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November 17, 2011

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

Attention: Ms. Alanna Gillis, Acting Commission Secretary

Dear Ms. Gillis:

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

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FortisBC Energy Inc. ("FEI" or the "Company") hereby submits to the British Columbia Utilities Commission (the "Commission") the 2011 Fourth Quarter Gas Cost Report for the Revelstoke Service Area ("Revelstoke"). The attached schedules provide a summary of the forecast monthly Propane Cost Deferral Account balances based on the November 7, 2011 forward prices.

FEI, consistent with previous quarterly gas cost filings, has calculated the forecast cost of propane utilizing three sets of forward prices. One forecast is based on an average of 50% NYMEX West Texas Intermediate ("WTI") Light Sweet Crude Oil futures and 50% NYMEX B0 – Mt. Belvieu Propane Swap prices, a second forecast is based on the NYMEX WTI Light Sweet Crude Oil futures, and a third forecast is based on the NYMEX B0 – Mt. Belvieu Propane Swap prices. The results based on each of these three forecasts are attached under Tab 1, Tab 2, and Tab 3, respectively.

As shown at Tab 1, Page 1, based on the November 7, 2011 forward prices, using an average of 50% NYMEX WTI Light Sweet Crude Oil futures and 50% NYMEX B0 – Mt. Belvieu Propane Swap prices, and based on the current rates, the projected deferral account balance at December 31, 2011 is \$168,662 deficit (pre-tax), and the forecast balance at December 31, 2012 is \$88,264 deficit (pre-tax). The rate change trigger ratio is calculated to be 97.7%.

As shown at Tab 2, Page 1, based on the November 7, 2011 forward prices, using NYMEX WTI Light Sweet Crude Oil futures, and based on the current rates, the projected deferral account balance at December 31, 2011 is \$173,287 deficit (pre-tax), and the forecast balance at December 31, 2012 is \$133,529 deficit (pre-tax). The rate change trigger ratio is calculated to be 96.5%.

As shown at Tab 3, Page 1, based on the November 7, 2011 forward prices, using NYMEX B0 – Mt. Belvieu Propane Swap prices, and based on the current rates, the projected deferral account balance at December 31, 2011 is \$164,036 deficit (pre-tax), and the forecast balance at December 31, 2012 is \$43,018 deficit (pre-tax). The rate change trigger ratio is calculated to be 98.8%.

The results from the propane cost forecasts based on all three sets of forward prices provide rate change trigger ratios that fall within the 95% to 105% deadband range, indicating that a rate change is not required at this time.

For information purposes, the Company provides at Tab 4, Page 1, a summary of the three sets of forward prices as at November 7, 2011. One set is based on the NYMEX WTI Light Sweet Crude Oil futures, a second set based on the NYMEX B0 – Mt. Belvieu Propane Swap prices, and a third set based on an average of 50% NYMEX WTI Light Sweet Crude Oil futures and 50% NYMEX B0 – Mt. Belvieu Propane Swap prices.

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

## **CONFIDENTIALITY**

Consistent with past practice and previous discussions and positions on the confidentiality of selected filings (and further emphasized in the Company's January 31, 1994 submission to the Commission) FEI is requesting that this information be filed on a confidential basis pursuant to Section 71(5) of the *Utilities Commission Act* and requests that the Commission exercise its discretion under Section 6.0 of the Rules for Natural Gas Energy Supply Contracts and allow these documents to remain confidential. The Company believes this will ensure that market sensitive information is protected, and FEI's ability to obtain favourable commercial terms for future gas contracting is not impaired.

In this regard, FEI further believes that the Core Market could be disadvantaged and may well shoulder incremental costs if utility gas supply procurement strategies as well as contracts are treated in a different manner than those of other gas purchasers, and believes that since it continues to operate within a competitive environment, there is no necessity for public disclosure and risk prejudice or influence in the negotiations or renegotiation of subsequent contracts.

In summary, the Company proposes that the propane reference price for use in the Revelstoke Propane Cost Deferral Account remain unchanged at January 1, 2012. Customer rates for the Revelstoke Propane Service Area will remain unchanged from the rates established pursuant to Commission Order No. G-177-11, dated October 21, 2011, which established interim delivery rates, including delivery-related riders, effective January 1, 2012. The Company will continue to monitor the forward prices and will report these results in the 2012 First Quarter Gas Cost Report.

We trust the Commission will find the attached to be in order. However, should any further information be required, please contact Brian Noel at 604-592-7467.

All of which is respectfully submitted.

Yours very truly,

**FORTISBC ENERGY INC.**

***Original signed:***

Diane Roy

Attachments

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA

PROPANE COST DEFERRAL ACCOUNT

FOR THE PERIOD ENDING DECEMBER 31, 2012

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

(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars (1)	Volumes In Litre (2)	Average Price Per Litre (3)	Approved Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	September 30, 2011 Balance (Recorded)						\$177,100
2	October (Estimated) <sup>(A)</sup>	903,663	\$0.4156	\$0.4423	(\$0.0267)	(\$24,086)	\$153,014
3	November (Projected)	967,362	\$0.4431	\$0.4423	\$0.0008	\$764	\$153,778
4	December (Projected)	1,299,538	\$0.4538	\$0.4423	\$0.0115	\$14,884	\$168,662
5	Current Quarter Total	<u>3,170,563</u>				<u>(\$8,438)</u>	
6							
7	<u>Forecast Volumes and Forecast Prices</u>						
8	January 2012 (Forecast)	1,291,508	\$0.4559	\$0.4423	\$0.0136	\$17,565	\$186,227
9	February (Forecast)	1,041,452	\$0.4533	\$0.4423	\$0.0110	\$11,456	\$197,683
10	March (Forecast)	998,646	\$0.4402	\$0.4423	(\$0.0021)	(\$2,097)	\$195,586
11	April (Forecast)	621,377	\$0.4181	\$0.4423	(\$0.0242)	(\$15,037)	\$180,549
12	May (Forecast)	432,226	\$0.4046	\$0.4423	(\$0.0377)	(\$16,295)	\$164,254
13	June (Forecast)	267,427	\$0.3920	\$0.4423	(\$0.0503)	(\$13,452)	\$150,802
14	July (Forecast)	231,064	\$0.3893	\$0.4423	(\$0.0530)	(\$12,246)	\$138,556
15	August (Forecast)	202,336	\$0.3833	\$0.4423	(\$0.0590)	(\$11,938)	\$126,618
16	September (Forecast)	297,663	\$0.3941	\$0.4423	(\$0.0482)	(\$14,347)	\$112,271
17	October (Forecast)	668,878	\$0.4230	\$0.4423	(\$0.0193)	(\$12,909)	\$99,362
18	November (Forecast)	973,031	\$0.4266	\$0.4423	(\$0.0157)	(\$15,277)	\$84,085
19	December (Forecast)	1,305,806	\$0.4455	\$0.4423	\$0.0032	\$4,179	\$88,264
20	Total January 2012 to December 2012	<u>8,331,413</u>				<u>(\$80,398)</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]					\$3,684,984	
25	December 31, 2011 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)					\$3,773,372	\$97.7%

