



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

June 7, 2012

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

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

**Re: FortisBC Energy Inc. – Lower Mainland, Inland, and Columbia Service Areas
Commodity Cost Reconciliation Account (“CCRA”), Midstream Cost
Reconciliation Account (“MCRA”), and Biomethane Variance Account (“BVA”)
Quarterly Gas Costs
2012 Second Quarter Gas Cost Report**

The attached materials provide the FortisBC Energy Inc. (“FEI” or the “Company”) 2012 Second Quarter Gas Cost Report (the “Second Quarter Report”) for the CCRA, MCRA, and BVA deferral accounts as required under British Columbia Utilities Commission (the “Commission”) guidelines.

CCRA Deferral Account

Based on the five-day average of the May 14, 15, 16, 17, and 18, 2012 forward prices (“five-day average forward prices ending May 18, 2012”), the June 30, 2012 CCRA balance is projected to be approximately \$21 million surplus after tax. Further, based on the five-day average forward prices ending May 18, 2012, the gas purchase cost assumptions, and the forecast commodity cost recoveries at present rates for the 12-month period ending June 30, 2013, and accounting for the projected June 30, 2012 deferral balance, the CCRA trigger ratio is calculated to be 101.4% (Tab 1, Page 1, Column 10, Lines 36/37). The CCRA trigger ratio falls inside the deadband range of 95% to 105%, indicating a rate change is not required at this time.

The schedules at Tab 2, Pages 1 to 2, provide details of the recorded and forecast, based on the five-day average forward prices ending May 18, 2012, CCRA gas supply costs. The schedule at Tab 2, Page 3 provides the information related to the allocation of the forecast CCRA gas supply costs for the July 1, 2012 to June 30, 2013 prospective period, based on the five-day average forward prices ending May 18, 2012, to the Sales Rate Classes.

MCRA Deferral Account

The monthly deferral account balances for the MCRA are shown on the schedule provided at Tab 1, Page 2, at the existing rates. The MCRA balance at June 30, 2012, based on the five-day average forward prices ending May 18, 2012, is projected to be approximately \$30

million surplus after tax. Further, the MCRA balance at December 31, 2012 and December 31, 2013, based on the five-day average forward prices ending May 18, 2012, are projected to be approximately \$21 million surplus and \$18 million surplus after tax, respectively.

The schedules at Tab 2, Pages 4 and 5, provide details of the recorded and forecast, based on the five-day average forward prices ending May 18, 2012, MCRA gas supply costs for calendar 2012 and 2013.

FEI will continue to monitor and report the MCRA balances consistent with the Company's position that midstream rates be reported on a quarterly basis and, under normal circumstances, midstream rates be adjusted on an annual basis with a January 1 effective date.

BVA Deferral Account

The monthly deferral account activity and balances for the BVA are shown on the schedules provided at Tab 3, Pages 1 and 2 – the schedule at Page 1 displays volumes, and the schedule at Page 2 displays dollars.

Based on the biomethane gas supply cost assumptions, the forecast biomethane recoveries at the present Biomethane Energy Recovery Charge ("BERC") rate, the BVA balance before accounting for the value of the unsold biomethane volumes is projected to be approximately \$587 thousand deficit pre-tax at June 30, 2012 (Tab 3, Page 2, Column 7, Line 6); after adjustment for the value of the unsold biomethane volumes at June 30, 2012, the BVA balance is projected to be approximately \$32 thousand surplus pre-tax (Tab 3, Page 2, Column 7, Line 9).

Further, the BVA balance at December 31, 2012 and December 31, 2013, based on the existing BERC rate and after adjustment for the value of the unsold biomethane volumes is forecast to be \$147 thousand surplus pre-tax (Tab 3, Page 2, Column 13, Line 9) and \$199 thousand surplus pre-tax (Tab 3, Page 2, Column 13, Line 20), respectively.

The schedule at Tab 3, Page 3 provides a breakdown of the monthly actual and forecast biomethane recoveries by rate class. The schedules at Tab 3, Pages 4.1 to 4.3 provide a breakdown of the monthly actual and forecast biomethane supply costs by project.

FEI will continue to monitor and report the BVA balances consistent with the Company's position that the biomethane rate be reported on a quarterly basis and, under normal circumstances, the biomethane rate be adjusted on an annual basis with a January 1 effective date.

The Company requests the information contained in Tab 3, Pages 4.1, 4.2, and 4.3 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.

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.

Summary

In summary, the Company proposes the commodity, midstream, and biomethane rates remain unchanged at July 1, 2012.

FEI will continue to monitor the forward prices, and will report CCRA, MCRA, and BVA balances in its 2012 Third Quarter Gas Cost Report.

We trust that the Commission will find this filing in order. If there are any questions regarding this filing, 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. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.**

**CCRA MONTHLY BALANCES AT EXISTING RATES (AFTER VOLUME ADJUSTMENTS) AND RATE CHANGE TRIGGER MECHANISM
FOR THE FORECAST PERIOD JULY 1, 2012 TO JUNE 30, 2014
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 17, AND 18, 2012
\$(Millions)**

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
1		Recorded	Recorded	Recorded	Recorded	Projected	Projected								
2		Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12								
3	CCRA Balance - Beginning (Pre-tax) ^(1*)	\$ (19)	\$ (20)	\$ (22)	\$ (23)	\$ (25)	\$ (27)								
4	Gas Costs Incurred	\$ 32	\$ 32	\$ 32	\$ 32	\$ 23	\$ 25								
5	Revenue from APPROVED Recovery Rates	\$ (34)	\$ (33)	\$ (34)	\$ (33)	\$ (25)	\$ (24)								
6	CCRA Balance - Ending (Pre-tax) ^(2*)	<u>\$ (20)</u>	<u>\$ (22)</u>	<u>\$ (23)</u>	<u>\$ (25)</u>	<u>\$ (27)</u>	<u>\$ (28)</u>								
7															
8	CCRA Balance - Ending (After-tax) ^(3*)	<u>\$ (15)</u>	<u>\$ (16)</u>	<u>\$ (17)</u>	<u>\$ (19)</u>	<u>\$ (20)</u>	<u>\$ (21)</u>								
9															
10															
11														Total	
12		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Jul-12	
13		Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	to	
14	CCRA Balance - Beginning (Pre-tax) ^(1*)	\$ (28)	\$ (27)	\$ (25)	\$ (23)	\$ (20)	\$ (21)	\$ (19)	\$ (16)	\$ (14)	\$ (11)	\$ (9)	\$ (7)	\$ (28)	
15	Gas Costs Incurred	\$ 26	\$ 27	\$ 26	\$ 28	\$ 24	\$ 27	\$ 28	\$ 25	\$ 28	\$ 27	\$ 28	\$ 27	\$ 321	
16	Revenue from EXISTING Recovery Rates	\$ (25)	\$ (25)	\$ (24)	\$ (25)	\$ (24)	\$ (25)	\$ (25)	\$ (23)	\$ (25)	\$ (24)	\$ (25)	\$ (24)	\$ (297)	
17	CCRA Balance - Ending (Pre-tax) ^(2*)	<u>\$ (27)</u>	<u>\$ (25)</u>	<u>\$ (23)</u>	<u>\$ (20)</u>	<u>\$ (21)</u>	<u>\$ (19)</u>	<u>\$ (16)</u>	<u>\$ (14)</u>	<u>\$ (11)</u>	<u>\$ (9)</u>	<u>\$ (7)</u>	<u>\$ (4)</u>	<u>\$ (4)</u>	
18															
19	CCRA Balance - Ending (After-tax) ^(3*)	<u>\$ (20)</u>	<u>\$ (19)</u>	<u>\$ (17)</u>	<u>\$ (15)</u>	<u>\$ (15)</u>	<u>\$ (14)</u>	<u>\$ (12)</u>	<u>\$ (10)</u>	<u>\$ (8)</u>	<u>\$ (7)</u>	<u>\$ (5)</u>	<u>\$ (3)</u>	<u>\$ (3)</u>	
20															
21														Total	
22		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Jul-13	
23		Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	to	
24														Jun-14	
25	CCRA Balance - Beginning (Pre-tax) ^(1*)	\$ (4)	\$ (1)	\$ 2	\$ 5	\$ 8	\$ 12	\$ 18	\$ 25	\$ 30	\$ 36	\$ 39	\$ 43	\$ (4)	
26	Gas Costs Incurred	\$ 28	\$ 28	\$ 27	\$ 29	\$ 28	\$ 32	\$ 32	\$ 28	\$ 31	\$ 28	\$ 29	\$ 29	\$ 351	
27	Revenue from EXISTING Recovery Rates	\$ (25)	\$ (25)	\$ (25)	\$ (25)	\$ (25)	\$ (25)	\$ (25)	\$ (23)	\$ (25)	\$ (25)	\$ (25)	\$ (25)	\$ (299)	
28	CCRA Balance - Ending (Pre-tax) ^(2*)	<u>\$ (1)</u>	<u>\$ 2</u>	<u>\$ 5</u>	<u>\$ 8</u>	<u>\$ 12</u>	<u>\$ 18</u>	<u>\$ 25</u>	<u>\$ 30</u>	<u>\$ 36</u>	<u>\$ 39</u>	<u>\$ 43</u>	<u>\$ 48</u>	<u>\$ 48</u>	
29															
30	CCRA Balance - Ending (After-tax) ^(3*)	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ 4</u>	<u>\$ 6</u>	<u>\$ 9</u>	<u>\$ 14</u>	<u>\$ 19</u>	<u>\$ 23</u>	<u>\$ 27</u>	<u>\$ 30</u>	<u>\$ 33</u>	<u>\$ 36</u>	<u>\$ 36</u>	
31															
32															
33															
34	CCRA RATE CHANGE TRIGGER MECHANISM														
35															
36	CCRA	=	Forecast Recovered Gas Costs (Jul 2012 - Jun 2013)					=	\$ 297	=	101.4%				
37	Ratio	=	Forecast Incurred Gas Costs (Jul 2012 - Jun 2013) + Projected CCRA Pre-tax Balance (Jun 2012)					=	\$ 293	=					

Notes: Slight differences in totals due to rounding.

(1*) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts (Jan 1, 2012, 25.0%, Jan 1, 2013, 25.0%, and Jan 1, 2014, 25.0%).

(2*) For rate setting purposes CCRA pre-tax balances include grossed-up projected deferred interest as at June 30, 2012.

(3*) For rate setting purposes CCRA after tax balances are independently grossed-up to reflect pre-tax amounts.

**FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
MCRA MONTHLY BALANCES AT EXISTING RATES (AFTER VOLUME ADJUSTMENTS)
FOR THE FORECAST PERIOD JULY 1, 2012 TO JUNE 30, 2014
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 17, AND 18, 2012
\$(Millions)**

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Recorded	Recorded	Recorded	Recorded	Projected	Projected	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12		2012
1														
2														
3	MCRA Cumulative Balance - Beginning (Pre-tax) ^(1*)	\$ (8)	\$ (14)	\$ (32)	\$ (42)	\$ (43)	\$ (40)	\$ (40)	\$ (33)	\$ (24)	\$ (17)	\$ (16)	\$ (20)	\$ (8)
4	2012 MCRA Activities													
5	<u>Rate Rider 6</u>													
6	Amount to be amortized in 2012 ^(4*)	\$ (6)												
7	Rider 6 Amortization at APPROVED Rates	\$ 1	\$ 1	\$ 1	\$ 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1	\$ 1	\$ 6
8	<u>Midstream Base Rates</u>													
9	Gas Costs Incurred	\$ 57	\$ 46	\$ 35	\$ 19	\$ 1	\$ (7)	\$ (10)	\$ (7)	\$ (4)	\$ 12	\$ 36	\$ 54	\$ 233
10	Revenue from APPROVED Recovery Rates	\$ (64)	\$ (65)	\$ (47)	\$ (20)	\$ 1	\$ 10	\$ 16	\$ 16	\$ 11	\$ (12)	\$ (40)	\$ (63)	\$ (256)
11	Total Midstream Base Rates (Pre-tax)	\$ (7)	\$ (19)	\$ (11)	\$ (1)	\$ 2	\$ 3	\$ 6	\$ 9	\$ 7	\$ 0	\$ (4)	\$ (9)	\$ (23)
12														
13	MCRA Cumulative Balance - Ending (Pre-tax) ^(2*)	\$ (14)	\$ (32)	\$ (42)	\$ (43)	\$ (40)	\$ (40)	\$ (33)	\$ (24)	\$ (17)	\$ (16)	\$ (20)	\$ (28)	\$ (28)
14														
15	MCRA Cumulative Balance - Ending (After-tax) ^(3*)	\$ (10)	\$ (24)	\$ (32)	\$ (32)	\$ (30)	\$ (30)	\$ (25)	\$ (18)	\$ (13)	\$ (12)	\$ (15)	\$ (21)	\$ (21)
16														
17														
18		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
19		Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	2013
20	MCRA Cumulative Balance - Beginning (Pre-tax) ^(1*)	\$ (28)	\$ (37)	\$ (43)	\$ (48)	\$ (47)	\$ (43)	\$ (37)	\$ (31)	\$ (22)	\$ (14)	\$ (11)	\$ (15)	\$ (28)
21	2013 MCRA Activities													
22	<u>Rate Rider 6</u>													
23	1/3 of 2012 MCRA Cumulative Ending Balance	\$ (9)												
24	Rider 6 Amortization at EXISTING Rates	\$ 1	\$ 1	\$ 1	\$ 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1	\$ 1	\$ 6
25	<u>Midstream Base Rates</u>													
26	Gas Costs Incurred	\$ 49	\$ 44	\$ 36	\$ 13	\$ 1	\$ (5)	\$ (5)	\$ (1)	\$ 2	\$ 14	\$ 38	\$ 57	\$ 244
27	Revenue from EXISTING Recovery Rates	\$ (60)	\$ (51)	\$ (41)	\$ (13)	\$ 3	\$ 10	\$ 11	\$ 9	\$ 6	\$ (13)	\$ (42)	\$ (67)	\$ (247)
28	Total Midstream Base Rates (Pre-tax)	\$ (11)	\$ (6)	\$ (5)	\$ (0)	\$ 4	\$ 5	\$ 6	\$ 8	\$ 8	\$ 2	\$ (4)	\$ (10)	\$ (3)
29														
30	MCRA Balance - December 31, 2013 (Pre-tax) ^(2*)	\$ (37)	\$ (43)	\$ (48)	\$ (47)	\$ (43)	\$ (37)	\$ (31)	\$ (22)	\$ (14)	\$ (11)	\$ (15)	\$ (24)	\$ (24)
31														
32	MCRA Balance - Ending (After-tax) ^(3*)	\$ (28)	\$ (32)	\$ (36)	\$ (35)	\$ (32)	\$ (28)	\$ (23)	\$ (17)	\$ (10)	\$ (9)	\$ (11)	\$ (18)	\$ (18)

Notes: Slight differences in totals due to rounding.

(1*) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts (Jan 1, 2012, 25.0%, Jan 1, 2013, 25.0%, Jan 1, 2014, 25.0%).

(2*) For rate setting purposes MCRA pre-tax balances include grossed-up projected deferred interest as at June 30, 2012.

(3*) For rate setting purposes MCRA after tax balances are independently grossed-up to reflect pre-tax amounts.

(4*) BCUC Order No. G-195-11 approved the 1/3 projected MCRA cumulative balance at Dec 31, 2011 to be amortized into the next year's midstream rates, via Rider 6, as filed in the FEI 2011 Fourth Quarter Gas Cost Report.

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
SUMAS INDEX FORECAST FOR THE PERIOD ENDING JUNE 30, 2014
AND US DOLLAR EXCHANGE RATE FORECAST UPDATE

Line No	Particulars	Five-day Average Forward Prices - May 14, 15, 16, 17, and 18, 2012	Five-day Average Forward Prices - February 13, 14, 15, 16, and 17, 2012	Change in Forward Price
	(1)	2012 Q2 Gas Cost Report (2)	2012 Q1 Gas Cost Report (3)	(4) = (2) - (3)
1	Sumas Index Prices - \$US/MMBtu			
2	2011			
3	July	\$ 4.00	\$ 4.00	\$ -
4	August	\$ 3.97	\$ 3.97	\$ -
5	September	\$ 3.72	\$ 3.72	\$ -
6	October	\$ 3.70	\$ 3.70	\$ -
7	November	\$ 3.66	\$ 3.66	\$ -
8	December	\$ 3.93	\$ 3.93	\$ -
9	<i>Simple Average (Jul, 2011 - Jun, 2012)</i>	\$ 3.15	\$ 3.27	-3.7% \$ (0.12)
10	<i>Simple Average (Oct, 2011 - Sep, 2012)</i>	\$ 2.81	\$ 2.97	-5.4% \$ (0.16)
11	2012			
12	January	\$ 3.47	\$ 3.47	\$ -
13	February	\$ 2.78	\$ 2.78	\$ -
14	March	\$ 2.47	\$ 2.53	\$ (0.06)
15	April	\$ 1.96	\$ 2.53	\$ (0.57)
16	May	\$ 1.82	\$ 2.46	\$ (0.64)
17	June	\$ 2.32	\$ 2.50	\$ (0.18)
18	July	\$ 2.49	\$ 2.64	\$ (0.16)
19	August	\$ 2.56	\$ 2.72	\$ (0.16)
20	September	\$ 2.61	\$ 2.75	\$ (0.14)
21	October	\$ 2.74	\$ 2.83	\$ (0.09)
22	November	\$ 3.36	\$ 3.39	\$ (0.04)
23	December	\$ 3.92	\$ 3.97	\$ (0.05)
24	<i>Simple Average (Jan, 2012 - Dec, 2012)</i>	\$ 2.71	\$ 2.88	-5.9% \$ (0.17)
25	<i>Simple Average (Apr, 2012 - Mar, 2013)</i>	\$ 2.91	\$ 3.10	-6.1% \$ (0.19)
26	<i>Simple Average (Jul, 2012 - Jun, 2013)</i>	\$ 3.22	\$ 3.34	-3.6% \$ (0.12)
27	<i>Simple Average (Oct, 2012 - Sep, 2013)</i>	\$ 3.45	\$ 3.56	-3.1% \$ (0.11)
28	2013			
29	January	\$ 3.85	\$ 3.97	\$ (0.12)
30	February	\$ 3.72	\$ 3.85	\$ (0.14)
31	March	\$ 3.54	\$ 3.64	\$ (0.11)
32	April	\$ 3.37	\$ 3.45	\$ (0.08)
33	May	\$ 3.24	\$ 3.41	\$ (0.17)
34	June	\$ 3.27	\$ 3.44	\$ (0.17)
35	July	\$ 3.44	\$ 3.59	\$ (0.16)
36	August	\$ 3.45	\$ 3.60	\$ (0.14)
37	September	\$ 3.46	\$ 3.61	\$ (0.16)
38	October	\$ 3.52	\$ 3.65	\$ (0.13)
39	November	\$ 4.04	\$ 4.11	\$ (0.07)
40	December	\$ 4.55	\$ 4.31	\$ 0.24
41	<i>Simple Average (Jan, 2013 - Dec, 2013)</i>	\$ 3.62	\$ 3.72	-2.7% \$ (0.10)
42	<i>Simple Average (Apr, 2013 - Mar, 2014)</i>	\$ 3.75	\$ 3.86	-2.8% \$ (0.11)
43	<i>Simple Average (Jul, 2013 - Jun, 2014)</i>	\$ 3.83	\$ -	
44	2014			
45	January	\$ 4.41	\$ 4.41	\$ -
46	February	\$ 4.23	\$ 4.40	\$ -
	March	\$ 3.99	\$ 4.35	\$ -
	April	\$ 3.70		\$ -
	May	\$ 3.58		\$ -
	June	\$ 3.62		\$ -

Conversion Factors

(A) 1 MMBtu = 1.055056 GJ

(B) Five-day Average May 14, 15, 16, 17, and 18, 2012 vs Five-day Average February 13, 14, 15, 16, and 17, 2012 (\$1US=\$x.xxxCDN)

	Forecast Jul 2012-Jun 2013	Forecast Apr 2012-Mar 2013		
Barclays Bank Average Exchange Rate	\$ 1.0169	\$ 1.0006	1.6%	\$ 0.016
Bank of Canada Daily Exchange Rate	\$ 1.0110	\$ 0.9977	1.3%	\$ 0.013

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
SUMAS INDEX FORECAST FOR THE PERIOD ENDING JUNE 30, 2014
(PRESENTED IN \$CDN/GJ)

Tab 1
Page 3.2

Line No	Particulars (1)	Five-day Average Forward Prices - May 14, 15, 16, 17, and 18, 2012 2012 Q2 Gas Cost Report (2)	Five-day Average Forward Prices - February 13, 14, 15, 16, and 17, 2012 2012 Q1 Gas Cost Report (3)	Change in Forward Price (4) = (2) - (3)
1	Sumas Index Prices - \$CDN/GJ			
2	2011 July	\$ 3.85	\$ 3.85	\$ -
3	August	\$ 3.82	\$ 3.82	\$ -
4	September	\$ 3.58	\$ 3.58	\$ -
5	October	\$ 3.56	\$ 3.56	\$ -
6	November	\$ 3.52	\$ 3.52	\$ -
7	December	\$ 3.73	\$ 3.73	\$ -
8	Simple Average (Jul, 2011 - Jun, 2012)	\$ 3.01	\$ 3.12	-3.5% \$ (0.11)
9	Simple Average (Oct, 2011 - Sep, 2012)	\$ 2.69	\$ 2.83	-4.9% \$ (0.14)
10	2012 January	\$ 3.29	\$ 3.29	\$ -
11	February	\$ 2.64	\$ 2.64	\$ -
12	March	\$ 2.31	\$ 2.40	\$ (0.09)
13	April	\$ 1.84	\$ 2.40	\$ (0.55)
14	May	\$ 1.75	\$ 2.33	\$ (0.57)
15	June	\$ 2.24	\$ 2.37	\$ (0.13)
16	July	\$ 2.40	\$ 2.51	\$ (0.11)
17	August	\$ 2.47	\$ 2.58	\$ (0.11)
18	September	\$ 2.52	\$ 2.61	\$ (0.10)
19	October	\$ 2.64	\$ 2.68	\$ (0.04)
20	November	\$ 3.24	\$ 3.22	\$ 0.02
21	December	\$ 3.78	\$ 3.76	\$ 0.02
22	Simple Average (Jan, 2012 - Dec, 2012)	\$ 2.59	\$ 2.73	-5.1% \$ (0.14)
23	Simple Average (Apr, 2012 - Mar, 2013)	\$ 2.80	\$ 2.94	-4.8% \$ (0.14)
24	Simple Average (Jul, 2012 - Jun, 2013)	\$ 3.11	\$ 3.17	-1.9% \$ (0.06)
25	Simple Average (Oct, 2012 - Sep, 2013)	\$ 3.32	\$ 3.38	-1.8% \$ (0.06)
26	2013 January	\$ 3.71	\$ 3.77	\$ (0.05)
27	February	\$ 3.58	\$ 3.65	\$ (0.07)
28	March	\$ 3.41	\$ 3.45	\$ (0.04)
29	April	\$ 3.25	\$ 3.27	\$ (0.02)
30	May	\$ 3.12	\$ 3.23	\$ (0.11)
31	June	\$ 3.15	\$ 3.26	\$ (0.11)
32	July	\$ 3.31	\$ 3.41	\$ (0.09)
33	August	\$ 3.33	\$ 3.41	\$ (0.08)
34	September	\$ 3.33	\$ 3.43	\$ (0.09)
35	October	\$ 3.40	\$ 3.46	\$ (0.06)
36	November	\$ 3.90	\$ 3.89	\$ 0.00
37	December	\$ 4.38	\$ 4.08	\$ 0.30
38	Simple Average (Jan, 2013 - Dec, 2013)	\$ 3.49	\$ 3.53	-1.1% \$ (0.04)
39	Simple Average (Apr, 2013 - Mar, 2014)	\$ 3.61	\$ 3.66	-1.4% \$ (0.05)
40	Simple Average (Jul, 2013 - Jun, 2014)	\$ 3.69	\$ -	
41	2014 January	\$ 4.25	\$ 4.18	
42	February	\$ 4.08	\$ 4.17	
43	March	\$ 3.85	\$ 4.12	
44	April	\$ 3.57		
45	May	\$ 3.45		
46	June	\$ 3.49		

