



ORDER NUMBER
G-60-18

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 the Revelstoke Service Area

BEFORE:

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

on March 15, 2018

ORDER

WHEREAS:

- A. On March 7, 2018, FortisBC Energy Inc. (FEI) filed its 2018 First Quarter Gas Cost Report for the Revelstoke Service Area (Report) and applied for approval of an decrease in the propane reference price, effective April 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 (Guidelines);
- C. By Order G-174-17 dated November 30, 2017, the Commission approved the current propane rates for Revelstoke and surrounding areas (Revelstoke) effective January 1, 2018;
- 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 revenue to cost ratio is calculated to be 116.4 percent which falls outside the deadband range of 95 percent to 105 percent. The tested rate decrease is calculated to be \$1.657/GJ, which is greater than 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 proposes a propane rate decrease of \$1.657/GJ, effective April 1, 2018;

- F. The proposed Gas Cost Recovery Charge requested within the Report would be equivalent to a bill decrease of approximately \$83 or 8.3 percent to a typical Revelstoke residential customer, 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; and
- 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 Commission orders as follows:

1. For Revelstoke, 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 confidential the information in Tab 2 of the 2018 First 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 15th day of March 2018.

BY ORDER



B. A. Magnan
Commissioner