area (Revelstoke). The attached schedules provide a summary of the forecast monthly Propane Cost Deferral Account balances based on the February 19, 2014 forward prices.

The schedule at Tab 1, Page 1, based on the February 19, 2014 forward prices, using the NYMEX B0 – Mt. Belvieu Propane Swap prices, and based on the current rates, the projected deferral account balance at March 31, 2014 is \$463,911 deficit (after tax), and the forecast balance at March 31, 2015 is \$674,583 deficit (after tax). The rate change trigger ratio is calculated to be 76.9%, which falls outside the 95% to 105% deadband range, and the proposed rate increase that would be required to produce a 100% propane cost recovery-to-cost ratio is calculated to be \$4.290/GJ (Tab 1, Page 3, Line 20), which falls outside the minimum \$0.50/GJ rate change threshold, indicating that a rate change is required at this time.

Provided in Tab 2 are the details of the forecast gas costs for Revelstoke. The Company requests the information contained in Tab 2 be treated as CONFIDENTIAL.

CONFIDENTIALITY

Consistent with past practice and previous discussions and positions on the confidentiality of selected filings (and further emphasized in the Company's January 31, 1994 submission to

March 5, 2014
British Columbia Utilities Commission
FEI – Revelstoke Service Area 2014 First Quarter Gas Cost Report
Page 2



the Commission) FEI is requesting that this information be filed on a confidential basis pursuant to Section 71(5) of the *Utilities Commission Act* and requests that the Commission exercise its discretion under Section 6.0 of the Rules for Natural Gas Energy Supply Contracts and allow these documents to remain confidential. The Company believes this will ensure that market sensitive information is protected, and FEI's ability to obtain favourable commercial terms for future gas contracting is not impaired.

In this regard, FEI further believes that the Core Market could be disadvantaged and may well shoulder incremental costs if utility gas supply procurement strategies as well as contracts are treated in a different manner than those of other gas purchasers, and believes that since it continues to operate within a competitive environment, there is no necessity for public disclosure and risk prejudice or influence in the negotiations or renegotiation of subsequent contracts.

In summary, the Company requests Commission approval for an increase in the propane reference price (based on the NYMEX B0 – Mt. Belvieu Propane Swap prices) for use in the Revelstoke Propane Cost Deferral Account from \$0.3490/litre to \$0.4539/litre which corresponds to a rate increase of \$4.290/GJ, effective April 1, 2014. As a result, the annual bill for a typical Revelstoke residential customer with an average annual consumption of 50 GJ per year will increase by approximately \$215 or 19.7%.

The Company will continue to monitor the forward prices and will report these results in the 2014 Second Quarter Gas Cost Report.

We trust the Commission will find the attached to be in order. However, should any further information be required, please contact Doug Richardson at 604-592-7643.

Sincerely,

FORTISBC ENERGY INC.

Original signed by: Shawn Hill

For: Diane Roy

Attachments

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA PROPANE COST DEFERRAL ACCOUNT WITH EXISTING PROPANE REFERENCE PRICE

