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Regulatory Affairs Correspondence  
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British Columbia Utilities Commission  
6<sup>th</sup> Floor, 900 Howe Street  
Vancouver, BC  
V6Z 2N3

Attention: Ms. Alanna Gillis, Acting Commission Secretary

Dear Ms. Gillis:

**Re: FortisBC Energy Inc. – Revelstoke Service Area  
2011 Second Quarter Gas Cost Report**

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FortisBC Energy Inc. ("FEI" or the "Company") hereby submits to the British Columbia Utilities Commission (the "Commission") the 2011 Second 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 May 24, 2011 forward prices.

FEI, 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 May 24, 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 June 30, 2011 is \$121,315 deficit (pre-tax), and the forecast balance at June 30, 2012 is \$800,384 deficit (pre-tax). The rate change trigger mechanism is calculated to be 78.4%.

As shown at Tab 2, Page 1, based on the May 24, 2011 forward prices, using NYMEX WTI Light Sweet Crude Oil futures, and based on the current rates, the projected deferral account balance at June 30, 2011 is \$112,090 deficit (pre-tax), and the forecast balance at June 30, 2012 is \$825,036 deficit (pre-tax). The rate change trigger mechanism is calculated to be 77.8%.

As shown at Tab 3, Page 1, based on the May 24, 2011 forward prices, using NYMEX B0 – Mt. Belvieu Propane Swap prices, and based on the current rates, the projected deferral account balance at June 30, 2011 is \$130,540 deficit (pre-tax), and the forecast balance at

June 30, 2012 is \$775,924 deficit (pre-tax). The rate change trigger mechanism is calculated to be 78.9%.

All three of the forecast scenarios provide rate change trigger ratios that fall well outside the 95% to 105% deadband range, indicating that a rate change is required at this time.

As the forecast based fully on the NYMEX B0 – Mt. Belvieu Propane Swap prices may provide a more conservative outlook, FEI proposes an increase to the propane cost recovery rates based on the NYMEX B0 – Mt. Belvieu Propane Swap prices. Based on the May 24, 2011 forward prices, using the NYMEX B0 – Mt. Belvieu Propane Swap prices, and the 12-month amortization of the projected June 30, 2011 deferral account deficit balance, an increase in the reference price to \$0.4423/litre (Tab 3, Page 4, Column 2, Line 10) is calculated.

The Company hereby requests Commission approval for an increase in the propane reference price (based on the NYMEX B0 – Mt. Belvieu Propane Swap prices) for use in the Revelstoke Propane Cost Deferral Account from \$0.3489/litre to \$0.4423/litre, which corresponds to a customer rate increase of \$3.821/GJ, and equates to a burner tip increase of approximately \$191 per year or 18.0% for a typical Revelstoke residential customer with an average annual 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 May 24, 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. The Company 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 Commission approval for an increase in the propane reference price (based on the NYMEX B0 – Mt. Belvieu Propane Swap prices) for use in the Revelstoke Propane Cost Deferral Account from \$0.3489/litre to \$0.4423/litre which corresponds to a rate increase of \$3.821/GJ, effective July 1, 2011. The Company will continue to monitor the forward prices and will report these results in the 2011 Third 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 by:***

Diane Roy

Attachments

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA  
PROPANE COST DEFERRAL ACCOUNT  
FOR THE PERIOD ENDING JUNE 30, 2012**

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

**(MAY 24, 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	March 31, 2011 Balance (Recorded)						\$53,155
2	April (Estimated) <sup>(A)</sup>	542,604	\$0.3849	\$0.3489	\$0.0360	\$19,536	\$72,691
3	May (Projected)	428,849	\$0.4331	\$0.3489	\$0.0842	\$36,116	\$108,807
4	June (Projected)	263,723	\$0.3963	\$0.3489	\$0.0474	\$12,508	\$121,315
5	Current Quarter Total	<u>1,235,176</u>				<u>\$68,160</u>	
6							
7	<u>Forecast Volumes and Forecast Prices</u>						
8	July 2011 (Forecast)	227,822	\$0.3897	\$0.3489	\$0.0408	\$9,295	\$130,610
9	August (Forecast)	199,741	\$0.3969	\$0.3489	\$0.0480	\$9,588	\$140,198
10	September (Forecast)	294,699	\$0.4140	\$0.3489	\$0.0651	\$19,185	\$159,383
11	October (Forecast)	665,429	\$0.4220	\$0.3489	\$0.0731	\$48,643	\$208,026
12	November (Forecast)	967,362	\$0.4313	\$0.3489	\$0.0824	\$79,711	\$287,737
13	December (Forecast)	1,299,538	\$0.4498	\$0.3489	\$0.1009	\$131,123	\$418,860
14	January 2012 (Forecast)	1,291,508	\$0.4576	\$0.3489	\$0.1087	\$140,387	\$559,247
15	February (Forecast)	1,041,452	\$0.4492	\$0.3489	\$0.1003	\$104,458	\$663,705
16	March (Forecast)	998,646	\$0.4288	\$0.3489	\$0.0799	\$79,792	\$743,497
17	April (Forecast)	621,377	\$0.3986	\$0.3489	\$0.0497	\$30,882	\$774,379
18	May (Forecast)	432,226	\$0.3897	\$0.3489	\$0.0408	\$17,635	\$792,014
19	June (Forecast)	267,427	\$0.3802	\$0.3489	\$0.0313	\$8,370	\$800,384
20	Total July 2011 to June 2012	<u>8,307,227</u>				<u>\$679,069</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]				\$2,898,392		
25	June 30, 2011 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)				\$3,698,887	<b>78.4%</b>	

Note (A) Estimated costs incurred, pending final reconciliation of invoices for the period.

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA  
PROPANE COST DEFERRAL ACCOUNT  
FOR THE PERIOD ENDING JUNE 30, 2013**

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

**(MAY 24, 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	June 2012 Balance (Forecast)						\$800,384
2	July (Forecast)	231,064	\$0.3734	\$0.3489	\$0.0245	\$5,661	\$806,045
3	August (Forecast)	202,336	\$0.3800	\$0.3489	\$0.0311	\$6,293	\$812,338
4	September (Forecast)	297,663	\$0.3967	\$0.3489	\$0.0478	\$14,228	\$826,566
5	October (Forecast)	668,878	\$0.4041	\$0.3489	\$0.0552	\$36,922	\$863,488
6	November (Forecast)	973,031	\$0.4241	\$0.3489	\$0.0752	\$73,172	\$936,660
7	December (Forecast)	1,305,806	\$0.4392	\$0.3489	\$0.0903	\$117,914	\$1,054,574
8	January 2013 (Forecast)	1,301,065	\$0.4407	\$0.3489	\$0.0918	\$119,438	\$1,174,012
9	February (Forecast)	1,050,339	\$0.4382	\$0.3489	\$0.0893	\$93,795	\$1,267,807
10	March (Forecast)	1,007,021	\$0.4226	\$0.3489	\$0.0737	\$74,217	\$1,342,024
11	April (Forecast)	629,072	\$0.3912	\$0.3489	\$0.0423	\$26,610	\$1,368,634
12	May (Forecast)	435,838	\$0.3854	\$0.3489	\$0.0365	\$15,908	\$1,384,542
13	June (Forecast)	271,254	\$0.3757	\$0.3489	\$0.0268	\$7,270	\$1,391,812
14	Total July 2012 to June 2013	<u>8,373,366</u>				<u>\$591,428</u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA