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

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

**FOR THE PERIOD ENDING DECEMBER 31, 2013**

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

**(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE SWAP PRICES)**

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	December 2012 Balance (Forecast)						\$88,264
2	January 2013 (Forecast)	1,301,065	\$0.4534	\$0.4423	\$0.0111	\$14,442	\$102,706
3	February (Forecast)	1,050,339	\$0.4478	\$0.4423	\$0.0055	\$5,777	\$108,483
4	March (Forecast)	1,007,021	\$0.4075	\$0.4423	(\$0.0348)	(\$35,044)	\$73,439
5	April (Forecast)	629,072	\$0.3804	\$0.4423	(\$0.0619)	(\$38,940)	\$34,499
6	May (Forecast)	435,838	\$0.3777	\$0.4423	(\$0.0646)	(\$28,155)	\$6,344
7	June (Forecast)	271,254	\$0.3710	\$0.4423	(\$0.0713)	(\$19,340)	(\$12,996)
8	July (Forecast)	234,416	\$0.3683	\$0.4423	(\$0.0740)	(\$17,347)	(\$30,343)
9	August (Forecast)	205,121	\$0.3740	\$0.4423	(\$0.0683)	(\$14,010)	(\$44,353)
10	September (Forecast)	300,782	\$0.3938	\$0.4423	(\$0.0485)	(\$14,588)	(\$58,941)
11	October (Forecast)	672,712	\$0.4102	\$0.4423	(\$0.0321)	(\$21,594)	(\$80,535)
12	November (Forecast)	979,426	\$0.4082	\$0.4423	(\$0.0341)	(\$33,398)	(\$113,933)
13	December (Forecast)	<u>1,313,011</u>	\$0.4260	\$0.4423	(\$0.0163)	<u>(\$21,402)</u>	(\$135,335)
14	Total January 2013 to December 2013	<u>8,400,056</u>				<u>(\$223,599)</u>	

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

Tab 1  
Page 3

**FORECAST AVERAGE COST OF PROPANE  
FOR THE PERIOD ENDING DECEMBER 31, 2012**

**(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE SWAP PRICES)**

Line No.	Particulars	Sales Volume (Litres)	Fixed Price Volume (Litres)	Variable Volume (Litres)	Fixed Price (\$/litre)	Variable Price (\$/litre)	Fixed Charges (\$)	Variable Charges (\$)	Total (\$)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	January 2012 (Forecast)	1,291,508	460,000	831,508	\$ 0.4306	\$ 0.4700	\$ 198,059	\$ 390,790	\$ 588,848
2	February (Forecast)	1,041,452	460,000	581,452	\$ 0.4306	\$ 0.4714	\$ 198,059	\$ 274,072	\$ 472,131
3	March (Forecast)	998,646	460,000	538,646	\$ 0.4306	\$ 0.4484	\$ 198,059	\$ 241,505	\$ 439,564
4	April (Forecast)	621,377	-	621,377	\$ -	\$ 0.4181	\$ -	\$ 259,789	\$ 259,789
5	May (Forecast)	432,226	-	432,226	\$ -	\$ 0.4046	\$ -	\$ 174,885	\$ 174,885
6	June (Forecast)	267,427	-	267,427	\$ -	\$ 0.3920	\$ -	\$ 104,823	\$ 104,823
7	July (Forecast)	231,064	-	231,064	\$ -	\$ 0.3893	\$ -	\$ 89,949	\$ 89,949
8	August (Forecast)	202,336	-	202,336	\$ -	\$ 0.3833	\$ -	\$ 77,559	\$ 77,559
9	September (Forecast)	297,663	-	297,663	\$ -	\$ 0.3941	\$ -	\$ 117,317	\$ 117,317
10	October (Forecast)	668,878	-	668,878	\$ -	\$ 0.4230	\$ -	\$ 282,934	\$ 282,934
11	November (Forecast)	973,031	230,000	743,031	\$ 0.4127	\$ 0.4309	\$ 94,930	\$ 320,182	\$ 415,112
12	December (Forecast)	1,305,806	230,000	1,075,806	\$ 0.4127	\$ 0.4526	\$ 94,930	\$ 486,870	\$ 581,799
13	Total January 2012 to December 2012	<b>8,331,413</b>	<b>1,840,000</b>	<b>6,491,413</b>			<b>\$ 784,036</b>	<b>\$ 2,820,675</b>	<b>\$ 3,604,710</b>
14									
15	<b>Forecast Average Cost of Propane - (\$/Litre)<sup>(A)</sup></b>								<b>\$ 0.4327</b>
16									
17	<b>Forecast Average Cost of Propane - (\$/GJ)<sup>(A)</sup></b>								<b>\$ 16.905</b>
18	(Conversion factor 1 Litre = 0.025594 GJ)								

Note (A) Forecast average cost of propane excludes company use, vaporizer use, and unaccounted for gas.

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA**  
**PROPANE COST DEFERRAL ACCOUNT**  
**CALCULATION OF PROPANE COST INCREASE FLOWTHROUGH**  
**FOR THE PERIOD ENDING DECEMBER 31, 2012**

**(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE SWAP PRICES)**

Line No.	Particulars	\$/Litre	\$/GJ
	(1)	(2)	(3)
1	Calculation of New Propane Reference Price		
2			
3	i. Forecast average Cost of Propane (Tab 1, Page 3, Col.9, Line 15 and Line 17)		
4	January 1 2012 to December 31 2012	\$0.4327	\$16.905
5			
6	ii. Twelve months amortization of projected Deferral Account balance	<u>\$0.0202</u>	<u>\$0.791</u>
7			
8			
9			
10	Tested Reference Price	\$0.4529	\$17.696
11			
12	Existing Propane Reference Price	<u>\$0.4423</u>	<u>\$17.281</u>
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Increase in Propane Reference Price to be flowed through in customers' rates	\$0.0106	\$0.414
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.70% <sup>(A)</sup>	\$0.0005	\$0.020
19			
20	Total Propane Cost Flowthrough <sup>(B)</sup>	<u>\$0.0111</u>	<u>\$0.434</u>
21	(Conversion factor 1 Litre = 0.025594 GJ)		
22			
23			
24			
25			
26	Note: (A) The Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.70% is based on 2008, 2009, and 2010 data.		
27		<u>Litres</u>	<u>%</u>
28	Sales:	22,764,262	
29			
30	Less: Company Use	5,685	0.02%
31	Propane Used for Vaporizer	308,148	1.35%
32	Unaccounted For	<u>757,580</u>	<u>3.33%</u>
33	Total	<u>1,071,413</u>	<u>4.70%</u>
34			
35	Note: (B)		
36	Projected Deferral Balance at Dec 31, 2011	\$0.0202	\$0.791
37	Total Propane Cost Jan 1 2012 to Dec 31, 2012	<u>(\$0.0091)</u>	<u>(\$0.357)</u>
38	Total Propane Cost Flowthrough	<u>\$0.0111</u>	<u>\$0.434</u>

