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March 7, 2018

British Columbia Utilities Commission Suite 410, 900 Howe Street Vancouver, BC V6Z 2N3

Attention: Mr. Patrick Wruck, Commission Secretary and Manager, Regulatory Support

Dear Mr. Wruck:

Re: FortisBC Energy Inc. – Revelstoke

2018 First Quarter Gas Cost Report

FortisBC Energy Inc. (FEI or the Company) hereby submits to the British Columbia Utilities Commission (the Commission) the 2018 First Quarter Gas Cost Report for Revelstoke. The attached schedules provide a summary of the forecast monthly Propane Cost Deferral Account balances based on the February 27, 2018 forward prices.

The schedule at Tab 1, Page 1, based on the February 27, 2018 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, 2018 is \$81,462 surplus (after tax), and the forecast balance at March 31, 2019 is \$262,208 surplus (after tax). The rate change trigger ratio is calculated to be 116.4%, which falls outside the 95% to 105% deadband range, and the tested rate decrease that would be required to produce a 100% propane cost recovery-to-cost ratio is calculated to be \$1.657/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. FEI believes

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FEI – Revelstoke 2018 First Quarter Gas Cost Report
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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

Sincerely,

Attachments

In summary, the Company requests Commission approval for a decrease 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 \$0.2865/litre to \$0.2462/litre which corresponds to a rate decrease of \$1.657/GJ, effective April 1, 2018. As a result, the annual bill for a typical Revelstoke residential customer with an average annual consumption of 50 GJ per year will decrease by approximately \$83 or 8.3%.

The Company will continue to monitor the forward prices and will report these results in the 2018 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.

FORTISBC ENERGY INC.

Original signed:

Diane Roy

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

(FEBRUARY 27, 2018 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars (1)	Sales Volumes (Litre) (2)	Average Price (\$/Litre) (3)	Approved Reference Price (\$/Litre)	Amount Deferred (\$/Litre) (5)=(3)-(4)	Amount Deferred (\$) (6)=(2)*(5)	Pre-tax Deferral Balance (\$) (7)	After-tax Deferral Balance (\$) (8)
	(1)	(2)	(3)	(4)	(3)=(3)-(4)	(0)=(2) (3)	(7)	(6)
1	October 2017 (Recorded)	800,923	\$0.2611	\$0.2475	\$0.0136	\$10,874	(\$94,487)	(\$69,920)
2	November (Recorded)	955,043	\$0.2835	\$0.2475	\$0.0360	\$34,386	(\$60,101)	(\$44,475)
3	December (Recorded)	1,519,876	\$0.2708	\$0.2475	\$0.0233	\$35,466	(\$24,635)	(\$17,983)
4	January (Recorded)	1,449,082	\$0.2662	\$0.2865	(\$0.0203)	(\$29,386)	(\$54,020)	(\$39,435)
5	February (Projected)	1,198,797	\$0.2633	\$0.2865	(\$0.0232)	(\$27,756)	(\$81,776)	(\$59,697)
6	March (Projected)	1,056,927	\$0.2583	\$0.2865	(\$0.0282)	(\$29,816)	(\$111,592)	(\$81,462)
7	Total October, 2017 to March, 2018	6,980,648				(\$6,231)		
8								
9	Forecast Volumes and Forecast Prices							
10	April, 2018 (Forecast)	665,312	\$0.2304	\$0.2865	(\$0.0561)	(\$37,324)	(\$148,916)	(\$108,709)
11	May (Forecast)	391,381	\$0.2217	\$0.2865	(\$0.0648)	(\$25,361)	(\$174,277)	(\$127,223)
12	June (Forecast)	320,192	\$0.2221	\$0.2865	(\$0.0644)	(\$20,620)	(\$194,897)	(\$142,275)
13	July (Forecast)	268,032	\$0.2237	\$0.2865	(\$0.0628)	(\$16,832)	(\$211,729)	(\$154,562)
14	August (Forecast)	256,154	\$0.2255	\$0.2865	(\$0.0610)	(\$15,625)	(\$227,354)	(\$165,969)
15	September (Forecast)	325,584	\$0.2315	\$0.2865	(\$0.0550)	(\$17,907)	(\$245,261)	(\$179,041)
16	October (Forecast)	673,752	\$0.2490	\$0.2865	(\$0.0375)	(\$25,266)	(\$270,527)	(\$197,485)
17	November (Forecast)	978,940	\$0.2674	\$0.2865	(\$0.0191)	(\$18,698)	(\$289,225)	(\$211,135)
18	December (Forecast)	1,313,394	\$0.2745	\$0.2865	(\$0.0120)	(\$15,761)	(\$304,986)	(\$222,640)
19	January, 2019 (Forecast)	1,406,736	\$0.2798	\$0.2865	(\$0.0067)	(\$9,425)	(\$314,411)	(\$229,520)
20 21	February (Forecast) March (Forecast)	1,230,953 1,085,020	\$0.2726 \$0.2610	\$0.2865 \$0.2865	(\$0.0139) (\$0.0255)	(\$17,110) (\$27,668)	(\$331,521) (\$359,189)	(\$242,011) (\$262,208)
22	Total April, 2018 to March, 2019	8,915,449	Φ0.2010	φυ.2003	(\$0.0233)	(\$247,597)	(\$339,169)	(\$202,200)
23	10tal April, 2010 to March, 2019	0,910,449				(ψ241,531)		
24								
25	Forecast Recovered Costs [(Line 22 Col.	2) x (Line 21 Col. 4)]			\$2,554,276			
26	March 31, 2018 Deferral Balance (Line 6 Col. 7) + Forecas	, , , , , , , , , , , , , , , , , , , ,	13 Col. 9)	- =	\$2,195,006	116.4%		
27	(= (= / / / / / / / / / / /	(·g. = =	,		4 =,:::,:::			
28								
29	April, 2019 (Forecast)	682,699	\$0.2213	\$0.2865	(\$0.0652)	(\$44,512)	(\$403,701)	(\$294,702)
30	May (Forecast)	400,641	\$0.2062	\$0.2865	(\$0.0803)	(\$32,171)	(\$435,872)	(\$318,187)
31	June (Forecast)	327,147	\$0.1994	\$0.2865	(\$0.0871)	(\$28,495)	(\$464,367)	(\$338,988)
32	July (Forecast)	273,619	\$0.1998	\$0.2865	(\$0.0867)	(\$23,723)	(\$488,090)	(\$356,306)
33	August (Forecast)	261,468	\$0.2011	\$0.2865	(\$0.0854)	(\$22,329)	(\$510,419)	(\$372,606)
34	September (Forecast)	332,969	\$0.2056	\$0.2865	(\$0.0809)	(\$26,937)	(\$537,356)	(\$392,270)
35	October (Forecast)	690,748	\$0.2197	\$0.2865	(\$0.0668)	(\$46,142)	(\$583,498)	(\$425,954)
36	November (Forecast)	1,005,001	\$0.2360	\$0.2865	(\$0.0505)	(\$50,753)	(\$634,251)	(\$463,004)
37	December (Forecast)	1,348,089	\$0.2423	\$0.2865	(\$0.0442)	(\$59,586)	(\$693,837)	(\$506,501)
38	January, 2020 (Forecast)	1,443,049	\$0.2457	\$0.2865	(\$0.0442)	(\$58,876)	(\$752,713)	(\$549,481)
39	February (Forecast)	1,262,864	\$0.2417	\$0.2865 \$0.2865	(\$0.0408)	(\$56,576)	(\$809,289)	(\$549,481)
39 40	March (Forecast)	1,112,839	\$0.2417 \$0.2318	\$0.2865	(\$0.0446)	(\$60,872)	(\$870,161)	
40 41	Total April, 2019 to March, 2020	9,141,132	φυ.∠316	φυ.∠ουσ	(\$0.0547)	(\$510,972)	(φοιυ, ισι)	(\$635,218)
41	1 otal April, 2013 to Maton, 2020	3,141,132				(ψυτυ, ετζ)		