Line No.	Particulars	Sales Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance	After Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)	(8)
4	December 04, 0040 Pelance (Personal d)						#00.740	¢00.754
1 2	December 31, 2013 Balance (Recorded) January 2014 (Projected) (A)	1,320,622	\$0.6807	\$0.3490	\$0.3317	\$438,086	\$30,749 \$468,835	\$22,754 \$346,938
3	February (Projected)	1,027,585	\$0.4695	\$0.3490 \$0.3490	\$0.3317 \$0.1205	\$123,780	\$592,615	\$438,535
3 4	March (Projected)	1,027,363	\$0.4695 \$0.3831	\$0.3490 \$0.3490	\$0.0341	\$34,291	\$626,906	\$463,911
5	Current Quarter Total	3,352,348	φυ.303 Ι	φ0.3490	φ0.0341	\$596,157	\$020,900	φ 4 03,911
6	Current Quarter Fotal	0,002,010				Ψοσο, τοτ		
7	Forecast Volumes and Forecast Prices							
8	April, 2014 (Forecast)	562,632	\$0.3572	\$0.3490	\$0.0082	\$4,614	\$631,520	\$467,325
9	May (Forecast)	445,417	\$0.3533	\$0.3490	\$0.0043	\$1,915	\$633,435	\$468,742
10	June (Forecast)	269,594	\$0.3551	\$0.3490	\$0.0061	\$1,645	\$635,080	\$469,959
11	July (Forecast)	273,502	\$0.3500	\$0.3490	\$0.0010	\$274	\$635,354	\$470,162
12	August (Forecast)	238,337	\$0.3490	\$0.3490	\$0.0000	\$0	\$635,354	\$470,162
13	September (Forecast)	324,295	\$0.3615	\$0.3490	\$0.0125	\$4,054	\$639,408	\$473,162
14	October (Forecast)	734,547	\$0.3769	\$0.3490	\$0.0279	\$20,494	\$659,902	\$488,328
15	November (Forecast)	1,008,049	\$0.3861	\$0.3490	\$0.0371	\$37,399	\$697,301	\$516,003
16	December (Forecast)	1,344,065	\$0.4085	\$0.3490	\$0.0595	\$79,972	\$777,273	\$575,182
17	January, 2015 (Forecast)	1,375,322	\$0.4111	\$0.3490	\$0.0621	\$85,408	\$862,681	\$638,384
18	February (Forecast)	1,070,563	\$0.3899	\$0.3490	\$0.0409	\$43,786	\$906,467	\$670,786
19	March (Forecast)	1,047,120	\$0.3539	\$0.3490	\$0.0049	\$5,131	\$911,598	\$674,583
20	Total April, 2014 to March, 2015	8,693,444				\$284,692		
21								
22								
23	Forecast Recovered Costs [(Line 20 Col.			=	\$3,034,012	76.9%		
24	March 31, 2014 Deferral Balance (Line 4 Col. 7) + Foreca	ast Costs (Page 2 Line 13	3 Col. 9)		\$3,945,557	. 0.0 /0		
25 26								
27	April, 2015 Balance (Forecast)	593,889	\$0.3347	\$0.3490	(\$0.0143)	(\$8,493)	\$903,105	\$668,298
28	May (Forecast)	464,953	\$0.3338	\$0.3490	(\$0.0152)	(\$7,067)	\$896,038	\$663,068
29	June (Forecast)	289,130	\$0.3362	\$0.3490	(\$0.0128)	(\$3,701)	\$892,337	\$660,330
30	July (Forecast)	285,223	\$0.3310	\$0.3490	(\$0.0180)	(\$5,134)	\$887,203	\$656,530
31	August (Forecast)	246,151	\$0.3285	\$0.3490	(\$0.0205)	(\$5,046)	\$882,157	\$652,796
32	September (Forecast)	336,016	\$0.3404	\$0.3490	(\$0.0086)	(\$2,890)	\$879,267	\$650,658
33	October (Forecast)	765,804	\$0.3553	\$0.3490	\$0.0063	\$4,825	\$884,092	\$654,228
34	November (Forecast)	1,047,120	\$0.3641	\$0.3490	\$0.0151	\$15,812	\$899,904	\$665,929
35	December (Forecast)	1,402,673	\$0.3861	\$0.3490	\$0.0371	\$52,039	\$951,943	\$704,438
36	January, 2016 (Forecast)	1,433,930	\$0.3734	\$0.3490 \$0.3490	\$0.0244	\$32,039 \$34,988	\$986,931	\$704,438 \$730,329
36 37	February (Forecast)	1,433,930	\$0.3549	\$0.3490 \$0.3490	\$0.0244 \$0.0059	\$34,966 \$6,570	\$993,501	\$735,191
					•		•	
38	March (Forecast)	1,094,006	\$0.3364	\$0.3490	(\$0.0126)	(\$13,784)	\$979,717	\$724,991
39	Total April, 2015 to March, 2016	9,072,439				\$68,119		

