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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. – Lower Mainland, Inland, and Columbia Service Areas
Commodity Cost Reconciliation Account (“CCRA”) and Midstream Cost
Reconciliation Account (“MCRA”) Quarterly Gas Costs
2011 Second Quarter Gas Cost Report**

The attached materials provide the FortisBC Energy Inc. (“FEI” or the “Company”) 2011 Second Quarter Gas Cost Report for the CCRA and MCRA deferral accounts as required under the British Columbia Utilities Commission (the “Commission”) guidelines.

The monthly deferral account balance for the CCRA is shown on the schedule provided in Tab 1, Page 1, for the existing rates. The CCRA balance at June 30, 2011, based on May 18, 19, 20, 23, and 24, 2011 forward prices (“five-day average forward prices ending May 24, 2011”), is projected to be approximately \$9 million surplus (after tax). Further, based on the five-day average forward prices ending May 24, 2011, the gas purchase cost assumptions, and the forecast commodity 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 CCRA ratio is calculated to be 102.7% (Tab 1, Page 1, Column 10, Lines 36/37). The ratio falls inside the deadband range of 95% to 105%, indicating a rate change is not required at this time.

The monthly deferral account balance for the MCRA is shown on the schedule provided in Tab 1, Page 2, for the existing rates. The MCRA balance at June 30, 2011, based on the five-day average forward prices ending May 24, 2011, is projected to be approximately \$28 million surplus (after tax). Further, the MCRA balance at December 31, 2011 and December 31, 2012, based on the five-day average forward prices ending May 24, 2011, are projected to be approximately \$8 million surplus and \$12 million deficit (after-tax), respectively. FEI will continue to monitor and report MCRA balances consistent with the Company’s position that midstream rates be reported on a quarterly basis and, under normal circumstances, midstream rates be adjusted on an annual basis with a January 1 effective date.

Tab 2 provides the information related to the allocation of the forecast CCRA and MCRA gas supply costs, based on the five-day average forward prices ending May 24, 2011, to the Sales Rate Classes.



In summary, the Company proposes the commodity and midstream rates remain unchanged at July 1, 2011. FEI will continue to monitor the forward prices and will report those results in its 2011 Third Quarter Gas Cost Report.

We trust that the Commission will find this filing in order. If there are any questions regarding this filing, 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. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
CCRA MONTHLY BALANCES AT EXISTING RATES (AFTER VOLUME ADJUSTMENTS) AND RATE CHANGE TRIGGER MECHANISM
FOR THE FORECAST PERIOD JULY 1, 2011 TO JUNE 30, 2013
FIVE-DAY AVERAGE FORWARD PRICES - MAY 18, 19, 20, 23 AND 24, 2011
\$(Millions)

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
1		Recorded	Recorded	Recorded	Recorded	Projected	Projected								
2		Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11								
3	CCRA Balance - Beginning (Pre-tax) ^(1*)	\$ (29)	\$ (20)	\$ (15)	\$ (9)	\$ (11)	\$ (12)								
4	Gas Costs Incurred	\$ 45	\$ 39	\$ 43	\$ 33	\$ 35	\$ 36								
5	Revenue from EXISTING Recovery Rates	\$ (36)	\$ (33)	\$ (37)	\$ (36)	\$ (35)	\$ (34)								
6	CCRA Balance - Ending (Pre-tax) ^(2*)	\$ (20)	\$ (15)	\$ (9)	\$ (11)	\$ (12)	\$ (12)								
7															
8	CCRA Balance - Ending (After-tax) ^(3*)	\$ (15)	\$ (11)	\$ (6)	\$ (8)	\$ (9)	\$ (9)								
9															
10														Total	
11														Jul-11	
12		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	to	
13		Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jun-12	
14	CCRA Balance - Beginning (Pre-tax) ^(1*)	\$ (12)	\$ (12)	\$ (13)	\$ (13)	\$ (13)	\$ (12)	\$ (11)	\$ (8)	\$ (6)	\$ (4)	\$ (7)	\$ (9)	\$ (12)	
15	Gas Costs Incurred	\$ 37	\$ 37	\$ 36	\$ 37	\$ 37	\$ 39	\$ 40	\$ 37	\$ 40	\$ 34	\$ 35	\$ 34	\$ 443	
16	Revenue from EXISTING Recovery Rates	\$ (37)	\$ (37)	\$ (36)	\$ (38)	\$ (36)	\$ (38)	\$ (38)	\$ (35)	\$ (38)	\$ (36)	\$ (37)	\$ (36)	\$ (443)	
17	CCRA Balance - Ending (Pre-tax) ^(2*)	\$ (12)	\$ (13)	\$ (13)	\$ (13)	\$ (12)	\$ (11)	\$ (8)	\$ (6)	\$ (4)	\$ (7)	\$ (9)	\$ (11)	\$ (11)	
18															
19	CCRA Balance - Ending (After-tax) ^(3*)	\$ (9)	\$ (9)	\$ (10)	\$ (10)	\$ (9)	\$ (8)	\$ (6)	\$ (5)	\$ (3)	\$ (5)	\$ (7)	\$ (8)	\$ (8)	
20															
21														Total	
22														Jul-12	
23		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	to	
24		Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jun-13	
25	CCRA Balance - Beginning (Pre-tax) ^(1*)	\$ (11)	\$ (13)	\$ (15)	\$ (17)	\$ (18)	\$ (20)	\$ (20)	\$ (20)	\$ (19)	\$ (19)	\$ (22)	\$ (24)	\$ (11)	
26	Gas Costs Incurred	\$ 36	\$ 36	\$ 35	\$ 37	\$ 35	\$ 38	\$ 39	\$ 35	\$ 38	\$ 34	\$ 36	\$ 35	\$ 436	
27	Revenue from EXISTING Recovery Rates	\$ (38)	\$ (38)	\$ (37)	\$ (38)	\$ (37)	\$ (38)	\$ (38)	\$ (35)	\$ (38)	\$ (37)	\$ (38)	\$ (37)	\$ (451)	
28	CCRA Balance - Ending (Pre-tax) ^(2*)	\$ (13)	\$ (15)	\$ (17)	\$ (18)	\$ (20)	\$ (20)	\$ (20)	\$ (19)	\$ (19)	\$ (22)	\$ (24)	\$ (26)	\$ (26)	
29															
30	CCRA Balance - Ending (After-tax) ^(3*)	\$ (10)	\$ (11)	\$ (13)	\$ (14)	\$ (15)	\$ (15)	\$ (15)	\$ (14)	\$ (14)	\$ (16)	\$ (18)	\$ (20)	\$ (20)	
31															
32															
33															
34	CCRA RATE CHANGE TRIGGER MECHANISM														
35															
36	CCRA	Forecast Recovered Gas Costs (Jul 2011 - Jun 2012)						\$ 443							
37	Ratio	=						\$ 431		=					102.7%

Notes: Slight differences in totals due to rounding.

(1*) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts (Jan 1, 2011, 26.5%, Jan 1, 2012, 25.0%, and Jan 1, 2013, 25.0%).

(2*) For rate setting purpose CCRA pre-tax balances include grossed up projected deferred interest as at June 30, 2011.

(3*) For rate setting purpose CCRA after tax balances are independently grossed-up to reflect pre-tax amounts.

