

June 2, 2011

British Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Ms. Alanna Gillis, Acting Commission Secretary

Dear Ms. Gillis:

**Re: FortisBC Energy Inc. – Fort Nelson Service Area
Gas Cost Reconciliation Account (“GCRA”) and Gas Cost Recovery Rates
2011 second Quarter Gas Cost Report**

The attached materials provide the FortisBC Energy Inc. 2011 Second Quarter Gas Cost Report for the Fort Nelson service area (“Fort Nelson”) as required under British Columbia Utilities Commission (the “Commission”) guidelines.

Consistent with the natural gas price forecast utilized in the FortisBC Energy Inc. (“FEI” or the “Company”) 2011 Second Quarter Gas Cost Report for the Lower Mainland, Inland, and Columbia service areas, the gas cost forecast used within the attached report is based on the five-day average of the May 18, 19, 20, 23, and 24, 2011 forward prices for natural gas (“five-day average forward prices ending May 24, 2011”).

Based on the five-day average forward prices ending May 24, 2011, the June 30, 2011 GCRA deferral balance is projected to be approximately \$29,900 deficit after tax (Tab 1, Page 2, Column 2, Line 28). Further, based on the five-day average forward prices ending May 24, 2011, the gas purchase cost assumptions, and the forecast gas cost recoveries at present rates for the 12-month period ending June 30, 2012, and accounting for the projected June 30, 2011 deferral balance, the GCRA ratio is calculated to be 107.0% (Tab 1, Page 1, Column 3, Line 10). The tested rate decrease related to the forecast over recovery of gas costs during the prospective 12-month period is calculated as a rate decrease in the amount of \$0.329/GJ. Pursuant to Commission Letter No. L-40-11, the Commission has revised the commodity rate change trigger mechanism within the Guidelines issued in Commission Letter L-5-01 to be the ± 5 percent trigger ratio plus a minimum rate change threshold of \pm \$0.50/GJ. Therefore, based on the revised Guidelines, a rate change is not required at this time.

A summary of the forward prices is provided on Tab 1, Page 4, and a summary of the recorded and forecast monthly GCRA balances is provided on Tab 1, Page 5.

Provided in Tab 2 are the details of the forecast gas costs for Fort Nelson. The Company requests the information contained in Tab 2 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 hereby requests Commission approval for Fort Nelson gas cost rates to remain unchanged at July 1, 2011.

The Company will continue to monitor the forward prices and will report these results in its 2011 Third Quarter Gas Cost Report for Fort Nelson.

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 by:

Diane Roy

Attachments

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
GAS COST RECONCILIATION ACCOUNT ("GCRA") RATE CHANGE TRIGGER MECHANISM
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
WITH EXISTING JANUARY 1, 2011 GAS COST RECOVERY RATES
FIVE-DAY AVERAGE FORWARD PRICES - MAY 18, 19, 20, 23 AND 24, 2011

Tab 1

Page 1

Line No.	Particulars	Annual (\$000)	Percentage	Volume (TJ)	Unit Cost (\$/GJ)
	(1)	(2)	(3)	(4)	(5)
1	<u>RATE CHANGE TRIGGER MECHANISM</u>				
2	Projected Grossed-up GCRA Balance as at June 30, 2011	\$ 40.7			
3	(Tab 1, Page 2, Col 2, Line 21)				
4					
5	Forecast Incurred Gas Costs - July 2011 to June 2012	\$ 2,652.7			
6	(Tab 1, Page 2, Col 14, Line 16)				
7	Forecast Recovered Gas Costs - July 2011 to June 2012	\$ 2,882.2			
8	(Tab 1, Page 2, Col 14, Line 7)				
9					
10	Ratio = $\frac{\text{Forecast Recovered Gas Costs}}{\text{Forecast Incurred Gas Costs} + \text{Projected GCRA Balance}}$	\$ 2,882.2			
11		\$ 2,693.5	=	<u>107.0%</u>	
12					
13					
14					
15					
16	<u>BALANCING REQUIREMENT</u>				
17	(applicable when Rate Change Trigger Mechanism Ratio falls outside 95% to 105% deadband and outside ± \$0.50/GJ threshold)				
18					
19					
20	TESTED RATES				
21					
22	Forecast 12 Month Sales Recovery Volumes July 2011 to June 2012			574.0	
23	(Tab 1, Page 2, Col 14, Line 2)				
24					
25	Projected GCRA Balance at June 30, 2011 (Line 2)	\$ 40.7			\$ 0.0710
26	Forecast GCRA Activities - July 2011 to June 2012 (Line 5 minus Line 7)	<u>(229.5)</u>			\$ (0.3998)
27	(Over) / Under Recovery at Existing Rates	<u>\$ (188.7)</u> ^(1*)			
28					
29					
30	Tested Rates (Decrease) / Increase				<u>\$ (0.3290)</u>

Note (1*) Pre-tax balances on January 1 each calendar year are restated based on current income taxes, to reflect grossed-up after tax amounts.

**FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
RECOVERED AND INCURRED COSTS SUMMARY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
WITH EXISTING JANUARY 1, 2011 GAS COST RECOVERY RATES
FIVE-DAY AVERAGE FORWARD PRICES - MAY 18, 19, 20, 23 AND 24, 2011**

Line No.	Particulars	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	1-12 month Forecast Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	RECOVERED GAS COSTS													
2	Total Sales - TJ	13.7	14.5	24.2	41.1	65.7	82.8	96.8	73.1	72.2	44.9	26.0	19.0	574.0
3	T-Service UAF - TJ	0.0	0.0	-	-	0.0	0.1	0.2	0.2	0.1	0.1	0.0	0.0	0.8
4														
5	Recovery on Sales - \$000	\$ 68.7	\$ 72.5	\$ 121.2	\$ 206.2	\$ 329.7	\$ 415.5	\$ 485.4	\$ 366.5	\$ 362.1	\$ 225.4	\$ 130.3	\$ 95.3	\$ 2,878.6
6	Recovery on T-Service UAF - \$000	0.0	0.0	-	-	0.2	0.9	0.7	0.7	0.5	0.4	0.1	0.0	3.6
7	Total Forecast Recovered Gas Costs - \$000	<u>\$ 68.7</u>	<u>\$ 72.5</u>	<u>\$ 121.2</u>	<u>\$ 206.2</u>	<u>\$ 329.9</u>	<u>\$ 416.4</u>	<u>\$ 486.1</u>	<u>\$ 367.2</u>	<u>\$ 362.6</u>	<u>\$ 225.7</u>	<u>\$ 130.4</u>	<u>\$ 95.3</u>	<u>\$ 2,882.2</u>
8														
9														
10														
11	INCURRED GAS COSTS													
12	Total Purchases Incl. UAF - TJ	13.9	14.7	24.5	41.7	66.7	84.1	98.3	74.3	73.3	45.7	26.4	19.3	582.8
13														
14	Incurred Cost - \$/GJ	3.9123	3.9109	3.9049	3.9330	4.7749	4.8625	4.9094	4.9077	4.8844	3.7771	3.8391	3.8771	4.5516
15														
16	Forecast Incurred Gas Costs - \$000	<u>\$ 54.3</u>	<u>\$ 57.3</u>	<u>\$ 95.7</u>	<u>\$ 164.0</u>	<u>\$ 318.4</u>	<u>\$ 409.0</u>	<u>\$ 482.8</u>	<u>\$ 364.6</u>	<u>\$ 358.2</u>	<u>\$ 172.5</u>	<u>\$ 101.2</u>	<u>\$ 74.7</u>	<u>\$ 2,652.7</u>
17														
18														
19														
20	GCRA BALANCE													
21	Opening Balances (Pre-Tax) - \$000 ^(1*)	\$ 40.7	\$ 26.4	\$ 11.2	\$ (14.3)	\$ (56.5)	\$ (68.0)	\$ (73.9)	\$ (77.2)	\$ (79.9)	\$ (84.2)	\$ (137.5)	\$ (166.6)	
22	Forecast Activity - \$000	(14.4)	(15.2)	(25.5)	(42.2)	(11.5)	(7.4)	(3.4)	(2.6)	(4.4)	(53.3)	(29.2)	(20.6)	\$ (229.5)
23	Closing Balances (Pre-tax) - \$000	<u>\$ 26.4</u>	<u>\$ 11.2</u>	<u>\$ (14.3)</u>	<u>\$ (56.5)</u>	<u>\$ (68.0)</u>	<u>\$ (75.4)</u>	<u>\$ (77.2)</u>	<u>\$ (79.9)</u>	<u>\$ (84.2)</u>	<u>\$ (137.5)</u>	<u>\$ (166.6)</u>	<u>\$ (187.2)</u>	
24														
25														
26	Tax Rate	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	
27														
28	Opening Balances (After-Tax) - \$000	\$ 29.9	\$ 19.4	\$ 8.2	\$ (10.5)	\$ (41.6)	\$ (50.0)	\$ (55.4)	\$ (57.9)	\$ (59.9)	\$ (63.2)	\$ (103.1)	\$ (125.0)	
29	Closing Balances (After Tax) - \$000	<u>\$ 19.4</u>	<u>\$ 8.2</u>	<u>\$ (10.5)</u>	<u>\$ (41.6)</u>	<u>\$ (50.0)</u>	<u>\$ (55.4)</u>	<u>\$ (57.9)</u>	<u>\$ (59.9)</u>	<u>\$ (63.2)</u>	<u>\$ (103.1)</u>	<u>\$ (125.0)</u>	<u>\$ (140.4)</u>	

