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September 26, 2011

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

Attention: Ms. Alanna Gillis, Acting Commission Secretary

Dear Ms. Gillis:

Re: FortisBC Energy Utilities[1] ("FEU" or the "Companies") 2012 and 2013 Revenue Requirements and Natural Gas Rates Application (the "Application" or "RRA")

Application for Interim Rates effective January 1, 2012

On May 4, 2011, the FEU filed the Application referenced above. On July 20, 2011, the British Columbia Utilities Commission (the "Commission") issued Order No. G-129-11 setting out the Amended Regulatory Timetable for the review of the Application. At that time, the Commission denied the Companies' request for interim approval, but Directive No. 2 in Order No. G-129-11 asked the FEU submit a request for interim rates by October 1, 2011.

The FEU hereby applies for approval, pursuant to section 89 of the *Utilities Commission Act* ("UCA" or the "Act") and section 15 of the *Administrative Tribunals Act*, for interim rates effective January 1, 2012. The interim rates request is based on the information filed in the the proceeding to date, including the Evidentiary Update dated September 12, 2011 (Exhibit B-21). Any variance between interim rates and permanent rates can be refunded to or collected from customers by way of a rate rider following the approval of permanent rates. The FEU also apply for acceptance of expenditure schedules for a reduced amount of Energy Efficiency and Conservation ("EEC") expenditures sufficient to permit the Companies to continue to offer existing EEC programs beyond the end of 2011 pending the Commission's final order. A draft form of Order is attached, which sets out the relief sought in greater detail.

For the reasons described below, the FEU submits that the interim rate orders sought at this juncture are just and reasonable, and the reduced expenditure schedule to allow for continuity in existing EEC programs is in the public interest.

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1 FortisBC Energy Inc. ("FEI"), FortisBC Energy (Vancouver Island) Inc. ("FEVI"), FortisBC Energy (Whistler) Inc. ("FEW"), and FortisBC Energy Inc. Fort Nelson Service Area ("Fort Nelson")

In this Application for Interim Rates the FEU:

- address the rationale for seeking interim rates;
- highlight some of the financial information from the September 12, 2011 Evidentiary Update that supports the amount of the proposed interim rate increase; and
- discuss the rationale for seeking acceptance of the EEC expenditure schedules comprised of sufficient funds to maintain the existing program scope pending the Commission's final determination in the RRA.

Rationale for Approving Interim Rates

The requirement for interim rates, and the amount of interim rates are distinct issues. In this section, the FEU articulate the regulatory rationale for fixing interim rates.

Interim rates are an important element of rate regulation in this Province, recognized in the UCA and the *Administrative Tribunals Act*. The ability of applicants to seek interim rates addresses a practical issue that the rate setting process might not be complete before the date that rates are to take effect. Interim rate approvals permit the Commission to readjust rates, if necessary, back to the date they were made interim without violating the rule against retroactive ratemaking. In the absence of interim rates:

- If the Commission concludes that costs of service have increased such that a rate increase is required, the utility has no opportunity to recover its incremental cost of service above the costs reflected in current rates between January 1 and the date of the final decision. Under-recovery in the period pending the final rate decision, without being able to adjust back to January 1, would mean that rates will be insufficient over the course of the whole test period to recover the utility's cost of service plus afford an opportunity to earn fair return.

- Conversely, if the Commission concludes that a rate decrease is warranted, customers cannot obtain the benefit of the rate reduction between January 1 and the date of the final decision. Over-recovery during that period, without being able to adjust back to January 1, would mean that customers will have paid too much for service over the course of the whole test period.

Thus, interim rates and the ability to readjust rates back to January 1 are tied closely with ensuring that rates for the entire test period are just and reasonable.

This rationale for interim rates was reflected in *Bell Canada v. Canada (Canadian Radio-Television and Telecommunications Commission)* [1989] S.C.J. No. 68 (provided in Attachment 1) in which the Supreme Court of Canada discussed the purpose of interim rates in the context of ensuring just and reasonable telecom rates. It stated at para. 46:

> Traditionally, such interim rate orders dealing in an interlocutory manner with issues which remain to be decided in a final decision are granted for the purpose of relieving the applicant from the deleterious effects caused by the length of the proceedings.

> Such decisions are made in an expeditious manner on the basis of evidence which would often be insufficient for the purposes of the final decision. The fact that an order does not make any decision on the merits of an issue to be settled in a final decision and the fact that its purpose is to provide temporary relief against the deleterious effects of the duration of the proceedings are essential characteristics of an interim rate order.

This same principle underlies the interim rate provisions in the UCA, where rates must be just and reasonable for the test period as a whole.[2] Readjustment of the rates charged during the period before the final order to reflect the true cost of service during that period is integral to this fundamental rate setting principle of just and reasonable rates.

Reflecting the fact that interim rates are essential to ensure that rates over the test period reflect the cost of service, the Commission has granted interim rates as a matter of course.

In this case, based on the established regulatory schedule, the Commission will not issue its final decision until sometime after January 1, 2012. Interim rates are important here because the FEU have put forward prima facie evidence that:

- FEI and FEW are experiencing rising costs and a rate increase is required; and
- Fort Nelson customers should see a rate decrease.

FEVI is proposing a rate freeze, but interim rates are nonetheless appropriate until the Commission has been able to consider the complete evidentiary record and reach a final determination.

The FEU thus submit that there is a strong rationale for establishing interim rates effective January 1, 2012. The FEU next explain why the interim rates should reflect the rate changes sought in this RRA rather than making the current rate interim effective January 1.

INTERIM RATES SHOULD REFLECT PROPOSED RATES

The FEU are seeking interim approval of the proposed 2012 rates for FEI, FEVI, FEW and Fort Nelson, which differ from the current rates except in the case of FEVI. There are two main reasons why the Commission should approve interim rates based on the proposed rates, each of which is addressed below:

- First, the evidence provides a prima facie case that some change from the current rates is warranted.
- Second, this request is fair to the Companies and customers.

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[2] In fact, the Supreme Court in *Bell* cited with approval the B.C. Court of Appeal's decision in *Re Eurocan Pulp & Paper Co. and British Columbia Energy Commission* (1978), 87 D.L.R. (3d) 727 (B.C.C.A.), which dealt with the predecessor legislation to the UCA.

Evidence Supporting Interim Rate Change

The evidence in the record to date provides a reasonable basis for the Commission to conclude that some change from the current rates is warranted in the case of FEI, FEW and Fort Nelson.

A summary of the changes to the revenue deficiency (surplus) and rates for each region as reflected in the Evidentiary Update of September 12, 2011 (Exhibit B-21) is provided in Tables 1 and 2 below: These figures show a revenue deficiency in FEI of $32.1 million in 2012; a revenue surplus in FEVI of $0.4 million in 2012, which will flow to the Rate Stabilization Deferral Account for the benefit of FEVI customers; a revenue deficiency in FEW of $0.4 million in 2012; and a revenue surplus in Fort Nelson of $0.1 million in 2012.

Table 1: Forecast Delivery Rate Impacts

	Proposed Delivery Rate Change Evidentiary Update *September 12th, 2011*		
Utility/Region	**2012**	**2013**	**Total**
Mainland	5.59%	6.29%	11.88%
Whistler	5.02%	6.54%	11.56%
Fort Nelson	-6.67%	14.98%	8.31%

Table 2: Forecast Revenue Deficiency/(Surplus)

	Revenue Deficiency/(Surplus), $ millions Evidentiary Update *September 12th, 2011*		
Utility/Region	**2012**	**2013**	**Total**
Mainland	$ 32.136	$ 36.408	$ 68.544
Vancouver Island	$ (0.409)	$ 17.582	$ 17.173
Whistler	$ 0.387	$ 0.496	$ 0.883
Fort Nelson	$ (0.125)	$ 0.283	$ 0.158

Well over half of the 2012 rate increase sought in this RRA for FEI (approximately 3.4% of the 5.59% requested) is a product of approvals already granted by the Commission.[3] The 2012 increase for FEW is due to forecast declines in volume.[4] The 2012 decrease in Fort Nelson results from returning the 2011 Muskwa River Crossing cost of service to customers.

[3] 2012 delivery rate impacts of 2.8% for the Customer Care Enhancement Project, 0.5% for the Fraser River, Kootenay River and Tilbury CPCN Projects combined, and 0.1% for other existing deferral accounts such as removal costs, assets losses, pensions.

[4] 2012 changes in volume and revenues result in a delivery rate increase of 6.5% for FEW.

While the Commission, in due course, will assess in detail the evidence supporting the precise amount of the revenue deficiency (surplus) and rate change, the evidentiary record is sufficient to demonstrate for the purposes of establishing interim rates that a change from the current rates is warranted for FEI, FEW and Fort Nelson. The proposed rates are appropriate as interim rates.

Variances Addressed Through Rate Rider

Setting interim rates at the proposed level is fair to customers and the Companies, and there is no potential for prejudice to any party. Any variance between interim rates and permanent rates would be refunded to or collected from customers by way of a rate rider following the approval of permanent rates, as contemplated in the orders sought.

EEC Expenditure Schedules to Permit Continuation of Programs in Interim Period

The Companies' existing EEC programs, and the administrative framework to support the programs, are funded only until the end of this year. In the RRA, the Companies have sought acceptance of expenditure schedules pursuant to section 44.2 of the UCA for a base level of funding ($20 million) reflected in 2012 rates that is slightly above the amount expected to be spent in 2011, plus the ability to spend above that base level should demand materialize. In light of the importance of continuity in funding for the continued success of EEC initiatives, at this time the Companies are seeking final acceptance of only as much EEC funding as is expected to be required to maintain the existing programs in the intervening period before the Commission's final decision on the RRA. The reasons why this is necessary and appropriate are explained below.

Importance of EEC Continuity

One of the Companies' EEC Program Principles, as stated on page 48 in the original EEC Application, is that programs will support market transformation as their ultimate goal. EEC program activity undertaken by utilities is an important part of transforming a market. In order to support investment in training and equipment by the supply side of the energy efficiency marketplace (manufacturers, distributors, retailers and installers), utility programs must be long term. Long-term program continuity provides certainty to this supply side of the energy efficiency marketplace. The Companies currently have EEC funding approved to the end of 2011, and require additional funding to cover costs starting on January 1 to cover program administration costs (including employee salaries) as well as incentives. EEC funding of $5 million for the period between January 1 and the Commission's final decision will allow the Companies' EEC activity to continue after January 1, and maintain the momentum gained in various existing programs (many of which are conducted in partnership with other entities). Thus, the Companies submit that approving the $5 million for EEC at this time is in the best interests of the energy efficiency marketplace, and therefore customers.

Note that the Company is proposing to maintain the status quo during this period, offering programs covered by the existing program areas and evaluating those programs under the currently approved TRC test (i.e. the Company is not asking the Commission to determine now the merits of any of the requests relating to the Societal Test or the larger funding envelope that goes along with the adoption of that test.) The FEU's current EEC portfolio, which is based on approved program areas, has been demonstrated to be cost effective using the approved TRC test. This is discussed in Section 2.2 of Appendix K-4 to the RRA. Excluding Innovative Technologies, the Companies EEC portfolio for 2010 had a TRC of 1.0, and thus was cost-effective based on the Commission's approved definition of cost-effectiveness.

Rationale for Seeking Acceptance of Reduced Expenditure Schedule

EEC funding is subject to specific financial treatment, and in the recent NGV Incentive decision[5], the Commission determined that EEC had to be approved by a section 44.2 expenditure schedule to be considered a "demand side measure". That designation as a "demand side measure" makes EEC funding eligible for the prescribed financial treatment. Accordingly, the FEU wish to have an expenditure schedule in place effective January 1 on a final (i.e. not interim) basis so as to ensure that the spending it undertakes prior to the final RRA Decision is eligible to be treated as a "demand side measure", with the associated financial treatment.

The outlook for EEC spending for 2011 is approximately $16.8 million[6]. The rates for 2012 and 2013 are based on $20 million of EEC funding, i.e. approximately the same as the current 2011 spending, broken down as follows:

i. $17.8 million for FEI (including Fort Nelson);

ii. $2.0 million for FEVI; and

iii. $0.2 million for FEW.[7]

This funding is intended to cover the continuation of current programs into 2012 and 2013.[8]

As it is likely the Commission's decision will come in the Spring, the Companies will require significantly less than the full $20 million in the interim period before the Commission issues its RRA Decision. $5 million is consistent, on a pro-rated basis, with the amount expected to be spent in 2011. As such, the Companies are seeking advance acceptance at this time for expenditure schedules totaling $5 million (25% of the total request) to maintain the existing program areas across all utilities for the few months until the final decision is made. This proportion is commensurate with the expected timing of the decision.

[5] Order No. G-145-11 dated August 15, 2011 pertaining to the FEI and FortisBC Energy (Vancouver Island) Inc. ("FEVI") Energy Efficiency and Conservation Program Natural Gas Vehicle Incentives Review

[6] Schedule 7, Tabs 7.1-7.2, Schedule 66, Column 4

[7] The full $20 million does not get recovered in 2012 and 2013 rates. Rather, the approved financial treatment is to defer the EEC expenditures and amortize them over 10 years commencing the following year. As such, only 1/10 of the EEC amount for 2012 (i.e. $2 million) is recovered in 2013 rates. Similarly, of the requested $5 million expenditure schedule, $500 thousand (1/10 of $5 million) would be recovered in 2013 rates. Note that a distinct aspect of the FEU's EEC request in this RRA is for an upper limit on EEC spending of $64.5 million for each year. However, amounts incurred above $20 million do not impact 2012 and 2013 rates at all and are not affected by this interim rate request. As proposed, the EEC spending above $20 million is recorded in a non-rate base deferral account on an as spent basis and recovered beginning in 2014.

[8] Revenue Requirement Application (Exhibit B-1), Section 6.3.2.1

The framework currently in place can carry over. In particular:

- The FEU will limit the use of this $5 million to EEC program areas previously accepted by the Commission, although FEU would ask for approval for the expansion of the interruptible industrial program area eligibility to customers of FEVI and all EEC program eligibility to customers of FEW and Fort Nelson;

- EEC expenditures in the period before the final decision will be subject to the currently approved financial treatment; and

- FEU will continue to evaluate EEC expenditures during this time according to the TRC test previously approved by the Commission.

FEU submit that final, and not interim, acceptance of these reduced expenditure schedules is necessary. Interim acceptance (which could, by definition, be subject to change or revocation in the final order) provides insufficient comfort that expenditures, once incurred, will be subject to recovery as "demand side measures" by way of the approved financial treatment for EEC. For all practical purposes, there is little risk given the current level of expenditures for 2011 is approximately $16.8 million that any of the $5 million funding will be left unspent over the course of 2012 as a whole.

<u>Summary</u>

The advance acceptance of a reduced expenditure schedule for EEC is important to customers, the Companies, and their employees whose salaries are paid through EEC funding, to ensure that we can continue to provide cost-effective EEC on a continuous basis. The $5 million amount is commensurate with the current level of spending and the time between January 1, 2012 and when the Commission's Decision is expected.

CONCLUSION

The FEU have included in Attachment 2, the Tariff Continuity and Bill Impacts reflecting the interim rates sought for 2012. Attachment 3 contains the draft form of order sought.

In summary, the FEU submits that the interim rate orders sought are just and reasonable, and the requested expenditure schedule is in the public interest. They should be approved at this time.

If you require further information or have any questions regarding this submission, please contact the undersigned.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

Yours very truly,

on behalf of the FORTISBC ENERGY UTILITIES

Original signed:

Diane Roy

Attachments

cc: Registered Parties

Case Name:

Bell Canada v. Canada (Canadian Radio-Television and Telecommunications Commission)

The Canadian Radio-Television and Telecommunications Commission, appellant;
v.
Bell Canada, respondent;
and
The Attorney General of Canada, the Consumers' Association of Canada, the Canadian Business Telecommunications Alliance, CNCP Telecommunications and the National Anti-Poverty Organization, interveners.

[1989] S.C.J. No. 68

[1989] A.C.S. no 68

[1989] 1 S.C.R. 1722

[1989] 1 R.C.S. 1722

60 D.L.R. (4th) 682

97 N.R. 15

J.E. 89-994

38 Admin. L.R. 1

16 A.C.W.S. (3d) 1

File No.: 20525.

Supreme Court of Canada

1989: February 21 / 1989: June 22.

Present: Lamer, Wilson, La Forest, L'Heureux-Dubé, Sopinka, Gonthier and Cory JJ.

ON APPEAL FROM THE FEDERAL COURT OF APPEAL

Administrative law -- CRTC jurisdiction -- CRTC ordering Bell Canada to grant a one-time credit to its customers -- Order to remedy imposition of interim rates approved by CRTC in 1984 and 1985 and found to be excessive in 1986 -- Whether CRTC had jurisdiction to make such an order -- Whether CRTC's interim rate order may be reviewed in a retrospective manner -- Whether CRTC's power to fix "just and reasonable" rates for Bell Canada involves the regulation of its revenues -- Railway Act, R.S.C., 1985, c. R-3, ss. 335(1), (2), (3), 340(5) -- National Transportation Act, R.S.C., 1985, c. N-20, 52, 60, 66, 68(1).

In March 1984, Bell Canada filed an application with the CRTC for a general rate increase. To prevent a serious deterioration in Bell Canada's financial situation while awaiting the hearing and the final decision on the merits, the CRTC granted Bell Canada an interim rate increase of 2 per cent effective January 1, 1985. The interim rate increase was calculated on the basis of financial information provided by Bell Canada. In its decision, however, the CRTC clearly expressed the intention to review this interim rate increase in its final decision on Bell Canada's application on the basis of complete financial information for the years 1985 and 1986. In 1985, given Bell Canada's improved financial situation, the CRTC ordered Bell Canada to file revised tariffs effective as of September 1, 1985. As a result of this decision, Bell Canada was forced to charge the rates effective before its application for a rate increase filed in March 1984. These new rates too were interim in nature. In October 1986, notwithstanding Bell Canada's request to withdraw its initial application for a general rate increase, the CRTC reviewed Bell Canada's financial situation and the appropriateness of its rates. The CRTC established appropriate levels of profitability for Bell Canada on the basis of its return on equity and found that, in 1985 and 1986, it had earned excess revenues for a total of $206 million. Although Bell Canada always charged rates approved by the CRTC, the latter decided that Bell Canada could not retain these excess revenues and ordered it to distribute the excess revenues through a one-time credit to be granted to certain classes of customers. On appeal, the Federal Court of Appeal quashed the CRTC's order. This appeal is to determine (1) whether the CRTC had the legislative authority to review the revenues made by Bell Canada during the period when interim rates were in force; and (2) whether the CRTC had jurisdiction to make an order compelling Bell Canada to grant a one-time credit to its customers.

Held: The appeal should be allowed.

The CRTC's decisions are subject to appeal to the Federal Court of Appeal on questions of law or jurisdiction by virtue of s. 68(1) of the National Transportation Act. Although an appeal tribunal has the right to disagree with the lower tribunal on issues which fall within the scope of the statutory appeal, curial deference should be given to the opinion of the lower tribunal on issues which fall squarely within its area of expertise. Here, Bell Canada is challenging the CRTC's decision on a question of law and jurisdiction involving the nature of interim decisions and the extent of the powers conferred on the CRTC when it makes interim decisions. This question cannot be solved without an analysis of the procedural scheme created by the Railway Act and the National Transportation Act. The decision impugned by Bell Canada is therefore not a decision which falls within the CRTC's area of special expertise and is pursuant to s. 68(1) subject to review in accordance with the principles governing appeals. Indeed, the CRTC was not created for the purpose of interpreting the Railway Act or the National Transportation Act but rather to ensure, amongst other duties, that telephone rates are always "just and reasonable".

The fixing of tolls and tariffs that are "just and reasonable" necessarily involves, albeit in a seemingly indirect manner, the regulation of the revenues of the regulated entity as the administrative tribunal must balance the interests of the customers with the necessity of ensuring that the regulated entity is allowed to make sufficient revenues to finance the costs of the services it sells to the public. In fixing fair and reasonable tolls in this case, the CRTC had to take into consideration the level of revenues needed by Bell Canada.

The CRTC had the power to revisit the period during which interim rates were in force. Such power is implied in the power to make interim orders within the statutory scheme established by the Railway Act and the National Transportation Act. It is inherent in the nature of interim orders that their effect as well as any discrepancy between the interim order and the final order may be reviewed and remedied by the final order. It is the interim nature of the order which makes it subject to further retrospective directions. The circumstances under which they are granted also explains and justifies their being, unlike final orders, subject to retrospective review and remedial orders. Interim rate orders dealing in an interlocutory manner with issues which remain to be decided in a final decision are traditionally granted for the purpose of relieving the applicant from the deleterious effects caused by the length of the proceedings. Such decisions are made in an expeditious manner on the basis of evidence which would often be insufficient for the purposes of the final decision. To hold in this case that the interim rates could not be reviewed would not only be contrary to the nature of interim orders, it would also frustrate and subvert the CRTC's order approving interim rates which clearly indicates its intention to review the rates charged for 1985 up to the date of the final decision.

There should be no concern over the financial stability of regulated utility companies where one deals with the power to revisit interim rates. The very purpose of interim rates is to allay the prospect of financial instability which can be caused by the duration of proceedings before a regulatory tribunal. The added flexibility provided by the power to make interim orders is meant to foster financial stability throughout the regulatory process. The power to revisit the period during which interim rates were in force is a necessary corollary of this power without which interim orders made in emergency situations may cause irreparable harm and subvert the fundamental purpose of ensuring that rates are just and reasonable.

Even though Parliament has decided to adopt a positive approval regulatory scheme for the regulation of telephone rates, the added flexibility provided by the power to make interim orders indicates that the CRTC is empowered to make orders as of the date at which the initial application was made or as of the date the CRTC initiated the proceedings of its own motion. The power to make interim orders necessarily implies the power to modify in its entirety the rate structure previously established by final order. As a result, the rate review process does not begin at the date of the final hearing; instead, the rate review begins when the CRTC sets interim rates pending a final decision on the merits.

Finally, once it is decided that the CRTC has the power to revisit the period during which interim rates were in force for the purpose of ascertaining whether they were just and reasonable, it follows that it has the power to make a remedial order where, in fact, these rates were not just and reasonable. In any event, s. 340(5) of the Railway Act provides a sufficient statutory basis for the power to make remedial orders including an order to give a one-time credit to certain classes of customers. While the one-time credit order will not necessarily benefit the customers who were actually billed excessive rates, once it is found that the CRTC has the power to make a remedial order, the nature and extent of this order remain within its jurisdiction in the absence of any specific statutory provision on this issue.

Cases Cited

Approved: Re Coseka Resources Ltd. and Saratoga Processing Co. (1981), 126 D.L.R. (3d) 705; referred to: Canadian Union of Public Employees, Local 963 v. New Brunswick Liquor Corp., [1979] 2 S.C.R. 227; Douglas Aircraft Co. of Canada Ltd. v. McConnell, [1980] 1 S.C.R. 245; Alberta Union of Provincial Employees v. Board of Governors of Olds College, [1982] 1 S.C.R. 923; Re Ontario Public Service Employees Union and Forer (1985), 52 O.R. (2d) 705; Re City of Ottawa and Ottawa Professional Firefighters' Association, Local 162 (1987), 58 O.R. (2d) 685; Greyhound Lines of Canada Ltd. v. Canadian Human Rights Commission (1987), 78 N.R. 192; Canadian Pacific Ltd. v. Canadian Transport Commission (1987), 79 N.R. 13; British Columbia Electric Railway Co. v. Public Utilities Commission of British Columbia, [1960] S.C.R. 837; Northwestern Utilities Ltd. v. City of Edmonton, [1929] S.C.R. 186; City of Calgary v. Madison Natural Gas Co. (1959), 19 D.L.R. (2d) 655; United States v. Fulton, 475 U.S. 657 (1986); Trans Alaska Pipeline Rate Cases, 436 U.S. 631 (1978); Regina v. Board of Commissioners of Public Utilities (1966), 60 D.L.R. (2d) 703; Re Eurocan Pulp & Paper Co. and British Columbia Energy Commission (1978), 87 D.L.R. (3d) 727; Nova v. Amoco Canada Petroleum Co., [1981] 2 S.C.R. 437.

Statutes and Regulations Cited

CRTC Telecommunications Rules of Procedure, SOR/79-554, Parts III, VII.
National Energy Board Act, R.S.C., 1985, c. N-7, s. 64.
National Transportation Act, R.S.C., 1985, c. N-20, ss. 49, 52, 60(2), 61, 66, 68(1).
Railway Act, R.S.C., 1985, c. R-3, ss. 334 to 340.

APPEAL from a judgment of the Federal Court of Appeal, [1988] 1 F.C. 296, 43 D.L.R. (4th) 30, 78 N.R. 58, quashing an order of the CRTC. Appeal allowed.

Raynold Langlois, Q.C., Greg Van Koughnett, and Luc Huppé, for the appellant.
Gérald R. Tremblay, Q.C., and Michel Racicot, for the respondent.
Graham Garton, for the intervener the Attorney General of Canada.
Janet Yale, for the intervener the Consumer's Association of Canada.
Kenneth G. Engelhart, for the intervener the Canadian Business Telecommunications Alliance.
Michael Ryan, for the intervener CNCP Telecommunications.

Andrew Roman and Robert Horwood, for the intervener the National Anti-Poverty Organization.

Solicitor for the appellant: Avrum Cohen, Hull.
Solicitors for the respondent: Clarkson, Tétrault, Montréal.
Solicitor for the intervener the Attorney General of Canada: The Deputy Attorney General of Canada, Ottawa.
Solicitor for the intervener the Consumers' Association of Canada: Janet Yale, Ottawa.
Solicitor for the intervener Canadian Business Telecommunications Alliance: Kenneth G. Engelhart, Toronto.
Solicitor for the intervener the CNCP Telecommunications: Michael Ryan, Toronto.
Solicitors for the intervener the National Anti-Poverty Organization: Andrew Roman and Glenn W. Bell, Ottawa.

The judgment of the Court was delivered by

1 **GONTHIER J.**:-- The present case is an appeal against a decision of the Federal Court of Appeal which quashed one of the orders made by the appellant in Telecom Decision CRTC 86-17 ("Decision 86-17"). The impugned order compelled the respondent to distribute $206 million in excess revenues earned in the years 1985 and 1986 through a one-time credit to be granted to certain classes of customers. The respondent does not contest the factual findings on which Decision 86-17 is based nor does it claim that this order would unduly prejudice its financial position. None of the other orders made in Decision 86-17 are challenged.

2 The appellant claims that the purpose of the challenged order was to provide telephone users with a remedy against interim rates which turned out to be excessive on the basis of the findings of fact made by the appellant following a final hearing held in the summer of 1986 for the purpose of setting rates to be charged by the respondent in the years 1985 and following. These findings of fact are reported in Decision 86-17. Since this case turns on the proper characterization of the one-time credit order made in Decision 86-17, it is important to describe the procedural history of the administrative proceedings which led to the order now contested by the respondent.

I - The facts

3 On March 28, 1984, the respondent applied for a general rate increase under Part VII of the CRTC Telecommunications Rules of Procedure, SOR/79-554, which provides for a summary public process to deal with special applications. The respondent claimed that the Canadian Government's restraint program restricting rate increases of federally regulated utilities to 5 per cent and 6 per cent was sufficient justification to dispense with the normal procedure for general rate increase applications set out in Part III of the CRTC Telecommunications Rules of Procedure. In Telecom Decision CRTC 84-15, the appellant rejected this application on the ground that the respondent had failed to use the appropriate procedure set out in Part III of these rules. However, the appellant indicated that if the respondent was to suffer financial prejudice as a result of the delays involved in preparing for the more complex procedure set out in Part III, it could always apply for interim relief pending a hearing and a decision on the merits (at pp. 8-9):

> The Commission recognizes that, in 1985 and beyond, in the absence of rate relief, a deterioration in the Company's financial position could occur. In this regard, if the Company should find it necessary to file an application for a general rate increase under Part III of the Rules, the Commission would be prepared to schedule a public hearing on such an application in the fall of 1985. Should Bell consider it necessary to seek rate increases to come into effect earlier in 1985 than this schedule would allow, it may of course apply for interim relief. In the event Bell were to seek such interim relief, it would be open to the Company to suggest that the Commission's traditional test for determining interim rate applications is overly restrictive in light of the Commission hearing schedule and to put forward proposals for an alternative test for consideration. [Emphasis added.]

