



Diane Roy
Vice President, Regulatory Affairs

Gas Regulatory Affairs Correspondence
Email: gas.regulatory.affairs@fortisbc.com

Electric Regulatory Affairs Correspondence
Email: electricity.regulatory.affairs@fortisbc.com

FortisBC
16705 Fraser Highway
Surrey, B.C. V4N 0E8
Tel: (604) 576-7349
Cell: (604) 908-2790
Fax: (604) 576-7074
Email: diane.roy@fortisbc.com
www.fortisbc.com

November 23, 2016

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

Attention: Ms. Laurel Ross, Acting Commission Secretary and Director

Dear Ms. Ross:

**Re: FortisBC Energy Inc. – Revelstoke
2016 Fourth Quarter Gas Cost Report**

FortisBC Energy Inc. (FEI or the Company) hereby submits to the British Columbia Utilities Commission (the Commission) the 2016 Fourth Quarter Gas Cost Report for Revelstoke. The attached schedules provide a summary of the forecast monthly Propane Cost Deferral Account balances based on the November 15, 2016 forward prices.

The schedule at Tab 1, Page 1, based on the November 15, 2016 forward prices, using the NYMEX B0 – Mt. Belvieu Propane Swap prices, and based on the current rates, the projected deferral account balance at December 31, 2016 is \$215,057 surplus (after tax), and the forecast balance at December 31, 2017 is \$159,256 deficit (after tax). The rate change trigger ratio is calculated to be 85.5%, which falls outside the 95% to 105% deadband range, and the tested rate increase that would be required to produce a 100% propane cost recovery-to-cost ratio is calculated to be \$0.993/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

FEI is requesting that this information be filed on a confidential basis pursuant to section 18 of the Commission's Rules of Practice and Procedure regarding confidential documents, established by Order G-1-16, and 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.

SUMMARY

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 \$0.1444/litre to \$0.1688/litre which corresponds to a rate increase of \$0.993/GJ, effective January 1, 2017. 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 \$50 or 7.2%.

The tariff continuity / bill impact schedule within the application have been prepared to show the combined delivery and propane cost rate changes proposed to be effective January 1, 2017.

The Company will continue to monitor the forward prices and will report these results in the 2017 First 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:

Diane Roy

Attachments

FORTISBC ENERGY INC. - REVELSTOKE

PROPANE COST DEFERRAL ACCOUNT

WITH EXISTING PROPANE REFERENCE PRICE

(NOVEMBER 15, 2016 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

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)
1	July 2016 (Recorded)	519,762	\$0.1163	\$0.1444	(\$0.0281)	(\$14,628)	(\$399,390)	(\$295,548)
2	August (Recorded)	-	-	\$0.1444	-	\$2,045	(\$397,345)	(\$294,035)
3	September (Recorded)	691,567	\$0.1065	\$0.1444	(\$0.0379)	(\$26,198)	(\$423,543)	(\$313,421)
4	October (Recorded)	460,172	\$0.1171	\$0.1444	(\$0.0273)	(\$12,585)	(\$436,128)	(\$322,734)
5	November (Projected)	961,124	\$0.2054	\$0.1444	\$0.0610	\$58,649	(\$377,479)	(\$279,334)
6	December (Projected)	<u>1,268,149</u>	\$0.2129	\$0.1444	\$0.0685	<u>\$86,861</u>	(\$290,618)	(\$215,057)
7	Total November, 2016 to December, 2016	<u>3,900,773</u>				<u>\$94,144</u>		
8								
9	<u>Forecast Volumes and Forecast Prices</u>							
10	January, 2017 (Forecast)	1,341,408	\$0.2146	\$0.1444	\$0.0702	\$94,167	(\$196,451)	(\$145,373)
11	February (Forecast)	1,186,880	\$0.2135	\$0.1444	\$0.0691	\$82,013	(\$114,438)	(\$84,684)
12	March (Forecast)	1,057,904	\$0.1984	\$0.1444	\$0.0540	\$57,127	(\$57,311)	(\$42,410)
13	April (Forecast)	667,656	\$0.1793	\$0.1444	\$0.0349	\$23,301	(\$34,010)	(\$25,167)
14	May (Forecast)	407,830	\$0.1712	\$0.1444	\$0.0268	\$10,930	(\$23,080)	(\$17,079)
15	June (Forecast)	282,957	\$0.1693	\$0.1444	\$0.0249	\$7,046	(\$16,034)	(\$11,865)
16	July (Forecast)	289,990	\$0.1676	\$0.1444	\$0.0232	\$6,728	(\$9,306)	(\$6,886)
17	August (Forecast)	294,678	\$0.1687	\$0.1444	\$0.0243	\$7,161	(\$2,145)	(\$1,587)
18	September (Forecast)	324,334	\$0.1731	\$0.1444	\$0.0287	\$9,308	\$7,163	\$5,301
19	October (Forecast)	685,239	\$0.1901	\$0.1444	\$0.0457	\$31,315	\$38,478	\$28,474
20	November (Forecast)	977,143	\$0.2102	\$0.1444	\$0.0658	\$64,296	\$102,774	\$76,053
21	December (Forecast)	<u>1,290,888</u>	\$0.2315	\$0.1444	\$0.0871	<u>\$112,436</u>	\$215,210	\$159,256
22	Total January, 2017 to December, 2017	<u>8,806,908</u>				<u>\$505,828</u>		
23								
24								
25	<u>Forecast Recovered Costs [(Line 19 Col. 2) x (Line 18 Col. 4)]</u>					<u>\$1,271,718</u>		
26	December 31, 2016 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 2 Line 13 Col. 9)				=	<u>\$1,486,938</u>		
27								
28								
29	January, 2018 Balance (Forecast)	1,355,474	\$0.2346	\$0.1444	\$0.0902	\$122,264	\$337,474	\$249,731
30	February (Forecast)	1,199,109	\$0.2329	\$0.1444	\$0.0885	\$106,121	\$443,595	\$328,261
31	March (Forecast)	1,069,469	\$0.1964	\$0.1444	\$0.0520	\$55,612	\$499,207	\$369,413
32	April (Forecast)	674,924	\$0.1784	\$0.1444	\$0.0340	\$22,947	\$522,154	\$386,394
33	May (Forecast)	411,190	\$0.1706	\$0.1444	\$0.0262	\$10,773	\$532,927	\$394,366
34	June (Forecast)	285,458	\$0.1694	\$0.1444	\$0.0250	\$7,136	\$540,063	\$399,647
35	July (Forecast)	291,904	\$0.1656	\$0.1444	\$0.0212	\$6,188	\$546,251	\$404,226
36	August (Forecast)	296,906	\$0.1662	\$0.1444	\$0.0218	\$6,473	\$552,724	\$409,016
37	September (Forecast)	327,342	\$0.1709	\$0.1444	\$0.0265	\$8,675	\$561,399	\$415,436
38	October (Forecast)	692,350	\$0.1880	\$0.1444	\$0.0436	\$30,186	\$591,585	\$437,773
39	November (Forecast)	988,161	\$0.2072	\$0.1444	\$0.0628	\$62,057	\$653,642	\$483,695
40	December (Forecast)	<u>1,305,970</u>	\$0.2280	\$0.1444	\$0.0836	<u>\$109,179</u>	\$762,821	\$564,488
41	Total January, 2018 to December, 2018	<u>8,898,257</u>				<u>\$547,611</u>		