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

Tab 1  
Page 5

**FOR THE PERIOD ENDING DECEMBER 31, 2012**

**WITH TESTED REFERENCE PRICE EFFECTIVE JANUARY 1, 2012**

**(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE SWAP PRICES)**

Line No.	Particulars (1)	Volumes In Litre (2)	Average Price Per Litre (3)	<b>Approved</b> Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	September 30, 2011 Balance (Recorded)						\$177,100
2	October (Estimated) <sup>(A)</sup>	903,663	\$0.4156	\$0.4423	(\$0.0267)	(\$24,086)	\$153,014
3	November (Projected)	967,362	\$0.4431	\$0.4423	\$0.0008	\$764	\$153,778
4	December (Projected)	1,299,538	\$0.4538	\$0.4423	\$0.0115	\$14,884	\$168,662
5	Current Quarter Total	<u>3,170,563</u>				<u>(\$8,438)</u>	
6							
7							
8				<b>Tested</b>			
9				Reference			
10				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	January 2012 (Forecast)	1,291,508	\$0.4559	\$0.4529	\$0.0030	\$3,875	\$172,537
12	February (Forecast)	1,041,452	\$0.4533	\$0.4529	\$0.0004	\$417	\$172,954
13	March (Forecast)	998,646	\$0.4402	\$0.4529	(\$0.0127)	(\$12,683)	\$160,271
14	April (Forecast)	621,377	\$0.4181	\$0.4529	(\$0.0348)	(\$21,624)	\$138,647
15	May (Forecast)	432,226	\$0.4046	\$0.4529	(\$0.0483)	(\$20,877)	\$117,770
16	June (Forecast)	267,427	\$0.3920	\$0.4529	(\$0.0609)	(\$16,286)	\$101,484
17	July (Forecast)	231,064	\$0.3893	\$0.4529	(\$0.0636)	(\$14,696)	\$86,788
18	August (Forecast)	202,336	\$0.3833	\$0.4529	(\$0.0696)	(\$14,083)	\$72,705
19	September (Forecast)	297,663	\$0.3941	\$0.4529	(\$0.0588)	(\$17,503)	\$55,202
20	October (Forecast)	668,878	\$0.4230	\$0.4529	(\$0.0299)	(\$19,999)	\$35,203
21	November (Forecast)	973,031	\$0.4266	\$0.4529	(\$0.0263)	(\$25,591)	\$9,612
22	December (Forecast)	1,305,806	\$0.4455	\$0.4529	(\$0.0074)	(\$9,663)	(\$51)
23	Total January 2012 to December 2012	<u>8,331,413</u>				<u>(\$168,713)</u>	

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



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

**FOR THE PERIOD ENDING DECEMBER 31, 2013**

**WITH TESTED REFERENCE PRICE EFFECTIVE JANUARY 1, 2012**

**(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE SWAP PRICES)**

Line No.	Particulars (1)	Volumes In Litre (2)	Average Price Per Litre (3)	Tested Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	December 2012 Balance (Forecast)						(\$51)
2	January 2013 (Forecast)	1,301,065	\$0.4534	\$0.4529	\$0.0005	\$651	\$600
3	February (Forecast)	1,050,339	\$0.4478	\$0.4529	(\$0.0051)	(\$5,357)	(\$4,757)
4	March (Forecast)	1,007,021	\$0.4075	\$0.4529	(\$0.0454)	(\$45,719)	(\$50,476)
5	April (Forecast)	629,072	\$0.3804	\$0.4529	(\$0.0725)	(\$45,608)	(\$96,084)
6	May (Forecast)	435,838	\$0.3777	\$0.4529	(\$0.0752)	(\$32,775)	(\$128,859)
7	June (Forecast)	271,254	\$0.3710	\$0.4529	(\$0.0819)	(\$22,216)	(\$151,075)
8	July (Forecast)	234,416	\$0.3683	\$0.4529	(\$0.0846)	(\$19,832)	(\$170,907)
9	August (Forecast)	205,121	\$0.3740	\$0.4529	(\$0.0789)	(\$16,184)	(\$187,091)
10	September (Forecast)	300,782	\$0.3938	\$0.4529	(\$0.0591)	(\$17,776)	(\$204,867)
11	October (Forecast)	672,712	\$0.4102	\$0.4529	(\$0.0427)	(\$28,725)	(\$233,592)
12	November (Forecast)	979,426	\$0.4082	\$0.4529	(\$0.0447)	(\$43,780)	(\$277,372)
13	December (Forecast)	<u>1,313,011</u>	\$0.4260	\$0.4529	(\$0.0269)	<u>(\$35,320)</u>	(\$312,692)
14	Total January 2013 to December 2013	<u><u>8,400,056</u></u>				<u><u>(\$312,641)</u></u>	

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA  
 JANUARY 1, 2012 TESTED PROPANE COST INCREASE  
 TYPICAL ANNUAL CONSUMPTION**

(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars	Rate 1 - Residential				Rate 2 - Small Commercial				Rate 3 - Large Commercial			
		Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/day)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/day)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/day)	Revenue (\$)	% Increase
1	REVELSTOKE PROPANE												
2	- INLAND SERVICE AREA												
3													
4	<b>Existing:</b>												
5													
6	Delivery Margin Related Charges												
7	Basic Charge per Day <sup>(A)</sup>	365.25 days	\$0.3890	\$142.08		365.25 days	\$0.8161	\$298.08		365.25 days	\$4.3538	\$1,590.23	
8	Delivery Margin Related Charge (incl. riders)	50.0 GJ	\$3.207	\$160.35		250.0 GJ	\$2.658	\$664.50		4,500.0 GJ	\$2.270	\$10,215.00	
9													
10	Cost of Gas (Commodity Related Charges)												
11	Cost of Gas Recovery Related Charges	50.0 GJ	\$19.035	<u>\$951.75</u>		250.0 GJ	\$17.944	<u>\$4,486.00</u>		4,500.0 GJ	\$17.944	<u>\$80,748.00</u>	
12													
13	Typical Annual Bill at Current Rates (excluding any applicable Taxes)	<u>50.0</u> GJ		<u>\$1,254.18</u>		<u>250.0</u> GJ		<u>\$5,448.58</u>		<u>4,500.0</u> GJ		<u>\$92,553.23</u>	
14													
15													
16													
17	<b>Tested Changes January 1, 2012:</b>												
18													
19	Delivery Margin Related Charge (incl. riders) <sup>(B)</sup>		\$0.320	\$16.00	1.3%		\$0.238	\$59.50	1.1%		\$0.181	\$814.50	0.9%
20	Cost of Gas Recovery Related Charge		<u>\$0.434</u>	<u>\$21.70</u>	1.7%		<u>\$0.434</u>	<u>\$108.50</u>	2.0%		<u>\$0.434</u>	<u>\$1,953.00</u>	2.1%
21	Total Charges		<u>\$0.754</u>	<u>\$37.70</u>	3.0%		<u>\$0.672</u>	<u>\$168.00</u>	3.1%		<u>\$0.615</u>	<u>\$2,767.50</u>	3.0%
22													
23	Typical Annual Bill after Tested Rates (excluding any applicable Taxes)			<u>\$1,291.88</u>	3.0%			<u>\$5,616.58</u>	3.1%			<u>\$95,320.73</u>	3.0%
24													

Note A: Basic Charge changed from monthly to daily, effective January 1, 2012, per Commission Order No. G-140-11.

Note B: Reflects changes to delivery charge and delivery margin related riders based on interim rates effective January 1, 2012, approved per Commission Order No. G-177-11.