Conversation Factors

(A) 1 MMBtu = 1.055056 GJ

(B) Barclays Bank Average Exchange Rate (\$1US=\$x.xxxCDN)

\$ 1.0169

\$ 1.0006

1.6% \$ 0.016

**FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
AECO INDEX FORECAST FOR THE PERIOD ENDING JUNE 30, 2014**

Line No	Particulars (1)	Five-day Average Forward Prices - May 14, 15, 16, 17, and 18, 2012 2012 Q2 Gas Cost Report (2)	Five-day Average Forward Prices - February 13, 14, 15, 16, and 17, 2012 2012 Q1 Gas Cost Report (3)	Change in Forward Price (4) = (2) - (3)
1	AECO Index Prices - \$CDN/GJ			
2	2011			
3	July	\$ 3.72	\$ 3.72	\$ -
4	August	\$ 3.45	\$ 3.45	\$ -
5	September	\$ 3.41	\$ 3.41	\$ -
6	October	\$ 3.46	\$ 3.46	\$ -
7	November	\$ 3.19	\$ 3.19	\$ -
8	December	\$ 3.21	\$ 3.21	\$ -
9	<i>Simple Average (Jul, 2011 - Jun, 2012)</i>	\$ 2.73	\$ 2.84	-3.9% \$ (0.11)
10	<i>Simple Average (Oct, 2011 - Sep, 2012)</i>	\$ 2.40	\$ 2.54	-5.5% \$ (0.14)
11	2012			
12	January	\$ 2.86	\$ 2.86	\$ -
13	February	\$ 2.32	\$ 2.32	\$ -
14	March	\$ 1.97	\$ 2.06	\$ (0.09)
15	April	\$ 1.71	\$ 2.12	\$ (0.41)
16	May	\$ 1.56	\$ 2.14	\$ (0.58)
17	June	\$ 1.92	\$ 2.18	\$ (0.26)
18	July	\$ 2.14	\$ 2.26	\$ (0.12)
19	August	\$ 2.20	\$ 2.29	\$ (0.09)
20	September	\$ 2.27	\$ 2.33	\$ (0.06)
21	October	\$ 2.38	\$ 2.41	\$ (0.03)
22	November	\$ 2.66	\$ 2.72	\$ (0.06)
23	December	\$ 2.93	\$ 3.06	\$ (0.13)
24	<i>Simple Average (Jan, 2012 - Dec, 2012)</i>	\$ 2.24	\$ 2.40	-6.7% \$ (0.16)
25	<i>Simple Average (Apr, 2012 - Mar, 2013)</i>	\$ 2.41	\$ 2.59	-6.9% \$ (0.18)
26	<i>Simple Average (Jul, 2012 - Jun, 2013)</i>	\$ 2.73	\$ 2.84	-3.9% \$ (0.11)
27	<i>Simple Average (Oct, 2012 - Sep, 2013)</i>	\$ 2.95	\$ 3.07	-3.9% \$ (0.12)
28	2013			
29	January	\$ 3.03	\$ 3.16	\$ (0.13)
30	February	\$ 3.04	\$ 3.19	\$ (0.14)
31	March	\$ 3.04	\$ 3.17	\$ (0.13)
32	April	\$ 3.02	\$ 3.11	\$ (0.09)
33	May	\$ 3.01	\$ 3.14	\$ (0.13)
34	June	\$ 3.04	\$ 3.18	\$ (0.13)
35	July	\$ 3.08	\$ 3.22	\$ (0.14)
36	August	\$ 3.09	\$ 3.23	\$ (0.13)
37	September	\$ 3.10	\$ 3.23	\$ (0.13)
38	October	\$ 3.14	\$ 3.26	\$ (0.12)
39	November	\$ 3.29	\$ 3.39	\$ (0.10)
40	December	\$ 3.52	\$ 3.58	\$ (0.06)
41	<i>Simple Average (Jan, 2013 - Dec, 2013)</i>	\$ 3.12	\$ 3.24	-3.7% \$ (0.12)
42	<i>Simple Average (Apr, 2013 - Mar, 2014)</i>	\$ 3.24	\$ 3.25	-0.3% \$ (0.01)
43	<i>Simple Average (Jul, 2013 - Jun, 2014)</i>	\$ 3.33	\$ -	
44	2014			
45	January	\$ 3.55		
46	February	\$ 3.53		
47	March	\$ 3.49		
48	April	\$ 3.38		
49	May	\$ 3.39		
50	June	\$ 3.43		

**FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
STATION NO. 2 INDEX FORECAST FOR THE PERIOD ENDING JUNE 30, 2014**

Line No	Particulars (1)	Five-day Average Forward Prices - May 14, 15, 16, 17, and 18, 2012 2012 Q2 Gas Cost Report (2)	Five-day Average Forward Prices - February 13, 14, 15, 16, and 17, 2012 2012 Q1 Gas Cost Report (3)	Change in Forward Price (4) = (2) - (3)
1	Station No. 2 Index Prices - \$CDN/GJ			
2	2011			
3	July	\$ 3.28	\$ 3.28	\$ -
4	August	\$ 3.04	\$ 3.04	\$ -
5	September	\$ 3.05	\$ 3.05	\$ -
6	October	\$ 3.08	\$ 3.08	\$ -
7	November	\$ 2.92	\$ 2.92	\$ -
8	December	\$ 3.09	\$ 3.09	\$ -
9	<i>Simple Average (Jul, 2011 - Jun, 2012)</i>	<u>\$ 2.55</u>	<u>\$ 2.64</u>	-3.4% <u>\$ (0.09)</u>
10	<i>Simple Average (Oct, 2011 - Sep, 2012)</i>	<u>\$ 2.31</u>	<u>\$ 2.42</u>	-4.5% <u>\$ (0.11)</u>
11	2012			
12	January	\$ 2.86	\$ 2.86	\$ -
13	February	\$ 2.24	\$ 2.24	\$ -
14	March	\$ 1.90	\$ 2.01	\$ (0.10)
15	April	\$ 1.67	\$ 2.04	\$ (0.38)
16	May	\$ 1.44	\$ 2.04	\$ (0.60)
17	June	\$ 2.04	\$ 2.09	\$ (0.06)
18	July	\$ 2.09	\$ 2.17	\$ (0.08)
19	August	\$ 2.15	\$ 2.22	\$ (0.07)
20	September	\$ 2.21	\$ 2.27	\$ (0.06)
21	October	\$ 2.34	\$ 2.36	\$ (0.02)
22	November	\$ 2.70	\$ 2.65	\$ 0.04
23	December	\$ 3.01	\$ 3.08	\$ (0.07)
24	<i>Simple Average (Jan, 2012 - Dec, 2012)</i>	<u>\$ 2.22</u>	<u>\$ 2.34</u>	-5.1% <u>\$ (0.12)</u>
25	<i>Simple Average (Apr, 2012 - Mar, 2013)</i>	<u>\$ 2.40</u>	<u>\$ 2.52</u>	-4.8% <u>\$ (0.12)</u>
26	<i>Simple Average (Jul, 2012 - Jun, 2013)</i>	<u>\$ 2.72</u>	<u>\$ 2.77</u>	-1.8% <u>\$ (0.05)</u>
27	<i>Simple Average (Oct, 2012 - Sep, 2013)</i>	<u>\$ 2.95</u>	<u>\$ 3.00</u>	-1.7% <u>\$ (0.05)</u>
28	2013			
29	January	\$ 3.08	\$ 3.13	\$ (0.05)
30	February	\$ 3.08	\$ 3.13	\$ (0.05)
31	March	\$ 3.06	\$ 3.10	\$ (0.04)
32	April	\$ 2.98	\$ 3.03	\$ (0.05)
33	May	\$ 2.97	\$ 3.04	\$ (0.07)
34	June	\$ 2.99	\$ 3.07	\$ (0.08)
35	July	\$ 3.04	\$ 3.14	\$ (0.10)
36	August	\$ 3.06	\$ 3.15	\$ (0.09)
37	September	\$ 3.06	\$ 3.16	\$ (0.10)
38	October	\$ 3.11	\$ 3.19	\$ (0.08)
39	November	\$ 3.25	\$ 3.35	\$ (0.09)
40	December	\$ 3.53	\$ 3.58	\$ (0.05)
41	<i>Simple Average (Jan, 2013 - Dec, 2013)</i>	<u>\$ 3.10</u>	<u>\$ 3.17</u>	-2.2% <u>\$ (0.07)</u>
42	<i>Simple Average (Apr, 2013 - Mar, 2014)</i>	<u>\$ 3.21</u>	<u>\$ 3.18</u>	0.9% <u>\$ 0.03</u>
43	<i>Simple Average (Jul, 2013 - Jun, 2014)</i>	<u>\$ 3.30</u>	<u>\$ -</u>	
44	2014			
45	January	\$ 3.56		
46	February	\$ 3.50		
47	March	\$ 3.45		
48	April	\$ 3.35		
49	May	\$ 3.35		
50	June	\$ 3.39		

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
GAS BUDGET COST SUMMARY FOR THE FORECAST PERIOD JUL 1, 2012 TO JUN 30, 2013
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 17, AND 18, 2012