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

Tab 1

Page 2

(NOVEMBER 15, 2016 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars	Sales Volume (Litres)	Fixed Volume (Litres)	Variable Volume (Litres)	Fixed Price ^(a) (\$/litre)	Variable Price ^(a) (\$/litre)	Fixed Charges (\$)	Variable Charges (\$)	Total (\$)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	January, 2017 (Forecast)	1,341,408	602,000	739,408	\$ 0.2029	\$ 0.2241	\$ 122,158	\$ 165,685	\$ 287,842
2	February (Forecast)	1,186,880	602,000	584,880	\$ 0.2029	\$ 0.2245	\$ 122,158	\$ 131,291	\$ 253,449
3	March (Forecast)	1,057,904	602,000	455,904	\$ 0.2029	\$ 0.1924	\$ 122,158	\$ 87,734	\$ 209,892
4	April (Forecast)	667,656	-	667,656	\$ -	\$ 0.1793	\$ -	\$ 119,691	\$ 119,691
5	May (Forecast)	407,830	-	407,830	\$ -	\$ 0.1712	\$ -	\$ 69,801	\$ 69,801
6	June (Forecast)	282,957	-	282,957	\$ -	\$ 0.1693	\$ -	\$ 47,893	\$ 47,893
7	July (Forecast)	289,990	-	289,990	\$ -	\$ 0.1676	\$ -	\$ 48,615	\$ 48,615
8	August (Forecast)	294,678	-	294,678	\$ -	\$ 0.1687	\$ -	\$ 49,715	\$ 49,715
9	September (Forecast)	324,334	-	324,334	\$ -	\$ 0.1731	\$ -	\$ 56,158	\$ 56,158
10	October (Forecast)	685,239	-	685,239	\$ -	\$ 0.1901	\$ -	\$ 130,261	\$ 130,261
11	November (Forecast)	977,143	-	977,143	\$ -	\$ 0.2102	\$ -	\$ 205,432	\$ 205,432
12	December (Forecast)	1,290,888	-	1,290,888	\$ -	\$ 0.2315	\$ -	\$ 298,805	\$ 298,805
13	Total January, 2017 to December, 2017	8,806,908	1,806,000	7,000,908			\$ 366,474	\$ 1,411,082	\$ 1,777,556
14									
15	Forecast Average Cost of Propane (\$/Litre) ^{(b), (c)}								
16		8,806,908 Litres							\$ 0.20184
17	Forecast Average Cost of Propane (\$/GJ) ^{(b), (d)}								
18	(Conversion factor 1 Litre = 0.025594 GJ)	225,404 GJ							\$ 7.886
19									
20	January, 2018 Balance (Forecast)	1,355,474	-	1,355,474	\$ -	\$ 0.2346	\$ -	\$ 317,978	\$ 317,978
21	February (Forecast)	1,199,109	-	1,199,109	\$ -	\$ 0.2329	\$ -	\$ 279,300	\$ 279,300
22	March (Forecast)	1,069,469	-	1,069,469	\$ -	\$ 0.1964	\$ -	\$ 210,064	\$ 210,064
23	April (Forecast)	674,924	-	674,924	\$ -	\$ 0.1784	\$ -	\$ 120,396	\$ 120,396
24	May (Forecast)	411,190	-	411,190	\$ -	\$ 0.1706	\$ -	\$ 70,168	\$ 70,168
25	June (Forecast)	285,458	-	285,458	\$ -	\$ 0.1694	\$ -	\$ 48,343	\$ 48,343
26	July (Forecast)	291,904	-	291,904	\$ -	\$ 0.1656	\$ -	\$ 48,340	\$ 48,340
27	August (Forecast)	296,906	-	296,906	\$ -	\$ 0.1662	\$ -	\$ 49,352	\$ 49,352
28	September (Forecast)	327,342	-	327,342	\$ -	\$ 0.1709	\$ -	\$ 55,933	\$ 55,933
29	October (Forecast)	692,350	-	692,350	\$ -	\$ 0.1880	\$ -	\$ 130,146	\$ 130,146
30	November (Forecast)	988,161	-	988,161	\$ -	\$ 0.2072	\$ -	\$ 204,709	\$ 204,709
31	December (Forecast)	1,305,970	-	1,305,970	\$ -	\$ 0.2280	\$ -	\$ 297,752	\$ 297,752
32	Total January, 2018 to December, 2018	8,898,257	-	8,898,257			\$ -	\$ 1,832,480	\$ 1,832,480

