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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-204-13**

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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.
Regarding the 2013 Fourth Quarter Gas Cost Report and
Propane Commodity Charges effective January 1, 2014
for the Revelstoke Service Area**

BEFORE: C.A. Brown, Commissioner
N.E. MacMurchy, Commissioner
B.A. Magnan, Commissioner November 28, 2013
D.M. Morton, Commissioner
R.D. Revel, Commissioner
C. van Wermeskerken, Commissioner

O R D E R

WHEREAS:

- A. By Order No. G-149-13 dated September 13, 2013, the British Columbia Utilities Commission (Commission) approved the propane rates for the FortisBC Energy Inc. (FEI) Revelstoke Service Area (Revelstoke) effective October 1, 2013;
- B. On November 20, 2013, FEI filed its 2013 Fourth Quarter Gas Cost Report for Revelstoke (2013 Fourth Quarter Report);
- C. Using a propane price forecast based on November 14, 2013 NMYEX B0 - Mt. Belvieu propane swap prices, and based on the existing rates, the projected after tax deferral balance at December 31, 2013 of \$113,292 surplus is forecast to change to an after tax deficit balance of \$205,360 at December 31, 2014. The rate change trigger mechanism is calculated to be 90.7 percent which falls outside the deadband range of 95 percent to 105 percent. The proposed rate increase is calculated to \$1.321/GJ, which falls outside the threshold;
- D. In the 2013 Fourth Quarter Report, FEI indicates that current propane cost recovery rates will under recover costs and a propane rate increase is required, effective January 1, 2014;

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- E. The combined effects of the interim delivery changes approved by Order No. G-150-13 to be effective January 1, 2014, and the proposed Gas Cost Recovery Charge requested within the 2013 Fourth Quarter Report would be equivalent to an increase of approximately \$77 or 7.7 percent, based on an annual consumption of 50 GJ;
- F. FEI requests that the forecast gas cost information for Revelstoke in Tab 2 of the 2013 Fourth Quarter Report be held confidential on the basis that it is market sensitive information; and
- G. 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*:

- 1. The Commission approves a propane reference price increase of \$0.3166 per litre to \$0.3490 per litre, which corresponds to an increase of \$1.321 per gigajoule in customer rates, effective January 1, 2014.
- 2. FortisBC Energy Inc. (FEI) must notify all affected customers of the rate change by way of a bill insert or bill message to be submitted to the Commission for review prior to its release with the next monthly gas billing.
- 3. FEI must file amended Gas Tariff Rate Schedules for the Revelstoke Service Area in accordance with this Order in a timely manner.
- 4. The Commission will hold the gas cost information for Revelstoke in Tab 2 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