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June 30, 2011

British Columbia Hydro and Power Authority
333 Dunsmuir Street
Vancouver, BC
V6B 5R3

Attention: Ms. Janet Fraser, Chief Regulatory Officer

Dear Ms. Fraser:

Re: FortisBC Energy Utilities ("FEU") 2012 and 2013 Revenue Requirements and Natural Gas Rates Application

Response to the British Columbia Hydro and Power Authority ("BC Hydro") Information Request ("IR") No. 1

On May 4, 2011, the FEU filed the Application as referenced above. In accordance with Commission Order No. G-81-11 setting out the Regulatory Timetable for the review of the Application, and further amended by Commission Letter No. L-45-11, the FEU respectfully submit the attached response to BC Hydro IR No. 1.

If there are any questions regarding the attached, please contact the undersigned.

Yours very truly,

on behalf of the FORTISBC ENERGY UTILITIES

Original signed:

Diane Roy

Attachment

cc (e-mail only): Alanna Gillis, Acting Commission Secretary
Registered Parties



FortisBC Energy Utilities ("FEU"), comprised of FortisBC Energy Inc. ("FEI" or "Mainland"), FortisBC Energy (Vancouver Island) Inc. ("FEVI" or "Vancouver Island"), FortisBC Energy (Whistler) Inc. ("FEW" or "Whistler"), and FortisBC Energy Inc. Fort Nelson Service Area ("Fort Nelson"), collectively also referred to as the "Companies" or the "Utilities" 2012-2013 Revenue Requirements and Natural Gas Rates Application	Submission Date: June 30, 2011
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1.0 Reference: Exhibit B-1, dated May 4, 2011, FortisBC Energy Utilities Application Letter, page 2, second bullet

- 1.1 Please confirm that the reference above proposes that the Transportation Service Tolls applicable to BC Hydro for service to the Island Generation Project at Campbell River for 2012 and 2013 will be fixed at the tolls currently approved and applicable in calendar 2011.

Response:

Confirmed; in this Application (Exhibit B-1), Vancouver Island is seeking approval for a continuation of the existing rates for BC Hydro. However, the FEU will be filing an Amalgamation and Phase 'A' Rate Design Application in Fall 2011, which may result in changes to 2013 rates should the rate proposals under that application differ.



FortisBC Energy Utilities ("FEU"), comprised of FortisBC Energy Inc. ("FEI" or "Mainland"), FortisBC Energy (Vancouver Island) Inc. ("FEVI" or "Vancouver Island"), FortisBC Energy (Whistler) Inc. ("FEW" or "Whistler"), and FortisBC Energy Inc. Fort Nelson Service Area ("Fort Nelson"), collectively also referred to as the "Companies" or the "Utilities" 2012-2013 Revenue Requirements and Natural Gas Rates Application	Submission Date: June 30, 2011
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2.0 Reference: Schedule 1, Demand and Interruptible Tolls for Transportation Service, effective January 1, 2010 (Attachment 1)

2.1 Please confirm that the current tolls referred to in IR No. 1.1 are those as per Schedule 1.

Response:

Confirmed.



FortisBC Energy Utilities ("FEU"), comprised of FortisBC Energy Inc. ("FEI" or "Mainland"), FortisBC Energy (Vancouver Island) Inc. ("FEVI" or "Vancouver Island"), FortisBC Energy (Whistler) Inc. ("FEW" or "Whistler"), and FortisBC Energy Inc. Fort Nelson Service Area ("Fort Nelson"), collectively also referred to as the "Companies" or the "Utilities" 2012-2013 Revenue Requirements and Natural Gas Rates Application	Submission Date: June 30, 2011
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- 3.0 Reference:**
- A. Exhibit B-1, Section 7, TAB 7.2, Schedules 15 and 17;**
 - B. Schedule 1, Demand and Interruptible Tolls for Transportation Service, effective January 1, 2010 (Attachment 1)**

3.1 Please explain why the tolls shown on the schedules identified in Reference A above are not the same as the Demand Tolls for Firm Transportation Service in Schedule 1 (Reference B above), i.e. \$0.907/GJ vs. \$0.858/GJ. Please confirm that the contract demand used for the calculations in the Reference A schedules is 45 TJ/day, and that no Interruptible Transportation Service revenues have been assumed for Island Generation in FortisBC Energy (Vancouver Island) Inc.'s (FEVI) 2012 and 2013 revenue forecast of \$14,903,000 for transportation service to Island Generation.



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Attachment 1

**Terasen Gas (Vancouver Island) Inc.
Tariff Supplement – Transportation Service Agreement**

SCHEDULE 1

Demand Tolls for Firm Transportation Service and

Interruptible Tolls for Interruptible Transportation Service

Demand Toll	\$0.858 per GJ per Day
Interruptible Toll (summer)	\$0.858 per GJ per Day
Interruptible Toll (winter)	\$1.358 per GJ per Day

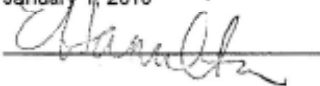
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Accepted: JAN 15 2010

Order No.: G-140-09/G-158-09

Issued By: Tom Loski, Chief Regulatory Officer

Effective Date: January 1, 2010

BCUC Secretary: 

Tariff Supplement No. 1
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FortisBC Energy Utilities ("FEU"), comprised of FortisBC Energy Inc. ("FEI" or "Mainland"), FortisBC Energy (Vancouver Island) Inc. ("FEVI" or "Vancouver Island"), FortisBC Energy (Whistler) Inc. ("FEW" or "Whistler"), and FortisBC Energy Inc. Fort Nelson Service Area ("Fort Nelson"), collectively also referred to as the "Companies" or the "Utilities" 2012-2013 Revenue Requirements and Natural Gas Rates Application	Submission Date: June 30, 2011
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Response:

Please refer to BCH IR 1.2.1.

FEVI has proposed that the demand toll for BC Hydro Firm Transportation Service in 2012 and 2013 remains at the current rate of \$0.858/GJ. The contract demand used for the calculations is 45 TJ/day, and Interruptible Transportation Service revenues have not been included in the FEVI 2012 and 2013 revenue forecasts.

Reference A (Schedules 15 and 17 of Tab 7.2 of the Application, Exhibit B-1) inadvertently included Motor Fuel Tax ("MFT") and Odorant Costs in the forecasted Transportation Revenue for years 2012 to 2013 and is the cause of the difference between the effective rate stated in Reference A and the demand toll of \$0.858/GJ in Reference B.

Amended Schedules 15 and 17 of Tab 7.2 will be filed when FEVI files an Evidentiary Update.