

CONFIDENTIAL

March 3, 2011

British Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, B.C.
V6Z 2N3Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

**Re: FortisBC Energy Inc. – Revelstoke Service Area
2011 First Quarter Gas Cost Report (the “First Quarter Report”)**

FortisBC Energy Inc. (formerly Terasen Gas Inc.) hereby submits to the British Columbia Utilities Commission (the “Commission”) the 2011 First Quarter Gas Cost Report for the Revelstoke Service Area (“Revelstoke”). The attached schedules provide a summary of the forecast monthly Propane Cost Deferral Account balances based on the February 22, 2011 forward prices.

FortisBC Energy Inc. (“FEI” or the “Company”), consistent with previous quarterly gas cost filings, has calculated the forecast cost of propane utilizing three sets of forward prices. One forecast is based on an average of 50% NYMEX West Texas Intermediate (“WTI”) Light Sweet Crude Oil futures and 50% NYMEX B0 – Mt. Belvieu Propane Swap prices, a second forecast is based on the NYMEX WTI Light Sweet Crude Oil futures, and a third forecast is based on the NYMEX B0 – Mt. Belvieu Propane Swap prices. The results based on each of these three forecasts are attached under Tab 1, Tab 2, and Tab 3, respectively.

As shown at Tab 1, Page 1, based on the February 22, 2011 forward prices, using an average of 50% NYMEX WTI Light Sweet Crude Oil futures and 50% NYMEX B0 – Mt. Belvieu Propane Swap prices, and based on the current rates, the projected deferral account balance at March 31, 2011 is \$4,187 deficit (pre-tax), and the forecast balance at March 31, 2012 is \$516,259 deficit (pre-tax). The rate change trigger mechanism is calculated to be 84.5%.

As shown at Tab 2, Page 1, based on the February 22, 2011 forward prices, using NYMEX WTI Light Sweet Crude Oil futures, and based on the current rates, the projected deferral account balance at March 31, 2011 is \$6,164 surplus (pre-tax), and the forecast balance at March 31, 2012 is \$585,270 deficit (pre-tax). The rate change trigger mechanism is calculated to be 82.8%.

As shown at Tab 3, Page 1, based on the February 22, 2011 forward prices, using NYMEX B0 – Mt. Belvieu Propane Swap prices, and based on the current rates, the projected deferral account balance at March 31, 2011 is \$14,539 deficit (pre-tax), and the forecast balance at March 31, 2012 is \$447,348 deficit (pre-tax). The rate change trigger mechanism is calculated to be 86.3%.

Although all three forecast scenarios indicate an under recovery, based on current rates, over the next 12 month period which is outside the deadband range, all three scenarios also indicate that the projected deferral balance at March 31, 2011 is immaterial in nature (ranging between a small surplus to a small deficit under the three forecast scenarios). Further, with the current heating season coming to an end, the consumption volumes will be reduced which means the under recovery related to current rates is forecast to result in only a modest deficit growth in the deferral account over the next quarter.

Due to the large degree of price volatility currently being experienced in the crude oil futures markets, the Company proposes that no change be made to the Revelstoke rates at this time. The Revelstoke deferral account balances and rates will be subject to review within the 2011 Second Quarter Gas Cost Report which will be filed in early June. While the gas cost forecasts used within the First Quarter Report indicate that the Revelstoke rates will need to be increased at some point in the future, the Company suggests that it would be preferable to reset the gas cost recovery rates when the commodity markets are less volatile. Further, deferring the indicated increase in the Revelstoke rates until the next quarterly review may allow the crude oil futures prices to become less volatile. The rate impact of the forecast small deficit build in the deferral account during the next quarter (e.g. April 1 – June 30, 2011) equates to approximately only \$0.21/GJ.

The Company continues to support the gas cost revenue-to-cost ratio mechanism but believes that under the current circumstances, and in the interest of rate stability, it is not inappropriate to leave rates unchanged at this time. However, should the Commission decide a propane rate increase is required at this time, the Company suggests the increase be based on the NYMEX B0 – Mt. Belvieu Propane Swap prices, the lower of the cost forecasts. Based on the NYMEX B0 – Mt. Belvieu Propane Swap prices, as shown in Tab 3, an increase in the reference price to \$0.4043/litre (Tab 3, Page 4, Column 2, Line 10), from the existing \$0.3489/litre has been calculated. This corresponds to a rate increase of \$2.267/GJ, and equates to a burner tip increase of approximately \$113 per year or 10.7% for a typical residential customer with an average consumption of 50 GJ.

For information purposes, FEI provides at Tab 4, Page 1 a summary of the three sets of forward prices as at February 22, 2011. One set is based on the NYMEX WTI Light Sweet Crude Oil futures, a second set based on the NYMEX B0 – Mt. Belvieu Propane Swap prices, and a third set based on an average of 50% NYMEX WTI Light Sweet Crude Oil futures and 50% NYMEX B0 – Mt. Belvieu Propane Swap prices.

Provided in Tab 5 are the details of the forecast gas costs for Revelstoke. The Company requests the information contained in Tab 5 be treated as CONFIDENTIAL.

CONFIDENTIALITY

Consistent with past practice and previous discussions and positions on the confidentiality of selected filings (and further emphasized in the Company's January 31, 1994 submission to the Commission) FEI is requesting that this information be filed on a confidential basis pursuant to Section 71(5) of the *Utilities Commission Act* and requests that the Commission exercise its discretion under Section 6.0 of the Rules for Natural Gas Energy Supply Contracts and allow these documents to remain confidential. FEI believes this will ensure that market sensitive information is protected, and FEI's ability to obtain favourable commercial terms for future gas contracting is not impaired.

In this regard, FEI further believes that the Core Market could be disadvantaged and may well shoulder incremental costs if utility gas supply procurement strategies as well as contracts are treated in a different manner than those of other gas purchasers, and believes that since it continues to operate within a competitive environment, there is no necessity for public disclosure and risk prejudice or influence in the negotiations or renegotiation of subsequent contracts.

In summary, the Company requests that the propane reference price for use in the Revelstoke Propane Cost Deferral Account and customer rates remain unchanged at April 1, 2011. FEI will continue to monitor the forward prices and will report these results in the 2011 Second Quarter Gas Cost Report.

We trust the Commission will find the attached to be in order. However, should any further information be required, please contact Brian Noel at 604-592-7467.

All of which is respectfully submitted.

