



March 1, 2012

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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 Inc. – Revelstoke Service Area
2012 First Quarter Gas Cost Report**

FortisBC Energy Inc. ("FEI" or the "Company") hereby submits to the British Columbia Utilities Commission (the "Commission") the 2012 First Quarter Gas Cost Report for the Revelstoke Service Area. The attached schedules provide a summary of the forecast monthly Propane Cost Deferral Account balances based on the February 17, 2012 forward prices.

The Company, 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 prices and 50% NYMEX B0 – Mt. Belvieu Propane Swap prices, a second forecast is based on the NYMEX WTI Light Sweet Crude Oil futures prices, and a third forecast is based on the NYMEX B0 – Mt. Belvieu Propane Swap prices. The results for the Revelstoke Service Area ("Revelstoke") 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 February 17, 2012 forward prices, using an average of 50% NYMEX WTI Light Sweet Crude Oil futures prices and 50% NYMEX B0 – Mt. Belvieu Propane Swap prices, and based on the current rates, the projected deferral account balance at March 31, 2012 is \$103,237 surplus (pre-tax), and the forecast balance at March 31, 2013 is \$303,559 surplus (pre-tax). The rate change trigger ratio is calculated to be 108.9%.

As shown at Tab 2, Page 1, based on the February 17, 2012 forward prices, using NYMEX WTI Light Sweet Crude Oil futures prices, and based on the current rates, the projected deferral account balance at March 31, 2012 is \$137,792 surplus (pre-tax), and the forecast balance at March 31, 2013 is \$169,756 surplus (pre-tax). The rate change trigger ratio is calculated to be 104.8%.

As shown at Tab 3, Page 1, based on the February 17, 2012 forward prices, using NYMEX B0 – Mt. Belvieu Propane Swap prices, and based on the current rates, the projected deferral account balance at March 31, 2012 is \$68,682 surplus (pre-tax), and the forecast balance at March 31, 2013 is \$437,157 surplus (pre-tax). The rate change trigger ratio is calculated to be 113.4%.

While the results from the propane cost forecast based on NYMEX WTI Light Sweet Crude Oil futures prices provide a rate change trigger ratio that falls just within the 95% to 105% deadband range, the results from the propane cost forecasts based on the other two sets of forward prices provide rate change trigger ratios that fall well outside the 95% to 105% deadband range. Also, all three sets of propane cost forecasts indicate an over recovery of costs at the current propane cost recovery rates, and the calculated rate decrease under each of the three scenarios exceeds the minimum \$0.50/GJ rate change threshold, indicating that a propane rate decrease is required effective April 1, 2012.

As the forecasts based fully on the NYMEX B0 – Mt. Belvieu Propane Swap prices have typically exhibited lower variability from one forward strip date to another, over the short term, than the forecasts based on the NYMEX WTI Light Sweet Crude Oil futures prices, FEI proposes flowing through a decrease to the propane cost recovery rates effective April 1, 2012 based on the NYMEX B0 – Mt. Belvieu Propane Swap prices. Based on the February 17, 2012 forward prices, using the NYMEX B0 – Mt. Belvieu Propane Swap prices, and the 12-month amortization of the projected March 31, 2012 deferral account surplus balance, a decrease in the reference price to \$0.3900/litre (Tab 3, Page 4, Column 2, Line 10) effective April 1, 2012 is calculated.

Further, the Company notes that based on the proposed April 1, 2012 decrease to the Revelstoke propane cost recovery rates and the forecast propane costs beyond the prospective April 2012 to March 2013 twelve-month period, as calculated from the February 17, 2012 forward prices using the NYMEX B0 – Mt. Belvieu Propane Swap prices, the forecast Propane Cost Deferral Account balances would not trigger a further change to the Revelstoke propane cost recovery rates until sometime after first quarter 2013.

The Company hereby requests Commission approval for a decrease in the propane reference price (based on the NYMEX B0 – Mt. Belvieu Propane Swap prices) for use in the Revelstoke Propane Cost Deferral Account from \$0.4423/litre to \$0.3900/litre, which corresponds to a customer rate decrease of \$2.125/GJ, and equates to a burner tip decrease of approximately \$106 per year or 8.4% for a typical Revelstoke residential customer with an average annual consumption of 50 GJ.

For information purposes, the Company provides at Tab 4, Page 1, a summary of the three sets of forward prices as at February 17, 2012. One set is based on the NYMEX WTI Light Sweet Crude Oil futures prices, 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 prices 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 requests Commission approval for a decrease in the propane reference price (based on the NYMEX B0 – Mt. Belvieu Propane Swap prices) for use in the Revelstoke Propane Cost Deferral Account from \$0.4423/litre to \$0.3900/litre which corresponds to a rate decrease of \$2.125/GJ, effective April 1, 2012. The Company will continue to monitor the forward prices and will report these results in the 2012 Second 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 by: Shawn Hill

For: Diane Roy
Attachments

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA

PROPANE COST DEFERRAL ACCOUNT

FOR THE PERIOD ENDING MARCH 31, 2013

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

(FEBRUARY 17, 2012 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	December 31, 2011 Balance (Recorded)						\$97,761
2	January, 2012 (Estimated) ^(A)	1,312,948	\$0.3729	\$0.4423	(\$0.0694)	(\$91,119)	\$6,642
3	February (Projected)	1,041,452	\$0.3916	\$0.4423	(\$0.0507)	(\$52,834)	(\$46,192)
4	March (Projected)	998,646	\$0.3852	\$0.4423	(\$0.0571)	(\$57,045)	(\$103,237)
5	Current Quarter Total	<u>3,353,046</u>				<u>(\$200,998)</u>	
6							
7	<u>Forecast Volumes and Forecast Prices</u>						
8	April 2012 (Forecast)	621,377	\$0.3506	\$0.4423	(\$0.0917)	(\$56,980)	(\$160,217)
9	May (Forecast)	432,226	\$0.3540	\$0.4423	(\$0.0883)	(\$38,166)	(\$198,383)
10	June (Forecast)	267,427	\$0.3601	\$0.4423	(\$0.0822)	(\$21,983)	(\$220,366)
11	July (Forecast)	231,064	\$0.3725	\$0.4423	(\$0.0698)	(\$16,128)	(\$236,494)
12	August (Forecast)	202,336	\$0.3857	\$0.4423	(\$0.0566)	(\$11,452)	(\$247,946)
13	September (Forecast)	297,663	\$0.4060	\$0.4423	(\$0.0363)	(\$10,805)	(\$258,751)
14	October (Forecast)	668,878	\$0.4075	\$0.4423	(\$0.0348)	(\$23,277)	(\$282,028)
15	November (Forecast)	973,031	\$0.4217	\$0.4423	(\$0.0206)	(\$20,044)	(\$302,072)
16	December (Forecast)	1,305,806	\$0.4383	\$0.4423	(\$0.0040)	(\$5,223)	(\$307,295)
17	January, 2013 (Forecast)	1,301,065	\$0.4499	\$0.4423	\$0.0076	\$9,888	(\$297,407)
18	February (Forecast)	1,050,339	\$0.4607	\$0.4423	\$0.0184	\$19,326	(\$278,081)
19	March (Forecast)	<u>1,007,021</u>	\$0.4170	\$0.4423	(\$0.0253)	<u>(\$25,478)</u>	(\$303,559)
20	Total April 2012 to March 2013	<u>8,358,233</u>				<u>(\$200,322)</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]				\$3,696,846		
25	March 31, 2012 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)				\$3,393,308	108.9%	