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

(FEBRUARY 27, 2018 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 ^(b) (\$/Litre)	Fixed Charges (\$)				Total (\$)
	(1)	(2)	(3)	(4)	(5)	(6)		(7)		(8)	(9)
1	April, 2018 (Forecast)	665,312	-	665,312	\$ -	\$ 0.2304	\$	-	\$	153,297	\$ 153,297
2	May (Forecast)	391,381	-	391,381	\$ -	\$ 0.2217	\$	-	\$	86,750	\$ 86,750
3	June (Forecast)	320,192	-	320,192	\$ -	\$ 0.2221	\$	-	\$	71,111	\$ 71,111
4	July (Forecast)	268,032	-	268,032	\$ -	\$ 0.2237	\$	-	\$	59,964	\$ 59,964
5	August (Forecast)	256,154	-	256,154	\$ -	\$ 0.2255	\$	-	\$	57,772	\$ 57,772
6	September (Forecast)	325,584	-	325,584	\$ -	\$ 0.2315	\$	-	\$	75,363	\$ 75,363
7	October (Forecast)	673,752	-	673,752	\$ -	\$ 0.2490	\$	-	\$	167,769	\$ 167,769
8	November (Forecast)	978,940	600,000	378,940	\$ 0.2703	\$ 0.2628	\$	162,203	\$	99,593	\$ 261,796
9	December (Forecast)	1,313,394	600,000	713,394	\$ 0.2703	\$ 0.2779	\$	162,203	\$	198,262	\$ 360,465
10	January, 2019 (Forecast)	1,406,736	600,000	806,736	\$ 0.2703	\$ 0.2868	\$	162,203	\$	231,405	\$ 393,608
11	February (Forecast)	1,230,953	600,000	630,953	\$ 0.2703	\$ 0.2747	\$	162,203	\$	173,334	\$ 335,537
12	March (Forecast)	1,085,020	600,000	485,020	\$ 0.2703	\$ 0.2494	\$	162,203	\$	120,963	\$ 283,166
13	Total April, 2018 to March, 2019	8,915,449	3,000,000	5,915,449			\$	811,015	\$	1,495,584	\$ 2,306,599
14	·							 !	-		
15	Forecast Average Cost of Propane (\$	/Litre) (c), (d)									
16		8,915,449	Litres								\$ 0.25872
17	Forecast Average Cost of Propane (\$	/GJ) ^{(c), (e)}									
18	(Conversion factor 1 Litre = 0.025594 GJ)	228,182	GJ								\$ 10.109
19											
20	April, 2019 (Forecast)	682,699	-	682,699	\$ -	\$ 0.2213	\$	-	\$	151,071	\$ 151,071
21	May (Forecast)	400,641	-	400,641	\$ -	\$ 0.2062	\$	-	\$	82,611	\$ 82,611
22	June (Forecast)	327,147	-	327,147	\$ -	\$ 0.1994	\$	-	\$	65,220	\$ 65,220
23	July (Forecast)	273,619	-	273,619	\$ -	\$ 0.1998	\$	-	\$	54,677	\$ 54,677
24	August (Forecast)	261,468	-	261,468	\$ -	\$ 0.2011	\$	-	\$	52,590	\$ 52,590
25	September (Forecast)	332,969	-	332,969	\$ -	\$ 0.2056	\$	-	\$	68,470	\$ 68,470
26	October (Forecast)	690,748		690,748	\$ -	\$ 0.2197	\$	-	\$	151,786	\$ 151,786
27	November (Forecast)	1,005,001	600,000	405,001	\$ 0.2390	\$ 0.2315	\$	143,371	\$	93,777	\$ 237,148
28	December (Forecast)	1,348,089	600,000	748,089	\$ 0.2390	\$ 0.2451	\$	143,371	\$	183,331	\$ 326,701
29	January, 2020 (Forecast)	1,443,049	600,000	843,049	\$ 0.2390	\$ 0.2506	\$	143,371	\$	211,254	\$ 354,624
30	February (Forecast)	1,262,864	600,000	662,864	\$ 0.2390	\$ 0.2442	\$ \$	143,371	\$	161,889	\$ 305,260
31	March (Forecast)	1,112,839	600,000	512,839	\$ 0.2390	\$ 0.2233	<u>\$</u>	143,371	\$	114,533	\$ 257,903
32	Total April, 2019 to March, 2020	9,141,132	3,000,000	6,141,132			\$	716,853	\$	1,391,210	\$ 2,108,063

