



ALANNA GILLIS
ACTING COMMISSION SECRETARY
Commission.Secretary@bcuc.com
web site: <http://www.bcuc.com>

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC CANADA V6Z 2N3
TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

Log No. 39247, 36080

VIA EMAIL

gas.regulatory.affairs@fortisbc.com

March 9, 2012

Ms. Diane Roy
Director, Regulatory Affairs
FortisBC Energy Inc.
16705 Fraser Highway
Surrey, BC V4N 0E8

Dear Ms. Roy:

Re: FortisBC Energy Inc. – Fort Nelson Service Area
Gas Cost Reconciliation Account and Gas Cost Recovery Rates
2012 First Quarter Gas Cost Report

Further to your March 1, 2012, filing of the 2012 First Quarter Gas Cost Report for the Fort Nelson service area, enclosed please find Commission Order G-27-12.

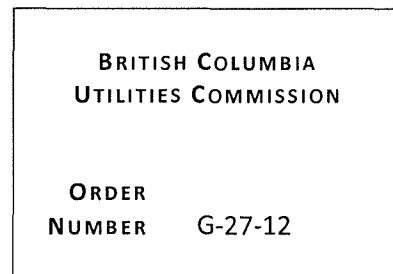
Yours truly,

A handwritten signature in black ink, appearing to read "Alanna Gillis".

Alanna Gillis

dg
Enclosure

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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 2012 First Quarter Gas Cost Report and
Rate Changes effective April 1, 2012 for the Fort Nelson Service Area

BEFORE: L.F. Kelsey, Commissioner
D.M. Morton, Commissioner
R.D. Revel, Commissioner
March 8, 2012

O R D E R

WHEREAS:

- A. By Order G-157-11 dated September 9, 2011, the British Columbia Utilities Commission (Commission) approved the Gas Cost Recovery Charge for the Fort Nelson Service Area, effective October 1, 2011;
- B. On March 1, 2012, FortisBC Energy Inc. (FEI) filed its 2012 First Quarter Report on the Gas Cost Reconciliation Account (GCRA) balance and Gas Cost Recovery Charges for the Fort Nelson Service Area effective April 1, 2012, that were based on the five-day average of the February 13, 14, 15, 16, and 17, 2012 forward gas prices (2012 First Quarter Report);
- C. The 2012 First Quarter Report forecasted that gas cost recoveries at current rates would be 123.7 percent of costs for the following 12 months, and requested approval for a decrease of \$0.843/GJ in the Gas Cost Recovery Charges for natural gas customers in the Fort Nelson Service Area, effective April 1, 2012;
- D. This equates to a decrease for a typical residential customer's annual bill, based on an annual consumption of 140 GJ, of approximately \$118 or 11.7 percent;
- E. FEI requests that the forecast gas cost information in Tab 5 of the Application be held confidential, on the basis that it contains market sensitive information;
- F. The Commission has determined that the requested changes, as outlined in the 2012 First Quarter Report, should be approved.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-27-12

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NOW THEREFORE pursuant to section 61(4) of the *Utilities Commission Act*, the Commission orders as follows:

1. The Commission approves a \$0.843/GJ decrease in the Gas Cost Recovery Charge for the Fort Nelson Service Area to \$3.553/GJ effective April 1, 2012, as set out in the FEI's 2012 First Quarter Report for the Fort Nelson Service Area.
2. FEI will notify all customers that are affected by the rate changes with a bill insert or bill message to be submitted to the Commission prior to its release with the next monthly gas billing.
3. The Commission will hold the information in Tab 5 of the Application confidential.

DATED at the City of Vancouver, in the Province of British Columbia, this 9th day of March 2012.

BY ORDER



D.M. Morton
Commissioner