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 MARCH 31, 2014

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

(FEBRUARY 17, 2012 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	March 2013 Balance (Forecast)						(\$303,559)
2	April (Forecast)	629,072	\$0.3900	\$0.4423	(\$0.0523)	(\$32,900)	(\$336,459)
3	May (Forecast)	435,838	\$0.3849	\$0.4423	(\$0.0574)	(\$25,017)	(\$361,476)
4	June (Forecast)	271,254	\$0.3800	\$0.4423	(\$0.0623)	(\$16,899)	(\$378,375)
5	July (Forecast)	234,416	\$0.3766	\$0.4423	(\$0.0657)	(\$15,401)	(\$393,776)
6	August (Forecast)	205,121	\$0.3885	\$0.4423	(\$0.0538)	(\$11,036)	(\$404,812)
7	September (Forecast)	300,782	\$0.4061	\$0.4423	(\$0.0362)	(\$10,888)	(\$415,700)
8	October (Forecast)	672,712	\$0.4068	\$0.4423	(\$0.0355)	(\$23,881)	(\$439,581)
9	November (Forecast)	979,426	\$0.4229	\$0.4423	(\$0.0194)	(\$19,001)	(\$458,582)
10	December (Forecast)	1,313,011	\$0.4376	\$0.4423	(\$0.0047)	(\$6,171)	(\$464,753)
11	January 2014 (Forecast)	1,311,446	\$0.4454	\$0.4423	\$0.0031	\$4,065	(\$460,688)
12	February (Forecast)	1,060,004	\$0.4492	\$0.4423	\$0.0069	\$7,314	(\$453,374)
13	March (Forecast)	<u>1,016,068</u>	\$0.4074	\$0.4423	(\$0.0349)	<u>(\$35,461)</u>	(\$488,835)
14	Total April 2013 to March 2014	<u>8,429,149</u>				<u>(\$185,276)</u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FORECAST AVERAGE COST OF PROPANE
FOR THE PERIOD ENDING MARCH 31, 2013

(FEBRUARY 17, 2012 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	April 2012 (Forecast)	621,377	-	621,377	\$ -	\$ 0.3506	\$ -	\$ 217,838	\$ 217,838
2	May (Forecast)	432,226	-	432,226	\$ -	\$ 0.3540	\$ -	\$ 153,004	\$ 153,004
3	June (Forecast)	267,427	-	267,427	\$ -	\$ 0.3601	\$ -	\$ 96,312	\$ 96,312
4	July (Forecast)	231,064	-	231,064	\$ -	\$ 0.3725	\$ -	\$ 86,079	\$ 86,079
5	August (Forecast)	202,336	-	202,336	\$ -	\$ 0.3857	\$ -	\$ 78,035	\$ 78,035
6	September (Forecast)	297,663	-	297,663	\$ -	\$ 0.4060	\$ -	\$ 120,838	\$ 120,838
7	October (Forecast)	668,878	-	668,878	\$ -	\$ 0.4075	\$ -	\$ 272,590	\$ 272,590
8	November (Forecast)	973,031	230,000	743,031	\$ 0.4151	\$ 0.4238	\$ 95,483	\$ 314,890	\$ 410,372
9	December (Forecast)	1,305,806	230,000	1,075,806	\$ 0.4151	\$ 0.4433	\$ 95,483	\$ 476,870	\$ 572,353
10	January, 2013 (Forecast)	1,301,065	230,000	1,071,065	\$ 0.4151	\$ 0.4573	\$ 95,483	\$ 489,821	\$ 585,304
11	February (Forecast)	1,050,339	230,000	820,339	\$ 0.4151	\$ 0.4735	\$ 95,483	\$ 388,432	\$ 483,915
12	March (Forecast)	1,007,021	230,000	777,021	\$ 0.4151	\$ 0.4175	\$ 95,483	\$ 324,423	\$ 419,906
13	Total April 2012 to March 2013	8,358,233	1,150,000	7,208,233			\$ 477,414	\$ 3,019,132	\$ 3,496,546
14									
15	Forecast Average Cost of Propane - (\$/Litre)^(A)								\$ 0.4183
16									
17	Forecast Average Cost of Propane - (\$/GJ)^(A)								\$ 16.345
18	(Conversion factor 1 Litre = 0.025594 GJ)								

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

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
CALCULATION OF PROPANE COST DECREASE FLOWTHROUGH
FOR THE PERIOD ENDING MARCH 31, 2013

Tab 1
Page 4

(FEBRUARY 17, 2012 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars (1)	\$/Litre (2)	\$/GJ (3)
1	Calculation of New Propane Reference Price		
2			
3	i. Forecast average Cost of Propane (Tab 1, Page 3, Col.9, Line 15 and Line 17)		
4	April 1 2012 to March 31 2013	\$0.4183	\$16.345
5			
6	ii. Twelve months amortization of projected Deferral Account balance	(\$0.0124)	(\$0.483)
7			
8			
9			
10	Tested Reference Price	\$0.4060	\$15.862
11			
12	Existing Propane Reference Price	<u>\$0.4423</u>	<u>\$17.281</u>
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Decrease in Propane Reference Price to be flowed through in customers' rates	(\$0.0363)	(\$1.418)
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 3.93% ^(A)	(\$0.0014)	(\$0.055)
19			
20	Total Propane Cost Flowthrough ^(B)	<u>(\$0.0377)</u>	<u>(\$1.473)</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 3.93% is based on 2009, 2010, and 2011 data.		
27		<u>Litres</u>	<u>%</u>
28	Sales:	18,923,023	
29			
30	Less: Company Use	4,706	0.02%
31	Propane Used for Vaporizer	256,371	1.35%
32	Unaccounted For	<u>484,170</u>	<u>2.56%</u>
33	Total	<u>745,247</u>	<u>3.93%</u>
34			
35	Note: (B)		
36	Projected Deferral Balance at Mar 31, 2012	(\$0.0124)	(\$0.483)
37	Total Propane Cost Apr 1 2012 to Mar 31, 2013	<u>(\$0.0253)</u>	<u>(\$0.990)</u>
38	Total Propane Cost Flowthrough	<u>(\$0.0377)</u>	<u>(\$1.473)</u>

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA

PROPANE COST DEFERRAL ACCOUNT

FOR THE PERIOD ENDING MARCH 31, 2013

WITH TESTED REFERENCE PRICE EFFECTIVE APRIL 1, 2012

(FEBRUARY 17, 2012 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE SWAP PRICES)

Tab 1

Page 5

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	December 31, 2011 Balance (Recorded)						\$97,761
2	January, 2012 (Estimated) ^(A)	1,312,948	\$0.3729	\$0.4423	(\$0.0694)	(\$91,119)	\$6,642
3	February (Projected)	1,041,452	\$0.3916	\$0.4423	(\$0.0507)	(\$52,834)	(\$46,192)
4	March (Projected)	998,646	\$0.3852	\$0.4423	(\$0.0571)	(\$57,045)	(\$103,237)
5	Current Quarter Total	<u>3,353,046</u>				<u>(\$200,998)</u>	
6							
7				Tested			
8				Reference			
9				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	April 2012 (Forecast)	621,377	\$0.3506	\$0.4060	(\$0.0554)	(\$34,424)	(\$137,661)
12	May (Forecast)	432,226	\$0.3540	\$0.4060	(\$0.0520)	(\$22,476)	(\$160,137)
13	June (Forecast)	267,427	\$0.3601	\$0.4060	(\$0.0459)	(\$12,275)	(\$172,412)
14	July (Forecast)	231,064	\$0.3725	\$0.4060	(\$0.0335)	(\$7,741)	(\$180,153)
15	August (Forecast)	202,336	\$0.3857	\$0.4060	(\$0.0203)	(\$4,107)	(\$184,260)
16	September (Forecast)	297,663	\$0.4060	\$0.4060	\$0.0000	\$0	(\$184,260)
17	October (Forecast)	668,878	\$0.4075	\$0.4060	\$0.0015	\$1,003	(\$183,257)
18	November (Forecast)	973,031	\$0.4217	\$0.4060	\$0.0157	\$15,277	(\$167,980)
19	December (Forecast)	1,305,806	\$0.4383	\$0.4060	\$0.0323	\$42,178	(\$125,802)
20	January, 2013 (Forecast)	1,301,065	\$0.4499	\$0.4060	\$0.0439	\$57,117	(\$68,685)
21	February (Forecast)	1,050,339	\$0.4607	\$0.4060	\$0.0547	\$57,454	(\$11,231)
22	March (Forecast)	1,007,021	\$0.4170	\$0.4060	\$0.0110	\$11,077	(\$154)
23	Total April 2012 to March 2013	<u>8,358,233</u>				<u>\$103,083</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 MARCH 31, 2014