Yours very truly,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachments

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING MARCH 31, 2012**

WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-189-10)

(FEBRUARY 22, 2011 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	December 31, 2010						(\$35,794)
2	January (Projected)	2,611,484	\$0.3649	\$0.3489	\$0.0160	\$41,784	\$5,990
3	February (Projected)	959,183	\$0.3430	\$0.3489	(\$0.0059)	(\$5,684)	\$306
4	March (Projected)	933,150	\$0.3531	\$0.3489	\$0.0042	\$3,881	\$4,187
5	Current Quarter Total	<u>4,503,816</u>				<u>\$39,981</u>	
6							
7	<u>Forecast Volumes and Forecast Prices</u>						
8	April 2011 (Forecast)	523,647	\$0.3919	\$0.3489	\$0.0430	\$22,517	\$26,704
9	May (Forecast)	408,458	\$0.3841	\$0.3489	\$0.0352	\$14,378	\$41,082
10	June (Forecast)	251,115	\$0.3765	\$0.3489	\$0.0276	\$6,931	\$48,013
11	July (Forecast)	253,939	\$0.3712	\$0.3489	\$0.0223	\$5,663	\$53,676
12	August (Forecast)	221,696	\$0.3801	\$0.3489	\$0.0312	\$6,917	\$60,593
13	September (Forecast)	302,346	\$0.3976	\$0.3489	\$0.0487	\$14,724	\$75,317
14	October (Forecast)	689,669	\$0.4060	\$0.3489	\$0.0571	\$39,380	\$114,697
15	November (Forecast)	943,926	\$0.4076	\$0.3489	\$0.0587	\$55,408	\$170,105
16	December (Forecast)	1,268,596	\$0.4276	\$0.3489	\$0.0787	\$99,839	\$269,944
17	January, 2012 (Forecast)	1,264,090	\$0.4357	\$0.3489	\$0.0868	\$109,723	\$379,667
18	February (Forecast)	987,555	\$0.4276	\$0.3489	\$0.0787	\$77,721	\$457,388
19	March (Forecast)	<u>961,944</u>	\$0.4101	\$0.3489	\$0.0612	<u>\$58,871</u>	\$516,259
20	Total April 2011 to March 2012	<u>8,076,982</u>				<u>\$512,072</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]					\$2,818,059	
25	March 31, 2011 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 5)					\$3,334,382	84.5%

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING MARCH 31, 2013**

WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-189-10)

(FEBRUARY 22, 2011 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars (1)	Volumes In Litre (2)	Average Price Per Litre (3)	Approved Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	March 2012 Balance (Forecast)						\$516,259
2	April (Forecast)	541,268	\$0.3979	\$0.3489	\$0.0490	\$26,522	\$542,781
3	May (Forecast)	422,436	\$0.3873	\$0.3489	\$0.0384	\$16,222	\$559,003
4	June (Forecast)	261,189	\$0.3778	\$0.3489	\$0.0289	\$7,548	\$566,551
5	July (Forecast)	263,593	\$0.3715	\$0.3489	\$0.0226	\$5,957	\$572,508
6	August (Forecast)	230,077	\$0.3786	\$0.3489	\$0.0297	\$6,833	\$579,341
7	September (Forecast)	312,826	\$0.3959	\$0.3489	\$0.0470	\$14,703	\$594,044
8	October (Forecast)	710,588	\$0.4038	\$0.3489	\$0.0549	\$39,011	\$633,055
9	November (Forecast)	972,040	\$0.4075	\$0.3489	\$0.0586	\$56,962	\$690,017
10	December (Forecast)	1,305,088	\$0.4273	\$0.3489	\$0.0784	\$102,319	\$792,336
11	January 2013 (Forecast)	1,300,332	\$0.4294	\$0.3489	\$0.0805	\$104,677	\$897,013
12	February (Forecast)	1,015,928	\$0.4249	\$0.3489	\$0.0760	\$77,211	\$974,224
13	March (Forecast)	<u>990,738</u>	\$0.4091	\$0.3489	\$0.0602	<u>\$59,642</u>	\$1,033,866
14	Total April 2012 to March 2013	<u><u>8,326,101</u></u>				<u><u>\$517,607</u></u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FORECAST AVERAGE COST OF PROPANE
FOR THE PERIOD ENDING MARCH 31, 2012

(FEBRUARY 22, 2011 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars	Sales Volume (Litres)	Fixed Price Volume (Litres)	Variable Volume (Litres)	Fixed Price (\$/litre)	Variable Price (\$/litre)	Fixed Charges (\$)	Variable Charges (\$)	Total (\$)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	April 2011 (Forecast)	523,647	-	523,647	\$ -	\$ 0.3919	\$ -	\$ 205,237	\$ 205,237
2	May (Forecast)	408,458	-	408,458	\$ -	\$ 0.3841	\$ -	\$ 156,901	\$ 156,901
3	June (Forecast)	251,115	-	251,115	\$ -	\$ 0.3765	\$ -	\$ 94,540	\$ 94,540
4	July (Forecast)	253,939	-	253,939	\$ -	\$ 0.3712	\$ -	\$ 94,271	\$ 94,271
5	August (Forecast)	221,696	-	221,696	\$ -	\$ 0.3801	\$ -	\$ 84,257	\$ 84,257
6	September (Forecast)	302,346	-	302,346	\$ -	\$ 0.3976	\$ -	\$ 120,215	\$ 120,215
7	October (Forecast)	689,669	-	689,669	\$ -	\$ 0.4060	\$ -	\$ 280,006	\$ 280,006
8	November (Forecast)	943,926	560,000	383,926	\$ 0.3986	\$ 0.4206	\$ 223,237	\$ 161,482	\$ 384,719
9	December (Forecast)	1,268,596	560,000	708,596	\$ 0.3986	\$ 0.4505	\$ 223,237	\$ 319,256	\$ 542,493
10	January, 2012 (Forecast)	1,264,090	560,000	704,090	\$ 0.3986	\$ 0.4652	\$ 223,237	\$ 327,521	\$ 550,758
11	February (Forecast)	987,555	560,000	427,555	\$ 0.3986	\$ 0.4656	\$ 223,237	\$ 199,069	\$ 422,306
12	March (Forecast)	961,944	560,000	401,944	\$ 0.3986	\$ 0.4261	\$ 223,237	\$ 171,257	\$ 394,494
13	Total April 2011 to March 2012	<u>8,076,982</u>	<u>2,800,000</u>	<u>5,276,982</u>			<u>\$ 1,116,185</u>	<u>\$ 2,214,011</u>	<u>\$ 3,330,196</u>
14									
15	Forecast Average Cost of Propane - (\$/Litre)^(A)								<u>\$ 0.4123</u>
16									
17	Forecast Average Cost of Propane - (\$/GJ)^(A)								<u>\$ 16.109</u>
18	(Conversion factor 1 Litre = 0.025594 GJ)								

Note (A) Forecast average cost of propane excludes company use, vaporizer use, and unaccounted for gas.

