

**ORDER NUMBER
G-174-17**

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

and

FortisBC Energy Inc.
Application regarding its 2017 Fourth Quarter Gas Cost Report
And Rate Changes effective January 1, 2018
For Revelstoke

BEFORE:

B. A. Magnan, Commissioner
D. J. Enns, Commissioner
R. I. Mason, Commissioner
R. D. Revel, Commissioner

on November 30, 2017

ORDER

WHEREAS:

- A. On November 21, 2017, FortisBC Energy Inc. (FEI) filed its 2017 Fourth Quarter Gas Cost Report for the Revelstoke Service Area (Report) and applied for approval of an increase in the propane reference price, effective January 1, 2018;
- B. 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);
- C. By Order No. G-31-17 dated March 9, 2017, the Commission approved the current propane rates for Revelstoke and surrounding areas (Revelstoke) effective April 1, 2017;
- D. On November 22, 2017, FEI filed its 2017 Fourth Quarter Gas Cost Report for Revelstoke (the 2017 Fourth Quarter Report);
- E. Using a propane price forecast based on November 14, 2017 NMYEX B0 - Mt. Belvieu propane swap prices, and based on the existing rates, the projected after tax deferral balance at December 31, 2017 of \$21,350 deficit is forecast to change to a \$251,239 deficit at December 31, 2018. The rate change trigger mechanism is calculated to be 86.4 percent which falls outside the deadband range of 95 percent to 105 percent. The proposed rate increase is calculated to be \$1.591/GJ, which is greater than the minimum \$0.50/GJ threshold established in the Guidelines;

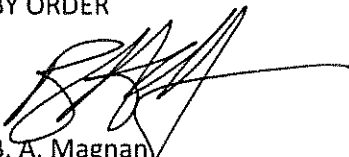
- F. In the Report, FEI indicates that current propane cost recovery rates will under recover costs and proposes a propane rate increase is required, effective January 1, 2018;
- G. The proposed Gas Cost Recovery Charge requested within the 2017 Fourth Quarter Report would be equivalent to an increase of approximately \$80 or 8.7 percent, based on an annual consumption of 50 GJ;
- H. FEI requests that the forecast gas cost information for Revelstoke in Tab 2 of the 2017 Fourth Quarter Report be held confidential on the basis that it is market sensitive information;
- I. 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 increase of \$0.0390 per litre, from the existing propane reference price of \$0.2475 per litre to \$0.2865 per litre, which corresponds to an increase of \$1.591 per gigajoule in customer rates, effective January 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 confidential the information in Tab 2 of the 2017 Fourth Quarter Gas Cost Report as requested by FEI as it contains market sensitive information.

DATED at the City of Vancouver, in the Province of British Columbia, this 30th day of November 2017.

BY ORDER



B. A. Magnan
Commissioner