WITH TESTED REFERENCE PRICE EFFECTIVE APRIL 1, 2012

(FEBRUARY 17, 2012 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE SWAP PRICES)

Tab 1

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	March 2013 Balance (Forecast)						(\$154)
2	April (Forecast)	629,072	\$0.3900	\$0.4060	(\$0.0160)	(\$10,065)	(\$10,219)
3	May (Forecast)	435,838	\$0.3849	\$0.4060	(\$0.0211)	(\$9,196)	(\$19,415)
4	June (Forecast)	271,254	\$0.3800	\$0.4060	(\$0.0260)	(\$7,053)	(\$26,468)
5	July (Forecast)	234,416	\$0.3766	\$0.4060	(\$0.0294)	(\$6,892)	(\$33,360)
6	August (Forecast)	205,121	\$0.3885	\$0.4060	(\$0.0175)	(\$3,590)	(\$36,950)
7	September (Forecast)	300,782	\$0.4061	\$0.4060	\$0.0001	\$30	(\$36,920)
8	October (Forecast)	672,712	\$0.4068	\$0.4060	\$0.0008	\$538	(\$36,382)
9	November (Forecast)	979,426	\$0.4229	\$0.4060	\$0.0169	\$16,552	(\$19,830)
10	December (Forecast)	1,313,011	\$0.4376	\$0.4060	\$0.0316	\$41,491	\$21,661
11	January 2014 (Forecast)	1,311,446	\$0.4454	\$0.4060	\$0.0394	\$51,671	\$73,332
12	February (Forecast)	1,060,004	\$0.4492	\$0.4060	\$0.0432	\$45,792	\$119,124
13	March (Forecast)	<u>1,016,068</u>	\$0.4074	\$0.4060	\$0.0014	<u>\$1,422</u>	\$120,546
14	Total April 2013 to March 2014	<u>8,429,149</u>				<u>\$120,700</u>	

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

(FEBRUARY 17, 2012 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	Existing:												
5													
6	Delivery Margin Related Charges												
7	Basic Charge per Day ^(A)	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	\$3.527	\$176.35		250.0 GJ	\$2.896	\$724.00		4,500.0 GJ	\$2.451	\$11,029.50	
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>\$1,270.18</u>		<u>250.0</u> GJ		<u>\$5,508.08</u>		<u>4,500.0</u> GJ		<u>\$93,367.73</u>	
14													
15													
16													
17	Tested Changes January 1, 2012:												
18													
19	Delivery Margin Related Charge (incl. riders) ^(B)		\$0.000	\$0.00	0.0%		\$0.000	\$0.00	0.0%		\$0.000	\$0.00	0.0%
20	Cost of Gas Recovery Related Charge		(\$1.473)	(\$73.65)	(5.8%)		(\$1.473)	(\$368.25)	(6.7%)		(\$1.473)	(\$6,628.50)	(7.1%)
21	Total Charges		(\$1.473)	(\$73.65)	(5.8%)		(\$1.473)	(\$368.25)	(6.7%)		(\$1.473)	(\$6,628.50)	(7.1%)
22													
23	Typical Annual Bill after Tested Rates (excluding any applicable Taxes)			<u>\$1,196.53</u>	(5.8%)			<u>\$5,139.83</u>	(6.7%)			<u>\$86,739.23</u>	(7.1%)
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 MARCH 31, 2013

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

(FEBRUARY 17, 2012 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	December 31, 2011 Balance (Recorded)						\$97,761
2	January, 2012 (Estimated) ^(A)	1,312,948	\$0.3729	\$0.4423	(\$0.0694)	(\$91,119)	\$6,642
3	February (Projected)	1,041,452	\$0.3644	\$0.4423	(\$0.0779)	(\$81,114)	(\$74,472)
4	March (Projected)	998,646	\$0.3789	\$0.4423	(\$0.0634)	(\$63,320)	(\$137,792)
5	Current Quarter Total	<u>3,353,046</u>				<u>(\$235,553)</u>	
6							
7	Forecast Volumes and Forecast Prices						
8	April 2012 (Forecast)	621,377	\$0.3452	\$0.4423	(\$0.0971)	(\$60,336)	(\$198,128)
9	May (Forecast)	432,226	\$0.3543	\$0.4423	(\$0.0880)	(\$38,036)	(\$236,164)
10	June (Forecast)	267,427	\$0.3558	\$0.4423	(\$0.0865)	(\$23,132)	(\$259,296)
11	July (Forecast)	231,064	\$0.3733	\$0.4423	(\$0.0690)	(\$15,943)	(\$275,239)
12	August (Forecast)	202,336	\$0.3919	\$0.4423	(\$0.0504)	(\$10,198)	(\$285,437)
13	September (Forecast)	297,663	\$0.4336	\$0.4423	(\$0.0087)	(\$2,590)	(\$288,027)
14	October (Forecast)	668,878	\$0.4351	\$0.4423	(\$0.0072)	(\$4,816)	(\$292,843)
15	November (Forecast)	973,031	\$0.4389	\$0.4423	(\$0.0034)	(\$3,308)	(\$296,151)
16	December (Forecast)	1,305,806	\$0.4670	\$0.4423	\$0.0247	\$32,253	(\$263,898)
17	January, 2013 (Forecast)	1,301,065	\$0.4757	\$0.4423	\$0.0334	\$43,456	(\$220,442)
18	February (Forecast)	1,050,339	\$0.5035	\$0.4423	\$0.0612	\$64,281	(\$156,161)
19	March (Forecast)	<u>1,007,021</u>	\$0.4288	\$0.4423	(\$0.0135)	<u>(\$13,595)</u>	(\$169,756)
20	Total April 2012 to March 2013	<u>8,358,233</u>				<u>(\$31,964)</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]					\$3,696,846	
25	March 31, 2012 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)					\$3,526,951	104.8%

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 MARCH 31, 2014

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

(FEBRUARY 17, 2012 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	March 2013 Balance (Forecast)						(\$169,756)
2	April (Forecast)	629,072	\$0.4002	\$0.4423	(\$0.0421)	(\$26,484)	(\$196,240)
3	May (Forecast)	435,838	\$0.3974	\$0.4423	(\$0.0449)	(\$19,569)	(\$215,809)
4	June (Forecast)	271,254	\$0.3825	\$0.4423	(\$0.0598)	(\$16,221)	(\$232,030)
5	July (Forecast)	234,416	\$0.3683	\$0.4423	(\$0.0740)	(\$17,347)	(\$249,377)
6	August (Forecast)	205,121	\$0.3848	\$0.4423	(\$0.0575)	(\$11,794)	(\$261,171)
7	September (Forecast)	300,782	\$0.4229	\$0.4423	(\$0.0194)	(\$5,835)	(\$267,006)
8	October (Forecast)	672,712	\$0.4231	\$0.4423	(\$0.0192)	(\$12,916)	(\$279,922)
9	November (Forecast)	979,426	\$0.4313	\$0.4423	(\$0.0110)	(\$10,774)	(\$290,696)
10	December (Forecast)	1,313,011	\$0.4565	\$0.4423	\$0.0142	\$18,645	(\$272,051)
11	January 2014 (Forecast)	1,311,446	\$0.4638	\$0.4423	\$0.0215	\$28,196	(\$243,855)
12	February (Forecast)	1,060,004	\$0.4834	\$0.4423	\$0.0411	\$43,566	(\$200,289)
13	March (Forecast)	<u>1,016,068</u>	<u>\$0.4123</u>	<u>\$0.4423</u>	<u>(\$0.0300)</u>	<u>(\$30,482)</u>	<u>(\$230,771)</u>
14	Total April 2013 to March 2014	<u><u>8,429,149</u></u>				<u><u>(\$61,015)</u></u>	

