

November 18, 2011

**British Columbia Utilities Commission** 6<sup>th</sup> Floor, 900 Howe Street

V6Z 2N3

Attention: Ms. Alanna Gillis, Acting Commission Secretary

Dear Ms. Gillis:

Vancouver, BC

FortisBC Energy Inc. ("FEI" or the "Company") - Fort Nelson Service Area Re:

Gas Cost Reconciliation Account ("GCRA") and Gas Cost Recovery Rates

2011 Fourth Quarter Gas Cost Report

The attached materials provide the FEI 2011 Fourth Quarter Gas Cost Report for the Fort Nelson service area ("Fort Nelson") as required under British Columbia Utilities Commission (the "Commission") guidelines.

Based on the five-day average of the November 1, 2, 3, 4, and 7, 2011 forward prices for natural gas ("five-day average forward prices ending November 7, 2011"), the December 31, 2011 GCRA deferral balance is projected to be approximately \$14,000 surplus after tax (Tab 1, Page 2, Column 2, Line 28). Further, based on the five-day average forward prices ending November 7, 2011, the gas purchase cost assumptions, and the forecast gas cost recoveries at present rates for the 12-month period ending December 31, 2012, and accounting for the projected December 31, 2011 deferral balance, the GCRA ratio is calculated to be 99.4% (Tab 1, Page 1, Column 3, Line 10). The ratio falls within the deadband range of 95% to 105%, indicating that a rate change is not required at this time.

A summary of the forward prices is provided on Tab 1, Page 4, and a summary of the recorded and forecast monthly GCRA balances is provided on Tab 1, Page 5.

Provided in Tab 2 are the details of the forecast gas costs for Fort Nelson. The Company requests the information contained in Tab 2 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. FEI 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.

Diane Roy Director, Regulatory Affairs - Gas FortisBC Energy Inc.

16705 Fraser Highway Surrey, B.C. V4N 0E8 Tel: (604) 576-7349 Cell: (604) 908-2790 Fax: (604) 576-7074 Email: diane.roy@fortisbc.com www.fortisbc.com

Regulatory Affairs Correspondence Email: gas.regulatory.affairs@fortisbc.com November 18, 2011 British Columbia Utilities Commission FEI – Fort Nelson Service Area 2011 Fourth Quarter Gas Cost Report Page 2



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 gas cost recovery rates for Fort Nelson remain unchanged at January 1, 2012. Customer rates for the Fort Nelson 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. - FORT NELSON SERVICE AREA GAS COST RECONCILIATION ACCOUNT ("GCRA") RATE CHANGE TRIGGER MECHANISM FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2012 WITH EXISTING OCTOBER 1, 2011 GAS COST RECOVERY RATES

FIVE-DAY AVERAGE FORWARD PRICES - NOVEMBER 1, 2, 3, 4, AND 7, 2011

Line			Annual	Percentage	Volume	Unit C	ost
No.	Particulars Particulars		(\$000)		(TJ)	(\$/G	J)
	(1)		(2)	(3)	(4)	(5)	)
1	RATE CHANGE TRIGGER MECHANISM						
2	Projected Grossed-up GCRA Balance as at December 31, 2011		\$ (18.7)				
3	( Tab 1, Page 2, Col 2, Line 21)						
4	5 10 .0		<b>^ ^ </b> <i>'</i>				
5 6	Forecast Incurred Gas Costs - January 2012 to December 2012 (Tab 1, Page 2, Col 14, Line 16)		\$ 2,577.1				
7	Forecast Recovered Gas Costs - January 2012 to December 2012		\$ 2,542.1				
8	( Tab 1, Page 2, Col 14, Line 7)						
9							
10	Ratio = Forecast Recovered Gas Costs =	\$ 2,542.1	=	99.4%			
11	Forecast Incurred Gas Costs + Projected GCRA Balance	\$ 2,558.4		<u>===</u>			
12							
13							
14 15							
16	BALANCING REQUIREMENT						
17	(applicable when Rate Change Trigger Mechanism Ratio falls outside 95% to 105% of the control of	deadhand and	d outside + \$	0 50/G.I thresh	old)		
18	(apprison to the transfer of t		a 0 a to . a 0 = 4	.0.00,0000	J.u.,		
19							
20	PROPOSED RATES						
21							
22	Forecast 12 Month Sales Recovery Volumes January 2012 to December 2012				577.6		
23	( Tab 1, Page 2, Col 14, Line 2)						
24	D : ( 100DAD		Φ (40 <del>7</del> )			Φ (0	0000\ (2*)
25	Projected GCRA Balance at December 31, 2011 (Line 2)		\$ (18.7)				0323) (2*)
26 27	Forecast GCRA Activities - January 2012 to December 2012 (Line 5 minus Line 7)		35.0 \$ 16.3			\$ 0.	0605 (2*)
	(Over) / Under Recovery at Existing Rates	;	\$ 16.3				
28 29							
30	Proposed Rates (Decrease) / Increase					\$ 0.	028 (2*)
30	1 10poscu natos (Deolease) / Illolease					ψ 0.	020