PROPANE COST DEFERRAL ACCOUNT

FORECAST AVERAGE COST OF PROPANE

FOR THE PERIOD ENDING JUNE 30, 2012

(MAY 24, 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	July 2011 (Forecast)	227,822	-	227,822	\$ -	\$ 0.3897	\$ -	\$ 88,771	\$ 88,771
2	August (Forecast)	199,741	-	199,741	\$ -	\$ 0.3969	\$ -	\$ 79,267	\$ 79,267
3	September (Forecast)	294,699	-	294,699	\$ -	\$ 0.4140	\$ -	\$ 122,008	\$ 122,008
4	October (Forecast)	665,429	-	665,429	\$ -	\$ 0.4220	\$ -	\$ 280,805	\$ 280,805
5	November (Forecast)	967,362	560,000	407,362	\$ 0.4266	\$ 0.4379	\$ 238,896	\$ 178,372	\$ 417,268
6	December (Forecast)	1,299,538	560,000	739,538	\$ 0.4266	\$ 0.4674	\$ 238,896	\$ 345,625	\$ 584,522
7	January 2012 (Forecast)	1,291,508	560,000	731,508	\$ 0.4266	\$ 0.4814	\$ 238,896	\$ 352,150	\$ 591,046
8	February (Forecast)	1,041,452	560,000	481,452	\$ 0.4266	\$ 0.4756	\$ 238,896	\$ 228,973	\$ 467,869
9	March (Forecast)	998,646	560,000	438,646	\$ 0.4266	\$ 0.4315	\$ 238,896	\$ 189,273	\$ 428,170
10	April (Forecast)	621,377	-	621,377	\$ -	\$ 0.3986	\$ -	\$ 247,710	\$ 247,710
11	May (Forecast)	432,226	-	432,226	\$ -	\$ 0.3897	\$ -	\$ 168,456	\$ 168,456
12	June (Forecast)	267,427	-	267,427	\$ -	\$ 0.3802	\$ -	\$ 101,680	\$ 101,680
13	Total July 2011 to June 2012	<b>8,307,227</b>	<b>2,800,000</b>	<b>5,507,227</b>			<b>\$ 1,194,482</b>	<b>\$ 2,383,091</b>	<b>\$ 3,577,572</b>
14									
15	<b>Forecast Average Cost of Propane - (\$/Litre)<sup>(A)</sup></b>								<b>\$ 0.4307</b>
16									
17	<b>Forecast Average Cost of Propane - (\$/GJ)<sup>(A)</sup></b>								<b>\$ 16.827</b>
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 JUNE 30, 2012**

**(MAY 24, 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	July 1 2011 to June 30 2012	\$0.4307	\$16.827
5			
6	ii. Twelve months amortization of projected Deferral Account balance	<u>0.0146</u>	<u>\$0.571</u>
7			
8			
9			
10	Proposed Reference Price	\$0.4453	\$17.398
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	\$0.0964	\$3.767
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.70% <sup>(1)</sup>	0.0045	\$0.176
19			
20	Total Propane Cost Flowthrough <sup>(2)</sup>	<u>\$0.1009</u>	<u>\$3.943</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 Jun 30, 2011	\$0.0146	\$0.571
37	Total Propane Cost Jul 1 2011 to Jun 30, 2012	<u>\$0.0863</u>	<u>\$3.372</u>
38	Total Propane Cost Flowthrough	<u>\$0.1009</u>	<u>\$3.943</u>

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA  
PROPANE COST DEFERRAL ACCOUNT  
FOR THE PERIOD ENDING JUNE 30, 2012  
WITH PROPOSED REFERENCE PRICE EFFECTIVE JULY 1, 2011**

**(MAY 24, 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	<b>Approved</b> 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 31, 2011 Balance (Recorded)						\$53,155
2	April (Estimated)	542,604	\$0.3849	\$0.3489	\$0.0360	\$19,536	\$72,691
3	May (Projected)	428,849	\$0.4331	\$0.3489	\$0.0842	\$36,116	\$108,807
4	June (Projected)	263,723	\$0.3963	\$0.3489	\$0.0474	\$12,508	\$121,315
5	Current Quarter Total	<u>1,235,176</u>				<u>\$68,160</u>	
6							
7				<b>Proposed</b>			
8				Reference			
9				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	July 2011 (Forecast)	227,822	\$0.3897	\$0.4453	(\$0.0556)	(\$12,667)	\$108,648
12	August (Forecast)	199,741	\$0.3969	\$0.4453	(\$0.0484)	(\$9,667)	\$98,981
13	September (Forecast)	294,699	\$0.4140	\$0.4453	(\$0.0313)	(\$9,224)	\$89,757
14	October (Forecast)	665,429	\$0.4220	\$0.4453	(\$0.0233)	(\$15,505)	\$74,252
15	November (Forecast)	967,362	\$0.4313	\$0.4453	(\$0.0140)	(\$13,543)	\$60,709
16	December (Forecast)	1,299,538	\$0.4498	\$0.4453	\$0.0045	\$5,848	\$66,557
17	January 2012 (Forecast)	1,291,508	\$0.4576	\$0.4453	\$0.0123	\$15,886	\$82,443
18	February (Forecast)	1,041,452	\$0.4492	\$0.4453	\$0.0039	\$4,062	\$86,505
19	March (Forecast)	998,646	\$0.4288	\$0.4453	(\$0.0165)	(\$16,478)	\$70,027
20	April (Forecast)	621,377	\$0.3986	\$0.4453	(\$0.0467)	(\$29,018)	\$41,009
21	May (Forecast)	432,226	\$0.3897	\$0.4453	(\$0.0556)	(\$24,032)	\$16,977
22	June (Forecast)	267,427	\$0.3802	\$0.4453	(\$0.0651)	(\$17,410)	(\$433)
23	Total July 2011 to June 2012	<u>8,307,227</u>				<u>(\$121,748)</u>	



**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA  
PROPANE COST DEFERRAL ACCOUNT  
FOR THE PERIOD ENDING JUNE 30, 2013  
WITH PROPOSED REFERENCE PRICE EFFECTIVE JULY 1, 2011**

**(MAY 24, 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	<b>Proposed</b> Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	June 2012 Balance (Forecast)						(\$433)
2	July (Forecast)	231,064	\$0.3734	\$0.4453	(\$0.0719)	(\$16,613)	(\$17,046)
3	August (Forecast)	202,336	\$0.3800	\$0.4453	(\$0.0653)	(\$13,213)	(\$30,259)
4	September (Forecast)	297,663	\$0.3967	\$0.4453	(\$0.0486)	(\$14,466)	(\$44,725)
5	October (Forecast)	668,878	\$0.4041	\$0.4453	(\$0.0412)	(\$27,558)	(\$72,283)
6	November (Forecast)	973,031	\$0.4241	\$0.4453	(\$0.0212)	(\$20,628)	(\$92,911)
7	December (Forecast)	1,305,806	\$0.4392	\$0.4453	(\$0.0061)	(\$7,965)	(\$100,876)
8	January 2013 (Forecast)	1,301,065	\$0.4407	\$0.4453	(\$0.0046)	(\$5,985)	(\$106,861)
9	February (Forecast)	1,050,339	\$0.4382	\$0.4453	(\$0.0071)	(\$7,457)	(\$114,318)
10	March (Forecast)	1,007,021	\$0.4226	\$0.4453	(\$0.0227)	(\$22,859)	(\$137,177)
11	April (Forecast)	629,072	\$0.3912	\$0.4453	(\$0.0541)	(\$34,033)	(\$171,210)
12	May (Forecast)	435,838	\$0.3854	\$0.4453	(\$0.0599)	(\$26,107)	(\$197,317)
13	June (Forecast)	<u>271,254</u>	\$0.3757	\$0.4453	(\$0.0696)	<u>(\$18,879)</u>	(\$216,196)
14	Total July 2012 to June 2013	<u><u>8,373,366</u></u>				<u><u>(\$215,763)</u></u>	

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA**  
**JULY 1, 2011 PROPOSED PROPANE COST INCREASE**  
**TYPICAL ANNUAL CONSUMPTION**