Slight differences in totals due to rounding.

Note (1*) Pre-tax opening balances are restated based on current income taxes, to reflect grossed-up after tax amounts.

**FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
RECOVERED AND INCURRED COSTS SUMMARY
FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
WITH EXISTING JANUARY 1, 2011 GAS COST RECOVERY RATES
FIVE-DAY AVERAGE FORWARD PRICES - MAY 18, 19, 20, 23 AND 24, 2011**

Line No.	Particulars	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	13-24 month Forecast Total
	(1)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
1	RECOVERED GAS COSTS													
2	Total Sales - TJ	13.8	14.7	24.6	41.7	66.8	84.1	98.3	74.2	73.4	45.6	26.3	19.3	582.8
3	T-Service UAF - TJ	0.0	0.0	-	-	0.0	0.1	0.2	0.2	0.1	0.1	0.0	0.0	0.8
4														
5	Recovery on Sales - \$000	\$ 69.4	\$ 73.5	\$ 123.2	\$ 209.2	\$ 334.8	\$ 421.7	\$ 493.2	\$ 372.1	\$ 367.9	\$ 228.8	\$ 132.1	\$ 96.7	\$ 2,922.5
6	Recovery on T-Service UAF - \$000	0.0	0.0	-	-	0.1	0.4	0.7	0.7	0.5	0.4	0.1	0.0	3.0
7	Total Forecast Recovered Gas Costs - \$000	<u>\$ 69.4</u>	<u>\$ 73.5</u>	<u>\$ 123.2</u>	<u>\$ 209.2</u>	<u>\$ 334.9</u>	<u>\$ 422.2</u>	<u>\$ 493.9</u>	<u>\$ 372.8</u>	<u>\$ 368.4</u>	<u>\$ 229.1</u>	<u>\$ 132.2</u>	<u>\$ 96.7</u>	<u>\$ 2,925.5</u>
8														
9														
10														
11	INCURRED GAS COSTS													
12	Total Purchases Incl. UAF - TJ	14.0	14.9	24.9	42.3	67.7	85.4	99.9	75.4	74.5	46.4	26.7	19.6	591.7
13														
14	Incurred Cost - \$/GJ	3.9238	3.9414	3.9259	3.9477	5.3378	5.3965	5.4356	5.4223	5.4023	3.8871	3.9623	4.0082	
15														
16	Forecast Incurred Gas Costs - \$000	<u>\$ 55.0</u>	<u>\$ 58.6</u>	<u>\$ 97.8</u>	<u>\$ 167.0</u>	<u>\$ 361.5</u>	<u>\$ 460.8</u>	<u>\$ 543.1</u>	<u>\$ 409.0</u>	<u>\$ 402.5</u>	<u>\$ 180.2</u>	<u>\$ 105.9</u>	<u>\$ 78.4</u>	<u>\$ 2,919.7</u>
17														
18														
19														
20	GCRA BALANCE													
21	Opening Balances (Pre-Tax) - \$000 ^(1*)	\$ (187.2)	\$ (201.6)	\$ (216.5)	\$ (241.9)	\$ (284.1)	\$ (257.5)	\$ (218.9)	\$ (169.8)	\$ (133.6)	\$ (99.5)	\$ (148.4)	\$ (174.7)	
22	Forecast Activity - \$000	(14.3)	(14.9)	(25.4)	(42.2)	26.6	38.6	49.1	36.1	34.2	(49.0)	(26.3)	(18.3)	\$ (5.8)
23	Closing Balances (Pre-tax) - \$000	<u>\$ (201.6)</u>	<u>\$ (216.5)</u>	<u>\$ (241.9)</u>	<u>\$ (284.1)</u>	<u>\$ (257.5)</u>	<u>\$ (218.9)</u>	<u>\$ (169.8)</u>	<u>\$ (133.6)</u>	<u>\$ (99.5)</u>	<u>\$ (148.4)</u>	<u>\$ (174.7)</u>	<u>\$ (193.0)</u>	
24														
25														
26	Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	
27														
28	Opening Balances (After-Tax) - \$000	\$ (140.4)	\$ (151.2)	\$ (162.4)	\$ (181.4)	\$ (213.1)	\$ (193.1)	\$ (164.2)	\$ (127.3)	\$ (100.2)	\$ (74.6)	\$ (111.3)	\$ (131.0)	
29	Closing Balances (After Tax) - \$000	<u>\$ (151.2)</u>	<u>\$ (162.4)</u>	<u>\$ (181.4)</u>	<u>\$ (213.1)</u>	<u>\$ (193.1)</u>	<u>\$ (164.2)</u>	<u>\$ (127.3)</u>	<u>\$ (100.2)</u>	<u>\$ (74.6)</u>	<u>\$ (111.3)</u>	<u>\$ (131.0)</u>	<u>\$ (144.8)</u>	