1-12 month

#### FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA RECOVERED AND INCURRED COSTS SUMMARY FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2012 WITH EXISTING OCTOBER 1, 2011 GAS COST RECOVERY RATES FIVE-DAY AVERAGE FORWARD PRICES - NOVEMBER 1, 2, 3, 4, AND 7, 2011

Line																										F	orecast
No.	Particulars Particulars	J	an-12	<u>F</u>	eb-12	Ma	r-12	A	\pr-12	N	lay-12	J	lun-12		Jul-12	Α	ug-12	S	ep-12		Oct-12	N	lov-12	D	ec-12		Total
	(1)		(2)		(3)	(-	4)		(5)		(6)		(7)		(8)		(9)		(10)		(11)		(12)		(13)		(14)
1	RECOVERED GAS COSTS																										
2	Total Sales - TJ		96.8		73.1		72.2		44.9		26.0		19.0		13.8		14.7		24.6		41.7		66.8		84.1		577.6
3	T-Service UAF - TJ		0.2		0.2		0.1		0.1		0.0		0.0		0.0		0.0		-		-		0.0		0.1		0.8
4	Recovery on Sales - \$000	\$	425.5	\$	321.2	\$	317.4	\$	197.5	\$	114.2	Ф	83.6	Ф	60.8	Ф	64.5	\$	108.0	\$	183.4	\$	293.5	Ф	369.7	Ф	2,539.2
6	Recovery on T-Service UAF - \$000	Φ	0.7	Φ	0.7	Φ	0.5	φ	0.4	φ	0.1	φ	0.0	φ	0.0	φ	0.0	Φ	100.0	Φ	103.4	φ	0.1	φ	0.4	Φ	3.0
7	Total Forecast Recovered Gas Costs - \$000	\$	426.2	\$	322.0	\$	317.9	\$	197.9	\$	114.3	\$	83.6	\$	60.8	\$	64.5	\$	108.0	\$	183.4	\$		\$	370.1	<u>¢</u>	2,542.1
8	Total Forecast Recovered Gas Costs - 4000	φ	420.2	φ	322.0	Φ	317.9	φ	197.9	φ	114.3	φ	03.0	φ	00.0	Φ	04.5	φ	100.0	φ	103.4	φ	293.0	φ	370.1	φ	2,342.1
9																											
10																											
11	INCURRED GAS COSTS																										
12	Total Purchases Incl. UAF - TJ		98.3		74.3		73.3		45.7		26.4		19.3		14.0		14.9		24.9		42.3		67.7		85.4		586.5
13																											
14	Incurred Cost - \$/GJ		4.6014		4.5768	4	.5336		3.4247		3.4530		3.4585		3.4843		3.4854		3.4912		3.5261		5.2060		5.2552		4.3943
15																											
16	Forecast Incurred Gas Costs - \$000	\$	452.5	\$	340.0	\$	332.5	\$	156.4	\$	91.0	\$	66.7	\$	48.9	\$	51.8	\$	86.9	\$	149.1	\$	352.6	\$	448.7	\$	2,577.1
17																											
18																											
19 20	GCRA BALANCE																										
20	Opening Balances (Pre-Tax) - \$000 <sup>(1*)</sup>	\$	(18.7)	Ф	7.6	\$	25.6	Ф	40.2	φ	(4.2)	¢	(24.6)	Ф	(44 E)	φ	(53.4)	¢.	(66.0)	Ф	(87.1)	φ	(121.2)	φ	(62.2)		
21	Forecast Activity - \$000	Ф	26.3	Ф	18.0	Ф	∠5.6 14.6	Ф	(41.5)	Ф	(1.3) (23.3)	Ф	(16.9)	Ф	(41.5) (11.9)	Ф	(12.6)	Ф	(21.0)		(34.2)	\$	(121.3) 59.0	Ф	(62.3) 78.6	Ф	35.0
23		\$	7.6	\$	25.6	\$	40.2	\$	(1.3)	\$	(24.6)	\$	(41.5)	\$	(53.4)	\$	(66.0)	\$	(87.1)		(121.3)	\$	(62.3)	\$	16.3	Ψ	33.0
24	Greening Datameter (Fire taxly - \$4000			<u> </u>		<u> </u>		Ψ	(110)	Ψ	(=)	Ψ	(1110)	Ψ	(00.1)	Ψ	(00.0)	Ψ	(0111)	Ψ	(12110)	Ψ	(02.0)	Ψ			
25																											
26	Tax Rate		25.00%		25.00%	2	5.00%		25.00%		25.00%		25.00%		25.00%		25.00%		25.00%		25.00%		25.00%		25.00%		
27																											
28	Opening Balances (After-Tax) - \$000	\$	(14.0)		5.7	\$	19.2		30.2		(1.0)		(18.4)		(31.1)		(40.1)		(49.5)		(65.3)		(91.0)		(46.7)		
29	Closing Balances (After Tax) - \$000	\$	5.7	\$	19.2	\$	30.2	\$	(1.0)	\$	(18.4)	\$	(31.1)	\$	(40.1)	\$	(49.5)	\$	(65.3)	\$	(91.0)	\$	(46.7)	\$	12.2		