(MAY 24, 2011 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars	Rate 1 - Residential				Rate 2 - Small Commercial				Rate 3 - Large Commercial			
		Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase
1	REVELSTOKE PROPANE												
2	- INLAND SERVICE AREA												
3													
4	<b>Existing:</b>												
5													
6	Delivery Margin Related Charges												
7	Basic Charge		\$11.84	\$142.08			\$24.84	\$298.08			\$132.52	\$1,590.24	
8	Delivery Margin Related Charge	50.0	\$3.207	\$160.35		250.0	\$2.658	\$664.50		4,500.0	\$2.270	\$10,215.00	
9													
10	Cost of Gas (Commodity Related Charges)												
11	Cost of Gas Recovery Related Charges	50.0	\$15.214	<u>\$760.70</u>		250.0	\$14.123	<u>\$3,530.75</u>		4,500.0	\$14.123	<u>\$63,553.50</u>	
12													
13	Typical Annual Bill at Current Rates (excluding												
14	any applicable Taxes)	<u>50.0</u>		<u>\$1,063.13</u>		<u>250.0</u>		<u>\$4,493.33</u>		<u>4,500.0</u>		<u>\$75,358.74</u>	
15													
16													
17	<b>Proposed Changes July 1, 2011:</b>												
18													
19	Delivery Margin Related Charge		\$0.000	\$0.00	0.0%		\$0.000	\$0.00	0.0%		\$0.000	\$0.00	0.0%
20	Cost of Gas Recovery Related Charge		<u>\$3.943</u>	<u>\$197.15</u>	18.5%		<u>\$3.943</u>	<u>\$985.75</u>	21.9%		<u>\$3.943</u>	<u>\$17,743.50</u>	23.6%
21	Total Charges		\$3.943	\$197.15	18.5%		\$3.943	\$985.75	21.9%		\$3.943	\$17,743.50	23.6%
22													
23	Typical Annual Bill after Proposed Rates (excluding												
24	any applicable Taxes)			<u>\$1,260.28</u>	18.5%			<u>\$5,479.08</u>	21.9%			<u>\$93,102.24</u>	23.5%

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA  
PROPANE COST DEFERRAL ACCOUNT  
FOR THE PERIOD ENDING JUNE 30, 2012**

**WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-189-10)  
(MAY 24, 2011 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)**

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 31, 2011 Balance (Recorded)						\$53,155
2	April (Estimated) <sup>(A)</sup>	542,604	\$0.3849	\$0.3489	\$0.0360	\$19,536	\$72,691
3	May (Projected)	428,849	\$0.4268	\$0.3489	\$0.0779	\$33,427	\$106,118
4	June (Projected)	<u>263,723</u>	\$0.3715	\$0.3489	\$0.0226	<u>\$5,972</u>	\$112,090
5	Current Quarter Total	<u><u>1,235,176</u></u>				<u><u>\$58,935</u></u>	
6							
7	Forecast Volumes and Forecast Prices						
8	July 2011 (Forecast)	227,822	\$0.3529	\$0.3489	\$0.0040	\$911	\$113,001
9	August (Forecast)	199,741	\$0.3620	\$0.3489	\$0.0131	\$2,617	\$115,618
10	September (Forecast)	294,699	\$0.4017	\$0.3489	\$0.0528	\$15,560	\$131,178
11	October (Forecast)	665,429	\$0.4122	\$0.3489	\$0.0633	\$42,122	\$173,300
12	November (Forecast)	967,362	\$0.4289	\$0.3489	\$0.0800	\$77,389	\$250,689
13	December (Forecast)	1,299,538	\$0.4578	\$0.3489	\$0.1089	\$141,520	\$392,209
14	January 2012 (Forecast)	1,291,508	\$0.4711	\$0.3489	\$0.1222	\$157,822	\$550,031
15	February (Forecast)	1,041,452	\$0.4636	\$0.3489	\$0.1147	\$119,455	\$669,486
16	March (Forecast)	998,646	\$0.4318	\$0.3489	\$0.0829	\$82,788	\$752,274
17	April (Forecast)	621,377	\$0.4126	\$0.3489	\$0.0637	\$39,582	\$791,856
18	May (Forecast)	432,226	\$0.4050	\$0.3489	\$0.0561	\$24,248	\$816,104
19	June (Forecast)	<u>267,427</u>	\$0.3823	\$0.3489	\$0.0334	<u>\$8,932</u>	\$825,036
20	Total July 2011 to June 2012	<u><u>8,307,227</u></u>				<u><u>\$712,946</u></u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]			=	<u>\$2,898,392</u>	=	<b>77.8%</b>
25	June 30, 2011 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)				<u>\$3,723,414</u>		

Note (A) Estimated costs incurred, pending final reconciliation of invoices for the period.

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA  
PROPANE COST DEFERRAL ACCOUNT  
FOR THE PERIOD ENDING JUNE 30, 2013**

Tab 2  
Page 2

**WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-189-10)  
(MAY 24, 2011 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)**

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	June 2012 Balance (Forecast)						\$825,036
2	July (Forecast)	231,064	\$0.3625	\$0.3489	\$0.0136	\$3,142	\$828,178
3	August (Forecast)	202,336	\$0.3697	\$0.3489	\$0.0208	\$4,209	\$832,387
4	September (Forecast)	297,663	\$0.4079	\$0.3489	\$0.0590	\$17,562	\$849,949
5	October (Forecast)	668,878	\$0.4170	\$0.3489	\$0.0681	\$45,551	\$895,500
6	November (Forecast)	973,031	\$0.4310	\$0.3489	\$0.0821	\$79,886	\$975,386
7	December (Forecast)	1,305,806	\$0.4596	\$0.3489	\$0.1107	\$144,553	\$1,119,939
8	January 2013 (Forecast)	1,301,065	\$0.4723	\$0.3489	\$0.1234	\$160,551	\$1,280,490
9	February (Forecast)	1,050,339	\$0.4646	\$0.3489	\$0.1157	\$121,524	\$1,402,014
10	March (Forecast)	1,007,021	\$0.4324	\$0.3489	\$0.0835	\$84,086	\$1,486,100
11	April (Forecast)	629,072	\$0.4096	\$0.3489	\$0.0607	\$38,185	\$1,524,285
12	May (Forecast)	435,838	\$0.4039	\$0.3489	\$0.0550	\$23,971	\$1,548,256
13	June (Forecast)	271,254	\$0.3808	\$0.3489	\$0.0319	\$8,653	\$1,556,909
14	Total July 2012 to June 2013	<u>8,373,366</u>				<u>\$731,873</u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA

PROPANE COST DEFERRAL ACCOUNT

FORECAST AVERAGE COST OF PROPANE

FOR THE PERIOD ENDING JUNE 30, 2012

(MAY 24, 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	July 2011 (Forecast)	227,822	-	227,822	\$ -	\$ 0.3529	\$ -	\$ 80,405	\$ 80,405
2	August (Forecast)	199,741	-	199,741	\$ -	\$ 0.3620	\$ -	\$ 72,313	\$ 72,313
3	September (Forecast)	294,699	-	294,699	\$ -	\$ 0.4017	\$ -	\$ 118,376	\$ 118,376
4	October (Forecast)	665,429	-	665,429	\$ -	\$ 0.4122	\$ -	\$ 274,308	\$ 274,308
5	November (Forecast)	967,362	560,000	407,362	\$ 0.4266	\$ 0.4320	\$ 238,896	\$ 175,969	\$ 414,866
6	December (Forecast)	1,299,538	560,000	739,538	\$ 0.4266	\$ 0.4815	\$ 238,896	\$ 356,055	\$ 594,951
7	January 2012 (Forecast)	1,291,508	560,000	731,508	\$ 0.4266	\$ 0.5052	\$ 238,896	\$ 369,593	\$ 608,489
8	February (Forecast)	1,041,452	560,000	481,452	\$ 0.4266	\$ 0.5066	\$ 238,896	\$ 243,904	\$ 482,801
9	March (Forecast)	998,646	560,000	438,646	\$ 0.4266	\$ 0.4384	\$ 238,896	\$ 192,283	\$ 431,179
10	April (Forecast)	621,377	-	621,377	\$ -	\$ 0.4126	\$ -	\$ 256,366	\$ 256,366
11	May (Forecast)	432,226	-	432,226	\$ -	\$ 0.4050	\$ -	\$ 175,040	\$ 175,040
12	June (Forecast)	267,427	-	267,427	\$ -	\$ 0.3823	\$ -	\$ 102,231	\$ 102,231
13	Total July 2011 to June 2012	<b>8,307,227</b>	<b>2,800,000</b>	<b>5,507,227</b>			<b>\$ 1,194,482</b>	<b>\$ 2,416,843</b>	<b>\$ 3,611,324</b>
14									
15	<b>Forecast Average Cost of Propane - (\$/Litre)<sup>(A)</sup></b>								<b>\$ 0.4347</b>
16									
17	<b>Forecast Average Cost of Propane - (\$/GJ)<sup>(A)</sup></b>								<b>\$ 16.985</b>
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 JUNE 30, 2012**

(MAY 24, 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	July 1 2011 to June 30 2012	\$0.4347	\$16.985
5			
6	ii. Twelve months amortization of projected Deferral Account balance	<u>0.0135</u>	<u>\$0.527</u>
7			
8			
9			
10	Proposed Reference Price	\$0.4482	\$17.512
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	\$0.0993	\$3.880
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.70% <sup>(1)</sup>	0.0047	\$0.184
19			
20	Total Propane Cost Flowthrough <sup>(2)</sup>	<u>\$0.1040</u>	<u>\$4.064</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 Jun 30, 2011	\$0.0135	\$0.527
37	Total Propane Cost Jul 1 2011 to Jun 30, 2012	<u>\$0.0905</u>	<u>\$3.537</u>
38	Total Propane Cost Flowthrough	<u>\$0.1040</u>	<u>\$4.064</u>

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA

PROPANE COST DEFERRAL ACCOUNT

FOR THE PERIOD ENDING JUNE 30, 2012

WITH PROPOSED REFERENCE PRICE EFFECTIVE JULY 1, 2011

(MAY 24, 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	March 31, 2011 Balance (Recorded)						\$53,155
2	April (Estimated)	542,604	\$0.3849	\$0.3489	\$0.0360	\$19,536	\$72,691
3	May (Projected)	428,849	\$0.4268	\$0.3489	\$0.0779	\$33,427	\$106,118
4	June (Projected)	263,723	\$0.3715	\$0.3489	\$0.0226	\$5,972	\$112,090
5	Current Quarter Total	<u>1,235,176</u>				<u>\$58,935</u>	
6							
7				<b>Proposed</b>			
8				Reference			
9				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	July 2011 (Forecast)	227,822	\$0.3529	\$0.4482	(\$0.0953)	(\$21,711)	\$90,379
12	August (Forecast)	199,741	\$0.3620	\$0.4482	(\$0.0862)	(\$17,218)	\$73,161
13	September (Forecast)	294,699	\$0.4017	\$0.4482	(\$0.0465)	(\$13,703)	\$59,458
14	October (Forecast)	665,429	\$0.4122	\$0.4482	(\$0.0360)	(\$23,955)	\$35,503
15	November (Forecast)	967,362	\$0.4289	\$0.4482	(\$0.0193)	(\$18,670)	\$16,833
16	December (Forecast)	1,299,538	\$0.4578	\$0.4482	\$0.0096	\$12,476	\$29,309
17	January 2012 (Forecast)	1,291,508	\$0.4711	\$0.4482	\$0.0229	\$29,576	\$58,885
18	February (Forecast)	1,041,452	\$0.4636	\$0.4482	\$0.0154	\$16,038	\$74,923
19	March (Forecast)	998,646	\$0.4318	\$0.4482	(\$0.0164)	(\$16,378)	\$58,545
20	April (Forecast)	621,377	\$0.4126	\$0.4482	(\$0.0356)	(\$22,121)	\$36,424
21	May (Forecast)	432,226	\$0.4050	\$0.4482	(\$0.0432)	(\$18,672)	\$17,752
22	June (Forecast)	267,427	\$0.3823	\$0.4482	(\$0.0659)	(\$17,623)	\$129
23	Total July 2011 to June 2012	<u>8,307,227</u>				<u>(\$111,961)</u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA

Tab 2

PROPANE COST DEFERRAL ACCOUNT

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FOR THE PERIOD ENDING JUNE 30, 2013

WITH PROPOSED REFERENCE PRICE EFFECTIVE JULY 1, 2011

(MAY 24, 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	June 2012 Balance (Forecast)						\$129
2	July (Forecast)	231,064	\$0.3625	\$0.4482	(\$0.0857)	(\$19,802)	(\$19,673)
3	August (Forecast)	202,336	\$0.3697	\$0.4482	(\$0.0785)	(\$15,883)	(\$35,556)
4	September (Forecast)	297,663	\$0.4079	\$0.4482	(\$0.0403)	(\$11,996)	(\$47,552)
5	October (Forecast)	668,878	\$0.4170	\$0.4482	(\$0.0312)	(\$20,869)	(\$68,421)
6	November (Forecast)	973,031	\$0.4310	\$0.4482	(\$0.0172)	(\$16,736)	(\$85,157)
7	December (Forecast)	1,305,806	\$0.4596	\$0.4482	\$0.0114	\$14,886	(\$70,271)
8	January 2013 (Forecast)	1,301,065	\$0.4723	\$0.4482	\$0.0241	\$31,356	(\$38,915)
9	February (Forecast)	1,050,339	\$0.4646	\$0.4482	\$0.0164	\$17,226	(\$21,689)
10	March (Forecast)	1,007,021	\$0.4324	\$0.4482	(\$0.0158)	(\$15,911)	(\$37,600)
11	April (Forecast)	629,072	\$0.4096	\$0.4482	(\$0.0386)	(\$24,282)	(\$61,882)
12	May (Forecast)	435,838	\$0.4039	\$0.4482	(\$0.0443)	(\$19,308)	(\$81,190)
13	June (Forecast)	<u>271,254</u>	<u>\$0.3808</u>	<u>\$0.4482</u>	<u>(\$0.0674)</u>	<u>(\$18,282)</u>	<u>(\$99,472)</u>
14	Total July 2012 to June 2013	<u><u>8,373,366</u></u>				<u><u>(\$99,601)</u></u>	



**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA**  
**JULY 1, 2011 PROPOSED PROPANE COST INCREASE**  
**TYPICAL ANNUAL CONSUMPTION**  
**(MAY 24, 2011 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)**