On September 4, 1984, the respondent filed an application for a general rate increase based on 1985 financial data which would come into effect on January 1, 1986. At the same time, the respondent applied for an interim rate increase of 3.6 per cent.

4 In Telecom Decision CRTC 84-28 ("Decision 84-28") rendered on December 19, 1984, the appellant set out the following policy previously adopted in Telecom Decision CRTC 80-7 with respect to the granting of interim rate increases (at pp. 8-9):

> The Commission's policy concerning interim rate increases, enunciated in Decision 80-7, is as follows:
>
>> The Commission considers that, as a rule, general rate increases should only be granted following the full public process contemplated by Part III of its Telecommunications Rules of Procedure. In the absence of such a process, general rate increases should not in the Commission's view be granted, even on an interim basis, except where special circumstances can be demonstrated. Such circumstances would include lengthy delays in dealing with an application that could result in a serious deterioration in the financial condition of an applicant absent a general interim increase. [Emphasis added.]

The respondent argued that its financial situation warranted an interim rate increase and did not question the reasonableness of this policy. The appellant agreed with the respondent's submission that, in the absence of interim rate increases, it might suffer from serious financial deterioration and awarded an interim rate increase of 2 per cent. In this decision, the appellant required the respondent to prepare for a hearing to be held in the fall of 1985 for the purpose of assessing the respondent's application for a final order increasing its rates on the basis of two test years, 1985 and 1986. Decision 84-28 also states at p. 10 the reasons why the interim rate increase was set at 2 per cent:

> In determining the amount of interim rate increases required under the circumstances, the Commission has taken into account the following factors:
>
> 1) While the company stated that an interest coverage ratio of 4.0 times is required, the Commission regards the maintenance of the coverage ratio of 3.8 times, projected by the Company for 1984, as sufficient for the purposes of this interim decision.
> 2) With regard to the level of ROE ["return on equity"], the Commission is of the view that, for 1985, and subject to review in the course of its consideration of the Company's general rate increase application in the fall of 1985, 13.7% is appropriate for determining the amount of rate increases to be permitted pursuant to this interim increase application.
> 3) With regard to the Company's 1985 expense forecasts, the Commission notes that the inflation factor used by the Company is higher than the current consensus forecast of the inflation rate for 1985 and considers that Bell's forecast of its 1985 Operating Expenses could be overestimated by approximately $25 million.
>
> Taking the above factors into account, the Commission has decided that an interim rate increase of 2% for all services in respect of which rate increases were requested by the Company in the interim application is appropriate at this time. This increase is expected to generate additional revenues of $65 million from 1 January 1985 to 31 December 1985. To permit the review of the Company's 1985 revenue requirement by the Commission at the fall 1985 public hearing, Bell is directed to file its 4 June 1985 general rate increase application on the basis of two test years, 1985 and 1986. [Emphasis added.]

The reasons set out in the appellant's decision indicate that the interim rate increase was calculated on the basis of financial information provided by the respondent without placing this information under the scrutiny normally associated with hearings made under Part III of the CRTC Telecommunications Rules of Procedure. Furthermore, the appellant clearly expressed the intention to review this interim rate increase in its final decision on the respondent's application for a general rate increase on the basis of financial information for the years 1985 and 1986. Given the content of the appellant's final decision, it is also important to note that the 2 per cent interim rate increase was calculated on the assumption that the respondent's return on equity for 1985 should be 13.7 per cent, subject to review in the final decision.

5 The respondent's financial situation later improved thereby reducing the necessity to proceed with an early hearing for the purpose of obtaining a general and final rate increase. By letter dated March 20, 1985, the respondent asked for this hearing to be postponed to February 10, 1986, suggesting however that the 2 per cent interim increase be given immediate final approval. In CRTC Telecom Public Notice 1985-30 dated April 16, 1985, the appellant granted the postponement but refused to grant the final approval requested by the respondent without further investigation into this matter. The Commission added that it would monitor the respondent's financial situation on a monthly basis and ordered the filing of monthly statements (at p. 4):

> In view of the improving trend in the Company's financial performance, the Commission further directs as follows:
>
> Bell Canada is to provide to the Commission for the balance of 1985, within 30 days after the end of each month, commencing with April 1985, a full year forecast of revenues and expenses on a regulated basis for the year 1985, together with the estimated financial ratios including the projected regulated return on common equity.
>
> The Commission will monitor the Company's financial performance during 1985, in order to determine whether any further rate action may be necessary. [Emphasis added.]

Again, the appellant clearly expressed its intention to prevent abuse of interim rate increases.

6 After a review of the July financial information filing ordered in CRTC Telecom Public Notice 1985-30, the appellant asked the respondent to provide reasons why the interim rate increase of 2 per cent should remain in force given its improved financial situation. The respondent was unable to convince the appellant that this interim increase remained necessary to avoid financial deterioration and was accordingly ordered to file revised tariffs effective as of September 1, 1985, at pp. 4-5 of Telecom Decision CRTC 85-18:

> In view of the improving trend in Bell's financial performance, the Commission is satisfied that the company no longer needs the 2% interim increases which were awarded in Decision 84-28 in order to avoid serious financial deterioration in 1985. Accordingly, Bell is directed to file revised tariffs forthwith, with an effective date of 1 September 1985, to suspend these increases.
>
> In arriving at its decision the Commission has estimated that, with interim rates in effect for the complete year, the company would earn an ROE ["return on equity"] of approximately 14.5% in 1985, a return well in excess of the 13.7% considered appropriate for determining the 2% interim rate increases. The Commission also projected that interest coverage would be approximately 3.9 times. This would improve on the actual 1984 coverage of 3.8 times. These estimates are not significantly different from Bell's current expectation of its 1985 results.
>
> The Commission will make its final determination of Bell's revenue requirement for the year 1985 in the general rate proceeding currently scheduled to commence with an application to be filed on 10 February 1986. [Emphasis added.]

As a result of this decision, the respondent was forced to charge the rates effective before its application for a rate increase filed on March 28, 1984. However, even though the rates effective as of September 1, 1985, were numerically identical to the rates in force under the previous final decision prior to the interim increase, these new rates remained interim in nature. In fact, the appellant reiterated its intention to review the rates actually charged during 1985 and 1986.

7 On October 31, 1985, the respondent decided not to proceed with its application for a general rate increase and requested that its procedures be withdrawn. In CRTC Telecom Public Notice 1985-85, the appellant decided to review the respondent's financial situation and therefore the appropriateness of its rates notwithstanding its request to withdraw its initial application for a general rate increase (at pp. 3-4):

> In light of these forecasts and the degree to which the company's rate structure is expected to be considered in separate proceedings, Bell stated that it wished to refrain from proceeding with the application scheduled to be filed on 10 February 1986. Accordingly, the company requested the withdrawal of the amended Directions on Procedure issued by the Commission in Public Notice 1985-30.
>
> . . .
>
> The Commission notes that the appropriate rate of return for Bell has not been reviewed in an oral hearing since the proceeding which culminated in Bell Canada - General Increase in Rates, Telecom Decision CRTC 81-15, 20 September 1981 (Decision 81-15). The Commission considers that, given Bell's current forecasts, it would be appropriate to review the company's cost of equity for the years 1985, 1986 and 1987 in the proceeding scheduled for 1986. Such a review would allow consideration of the changing financial and economic conditions since Decision 81-15 and the impact of Bell's corporate reorganization on its rate of return. The Commission notes that other issues arising from the reorganization would also be addressed in the 1986 proceeding. [Emphasis added.]

This interim decision indicates that the appellant wished to continue the original rate review procedure initiated by the respondent in March of 1984. Thus, the rates in force as of January 1, 1985 until the final decision now challenged by the respondent were interim rates subject to review.

8 The hearing which led to the final decision lasted from June 2 to July 16, 1986 and this final decision, Decision 86-17, was rendered on October 14, 1986. In this decision, the appellant first established appropriate levels of profitability for the respondent on the basis of its return on equity. The appellant then calculated the amount of excess revenues earned by the respondent in 1985 and 1986 along with the necessary reduction in forecasted revenues for 1987. It was found that the respondent had earned excess revenues of $63 million in 1985 and $143 million in 1986 for a total of $206 million (at p. 93):

> After making further adjustments for the compensation for temporarily transferred employees and including the regulatory treatment for non-integral subsidiary and associated companies, the Commission has determined that a revenue requirement reduction of $234 million would provide the company with a 12.75% ROE ["return on equity"] on a regulated basis in 1987. Similarly, the Commission has determined that $143 million is the required revenue reduction to achieve the upper end of the permissible ROE on a regulated basis in 1986, 13.25%.
>
> With respect to 1985, after making the adjustments set out in this decision, the Commission has determined that Bell earned excess revenues in the amount of $63 million, the deduction of which would provide 13.75%, the upper end of the permissible ROE on a regulated basis.

It is important to note that the evidence and the arguments presented by the interested parties as well as interveners were carefully scrutinized by the appellant at pp. 77 to 92 of Decision 86-17. It is for all practical purposes impossible to engage in such a meticulous and painstaking analysis of all relevant facts when faced with an application for interim relief. Finally, it is also useful to note that the permissible return on equity of 13.7 per cent allowed by the appellant in its interim decision, Decision 84-28, was increased to 13.75 per cent in Decision 86-17. Thus, the appellant realized that the interim rates approved for 1985 yielded greater rates of return than initially anticipated and that the rate of return actually recorded for that year even exceeded the greater allowable rate of return fixed in the final decision, Decision 86-17. Such differences between projected and actual rates of return are common and certainly call for a high level of flexibility in the exercise of the appellant's regulatory duties.

9 The Commission decided that the respondent could not retain excess revenues earned on the basis of interim rates and issued the order now challenged by the respondent in order to provide a remedy for this situation. This order reads as follows, at pp. 95-96:

> Concerning the excess revenues for the years 1985 and 1986, the Commission directs that the required adjustments be made by means of a one-time credit to subscribers of record, as of the date of this decision, of the following local services: residence and business individual, two-party and four-party line services; PBX trunk services; centrex lines; enhanced exchange-wide dial lines; exchange radio-telephone service; service-system service and information system access line service. The Commission directs that the credit to each subscriber be determined by pro-rating the sum of the excess revenues for 1985 and 1986 of $206 million in relation to the subscriber's monthly recurring billing for the specified local services provided as of the date of this decision. The Commission further directs that the work necessary to implement the above directives be commenced immediately and that the billing adjustments be completed by no later than 31 January 1987. Finally, the Commission directs the company to file a report detailing the implementation of the credit by no later than 16 February 1987.

> The Commission considers that 1987 excess revenues are best dealt with through rate reductions to be effective 1 January 1987. [Emphasis added.]

Although the respondent always charged rates approved by the appellant, the appellant found it necessary to make sure that its assessment of allowable revenues for 1985 and 1986 would be complied with. The appellant argues that the order now challenged by the respondent was the most efficient way of redistributing these excess revenues to the respondent's customers even though they would not necessarily be refunded to those who actually had to pay the rates in force during that period.

10 It is therefore obvious that the appellant only allowed interim rates to be charged after January 1, 1985 on the assumption that it would review these rates in a hearing to be held in order to deal with an application for a general rate increase. Every interim decision which led to Decision 86-17 confirmed the appellant's intention to review the interim rates at the final hearing. Finally, the interim rates were ordered for the purpose of preventing any serious deterioration in the respondent's financial situation while awaiting for a final decision on the merits. Of necessity, these interim rates were determined on the basis of incomplete evidence presented by the respondent. It cannot be said that the purpose of the interim rate increase ordered by the appellant was to serve as a temporary final decision.

II - The Issue and the Arguments Raised by the Parties

11 In this Court as well as in the Federal Court of Appeal, the parties have agreed that the only issue arising out of the facts of this case is whether the appellant had jurisdiction to order the respondent to grant a one-time credit to its customers. The appellant's findings of fact, its determination with respect to the respondent's revenue requirements for 1985 and 1986 and its computation of the amount of excess revenues earned during this period are not contested by the respondent. In my opinion, this issue can be divided in two sub-questions:

1- whether the appellant had the legislative authority to review the revenues made by the respondent during the period when interim rates were in force;

2- whether the appellant had jurisdiction to make an order compelling the respondent to grant a one-time credit to its customers.

12 The main arguments raised by the appellant can be summarized as follows:

1- the Railway Act and the National Transportation Act grant the appellant the power to review the period during which a regulated entity was allowed to charge interim rates for the purpose of comparing the revenues earned during this period to the appropriate level of revenues set in the final decision;

2- the power to make a one-time credit order is necessarily ancillary to the power to review the period during which interim rates were charged and the appellant has jurisdiction to determine the most efficient method of providing a remedy in cases where excess revenues were made.

13 The main arguments raised by the respondent can be summarized as follows:

1- the power to set tolls and tariffs does not include the power to review and make orders with respect to the respondent's level of revenues;

2- the appellant has no power to make a one-time credit order with respect to revenues earned as a result of having charged rates which the respondent, by virtue of the Railway Act, was obliged to charge, whether these rates were set by interim order or by a final order.

14 Counsel for the National Anti-Poverty Organization ("NAPO") has also argued that the appellant's decisions concerning the interpretation of statutes which grant them jurisdiction to deal with certain matters are entitled to curial deference and cannot be reviewed unless they are patently unreasonable. This argument raises the issue of the scope of review allowed by s. 68(1) of the National Transportation Act, R.S.C., 1985, c. N-20, (now the National Telecommunications Powers and Procedures Act), and must be dealt with prior to any analysis of the relevant statutory provisions claimed to be the source of the appellant's jurisdiction to make the one-time credit order found in Decision 86-17.

15 The present case raises difficult questions of statutory interpretation and it will therefore be necessary to examine the relevant provisions of the Railway Act, R.S.C., 1985, c. R-3, and the National Transportation Act before moving to a detailed analysis of the decision of the Federal Court of Appeal and the arguments raised by the parties.

III - Relevant Legislative Provisions

16 The appellant derives its power to regulate the telephone industry from ss. 334 to 340 of the Railway Act ("Provisions Governing Telegraphs and Telephones") and from ss. 47 et seq. of the National Transportation Act ("General Jurisdiction and Powers in Respect of Railways"). The Railway Act sets out the general criteria concerning the setting of rates and tariffs to be charged by telephone utility companies whereas the National Transportation Act sets out the appellant's procedural powers in the context of decisions concerning, amongst other matters, telephone rates and tariffs.

17 Sections 335(1), 335(2) and 335(3) of the Railway Act (formerly ss. 320(2) and 320(3)) state the principle upon which the appellant's regulatory authority rests, namely that telephone rates and tariffs are subject to approval by the appellant, cannot be changed without its prior authorization and may be revised at any time by the appellant:

> 335. (1) Notwithstanding anything in any other Act, all telegraph and telephone tolls to be charged by a company, other than a toll for the transmission of a message intended for reception by the general public and charged by a company licensed under the Broadcasting Act, are subject to the approval of the Commission, and may be revised by the Commission from time to time.
>
> (2) The company shall file with the Commission tariffs of any telegraph or telephone tolls to be charged, and the tariffs shall be in such form, size and style, and give such information, particulars and details, as the Commission by regulation or in any particular case prescribes.
>
> (3) Except with the approval of the Commission, the company shall not charge and is not entitled to charge any telegraph or telephone toll in respect of which there is default in filing under subsection (2), or which is disallowed by the Commission ... [Emphasis added.]

The most important requirement governing the appellant's power to set telephone rates is found in s. 340(1) of the Railway Act which provides that all such rates must be "just and reasonable":

> 340. (1) All tolls shall be just and reasonable and shall always, under substantially similar circumstances and conditions with respect to all traffic of the same description carried over the same route, be charged equally to all persons at the same rate. [Emphasis added.]

Section 340 also prohibits discriminatory telephone rates and gives the appellant the power to suspend, postpone, or disallow a tariff of tolls which is contrary to ss. 335 to 340 and substitute a satisfactory tariff of tolls in lieu thereof.

18 Finally, s. 340(5) of the Railway Act gives the appellant the power to make orders with respect to traffic, tolls and tariffs in all matters not expressly covered by s. 340:

> 340. ...
>
> (5) In all other matters not expressly provided for in this section, the Commission may make orders with respect to all matters relating to traffic, tolls and tariffs or any of them.

Although the power granted by s. 340(5) could be construed restrictively by the application of the ejusdem generis rule, I do not think that such an interpretation is warranted. Section

340(5) is but one indication of the legislator's intention to give the appellant all the powers necessary to ensure that the principle set out in s. 340(1), namely that all rates should be just and reasonable, be observed at all times.

19 Sections 47 et seq. of the National Transportation Act set out, from a procedural point of view, the appellant's jurisdiction with respect to the powers granted by the Railway Act. Section 49(1) gives the appellant jurisdiction over all complaints concerning compliance with the Act while s. 49(3) gives the appellant jurisdiction over all matters of fact or law for the purposes of the Railway Act and of ss. 47 et seq. of the National Transportation Act. However, s. 68(1) provides an appeal to the Federal Court of Appeal, with leave, on any question of law or jurisdiction and it is under this provision that the respondent has challenged Decision 86-17.

20 In many respects, ss. 47 et seq. of the National Transportation Act have been designed to further the policy objectives and the regulatory scheme set out in the Railway Act governing the approval of telephone rates and tariffs. Thus, s. 52 of the National Transportation Act gives the appellant the power to inquire into, hear or determine, of its own motion or upon request from the Minister, any matter which it has the right to inquire into, hear or determine under the Railway Act:

> 52. The Commission may, of its own motion, or shall, on the request of the Minister, inquire into, hear and determine any matter or thing that, under this part or the Railway Act, it may inquire into, hear and determine upon application or complaint, and with respect thereto has the same powers as, on any application or complaint, are vested in it by this Act.

Section 52 is therefore the corollary of the appellant's power to "revise [tolls] ... from time to time" found in s. 335(1) of the Railway Act. Thus, the appellant has the power to review, from time to time, its own final decisions on a proprio motu basis. Similarly, s. 61 provides that the appellant is not bound by the wording of any complaint or application it hears and may make orders which would otherwise offend the ultra petita rule:

> 61. On any application made to the Commission, the Commission may make an order granting the whole or part only of the application, or may grant such further or other relief, in addition to or in substitution for that applied for, as to the Commission may seem just and proper, as fully in all respects as if the application had been for that partial, other or further relief.

21 By virtue of s. 60(2) of the National Transportation Act, the appellant also has the power to make interim orders:

> 60. ...
>
> (2) The Commission may, instead of making an order final in the first instance, make an interim order and reserve further directions either for an adjourned hearing of the matter or for further application.

22 Finally, by virtue of s. 66 of the National Transportation Act, the appellant has the power to review any of its past decisions whether they are final or interim:

> 66. The Commission may review, rescind, change, alter or vary any order or decision made by it or may re-hear any application before deciding it.

23 It is obvious from the legislative scheme set out in the Railway Act and the National Transportation Act that the appellant has been given broad powers for the purpose of ensuring that telephone rates and tariffs are, at all times, just and reasonable. The appellant may revise rates at any time, either of its own motion or in the context of an application made by an interested party. The appellant is not even bound by the relief sought by such applications and may make any order related thereto provided that the parties have received adequate notice of the issues to be dealt with at the hearing. Were it not for the fact that the appellant has the power to make interim orders, one might say that the appellant's powers in this area are limited only by the time it takes to process applications, prepare for hearings and analyse all the evidence. However, the appellant does have the power to make interim orders and this power must be interpreted in light of the legislator's intention to provide the appellant with flexible and versatile powers for the purpose of ensuring that telephone rates are always just and reasonable.

24 The question before this Court is whether the appellant has the statutory authority to make a one-time credit order for the purpose of remedying a situation where, after a final hearing dealing with the reasonableness of telephone rates charged during the years under review, it finds that interim rates in force during that period were not just and reasonable. Since there is no clear provision on this subject in the Railway Act or in the National Transportation Act, it will be necessary to determine whether this power is derived by necessary implication from the regulatory schemes set out in these statutes.

IV - The Decision of the Court Below

25 In the Federal Court of Appeal, the respondent in this Court argued that in order to find statutory authority for the power to make a one-time credit order, it was necessary to find that s. 66 (power to "review, rescind, change, alter or vary" previous decisions) or s. 60(2) (power to make interim orders) of the National Transportation Act provide powers to make retroactive orders. Of course, the respondent argued that these provisions did not grant such a power and the majority of the Federal Court of Appeal composed of Marceau and Pratte JJ. agreed with this argument, Hugessen J. dissenting.

26 Marceau J. held that the appellant in this Court only had the power to fix telephone tolls and tariffs and that it has no statutory authority to deal with excess revenues or deficiencies in revenues arising as a result of a discrepancy between the rate of return yielded from the interim rates in force prior to the final decision and the permissible rate of return fixed by this final decision. Marceau J. was of the opinion that the wording of s. 66 of the National Transportation Act is neutral with respect to retroactivity and that the presumption against retroactivity should therefore operate. Marceau J. added that the power to make interim orders does not carry with it the power to remedy any discrepancy between interim and final orders because the respondent could not be forced to reimburse revenues earned by charging rates approved by the appellant. Thus, according to Marceau J., the regulatory scheme set out in the Railway Act and the National Transportation Act is prospective in nature and, in the context of such a scheme, the power to make interim orders only involves the power to make orders "for the time being".

27 Pratte J., who concurred in the result with Marceau J., rejected all arguments based on the retroactive nature of the powers granted by ss. 60(2) and 66 of the National Transportation Act. Pratte J. was of the opinion that the impugned order was not retroactive in nature since its effect was to force the respondent to grant a credit in the future rather than change the rates charged in the past in a retroactive manner. Pratte J. then stated that if legislative authority existed for Decision 86-17, it must be found in s. 60(2) of the National Transportation Act which provides for "further directions" to be made at a later date following an interim decision. However, Pratte J. was of the opinion that any "further direction" must be in the nature of an order which can be made under s. 60(2) in the first place. It follows from that reasoning that if no one-time credit order can be made by interim order, no "further direction" to that effect can be made under s. 60(2). Pratte J. then agreed with Marceau J. that the respondent could not be forced to reimburse revenues made by charging rates approved by the appellant whether by interim order or by a "further direction" made in a final order.

28 Hugessen J. dissented on the basis that, within the statutory framework set out in the Railway Act and the National Transportation Act, all orders whether final or interim can, by virtue of ss. 60(2) and 66 of the National Transportation Act, be modified by a further prospective order; thus, the proposed rule that interim orders can only be modified by a further prospective order would, in Hugessen J.'s opinion, effectively eliminate any distinction between final and interim orders and defeat the legislator's intention to provide the appellant with a distinct and independent power to make interim orders. In order to differentiate interim orders from final orders, Hugessen J. was of the opinion that the appellant in this Court must have the power to fix just and reasonable rates as of the date at which interim rates came into effect. Thus, only interim rates can be modified in a retrospective manner by a final order. Hugessen J. then stated that the interim rates in force in 1985 and 1986 must not be divided into the previous rate and the interim rate increase of 2 per cent: the resulting rate must be viewed as interim in its entirety because all the rates charged after January 1, 1985 were authorized by interim orders. Finally, Hugessen J. stated that the one-time credit order was a valid exercise of the power to set just and reasonable rates as of January 1, 1985 and that the choice of the appropriate remedy was an "'administrative matter' properly left for the Commission's determination". Hugessen J. also noted that the appellant's order was in substance though not in form a "matter relating to tolls and tariffs" within the meaning of s. 340(5) of the Railway Act.

V - Analysis

(A) Curial Deference Towards the Decisions of the CRTC

29 NAPO argues that the appellant's decisions are entitled to "curial deference" because of their national importance and that these decisions should not be overturned unless they are patently unreasonable. NAPO cites the following cases as authority for this proposition: Canadian Union of Public Employees, Local 963 v. New Brunswick Liquor

Corp., [1979] 2 S.C.R. 227 ("CUPE"); Douglas Aircraft Co. of Canada Ltd. v. McConnell, [1980] 1 S.C.R. 245; Alberta Union of Provincial Employees v. Board of Governors of Olds College, [1982] 1 S.C.R. 923; Re Ontario Public Service Employees Union and Forer (1985), 52 O.R. (2d) 705 (C.A.); Re City of Ottawa and Ottawa Professional Firefighters' Association, Local 162 (1987), 58 O.R. (2d) 685 (C.A.); Greyhound Lines of Canada Ltd. v. Canadian Human Rights Commission (1987), 78 N.R. 192 (F.C.A.); and Canadian Pacific Ltd. v. Canadian Transport Commission (1987), 79 N.R. 13 (F.C.A.) ("Canadian Pacific").

30 With the exception of the Canadian Pacific case, all these cases involved judicial review of decisions which were either protected by a privative clause or by a provision stating that no appeal lies therefrom. Where the legislator has clearly stated that the decision of an administrative tribunal is final and binding, courts of original jurisdiction cannot interfere with such decisions unless the tribunal has committed an error which goes to its jurisdiction. Thus, this Court has decided in the CUPE case that judicial review cannot be completely excluded by statute and that courts of original jurisdiction can always quash a decision if it is "so patently unreasonable that its construction cannot be rationally supported by the relevant legislation and demands intervention by the court upon review" (p. 237). Decisions which are so protected are, in that sense, entitled to a non-discretionary form of deference because the legislator intended them to be final and conclusive and, in turn, this intention arises out of the desire to leave the resolution of some issues in the hands of a specialized tribunal. In the CUPE case, Dickson J., as he then was, described the legislator's intention as follows, at pp. 235-36:

> Section 101 constitutes a clear statutory direction on the part of the Legislature that public sector labour matters be promptly and finally decided by the Board. Privative clauses of this type are typically found in labour relations legislation. The rationale for protection of a labour board's decisions within jurisdiction is straightforward and compelling. The labour board is a specialized tribunal which administers a comprehensive statute regulating labour relations. In the administration of that regime, a board is called upon not only to find facts and decide questions of law, but also to exercise its understanding of the body of jurisprudence that has developed around the collective bargaining system, as understood in Canada, and its labour relations sense acquired from accumulated experience in the area.

However, it is important to stress the fact that the decision of an administrative tribunal can only be entitled to such deference if the legislator has clearly expressed his intention to protect such decisions through the use of privative clauses or clauses which state that the decision is final and without appeal. As formulated, NAPO's argument on curial deference must therefore be rejected because it fails to recognize the basic difference between appellate review and judicial review of decisions which do not fall within the jurisdiction of the lower tribunal.

31 Although s. 49(3) of the National Transportation Act provides that the appellant has full jurisdiction to hear and determine all matters whether of law or fact for the purposes of the Railway Act and of Part IV of the National Transportation Act, the appellant's decisions are subject to appeal, with leave, to the Federal Court of Appeal on questions of law or jurisdiction by virtue of s. 68(1) which reads as follows:

> 68. (1) An appeal lies from the Commission to the Federal Court of Appeal on a question of law or a question of jurisdiction on leave therefor being obtained from that Court on application made within one month after the making of the order, decision, rule or regulation sought to be appealed from or within such further time as a judge of that Court under special circumstances allows, and on notice to the parties and the Commission, and on hearing such of them as appear and desire to be heard.

It is trite to say that the jurisdiction of a court on appeal is much broader than the jurisdiction of a court on judicial review. In principle, a court is entitled, on appeal, to disagree with the reasoning of the lower tribunal.

32 However, within the context of a statutory appeal from an administrative tribunal, additional consideration must be given to the principle of specialization of duties. Although an appeal tribunal has the right to disagree with the lower tribunal on issues which fall within the scope of the statutory appeal, curial deference should be given to the opinion of the lower tribunal on issues which fall squarely within its area of expertise. The Canadian Pacific case is an example of a situation where curial deference towards a decision of the Canadian Transport Commission involving the interpretation of a tariff was appropriate. The decision of the Canadian Transport Commission was appealed to a review committee and then to the Federal Court of Appeal. Urie J. held that the decision of the review committee must not be reversed unless it is unreasonable or clearly wrong, at pp. 16-17:

> On the appeal from that decision to this court, the appellant advanced essentially the same grounds and arguments which it had submitted to the RTC. As to the first ground, I am of the opinion that the RTC correctly interpreted the two items from the tariff and since its view was confirmed by the Review Committee, that committee did not commit an error in construction. No useful purpose would be served by my restating the reasons of the R.T.C. for interpreting the items as they did and I respectfully adopt them as my own. This Court should not interfere with an interpretation made by bodies having the expertise of the R.T.C. and the Review Committee in an area within their jurisdiction, unless their interpretation is not reasonable or is clearly wrong. Neither situation prevails in this case. [Emphasis added.]