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

**FORECAST AVERAGE COST OF PROPANE
FOR THE PERIOD ENDING MARCH 31, 2013**

(FEBRUARY 17, 2012 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	April 2012 (Forecast)	621,377	-	621,377	\$ -	\$ 0.3452	\$ -	\$ 214,492	\$ 214,492
2	May (Forecast)	432,226	-	432,226	\$ -	\$ 0.3543	\$ -	\$ 153,157	\$ 153,157
3	June (Forecast)	267,427	-	267,427	\$ -	\$ 0.3558	\$ -	\$ 95,146	\$ 95,146
4	July (Forecast)	231,064	-	231,064	\$ -	\$ 0.3733	\$ -	\$ 86,263	\$ 86,263
5	August (Forecast)	202,336	-	202,336	\$ -	\$ 0.3919	\$ -	\$ 79,303	\$ 79,303
6	September (Forecast)	297,663	-	297,663	\$ -	\$ 0.4336	\$ -	\$ 129,081	\$ 129,081
7	October (Forecast)	668,878	-	668,878	\$ -	\$ 0.4351	\$ -	\$ 291,007	\$ 291,007
8	November (Forecast)	973,031	230,000	743,031	\$ 0.4151	\$ 0.4462	\$ 95,483	\$ 331,549	\$ 427,031
9	December (Forecast)	1,305,806	230,000	1,075,806	\$ 0.4151	\$ 0.4781	\$ 95,483	\$ 514,327	\$ 609,809
10	January, 2013 (Forecast)	1,301,065	230,000	1,071,065	\$ 0.4151	\$ 0.4887	\$ 95,483	\$ 523,395	\$ 618,878
11	February (Forecast)	1,050,339	230,000	820,339	\$ 0.4151	\$ 0.5282	\$ 95,483	\$ 433,312	\$ 528,795
12	March (Forecast)	<u>1,007,021</u>	<u>230,000</u>	<u>777,021</u>	\$ 0.4151	\$ 0.4328	\$ 95,483	\$ 336,296	\$ 431,779
13	Total April 2012 to March 2013	<u>8,358,233</u>	<u>1,150,000</u>	<u>7,208,233</u>			<u>\$ 477,414</u>	<u>\$ 3,187,329</u>	<u>\$ 3,664,743</u>
14									
15	Forecast Average Cost of Propane - (\$/Litre)^(A)								<u>\$ 0.4385</u>
16									
17	Forecast Average Cost of Propane - (\$/GJ)^(A)								<u>\$ 17.131</u>
18	(Conversion factor 1 Litre = 0.025594 GJ)								

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

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
CALCULATION OF PROPANE COST DECREASE FLOWTHROUGH
FOR THE PERIOD ENDING MARCH 31, 2013

Tab 2
Page 4

(FEBRUARY 17, 2012 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

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	April 1 2012 to March 31 2013	\$0.4385	\$17.131
5			
6	ii. Twelve months amortization of projected Deferral Account balance	(\$0.0165)	(\$0.644)
7			
8			
9			
10	Tested Reference Price	\$0.4220	\$16.487
11			
12	Existing Propane Reference Price	<u>\$0.4423</u>	<u>\$17.281</u>
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Decrease in Propane Reference Price to be flowed through in customers' rates	(\$0.0203)	(\$0.793)
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 3.93% ^(A)	(\$0.0008)	(\$0.031)
19			
20	Total Propane Cost Flowthrough ^(B)	<u>(\$0.0211)</u>	<u>(\$0.824)</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 3.93% is based on 2009, 2010, and 2011 data.		
27		<u>Litres</u>	<u>%</u>
28	Sales	18,923,023	
29			
30	Less: Company Use	4,706	0.02%
31	Propane Used for Vaporizer	256,371	1.35%
32	Unaccounted For	<u>484,170</u>	<u>2.56%</u>
33	Total	<u><u>745,247</u></u>	<u><u>3.93%</u></u>
34			
35	Note: (B)		
36	Projected Deferral Balance at Mar 31, 2012	(\$0.0165)	(\$0.644)
37	Total Propane Cost Apr 1 2012 to Mar 31, 2013	<u>(\$0.0046)</u>	<u>(\$0.180)</u>
38	Total Propane Cost Flowthrough	<u><u>(\$0.0211)</u></u>	<u><u>(\$0.824)</u></u>

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA

PROPANE COST DEFERRAL ACCOUNT

FOR THE PERIOD ENDING MARCH 31, 2013

WITH TESTED REFERENCE PRICE EFFECTIVE APRIL 1, 2012

(FEBRUARY 17, 2012 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

Tab 2

Page 5

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 31, 2011 Balance (Recorded)						\$97,761
2	January, 2012 (Estimated) ^(A)	1,312,948	\$0.3729	\$0.4423	(\$0.0694)	(\$91,119)	\$6,642
3	February (Projected)	1,041,452	\$0.3644	\$0.4423	(\$0.0779)	(\$81,114)	(\$74,472)
4	March (Projected)	998,646	\$0.3789	\$0.4423	(\$0.0634)	(\$63,320)	(\$137,792)
5	Current Quarter Total	<u>3,353,046</u>				<u>(\$235,553)</u>	
6							
7							
8							
9							
10	<u>Forecast Volumes and Forecast Prices</u>						
11	April 2012 (Forecast)	621,377	\$0.3452	\$0.4220	(\$0.0768)	(\$47,722)	(\$185,514)
12	May (Forecast)	432,226	\$0.3543	\$0.4220	(\$0.0677)	(\$29,262)	(\$214,776)
13	June (Forecast)	267,427	\$0.3558	\$0.4220	(\$0.0662)	(\$17,704)	(\$232,480)
14	July (Forecast)	231,064	\$0.3733	\$0.4220	(\$0.0487)	(\$11,253)	(\$243,733)
15	August (Forecast)	202,336	\$0.3919	\$0.4220	(\$0.0301)	(\$6,090)	(\$249,823)
16	September (Forecast)	297,663	\$0.4336	\$0.4220	\$0.0116	\$3,453	(\$246,370)
17	October (Forecast)	668,878	\$0.4351	\$0.4220	\$0.0131	\$8,762	(\$237,608)
18	November (Forecast)	973,031	\$0.4389	\$0.4220	\$0.0169	\$16,444	(\$221,164)
19	December (Forecast)	1,305,806	\$0.4670	\$0.4220	\$0.0450	\$58,761	(\$162,403)
20	January, 2013 (Forecast)	1,301,065	\$0.4757	\$0.4220	\$0.0537	\$69,867	(\$92,536)
21	February (Forecast)	1,050,339	\$0.5035	\$0.4220	\$0.0815	\$85,603	(\$6,933)
22	March (Forecast)	1,007,021	\$0.4288	\$0.4220	\$0.0068	\$6,848	(\$85)
23	Total April 2012 to March 2013	<u>8,358,233</u>				<u>\$137,707</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 MARCH 31, 2014
WITH TESTED REFERENCE PRICE EFFECTIVE APRIL 1, 2012**