Slight differences in totals due to rounding.

Note  $(1^*)$  Pre-tax opening balances are restated based on current income taxes, to reflect grossed-up after tax amounts.

13-24 month

# FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA RECOVERED AND INCURRED COSTS SUMMARY FOR THE PERIOD OCTOBER 1, 2012 TO SEPTEMBER 30, 2013 WITH EXISTING OCTOBER 1, 2011 GAS COST RECOVERY RATES FIVE-DAY AVERAGE FORWARD PRICES - NOVEMBER 1, 2, 3, 4, AND 7, 2011

Line																	_						_		Fo	recast
No.	Particulars Particulars	Jan-		Feb-13		r-13		or-13		ay-13	J	un-13		Jul-13	A	ug-13		ep-13	_	ct-13		ov-13		ec-13		Total
	(1)	(15	)	(16)	(1	17)	(	18)	(	(19)		(20)		(21)		(22)		(23)		(24)		(25)		(26)		(27)
1	RECOVERED GAS COSTS																									
2	Total Sales - TJ	(	98.3	74.2		73.4		45.6		26.3		19.3		14.0		14.9		25.0		42.3		67.8		85.4		586.6
3 4	T-Service UAF - TJ		0.2	0.2		0.1		0.1		0.0		0.0		0.0		0.0		-		-		0.0		0.1		0.8
5	Recovery on Sales - \$000	\$ 43		\$ 326.2	\$		\$	200.5	\$	115.8	\$	84.8	\$	61.5	\$	65.4	\$	109.9	\$	186.1	\$		\$	375.3	\$	2,578.5
6	Recovery on T-Service UAF - \$000		0.7	0.7		0.5		0.4		0.1		0.0		0.0		0.0		-				0.1		0.4		3.0
7	Total Forecast Recovered Gas Costs - \$000	\$ 43	33.0	\$ 326.9	\$	323.0	\$	200.9	\$	115.9	\$	84.8	\$	61.5	\$	65.4	\$	109.9	\$	186.1	\$	298.3	\$	375.7	\$	2,581.5
8																										
9																										
10																										
11	INCURRED GAS COSTS																									
12	Total Purchases Incl. UAF - TJ	(	99.9	75.4		74.5		46.4		26.7		19.6		14.2		15.1		25.4		42.9		68.8		86.7		595.5
13 14	Incurred Cost - \$/GJ		2682	5.2616	_	.2409	_	3.5392		3.5703		3.5897		3.6333		3.6476		3.6310		3.6623		4.1082		4.3074		
15	incurred Cost - \$/GJ	5.2	.002	5.2010	5	.2409	3	0.0092	•	3.5703		3.3097		3.0333		3.0470		3.0310		3.0023		4.1002		4.3074		
16	Forecast Incurred Gas Costs - \$000	\$ 52	26.3	\$ 396.8	\$	390.5	\$	164.1	\$	95.4	\$	70.2	\$	51.6	\$	55.1	\$	92.0	\$	157.2	\$	282.7	\$	373.4	\$	2,655.3
17	Torocast mounted Gas Goods 4000	Ψ 0.		ψ 000.0	Ψ	000.0	Ψ	101.1	Ψ	00.1	Ψ	70.2	Ψ	01.0	Ψ	00.1	Ψ	02.0	Ψ	101.2	Ψ	LOLIT	Ψ	070.1	<u>*</u>	2,000.0
18																										
19																										
20	GCRA BALANCE																									
21	Opening Balances (Pre-Tax) - \$000 (1*)	\$	16.3	\$ 109.6	\$	179.5	\$	247.1	\$	210.2	\$	189.8	\$	175.2	\$	165.2	\$	154.8	\$	137.0	\$	108.1	\$	92.5		
22	Forecast Activity - \$000	*	93.3	70.0	*	67.5	•	(36.9)	*	(20.4)	*	(14.6)	*	(10.0)	*	(10.4)	*	(17.9)	*	(28.9)	*	(15.6)	*	(2.4)	\$	73.8
23	Closing Balances (Pre-tax) - \$000	\$ 10	09.6	\$ 179.5	\$	247.1	\$	210.2	\$	189.8	\$	175.2	\$	165.2	\$	154.8	\$	137.0	\$	108.1	\$	92.5	\$	90.1		
24																										
25																										
26	Tax Rate	25.	.00%	25.00%	2	5.00%	2	25.00%	:	25.00%		25.00%		25.00%		25.00%		25.00%		25.00%		25.00%		25.00%		
27																										
28	Opening Balances (After-Tax) - \$000		12.2		-	134.6	\$	185.3	\$	157.7	\$	142.3	\$	131.4	\$	123.9	\$	116.1	\$		\$	81.1	-	69.4		
29	Closing Balances (After Tax) - \$000	\$ 8	82.2	\$ 134.6	\$	185.3	\$	157.7	\$	142.3	\$	131.4	\$	123.9	\$	116.1	\$	102.7	\$	81.1	\$	69.4	\$	67.6		

Slight differences in totals due to rounding.

Note (1\*) Pre-tax opening balances are restated based on current income taxes, to reflect grossed-up after tax amounts.

#### FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA STATION NO. 2 INDEX FORECAST FOR THE PERIOD ENDING DECEMBER 31, 2013