Although the very purpose of the review committee is to interpret the tariff and although such questions of interpretation fall within the Review Committee's area of special expertise, it does not follow that its decisions can only be reviewed if they are unreasonable. However the principle of specialization of duties justifies curial deference in such circumstances.

33 In this case, the respondent is challenging the appellant's decision on a question of law and jurisdiction involving the nature of interim decisions and the extent of the powers conferred on the appellant when it makes interim decisions. This question cannot be solved without an analysis of the procedural scheme created by the Railway Act and the National Transportation Act. It is a question of law which is clearly subject to appeal under s. 68(1) of the National Transportation Act. It is also a question of jurisdiction because it involves an inquiry into whether the appellant had the power to make a one-time credit order.

34 Except as regards the choice, amongst remedies available to the appellant, of the most appropriate remedy to achieve the goal of just and reasonable rates throughout the interim period, the decision impugned by the respondent is not a decision which falls within the appellant's area of special expertise and is therefore pursuant to s. 68(1) subject to review in accordance with the principles governing appeals. Indeed, the appellant was not created for the purpose of interpreting the Railway Act or the National Transportation Act but rather to ensure, amongst other duties, that telephone rates are always just and reasonable.

(B) The Power to Regulate Bell Canada's Revenues

35 The respondent argues that the appellant only has jurisdiction to regulate tolls and tariffs and that this power does not include the power to regulate its level of revenues or its return on equity.

36 The fixing of tolls and tariffs that are just and reasonable necessarily involves the regulation of the revenues of the regulated entity. This has been recognized by this Court interpreting provisions similar to s. 340(1) of the Railway Act which prescribe that "[a]ll tolls shall be just and reasonable". In British Columbia Electric Railway Co. v. Public Utilities Commission of British Columbia, [1960] S.C.R. 837, Locke J. said the following about para. 16(1)(b) of the Public Utilities Act, R.S.B.C. 1948, c. 277, which provided that in fixing a rate the Public Utility Commission of British Columbia should take into consideration the "fair and reasonable return upon the appraised value of the property of the public utility used ... to enable the public utility to furnish the service" (at p. 848):

> I do not think it is possible to define what constitutes a fair return upon the property of utilities in a manner applicable to all cases or that it is expedient to attempt to do so. It is a continuing obligation that rests upon such a utility to provide what the Commission regards as adequate service in supplying not only electricity but transportation and gas, to maintain its properties in a satisfactory state to render adequate service and to provide extensions to these services when, in the opinion of the Commission, such are necessary. In coming to its conclusion as to what constituted a fair return to be allowed to the appellant these matters as well as the undoubted fact that the earnings must be sufficient, if the company was to discharge these statutory duties, to enable it to pay reasonable dividends and attract capital, either by the sale of shares or securities, were of necessity considered. Once that decision was made it was, in my opinion, the duty of the Commission imposed by the statute to ap-

> prove rates which would enable the company to earn such a return or such lesser return as it might decide to ask. [Emphasis added.]

In Northwestern Utilities Ltd. v. City of Edmonton, [1929] S.C.R. 186, Lamont J. described the relevant factors in the determination of what are just and reasonable rates as follows (at p. 190):

> In order to fix just and reasonable rates, which it was the duty of the Board to fix, the Board had to consider certain elements which must always be taken into account in fixing a rate which is fair and reasonable to the consumer and to the company. One of these is the rate base, by which is meant the amount which the Board considers the owner of the utility has invested in the enterprise and on which he is entitled to a fair return. Another is the percentage to be allowed as a fair return.

Such provisions require the administrative tribunal to balance the interests of the customers with the necessity of ensuring that the regulated entity is allowed to make sufficient revenues to finance the costs of the services it sells to the public.

37 Thus, it is trite to say that in fixing fair and reasonable tolls the appellant must take into consideration the level of revenues needed by the respondent. In fact, the respondent would be the first to complain if its financial situation was not taken into consideration when tolls are fixed. By so doing, the appellant regulates the respondent's revenues albeit in a seemingly indirect manner. I would therefore dismiss this argument.

(C) The Power to Revisit the Period During Which Interim Rates Were in Force

(i) Introduction

38 As indicated above, the appellant has examined the period during which interim rates were in force, i.e. from January 1, 1985 to October 14, 1986, for the purpose of ascertaining whether these interim rates were in fact just and reasonable. Following a factual finding that these rates were not just and reasonable, the one-time credit order now contested before this Court was made in order to remedy this situation. Thus, the effect of Decision 86-17 was not retroactive in nature since it does not seek to establish rates to replace or be substituted to those which were charged during that period. The one-time credit order is, however, retrospective in the sense that its purpose is to remedy the imposition of rates approved in the past and found in the final analysis to be excessive. Thus, the question before this Court is whether the appellant has jurisdiction to make orders for the purpose of remedying the inappropriateness of rates which were approved by it in a previous interim decision.

39 This question involves a determination of whether rates approved by interim order are inherently contingent as well as provisional or whether the statutory scheme established by the Railway Act and the National Transportation Act is so prospective in nature that it precludes such a retrospective review of interim rates approved by the appellant. Finally, it is also necessary to determine whether the appellant has jurisdiction to order the reimbursement of amounts which exceed the revenues actually collected as a direct result of the interim rates.

(ii) The Distinction Between Interim and Final Orders

40 The respondent argues that the Railway Act and the National Transportation Act establish a regulatory regime which is exclusively prospective in nature because all rates, whether interim or final, must be just and reasonable. Thus, if interim rates have been approved on the basis that they are just and reasonable, no excessive revenues can be earned by charging such rates; interim rates, by reason only of their approval by the appellant, are presumed to be just and reasonable until they are modified by a subsequent order. According to the respondent, interim orders are therefore orders made "for the time being" until a more permanent order is made.

41 In his dissenting reasons, Hugessen J. points out quite accurately that if interim orders are simply orders made "for the time being", it will be impossible to distinguish final orders from interim orders within the statutory scheme established by the Railway Act and the National Transportation Act since all final orders may be revised by the appellant of its own motion and at any time: s. 335(1) of the Railway Act and s. 52 of the National Transportation Act. It is therefore impossible to say that final orders made under these statutes are final in the sense that they may never be reconsidered. The on-going nature of the appellant's regulatory activities necessarily entails a continuous review of past decisions concerning tolls and tariffs. Thus, all orders, whether final or interim, would be orders "for the time being" within the statutory scheme established by the Railway Act and the National Transportation Act.

42 Both the appellant and Hugessen J. rely heavily on Re Coseka Resources Ltd. and Saratoga Processing Co. (1981), 126 D.L.R. (3d) 705 (Alta. C.A.) for the proposition that interim decisions must be distinguished from final decisions in that they may be reviewed in a retrospective manner. This distinction is based on the fact that interim decisions are made subject to "further direction" as prescribed by s. 60(2) of the National Transportation Act which, for convenience, I cite again:

> 60. ...
>
> (2) The Commission may, instead of making an order final in the first instance, make an interim order and reserve further directions either for an adjourned hearing of the matter or for further application. [Emphasis added.]

The statutory scheme analysed by the Alberta Court of Appeal in Re Coseka is substantially similar to though more clearly prospective than the statutory scheme established by the Railway Act and the National Transportation Act. Furthermore, s. 52(2) of the Public Utilities Board Act, R.S.A. 1970, c. 302, is identical in wording to s. 60(2) of the National Transportation Act. Laycraft J.A., as he then was, cited with approval by Hugessen J., wrote the following with respect to the possibility of revisiting the period during which interim rates were in force for the purpose of deciding whether those interim rates were in fact just and reasonable, at pp. 717-18:

> In my view, to say that an interim order may not be replaced by a final order is to attribute virtually no additional powers to the Board from s. 52 beyond those already contained in either the Gas Utilities Act or the Public Utilities Board Act to make final orders. The Board is by other provisions of the statute empowered by order to fix rates either on application or on its own motion. An interim order would be the same, and have the same effect, as a final order unless the "further direction" which the statute contemplates includes the power to change the interim order. On that construction of the section the interim order would be a "final" order in all but name. The Board would need no further legislative authority to issue a further "final" order since it may fix rates under s. 27 on its own motion without a further application. The provision for an interim order was intended to permit rates to be fixed subject to correction to be made when the hearing is subsequently completed.
>
> It was urged during argument that s. 52(2) was merely intended to enable the Board to achieve "rough justice" during the period of its operation until a final order is issued. However, the Board is required to fix "just and reasonable rates" not "roughly just and reasonable rates". The words "reserve for further direction", in my view, contemplate changes as soon as the Board is able to determine those just and reasonable rates. [Emphasis added.]

43 I agree with Hugessen J. and with the reasons of Laycraft J.A. in Re Coseka where he made a careful review of previous cases. The statutory scheme established by the Railway Act and the National Transportation Act is such that one of the differences between interim and final orders must be that interim decisions may be reviewed and modified in a retrospective manner by a final decision. It is inherent in the nature of interim orders that their effect as well as any discrepancy between the interim order and the final order may be reviewed and remedied by the final order. I hasten to add that the words "further directions" do not have any magical, retrospective content. Under the Railway Act and the National Transportation Act, final orders are subject to "further [prospective] directions" as well. It is the interim nature of the order which makes it subject to further retrospective directions.

44 The importance of distinguishing final orders from interim orders is illustrated by the case of City of Calgary v. Madison Natural Gas Co. (1959), 19 D.L.R. (2d) 655 (Alta. C.A.). In Madison, the Public Utility Board (the "Board") was faced with an application by the City of Calgary for the reimbursement of amounts earned in excess of the rates of return allowed in orders 34 and 41 for the sale of natural gas. The Board had allowed a rate of return of 7 per cent but, due to its lack of useful information to predict the effect of rates on the actual financial performance of the regulated entity, the rates per volume fixed by the Board actually yielded greater profits than anticipated. The Board refused to grant the demands made in the application because it felt it had no jurisdiction to revisit periods during which rates approved in a final decision were in force. This decision was confirmed by the Court of Appeal on the basis that, contrary to arguments made by the City of Calgary, orders 34 and 41 were final orders not governed by s. 35a(3) of the Natural Gas Utilities Act, which read as follows:

> 35a -- ...
>
> (3) The Board is hereby authorized, empowered and directed, on the final hearing, to give consideration to the effect of the operation of such interim or temporary order and in the final order to make, allow or provide for such adjustments, allowances or other factors, as to the Board may seem just and reasonable.

Order 34 provided that the price was set at 9 cents per mcf and that "if it should turn out that there is a surplus, it can be dealt with when the time arrives" which led to the argument that this order was in fact an interim order. Johnson J.A. dismissed this argument in the following terms, at pp. 662-63:

> It is the submission of the appellants that O. 34 and O. 41 are interim or temporary orders and the Board can now deal with these surpluses in accordance with s-s (3). As I have mentioned, orders fixing interim prices were made while the Board was hearing the application and considering its report. These, of course, were superseded by the order now under consideration. Orders 34 and 41 are, of course, not final orders in the sense that judgments are final. The Act contemplates that subsequent applications will be made to change the price fixed by these orders. They are nonetheless final so far as each application is concerned.

It is useful to note that the respondent relies heavily on the Madison case for the proposition that a regulated entity cannot be forced to disgorge profits legally earned by charging rates approved by the relevant regulatory authority on the basis that they are just and reasonable. Since the City of Calgary sought to obtain the reimbursement of profits earned by charging rates approved by final order, this case does not support the respondent's position.

45 A consideration of the nature of interim orders and the circumstances under which they are granted further explains and justifies their being, unlike final decisions, subject to retrospective review and remedial orders. The appellant may make a wide variety of interim orders dealing with hearings, notices and, in general, all matters concerning the administration of proceedings before the appellant. Such orders are obviously interim in nature. However, this is less obvious when an interim order deals with a matter which is to be dealt with in the final decision, as was the case with the interim rate increase ordered in Decision 84-28. If interim rate increases are awarded on the basis of the same criteria as those applied in the final decision, the interim decision would serve as a preliminary decision on the merits as far as the rate increase is concerned. This, however, is not the purpose of interim rate orders.

46 Traditionally, such interim rate orders dealing in an interlocutory manner with issues which remain to be decided in a final decision are granted for the purpose of relieving the applicant from the deleterious effects caused by the length of the proceedings. Such decisions are made in an expeditious manner on the basis of evidence which would often be insufficient for the purposes of the final decision. The fact that an order does not make any decision on the merits of an issue to be settled in a final decision and the fact that its purpose is to provide temporary relief against the deleterious effects of the duration of the proceedings are essential characteristics of an interim rate order.

47 In Decision 84-28, the appellant granted the respondent an interim rate increase on the basis of the following criteria which, for convenience, I cite again (at p. 9):

> The Commission considers that, as a rule, general rate increases should only be granted following the full public process contemplated by Part III of its Telecommunications Rules of Procedure. In the absence of such a process, general rate increases should not in the Commission's view be granted, even on an interim basis, except where special circumstances can be demonstrated. Such circumstances would include lengthy delays in dealing with an application that could result in a serious deterioration in the financial condition of an applicant absent a general interim increase.

Decision 84-28 was truly an interim decision since it did not seek to decide in a preliminary manner an issue which would be dealt with in the final decision. Instead, the appellant granted the interim rate increase on the basis that such an increase was necessary in order to prevent the respondent from having serious financial difficulties.

48 Furthermore, the appellant consistently reiterated throughout the procedures which led to Decision 86-17 its intention to review the rates charged for the test year 1985 and up to the date of the final decision. Holding that the interim rates in force during that period cannot be reviewed would not only be contrary to the nature of interim orders, it would also frustrate and subvert the appellant's order approving interim rates.

49 It is true, as the respondent argues, that all telephone rates approved by the appellant must be just and reasonable whether these rates are approved by interim or final order; no other conclusion can be derived from s. 340(1) of the Railway Act. However, interim rates must be just and reasonable on the basis of the evidence filed by the applicant at the hearing or otherwise available for the interim decision. It would be useless to order a final hearing if the appellant was bound by the evidence filed at the interim hearing. Furthermore, the interim rate increase was granted on the basis that the length of the proceedings could cause a serious deterioration in the financial condition of the respondent. Only once such an emergency situation was found to exist did the appellant ask itself what rate increase would be just and reasonable on the basis of the available evidence and for the purpose of preventing such a financial deterioration. The inherent differences between a decision made on an interim basis and a decision made on a final basis clearly justify the power to revisit the period during which interim rates were in force.

50 The respondent argues that the power to revisit the period during which interim rates were in force cannot exist within the statutory scheme established by the Railway Act and the National Transportation Act because these statutes do not grant such a power explicitly, unlike s. 64 of the National Energy Board Act, R.S.C., 1985, c. N-7. The powers of any administrative tribunal must of course be stated in its enabling statute but they may also exist by necessary implication from the wording of the act, its structure and its purpose. Although courts must refrain from unduly broadening the powers of such regulatory authorities through judicial law-making, they must also avoid sterilizing these powers through overly technical interpretations of enabling statutes. I have found that, within the statutory scheme established by the Railway Act and the National Transportation Act, the power to make interim orders necessarily implies the power to revisit the period during which interim rates were in force. The fact that this power is provided explicitly in other statutes cannot modify this conclusion based as it is on the interpretation of these two statutes as a whole.

51 I am bolstered in my opinion by the fact that the regulatory scheme established by the Railway Act and the National Transportation Act gives the appellant very broad procedural powers for the purpose of ensuring that telephone rates and tariffs are, at all times, just and reasonable. Within this regulatory framework, the power to make appropriate orders for the purpose of remedying interim rates which are not just and reasonable is a necessary adjunct to the power to make interim orders.

52 It is interesting to note that, in the context of statutory schemes which did not provide any power to set interim rates, the United States Supreme Court has held that regulatory agencies have both the power to impose interim rates and the power to make reimbursement orders where the interim rates are found to be excessive in the final order: United States v. Fulton, 475 U.S. 657 (1986), at pp. 669-71; Trans Alaska Pipeline Rate Cases, 436 U.S. 631 (1978), where Brennan J. wrote the following comments at pp. 654-56:

> Finally, petitioners contend that the Commission has no power to subject them to an obligation to account for and refund amounts collected under the interim rates in effect during the suspension period and the initial rates which would become effective at the end of such a period.... In response, we note first that we have already recognized in Chessie that the Commission does have powers "ancillary" to its suspension power which do not depend on an express statutory grant of authority. We had no occasion in Chessie to consider what the full range of such powers might be, but we did indicate that the touchstone of ancillary power was a "direc(t) relat(ionship)" between the power asserted and the Commission's "mandate to assess the reasonableness of ... rates and to suspend them pending investigation if there is a question as to their legality." 426 U.S., at 514.
>
> . . .
>
> Thus, here as in Chessie, the Commission's refund conditions are a "legitimate, reasonable, and direct adjunct to the Commission's explicit statutory power to suspend rates pending investigation," in that they allow the Commission, in exercising its suspension power, to pursue "a more

> measured course" and to "offe(r) an alternative tailored far more precisely to the particular circumstances" of these cases. Since, again as in Chessie, the measured course adopted here is necessary to strike a proper balance between the interests of carriers and the public, we think the Interstate Commerce Act should be construed to confer on the Commission the authority to enter on this course unless language in the Act plainly requires a contrary result.

This approach to the interpretation of statutes conferring regulatory authority over rates and tariffs is only the expression of the wider rule that the court must not stifle the legislator's intention by reason only of the fact that a power has not been explicitly provided for.

53 The appellant has also argued that the power to "vary" a previous decision, whether interim or final, found in s. 66 of the National Transportation Act, includes the power to vary these decisions in a retroactive manner. Given my conclusion based on the inherent nature of interim orders, it is unnecessary for me to deal with this argument.

(iii) The Relevance of the Distinction Between Positive Approval and Negative Disallowance Schemes of Rate Regulation

54 Much was said in argument about the difference between positive approval schemes and negative disallowance schemes with respect to the power to act retrospectively. The first category includes schemes which provide that the administrative agency is the only body having statutory authority to approve or fix tolls payable to utility companies; these schemes generally stipulate that tolls shall be "just and reasonable" and that the administrative agency has the power to review these tolls on a proprio motu basis or upon application by an interested party. The second category includes schemes which grant utility companies the right to fix tolls as they wish but also grant users the right to complain before an administrative agency which has the power to vary those tolls if it finds that they are not "just and reasonable". It has generally been found that negative disallowance schemes provide the power to make orders which are retroactive to the date of the application by the ratepayer who claims that the rates are not "just and reasonable". On the other hand, positive approval schemes have been found to be exclusively prospective in nature and not to allow orders applicable to periods prior to the final decision itself. A full discussion of this issue was made by Estey J. in Nova v. Amoco Canada Petroleum Co., [1981] 2 S.C.R. 437, at pp. 450-51, and I do not propose to repeat or to criticize what was said in that case with respect to the power to review rates approved by a previous final order. I am of the opinion that the regulatory scheme established by the Railway Act and the National Transportation Act is a positive approval scheme inasmuch as the respondent's rates are subject to approval by the appellant. However, the Nova case only dealt with the power to review rates approved in a previous final decision and, as I have said before, entirely different considerations apply when interim rates are reviewed.

55 It has often been said that the power to review its own previous final decision on the fairness and the reasonableness of rates would threaten the stability of the regulated entity's financial situation. In Regina v. Board of Commissioners of Public Utilities (1966), 60 D.L.R. (2d) 703, Ritchie J.A., wrote the following comments on this issue, at p. 729:

> The distributor contends that in the absence of any express limitation or restriction or an express provision as to the effective date of any order made by the board, the jurisdiction conferred on the board by the Legislature includes jurisdiction to make orders with retrospective effect. Reliance is placed on Bakery and Confectionery Workers International Union of America, Local 468 v. Salmi, White Lunch Ltd. v. Labour Relations Board of British Columbia, 56 D.L.R. (2d) 193, [1966] S.C.R. 282, 55 W.W.R. 129 which it is contended must be applied when interpreting s. 6(1) of the Act.
>
> The clear object of the Act is to ensure stability in the operation of public utilities and the maintenance of just, reasonable and non-discriminatory rates. That object would be defeated if the board having, on November 14, 1962, made an order fixing the rates to be paid by the distributor for natural gas purchased from the producer, reduced those rates on February 19, 1966, more than three years later, and directed the reduced rates be effective as from January 1, 1962, or as from any other date prior to February 19, 1966.

and further at p. 732:

> In no section of the Act do I find any wording indicating an intention on the part of the Legislature to confer on the board authority to make orders fixing rates with retrospective effect or any language requiring a construction that such authority has been bestowed on the board. To so interpret s. 6(1) would render insecure the position of not only every public utility carrying on business in the Province but also the position of every customer of such public utility.

However, Ritchie J.A.'s comments deal with the Public Utilities Act, R.S.N.B. 1952, c. 186, which did not provide the Board with any power to make interim orders. I readily agree that Ritchie J.A.'s concerns about the financial stability of utility companies are valid when one is faced with the argument that a Board has the power to revisit its own previous final decisions. Since no time limit could be placed on the period which could be revisited, any power to revisit previous final decisions would have to be explicitly provided in the enabling statute. Furthermore, even if final orders are "for the time being", it does not necessarily follow that they must be stripped of all their finality through the judicial recognition of a power to revisit a period during which final rates were in force.

56 However, there should be no concern over the financial stability of regulated utility companies where one deals with the power to revisit interim rates. The very purpose of interim rates is to allay the prospect of financial instability which can be caused by the duration of proceedings before a regulatory tribunal. In fact, in this case, the respondent asked for and was granted interim rate increases on the basis of serious apprehended financial difficulties. The added flexibility provided by the power to make interim orders is meant to foster financial stability throughout the regulatory process. The power to revisit the period during which interim rates were in force is a necessary corollary of this power without which interim orders made in emergency situations may cause irreparable harm and subvert the fundamental purpose of ensuring that rates are just and reasonable.

57 Even though Parliament has decided to adopt a positive approval regulatory scheme for the regulation of telephone rates, the added flexibility provided by the power to make interim orders indicates that the appellant is empowered to make orders as of the date at which the initial application was made or as of the date the appellant initiated the proceedings of its own motion. The underlying theory behind the rule that a positive approval scheme only gives jurisdiction to make prospective orders is that the rates are presumed to be just and reasonable until they are modified because they have been approved by the regulatory authority on the basis that they were indeed just and reasonable. However, the power to make interim orders necessarily implies the power to modify in its entirety the rate structure previously established by final order. As a result, it cannot be said that the rate review process begins at the date of the final hearing; instead, the rate review begins when the appellant sets interim rates pending a final decision on the merits. As was stated in obiter in Re Eurocan Pulp & Paper Co. and British Columbia Energy Commission (1978), 87 D.L.R. (3d) 727 (B.C.C.A.), with respect to a similar though not identical legislative scheme, the power to make interim orders effectively implies the power to make orders effective from the date of the beginning of the proceedings. In turn, this power must comprise the power to make appropriate orders for the purpose of remedying any discrepancy between the rate of return yielded by the interim rates and the rate of return allowed in the final decision for the period during which they are in effect so as to achieve just and reasonable rates throughout that period.

(iv) The Power to Make a One-time Credit Order

58 Once it is decided, as I have, that the appellant does have the power to revisit the period during which interim rates were in force for the purpose of ascertaining whether they were just and reasonable, it would be absurd to hold that it has no power to make a remedial order where, in fact, these rates were not just and reasonable. I also agree with Hugessen J. that s. 340(5) of the Railway Act provides a sufficient statutory basis for the power to make remedial orders including an order to give a one-time credit to certain classes of customers.

59 CNCP Telecommunications argues that the one-time credit order should be limited to the amount of revenues actually derived as a direct result of the 2 per cent interim rate increase and that these excess revenues should be refunded to the actual customers who paid them. The presumption behind this argument is that the portion of the interim rates corresponding to the final rates in force prior to the beginning of the proceedings cannot be held to be unjust or unreasonable until a final decision is rendered. As I have held that the appellant has jurisdiction to review the fairness and the reasonableness of these interim rates in their entirety because the rate-review process starts as of the date of the beginning of the proceedings, this argument must be dismissed.

60 Finally, it is true that the one-time credit ordered by the appellant will not necessarily benefit the customers who were actually billed excessive rates. However, once it is found that the appellant does have the power to make a remedial order, the nature and extent of this order remain within its jurisdiction in the absence of any specific statutory provision on this issue. The appellant admits that the use of a one-time credit is not the perfect way of reimbursing excess revenues. However, in view of the cost and the complexity of finding who actually paid excessive rates, where these persons reside and of quantifying the amount of excessive payments made by each, and having regard to the appellant's broad jurisdiction in weighing the many factors involved in apportioning respondent's revenue requirement amongst its several classes of customers to determine just and reasonable rates, the appellant's decision was eminently reasonable and I agree with Hugessen J. that it should not be overturned.

VI - Conclusion

61 In my opinion, the appellant had jurisdiction to review the interim rates in force prior to Decision 86-17 for the purpose of ascertaining whether they were just and reasonable, had jurisdiction to order the respondent to grant the one-time credit described in Decision 86-17 and has committed no error in so doing.

62 I would allow the appeal and confirm the appellant's decision, with costs in all courts.

qp/i/qlcvd

FORTISBC ENERGY INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
EFFECTIVE JANUARY 1, 2012 RATES

APPENDIX F-2
TAB 1.1.1
PAGE 1
SCHEDULE 1

	RATE SCHEDULE 1: RESIDENTIAL SERVICE	EXISTING OCTOBER 1, 2011 RATES			DELIVERY MARGIN RELATED CHARGES CHANGES			EFFECTIVE JANUARY 1, 2012 RATES		
Line No.	Particulars	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Delivery Margin Related Charges									
2	**Basic Charge per day**	**$0.3890**	**$0.3890**	**$0.3890**	**$0.0000**	**$0.0000**	**$0.0000**	**$0.3890**	**$0.3890**	**$0.3890**
3										
4	Delivery Charge per GJ	$3.275	$3.275	$3.275	$0.284	$0.284	$0.284	$3.559	$3.559	$3.559
5	Rider 2 2009 ROE Rate Rider	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
6	Rider 3 ESM	($0.048)	($0.048)	($0.048)	$0.048	$0.048	$0.048	$0.000	$0.000	$0.000
7	Rider 5 RSAM	($0.020)	($0.020)	($0.020)	($0.012)	($0.012)	($0.012)	($0.032)	($0.032)	($0.032)
8	Subtotal **Delivery Margin Related Charges per GJ**	**$3.207**	**$3.207**	**$3.207**	**$0.320**	**$0.320**	**$0.320**	**$3.527**	**$3.527**	**$3.527**
9										
10										
11	Commodity Related Charges									
12	Midstream Cost Recovery Charge per GJ	$1.340	$1.315	$1.355	$0.000	$0.000	$0.000	$1.340	$1.315	$1.355
13	Rider 8 Unbundling Recovery	$0.009	$0.009	$0.009	$0.000	$0.000	$0.000	$0.009	$0.009	$0.009
14	Subtotal **Midstream Related Charges per GJ**	**$1.349**	**$1.324**	**$1.364**	**$0.000**	**$0.000**	**$0.000**	**$1.349**	**$1.324**	**$1.364**
15										
16	**Cost of Gas (Commodity Cost Recovery Charge) per GJ**	**$4.005**	**$4.005**	**$4.005**	**$0.000**	**$0.000**	**$0.000**	**$4.005**	**$4.005**	**$4.005**
17										
18										
19	Rider 1 Propane Surcharge (Revelstoke only)		$13.715			$0.000			$13.715	
20										
21										
22	**Cost of Gas Recovery Related Charges for Revelstoke**		**$19.035**			**$0.000**			**$19.035**	
23	per GJ (Includes Rider 1, excludes Riders 8)									

: charge rates are prorated to a daily basis for comparison purposes.