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA**  
**PROPANE COST DEFERRAL ACCOUNT**  
**FOR THE PERIOD ENDING DECEMBER 31, 2012**  
**WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-105-11)**  
**(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)**

Line No.	Particulars (1)	Volumes In Litre (2)	Average Price Per Litre (3)	Approved Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	September 30, 2011 Balance (Recorded)						\$177,100
2	October (Estimated) <sup>(A)</sup>	903,663	\$0.4156	\$0.4423	(\$0.0267)	(\$24,086)	\$153,014
3	November (Projected)	967,362	\$0.4354	\$0.4423	(\$0.0069)	(\$6,675)	\$146,339
4	December (Projected)	1,299,538	\$0.4630	\$0.4423	\$0.0207	\$26,948	\$173,287
5	Current Quarter Total	<u>3,170,563</u>				<u>(\$3,813)</u>	
6							
7	Forecast Volumes and Forecast Prices						
8	January 2012 (Forecast)	1,291,508	\$0.4627	\$0.4423	\$0.0204	\$26,347	\$199,634
9	February (Forecast)	1,041,452	\$0.4618	\$0.4423	\$0.0195	\$20,308	\$219,942
10	March (Forecast)	998,646	\$0.4483	\$0.4423	\$0.0060	\$5,992	\$225,934
11	April (Forecast)	621,377	\$0.4300	\$0.4423	(\$0.0123)	(\$7,643)	\$218,291
12	May (Forecast)	432,226	\$0.4073	\$0.4423	(\$0.0350)	(\$15,128)	\$203,163
13	June (Forecast)	267,427	\$0.3807	\$0.4423	(\$0.0616)	(\$16,474)	\$186,689
14	July (Forecast)	231,064	\$0.3682	\$0.4423	(\$0.0741)	(\$17,122)	\$169,567
15	August (Forecast)	202,336	\$0.3557	\$0.4423	(\$0.0866)	(\$17,522)	\$152,045
16	September (Forecast)	297,663	\$0.3816	\$0.4423	(\$0.0607)	(\$18,068)	\$133,977
17	October (Forecast)	668,878	\$0.4209	\$0.4423	(\$0.0214)	(\$14,314)	\$119,663
18	November (Forecast)	973,031	\$0.4281	\$0.4423	(\$0.0142)	(\$13,817)	\$105,846
19	December (Forecast)	1,305,806	\$0.4635	\$0.4423	\$0.0212	\$27,683	\$133,529
20	Total January 2012 to December 2012	<u>8,331,413</u>				<u>(\$39,758)</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]				\$3,684,984		
25	December 31, 2011 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)				\$3,818,621	<b>96.5%</b>	

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

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA**  
**PROPANE COST DEFERRAL ACCOUNT**  
**FOR THE PERIOD ENDING DECEMBER 31, 2013**  
**WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-105-11)**  
**(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)**

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
(1)		(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	December 2012 Balance (Forecast)						\$133,529
2	January 2013 (Forecast)	1,301,065	\$0.4728	\$0.4423	\$0.0305	\$39,682	\$173,211
3	February (Forecast)	1,050,339	\$0.4642	\$0.4423	\$0.0219	\$23,002	\$196,213
4	March (Forecast)	1,007,021	\$0.3988	\$0.4423	(\$0.0435)	(\$43,805)	\$152,408
5	April (Forecast)	629,072	\$0.3718	\$0.4423	(\$0.0705)	(\$44,350)	\$108,058
6	May (Forecast)	435,838	\$0.3717	\$0.4423	(\$0.0706)	(\$30,770)	\$77,288
7	June (Forecast)	271,254	\$0.3570	\$0.4423	(\$0.0853)	(\$23,138)	\$54,150
8	July (Forecast)	234,416	\$0.3445	\$0.4423	(\$0.0978)	(\$22,926)	\$31,224
9	August (Forecast)	205,121	\$0.3559	\$0.4423	(\$0.0864)	(\$17,722)	\$13,502
10	September (Forecast)	300,782	\$0.3992	\$0.4423	(\$0.0431)	(\$12,964)	\$538
11	October (Forecast)	672,712	\$0.4143	\$0.4423	(\$0.0280)	(\$18,836)	(\$18,298)
12	November (Forecast)	979,426	\$0.4146	\$0.4423	(\$0.0277)	(\$27,130)	(\$45,428)
13	December (Forecast)	<u>1,313,011</u>	\$0.4490	\$0.4423	\$0.0067	<u>\$8,797</u>	(\$36,631)
14	Total January 2013 to December 2013	<u>8,400,056</u>				<u>(\$170,160)</u>	

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

**FORECAST AVERAGE COST OF PROPANE  
FOR THE PERIOD ENDING DECEMBER 31, 2012**

**(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)**

Line No.	Particulars	Sales Volume (Litres)	Fixed Price Volume (Litres)	Variable Volume (Litres)	Fixed Price (\$/litre)	Variable Price (\$/litre)	Fixed Charges (\$)	Variable Charges (\$)	Total (\$)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	January 2012 (Forecast)	1,291,508	460,000	831,508	\$ 0.4306	\$ 0.4805	\$ 198,059	\$ 399,561	\$ 597,620
2	February (Forecast)	1,041,452	460,000	581,452	\$ 0.4306	\$ 0.4864	\$ 198,059	\$ 282,838	\$ 480,897
3	March (Forecast)	998,646	460,000	538,646	\$ 0.4306	\$ 0.4635	\$ 198,059	\$ 249,649	\$ 447,708
4	April (Forecast)	621,377	-	621,377	\$ -	\$ 0.4300	\$ -	\$ 267,221	\$ 267,221
5	May (Forecast)	432,226	-	432,226	\$ -	\$ 0.4073	\$ -	\$ 176,063	\$ 176,063
6	June (Forecast)	267,427	-	267,427	\$ -	\$ 0.3807	\$ -	\$ 101,822	\$ 101,822
7	July (Forecast)	231,064	-	231,064	\$ -	\$ 0.3682	\$ -	\$ 85,088	\$ 85,088
8	August (Forecast)	202,336	-	202,336	\$ -	\$ 0.3557	\$ -	\$ 71,978	\$ 71,978
9	September (Forecast)	297,663	-	297,663	\$ -	\$ 0.3816	\$ -	\$ 113,594	\$ 113,594
10	October (Forecast)	668,878	-	668,878	\$ -	\$ 0.4209	\$ -	\$ 281,520	\$ 281,520
11	November (Forecast)	973,031	230,000	743,031	\$ 0.4127	\$ 0.4328	\$ 94,930	\$ 321,613	\$ 416,543
12	December (Forecast)	1,305,806	230,000	1,075,806	\$ 0.4127	\$ 0.4744	\$ 94,930	\$ 510,349	\$ 605,279
13	Total January 2012 to December 2012	<b>8,331,413</b>	<b>1,840,000</b>	<b>6,491,413</b>			<b>\$ 784,036</b>	<b>\$ 2,861,298</b>	<b>\$ 3,645,334</b>
14									
15	<b>Forecast Average Cost of Propane - (\$/Litre)<sup>(A)</sup></b>								<b>\$ 0.4375</b>
16									
17	<b>Forecast Average Cost of Propane - (\$/GJ)<sup>(A)</sup></b>								<b>\$ 17.095</b>
18	(Conversion factor 1 Litre = 0.025594 GJ)								

Note (A) Forecast average cost of propane excludes company use, vaporizer use, and unaccounted for gas.