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
MCRA MONTHLY BALANCES AT EXISTING RATES (AFTER VOLUME ADJUSTMENTS)
FOR THE FORECAST PERIOD JULY 1, 2011 TO JUNE 30, 2013
FIVE-DAY AVERAGE FORWARD PRICES - MAY 18, 19, 20, 23 AND 24, 2011
\$(Millions)

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1		Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Total
2		Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	2010
3	MCRA Balance - Beginning (Pre-tax) ^(1*)	\$ 29	\$ 23	\$ 12	\$ 3	\$ 4	\$ (6)	\$ (3)	\$ (9)	\$ 14	\$ 8	\$ 27	\$ 11	\$ 29
4	Gas Costs Incurred	\$ 78	\$ 79	\$ 49	\$ 30	\$ 26	\$ (6)	\$ 20	\$ 25	\$ 15	\$ 22	\$ 61	\$ 65	\$ 465
5	Revenue from EXISTING Recovery Rates	\$ (84)	\$ (90)	\$ (58)	\$ (29)	\$ (36)	\$ 8	\$ (26)	\$ (1)	\$ (22)	\$ (4)	\$ (77)	\$ (71)	\$ (489)
6	MCRA Balance - Ending (Pre-tax) ^(2*)	\$ 23	\$ 12	\$ 3	\$ 4	\$ (6)	\$ (3)	\$ (9)	\$ 14	\$ 8	\$ 27	\$ 11	\$ 5	\$ 5
7														
8	MCRA Balance - Ending (After-tax) ^(3*)	\$ 17	\$ 9	\$ 2	\$ 3	\$ (4)	\$ (2)	\$ (6)	\$ 10	\$ 6	\$ 19	\$ 8	\$ 4	\$ 4
9														
10														
11														
12		Recorded	Recorded	Recorded	Recorded	Projected	Projected	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
13		Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	2011
14	MCRA Balance - Beginning (Pre-tax) ^(1*)	\$ 5	\$ (7)	\$ (24)	\$ (26)	\$ (38)	\$ (39)	\$ (38)	\$ (24)	\$ (7)	\$ 5	\$ 6	\$ 1	\$ 5
15	Gas Costs Incurred	\$ 80	\$ 67	\$ 53	\$ 39	\$ 2	\$ 0	\$ (9)	\$ (7)	\$ (1)	\$ 8	\$ 45	\$ 60	\$ 337
16	Revenue from EXISTING Recovery Rates	\$ (91)	\$ (85)	\$ (55)	\$ (51)	\$ (2)	\$ 4	\$ 23	\$ 23	\$ 13	\$ (7)	\$ (50)	\$ (73)	\$ (351)
17	MCRA Balance - Ending (Pre-tax) ^(2*)	\$ (7)	\$ (24)	\$ (26)	\$ (38)	\$ (39)	\$ (38)	\$ (24)	\$ (7)	\$ 5	\$ 6	\$ 1	\$ (12)	\$ (12)
18														
19	MCRA Balance - Ending (After-tax) ^(3*)	\$ (5)	\$ (18)	\$ (19)	\$ (28)	\$ (29)	\$ (28)	\$ (17)	\$ (5)	\$ 4	\$ 5	\$ 1	\$ (8)	\$ (8)
20														
21														
22														
23		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
24		Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	2012
25	MCRA Balance - Beginning (Pre-tax) ^(1*)	\$ (11)	\$ (25)	\$ (33)	\$ (40)	\$ (39)	\$ (31)	\$ (17)	\$ (3)	\$ 15	\$ 27	\$ 31	\$ 27	\$ (11)
26	Gas Costs Incurred	\$ 56	\$ 49	\$ 42	\$ 18	\$ 3	\$ 5	\$ (2)	\$ (5)	\$ 3	\$ 17	\$ 47	\$ 61	\$ 293
27	Revenue from EXISTING Recovery Rates	\$ (69)	\$ (57)	\$ (49)	\$ (17)	\$ 5	\$ 9	\$ 16	\$ 22	\$ 10	\$ (13)	\$ (51)	\$ (71)	\$ (265)
28	MCRA Balance - Ending (Pre-tax) ^(2*)	\$ (25)	\$ (33)	\$ (40)	\$ (39)	\$ (31)	\$ (17)	\$ (3)	\$ 15	\$ 27	\$ 31	\$ 27	\$ 17	\$ 17
29														
30	MCRA Balance - Ending (After-tax) ^(3*)	\$ (19)	\$ (25)	\$ (30)	\$ (29)	\$ (23)	\$ (13)	\$ (2)	\$ 11	\$ 20	\$ 23	\$ 20	\$ 12	\$ 12

Notes: Slight differences in totals due to rounding.

(1*) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts (Jan 1, 2011, 26.5%, Jan 1, 2012, 25.0%, Jan 1, 2013, 25.0%).

(2*) For rate setting purpose MCRA pre-tax balances include grossed up projected deferred interest as at June 30, 2011.

(3*) For rate setting purpose MCRA after tax balances are independently grossed-up to reflect pre-tax amounts.

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
SUMAS INDEX FORECAST FOR THE PERIOD ENDING JUNE 30, 2013
AND US DOLLAR EXCHANGE RATE FORECAST UPDATE

Line No	Particulars (1)	Five-day Average Forward Prices - May 18, 19, 20, 23 and 24, 2011 2011 Q2 Gas Cost Report (2)	Five-day Average Forward Prices - February 15, 16, 17, 18 and 22, 2011 2011 Q1 Gas Cost Report (3)	Change in Forward Price (4) = (2) - (3)
1	Sumas Index Prices - \$US/MMBtu			
2	2010			
3	July	\$ 4.06	\$ 4.06	\$ -
4	August	\$ 3.80	\$ 3.80	\$ -
5	September	\$ 3.11	\$ 3.11	\$ -
6	October	\$ 3.66	\$ 3.66	\$ -
7	November	\$ 3.75	\$ 3.75	\$ -
8	December	\$ 4.98	\$ 4.98	\$ -
9	<i>Simple Average (Jan, 2010 - Dec, 2010)</i>	\$ 4.32	\$ 4.32	0.0% \$ -
10	<i>Simple Average (Apr, 2010 - Mar, 2011)</i>	\$ 3.93	\$ 3.92	0.3% \$ 0.01
11	<i>Simple Average (Jul, 2010 - Jun, 2011)</i>	\$ 3.95	\$ 3.84	2.9% \$ 0.11
12	<i>Simple Average (Oct, 2010 - Sep, 2011)</i>	\$ 4.04	\$ 3.81	6.0% \$ 0.23
13	2011			
14	January	\$ 4.19	\$ 4.19	\$ -
15	February	\$ 4.11	\$ 4.11	\$ -
16	March	\$ 3.82	\$ 3.68	\$ 0.14
17	April	\$ 4.04	\$ 3.60	\$ 0.44
18	May	\$ 3.99	\$ 3.58	\$ 0.41
19	June	\$ 3.89	\$ 3.56	\$ 0.33
20	July	\$ 3.92	\$ 3.52	\$ 0.40
21	August	\$ 4.06	\$ 3.57	\$ 0.49
22	September	\$ 4.09	\$ 3.57	\$ 0.53
23	October	\$ 4.14	\$ 3.75	\$ 0.39
24	November	\$ 4.58	\$ 4.32	\$ 0.26
25	December	\$ 4.80	\$ 4.56	\$ 0.24
26	<i>Simple Average (Jan, 2011 - Dec, 2011)</i>	\$ 4.14	\$ 3.83	8.1% \$ 0.31
27	<i>Simple Average (Apr, 2011 - Mar, 2012)</i>	\$ 4.35	\$ 4.00	8.7% \$ 0.35
28	<i>Simple Average (Jul, 2011 - Jun, 2012)</i>	\$ 4.44	\$ 4.13	7.5% \$ 0.31
29	<i>Simple Average (Oct, 2011 - Sep, 2012)</i>	\$ 4.54	\$ 4.28	6.1% \$ 0.26
30	2012			
31	January	\$ 4.92	\$ 4.69	\$ 0.23
32	February	\$ 4.91	\$ 4.68	\$ 0.23
33	March	\$ 4.85	\$ 4.61	\$ 0.24
34	April	\$ 4.30	\$ 4.06	\$ 0.24
35	May	\$ 4.32	\$ 4.08	\$ 0.24
36	June	\$ 4.36	\$ 4.12	\$ 0.24
37	July	\$ 4.41	\$ 4.16	\$ 0.25
38	August	\$ 4.43	\$ 4.19	\$ 0.25
39	September	\$ 4.44	\$ 4.19	\$ 0.25
40	October	\$ 4.49	\$ 4.25	\$ 0.25
41	November	\$ 5.00	\$ 4.85	\$ 0.15
42	December	\$ 5.22	\$ 5.06	\$ 0.16
43	<i>Simple Average (Jan, 2012 - Dec, 2012)</i>	\$ 4.64	\$ 4.41	5.2% \$ 0.23
44	<i>Simple Average (Apr, 2012 - Mar, 2013)</i>	\$ 4.74	\$ 4.53	4.6% \$ 0.21
45	<i>Simple Average (Jul, 2012 - Jun, 2013)</i>	\$ 4.81		
46	2013			
47	January	\$ 5.35	\$ 5.19	\$ 0.15
48	February	\$ 5.31	\$ 5.17	\$ 0.14
	March	\$ 5.24	\$ 5.08	\$ 0.16
	April	\$ 4.58		
	May	\$ 4.60		
	June	\$ 4.64		