Line No	Particulars	Five-day Average Forw Prices - November 1, 2, 3 and 7, 2011 2011 Q4 Gas Cost Rep	3, 4,	Five-day Average Prices - August 16, and 22, 20 2011 Q3 Gas Co	, 17, 18, 19 111	Change in Forward Prices				
	(1)	(2)		(3)		(4) = (2	(3)			
1	Station No. 2 Index Prices - \$CDN/GJ									
2	2011 January	\$	3.45	\$	3.45		\$	_		
3	February	\$	3.11	\$	3.11		\$	_		
4	March	\$	3.19	\$	3.19		\$	_		
5	April	\$	3.16	Δ \$	3.16		\$	-		
6	May	\$	3.37	<b>1</b> \$	3.37		\$	-		
7	June	\$	3.65	\$	3.65		\$	-		
8	July	٨ \$	3.15	Recorded \$	3.15		\$	-		
9	August	<b>\( \)</b>	3.03	Projected \$	3.03		\$	-		
10	September	\$	3.12	Forecast \$	3.03		\$	0.09		
11	October	Recorded \$	2.80	\$	3.03		\$	(0.23)		
12	November	Projected \$	3.01	\$	3.15		\$	(0.13)		
13	December	Forecast \$	3.21	V <u>\$</u>	3.36		\$	(0.15)		
14	Simple Average (Jan, 2011 - Dec, 2011)	\$	3.19	\$	3.22	-1.1%	\$	(0.04)		
15	Simple Average (Apr, 2011 - Mar, 2012)	<b>∜</b> \$	3.17	\$	3.27	-3.3%	\$	(0.11)		
16	Simple Average (Jul, 2011 - Jun, 2012)	\$	3.09	\$	3.25	-5.0%	\$	(0.16)		
17	Simple Average (Oct, 2011 - Sep, 2012)	\$	3.10	\$	3.34	-7.1%	\$	(0.24)		
18	2012 January	\$	3.22	\$	3.46		\$	(0.24)		
19	February	\$	3.18	\$	3.47		\$	(0.28)		
20	March	\$	3.11	\$	3.44		\$	(0.33)		
21	April	\$	3.09	\$	3.28		\$	(0.20)		
22	May	\$	3.11	\$	3.31		\$	(0.20)		
23	June	\$	3.10	\$	3.35		\$	(0.25)		
24	July	\$	3.11	\$	3.39		\$	(0.27)		
25	August	\$	3.12	\$	3.42		\$	(0.30)		
26	September	\$	3.16	\$	3.42		\$	(0.26)		
27	October	\$	3.23	\$	3.45		\$	(0.22)		
28	November	\$	3.42	\$	3.73		\$	(0.30)		
29	December	\$	3.71	\$	3.93		\$	(0.22)		
30	Simple Average (Jan, 2012 - Dec, 2012)	\$	3.21	\$	3.47	-7.4%	\$	(0.26)		
31	Simple Average (Apr, 2012 - Mar, 2013)	\$	3.35	\$	3.61	-7.1%	\$	(0.26)		
32	Simple Average (Jul, 2012 - Jun, 2013)	\$	3.48	\$	3.71	-6.3%	\$	(0.23)		
33	Simple Average (Oct, 2012 - Sep, 2013)	\$	3.61	\$	3.81	-5.3%	\$	(0.20)		
34	2013 January	\$	3.80	\$	4.05		\$	(0.25)		
35	February	\$	3.75	\$	4.02		\$	(0.27)		
36	March	\$	3.64	\$	3.96		\$	(0.32)		
37	April	\$	3.58	\$	3.71		\$	(0.13)		
38	May	\$	3.60	\$	3.72		\$	(0.12)		
39	June	\$	3.61	\$	3.75		\$	(0.15)		
40	July	\$	3.64	\$	3.78		\$	(0.15)		
41	August	\$	3.66	\$	3.80		\$	(0.14)		
42	September	\$	3.66	\$	3.80		\$	(0.14)		
43	October	\$	3.71	\$	3.84		\$	(0.13)		
44	November	\$	3.86	\$	4.08		\$	(0.23)		
45	December	\$	<u>4.11</u>	\$	4.30		\$	(0.20)		
46	Simple Average (Jan, 2013 - Dec, 2013)	\$	3.72	\$	3.90	-4.8%	\$	(0.19)		

