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November 22, 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 Fourth Quarter Gas Cost Report**

FortisBC Energy Inc. (FEI or the Company) hereby submits to the British Columbia Utilities Commission (BCUC) the 2018 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 13, 2018 forward prices.

The schedule at Tab 1, Page 1, based on the November 13, 2018 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, 2018 is \$7,462 deficit (after tax), and the forecast balance at December 31, 2019 is \$204,819 surplus (after tax). The rate change trigger ratio is calculated to be 112.1%, which falls outside the 95% to 105% deadband range. The tested rate decrease that would be required to produce a 100% propane cost recovery-to-cost ratio is calculated to be \$2.221/GJ (Tab 1, Page 3, Line 20), which falls outside the \$0.50/GJ minimum rate change threshold. The results of the two-criteria rate adjustment mechanism indicate that a rate change is required effective January 1, 2019.

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 BCUC 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 BCUC 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 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 BCUC 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 \$0.2907/litre to \$0.2364/litre which corresponds to a rate decrease of \$2.221/GJ, effective January 1, 2019. 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 \$111 or 11.1%.

The Company will continue to monitor the forward prices and will report these results in the 2019 First Quarter Gas Cost Report.

We trust the BCUC 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**

Tab 1

Page 1

(NOVEMBER 13, 2018 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 2018 (Recorded)	306,842	\$0.2909	\$0.2650	\$0.0259	\$7,955	(\$51,238)	(\$37,404)
2	August (Recorded)	237,000	\$0.2781	\$0.2650	\$0.0131	\$3,102	(\$48,136)	(\$35,139)
3	September (Recorded)	647,111	\$0.2807	\$0.2650	\$0.0157	\$10,176	(\$37,961)	(\$27,711)
4	October (Recorded)	420,364	\$0.2760	\$0.2650	\$0.0110	\$4,644	(\$33,316)	(\$24,321)
5	November (Projected)	1,045,174	\$0.2962	\$0.2650	\$0.0312	\$32,600	(\$716)	(\$523)
6	December (Projected)	<u>1,368,852</u>	\$0.2730	\$0.2650	\$0.0080	<u>\$10,939</u>	\$10,223	\$7,462
7	Total July, 2018 to December, 2018	<u>4,025,343</u>				<u>\$69,416</u>		
8								
9	<u>Forecast Volumes and Forecast Prices</u>							
10	January, 2019 (Forecast)	1,482,843	\$0.2786	\$0.2650	\$0.0136	\$20,167	\$30,390	\$22,184
