

September 1, 2011

British Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, BC
V6Z 2N3Attention: Ms. Alanna Gillis, Acting Commission Secretary

Dear Ms. Gillis:

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

FortisBC Energy Inc. (“FEI” or the “Company”) hereby submits to the British Columbia Utilities Commission (the “Commission”) the 2011 Third 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 August 22, 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 August 22, 2011 forward prices, using an average of 50% NYMEX WTI Light Sweet Crude Oil futures and 50% NYMEX B0 – Mt. Belvieu Propane Swap prices, and based on the current rates, the projected deferral account balance at September 30, 2011 is \$183,478 deficit (pre-tax), and the forecast balance at September 30, 2012 is \$63,308 surplus (pre-tax). The rate change trigger mechanism is calculated to be 101.7%.

As shown at Tab 2, Page 1, based on the August 22, 2011 forward prices, using NYMEX WTI Light Sweet Crude Oil futures, and based on the current rates, the projected deferral account balance at September 30, 2011 is \$173,724 deficit (pre-tax), and the forecast balance at September 30, 2012 is \$261,220 surplus (pre-tax). The rate change trigger mechanism is calculated to be 107.7%.

As shown at Tab 3, Page 1, based on the August 22, 2011 forward prices, using NYMEX B0 – Mt. Belvieu Propane Swap prices, and based on the current rates, the projected deferral account balance at September 30, 2011 is \$193,233 deficit (pre-tax), and the forecast balance at September 30, 2012 is \$135,129 deficit (pre-tax). The rate change trigger mechanism is calculated to be 96.5%.

The forecast based the NYMEX WTI Light Sweet Crude Oil futures indicates an over recovery of costs at current recovery rates which falls just outside the 105% mark of the deadband range, while the forecast based on the NYMEX B0 – Mt. Belvieu Propane Swap prices indicates an under recovery of costs at current recovery rates which falls just inside the 95% mark of the deadband range. Further, the forecast based on an average of 50% NYMEX WTI Light Sweet Crude Oil futures and 50% NYMEX B0 – Mt. Belvieu Propane Swap prices provides a rate change trigger ratio of 101.7% which falls well within the 95% to 105% deadband range. The results from the propane cost forecasts based on the three sets of forward prices indicate that a rate change is not required at this time

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

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

CONFIDENTIALITY

Consistent with past practice and previous discussions and positions on the confidentiality of selected filings (and further emphasized in the Company's January 31, 1994 submission to the Commission) FEI is requesting that this information be filed on a confidential basis pursuant to Section 71(5) of the *Utilities Commission Act* and requests that the Commission exercise its discretion under Section 6.0 of the Rules for Natural Gas Energy Supply Contracts and allow these documents to remain confidential. 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 proposes that the propane reference price for use in the Revelstoke Propane Cost Deferral Account and customer rates remain unchanged at October 1, 2011. The Company will continue to monitor the forward prices and will report these results in the 2011 Fourth Quarter Gas Cost Report.

In addition, and subsequent to prior discussions with Commission staff, FEI notes that the 2011 Fourth Quarter Gas Cost Report will be filed approximately two weeks earlier than normal to support the conversion to the Company's new Customer Information System ("CIS") which goes live January 1, 2012. FEI requires rates, effective January 1, 2012, be approved by December 1, 2011 in order to allow sufficient time for the input and testing of

the customer billing functionality within the new CIS. The Company anticipates filing the 2011 Fourth Quarter Gas Cost Report with the Commission on November 18, 2011.

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: Brian Noel

For: Diane Roy
Attachments

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

Tab 1

Page 1

FOR THE PERIOD ENDING SEPTEMBER 30, 2012

WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-105-11)

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

Line No.	Particulars (1)	Volumes In Litre (2)	Average Price Per Litre (3)	Approved Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	June 30, 2011 Balance (Recorded)						\$199,556
2	July (Estimated) ^(A)	108,566	\$0.3960	\$0.4423	(\$0.0463)	(\$5,024)	\$194,532
3	August (Projected)	199,741	\$0.4357	\$0.4423	(\$0.0066)	(\$1,319)	\$193,213
4	September (Projected)	294,699	\$0.4093	\$0.4423	(\$0.0330)	(\$9,735)	\$183,478
5	Current Quarter Total	<u>603,006</u>				<u>(\$16,078)</u>	
6							
7	<u>Forecast Volumes and Forecast Prices</u>						
8	October 2011 (Forecast)	665,429	\$0.4107	\$0.4423	(\$0.0316)	(\$21,028)	\$162,450
9	November (Forecast)	967,362	\$0.4210	\$0.4423	(\$0.0213)	(\$20,605)	\$141,845
10	December (Forecast)	1,299,538	\$0.4299	\$0.4423	(\$0.0124)	(\$16,114)	\$125,731
11	January (Forecast)	1,291,508	\$0.4397	\$0.4423	(\$0.0026)	(\$3,358)	\$122,373
12	February (Forecast)	1,041,452	\$0.4359	\$0.4423	(\$0.0064)	(\$6,665)	\$115,708
13	March (Forecast)	998,646	\$0.4123	\$0.4423	(\$0.0300)	(\$29,959)	\$85,749
14	April 2012 (Forecast)	621,377	\$0.3757	\$0.4423	(\$0.0666)	(\$41,384)	\$44,365
15	May (Forecast)	432,226	\$0.3671	\$0.4423	(\$0.0752)	(\$32,503)	\$11,862
16	June (Forecast)	267,427	\$0.3589	\$0.4423	(\$0.0834)	(\$22,303)	(\$10,441)
17	July (Forecast)	231,064	\$0.3605	\$0.4423	(\$0.0818)	(\$18,901)	(\$29,342)
18	August (Forecast)	202,336	\$0.3677	\$0.4423	(\$0.0746)	(\$15,094)	(\$44,436)
19	September (Forecast)	297,663	\$0.3789	\$0.4423	(\$0.0634)	(\$18,872)	(\$63,308)
20	Total October 2011 to September 2012	<u>8,316,028</u>				<u>(\$246,786)</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]			=	\$3,678,179		
25	September 30, 2011 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)			=	<u>\$3,614,927</u>	101.7%	