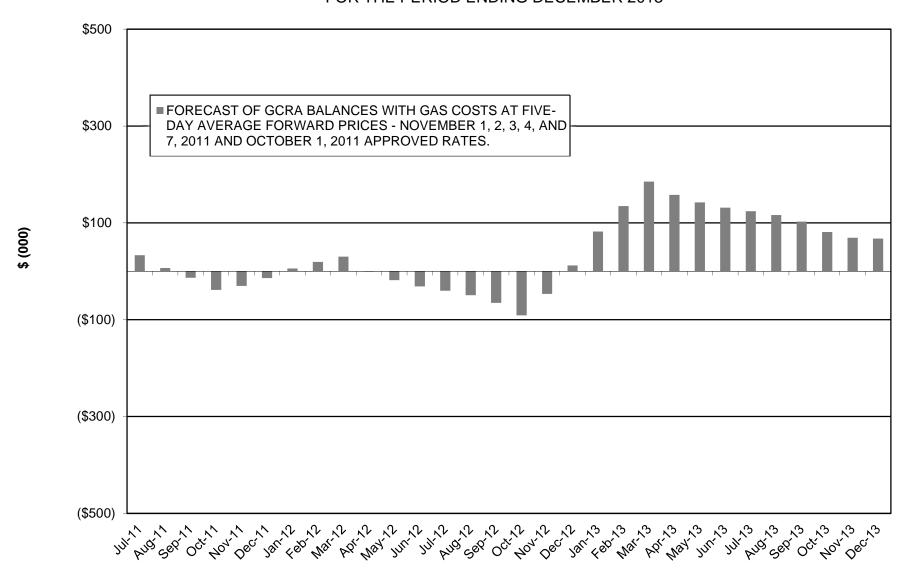
### Tab 1 Page 5

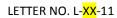
### FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA GCRA AFTER TAX BALANCES (\$000) FOR THE PERIOD ENDING DECEMBER 31, 2013 WITH EXISTING OCTOBER 1, 2011 GAS COST RECOVERY RATES

Line No.	F	Particulars (1)	2011 Q4 Gas Oct 1, 2011 E Five-day Average November 1, 2, 3	xistin Forw , 4, a	ig Rates vard Prices -	2011 Q3 Gas Cost Report Oct 1, 2011 Existing Rates Five-day Average Forward Prices - August 16, 17, 18, 19 and 22, 2011 (3)					
		(1)	(2	,		(0)					
1	2011	Apr	Recorded	\$	87.0	Recorded	\$	87.0			
2		May	Adjusted	\$	47.4 <sup>(A)</sup>	Adjusted	\$	47.4 <sup>(A)</sup>			
3		Jun	Adjusted	\$	40.6 <sup>(A)</sup>	Adjusted	\$	40.6 <sup>(A)</sup>			
4		Jul	Adjusted	\$	33.2 <sup>(A)</sup>	Adjusted	\$	33.2 <sup>(A)</sup>			
5		Aug	Adjusted	\$	6.7 <sup>(A)</sup>	Projected	\$	19.5			
6		Sep	Adjusted	\$	(13.4) <sup>(A)</sup>	1 Tojecteu	\$	(3.3)			
7		Oct	Projected	\$	(38.5)	- 1	Ψ	(23.6)			
8		Nov	i rojecteu	\$	(30.2)		* * * * * * * * * * * * * * * * * * * *	(11.4)			
9		Dec		\$	(14.0)	•	\$	9.0			
10	2012	Jan		\$	5.7		\$	36.7			
11		Feb	•	\$	19.2		\$	57.9			
12		Mar		\$	30.2		\$	78.2			
13		Apr		\$	(1.0)		\$	51.6			
14		May		\$	(18.4)		\$	36.9			
15		Jun		\$	(31.1)		\$	26.6			
16		Jul		\$	(40.1)		\$	19.5			