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA  
 PROPANE COST DEFERRAL ACCOUNT  
 CALCULATION OF PROPANE COST INCREASE FLOWTHROUGH  
 FOR THE PERIOD ENDING DECEMBER 31, 2012

Tab 2  
Page 4

(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

Line No.	Particulars (1)	\$/Litre (2)	\$/GJ (3)
1	Calculation of New Propane Reference Price		
2			
3	i. Forecast average Cost of Propane (Tab 1, Page 3, Col.9, Line 15 and Line 17)		
4	January 1 2012 to December 31 2012	\$0.4375	\$17.095
5			
6	ii. Twelve months amortization of projected Deferral Account balance	<u>\$0.0208</u>	<u>\$0.813</u>
7			
8			
9			
10	Tested Reference Price	\$0.4583	\$17.908
11			
12	Existing Propane Reference Price	<u>\$0.4423</u>	<u>\$17.281</u>
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Increase in Propane Reference Price to be flowed through in customers' rates	\$0.0160	\$0.625
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.70% <sup>(A)</sup>	\$0.0008	\$0.031
19			
20	Total Propane Cost Flowthrough <sup>(B)</sup>	<u>\$0.0168</u>	<u>\$0.656</u>
21	(Conversion factor 1 Litre = 0.025594 GJ)		
22			
23			
24			
25			
26	Note: (A) The Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.70% is based on 2008, 2009, and 2010 data.		
27		<u>Litres</u>	<u>%</u>
28	Sales	22,764,262	
29			
30	Less: Company Use	5,685	0.02%
31	Propane Used for Vaporizer	308,148	1.35%
32	Unaccounted For	<u>757,580</u>	<u>3.33%</u>
33	Total	<u>1,071,413</u>	<u>4.70%</u>
34			
35	Note: (B)		
36	Projected Deferral Balance at Dec 31, 2011	\$0.0208	\$0.813
37	Total Propane Cost Jan 1 2012 to Dec 31, 2012	<u>(\$0.0040)</u>	<u>(\$0.157)</u>
38	Total Propane Cost Flowthrough	<u>\$0.0168</u>	<u>\$0.656</u>

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

Tab 2  
Page 5

**FOR THE PERIOD ENDING DECEMBER 31, 2012  
WITH TESTED REFERENCE PRICE EFFECTIVE JANUARY 1, 2012**

**(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)**

Line No.	Particulars (1)	Volumes In Litre (2)	Average Price Per Litre (3)	<b>Approved</b> Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	September 30, 2011 Balance (Recorded)						\$177,100
2	October (Estimated) <sup>(A)</sup>	903,663	\$0.4156	\$0.4423	(\$0.0267)	(\$24,086)	\$153,014
3	November (Projected)	967,362	\$0.4354	\$0.4423	(\$0.0069)	(\$6,675)	\$146,339
4	December (Projected)	1,299,538	\$0.4630	\$0.4423	\$0.0207	\$26,948	\$173,287
5	Current Quarter Total	<u>3,170,563</u>				<u>(\$3,813)</u>	
6							
7				<b>Tested</b>			
8				Reference			
9				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	January 2012 (Forecast)	1,291,508	\$0.4627	\$0.4583	\$0.0044	\$5,683	\$178,970
12	February (Forecast)	1,041,452	\$0.4618	\$0.4583	\$0.0035	\$3,645	\$182,615
13	March (Forecast)	998,646	\$0.4483	\$0.4583	(\$0.0100)	(\$9,986)	\$172,629
14	April (Forecast)	621,377	\$0.4300	\$0.4583	(\$0.0283)	(\$17,585)	\$155,044
15	May (Forecast)	432,226	\$0.4073	\$0.4583	(\$0.0510)	(\$22,044)	\$133,000
16	June (Forecast)	267,427	\$0.3807	\$0.4583	(\$0.0776)	(\$20,752)	\$112,248
17	July (Forecast)	231,064	\$0.3682	\$0.4583	(\$0.0901)	(\$20,819)	\$91,429
18	August (Forecast)	202,336	\$0.3557	\$0.4583	(\$0.1026)	(\$20,760)	\$70,669
19	September (Forecast)	297,663	\$0.3816	\$0.4583	(\$0.0767)	(\$22,831)	\$47,838
20	October (Forecast)	668,878	\$0.4209	\$0.4583	(\$0.0374)	(\$25,016)	\$22,822
21	November (Forecast)	973,031	\$0.4281	\$0.4583	(\$0.0302)	(\$29,386)	(\$6,564)
22	December (Forecast)	1,305,806	\$0.4635	\$0.4583	\$0.0052	\$6,790	\$226
23	Total January 2012 to December 2012	<u>8,331,413</u>				<u>(\$173,061)</u>	

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

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

Tab 2  
Page 6

**FOR THE PERIOD ENDING DECEMBER 31, 2013  
WITH TESTED REFERENCE PRICE EFFECTIVE JANUARY 1, 2012**

**(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)**

Line No.	Particulars (1)	Volumes In Litre (2)	Average Price Per Litre (3)	Tested Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	December 2012 Balance (Forecast)						\$226
2	January 2013 (Forecast)	1,301,065	\$0.4728	\$0.4583	\$0.0145	\$18,865	\$19,091
3	February (Forecast)	1,050,339	\$0.4642	\$0.4583	\$0.0059	\$6,197	\$25,288
4	March (Forecast)	1,007,021	\$0.3988	\$0.4583	(\$0.0595)	(\$59,918)	(\$34,630)
5	April (Forecast)	629,072	\$0.3718	\$0.4583	(\$0.0865)	(\$54,415)	(\$89,045)
6	May (Forecast)	435,838	\$0.3717	\$0.4583	(\$0.0866)	(\$37,744)	(\$126,789)
7	June (Forecast)	271,254	\$0.3570	\$0.4583	(\$0.1013)	(\$27,478)	(\$154,267)
8	July (Forecast)	234,416	\$0.3445	\$0.4583	(\$0.1138)	(\$26,677)	(\$180,944)
9	August (Forecast)	205,121	\$0.3559	\$0.4583	(\$0.1024)	(\$21,004)	(\$201,948)
10	September (Forecast)	300,782	\$0.3992	\$0.4583	(\$0.0591)	(\$17,776)	(\$219,724)
11	October (Forecast)	672,712	\$0.4143	\$0.4583	(\$0.0440)	(\$29,599)	(\$249,323)
12	November (Forecast)	979,426	\$0.4146	\$0.4583	(\$0.0437)	(\$42,801)	(\$292,124)
13	December (Forecast)	1,313,011	\$0.4490	\$0.4583	(\$0.0093)	(\$12,211)	(\$304,335)
14	Total January 2013 to December 2013	<u>8,400,056</u>				<u>(\$304,561)</u>	



**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA  
 JANUARY 1, 2012 TESTED PROPANE COST INCREASE  
 TYPICAL ANNUAL CONSUMPTION**

(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

Line No.	Particulars	Rate 1 - Residential				Rate 2 - Small Commercial				Rate 3 - Large Commercial			
		Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/day)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/day)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/day)	Revenue (\$)	% Increase
1	REVELSTOKE PROPANE												
2	- INLAND SERVICE AREA												
3													
4	Existing:												
5													
6	Delivery Margin Related Charges												
7	Basic Charge per Day <sup>(A)</sup>	365.25 days	\$0.3890	\$142.08		365.25 days	\$0.8161	\$298.08		365.25 days	\$4.3538	\$1,590.23	
8	Delivery Margin Related Charge (incl. riders)	50.0 GJ	\$3.207	\$160.35		250.0 GJ	\$2.658	\$664.50		4,500.0 GJ	\$2.270	\$10,215.00	
9													
10	Cost of Gas (Commodity Related Charges)												
11	Cost of Gas Recovery Related Charges	50.0 GJ	\$19.035	<u>\$951.75</u>		250.0 GJ	\$17.944	<u>\$4,486.00</u>		4,500.0 GJ	\$17.944	<u>\$80,748.00</u>	
12													
13	Typical Annual Bill at Current Rates (excluding any applicable Taxes)	<u>50.0</u>		<u>\$1,254.18</u>		<u>250.0</u>		<u>\$5,448.58</u>		<u>4,500.0</u>		<u>\$92,553.23</u>	
14													
15													
16													
17	Tested Changes January 1, 2012:												
18													
19	Delivery Margin Related Charge (incl. riders) <sup>(B)</sup>		\$0.320	\$16.00	1.3%		\$0.238	\$59.50	1.1%		\$0.181	\$814.50	0.9%
20	Cost of Gas Recovery Related Charge		\$0.656	\$32.80	2.6%		\$0.656	\$164.00	3.0%		\$0.656	\$2,952.00	3.2%
21	Total Charges		<u>\$0.976</u>	<u>\$48.80</u>	3.9%		<u>\$0.894</u>	<u>\$223.50</u>	4.1%		<u>\$0.837</u>	<u>\$3,766.50</u>	4.1%
22													
23	Typical Annual Bill after Tested Rates (excluding any applicable Taxes)			<u>\$1,302.98</u>	3.9%			<u>\$5,672.08</u>	4.1%			<u>\$96,319.73</u>	4.1%
24													

Note A: Basic Charge changed from monthly to daily, effective January 1, 2012, per Commission Order No. G-140-11.