FORTISBC ENERGY INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
EFFECTIVE JANUARY 1, 2012 RATES

APPENDIX F-2
TAB 1.1.1
PAGE 2
SCHEDULE 2

Line No.	RATE SCHEDULE 2: SMALL COMMERCIAL SERVICE	EXISTING OCTOBER 1, 2011 RATES			DELIVERY MARGIN RELATED CHARGES CHANGES			EFFECTIVE JANUARY 1, 2012 RATES		
	Particulars	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Delivery Margin Related Charges									
2	**Basic Charge per day**	**$0.8161**	**$0.8161**	**$0.8161**	**$0.0000**	**$0.0000**	**$0.0000**	**$0.8161**	**$0.8161**	**$0.8161**
3										
4	Delivery Charge per GJ	$2.714	$2.714	$2.714	$0.214	$0.214	$0.214	$2.928	$2.928	$2.928
5	Rider 2 2009 ROE Rate Rider	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
6	Rider 3 ESM	($0.036)	($0.036)	($0.036)	$0.036	$0.036	$0.036	$0.000	$0.000	$0.000
7	Rider 5 RSAM	($0.020)	($0.020)	($0.020)	($0.012)	($0.012)	($0.012)	($0.032)	($0.032)	($0.032)
8	Subtotal **Delivery Margin Related Charges per GJ**	**$2.658**	**$2.658**	**$2.658**	**$0.238**	**$0.238**	**$0.238**	**$2.896**	**$2.896**	**$2.896**
9										
10										
11	Commodity Related Charges									
12	Midstream Cost Recovery Charge per GJ	$1.327	$1.301	$1.342	$0.000	$0.000	$0.000	$1.327	$1.301	$1.342
13	Rider 8 Unbundling Recovery	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
14	Subtotal **Midstream Related Charges per GJ**	**$1.327**	**$1.301**	**$1.342**	**$0.000**	**$0.000**	**$0.000**	**$1.327**	**$1.301**	**$1.342**
15										
16	**Cost of Gas (Commodity Cost Recovery Charge) per GJ**	**$4.005**	**$4.005**	**$4.005**	**$0.000**	**$0.000**	**$0.000**	**$4.005**	**$4.005**	**$4.005**
17										
18										
19	Rider 1 Propane Surcharge (Revelstoke only)		$12.638			$0.000			$12.638	
20										
21										
22	**Cost of Gas Recovery Related Charges for Revelstoke**		**$17.944**			**$0.000**			**$17.944**	
23	per GJ (Includes Rider 1, excludes Rider 8)									

Note: Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to a daily basis for comparison purposes.

FORTISBC ENERGY INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
EFFECTIVE JANUARY 1, 2012 RATES

APPENDIX F-2
TAB 1.1.1
PAGE 3
SCHEDULE 3

Line No.	RATE SCHEDULE 3: LARGE COMMERCIAL SERVICE	EXISTING OCTOBER 1, 2011 RATES			DELIVERY MARGIN RELATED CHARGES CHANGES			EFFECTIVE JANUARY 1, 2012 RATES		
	Particulars	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Delivery Margin Related Charges									
2	**Basic Charge per day**	**$4.3538**	**$4.3538**	**$4.3538**	**$0.0000**	**$0.0000**	**$0.0000**	**$4.3538**	**$4.3538**	**$4.3538**
3										
4	Delivery Charge per GJ	$2.318	$2.318	$2.318	$0.165	$0.165	$0.165	$2.483	$2.483	$2.483
5	Rider 2 2009 ROE Rate Rider	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
6	Rider 3 ESM	($0.028)	($0.028)	($0.028)	$0.028	$0.028	$0.028	$0.000	$0.000	$0.000
7	Rider 5 RSAM	($0.020)	($0.020)	($0.020)	($0.012)	($0.012)	($0.012)	($0.032)	($0.032)	($0.032)
8	Subtotal **Delivery Margin Related Charges per GJ**	**$2.270**	**$2.270**	**$2.270**	**$0.181**	**$0.181**	**$0.181**	**$2.451**	**$2.451**	**$2.451**
9										
10										
11	Commodity Related Charges									
12	Midstream Cost Recovery Charge per GJ	$1.018	$0.999	$1.036	$0.000	$0.000	$0.000	$1.018	$0.999	$1.036
13	Rider 8 Unbundling Recovery	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
14	Subtotal **Midstream Related Charges per GJ**	**$1.018**	**$0.999**	**$1.036**	**$0.000**	**$0.000**	**$0.000**	**$1.018**	**$0.999**	**$1.036**
15										
16	**Cost of Gas (Commodity Cost Recovery Charge) per GJ**	**$4.005**	**$4.005**	**$4.005**	**$0.000**	**$0.000**	**$0.000**	**$4.005**	**$4.005**	**$4.005**
17										
18										
19	Rider 1 Propane Surcharge (Revelstoke only)		$12.940			$0.000			$12.940	
20										
21										
22	**Cost of Gas Recovery Related Charges for Revelstoke**		**$17.944**			**$0.000**			**$17.944**	
23	per GJ (Includes Rider 1, excludes Rider 8)									

Note: Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to a daily basis for comparison purposes.

FORTISBC ENERGY INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
EFFECTIVE JANUARY 1, 2012 RATES
BCUC ORDER NO.G-XXX-11 G-156-11

APPENDIX F-2
TAB 1.1.1
PAGE 4
SCHEDULE 4

Line No.	**RATE SCHEDULE 4: SEASONAL SERVICE** Particulars	**EXISTING OCTOBER 1, 2011 RATES** Lower Mainland	Inland	Columbia	**DELIVERY MARGIN RELATED CHARGES CHANGES** Lower Mainland	Inland	Columbia	**EFFECTIVE JANUARY 1, 2012 RATES** Lower Mainland	Inland	Columbia
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Delivery Margin Related Charges									
2	**Basic Charge per day**	$14.4230	$14.4230	$14.4230	$0.0000	$0.0000	$0.0000	$14.4230	$14.4230	$14.4230
3										
4	**Delivery Charge per GJ**									
5	(a) Off-Peak Period	$0.854	$0.854	$0.854	$0.086	$0.086	$0.086	$0.940	$0.940	$0.940
6	(b) Extension Period	$1.631	$1.631	$1.631	$0.096	$0.096	$0.096	$1.727	$1.727	$1.727
7										
8	**Rider 2 2009 ROE Rate Rider**	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
9	**Rider 3 ESM**	($0.014)	($0.014)	($0.014)	$0.014	$0.014	$0.014	$0.000	$0.000	$0.000
10										
11	Commodity Related Charges									
12	**Commodity Cost Recovery Charge**									
13	(a) Off-Peak Period	$4.005	$4.005	$4.005	$0.000	$0.000	$0.000	$4.005	$4.005	$4.005
14	(b) Extension Period	$4.005	$4.005	$4.005	$0.000	$0.000	$0.000	$4.005	$4.005	$4.005
15										
16	**Midstream Cost Recovery Charge per GJ**									
17	(a) Off-Peak Period	$0.764	$0.749	$0.785	$0.000	$0.000	$0.000	$0.764	$0.749	$0.785
18	(b) Extension Period	$0.764	$0.749	$0.785	$0.000	$0.000	$0.000	$0.764	$0.749	$0.785
19										
20										
21	Subtotal Off -Peak Commodity Related Charges per GJ									
22	(a) Off-Peak Period	$4.769	$4.754	$4.790	$0.000	$0.000	$0.000	$4.769	$4.754	$4.790
23	(b) Extension Period	$4.769	$4.754	$4.790	$0.000	$0.000	$0.000	$4.769	$4.754	$4.790
24										
25										
26										
27	Unauthorized Gas Charge per gigajoule	Balancing, Backstopping and UOR per BCUC Order No. G-110-00.						Balancing, Backstopping and UOR per BCUC Order No. G-110-00.		
28	during peak period									
29										
30										
31	Total Variable Cost per gigajoule between									
32	(a) Off-Peak Period	$5.609	$5.594	$5.630	$0.100	$0.100	$0.100	$5.709	$5.694	$5.730
33	(b) Extension Period	$6.386	$6.371	$6.407	$0.110	$0.110	$0.110	$6.496	$6.481	$6.517

Note: Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to a daily basis for comparison purposes.

FORTISBC ENERGY INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
EFFECTIVE JANUARY 1, 2012 RATES
BCUC ORDER NO.G-XXX-11 G-156-11

APPENDIX F-2
TAB 1.1.1
PAGE 5
SCHEDULE 5

Line No.	RATE SCHEDULE 5 GENERAL FIRM SERVICE Particulars	EXISTING OCTOBER 1, 2011 RATES Lower Mainland	Inland	Columbia	DELIVERY MARGIN RELATED CHARGES CHANGES Lower Mainland	Inland	Columbia	EFFECTIVE JANUARY 1, 2012 RATES Lower Mainland	Inland	Columbia
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Delivery Margin Related Charges									
2	**Basic Charge per month**	$587.00	$587.00	$587.00	$0.00	$0.00	$0.00	$587.00	$587.00	$587.00
3										
4	**Demand Charge per gigajoule**	$15.943	$15.943	$15.943	$1.053	$1.053	$1.053	$16.996	$16.996	$16.996
5										
6	**Delivery Charge per GJ**	$0.645	$0.645	$0.645	$0.057	$0.057	$0.057	$0.702	$0.702	$0.702
7										
8	**Rider 2 2009 ROE Rate Rider**	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
9	**Rider 3 ESM**	($0.021)	($0.021)	($0.021)	$0.021	$0.021	$0.021	$0.000	$0.000	$0.000
10										
11										
12	Commodity Related Charges									
13	**Cost of Gas (Commodity Cost Recovery Charge) per GJ**	$4.005	$4.005	$4.005	$0.000	$0.000	$0.000	$4.005	$4.005	$4.005
14	**Midstream Cost Recovery Charge per GJ**	$0.764	$0.749	$0.785	$0.000	$0.000	$0.000	$0.764	$0.749	$0.785
15	Subtotal Commodity Related Charges per GJ	**$4.769**	**$4.754**	**$4.790**	**$0.000**	**$0.000**	**$0.000**	**$4.769**	**$4.754**	**$4.790**
16										
17										
18										
19	Total Variable Cost per gigajoule	$5.393	$5.378	$5.414	$0.078	$0.078	$0.078	$5.471	$5.456	$5.492

FORTISBC ENERGY INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
EFFECTIVE JANUARY 1, 2012 RATES
BCUC ORDER NO.G-XXX-11 G-156-11

APPENDIX F-2
TAB 1.1.1
PAGE 6
SCHEDULE 6

Line No.	RATE SCHEDULE 6: NGV - STATIONS	EXISTING OCTOBER 1, 2011 RATES			DELIVERY MARGIN RELATED CHARGES CHANGES			EFFECTIVE JANUARY 1, 2012 RATES		
	Particulars	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Delivery Margin Related Charges									
2	**Basic Charge per day**	$2.0041	$2.0041	$2.0041	$0.0000	$0.0000	$0.0000	$2.0041	$2.0041	$2.0041
3										
4	**Delivery Charge per GJ**	$3.648	$3.648	$3.648	$0.230	$0.230	$0.230	$3.878	$3.878	$3.878
5										
6	**Rider 2 2009 ROE Rate Rider**	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
7	**Rider 3 ESM**	($0.039)	($0.039)	($0.039)	$0.039	$0.039	$0.039	$0.000	$0.000	$0.000
8										
9										
10	Commodity Related Charges									
11	**Cost of Gas (Commodity Cost Recovery Charge) per GJ**	$4.005	$4.005	$4.005	$0.000	$0.000	$0.000	$4.005	$4.005	$4.005
12	**Midstream Cost Recovery Charge per GJ**	$0.353	$0.346	$0.346	$0.000	$0.000	$0.000	$0.353	$0.346	$0.346
13	Subtotal Commodity Related Charges per GJ	**$4.358**	**$4.351**	**$4.351**	**$0.000**	**$0.000**	**$0.000**	**$4.358**	**$4.351**	**$4.351**
14										
15										
16	Total Variable Cost per gigajoule	$7.967	$7.960	$7.960	$0.269	$0.269	$0.269	$8.236	$8.229	$8.229

Note: Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to a daily basis for comparison purposes.

FORTISBC ENERGY INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
EFFECTIVE JANUARY 1, 2012 RATES
BCUC ORDER NO.G-XXX-11 G-156-11

APPENDIX F-2
TAB 1.1.1
PAGE 6.1
SCHEDULE 6A

RATE SCHEDULE 6A:
NGV - VRA's

Line No.	Particulars	EXISTING OCTOBER 1, 2011 RATES	DELIVERY MARGIN RELATED CHARGES CHANGES	EFFECTIVE JANUARY 1, 2012 RATES
	(1)	(2)	(3)	(4)
1	**LOWER MAINLAND SERVICE AREA**			
2				
3	**Delivery Margin Related Charges**			
4	Basic Charge per month	$86.00	$0.00	$86.00
5				
6	Delivery Charge per GJ	$3.608	$0.213	$3.821
7	Rider 2 2009 ROE Rate Rider	$0.000	$0.000	$0.000
8	Rider 3 ESM	($0.039)	$0.039	$0.000
9				
10				
11	**Commodity Related Charges**			
12	Cost of Gas (Commodity Cost Recovery Charge) per GJ	$4.005	$0.000	$4.005
13	Midstream Cost Recovery Charge per GJ	$0.353	$0.000	$0.353
14	Subtotal Commodity Related Charges per GJ	$4.358	$0.000	$4.358
15				
16	Compression Charge per gigajoule	$5.28	$0.00	$5.28
17				
18				
19	**Minimum Charges**	$125.00	$0.00	$125.00
20				
21				
22				
23	Total Variable Cost per gigajoule	$13.207	$0.252	$13.459

FORTISBC ENERGY INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
EFFECTIVE JANUARY 1, 2012 RATES
BCUC ORDER NO.G-XXX-11 G-156-11

APPENDIX F-2
TAB 1.1.1
PAGE 7
SCHEDULE 7

Line No.	RATE SCHEDULE 7: INTERRUPTIBLE SALES	EXISTING OCTOBER 1, 2011 RATES			DELIVERY MARGIN RELATED CHARGES CHANGES			EFFECTIVE JANUARY 1, 2012 RATES		
	Particulars	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Delivery Margin Related Charges									
2	**Basic Charge per month**	$880.00	$880.00	$880.00	$0.00	$0.00	$0.00	$880.00	$880.00	$880.00
3										
4	**Delivery Charge per GJ**	$1.073	$1.073	$1.073	$0.075	$0.075	$0.075	$1.148	$1.148	$1.148
5										
6	**Rider 2 2009 ROE Rate Rider**	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
7	**Rider 3 ESM**	($0.013)	($0.013)	($0.013)	$0.013	$0.013	$0.013	$0.000	$0.000	$0.000
8										
9	Commodity Related Charges									
10	**Cost of Gas (Commodity Cost Recovery Charge) per GJ**	$4.005	$4.005	$4.005	$0.000	$0.000	$0.000	$4.005	$4.005	$4.005
11	**Midstream Cost Recovery Charge per GJ**	$0.764	$0.749	$0.785	$0.000	$0.000	$0.000	$0.764	$0.749	$0.785
12	Subtotal Commodity Related Charges per GJ	**$4.769**	**$4.754**	**$4.790**	**$0.000**	**$0.000**	**$0.000**	**$4.769**	**$4.754**	**$4.790**
13										
14										
15										
16	Charges per gigajoule for UOR Gas	Balancing, Backstopping and UOR per BCUC Order No. G-110-00.						Balancing, Backstopping and UOR per BCUC Order No. G-110-00.		
17										
18										
19										
20										
21										
22	Total Variable Cost per gigajoule	$5.829	$5.814	$5.850	$0.088	$0.088	$0.088	$5.917	$5.902	$5.938

FORTISBC ENERGY INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
EFFECTIVE JANUARY 1, 2012 RATES
BCUC ORDER NO.G-XXX-11

APPENDIX F-2
TAB 1.1.1
PAGE 8
SCHEDULE 22

Line No.	RATE SCHEDULE 22: LARGE INDUSTRIAL T-SERVICE Particulars	EFFECTIVE JANUARY 1, 2011 Lower Mainland	 Inland	 Columbia	DELIVERY MARGIN RELATED CHARGES CHANGES Lower Mainland	 Inland	 Columbia	EFFECTIVE JANUARY 1, 2012 RATES Lower Mainland	 Inland	 Columbia
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	**Basic Charge per Month**	$3,664.00	$3,664.00	$3,664.00	$0.00	$0.00	$0.00	$3,664.00	$3,664.00	$3,664.00
2										
3	**Delivery Charge per gigajoule (Interr. MTQ)**	$0.790	$0.790	$0.790	$0.054	$0.054	$0.054	$0.844	$0.844	$0.844
4										
5	**Rider 2 2009 ROE Rate Rider**	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
6	**Rider 3 ESM**	($0.009)	($0.009)	($0.009)	$0.009	$0.009	$0.009	$0.000	$0.000	$0.000
7										
8		Balancing, Backstopping and UOR per BCUC Order No. G-110-00.						Balancing, Backstopping and UOR per BCUC Order No. G-110-00.		
9	**Charges per gigajoule for UOR Gas**									
10										
11										
12	**Demand Surcharge per gigajoule**	$17.00	$17.00	$17.00	$0.00	$0.00	$0.00	$17.00	$17.00	$17.00
13										
14										
15	**Balancing Service per gigajoule**									
16	(a) between and including Apr. 1 and Oct. 31	$0.30	$0.30	n/a	$0.00	$0.00	n/a	$0.30	$0.30	n/a
17	(b) between and including Nov. 1 and Mar. 31	$1.10	$1.10	n/a	$0.00	$0.00	n/a	$1.10	$1.10	n/a
18										
19								Balancing, Backstopping and UOR per BCUC Order No. G-110-00.		
20	**Charges per gigajoule for Backstopping Gas**	Balancing, Backstopping and UOR per BCUC Order No. G-110-00.								
21										
22										
23										
24	**Administration Charge per Month**	$78.00	$78.00	$78.00	$0.00	$0.00	$0.00	$78.00	$78.00	$78.00
25										
26										
27										
28										
29	Total Variable Cost per gigajoule	$0.781	$0.781	$0.781	$0.063	$0.063	$0.063	$0.844	$0.844	$0.844

FORTISBC ENERGY INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
EFFECTIVE JANUARY 1, 2012 RATES
BCUC ORDER NO.G-XXX-11

APPENDIX F-2
TAB 1.1.1
PAGE 9
SCHEDULE 22A

Line No.	**RATE SCHEDULE 22A: LARGE INDUSTRIAL T-SERVICE** Particulars	**EFFECTIVE JANUARY 1, 2011**	**DELIVERY MARGIN RELATED CHARGES CHANGES**	**EFFECTIVE JANUARY 1, 2012 RATES**
	(1)	(2)	(3)	(4)
1	**INLAND SERVICE AREA**			
2				
3	**Basic Charge per Month**	$4,810.00	$0.00	$4,810.00
4				
5	**Delivery Charge per gigajoule - Firm**			
6	(a) Firm DTQ	$12.673	$0.815	$13.488
7	(b) Firm MTQ	$0.088	$0.006	$0.094
8				
9	**Delivery Charge per gigajoule - Interr MTQ**	$1.003	$0.065	$1.068
10				
11	**Rider 2 2009 ROE Rate Rider**	$0.000	$0.000	$0.000
12	**Rider 3 ESM**	($0.009)	$0.009	$0.000
13				
14		Balancing, Backstopping and UOR per BCUC Order No. G-110-00.		Balancing, Backstopping and UOR per BCUC Order No. G-110-00.
15	**Charges per gigajoule for UOR Gas**			
16				
17				
18	**Demand Surchage per gigajoule**	$17.00	$0.00	$17.00
19				
20	**Balancing Service per gigajoule**			
21	(a) between and including Apr. 1 and Oct. 31	$0.30	$0.00	$0.30
22	(b) between and including Nov. 1 and Mar. 31	$1.10	$0.00	$1.10
23				
24				Balancing, Backstopping and UOR per BCUC Order No. G-110-00.
25	**Charges per gigajoule for Backstopping Gas**	Balancing, Backstopping and UOR per BCUC Order No. G-110-00.		
26				
27				
28	**Replacement Gas**	Sumas Daily Price		Sumas Daily Price
29		plus 20 Percent		plus 20 Percent
30				
31	**Administration Charge per Month**	$78.00	$0.00	$78.00
32				
33	Total Variable Cost per gigajoule			
34	(a) Firm MTQ	$0.079	$0.015	$0.094
35	(b) Interruptible MTQ	$0.994	$0.074	$1.068

FORTISBC ENERGY INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
EFFECTIVE JANUARY 1, 2012 RATES
BCUC ORDER NO.G-XXX-11

APPENDIX F-2
TAB 1.1.1
PAGE 10
SCHEDULE 22B

Line No.	RATE SCHEDULE 22B: LARGE INDUSTRIAL T-SERVICE Particulars	EFFECTIVE JANUARY 1, 2011 Columbia Except Elkview	EFFECTIVE JANUARY 1, 2011 Elkview Coal	DELIVERY MARGIN RELATED CHARGES CHANGES Columbia Except Elkview	DELIVERY MARGIN RELATED CHARGES CHANGES Elkview Coal	EFFECTIVE JANUARY 1, 2012 RATES Columbia Except Elkview	EFFECTIVE JANUARY 1, 2012 RATES Elkview Coal
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	**COLUMBIA SERVICE AREA**						
2							
3	**Basic Charge per Month**	$4,537.00	$4,537.00	$0.00	$0.00	$4,537.00	$4,537.00
4							
5	**Delivery Charge per gigajoule - Firm**						
6	(a) Firm DTQ	$8.048	$1.827	$0.588	$0.133	$8.636	$1.960
7	(b) Firm MTQ	$0.086	$0.086	$0.006	$0.006	$0.092	$0.092
8							
9	**Delivery Charge per gigajoule - Interr MTQ**						
10	(a) between and including Apr. 1 and Oct. 31	$0.802	$0.201	$0.059	$0.015	$0.861	$0.216
11	(b) between and including Nov. 1 and Mar.31	$1.155	$0.287	$0.084	$0.021	$1.239	$0.308
12							
13	**Rider 2 2009 ROE Rate Rider**	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
14	**Rider 3 ESM**	($0.006)	($0.002)	$0.006	$0.002	$0.000	$0.000
15							
16		Balancing, Backstopping and UOR per BCUC Order No. G-110-00.				Balancing, Backstopping and UOR per BCUC Order No. G-110-00.	
17	**Charges per gigajoule for UOR Gas**						
18							
19							
20	**Demand Surchage per gigajoule**	$17.00	$17.00	$0.00	$0.00	$17.00	$17.00
21							
22		Balancing, Backstopping and UOR per BCUC Order No. G-110-00.				Balancing, Backstopping and UOR per BCUC Order No. G-110-00.	
23	**Charges per gigajoule for Backstopping Gas**						
24							
25							
26	**Administration Charge per Month**	$78.00	$78.00	$0.00	$0.00	$78.00	$78.00
27							
28							
29	Total Variable Cost per gigajoule						
30	(a) Firm MTQ	$0.080	$0.084	$0.012	$0.008	$0.092	$0.092
31	(b) Interruptible MTQ - Summer	$0.796	$0.199	$0.065	$0.017	$0.861	$0.216
32	- Winter	$1.149	$0.285	$0.090	$0.023	$1.239	$0.308

FORTISBC ENERGY INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
EFFECTIVE JANUARY 1, 2012 RATES
BCUC ORDER NO.G-XXX-11

APPENDIX F-2
TAB 1.1.1
PAGE 11
SCHEDULE 23

Line No.	RATE SCHEDULE 23: LARGE COMMERCIAL T-SERVICE	EFFECTIVE JANUARY 1, 2011			DELIVERY MARGIN RELATED CHARGES CHANGES			EFFECTIVE JANUARY 1, 2012 RATES		
	Particulars	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	**Basic Charge per Month**	$132.52	$132.52	$132.52	$0.00	$0.00	$0.00	$132.52	$132.52	$132.52
2										
3	**Delivery Charge per gigajoule**	$2.318	$2.318	$2.318	$0.165	$0.165	$0.165	$2.483	$2.483	$2.483
4										
5										
6	**Administration Charge per Month**	$78.00	$78.00	$78.00	$0.00	$0.00	$0.00	$78.00	$78.00	$78.00
7										
8	**Sales**									
9	(a) Charge per gigajoule for Balancing Gas	Balancing, Backstopping, Replacement and UOR per BCUC Order No. G-110-00.						Balancing, Backstopping, Replacement and UOR per BCUC Order No. G-110-00.		
10	(b) Charge per gigajoule for Backstopping Gas									
11	(c) Replacement Gas									
12	(d) Charge per gigajoule for UOR Gas									
13										
14	**Rider 2 2009 ROE Rate Rider**	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
15	**Rider 3 ESM**	($0.028)	($0.028)	($0.028)	$0.028	$0.028	$0.028	$0.000	$0.000	$0.000
16	**Rider 5 RSAM**	($0.020)	($0.020)	($0.020)	($0.012)	($0.012)	($0.012)	($0.032)	($0.032)	($0.032)
17										
18										
19										
20	Total Variable Cost per gigajoule	$2.270	$2.270	$2.270	$0.181	$0.181	$0.181	$2.451	$2.451	$2.451

FORTISBC ENERGY INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
EFFECTIVE JANUARY 1, 2012 RATES
BCUC ORDER NO.G-XXX-11

APPENDIX F-2
TAB 1.1.1
PAGE 12
SCHEDULE 25

Line No.	RATE SCHEDULE 25 GENERAL FIRM T-SERVICE Particulars	EFFECTIVE JANUARY 1, 2011 Lower Mainland	Inland	Columbia	DELIVERY MARGIN RELATED CHARGES CHANGES Lower Mainland	Inland	Columbia	EFFECTIVE JANUARY 1, 2012 RATES Lower Mainland	Inland	Columbia
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	**Basic Charge per Month**	$587.00	$587.00	$587.00	$0.00	$0.00	$0.00	$587.00	$587.00	$587.00
2										
3	**Demand Charge per gigajoule**	$15.943	$15.943	$15.943	$1.053	$1.053	$1.053	$16.996	$16.996	$16.996
4										
5	**Delivery Charge per gigajoule (Interr. MTQ)**	$0.645	$0.645	$0.645	$0.057	$0.057	$0.057	$0.702	$0.702	$0.702
6										
7	**Administration Charge per Month**	$78.00	$78.00	$78.00	$0.00	$0.00	$0.00	$78.00	$78.00	$78.00
8										
9										
10	**Sales**									
11	(a) Charge per gigajoule for Balancing Gas	Balancing, Backstopping, Replacement and UOR per BCUC Order No. G-110-00.						Balancing, Backstopping, Replacement and UOR per BCUC Order No. G-110-00.		
12	(b) Charge per gigajoule for Backstopping Gas									
13	(c) Replacement Gas									
14	(d) Charge per gigajoule for UOR Gas									
15										
16										
17	**Rider 2 2009 ROE Rate Rider**	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
18	**Rider 3 ESM**	($0.021)	($0.021)	($0.021)	$0.021	$0.021	$0.021	$0.000	$0.000	$0.000
19										
20										
21										
22	Total Variable Cost per gigajoule	$0.624	$0.624	$0.624	$0.078	$0.078	$0.078	$0.702	$0.702	$0.702

FORTISBC ENERGY INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
EFFECTIVE JANUARY 1, 2012 RATES
BCUC ORDER NO.G-XXX-11