Line No.	Particulars	Rate 1 - Residential				Rate 2 - Small Commercial				Rate 3 - Large Commercial			
		Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase
1	REVELSTOKE PROPANE												
2	- INLAND SERVICE AREA												
3													
4	<b>Existing:</b>												
5													
6	Delivery Margin Related Charges												
7	Basic Charge		\$11.84	\$142.08			\$24.84	\$298.08			\$132.52	\$1,590.24	
8	Delivery Margin Related Charge	50.0	\$3.207	\$160.35		250.0	\$2.658	\$664.50		4,500.0	\$2.270	\$10,215.00	
9													
10	Cost of Gas (Commodity Related Charges)												
11	Cost of Gas Recovery Related Charges	50.0	\$15.214	<u>\$760.70</u>		250.0	\$14.123	<u>\$3,530.75</u>		4,500.0	\$14.123	<u>\$63,553.50</u>	
12													
13	Typical Annual Bill at Current Rates (excluding												
14	any applicable Taxes)	<u>50.0</u>		<u>\$1,063.13</u>		<u>250.0</u>		<u>\$4,493.33</u>		<u>4,500.0</u>		<u>\$75,358.74</u>	
15													
16													
17	Proposed Changes July 1, 2011:												
18													
19	Delivery Margin Related Charge		\$0.000	\$0.00	0.0%		\$0.000	\$0.00	0.0%		\$0.000	\$0.00	0.0%
20	Cost of Gas Recovery Related Charge		<u>\$4.064</u>	<u>\$203.20</u>	19.1%		<u>\$4.064</u>	<u>\$1,016.00</u>	22.6%		<u>\$4.064</u>	<u>\$18,288.00</u>	24.3%
21	Total Charges		\$4.064	\$203.20	19.1%		\$4.064	\$1,016.00	22.6%		\$4.064	\$18,288.00	24.3%
22													
23	Typical Annual Bill after Proposed Rates (excluding												
24	any applicable Taxes)			<u>\$1,266.33</u>	19.1%			<u>\$5,509.33</u>	22.6%			<u>\$93,646.74</u>	24.3%

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA  
PROPANE COST DEFERRAL ACCOUNT  
FOR THE PERIOD ENDING JUNE 30, 2012**

**WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-189-10)  
(MAY 24, 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	March 31, 2011 Balance (Recorded)						\$53,155
2	April (Estimated) <sup>(A)</sup>	542,604	\$0.3849	\$0.3489	\$0.0360	\$19,536	\$72,691
3	May (Projected)	428,849	\$0.4394	\$0.3489	\$0.0905	\$38,805	\$111,496
4	June (Projected)	263,723	\$0.4211	\$0.3489	\$0.0722	\$19,044	\$130,540
5	Current Quarter Total	<u>1,235,176</u>				<u>\$77,385</u>	
6							
7	Forecast Volumes and Forecast Prices						
8	July 2011 (Forecast)	227,822	\$0.4264	\$0.3489	\$0.0775	\$17,656	\$148,196
9	August (Forecast)	199,741	\$0.4317	\$0.3489	\$0.0828	\$16,539	\$164,735
10	September (Forecast)	294,699	\$0.4263	\$0.3489	\$0.0774	\$22,810	\$187,545
11	October (Forecast)	665,429	\$0.4318	\$0.3489	\$0.0829	\$55,164	\$242,709
12	November (Forecast)	967,362	\$0.4338	\$0.3489	\$0.0849	\$82,129	\$324,838
13	December (Forecast)	1,299,538	\$0.4418	\$0.3489	\$0.0929	\$120,727	\$445,565
14	January 2012 (Forecast)	1,291,508	\$0.4441	\$0.3489	\$0.0952	\$122,952	\$568,517
15	February (Forecast)	1,041,452	\$0.4349	\$0.3489	\$0.0860	\$89,565	\$658,082
16	March (Forecast)	998,646	\$0.4257	\$0.3489	\$0.0768	\$76,696	\$734,778
17	April (Forecast)	621,377	\$0.3847	\$0.3489	\$0.0358	\$22,245	\$757,023
18	May (Forecast)	432,226	\$0.3745	\$0.3489	\$0.0256	\$11,065	\$768,088
19	June (Forecast)	267,427	\$0.3782	\$0.3489	\$0.0293	\$7,836	\$775,924
20	Total July 2011 to June 2012	<u>8,307,227</u>				<u>\$645,384</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]			=	\$2,898,392	=	<b>78.9%</b>
25	June 30, 2011 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)				\$3,674,360		

Note (A) Estimated costs incurred, pending final reconciliation of invoices for the period.

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA  
PROPANE COST DEFERRAL ACCOUNT  
FOR THE PERIOD ENDING JUNE 30, 2013**

Tab 3  
Page 2

**WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-189-10)  
(MAY 24, 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	June 2012 Balance (Forecast)						\$775,924
2	July (Forecast)	231,064	\$0.3843	\$0.3489	\$0.0354	\$8,180	\$784,104
3	August (Forecast)	202,336	\$0.3903	\$0.3489	\$0.0414	\$8,377	\$792,481
4	September (Forecast)	297,663	\$0.3854	\$0.3489	\$0.0365	\$10,865	\$803,346
5	October (Forecast)	668,878	\$0.3912	\$0.3489	\$0.0423	\$28,294	\$831,640
6	November (Forecast)	973,031	\$0.4172	\$0.3489	\$0.0683	\$66,458	\$898,098
7	December (Forecast)	1,305,806	\$0.4188	\$0.3489	\$0.0699	\$91,276	\$989,374
8	January 2013 (Forecast)	1,301,065	\$0.4090	\$0.3489	\$0.0601	\$78,194	\$1,067,568
9	February (Forecast)	1,050,339	\$0.4117	\$0.3489	\$0.0628	\$65,961	\$1,133,529
10	March (Forecast)	1,007,021	\$0.4129	\$0.3489	\$0.0640	\$64,449	\$1,197,978
11	April (Forecast)	629,072	\$0.3728	\$0.3489	\$0.0239	\$15,035	\$1,213,013
12	May (Forecast)	435,838	\$0.3668	\$0.3489	\$0.0179	\$7,802	\$1,220,815
13	June (Forecast)	271,254	\$0.3705	\$0.3489	\$0.0216	\$5,859	\$1,226,674
14	Total July 2012 to June 2013	<u>8,373,366</u>				<u>\$450,750</u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA

PROPANE COST DEFERRAL ACCOUNT

FORECAST AVERAGE COST OF PROPANE

FOR THE PERIOD ENDING JUNE 30, 2012

(MAY 24, 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	July 2011 (Forecast)	227,822	-	227,822	\$ -	\$ 0.4264	\$ -	\$ 97,138	\$ 97,138
2	August (Forecast)	199,741	-	199,741	\$ -	\$ 0.4317	\$ -	\$ 86,221	\$ 86,221
3	September (Forecast)	294,699	-	294,699	\$ -	\$ 0.4263	\$ -	\$ 125,641	\$ 125,641
4	October (Forecast)	665,429	-	665,429	\$ -	\$ 0.4318	\$ -	\$ 287,301	\$ 287,301
5	November (Forecast)	967,362	560,000	407,362	\$ 0.4266	\$ 0.4438	\$ 238,896	\$ 180,774	\$ 419,670
6	December (Forecast)	1,299,538	560,000	739,538	\$ 0.4266	\$ 0.4533	\$ 238,896	\$ 335,196	\$ 574,093
7	January 2012 (Forecast)	1,291,508	560,000	731,508	\$ 0.4266	\$ 0.4576	\$ 238,896	\$ 334,707	\$ 573,603
8	February (Forecast)	1,041,452	560,000	481,452	\$ 0.4266	\$ 0.4446	\$ 238,896	\$ 214,042	\$ 452,938
9	March (Forecast)	998,646	560,000	438,646	\$ 0.4266	\$ 0.4246	\$ 238,896	\$ 186,264	\$ 425,160
10	April (Forecast)	621,377	-	621,377	\$ -	\$ 0.3847	\$ -	\$ 239,055	\$ 239,055
11	May (Forecast)	432,226	-	432,226	\$ -	\$ 0.3745	\$ -	\$ 161,871	\$ 161,871
12	June (Forecast)	267,427	-	267,427	\$ -	\$ 0.3782	\$ -	\$ 101,128	\$ 101,128
13	Total July 2011 to June 2012	<u>8,307,227</u>	<u>2,800,000</u>	<u>5,507,227</u>			<u>\$ 1,194,482</u>	<u>\$ 2,349,339</u>	<u>\$ 3,543,821</u>
14									
15	<b>Forecast Average Cost of Propane - (\$/Litre)<sup>(A)</sup></b>								<u>\$ 0.4266</u>
16									
17	<b>Forecast Average Cost of Propane - (\$/GJ)<sup>(A)</sup></b>								<u>\$ 16.668</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 JUNE 30, 2012**