Conversion Factors

1 MMBtu = 1.055056 GJ

May 18, 19, 20, 23 and 24, 2011 vs Five-day Average

February 15, 16, 17, 18 and 22, 2011 (\$1US=\$x.xxxCDN)

Barclays Bank Average Exchange Rate

Bank of Canada Daily Exchange Rate

Forecast Jul 2011-Jun 2012

Forecast Apr 2011-Mar 2012

\$ 0.9820

\$ 0.9761

\$ 0.9973

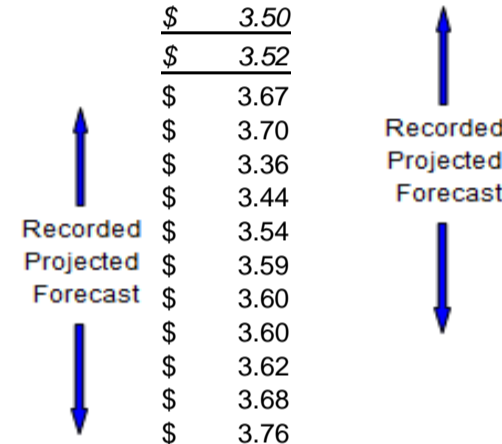
\$ 0.9910

-1.5% \$ (0.015)

-1.5% \$ (0.015)

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
AECO INDEX FORECAST FOR THE PERIOD ENDING JUNE 30, 2013

Line No	Particulars (1)	Five-day Average Forward Prices - May 18, 19, 20, 23 and 24, 2011	Five-day Average Forward Prices - February 15, 16, 17, 18 and 22, 2011	Change in Forward Price (4) = (2) - (3)
		2011 Q2 Gas Cost Report (2)	2011 Q1 Gas Cost Report (3)	
1	AECO Index Prices - \$CDN/GJ			
2	2010 July	\$ 3.91	\$ 3.91	\$ -
3	August	\$ 3.51	\$ 3.51	\$ -
4	September	\$ 3.15	\$ 3.15	\$ -
5	October	\$ 3.38	\$ 3.38	\$ -
6	November	\$ 3.20	\$ 3.20	\$ -
7	December	\$ 3.60	\$ 3.60	\$ -
8	Simple Average (Jan, 2010 - Dec, 2010)	\$ 3.91	\$ 3.91	0.0% \$ -
9	Simple Average (Apr, 2010 - Mar, 2011)	\$ 3.54	\$ 3.53	0.3% \$ 0.01
10	Simple Average (Jul, 2010 - Jun, 2011)	\$ 3.50	\$ 3.41	2.6% \$ 0.09
11	Simple Average (Oct, 2010 - Sep, 2011)	\$ 3.52	\$ 3.36	4.8% \$ 0.16
12	2011 January	\$ 3.67	\$ 3.67	\$ -
13	February	\$ 3.70	\$ 3.70	\$ -
14	March	\$ 3.36	\$ 3.28	\$ 0.08
15	April	\$ 3.44	\$ 3.11	\$ 0.33
16	May	\$ 3.54	\$ 3.17	\$ 0.36
17	June	\$ 3.59	\$ 3.23	\$ 0.36
18	July	\$ 3.60	\$ 3.28	\$ 0.32
19	August	\$ 3.60	\$ 3.32	\$ 0.28
20	September	\$ 3.62	\$ 3.33	\$ 0.28
21	October	\$ 3.68	\$ 3.38	\$ 0.31
22	November	\$ 3.76	\$ 3.55	\$ 0.21
23	December	\$ 3.97	\$ 3.77	\$ 0.19
24	Simple Average (Jan, 2011 - Dec, 2011)	\$ 3.63	\$ 3.40	6.8% \$ 0.23
25	Simple Average (Apr, 2011 - Mar, 2012)	\$ 3.75	\$ 3.48	7.8% \$ 0.27
26	Simple Average (Jul, 2011 - Jun, 2012)	\$ 3.83	\$ 3.62	5.8% \$ 0.21
27	Simple Average (Oct, 2011 - Sep, 2012)	\$ 3.93	\$ 3.74	5.1% \$ 0.19
28	2012 January	\$ 4.07	\$ 3.89	\$ 0.18
29	February	\$ 4.07	\$ 3.91	\$ 0.16
30	March	\$ 4.01	\$ 3.85	\$ 0.17
31	April	\$ 3.84	\$ 3.69	\$ 0.15
32	May	\$ 3.88	\$ 3.71	\$ 0.17
33	June	\$ 3.92	\$ 3.75	\$ 0.17
34	July	\$ 3.96	\$ 3.78	\$ 0.18
35	August	\$ 3.99	\$ 3.81	\$ 0.18
36	September	\$ 4.00	\$ 3.82	\$ 0.18
37	October	\$ 4.04	\$ 3.87	\$ 0.17
38	November	\$ 4.19	\$ 4.01	\$ 0.18
39	December	\$ 4.40	\$ 4.22	\$ 0.18
40	Simple Average (Jan, 2012 - Dec, 2012)	\$ 4.03	\$ 3.86	4.4% \$ 0.17
41	Simple Average (Apr, 2012 - Mar, 2013)	\$ 4.13	\$ 3.97	4.0% \$ 0.16
42	Simple Average (Jul, 2012 - Jun, 2013)	\$ 4.22		
43	2013 January	\$ 4.51	\$ 4.34	\$ 0.17
44	February	\$ 4.48	\$ 4.34	\$ 0.14
45	March	\$ 4.41	\$ 4.25	\$ 0.16
46	April	\$ 4.16		
47	May	\$ 4.23		
48	June	\$ 4.27		



FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
STATION NO. 2 INDEX FORECAST FOR THE PERIOD ENDING JUNE 30, 2013

Line No	Particulars (1)	Five-day Average Forward Prices - May 18, 19, 20, 23 and 24, 2011	Five-day Average Forward Prices - February 15, 16, 17, 18 and 22, 2011	Change in Forward Price (4) = (2) - (3)
		2011 Q2 Gas Cost Report (2)	2011 Q1 Gas Cost Report (3)	
1	Station No. 2 Index Prices - \$CDN/GJ			
2	2010 July	\$ 3.67	\$ 3.67	\$ -
3	August	\$ 3.29	\$ 3.29	\$ -
4	September	\$ 2.79	\$ 2.79	\$ -
5	October	\$ 3.17	\$ 3.17	\$ -
6	November	\$ 3.12	\$ 3.12	\$ -
7	December	\$ 3.74	\$ 3.74	\$ -
8	<i>Simple Average (Jan, 2010 - Dec, 2010)</i>	\$ 3.73	\$ 3.73	0.0% \$ -
9	<i>Simple Average (Apr, 2010 - Mar, 2011)</i>	\$ 3.31	\$ 3.30	0.3% \$ 0.01
10	<i>Simple Average (Jul, 2010 - Jun, 2011)</i>	\$ 3.29	\$ 3.17	3.8% \$ 0.12
11	<i>Simple Average (Oct, 2010 - Sep, 2011)</i>	\$ 3.31	\$ 3.12	6.1% \$ 0.19
12	2011 January	\$ 3.36	\$ 3.36	\$ -
13	February	\$ 3.28	\$ 3.28	\$ -
14	March	\$ 3.02	\$ 2.87	\$ 0.15
15	April	\$ 3.41	\$ 2.85	\$ 0.56
16	May	\$ 3.20	\$ 2.91	\$ 0.29
17	June	\$ 3.42	\$ 2.97	\$ 0.45
18	July	\$ 3.32	\$ 3.02	\$ 0.30
19	August	\$ 3.32	\$ 3.06	\$ 0.26
20	September	\$ 3.34	\$ 3.07	\$ 0.27
21	October	\$ 3.41	\$ 3.11	\$ 0.29
22	November	\$ 3.53	\$ 3.35	\$ 0.18
23	December	\$ 3.73	\$ 3.58	\$ 0.15
24	<i>Simple Average (Jan, 2011 - Dec, 2011)</i>	\$ 3.36	\$ 3.12	7.7% \$ 0.24
25	<i>Simple Average (Apr, 2011 - Mar, 2012)</i>	\$ 3.51	\$ 3.25	8.0% \$ 0.26
26	<i>Simple Average (Jul, 2011 - Jun, 2012)</i>	\$ 3.59	\$ 3.39	5.9% \$ 0.20
27	<i>Simple Average (Oct, 2011 - Sep, 2012)</i>	\$ 3.70	\$ 3.52	5.1% \$ 0.18
28	2012 January	\$ 3.84	\$ 3.70	\$ 0.14
29	February	\$ 3.83	\$ 3.71	\$ 0.12
30	March	\$ 3.78	\$ 3.65	\$ 0.13
31	April	\$ 3.60	\$ 3.46	\$ 0.14
32	May	\$ 3.66	\$ 3.49	\$ 0.18
33	June	\$ 3.70	\$ 3.52	\$ 0.18
34	July	\$ 3.74	\$ 3.55	\$ 0.19
35	August	\$ 3.77	\$ 3.58	\$ 0.19
36	September	\$ 3.78	\$ 3.59	\$ 0.19
37	October	\$ 3.83	\$ 3.64	\$ 0.19
38	November	\$ 3.99	\$ 3.88	\$ 0.11
39	December	\$ 4.20	\$ 4.09	\$ 0.11
40	<i>Simple Average (Jan, 2012 - Dec, 2012)</i>	\$ 3.81	\$ 3.65	4.4% \$ 0.16
41	<i>Simple Average (Apr, 2012 - Mar, 2013)</i>	\$ 3.92	\$ 3.78	3.7% \$ 0.14
42	<i>Simple Average (Jul, 2012 - Jun, 2013)</i>	\$ 4.01		
43	2013 January	\$ 4.32	\$ 4.21	\$ 0.11
44	February	\$ 4.28	\$ 4.21	\$ 0.07
45	March	\$ 4.22	\$ 4.12	\$ 0.09
46	April	\$ 3.96		
47	May	\$ 4.02		
48	June	\$ 4.06		

↑
Recorded
Projected

↑
Recorded
Projected
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Forecast
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FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
GAS BUDGET COST SUMMARY
FOR THE FORECAST PERIOD JULY 1, 2011 TO JUNE 30, 2012
FIVE-DAY AVERAGE FORWARD PRICES - MAY 18, 19, 20, 23 AND 24, 2011

Line No.	Particulars	Delivered Volumes (TJ)	Costs (\$ 000)	Unit Cost (\$/GJ)	Comments
(1)	(2)	(3)	(4)	(5)	
1	CCRA				
2	<u>TERM / SEASONAL / SPOT PURCHASES</u>				
3	Hunt	14,534.1	\$ 59,699	\$ 4.108	
4	Station #2	63,949.9	235,820	3.688	
5	AECO	14,534.1	55,788	3.838	
6	TOTAL	93,018.0	351,306.6	\$ 3.777	
7	<u>OTHER STATION #2 SUPPLY</u>				
8	Commodity - Ft. Nelson Plant	3,875.7	14,169	\$ 3.656	
9	Transportation - TNLH	-	1,208	-	
10	TOTAL	3,875.7	15,377.8	\$ 3.968	
11					
12	TOTAL CCRA COMMODITY	96,893.7	366,684	\$ 3.784	
13					
14	HEDGING (GAIN)/COST		65,639		
15	CCRA ADMINISTRATION COSTS		1,162		
16	FUEL-IN-KIND VOLUMES	-	9,421	-	
17	TOTAL CCRA - MARKETABLE GAS	96,893.7	\$ 442,906	\$ 4.571	
18	MCRA				
19	MCRA COMMODITY				
20	TOTAL MCRA COMMODITY	29,153	\$ 104,391	\$ 3.581	
21					
22	PEAKING	-	\$ -	\$ -	
23					
24	TRANSPORTATION				
25	WEI		\$ 93,123		
26	NOVA/ANG		\$ 15,592		
27	NWP		5,369		
28	TOTAL TRANSPORTATION		\$ 114,084		
29	STORAGE GAS				
30	<u>Injection</u>				
31	BC (Aitken)	(19,508.0)	\$ (104,094)	\$ 5.336	
32	Alberta (Carbon)	(1,800.0)	(9,205)	5.114	
33	Downstream (JP/Mist)	(6,051.0)	(33,265)	5.497	
34	TOTAL INJECTION	(27,359.0)	\$ (146,564)	\$ 5.357	
35	<u>Withdrawal</u>				
36	BC (Aitken)	17,965.6	\$ 102,995	\$ 5.733	
37	Alberta (Carbon)	1,786.6	9,356	5.237	
38	Downstream (JP/Mist)	5,836.8	33,435	5.728	
39	TOTAL WITHDRAWAL	25,589.0	\$ 145,786	\$ 5.697	
40	<u>Storage Demand Charges (fixed only)</u>				
41	BC (Aitken)		\$ 35,865		
42	Alberta (Carbon)		1,500		
43	Downstream (JP/Mist)		12,916		
44	TOTAL DEMAND CHARGE		\$ 50,280		
45	NET STORAGE		\$ 49,502		
46	MITIGATION				
47	Resale Commodity	(24,894.4)	\$ (104,771)	\$ 4.209	
48	Mitigation of Assets		(2,797)		
49	TOTAL MITIGATION		\$ (107,568)		
50					
51	COMPANY USE GAS	-	\$ (1,503)		
52	GSMIP		1,000		
53	MCRA ADMINISTRATION COSTS		2,712		
54	HEDGING (GAIN)/COST		-		
55	TOTAL MCRA - CORE		\$ 162,619	\$ 1.438	
56	Core Sales Volume	113,090.8			
57	TOTAL BUDGET		\$ 605,525		