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
CALCULATION OF PROPANE COST INCREASE FLOWTHROUGH
FOR THE PERIOD ENDING MARCH 31, 2012

(FEBRUARY 22, 2011 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars (1)	\$/Litre (2)	\$/GJ (3)
1	Calculation of New Propane Reference Price		
2			
3	i. Forecast average Cost of Propane (Tab 1, Page 3, Col.9, Line 15)		
4	April 1 2011 to March 31 2012	\$0.4123	\$16.109
5			
6	ii. Twelve months amortization of projected Deferral Account balance	<u>0.0005</u>	<u>\$0.020</u>
7			
8			
9			
10	Proposed Reference Price	\$0.4128	\$16.129
11			
12	Existing Propane Reference Price	<u>\$0.3489</u>	<u>\$13.632</u>
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Increase in Propane Reference Price to be flowed through in customers' rates	\$0.0639	\$2.497
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.70% ⁽¹⁾	0.0030	\$0.117
19			
20	Total Propane Cost Flowthrough ⁽²⁾	<u>\$0.0669</u>	<u>\$2.614</u>
21	(Conversion factor 1 Litre = 0.025594 GJ)		
22			
23			
24			
25			
26	Note: (1) The Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.70% is based on 2008, 2009, and 2010 data.		
27		<u>Litres</u>	<u>%</u>
28	Sales:	22,764,262	
29			
30	Less: Company Use	5,685	0.02%
31	Propane Used for Vaporizer	308,148	1.35%
32	Unaccounted For	<u>757,580</u>	<u>3.33%</u>
33	Total	<u>1,071,413</u>	<u>4.70%</u>
34			
35	Note: (2)		
36	Projected Deferral Balance at Mar 31, 2011	\$0.0005	\$0.020
37	Total Propane Cost Apr 1 2011 to Mar 31, 2012	<u>\$0.0664</u>	<u>\$2.594</u>
38	Total Propane Cost Flowthrough	<u>\$0.0669</u>	<u>\$2.614</u>

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA

PROPANE COST DEFERRAL ACCOUNT

FOR THE PERIOD ENDING MARCH 31, 2012

WITH PROPOSED REFERENCE PRICE EFFECTIVE APRIL 1, 2011

(FEBRUARY 22, 2011 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	December 31, 2010						(\$35,794)
2	January (Projected)	2,611,484	\$0.3649	\$0.3489	\$0.0160	\$41,784	\$5,990
3	February (Projected)	959,183	\$0.3430	\$0.3489	(\$0.0059)	(\$5,684)	\$306
4	March (Projected)	933,150	\$0.3531	\$0.3489	\$0.0042	\$3,881	\$4,187
5	Current Quarter Total	<u>4,503,816</u>				<u>\$39,981</u>	
6							
7							
8							
9							
10	<u>Forecast Volumes and Forecast Prices</u>			<u>Proposed Reference Price</u>			
11	April 2011 (Forecast)	523,647	\$0.3919	\$0.4128	(\$0.0209)	(\$10,944)	(\$6,757)
12	May (Forecast)	408,458	\$0.3841	\$0.4128	(\$0.0287)	(\$11,723)	(\$18,480)
13	June (Forecast)	251,115	\$0.3765	\$0.4128	(\$0.0363)	(\$9,115)	(\$27,595)
14	July (Forecast)	253,939	\$0.3712	\$0.4128	(\$0.0416)	(\$10,564)	(\$38,159)
15	August (Forecast)	221,696	\$0.3801	\$0.4128	(\$0.0327)	(\$7,249)	(\$45,408)
16	September (Forecast)	302,346	\$0.3976	\$0.4128	(\$0.0152)	(\$4,596)	(\$50,004)
17	October (Forecast)	689,669	\$0.4060	\$0.4128	(\$0.0068)	(\$4,690)	(\$54,694)
18	November (Forecast)	943,926	\$0.4076	\$0.4128	(\$0.0052)	(\$4,908)	(\$59,602)
19	December (Forecast)	1,268,596	\$0.4276	\$0.4128	\$0.0148	\$18,775	(\$40,827)
20	January, 2012 (Forecast)	1,264,090	\$0.4357	\$0.4128	\$0.0229	\$28,948	(\$11,879)
21	February (Forecast)	987,555	\$0.4276	\$0.4128	\$0.0148	\$14,616	\$2,737
22	March (Forecast)	961,944	\$0.4101	\$0.4128	(\$0.0027)	(\$2,597)	\$140
23	Total April 2011 to March 2012	<u>8,076,982</u>				<u>(\$4,047)</u>	

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING MARCH 31, 2013**

Tab 1
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WITH PROPOSED REFERENCE PRICE EFFECTIVE APRIL 1, 2011