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

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

Tab 1

Page 2

FOR THE PERIOD ENDING SEPTEMBER 30, 2013

WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-105-11)

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

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	September 2012 Balance (Forecast)						(\$63,308)
2	October (Forecast)	668,878	\$0.3882	\$0.4423	(\$0.0541)	(\$36,186)	(\$99,494)
3	November (Forecast)	973,031	\$0.3905	\$0.4423	(\$0.0518)	(\$50,403)	(\$149,897)
4	December (Forecast)	1,305,806	\$0.4049	\$0.4423	(\$0.0374)	(\$48,837)	(\$198,734)
5	January 2013 (Forecast)	1,301,065	\$0.4170	\$0.4423	(\$0.0253)	(\$32,917)	(\$231,651)
6	February (Forecast)	1,050,339	\$0.4099	\$0.4423	(\$0.0324)	(\$34,031)	(\$265,682)
7	March (Forecast)	1,007,021	\$0.3757	\$0.4423	(\$0.0666)	(\$67,068)	(\$332,750)
8	April (Forecast)	629,072	\$0.3657	\$0.4423	(\$0.0766)	(\$48,187)	(\$380,937)
9	May (Forecast)	435,838	\$0.3587	\$0.4423	(\$0.0836)	(\$36,436)	(\$417,373)
10	June (Forecast)	271,254	\$0.3501	\$0.4423	(\$0.0922)	(\$25,010)	(\$442,383)
11	July (Forecast)	234,416	\$0.3504	\$0.4423	(\$0.0919)	(\$21,543)	(\$463,926)
12	August (Forecast)	205,121	\$0.3554	\$0.4423	(\$0.0869)	(\$17,825)	(\$481,751)
13	September (Forecast)	<u>300,782</u>	\$0.3657	\$0.4423	(\$0.0766)	<u>(\$23,040)</u>	(\$504,791)
14	Total October 2012 to September 2013	<u><u>8,382,623</u></u>				<u><u>(\$441,483)</u></u>	

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

FORECAST AVERAGE COST OF PROPANE

FOR THE PERIOD ENDING SEPTEMBER 30, 2012

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

Line No.	Particulars	Sales Volume (Litres)	Fixed Price Volume (Litres)	Variable Volume (Litres)	Fixed Price (\$/litre)	Variable Price (\$/litre)	Fixed Charges (\$)	Variable Charges (\$)	Total (\$)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	October 2011 (Forecast)	665,429	-	665,429	\$ -	\$ 0.4107	\$ -	\$ 273,287	\$ 273,287
2	November (Forecast)	967,362	460,000	507,362	\$ 0.4306	\$ 0.4124	\$ 198,059	\$ 209,244	\$ 407,303
3	December (Forecast)	1,299,538	460,000	839,538	\$ 0.4306	\$ 0.4295	\$ 198,059	\$ 360,616	\$ 558,675
4	January (Forecast)	1,291,508	460,000	831,508	\$ 0.4306	\$ 0.4448	\$ 198,059	\$ 369,833	\$ 567,892
5	February (Forecast)	1,041,452	460,000	581,452	\$ 0.4306	\$ 0.4400	\$ 198,059	\$ 255,861	\$ 453,919
6	March (Forecast)	998,646	460,000	538,646	\$ 0.4306	\$ 0.3968	\$ 198,059	\$ 213,733	\$ 411,791
7	April 2012 (Forecast)	621,377	-	621,377	\$ -	\$ 0.3757	\$ -	\$ 233,437	\$ 233,437
8	May (Forecast)	432,226	-	432,226	\$ -	\$ 0.3671	\$ -	\$ 158,678	\$ 158,678
9	June (Forecast)	267,427	-	267,427	\$ -	\$ 0.3589	\$ -	\$ 95,985	\$ 95,985
10	July (Forecast)	231,064	-	231,064	\$ -	\$ 0.3605	\$ -	\$ 83,298	\$ 83,298
11	August (Forecast)	202,336	-	202,336	\$ -	\$ 0.3677	\$ -	\$ 74,398	\$ 74,398
12	September (Forecast)	297,663	-	297,663	\$ -	\$ 0.3789	\$ -	\$ 112,785	\$ 112,785
13	Total October 2011 to September 2012	8,316,028	2,300,000	6,016,028			\$ 990,294	\$ 2,441,155	\$ 3,431,449
14									
15	Forecast Average Cost of Propane - (\$/Litre)^(A)								\$ 0.4126
16									
17	Forecast Average Cost of Propane - (\$/GJ)^(A)								\$ 16.122
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 DECREASE FLOWTHROUGH
 FOR THE PERIOD ENDING SEPTEMBER 30, 2012**

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

Line No.	Particulars (1)	\$/Litre (2)	\$/GJ (3)
1	Calculation of New Propane Reference Price		
2			
3	i. Forecast average Cost of Propane (Tab 1, Page 3, Col.9, Line 15 and Line 17)		
4	October 1 2011 to September 30 2012	\$0.4126	\$16.122
5			
6	ii. Twelve months amortization of projected Deferral Account balance	<u>\$0.0221</u>	<u>\$0.862</u>
7			
8			
9			
10	Tested Reference Price	\$0.4347	\$16.984
11			
12	Existing Propane Reference Price	<u>\$0.4423</u>	<u>\$17.281</u>
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Decrease in Propane Reference Price to be flowed through in customers' rates	(\$0.0076)	(\$0.297)
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.70% ^(A)	(\$0.0004)	(\$0.016)
19			
20	Total Propane Cost Flowthrough ^(B)	<u>(\$0.0080)</u>	<u>(\$0.313)</u>
21	(Conversion factor 1 Litre = 0.025594 GJ)		
22			
23			
24			
25			
26	Note: (A) 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: (B)		
36	Projected Deferral Balance at Sep 30, 2011	\$0.0221	\$0.862
37	Total Propane Cost Oct 1 2011 to Sep 30, 2012	<u>(\$0.0301)</u>	<u>(\$1.175)</u>
38	Total Propane Cost Flowthrough	<u>(\$0.0080)</u>	<u>(\$0.313)</u>