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA PROPANE COST DEFERRAL ACCOUNT FORECAST AVERAGE COST OF PROPANE

(FEBRUARY 19, 2014 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line		Sales Volume	Fixed Volume	Variable Volume	Pri	ixed ce ^(A)	Variable Price ^(A)	Fixed Variable Charges Charges		ce (A) Charges Charge		Charges	Total	
No.	Particulars	(Litres)	(Litres)	(Litres)		(litre)	 (\$/litre)	(\$)			(\$)		(\$)	
	(1)	(2)	(3)	(4)		(5)	(6)	(7)		(8)		(9)	
1	April, 2014 (Forecast)	562,632	-	562,632	\$	-	\$ 0.3572	\$	-	\$	200,949	\$	200,949	
2	May (Forecast)	445,417	-	445,417	\$	-	\$ 0.3533	\$	-	\$	157,379	\$	157,379	
3	June (Forecast)	269,594	-	269,594	\$	-	\$ 0.3551	\$	-	\$	95,738	\$	95,738	
4	July (Forecast)	273,502	-	273,502	\$	-	\$ 0.3500	\$	-	\$	95,717	\$	95,717	
5	August (Forecast)	238,337	-	238,337	\$	-	\$ 0.3490	\$	-	\$	83,188	\$	83,188	
6	September (Forecast)	324,295	-	324,295	\$	-	\$ 0.3615	\$	-	\$	117,220	\$	117,220	
7	October (Forecast)	734,547	-	734,547	\$	-	\$ 0.3769	\$	-	\$	276,818	\$	276,818	
8	November (Forecast)	1,008,049	-	1,008,049	\$	-	\$ 0.3861	\$	-	\$	389,179	\$	389,179	
9	December (Forecast)	1,344,065	-	1,344,065	\$	-	\$ 0.4085	\$	-	\$	549,082	\$	549,082	
10	January, 2015 (Forecast)	1,375,322	-	1,375,322	\$	-	\$ 0.4111	\$	_	\$	565,453	\$	565,453	
11	February (Forecast)	1,070,563	-	1,070,563	\$	-	\$ 0.3899	\$	_	\$	417,366	\$	417,366	
12	March (Forecast)	1,047,120	-	1,047,120	\$	-	\$ 0.3539	\$	_	\$	370,561	\$	370,561	
13	Total April, 2014 to March, 2015	8,693,444		8,693,444	·			\$		\$	3,318,651	\$	3,318,651	
14	•									_		<u> </u>		
15	Forecast Average Cost of Propane -	(\$/Litre) ^{(B), (C)}												
16		8,693,444	Litres									\$	0.3817	
17	Forecast Average Cost of Propane -	(\$/GJ) ^{(B), (D)}											_	
18	(Conversion factor 1 Litre = 0.025594 GJ)	222,500	GJs									\$	14.915	
19														
20	April, 2015 Balance (Forecast)	593,889	-	593,889	\$	-	\$ 0.3347	\$	-	\$	198,776	\$	198,776	
21	May (Forecast)	464,953	-	464,953	\$	-	\$ 0.3338	\$	-	\$	155,197	\$	155,197	
22	,	289,130	-	289,130	\$	-	\$ 0.3362	\$	-	\$	97,191	\$	97,191	
23	July (Forecast)	285,223	-	285,223	\$	-	\$ 0.3310	\$	-	\$	94,396	\$	94,396	
24	3 (246,151	-	246,151	\$	-	\$ 0.3285	\$	-	\$	80,865	\$	80,865	
25	,	336,016	-	336,016	\$	-	\$ 0.3404	\$	-	\$	114,393	\$	114,393	
26	,	765,804	-	765,804	\$	-	\$ 0.3553	\$	-	\$	272,125	\$	272,125	
27	,	1,047,120	-	1,047,120	\$	-	\$ 0.3641	\$	-	\$	381,217	\$	381,217	
28	,	1,402,673	-	1,402,673	\$	-	\$ 0.3861	\$	-	\$	541,508	\$	541,508	
29	January, 2016 (Forecast)	1,433,930	-	1,433,930	\$	-	\$ 0.3734	\$	-	\$	535,460	\$	535,460	
	February (Forecast)	1,113,542	-	1,113,542	\$	-	\$ 0.3549	\$	-	\$ \$	395,149	\$	395,149	
31	March (Forecast)	1,094,006		1,094,006	\$	-	\$ 0.3364	<u>\$</u>		<u> </u>	367,994	\$	367,994	
32	Total April, 2015 to March, 2016	9,072,439		9,072,439				Þ		\$	3,234,270	\$	3,234,270	

Notes: (A) Includes transportation costs.

⁽B) Forecast average cost of propane excludes company use, vaporizer use, and unaccounted for gas.

⁽C) Forecast Average Cost of Propane - (\$/Litre) = Total Cost (Column 9 Line 13) / Sales Volume in Litres (Column 2 Line 16).