11	February (Forecast)	1,305,229	\$0.2818	\$0.2650	\$0.0168	\$21,928	\$52,318	\$38,192
12	March (Forecast)	1,169,549	\$0.2720	\$0.2650	\$0.0070	\$8,187	\$60,505	\$44,168
13	April (Forecast)	752,458	\$0.1862	\$0.2650	(\$0.0788)	(\$59,294)	\$1,211	\$884
14	May (Forecast)	455,245	\$0.1778	\$0.2650	(\$0.0872)	(\$39,697)	(\$38,486)	(\$28,095)
15	June (Forecast)	375,949	\$0.1771	\$0.2650	(\$0.0879)	(\$33,046)	(\$71,532)	(\$52,219)
16	July (Forecast)	299,683	\$0.1755	\$0.2650	(\$0.0895)	(\$26,822)	(\$98,354)	(\$71,799)
17	August (Forecast)	297,564	\$0.1810	\$0.2650	(\$0.0840)	(\$24,995)	(\$123,349)	(\$90,045)
18	September (Forecast)	381,348	\$0.1844	\$0.2650	(\$0.0806)	(\$30,737)	(\$154,086)	(\$112,483)
19	October (Forecast)	730,787	\$0.2077	\$0.2650	(\$0.0573)	(\$41,874)	(\$195,960)	(\$143,051)
20	November (Forecast)	1,101,979	\$0.2255	\$0.2650	(\$0.0395)	(\$43,528)	(\$239,488)	(\$174,827)
21	December (Forecast)	<u>1,441,600</u>	\$0.2365	\$0.2650	(\$0.0285)	<u>(\$41,086)</u>	(\$280,574)	(\$204,819)
22	Total January, 2019 to December, 2019	<u>9,794,233</u>				<u>(\$290,797)</u>		
23								
24								
25	Forecast Recovered Costs [(Line 22 Col. 2) x (Line 21 Col. 4)]					\$2,595,472		112.1%
26	December 31, 2018 Deferral Balance (Line 6 Col. 7) + Forecast Costs (Page 2 Line 13 Col. 9)					\$2,314,941		
27								
28								
29	January, 2020 (Forecast)	1,560,678	\$0.2446	\$0.2650	(\$0.0204)	(\$31,838)	(\$312,412)	(\$228,061)
30	February (Forecast)	1,373,861	\$0.2382	\$0.2650	(\$0.0268)	(\$36,819)	(\$349,231)	(\$254,939)
31	March (Forecast)	1,231,014	\$0.2224	\$0.2650	(\$0.0426)	(\$52,441)	(\$401,672)	(\$293,221)
32	April (Forecast)	792,061	\$0.1863	\$0.2650	(\$0.0787)	(\$62,335)	(\$464,007)	(\$338,725)
33	May (Forecast)	478,819	\$0.1785	\$0.2650	(\$0.0865)	(\$41,418)	(\$505,425)	(\$368,961)
34	June (Forecast)	395,214	\$0.1725	\$0.2650	(\$0.0925)	(\$36,557)	(\$541,982)	(\$395,647)
35	July (Forecast)	314,790	\$0.1713	\$0.2650	(\$0.0937)	(\$29,496)	(\$571,478)	(\$417,179)
36	August (Forecast)	312,554	\$0.1766	\$0.2650	(\$0.0884)	(\$27,630)	(\$599,108)	(\$437,349)
37	September (Forecast)	400,868	\$0.1797	\$0.2650	(\$0.0853)	(\$34,194)	(\$633,302)	(\$462,311)
38	October (Forecast)	768,824	\$0.2026	\$0.2650	(\$0.0624)	(\$47,975)	(\$681,277)	(\$497,333)
39	November (Forecast)	1,159,297	\$0.2111	\$0.2650	(\$0.0539)	(\$62,486)	(\$743,763)	(\$542,947)
40	December (Forecast)	<u>1,515,963</u>	\$0.2201	\$0.2650	(\$0.0449)	<u>(\$68,067)</u>	(\$811,830)	(\$592,636)
41	Total January, 2020 to December, 2020	<u>10,303,943</u>				<u>(\$531,256)</u>		