Note B: Reflects changes to delivery charge and delivery margin related riders based on interim rates effective January 1, 2012, approved per Commission Order No. G-177-11.

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA**  
**PROPANE COST DEFERRAL ACCOUNT**  
**FOR THE PERIOD ENDING DECEMBER 31, 2012**  
**WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-105-11)**  
**(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)**

Line No.	Particulars (1)	Volumes In Litre (2)	Average Price Per Litre (3)	Approved Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	September 30, 2011 Balance (Recorded)						\$177,100
2	October (Estimated) <sup>(A)</sup>	903,663	\$0.4156	\$0.4423	(\$0.0267)	(\$24,086)	\$153,014
3	November (Projected)	967,362	\$0.4508	\$0.4423	\$0.0085	\$8,203	\$161,217
4	December (Projected)	1,299,538	\$0.4445	\$0.4423	\$0.0022	\$2,819	\$164,036
5	Current Quarter Total	<u>3,170,563</u>				<u>(\$13,064)</u>	
6							
7	Forecast Volumes and Forecast Prices						
8	January 2012 (Forecast)	1,291,508	\$0.4491	\$0.4423	\$0.0068	\$8,782	\$172,818
9	February (Forecast)	1,041,452	\$0.4449	\$0.4423	\$0.0026	\$2,708	\$175,526
10	March (Forecast)	998,646	\$0.4320	\$0.4423	(\$0.0103)	(\$10,286)	\$165,240
11	April (Forecast)	621,377	\$0.4061	\$0.4423	(\$0.0362)	(\$22,494)	\$142,746
12	May (Forecast)	432,226	\$0.4019	\$0.4423	(\$0.0404)	(\$17,462)	\$125,284
13	June (Forecast)	267,427	\$0.4032	\$0.4423	(\$0.0391)	(\$10,456)	\$114,828
14	July (Forecast)	231,064	\$0.4103	\$0.4423	(\$0.0320)	(\$7,394)	\$107,434
15	August (Forecast)	202,336	\$0.4109	\$0.4423	(\$0.0314)	(\$6,353)	\$101,081
16	September (Forecast)	297,663	\$0.4066	\$0.4423	(\$0.0357)	(\$10,627)	\$90,454
17	October (Forecast)	668,878	\$0.4251	\$0.4423	(\$0.0172)	(\$11,505)	\$78,949
18	November (Forecast)	973,031	\$0.4251	\$0.4423	(\$0.0172)	(\$16,736)	\$62,213
19	December (Forecast)	1,305,806	\$0.4276	\$0.4423	(\$0.0147)	(\$19,195)	\$43,018
20	Total January 2012 to December 2012	<u>8,331,413</u>				<u>(\$121,018)</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]					\$3,684,984	
25	December 31, 2011 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)				=	<u>\$3,728,123</u>	= <b>98.8%</b>

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

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA**  
**PROPANE COST DEFERRAL ACCOUNT**  
**FOR THE PERIOD ENDING DECEMBER 31, 2013**  
**WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-105-11)**  
**(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)**

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
(1)		(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	December 2012 Balance (Forecast)						\$43,018
2	January 2013 (Forecast)	1,301,065	\$0.4341	\$0.4423	(\$0.0082)	(\$10,669)	\$32,349
3	February (Forecast)	1,050,339	\$0.4313	\$0.4423	(\$0.0110)	(\$11,554)	\$20,795
4	March (Forecast)	1,007,021	\$0.4162	\$0.4423	(\$0.0261)	(\$26,283)	(\$5,488)
5	April (Forecast)	629,072	\$0.3890	\$0.4423	(\$0.0533)	(\$33,530)	(\$39,018)
6	May (Forecast)	435,838	\$0.3838	\$0.4423	(\$0.0585)	(\$25,497)	(\$64,515)
7	June (Forecast)	271,254	\$0.3849	\$0.4423	(\$0.0574)	(\$15,570)	(\$80,085)
8	July (Forecast)	234,416	\$0.3921	\$0.4423	(\$0.0502)	(\$11,768)	(\$91,853)
9	August (Forecast)	205,121	\$0.3921	\$0.4423	(\$0.0502)	(\$10,297)	(\$102,150)
10	September (Forecast)	300,782	\$0.3883	\$0.4423	(\$0.0540)	(\$16,242)	(\$118,392)
11	October (Forecast)	672,712	\$0.4061	\$0.4423	(\$0.0362)	(\$24,352)	(\$142,744)
12	November (Forecast)	979,426	\$0.4019	\$0.4423	(\$0.0404)	(\$39,569)	(\$182,313)
13	December (Forecast)	<u>1,313,011</u>	\$0.4030	\$0.4423	(\$0.0393)	<u>(\$51,601)</u>	(\$233,914)
14	Total January 2013 to December 2013	<u>8,400,056</u>				<u>(\$276,932)</u>	

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

**FORECAST AVERAGE COST OF PROPANE**

**FOR THE PERIOD ENDING DECEMBER 31, 2012**

**(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)**

Line No.	Particulars	Sales Volume (Litres)	Fixed Price Volume (Litres)	Variable Volume (Litres)	Fixed Price (\$/litre)	Variable Price (\$/litre)	Fixed Charges (\$)	Variable Charges (\$)	Total (\$)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	January 2012 (Forecast)	1,291,508	460,000	831,508	\$ 0.4306	\$ 0.4594	\$ 198,059	\$ 382,018	\$ 580,077
2	February (Forecast)	1,041,452	460,000	581,452	\$ 0.4306	\$ 0.4563	\$ 198,059	\$ 265,306	\$ 463,365
3	March (Forecast)	998,646	460,000	538,646	\$ 0.4306	\$ 0.4332	\$ 198,059	\$ 233,360	\$ 431,419
4	April (Forecast)	621,377	-	621,377	\$ -	\$ 0.4061	\$ -	\$ 252,356	\$ 252,356
5	May (Forecast)	432,226	-	432,226	\$ -	\$ 0.4019	\$ -	\$ 173,707	\$ 173,707
6	June (Forecast)	267,427	-	267,427	\$ -	\$ 0.4032	\$ -	\$ 107,823	\$ 107,823
7	July (Forecast)	231,064	-	231,064	\$ -	\$ 0.4103	\$ -	\$ 94,809	\$ 94,809
8	August (Forecast)	202,336	-	202,336	\$ -	\$ 0.4109	\$ -	\$ 83,140	\$ 83,140
9	September (Forecast)	297,663	-	297,663	\$ -	\$ 0.4066	\$ -	\$ 121,041	\$ 121,041
10	October (Forecast)	668,878	-	668,878	\$ -	\$ 0.4251	\$ -	\$ 284,349	\$ 284,349
11	November (Forecast)	973,031	230,000	743,031	\$ 0.4127	\$ 0.4290	\$ 94,930	\$ 318,752	\$ 413,681
12	December (Forecast)	1,305,806	230,000	1,075,806	\$ 0.4127	\$ 0.4307	\$ 94,930	\$ 463,390	\$ 558,319
13	Total January 2012 to December 2012	<b>8,331,413</b>	<b>1,840,000</b>	<b>6,491,413</b>			<b>\$ 784,036</b>	<b>\$ 2,780,051</b>	<b>\$ 3,564,087</b>
14									
15	<b>Forecast Average Cost of Propane - (\$/Litre)<sup>(A)</sup></b>								<b>\$ 0.4278</b>
16									
17	<b>Forecast Average Cost of Propane - (\$/GJ)<sup>(A)</sup></b>								<b>\$ 16.714</b>
18	(Conversion factor 1 Litre = 0.025594 GJ)								

Note (A) Forecast average cost of propane excludes company use, vaporizer use, and unaccounted for gas.