APPENDIX F-2
TAB 1.1.1
PAGE 13
SCHEDULE 26

Line No.	RATE SCHEDULE 26: NATURAL GAS VEHICLE T-SERVICE	EFFECTIVE JANUARY 1, 2011			DELIVERY MARGIN RELATED CHARGES CHANGES			EFFECTIVE JANUARY 1, 2012 RATES		
	Particulars	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	**Basic Charge per Month**	$61.00	$61.00	$61.00	$0.00	$0.00	$0.00	$61.00	$61.00	$61.00
2										
3										
4	**Delivery Charge per gigajoule (Interr. MTQ)**	$3.648	$3.648	$3.648	$0.230	$0.230	$0.230	$3.878	$3.878	$3.878
5										
6	**Administration Charge per Month**	$78.00	$78.00	$78.00	$0.00	$0.00	$0.00	$78.00	$78.00	$78.00
7										
8										
9	**Sales**									
10	(a) Charge per gigajoule for Balancing Gas	Balancing, Backstopping and UOR per BCUC Order No. G-110-00.						Balancing, Backstopping and UOR per BCUC Order No. G-110-00.		
11	(b) Charge per gigajoule for Backstopping Gas									
12	(d) Charge per gigajoule for UOR Gas									
13										
14	**Rider 2 2009 ROE Rate Rider**	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
15	**Rider 3 ESM**	($0.039)	($0.039)	($0.039)	$0.039	$0.039	$0.039	$0.000	$0.000	$0.000
16										
17										
18										
19	Total Variable Cost per gigajoule	$3.609	$3.609	$3.609	$0.269	$0.269	$0.269	$3.878	$3.878	$3.878

FORTISBC ENERGY INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
EFFECTIVE JANUARY 1, 2012 RATES
BCUC ORDER NO.G-XXX-11

APPENDIX F-2
TAB 1.1.1
PAGE 14
SCHEDULE 27

Line No.	RATE SCHEDULE 27: INTERRUPTIBLE T-SERVICE	EFFECTIVE JANUARY 1, 2011			DELIVERY MARGIN RELATED CHARGES CHANGES			EFFECTIVE JANUARY 1, 2012 RATES		
	Particulars	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	**Basic Charge per Month**	$880.00	$880.00	$880.00	$0.00	$0.00	$0.00	$880.00	$880.00	$880.00
2										
3										
4	**Delivery Charge per gigajoule (Interr. MTQ)**	$1.073	$1.073	$1.073	$0.075	$0.075	$0.075	$1.148	$1.148	$1.148
5										
6	**Administration Charge per Month**	$78.00	$78.00	$78.00	$0.00	$0.00	$0.00	$78.00	$78.00	$78.00
7										
8										
9	**Sales**									
10	(a) Charge per gigajoule for Balancing Gas	Balancing, Backstopping and UOR per BCUC Order No. G-110-00.						Balancing, Backstopping and UOR per BCUC Order No. G-110-00.		
11	(b) Charge per gigajoule for Backstopping Gas									
12	(d) Charge per gigajoule for UOR Gas									
13										
14	**Rider 2 2009 ROE Rate Rider**	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
15	**Rider 3 ESM**	($0.013)	($0.013)	($0.013)	$0.013	$0.013	$0.013	$0.000	$0.000	$0.000
16										
17										
18										
19	Total Variable Cost per gigajoule	$1.060	$1.060	$1.060	$0.088	$0.088	$0.088	$1.148	$1.148	$1.148

FORTISBC ENERGY INC.
DELIVERY MARGIN RELATED CHARGES CHANGES

APPENDIX F-2
TAB 1.1.2
- PAGE 1

RATE SCHEDULE 1 - RESIDENTIAL SERVICE

Line No.	Particular	EXISTING OCTOBER 1, 2011 RATES Volume		Rate	Annual $	EFFECTIVE JANUARY 1, 2012 RATES Volume		Rate	Annual $	Annual Increase/Decrease Rate	Annual $	% of Previous Total Annual Bill
1	**LOWER MAINLAND SERVICE AREA**											
2	Delivery Margin Related Charges											
3	Basic Charge	365.25	days x	$0.389 =	$142.08	365.25	days x	$0.389 =	$142.08	$0.00	$0.00	0.00%
4												
5	Delivery Charge	95.0	GJ x	$3.275 =	$311.1250	95.0	GJ x	$3.559 =	$338.1050	$0.284	$26.9800	2.82%
6	Rider 2 2009 ROE Rate Rider	95.0	GJ x	$0.000 =	$0.0000	95.0	GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
7	Rider 3 ESM	95.0	GJ x	($0.048) =	($4.5600)	95.0	GJ x	$0.000 =	$0.0000	$0.048	$4.5600	0.48%
8	Rider 5 RSAM	95.0	GJ x	($0.020) =	($1.9000)	95.0	GJ x	($0.032) =	($3.0400)	($0.012)	($1.1400)	-0.12%
9	Subtotal Delivery Margin Related Charges				**$446.75**				**$477.15**		**$30.40**	**3.18%**
10												
11	Commodity Related Charges											
12	Midstream Cost Recovery Charge	95.0	GJ x	$1.340 =	$127.3000	95.0	GJ x	$1.340 =	$127.3000	$0.000	$0.0000	0.00%
13	Rider 8 Unbundling Recovery	95.0	GJ x	$0.009 =	$0.8550	95.0	GJ x	$0.009 =	0.8550	$0.000	$0.0000	0.00%
14	Midstream Related Charges Subtotal				$128.16				$128.16		$0.00	0.00%
15												
16	Cost of Gas (Commodity Cost Recovery Charge)	95.0	GJ x	$4.005 =	$380.48	95.0	GJ x	$4.005 =	$380.48	$0.000	$0.00	0.00%
17	Subtotal Commodity Related Charges				**$508.64**				**$508.64**		**$0.00**	**0.00%**
18												
19	Total *(with effective $/GJ rate)*	95.0		*$10.057*	**$955.39**	95.0		*$10.377*	**$985.79**	*$0.320*	**$30.40**	**3.18%**
20												
21	**INLAND SERVICE AREA**											
22	Delivery Margin Related Charges											
23	Basic Charge	365.25	days x	$0.389 =	$142.08	365.25	days	$0.389 =	$142.08	$0.00	$0.00	0.00%
24												
25	Delivery Charge	75.0	GJ x	$3.275 =	$245.6250	75.0	GJ x	$3.559 =	$266.9250	$0.284	$21.3000	2.72%
26	Rider 2 2009 ROE Rate Rider	75.0	GJ x	$0.000 =	$0.0000	75.0	GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
27	Rider 3 ESM	75.0	GJ x	($0.048) =	($3.6000)	75.0	GJ x	$0.000 =	$0.0000	$0.048	$3.6000	0.46%
28	Rider 5 RSAM	75.0	GJ x	($0.020) =	($1.5000)	75.0	GJ x	($0.032) =	($2.4000)	($0.012)	($0.9000)	-0.12%
29	Subtotal Delivery Margin Related Charges				**$382.61**				**$406.61**		**$24.00**	**3.07%**
30												
31	Commodity Related Charges											
32	Midstream Cost Recovery Charge	75.0	GJ x	$1.315 =	$98.6250	75.0	GJ x	$1.315 =	$98.6250	$0.000	$0.0000	0.00%
33	Rider 8 Unbundling Recovery	75.0	GJ x	$0.009 =	$0.6750	75.0	GJ x	$0.009 =	$0.6750	$0.000	$0.0000	0.00%
34	Midstream Related Charges Subtotal				$99.30				$99.30		$0.00	0.00%
35												
36	Cost of Gas (Commodity Cost Recovery Charge)	75.0	GJ x	$4.005 =	$300.38	75.0	GJ x	$4.005 =	$300.38	$0.000	$0.00	0.00%
37	Subtotal Commodity Related Charges				**$399.68**				**$399.68**		**$0.00**	**0.00%**
38												
39	Total *(with effective $/GJ rate)*	75.0		*$10.431*	**$782.29**	75.0		*$10.751*	**$806.29**	*$0.320*	**$24.00**	**3.07%**
40												
41	**COLUMBIA SERVICE AREA**											
42	Delivery Margin Related Charges											
43	Basic Charge	365.25	days x	$0.389 =	$142.08	365.25	days x	$0.389 =	$142.08	$0.00	$0.00	0.00%
44												
45	Delivery Charge	80.0	GJ x	$3.275 =	$262.0000	80.0	GJ x	$3.559 =	$284.7200	$0.284	$22.7200	2.74%
46	Rider 2 2009 ROE Rate Rider	80.0	GJ x	$0.000 =	$0.0000	80.0	GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
47	Rider 3 ESM	80.0	GJ x	($0.048) =	($3.8400)	80.0	GJ x	$0.000 =	$0.0000	$0.048	$3.8400	0.46%
48	Rider 5 RSAM	80.0	GJ x	($0.020) =	($1.6000)	80.0	GJ x	($0.032) =	($2.5600)	($0.012)	($0.9600)	-0.12%
49	Subtotal Delivery Margin Related Charges				**$398.64**				**$424.24**		**$25.60**	**3.09%**
50												
51	Commodity Related Charges											
52	Midstream Cost Recovery Charge	80.0	GJ x	$1.355 =	$108.4000	80.0	GJ x	$1.355 =	$108.4000	$0.000	$0.0000	0.00%
53	Rider 8 Unbundling Recovery	80.0	GJ x	$0.009 =	$0.7200	80.0	GJ x	$0.009 =	$0.7200	$0.000	$0.0000	0.00%
54	Midstream Related Charges Subtotal				$109.12				$109.12		$0.00	0.00%
55												
56	Cost of Gas (Commodity Cost Recovery Charge)	80.0	GJ x	$4.005	$320.40	80.0	GJ x	$4.005 =	$320.40	$0.000	$0.00	0.00%
57	Subtotal Commodity Related Charges				**$429.52**	80.0			**$429.52**		**$0.00**	**0.00%**
58												
59	Total *(with effective $/GJ rate)*	80.0		*$10.352*	**$828.16**	80.0		*$10.672*	**$853.76**	*$0.320*	**$25.60**	**3.09%**

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. 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. Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to a daily equivalent for comparison purposes.

FORTISBC ENERGY INC.
DELIVERY MARGIN RELATED CHARGES CHANGES

APPENDIX F-2
TAB 1.1.2
- PAGE 2

RATE SCHEDULE 2 -SMALL COMMERCIAL SERVICE

Line No.	Particular	EXISTING OCTOBER 1, 2011 RATES Volume	Rate	Annual $	EFFECTIVE JANUARY 1, 2012 RATES Volume	Rate	Annual $	Annual Increase/Decrease Rate	Annual $	% of Previous Total Annual Bill
1	**LOWER MAINLAND SERVICE AREA**									
2	Delivery Margin Related Charges									
3	Basic Charge	365.25 days x	$0.816 =	$298.08	365.25 days x	$0.816 =	$298.08	$0.00	$0.00	0.00%
4										
5	Delivery Charge	300.0 GJ x	$2.714 =	$814.2000	300.0 GJ x	$2.928 =	$878.4000	$0.214	$64.2000	2.38%
6	Rider 2 2009 ROE Rate Rider	300.0 GJ x	$0.000 =	$0.0000	300.0 GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
7	Rider 3 ESM	300.0 GJ x	($0.036) =	($10.8000)	300.0 GJ x	$0.000 =	$0.0000	$0.036	$10.8000	0.40%
8	Rider 5 RSAM	300.0 GJ x	($0.020) =	($6.0000)	300.0 GJ x	($0.032) =	($9.6000)	($0.012)	($3.6000)	-0.13%
9	Subtotal Delivery Margin Related Charges			**$1,095.48**			**$1,166.88**		**$71.40**	**2.65%**
10										
11	Commodity Related Charges									
12	Midstream Cost Recovery Charge	300.0 GJ x	$1.327 =	$398.1000	300.0 GJ x	$1.327 =	$398.1000	$0.000	$0.0000	0.00%
13	Rider 8 Unbundling Recovery	300.0 GJ x	$0.000 =	$0.0000	300.0 GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
14	Midstream Related Charges Subtotal			$398.10			$398.10		$0.00	0.00%
15										
16	Cost of Gas (Commodity Cost Recovery Charge)	300.0 GJ x	$4.005 =	$1,201.50	300.0 GJ x	$4.005 =	$1,201.50	$0.000	$0.00	0.00%
17	Subtotal Commodity Related Charges			**$1,599.60**			**$1,599.60**		**$0.00**	**0.00%**
18										
19	Total *(with effective $/GJ rate)*	300.0	*$8.984*	**$2,695.08**	300.0	*$9.222*	**$2,766.48**	*$0.238*	**$71.40**	**2.65%**
20										
21	**INLAND SERVICE AREA**									
22	Delivery Margin Related Charges									
23	Basic Charge	365.25 days x	$0.816 =	$298.08	365.25 days x	$0.816 =	$298.08	$0.00	$0.00	0.00%
24										
25	Delivery Charge	250.0 GJ x	$2.714 =	$678.5000	250.0 GJ x	$2.928 =	$732.0000	$0.214	$53.5000	2.34%
26	Rider 2 2009 ROE Rate Rider	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	$0.000 =	$0.0000	$0.036	$9.0000	0.39%
28	Rider 5 RSAM	250.0 GJ x	($0.020) =	($5.0000)	250.0 GJ x	($0.032) =	($8.0000)	($0.012)	($3.0000)	-0.13%
29	Subtotal Delivery Margin Related Charges			**$962.58**			**$1,022.08**		**$59.50**	**2.60%**
30										
31	Commodity Related Charges									
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	Rider 8 Unbundling Recovery	250.0 GJ x	$0.000 =	$0.0000	250.0 GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
34	Midstream Related Charges Subtotal			$325.25			$325.25		$0.00	0.00%
35										
36	Cost of Gas (Commodity Cost Recovery Charge)	250.0 GJ x	$4.005 =	$1,001.25	250.0 GJ x	$4.005 =	$1,001.25	$0.000	$0.00	0.00%
37	Subtotal Commodity Related Charges			**$1,326.50**			**$1,326.50**		**$0.00**	**0.00%**
38										
39	Total *(with effective $/GJ rate)*	250.0	*$9.156*	**$2,289.08**	250.0	*$9.394*	**$2,348.58**	*$0.238*	**$59.50**	**2.60%**
40										
41	**COLUMBIA SERVICE AREA**									
42	Delivery Margin Related Charges									
43	Basic Charge	365.25 days x	$0.816 =	$298.08	365.25 days x	$0.816 =	$298.08	$0.00	$0.00	0.00%
44										
45	Delivery Charge	320.0 GJ x	$2.714 =	$868.4800	320.0 GJ x	$2.928 =	$936.9600	$0.214	$68.4800	2.39%
46	Rider 2 2009 ROE Rate Rider	320.0 GJ x	$0.000 =	$0.0000	320.0 GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
47	Rider 3 ESM	320.0 GJ x	($0.036) =	($11.5200)	320.0 GJ x	$0.000 =	$0.0000	$0.036	$11.5200	0.40%
48	Rider 5 RSAM	320.0 GJ x	($0.020) =	($6.4000)	320.0 GJ x	($0.032) =	($10.2400)	($0.012)	($3.8400)	-0.13%
49	Subtotal Delivery Margin Related Charges			**$1,148.64**			**$1,224.80**		**$76.16**	**2.66%**
50										
51	Commodity Related Charges									
52	Midstream Cost Recovery Charge	320.0 GJ x	$1.342 =	$429.4400	320.0 GJ x	$1.342 =	$429.4400	$0.000	$0.0000	0.00%
53	Rider 8 Unbundling Recovery	320.0 GJ x	$0.000 =	$0.0000	320.0 GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
54	Midstream Related Charges Subtotal			$429.44			$429.44		$0.00	0.00%
55										
56	Cost of Gas (Commodity Cost Recovery Charge)	320.0 GJ x	$4.005 =	$1,281.60	320.0 GJ x	$4.005 =	$1,281.60	$0.000	$0.00	0.00%
57	Subtotal Commodity Related Charges			**$1,711.04**			**$1,711.04**		**$0.00**	**0.00%**
58										
59	Total *(with effective $/GJ rate)*	320.0	*$8.937*	**$2,859.68**	320.0	*$9.175*	**$2,935.84**	*$0.238*	**$76.16**	**2.66%**

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. 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. Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to a daily equivalent for comparison purposes.

FORTISBC ENERGY INC.
DELIVERY MARGIN RELATED CHARGES CHANGES

APPENDIX F-2
TAB 1.1.2
PAGE 3

RATE SCHEDULE 3 - LARGE COMMERCIAL SERVICE

Line No.	Particular	EXISTING OCTOBER 1, 2011 RATES				EFFECTIVE JANUARY 1, 2012 RATES				Annual Increase/Decrease		
		Volume		Rate	Annual $	Volume		Rate	Annual $	Rate	Annual $	% of Previous Total Annual Bill
1	**LOWER MAINLAND SERVICE AREA**											
2	Delivery Margin Related Charges											
3	Basic Charge	365.25	days x	$4.354 =	$1,590.24	365.25	days x	$4.354 =	$1,590.24	$0.00	$0.00	0.00%
4												
5	Delivery Charge	2,800.0	GJ x	$2.318 =	$6,490.4000	2,800.0	GJ x	$2.483 =	$6,952.4000	$0.165	$462.0000	2.10%
6	Rider 2 2009 ROE Rate Rider	2,800.0	GJ x	$0.000 =	$0.0000	2,800.0	GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
7	Rider 3 ESM	2,800.0	GJ x	($0.028) =	($78.4000)	2,800.0	GJ x	$0.000 =	$0.0000	$0.028	$78.4000	0.36%
8	Rider 5 RSAM	2,800.0	GJ x	($0.020) =	($56.0000)	2,800.0	GJ x	($0.032) =	($89.6000)	($0.012)	($33.6000)	-0.15%
9	Subtotal Delivery Margin Related Charges				**$7,946.24**				**$8,453.04**		**$506.80**	**2.30%**
10												
11	Commodity Related Charges											
12	Midstream Cost Recovery Charge	2,800.0	GJ x	$1.018 =	$2,850.4000	2,800.0	GJ x	$1.018 =	$2,850.4000	$0.000	$0.0000	0.00%
13	Rider 8 Unbundling Recovery	2,800.0	GJ x	$0.000 =	$0.0000	2,800.0	GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
14	Midstream Related Charges Subtotal				$2,850.40				$2,850.40		$0.00	0.00%
15												
16	Cost of Gas (Commodity Cost Recovery Charge)	2,800.0	GJ x	$4.005 =	$11,214.00	2,800.0	GJ x	$4.005 =	$11,214.00	$0.000	$0.00	0.00%
17	Subtotal Commodity Related Charges				**$14,064.40**				**$14,064.40**		**$0.00**	**0.00%**
18												
19	Total *(with effective $/GJ rate)*	2,800.0		*$7.861*	**$22,010.64**	2,800.0		*$8.042*	**$22,517.44**	*$0.181*	**$506.80**	**2.30%**
20												
21	**INLAND SERVICE AREA**											
22	Delivery Margin Related Charges											
23	Basic Charge	365.25	days x	$4.354 =	$1,590.24	365.25	days x	$4.354 =	$1,590.24	$0.00	$0.00	0.00%
24												
25	Delivery Charge	2,600.0	GJ x	$2.318 =	$6,026.8000	2,600.0	GJ x	$2.483 =	$6,455.8000	$0.165	$429.0000	2.09%
26	Rider 2 2009 ROE Rate Rider	2,600.0	GJ x	$0.000 =	$0.0000	2,600.0	GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
27	Rider 3 ESM	2,600.0	GJ x	($0.028) =	($72.8000)	2,600.0	GJ x	$0.000 =	$0.0000	$0.028	$72.8000	0.36%
28	Rider 5 RSAM	2,600.0	GJ x	($0.020) =	($52.0000)	2,600.0	GJ x	($0.032) =	($83.2000)	($0.012)	($31.2000)	-0.15%
29	Subtotal Delivery Margin Related Charges				**$7,492.24**				**$7,962.84**		**$470.60**	**2.30%**
30												
31	Commodity Related Charges											
32	Midstream Cost Recovery Charge	2,600.0	GJ x	$0.999 =	$2,597.4000	2,600.0	GJ x	$0.999 =	$2,597.4000	$0.000	$0.0000	0.00%
33	Rider 8 Unbundling Recovery	2,600.0	GJ x	$0.000 =	$0.0000	2,600.0	GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
34	Midstream Related Charges Subtotal				$2,597.40				$2,597.40		$0.00	0.00%
35												
36	Cost of Gas (Commodity Cost Recovery Charge)	2,600.0	GJ x	$4.005 =	$10,413.00	2,600.0	GJ x	$4.005 =	$10,413.00	$0.000	$0.00	0.00%
37	Subtotal Commodity Related Charges				**$13,010.40**				**$13,010.40**		**$0.00**	**0.00%**
38												
39	Total *(with effective $/GJ rate)*	2,600.0		*$7.886*	**$20,502.64**	2,600.0		*$8.067*	**$20,973.24**	*$0.181*	**$470.60**	**2.30%**
40												
41	**COLUMBIA SERVICE AREA**											
42	Delivery Margin Related Charges											
43	Basic Charge	365.25	days x	$4.354 =	$1,590.24	365.25	days x	$4.354 =	$1,590.24	$0.00	$0.00	0.00%
44												
45	Delivery Charge	3,300.0	GJ x	$2.318 =	$7,649.4000	3,300.0	GJ x	$2.483 =	$8,193.9000	$0.165	$544.5000	2.12%
46	Rider 2 2009 ROE Rate Rider	3,300.0	GJ x	$0.000 =	$0.0000	3,300.0	GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
47	Rider 3 ESM	3,300.0	GJ x	($0.028) =	($92.4000)	3,300.0	GJ x	$0.000 =	$0.0000	$0.028	$92.4000	0.36%
48	Rider 5 RSAM	3,300.0	GJ x	($0.020) =	($66.0000)	3,300.0	GJ x	($0.032) =	($105.6000)	($0.012)	($39.6000)	-0.15%
49	Subtotal Delivery Margin Related Charges				**$9,081.24**				**$9,678.54**		**$597.30**	**2.32%**
50												
51	Commodity Related Charges											
52	Midstream Cost Recovery Charge	3,300.0	GJ x	$1.036 =	$3,418.8000	3,300.0	GJ x	$1.036 =	$3,418.8000	$0.000	$0.0000	0.00%
53	Rider 8 Unbundling Recovery	3,300.0	GJ x	$0.000 =	$0.0000	3,300.0	GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
54	Midstream Related Charges Subtotal				$3,418.80				$3,418.80		$0.00	0.00%
55												
56	Cost of Gas (Commodity Cost Recovery Charge)	3,300.0	GJ x	$4.005 =	$13,216.50	3,300.0	GJ x	$4.005 =	$13,216.50	$0.000	$0.00	0.00%
57	Subtotal Commodity Related Charges				**$16,635.30**				**$16,635.30**		**$0.00**	**0.00%**
58												
59	Total *(with effective $/GJ rate)*	3,300.0		*$7.793*	**$25,716.54**	3,300.0		*$7.974*	**$26,313.84**	*$0.181*	**$597.30**	**2.32%**

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. 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. Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to a daily equivalent for comparison purposes.

FORTISBC ENERGY INC.
DELIVERY MARGIN RELATED CHARGES CHANGES
BCUC ORDER NO.G-XXX-11 G-156-11
RATE SCHEDULE 4 - SEASONAL SERVICE

APPENDIX F-2
TAB 1.1.2
PAGE 4

Line No.	Particular	EXISTING OCTOBER 1, 2011 RATES				EFFECTIVE JANUARY 1, 2012 RATES				Annual Increase/Decrease		
1		Volume		Rate	Annual $	Volume		Rate	Annual $	Rate	Annual $	% of Previous Total Annual Bill
2	**LOWER MAINLAND SERVICE AREA**											
3	Delivery Margin Related Charges											
4	Basic Charge	214	days x	$14.423 =	$3,086.5216	214	days x	$14.423 =	$3,086.5216	$0.00	$0.00	0.00%
5												
6	Delivery Charge											
7	(a) Off-Peak Period	5,400.0	GJ x	$0.854 =	$4,611.6000	5,400.0	GJ x	$0.940 =	$5,076.0000	$0.086	$464.4000	1.39%
8	(b) Extension Period	0.0	GJ x	$1.631 =	$0.0000	0.0	GJ x	$1.727 =	$0.0000	$0.096	$0.0000	0.00%
9	Rider 2 2009 ROE Rate Rider	5,400.0	GJ x	$0.000 =	$0.0000	5,400.0	GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
10	Rider 3 ESM	5,400.0	GJ x	($0.014) =	($75.6000)	5,400.0	GJ x	$0.000 =	$0.0000	$0.014	$75.6000	0.23%
11	Subtotal Delivery Margin Related Charges				**$7,622.52**				**$8,162.52**		**$540.00**	**1.62%**
12												
13	Commodity Related Charges											
14	Midstream Cost Recovery Charge											
15	(a) Off-Peak Period	5,400.0	GJ x	$0.764 =	$4,125.6000	5,400.0	GJ x	$0.764 =	$4,125.6000	$0.000	$0.0000	0.00%
16	(b) Extension Period	0.0	GJ x	$0.764 =	$0.0000	0.0	GJ x	$0.764 =	$0.0000	$0.000	$0.0000	0.00%
17	Commodity Cost Recovery Charge											
18	(a) Off-Peak Period	5,400.0	GJ x	$4.005 =	21,627.0000	5,400.0	GJ x	$4.005 =	$21,627.0000	$0.000	$0.0000	0.00%
19	(b) Extension Period	0.0	GJ x	$4.005 =	$0.0000	0.0	GJ x	$4.005 =	$0.0000	$0.000	$0.0000	0.00%
20												
21	Subtotal Cost of Gas (Commodity Related Charges) Off-Peak				**$25,752.60**				**$25,752.60**		**$0.00**	**0.00%**
22												
23	Unauthorized Gas Charge During Peak Period (not forecast)											
24												
25	Total during Off-Peak Period	5,400.0			**$33,375.12**	5,400.0			**$33,915.12**		**$540.00**	**1.62%**
26												
27												
28	**INLAND SERVICE AREA**											
29	Delivery Margin Related Charges											
30	Basic Charge	214	days x	$14.423 =	$3,086.5216	214	days x	$14.423 =	$3,086.5216	$0.00	$0.00	0.00%
31												
32	Delivery Charge											
33	(a) Off-Peak Period	9,300.0	GJ x	$0.854 =	$7,942.2000	9,300.0	GJ x	$0.940 =	$8,742.0000	$0.086	$799.8000	1.45%
34	(b) Extension Period	0.0	GJ x	$1.631 =	$0.0000	0.0	GJ x	$1.727 =	$0.0000	$0.096	$0.0000	0.00%
35	Rider 2 2009 ROE Rate Rider	9,300.0	GJ x	$0.000 =	$0.0000	9,300.0	GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
36	Rider 3 ESM	9,300.0	GJ x	($0.014) =	($130.2000)	9,300.0	GJ x	$0.000 =	$0.0000	$0.014	$130.2000	0.24%
37	Subtotal Delivery Margin Related Charges				**$10,898.52**				**$11,828.52**		**$930.00**	**1.69%**
38												
39	Commodity Related Charges											
40	Midstream Cost Recovery Charge											
41	(a) Off-Peak Period	9,300.0	GJ x	$0.749 =	$6,965.7000	9,300.0	GJ x	$0.749 =	$6,965.7000	$0.000	$0.0000	0.00%
42	(b) Extension Period	0.0	GJ x	$0.749 =	$0.0000	0.0	GJ x	$0.749 =	$0.0000	$0.000	$0.0000	0.00%
43	Commodity Cost Recovery Charge											
44	(a) Off-Peak Period	9,300.0	GJ x	$4.005 =	$37,246.5000	9,300.0	GJ x	$4.005 =	$37,246.5000	$0.000	$0.0000	0.00%
45	(b) Extension Period	0.0	GJ x	$4.005 =	$0.0000	0.0	GJ x	$4.005 =	$0.0000	$0.000	$0.0000	0.00%
46												
47	Subtotal Cost of Gas (Commodity Related Charges) Off-Peak				**$44,212.20**				**$44,212.20**		**$0.00**	**0.00%**
48												
49	Unauthorized Gas Charge During Peak Period (not forecast)											
50												
51	Total during Off-Peak Period	9,300.0			**$55,110.72**	9,300.0			**$56,040.72**		**$930.00**	**1.69%**

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. 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. Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to a daily equivalent for comparison purposes.