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

Tab 1
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FOR THE PERIOD ENDING SEPTEMBER 30, 2012

WITH TESTED REFERENCE PRICE EFFECTIVE OCTOBER 1, 2011

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

Line No.	Particulars (1)	Volumes In Litre (2)	Average Price Per Litre (3)	Approved Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	June 30, 2011 Balance (Recorded)						\$199,556
2	July (Estimated) ^(A)	108,566	\$0.3960	\$0.4423	(\$0.0463)	(\$5,024)	\$194,532
3	August (Projected)	199,741	\$0.4357	\$0.4423	(\$0.0066)	(\$1,319)	\$193,213
4	September (Projected)	294,699	\$0.4093	\$0.4423	(\$0.0330)	(\$9,735)	\$183,478
5	Current Quarter Total	<u>603,006</u>				<u>(\$16,078)</u>	
6							
7				Tested			
8				Reference			
9				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	October 2011 (Forecast)	665,429	\$0.4107	\$0.4347	(\$0.0240)	(\$15,970)	\$167,508
12	November (Forecast)	967,362	\$0.4210	\$0.4347	(\$0.0137)	(\$13,253)	\$154,255
13	December (Forecast)	1,299,538	\$0.4299	\$0.4347	(\$0.0048)	(\$6,238)	\$148,017
14	January (Forecast)	1,291,508	\$0.4397	\$0.4347	\$0.0050	\$6,458	\$154,475
15	February (Forecast)	1,041,452	\$0.4359	\$0.4347	\$0.0012	\$1,250	\$155,725
16	March (Forecast)	998,646	\$0.4123	\$0.4347	(\$0.0224)	(\$22,370)	\$133,355
17	April 2012 (Forecast)	621,377	\$0.3757	\$0.4347	(\$0.0590)	(\$36,661)	\$96,694
18	May (Forecast)	432,226	\$0.3671	\$0.4347	(\$0.0676)	(\$29,218)	\$67,476
19	June (Forecast)	267,427	\$0.3589	\$0.4347	(\$0.0758)	(\$20,271)	\$47,205
20	July (Forecast)	231,064	\$0.3605	\$0.4347	(\$0.0742)	(\$17,145)	\$30,060
21	August (Forecast)	202,336	\$0.3677	\$0.4347	(\$0.0670)	(\$13,557)	\$16,503
22	September (Forecast)	297,663	\$0.3789	\$0.4347	(\$0.0558)	(\$16,610)	(\$107)
23	Total October 2011 to September 2012	<u>8,316,028</u>				<u>(\$183,585)</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 SEPTEMBER 30, 2013

WITH TESTED REFERENCE PRICE EFFECTIVE OCTOBER 1, 2011

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

Line No.	Particulars (1)	Volumes In Litre (2)	Average Price Per Litre (3)	Tested Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	September 2012 Balance (Forecast)						(\$107)
2	October (Forecast)	668,878	\$0.3882	\$0.4347	(\$0.0465)	(\$31,103)	(\$31,210)
3	November (Forecast)	973,031	\$0.3905	\$0.4347	(\$0.0442)	(\$43,008)	(\$74,218)
4	December (Forecast)	1,305,806	\$0.4049	\$0.4347	(\$0.0298)	(\$38,913)	(\$113,131)
5	January 2013 (Forecast)	1,301,065	\$0.4170	\$0.4347	(\$0.0177)	(\$23,029)	(\$136,160)
6	February (Forecast)	1,050,339	\$0.4099	\$0.4347	(\$0.0248)	(\$26,048)	(\$162,208)
7	March (Forecast)	1,007,021	\$0.3757	\$0.4347	(\$0.0590)	(\$59,414)	(\$221,622)
8	April (Forecast)	629,072	\$0.3657	\$0.4347	(\$0.0690)	(\$43,406)	(\$265,028)
9	May (Forecast)	435,838	\$0.3587	\$0.4347	(\$0.0760)	(\$33,124)	(\$298,152)
10	June (Forecast)	271,254	\$0.3501	\$0.4347	(\$0.0846)	(\$22,948)	(\$321,100)
11	July (Forecast)	234,416	\$0.3504	\$0.4347	(\$0.0843)	(\$19,761)	(\$340,861)
12	August (Forecast)	205,121	\$0.3554	\$0.4347	(\$0.0793)	(\$16,266)	(\$357,127)
13	September (Forecast)	<u>300,782</u>	\$0.3657	\$0.4347	(\$0.0690)	<u>(\$20,754)</u>	(\$377,881)
14	Total October 2012 to September 2013	<u><u>8,382,623</u></u>				<u><u>(\$377,774)</u></u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING SEPTEMBER 30, 2012
WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-105-11)
(AUGUST 22, 2011 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)	
1	June 30, 2011 Balance (Recorded)						\$199,556
2	July (Estimated) ^(A)	108,566	\$0.3960	\$0.4423	(\$0.0463)	(\$5,024)	\$194,532
3	August (Projected)	199,741	\$0.4337	\$0.4423	(\$0.0086)	(\$1,725)	\$192,807
4	September (Projected)	294,699	\$0.3775	\$0.4423	(\$0.0648)	(\$19,083)	\$173,724
5	Current Quarter Total	<u>603,006</u>				<u>(\$25,832)</u>	
6							
7	Forecast Volumes and Forecast Prices						
8	October 2011 (Forecast)	665,429	\$0.3735	\$0.4423	(\$0.0688)	(\$45,782)	\$127,942
9	November (Forecast)	967,362	\$0.3998	\$0.4423	(\$0.0425)	(\$41,113)	\$86,829
10	December (Forecast)	1,299,538	\$0.4140	\$0.4423	(\$0.0283)	(\$36,777)	\$50,052
11	January (Forecast)	1,291,508	\$0.4253	\$0.4423	(\$0.0170)	(\$21,956)	\$28,096
12	February (Forecast)	1,041,452	\$0.4241	\$0.4423	(\$0.0182)	(\$18,954)	\$9,142
13	March (Forecast)	998,646	\$0.3906	\$0.4423	(\$0.0517)	(\$51,630)	(\$42,488)
14	April 2012 (Forecast)	621,377	\$0.3404	\$0.4423	(\$0.1019)	(\$63,318)	(\$105,806)
15	May (Forecast)	432,226	\$0.3369	\$0.4423	(\$0.1054)	(\$45,557)	(\$151,363)
16	June (Forecast)	267,427	\$0.3196	\$0.4423	(\$0.1227)	(\$32,813)	(\$184,176)
17	July (Forecast)	231,064	\$0.3154	\$0.4423	(\$0.1269)	(\$29,322)	(\$213,498)
18	August (Forecast)	202,336	\$0.3284	\$0.4423	(\$0.1139)	(\$23,046)	(\$236,544)
19	September (Forecast)	297,663	\$0.3594	\$0.4423	(\$0.0829)	(\$24,676)	(\$261,220)
20	Total October 2011 to September 2012	<u>8,316,028</u>				<u>(\$434,944)</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]					\$3,678,179	
25	September 30, 2011 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)			=		<u>\$3,416,718</u>	107.7%