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

Tab 1
Page 2

(NOVEMBER 13, 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 ^(a) (\$/litre)	Fixed Charges (\$)	Variable Charges (\$)	Total (\$)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	January, 2019 (Forecast)	1,482,843	600,000	882,843	\$ 0.3283	\$ 0.2448	\$ 196,968	\$ 216,090	\$ 413,058
2	February (Forecast)	1,305,229	600,000	705,229	\$ 0.3283	\$ 0.2423	\$ 196,968	\$ 170,894	\$ 367,862
3	March (Forecast)	1,169,549	600,000	569,549	\$ 0.3283	\$ 0.2128	\$ 196,968	\$ 121,196	\$ 318,164
4	April (Forecast)	752,458	-	752,458	\$ -	\$ 0.1862	\$ -	\$ 140,116	\$ 140,116
5	May (Forecast)	455,245	-	455,245	\$ -	\$ 0.1778	\$ -	\$ 80,954	\$ 80,954
6	June (Forecast)	375,949	-	375,949	\$ -	\$ 0.1771	\$ -	\$ 66,585	\$ 66,585
7	July (Forecast)	299,683	-	299,683	\$ -	\$ 0.1755	\$ -	\$ 52,607	\$ 52,607
8	August (Forecast)	297,564	-	297,564	\$ -	\$ 0.1810	\$ -	\$ 53,856	\$ 53,856
9	September (Forecast)	381,348	-	381,348	\$ -	\$ 0.1844	\$ -	\$ 70,327	\$ 70,327
10	October (Forecast)	730,787	-	730,787	\$ -	\$ 0.2077	\$ -	\$ 151,795	\$ 151,795
11	November (Forecast)	1,101,979	600,000	501,979	\$ 0.2327	\$ 0.2169	\$ 139,590	\$ 108,869	\$ 248,460
12	December (Forecast)	1,441,600	600,000	841,600	\$ 0.2327	\$ 0.2392	\$ 139,590	\$ 201,344	\$ 340,934
13	Total January, 2019 to December, 2019	<u>9,794,233</u>	<u>3,000,000</u>	<u>6,794,233</u>			<u>\$ 870,084</u>	<u>\$ 1,434,634</u>	<u>\$ 2,304,718</u>
14									
15	Forecast Average Cost of Propane (\$/Litre) ^{(b), (c)}								
16		9,794,233 Litres							<u>\$ 0.23531</u>
17	Forecast Average Cost of Propane (\$/GJ) ^{(b), (d)}								
18	(Conversion factor 1 Litre = 0.025594 GJ)	250,674 GJ							<u>\$ 9.194</u>
19									
20	January, 2020 (Forecast)	1,560,678	600,000	960,678	\$ 0.2327	\$ 0.2520	\$ 139,590	\$ 242,114	\$ 381,705
21	February (Forecast)	1,373,861	600,000	773,861	\$ 0.2327	\$ 0.2424	\$ 139,590	\$ 187,613	\$ 327,203
22	March (Forecast)	1,231,014	600,000	631,014	\$ 0.2327	\$ 0.2127	\$ 139,590	\$ 134,199	\$ 273,790
23	April (Forecast)	792,061	-	792,061	\$ -	\$ 0.1863	\$ -	\$ 147,558	\$ 147,558
24	May (Forecast)	478,819	-	478,819	\$ -	\$ 0.1785	\$ -	\$ 85,452	\$ 85,452
25	June (Forecast)	395,214	-	395,214	\$ -	\$ 0.1725	\$ -	\$ 68,157	\$ 68,157
26	July (Forecast)	314,790	-	314,790	\$ -	\$ 0.1713	\$ -	\$ 53,934	\$ 53,934
27	August (Forecast)	312,554	-	312,554	\$ -	\$ 0.1766	\$ -	\$ 55,202	\$ 55,202
28	September (Forecast)	400,868	-	400,868	\$ -	\$ 0.1797	\$ -	\$ 72,023	\$ 72,023
29	October (Forecast)	768,824	-	768,824	\$ -	\$ 0.2026	\$ -	\$ 155,759	\$ 155,759
30	November (Forecast)	1,159,297	600,000	559,297	\$ 0.2151	\$ 0.2069	\$ 129,054	\$ 115,693	\$ 244,747
31	December (Forecast)	1,515,963	600,000	915,963	\$ 0.2151	\$ 0.2233	\$ 129,054	\$ 204,558	\$ 333,612
32	Total January, 2020 to December, 2020	<u>10,303,943</u>	<u>3,000,000</u>	<u>7,303,943</u>			<u>\$ 676,879</u>	<u>\$ 1,522,262</u>	<u>\$ 2,199,142</u>

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 13).
- (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 13, 2018 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			<i>Convert from Litre to GJ (for information only)</i>
3	i. Forecast Average Cost of Propane (Tab 1, Page 2, Col. 9, Line 16 and Line 18)		
4	January 1, 2019 to December 31, 2019	\$0.23531	\$9.1940
5			
6	ii. Twelve Month Amortization of <u>\$ 10,223</u> (Deferral Balance, Tab 1, Page 1, Col. 7, Line 6)		
7	Projected Deferral Account Balance 9,794,233 (Volume in Litres, Tab 1, Page 1, Col. 2, Line 22)	<u>0.00104</u>	\$0.0406
8			
9	Proposed Reference Price	\$0.2364	\$9.2365
10			
11			
12	Existing Propane Reference Price ^(a)	<u>0.2907</u>	<u>\$11.3581</u>
13			
14			
15			
16	Decrease in Propane Reference Price to be Flowed Through in Customers' Rates	<u>(\$0.0543)</u>	(\$2.1216)
17			
18	Add: Company Use/Vaporizer Use/Unaccounted For Gas Adjustment of 4.68% ^(b)		<u>(0.0993)</u>
19			
20	Total Propane Cost Flowthrough ^(c)		<u>(\$2.221)</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 4.68% 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	278,417	3.33%
Total Fuel / UAF Requirement	<u>390,839</u>	<u>4.68%</u>

(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, 2018	\$0.0406
Propane Cost Under (Over) Recovery (including amount at Line 18) for Jan 1, 2019 to Dec 31, 2019 period	<u>(2.2616)</u>
Total Propane Cost Flow Through	<u>(\$2.221)</u>

Slight differences due to rounding.