FORTISBC ENERGY INC.
DELIVERY MARGIN RELATED CHARGES CHANGES
BCUC ORDER NO.G-XXX-11 G-156-11
RATE SCHEDULE 5 -GENERAL FIRM SERVICE

APPENDIX F-2
TAB 1.1.2
PAGE 5

Line No.	Particular	EXISTING OCTOBER 1, 2011 RATES Volume	Rate	Annual $	EFFECTIVE JANUARY 1, 2012 RATES Volume	Rate	Annual $	Annual Increase/Decrease Rate	Annual $	% of Previous Total Annual Bill
1										
2	**LOWER MAINLAND SERVICE AREA**									
3	Delivery Margin Related Charges									
4	Basic Charge	12 months x	$587.00 =	**$7,044.00**	12 months x	$587.00 =	**$7,044.00**	$0.00	**$0.00**	**0.00%**
5										
6	Demand Charge	58.5 GJ x	$15.943 =	**$11,191.99**	58.5 GJ x	$16.996 =	**$11,931.19**	$1.053	**$739.20**	**1.05%**
7										
8	Delivery Charge	9,700.0 GJ x	$0.645 =	$6,256.5000	9,700.0 GJ x	$0.702 =	$6,809.4000	$0.057	$552.9000	0.78%
9	Rider 2 2009 ROE Rate Rider	9,700.0 GJ x	$0.000 =	$0.0000	9,700.0 GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
10	Rider 3 ESM	9,700.0 GJ x	($0.021) =	($203.7000)	9,700.0 GJ x	$0.000 =	$0.0000	$0.021	$203.7000	0.29%
11	Subtotal Delivery Margin Related Charges			**$6,052.80**			**$6,809.40**		**$756.60**	**1.07%**
12										
13	Commodity Related Charges									
14	Midstream Cost Recovery Charge	9,700.0 GJ x	$0.764 =	$7,410.8000	9,700.0 GJ x	$0.764 =	$7,410.8000	$0.000	$0.0000	0.00%
15	Commodity Cost Recovery Charge	9,700.0 GJ x	$4.005 =	$38,848.5000	9,700.0 GJ x	$4.005 =	$38,848.5000	$0.000	$0.0000	0.00%
16	Subtotal Gas Commodity Cost (Commodity Related Charge)			**$46,259.30**			**$46,259.30**		**$0.00**	**0.00%**
17										
18	Total *(with effective $/GJ rate)*	9,700.0	*$7.273*	**$70,548.09**	9,700.0	*$7.427*	**$72,043.89**	*$0.154*	**$1,495.80**	**2.12%**
19										
20	**INLAND SERVICE AREA**									
21	Delivery Margin Related Charges									
22	Basic Charge	12 months x	$587.00 =	**$7,044.00**	12 months x	$587.00 =	**$7,044.00**	$0.00	**$0.00**	**0.00%**
23										
24	Demand Charge	82.0 GJ x	$15.943 =	**$15,687.91**	82.0 GJ x	$16.996 =	**$16,724.06**	$1.053	**$1,036.15**	**1.13%**
25										
26	Delivery Charge	12,800.0 GJ x	$0.645 =	$8,256.0000	12,800.0 GJ x	$0.702 =	$8,985.6000	$0.057	$729.6000	0.80%
27	Rider 2 2009 ROE Rate Rider	12,800.0 GJ x	$0.000 =	$0.0000	12,800.0 GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
28	Rider 3 ESM	12,800.0 GJ x	($0.021) =	($268.8000)	12,800.0 GJ x	$0.000 =	$0.0000	$0.021	$268.8000	0.29%
29	Subtotal Delivery Margin Related Charges			**$7,987.20**			**$8,985.60**		**$998.40**	**1.09%**
30										
31	Commodity Related Charges									
32	Midstream Cost Recovery Charge	12,800.0 GJ x	$0.749 =	$9,587.2000	12,800.0 GJ x	$0.749 =	$9,587.2000	$0.000	$0.0000	0.00%
33	Commodity Cost Recovery Charge	12,800.0 GJ x	$4.005 =	$51,264.0000	12,800.0 GJ x	$4.005 =	$51,264.0000	$0.000	$0.0000	0.00%
34	Subtotal Gas Commodity Cost (Commodity Related Charge)			**$60,851.20**			**$60,851.20**		**$0.00**	**0.00%**
35										
36	Total *(with effective $/GJ rate)*	12,800.0	*$7.154*	**$91,570.31**	12,800.0	*$7.313*	**$93,604.86**	*$0.159*	**$2,034.55**	**2.22%**
37										
38	**COLUMBIA SERVICE AREA**									
39	Delivery Margin Related Charges									
40	Basic Charge	12 months x	$587.00 =	**$7,044.00**	12 months x	$587.00 =	**$7,044.00**	$0.00	**$0.00**	**0.00%**
41										
42	Demand Charge	55.4 GJ x	$15.943 =	**$10,598.91**	55.4 GJ x	$16.996 =	**$11,298.94**	$1.053	**$700.03**	**1.05%**
43										
44	Delivery Charge	9,100.0 GJ x	$0.645 =	$5,869.5000	9,100.0 GJ x	$0.702 =	$6,388.2000	$0.057	$518.7000	0.78%
45	Rider 2 2009 ROE Rate Rider	9,100.0 GJ x	$0.000 =	$0.0000	9,100.0 GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
46	Rider 3 ESM	9,100.0 GJ x	($0.021) =	($191.1000)	9,100.0 GJ x	$0.000 =	$0.0000	$0.021	$191.1000	0.29%
47	Subtotal Delivery Margin Related Charges			**$5,678.40**			**$6,388.20**		**$709.80**	**1.06%**
48										
49	Commodity Related Charges									
50	Midstream Cost Recovery Charge	9,100.0 GJ x	$0.785 =	$7,143.5000	9,100.0 GJ x	$0.785 =	$7,143.5000	$0.000	$0.0000	0.00%
51	Commodity Cost Recovery Charge	9,100.0 GJ x	$4.005 =	$36,445.5000	9,100.0 GJ x	$4.005 =	$36,445.5000	$0.000	$0.0000	0.00%
52	Subtotal Gas Commodity Cost (Commodity Related Charge)			**$43,589.00**			**$43,589.00**		**$0.00**	**0.00%**
53										
54	Total *(with effective $/GJ rate)*	9,100.0	$7.353	**$66,910.31**	9,100.0	$7.508	**$68,320.14**	*$0.155*	**$1,409.83**	**2.11%**

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. 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. Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to a daily equivalent for comparison purposes.

FORTISBC ENERGY INC.
DELIVERY MARGIN RELATED CHARGES CHANGES
BCUC ORDER NO.G-XXX-11 G-156-11
RATE SCHEDULE 6 - NGV - STATIONS

APPENDIX F-2
TAB 1.1.2
PAGE 6

Line No.	Particular	EXISTING OCTOBER 1, 2011 RATES				EFFECTIVE JANUARY 1, 2012 RATES				Annual Increase/Decrease		
1		Volume		Rate	Annual $	Volume		Rate	Annual $	Rate	Annual $	% of Previous Annual Bill
2	**LOWER MAINLAND SERVICE AREA**											
3	Delivery Margin Related Charges											
4	Basic Charge	365.25	days x	$2.004 =	$732.00	365.25	days x	$2.004 =	$732.00	$0.00	$0.00	0.00%
5												
6	Delivery Charge	2,900.0	GJ x	$3.648 =	$10,579.2000	2,900.0	GJ x	$3.878 =	$11,246.2000	$0.230	$667.0000	2.80%
7	Rider 2 2009 ROE Rate Rider	2,900.0	GJ x	$0.000 =	$0.0000	2,900.0	GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
8	Rider 3 ESM	2,900.0	GJ x	($0.039) =	($113.1000)	2,900.0	GJ x	$0.000 =	$0.0000	$0.039	$113.1000	0.47%
9	Subtotal Delivery Margin Related Charges				**$11,198.10**				**$11,978.20**		**$780.10**	**3.27%**
10												
11	Commodity Related Charges											
12	Midstream Cost Recovery Charge	2,900.0	GJ x	$0.353 =	$1,023.7000	2,900.0	GJ x	$0.353 =	$1,023.7000	$0.000	$0.0000	0.00%
13	Commodity Cost Recovery Charge	2,900.0	GJ x	$4.005 =	$11,614.5000	2,900.0	GJ x	$4.005 =	$11,614.5000	$0.000	$0.0000	0.00%
14	Subtotal Cost of Gas (Commodity Related Charge)				**$12,638.20**				**$12,638.20**		**$0.00**	**0.00%**
15												
16	Total *(with effective $/GJ rate)*	2,900.0		*$8.219*	**$23,836.30**	2,900.0		*$8.488*	**$24,616.40**	*$0.269*	**$780.10**	**3.27%**
17												
18												
19	**INLAND SERVICE AREA**											
20	Delivery Margin Related Charges											
21	Basic Charge	365.25	days x	$2.004 =	$732.00	365.25	days x	$2.004 =	$732.00	$0.00	$0.00	0.00%
22												
23	Delivery Charge	11,900.0	GJ x	$3.648 =	$43,411.2000	11,900.0	GJ x	$3.878 =	$46,148.2000	$0.230	$2,737.0000	2.87%
24	Rider 2 2009 ROE Rate Rider	11,900.0	GJ x	$0.000 =	$0.0000	11,900.0	GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
25	Rider 3 ESM	11,900.0	GJ x	($0.039) =	($464.1000)	11,900.0	GJ x	$0.000 =	$0.0000	$0.039	$464.1000	0.49%
26	Subtotal Delivery Margin Related Charges				**$43,679.10**				**$46,880.20**		**$3,201.10**	**3.35%**
27												
28	Commodity Related Charges											
29	Midstream Cost Recovery Charge	11,900.0	GJ x	$0.346 =	$4,117.4000	11,900.0	GJ x	$0.346 =	$4,117.4000	$0.000	$0.0000	0.00%
30	Commodity Cost Recovery Charge	11,900.0	GJ x	$4.005 =	$47,659.5000	11,900.0	GJ x	$4.005 =	$47,659.5000	$0.000	$0.0000	0.00%
31	Subtotal Cost of Gas (Commodity Related Charge)				**$51,776.90**				**$51,776.90**		**$0.00**	**0.00%**
32												
33	Total *(with effective $/GJ rate)*	11,900.0		*$8.022*	**$95,456.00**	11,900.0		*$8.291*	**$98,657.10**	*$0.269*	**$3,201.10**	**3.35%**

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. 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. Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to a daily equivalent for comparison purposes.

FORTISBC ENERGY INC.
DELIVERY MARGIN RELATED CHARGES CHANGES
BCUC ORDER NO.G-XXX-11 G-156-11
RATE SCHEDULE 7 - INTERRUPTIBLE SALES

APPENDIX F-2
TAB 1.1.2
PAGE 7

Line No.	Particular	EXISTING OCTOBER 1, 2011 RATES						EFFECTIVE JANUARY 1, 2012 RATES						Annual Increase/Decrease		
1		Volume			Rate		Annual $	Volume			Rate		Annual $	Rate	Annual $	% of Previous Annual Bill
2	**LOWER MAINLAND SERVICE AREA**															
3	Delivery Margin Related Charges															
4	Basic Charge	12	months	x	$880.00	=	**$10,560.00**	12	months	x	$880.00	=	**$10,560.00**	$0.00	**$0.00**	**0.00%**
5																
6	Delivery Charge	8,100.0	GJ	x	$1.073	=	$8,691.3000	8,100.0	GJ	x	$1.148	=	$9,298.8000	$0.075	$607.5000	1.05%
7	Rider 2 2009 ROE Rate Rider	8,100.0	GJ	x	$0.000	=	$0.0000	8,100.0	GJ	x	$0.000	=	$0.0000	$0.000	$0.0000	0.00%
8	Rider 3 ESM	8,100.0	GJ	x	($0.013)	=	($105.3000)	8,100.0	GJ	x	$0.000	=	$0.0000	$0.013	$105.3000	0.18%
9	Rider 4 Reserve for Future Use	8,100.0	GJ	x	$0.000	=	$0.0000	8,100.0	GJ	x	$0.000	=	$0.0000	$0.000	$0.0000	0.00%
10	Subtotal Delivery Margin Related Charges						**$8,586.00**						**$9,298.80**		**$712.80**	**1.23%**
11																
12	Commodity Related Charges															
13	Midstream Cost Recovery Charge	8,100.0	GJ	x	$0.764	=	$6,188.4000	8,100.0	GJ	x	$0.764	=	$6,188.4000	$0.000	$0.0000	0.00%
14	Commodity Cost Recovery Charge	8,100.0	GJ	x	$4.005	=	$32,440.5000	8,100.0	GJ	x	$4.005	=	$32,440.5000	$0.000	$0.0000	0.00%
15	Subtotal Gas Sales - Fixed (Commodity Related Charge)						**$38,628.90**						**$38,628.90**		**$0.00**	**0.00%**
16																
17	Non-Standard Charges (not forecast)															
18	Index Pricing Option, UOR															
19																
20	Total *(with effective $/GJ rate)*	8,100.0			*$7.133*		**$57,774.90**	8,100.0			*$7.221*		**$58,487.70**	*$0.088*	**$712.80**	**1.23%**
21																
22																
23	**INLAND SERVICE AREA**															
24	Delivery Margin Related Charges															
25	Basic Charge	12	months	x	$880.00	=	**$10,560.00**	12	months	x	$880.00	=	**$10,560.00**	$0.00	**$0.00**	**0.00%**
26																
27	Delivery Charge	4,000.0	GJ	x	$1.073	=	$4,292.0000	4,000.0	GJ	x	$1.148	=	$4,592.0000	$0.075	$300.0000	0.89%
28	Rider 2 2009 ROE Rate Rider	4,000.0	GJ	x	$0.000	=	$0.0000	4,000.0	GJ	x	$0.000	=	$0.0000	$0.000	$0.0000	0.00%
29	Rider 3 ESM	4,000.0	GJ	x	($0.013)	=	($52.0000)	4,000.0	GJ	x	$0.000	=	$0.0000	$0.013	$52.0000	0.15%
30	Rider 4 Reserve for Future Use	4,000.0	GJ	x	$0.000	=	$0.0000	4,000.0	GJ	x	$0.000	=	$0.0000	$0.000	$0.0000	0.00%
31	Subtotal Delivery Margin Related Charges						**$4,240.00**						**$4,592.00**		**$352.00**	**1.04%**
32																
33	Commodity Related Charges															
34	Midstream Cost Recovery Charge	4,000.0	GJ	x	$0.749	=	$2,996.0000	4,000.0	GJ	x	$0.749	=	$2,996.0000	$0.000	$0.0000	0.00%
35	Commodity Cost Recovery Charge	4,000.0	GJ	x	$4.005	=	$16,020.0000	4,000.0	GJ	x	$4.005	=	$16,020.0000	$0.000	$0.0000	0.00%
36	Subtotal Gas Sales - Fixed (Commodity Related Charge)						**$19,016.00**						**$19,016.00**		**$0.00**	**0.00%**
37																
38	Non-Standard Charges (not forecast)															
39	Index Pricing Option, UOR															
40																
41	Total *(with effective $/GJ rate)*	4,000.0			*$8.454*		**$33,816.00**	4,000.0			*$8.542*		**$34,168.00**	*$0.088*	**$352.00**	**1.04%**

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. 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. Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to a daily equivalent for comparison purposes.

FORTISBC ENERGY INC.
DELIVERY MARGIN RELATED CHARGES CHANGES
BCUC ORDER NO.G-XXX-11
RATE SCHEDULE 22 - LARGE INDUSTRIAL T-SERVICE

Line No.	Particular	EFFECTIVE JANUARY 1, 2011			EFFECTIVE JANUARY 1, 2012 RATES			Annual Increase/Decrease		
1		Volume	Rate	Annual $	Volume	Rate	Annual $	Rate	Annual $	% of Previous Annual Bill
2	**LOWER MAINLAND SERVICE AREA**									
3	Basic Charge	12 months x	$3,664.00	= **$43,968.00**	12 months x	$3,664.00	= **$43,968.00**	$0.00	**$0.00**	**0.00%**
4										
5										
6	Delivery Charge - Interruptible MTQ	467,305.6 GJ x	$0.790	= $369,171.4240	467,305.6 GJ x	$0.844	= $394,405.9264	$0.054	$25,234.5024	6.16%
7	Rider 2 2009 ROE Rate Rider	467,305.6 GJ x	$0.000	= $0.0000	467,305.6 GJ x	$0.000	= $0.0000	$0.000	$0.0000	0.00%
8	Rider 3 ESM	467,305.6 GJ x	($0.009)	= ($4,205.7504)	467,305.6 GJ x	$0.000	= $0.0000	$0.009	$4,205.7504	1.03%
9	Transportation - Interruptible			**$364,965.67**			**$394,405.93**		**$29,440.26**	**7.18%**
10										
11										
12	Non-Standard Charges (not forecast)									
13	UOR, Demand Surcharge, Balancing Service, Backstopping Gas									
14										
15										
16	Administration Charge	12 months x	$78.00	= **$936.00**	12 months x	$78.00	= **$936.00**	$0.00	**$0.00**	**0.00%**
17										
18										
19	Total *(with effective $/GJ rate)*	467,305.6	*$0.877*	**$409,869.67**	467,305.6	*$0.940*	**$439,309.93**	*$0.063*	**$29,440.26**	**7.18%**

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. 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. Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to a daily equivalent for comparison purposes.

FORTISBC ENERGY INC.
DELIVERY MARGIN RELATED CHARGES CHANGES
BCUC ORDER NO.G-XXX-11
RATE SCHEDULE 22A - LARGE INDUSTRIAL T-SERVICE

APPENDIX F-2
TAB 1.1.2
PAGE 9

Line No.	Particular	EFFECTIVE JANUARY 1, 2011				EFFECTIVE JANUARY 1, 2012 RATES				Annual Increase/Decrease		
1		Volume		Rate	Annual $	Volume		Rate	Annual $	Rate	Annual $	% of Previous Annual Bill
2	**INLAND SERVICE AREA**											
3	Basic Charge	12	months x	$4,810.00	= **$57,720.00**	12	months x	$4,810.00	= **$57,720.00**	$0.00	**$0.00**	**0.00%**
4												
5												
6	Transportation - Firm Demand (Delivery Charge Firm DTQ)	2,595.4	GJ x	$12.673	= **$394,698.00**	2,595.4	GJ x	$13.488	= **$420,081.12**	$0.815	**$25,383.12**	**4.81%**
7												
8												
9	Delivery Charge - Firm MTQ	584,475.8	GJ x	$0.088	= $51,433.8704	584,475.8	GJ x	$0.094	= $54,940.7252	$0.006	$3,506.8548	0.66%
10	Rider 2 2009 ROE Rate Rider	584,475.8	GJ x	$0.000	= $0.0000	584,475.8	GJ x	$0.000	= $0.0000	$0.000	$0.0000	0.00%
11	Rider 3 ESM	584,475.8	GJ x	($0.009)	= ($5,260.2822)	584,475.8	GJ x	$0.000	= $0.0000	$0.009	$5,260.2822	1.00%
12	Transportation - Firm (Delivery Charge Firm MTQ)				**$46,173.59**				**$54,940.73**		**$8,767.14**	**1.66%**
13												
14												
15	Delivery Charge - Interruptible MTQ	28,607.9	GJ x	$1.003	= $28,693.7237	28,607.9	GJ x	$1.068	= $30,553.2372	$0.065	$1,859.5135	0.35%
16	Rider 2 2009 ROE Rate Rider	28,607.9	GJ x	$0.000	= $0.0000	28,607.9	GJ x	$0.000	= $0.0000	$0.000	$0.0000	0.00%
17	Rider 3 ESM	28,607.9	GJ x	($0.009)	= ($257.4711)	28,607.9	GJ x	$0.000	= $0.0000	$0.009	$257.4711	0.05%
18	Transportation - Interruptible (Delivery Charge Interruptible MTQ)				**$28,436.25**				**$30,553.24**		**$2,116.99**	**0.40%**
19												
20												
21	Non-Standard Charges (not forecast)											
22	UOR, Demand Surcharge, Balancing Service, Backstopping Gas											
23												
24												
25	Administration Charge	12	months x	$78.00	= **$936.00**	12	months x	$78.00	= **$936.00**	$0.00	**$0.00**	**0.00%**
26												
27												
28	Total *(with effective $/GJ rate)*	584,475.8		*$0.903*	**$527,963.84**	584,475.8		*$0.965*	**$564,231.09**	*$0.062*	**$36,267.25**	**6.87%**

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. 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. Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to a daily equivalent for comparison purposes.

FORTISBC ENERGY INC.
DELIVERY MARGIN RELATED CHARGES CHANGES
BCUC ORDER NO.G-XXX-11
RATE SCHEDULE 22B - LARGE INDUSTRIAL T-SERVICE

APPENDIX F-2
TAB 1.1.2
PAGE 10

Line No.	Particular	EFFECTIVE JANUARY 1, 2011 Volume		Rate	Annual $	EFFECTIVE JANUARY 1, 2012 RATES Volume		Rate	Annual $	Annual Increase/Decrease Rate	Annual $	% of Previous Annual Bill
1												
2	**COLUMBIA SERVICE - EXCEPT ELKVIEW COAL**											
3	Basic Charge	12	months x	$4,537.00	= **$54,444.00**	12	months x	$4,537.00	= **$54,444.00**	$0.00	**$0.00**	**0.00%**
4												
5	Transportation - Firm Demand (Delivery Charge Firm DTQ)	2,211.8	GJ x	$8.048	= **$213,606.84**	2,211.8	GJ x	$8.636	= **$229,213.20**	$0.588	**$15,606.36**	**5.02%**
6												
7	Delivery Charge - Firm MTQ	457,345.8	GJ x	$0.086	= $39,331.7388	457,345.8	GJ x	$0.092	= $42,075.8136	$0.006	$2,744.0748	0.88%
8	Rider 2 2009 ROE Rate Rider	457,345.8	GJ x	$0.000	= $0.0000	457,345.8	GJ x	$0.000	= $0.0000	$0.000	$0.0000	0.00%
9	Rider 3 ESM	457,345.8	GJ x	($0.006)	= ($2,744.0748)	457,345.8	GJ x	$0.000	= $0.0000	$0.006	$2,744.0748	0.88%
10	Transportation - Firm (Delivery Charge Firm MTQ)				**$36,587.66**				**$42,075.81**		**$5,488.15**	**1.77%**
11												
12	Delivery Charge - Interruptible MTQ											
13	- Apr. 1 to Nov. 1	6,732.4	GJ x	$0.802	= $5,399.3848	6,732.4	GJ x	$0.861	= $5,796.5964	$0.059	$397.2116	0.13%
14	- Nov. 1 to Apr. 1	0.0	GJ x	$1.155	= $0.0000	0.0	GJ x	$1.239	= $0.0000	$0.084	$0.0000	0.00%
15	Rider 2 2009 ROE Rate Rider	6,732.4	GJ x	$0.000	= $0.0000	6,732.4	GJ x	$0.000	= $0.0000	$0.000	$0.0000	0.00%
16	Rider 3 ESM	6,732.4	GJ x	($0.006)	= ($40.3944)	6,732.4	GJ x	$0.000	= $0.0000	$0.006	$40.3944	0.01%
17	Transportation - Interruptible (Delivery Charge Interruptible MTQ)				**$5,358.99**				**$5,796.60**		**$437.61**	**0.14%**
18												
19	Non-Standard Charges (not forecast)											
20	UOR, Demand Surcharge, Balancing Service, Backstopping Gas											
21												
22	Administration Charge	12	months x	$78.00	= **$936.00**	12	months x	$78.00	= **$936.00**	$0.00	**$0.00**	**0.00%**
23												
24	Total *(with effective $/GJ rate)*	464,078.2		*$0.670*	**$310,933.49**	464,078.2		*$0.716*	**$332,465.61**	*$0.046*	**$21,532.12**	**6.92%**
25												
26												
27	**COLUMBIA SERVICE - ELKVIEW COAL**											
28	Basic Charge	12	months x	$4,537.00	= **$54,444.00**	12	months x	$4,537.00	= **$54,444.00**	$0.00	**$0.00**	**0.00%**
29												
30	Transportation - Firm Demand (Delivery Charge Firm DTQ)	2,670.0	GJ x	$1.827	= **$58,537.08**	2,670.0	GJ x	$1.960	= **$62,798.40**	$0.133	**$4,261.32**	**2.49%**
31												
32	Delivery Charge - Firm MTQ	631,553.5	GJ x	$0.086	= $54,313.6010	631,553.5	GJ x	$0.092	= $58,102.9220	$0.006	$3,789.3210	2.21%
33	Rider 2 2009 ROE Rate Rider	631,553.5	GJ x	$0.000	= $0.0000	631,553.5	GJ x	$0.000	= $0.0000	$0.000	$0.0000	0.00%
34	Rider 3 ESM	631,553.5	GJ x	($0.002)	= ($1,263.1070)	631,553.5	GJ x	$0.000	= $0.0000	$0.002	$1,263.1070	0.74%
35	Transportation - Firm (Delivery Charge Firm MTQ)				**$53,050.49**				**$58,102.92**		**$5,052.43**	**2.95%**
36												
37	Delivery Charge - Interruptible MTQ											
38	- Apr. 1 to Nov. 1	0.0	GJ x	$0.201	= $0.0000	0.0	GJ x	$0.216	= $0.0000	$0.015	$0.0000	0.00%
39	- Nov. 1 to Apr. 1	14,503.1	GJ x	$0.287	= $4,162.3897	14,503.1	GJ x	$0.308	= $4,466.9548	$0.021	$304.5651	0.18%
40	Rider 2 2009 ROE Rate Rider	14,503.1	GJ x	$0.000	= $0.0000	14,503.1	GJ x	$0.000	= $0.0000	$0.000	$0.0000	0.00%
41	Rider 3 ESM	14,503.1	GJ x	($0.002)	= ($29.0062)	14,503.1	GJ x	$0.000	= $0.0000	$0.002	$29.0062	0.02%
42	Rider 4 Reserve for Future Use	14,503.1	GJ x	$0.000	= $0.0000	14,503.1	GJ x	$0.000	= $0.0000	$0.000	$0.0000	0.00%
43	Transportation - Interruptible (Delivery Charge Interruptible MTQ)				**$4,133.38**				**$4,466.95**		**$333.57**	**0.19%**
44												
45	Non-Standard Charges (not forecast)											
46	UOR, Demand Surcharge, Balancing Service, Backstopping Gas											
47												
48	Administration Charge	12	months x	$78.00	= **$936.00**	12	months x	$78.00	= **$936.00**	$0.00	**$0.00**	**0.00%**
49												
50	Total *(with effective $/GJ rate)*	646,056.6		*$0.265*	**$171,100.95**	646,056.6		*$0.280*	**$180,748.27**	*$0.015*	**$9,647.32**	**5.64%**

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. 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. Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to a daily equivalent for comparison purposes.