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
PROPANE COST DEFERRAL ACCOUNT
CALCULATION OF PROPANE COST DECREASE FLOWTHROUGH
(NOVEMBER 15, 2016 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars	\$/Litre	\$/GJ
	(1)	(2)	(3) = (2) divided by 0.025594
1	Calculation of New Propane Reference Price		
2			
3	i. Forecast Average Cost of Propane (Tab 1, Page 2, Col. 9, Line 16 and Line 18)		<i>Convert from Litre to GJ (for information only)</i>
4	January 1, 2017 to December 31, 2017	\$0.20184	\$7.8861
5			
6	ii. Twelve Month Amortization of <u>\$ (290,618)</u> (Deferral Balance, Tab 1, Page 1, Col. 7, Line 3)		
7	Projected Deferral Account Balance 8,806,908 (Volume in Litres, Tab 1, Page 1, Col. 2, Line 19)	<u>(0.03300)</u>	(\$1.2893)
8			
9	Proposed Reference Price	\$0.1688	\$6.5953
10			
11	(a)		
12	Existing Propane Reference Price	<u>0.1444</u>	<u>\$5.6419</u>
13			
14			
15			
16	Increase in Propane Reference Price to be Flowed Through in Customers' Rates	<u>\$0.0244</u>	\$0.9533
17			
18	Add: Company Use/Vaporizer Use/Unaccounted For Gas Adjustment of 4.18% (b)		<u>0.0398</u>
19			
20	Total Propane Cost Flowthrough (c)		<u>\$0.993</u>

Notes:

Conversion factor 1 Litre = 0.025594 GJ

(a) Propane Reference Price per litre is set at 4 decimals. Individual calculation components are shown to 5 decimals, then rounded to 4 decimals.

(b) The Company Use/Vaporizer Use/Unaccounted For Gas Adjustment of 4.18% is based on 2013, 2014, and 2015 data.

	Litres	Percentage of Sales
Sales	8,171,599	
Company Use	2,575	0.03%
Propane Used for Vaporizer	115,647	1.42%
Unaccounted For	222,775	2.73%
Total Fuel / UAF Requirement	<u>340,997</u>	4.18%

(c) Propane cost flowthrough components, converted from litre to GJ, are shown to 4 decimals, then rounded to 3 decimals.

Breakdown of Rate Change:

Projected Deferral Balance at Dec 31, 2016	(\$1.2893)
Propane Cost Under (Over) Recovery (including amount at Line 18) for Jan 1, 2017 to Dec 31, 2017 period	<u>2.2823</u>
Total Propane Cost Flow Through	<u>\$0.993</u>

Slight differences due to rounding.