Slight differences in totals due to rounding.

Note (1*) Pre-tax opening balances are restated based on current income taxes, to reflect grossed-up after tax amounts.

**FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
STATION NO. 2 INDEX FORECAST
FOR THE PERIOD ENDING JUNE 30, 2013**

Line No	Particulars	Five-day Average Forward Prices - May 18, 19, 20, 23 and 24, 2011 2011 Q2 Gas Cost Report	Five-day Average Forward Prices - February 15, 16, 17, 18 and 22, 2011 2011 Q1 Gas Cost Report	Change in Forward Prices (4) = (2) - (3)
	(1)	(2)	(3)	(4) = (2) - (3)
1	Station No. 2 Index Prices - \$CDN/GJ			
2	2010 October	\$ 2.89	\$ 2.89	\$ -
3	November	\$ 3.25	\$ 3.25	\$ -
4	December	\$ 3.41	\$ 3.41	\$ -
5	<i>Simple Average (Oct, 2010 - Sep, 2011)</i>	\$ 3.27	\$ 3.07	6.4% \$ 0.20
6	2011 January	\$ 3.45	Recorded \$ 3.45	\$ -
7	February	\$ 3.11	Projected \$ 3.12	\$ (0.01)
8	March	\$ 3.19	Forecast \$ 2.87	\$ 0.32
9	April	\$ 3.16	\$ 2.85	\$ 0.31
10	May	\$ 3.37	\$ 2.91	\$ 0.46
11	June	\$ 3.42	\$ 2.97	\$ 0.45
12	July	\$ 3.32	\$ 3.02	\$ 0.30
13	August	\$ 3.32	\$ 3.06	\$ 0.26
14	September	\$ 3.34	\$ 3.07	\$ 0.27
15	October	\$ 3.41	\$ 3.11	\$ 0.29
16	November	\$ 3.53	\$ 3.35	\$ 0.18
17	December	\$ 3.73	\$ 3.58	\$ 0.15
18	<i>Simple Average (Jan, 2011 - Dec, 2011)</i>	\$ 3.36	\$ 3.11	8.0% \$ 0.25
19	<i>Simple Average (Apr, 2011 - Mar, 2012)</i>	\$ 3.50	\$ 3.25	7.9% \$ 0.26
20	<i>Simple Average (Jul, 2011 - Jun, 2012)</i>	\$ 3.59	\$ 3.39	5.8% \$ 0.20
21	<i>Simple Average (Oct, 2011 - Sep, 2012)</i>	\$ 3.70	\$ 3.52	4.9% \$ 0.17
22	2012 January	\$ 3.84	\$ 3.70	\$ 0.14
23	February	\$ 3.83	\$ 3.71	\$ 0.12
24	March	\$ 3.78	\$ 3.65	\$ 0.13
25	April	\$ 3.60	\$ 3.46	\$ 0.14
26	May	\$ 3.66	\$ 3.49	\$ 0.18
27	June	\$ 3.70	\$ 3.52	\$ 0.18
28	July	\$ 3.74	\$ 3.55	\$ 0.19
29	August	\$ 3.77	\$ 3.58	\$ 0.19
30	September	\$ 3.78	\$ 3.59	\$ 0.19
31	October	\$ 3.83	\$ 3.64	\$ 0.19
32	November	\$ 3.99	\$ 3.88	\$ 0.11
33	December	\$ 4.20	\$ 4.09	\$ 0.11
34	<i>Simple Average (Jan, 2012 - Dec, 2012)</i>	\$ 3.81	\$ 3.65	4.3% \$ 0.16
35	<i>Simple Average (Apr, 2012 - Mar, 2013)</i>	\$ 3.92	\$ 3.78	3.9% \$ 0.15
36	<i>Simple Average (Jul, 2012 - Jun, 2013)</i>	\$ 4.01		
37	2013 January	\$ 4.32	\$ 4.21	\$ 0.11
38	February	\$ 4.28	\$ 4.21	\$ 0.07
39	March	\$ 4.22	\$ 4.12	\$ 0.09
40	April	\$ 3.96		
41	May	\$ 4.02		
42	June	\$ 4.06		