(FEBRUARY 17, 2012 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

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	March 2013 Balance (Forecast)						(\$85)
2	April (Forecast)	629,072	\$0.4002	\$0.4220	(\$0.0218)	(\$13,714)	(\$13,799)
3	May (Forecast)	435,838	\$0.3974	\$0.4220	(\$0.0246)	(\$10,722)	(\$24,521)
4	June (Forecast)	271,254	\$0.3825	\$0.4220	(\$0.0395)	(\$10,715)	(\$35,236)
5	July (Forecast)	234,416	\$0.3683	\$0.4220	(\$0.0537)	(\$12,588)	(\$47,824)
6	August (Forecast)	205,121	\$0.3848	\$0.4220	(\$0.0372)	(\$7,631)	(\$55,455)
7	September (Forecast)	300,782	\$0.4229	\$0.4220	\$0.0009	\$271	(\$55,184)
8	October (Forecast)	672,712	\$0.4231	\$0.4220	\$0.0011	\$740	(\$54,444)
9	November (Forecast)	979,426	\$0.4313	\$0.4220	\$0.0093	\$9,109	(\$45,335)
10	December (Forecast)	1,313,011	\$0.4565	\$0.4220	\$0.0345	\$45,299	(\$36)
11	January 2014 (Forecast)	1,311,446	\$0.4638	\$0.4220	\$0.0418	\$54,818	\$54,782
12	February (Forecast)	1,060,004	\$0.4834	\$0.4220	\$0.0614	\$65,084	\$119,866
13	March (Forecast)	<u>1,016,068</u>	\$0.4123	\$0.4220	(\$0.0097)	<u>(\$9,856)</u>	\$110,010
14	Total April 2013 to March 2014	<u><u>8,429,149</u></u>				<u><u>\$110,095</u></u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
APRIL 1, 2012 TESTED PROPANE COST INCREASE
TYPICAL ANNUAL CONSUMPTION
(FEBRUARY 17, 2012 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 ^(A)	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	\$3.527	\$176.35		250.0 GJ	\$2.896	\$724.00		4,500.0 GJ	\$2.451	\$11,029.50	
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>\$1,270.18</u>		<u>250.0</u>		<u>\$5,508.08</u>		<u>4,500.0</u>		<u>\$93,367.73</u>	
14													
15													
16													
17	Tested Changes January 1, 2012:												
18													
19	Delivery Margin Related Charge (incl. riders) ^(B)		\$0.000	\$0.00	0.0%		\$0.000	\$0.00	0.0%		\$0.000	\$0.00	0.0%
20	Cost of Gas Recovery Related Charge		<u>(\$0.824)</u>	<u>(\$41.20)</u>	<u>(3.2%)</u>		<u>(\$0.824)</u>	<u>(\$206.00)</u>	<u>(3.7%)</u>		<u>(\$0.824)</u>	<u>(\$3,708.00)</u>	<u>(4.0%)</u>
21	Total Charges		<u>(\$0.824)</u>	<u>(\$41.20)</u>	<u>(3.2%)</u>		<u>(\$0.824)</u>	<u>(\$206.00)</u>	<u>(3.7%)</u>		<u>(\$0.824)</u>	<u>(\$3,708.00)</u>	<u>(4.0%)</u>
22													
23	Typical Annual Bill after Tested Rates (excluding any applicable Taxes)			<u>\$1,228.98</u>	<u>(3.2%)</u>			<u>\$5,302.08</u>	<u>(3.7%)</u>			<u>\$89,659.73</u>	<u>(4.0%)</u>
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 MARCH 31, 2013**

**WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-105-11)
(FEBRUARY 17, 2012 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	December 31, 2011 Balance (Recorded)						\$97,761
2	January, 2012 (Estimated ^(A))	1,312,948	\$0.3729	\$0.4423	(\$0.0694)	(\$91,119)	\$6,642
3	February (Projected)	1,041,452	\$0.4187	\$0.4423	(\$0.0236)	(\$24,554)	(\$17,912)
4	March (Projected)	998,646	\$0.3915	\$0.4423	(\$0.0508)	(\$50,770)	(\$68,682)
5	Current Quarter Total	<u>3,353,046</u>				<u>(\$166,443)</u>	
6							
7	Forecast Volumes and Forecast Prices						
8	April 2012 (Forecast)	621,377	\$0.3560	\$0.4423	(\$0.0863)	(\$53,625)	(\$122,307)
9	May (Forecast)	432,226	\$0.3536	\$0.4423	(\$0.0887)	(\$38,338)	(\$160,645)
10	June (Forecast)	267,427	\$0.3645	\$0.4423	(\$0.0778)	(\$20,806)	(\$181,451)
11	July (Forecast)	231,064	\$0.3717	\$0.4423	(\$0.0706)	(\$16,313)	(\$197,764)
12	August (Forecast)	202,336	\$0.3794	\$0.4423	(\$0.0629)	(\$12,727)	(\$210,491)
13	September (Forecast)	297,663	\$0.3783	\$0.4423	(\$0.0640)	(\$19,050)	(\$229,541)
14	October (Forecast)	668,878	\$0.3800	\$0.4423	(\$0.0623)	(\$41,671)	(\$271,212)
15	November (Forecast)	973,031	\$0.4046	\$0.4423	(\$0.0377)	(\$36,683)	(\$307,895)
16	December (Forecast)	1,305,806	\$0.4096	\$0.4423	(\$0.0327)	(\$42,700)	(\$350,595)
17	January, 2013 (Forecast)	1,301,065	\$0.4241	\$0.4423	(\$0.0182)	(\$23,679)	(\$374,274)
18	February (Forecast)	1,050,339	\$0.4180	\$0.4423	(\$0.0243)	(\$25,523)	(\$399,797)
19	March (Forecast)	<u>1,007,021</u>	\$0.4052	\$0.4423	(\$0.0371)	<u>(\$37,360)</u>	(\$437,157)
20	Total April 2012 to March 2013	<u>8,358,233</u>				<u>(\$368,475)</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]					\$3,696,846	
25	March 31, 2012 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)					\$3,259,666	113.4%

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 MARCH 31, 2014

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

(FEBRUARY 17, 2012 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	March 2013 Balance (Forecast)						(\$437,157)
2	April (Forecast)	629,072	\$0.3797	\$0.4423	(\$0.0626)	(\$39,380)	(\$476,537)
3	May (Forecast)	435,838	\$0.3725	\$0.4423	(\$0.0698)	(\$30,422)	(\$506,959)
4	June (Forecast)	271,254	\$0.3775	\$0.4423	(\$0.0648)	(\$17,577)	(\$524,536)
5	July (Forecast)	234,416	\$0.3848	\$0.4423	(\$0.0575)	(\$13,479)	(\$538,015)
6	August (Forecast)	205,121	\$0.3921	\$0.4423	(\$0.0502)	(\$10,297)	(\$548,312)
7	September (Forecast)	300,782	\$0.3893	\$0.4423	(\$0.0530)	(\$15,941)	(\$564,253)
8	October (Forecast)	672,712	\$0.3905	\$0.4423	(\$0.0518)	(\$34,846)	(\$599,099)
9	November (Forecast)	979,426	\$0.4144	\$0.4423	(\$0.0279)	(\$27,326)	(\$626,425)
10	December (Forecast)	1,313,011	\$0.4188	\$0.4423	(\$0.0235)	(\$30,856)	(\$657,281)
11	January 2014 (Forecast)	1,311,446	\$0.4269	\$0.4423	(\$0.0154)	(\$20,196)	(\$677,477)
12	February (Forecast)	1,060,004	\$0.4149	\$0.4423	(\$0.0274)	(\$29,044)	(\$706,521)
13	March (Forecast)	<u>1,016,068</u>	<u>\$0.4024</u>	<u>\$0.4423</u>	<u>(\$0.0399)</u>	<u>(\$40,541)</u>	<u>(\$747,062)</u>
14	Total April 2013 to March 2014	<u>8,429,149</u>				<u>(\$309,905)</u>	