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 SEPTEMBER 30, 2013
WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-105-11)
(AUGUST 22, 2011 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

Tab 2

Page 2

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	September 2012 Balance (Forecast)						(\$261,220)
2	October (Forecast)	668,878	\$0.3706	\$0.4423	(\$0.0717)	(\$47,959)	(\$309,179)
3	November (Forecast)	973,031	\$0.3803	\$0.4423	(\$0.0620)	(\$60,328)	(\$369,507)
4	December (Forecast)	1,305,806	\$0.4093	\$0.4423	(\$0.0330)	(\$43,092)	(\$412,599)
5	January 2013 (Forecast)	1,301,065	\$0.4231	\$0.4423	(\$0.0192)	(\$24,980)	(\$437,579)
6	February (Forecast)	1,050,339	\$0.4164	\$0.4423	(\$0.0259)	(\$27,204)	(\$464,783)
7	March (Forecast)	1,007,021	\$0.3656	\$0.4423	(\$0.0767)	(\$77,239)	(\$542,022)
8	April (Forecast)	629,072	\$0.3474	\$0.4423	(\$0.0949)	(\$59,699)	(\$601,721)
9	May (Forecast)	435,838	\$0.3431	\$0.4423	(\$0.0992)	(\$43,235)	(\$644,956)
10	June (Forecast)	271,254	\$0.3247	\$0.4423	(\$0.1176)	(\$31,899)	(\$676,855)
11	July (Forecast)	234,416	\$0.3195	\$0.4423	(\$0.1228)	(\$28,786)	(\$705,641)
12	August (Forecast)	205,121	\$0.3308	\$0.4423	(\$0.1115)	(\$22,871)	(\$728,512)
13	September (Forecast)	<u>300,782</u>	\$0.3615	\$0.4423	(\$0.0808)	<u>(\$24,303)</u>	(\$752,815)
14	Total October 2012 to September 2013	<u><u>8,382,623</u></u>				<u><u>(\$491,595)</u></u>	

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

FORECAST AVERAGE COST OF PROPANE

FOR THE PERIOD ENDING SEPTEMBER 30, 2012

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

Line No.	Particulars	Sales Volume (Litres)	Fixed Price Volume (Litres)	Variable Volume (Litres)	Fixed Price (\$/litre)	Variable Price (\$/litre)	Fixed Charges (\$)	Variable Charges (\$)	Total (\$)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	October 2011 (Forecast)	665,429	-	665,429	\$ -	\$ 0.3735	\$ -	\$ 248,532	\$ 248,532
2	November (Forecast)	967,362	460,000	507,362	\$ 0.4306	\$ 0.3719	\$ 198,059	\$ 188,671	\$ 386,730
3	December (Forecast)	1,299,538	460,000	839,538	\$ 0.4306	\$ 0.4049	\$ 198,059	\$ 339,889	\$ 537,947
4	January (Forecast)	1,291,508	460,000	831,508	\$ 0.4306	\$ 0.4223	\$ 198,059	\$ 351,171	\$ 549,230
5	February (Forecast)	1,041,452	460,000	581,452	\$ 0.4306	\$ 0.4189	\$ 198,059	\$ 243,574	\$ 441,632
6	March (Forecast)	998,646	460,000	538,646	\$ 0.4306	\$ 0.3564	\$ 198,059	\$ 191,999	\$ 390,057
7	April 2012 (Forecast)	621,377	-	621,377	\$ -	\$ 0.3404	\$ -	\$ 211,502	\$ 211,502
8	May (Forecast)	432,226	-	432,226	\$ -	\$ 0.3369	\$ -	\$ 145,596	\$ 145,596
9	June (Forecast)	267,427	-	267,427	\$ -	\$ 0.3196	\$ -	\$ 85,463	\$ 85,463
10	July (Forecast)	231,064	-	231,064	\$ -	\$ 0.3154	\$ -	\$ 72,880	\$ 72,880
11	August (Forecast)	202,336	-	202,336	\$ -	\$ 0.3284	\$ -	\$ 66,445	\$ 66,445
12	September (Forecast)	297,663	-	297,663	\$ -	\$ 0.3594	\$ -	\$ 106,979	\$ 106,979
13	Total October 2011 to September 2012	<u>8,316,028</u>	<u>2,300,000</u>	<u>6,016,028</u>			<u>\$ 990,294</u>	<u>\$ 2,252,700</u>	<u>\$ 3,242,994</u>
14									
15	Forecast Average Cost of Propane - (\$/Litre)^(A)								<u>\$ 0.3900</u>
16									
17	Forecast Average Cost of Propane - (\$/GJ)^(A)								<u>\$ 15.237</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 DECREASE FLOWTHROUGH
FOR THE PERIOD ENDING SEPTEMBER 30, 2012
(AUGUST 22, 2011 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