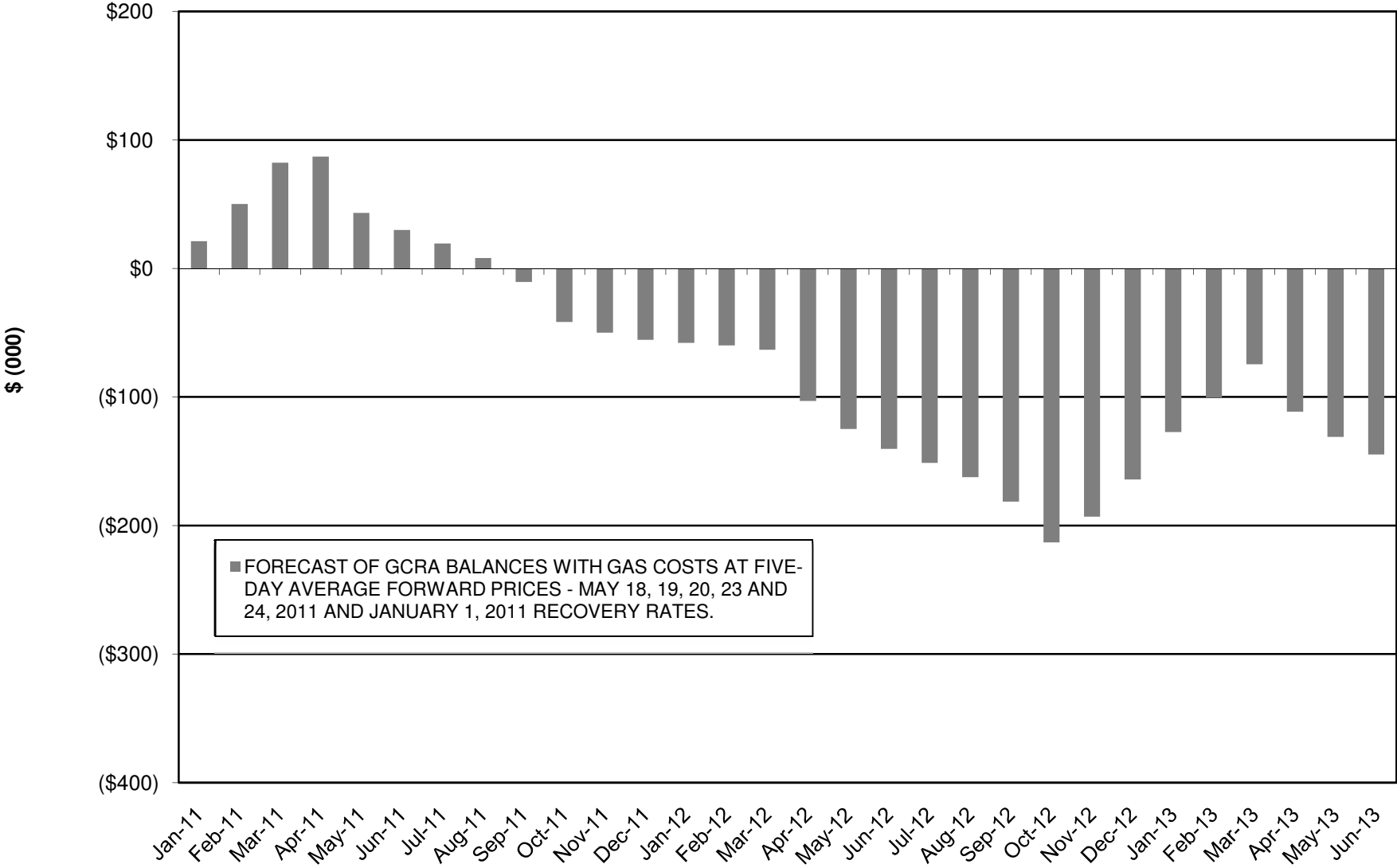
FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
GCRA AFTER TAX BALANCES (\$000)
FOR THE PERIOD ENDING JUNE 30, 2013
WITH EXISTING JANUARY 1, 2011 GAS COST RECOVERY RATES