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA**  
**PROPANE COST DEFERRAL ACCOUNT**  
**CALCULATION OF PROPANE COST INCREASE FLOWTHROUGH**  
**FOR THE PERIOD ENDING DECEMBER 31, 2012**  
**(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)**

Line No.	Particulars (1)	\$/Litre (2)	\$/GJ (3)
1	Calculation of New Propane Reference Price		
2			
3	i. Forecast average Cost of Propane (Tab 1, Page 3, Col.9, Line 15 and Line 17)		
4	January 1 2012 to December 31 2012	\$0.4278	\$16.714
5			
6	ii. Twelve months amortization of projected Deferral Account balance	<u>\$0.0197</u>	<u>\$0.769</u>
7			
8			
9			
10	Tested Reference Price	\$0.4475	\$17.483
11			
12	Existing Propane Reference Price	<u>\$0.4423</u>	<u>\$17.281</u>
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Increase in Propane Reference Price to be flowed through in customers' rates	\$0.0052	\$0.203
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.70% <sup>(A)</sup>	\$0.0002	\$0.008
19			
20	Total Propane Cost Flowthrough <sup>(B)</sup>	<u>\$0.0054</u>	<u>\$0.211</u>
21	(Conversion factor 1 Litre = 0.025594 GJ)		
22			
23			
24			
25			
26	Note: (A) The Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.70% is based on 2008, 2009, and 2010 data.		
27		<u>Litres</u>	<u>%</u>
28	Sales	22,764,262	
29			
30	Less: Company Use	5,685	0.02%
31	Propane Used for Vaporizer	308,148	1.35%
32	Unaccounted For	<u>757,580</u>	<u>3.33%</u>
33	Total	<u>1,071,413</u>	<u>4.70%</u>
34			
35	Note: (B)		
36	Projected Deferral Balance at Dec 31, 2011	\$0.0197	\$0.769
37	Total Propane Cost Jan 1 2012 to Dec 31, 2012	<u>(\$0.0143)</u>	<u>(\$0.558)</u>
38	Total Propane Cost Flowthrough	<u>\$0.0054</u>	<u>\$0.211</u>

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

Tab 3  
Page 5

**FOR THE PERIOD ENDING DECEMBER 31, 2012  
WITH TESTED REFERENCE PRICE EFFECTIVE JANUARY 1, 2012  
(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)**

Line No.	Particulars (1)	Volumes In Litre (2)	Average Price Per Litre (3)	<b>Approved</b> Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	September 30, 2011 Balance (Recorded)						\$177,100
2	October (Estimated) <sup>(A)</sup>	903,663	\$0.4156	\$0.4423	(\$0.0267)	(\$24,086)	\$153,014
3	November (Projected)	967,362	\$0.4508	\$0.4423	\$0.0085	\$8,203	\$161,217
4	December (Projected)	1,299,538	\$0.4445	\$0.4423	\$0.0022	\$2,819	\$164,036
5	Current Quarter Total	<u>3,170,563</u>				<u>(\$13,064)</u>	
6							
7							
8				<b>Tested</b>			
9				Reference			
10	<u>Forecast Volumes and Forecast Prices</u>			Price			
11	January 2012 (Forecast)	1,291,508	\$0.4491	\$0.4475	\$0.0016	\$2,066	\$166,102
12	February (Forecast)	1,041,452	\$0.4449	\$0.4475	(\$0.0026)	(\$2,708)	\$163,394
13	March (Forecast)	998,646	\$0.4320	\$0.4475	(\$0.0155)	(\$15,479)	\$147,915
14	April (Forecast)	621,377	\$0.4061	\$0.4475	(\$0.0414)	(\$25,725)	\$122,190
15	May (Forecast)	432,226	\$0.4019	\$0.4475	(\$0.0456)	(\$19,710)	\$102,480
16	June (Forecast)	267,427	\$0.4032	\$0.4475	(\$0.0443)	(\$11,847)	\$90,633
17	July (Forecast)	231,064	\$0.4103	\$0.4475	(\$0.0372)	(\$8,596)	\$82,037
18	August (Forecast)	202,336	\$0.4109	\$0.4475	(\$0.0366)	(\$7,405)	\$74,632
19	September (Forecast)	297,663	\$0.4066	\$0.4475	(\$0.0409)	(\$12,174)	\$62,458
20	October (Forecast)	668,878	\$0.4251	\$0.4475	(\$0.0224)	(\$14,983)	\$47,475
21	November (Forecast)	973,031	\$0.4251	\$0.4475	(\$0.0224)	(\$21,796)	\$25,679
22	December (Forecast)	1,305,806	\$0.4276	\$0.4475	(\$0.0199)	(\$25,986)	(\$307)
23	Total January 2012 to December 2012	<u>8,331,413</u>				<u>(\$164,343)</u>	

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

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA

PROPANE COST DEFERRAL ACCOUNT

FOR THE PERIOD ENDING DECEMBER 31, 2013

WITH TESTED REFERENCE PRICE EFFECTIVE JANUARY 1, 2012

(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Tab 3

Page 6

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Tested Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	December 2012 Balance (Forecast)						(\$307)
2	January 2013 (Forecast)	1,301,065	\$0.4341	\$0.4475	(\$0.0134)	(\$17,434)	(\$17,741)
3	February (Forecast)	1,050,339	\$0.4313	\$0.4475	(\$0.0162)	(\$17,015)	(\$34,756)
4	March (Forecast)	1,007,021	\$0.4162	\$0.4475	(\$0.0313)	(\$31,520)	(\$66,276)
5	April (Forecast)	629,072	\$0.3890	\$0.4475	(\$0.0585)	(\$36,801)	(\$103,077)
6	May (Forecast)	435,838	\$0.3838	\$0.4475	(\$0.0637)	(\$27,763)	(\$130,840)
7	June (Forecast)	271,254	\$0.3849	\$0.4475	(\$0.0626)	(\$16,980)	(\$147,820)
8	July (Forecast)	234,416	\$0.3921	\$0.4475	(\$0.0554)	(\$12,987)	(\$160,807)
9	August (Forecast)	205,121	\$0.3921	\$0.4475	(\$0.0554)	(\$11,364)	(\$172,171)
10	September (Forecast)	300,782	\$0.3883	\$0.4475	(\$0.0592)	(\$17,806)	(\$189,977)
11	October (Forecast)	672,712	\$0.4061	\$0.4475	(\$0.0414)	(\$27,850)	(\$217,827)
12	November (Forecast)	979,426	\$0.4019	\$0.4475	(\$0.0456)	(\$44,662)	(\$262,489)
13	December (Forecast)	1,313,011	\$0.4030	\$0.4475	(\$0.0445)	(\$58,429)	(\$320,918)
14	Total January 2013 to December 2013	<u>8,400,056</u>				<u>(\$320,611)</u>	