Notes

⁽a) Consistent with current price risk mitigation practices, the Revelstoke propane cost forecast includes the assumption that approximately 50% of the forecast winter supply be based on forward fixed price contracts. Forecast Fixed Prices include transportation costs. (Revelstoke's actual price risk mitigation strategies will be determined via the Annual Contract Plan process.)

⁽b) Forecast Variable Price Includes transportation costs.

⁽c) Forecast Average Cost of Propane excludes company use, vaporizer use, and unaccounted for gas.

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

⁽e) 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 (FEBRUARY 27, 2018 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line			
No.	Particulars Particulars	\$/Litre	\$/GJ
	(1)	(2)	(3) = (2) divided by 0.025594
1	Calculation of New Propane Reference Price		
2			Convert from Litre to GJ
3	i. Forecast Average Cost of Propane (Tab 1, Page 2, Col. 9, Line 16 and Line 18)		(for information only)
4	April 1, 2018 to March 31, 2019	\$0.25872	\$10.1086
5			
6	ii. Twelve Month Amortization of \$\(\)(111,592) (Deferral Balance, Tab 1, Page 1, Col. 7, Line 6)		
7	Projected Deferral Account Balance 8,915,449 (Volume in Litres, Tab 1, Page 1, Col. 2, Line 22)	(0.01252)	(\$0.4892)
8	(a)		
9	Proposed Reference Price	\$0.2462	\$9.6194
10			
11	(a)		
12	Existing Propane Reference Price	0.2865	\$11.1940
13			
14			
15			
16	Decrease in Propane Reference Price to be Flowed Through in Customers' Rates	(\$0.0403)	(\$1.5746)
17	(b)		
18	Add: Company Use/Vaporizer Use/Unaccounted For Gas Adjustment of 5.24%		(0.0825)
19			
20	Total Propane Cost Flowthrough (c)		(\$1.657)

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 5.24% is based on 2015, 2016, and 2017 data.

_	Litres	Percentage of Sales
Sales	8,368,204	
Company Use	3,793	0.05%
Propane Used for Vaporizer	108,629	1.30%
Unaccounted For	325,809	3.89%
Total Fuel / UAF Requirement	438,231	5.24%

(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 Mar 31, 2018
Propane Cost Under (Over) Recovery (including amount at Line 18) for Apr 1, 2018 to Mar 31, 2019 period
Total Propane Cost Flow Through

(\$0.4892) (1.1678) (\$1.657)