Tab 2
 Page 4

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 and Line 17)		
4	October 1 2011 to September 30 2012	\$0.3900	\$15.237
5			
6	ii. Twelve months amortization of projected Deferral Account balance	<u>\$0.0209</u>	<u>\$0.816</u>
7			
8			
9			
10	Tested Reference Price	\$0.4109	\$16.053
11			
12	Existing Propane Reference Price	<u>\$0.4423</u>	<u>\$17.281</u>
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Decrease in Propane Reference Price to be flowed through in customers' rates	(\$0.0314)	(\$1.227)
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.70% ^(A)	(\$0.0015)	(\$0.059)
19			
20	Total Propane Cost Flowthrough ^(B)	<u>(\$0.0329)</u>	<u>(\$1.286)</u>
21	(Conversion factor 1 Litre = 0.025594 GJ)		
22			
23			
24			
25			
26	Note: (A) 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: (B)		
36	Projected Deferral Balance at Sep 30, 2011	\$0.0209	\$0.816
37	Total Propane Cost Oct 1 2011 to Sep 30, 2012	<u>(\$0.0538)</u>	<u>(\$2.102)</u>
38	Total Propane Cost Flowthrough	<u>(\$0.0329)</u>	<u>(\$1.286)</u>

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

Tab 2
Page 5

**FOR THE PERIOD ENDING SEPTEMBER 30, 2012
WITH TESTED REFERENCE PRICE EFFECTIVE OCTOBER 1, 2011
(AUGUST 22, 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 30, 2011 Balance (Recorded)						\$199,556
2	July (Estimated) ^(A)	108,566	\$0.3960	\$0.4423	(\$0.0463)	(\$5,024)	\$194,532
3	August (Projected)	199,741	\$0.4337	\$0.4423	(\$0.0086)	(\$1,725)	\$192,807
4	September (Projected)	294,699	\$0.3775	\$0.4423	(\$0.0648)	(\$19,083)	\$173,724
5	Current Quarter Total	<u>603,006</u>				<u>(\$25,832)</u>	
6							
7				Tested			
8				Reference			
9				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	October 2011 (Forecast)	665,429	\$0.3735	\$0.4109	(\$0.0374)	(\$24,887)	\$148,837
12	November (Forecast)	967,362	\$0.3998	\$0.4109	(\$0.0111)	(\$10,738)	\$138,099
13	December (Forecast)	1,299,538	\$0.4140	\$0.4109	\$0.0031	\$4,029	\$142,128
14	January (Forecast)	1,291,508	\$0.4253	\$0.4109	\$0.0144	\$18,598	\$160,726
15	February (Forecast)	1,041,452	\$0.4241	\$0.4109	\$0.0132	\$13,747	\$174,473
16	March (Forecast)	998,646	\$0.3906	\$0.4109	(\$0.0203)	(\$20,273)	\$154,200
17	April 2012 (Forecast)	621,377	\$0.3404	\$0.4109	(\$0.0705)	(\$43,807)	\$110,393
18	May (Forecast)	432,226	\$0.3369	\$0.4109	(\$0.0740)	(\$31,985)	\$78,408
19	June (Forecast)	267,427	\$0.3196	\$0.4109	(\$0.0913)	(\$24,416)	\$53,992
20	July (Forecast)	231,064	\$0.3154	\$0.4109	(\$0.0955)	(\$22,067)	\$31,925
21	August (Forecast)	202,336	\$0.3284	\$0.4109	(\$0.0825)	(\$16,693)	\$15,232
22	September (Forecast)	297,663	\$0.3594	\$0.4109	(\$0.0515)	(\$15,330)	(\$98)
23	Total October 2011 to September 2012	<u>8,316,028</u>				<u>(\$173,822)</u>	