17		Aug		\$	(49.5)		\$	12.3			
18		Sep		\$	(65.3)		\$	(0.2)			
19		Oct		\$	(91.0)		\$	(21.1)			
20		Nov		\$	(46.7)		\$	30.4			
21		Dec		\$	12.2		\$	97.4			
22	2013	Jan		\$	82.2		\$	177.2			
23		Feb		\$	134.6		\$	237.4			
24		Mar		\$	185.3		\$	296.3			
25		Apr		\$	157.7		\$	272.7			
26		May		\$	142.3		\$	259.7			
27		Jun		\$	131.4		\$	250.7			
28		Jul		\$	123.9		\$	244.6			
29		Aug		\$	116.1		\$	238.3			
30		Sep		****	102.7		\$	227.4			
31		Oct		\$	81.1						
32		Nov		\$	69.4						
33		Dec		\$	67.6						

Note (A) Includes volume reconciliation related to under accrual of recoveries in prior periods.

## FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA GCRA AFTER TAX BALANCES BY MONTH FOR THE PERIOD ENDING DECEMBER 2013







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#### **DRAFT ORDER**

VIA E-MAIL November xx, 2011

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.
Fort Nelson Service Area
2011 Fourth Quarter Gas Cost Report

Further to your November 18, 2011 filing of the 2011 Fourth Quarter Gas Cost Report (the Report) for the Fort Nelson Service Area. The Commission acknowledges receipt of the Report and accepts the recommendation that the gas cost recovery rates remain unchanged at January 1, 2012, and that customer rates for the Fort Nelson 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