Line No.	Particulars	Costs (\$000)	Volumes (TJ)	Unit Cost (\$/GJ)	Comments
	(1)	(2) (3)	(4) (5)	(6)	(7)
1	CCRA				
2	Commodity				
3	Station No. 2	\$ 177,713	68,061	\$ 2.611	
4	Commodity from Ft. Nelson Plant	11,494	4,026	2.855	
5	Transportation - TNLH	<u>1,208</u>	<u>-</u>		
6	Station No. 2 Total	\$ 190,415	72,087	\$ 2.641	
7	AECO Total	41,314	15,126	2.731	
8	Huntingdon Total	45,991	14,976	3.071	
9	Commodity Costs before Hedging	\$ 277,720	102,189	\$ 2.718	includes Fuel Used in Transportation (Receipt Point Fuel Gas)
10	Mark to Market Hedges Cost / (Gain)	41,977	-		
11	Subtotal Commodity Purchased	\$ 319,697	102,189	\$ 3.128	
12	Core Market Administration Costs	1,191	-		
13	Fuel Used in Transportation	<u>-</u>	<u>(2,348)</u>	<u>-</u>	
14	Total CCRA Costs	<u>\$ 320,887</u>	<u>99,840</u>	<u>\$ 3.214</u>	
15					
16	MCRA				
17	Midstream Commodity				
18	Midstream Commodity before Hedging	\$ 77,174	27,057	\$ 2.852	includes UAF ^(1*) Company Use Gas, & Fuel Used in Storage
19	Mark to Market Hedges Cost / (Gain)	-	-		
20	Company Use Gas Recovered from O&M	<u>(2,136)</u>	<u>(297)</u>	<u>7.188</u>	
21	Total Midstream Commodity	\$ 75,037	26,759	\$ 2.804	
22					
23	Storage Gas				
24	BC - Aitken Creek	\$ (83,207)	(19,450)	\$ 4.278	
25	LNG - Tilbury & Mt. Hayes	(3,391)	(788)	4.302	
26	Alberta - Niska & CrossAlta	(12,330)	(2,949)	4.181	
27	Downstream - JPS & Mist	<u>(21,591)</u>	<u>(5,040)</u>	<u>4.284</u>	
28	Injections into Storage	\$ (120,519)	(28,228)	\$ 4.270	
29	BC - Aitken Creek	\$ 76,375	16,702	4.573	
30	LNG - Tilbury & Mt. Hayes	6,087	1,153	5.280	
31	Alberta - Niska & CrossAlta	13,461	3,571	3.770	
32	Downstream - JPS & Mist	<u>21,611</u>	<u>4,771</u>	<u>4.530</u>	
33	Withdrawals from Storage	117,534	26,197	\$ 4.487	
34	BC - Aitken Creek	\$ 18,549			
35	LNG - Mt. Hayes	16,353			
36	Alberta - Niska & CrossAlta	2,556			
37	Downstream - JPS & Mist	<u>14,304</u>			
38	Storage Demand Charges	51,762	-		
39	Total Net Storage (Lines 28, 33, & 38)	\$ 48,776	(2,031)		
40					
41	Mitigation				
42	Transportation	\$ (13,604)	-		
43	Commodity Resales	(69,839)	(22,662)	3.082	
44	GSMIP Incentive Sharing	1,000	-		
45	Total Mitigation	\$ (82,442)	(22,662)		
46					
47	Transportation (Pipeline) Charges				
48	WEI	\$ 84,679			
49	NOVA / ANG	15,024			
50	NWP	<u>5,746</u>			
51	Total Transportation Charges	\$ 105,449			
52					
53	Core Market Administration Costs	\$ 2,778			
54					
55	Fuel Used in Storage & UAF (Sales & T-Service)	-	(2,067)		
56					
57	Net MCRA Commodity (Lines 21, 39, 45, & 55)		<u>-</u>		
58	Total MCRA Costs (Lines 21, 39, 45, 51, & 53)	<u>\$ 149,599</u>		<u>\$ 1.325</u>	average unit cost = Line 58, Col. 3 divided by Line 59, Col.6
59	Total Core Sales Volumes		<u>112,881</u>		
60	Total Forecast Gas Costs (Lines 14 & 58)	<u>\$ 470,487</u>			reference to Tab 1, Page 7, Line 9, Col. 3

Notes: Slight difference in totals due to rounding.

(1*) UAF is included as a component of gas volume purchased. Sales UAF costs are recovered via gas cost recovery rates, and T-Service UAF costs are recovered via delivery revenues.

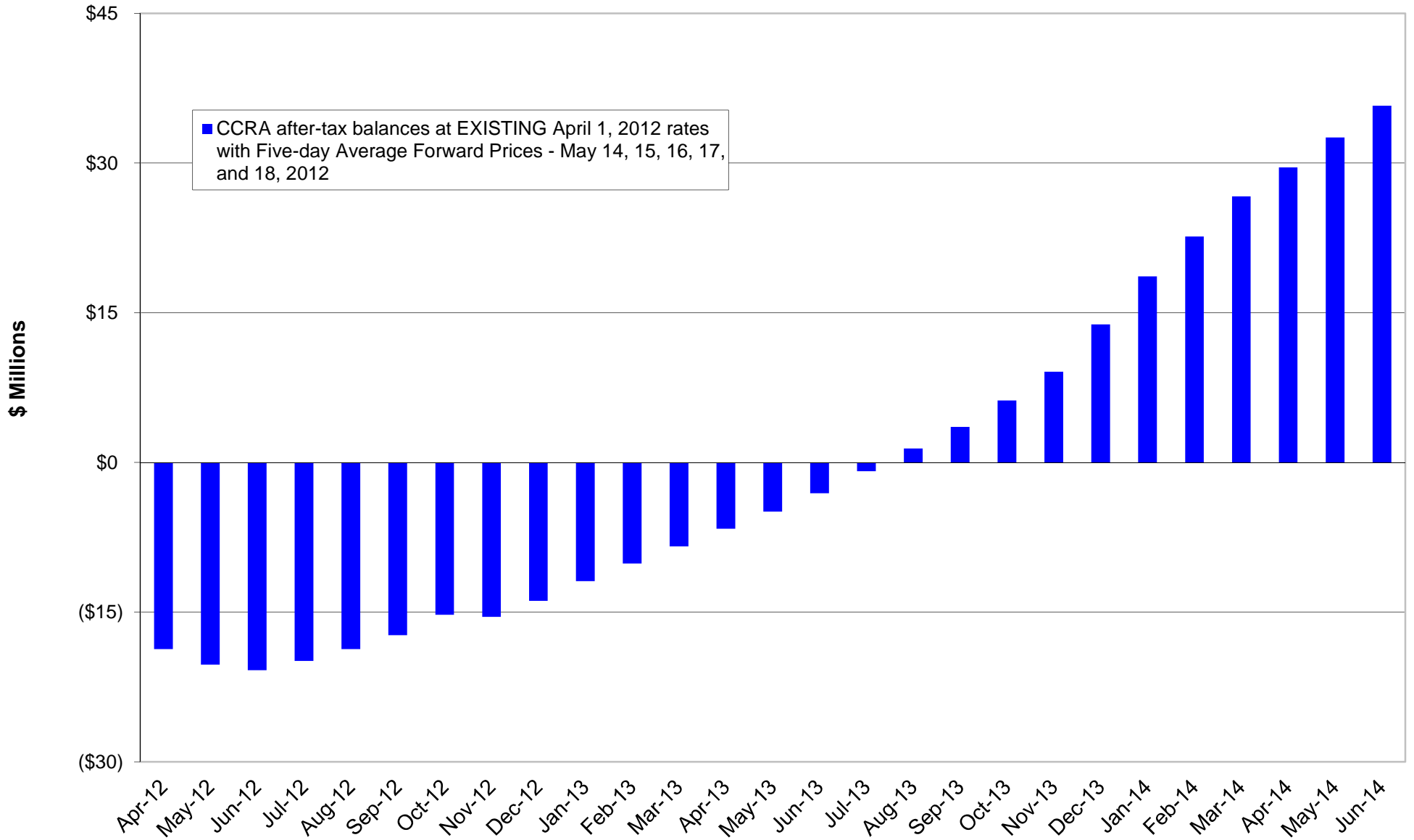
FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
RECONCILIATION OF GAS COST INCURRED
FOR THE FORECAST PERIOD JULY 1, 2012 TO JUNE 30, 2013
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 17, AND 18, 2012
\$(Millions)

Tab 1
Page 7

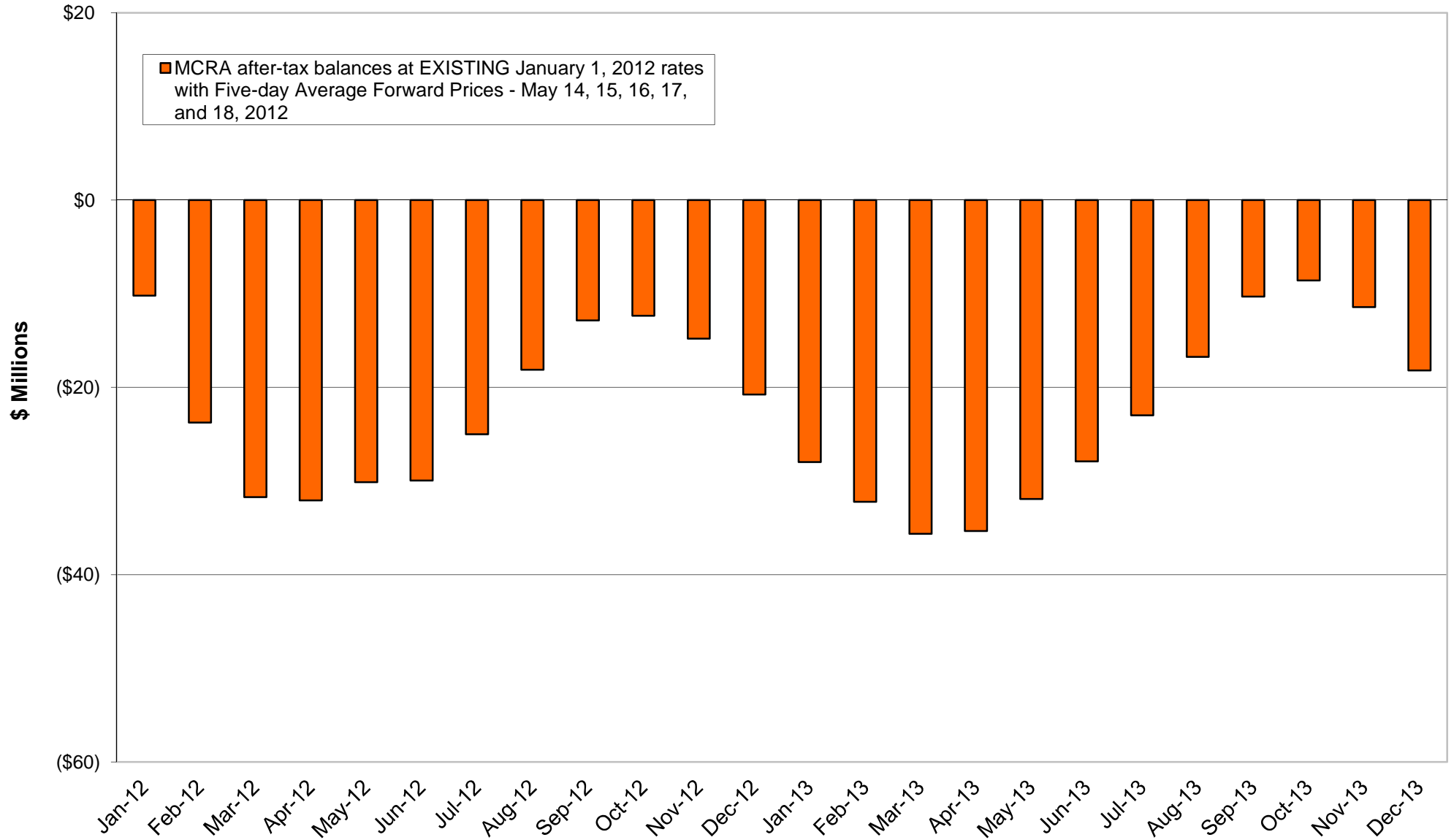
Line No.	Particulars	CCRA/MCRA Deferral Account Forecast	Gas Budget Cost Summary
	(1)	(2)	(3)
1	Gas Cost Incurred		
2	CCRA (Tab 1, Page 1, Col. 14, Line 15)	\$ 321	
3	MCRA (Tab 1, Page 2, Col. 8 Line 9 to Col. 7, Line 26)	219	
4			
5			
6	Gas Budget Cost Summary		
7	CCRA (Tab 1, Page 6. Col.3, Line 14)		\$ 321
8	MCRA (Tab 1, Page 6. Col.3, Line 58)		150
9	Total Net Costs for Firm Customers		<u>\$ 470</u>
10			
11	Add back Off-System Sales		
12	Cost		69
13	Margin		(1)
14			
15	Add back On-System Sales		
16	Cost		2
17	Margin		(0)
18			
19			
20	Totals Reconciled	<u>\$ 540</u>	<u>\$ 540</u>

Notes: Slight differences in totals due to rounding.