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

Tab 3

Page 3

**FORECAST AVERAGE COST OF PROPANE
FOR THE PERIOD ENDING MARCH 31, 2013**

(FEBRUARY 17, 2012 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	April 2012 (Forecast)	621,377	-	621,377	\$ -	\$ 0.3560	\$ -	\$ 221,183	\$ 221,183
2	May (Forecast)	432,226	-	432,226	\$ -	\$ 0.3536	\$ -	\$ 152,852	\$ 152,852
3	June (Forecast)	267,427	-	267,427	\$ -	\$ 0.3645	\$ -	\$ 97,477	\$ 97,477
4	July (Forecast)	231,064	-	231,064	\$ -	\$ 0.3717	\$ -	\$ 85,894	\$ 85,894
5	August (Forecast)	202,336	-	202,336	\$ -	\$ 0.3794	\$ -	\$ 76,767	\$ 76,767
6	September (Forecast)	297,663	-	297,663	\$ -	\$ 0.3783	\$ -	\$ 112,594	\$ 112,594
7	October (Forecast)	668,878	-	668,878	\$ -	\$ 0.3800	\$ -	\$ 254,173	\$ 254,173
8	November (Forecast)	973,031	230,000	743,031	\$ 0.4151	\$ 0.4014	\$ 95,483	\$ 298,231	\$ 393,714
9	December (Forecast)	1,305,806	230,000	1,075,806	\$ 0.4151	\$ 0.4085	\$ 95,483	\$ 439,413	\$ 534,896
10	January, 2013 (Forecast)	1,301,065	230,000	1,071,065	\$ 0.4151	\$ 0.4260	\$ 95,483	\$ 456,247	\$ 551,730
11	February (Forecast)	1,050,339	230,000	820,339	\$ 0.4151	\$ 0.4188	\$ 95,483	\$ 343,553	\$ 439,036
12	March (Forecast)	1,007,021	230,000	777,021	\$ 0.4151	\$ 0.4022	\$ 95,483	\$ 312,550	\$ 408,033
13	Total April 2012 to March 2013	8,358,233	1,150,000	7,208,233			\$ 477,414	\$ 2,850,934	\$ 3,328,348
14									
15	Forecast Average Cost of Propane - (\$/Litre) ^(A)								\$ 0.3982
16									
17	Forecast Average Cost of Propane - (\$/GJ) ^(A)								\$ 15.559
18	(Conversion factor 1 Litre = 0.025594 GJ)								

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

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
CALCULATION OF PROPANE COST DECREASE FLOWTHROUGH
FOR THE PERIOD ENDING MARCH 31, 2013

Tab 3
Page 4

(FEBRUARY 17, 2012 FORWARD PRICES BASED ON NYMEX 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	April 1 2012 to March 31 2013	\$0.3982	\$15.559
5			
6	ii. Twelve months amortization of projected Deferral Account balance	(<u>\$0.0082</u>)	(<u>\$0.321</u>)
7			
8			
9			
10	Proposed Reference Price	\$0.3900	\$15.238
11			
12	Existing Propane Reference Price	<u>\$0.4423</u>	<u>\$17.281</u>
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Decrease in Propane Reference Price to be flowed through in customers' rates	(\$0.0523)	(\$2.043)
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 3.93% ^(A)	(\$0.0021)	(\$0.082)
19			
20	Total Propane Cost Flowthrough ^(B)	<u>(\$0.0544)</u>	<u>(\$2.125)</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 3.93% is based on 2009, 2010, and 2011 data.		
27		<u>Litres</u>	<u>%</u>
28	Sales	18,923,023	
29			
30	Less: Company Use	4,706	0.02%
31	Propane Used for Vaporizer	256,371	1.35%
32	Unaccounted For	<u>484,170</u>	<u>2.56%</u>
33	Total	<u><u>745,247</u></u>	<u><u>3.93%</u></u>
34			
35	Note: (B)		
36	Projected Deferral Balance at Mar 31, 2012	(\$0.0082)	(\$0.321)
37	Total Propane Cost Apr 1 2012 to Mar 31, 2013	<u>(\$0.0462)</u>	<u>(\$1.804)</u>
38	Total Propane Cost Flowthrough	<u>(\$0.0544)</u>	<u>(\$2.125)</u>

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING MARCH 31, 2013
WITH TESTED REFERENCE PRICE EFFECTIVE APRIL 1, 2012

(FEBRUARY 17, 2012 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 31, 2011 Balance (Recorded)						\$97,761
2	January, 2012 (Estimated) ^(A)	1,312,948	\$0.3729	\$0.4423	(\$0.0694)	(\$91,119)	\$6,642
3	February (Projected)	1,041,452	\$0.4187	\$0.4423	(\$0.0236)	(\$24,554)	(\$17,912)
4	March (Projected)	998,646	\$0.3915	\$0.4423	(\$0.0508)	(\$50,770)	(\$68,682)
5	Current Quarter Total	<u>3,353,046</u>				<u>(\$166,443)</u>	
6							
7							
8				Tested			
9				Reference			
10				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	April 2012 (Forecast)	621,377	\$0.3560	\$0.3900	(\$0.0340)	(\$21,127)	(\$89,809)
12	May (Forecast)	432,226	\$0.3536	\$0.3900	(\$0.0364)	(\$15,733)	(\$105,542)
13	June (Forecast)	267,427	\$0.3645	\$0.3900	(\$0.0255)	(\$6,819)	(\$112,361)
14	July (Forecast)	231,064	\$0.3717	\$0.3900	(\$0.0183)	(\$4,228)	(\$116,589)
15	August (Forecast)	202,336	\$0.3794	\$0.3900	(\$0.0106)	(\$2,145)	(\$118,734)
16	September (Forecast)	297,663	\$0.3783	\$0.3900	(\$0.0117)	(\$3,483)	(\$122,217)
17	October (Forecast)	668,878	\$0.3800	\$0.3900	(\$0.0100)	(\$6,689)	(\$128,906)
18	November (Forecast)	973,031	\$0.4046	\$0.3900	\$0.0146	\$14,206	(\$114,700)
19	December (Forecast)	1,305,806	\$0.4096	\$0.3900	\$0.0196	\$25,594	(\$89,106)
20	January, 2013 (Forecast)	1,301,065	\$0.4241	\$0.3900	\$0.0341	\$44,366	(\$44,740)
21	February (Forecast)	1,050,339	\$0.4180	\$0.3900	\$0.0280	\$29,409	(\$15,331)
22	March (Forecast)	1,007,021	\$0.4052	\$0.3900	\$0.0152	\$15,307	(\$24)
23	Total April 2012 to March 2013	<u>8,358,233</u>				<u>\$68,658</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 MARCH 31, 2014

WITH TESTED REFERENCE PRICE EFFECTIVE APRIL 1, 2012

(FEBRUARY 17, 2012 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Tab 3

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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	March 2013 Balance (Forecast)						(\$24)
2	April (Forecast)	629,072	\$0.3797	\$0.3900	(\$0.0103)	(\$6,479)	(\$6,503)
3	May (Forecast)	435,838	\$0.3725	\$0.3900	(\$0.0175)	(\$7,627)	(\$14,130)
4	June (Forecast)	271,254	\$0.3775	\$0.3900	(\$0.0125)	(\$3,391)	(\$17,521)
5	July (Forecast)	234,416	\$0.3848	\$0.3900	(\$0.0052)	(\$1,219)	(\$18,740)
6	August (Forecast)	205,121	\$0.3921	\$0.3900	\$0.0021	\$431	(\$18,309)
7	September (Forecast)	300,782	\$0.3893	\$0.3900	(\$0.0007)	(\$211)	(\$18,520)
8	October (Forecast)	672,712	\$0.3905	\$0.3900	\$0.0005	\$336	(\$18,184)
9	November (Forecast)	979,426	\$0.4144	\$0.3900	\$0.0244	\$23,898	\$5,714
10	December (Forecast)	1,313,011	\$0.4188	\$0.3900	\$0.0288	\$37,815	\$43,529
11	January 2014 (Forecast)	1,311,446	\$0.4269	\$0.3900	\$0.0369	\$48,392	\$91,921
12	February (Forecast)	1,060,004	\$0.4149	\$0.3900	\$0.0249	\$26,394	\$118,315
13	March (Forecast)	<u>1,016,068</u>	\$0.4024	\$0.3900	\$0.0124	<u>\$12,599</u>	\$130,914
14	Total April 2013 to March 2014	<u><u>8,429,149</u></u>				<u><u>\$130,938</u></u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
APRIL 1, 2012 TESTED PROPANE COST INCREASE
TYPICAL ANNUAL CONSUMPTION
(FEBRUARY 17, 2012 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 ^(A)	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	\$3.527	\$176.35		250.0	\$2.896	\$724.00		4,500.0	\$2.451	\$11,029.50	
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>\$1,270.18</u>		<u>250.0</u>		<u>\$5,508.08</u>		<u>4,500.0</u>		<u>\$93,367.73</u>	
14													
15													
16													
17	Tested Changes January 1, 2012:												
18													
19	Delivery Margin Related Charge (incl. riders) ^(B)		\$0.000	\$0.00	0.0%		\$0.000	\$0.00	0.0%		\$0.000	\$0.00	0.0%
20	Cost of Gas Recovery Related Charge		(\$2.125)	(\$106.25)	(8.4%)		(\$2.125)	(\$531.25)	(9.6%)		(\$2.125)	(\$9,562.50)	(10.2%)
21	Total Charges		(\$2.125)	(\$106.25)	(8.4%)		(\$2.125)	(\$531.25)	(9.6%)		(\$2.125)	(\$9,562.50)	(10.2%)
22													
23	Typical Annual Bill after Tested Rates (excluding any applicable Taxes)			<u>\$1,163.93</u>	(8.4%)			<u>\$4,976.83</u>	(9.6%)			<u>\$83,805.23</u>	(10.2%)
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. - INLAND SERVICE AREA (APPLICABLE TO REVELSTOKE CUSTOMERS)
EFFECT ON REVELSTOKE RATE SCHEDULE 1, 2, AND 3 CUSTOMERS AS OF APRIL 1, 2012 RATE CHANGES
BCUC ORDER NO. G-105-11 & G-177-11**