(FEBRUARY 22, 2011 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Proposed Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	March 2012 Balance (Forecast)						\$140
2	April (Forecast)	541,268	\$0.3979	\$0.4128	(\$0.0149)	(\$8,065)	(\$7,925)
3	May (Forecast)	422,436	\$0.3873	\$0.4128	(\$0.0255)	(\$10,772)	(\$18,697)
4	June (Forecast)	261,189	\$0.3778	\$0.4128	(\$0.0350)	(\$9,142)	(\$27,839)
5	July (Forecast)	263,593	\$0.3715	\$0.4128	(\$0.0413)	(\$10,886)	(\$38,725)
6	August (Forecast)	230,077	\$0.3786	\$0.4128	(\$0.0342)	(\$7,869)	(\$46,594)
7	September (Forecast)	312,826	\$0.3959	\$0.4128	(\$0.0169)	(\$5,287)	(\$51,881)
8	October (Forecast)	710,588	\$0.4038	\$0.4128	(\$0.0090)	(\$6,395)	(\$58,276)
9	November (Forecast)	972,040	\$0.4075	\$0.4128	(\$0.0053)	(\$5,152)	(\$63,428)
10	December (Forecast)	1,305,088	\$0.4273	\$0.4128	\$0.0145	\$18,924	(\$44,504)
11	January 2013 (Forecast)	1,300,332	\$0.4294	\$0.4128	\$0.0166	\$21,586	(\$22,918)
12	February (Forecast)	1,015,928	\$0.4249	\$0.4128	\$0.0121	\$12,293	(\$10,625)
13	March (Forecast)	990,738	\$0.4091	\$0.4128	(\$0.0037)	(\$3,666)	(\$14,291)
14	Total April 2012 to March 2013	<u>8,326,101</u>				<u>(\$14,431)</u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING MARCH 31, 2012
WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-189-10)
(FEBRUARY 22, 2011 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	December 31, 2010						(\$35,794)
2	January (Projected)	2,611,484	\$0.3649	\$0.3489	\$0.0160	\$41,784	\$5,990
3	February (Projected)	959,183	\$0.3371	\$0.3489	(\$0.0118)	(\$11,334)	(\$5,344)
4	March (Projected)	933,150	\$0.3480	\$0.3489	(\$0.0009)	(\$820)	(\$6,164)
5	Current Quarter Total	<u>4,503,816</u>				<u>\$29,630</u>	
6							
7	Forecast Volumes and Forecast Prices						
8	April 2011 (Forecast)	523,647	\$0.3935	\$0.3489	\$0.0446	\$23,355	\$17,191
9	May (Forecast)	408,458	\$0.3888	\$0.3489	\$0.0399	\$16,297	\$33,488
10	June (Forecast)	251,115	\$0.3698	\$0.3489	\$0.0209	\$5,248	\$38,736
11	July (Forecast)	253,939	\$0.3530	\$0.3489	\$0.0041	\$1,041	\$39,777
12	August (Forecast)	221,696	\$0.3631	\$0.3489	\$0.0142	\$3,148	\$42,925
13	September (Forecast)	302,346	\$0.4026	\$0.3489	\$0.0537	\$16,236	\$59,161
14	October (Forecast)	689,669	\$0.4132	\$0.3489	\$0.0643	\$44,346	\$103,507
15	November (Forecast)	943,926	\$0.4121	\$0.3489	\$0.0632	\$59,656	\$163,163
16	December (Forecast)	1,268,596	\$0.4450	\$0.3489	\$0.0961	\$121,912	\$285,075
17	January, 2012 (Forecast)	1,264,090	\$0.4583	\$0.3489	\$0.1094	\$138,291	\$423,366
18	February (Forecast)	987,555	\$0.4469	\$0.3489	\$0.0980	\$96,780	\$520,146
19	March (Forecast)	961,944	\$0.4166	\$0.3489	\$0.0677	\$65,124	\$585,270
20	Total April 2011 to March 2012	<u>8,076,982</u>				<u>\$591,434</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]					\$2,818,059	
25	March 31, 2011 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)					\$3,403,327	82.8%

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING MARCH 31, 2013
WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-189-10)
(FEBRUARY 22, 2011 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

Tab 2

Page 2

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	March 2012 Balance (Forecast)						\$585,270
2	April (Forecast)	541,268	\$0.4154	\$0.3489	\$0.0665	\$35,994	\$621,264
3	May (Forecast)	422,436	\$0.4056	\$0.3489	\$0.0567	\$23,952	\$645,216
4	June (Forecast)	261,189	\$0.3829	\$0.3489	\$0.0340	\$8,880	\$654,096
5	July (Forecast)	263,593	\$0.3633	\$0.3489	\$0.0144	\$3,796	\$657,892
6	August (Forecast)	230,077	\$0.3709	\$0.3489	\$0.0220	\$5,062	\$662,954
7	September (Forecast)	312,826	\$0.4097	\$0.3489	\$0.0608	\$19,020	\$681,974
8	October (Forecast)	710,588	\$0.4192	\$0.3489	\$0.0703	\$49,954	\$731,928
9	November (Forecast)	972,040	\$0.4155	\$0.3489	\$0.0666	\$64,738	\$796,666
10	December (Forecast)	1,305,088	\$0.4493	\$0.3489	\$0.1004	\$131,031	\$927,697
11	January 2013 (Forecast)	1,300,332	\$0.4623	\$0.3489	\$0.1134	\$147,458	\$1,075,155
12	February (Forecast)	1,015,928	\$0.4517	\$0.3489	\$0.1028	\$104,437	\$1,179,592
13	March (Forecast)	990,738	\$0.4197	\$0.3489	\$0.0708	\$70,144	\$1,249,736
14	Total April 2012 to March 2013	<u>8,326,101</u>				<u>\$664,466</u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA

PROPANE COST DEFERRAL ACCOUNT

FORECAST AVERAGE COST OF PROPANE

FOR THE PERIOD ENDING MARCH 31, 2012

(FEBRUARY 22, 2011 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

Line No.	Particulars	Sales Volume (Litres)	Fixed Price Volume (Litres)	Variable Volume (Litres)	Fixed Price (\$/litre)	Variable Price (\$/litre)	Fixed Charges (\$)	Variable Charges (\$)	Total (\$)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	April 2011 (Forecast)	523,647	-	523,647	\$ -	\$ 0.3935	\$ -	\$ 206,041	\$ 206,041
2	May (Forecast)	408,458	-	408,458	\$ -	\$ 0.3888	\$ -	\$ 158,801	\$ 158,801
3	June (Forecast)	251,115	-	251,115	\$ -	\$ 0.3698	\$ -	\$ 92,868	\$ 92,868
4	July (Forecast)	253,939	-	253,939	\$ -	\$ 0.3530	\$ -	\$ 89,650	\$ 89,650
5	August (Forecast)	221,696	-	221,696	\$ -	\$ 0.3631	\$ -	\$ 80,488	\$ 80,488
6	September (Forecast)	302,346	-	302,346	\$ -	\$ 0.4026	\$ -	\$ 121,723	\$ 121,723
7	October (Forecast)	689,669	-	689,669	\$ -	\$ 0.4132	\$ -	\$ 284,978	\$ 284,978
8	November (Forecast)	943,926	560,000	383,926	\$ 0.3986	\$ 0.4318	\$ 223,237	\$ 165,778	\$ 389,015
9	December (Forecast)	1,268,596	560,000	708,596	\$ 0.3986	\$ 0.4816	\$ 223,237	\$ 341,236	\$ 564,473
10	January, 2012 (Forecast)	1,264,090	560,000	704,090	\$ 0.3986	\$ 0.5058	\$ 223,237	\$ 356,121	\$ 579,358
11	February (Forecast)	987,555	560,000	427,555	\$ 0.3986	\$ 0.5102	\$ 223,237	\$ 218,135	\$ 441,372
12	March (Forecast)	961,944	560,000	401,944	\$ 0.3986	\$ 0.4416	\$ 223,237	\$ 177,487	\$ 400,724
13	Total April 2011 to March 2012	8,076,982	2,800,000	5,276,982			\$ 1,116,185	\$ 2,293,307	\$ 3,409,492
14									
15	Forecast Average Cost of Propane - (\$/Litre) ^(A)								\$ 0.4221
16									
17	Forecast Average Cost of Propane - (\$/GJ) ^(A)								\$ 16.492
18	(Conversion factor 1 Litre = 0.025594 GJ)								

