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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-203-13**

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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

an Application by FortisBC Energy Inc. Fort Nelson Service Area
Regarding 2013 Fourth Quarter Gas Cost Report
and

an Application by FortisBC Energy Inc. Fort Nelson Service Area
for Deferral Account Treatment for 2014 and Changes to the
Revenue Stabilization Adjustment Mechanism Rider
and

Rate Changes effective January 1, 2014 for the Fort Nelson Service Area

BEFORE:

C.A. Brown, Commissioner
N.E. MacMurchy, Commissioner
B.A. Magnan, Commissioner
D.M. Morton, Commissioner
R.D. Revel, Commissioner
C. van Wermeskerken, Commissioner

November 28, 2013

O R D E R

WHEREAS:

- A. By Order No. G-27-12 dated March 8, 2012, the British Columbia Utilities Commission (Commission) approved the Gas Cost Recovery Charge for the Fort Nelson Service Area, effective April 1, 2012;
- B. On October 11, 2013, FortisBC Energy Inc. (FEI) filed the Application for Deferral Account Treatment for 2014 and Changes to the Revenue Stabilization Adjustment Mechanism (RSAM) Rider (Deferral/RSAM Application) for the Fort Nelson Service Area pursuant to sections 59 to 61 and 89 of the *Utilities Commission Act* (Act);
- C. In the Deferral/RSAM Application FEI seeks approval to maintain the current 2013 delivery rates for the Fort Nelson Service Area and reset the RSAM rider, effective January 1, 2014. FEI also seeks approval to reduce the amortization period for the RSAM from three years to two years;
- D. On November 20, 2013, FEI filed its 2013 Fourth Quarter Report on the Gas Cost Reconciliation Account (GCRA) balance and Gas Cost Recovery Charges for the Fort Nelson Service Area effective January 1, 2014, that were based on the five-day average of the November 8, 11, 12, 13 and 14, 2013 forward gas prices (2013 Fourth Quarter Report);
- E. The 2013 Fourth Quarter Report forecasts that gas cost recoveries at current rates will be 124.8 percent of costs for the following 12 months, and FEI requests approval pursuant to section 61(4) of the Act for a decrease of \$0.707/GJ in the Gas Cost Recovery Charges for natural gas customers in Fort Nelson Service Area, effective January 1, 2014;

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- F. The proposed delivery related requests in the Deferral/RSAM Application combined with the Gas Cost Recovery Charge requested within the 2013 Fourth Quarter Report are equivalent to a decrease of approximately \$108 or 11.7 percent per year for a typical Fort Nelson residential customer's annual bill based on an average annual consumption of 140 GJ;
- G. FEI requests that the forecast gas cost information in Tab 5 of the 2013 Fourth Quarter Report be held confidential, on the basis that it contains market sensitive information;
- H. The Commission reviewed the 2013 Fourth Quarter Report, and determines that the requested decrease to the Gas Cost Recovery Charge should be approved; and
- I. The Commission reviewed and considered the Deferral/RSAM Application and determines that the requested change to the RSAM rider should be approved and that the RSAM amortization period should be changed from three years to two years. The remainder of the Deferral/RSAM Application will be the subject of a future Order.

NOW THEREFORE pursuant to Sections 59 to 61 and 89 of the *Utilities Commission Act*:

- 1. The Commission approves the Gas Cost Recovery Charge for the Fort Nelson Service Area decrease of \$0.707/GJ to \$2.846/GJ effective January 1, 2014, as set out in FortisBC Energy Inc.'s (FEI) 2013 Fourth Quarter Report for the Fort Nelson Service Area.
- 2. The Commission approves the decrease of the amortization period for the Rate Stabilization Adjustment Mechanism from three years to two years.
- 3. The Commission approves the Rate Stabilization Adjustment Mechanism rider for the Fort Nelson Service Area decrease of \$0.061/GJ to be set at \$0.084/GJ effective January 1, 2014 as set out in the Deferral/RSAM Application.
- 4. FEI must notify all customers who are affected by the rate changes with a bill insert or bill message to be submitted to the Commission prior to its release to be included with the next monthly gas billing.
- 5. FEI must file amended Gas Tariff Rate Schedules for the Fort Nelson Service Area in accordance with this Order in a timely manner.
- 6. The Commission will hold the information in Tab 5 of the 2013 Fourth Quarter Report confidential as requested by FEI to protect commercially sensitive information.

DATED at the City of Vancouver, in the Province of British Columbia, this 29th day of November, 2013.

BY ORDER

Original signed by:

D.M. Morton
Commissioner