FortisBC Energy Inc. - Lower Mainland, Inland and Columbia
 CCRA After-Tax Monthly Balances
 Recorded April 2012 and Projected to June 2014



FortisBC Energy Inc. - Lower Mainland, Inland and Columbia
 MCRA After-Tax Monthly Balances
 Recorded to January 2012 and Projected to December 2013



FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
CCRA INCURRED MONTHLY ACTIVITIES
FOR RECORDED PERIOD TO APRIL 1, 2012 AND FORECAST PERIOD TO JUNE 30, 2013
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 17, AND 18, 2012

Line No.	(1)	Unit	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
			Recorded Jul 11	Recorded Aug 11	Recorded Sep 11	Recorded Oct 11	Recorded Nov 11	Recorded Dec 11	Recorded Jan 12	Recorded Feb 12	Recorded Mar 12	Recorded Apr 12	Projected May 12	Projected Jun 12	Jul-11 to Jun-12 Total
1	CCRA INCURRED VOLUMES														
2	Commodity Purchase	(TJ)													
3	Station No. 2		6,184	6,037	5,846	6,043	5,871	6,071	6,078	5,708	6,104	5,911	6,122	5,925	71,901
4	AECO		1,255	1,261	1,221	1,262	1,231	1,273	1,274	1,197	1,280	1,240	1,285	1,243	15,021
5	Huntingdon		1,242	1,249	1,209	1,249	1,219	1,260	1,262	1,185	1,267	1,228	1,272	1,231	14,872
6	Total Commodity Purchased		8,682	8,546	8,275	8,554	8,321	8,604	8,614	8,089	8,652	8,378	8,679	8,399	101,793
7	Fuel Used in Transportation		(215)	(216)	(210)	(217)	(189)	(195)	(195)	(183)	(196)	(190)	(199)	(193)	(2,398)
8	Commodity Available for Sale		8,466	8,330	8,066	8,338	8,132	8,409	8,419	7,906	8,456	8,189	8,480	8,206	99,395
9															
10	CCRA INCURRED COSTS														
11	Commodity Costs	(\$000)													
12	Station No. 2		\$ 20,731	\$ 19,428	\$ 18,776	\$ 19,003	\$ 17,611	\$ 17,521	\$ 15,305	\$ 11,854	\$ 10,676	\$ 9,115	\$ 12,949	\$ 12,915	\$ 185,884
13	AECO		4,500	4,311	4,168	4,180	3,838	3,851	3,388	2,626	2,381	2,038	2,826	2,822	40,928
14	Huntingdon		4,427	4,715	4,370	4,313	4,590	4,831	4,196	3,076	2,976	2,270	3,005	2,985	45,755
15	Commodity Costs before Hedging		\$ 29,659	\$ 28,454	\$ 27,313	\$ 27,496	\$ 26,039	\$ 26,203	\$ 22,889	\$ 17,556	\$ 16,033	\$ 13,424	\$ 18,780	\$ 18,722	\$ 272,567
16	Mark to Market Hedges Cost / (Gain)		5,946	7,011	6,966	6,958	6,387	8,997	9,083	10,637	12,589	9,385	7,944	7,461	99,363
17	Core Market Administration Costs		144	69	154	72	99	92	84	68	71	79	98	98	1,130
18	Total CCRA Costs		\$ 35,748	\$ 35,534	\$ 34,434	\$ 34,525	\$ 32,525	\$ 35,293	\$ 32,055	\$ 28,262	\$ 28,693	\$ 22,888	\$ 26,822	\$ 26,281	\$ 373,060
19															
20															
21	CCRA Unit Cost	(\$/GJ)	\$ 4.2225	\$ 4.2657	\$ 4.2691	\$ 4.1409	\$ 3.9994	\$ 4.1972	\$ 3.8076	\$ 3.5748	\$ 3.3932	\$ 2.7951	\$ 3.1631	\$ 3.2027	\$ 3.7533
22															
23															
24															
25															
26			Forecast Jul-12	Forecast Aug-12	Forecast Sep-12	Forecast Oct-12	Forecast Nov-12	Forecast Dec-12	Forecast Jan-13	Forecast Feb-13	Forecast Mar-13	Forecast Apr-13	Forecast May-13	Forecast Jun-13	1-12 months Total
27															
28	CCRA INCURRED VOLUMES														
29	Commodity Purchase	(TJ)													
30	Station No. 2		6,122	6,122	5,925	6,122	5,925	6,122	6,122	5,530	6,122	5,925	6,122	5,925	72,087
31	AECO		1,285	1,285	1,243	1,285	1,243	1,285	1,285	1,160	1,285	1,243	1,285	1,243	15,126
32	Huntingdon		1,272	1,272	1,231	1,272	1,231	1,272	1,272	1,149	1,272	1,231	1,272	1,231	14,976
33	Subtotal - Commodity Purchased		8,679	8,679	8,399	8,679	8,399	8,679	8,679	7,839	8,679	8,399	8,679	8,399	102,189
34	Fuel Used in Transportation		(199)	(199)	(193)	(199)	(193)	(199)	(199)	(180)	(199)	(193)	(199)	(193)	(2,348)
35	Commodity Available for Sale		8,480	8,480	8,206	8,480	8,206	8,480	8,480	7,659	8,480	8,206	8,480	8,206	99,840
36															
37	CCRA INCURRED COSTS	(\$000)													
38	Commodity Costs														
39	Station No. 2		\$ 12,587	\$ 12,949	\$ 12,915	\$ 14,090	\$ 15,184	\$ 17,441	\$ 17,987	\$ 16,295	\$ 17,956	\$ 17,429	\$ 17,980	\$ 17,602	\$ 190,415
40	AECO		2,751	2,826	2,822	3,058	3,317	3,774	3,905	3,540	3,912	3,753	3,872	3,783	41,314
41	Huntingdon		2,921	3,005	2,985	3,386	4,045	4,774	4,700	4,111	4,384	3,904	3,935	3,843	45,991
42	Commodity Costs before Hedging		\$ 18,259	\$ 18,780	\$ 18,722	\$ 20,534	\$ 22,546	\$ 25,989	\$ 26,592	\$ 23,946	\$ 26,252	\$ 25,085	\$ 25,787	\$ 25,228	\$ 277,720
43	Mark to Market Hedges Cost / (Gain)		8,141	7,944	7,461	7,339	1,488	1,300	1,211	1,085	1,206	1,592	1,651	1,560	41,977
44	Core Market Administration Costs		98	98	98	98	98	98	98	98	98	102	102	102	1,191
45	Total CCRA Costs		\$ 26,498	\$ 26,822	\$ 26,281	\$ 27,971	\$ 24,132	\$ 27,387	\$ 27,901	\$ 25,129	\$ 27,556	\$ 26,779	\$ 27,540	\$ 26,890	\$ 320,887
46															
47															
48	CCRA Unit Cost	(\$/GJ)	\$ 3.1250	\$ 3.1631	\$ 3.2027	\$ 3.2987	\$ 2.9408	\$ 3.2298	\$ 3.2904	\$ 3.2809	\$ 3.2497	\$ 3.2633	\$ 3.2477	\$ 3.2768	\$ 3.2140
49															
50	Notes:		Slight differences in totals due to rounding.												

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
CCRA INCURRED MONTHLY ACTIVITIES
FOR THE FORECAST PERIOD JUL 1, 2013 TO JUN 30, 2014
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 17, AND 18, 2012

Line No.	(1)	Unit	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
			Forecast Jul-13	Forecast Aug-13	Forecast Sep-13	Forecast Oct-13	Forecast Nov-13	Forecast Dec-13	Forecast Jan-14	Forecast Feb-14	Forecast Mar-14	Forecast Apr-14	Forecast May-14	Forecast Jun-14	13-24 months Total
1	CCRA INCURRED VOLUMES														
2	Commodity Purchase	(TJ)													
3	Station No. 2		6,161	6,161	5,962	6,161	5,962	6,161	6,161	5,564	6,161	5,962	6,161	5,962	72,536
4	AECO		1,293	1,293	1,251	1,293	1,251	1,293	1,293	1,168	1,293	1,251	1,293	1,251	15,220
5	Huntingdon		1,280	1,280	1,239	1,280	1,239	1,280	1,280	1,156	1,280	1,239	1,280	1,239	15,069
6	Subtotal - Commodity Purchased		8,733	8,733	8,451	8,733	8,451	8,733	8,733	7,888	8,733	8,451	8,733	8,451	102,825
7	Fuel Used in Transportation		(201)	(201)	(194)	(201)	(194)	(201)	(201)	(181)	(201)	(194)	(201)	(194)	(2,363)
8	Commodity Available for Sale		<u>8,532</u>	<u>8,532</u>	<u>8,257</u>	<u>8,532</u>	<u>8,257</u>	<u>8,532</u>	<u>8,532</u>	<u>7,707</u>	<u>8,532</u>	<u>8,257</u>	<u>8,532</u>	<u>8,257</u>	<u>100,462</u>
9															
10															
11	CCRA INCURRED COSTS														
12	Commodity Costs	(\$000)													
13	Station No. 2		\$ 18,532	\$ 18,636	\$ 17,992	\$ 18,909	\$ 18,863	\$ 21,072	\$ 21,281	\$ 18,939	\$ 20,706	\$ 19,766	\$ 20,470	\$ 20,101	\$ 235,269
14	AECO		3,978	3,999	3,873	4,061	4,130	4,564	4,602	4,125	4,526	4,227	4,385	4,293	50,762
15	Huntingdon		4,138	4,159	4,028	4,361	4,893	5,598	5,453	4,748	5,023	4,373	4,429	4,335	55,538
16	Commodity Costs before Hedging		\$ 26,648	\$ 26,794	\$ 25,893	\$ 27,331	\$ 27,886	\$ 31,234	\$ 31,337	\$ 27,813	\$ 30,255	\$ 28,367	\$ 29,284	\$ 28,728	\$ 341,569
17	Mark to Market Hedges Cost / (Gain)		1,566	1,544	1,491	1,479	452	390	380	352	400	-	-	-	8,054
18	Core Market Administration Costs		102	102	102	102	102	102	102	102	102	102	102	102	1,220
19	Total CCRA Costs		<u>\$ 28,315</u>	<u>\$ 28,439</u>	<u>\$ 27,486</u>	<u>\$ 28,911</u>	<u>\$ 28,440</u>	<u>\$ 31,726</u>	<u>\$ 31,819</u>	<u>\$ 28,266</u>	<u>\$ 30,757</u>	<u>\$ 28,469</u>	<u>\$ 29,386</u>	<u>\$ 28,830</u>	<u>\$ 350,843</u>
20															
21															
22	CCRA Unit Cost	(\$/GJ)	\$ 3.3186	\$ 3.3331	\$ 3.3287	\$ 3.3884	\$ 3.4442	\$ 3.7182	\$ 3.7291	\$ 3.6677	\$ 3.6047	\$ 3.4478	\$ 3.4440	\$ 3.4915	\$ 3.4923
23															
24	Notes:		Slight differences in totals due to rounding.												