(MAY 24, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars	\$/Litre	\$/GJ
	(1)	(2)	(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	July 1 2011 to June 30 2012	\$0.4266	\$16.668
5			
6	ii. Twelve months amortization of projected Deferral Account balance	<u>0.0157</u>	<u>\$0.614</u>
7			
8			
9			
10	Proposed Reference Price	\$0.4423	\$17.282
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	\$0.0934	\$3.649
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.70% <sup>(1)</sup>	0.0044	\$0.172
19			
20	Total Propane Cost Flowthrough <sup>(2)</sup>	<u>\$0.0978</u>	<u>\$3.821</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 Jun 30, 2011	\$0.0157	\$0.614
37	Total Propane Cost Jul 1 2011 to Jun 30, 2012	<u>\$0.0821</u>	<u>\$3.207</u>
38	Total Propane Cost Flowthrough	<u>\$0.0978</u>	<u>\$3.821</u>

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA**  
**PROPANE COST DEFERRAL ACCOUNT**  
**FOR THE PERIOD ENDING JUNE 30, 2012**  
**WITH PROPOSED REFERENCE PRICE EFFECTIVE JULY 1, 2011**  
**(MAY 24, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)**

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	<b>Approved</b> 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 31, 2011 Balance (Recorded)						\$53,155
2	April (Estimated)	542,604	\$0.3849	\$0.3489	\$0.0360	\$19,536	\$72,691
3	May (Projected)	428,849	\$0.4394	\$0.3489	\$0.0905	\$38,805	\$111,496
4	June (Projected)	263,723	\$0.4211	\$0.3489	\$0.0722	\$19,044	\$130,540
5	Current Quarter Total	<u>1,235,176</u>				<u>\$77,385</u>	
6							
7							
8							
9							
10	<u>Forecast Volumes and Forecast Prices</u>			<b>Proposed</b> Reference Price			
11	July 2011 (Forecast)	227,822	\$0.4264	\$0.4423	(\$0.0159)	(\$3,622)	\$126,918
12	August (Forecast)	199,741	\$0.4317	\$0.4423	(\$0.0106)	(\$2,117)	\$124,801
13	September (Forecast)	294,699	\$0.4263	\$0.4423	(\$0.0160)	(\$4,715)	\$120,086
14	October (Forecast)	665,429	\$0.4318	\$0.4423	(\$0.0105)	(\$6,987)	\$113,099
15	November (Forecast)	967,362	\$0.4338	\$0.4423	(\$0.0085)	(\$8,223)	\$104,876
16	December (Forecast)	1,299,538	\$0.4418	\$0.4423	(\$0.0005)	(\$650)	\$104,226
17	January 2012 (Forecast)	1,291,508	\$0.4441	\$0.4423	\$0.0018	\$2,325	\$106,551
18	February (Forecast)	1,041,452	\$0.4349	\$0.4423	(\$0.0074)	(\$7,707)	\$98,844
19	March (Forecast)	998,646	\$0.4257	\$0.4423	(\$0.0166)	(\$16,578)	\$82,266
20	April (Forecast)	621,377	\$0.3847	\$0.4423	(\$0.0576)	(\$35,791)	\$46,475
21	May (Forecast)	432,226	\$0.3745	\$0.4423	(\$0.0678)	(\$29,305)	\$17,170
22	June (Forecast)	267,427	\$0.3782	\$0.4423	(\$0.0641)	(\$17,142)	\$28
23	Total July 2011 to June 2012	<u>8,307,227</u>				<u>(\$130,512)</u>	

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA**  
**PROPANE COST DEFERRAL ACCOUNT**  
**FOR THE PERIOD ENDING JUNE 30, 2013**  
**WITH PROPOSED REFERENCE PRICE EFFECTIVE JULY 1, 2011**  
**(MAY 24, 2011 FORWARD PRICES BASED ON NYMEX 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	June 2012 Balance (Forecast)						\$28
2	July (Forecast)	231,064	\$0.3843	\$0.4423	(\$0.0580)	(\$13,402)	(\$13,374)
3	August (Forecast)	202,336	\$0.3903	\$0.4423	(\$0.0520)	(\$10,521)	(\$23,895)
4	September (Forecast)	297,663	\$0.3854	\$0.4423	(\$0.0569)	(\$16,937)	(\$40,832)
5	October (Forecast)	668,878	\$0.3912	\$0.4423	(\$0.0511)	(\$34,180)	(\$75,012)
6	November (Forecast)	973,031	\$0.4172	\$0.4423	(\$0.0251)	(\$24,423)	(\$99,435)
7	December (Forecast)	1,305,806	\$0.4188	\$0.4423	(\$0.0235)	(\$30,686)	(\$130,121)
8	January 2013 (Forecast)	1,301,065	\$0.4090	\$0.4423	(\$0.0333)	(\$43,325)	(\$173,446)
9	February (Forecast)	1,050,339	\$0.4117	\$0.4423	(\$0.0306)	(\$32,140)	(\$205,586)
10	March (Forecast)	1,007,021	\$0.4129	\$0.4423	(\$0.0294)	(\$29,606)	(\$235,192)
11	April (Forecast)	629,072	\$0.3728	\$0.4423	(\$0.0695)	(\$43,721)	(\$278,913)
12	May (Forecast)	435,838	\$0.3668	\$0.4423	(\$0.0755)	(\$32,906)	(\$311,819)
13	June (Forecast)	<u>271,254</u>	\$0.3705	\$0.4423	(\$0.0718)	<u>(\$19,476)</u>	(\$331,295)
14	Total July 2012 to June 2013	<u><u>8,373,366</u></u>				<u><u>(\$331,323)</u></u>	

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA**  
**JULY 1, 2011 PROPOSED PROPANE COST INCREASE**  
**TYPICAL ANNUAL CONSUMPTION**  
**(MAY 24, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)**

Line No.	Particulars	Rate 1 - Residential				Rate 2 - Small Commercial				Rate 3 - Large Commercial			
		Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase
1	REVELSTOKE PROPANE												
2	- INLAND SERVICE AREA												
3													
4	<b>Existing:</b>												
5													
6	Delivery Margin Related Charges												
7	Basic Charge		\$11.84	\$142.08			\$24.84	\$298.08			\$132.52	\$1,590.24	
8	Delivery Margin Related Charge	50.0	\$3.207	\$160.35		250.0	\$2.658	\$664.50		4,500.0	\$2.270	\$10,215.00	
9													
10	Cost of Gas (Commodity Related Charges)												
11	Cost of Gas Recovery Related Charges	50.0	\$15.214	<u>\$760.70</u>		250.0	\$14.123	<u>\$3,530.75</u>		4,500.0	\$14.123	<u>\$63,553.50</u>	
12													
13	Typical Annual Bill at Current Rates (excluding												
14	any applicable Taxes)	<u>50.0</u>		<u>\$1,063.13</u>		<u>250.0</u>		<u>\$4,493.33</u>		<u>4,500.0</u>		<u>\$75,358.74</u>	
15													
16													
17	Proposed Changes July 1, 2011:												
18													
19	Delivery Margin Related Charge		\$0.000	\$0.00	0.0%		\$0.000	\$0.00	0.0%		\$0.000	\$0.00	0.0%
20	Cost of Gas Recovery Related Charge		<u>\$3.821</u>	<u>\$191.05</u>	18.0%		<u>\$3.821</u>	<u>\$955.25</u>	21.3%		<u>\$3.821</u>	<u>\$17,194.50</u>	22.8%
21	Total Charges		\$3.821	\$191.05	18.0%		\$3.821	\$955.25	21.3%		\$3.821	\$17,194.50	22.8%
22													
23	Typical Annual Bill after Proposed Rates (excluding												
24	any applicable Taxes)			<u>\$1,254.18</u>	18.0%			<u>\$5,448.58</u>	21.3%			<u>\$92,553.24</u>	22.8%