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA**  
**JANUARY 1, 2012 TESTED PROPANE COST INCREASE**  
**TYPICAL ANNUAL CONSUMPTION**  
**(NOVEMBER 7, 2011 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)**

Line No.	Particulars	Rate 1 - Residential				Rate 2 - Small Commercial				Rate 3 - Large Commercial			
		Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase
1	REVELSTOKE PROPANE												
2	- INLAND SERVICE AREA												
3													
4	Existing:												
5													
6	Delivery Margin Related Charges												
7	Basic Charge per Day <sup>(A)</sup>	365.25 days	\$0.3890	\$142.08		365.25 days	\$0.8161	\$298.08		365.25 days	\$4.3538	\$1,590.23	
8	Delivery Margin Related Charge (incl. riders)	50.0 GJ	\$3.207	\$160.35		250.0	\$2.658	\$664.50		4,500.0	\$2.270	\$10,215.00	
9													
10	Cost of Gas (Commodity Related Charges)												
11	Cost of Gas Recovery Related Charges	50.0 GJ	\$19.035	<u>\$951.75</u>		250.0	\$17.944	<u>\$4,486.00</u>		4,500.0	\$17.944	<u>\$80,748.00</u>	
12													
13	Typical Annual Bill at Current Rates (excluding any applicable Taxes)	<u>50.0</u>		<u>\$1,254.18</u>		<u>250.0</u>		<u>\$5,448.58</u>		<u>4,500.0</u>		<u>\$92,553.23</u>	
14													
15													
16													
17	Tested Changes January 1, 2012:												
18													
19	Delivery Margin Related Charge (incl. riders) <sup>(B)</sup>		\$0.320	\$16.00	1.3%		\$0.238	\$59.50	1.1%		\$0.181	\$814.50	0.9%
20	Cost of Gas Recovery Related Charge		\$0.211	\$10.55	0.8%		\$0.211	\$52.75	1.0%		\$0.211	\$949.50	1.0%
21	Total Charges		\$0.531	\$26.55	2.1%		\$0.449	\$112.25	2.1%		\$0.392	\$1,764.00	1.9%
22													
23	Typical Annual Bill after Tested Rates (excluding any applicable Taxes)			<u>\$1,280.73</u>	2.1%			<u>\$5,560.83</u>	2.1%			<u>\$94,317.23</u>	1.9%
24													

Note A: Basic Charge changed from monthly to daily, effective January 1, 2012, per Commission Order No. G-140-11.

Note B: Reflects changes to delivery charge and delivery margin related riders based on interim rates effective January 1, 2012, approved per Commission Order No. G-177-11.



**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA**  
**PROPANE FLOATING PRICES**  
Forward Prices: NOVEMBER 7, 2011

Tab 4  
Page 1

<b>CRUDE OIL FUTURES</b>		
<b>Month</b>	<b>Crude Oil Future Prices (US \$ per Barrel)</b>	<b>Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)</b>
Jan-12	\$95.45	\$0.4627
Feb-12	\$95.41	\$0.4618
Mar-12	\$95.39	\$0.4483
Apr-12	\$95.36	\$0.4300
May-12	\$95.33	\$0.4073
Jun-12	\$95.26	\$0.3807
Jul-12	\$95.17	\$0.3682
Aug-12	\$95.07	\$0.3557
Sep-12	\$94.96	\$0.3816
Oct-12	\$94.85	\$0.4209
Nov-12	\$94.78	\$0.4281
Dec-12	\$94.72	\$0.4635
Jan-13	\$94.52	\$0.4728
Feb-13	\$94.30	\$0.4642
Mar-13	\$94.10	\$0.3988
Apr-13	\$93.89	\$0.3718
May-13	\$93.69	\$0.3717
Jun-13	\$93.53	\$0.3570
Jul-13	\$93.36	\$0.3445
Aug-13	\$93.21	\$0.3559
Sep-13	\$93.06	\$0.3992
Oct-13	\$92.94	\$0.4143
Nov-13	\$92.86	\$0.4146
Dec-13	\$92.81	\$0.4490

<b>PROPANE SWAP PRICES</b>		
<b>Month</b>	<b>Propane Swap Prices (US \$ per Gallon)</b>	<b>Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)</b>
Jan-12	\$1.45	\$0.4491
Feb-12	\$1.44	\$0.4449
Mar-12	\$1.37	\$0.4320
Apr-12	\$1.32	\$0.4061
May-12	\$1.32	\$0.4019
Jun-12	\$1.32	\$0.4032
Jul-12	\$1.33	\$0.4103
Aug-12	\$1.33	\$0.4109
Sep-12	\$1.34	\$0.4066
Oct-12	\$1.34	\$0.4251
Nov-12	\$1.35	\$0.4251
Dec-12	\$1.36	\$0.4276
Jan-13	\$1.37	\$0.4341
Feb-13	\$1.36	\$0.4313
Mar-13	\$1.30	\$0.4162
Apr-13	\$1.25	\$0.3890
May-13	\$1.25	\$0.3838
Jun-13	\$1.25	\$0.3849
Jul-13	\$1.26	\$0.3921
Aug-13	\$1.26	\$0.3921
Sep-13	\$1.27	\$0.3883
Oct-13	\$1.27	\$0.4061
Nov-13	\$1.28	\$0.4019
Dec-13	\$1.28	\$0.4030

<b>50% CRUDE OIL FUTURES &amp; 50% PROPANE SWAP PRICES</b>	
<b>Month</b>	<b>Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)</b>
Jan-12	\$0.4559
Feb-12	\$0.4533
Mar-12	\$0.4402
Apr-12	\$0.4181
May-12	\$0.4046
Jun-12	\$0.3920
Jul-12	\$0.3893
Aug-12	\$0.3833
Sep-12	\$0.3941
Oct-12	\$0.4230
Nov-12	\$0.4266
Dec-12	\$0.4455
Jan-13	\$0.4534
Feb-13	\$0.4478
Mar-13	\$0.4075
Apr-13	\$0.3804
May-13	\$0.3777
Jun-13	\$0.3710
Jul-13	\$0.3683
Aug-13	\$0.3740
Sep-13	\$0.3938
Oct-13	\$0.4102
Nov-13	\$0.4082
Dec-13	\$0.4260

Notes: US-Cdn exchange rates source - Barclays Bank dated November 7, 2011.



LETTER NO. L-XX-11

ALANNA GILLIS  
ACTING COMMISSION SECRETARY  
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## DRAFT ORDER

VIA E-MAIL

November XX, 2011

[gas.regulatory.affairs@fortisbc.com](mailto:gas.regulatory.affairs@fortisbc.com)

Ms. Diane Roy  
Director, Regulatory Affairs – Gas  
FortisBC Energy Inc.  
16705 Fraser Highway  
Surrey, BC V4N 0E8

Dear Ms. Roy:

Re: FortisBC Energy Inc.  
Revelstoke Service Area  
2011 Fourth Quarter Gas Cost Report

Further to your November 17, 2011 filing of the 2011 Fourth Quarter Gas Cost Report (the Report) for the Revelstoke Service Area. The Commission acknowledges receipt of the Report and accepts the recommendation that the propane reference price remain unchanged at January 1, 2012, and that customer rates for the Revelstoke Propane Service Area remain unchanged from the rates established pursuant to Commission Order No. G-177-11 dated October 21, 2011 which established interim delivery rates, including delivery-related riders, effective January 1, 2012.

Yours truly,

Alanna Gillis  
Acting Commission Secretary