Note: Gas Budget Cost Summary reflects the amalgamation to the FortisBC Energy (Whistler) Inc. ("FEW") and FEI gas supply portfolios.

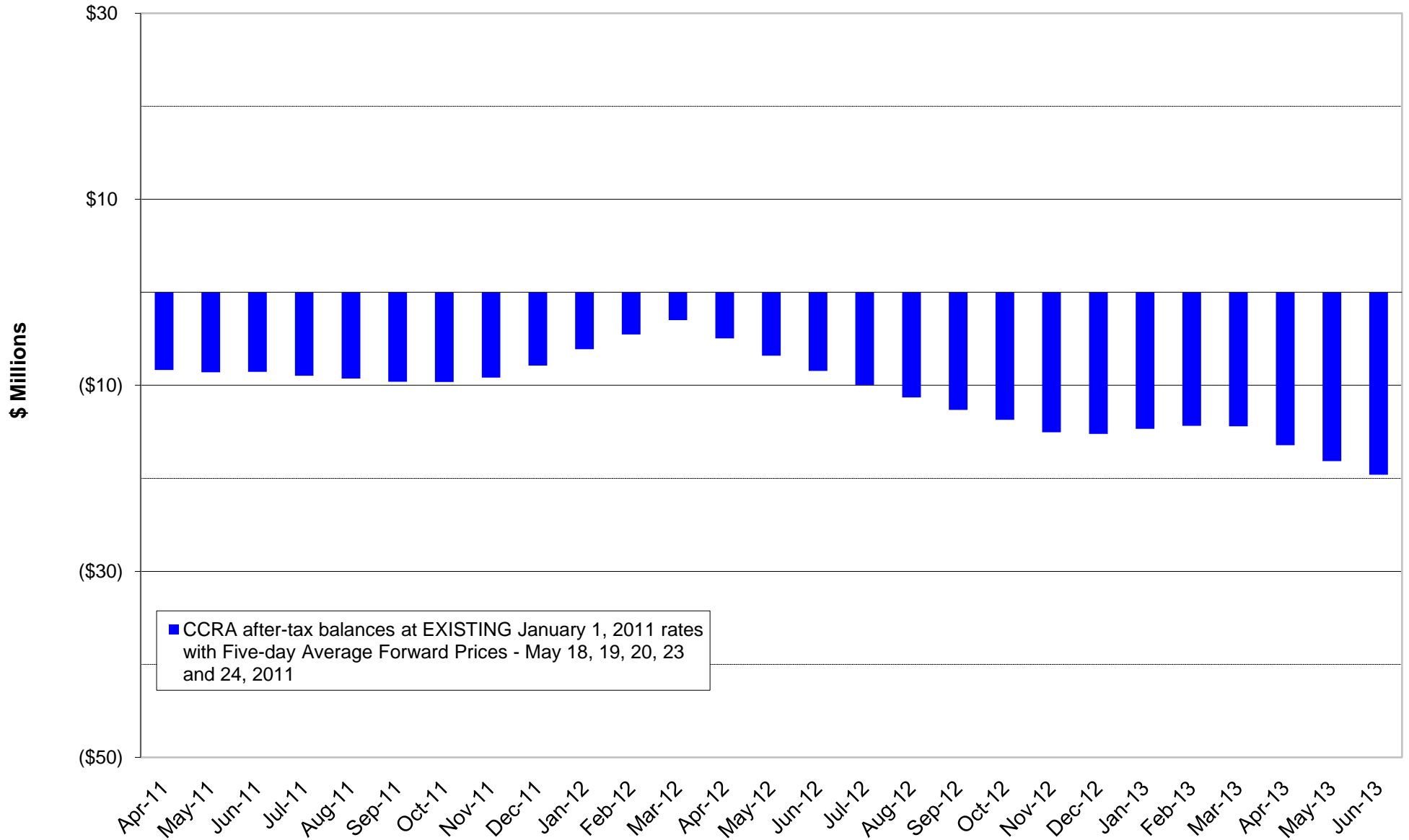
FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
RECONCILIATION OF GAS COST INCURRED
FOR THE FORECAST PERIOD JULY 1, 2011 TO JUNE 30, 2012
FIVE-DAY AVERAGE FORWARD PRICES - MAY 18, 19, 20, 23 AND 24, 2011
\$(Millions)