FORTISBC ENERGY INC.
DELIVERY MARGIN RELATED CHARGES CHANGES
BCUC ORDER NO.G-XXX-11
RATE SCHEDULE 23 - LARGE COMMERCIAL T-SERVICE

APPENDIX F-2
TAB 1.1.2
PAGE 11

Line No.	Particular	EFFECTIVE JANUARY 1, 2011			EFFECTIVE JANUARY 1, 2012 RATES			Annual Increase/Decrease		
1		Volume	Rate	Annual $	Volume	Rate	Annual $	Rate	Annual $	% of Previous Annual Bill
2	**LOWER MAINLAND SERVICE AREA**									
3	Basic Charge	12 months x	$132.52 =	**$1,590.24**	12 months x	$132.52 =	**$1,590.24**	$0.00	**$0.00**	**0.00%**
4										
5	Administration Charge	12 months x	$78.00 =	**$936.00**	12 months x	$78.00 =	**$936.00**	$0.00	**$0.00**	**0.00%**
6										
7	Delivery Charge	4,100.0 GJ x	$2.318 =	$9,503.8000	4,100.0 GJ x	$2.483 =	$10,180.3000	$0.165	$676.5000	5.72%
8	Rider 2 2009 ROE Rate Rider	4,100.0 GJ x	$0.000 =	$0.0000	4,100.0 GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
9	Rider 3 ESM	4,100.0 GJ x	($0.028) =	($114.8000)	4,100.0 GJ x	$0.000 =	$0.0000	$0.028	$114.8000	0.97%
10	Rider 5 RSAM	4,100.0 GJ x	($0.020) =	($82.0000)	4,100.0 GJ x	($0.032) =	($131.2000)	($0.012)	($49.2000)	-0.42%
11	Transportation - Firm			**$9,307.00**			**$10,049.10**		**$742.10**	**6.27%**
12										
13	Non-Standard Charges (not forecast)									
14	UOR, Balancing gas, Backstopping Gas, Replacement Gas									
15										
16	Total *(with effective $/GJ rate)*	4,100.0	*$2.886*	**$11,833.24**	4,100.0	*$3.067*	**$12,575.34**	*$0.181*	**$742.10**	**6.27%**
17										
18	**INLAND SERVICE AREA**									
19	Basic Charge	12 months x	$132.52 =	**$1,590.24**	12 months x	$132.52 =	**$1,590.24**	$0.00	**$0.00**	**0.00%**
20										
21	Administration Charge	12 months x	$78.00 =	**$936.00**	12 months x	$78.00 =	**$936.00**	$0.00	**$0.00**	**0.00%**
22										
23	Delivery Charge	4,700.0 GJ x	$2.318 =	$10,894.6000	4,700.0 GJ x	$2.483 =	$11,670.1000	$0.165	$775.5000	5.88%
24	Rider 2 2009 ROE Rate Rider	4,700.0 GJ x	$0.000 =	$0.0000	4,700.0 GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
25	Rider 3 ESM	4,700.0 GJ x	($0.028) =	($131.6000)	4,700.0 GJ x	$0.000 =	$0.0000	$0.028	$131.6000	1.00%
26	Rider 5 RSAM	4,700.0 GJ x	($0.020) =	($94.0000)	4,700.0 GJ x	($0.032) =	($150.4000)	($0.012)	($56.4000)	-0.43%
27	Transportation - Firm			**$10,669.00**			**$11,519.70**		**$850.70**	**6.45%**
28										
29	Non-Standard Charges (not forecast)									
30	UOR, Balancing gas, Backstopping Gas, Replacement Gas									
31										
32	Total *(with effective $/GJ rate)*	4,700.0	*$2.807*	**$13,195.24**	4,700.0	*$2.988*	**$14,045.94**	*$0.181*	**$850.70**	**6.45%**
33										
34	**COLUMBIA SERVICE AREA**									
35	Basic Charge	12 months x	$132.52 =	**$1,590.24**	12 months x	$132.52 =	**$1,590.24**	$0.00	**$0.00**	**0.00%**
36										
37	Administration Charge	12 months x	$78.00 =	**$936.00**	12 months x	$78.00 =	**$936.00**	$0.00	**$0.00**	**0.00%**
38										
39	Delivery Charge	4,200.0 GJ x	$2.318 =	$9,735.6000	4,200.0 GJ x	$2.483 =	$10,428.6000	$0.165	$693.0000	5.75%
40	Rider 2 2009 ROE Rate Rider	4,200.0 GJ x	$0.000 =	$0.0000	4,200.0 GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
41	Rider 3 ESM	4,200.0 GJ x	($0.028) =	($117.6000)	4,200.0 GJ x	$0.000 =	$0.0000	$0.028	$117.6000	0.98%
42	Rider 5 RSAM	4,200.0 GJ x	($0.020) =	($84.0000)	4,200.0 GJ x	($0.032) =	($134.4000)	($0.012)	($50.4000)	-0.42%
43	Transportation - Firm			**$9,534.00**			**$10,294.20**		**$760.20**	**6.30%**
44										
45	Non-Standard Charges (not forecast)									
46	UOR, Balancing gas, Backstopping Gas, Replacement Gas									
47										
48	Total *(with effective $/GJ rate)*	4,200.0	*$2.871*	**$12,060.24**	4,200.0	*$3.052*	**$12,820.44**	*$0.181*	**$760.20**	**6.30%**

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. 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. Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to a daily equivalent for comparison purposes.

FORTISBC ENERGY INC.
DELIVERY MARGIN RELATED CHARGES CHANGES
BCUC ORDER NO.G-XXX-11
RATE SCHEDULE 25 - GENERAL FIRM T-SERVICE

APPENDIX F-2
TAB 1.1.2
PAGE 12

Line No.	Particular	EFFECTIVE JANUARY 1, 2011						EFFECTIVE JANUARY 1, 2012 RATES						Annual Increase/Decrease		
1		Volume		Rate		Annual $		Volume		Rate		Annual $		Rate	Annual $	% of Previous Annual Bill
2	**LOWER MAINLAND SERVICE AREA**															
3	Basic Charge	12	months x	$587.00	=	**$7,044.00**		12	months x	$587.00	=	**$7,044.00**		$0.00	**$0.00**	**0.00%**
4																
5	Administration Charge	12	months x	$78.00	=	**$936.00**		12	months x	$78.00	=	**$936.00**		$0.00	**$0.00**	**0.00%**
6																
7	Transportation - Firm Demand	97.2	GJ x	$15.943	=	**$18,595.92**		97.2	GJ x	$16.996	=	**$19,824.12**		$1.053	**$1,228.20**	**3.19%**
8																
9	Delivery Charge	19,086.2	GJ x	$0.645	=	$12,310.5990		19,086.2	GJ x	$0.702	=	$13,398.5124		$0.057	$1,087.9134	2.83%
10	Rider 2 2009 ROE Rate Rider	19,086.2	GJ x	$0.000	=	$0.0000		19,086.2	GJ x	$0.000	=	$0.0000		$0.000	$0.0000	0.00%
11	Rider 3 ESM	19,086.2	GJ x	($0.021)	=	($400.8102)		19,086.2	GJ x	$0.000	=	$0.0000		$0.021	$400.8102	1.04%
12	Transportation - Firm					**$11,909.79**						**$13,398.51**			**$1,488.72**	**3.87%**
13																
14	Non-Standard Charges (not forecast)															
15	UOR, Balancing gas, Backstopping Gas, Replacement Gas															
16																
17	Total *(with effective $/GJ rate)*	19,086.2		*$2.016*		**$38,485.71**		19,086.2		*$2.159*		**$41,202.63**		*$0.143*	**$2,716.92**	**7.06%**
18																
19	**INLAND SERVICE AREA**															
20	Basic Charge	12	months x	$587.00	=	**$7,044.00**		12	months x	$587.00	=	**$7,044.00**		$0.00	**$0.00**	**0.00%**
21																
22	Administration Charge	12	months x	$78.00	=	**$936.00**		12	months x	$78.00	=	**$936.00**		$0.00	**$0.00**	**0.00%**
23																
24	Transportation - Firm Demand	212.6	GJ x	$15.943	=	**$40,673.76**		212.6	GJ x	$16.996	=	**$43,360.20**		$1.053	**$2,686.44**	**3.63%**
25																
26	Delivery Charge	40,670.5	GJ x	$0.645	=	$26,232.4725		40,670.5	GJ x	$0.702	=	$28,550.6910		$0.057	$2,318.2185	3.13%
27	Rider 2 2009 ROE Rate Rider	40,670.5	GJ x	$0.000	=	$0.0000		40,670.5	GJ x	$0.000	=	$0.0000		$0.000	$0.0000	0.00%
28	Rider 3 ESM	40,670.5	GJ x	($0.021)	=	($854.0805)		40,670.5	GJ x	$0.000	=	$0.0000		$0.021	$854.0805	1.15%
29	Transportation - Firm					**$25,378.39**						**$28,550.69**			**$3,172.30**	**4.29%**
30																
31	Non-Standard Charges (not forecast)															
32	UOR, Balancing gas, Backstopping Gas, Replacement Gas															
33																
34	Total *(with effective $/GJ rate)*	40,670.5		*$1.820*		**$74,032.15**		40,670.5		*$1.964*		**$79,890.89**		*$0.144*	**$5,858.74**	**7.91%**
35																
36	**COLUMBIA SERVICE**															
37	Basic Charge	12	months x	$587.00	=	**$7,044.00**		12	months x	$587.00	=	**$7,044.00**		$0.00	**$0.00**	**0.00%**
38																
39	Administration Charge	12	months x	$78.00	=	**$936.00**		12	months x	$78.00	=	**$936.00**		$0.00	**$0.00**	**0.00%**
40																
41	Transportation - Firm Demand	182.2	GJ x	$15.943	=	**$34,857.72**		182.2	GJ x	$16.996	=	**$37,160.04**		$1.053	**$2,302.32**	**3.73%**
42																
43	Delivery Charge	30,357.8	GJ x	$0.645	=	$19,580.7810		30,357.8	GJ x	$0.702	=	$21,311.1756		$0.057	$1,730.3946	2.80%
44	Rider 2 2009 ROE Rate Rider	30,357.8	GJ x	$0.000	=	$0.0000		30,357.8	GJ x	$0.000	=	$0.0000		$0.000	$0.0000	0.00%
45	Rider 3 ESM	30,357.8	GJ x	($0.021)	=	($637.5138)		30,357.8	GJ x	$0.000	=	$0.0000		$0.021	$637.5138	1.03%
46	Transportation - Firm					**$18,943.27**						**$21,311.18**			**$2,367.91**	**3.83%**
47																
48	Non-Standard Charges (not forecast)															
49	UOR, Balancing gas, Backstopping Gas, Replacement Gas															
50																
51	Total *(with effective $/GJ rate)*	30,357.8		*$2.035*		**$61,780.99**		30,357.8		*$2.189*		**$66,451.22**		*$0.154*	**$4,670.23**	**7.56%**

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. 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. Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to a daily equivalent for comparison purposes.

FORTISBC ENERGY INC.
DELIVERY MARGIN RELATED CHARGES CHANGES
BCUC ORDER NO.G-XXX-11
RATE SCHEDULE 27 - INTERRUPTIBLE T-SERVICE

APPENDIX F-2
TAB 1.1.2
PAGE 13

Line No.	Particular	EFFECTIVE JANUARY 1, 2011			EFFECTIVE JANUARY 1, 2012 RATES			Annual Increase/Decrease		
1		Volume	Rate	Annual $	Volume	Rate	Annual $	Rate	Annual $	% of Previous Annual Bill
2	**LOWER MAINLAND SERVICE AREA**									
3	Basic Charge	12 months x	$880.00 =	**$10,560.00**	12 months x	$880.00 =	**$10,560.00**	$0.00	**$0.00**	**0.00%**
4										
5	Administration Charge	12 months x	$78.00 =	**$936.00**	12 months x	$78.00 =	**$936.00**	$0.00	**$0.00**	**0.00%**
6										
7	Delivery Charge	53,957.0 GJ x	$1.073 =	$57,895.8610	53,957.0 GJ x	$1.148 =	$61,942.6360	$0.075	$4,046.7750	5.89%
8	Rider 2 2009 ROE Rate Rider	53,957.0 GJ x	$0.000 =	$0.0000	53,957.0 GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
9	Rider 3 ESM	53,957.0 GJ x	($0.013) =	($701.4410)	53,957.0 GJ x	$0.000 =	$0.0000	$0.013	$701.4410	1.02%
10	Transportation - Interruptible			**$57,194.42**			**$61,942.64**		**$4,748.22**	**6.91%**
11										
12	Non-Standard Charges (not forecast)									
13	UOR, Balancing gas, Backstopping Gas									
14										
15	Total *(with effective $/GJ rate)*	53,957.0	*$1.273*	**$68,690.42**	53,957.0	*$1.361*	**$73,438.64**	*$0.088*	**$4,748.22**	**6.91%**
16										
17										
18	**INLAND SERVICE AREA**									
19	Basic Charge	12 months x	$880.00 =	**$10,560.00**	12 months x	$880.00 =	**$10,560.00**	$0.00	**$0.00**	**0.00%**
20										
21	Administration Charge	12.0 months x	$78.00 =	**$936.00**	12.0 months x	$78.00 =	**$936.00**	$0.00	**$0.00**	**0.00%**
22										
23	Delivery Charge	48,903.9 GJ x	$1.073 =	$52,473.8847	48,903.9 GJ x	$1.148 =	$56,141.6772	$0.075	$3,667.7925	5.79%
24	Rider 2 2009 ROE Rate Rider	48,903.9 GJ x	$0.000 =	$0.0000	48,903.9 GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
25	Rider 3 ESM	48,903.9 GJ x	($0.013) =	($635.7507)	48,903.9 GJ x	$0.000 =	$0.0000	$0.013	$635.7507	1.00%
26	Transportation - Interruptible			**$51,838.13**			**$56,141.68**		**$4,303.55**	**6.79%**
27										
28										
29	Non-Standard Charges (not forecast)									
30	UOR, Balancing gas, Backstopping Gas									
31		48,903.9	*$1.295*	**$63,334.13**	48,903.9	*$1.383*	**$67,637.68**	*$0.088*	**$4,303.55**	**6.79%**
32	Total *(with effective $/GJ rate)*									
33										
34										
35	**COLUMBIA SERVICE AREA**									
36	Basic Charge	12 months x	$880.00 =	**$10,560.00**	12 months x	$880.00 =	**$10,560.00**	$0.00	**$0.00**	**0.00%**
37										
38	Administration Charge	12.0 months x	$78.00 =	**$936.00**	12.0 months x	$78.00 =	**$936.00**	$0.00	**$0.00**	**0.00%**
39										
40	Delivery Charge	7,733.8 GJ x	$1.073 =	$8,298.3674	7,733.8 GJ x	$1.148 =	$8,878.4024	$0.075	$580.0350	0.92%
41	Rider 2 2009 ROE Rate Rider	7,733.8 GJ x	$0.000 =	$0.0000	7,733.8 GJ x	$0.000 =	$0.0000	$0.000	$0.0000	0.00%
42	Rider 3 ESM	7,733.8 GJ x	($0.013) =	($100.5394)	7,733.8 GJ x	$0.000 =	$0.0000	$0.013	$100.5394	0.16%
43	Transportation - Interruptible			**$8,197.83**			**$8,878.40**		**$680.57**	**1.07%**
44										
45										
46	Non-Standard Charges (not forecast)									
47	UOR, Balancing gas, Backstopping Gas									
48		7,733.8	*$2.546*	**$19,693.83**	7,733.8	*$2.634*	**$20,374.40**	*$0.088*	**$680.57**	**1.07%**
49	Total *(with effective $/GJ rate)*									

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. 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. Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to a daily equivalent for comparison purposes.

FORTISBC ENERGY INC. - INLAND SERVICE AREA (APPLICABLE TO REVELSTOKE CUSTOMERS)
EFFECT ON REVELSTOKE RATE SCHEDULE 1, 2, AND 3 CUSTOMERS' WITH RATE CHANGES
-

APPENDIX F-2
TAB 1.1.2
PAGE 14

Line No.	PARTICULARS	EXISTING OCTOBER 1, 2011 RATES				EFFECTIVE JANUARY 1, 2012 RATES				Annual Increase/Decrease		
		Volume		Rate	Annual $	Volume		Rate	Annual $	Rate	Annual $	% of Previous Annual Bill
1	**INLAND SERVICE AREA**											
2												
3	**Rate 1 - Residential**											
4	Delivery Margin Related Charges											
5	Basic Charge	365.25	days x	$0.389 =	$142.08	365.25	days x	$0.389 =	$142.08	$0.00	$0.00	0.00%
6												
7	Delivery Charge	50.0	GJ x	$3.275 =	$163.7500	50.0	GJ x	$3.559 =	$177.9500	$0.284	$14.2000	1.13%
8	Rider 2 2009 ROE Rate Rider	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	$0.000 =	$0.0000	$0.048	$2.4000	0.19%
10	Rider 5 RSAM	50.0	GJ x	($0.020) =	($1.0000)	50.0	GJ x	($0.032) =	($1.6000)	($0.012)	($0.6000)	-0.05%
11	Subtotal Delivery Margin Related Charges			$3.207	**$302.43**			$3.527	**$318.43**		**$16.00**	**1.28%**
12												
13	Commodity Related Charges											
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	$4.005 =	$200.2500	50.0	GJ x	$4.005 =	$200.2500	$0.000	$0.0000	0.00%
16	Rider 1 Propane Surcharge	50.0	GJ x	$13.715 =	$685.7500	50.0	GJ x	$13.715 =	$685.7500	$0.000	$0.0000	0.00%
17	Subtotal Commodity Related Charges			$19.035	**$951.75**			$19.035	**$951.75**		**$0.00**	**0.00%**
18												
19	*Total (with effective $/GJ rate)*	50.0		*$25.084*	**$1,254.18**	50.0		*$25.404*	**$1,270.18**	*$0.320*	**$16.00**	**1.28%**
20												
21	**Rate 2 - Small Commercial**											
22	Delivery Margin Related Charges											
23	Basic Charge	365.25	days x	$0.816 =	$298.08	365.25	days x	$0.816 =	$298.08	$0.00	$0.00	0.00%
24												
25	Delivery Charge	250.0	GJ x	$2.714 =	$678.5000	250.0	GJ x	$2.928 =	$732.0000	$0.214	$53.5000	0.98%
26	Rider 2 2009 ROE Rate Rider	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	$0.000 =	$0.0000	$0.036	$9.0000	0.17%
28	Rider 5 RSAM	250.0	GJ x	($0.020) =	($5.0000)	250.0	GJ x	($0.032) =	($8.0000)	($0.012)	($3.0000)	-0.06%
29	Subtotal Delivery Margin Related Charges			$2.658	**$962.58**			$2.896	**$1,022.08**		**$59.50**	**1.09%**
30												
31	Commodity Related Charges											
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	$4.005 =	$1,001.2500	250.0	GJ x	$4.005 =	$1,001.2500	$0.000	$0.0000	0.00%
34	Rider 1 Propane Surcharge	250.0	GJ x	$12.638 =	$3,159.5000	250.0	GJ x	$12.638 =	$3,159.5000	$0.000	$0.0000	0.00%
35	Subtotal Commodity Related Charges			$17.944	**$4,486.00**			$17.944	**$4,486.00**		**$0.00**	**0.00%**
36												
37	*Total (with effective $/GJ rate)*	250.0		*$21.794*	**$5,448.58**	250.0		*$22.032*	**$5,508.08**	*$0.238*	**$59.50**	**1.09%**
38												
39	**Rate 3 - Large Commercial**											
40	Delivery Margin Related Charges											
41	Basic Charge	365.25	days x	$4.354 =	$1,590.24	365.25	days x	$4.354 =	$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	$2.483 =	$11,173.5000	$0.165	$742.5000	0.80%
44	Rider 2 2009 ROE Rate Rider	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	$0.000 =	$0.0000	$0.028	$126.0000	0.14%
46	Rider 5 RSAM	4,500.0	GJ x	($0.020) =	($90.0000)	4,500.0	GJ x	($0.032) =	($144.0000)	($0.012)	($54.0000)	-0.06%
47	Subtotal Delivery Margin Related Charges			$2.270	**$11,805.24**			$2.451	**$12,619.74**		**$814.50**	**0.88%**
48												
49	Commodity Related Charges											
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	$4.005 =	$18,022.5000	4,500.0	GJ x	$4.005 =	$18,022.5000	$0.000	$0.0000	0.00%
52	Rider 1 Propane Surcharge	4,500.0	GJ x	$12.940 =	$58,230.0000	4,500.0	GJ x	$12.940 =	$58,230.0000	$0.000	$0.0000	0.00%
53	Subtotal Commodity Related Charges			$17.944	**$80,748.00**			$17.944	**$80,748.00**		**$0.00**	**0.00%**
54												
55	*Total (with effective $/GJ rate)*	4,500.0		*$20.567*	**$92,553.24**	4,500.0		*$20.748*	**$93,367.74**	*$0.181*	**$814.50**	**0.88%**

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. 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. Where applicable, existing monthly October 1, 2011 basic chage rates are prorated to a daily equivalent comparison purposes.

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY FOR
RATE 1 DOMESTIC SERVICE
EFFECTIVEJANUARY 1, 2012 RATES
BCUC ORDER NO. G-XXX-11 AND G-XXX-11

Appendix F-2
Tab 4.1.1
Page 1

Line No.	Schedule (1)	Tariff Page (2)	Particulars (3)	EXISTING RATE OCTOBER 1, 2011 (4)	Delivery Related Changes (5)	EFFECTIVE RATE JANUARY 1, 2012 (6)
1	Rate 1	No. 1	**Option A**			
2						
3			Minimum Daily Charge			
4			plus $0.0391 times			
5			the amount of the promotional			
6			incentive divided by $100			
7			(includes the first 2 Gigajoules per month prorated to daily basis)			
8						
9			Delivery Charge per Day	$0.3141	($0.0196)	$0.2945
10			Revenue Stabilization Adjustment Amount per Day	$0.0022	($0.00)	($0.0007)
11			Gas Cost Recovery Charge Prorated to Daily Basis	$0.289	$0.000	$0.289
12			**Minimum Daily Charge** (includes first 2 gigajoules/month)	**$0.605**	($0.023)	**$0.583**
13						
14			Delivery Charge per GJ	$2.410	($0.165)	$2.245
15			Revenue Stabilization Adjustment Amount per GJ	$0.033	($0.044)	($0.011)
16			Gas Cost Recovery Charge per GJ	$4.396	$0.000	$4.396
17			**Next 28 Gigajoules in any month**	**$6.839**	($0.209)	**$6.630**
18						
19			Delivery Charge per GJ	$2.340	($0.162)	$2.178
20			Revenue Stabilization Adjustment Amount per GJ	$0.033	($0.044)	($0.011)
21			Gas Cost Recovery Charge per GJ	$4.396	$0.000	$4.396
22			**Excess of 30 Gigajoules in any month**	**$6.769**	($0.206)	**$6.563**
23						
24						
25	Rate 1	No. 1.1	**Option B**			
26						
27			Delivery Charge per Day	$0.3141	($0.0196)	$0.2945
28			Revenue Stabilization Adjustment Amount per Day	$0.0022	($0.00)	($0.0007)
29			Gas Cost Recovery Charge Prorated to Daily Basis	$0.289	$0.000	$0.289
30			**Minimum Daily Charge (includes first 2 gigajoules/month)**	**$0.605**	($0.023)	**$0.583**
31						
32			Delivery Charge per GJ	$2.410	($0.165)	$2.245
33			Revenue Stabilization Adjustment Amount per GJ	$0.033	($0.044)	($0.011)
34			Gas Cost Recovery Charge per GJ	$4.396	$0.000	$4.396
35			**Next 28 Gigajoules in any month**	**$6.839**	($0.209)	**$6.630**
36						
37			Delivery Charge per GJ	$2.340	($0.162)	$2.178
38			Revenue Stabilization Adjustment Amount per GJ	$0.033	($0.044)	($0.011)
39			Gas Cost Recovery Charge per GJ	$4.396	$0.000	$4.396
40			**Excess of 30 Gigajoules in any month**	**$6.769**	($0.206)	**$6.563**

Note: Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to a daily equivalent for comparison purposes.

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY FOR
RATES 2.1, 2.2 & 2.3 GENERAL SERVICE
EFFECTIVEJANUARY 1, 2012 RATES
BCUC ORDER NO. G-XXX-11 AND G-XXX-11

Appendix F-2
Tab 4.1.1
Page 2

Line No.	Schedule	Tariff Page	Particulars	OCTOBER 1, 2011 EXISTING RATE	Delivery Related Changes	JANUARY 1, 2012 EFFECTIVE RATE
	(1)	(2)	(3)	(4)	(5)	(6)
1	Rate 2.1	No. 2	Delivery Charge per Day	$0.9193	($0.0651)	$0.8541
2			Revenue Stabilization Adjustment Amount per Day	$0.0022	($0.0029)	($0.0007)
3			Gas Cost Recovery Charge Prorated to Daily Basis	$0.290	$0.000	$0.290
4			**Minimum Daily Charge (includes first 2 gigajoules/month)**	**$1.211**	($0.068)	**$1.143**
5						
6			Delivery Charge per GJ	$2.710	($0.184)	$2.526
7			Revenue Stabilization Adjustment Amount per GJ	$0.033	($0.044)	($0.011)
8			Gas Cost Recovery Charge per GJ	$4.396	$0.000	$4.396
9			**Next 28 Gigajoules in any month**	**$7.139**	($0.228)	**$6.911**
10						
11			Delivery Charge per GJ	$2.624	($0.176)	$2.448
12			Revenue Stabilization Adjustment Amount per GJ	$0.033	($0.044)	($0.011)
13			Gas Cost Recovery Charge per GJ	$4.396	$0.000	$4.396
14			**Excess of 30 Gigajoules in any month**	**$7.053**	($0.220)	**$6.833**
15						
16	Rate 2.2	No. 2	Delivery Charge per Day	$0.9193	($0.0651)	$0.8541
17			Revenue Stabilization Adjustment Amount per Day	$0.0022	($0.00)	($0.0007)
18			Gas Cost Recovery Charge Prorated to Daily Basis	$0.290	$0.000	$0.290
19			**Minimum Daily Charge (includes first 2 gigajoules/month)**	**$1.211**	($0.068)	**$1.143**
20						
21			Delivery Charge per GJ	$2.710	($0.184)	$2.526
22			Revenue Stabilization Adjustment Amount per GJ	$0.033	($0.044)	($0.011)
23			Gas Cost Recovery Charge per GJ	$4.396	$0.000	$4.396
24			**Next 28 Gigajoules in any month**	**$7.139**	($0.228)	**$6.911**
25						
26			Delivery Charge per GJ	$2.624	($0.176)	$2.448
27			Revenue Stabilization Adjustment Amount per GJ	$0.033	($0.044)	($0.011)
28			Gas Cost Recovery Charge per GJ	$4.396	$0.000	$4.396
29			**Excess of 30 Gigajoules in any month**	**$7.053**	($0.220)	**$6.833**
30						
31	Rate 2.3	No. 2.1	Delivery Charge per Month	$28.08	($1.88)	$26.20
32			Gas Cost Recovery Charge per Month	$8.790	$0.00	$8.790
33			**Minimum Monthly Charge** (includes first 2 gigajoules)	**$36.870**	($1.876)	**$34.994**
34						
35			Delivery Charge per GJ	$3.450	($0.924)	$2.526
36			Gas Cost Recovery Charge per GJ	$4.396	$0.000	$4.396
37			**Next 28 Gigajoules in any month**	**$7.846**	($0.924)	**$6.922**
38						
39			Delivery Charge per GJ	$3.362	($0.914)	$2.448
40			Gas Cost Recovery Charge per GJ	$4.396	$0.000	$4.396
41			**Excess of 30 Gigajoules in any month**	**$7.758**	($0.914)	**$6.844**

Note: Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to a daily equivalent for comparison purposes.

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY FOR
RATES 3.1, 3.2 & 3.3 INDUSTRIAL SERVICE
EFFECTIVEJANUARY 1, 2012 RATES
BCUC ORDER NO. G-XXX-11 AND G-XXX-11

Appendix F-2
Tab 4.1.1
Page 3

Line No.	Schedule	Tariff Page	Particulars	OCTOBER 1, 2011 EXISTING RATE	Delivery Related Changes	JANUARY 1, 2012 EFFECTIVE RATE
	(1)	(2)	(3)	(4)	(5)	(6)
1	Rate 3.1	No. 3	Delivery Charge			
2						
3			First 20 Gigajoules in any month	$2.910	($0.111)	$2.799
4			Next 260 Gigajoules in any month	$2.690	($0.346)	$2.344
5			Excess over 280 Gigajoules in any month	$2.174	($0.270)	$1.904
6						
7			Rider 5 - Revenue Stabilization Adjustment Charge per GJ	$0.033	($0.044)	($0.011)
8			Gas Cost Recovery Charge per Gigajoule	$4.396	$0.000	$4.396
9						
10			Minimum Monthly Delivery Charge	$1,826.00	($122.00)	$1,704.00
11						
12						
13	Rate 3.2	No. 3	Delivery Charge			
14						
15			First 20 Gigajoules in any month	$2.910	($0.111)	$2.799
16			Next 260 Gigajoules in any month	$2.690	($0.346)	$2.344
17			Excess over 280 Gigajoules in any month	$2.174	($0.270)	$1.904
18						
19			Rider 5 - Revenue Stabilization Adjustment Charge per GJ	$0.033	($0.044)	($0.011)
20			Gas Cost Recovery Charge per Gigajoule	$4.396	$0.000	$4.396
21						
22			Minimum Monthly Delivery Charge	$1,826.00	($122.00)	$1,704.00
23						
24						
25	Rate 3.3	No. 3.1	Delivery Charge			
26						
27			First 20 Gigajoules in any month	$2.910	($0.111)	$2.799
28			Next 260 Gigajoules in any month	$2.690	($0.346)	$2.344
29			Excess over 280 Gigajoules in any month	$2.174	($0.270)	$1.904
30						
31			Rider 5 - Revenue Stabilization Adjustment Charge per GJ	$0.033	($0.044)	($0.011)
32			Gas Cost Recovery Charge per Gigajoule	$4.396	$0.000	$4.396
33						
34			Minimum Monthly Delivery Charge	$1,826.00	($122.00)	$1,704.00

Note: Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to a daily equivalent for comparison purposes.