⁽D) Forecast Average Cost of Propane - (\$/GJ) = Total Cost (Column 9 Line 13) / Sales Volume in GJ (Column 2 Line 18).

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA PROPANE COST DEFERRAL ACCOUNT

CALCULATION OF PROPANE COST DECREASE FLOWTHROUGH

Line	· · · · ·							
No.	Particulars Particulars	\$/Litre	\$/GJ					
	(1)	(2)	(3)					
1	Calculation of New Propane Reference Price							
2				Per GJ shown				
3	i. Forecast Average Cost of Propane (Tab 1, Page 2, Col. 9, Line 16 and Line 18	6)	#0.2047	for info only				
4	April 1, 2014 to March 31, 2015		\$0.3817	\$14.915				
5	"Turnel or Month Assorting of Congress (Defended Delever Tel 4 De	4 O.1 7 1	. 0					
6 7	ii. Twelve Month Amortization of \$626,906 (Deferral Balance, Tab 1, Projected Deferral Account Balance 8,693,444 (Volume in Litres, Tab 1, Projected Deferral Account Balance 8,693,444 (Volume in Litres, Tab 1, Projected Deferral Balance, Tab 1, Projected Deferral Account Balance 8,693,444 (Volume in Litres, Tab 1, Projected Deferral Balance, Tab 1, Projected Defer	•		\$2.818				
8	Projected Deferral Account Balance 6,093,444 (Volume in Littles, Tab 1, Pa	32) \$0.0721	Φ2.010					
9	Proposed Reference Price		\$0.4539	\$17.733				
10	1 toposed Note to toe		ψ0.4333	ψ17.733				
11								
12	Existing Propane Reference Price		\$0.3490	\$13.636				
13	(Conversion factor 1 Litre = 0.025594 GJ)		,					
14	,							
15								
16	Increase in Propane Reference Price to be Flowed Through in Customers' Rates \$0.1049							
17								
18	Add: Company Use/Vaporizer Use/Unaccounted For Gas Adjustment of 4.69% (A)							
19								
20	Total Propane Cost Flowthrough (B)							
21	(Conversion factor 1 Litre = 0.025594 GJ)							
22								
23								
24								
25	Nets. (A) The Common Head (and since Head) has a control for Con Adington and	-f 4 COO/ in hone	d == 0044 0040 ===d 0040 data					
26 27	Note: (A) The Company Use/Vaporizer Use/Unaccounted For Gas Adjustment		rcentage					
28	Sales	7,447,716	rcentage					
29	Gaics	7,777,710						
30	Company Use	3,117	0.04%					
31	Propane Used for Vaporizer	111,685	1.50%					
32	Unaccounted For	234,267	3.15%					
33	Total Fuel / UAF Requirement	349,069	4.69%					
34								
35	Note: (B) Breakdown of Rate Change:							
36	Projected Deferral Balance at Mar 31, 2014			\$2.818				
37	Propane Cost Under (Over) Recovery (including amount at Line 18) f	or Apr 1, 2014 to	Mar 31, 2015 period.	\$1.472				
38	Total Propane Cost Flow Through			\$4.290				

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA PROPANE COST DEFERRAL ACCOUNT