Tab 1
Page 5

Line No.	Particulars	2011 Q2 Gas Cost Report Jan 1, 2011 Existing Rates Five-day Average Forward Prices - May 18, 19, 20, 23 and 24, 2011		2011 Q1 Gas Cost Report Jan 1, 2011 Existing Rates Five-day Average Forward Prices - February 15, 16, 17, 18 and 22, 2011	
		(1)	(2)	(3)	(3)
1	2010 Nov	Recorded	\$ (57.6)	Recorded	\$ (57.6)
2	Dec	Recorded	\$ (44.9)	Recorded	\$ (44.9)
3	2011 Jan	Adjusted	\$ 21.2 ^(A)	Adjusted	\$ 21.2 ^(A)
4	Feb	Adjusted	\$ 50.3 ^(A)	Projected	\$ 50.2
5	Mar	Adjusted	\$ 82.3 ^(A)	↓	\$ 72.7
6	Apr	Recorded	\$ 87.0	↓	\$ 44.1
7	May	Projected	\$ 43.3	↓	\$ 28.2
8	Jun	↓	\$ 29.9	↓	\$ 20.4
9	Jul	↓	\$ 19.4	↓	\$ 13.2
10	Aug	↓	\$ 8.2	↓	\$ 5.8
11	Sep	↓	\$ (10.5)	↓	\$ (6.5)
12	Oct	↓	\$ (41.6)	↓	\$ (30.8)
13	Nov	↓	\$ (50.0)	↓	\$ (44.9)
14	Dec	↓	\$ (55.4)	↓	\$ (56.4)
15	2012 Jan	↓	\$ (57.9)	↓	\$ (64.7)
16	Feb	↓	\$ (59.9)	↓	\$ (70.7)
17	Mar	↓	\$ (63.2)	↓	\$ (77.9)
18	Apr	↓	\$ (103.1)	↓	\$ (112.6)
19	May	↓	\$ (125.0)	↓	\$ (132.4)
20	Jun	↓	\$ (140.4)	↓	\$ (142.4)
21	Jul	↓	\$ (151.2)	↓	\$ (151.7)
22	Aug	↓	\$ (162.4)	↓	\$ (161.2)
23	Sep	↓	\$ (181.4)	↓	\$ (177.1)
24	Oct	↓	\$ (213.1)	↓	\$ (208.3)
25	Nov	↓	\$ (193.1)	↓	\$ (212.1)
26	Dec	↓	\$ (164.2)	↓	\$ (210.7)
27	2013 Jan	↓	\$ (127.3)	↓	\$ (204.9)
28	Feb	↓	\$ (100.2)	↓	\$ (200.4)
29	Mar	↓	\$ (74.6)	↓	\$ (198.3)
30	Apr	↓	\$ (111.3)		
31	May	↓	\$ (131.0)		
32	Jun	↓	\$ (144.8)		

Note (A) includes volume reconciliation adjustment for prior months

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
 GCRA AFTER TAX BALANCES BY MONTH
 FOR THE PERIOD ENDING JUNE 2013





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
FACSIMILE: (604) 660-1102
Log No. xxxx

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

DRAFT ORDER

VIA E-MAIL

gas.regulatory.affairs@fortisbc.com

June XX, 2011

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

Dear Ms. Roy:

Re: FortisBC Energy Inc.
Fort Nelson Service Area
2011 Second Quarter Gas Cost Report

Further to your June 2, 2011 filing of the 2011 Second Quarter Gas Cost Report (the Report) for the Fort Nelson Service Area. The Commission acknowledges receipt of the Report and accepts the recommendation that customer rates remain unchanged for the Fort Nelson Service Area, as of July 1, 2011.

Yours truly,

Alanna Gillis
Acting Commission Secretary