FORTISBC ENERGY INC. - REVELSTOKE

Tab 1

PROPANE COST DEFERRAL ACCOUNT

Page 4

WITH PROPOSED REFERENCE PRICE JANUARY 1, 2019

(NOVEMBER 13, 2018 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, 2019 (Forecast)	1,482,843	\$0.2786	\$0.2364	\$0.0422	\$62,576	\$72,799	\$53,143
3	February (Forecast)	1,305,229	\$0.2818	\$0.2364	\$0.0454	\$59,257	\$132,056	\$96,401
4	March (Forecast)	1,169,549	\$0.2720	\$0.2364	\$0.0356	\$41,636	\$173,692	\$126,795
5	April (Forecast)	752,458	\$0.1862	\$0.2364	(\$0.0502)	(\$37,773)	\$135,919	\$99,221
6	May (Forecast)	455,245	\$0.1778	\$0.2364	(\$0.0586)	(\$26,677)	\$109,242	\$79,746
7	June (Forecast)	375,949	\$0.1771	\$0.2364	(\$0.0593)	(\$22,294)	\$86,948	\$63,472
8	July (Forecast)	299,683	\$0.1755	\$0.2364	(\$0.0609)	(\$18,251)	\$68,697	\$50,148
9	August (Forecast)	297,564	\$0.1810	\$0.2364	(\$0.0554)	(\$16,485)	\$52,212	\$38,114
10	September (Forecast)	381,348	\$0.1844	\$0.2364	(\$0.0520)	(\$19,830)	\$32,382	\$23,639
11	October (Forecast)	730,787	\$0.2077	\$0.2364	(\$0.0287)	(\$20,974)	\$11,408	\$8,328
12	November (Forecast)	1,101,979	\$0.2255	\$0.2364	(\$0.0109)	(\$12,012)	(\$604)	(\$441)
13	December (Forecast)	1,441,600	\$0.2365	\$0.2364	\$0.0001	\$144	(\$460)	(\$336)
14	Total January, 2019 to December, 2019	<u>9,794,233</u>				<u>(\$10,683)</u>		
15								
16								
17	January, 2020 (Forecast)	1,560,678	\$0.2446	\$0.2364	\$0.0082	\$12,798	\$12,338	\$9,006
18	February (Forecast)	1,373,861	\$0.2382	\$0.2364	\$0.0018	\$2,473	\$14,811	\$10,812
19	March (Forecast)	1,231,014	\$0.2224	\$0.2364	(\$0.0140)	(\$17,234)	(\$2,423)	(\$1,769)
20	April (Forecast)	792,061	\$0.1863	\$0.2364	(\$0.0501)	(\$39,682)	(\$42,105)	(\$30,737)
21	May (Forecast)	478,819	\$0.1785	\$0.2364	(\$0.0579)	(\$27,724)	(\$69,829)	(\$50,975)
22	June (Forecast)	395,214	\$0.1725	\$0.2364	(\$0.0639)	(\$25,254)	(\$95,083)	(\$69,411)
23	July (Forecast)	314,790	\$0.1713	\$0.2364	(\$0.0651)	(\$20,493)	(\$115,576)	(\$84,371)
24	August (Forecast)	312,554	\$0.1766	\$0.2364	(\$0.0598)	(\$18,691)	(\$134,267)	(\$98,015)
25	September (Forecast)	400,868	\$0.1797	\$0.2364	(\$0.0567)	(\$22,729)	(\$156,996)	(\$114,607)
26	October (Forecast)	768,824	\$0.2026	\$0.2364	(\$0.0338)	(\$25,986)	(\$182,982)	(\$133,577)
27	November (Forecast)	1,159,297	\$0.2111	\$0.2364	(\$0.0253)	(\$29,330)	(\$212,312)	(\$154,988)
28	December (Forecast)	1,515,963	\$0.2201	\$0.2364	(\$0.0163)	(\$24,710)	(\$237,022)	(\$173,026)
29	Total January, 2020 to December, 2020	<u>10,303,943</u>				<u>(\$236,562)</u>		

