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Utilities Commission

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August 8, 2023

Sent via email/ eFile **Letter L-43-23**

Mr. Lloyd Jacobs
General Manager
FortisBC Alternative Energy Services Inc.
10th Floor, 1111 West Georgia Street
Vancouver, BC V6E 4M3
FAES.Regulatory.Affairs@fortisbc.com

Re: FortisBC Alternative Energy Services Inc. – Oliver's Landing November 2023 – October 2024 Annual Contracting Plan

Dear Mr. Jacobs:

On June 27, 2023, FortisBC Alternative Energy Services Inc. (FAES) submitted to the British Columbia Utilities Commission (BCUC), on a confidential basis, its Annual Contracting Plan for the Oliver's Landing area for the period of November 2023 to October 2024 (2023/24 ACP). In its submission, FAES requests BCUC acceptance of the Oliver's Landing 2023/24 ACP. The objectives for the Oliver's Landing 2023/24 ACP are identified as follows:

1. To provide secure, reliable, and cost-effective supply in order to meet customer requirements; and

2. To reduce the impact of propane price volatility on customers' propane rates in a cost-effective manner.

The BCUC has reviewed the FAES filing and accepts the Oliver's Landing 2023/24 ACP.

A copy of FAES's non-confidential Executive Summary for the 2023/24 ACP is attached and is available for public review. Exclusive of the non-confidential Executive Summary, the BCUC agrees to hold the contents of the Oliver's Landing 2023/24 ACP confidential.

Sincerely,

Original signed by:

Patrick Wruck
Commission Secretary

BV/jm
Enclosure

EXECUTIVE SUMMARY

This submission by FortisBC Alternative Energy Services Inc. (FAES) sets out the proposed Annual Contracting Plan (ACP) that is designed to meet the propane supply requirements of Oliver's Landing customers for the period from November 1, 2023 to October 31, 2024 (2023/24 Gas Year). The primary objectives of the 2023/24 ACP are to provide secure, reliable, and cost-effective supply to meet the requirements of Oliver's Landing customers, as well as to reduce the impact of propane price volatility on Oliver's Landing's propane rates.

Oliver's Landing's propane supply requirements for the 2023/24 ACP are forecast to be 266 cubic metres (M^3) and the supply will be sourced and delivered by the supplier FAES selected through its 2018 Expression of Interest (EOI). Based on current market conditions, FAES recommends contracting for approximately 50 percent of Oliver's Landing's 2023/24 winter supply with fixed price purchases to help mitigate propane price risks and rate volatility for Oliver's Landing customers. The remainder of the propane supply for the 2023/24 winter and 2024 summer will be purchased at floating market prices.