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
COMMODITY COST RECONCILIATION ACCOUNT ("CCRA")
COST OF GAS (COMMODITY COST RECOVERY CHARGE) FLOW-THROUGH BY RATE SCHEDULE
FOR THE FORECAST PERIOD JULY 1, 2012 TO JUNE 30, 2013
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 17, AND 18, 2012

Tab 2
 Page 3

Line No.	Particulars	Unit	RS-1, RS-2, RS-3, RS-5, RS-6 and Whistler	RS-4	RS-7	RS-1 to RS-7 incl Whistler Total
	(1)		(2)	(3)	(4)	(5)
1	CCRA Sales Volumes	TJ	99,642.5	185.1	12.9	99,840.4
2						
3						
4	CCRA Incurred Costs					
5	Station No. 2	\$000	\$ 189,972.9	\$ 400.4	\$ 41.4	\$ 190,414.7
6	AECO	\$000	41,313.0	0.8	0.1	41,313.8
7	Huntingdon	\$000	45,888.1	103.1	-	45,991.2
8	CCRA Commodity Costs before Hedging	\$000	\$ 277,174.0	\$ 504.2	\$ 41.5	\$ 277,719.7
9	Mark to Market Hedges Cost / (Gain)	\$000	41,900.5	76.2	-	41,976.7
10	Core Market Administration Costs	\$000	1,188.6	2.2	-	1,190.8
11	Total Incurred Costs before CCRA deferral amortization	\$000	\$ 320,263.1	\$ 582.6	\$ 41.5	\$ 320,887.2
12						
13	Pre-tax CCRA Deficit/(Surplus) as of Jul 1, 2012	\$000	\$ (27,711.5)	\$ (50.4)	\$ -	\$ (27,761.9)
14	Total CCRA Incurred Costs	\$000	\$ 292,551.6	\$ 532.2	\$ 41.5	\$ 293,125.3
15						
16						
17	CCRA Incurred Unit Costs					
18	CCRA Commodity Costs before Hedging	\$/GJ	\$ 2.7817			
19	Mark to Market Hedges Cost / (Gain)	\$/GJ	0.4205			
20	Core Market Administration Costs	\$/GJ	0.0119			
21	CCRA Incurred Costs (excl. CCRA Deferral Amortization)	\$/GJ	\$ 3.2141			
22	Pre-tax CCRA Deficit/(Surplus) as of Jul 1, 2012	\$/GJ	(0.2781)			
23	CCRA Gas Costs Incurred -- Flow-Through	\$/GJ	\$ 2.9360			
24						
25						
26						
27						
28						
29						
30	Cost of Gas (Commodity Cost Recovery Charge)		RS-1, RS-2, RS-3, RS-5, RS-6 and Whistler	Tariff Equal To RS-5	Fixed Price Option Equal To RS-5	
31						
32	Tested Flow-Through Cost of Gas effective Jul 1, 2012	\$/GJ	\$ 2.936	\$ 2.936	\$ 2.936	
33						
34	Existing Cost of Gas (effective since Apr 1, 2012)	\$/GJ	2.977	2.977	2.977	
35						
36	Cost of Gas Increase / (Decrease)	\$/GJ	\$ (0.041)	\$ (0.041)	\$ (0.041)	
37						
38	Cost of Gas Percentage Increase / (Decrease)		-1.38%	-1.38%	-1.38%	

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
MCRA INCURRED MONTHLY ACTIVITIES FOR THE YEAR 2012
FORECAST PERIODS WITH FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 17, AND 18, 2012

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Recorded Jan 12	Recorded Feb 12	Recorded Mar 12	Recorded Apr 12	Projected May 12	Projected Jun 12	Forecast Jul 12	Forecast Aug 12	Forecast Sep 12	Forecast Oct 12	Forecast Nov 12	Forecast Dec 12	2012 Total	
1 MCRA COSTS	(\$000)													
2 Midstream Commodity Costs														
3 Midstream Commodity Costs before Hedging ^(1*)	\$ 14,453	\$ 10,178	\$ 5,432	\$ 202	\$ 3,146	\$ 4,455	\$ 40	\$ (276)	\$ (285)	\$ 2,558	\$ 9,418	\$ 14,800	\$ 64,122	
4 Mark to Market Hedges Cost / (Gain)	88	141	1	-	-	-	-	-	-	-	-	-	230	
5 Subtotal Midstream Commodity Purchased	\$ 14,542	\$ 10,319	\$ 5,433	\$ 202	\$ 3,146	\$ 4,455	\$ 40	\$ (276)	\$ (285)	\$ 2,558	\$ 9,418	\$ 14,800	\$ 64,352	
6 Imbalance ^(2*)	(841)	(1,328)	492	(549)	-	-	-	-	-	-	-	-	(2,227)	
7 Company Use Gas Recovered from O&M	(363)	(228)	(134)	(138)	(86)	(78)	(40)	(23)	(28)	(55)	(167)	(437)	(1,777)	
8 Total Midstream Commodity Costs	\$ 13,338	\$ 8,762	\$ 5,791	\$ (486)	\$ 3,060	\$ 4,377	\$ 0	\$ (299)	\$ (313)	\$ 2,503	\$ 9,250	\$ 14,363	\$ 60,348	
9														
10 Storage (including Linepack)														
11 Storage Demand Charges	\$ 1,975	\$ 1,959	\$ 1,948	\$ 2,967	\$ 3,388	\$ 3,434	\$ 3,440	\$ 3,440	\$ 3,441	\$ 2,431	\$ 2,459	\$ 2,465	\$ 33,349	
12 Mt. Hayes Demand Charges	1,329	1,329	1,329	1,329	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	15,940	
13 Mt. Hayes Variable Charges	4	2	2	2	55	55	55	55	55	55	7	7	350	
14 Injections into Storage	(1,226)	(286)	(1,893)	(4,361)	(14,933)	(24,659)	(21,986)	(18,847)	(16,598)	(4,384)	(1,286)	(2,109)	(112,568)	
15 Withdrawals from Storage	26,219	17,563	14,153	2,749	58	58	-	-	-	2,172	16,307	29,995	109,273	
16 Total Storage	\$ 28,301	\$ 20,566	\$ 15,539	\$ 2,685	\$ (10,104)	\$ (19,784)	\$ (17,163)	\$ (14,024)	\$ (11,774)	\$ 1,602	\$ 18,814	\$ 31,686	\$ 46,344	
17														
18 Mitigation														
19 Transportation	\$ (703)	\$ (1,038)	\$ (775)	\$ (985)	\$ (963)	\$ (774)	\$ (1,394)	\$ (1,830)	\$ (1,277)	\$ (1,014)	\$ (890)	\$ (901)	\$ (12,544)	
20 Commodity Resales	(4,924)	(6,204)	(5,192)	(1,405)	(2,726)	(1,558)	(87)	(2,352)	(837)	(3,623)	(11,019)	(16,314)	(56,241)	
21 Other GSMIP Mitigation	(125)	320	2,248	799	-	-	-	-	-	-	-	-	3,242	
22 Subtotal GSMIP Mitigation	\$ (5,752)	\$ (6,922)	\$ (3,719)	\$ (1,591)	\$ (3,689)	\$ (2,332)	\$ (1,480)	\$ (4,182)	\$ (2,114)	\$ (4,637)	\$ (11,910)	\$ (17,215)	\$ (65,543)	
23 GSMIP Incentive Sharing	87	129	85	4	-	333	-	-	333	-	-	-	971	
24 Other Non-GSMIP Mitigation	105	181	13	79	-	-	-	-	-	-	-	-	379	
25 Total Mitigation	\$ (5,560)	\$ (6,612)	\$ (3,621)	\$ (1,508)	\$ (3,689)	\$ (1,999)	\$ (1,480)	\$ (4,182)	\$ (1,781)	\$ (4,637)	\$ (11,910)	\$ (17,215)	\$ (64,193)	
26														
27 Transportation (Pipeline) Charges														
28 WEI (BC Pipeline)	\$ 6,080	\$ 6,080	\$ 6,080	\$ 6,080	\$ 6,080	\$ 6,080	\$ 6,080	\$ 6,080	\$ 6,080	\$ 6,080	\$ 6,080	\$ 6,080	\$ 72,958	
29 TransCanada (BC Line)	409	409	409	285	483	483	483	483	483	483	483	483	5,375	
30 Nova (Alberta Line)	693	693	681	693	693	693	693	693	693	693	751	753	8,424	
31 Northwest Pipeline	508	456	500	364	555	552	497	497	483	499	486	502	5,901	
32 FortisBC Energy Huntingdon Inc.	24	24	24	24	24	24	24	24	24	24	24	24	289	
33 SCP - BC Hydro TSA	300	300	300	300	300	300	300	300	300	300	300	300	3,600	
34 Squamish Wheeling	68	51	53	33	34	34	34	34	34	34	34	34	473	
35 Midstream Tolls and Fees	1,151	945	178	1,129	471	471	471	471	471	471	537	553	7,321	
36 Total Transportation Charges	\$ 9,232	\$ 8,958	\$ 8,225	\$ 8,908	\$ 8,640	\$ 8,637	\$ 8,582	\$ 8,582	\$ 8,568	\$ 8,584	\$ 8,695	\$ 8,729	\$ 104,341	
37														
38 Core Market Administration Costs	\$ 202	\$ 167	\$ 170	\$ 225	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 2,601	
39 TOTAL MCRA COSTS (Line 8, 16, 25, 36, & 38) (\$000)	\$ 45,513	\$ 31,842	\$ 26,104	\$ 9,824	\$ (1,863)	\$ (8,539)	\$ (9,832)	\$ (9,693)	\$ (5,070)	\$ 8,282	\$ 25,080	\$ 37,793	\$ 149,441	
40														
41														
42 Variable Costs	\$ 26,148	\$ 18,224	\$ 12,439	\$ (482)	\$ (14,348)	\$ (24,075)	\$ (21,460)	\$ (18,321)	\$ (16,072)	\$ (1,686)	\$ 15,564	\$ 28,446	\$ 4,376	
43 Fixed Costs	19,365	13,618	13,665	10,306	12,485	15,537	11,629	8,628	11,002	9,969	9,516	9,347	145,065	
44 Total MCRA Costs (\$000)	\$ 45,513	\$ 31,842	\$ 26,104	\$ 9,824	\$ (1,863)	\$ (8,539)	\$ (9,832)	\$ (9,693)	\$ (5,070)	\$ 8,282	\$ 25,080	\$ 37,793	\$ 149,441	

Notes: Slight difference in totals due to rounding.