Note (A) Forecast average cost of propane excludes company use, vaporizer use, and unaccounted for gas.

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
 PROPANE COST DEFERRAL ACCOUNT
 CALCULATION OF PROPANE COST INCREASE FLOWTHROUGH
 FOR THE PERIOD ENDING MARCH 31, 2012

Tab 2
Page 4

(FEBRUARY 22, 2011 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

Line No.	Particulars (1)	\$/Litre (2)	\$/GJ (3)
1	Calculation of New Propane Reference Price		
2			
3	i. Forecast average Cost of Propane (Tab 1, Page 3, Col.9, Line 15)		
4	April 1 2011 to March 31 2012	\$0.4221	\$16.492
5			
6	ii. Twelve months amortization of projected Deferral Account balance	(0.0008)	(\$0.031)
7			
8			
9			
10	Proposed Reference Price	\$0.4213	\$16.461
11			
12	Existing Propane Reference Price	<u>\$0.3489</u>	<u>\$13.632</u>
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Increase in Propane Reference Price to be flowed through in customers' rates	\$0.0724	\$2.829
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.70% ⁽¹⁾		\$0.000
19			
20	Total Propane Cost Flowthrough ⁽²⁾	<u>\$0.0724</u>	<u>\$2.829</u>
21	(Conversion factor 1 Litre = 0.025594 GJ)		
22			
23			
24			
25			
26	Note: (1) The Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.70% is based on 2008, 2009, and 2010 data.		
27		<u>Litres</u>	<u>%</u>
28	Sales	22,764,262	
29			
30	Less: Company Use	5,685	0.02%
31	Propane Used for Vaporizer	308,148	1.35%
32	Unaccounted For	<u>757,580</u>	<u>3.33%</u>
33	Total	<u>1,071,413</u>	<u>4.70%</u>
34			
35	Note: (2)		
36	Projected Deferral Balance at Mar 31, 2011	(\$0.0008)	(\$0.031)
37	Total Propane Cost Apr 1 2011 to Mar 31, 2012	<u>\$0.0732</u>	<u>\$2.860</u>
38	Total Propane Cost Flowthrough	<u>\$0.0724</u>	<u>\$2.829</u>

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT**

Tab 2
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**FOR THE PERIOD ENDING MARCH 31, 2012
WITH PROPOSED REFERENCE PRICE EFFECTIVE APRIL 1, 2011**

(FEBRUARY 22, 2011 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	December 31, 2010						(\$35,794)
2	January (Projected)	2,611,484	\$0.3649	\$0.3489	\$0.0160	\$41,784	\$5,990
3	February (Projected)	959,183	\$0.3371	\$0.3489	(\$0.0118)	(\$11,334)	(\$5,344)
4	March (Projected)	933,150	\$0.3480	\$0.3489	(\$0.0009)	(\$820)	(\$6,164)
5	Current Quarter Total	<u>4,503,816</u>				<u>\$29,630</u>	
6							
7				Proposed			
8				Reference			
9				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	April 2011 (Forecast)	523,647	\$0.3935	\$0.4213	(\$0.0278)	(\$14,557)	(\$20,721)
12	May (Forecast)	408,458	\$0.3888	\$0.4213	(\$0.0325)	(\$13,275)	(\$33,996)
13	June (Forecast)	251,115	\$0.3698	\$0.4213	(\$0.0515)	(\$12,932)	(\$46,928)
14	July (Forecast)	253,939	\$0.3530	\$0.4213	(\$0.0683)	(\$17,344)	(\$64,272)
15	August (Forecast)	221,696	\$0.3631	\$0.4213	(\$0.0582)	(\$12,903)	(\$77,175)
16	September (Forecast)	302,346	\$0.4026	\$0.4213	(\$0.0187)	(\$5,654)	(\$82,829)
17	October (Forecast)	689,669	\$0.4132	\$0.4213	(\$0.0081)	(\$5,586)	(\$88,415)
18	November (Forecast)	943,926	\$0.4121	\$0.4213	(\$0.0092)	(\$8,684)	(\$97,099)
19	December (Forecast)	1,268,596	\$0.4450	\$0.4213	\$0.0237	\$30,066	(\$67,033)
20	January, 2012 (Forecast)	1,264,090	\$0.4583	\$0.4213	\$0.0370	\$46,771	(\$20,262)
21	February (Forecast)	987,555	\$0.4469	\$0.4213	\$0.0256	\$25,281	\$5,019
22	March (Forecast)	961,944	\$0.4166	\$0.4213	(\$0.0047)	(\$4,521)	\$498
23	Total April 2011 to March 2012	<u>8,076,982</u>				<u>\$6,662</u>	

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT**

Tab 2
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**FOR THE PERIOD ENDING MARCH 31, 2013
WITH PROPOSED REFERENCE PRICE EFFECTIVE APRIL 1, 2011**