Tab 1
Page 7

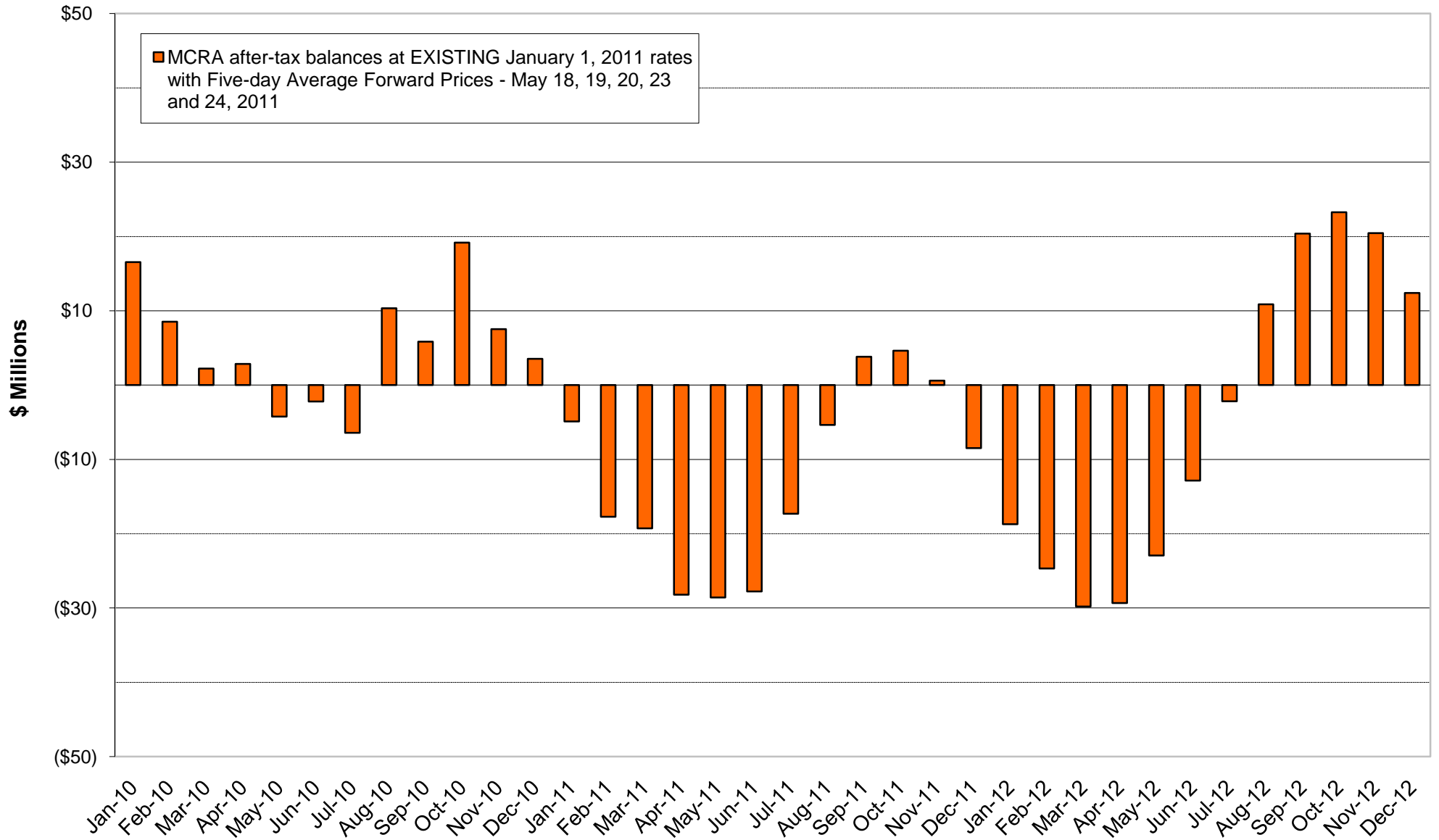
Line No.	Particulars (1)	CCRA/MCRA Deferral Account Forecast (2)	Gas Budget Cost Summary (3)
1	Gas Cost Incurred		
2	CCRA (Tab 1, Page 1, Col. 14, Line 15)	\$ 443	
3	MCRA (Tab 1, Page 2, Col. 8 Line 15 to Col. 7, Line 26)	268	
4			
5			
6	Gas Budget Cost Summary		
7	CCRA (Tab 1, Page 6, Col. 3, Line 17)		\$ 443
8	MCRA (Tab 1, Page 6, Col. 3, Line 55)		\$ 164
9	Total Net Costs for Firm Customers		<u>\$ 607</u>
10			
11	Add back Off-System Sales		
12	Cost		108
13	Margin		(7)
14			
15	Add back On-System Sales		
16	Cost		3
17	Margin		(0)
18			
19			
20	Totals Reconciled	<u>\$ 711</u>	<u>\$ 711</u>

Note:
Slight differences in totals due to rounding

FortisBC Energy Inc. - Lower Mainland, Inland and Columbia
 CCRA After-Tax Monthly Balances
 Recorded to April 2011 and Projected to June 2013



FortisBC Energy Inc. - Lower Mainland, Inland and Columbia
 MCRA After-Tax Monthly Balances
 Recorded to January 2011 and Projected to December 2012



FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
COMMODITY COST RECONCILIATION ACCOUNT ("CCRA")
COST OF GAS (COMMODITY COST RECOVERY CHARGE) FLOW-THROUGH BY RATE SCHEDULE
FOR THE FORECAST PERIOD JULY 1, 2011 TO JUNE 30, 2012
FIVE-DAY AVERAGE FORWARD PRICES - MAY 18, 19, 20, 23 AND 24, 2011

Line No.	Particulars	Unit	RS-1, RS-2, RS-3, RS-5 and RS-6	Whistler	RS-4	RS-7	RS-1 to RS-7 incl Whistler Total
	(1)		(2)	(3)	(4)	(5)	(6)
1	CCRA Sales Volumes	TJ	95,929.9	768.1	185.1	10.7	96,893.7
2							
3							
4	CCRA Incurred Costs						
5	Station #2	\$000	\$ 257,374.6	\$ 2,060.7	\$ 577.0	\$ 48.0	\$ 260,060.4
6	AECO	\$000	55,897.4	447.6	1.1	0.1	56,346.1
7	Huntingdon	\$000	59,095.8	473.2	129.7	-	59,698.7
8	CCRA Commodity Costs before Hedging	\$000	\$ 372,367.8	\$ 2,981.4	\$ 707.8	\$ 48.1	\$ 376,105.2
9	Mark to Market Hedges Cost / (Gain)	\$000	64,994.8	520.4	123.6	-	65,638.7
10	Core Market Administration Costs	\$000	1,151.0	9.2	2.2	-	1,162.4
11	Total Incurred Costs before CCRA deferral amortization	\$000	\$ 438,513.5	\$ 3,511.1	\$ 833.6	\$ 48.1	\$ 442,906.3
12							
13	Pre-tax Amortization CCRA Deficit/(Surplus) as of Jul 1, 2011						
14	TGI Excl. Whistler Remaining Unamortized Dec 31/09 Balance	\$000	\$ (7,205.6)	\$ -	\$ (13.7)	\$ -	\$ (7,219.3)
15	TGI Incl. Whistler Accumulated Unamortized Balance Since Jan 1/10	\$000	(4,362.7)	(34.9)	(8.3)	-	(4,405.9)
16	Total Pre-tax Amortization CCRA Deficit/(Surplus) as of Jul 1, 2011	\$000	\$ (11,568.3)	\$ (34.9)	\$ (22.0)	\$ -	\$ (11,625.2)
17	Total CCRA Incurred Costs	\$000	\$ 426,945.3	\$ 3,476.1	\$ 811.6	\$ 48.1	\$ 431,281.1
18							
19							
20	CCRA Incurred Unit Costs						
21	CCRA Commodity Costs before Hedging	\$/GJ	\$ 3.8817	\$ 3.8817			
22	Mark to Market Hedges Cost / (Gain)	\$/GJ	0.6775	0.6775			
23	Core Market Administration Costs	\$/GJ	0.0120	0.0120			
24	CCRA Incurred Costs (excl. CCRA deferral amortization)	\$/GJ	\$ 4.5712	\$ 4.5712			
25	TGI Excl. Whistler Remaining Unamortized Dec 31/09 Balance	\$/GJ	(0.0751)	-			
26	TGI Incl. Whistler Accumulated Unamortized Balance Since Jan 1/10	\$/GJ	(0.0455)	(0.0455)			
27	CCRA Gas Costs Incurred -- Flow-Through	\$/GJ	\$ 4.4506	\$ 4.5257			

Note (1*) CCRA pre-tax amortization of December 31, 2009 balance does not apply to FortisBC Energy (Whistler) Inc.