Line No.	PARTICULARS	EXISTING OCT 1, 2011 RATES			PROPOSED APR 1, 2012 RATES			Increase / Decrease		% of Previous Annual Bill
		Volume	Rate	Annual \$	Volume	Rate	Annual \$	Rate	Annual \$	
1	INLAND SERVICE AREA									
2										
3	Rate 1 - Residential									
4	<u>Delivery Margin Related Charges</u>									
5	Basic Charge per day	365.25	days x \$0.3890	= \$142.08	365.25	days x \$0.3890	= \$142.08	\$0.0000	\$0.00	0.00%
6										
7	Delivery Charge	50.0	GJ x \$3.559	= 177.9500	50.0	GJ x \$3.559	= 177.9500	\$0.000	0.0000	0.00%
8	Rider 3 ESM	50.0	GJ x \$0.000	= 0.00	50.0	GJ x \$0.000	= 0.0000	\$0.000	0.0000	0.00%
9	Rider 5 RSAM	50.0	GJ x (\$0.032)	= (1.6000)	50.0	GJ x (\$0.032)	= (1.6000)	\$0.000	0.0000	0.00%
10	Subtotal Delivery Margin Related Charges			<u>\$318.43</u>			<u>\$318.43</u>		<u>\$0.00</u>	<u>0.00%</u>
11										
12	<u>Commodity Related Charges</u>									
13	Midstream Cost Recovery Charge	50.0	GJ x \$1.398	= \$69.9000	50.0	GJ x \$1.398	= \$69.9000	\$0.000	\$0.0000	0.00%
14	Rider 6	50.0	GJ x \$0.000	= 0.0000	50.0	GJ x \$0.000	= 0.0000	\$0.000	0.0000	0.00%
15	Midstream Related Charges Subtotal			<u>\$69.90</u>			<u>\$69.90</u>		<u>\$0.00</u>	<u>0.00%</u>
16										
17	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%
18	Rider 1 Propane Surcharge	50.0	GJ x \$13.632	= 681.6000	50.0	GJ x \$11.507	= 575.3500	(\$2.125)	(106.2500)	-8.36%
19	Subtotal Commodity Related Charges			<u>\$951.75</u>			<u>\$845.50</u>		<u>(\$106.25)</u>	<u>-8.36%</u>
20										
21	<i>Total (with effective \$/GJ rate)</i>	<u>50.0</u>	<u>\$25.404</u>	<u>\$1,270.18</u>	<u>50.0</u>	<u>\$23.279</u>	<u>\$1,163.93</u>	<u>(\$2.125)</u>	<u>(\$106.25)</u>	<u>-8.36%</u>
22										
23	Rate 2 - Small Commercial									
24	<u>Delivery Margin Related Charges</u>									
25	Basic Charge per day	365.25	days x \$0.8161	= \$298.08	365.25	days x \$0.8161	= \$298.08	\$0.0000	\$0.00	0.00%
26										
27	Delivery Charge	250.0	GJ x \$2.928	= 732.0000	250.0	GJ x \$2.928	= 732.0000	\$0.000	0.0000	0.00%
28	Rider 3 ESM	250.0	GJ x \$0.000	= 0.00	250.0	GJ x \$0.000	= 0.0000	\$0.000	0.0000	0.00%
29	Rider 5 RSAM	250.0	GJ x (\$0.032)	= (8.0000)	250.0	GJ x (\$0.032)	= (8.0000)	\$0.000	0.0000	0.00%
30	Subtotal Delivery Margin Related Charges			<u>\$1,022.08</u>			<u>\$1,022.08</u>		<u>\$0.00</u>	<u>0.00%</u>
31										
32	<u>Commodity Related Charges</u>									
33	Midstream Cost Recovery Charge	250.0	GJ x \$1.385	= \$346.2500	250.0	GJ x \$1.385	= \$346.2500	\$0.000	\$0.0000	0.00%
34	Rider 6	250.0	GJ x \$0.000	= 0.0000	250.0	GJ x \$0.000	= 0.0000	\$0.000	0.0000	0.00%
35	Midstream Related Charges Subtotal			<u>\$346.25</u>			<u>\$346.25</u>		<u>\$0.00</u>	<u>0.00%</u>
36										
37	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%
38	Rider 1 Propane Surcharge	250.0	GJ x \$12.554	= 3,138.5000	250.0	GJ x \$10.429	= 2,607.2500	(\$2.125)	(531.2500)	-9.64%
39	Subtotal Commodity Related Charges			<u>\$4,486.00</u>			<u>\$3,954.75</u>		<u>(\$531.25)</u>	<u>-9.64%</u>
40										
41	<i>Total (with effective \$/GJ rate)</i>	<u>250.0</u>	<u>\$22.032</u>	<u>\$5,508.08</u>	<u>250.0</u>	<u>\$19.907</u>	<u>\$4,976.83</u>	<u>(\$2.125)</u>	<u>(\$531.25)</u>	<u>-9.64%</u>
42										
43	Rate 3 - Large Commercial									
44	<u>Delivery Margin Related Charges</u>									
45	Basic Charge per day	365.25	days x \$4.3538	= \$1,590.23	365.25	days x \$4.3538	= \$1,590.23	\$0.0000	\$0.00	0.00%
46										
47	Delivery Charge	4,500.0	GJ x \$2.483	= 11,173.5000	4,500.0	GJ x \$2.483	= 11,173.5000	\$0.000	0.0000	0.00%
48	Rider 3 ESM	4,500.0	GJ x \$0.000	= 0.00	4,500.0	GJ x \$0.000	= 0.0000	\$0.000	0.0000	0.00%
49	Rider 5 RSAM	4,500.0	GJ x (\$0.032)	= (144.0000)	4,500.0	GJ x (\$0.032)	= (144.0000)	\$0.000	0.0000	0.00%
50	Subtotal Delivery Margin Related Charges			<u>\$12,619.73</u>			<u>\$12,619.73</u>		<u>\$0.00</u>	<u>0.00%</u>
51										
52	<u>Commodity Related Charges</u>									
53	Midstream Cost Recovery Charge	4,500.0	GJ x \$1.077	= \$4,846.5000	4,500.0	GJ x \$1.077	= \$4,846.5000	\$0.000	\$0.0000	0.00%
54	Rider 6	4,500.0	GJ x \$0.000	= 0.0000	4,500.0	GJ x \$0.000	= 0.0000	\$0.000	0.0000	0.00%
55	Midstream Related Charges Subtotal			<u>\$4,846.50</u>			<u>\$4,846.50</u>		<u>\$0.00</u>	<u>0.00%</u>
56										
57	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%
58	Rider 1 Propane Surcharge	4,500.0	GJ x \$12.862	= 57,879.0000	4,500.0	GJ x \$10.737	= 48,316.5000	(\$2.125)	(9,562.5000)	-10.24%
59	Subtotal Commodity Related Charges			<u>\$80,748.00</u>			<u>\$71,185.50</u>		<u>(\$9,562.50)</u>	<u>-10.24%</u>
60										
61	<i>Total (with effective \$/GJ rate)</i>	<u>4,500.0</u>	<u>\$20.748</u>	<u>\$93,367.73</u>	<u>4,500.0</u>	<u>\$18.623</u>	<u>\$83,805.23</u>	<u>(\$2.125)</u>	<u>(\$9,562.50)</u>	<u>-10.24%</u>