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

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

Tab 2
Page 6

**FOR THE PERIOD ENDING SEPTEMBER 30, 2013
WITH TESTED REFERENCE PRICE EFFECTIVE OCTOBER 1, 2011
(AUGUST 22, 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)	Tested Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	September 2012 Balance (Forecast)						(\$98)
2	October (Forecast)	668,878	\$0.3706	\$0.4109	(\$0.0403)	(\$26,956)	(\$27,054)
3	November (Forecast)	973,031	\$0.3803	\$0.4109	(\$0.0306)	(\$29,775)	(\$56,829)
4	December (Forecast)	1,305,806	\$0.4093	\$0.4109	(\$0.0016)	(\$2,089)	(\$58,918)
5	January 2013 (Forecast)	1,301,065	\$0.4231	\$0.4109	\$0.0122	\$15,873	(\$43,045)
6	February (Forecast)	1,050,339	\$0.4164	\$0.4109	\$0.0055	\$5,777	(\$37,268)
7	March (Forecast)	1,007,021	\$0.3656	\$0.4109	(\$0.0453)	(\$45,618)	(\$82,886)
8	April (Forecast)	629,072	\$0.3474	\$0.4109	(\$0.0635)	(\$39,946)	(\$122,832)
9	May (Forecast)	435,838	\$0.3431	\$0.4109	(\$0.0678)	(\$29,550)	(\$152,382)
10	June (Forecast)	271,254	\$0.3247	\$0.4109	(\$0.0862)	(\$23,382)	(\$175,764)
11	July (Forecast)	234,416	\$0.3195	\$0.4109	(\$0.0914)	(\$21,426)	(\$197,190)
12	August (Forecast)	205,121	\$0.3308	\$0.4109	(\$0.0801)	(\$16,430)	(\$213,620)
13	September (Forecast)	300,782	\$0.3615	\$0.4109	(\$0.0494)	(\$14,859)	(\$228,479)
14	Total October 2012 to September 2013	<u>8,382,623</u>				<u>(\$228,381)</u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING SEPTEMBER 30, 2012
WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-105-11)
(AUGUST 22, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	June 30, 2011 Balance (Recorded)						\$199,556
2	July (Estimated) ^(A)	108,566	\$0.3960	\$0.4423	(\$0.0463)	(\$5,024)	\$194,532
3	August (Projected)	199,741	\$0.4377	\$0.4423	(\$0.0046)	(\$913)	\$193,619
4	September (Projected)	294,699	\$0.4410	\$0.4423	(\$0.0013)	(\$386)	\$193,233
5	Current Quarter Total	<u>603,006</u>				<u>(\$6,323)</u>	
6							
7	Forecast Volumes and Forecast Prices						
8	October 2011 (Forecast)	665,429	\$0.4479	\$0.4423	\$0.0056	\$3,726	\$196,959
9	November (Forecast)	967,362	\$0.4423	\$0.4423	\$0.0000	\$0	\$196,959
10	December (Forecast)	1,299,538	\$0.4459	\$0.4423	\$0.0036	\$4,678	\$201,637
11	January (Forecast)	1,291,508	\$0.4542	\$0.4423	\$0.0119	\$15,369	\$217,006
12	February (Forecast)	1,041,452	\$0.4477	\$0.4423	\$0.0054	\$5,624	\$222,630
13	March (Forecast)	998,646	\$0.4341	\$0.4423	(\$0.0082)	(\$8,189)	\$214,441
14	April 2012 (Forecast)	621,377	\$0.4110	\$0.4423	(\$0.0313)	(\$19,449)	\$194,992
15	May (Forecast)	432,226	\$0.3974	\$0.4423	(\$0.0449)	(\$19,407)	\$175,585
16	June (Forecast)	267,427	\$0.3983	\$0.4423	(\$0.0440)	(\$11,767)	\$163,818
17	July (Forecast)	231,064	\$0.4056	\$0.4423	(\$0.0367)	(\$8,480)	\$155,338
18	August (Forecast)	202,336	\$0.4070	\$0.4423	(\$0.0353)	(\$7,142)	\$148,196
19	September (Forecast)	297,663	\$0.3984	\$0.4423	(\$0.0439)	(\$13,067)	\$135,129
20	Total October 2011 to September 2012	<u>8,316,028</u>				<u>(\$58,104)</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]					\$3,678,179	
25	September 30, 2011 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)					\$3,813,136	96.5%

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 SEPTEMBER 30, 2013
WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-105-11)
(AUGUST 22, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Tab 3

Page 2

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	September 2012 Balance (Forecast)						\$135,129
2	October (Forecast)	668,878	\$0.4059	\$0.4423	(\$0.0364)	(\$24,347)	\$110,782
3	November (Forecast)	973,031	\$0.4007	\$0.4423	(\$0.0416)	(\$40,478)	\$70,304
4	December (Forecast)	1,305,806	\$0.4004	\$0.4423	(\$0.0419)	(\$54,713)	\$15,591
5	January 2013 (Forecast)	1,301,065	\$0.4109	\$0.4423	(\$0.0314)	(\$40,853)	(\$25,262)
6	February (Forecast)	1,050,339	\$0.4034	\$0.4423	(\$0.0389)	(\$40,858)	(\$66,120)
7	March (Forecast)	1,007,021	\$0.3858	\$0.4423	(\$0.0565)	(\$56,897)	(\$123,017)
8	April (Forecast)	629,072	\$0.3839	\$0.4423	(\$0.0584)	(\$36,738)	(\$159,755)
9	May (Forecast)	435,838	\$0.3744	\$0.4423	(\$0.0679)	(\$29,593)	(\$189,348)
10	June (Forecast)	271,254	\$0.3754	\$0.4423	(\$0.0669)	(\$18,147)	(\$207,495)
11	July (Forecast)	234,416	\$0.3813	\$0.4423	(\$0.0610)	(\$14,299)	(\$221,794)
12	August (Forecast)	205,121	\$0.3801	\$0.4423	(\$0.0622)	(\$12,759)	(\$234,553)
13	September (Forecast)	<u>300,782</u>	\$0.3700	\$0.4423	(\$0.0723)	<u>(\$21,747)</u>	(\$256,300)
14	Total October 2012 to September 2013	<u><u>8,382,623</u></u>				<u><u>(\$391,429)</u></u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA

PROPANE COST DEFERRAL ACCOUNT

FORECAST AVERAGE COST OF PROPANE

FOR THE PERIOD ENDING SEPTEMBER 30, 2012

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

Line No.	Particulars	Sales Volume (Litres)	Fixed Price Volume (Litres)	Variable Volume (Litres)	Fixed Price (\$/litre)	Variable Price (\$/litre)	Fixed Charges (\$)	Variable Charges (\$)	Total (\$)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	October 2011 (Forecast)	665,429	-	665,429	\$ -	\$ 0.4479	\$ -	\$ 298,042	\$ 298,042
2	November (Forecast)	967,362	460,000	507,362	\$ 0.4306	\$ 0.4530	\$ 198,059	\$ 229,817	\$ 427,876
3	December (Forecast)	1,299,538	460,000	839,538	\$ 0.4306	\$ 0.4542	\$ 198,059	\$ 381,343	\$ 579,402
4	January (Forecast)	1,291,508	460,000	831,508	\$ 0.4306	\$ 0.4672	\$ 198,059	\$ 388,495	\$ 586,554
5	February (Forecast)	1,041,452	460,000	581,452	\$ 0.4306	\$ 0.4612	\$ 198,059	\$ 268,148	\$ 466,206
6	March (Forecast)	998,646	460,000	538,646	\$ 0.4306	\$ 0.4371	\$ 198,059	\$ 235,466	\$ 433,525
7	April 2012 (Forecast)	621,377	-	621,377	\$ -	\$ 0.4110	\$ -	\$ 255,372	\$ 255,372
8	May (Forecast)	432,226	-	432,226	\$ -	\$ 0.3974	\$ -	\$ 171,761	\$ 171,761
9	June (Forecast)	267,427	-	267,427	\$ -	\$ 0.3983	\$ -	\$ 106,508	\$ 106,508
10	July (Forecast)	231,064	-	231,064	\$ -	\$ 0.4056	\$ -	\$ 93,716	\$ 93,716
11	August (Forecast)	202,336	-	202,336	\$ -	\$ 0.4070	\$ -	\$ 82,350	\$ 82,350
12	September (Forecast)	297,663	-	297,663	\$ -	\$ 0.3984	\$ -	\$ 118,590	\$ 118,590
13	Total October 2011 to September 2012	8,316,028	2,300,000	6,016,028			\$ 990,294	\$ 2,629,610	\$ 3,619,904
14									
15	Forecast Average Cost of Propane - (\$/Litre) ^(A)								\$ 0.4353
16									
17	Forecast Average Cost of Propane - (\$/GJ) ^(A)								\$ 17.008
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 DECREASE FLOWTHROUGH
FOR THE PERIOD ENDING SEPTEMBER 30, 2012
(AUGUST 22, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars (1)	\$/Litre (2)	\$/GJ (3)
1	Calculation of New Propane Reference Price		
2			
3	i. Forecast average Cost of Propane (Tab 1, Page 3, Col.9, Line 15 and Line 17)		
4	October 1 2011 to September 30 2012	\$0.4353	\$17.008
5			
6	ii. Twelve months amortization of projected Deferral Account balance	<u>\$0.0232</u>	<u>\$0.908</u>
7			
8			
9			
10	Tested Reference Price	\$0.4585	\$17.916
11			
12	Existing Propane Reference Price	<u>\$0.4423</u>	<u>\$17.281</u>
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Increase in Propane Reference Price to be flowed through in customers' rates	\$0.0162	\$0.633
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.70% ^(A)	\$0.0008	\$0.031
19			
20	Total Propane Cost Flowthrough ^(B)	<u>\$0.0170</u>	<u>\$0.664</u>
21	(Conversion factor 1 Litre = 0.025594 GJ)		
22			
23			
24			
25			
26	Note: (A) 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: (B)		
36	Projected Deferral Balance at Sep 30, 2011	\$0.0232	\$0.908
37	Total Propane Cost Oct 1 2011 to Sep 30, 2012	<u>(\$0.0062)</u>	<u>(\$0.244)</u>
38	Total Propane Cost Flowthrough	<u>\$0.0170</u>	<u>\$0.664</u>

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING SEPTEMBER 30, 2012
WITH TESTED REFERENCE PRICE EFFECTIVE OCTOBER 1, 2011
(AUGUST 22, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars (1)	Volumes In Litre (2)	Average Price Per Litre (3)	Approved Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	June 30, 2011 Balance (Recorded)						\$199,556
2	July (Estimated) ^(A)	108,566	\$0.3960	\$0.4423	(\$0.0463)	(\$5,024)	\$194,532
3	August (Projected)	199,741	\$0.4377	\$0.4423	(\$0.0046)	(\$913)	\$193,619
4	September (Projected)	294,699	\$0.4410	\$0.4423	(\$0.0013)	(\$386)	\$193,233
5	Current Quarter Total	<u>603,006</u>				<u>(\$6,323)</u>	
6							
7				Tested			
8				Reference			
9				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	October 2011 (Forecast)	665,429	\$0.4479	\$0.4585	(\$0.0106)	(\$7,054)	\$186,179
12	November (Forecast)	967,362	\$0.4423	\$0.4585	(\$0.0162)	(\$15,671)	\$170,508
13	December (Forecast)	1,299,538	\$0.4459	\$0.4585	(\$0.0126)	(\$16,374)	\$154,134
14	January (Forecast)	1,291,508	\$0.4542	\$0.4585	(\$0.0043)	(\$5,553)	\$148,581
15	February (Forecast)	1,041,452	\$0.4477	\$0.4585	(\$0.0108)	(\$11,248)	\$137,333
16	March (Forecast)	998,646	\$0.4341	\$0.4585	(\$0.0244)	(\$24,367)	\$112,966
17	April 2012 (Forecast)	621,377	\$0.4110	\$0.4585	(\$0.0475)	(\$29,515)	\$83,451
18	May (Forecast)	432,226	\$0.3974	\$0.4585	(\$0.0611)	(\$26,409)	\$57,042
19	June (Forecast)	267,427	\$0.3983	\$0.4585	(\$0.0602)	(\$16,099)	\$40,943
20	July (Forecast)	231,064	\$0.4056	\$0.4585	(\$0.0529)	(\$12,223)	\$28,720
21	August (Forecast)	202,336	\$0.4070	\$0.4585	(\$0.0515)	(\$10,420)	\$18,300
22	September (Forecast)	297,663	\$0.3984	\$0.4585	(\$0.0601)	(\$17,890)	\$410
23	Total October 2011 to September 2012	<u>8,316,028</u>				<u>(\$192,823)</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 SEPTEMBER 30, 2013
WITH TESTED REFERENCE PRICE EFFECTIVE OCTOBER 1, 2011
(AUGUST 22, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars (1)	Volumes In Litre (2)	Average Price Per Litre (3)	Tested Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	September 2012 Balance (Forecast)						\$410
2	October (Forecast)	668,878	\$0.4059	\$0.4585	(\$0.0526)	(\$35,183)	(\$34,773)
3	November (Forecast)	973,031	\$0.4007	\$0.4585	(\$0.0578)	(\$56,241)	(\$91,014)
4	December (Forecast)	1,305,806	\$0.4004	\$0.4585	(\$0.0581)	(\$75,867)	(\$166,881)
5	January 2013 (Forecast)	1,301,065	\$0.4109	\$0.4585	(\$0.0476)	(\$61,931)	(\$228,812)
6	February (Forecast)	1,050,339	\$0.4034	\$0.4585	(\$0.0551)	(\$57,874)	(\$286,686)
7	March (Forecast)	1,007,021	\$0.3858	\$0.4585	(\$0.0727)	(\$73,210)	(\$359,896)
8	April (Forecast)	629,072	\$0.3839	\$0.4585	(\$0.0746)	(\$46,929)	(\$406,825)
9	May (Forecast)	435,838	\$0.3744	\$0.4585	(\$0.0841)	(\$36,654)	(\$443,479)
10	June (Forecast)	271,254	\$0.3754	\$0.4585	(\$0.0831)	(\$22,541)	(\$466,020)
11	July (Forecast)	234,416	\$0.3813	\$0.4585	(\$0.0772)	(\$18,097)	(\$484,117)
12	August (Forecast)	205,121	\$0.3801	\$0.4585	(\$0.0784)	(\$16,082)	(\$500,199)
13	September (Forecast)	300,782	\$0.3700	\$0.4585	(\$0.0885)	(\$26,619)	(\$526,818)
14	Total October 2012 to September 2013	<u>8,382,623</u>				<u>(\$527,228)</u>	