WITH PROPOSED REFERENCE PRICE APRIL 1, 2014

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance	After Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)	(8)
1	December 31, 2013 Balance (Recorded)						\$30,749	\$22,754
2	January 2014 (Projected) (A)	1,320,622	\$0.6807	\$0.3490	\$0.3317	\$438,086	\$468,835	\$346,938
3	February (Projected)	1,027,585	\$0.4695	\$0.3490	\$0.1205	\$123,780	\$592,615	\$438,535
4	March (Projected)	1,004,142	\$0.3831	\$0.3490	\$0.0341	\$34,291	\$626,906	\$463,911
5	Current Quarter Total	3,352,348				\$596,157		
6				Proposed				
7				Reference				
8				Price				
9	Forecast Volumes and Forecast Prices							
10	April, 2014 (Forecast)	562,632	\$0.3572	\$0.4539	(\$0.0967)	(\$54,407)	\$572,499	\$423,649
11	May (Forecast)	445,417	\$0.3533	\$0.4539	(\$0.1006)	(\$44,809)	\$527,690	\$390,491
12	June (Forecast)	269,594	\$0.3551	\$0.4539	(\$0.0988)	(\$26,636)	\$501,054	\$370,780
13	July (Forecast)	273,502	\$0.3500	\$0.4539	(\$0.1039)	(\$28,417)	\$472,637	\$349,752
14	August (Forecast)	238,337	\$0.3490	\$0.4539	(\$0.1049)	(\$25,002)	\$447,635	\$331,250
15	September (Forecast)	324,295	\$0.3615	\$0.4539	(\$0.0924)	(\$29,965)	\$417,670	\$309,076
16	October (Forecast)	734,547	\$0.3769	\$0.4539	(\$0.0770)	(\$56,560)	\$361,110	\$267,222
17	November (Forecast)	1,008,049	\$0.3861	\$0.4539	(\$0.0678)	(\$68,346)	\$292,764	\$216,646
18	December (Forecast)	1,344,065	\$0.4085	\$0.4539	(\$0.0454)	(\$61,021)	\$231,743	\$171,490
19	January, 2015 (Forecast)	1,375,322	\$0.4111	\$0.4539	(\$0.0428)	(\$58,864)	\$172,879	\$127,931
20	February (Forecast)	1,070,563	\$0.3899	\$0.4539	(\$0.0640)	(\$68,516)	\$104,363	\$77,229
21	March (Forecast)	1,047,120	\$0.3539	\$0.4539	(\$0.1000)	(\$104,712)	(\$349)	(\$258)
22	Total April, 2014 to March, 2015	8,693,444				(\$627,255)		
23 24								
25	April, 2015 Balance (Forecast)	593,889	\$0.3347	\$0.4539	(\$0.1192)	(\$70,792)	(\$71,141)	(\$52,644)
26	May (Forecast)	464,953	\$0.3338	\$0.4539	(\$0.1201)	(\$55,841)	(\$126,982)	(\$93,966)
27	June (Forecast)	289,130	\$0.3362	\$0.4539	(\$0.1177)	(\$34,031)	(\$161,013)	(\$119,149)
28	July (Forecast)	285,223	\$0.3310	\$0.4539	(\$0.1229)	(\$35,054)	(\$196,067)	(\$145,089)
29	August (Forecast)	246,151	\$0.3285	\$0.4539	(\$0.1254)	(\$30,867)	(\$226,934)	(\$167,931)
30	September (Forecast)	336,016	\$0.3404	\$0.4539	(\$0.1135)	(\$38,138)	(\$265,072)	(\$196,153)
31	October (Forecast)	765,804	\$0.3553	\$0.4539	(\$0.0986)	(\$75,508)	(\$340,580)	(\$252,029)
32	November (Forecast)	1,047,120	\$0.3641	\$0.4539	(\$0.0898)	(\$94,031)	(\$434,611)	(\$321,612)
33	December (Forecast)	1,402,673	\$0.3861	\$0.4539	(\$0.0678)	(\$95,101)	(\$529,712)	(\$391,987)
34	January, 2016 (Forecast)	1,433,930	\$0.3734	\$0.4539	(\$0.0805)	(\$115,431)	(\$645,143)	(\$477,406)
35	February (Forecast)	1,113,542	\$0.3549	\$0.4539	(\$0.0990)	(\$110,241)	(\$755,384)	(\$558,984)
36	March (Forecast)	1,094,006	\$0.3364	\$0.4539	(\$0.1175)	(\$128,546)	(\$883,930)	(\$654,108)
37	Total April, 2015 to March, 2016	9,072,439			,	(\$883,581)	, , ,	, ,

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA APRIL 1, 2014 PROPOSED PROPANE COST INCREASE TYPICAL ANNUAL CONSUMPTION