Notes: 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

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE FLOATING PRICES
Forward Prices: FEBRUARY 17, 2012

Tab 4
Page 1

CRUDE OIL FUTURES		
Month	Crude Oil Future Prices (US \$ per Barrel)	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Apr-12	\$103.60	\$0.3452
May-12	\$104.06	\$0.3543
Jun-12	\$104.52	\$0.3558
Jul-12	\$104.88	\$0.3733
Aug-12	\$105.00	\$0.3919
Sep-12	\$105.04	\$0.4336
Oct-12	\$105.05	\$0.4351
Nov-12	\$105.05	\$0.4389
Dec-12	\$105.05	\$0.4670
Jan-13	\$104.94	\$0.4757
Feb-13	\$104.73	\$0.5035
Mar-13	\$104.45	\$0.4288
Apr-13	\$104.07	\$0.4002
May-13	\$103.67	\$0.3974
Jun-13	\$103.23	\$0.3825
Jul-13	\$102.74	\$0.3683
Aug-13	\$102.27	\$0.3848
Sep-13	\$101.85	\$0.4229
Oct-13	\$101.49	\$0.4231
Nov-13	\$101.15	\$0.4313
Dec-13	\$100.85	\$0.4565
Jan-14	\$100.38	\$0.4638
Feb-14	\$99.94	\$0.4834
Mar-14	\$99.47	\$0.4123

PROPANE SWAP PRICES		
Month	Propane Swap Prices (US \$ per Gallon)	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Apr-12	\$1.19	\$0.3560
May-12	\$1.19	\$0.3536
Jun-12	\$1.20	\$0.3645
Jul-12	\$1.21	\$0.3717
Aug-12	\$1.22	\$0.3794
Sep-12	\$1.23	\$0.3783
Oct-12	\$1.24	\$0.3800
Nov-12	\$1.25	\$0.4046
Dec-12	\$1.26	\$0.4096
Jan-13	\$1.27	\$0.4241
Feb-13	\$1.26	\$0.4180
Mar-13	\$1.24	\$0.4052
Apr-13	\$1.24	\$0.3797
May-13	\$1.24	\$0.3725
Jun-13	\$1.24	\$0.3775
Jul-13	\$1.25	\$0.3848
Aug-13	\$1.26	\$0.3921
Sep-13	\$1.26	\$0.3893
Oct-13	\$1.27	\$0.3905
Nov-13	\$1.28	\$0.4144
Dec-13	\$1.29	\$0.4188
Jan-14	\$1.27	\$0.4269
Feb-14	\$1.26	\$0.4149
Mar-14	\$1.24	\$0.4024

50% CRUDE OIL FUTURES & 50% PROPANE SWAP PRICES	
Month	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Apr-12	\$0.3506
May-12	\$0.3540
Jun-12	\$0.3601
Jul-12	\$0.3725
Aug-12	\$0.3857
Sep-12	\$0.4060
Oct-12	\$0.4075
Nov-12	\$0.4217
Dec-12	\$0.4383
Jan-13	\$0.4499
Feb-13	\$0.4607
Mar-13	\$0.4170
Apr-13	\$0.3900
May-13	\$0.3849
Jun-13	\$0.3800
Jul-13	\$0.3766
Aug-13	\$0.3885
Sep-13	\$0.4061
Oct-13	\$0.4068
Nov-13	\$0.4229
Dec-13	\$0.4376
Jan-14	\$0.4454
Feb-14	\$0.4492
Mar-14	\$0.4074

Notes: US-Cdn exchange rates source - Barclays Bank dated February 17, 2012.

**BRITISH COLUMBIA
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DRAFT ORDER

IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by FortisBC Energy Inc.
Regarding the 2012 First Quarter Gas Cost Report and
Propane Commodity Charges effective April 1, 2012
for the Revelstoke Service Area

BEFORE:

[Date]

WHEREAS:

- A. By Order No. G-105-11 dated June 10, 2011, the British Columbia Utilities Commission (the Commission) increased the propane commodity rates for the FortisBC Energy Inc. (FEI) Revelstoke service area (Revelstoke) effective July 1, 2011;
- B. On March 1, 2012, FEI filed its 2012 First Quarter Gas Cost Report for Revelstoke (the 2012 First Quarter Report);
- C. FEI provided three sets of forward prices for the forecast cost of propane. One forecast based 50 percent on the NYMEX West Texas Intermediate (WTI) light sweet crude oil futures and 50 percent on the NYMEX B0 – Mt. Belvieu propane swap prices, the second based 100 percent on the NYMEX WTI light sweet crude oil futures, and the third based 100 percent on the NMYEX B0 – Mt. Belvieu propane swap prices;
- D. Using a propane price forecast based on an average of 50 percent of the February 17, 2012 NYMEX WTI light sweet crude oil futures and 50 percent of the February 17, 2012 NMYEX B0 - Mt. Belvieu propane swap prices, and based on the existing rates, the projected pre-tax deferral balance at March 31, 2012 of \$103,237 surplus is forecast to change to a pre-tax surplus balance of \$303,559 at March 31, 2013. The rate change trigger mechanism is calculated to be 108.9 percent which does not fall within the deadband range of 95 percent to 105 percent;

**BRITISH COLUMBIA
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- E. Using a propane price forecast based on February 17, 2012 NYMEX WTI light sweet crude oil futures, and based on the existing rates, the projected pre-tax deferral balance at March 31, 2012 of \$137,792 surplus is forecast to change to a pre-tax surplus balance of \$169,756 at March 31, 2013. The rate change trigger mechanism is calculated to be 104.8 percent which falls just within the deadband range of 95 percent to 105 percent;
- F. Using a propane price forecast based on February 17, 2012 NYMEX B0 - Mt. Belvieu propane swap prices, and based on the existing rates, the projected pre-tax deferral balance at March 31, 2012 of \$68,682 surplus is forecast to change to a pre-tax surplus balance of \$437,157 at March 31, 2013. The rate change trigger mechanism is calculated to be 113.4 percent which does not fall within the deadband range of 95 percent to 105 percent;
- G. In the 2012 First Quarter Report, FEI indicates that all three forecasts indicate that current propane cost recovery rates will over recover costs and requests approval of a propane rate, that is based on a propane price forecast using the February 17, 2012 NYMEX B0 - Mt. Belvieu propane swap prices, which would decrease the propane reference price by \$0.0523 per litre, from \$0.4423 per litre to \$0.3900 per litre, effective April 1, 2012. This corresponds to a rate decrease of \$2.125 per gigajoule;
- H. The proposed propane rate change, effective April 1, 2012, equates to a decrease to a typical residential customer's annual bill of approximately \$106 or 8 percent, based on an annual consumption of 50 GJ;
- I. FEI requests that the forecast gas cost information for Revelstoke in Tab 5 of the 2012 First Quarter Report be held confidential on the basis that it is market sensitive information;
- J. The Commission has determined that the requested changes to the propane reference price and propane rate for Revelstoke should be approved.

NOW THEREFORE pursuant to Section 61(4) of the Utilities Commission Act, the Commission orders as follows:

1. The Commission approves a propane reference price decrease of \$0.0523 per litre to \$0.3900 per litre, which corresponds to a decrease of \$2.125 per gigajoule in customer rates, effective April 1, 2012.
2. FEI will notify all customers that are affected by the rate change by way of a bill insert or bill message.
3. The Commission will hold the gas cost information for Revelstoke in Tab 5 of the 2012 First Quarter Report confidential.

DATED at the City of Vancouver, In the Province of British Columbia, this day of March, 2012.

BY ORDER