FORTISBC ENERGY INC. - REVELSTOKE

PROPANE COST DEFERRAL ACCOUNT

WITH PROPOSED REFERENCE PRICE JANUARY 1, 2017

(NOVEMBER 15, 2016 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Proposed 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	<u>Forecast Volumes and Forecast Prices</u>							
2	January, 2017 (Forecast)	1,341,408	\$0.2146	\$0.1688	\$0.0458	\$61,436	(\$229,182)	(\$169,594)
3	February (Forecast)	1,186,880	\$0.2135	\$0.1688	\$0.0447	\$53,054	(\$176,128)	(\$130,334)
4	March (Forecast)	1,057,904	\$0.1984	\$0.1688	\$0.0296	\$31,314	(\$144,814)	(\$107,162)
5	April (Forecast)	667,656	\$0.1793	\$0.1688	\$0.0105	\$7,010	(\$137,804)	(\$101,975)
6	May (Forecast)	407,830	\$0.1712	\$0.1688	\$0.0024	\$979	(\$136,825)	(\$101,250)
7	June (Forecast)	282,957	\$0.1693	\$0.1688	\$0.0005	\$141	(\$136,684)	(\$101,146)
8	July (Forecast)	289,990	\$0.1676	\$0.1688	(\$0.0012)	(\$348)	(\$137,032)	(\$101,403)
9	August (Forecast)	294,678	\$0.1687	\$0.1688	(\$0.0001)	(\$29)	(\$137,061)	(\$101,425)
10	September (Forecast)	324,334	\$0.1731	\$0.1688	\$0.0043	\$1,395	(\$135,666)	(\$100,393)
11	October (Forecast)	685,239	\$0.1901	\$0.1688	\$0.0213	\$14,596	(\$121,070)	(\$89,592)
12	November (Forecast)	977,143	\$0.2102	\$0.1688	\$0.0414	\$40,454	(\$80,616)	(\$59,656)
13	December (Forecast)	1,290,888	\$0.2315	\$0.1688	\$0.0627	\$80,939	\$323	\$239
14	Total January, 2017 to December, 2017	<u>8,806,908</u>				<u>\$290,941</u>		
15								
16								
17	January, 2018 Balance (Forecast)	1,355,474	\$0.2346	\$0.1688	\$0.0658	\$89,190	\$89,513	\$66,240
18	February (Forecast)	1,199,109	\$0.2329	\$0.1688	\$0.0641	\$76,863	\$166,376	\$123,119
19	March (Forecast)	1,069,469	\$0.1964	\$0.1688	\$0.0276	\$29,517	\$195,893	\$144,961
20	April (Forecast)	674,924	\$0.1784	\$0.1688	\$0.0096	\$6,479	\$202,372	\$149,756
21	May (Forecast)	411,190	\$0.1706	\$0.1688	\$0.0018	\$740	\$203,112	\$150,303
22	June (Forecast)	285,458	\$0.1694	\$0.1688	\$0.0006	\$171	\$203,283	\$150,430
23	July (Forecast)	291,904	\$0.1656	\$0.1688	(\$0.0032)	(\$934)	\$202,349	\$149,739
24	August (Forecast)	296,906	\$0.1662	\$0.1688	(\$0.0026)	(\$772)	\$201,577	\$149,167
25	September (Forecast)	327,342	\$0.1709	\$0.1688	\$0.0021	\$687	\$202,264	\$149,676
26	October (Forecast)	692,350	\$0.1880	\$0.1688	\$0.0192	\$13,293	\$215,557	\$159,512
27	November (Forecast)	988,161	\$0.2072	\$0.1688	\$0.0384	\$37,945	\$253,502	\$187,592
28	December (Forecast)	1,305,970	\$0.2280	\$0.1688	\$0.0592	\$77,313	\$330,815	\$244,803
29	Total January, 2018 to December, 2018	<u>8,898,257</u>				<u>\$330,492</u>		