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
IMPACT ON CUSTOMERS BILLS
BCUC ORDER NO. G-XXX-11 AND G-XXX-11

Appendix F-2
Tab 4.1.2
Page 1

RATE 1 - DOMESTIC (RESIDENTIAL) SERVICE - OPTION B

Line No.		EXISTING OCTOBER 1, 2011 RATES				PROPOSED JANUARY 1, 2012 RATES				Annual Increase/(Decrease)		
1	**Rate 1 Domestic Service Option B**	Volume		Rate	Annual $	Volume		Rate	Annual $	Rate	Annual $	% of Previous Annual Bill
2												
3	Daily Charge											
4	Delivery Charge per day	365.25	days x	$0.3141	$114.7200	365.25	days x	$0.2945	$107.5560	($0.0196)	($7.1640)	-0.71%
5	Rider 5 - RSAM per day	365.25	days x	$0.0022	$0.8036	365.25	days x	($0.0007)	-$0.2557	($0.0029)	($1.0592)	-0.10%
6	Gas Cost Recovery Charge per Day	365.25	days x	$0.2889	$105.5207	365.25	days x	$0.2889	$105.5207	$0.0000	$0.0000	0.00%
7	Minimum Daily Charge (includes the first 2 GJs/month)			$0.6052	$221.0400			$0.5827	$212.8200	($0.0225)	($8.2200)	-0.81%
8												
9	Next 28 Gigajoules in any month											
10	Delivery Charge per GJ	116	GJ x	$2.410	$279.5600	116	GJ x	$2.245	$260.4200	($0.165)	($19.1400)	-1.89%
11	Rider 5 - RSAM per GJ	116	GJ x	$0.033	$3.8280	116	GJ x	($0.011)	($1.2760)	($0.044)	($5.1040)	-0.50%
12	Gas Cost Recovery Charge per GJ	116	GJ x	$4.396	$509.9360	116	GJ x	$4.396	$509.9360	$0.000	$0.0000	0.00%
13	Total Charges per GJ			$6.839	$793.3200			$6.630	$769.0800	($0.209)	($24.2400)	-2.39%
14												
15	Excess of 30 Gigajoules in any month											
16	Delivery Charge per GJ	0	GJ x	$2.340	$0.0000	0	GJ x	$2.178	$0.0000	($0.162)	$0.0000	0.00%
17	Rider 5 - RSAM per GJ	0	GJ x	$0.033	$0.0000	0	GJ x	($0.011)	$0.0000	($0.044)	$0.0000	0.00%
18	Gas Cost Recovery Charge per GJ	0	GJ x	$4.396	$0.0000	0	GJ x	$4.396	$0.0000	$0.000	$0.0000	0.00%
19	Total Charges per GJ			$6.769	$0.0000			$6.563	$0.0000	($0.206)	$0.0000	0.00%
20												
21	Total	140	GJ		$1,014.36	140	GJ		$981.90		($32.46)	-3.20%
22												
23	Summary of Annual Delivery and Commodity Charges											
24	Delivery Charge (including RSAM)				$398.91				$366.44		($32.47)	-3.20%
25	Commodity Charge				$615.46				$615.46		$0.00	0.00%
26	Total				$1,014.37				$981.90		($32.47)	-3.20%

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. 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. Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to daily equivalent for comparison purposes.

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
IMPACT ON CUSTOMERS BILLS
BCUC ORDER NO. G-XXX-11 AND G-XXX-11

RATE 2.1 - GENERAL (COMMERCIAL) SERVICE

Line No.		EXISTING OCTOBER 1, 2011 RATES				PROPOSED JANUARY 1, 2012 RATES				Annual Increase/(Decrease)		
1	**Rate 2.1 General Service**	Volume		Rate	Annual $	Volume		Rate	Annual $	Rate	Annual $	% of Previous Annual Bill
2												
3	Daily Charge											
4	Delivery Charge per month	365.25	days x	$0.9193	$335.7600	365.25	months x	$0.8541	$311.9640	($0.0651)	($23.7960)	-0.67%
5	Rider 5 - RSAM per month	365.25	days x	$0.0022	$0.8036	365.25	months x	($0.0007)	($0.2557)	($0.0029)	($1.0592)	-0.03%
6	Gas Cost Recovery Charge per month	365.25	days x	$0.2900	$105.9225	365.25	months x	$0.2900	$105.9225	$0.0000	$0.0000	0.00%
7	Minimum Daily Charge (includes the first 2 GJs/month)			$1.2115	$442.4900			$1.1434	$417.6300	($0.0680)	($24.8600)	-0.70%
8												
9	Next 298 Gigajoules in any month											
10	Delivery Charge per GJ	436	GJ x	$2.710	$1,181.5600	436	GJ x	$2.526	$1,101.3360	($0.184)	($80.2240)	-2.26%
11	Rider 5 - RSAM per GJ	436	GJ x	$0.033	$14.3880	436	GJ x	($0.011)	($4.7960)	($0.044)	($19.1840)	-0.54%
12	Gas Cost Recovery Charge per GJ	436	GJ x	$4.396	$1,916.6560	436	GJ x	$4.396	$1,916.6560	$0.000	$0.0000	0.00%
13	Total Charges per GJ			$7.139	$3,112.6000			$6.911	$3,013.2000	($0.228)	($99.4000)	-2.80%
14												
15	Excess of 300 Gigajoules in any month											
16	Delivery Charge per GJ	0	GJ x	$2.624	$0.0000	0	GJ x	$2.448	$0.0000	($0.176)	$0.0000	0.00%
17	Rider 5 - RSAM per GJ	0	GJ x	$0.033	$0.0000	0	GJ x	($0.011)	$0.0000	($0.044)	$0.0000	0.00%
18	Gas Cost Recovery Charge per GJ	0	GJ x	$4.396	$0.0000	0	GJ x	$4.396	$0.0000	$0.000	$0.0000	0.00%
19	Total Charges per GJ			$7.053	$0.0000			$6.833	$0.0000	($0.220)	$0.0000	0.00%
20												
21	Total	460	GJ		$3,555.09	460	GJ		$3,430.83		($124.26)	-3.50%
22												
23	Summary of Annual Delivery and Commodity Charges											
24	Delivery Charge (including RSAM)				$1,532.51				$1,408.25		($124.26)	-3.50%
25	Commodity Charge				$2,022.58				$2,022.58		$0.00	0.00%
26	Total				$3,555.09				$3,430.83		($124.26)	-3.50%

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. 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. Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to daily equivalent for comparison purposes.

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
IMPACT ON CUSTOMERS BILLS
BCUC ORDER NO. G-XXX-11 AND G-XXX-11

RATE 2.2 - GENERAL (COMMERCIAL) SERVICE

Line No.		EXISTING OCTOBER 1, 2011 RATES						PROPOSED JANUARY 1, 2012 RATES						Annual Increase/(Decrease)		
1	**Rate 2.2 General Service**	Volume		Rate		Annual $		Volume		Rate		Annual $		Rate	Annual $	% of Previous Annual Bill
2																
3	Daily Charge															
4	Delivery Charge per day	365.25	days x	$0.9193	=	$335.7600		365.25	days x	$0.8541	=	$311.9640		($0.0651)	-$23.7960	-0.11%
5	Rider 5 - RSAM per day	365.25	days x	$0.0022	=	$0.8036		365.25	days x	($0.0007)	=	-$0.2557		($0.0029)	-$1.0592	0.00%
6	Gas Cost Recovery Charge per day	365.25	days x	$0.2900	=	$105.9225		365.25	days x	$0.2900	=	$105.9225		$0.0000	$0.0000	0.00%
7	Minimum Daily Charge (includes the first 2 GJs/month)			$1.2115		$442.4900				$1.1434		$417.6300		($0.0680)	-$24.8600	-0.11%
8																
9	Next 298 Gigajoules in any month															
10	Delivery Charge per GJ	3,076	GJ x	$2.710	=	$8,335.9600		3,076	GJ x	$2.526	=	$7,769.9760		($0.184)	($565.9840)	-2.53%
11	Rider 5 - RSAM per GJ	3,076	GJ x	$0.033	=	$101.5080		3,076	GJ x	($0.011)	=	($33.8360)		($0.044)	($135.3440)	-0.60%
12	Gas Cost Recovery Charge per GJ	3,076	GJ x	$4.396	=	$13,522.0960		3,076	GJ x	$4.396	=	$13,522.0960		$0.000	$0.0000	0.00%
13	Total Charges per GJ			$7.139		$21,959.5600				$6.911		$21,258.2400		($0.228)	($701.3200)	-3.13%
14																
15	Excess of 300 Gigajoules in any month															
16	Delivery Charge per GJ	0	GJ x	$2.624	=	$0.0000		0	GJ x	$2.448	=	$0.0000		($0.176)	$0.0000	0.00%
17	Rider 5 - RSAM per GJ	0	GJ x	$0.033	=	$0.0000		0	GJ x	($0.011)	=	$0.0000		($0.044)	$0.0000	0.00%
18	Gas Cost Recovery Charge per GJ	0	GJ x	$4.396	=	$0.0000		0	GJ x	$4.396	=	$0.0000		$0.000	$0.0000	0.00%
19	Total Charges per GJ			$7.053		$0.0000				$6.833		$0.0000		($0.220)	$0.0000	0.00%
20																
21	Total	3,100	GJ			$22,402.05		3,100	GJ			$21,675.87			($726.18)	-3.24%
22																
23	Summary of Annual Delivery and Commodity Charges															
24	Delivery Charge (including RSAM)					$8,774.03						$8,047.85			($726.18)	-3.24%
25	Commodity Charge					$13,628.02						$13,628.02			$0.00	0.00%
26	Total					$22,402.05						$21,675.87			($726.18)	-3.24%

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. 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. Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to daily equivalent for comparison purposes.

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY FOR
RATE 25 TRANSPORTATION SERVICE
EFFECTIVEJANUARY 1, 2012 RATES
BCUC ORDER NO. G-XXX-11

Appendix F-2
Tab 4.1.1
Page 4

Line No.	Schedule	Tariff Page	Particulars	JANUARY 1, 2011 EXISTING RATES	Delivery Related Changes	JANUARY 1, 2012 EFFECTIVE RATES
	(1)	(2)	(3)	(4)	(5)	(6)
1	Rate 25	No. 4.21	Transportation Delivery Charge			
2						
3			First 20 Gigajoules in any month	$2.910	($0.111)	$2.799
4			Next 260 Gigajoules in any month	$2.690	($0.346)	$2.344
5			Excess over 280 Gigajoules in any month	$2.174	($0.270)	$1.904
6						
7			Minimum Monthly Delivery Charge	$1,826.00	($122.00)	$1,704.00
8						
9			Administration Charge per Month	$202.00	$0.00	$202.00
10						
11			Delivery Margin Related Rider			
12			Rider 5: RSAM per GJ	$0.033	($0.044)	($0.011)

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
IMPACT ON CUSTOMERS BILLS
BCUC ORDER NO. G-XXX-11

Appendix F-2
Tab 4.1.2
Page 4

RATE 25 - TRANSPORTATION SERVICE

Line No.		EXISTING JANUARY 1, 2011 RATES			PROPOSED JANUARY 1, 2012 RATES			Annual Increase/(Decrease)		
1	**Rate 25 Transportation Service**	Volume	Rate	Annual $	Volume	Rate	Annual $	Rate	Annual $	% of Previous Annual Bill
2										
3	Transportation Delivery Charges									
4										
5	Delivery Charge per Gigajoule									
6	i) First 20 Gigajoules	240 GJ x	$2.910	= $698.4000	240 GJ x	$2.799	= $671.7600	($0.111)	($26.6400)	-0.14%
7	ii) Next 260 Gigajoules	3,120 GJ x	$2.690	= $8,392.8000	3,120 GJ x	$2.344	= $7,313.2800	(0.346)	($1,079.5200)	-5.56%
8	iii) Excess over 280 Gigajoules	3,530 GJ x	$2.174	= $7,674.2200	3,530 GJ x	$1.904	= $6,721.1200	(0.270)	($953.1000)	-4.91%
9	iv) Minimum Delivery Charge per month	12 months x	$1,826.00		12 months x	$1,704.00		($122.00)	$0.0000	0.00%
10										
11	Administration Charge per month	12 months x	$202.00	= $2,424.0000	12 months x	$202.00	= $2,424.0000	$0.00	$0.0000	0.00%
12										
13	Rider 5: RSAM per GJ	6,890 GJ x	$0.033	= $227.3700	6,890 GJ x	($0.011)	= ($75.7900)	($0.044)	($303.1600)	-1.56%
14										
15	Total Transportation Delivery & Administration Charges	6,890 GJ x	*$2.818*	$19,416.79	6,890 GJ x	*$2.475*	$17,054.37	*($0.343)*	($2,362.42)	-12.17%
16										
17										
18	Summary of Annual Delivery, Administration and Commodity Charges									
19	Delivery & Administration Charge (including RSAM)	6,890 GJ x	$2.818	= $19,416.7900	6,890 GJ x	$2.475	= $17,054.3700	($0.343)	($2,362.4200)	-12.17%
20	Commodity Charge (no sales from Authorized/Unauthorized Overrun Gas)	0 GJ	$0.000	= $0.0000	0 GJ	$0.000	= $0.0000	0.000	$0.0000	0.00%
21	Total	6,890 GJ x	*$2.818*	= $19,416.79	6,890 GJ x	*$2.475*	= $17,054.37	*($0.343)*	($2,362.42)	-12.17%

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. 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. Where applicable, existing monthly October 1, 2011 basic charge rates are prorated to daily equivalent for comparison purposes.

FORTISBC ENERGY (VANCOUVER ISLAND) INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
PROPOSED JANUARY 1, 2012 RATES
BCUC ORDER NO.G-XXX-11 G-XXX-11

APPENDIX F-2
TAB 2.1.1
PAGE 1

Line No.	Particulars	Effective Rate January 1, 2010	Rate Changes	Proposed Rate January 1, 2012
	(1)	(2)	(3)	(4)
1	**APARTMENT GENERAL SERVICE (AGS)**			
2				
3	Basic Daily Charge	$1.3142	$0.0000	$1.3142
4	Energy Charge per GJ	$12.373	$0.000	$12.373
5				
6	Minimum Monthly Charge	$40.00	$0.00	$40.00
7				
8	*Note: Where applicable, existing monthly January 1, 2010 basic chage rates are prorated to a daily equivalent for comparison purposes.*			
9				
10	**RESIDENTIAL GENERAL SERVICE (RGS-1)**			
11				
12	Basic Daily Charge	$0.3450	$0.0000	$0.3450
13	Energy Charge per GJ	$14.325	$0.000	$14.325
14				
15	Minimum Monthly Charge	$10.50	$0.00	$10.50
16				
17	*Note: Where applicable, existing monthly January 1, 2010 basic chage rates are prorated to a daily equivalent for comparison purposes.*			
18				
19	**SMALL COMMERCIAL SERVICE RATE NO. 1 (SCS-1)**			
20				
21	Basic Daily Charge	$0.3105	$0.0000	$0.3105
22	Energy Charge per GJ	$16.940	$0.000	$16.940
23				
24	Minimum Monthly Charge	$9.45	$0.00	$9.45
25				
26	*Note: Where applicable, existing monthly January 1, 2010 basic chage rates are prorated to a daily equivalent for comparison purposes.*			
27				
28	**SMALL COMMERCIAL SERVICE RATE NO. 2 (SCS-2)**			
29				
30	Basic Daily Charge	$1.1016	$0.0000	$1.1016
31	Energy Charge per GJ	$16.455	$0.000	$16.455
32				
33	Minimum Monthly Charge	$33.53	$0.00	$33.53
34				
35	*Note: Where applicable, existing monthly January 1, 2010 basic chage rates are prorated to a daily equivalent for comparison purposes.*			
36				
37	**LARGE COMMERCIAL SERVICE RATE NO. 1 (LCS-1)**			
38				
39	Basic Daily Charge	$2.0041	$0.0000	$2.0041
40	Energy Charge per GJ	$13.353	$0.000	$13.353
41				
42	Minimum Monthly Charge	$61.00	$0.00	$61.00
43				
44	*Note: Where applicable, existing monthly January 1, 2010 basic chage rates are prorated to a daily equivalent for comparison purposes.*			
45				
46	**LARGE COMMERCIAL SERVICE RATE NO. 2 (LCS-2)**			
47				
48	Basic Daily Charge	$3.2138	$0.0000	$3.2138
49	Energy Charge per GJ	$12.311	$0.000	$12.311
50				
51	Minimum Monthly Charge	$97.82	$0.00	$97.82
52				
53	*Note: Where applicable, existing monthly January 1, 2010 basic chage rates are prorated to a daily equivalent for comparison purposes.*			
54				
55	**LARGE COMMERCIAL SERVICE RATE NO. 3 (LCS-3)**			
56				
57	Basic Daily Charge	$6.6205	$0.0000	$6.6205
58	Energy Charge per GJ	$12.015	$0.000	$12.015
59				
60	Minimum Monthly Charge	$201.51	$0.00	$201.51
61				
62	*Note: Where applicable, existing monthly January 1, 2010 basic chage rates are prorated to a daily equivalent for comparison purposes.*			

FORTISBC ENERGY (VANCOUVER ISLAND) INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
PROPOSED JANUARY 1, 2012 RATES
BCUC ORDER NO.G-XXX-11 G-XXX-11

APPENDIX F-2
TAB 2.1.1
PAGE 2

Line No.	Particulars	Effective Rate January 1, 2010	Rate Changes	Proposed Rate January 1, 2012
	(1)	(2)	(3)	(4)
1	**LARGE COMMERCIAL SERVICE RATE NO. 13 (LCS-13)**			
2				
3	Basic Monthly Charge	$201.51	$0.00	$201.51
4	Energy Charge per GJ	$6.608	($0.907)	$5.701
5				
6	Minimum Monthly Charge	$201.51	$0.00	$201.51
7				
8	*Note: Where applicable, existing monthly January 1, 2010 basic chage rates are prorated to a daily equivalent for comparison purposes.*			
9				
10	**LARGE COMMERCIAL SERVICE RATE HIGH LOAD FACTOR (HLF)**			
11				
12	Basic Daily Charge	$8.2136	$0.0000	$8.2136
13	Demand Charge	$47.180	$0.000	$47.180
14	Energy Charge per GJ	$8.697	$0.000	$8.697
15				
16	Minimum Monthly Charge	$250.00	$0.00	$250.00
17				
18	*Note: Where applicable, existing monthly January 1, 2010 basic chage rates are prorated to a daily equivalent for comparison purposes.*			
19				
20	**LARGE COMMERCIAL SERVICE RATE INVERSE LOAD FACTOR 150% (ILF)**			
21				
22	Basic Daily Charge	$8.2136	$0.0000	$8.2136
23	Energy Charge per GJ	$10.097	$0.000	$10.097
24				
25	Minimum Monthly Charge	$250.00	$0.00	$250.00
26				
27	*Note: Where applicable, existing monthly January 1, 2010 basic chage rates are prorated to a daily equivalent for comparison purposes.*			

FORTISBC ENERGY (WHISTLER) INC.
Tariff Continuity and Bill Impact Schedule
BCUC Order No. G-XXX-11 G-XXX-11

Appendix F-2
Tab 3.1
Page 1

Line No	Particulars		Existing Rate October 1, 2011	Proposed Rate January 1, 2012	Increase / (Decrease)	% Increase / (Decrease)
	(1)		(2)	(3)	(4)	(5)
1	**Tariff Rates**					
2						
3	Basic Charge	*($/Day)*	$0.2464	$0.2464	$0.0000	0.00%
4						
5	Delivery Charge	*($/GJ)*	$10.440	$10.979	$0.5390	5.16%
6	Gas Cost Recovery Charge	*($/GJ)*	$5.204	$5.204	$0.0000	0.00%
7	Total Cost Recovery Charges	*($/GJ)*	**$15.644**	**$16.183**	**$0.5390**	**3.45%**
8						
9	Rider A	*($/GJ)*	($0.329)	($0.329)	$0.000	0.00%
10	Rider B	*($/GJ)*	$0.000	$0.000	$0.000	0.00%
11	Rider 5 (RSAM)	*($/GJ)*	$0.000	$0.524	$0.524	n/a
12	Total Riders	*($/GJ)*	**($0.329)**	**$0.195**	**$0.524**	**259.27%**
13						
14	Total Variable Charges	*($/GJ)*	**$ 15.315**	**$ 16.378**	**$ 1.063**	**6.94%**
15						
16						
17	**Bill Impact Estimates**					
18						
19	Annual Residential Usage	*(GJ)*	90	90		
20						
21	Annual Bill	*($)*	$1,468.35	$1,564.02		
22						
23	Change in Annual Bill	*($)*			**$ 95.67**	
24	Change in Annual Bill	*(%)*			**6.52%**	

Note: Existing monthly October 1, 2011 basic chage rates are prorated to a daily equivalent for comparison purposes.

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

Application by the FortisBC Energy Utilities
(comprising FortisBC Energy Inc., FortisBC Energy Inc. Fort Nelson Service Area,
FortisBC Energy (Whistler) Inc., and FortisBC Energy (Vancouver Island) Inc.)
for Approval of 2012 and 2013 Natural Gas Rates

BEFORE: D.A. Cote, Panel Chair/Commissioner
A.A. Rhodes, Commissioner
N.E. MacMurchy, Commissioner

O R D E R

WHEREAS:

A. On May 4, 2011, the FortisBC Energy Utilities (FEU or the Companies) filed an Application (Exhibit B-1) for their Revenue Requirements for FortisBC Energy Inc. (FEI), the Fort Nelson Service Area of FEI (Fort Nelson), FortisBC Energy (Whistler) Inc. (FEW), and FortisBC Energy (Vancouver Island) Inc. (FEVI), and for approval of interim and permanent natural gas delivery rates effective January 1, 2012 and permanent rates effective January 1, 2013, pursuant to sections 59 to 61 and 89 of the *Utilities Commission Act* (the Act), with any variance between 2012 interim rates and permanent rates to be refunded to or collected from customers by way of a rate rider following the approval of 2012 permanent rates;

B. On July 7, 2011, the Commission held a procedural conference at which interim rates, among other things, were addressed;

C. On July 20, 2011, the Commission issued Order No. G-129-11, in which the Commission indicated: "The FEU's request, pursuant to section 89 of the Act, for interim rates as proposed in the Application for January 1, 2012 is rejected. FEU is asked to resubmit their request for interim rates by October 1, 2011.";

D. On July 19, 2011, the FEU filed an Evidentiary Update (Exhibit B-11) and on September 12, 2011, the FEU filed a second Evidentiary Update (Exhibit B-21) to reflect changes in circumstances since the Application was filed;

E. On September 26, 2011 the FEU filed an Application for Interim Rates seeking approval, pursuant to section 89 of the Act, of interim rates effective January 1, 2012 based on the updated rate request in the Application for 2012 as follows:

- For FEI, a natural gas delivery rate increase of 5.6 percent and the Rate Stabilization Adjustment Mechanism (RSAM) rider for applicable rate classes for 2012 as set out in the Application, representing an annual average Lower Mainland residential customer total bill increase of 3.2 percent in 2012;

- For Fort Nelson, a natural gas delivery rate decrease of 6.7 percent effective January 1, 2012 and the RSAM rider for applicable rate classes for 2012 as set out in the Application, representing an annual average Fort Nelson residential customer total bill decrease of 3.2 percent in 2012;

- For FEW, a natural gas delivery rate increase of 5.0 percent and the RSAM rider for applicable rate classes for 2012 as set out in the Application, representing an annual average residential customer total bill increase of 6.5 percent in 2012;

- For FEVI, maintain current natural gas rates for all customers other than those with specified rates in their transportation service agreements, effective January 1, 2012, and;

F. FEVI further seeks interim approval pursuant to section 89 of the Act and section 2.10(a)(i) of the Vancouver Island Natural Gas Pipeline Agreement Special Direction (the "Special Direction"), of its forecast cost of service for 2012, such that the difference between the interim rate and the interim cost of service can be recorded in the existing Rate Stabilization Deferral Account (RSDA) pending the Commission's final determination of the Application;

G. The FEU further seek final acceptance pursuant to section 44.2 of the Act for a reduced amount of Energy Efficiency and Conservation (EEC) expenditures to allow the existing programs to continue under the currently approved framework (with the expansion of the interruptible industrial programs to FEVI and all EEC program eligibility to customers of FEW and Fort Nelson) between January 1, 2012 and the Commission's final decision in this Application; and

H. The Commission has reviewed and considered the Application for interim rates effective January 1, 2012 and has determined that it should be approved.

NOW THEREFORE the Commission orders as follows:

1. Pursuant to section 89 of the Act, the following interim approvals are granted for FEI:

   a. Approval of delivery rates, on an interim basis, for all non-bypass customers effective January 1, 2012, representing an increase of 5.6 percent for 2012. The increase is to be applied to the delivery charge, and the basic charge will remain at 2011 levels.

   b. Approval, on an interim basis, of the RSAM rider for customers served under FEI Rate Schedules 1, 1B, 1S, 1X, 2, 2U, 2X, 3, 3U, 3X and 23 effective January 1, 2012 of ($0.032)/GJ as set out in Section 3.4.3 of the Application.

2. The following interim approvals are granted for FEVI:

   a. Pursuant to section 89 of the Act and section 2.1 of the Special Direction, approval on an interim basis of rates for Core Market sales and transportation customers, other than customers who have specified rates in their transportation service agreements, at the same level as 2011 rates.

   b. Pursuant to section 89 of the Act and section 2.10(a)(i) of the Special Direction, approval on an interim basis of FEVI's forecast Cost of Service for 2012 as set out in Section 7, Tab 7.2, Schedules 5 and 6 of the September 12, 2011 Evidentiary Update to the Application (Exhibit B-21).

3. Pursuant to section 89 of the Act, the following interim approvals are granted for FEW:

   a. Approval of delivery rates, on an interim basis, for all customers effective January 1, 2012, representing an increase of 5.0 percent for 2012. The increase is to be applied to the delivery charge, holding the basic charge at 2011 levels.

   b. Approval, on an interim basis, of the RSAM rider for customers served under FEW Rate Schedules SGS 1/2, LGS 1, LGS 2 and LGS 3 effective January 1, 2012 of $0.524/GJ as set out in Section 3.4.3 of the Application.

4. Pursuant to section 89 of the Act, the following interim approvals are granted for Fort Nelson:

   a. Approval of delivery rates, on an interim basis, for all customers effective January 1, 2012, representing a decrease of 6.7 per cent for 2012. The changes are to be applied to the delivery charge and the minimum monthly service charge.

   b. Approval, on an interim basis, of the RSAM rider for customers served under Fort Nelson Rate Schedules 1, 2.1, 2.2 and 25 effective January 1, 2012 of ($0.011)/GJ as set out in Section 3.4.3 of the Application.

5. Pursuant to section 44.2 of the Act, the Commission accepts, on a permanent basis, the following EEC expenditures to permit the FEU to continue the existing portfolio, with expansion of the interruptible industrial programs to FEVI and all EEC program eligibility to customers of FEW and Fort Nelson, in the period prior to the Commission's final decision in this Application:

   a. $4.45 million for FEI (including Fort Nelson);

   b. $0.5 million for FEVI; and

   c. $0.05 million for FEW.

6. Any refund or under-collection following the granting of permanent rates will be addressed by way of a rate rider to refund or collect from customers the variance in interim rates versus permanent rates approved.

7. **DATED** at the City of Vancouver, In the Province of British Columbia, this day of <MONTH>, 20XX.

BY ORDER