

# Is my natural gas bill really going up 80 per cent? No, let us explain.

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by FortisBC

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Natural Gas | Rates | Billing

You may have seen headlines in the news suggesting that your natural gas bill is going up by 80 per cent. This is incorrect. In reality, only one line item on your bill is increasing: the natural gas commodity charge. The other line items on your bill will remain the same.

Last week, we received direction from the BC Utilities Commission (BCUC) to increase the cost of gas rate by \$0.909 per gigajoule to reflect what we're now paying for gas.

## What does this mean for you?

The cost of natural gas will change from \$1.141 to \$2.05 per gigajoule, starting October 1. So for the average residential customer it means an increase of approximately \$3.50 to \$7 per month, depending on the region you live in.

We don't mark up the cost of gas—you pay what we pay. The natural gas commodity charge on your bill covers the cost of gas we purchase for our customers.

The cost of natural gas is still close to the lowest levels we've seen in the last decade. Natural gas remains an affordable energy choice to heat your home and water compared to electricity.

## Cost of natural gas (per GJ)\*



\*The cost of natural gas is one component of a FortisBC bill and is exclusive of the other charges that appear on the bill.

If you want to find out what this change will mean to your total bill, look at the amount of gigajoules used on your most recent bill and multiply it by \$2.05 instead of \$1.141. Or give us a call at **1-888-224-2710**.

Information and a video about our natural gas rate structure can be found [here](#).

## **Is this change for all customers?**

This change is impacting customers in Lower Mainland, Vancouver Island, Whistler, Fraser Valley, Interior, North and the Kootenays.

Customers in Fort Nelson will not see any changes to their cost of gas rates.

Customers in Revelstoke will not see any changes to their cost of propane rates.

Customer Choice program participants will not be affected by changes to the cost of gas rate.

## **How are rates decided?**

Natural gas is traded in the North American marketplace as a commodity like oil, gold or lumber. Our commodity rates are reviewed every three months by the BCUC to ensure the rates we are charging appropriately cover the cost of natural gas we purchase on behalf of our customers.

# FortisBC receives approval for adjustment to natural gas rates

September 12, 2016  
SURREY, B.C. ☐

FortisBC has received approval from the BC Utilities Commission (BCUC) to modify natural gas rates. Beginning October 1, 2016 customers will see changes to their bill.

“Natural gas prices have risen since spring 2016. The hotter-than-normal summer, for most of Canada and the US, has resulted in higher-than-expected continental demand for electricity, which is often generated by natural gas,” said Dennis Swanson, vice president of energy supply, FortisBC. “This, combined with a slowdown in natural gas production, has led to an increase in prices during the past few months.”

“Despite this, natural gas prices are still near their lowest levels in a decade. As we approach the winter heating season, we encourage our customers to continue using energy wisely, to help keep costs down,” added Swanson.

Propane rates for Revelstoke customers remained unchanged due to healthy propane storage levels and relatively stable oil prices over the past few months.

Every three months, FortisBC reviews natural gas and propane cost of gas rates with the BCUC to make sure rates passed on to customers cover the cost of purchasing the gas on their behalf. Factors affecting the market price of natural gas and propane in North America include weather, supply and demand and economic conditions. Propane prices are also influenced by global oil markets.

The majority of natural gas customers will see an increase to their cost of gas rate of \$0.909 per gigajoule (GJ), meaning the cost of gas rate will change from \$1.141/GJ to \$2.050/GJ. These changes will result in an increase of approximately \$82 annually for residential customers, based on the average use of 90 GJ per year.

Customer Choice program participants will not be affected by changes to the cost of gas rate.

Fort Nelson customers will not see a change to the gas cost recovery charge.

FortisBC is committed to helping customers conserve energy and get the most out of their energy dollar by providing both rebates and advice on energy-efficient appliances and energy saving tips. Those curious about the type of appliances they have in their home and how they may be affecting their energy bill can use the FortisBC energy calculator at [fortisbc.com/energycalculator](http://fortisbc.com/energycalculator). To learn more about FortisBC's natural gas rates, visit [fortisbc.com/rates](http://fortisbc.com/rates).

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