FORTISBC ENERGY INC. - REVELSTOKE
JANUARY 1, 2017 TESTED PROPANE COST INCREASE
TYPICAL ANNUAL CONSUMPTION
(NOVEMBER 15, 2016 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars	Rate 1 - Residential				Rate 2 - Small Commercial				Rate 3 - Large Commercial						
		Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/day)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/day)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/day)	Revenue (\$)	% Increase			
1	REVELSTOKE PROPANE															
2	- MAINLAND SERVICE AREA															
3																
4	Existing:															
5																
6	Delivery Margin Related Charges															
7	Basic Charge per Day	365.25	days	\$0.3890	\$142.08	365.25	days	\$0.8161	\$298.08	365.25	days	\$4.3538	\$1,590.23			
8	Delivery Margin Related Charge (incl. riders)	50.0	GJ	\$4.018	\$200.90	310.0	GJ	\$3.331	\$1,032.61	13,300.0	GJ	\$2.809	\$37,359.70			
9																
10	Cost of Gas (Commodity Related Charges)															
11	Cost of Gas Recovery Related Charges	50.0	GJ	\$6.885	\$344.25	310.0	GJ	\$5.794	\$1,796.14	13,300.0	GJ	\$5.794	\$77,060.20			
12																
13	Typical Annual Bill at Current Rates (excluding any applicable taxes)	50.0	GJ		\$687.23	310.0	GJ		\$3,126.83	13,300.0	GJ		\$116,010.13			
14																
15																
16																
17	Proposed Cost of Gas Related Charge Jan 1, 2017 ¹			\$0.993	\$49.65	7.2%		\$0.993	\$307.83	9.8%		\$0.993	\$13,206.90	11.4%		
18																
19	Typical Annual Bill after Proposed Rates (excluding any applicable Taxes)				\$736.88	7.2%			\$3,434.66	9.8%			\$129,217.03	11.4%		
20																
21																
22																
23	Total Proposed Changes Jan 1, 2017															
24																
25	Delivery Margin Related Charges															
26	Basic Charge per Day	365.25	days	\$0.0000	\$0.00		365.25	days	\$0.0000	\$0.00		365.25	days	\$0.0000	\$0.00	
27	Delivery Margin Related Charge (incl. riders)	50.0	GJ	\$0.281	\$14.05	2.0%	310.0	GJ	\$0.213	\$66.03	2.1%	13,300.0	GJ	\$0.188	\$2,500.40	2.2%
28																
29	Cost of Gas (Commodity Related Charges)															
30	Cost of Gas Recovery Related Charges	50.0	GJ	\$0.993	\$49.65	7.2%	310.0	GJ	\$0.993	\$307.83	9.8%	13,300.0	GJ	\$0.993	\$13,206.90	11.4%
31																
32	Total Proposed Changes Jan 1, 2016			\$1.274	\$63.70	9.3%		\$1.206	\$373.86	12.0%		\$1.181	\$15,707.30	13.5%		
33																
34																
35																
36																
37																
38																
39	Typical Annual Bill at Proposed Rates (excluding any applicable Taxes)	50.0	GJ		\$750.93	9.3%	310.0	GJ		\$3,500.69	12.0%	13,300.0	GJ		\$131,717.43	13.5%
40																

Note: 1. Not including proposed changes related to delivery charges.



ORDER NUMBER

G-xx-xx

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

and

FortisBC Energy Inc.
Application regarding its 2016 Fourth Quarter Gas Cost Report
And Rate Changes effective January 1, 2017
For Revelstoke

BEFORE:

Panel Chair/Commissioner
Commissioner
Commissioner

on Date

ORDER

WHEREAS:

- A. By Order No. G-33-16 dated March 10, 2016, the British Columbia Utilities Commission (the Commission) approved the propane rates for FortisBC Energy Inc. (FEI) Revelstoke effective April 1, 2016;
- B. On November 23, 2016, FEI filed its 2016 Fourth Quarter Gas Cost Report for Revelstoke (the 2016 Fourth Quarter Report);
- C. Using a propane price forecast based on November 15, 2016 NMYEX B0 - Mt. Belvieu propane swap prices, and based on the existing rates, the projected after tax deferral balance at December 31, 2016 of \$215,057 surplus is forecast to change to \$159,256 deficit at December 31, 2017. The rate change trigger mechanism is calculated to be 85.5 percent which falls outside the deadband range of 95 percent to 105 percent. The proposed rate increase is calculated to be \$0.993/GJ, which falls outside the threshold;
- D. In the 2016 Fourth Quarter Report, FEI indicates that current propane cost recovery rates will under recover costs and a propane rate increase is required, effective January 1, 2017;
- E. The proposed Gas Cost Recovery Charge requested within the 2016 Fourth Quarter Report would be equivalent to an increase of approximately \$50 or 7.2 percent, based on an annual consumption of 50 GJ;
- F. FEI requests that the forecast gas cost information for Revelstoke in Tab 2 of the 2016 Fourth 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 \$0.0244 per litre, from the existing propane reference price of \$0.1444 per litre to \$0.1688 per litre, which corresponds to an increase of \$0.993 per gigajoule in customer rates, effective January 1, 2017.
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 2016 Fourth Quarter Report confidential.

DATED at the City of Vancouver, in the Province of British Columbia, this (XX) day of (December 2016).

BY ORDER

(X. X. last name)
Commissioner

Attachment (Yes? No?)