**FORTISBC ENERGY INC. - INLAND SERVICE AREA (APPLICABLE TO REVELSTOKE CUSTOMERS)**  
**EFFECT ON REVELSTOKE RATE SCHEDULE 1, 2, AND 3 CUSTOMERS AS OF JULY 1, 2011 RATE CHANGES**  
**BCUC ORDER NO. G-XXX-11**

Line No.	PARTICULARS	EXISTING JAN 1, 2011 RATES			Proposed JUL 1, 2011 RATES			Increase / Decrease		
		Volume	Rate	Annual \$	Volume	Rate	Annual \$	Rate	Annual \$	% of Previous Annual Bill
1	<b>INLAND SERVICE AREA</b>									
2										
3	<b>Rate 1 - Residential</b>									
4	<u>Delivery Margin Related Charges</u>									
5	Basic Charge	12 months	x \$11.84	= \$142.08	12 months	x \$11.84	= \$142.08	\$0.00	\$0.00	0.00%
6										
7	Delivery Charge	50.0	GJ x \$3.275	= 163.7500	50.0	GJ x \$3.275	= 163.7500	\$0.000	0.0000	0.00%
8	Rider 2 ROE and Capital Structure Recovery	50.0	GJ x \$0.000	= 0.0000	50.0	GJ x \$0.000	= 0.0000	\$0.000	0.0000	0.00%
9	Rider 3 ESM	50.0	GJ x (\$0.048)	= (2.4000)	50.0	GJ x (\$0.048)	= (2.4000)	\$0.000	0.0000	0.00%
10	Rider 5 RSAM	50.0	GJ x (\$0.020)	= (1.0000)	50.0	GJ x (\$0.020)	= (1.0000)	\$0.000	0.0000	0.00%
11	Subtotal Delivery Margin Related Charges			<b>\$302.43</b>			<b>\$302.43</b>		<b>\$0.00</b>	<b>0.00%</b>
12										
13	<u>Commodity Related Charges</u>									
14	Midstream Cost Recovery Charge	50.0	GJ x \$1.315	= \$65.7500	50.0	GJ x \$1.315	= \$65.7500	\$0.000	\$0.0000	0.00%
15	Cost of Gas	50.0	GJ x \$4.568	= 228.4000	50.0	GJ x \$4.568	= 228.4000	\$0.000	0.0000	0.00%
16	Rider 1 Propane Surcharge	50.0	GJ x \$9.331	= 466.5500	50.0	GJ x \$13.152	= 657.6000	\$3.821	191.0500	17.97%
17	Subtotal Commodity Related Charges			<b>\$760.70</b>			<b>\$951.75</b>		<b>\$191.05</b>	<b>17.97%</b>
18										
19	<i>Total (with effective \$/GJ rate)</i>	<u>50.0</u>		<u>\$21.263</u>	<u>50.0</u>		<u>\$25.084</u>	<u>\$3.821</u>	<u>\$191.05</u>	<u>17.97%</u>
20										
21	<b>Rate 2 - Small Commercial</b>									
22	<u>Delivery Margin Related Charges</u>									
23	Basic Charge	12 months	x \$24.84	= \$298.08	12 months	x \$24.84	= \$298.08	\$0.00	\$0.00	0.00%
24										
25	Delivery Charge	250.0	GJ x \$2.714	= 678.5000	250.0	GJ x \$2.714	= 678.5000	\$0.000	0.0000	0.00%
26	Rider 2 ROE and Capital Structure Recovery	250.0	GJ x \$0.000	= 0.0000	250.0	GJ x \$0.000	= 0.0000	\$0.000	0.0000	0.00%
27	Rider 3 ESM	250.0	GJ x (\$0.036)	= (9.0000)	250.0	GJ x (\$0.036)	= (9.0000)	\$0.000	0.0000	0.00%
28	Rider 5 RSAM	250.0	GJ x (\$0.020)	= (5.0000)	250.0	GJ x (\$0.020)	= (5.0000)	\$0.000	0.0000	0.00%
29	Subtotal Delivery Margin Related Charges			<b>\$962.58</b>			<b>\$962.58</b>		<b>\$0.00</b>	<b>0.00%</b>
30										
31	<u>Commodity Related Charges</u>									
32	Midstream Cost Recovery Charge	250.0	GJ x \$1.301	= \$325.2500	250.0	GJ x \$1.301	= \$325.2500	\$0.000	\$0.0000	0.00%
33	Cost of Gas	250.0	GJ x \$4.568	= 1,142.0000	250.0	GJ x \$4.568	= 1,142.0000	\$0.000	0.0000	0.00%
34	Rider 1 Propane Surcharge	250.0	GJ x \$8.254	= 2,063.5000	250.0	GJ x \$12.075	= 3,018.7500	\$3.821	955.2500	21.26%
35	Subtotal Commodity Related Charges			<b>\$3,530.75</b>			<b>\$4,486.00</b>		<b>\$955.25</b>	<b>21.26%</b>
36										
37	<i>Total (with effective \$/GJ rate)</i>	<u>250.0</u>		<u>\$17.973</u>	<u>250.0</u>		<u>\$21.794</u>	<u>\$3.821</u>	<u>\$955.25</u>	<u>21.26%</u>
38										
39	<b>Rate 3 - Large Commercial</b>									
40	<u>Delivery Margin Related Charges</u>									
41	Basic Charge	12 months	x \$132.52	= \$1,590.24	12 months	x \$132.52	= \$1,590.24	\$0.00	\$0.00	0.00%
42										
43	Delivery Charge	4,500.0	GJ x \$2.318	= 10,431.0000	4,500.0	GJ x \$2.318	= 10,431.0000	\$0.000	0.0000	0.00%
44	Rider 2 ROE and Capital Structure Recovery	4,500.0	GJ x \$0.000	= 0.0000	4,500.0	GJ x \$0.000	= 0.0000	\$0.000	0.0000	0.00%
45	Rider 3 ESM	4,500.0	GJ x (\$0.028)	= (126.0000)	4,500.0	GJ x (\$0.028)	= (126.0000)	\$0.000	0.0000	0.00%
46	Rider 5 RSAM	4,500.0	GJ x (\$0.020)	= (90.0000)	4,500.0	GJ x (\$0.020)	= (90.0000)	\$0.000	0.0000	0.00%
47	Subtotal Delivery Margin Related Charges			<b>\$11,805.24</b>			<b>\$11,805.24</b>		<b>\$0.00</b>	<b>0.00%</b>
48										
49	<u>Commodity Related Charges</u>									
50	Midstream Cost Recovery Charge	4,500.0	GJ x \$0.999	= \$4,495.5000	4,500.0	GJ x \$0.999	= \$4,495.5000	\$0.000	\$0.0000	0.00%
51	Cost of Gas	4,500.0	GJ x \$4.568	= 20,556.0000	4,500.0	GJ x \$4.568	= 20,556.0000	\$0.000	0.0000	0.00%
52	Rider 1 Propane Surcharge	4,500.0	GJ x \$8.556	= 38,502.0000	4,500.0	GJ x \$12.377	= 55,696.5000	\$3.821	17,194.5000	22.82%
53	Subtotal Commodity Related Charges			<b>\$63,553.50</b>			<b>\$80,748.00</b>		<b>\$17,194.50</b>	<b>22.82%</b>
54										
55	<i>Total (with effective \$/GJ rate)</i>	<u>4,500.0</u>		<u>\$16.746</u>	<u>4,500.0</u>		<u>\$20.567</u>	<u>\$3.821</u>	<u>\$17,194.50</u>	<u>22.82%</u>