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
MIDSTREAM COST RECONCILIATION ACCOUNT ("MCRA")
MIDSTREAM COST RECOVERY CHARGE FLOW-THROUGH BY RATE SCHEDULE
FOR THE FORECAST PERIOD JULY 1, 2011 to JUNE 30,2012
FIVE-DAY AVERAGE FORWARD PRICES - MAY 18, 19, 20, 23 AND 24, 2011

Line No.	Particulars	Unit	Residential		Commercial		Whistler	General Firm Service	NGV	Seasonal	General Interruptible	Lower Mainland RS-1 to RS-7 and Whistler Total	Term & Spot Gas Sales RS-14	Off-System Interruptible Sales RS-30	Lower Mainland RS-1 to RS-7, RS-14 & RS-30 and Whistler Total	All Service Areas	
			RS-1	RS-2	RS-3	RS-5										RS-6	RS-4
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
1	LOWER MAINLAND SERVICE AREA																
2																	
3	Midstream (MCRA) Sales Volumes	TJ	52,560.3	17,210.4	13,542.3	768.1	2,044.5	50.9	73.6	5.1	86,255.2	540.8	24,137.1	110,933.1	113,090.8	137,995.9	
4																	
5	MCRA Gas Costs Incurred																
6																	
7	Midstream Commodity Costs	\$000	\$ (3,061.2)	\$ (1,002.3)	\$ (788.7)	\$ (44.7)	\$ (119.1)	\$ (3.0)	\$ 0.2	\$ 0.0	\$ (5,018.7)	\$ 2,368.8	\$ 104,889.0	\$ 102,239.0	\$ (6,496.6)	\$ 101,756.3	
8	Midstream Tolls and Fees	\$000	902.0	295.3	232.4	13.2	35.1	0.9	0.9	0.1	1,479.8	80.4	3,608.9	5,169.1	1,940.1	5,663.1	
9	Midstream Mark to Market- Hedges Cost / (Gain)	\$000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Subtotal Midstream Variable Costs	\$000	\$ (2,159.2)	\$ (707.0)	\$ (556.3)	\$ (31.6)	\$ (84.0)	\$ (2.1)	\$ 1.2	\$ 0.1	\$ (3,538.9)	\$ 2,449.2	\$ 108,497.9	\$ 107,408.1	\$ (4,556.5)	\$ 107,419.5	
11	Midstream Storage - Fixed	\$000	\$ 24,428.3	\$ 7,922.0	\$ 4,844.1	\$ 274.7	\$ 558.7	\$ 7.0	\$ -	\$ -	\$ 38,034.8	\$ -	\$ -	\$ 38,034.8	\$ 50,060.4	\$ 50,060.4	
12	On/Off System Sales (RS-14 & RS-30)	\$000	3,491.9	1,132.4	692.4	39.3	79.9	1.0	-	-	5,436.8	-	-	5,436.8	7,155.8	7,155.8	
13	GSMIP Incentive Sharing	\$000	488.0	158.2	96.8	5.5	11.2	0.1	-	-	759.8	-	-	759.8	1,000.0	1,000.0	
14	Pipeline Demand Charges	\$000	52,146.5	16,910.9	10,340.6	586.5	1,192.7	14.8	-	-	81,191.9	-	-	81,191.9	106,200.0	106,200.0	
15	Core Administration Costs - 70%	\$000	1,323.5	429.2	262.4	14.9	30.3	0.4	-	-	2,060.7	-	-	2,060.7	2,712.2	2,712.2	
16	Subtotal Midstream Fixed Costs	\$000	\$ 81,878.1	\$ 26,552.7	\$ 16,236.3	\$ 920.9	\$ 1,872.7	\$ 23.3	\$ -	\$ -	\$ 127,484.0	\$ -	\$ -	\$ 127,484.0	\$ 167,128.4	\$ 167,128.4	
17	Total Incurred Costs before MCRA deferral amortization	\$000	\$ 79,718.9	\$ 25,845.7	\$ 15,680.0	\$ 889.3	\$ 1,788.7	\$ 21.2	\$ 1.2	\$ 0.1	\$ 123,945.1	\$ 2,449.2	\$ 108,497.9	\$ 234,892.1	\$ 162,571.8	\$ 274,547.8	
18																	
19	Pre-tax Amort. MCRA Deficit/(Surplus) as of Jul 1, 2011																
20	TGI Excl. Whistler Remaining Unamortized Dec 31/09 Balance	\$000	\$ (480.7)	\$ (155.9)	\$ (95.3)	\$ -	\$ (11.0)	\$ (0.1)	\$ -	\$ -	\$ (743.1)	\$ -	\$ -	\$ (743.1)	\$ (979.7)	\$ -	
21	TGI Incl. Whistler Accumulated Unamortized Balance Since Jan 1/10	\$000	2,830.9	918.1	561.4	31.8	64.7	0.8	-	-	4,407.8	-	-	4,407.8	5,801.4	-	
22	Total Pre-tax Amort. MCRA Deficit/(Surplus) as of Jul 1, 2011	\$000	\$ 2,350.2	\$ 762.2	\$ 466.0	\$ 31.8	\$ 53.8	\$ 0.7	\$ -	\$ -	\$ 3,664.7	\$ -	\$ -	\$ 3,664.7	\$ 4,821.7	\$ -	
23																	
24	Total MCRA Incurred Costs	\$000	\$ 82,069.1	\$ 26,607.9	\$ 16,146.0	\$ 921.2	\$ 1,842.5	\$ 21.9	\$ 1.2	\$ 0.1	\$ 127,609.8	\$ 2,449.2	\$ 108,497.9	\$ 238,556.8	\$ 167,393.5	\$ -	

Note (1*) MCRA pre-tax amortization of December 31, 2009 balance does not apply to FortisBC Energy (Whistler) Inc.

FORTISBC ENERGY INC. - INLAND SERVICE AREA
MIDSTREAM COST RECONCILIATION ACCOUNT ("MCRA")
MIDSTREAM COST RECOVERY CHARGE FLOW-THROUGH BY RATE SCHEDULE
FOR THE FORECAST PERIOD JULY 1, 2011 to JUNE 30,2012
FIVE-DAY AVERAGE FORWARD PRICES - MAY 18, 19, 20, 23 AND 24, 2011