(1*) UAF is included as a component of gas volume purchased. Sales UAF costs are recovered via gas cost recovery rates, and T-Service UAF costs are recovered via delivery revenues.

(2*) Imbalance is not forecast. Recorded imbalance is composed of Westcoast imbalance (difference between Spectra metered and authorized deliveries) and Transportation imbalance (difference between the authorized receipts and customers' consumption or "burn").

**FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.**

**MCRA INCURRED MONTHLY ACTIVITIES FOR THE YEAR 2013
FORECAST PERIODS WITH FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 17, AND 18, 2012**

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		Forecast Jan 13	Forecast Feb 13	Forecast Mar 13	Forecast Apr 13	Forecast May 13	Forecast Jun 13	Forecast Jul 13	Forecast Aug 13	Forecast Sep 13	Forecast Oct 13	Forecast Nov 13	Forecast Dec 13	2013 Total
1	MCRA COSTS													
2	Midstream Commodity Costs													
3	Commodity Costs before Hedging ^(1*)	\$ 14,905	\$ 13,260	\$ 8,561	\$ 2,335	\$ 3,633	\$ 8,225	\$ 5,905	\$ 6,446	\$ 1,039	\$ 3,739	\$ 11,350	\$ 19,033	\$ 98,432
4	Mark to Market Hedges Cost / (Gain)	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Subtotal Midstream Commodity Purchased	\$ 14,905	\$ 13,260	\$ 8,561	\$ 2,335	\$ 3,633	\$ 8,225	\$ 5,905	\$ 6,446	\$ 1,039	\$ 3,739	\$ 11,350	\$ 19,033	\$ 98,432
6	Imbalance ^(2*)	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Company Use Gas Recovered from O&M	(456)	(341)	(222)	(194)	(92)	(82)	(41)	(24)	(29)	(59)	(183)	(452)	(2,174)
8	Total Midstream Commodity Costs	\$ 14,449	\$ 12,920	\$ 8,340	\$ 2,141	\$ 3,541	\$ 8,143	\$ 5,864	\$ 6,423	\$ 1,010	\$ 3,680	\$ 11,168	\$ 18,581	\$ 96,257
9														
10	Storage (including Linepack)													
11	Storage Demand Charges	\$ 2,465	\$ 2,447	\$ 2,468	\$ 3,449	\$ 3,455	\$ 3,449	\$ 3,262	\$ 3,475	\$ 3,468	\$ 3,475	\$ 2,448	\$ 2,454	\$ 36,313
12	Mt. Hayes Demand Charges	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	15,937
13	Mt. Hayes Variable Charges	7	7	7	55	55	55	55	55	55	55	7	7	416
14	Injections into Storage	(4,983)	(1,910)	-	(6,548)	(15,499)	(26,370)	(23,393)	(20,656)	(12,333)	(4,597)	(1,293)	(2,288)	(119,870)
15	Withdrawals from Storage	27,232	21,287	16,033	4,397	56	56	-	-	-	2,114	15,928	28,589	115,692
16	Total Storage	\$ 26,049	\$ 23,159	\$ 19,836	\$ 2,680	\$ (10,606)	\$ (21,483)	\$ (18,748)	\$ (15,798)	\$ (7,482)	\$ 2,374	\$ 18,417	\$ 30,090	\$ 48,488
17														
18	Mitigation													
19	Transportation	\$ (820)	\$ (1,026)	\$ (1,711)	\$ (969)	\$ (993)	\$ (779)	\$ (876)	\$ (991)	\$ (798)	\$ (818)	\$ (883)	\$ (863)	\$ (11,527)
20	Commodity Resales	(10,190)	(11,908)	(8,887)	(122)	(1,974)	(2,527)	(5,276)	(9,246)	(5,771)	(4,924)	(13,461)	(20,431)	(94,716)
21	Other GSMIP Mitigation	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Sobtotal GSMIP Mitigation	\$ (11,010)	\$ (12,934)	\$ (10,598)	\$ (1,091)	\$ (2,967)	\$ (3,306)	\$ (6,151)	\$ (10,237)	\$ (6,569)	\$ (5,742)	\$ (14,344)	\$ (21,294)	\$ (106,243)
23	GSMIP Incentive Sharing	-	-	333	-	-	333	-	-	333	-	-	-	1,000
24	Other Non-GSMIP Mitigation	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Total Mitigation	\$ (11,010)	\$ (12,934)	\$ (10,265)	\$ (1,091)	\$ (2,967)	\$ (2,972)	\$ (6,151)	\$ (10,237)	\$ (6,236)	\$ (5,742)	\$ (14,344)	\$ (21,294)	\$ (105,243)
26														
27	Transportation (Pipeline) Charges													
28	WEI (BC Pipeline)	\$ 6,348	\$ 6,348	\$ 6,348	\$ 6,348	\$ 6,348	\$ 6,348	\$ 6,449	\$ 6,449	\$ 6,449	\$ 6,449	\$ 6,449	\$ 6,449	\$ 76,783
29	TransCanada (BC Line)	493	493	493	493	493	493	493	493	493	493	493	493	5,912
30	Nova (Alberta Line)	792	787	792	731	731	731	731	731	731	731	797	799	9,086
31	Northwest Pipeline	493	446	495	479	495	322	338	338	327	338	327	338	4,735
32	FortisBC Energy Huntingdon Inc.	24	24	24	24	24	24	24	24	24	24	24	24	289
33	SCP - BC Hydro TSA	300	300	300	300	300	300	300	300	300	300	300	300	3,600
34	Squamish Wheeling	34	34	34	34	34	34	34	34	34	34	34	34	404
35	Midstream Tolls and Fees	580	572	576	498	498	498	498	498	498	498	559	571	6,346
36	Total Transportation Charges	\$ 9,064	\$ 9,003	\$ 9,062	\$ 8,907	\$ 8,923	\$ 8,750	\$ 8,867	\$ 8,867	\$ 8,856	\$ 8,867	\$ 8,982	\$ 9,008	\$ 107,155
37														
38	Core Market Administration Costs	\$ 230	\$ 230	\$ 230	\$ 237	\$ 237	\$ 237	\$ 237	\$ 237	\$ 237	\$ 237	\$ 237	\$ 237	\$ 2,824
39	TOTAL MCRA COSTS (Line 8, 16, 25, 36,& 38)	\$ 38,781	\$ 32,377	\$ 27,203	\$ 12,875	\$ (871)	\$ (7,325)	\$ (9,932)	\$ (10,509)	\$ (3,615)	\$ 9,416	\$ 24,460	\$ 36,622	\$ 149,482
40														
41														
42	Variable Costs	\$ 22,835	\$ 19,956	\$ 16,616	\$ (1,598)	\$ (14,890)	\$ (25,761)	\$ (22,840)	\$ (20,103)	\$ (11,780)	\$ (1,931)	\$ 15,200	\$ 26,879	\$ 2,584
43	Fixed Costs	15,946	12,421	10,587	14,473	14,019	18,436	12,908	9,594	8,165	11,347	9,260	9,743	146,898
44	Total MCRA Costs	\$ 38,781	\$ 32,377	\$ 27,203	\$ 12,875	\$ (871)	\$ (7,325)	\$ (9,932)	\$ (10,509)	\$ (3,615)	\$ 9,416	\$ 24,460	\$ 36,622	\$ 149,482

Notes: Slight difference in totals due to rounding.

(1*) UAF is included as a component of gas volume purchased. Sales UAF costs are recovered via gas cost recovery rates, and T-Service UAF costs are recovered via delivery revenues.

(2*) Imbalance is not forecast. Recorded imbalance is composed of Westcoast imbalance (difference between Spectra metered and authorized deliveries) and Transportation imbalance (difference between the authorized receipts and customers' consumption or "burn").

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
SUMMARY OF BIOMETHANE VARIANCE ACCOUNT ("BVA") VOLUMES
ACTUAL AND FORECAST ACTIVITY ENDING DECEMBER 31, 2014
(Volumes shown in TJ)

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1		Recorded	Recorded	Recorded	Recorded	Projected	Projected	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
2		<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Apr-12</u>	<u>May-12</u>	<u>Jun-12</u>	<u>Jul-12</u>	<u>Aug-12</u>	<u>Sep-12</u>	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	2012
3	Biomethane Available for Sale - Beginning	42.3	43.8	45.7	48.4	51.9	52.0	52.9	54.3	56.1	58.7	58.8	56.1	42.3
4	Purchase Volumes	1.2	2.1	3.1	4.2	4.7	4.5	4.7	4.7	6.2	6.3	6.2	6.3	53.9
5	Sales Volumes	0.2	(0.1)	(0.3)	(0.7)	(4.6)	(3.6)	(3.2)	(2.9)	(3.6)	(6.3)	(8.8)	(11.2)	(45.1)
6	Biomethane Available for Sale - Ending	43.8	45.7	48.4	51.9	52.0	52.9	54.3	56.1	58.7	58.8	56.1	51.2	51.2
7														
8														
9		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
10		<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	2013
11	Biomethane Available for Sale - Beginning	51.2	39.5	30.0	21.5	16.7	15.2	15.0	15.6	21.8	26.9	28.3	25.9	51.2
12	Purchase Volumes	6.3	5.9	6.3	6.2	6.3	6.2	6.3	11.6	11.4	11.6	11.4	11.6	101.2
13	Sales Volumes	(18.0)	(15.4)	(14.8)	(11.0)	(7.8)	(6.3)	(5.8)	(5.3)	(6.4)	(10.2)	(13.9)	(17.3)	(132.2)
14	Biomethane Available for Sale - Ending	39.5	30.0	21.5	16.7	15.2	15.0	15.6	21.8	26.9	28.3	25.9	20.1	20.1
15														
16														
17		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
18		<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>	<u>Nov-14</u>	<u>Dec-14</u>	2014
19	Biomethane Available for Sale - Beginning	20.1	10.4	4.4	(0.0)	1.8	9.1	6.4	17.2	16.3	25.9	16.8	13.7	20.1
20	Purchase Volumes	18.8	18.3	18.8	18.7	18.8	18.7	18.8	18.8	18.7	18.8	18.7	18.8	224.9
21	Sales Volumes	(28.6)	(24.3)	(23.3)	(16.8)	(11.5)	(21.4)	(8.0)	(19.8)	(9.0)	(28.0)	(21.7)	(27.6)	(240.0)
22	Biomethane Available for Sale - Ending	10.4	4.4	(0.0)	1.8	9.1	6.4	17.2	16.3	25.9	16.8	13.7	5.0	5.0

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
SUMMARY OF BIOMETHANE VARIANCE ACCOUNT ("BVA") BALANCES
ACTUAL AND FORECAST ACTIVITY ENDING DECEMBER 31, 2014
(Amounts shown in \$000)