FORTISBC ENERGY INC. - REVELSTOKE
JANUARY 1, 2019 PROPOSED PROPANE COST INCREASE
TYPICAL ANNUAL CONSUMPTION
(NOVEMBER 13, 2018 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	\$4.355	\$217.75		300.0 GJ	\$3.508	\$1,052.40		6,650.0 GJ	\$2.924	\$19,444.60	
9													
10	Cost of Gas (Commodity Related Charges)												
11	Cost of Gas Recovery Related Charges	50.0 GJ	\$12.842	<u>\$642.10</u>		300.0 GJ	\$11.751	<u>\$3,525.30</u>		6,650.0 GJ	\$11.751	<u>\$78,144.15</u>	
12													
13	Typical Annual Bill at Current Rates (excluding any applicable taxes)	<u>50.0</u> GJ		<u>\$1,001.93</u>		<u>300.0</u> GJ		<u>\$4,875.78</u>		<u>6,650.0</u> GJ		<u>\$99,178.98</u>	
14													
15													
16													
17	Tested Cost of Gas Related Charge Jan 1, 2019 ^(a)		(\$2.221)	<u>(\$111.05)</u>	(11.1%)		(\$2.221)	<u>(\$666.30)</u>	(13.7%)		(\$2.221)	<u>(\$14,769.65)</u>	(14.9%)
18													
19	Typical Annual Bill at Tested Rates (excluding any applicable Taxes)			<u>\$890.88</u>	(11.1%)			<u>\$4,209.48</u>	(13.7%)			<u>\$84,409.33</u>	(14.9%)
20													
21													
22													
23	Total Proposed Changes Jan 1, 2019												
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	(\$0.012)	(\$0.60)	(0.1%)	300.0 GJ	(\$0.012)	(\$3.60)	(0.1%)	6,650.0 GJ	(\$0.012)	(\$79.80)	(0.1%)
28													
29	Cost of Gas (Commodity Related Charges)												
30	Cost of Gas Recovery Related Charges	50.0 GJ	(\$2.221)	<u>(\$111.05)</u>	(11.1%)	300.0 GJ	(\$2.221)	<u>(\$666.30)</u>	(13.7%)	6,650.0 GJ	(\$2.221)	<u>(\$14,769.65)</u>	(14.9%)
31													
32	Total Proposed Changes Jan 1, 2019		(\$2.233)	<u>(\$111.65)</u>	(11.1%)		(\$2.233)	<u>(\$669.90)</u>	(13.7%)		(\$2.233)	<u>(\$14,849.45)</u>	(15.0%)
33													
34													
35													
36													
37													
38													
39	Typical Annual Bill at Proposed Rates (excluding any applicable Taxes)	<u>50.0</u> GJ		<u>\$890.28</u>	(11.1%)	<u>300.0</u> GJ		<u>\$4,205.88</u>	(13.7%)	<u>6,650.0</u> GJ		<u>\$84,329.53</u>	(15.0%)
40													

Note: (a) 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 2018 Fourth Quarter Gas Cost Report
And Rate Changes effective January 1, 2019
For Revelstoke

BEFORE:

[Panel Chair]
Commissioner
Commissioner

on **Date**

ORDER

WHEREAS:

- A. The British Columbia Utilities Commission (BCUC) 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 G-172-18 dated September 13, 2018, the BCUC approved the current propane rates for Revelstoke and surrounding areas (Revelstoke) effective October 1, 2018;
- C. On November 21, 2018, FEI filed its 2018 Fourth Quarter Gas Cost Report for Revelstoke (the Report);
- D. Using a propane price forecast based on November 13, 2018 NMYEX B0 - Mt. Belvieu propane swap prices, and based on the existing rates, the projected after tax deferral balance at December 31, 2018 of \$7,462 deficit is forecast to change to a \$204,819 surplus at December 31, 2019. The rate change trigger mechanism is calculated to be 112.1 percent that falls outside the deadband range of 95 percent to 105 percent. The proposed rate decrease is calculated to be \$2.221/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 January 1, 2019;
- F. The proposed Gas Cost Recovery Charge requested within the Report would be equivalent to a decrease of approximately \$111 or 11.1 percent, based on an annual consumption of 50 GJ;

- 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 BCUC 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 BCUC approves a propane reference price decrease of \$0.0543 per litre, from the existing propane reference price of \$0.2907 per litre to \$0.2364 per litre, which corresponds to a decrease of \$2.221 per gigajoule in customer rates, effective January 1, 2019.
2. FEI will notify all customers that are affected by the rate change by way of a bill insert or bill message.
3. The BCUC will hold the gas cost information for Revelstoke in Tab 2 of the 2019 Fourth Quarter Report confidential.

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

BY ORDER

(X. X. last name)
Commissioner