Line No.	Particulars	Unit	Residential RS-1	Commercial RS-2	Commercial RS-3	General Firm Service RS-5	NGV RS-6	Subtotal	Seasonal RS-4	General Interruptible RS-7	Inland RS-1 to RS-7 Total	Term & Spot Gas Sales RS-14	Off-System Interruptible Sales RS-30	Inland RS-1 to RS-7, & RS-14 Total
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	INLAND SERVICE AREA													
2														
3	Midstream (MCRA) Sales Volumes (TJ)	TJ	15,654.4	5,566.1	2,553.3	345.3	5.6	24,124.7	111.4	5.6	24,241.8	227.2	-	24,469.0
4														
5	MCRA Gas Costs Incurred													
6														
7	Midstream Commodity Costs	\$000	\$ (911.7)	\$ (324.2)	\$ (148.7)	\$ (20.1)	\$ (0.3)	\$ (1,405.0)	\$ 0.4	\$ 0.0	\$ (1,404.7)	\$ 995.2	\$ -	\$ (409.5)
8	Midstream Tolls and Fees	\$000	268.6	95.5	43.8	5.9	0.1	414.0	1.4	0.1	415.5	33.8	-	449.3
9	Midstream Mark to Market- Hedges Cost / (Gain)	\$000	-	-	-	-	-	-	-	-	-	-	-	-
10	Subtotal Midstream Variable Costs	\$000	\$ (643.1)	\$ (228.7)	\$ (104.9)	\$ (14.2)	\$ (0.2)	\$ (991.0)	\$ 1.8	\$ 0.1	\$ (989.2)	\$ 1,029.0	\$ -	\$ 39.8
11	Midstream Storage - Fixed	\$000	\$ 7,275.7	\$ 2,562.1	\$ 913.3	\$ 94.4	\$ 0.8	\$ 10,846.2	\$ -	\$ -	\$ 10,846.2	\$ -	\$ -	\$ 10,846.2
12	On/Off System Sales (RS-14 & RS-30)	\$000	1,040.0	366.2	130.6	13.5	0.1	1,550.4	-	-	1,550.4	-	-	1,550.4
13	GSMIP Incentive Sharing	\$000	145.3	51.2	18.2	1.9	0.0	216.7	-	-	216.7	-	-	216.7
14	Pipeline Demand Charges	\$000	15,130.3	5,328.1	1,899.3	196.2	1.6	22,555.6	-	-	22,555.6	-	-	22,555.6
15	Core Administration Costs - 70%	\$000	394.2	138.8	49.5	5.1	0.0	587.6	-	-	587.6	-	-	587.6
16	Subtotal Midstream Fixed Costs	\$000	\$ 23,985.5	\$ 8,446.4	\$ 3,010.9	\$ 311.1	\$ 2.5	\$ 35,756.5	\$ -	\$ -	\$ 35,756.5	\$ -	\$ -	\$ 35,756.5
17	Total Incurred Costs before MCRA deferral amortization	\$000	\$ 23,342.5	\$ 8,217.7	\$ 2,906.0	\$ 296.9	\$ 2.3	\$ 34,765.4	\$ 1.8	\$ 0.1	\$ 34,767.3	\$ 1,029.0	\$ -	\$ 35,796.2
18														
19	Pre-tax Amort. MCRA Deficit/(Surplus) as of Jul 1, 2011													
20	TGI Excl. Whistler Remaining Unamortized Dec 31/09 Balance	\$000	\$ (143.2)	\$ (50.4)	\$ (18.0)	\$ (1.9)	\$ (0.0)	\$ (213.4)	\$ -	\$ -	\$ (213.4)	\$ -	\$ -	\$ (213.4)
21	TGI Incl. Whistler Accumulated Unamortized Balance Since Jan 1/10	\$000	843.2	296.9	105.8	10.9	0.1	1,256.9	-	-	1,256.9	-	-	1,256.9
22	Total Pre-tax Amort. MCRA Deficit/(Surplus) as of Jul 1, 2011	\$000	\$ 700.0	\$ 246.5	\$ 87.9	\$ 9.1	\$ 0.1	\$ 1,043.5	\$ -	\$ -	\$ 1,043.5	\$ -	\$ -	\$ 1,043.5
23														
24	Total MCRA Incurred Costs	\$000	\$ 24,042.4	\$ 8,464.2	\$ 2,993.9	\$ 306.0	\$ 2.4	\$ 35,808.9	\$ 1.8	\$ 0.1	\$ 35,810.8	\$ 1,029.0	\$ -	\$ 36,839.7

**FORTISBC ENERGY INC. - COLUMBIA SERVICE AREA
MIDSTREAM COST RECONCILIATION ACCOUNT ("MCRA")
MIDSTREAM COST RECOVERY CHARGE FLOW-THROUGH BY RATE SCHEDULE
FOR THE FORECAST PERIOD JULY 1, 2011 to JUNE 30,2012
FIVE-DAY AVERAGE FORWARD PRICES - MAY 18, 19, 20, 23 AND 24, 2011**

Line No.	Particulars	Unit	Residential RS-1	Commercial RS-2	Commercial RS-3	General Firm Service RS-5	NGV RS-6	Subtotal	Seasonal RS-4	General Interruptible RS-7	Columbia RS-1 to RS-7 Total	Term & Spot Gas Sales RS-14	Off-System Interruptible Sales RS-30	Columbia RS-1 to RS-7 Total
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	COLUMBIA SERVICE AREA													
2														
3	Midstream (MCRA) Sales Volumes (TJ)	TJ	1,659.8	631.8	284.5	17.8	-	2,593.8	-	-	2,593.8	-	-	2,593.8
4														
5	MCRA Gas Costs Incurred													
6														
7	Midstream Commodity Costs	\$000	(46.9)	(17.8)	(8.0)	(0.5)	-	(73.2)	-	-	(73.2)	-	-	(73.2)
8	Midstream Tolls and Fees	\$000	28.7	10.9	4.9	0.3	-	44.8	-	-	44.8	-	-	44.8
9	Midstream Mark to Market- Hedges Cost / (Gain)	\$000	-	-	-	-	-	-	-	-	-	-	-	-
10	Subtotal Midstream Variable Costs	\$000	(18.2)	(6.9)	(3.1)	(0.2)	-	(28.4)	-	-	(28.4)	-	-	(28.4)
11	Midstream Storage - Fixed	\$000	778.3	293.4	102.7	4.9	-	1,179.4	-	-	1,179.4	-	-	1,179.4
12	On/Off System Sales (RS-14 & RS-30)	\$000	111.3	41.9	14.7	0.7	-	168.6	-	-	168.6	-	-	168.6
13	GSMIP Incentive Sharing	\$000	15.5	5.9	2.1	0.1	-	23.6	-	-	23.6	-	-	23.6
14	Pipeline Demand Charges	\$000	1,618.6	610.2	213.5	10.2	-	2,452.6	-	-	2,452.6	-	-	2,452.6
15	Core Administration Costs - 70%	\$000	42.2	15.9	5.6	0.3	-	63.9	-	-	63.9	-	-	63.9
16	Subtotal Midstream Fixed Costs	\$000	2,566.0	967.4	338.5	16.2	-	3,888.0	-	-	3,888.0	-	-	3,888.0
17	Total Incurred Costs before MCRA deferral amortization	\$000	2,547.8	960.4	335.4	16.0	-	3,859.5	-	-	3,859.5	-	-	3,859.5
18														
19	Pre-tax Amort. MCRA Deficit/(Surplus) as of Jul 1, 2011													
20	TGI Excl. Whistler Remaining Unamortized Dec 31/09 Balance	\$000	(15.3)	(5.8)	(2.0)	(0.1)	-	(23.2)	-	-	(23.2)	-	-	(23.2)
21	TGI Incl. Whistler Accumulated Unamortized Balance Since Jan 1/10	\$000	90.2	34.0	11.9	0.6	-	136.7	-	-	136.7	-	-	136.7
22	Total Pre-tax Amort. MCRA Deficit/(Surplus) as of Jul 1, 2011	\$000	74.9	28.2	9.9	0.5	-	113.5	-	-	113.5	-	-	113.5
23														
24	Total MCRA Incurred Costs	\$000	2,622.6	988.7	345.3	16.4	-	3,973.0	-	-	3,973.0	-	-	3,973.0



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

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

Log No. xxxx

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.
Lower Mainland, Inland, and Columbia Service Areas
2011 Second Quarter Gas Cost Report
Commodity Cost Reconciliation Account and Midstream Cost Reconciliation Account

On June 2, 2011 FortisBC Energy Inc. filed its 2011 Second Quarter Gas Cost Report (the Report). The Commission acknowledges receipt of the Report and accepts the recommendation that customer rates remain unchanged for the Lower Mainland, Inland, and Columbia service areas as of July 1, 2011.

Yours truly,

Alanna Gillis
Acting Commission Secretary