			Ra	te 1 - Reside	ntial			Rate 2	- Small Com	mercial			Rate 3	- Large Com	mercial	
Line	Postivulos.	Use per Customer		Unit Revenue (\$/GJ) or	Revenue	%	Use per Customer		Unit Revenue (\$/GJ) or	Revenue	%	Use per Customer		Unit Revenue (\$/GJ) or	Revenue	%
No.	Particulars	(GJ)		(\$/day)	(\$)	Increase	(GJ)		(\$/day)	(\$)	Increase	(GJ)		(\$/day)	(\$)	Increase
2	REVELSTOKE PROPANE - INLAND SERVICE AREA															
4 5	Existing:															
6 7 8	Delivery Margin Related Charges Basic Charge per Day Delivery Margin Related Charge (incl. riders)	365.25 50.0	days GJ	\$0.3890 \$3.621	\$142.08 \$181.05		365.25 250.0	days GJ	\$0.8161 \$2.944	\$298.08 \$736.00		365.25 4,500.0	days GJ	\$4.3538 \$2.467	\$1,590.23 \$11,101.50	
10 11 12	Cost of Gas (Commodity Related Charges) Cost of Gas Recovery Related Charges	50.0	GJ	\$15.269	\$763.45		250.0	GJ	\$14.178	\$3,544.50		4,500.0	GJ	\$14.178	\$63,801.00	
13 14 15	Typical Annual Bill at Current Rates (excluding any applicable Taxes)	50.0	GJ		\$1,086.58		250.0	GJ		\$4,578.58		4,500.0	GJ		\$76,492.73	
16 17 18	Proposed Changes April 1, 2014:															
19 20 21 22	Delivery Margin Related Charge Cost of Gas Recovery Related Charge Total Charges			\$0.000 \$4.290 \$4.290	\$0.00 \$214.50 \$214.50	0.0% 19.7% 19.7%			\$0.000 \$4.290 \$4.290	\$0.00 \$1,072.50 \$1,072.50	0.0% 23.4% 23.4%			\$0.000 \$4.290 \$4.290	\$0.00 \$19,305.00 \$19,305.00	0.0% 25.2% 25.2%
23 24	Typical Annual Bill after Proposed Rates (excluding any applicable Taxes)				\$1,301.08	19.7%				\$5,651.08	23.4%				\$95,797.73	25.2%



UTILITIES COMMISSION
ORDER

SIXTH FLOOR, 900 HOWE STREET, BOX 250 VANCOUVER, BC V6Z 2N3 CANADA web site: http://www.bcuc.com TELEPHONE: (604) 660-4700 BC TOLL FREE: 1-800-663-1385 FACSIMILE: (604) 660-1102

BRITISH COLUMBIA

NUMBER

DRAFT ORDER

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

and

An Application by FortisBC Energy Inc.
Regarding the 2014 First Quarter Gas Cost Report and
Propane Commodity Charges effective April 1, 2014
for the Revelstoke Service Area

BEFORE:		
		[Date]

WHEREAS:

- A. By Order No. G-204-13 dated November 28, 2013, the British Columbia Utilities Commission (the Commission) approved the propane rates for the FortisBC Energy Inc. (FEI) Revelstoke service area (Revelstoke) effective January 1, 2014;
- B. On March 5, 2014, FEI filed its 2014 First Quarter Gas Cost Report for Revelstoke (the 2014 First Quarter Report);
- C. Using a propane price forecast based on February 19, 2014 NMYEX B0 Mt. Belvieu propane swap prices, and based on the existing rates, the projected after tax deferral balance at March 31, 2014 of \$463,911 deficit is forecast to change to \$674,583 at March 31, 2015. The rate change trigger mechanism is calculated to be 76.9 percent which falls outside the deadband range of 95 percent to 105 percent. The proposed rate increase is calculated to be \$4.290/GJ, which falls outside the threshold;
- D. In the 2014 First Quarter Report, FEI indicates that current propane cost recovery rates will under recover costs and a propane rate increase is required, effective April 1, 2014;
- E. The proposed Gas Cost Recovery Charge requested within the 2014 First Quarter Report would be equivalent to an increase of approximately \$215 or 19.7 percent, based on an annual consumption of 50 GJ;

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- F. FEI requests that the forecast gas cost information for Revelstoke in Tab 2 of the 2014 First Quarter Report be held confidential on the basis that it is market sensitive information;
- G. The Commission has determined that the requested changes to the propane reference price and propane rate for Revelstoke should be approved.

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

- 1. The Commission approves a propane reference price increase of \$0.3490 per litre to \$0.4539 per litre, which corresponds to an increase of \$4.290 per gigajoule in customer rates, effective April 1, 2014.
- 2. FEI will notify all customers that are affected by the rate change by way of a bill insert or bill message.
- 3. The Commission will hold the gas cost information for Revelstoke in Tab 2 of the 2014 First Quarter Report confidential.

DATED at the City of Vancouver, In the Province of British Columbia, this day of

day of March, 2014.

BY ORDER