(FEBRUARY 22, 2011 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Proposed Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	March 2012 Balance (Forecast)						\$498
2	April (Forecast)	541,268	\$0.4154	\$0.4213	(\$0.0059)	(\$3,193)	(\$2,695)
3	May (Forecast)	422,436	\$0.4056	\$0.4213	(\$0.0157)	(\$6,632)	(\$9,327)
4	June (Forecast)	261,189	\$0.3829	\$0.4213	(\$0.0384)	(\$10,030)	(\$19,357)
5	July (Forecast)	263,593	\$0.3633	\$0.4213	(\$0.0580)	(\$15,288)	(\$34,645)
6	August (Forecast)	230,077	\$0.3709	\$0.4213	(\$0.0504)	(\$11,596)	(\$46,241)
7	September (Forecast)	312,826	\$0.4097	\$0.4213	(\$0.0116)	(\$3,629)	(\$49,870)
8	October (Forecast)	710,588	\$0.4192	\$0.4213	(\$0.0021)	(\$1,492)	(\$51,362)
9	November (Forecast)	972,040	\$0.4155	\$0.4213	(\$0.0058)	(\$5,638)	(\$57,000)
10	December (Forecast)	1,305,088	\$0.4493	\$0.4213	\$0.0280	\$36,542	(\$20,458)
11	January 2013 (Forecast)	1,300,332	\$0.4623	\$0.4213	\$0.0410	\$53,314	\$32,856
12	February (Forecast)	1,015,928	\$0.4517	\$0.4213	\$0.0304	\$30,884	\$63,740
13	March (Forecast)	990,738	\$0.4197	\$0.4213	(\$0.0016)	(\$1,585)	\$62,155
14	Total April 2012 to March 2013	<u>8,326,101</u>				<u>\$61,657</u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING MARCH 31, 2012
WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-189-10)
(FEBRUARY 22, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	December 31, 2010						(\$35,794)
2	January (Projected)	2,611,484	\$0.3649	\$0.3489	\$0.0160	\$41,784	\$5,990
3	February (Projected)	959,183	\$0.3489	\$0.3489	(\$0.0000)	(\$34)	\$5,956
4	March (Projected)	933,150	\$0.3581	\$0.3489	\$0.0092	\$8,583	\$14,539
5	Current Quarter Total	<u>4,503,816</u>				<u>\$50,333</u>	
6							
7	Forecast Volumes and Forecast Prices						
8	April 2011 (Forecast)	523,647	\$0.3904	\$0.3489	\$0.0415	\$21,731	\$36,270
9	May (Forecast)	408,458	\$0.3795	\$0.3489	\$0.0306	\$12,499	\$48,769
10	June (Forecast)	251,115	\$0.3831	\$0.3489	\$0.0342	\$8,588	\$57,357
11	July (Forecast)	253,939	\$0.3894	\$0.3489	\$0.0405	\$10,285	\$67,642
12	August (Forecast)	221,696	\$0.3971	\$0.3489	\$0.0482	\$10,686	\$78,328
13	September (Forecast)	302,346	\$0.3926	\$0.3489	\$0.0437	\$13,213	\$91,541
14	October (Forecast)	689,669	\$0.3988	\$0.3489	\$0.0499	\$34,415	\$125,956
15	November (Forecast)	943,926	\$0.4030	\$0.3489	\$0.0541	\$51,066	\$177,022
16	December (Forecast)	1,268,596	\$0.4103	\$0.3489	\$0.0614	\$77,892	\$254,914
17	January, 2012 (Forecast)	1,264,090	\$0.4131	\$0.3489	\$0.0642	\$81,155	\$336,069
18	February (Forecast)	987,555	\$0.4083	\$0.3489	\$0.0594	\$58,661	\$394,730
19	March (Forecast)	961,944	\$0.4036	\$0.3489	\$0.0547	\$52,618	\$447,348
20	Total April 2011 to March 2012	<u>8,076,982</u>				<u>\$432,809</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]					\$2,818,059	
25	March 31, 2011 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)					\$3,265,438	86.3%

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING MARCH 31, 2013
WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-189-10)
(FEBRUARY 22, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Tab 3

Page 2

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)*(-4)	(6)=(2)*(5)	(7)
1	March 2012 Balance (Forecast)						\$447,348
2	April (Forecast)	541,268	\$0.3804	\$0.3489	\$0.0315	\$17,050	\$464,398
3	May (Forecast)	422,436	\$0.3690	\$0.3489	\$0.0201	\$8,491	\$472,889
4	June (Forecast)	261,189	\$0.3727	\$0.3489	\$0.0238	\$6,216	\$479,105
5	July (Forecast)	263,593	\$0.3797	\$0.3489	\$0.0308	\$8,119	\$487,224
6	August (Forecast)	230,077	\$0.3864	\$0.3489	\$0.0375	\$8,628	\$495,852
7	September (Forecast)	312,826	\$0.3820	\$0.3489	\$0.0331	\$10,355	\$506,207
8	October (Forecast)	710,588	\$0.3883	\$0.3489	\$0.0394	\$27,997	\$534,204
9	November (Forecast)	972,040	\$0.3995	\$0.3489	\$0.0506	\$49,185	\$583,389
10	December (Forecast)	1,305,088	\$0.4052	\$0.3489	\$0.0563	\$73,476	\$656,865
11	January 2013 (Forecast)	1,300,332	\$0.3965	\$0.3489	\$0.0476	\$61,896	\$718,761
12	February (Forecast)	1,015,928	\$0.3981	\$0.3489	\$0.0492	\$49,984	\$768,745
13	March (Forecast)	990,738	\$0.3985	\$0.3489	\$0.0496	\$49,141	\$817,886
14	Total April 2012 to March 2013	<u>8,326,101</u>				<u>\$370,538</u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA

PROPANE COST DEFERRAL ACCOUNT

FORECAST AVERAGE COST OF PROPANE

FOR THE PERIOD ENDING MARCH 31, 2012

(FEBRUARY 22, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars	Sales Volume (Litres)	Fixed Price Volume (Litres)	Variable Volume (Litres)	Fixed Price (\$/litre)	Variable Price (\$/litre)	Fixed Charges (\$)	Variable Charges (\$)	Total (\$)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	April 2011 (Forecast)	523,647	-	523,647	\$ -	\$ 0.3904	\$ -	\$ 204,432	\$ 204,432
2	May (Forecast)	408,458	-	408,458	\$ -	\$ 0.3795	\$ -	\$ 155,000	\$ 155,000
3	June (Forecast)	251,115	-	251,115	\$ -	\$ 0.3831	\$ -	\$ 96,212	\$ 96,212
4	July (Forecast)	253,939	-	253,939	\$ -	\$ 0.3894	\$ -	\$ 98,893	\$ 98,893
5	August (Forecast)	221,696	-	221,696	\$ -	\$ 0.3971	\$ -	\$ 88,026	\$ 88,026
6	September (Forecast)	302,346	-	302,346	\$ -	\$ 0.3926	\$ -	\$ 118,707	\$ 118,707
7	October (Forecast)	689,669	-	689,669	\$ -	\$ 0.3988	\$ -	\$ 275,034	\$ 275,034
8	November (Forecast)	943,926	560,000	383,926	\$ 0.3986	\$ 0.4094	\$ 223,237	\$ 157,185	\$ 380,422
9	December (Forecast)	1,268,596	560,000	708,596	\$ 0.3986	\$ 0.4195	\$ 223,237	\$ 297,275	\$ 520,512
10	January, 2012 (Forecast)	1,264,090	560,000	704,090	\$ 0.3986	\$ 0.4245	\$ 223,237	\$ 298,921	\$ 522,158
11	February (Forecast)	987,555	560,000	427,555	\$ 0.3986	\$ 0.4210	\$ 223,237	\$ 180,003	\$ 403,240
12	March (Forecast)	961,944	560,000	401,944	\$ 0.3986	\$ 0.4106	\$ 223,237	\$ 165,026	\$ 388,263
13	Total April 2011 to March 2012	8,076,982	2,800,000	5,276,982			\$ 1,116,185	\$ 2,134,714	\$ 3,250,899
14									
15	Forecast Average Cost of Propane - (\$/Litre) ^(A)								\$ 0.4025
16									
17	Forecast Average Cost of Propane - (\$/GJ) ^(A)								\$ 15.726
18	(Conversion factor 1 Litre = 0.025594 GJ)								

Note (A) Forecast average cost of propane excludes company use, vaporizer use, and unaccounted for gas.

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
CALCULATION OF PROPANE COST INCREASE FLOWTHROUGH
FOR THE PERIOD ENDING MARCH 31, 2012**

Tab 3
Page 4

(FEBRUARY 22, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars (1)	\$/Litre (2)	\$/GJ (3)
1	Calculation of New Propane Reference Price		
2			
3	i. Forecast average Cost of Propane (Tab 1, Page 3, Col.9, Line 15)		
4	April 1 2011 to March 31 2012	\$0.4025	\$15.726
5			
6	ii. Twelve months amortization of projected Deferral Account balance	<u>0.0018</u>	<u>\$0.070</u>
7			
8			
9			
10	Proposed Reference Price	\$0.4043	\$15.796
11			
12	Existing Propane Reference Price	<u>\$0.3489</u>	<u>\$13.632</u>
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Increase in Propane Reference Price to be flowed through in customers' rates	\$0.0554	\$2.165
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.70% ⁽¹⁾	0.0026	\$0.102
19			
20	Total Propane Cost Flowthrough ⁽²⁾	<u>\$0.0580</u>	<u>\$2.267</u>
21	(Conversion factor 1 Litre = 0.025594 GJ)		
22			
23			
24			
25			
26	Note: (1) The Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.70% is based on 2008, 2009, and 2010 data.		
27		<u>Litres</u>	<u>%</u>
28	Sales	22,764,262	
29			
30	Less: Company Use	5,685	0.02%
31	Propane Used for Vaporizer	308,148	1.35%
32	Unaccounted For	<u>757,580</u>	<u>3.33%</u>
33	Total	<u>1,071,413</u>	<u>4.70%</u>
34			
35	Note: (2)		
36	Projected Deferral Balance at Mar 31, 2011	\$0.0018	\$0.070
37	Total Propane Cost Apr 1 2011 to Mar 31, 2012	<u>\$0.0562</u>	<u>\$2.197</u>
38	Total Propane Cost Flowthrough	<u>\$0.0580</u>	<u>\$2.267</u>

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA

PROPANE COST DEFERRAL ACCOUNT

FOR THE PERIOD ENDING MARCH 31, 2012

WITH PROPOSED REFERENCE PRICE EFFECTIVE APRIL 1, 2011

(FEBRUARY 22, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars (1)	Volumes In Litre (2)	Average Price Per Litre (3)	Approved Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	December 31, 2010						(\$35,794)
2	January (Projected)	2,611,484	\$0.3649	\$0.3489	\$0.0160	\$41,784	\$5,990
3	February (Projected)	959,183	\$0.3489	\$0.3489	(\$0.0000)	(\$34)	\$5,956
4	March (Projected)	933,150	\$0.3581	\$0.3489	\$0.0092	\$8,583	\$14,539
5	Current Quarter Total	<u>4,503,816</u>				<u>\$50,333</u>	
6							
7							
8							
9							
10	<u>Forecast Volumes and Forecast Prices</u>						
11	April 2011 (Forecast)	523,647	\$0.3904	\$0.4043	(\$0.0139)	(\$7,279)	\$7,260
12	May (Forecast)	408,458	\$0.3795	\$0.4043	(\$0.0248)	(\$10,130)	(\$2,870)
13	June (Forecast)	251,115	\$0.3831	\$0.4043	(\$0.0212)	(\$5,324)	(\$8,194)
14	July (Forecast)	253,939	\$0.3894	\$0.4043	(\$0.0149)	(\$3,784)	(\$11,978)
15	August (Forecast)	221,696	\$0.3971	\$0.4043	(\$0.0072)	(\$1,596)	(\$13,574)
16	September (Forecast)	302,346	\$0.3926	\$0.4043	(\$0.0117)	(\$3,537)	(\$17,111)
17	October (Forecast)	689,669	\$0.3988	\$0.4043	(\$0.0055)	(\$3,793)	(\$20,904)
18	November (Forecast)	943,926	\$0.4030	\$0.4043	(\$0.0013)	(\$1,227)	(\$22,131)
19	December (Forecast)	1,268,596	\$0.4103	\$0.4043	\$0.0060	\$7,612	(\$14,519)
20	January, 2012 (Forecast)	1,264,090	\$0.4131	\$0.4043	\$0.0088	\$11,124	(\$3,395)
21	February (Forecast)	987,555	\$0.4083	\$0.4043	\$0.0040	\$3,950	\$555
22	March (Forecast)	961,944	\$0.4036	\$0.4043	(\$0.0007)	(\$673)	(\$118)
23	Total April 2011 to March 2012	<u>8,076,982</u>				<u>(\$14,657)</u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA

PROPANE COST DEFERRAL ACCOUNT

FOR THE PERIOD ENDING MARCH 31, 2013

WITH PROPOSED REFERENCE PRICE EFFECTIVE APRIL 1, 2011

(FEBRUARY 22, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars (1)	Volumes In Litre (2)	Average Price Per Litre (3)	Proposed Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	March 2012 Balance (Forecast)						(\$118)
2	April (Forecast)	541,268	\$0.3804	\$0.4043	(\$0.0239)	(\$12,936)	(\$13,054)
3	May (Forecast)	422,436	\$0.3690	\$0.4043	(\$0.0353)	(\$14,912)	(\$27,966)
4	June (Forecast)	261,189	\$0.3727	\$0.4043	(\$0.0316)	(\$8,254)	(\$36,220)
5	July (Forecast)	263,593	\$0.3797	\$0.4043	(\$0.0246)	(\$6,484)	(\$42,704)
6	August (Forecast)	230,077	\$0.3864	\$0.4043	(\$0.0179)	(\$4,118)	(\$46,822)
7	September (Forecast)	312,826	\$0.3820	\$0.4043	(\$0.0223)	(\$6,976)	(\$53,798)
8	October (Forecast)	710,588	\$0.3883	\$0.4043	(\$0.0160)	(\$11,369)	(\$65,167)
9	November (Forecast)	972,040	\$0.3995	\$0.4043	(\$0.0048)	(\$4,666)	(\$69,833)
10	December (Forecast)	1,305,088	\$0.4052	\$0.4043	\$0.0009	\$1,175	(\$68,658)
11	January 2013 (Forecast)	1,300,332	\$0.3965	\$0.4043	(\$0.0078)	(\$10,143)	(\$78,801)
12	February (Forecast)	1,015,928	\$0.3981	\$0.4043	(\$0.0062)	(\$6,299)	(\$85,100)
13	March (Forecast)	990,738	\$0.3985	\$0.4043	(\$0.0058)	(\$5,746)	(\$90,846)
14	Total April 2012 to March 2013	<u>8,326,101</u>				<u>(\$90,728)</u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE FLOATING PRICES
Forward Prices: FEBRUARY 22, 2011

Tab 4
Page 1

CRUDE OIL FUTURES		
Month	Crude Oil Future Prices (US \$ per Barrel)	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Apr-11	\$95.42	\$0.3935
May-11	\$96.80	\$0.3888
Jun-11	\$97.65	\$0.3698
Jul-11	\$98.28	\$0.3530
Aug-11	\$98.66	\$0.3631
Sep-11	\$98.98	\$0.4026
Oct-11	\$99.26	\$0.4132
Nov-11	\$99.52	\$0.4121
Dec-11	\$99.74	\$0.4450
Jan-12	\$99.93	\$0.4583
Feb-12	\$100.02	\$0.4469
Mar-12	\$100.09	\$0.4166
Apr-12	\$100.11	\$0.4154
May-12	\$100.13	\$0.4056
Jun-12	\$100.16	\$0.3829
Jul-12	\$100.12	\$0.3633
Aug-12	\$100.08	\$0.3709
Sep-12	\$100.04	\$0.4097
Oct-12	\$100.01	\$0.4192
Nov-12	\$100.04	\$0.4155
Dec-12	\$100.09	\$0.4493
Jan-13	\$99.95	\$0.4623
Feb-13	\$99.85	\$0.4517
Mar-13	\$99.78	\$0.4197

PROPANE SWAP PRICES		
Month	Propane Swap Prices (US \$ per Gallon)	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Apr-11	\$1.32	\$0.3904
May-11	\$1.31	\$0.3795
Jun-11	\$1.31	\$0.3831
Jul-11	\$1.32	\$0.3894
Aug-11	\$1.32	\$0.3971
Sep-11	\$1.33	\$0.3926
Oct-11	\$1.34	\$0.3988
Nov-11	\$1.35	\$0.4030
Dec-11	\$1.35	\$0.4103
Jan-12	\$1.36	\$0.4131
Feb-12	\$1.35	\$0.4083
Mar-12	\$1.30	\$0.4036
Apr-12	\$1.26	\$0.3804
May-12	\$1.26	\$0.3690
Jun-12	\$1.26	\$0.3727
Jul-12	\$1.27	\$0.3797
Aug-12	\$1.27	\$0.3864
Sep-12	\$1.28	\$0.3820
Oct-12	\$1.29	\$0.3883
Nov-12	\$1.30	\$0.3995
Dec-12	\$1.30	\$0.4052
Jan-13	\$1.23	\$0.3965
Feb-13	\$1.23	\$0.3981
Mar-13	\$1.23	\$0.3985

50% CRUDE OIL FUTURES & 50% PROPANE SWAP PRICES	
Month	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Apr-11	\$0.3919
May-11	\$0.3841
Jun-11	\$0.3765
Jul-11	\$0.3712
Aug-11	\$0.3801
Sep-11	\$0.3976
Oct-11	\$0.4060
Nov-11	\$0.4076
Dec-11	\$0.4276
Jan-12	\$0.4357
Feb-12	\$0.4276
Mar-12	\$0.4101
Apr-12	\$0.3979
May-12	\$0.3873
Jun-12	\$0.3778
Jul-12	\$0.3715
Aug-12	\$0.3786
Sep-12	\$0.3959
Oct-12	\$0.4038
Nov-12	\$0.4075
Dec-12	\$0.4273
Jan-13	\$0.4294
Feb-13	\$0.4249
Mar-13	\$0.4091

Notes: US-Cdn exchange rates source - Barclays Bank dated February 22, 2011.



LETTER NO. L-XX-11

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. CANADA V6Z 2N3
TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
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ERICA M. HAMILTON
COMMISSION SECRETARY
Commission.Secretary@bcuc.com
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Log No. xxxx

DRAFT ORDER

VIA E-MAIL

March xx, 2011

gas.regulatory.affairs@fortisbc.com

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

Dear Ms. Roy:

Re: FortisBC Energy Inc.
Revelstoke Propane Service Area
2011 First Quarter Gas Cost Report

Further to your March 3, 2011 filing of the 2011 First Quarter Gas Cost Report (the Report) for the Revelstoke Propane Service Area. The Commission acknowledges receipt of the Report and accepts the recommendation that customer rates remain unchanged for the Revelstoke Propane Service Area, as of April 1, 2011.

Yours truly,

Erica M. Hamilton
Commission Secretary