FORTISBC ENERGY INC. - REVELSTOKE PROPANE COST DEFERRAL ACCOUNT WITH PROPOSED REFERENCE PRICE APRIL 1, 2018

(FEBRUARY 27, 2018 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line		Volumes	Average Price	Proposed Reference	Amount Deferred	Amount	Pre-tax Deferral	After-tax Deferral
No.	Particulars	(Litre)	(\$/Litre)	Price (\$/Litre)	(\$/Litre)	Deferred (\$)	Balance (\$)	Balance (\$)
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)	(8)
1	Forecast Volumes and Forecast Prices							
2	April, 2018 (Forecast)	665,312	\$0.2304	\$0.2462	(\$0.0158)	(\$10,512)	(\$122,104)	(\$89,136)
3	May (Forecast)	391,381	\$0.2217	\$0.2462	(\$0.0245)	(\$9,589)	(\$131,693)	(\$96,136)
4	June (Forecast)	320,192	\$0.2221	\$0.2462	(\$0.0241)	(\$7,717)	(\$139,410)	(\$101,770)
5	July (Forecast)	268,032	\$0.2237	\$0.2462	(\$0.0225)	(\$6,031)	(\$145,441)	(\$106,172)
6	August (Forecast)	256,154	\$0.2255	\$0.2462	(\$0.0207)	(\$5,302)	(\$150,743)	(\$110,043)
7	September (Forecast)	325,584	\$0.2315	\$0.2462	(\$0.0147)	(\$4,786)	(\$155,529)	(\$113,536)
8	October (Forecast)	673,752	\$0.2490	\$0.2462	\$0.0028	\$1,887	(\$153,642)	(\$112,159)
9	November (Forecast)	978,940	\$0.2674	\$0.2462	\$0.0212	\$20,754	(\$132,888)	(\$97,009)
10	December (Forecast)	1,313,394	\$0.2745	\$0.2462	\$0.0283	\$37,169	(\$95,719)	(\$69,875)
11	January, 2019 (Forecast)	1,406,736	\$0.2798	\$0.2462	\$0.0336	\$47,266	(\$48,453)	(\$35,371)
12	February (Forecast)	1,230,953	\$0.2726	\$0.2462	\$0.0264	\$32,497	(\$15,956)	(\$11,648)
13	March (Forecast)	1,085,020	\$0.2610	\$0.2462	\$0.0148	\$16,058	\$102	\$74
14	Total April, 2018 to March, 2019	8,915,449				\$111,694		
15								
16								
17	April, 2019 (Forecast)	682,699	\$0.2213	\$0.2462	(\$0.0249)	(\$16,999)	(\$16,897)	(\$12,335)
18	May (Forecast)	400,641	\$0.2062	\$0.2462	(\$0.0400)	(\$16,026)	(\$32,923)	(\$24,034)
19	June (Forecast)	327,147	\$0.1994	\$0.2462	(\$0.0468)	(\$15,310)	(\$48,233)	(\$35,210)
20	July (Forecast)	273,619	\$0.1998	\$0.2462	(\$0.0464)	(\$12,696)	(\$60,929)	(\$44,478)
21	August (Forecast)	261,468	\$0.2011	\$0.2462	(\$0.0451)	(\$11,792)	(\$72,721)	(\$53,087)
22	September (Forecast)	332,969	\$0.2056	\$0.2462	(\$0.0406)	(\$13,519)	(\$86,240)	(\$62,956)
23	October (Forecast)	690,748	\$0.2197	\$0.2462	(\$0.0265)	(\$18,305)	(\$104,545)	(\$76,318)
24	November (Forecast)	1,005,001	\$0.2360	\$0.2462	(\$0.0102)	(\$10,251)	(\$114,796)	(\$83,801)
25	December (Forecast)	1,348,089	\$0.2423	\$0.2462	(\$0.0039)	(\$5,258)	(\$120,054)	(\$87,640)
26	January, 2020 (Forecast)	1,443,049	\$0.2457	\$0.2462	(\$0.0005)	(\$722)	(\$120,776)	(\$88,167)
27	February (Forecast)	1,262,864	\$0.2417	\$0.2462	(\$0.0045)	(\$5,683)	(\$126,459)	(\$92,315)
28	March (Forecast)	1,112,839	\$0.2318	\$0.2462	(\$0.0144)	(\$16,025)	(\$142,484)	(\$104,014)
29	Total April, 2019 to March, 2020	9,141,132			•	(\$142,586)	•	,