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

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CRUDE OIL FUTURES		
Month	Crude Oil Future Prices (US \$ per Barrel)	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Oct-11	\$84.42	\$0.3735
Nov-11	\$84.69	\$0.3998
Dec-11	\$85.03	\$0.4140
Jan-12	\$85.42	\$0.4253
Feb-12	\$85.84	\$0.4241
Mar-12	\$86.27	\$0.3906
Apr-12	\$86.71	\$0.3404
May-12	\$87.15	\$0.3369
Jun-12	\$87.57	\$0.3196
Jul-12	\$87.96	\$0.3154
Aug-12	\$88.23	\$0.3284
Sep-12	\$88.45	\$0.3594
Oct-12	\$88.64	\$0.3706
Nov-12	\$88.85	\$0.3803
Dec-12	\$89.07	\$0.4093
Jan-13	\$89.23	\$0.4231
Feb-13	\$89.38	\$0.4164
Mar-13	\$89.56	\$0.3656
Apr-13	\$89.75	\$0.3474
May-13	\$89.91	\$0.3431
Jun-13	\$90.04	\$0.3247
Jul-13	\$90.13	\$0.3195
Aug-13	\$90.21	\$0.3308
Sep-13	\$90.28	\$0.3615

PROPANE SWAP PRICES		
Month	Propane Swap Prices (US \$ per Gallon)	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Oct-11	\$1.54	\$0.4479
Nov-11	\$1.55	\$0.4423
Dec-11	\$1.56	\$0.4459
Jan-12	\$1.56	\$0.4542
Feb-12	\$1.54	\$0.4477
Mar-12	\$1.44	\$0.4341
Apr-12	\$1.37	\$0.4110
May-12	\$1.35	\$0.3974
Jun-12	\$1.35	\$0.3983
Jul-12	\$1.36	\$0.4056
Aug-12	\$1.36	\$0.4070
Sep-12	\$1.37	\$0.3984
Oct-12	\$1.37	\$0.4059
Nov-12	\$1.38	\$0.4007
Dec-12	\$1.39	\$0.4004
Jan-13	\$1.40	\$0.4109
Feb-13	\$1.37	\$0.4034
Mar-13	\$1.28	\$0.3858
Apr-13	\$1.28	\$0.3839
May-13	\$1.28	\$0.3744
Jun-13	\$1.28	\$0.3754
Jul-13	\$1.28	\$0.3813
Aug-13	\$1.28	\$0.3801
Sep-13	\$1.28	\$0.3700

50% CRUDE OIL FUTURES & 50% PROPANE SWAP PRICES	
Month	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Oct-11	\$0.4107
Nov-11	\$0.4210
Dec-11	\$0.4299
Jan-12	\$0.4397
Feb-12	\$0.4359
Mar-12	\$0.4123
Apr-12	\$0.3757
May-12	\$0.3671
Jun-12	\$0.3589
Jul-12	\$0.3605
Aug-12	\$0.3677
Sep-12	\$0.3789
Oct-12	\$0.3882
Nov-12	\$0.3905
Dec-12	\$0.4049
Jan-13	\$0.4170
Feb-13	\$0.4099
Mar-13	\$0.3757
Apr-13	\$0.3657
May-13	\$0.3587
Jun-13	\$0.3501
Jul-13	\$0.3504
Aug-13	\$0.3554
Sep-13	\$0.3657

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



LETTER NO. L-XX-11

SIXTH FLOOR, 900 HOWE STREET, BOX 250
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ALANNA GILLIS
ACTING COMMISSION SECRETARY
Commission.Secretary@bcuc.com
web site: <http://www.bcuc.com>

DRAFT ORDER

VIA E-MAIL

gas.regulatory.affairs@fortisbc.com

September 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.
Revelstoke Service Area
2011 Third Quarter Gas Cost Report

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

Yours truly,

Alanna Gillis
Acting Commission Secretary