Notes: Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA**  
**PROPANE FLOATING PRICES**  
 Forward Prices: MAY 24, 2011

<b>CRUDE OIL FUTURES</b>		
<b>Month</b>	<b>Crude Oil Future Prices (US \$ per Barrel)</b>	<b>Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)</b>
Jul-11	\$99.59	\$0.3529
Aug-11	\$100.06	\$0.3620
Sep-11	\$100.48	\$0.4017
Oct-11	\$100.79	\$0.4122
Nov-11	\$101.02	\$0.4289
Dec-11	\$101.21	\$0.4578
Jan-12	\$101.30	\$0.4711
Feb-12	\$101.34	\$0.4636
Mar-12	\$101.35	\$0.4318
Apr-12	\$101.35	\$0.4126
May-12	\$101.35	\$0.4050
Jun-12	\$101.35	\$0.3823
Jul-12	\$101.25	\$0.3625
Aug-12	\$101.09	\$0.3697
Sep-12	\$100.95	\$0.4079
Oct-12	\$100.84	\$0.4170
Nov-12	\$100.74	\$0.4310
Dec-12	\$100.70	\$0.4596
Jan-13	\$100.47	\$0.4723
Feb-13	\$100.28	\$0.4646
Mar-13	\$100.12	\$0.4324
Apr-13	\$99.98	\$0.4096
May-13	\$99.86	\$0.4039
Jun-13	\$99.75	\$0.3808

<b>PROPANE SWAP PRICES</b>		
<b>Month</b>	<b>Propane Swap Prices (US \$ per Gallon)</b>	<b>Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)</b>
Jul-11	\$1.48	\$0.4264
Aug-11	\$1.48	\$0.4317
Sep-11	\$1.49	\$0.4263
Oct-11	\$1.49	\$0.4318
Nov-11	\$1.50	\$0.4338
Dec-11	\$1.50	\$0.4418
Jan-12	\$1.51	\$0.4441
Feb-12	\$1.47	\$0.4349
Mar-12	\$1.39	\$0.4257
Apr-12	\$1.31	\$0.3847
May-12	\$1.30	\$0.3745
Jun-12	\$1.30	\$0.3782
Jul-12	\$1.30	\$0.3843
Aug-12	\$1.31	\$0.3903
Sep-12	\$1.31	\$0.3854
Oct-12	\$1.32	\$0.3912
Nov-12	\$1.32	\$0.4172
Dec-12	\$1.33	\$0.4188
Jan-13	\$1.25	\$0.4090
Feb-13	\$1.25	\$0.4117
Mar-13	\$1.25	\$0.4129
Apr-13	\$1.25	\$0.3728
May-13	\$1.25	\$0.3668
Jun-13	\$1.25	\$0.3705

<b>50% CRUDE OIL FUTURES &amp; 50% PROPANE SWAP PRICES</b>	
<b>Month</b>	<b>Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)</b>
Jul-11	\$0.3897
Aug-11	\$0.3969
Sep-11	\$0.4140
Oct-11	\$0.4220
Nov-11	\$0.4313
Dec-11	\$0.4498
Jan-12	\$0.4576
Feb-12	\$0.4492
Mar-12	\$0.4288
Apr-12	\$0.3986
May-12	\$0.3897
Jun-12	\$0.3802
Jul-12	\$0.3734
Aug-12	\$0.3800
Sep-12	\$0.3967
Oct-12	\$0.4041
Nov-12	\$0.4241
Dec-12	\$0.4392
Jan-13	\$0.4407
Feb-13	\$0.4382
Mar-13	\$0.4226
Apr-13	\$0.3912
May-13	\$0.3854
Jun-13	\$0.3757

Notes: US-Cdn exchange rates source - Barclays Bank dated May 24, 2011.



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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER**

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**DRAFT ORDER**

IN THE MATTER OF  
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by FortisBC Energy Inc.  
Regarding the 2011 Second Quarter Gas Cost Report and  
Propane Commodity Charges effective July 1, 2011  
for the Revelstoke Service Area

**BEFORE:**

[Date]

**WHEREAS:**

- A. By Order No. G-189-10 dated December 10, 2010, the British Columbia Utilities Commission (the Commission) increased the propane commodity rates for the FortisBC Energy Inc. (FEI) Revelstoke service area (Revelstoke) effective January 1, 2011;
- B. On June 2, 2011, FEI filed its 2011 Second Quarter Gas Cost Report for Revelstoke (the 2011 Second Quarter Report);
- C. FEI provided three sets of forward prices for the forecast cost of propane. One forecast based 50 percent on the NYMEX West Texas Intermediate (WTI) light sweet crude oil futures and 50 percent on the NYMEX B0 – Mt. Belvieu propane swap prices, the second based 100 percent on the NYMEX WTI light sweet crude oil futures, and the third based 100 percent on the NYMEX B0 – Mt. Belvieu propane swap prices;
- D. Using a propane price forecast based on an average of 50 percent of the May 24, 2011 NYMEX WTI light sweet crude oil futures and 50 percent of the May 24, 2011 NYMEX B0 - Mt. Belvieu propane swap prices, and based on the existing rates, the projected pre-tax deferral balance at June 30, 2011 of \$121,315 deficit is forecast to change to a pre-tax deficit balance of \$800,384 at June 30, 2012. The rate change trigger mechanism is calculated to be 78.4 percent which does not fall within the deadband range of 95 percent to 105 percent;

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UTILITIES COMMISSION**

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- E. Using a propane price forecast based on May 24, 2011 NYMEX WTI light sweet crude oil futures, and based on the existing rates, the projected pre-tax deferral balance at June 30, 2011 of \$112,090 deficit is forecast to change to a pre-tax deficit balance of \$825,036 at June 30, 2012. The rate change trigger mechanism is calculated to be 77.8 percent which does not fall within the deadband range of 95 percent to 105 percent;
- F. Using a propane price forecast based on May 24, 2011 NYMEX B0 - Mt. Belvieu propane swap prices, and based on the existing rates, the projected pre-tax deferral balance at June 30, 2011 of \$130,540 deficit is forecast to change to a pre-tax deficit balance of \$775,924 at June 30, 2012. The rate change trigger mechanism is calculated to be 78.9 percent which does not fall within the deadband range of 95 percent to 105 percent;
- G. In the 2011 Second Quarter Report, FEI indicates that all three forecasts indicate that current propane cost recovery rates will under recover costs and requests approval of a propane rate, that is based on a propane price forecast using the May 24, 2011 NYMEX B0 - Mt. Belvieu propane swap prices, which would increase the propane reference price by \$0.0934 per litre, from \$0.3489 per litre to \$0.4423 per litre, effective July 1, 2011. This corresponds to a rate increase of \$3.821 per gigajoule;
- H. The proposed propane rate change, effective July 1, 2011, equates to an increase to a typical residential customer's annual bill, based on an annual consumption of 50 GJ, of approximately \$191 or 18 percent;
- I. FEI requests that the forecast gas cost information for Revelstoke in Tab 5 of the Application be held confidential on the basis that it is market sensitive information;
- J. The Commission has determined that the requested changes to the propane reference price and propane rate for Revelstoke should be approved.

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

1. The Commission approves a propane reference price increase of \$0.0934 per litre to \$0.4423 per litre, which corresponds to an increase of \$3.821 per gigajoule in customer rates, effective July 1, 2011.
2. FEI will notify all customers that are affected by the rate change by way of a bill insert or bill message.
3. The Commission will hold the gas cost information for Revelstoke in Tab 5 of the Application confidential.

**DATED** at the City of Vancouver, In the Province of British Columbia, this        day of June, 2011.

BY ORDER