Tab 1 Page 5

FORTISBC ENERGY INC. - REVELSTOKE APRIL 1, 2018 PROPOSED PROPANE COST DECREASE TYPICAL ANNUAL CONSUMPTION

(FEBRUARY 27, 2018 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

		Rate 1 - Residential						Rate 2 - Small Commercial					Rate 3 - Large Commercial					
				Unit					Unit					Unit				
		Use per		Revenue			Use per		Revenue			Use per		Revenue				
Line		Customer		(\$/GJ) or	Revenue	. %	Customer		(\$/GJ) or	Revenue	%	Customer		(\$/GJ) or	Revenue	%		
No.	Particulars	(GJ)		(\$/day)	(\$)	Increase	(GJ)		(\$/day)	(\$)	Increase	(GJ)		(\$/day)	(\$)	Increase		
		1									1					1		
1	REVELSTOKE PROPANE																	
2	- MAINLAND SERVICE AREA																	
3	WAINERING CERVICE AIREA																	
4	Existing:																	
5	Existing.																	
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	\$4.355	\$217.75		300.0	GĴ	\$3.508	\$1,052.40		6,650.0	GĴ	\$2.924	\$19,444.60			
9	,			•	•				*	* /		-,		•	* -,			
10	Cost of Gas (Commodity Related Charges)																	
11	Cost of Gas Recovery Related Charges	50.0	GJ	\$12.679	\$633.95		300.0	GJ	\$11.588	\$3,476.40		6,650.0	GJ	\$11.588	\$77,060.20			
12	,																	
13	Typical Annual Bill at Current Rates (excluding																	
14	any applicable taxes)	50.0	GJ		\$993.78		300.0	GJ		\$4,826.88		6,650.0	GJ		\$98,095.03			
15																		
16																		
17	Proposed Changes April 1, 2018:																	
18																		
19	Delivery Margin Related Charge			\$0.000	\$0.00	0.0%			\$0.000	\$0.00	0.0%			\$0.000	\$0.00	0.0%		
20	Cost of Gas Recovery Related Charge			(\$1.657)	(\$82.85)	(8.3%)			(\$1.657)	(\$497.10)	(10.3%)			(\$1.657) (\$11,019.05)	(11.2%)		
21	Total Charges			(\$1.657)	(\$82.85)	(8.3%)			(\$1.657)	(\$497.10)	(10.3%)			(\$1.657) (\$11,019.05)	(11.2%)		
22																		
23	Typical Annual Bill at Proposed Rates (excluding																	
24	any applicable taxes)				\$910.93	(8.3%)				\$4,329.78	(10.3%)				\$87,075.98	(11.2%)		



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ORDER NUMBER G-xx-xx

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

and

FortisBC Energy Inc.

Application regarding its 2018 First Quarter Gas Cost Report

And Rate Changes effective April 1, 2018

For Revelstoke

BEFORE:

[Panel Chair] Commissioner Commissioner

on Date

ORDER

WHEREAS:

- A. The British Columbia Utilities Commission (Commission) 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);
- B. By Order No. G-174-17 dated November 30, 2017, the Commission approved the current propane rates for Revelstoke and surrounding areas (Revelstoke) effective January 1, 2018;
- C. On March 7, 2018, FEI filed its 2018 First Quarter Gas Cost Report for Revelstoke (the Report);
- D. Using a propane price forecast based on February 27, 2018 NMYEX B0 Mt. Belvieu propane swap prices, and based on the existing rates, the projected after tax deferral balance at March 31, 2018 of \$81,462 surplus is forecast to change to a \$262,208 surplus at March 31, 2019. The rate change trigger mechanism is calculated to be 116.4 percent that falls outside the deadband range of 95 percent to 105 percent. The proposed rate decrease is calculated to be \$1.657/GJ, which falls outside the minimum \$0.50/GJ threshold established in the Guidelines;
- E. In the Report, FEI indicates that current propane cost recovery rates will over recover costs and a propane rate decrease is required, effective April 1, 2018;
- F. The proposed Gas Cost Recovery Charge requested within the Report would be equivalent to a decrease of approximately \$83 or 8.3 percent, based on an annual consumption of 50 GJ;

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- G. FEI requests that the forecast gas cost information for Revelstoke in Tab 2 of the Report be held confidential on the basis that it is market sensitive information;
- H. 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 British Columbia Utilities Commission orders as follows:

- 1. The Commission approves a propane reference price decrease of \$0.0403 per litre, from the existing propane reference price of \$0.2865 per litre to \$0.2462 per litre, which corresponds to a decrease of \$1.657 per gigajoule in customer rates, effective April 1, 2018.
- 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 2018 Second Quarter Report confidential.

DATED at the City of Vancouver, in the Province of British Columbia, this (XX) day of March 2018.

BY ORDER

(X. X. last name) Commissioner