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1		Recorded	Recorded	Recorded	Recorded	Projected	Projected	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
2		Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	2012
3	BVA Balance - Beginning (Pre-tax) ⁽¹⁾	\$ 454	\$ 469	\$ 488	\$ 517	\$ 564	\$ 570	\$ 587	\$ 610	\$ 637	\$ 634	\$ 603	\$ 541	\$ 454
4	Costs Incurred	\$ 12	\$ 21	\$ 34	\$ 54	\$ 60	\$ 59	\$ 60	\$ 60	\$ 40	\$ 42	\$ 41	\$ 43	\$ 526
5	Revenue from 2012 Approved BERC Rate	\$ 2	\$ (2)	\$ (4)	\$ (8)	\$ (54)	\$ (42)	\$ (38)	\$ (33)	\$ (42)	\$ (73)	\$ (103)	\$ (132)	\$ (527)
6	BVA Balance - Ending (Pre-tax)	\$ 469	\$ 488	\$ 517	\$ 564	\$ 570	\$ 587	\$ 610	\$ 637	\$ 634	\$ 603	\$ 541	\$ 452	\$ 452
7														
8	Adjustment for Value of Unsold Biomethane at Existing BERC Rate						\$ (619)			\$ (686)			\$ (599)	
9	Adjusted BVA Balance - Ending (Pre-tax)						\$ (32)			\$ (52)			\$ (147)	
10														
11														
12		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
13		Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	2013
14	BVA Balance - Beginning (Pre-tax) ⁽¹⁾	\$ 452	\$ 318	\$ 209	\$ 112	\$ 58	\$ 42	\$ 43	\$ 52	\$ 111	\$ 156	\$ 159	\$ 117	\$ 452
15	Costs Incurred	\$ 76	\$ 70	\$ 76	\$ 74	\$ 76	\$ 74	\$ 76	\$ 122	\$ 120	\$ 122	\$ 121	\$ 123	\$ 1,131
16	Revenue from Existing BERC Rate	\$ (210)	\$ (180)	\$ (173)	\$ (128)	\$ (92)	\$ (74)	\$ (68)	\$ (62)	\$ (75)	\$ (119)	\$ (162)	\$ (203)	\$ (1,546)
17	BVA Balance - Ending (Pre-tax)	\$ 318	\$ 209	\$ 112	\$ 58	\$ 42	\$ 43	\$ 52	\$ 111	\$ 156	\$ 159	\$ 117	\$ 37	\$ 37
18														
19	Adjustment for Value of Unsold Biomethane at Existing BERC Rate			\$ (252)			\$ (176)			\$ (315)			\$ (235)	
20	Adjusted BVA Balance - Ending (Pre-tax)			\$ (140)			\$ (133)			\$ (158)			\$ (199)	
21														
22														
23		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
24		Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	2014
25	BVA Balance - Beginning (Pre-tax) ⁽¹⁾	\$ 37	\$ (72)	\$ (137)	\$ (183)	\$ (157)	\$ (66)	\$ (93)	\$ 39	\$ 33	\$ 151	\$ 50	\$ 21	\$ 37
26	Costs Incurred	\$ 226	\$ 219	\$ 226	\$ 223	\$ 226	\$ 223	\$ 226	\$ 226	\$ 223	\$ 226	\$ 225	\$ 227	\$ 2,696
27	Revenue from Existing BERC Rate	\$ (334)	\$ (284)	\$ (272)	\$ (197)	\$ (135)	\$ (251)	\$ (94)	\$ (231)	\$ (106)	\$ (327)	\$ (254)	\$ (322)	\$ (2,807)
28	BVA Balance - Ending (Pre-tax)	\$ (72)	\$ (137)	\$ (183)	\$ (157)	\$ (66)	\$ (93)	\$ 39	\$ 33	\$ 151	\$ 50	\$ 21	\$ (74)	\$ (74)
29														
30	Adjustment for Value of Unsold Biomethane at Existing BERC Rate			\$ 0			\$ (75)			\$ (303)			\$ (59)	
31	Adjusted BVA Balance - Ending (Pre-tax)			\$ (183)			\$ (168)			\$ (152)			\$ (133)	

Notes: Slight differences in totals due to rounding.

(1) Pre-tax opening balances are restated based on current income tax rate (25.0%), to reflect grossed-up after tax amounts.

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
COSTS RECOVERY BY RATE CLASS FOR BIOMETHANE
ACTUAL AND FORECAST ACTIVITY ENDING DECEMBER 31, 2014

Line	Particulars	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	2012
		Recorded	Recorded	Recorded	Recorded	Projected	Projected	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
1	Volume (GJ)													
2	Rate Class 1B	(200)	134	333	413	1,927	1,398	1,209	1,020	1,398	2,796	4,118	5,403	19,950
3	Rate Class 2B	-	-	-	6	241	173	148	127	174	347	514	671	2,400
4	Rate Class 3B	-	-	-	-	1,533	1,098	947	812	1,110	2,207	3,275	4,268	15,250
5	Rate Class 11B / 30	-	-	-	264	905	905	905	905	905	905	905	905	7,500
6	Total Volume	<u>(200)</u>	<u>134</u>	<u>333</u>	<u>683</u>	<u>4,606</u>	<u>3,574</u>	<u>3,209</u>	<u>2,863</u>	<u>3,587</u>	<u>6,254</u>	<u>8,811</u>	<u>11,246</u>	<u>45,100</u>
7														
8	Existing Rate	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	
9														
10	Cost Recovered													
11	Rate Class 1B	\$ (2,339)	\$ 1,567	\$ 3,895	\$ 4,830	\$ 22,538	\$ 16,351	\$ 14,142	\$ 11,932	\$ 16,351	\$ 32,702	\$ 48,170	\$ 63,195	\$ 233,335
12	Rate Class 2B	-	-	-	70	2,820	2,019	1,735	1,485	2,036	4,055	6,007	7,843	28,070
13	Rate Class 3B	-	-	-	-	17,932	12,847	11,076	9,492	12,983	25,810	38,303	49,921	178,364
14	Rate Class 11B / 30	-	-	-	3,088	10,579	10,579	10,579	10,579	10,579	10,579	10,579	10,579	87,720
15	Total Recovered	<u>(2,339)</u>	<u>1,567</u>	<u>3,895</u>	<u>7,988</u>	<u>53,870</u>	<u>41,797</u>	<u>37,532</u>	<u>33,488</u>	<u>41,949</u>	<u>73,146</u>	<u>103,059</u>	<u>131,538</u>	<u>527,490</u>
16														
17		Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	2013
18	Volume (GJ)	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
19	Rate Class 1B	6,465	5,410	5,146	3,563	2,243	1,583	1,363	1,188	1,627	3,211	4,750	6,201	42,750
20	Rate Class 2B	636	529	505	348	219	158	135	116	159	315	469	611	4,200
21	Rate Class 3B	8,359	6,964	6,650	4,574	2,886	2,067	1,782	1,527	2,089	4,154	6,164	8,034	55,250
22	Rate Class 11B / 30	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
23	Total Volume	<u>17,960</u>	<u>15,402</u>	<u>14,801</u>	<u>10,984</u>	<u>7,848</u>	<u>6,308</u>	<u>5,781</u>	<u>5,331</u>	<u>6,376</u>	<u>10,179</u>	<u>13,883</u>	<u>17,346</u>	<u>132,200</u>
24														
25	Existing Rate	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	
26														
27	Cost Recovered													
28	Rate Class 1B	\$ 75,618	\$ 63,272	\$ 60,186	\$ 41,667	\$ 26,235	\$ 18,519	\$ 15,947	\$ 13,889	\$ 19,033	\$ 37,552	\$ 55,556	\$ 72,531	\$ 500,004
29	Rate Class 2B	7,436	6,186	5,912	4,068	2,560	1,844	1,585	1,356	1,859	3,687	5,485	7,146	49,123
30	Rate Class 3B	97,772	81,447	77,775	53,495	33,755	24,181	20,845	17,865	24,438	48,580	72,090	93,962	646,204
31	Rate Class 11B / 30	29,240	29,240	29,240	29,240	29,240	29,240	29,240	29,240	29,240	29,240	29,240	29,240	350,880
32	Total Recovered	<u>210,065</u>	<u>180,145</u>	<u>173,113</u>	<u>128,470</u>	<u>91,790</u>	<u>73,784</u>	<u>67,617</u>	<u>62,350</u>	<u>74,570</u>	<u>119,059</u>	<u>162,371</u>	<u>202,879</u>	<u>1,546,211</u>
33														
34		Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	2014
35	Volume (GJ)	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
36	Rate Class 1B	12,931	10,819	10,292	7,125	4,486	3,167	2,727	2,375	3,255	6,421	9,500	12,403	85,500
37	Rate Class 2B	1,362	1,133	1,083	745	469	338	290	248	341	676	1,005	1,309	9,000
38	Rate Class 3B	11,802	9,831	9,388	6,457	4,074	2,919	2,516	2,156	2,950	5,864	8,702	11,342	78,000
39	Rate Class 11B / 30	2,500	2,500	2,500	2,500	2,500	15,000	2,500	15,000	2,500	15,000	2,500	2,500	67,500
40	Total Volume	<u>28,594</u>	<u>24,284</u>	<u>23,263</u>	<u>16,827</u>	<u>11,530</u>	<u>21,423</u>	<u>8,033</u>	<u>19,780</u>	<u>9,045</u>	<u>27,961</u>	<u>21,707</u>	<u>27,554</u>	<u>240,000</u>
41														
42	Existing Rate	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	\$ 11.696	
43														
44	Cost Recovered													
45	Rate Class 1B	\$ 151,236	\$ 126,544	\$ 120,371	\$ 83,334	\$ 52,470	\$ 37,037	\$ 31,893	\$ 27,778	\$ 38,066	\$ 75,103	\$ 111,112	\$ 145,063	\$ 1,000,008
46	Rate Class 2B	15,933	13,256	12,668	8,718	5,485	3,951	3,396	2,906	3,983	7,901	11,754	15,313	105,264
47	Rate Class 3B	138,030	114,984	109,800	75,522	47,654	34,138	29,429	25,221	34,501	68,583	101,774	132,652	912,288
48	Rate Class 11B / 30	29,240	29,240	29,240	29,240	29,240	175,440	29,240	175,440	29,240	175,440	29,240	29,240	789,480
49	Total Recovered	<u>334,439</u>	<u>284,024</u>	<u>272,080</u>	<u>196,814</u>	<u>134,849</u>	<u>250,566</u>	<u>93,958</u>	<u>231,344</u>	<u>105,790</u>	<u>327,028</u>	<u>253,880</u>	<u>322,268</u>	<u>2,807,040</u>



LETTER NO. L-XX-12

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. CANADA V6Z 2N3
TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

ERICA M. HAMILTON
COMMISSION SECRETARY
Commission.Secretary@bcuc.com
web site: <http://www.bcuc.com>

Log No. xxxx

DRAFT ORDER

VIA E-MAIL

June XX, 2012

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.
Lower Mainland, Inland, and Columbia Service Areas
2012 Second Quarter Gas Cost Report
Commodity Cost Reconciliation Account (CCRA), Midstream Cost Reconciliation
Account (MCRA), and Biomethane Variance Account (BVA)

On June 7, 2012 FortisBC Energy Inc. filed its 2012 Second Quarter Gas Cost Report (the Report). The Commission acknowledges receipt of the Report and accepts the recommendation that customer rates remain unchanged for the Lower Mainland, Inland, and Columbia service areas as of July 1, 2012.

The Commission will hold confidential the information in Tab 3, Pages 4.1 to 4.3, of the Report.

Yours truly,

Erica M. Hamilton
Commission Secretary