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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. – Revelstoke Service Area
2012 Second Quarter Gas Cost Report**

FortisBC Energy Inc. ("FEI" or the "Company") hereby submits to the British Columbia Utilities Commission (the "Commission") the 2012 Second 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 May 18, 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 May 18, 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 June 30, 2012 is \$259,891 surplus (pre-tax), and the forecast balance at June 30, 2013 is \$897,009 surplus (pre-tax). The rate change trigger ratio is calculated to be 137.9%.

As shown at Tab 2, Page 1, based on the May 18, 2012 forward prices, using NYMEX WTI Light Sweet Crude Oil futures prices, and based on the current rates, the projected deferral account balance at June 30, 2012 is \$315,240 surplus (pre-tax), and the forecast balance at June 30, 2013 is \$1,356,324 surplus (pre-tax). The rate change trigger ratio is calculated to be 171.0%.

As shown at Tab 3, Page 1, based on the May 18, 2012 forward prices, using NYMEX B0 – Mt. Belvieu Propane Swap prices, and based on the current rates, the projected deferral account balance at June 30, 2012 is \$204,543 surplus (pre-tax), and the forecast balance

at June 30, 2013 is \$437,766 surplus (pre-tax). The rate change trigger ratio is calculated to be 115.5%.

Although all three forecast propane cost scenarios indicate over recoveries during the next 12 month period, at current rates, that fall outside the deadband range, all three forecast scenarios also indicate that, with the substantially lower consumption volumes in the summer, the over recoveries at current rates are projected to result in only a modest surplus growth in the deferral account over the next quarter.

Due to the large degree of price volatility currently being experienced in the crude oil futures and propane swap futures markets, the Company proposes that no change be made to the Revelstoke rates at this time. The Revelstoke deferral account balances and rates will be subject to review within the 2012 Third Quarter Gas Cost Report, expected to be filed in late August or early September. And while the propane cost forecasts used within the Second Quarter Report indicate that the Revelstoke rates will need to be decreased at some point in the future, the Company suggests that it would be preferable to reset the propane cost recovery rates effective October 1, 2012, at the start of the 2012/2013 heating season and at a time when the commodity markets may be less volatile.

The forecast consumption for a typical Revelstoke residential customer during the summer period of July-September amounts to just over 3 GJ. Deferring the indicated rate decrease, as based on the May 18, 2012 forward prices using NYMEX B0 – Mt. Belvieu Propane Swap prices, of \$2.125/GJ and leaving the rates unchanged at July 1, 2012, equates to a total bill impact of less than \$7 for that three month period for a typical residential customer in Revelstoke. Further, based on the May 18, 2012 forward prices using NYMEX B0 – Mt. Belvieu Propane Swap prices, leaving Revelstoke rates unchanged until the next quarterly review indicates that a decrease in the amount of \$2.247/GJ would be required effective October 1, 2012 – the additional decrease amount of \$0.122/GJ equates to an annual bill impact of approximately \$6 for a typical Revelstoke residential customer with an average consumption of 50 GJ.

The Company continues to support the gas cost revenue-to-cost ratio mechanism but believes that under the current circumstances and in the interest of rate stability it is not inappropriate to leave rates unchanged at this time. However, should the Commission decide a propane rate decrease is required at this time, the Company suggests the decrease be based on the NYMEX B0 – Mt. Belvieu Propane Swap prices. Based on the NYMEX B0 – Mt. Belvieu Propane Swap prices, as shown in Tab 3, a decrease in the reference price to \$0.3377/litre (Tab 3, Page 4, Column 2, Line 8), from the existing \$0.3900/litre has been calculated. This corresponds to a rate decrease of \$2.125/GJ, and equates to a burner tip decrease of approximately \$106 per year or 9.2% for a typical residential customer with an average consumption of 50 GJ.

For information purposes, FEI provides at Tab 4, Page 1 a summary of the three sets of forward prices as at May 18, 2012. One set is based on the NYMEX WTI Light Sweet Crude Oil futures, a second set based on the NYMEX B0 – Mt. Belvieu Propane Swap prices, and a third set based on an average of 50% NYMEX WTI Light Sweet Crude Oil futures and 50% NYMEX B0 – Mt. Belvieu Propane Swap prices.

Provided in Tab 5 are the details of the forecast propane 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 that the propane reference price for use in the Revelstoke Propane Cost Deferral Account and customer rates remain unchanged at July 1, 2012. FEI will continue to monitor the forward prices and will report these results in the 2012 Third 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 JUNE 30, 2013**

WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-28-12)

(MAY 18, 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 31, 2012 Balance (Recorded)						(\$176,495)
2	April, 2012 (Projected) ^(A)	621,377	\$0.3506	\$0.3900	(\$0.0394)	(\$24,499)	(\$200,994)
3	May (Projected)	432,226	\$0.3229	\$0.3900	(\$0.0671)	(\$28,987)	(\$229,981)
4	June (Projected)	267,427	\$0.2782	\$0.3900	(\$0.1118)	(\$29,910)	(\$259,891)
5	Current Quarter Total	<u>1,321,030</u>				<u>(\$83,396)</u>	
6							
7	<u>Forecast Volumes and Forecast Prices</u>						
8	July, 2012 (Forecast)	231,064	\$0.2796	\$0.3900	(\$0.1104)	(\$25,509)	(\$285,400)
9	August (Forecast)	202,336	\$0.2815	\$0.3900	(\$0.1085)	(\$21,953)	(\$307,353)
10	September (Forecast)	297,663	\$0.2904	\$0.3900	(\$0.0996)	(\$29,647)	(\$337,000)
11	October (Forecast)	668,878	\$0.3063	\$0.3900	(\$0.0837)	(\$55,985)	(\$392,985)
12	November (Forecast)	973,031	\$0.3149	\$0.3900	(\$0.0751)	(\$73,075)	(\$466,060)
13	December (Forecast)	1,305,806	\$0.3202	\$0.3900	(\$0.0698)	(\$91,145)	(\$557,205)
14	January, 2013 (Forecast)	1,301,065	\$0.3256	\$0.3900	(\$0.0644)	(\$83,789)	(\$640,994)
15	February (Forecast)	1,050,339	\$0.3270	\$0.3900	(\$0.0630)	(\$66,171)	(\$707,165)
16	March (Forecast)	1,007,021	\$0.3205	\$0.3900	(\$0.0695)	(\$69,988)	(\$777,153)
17	April (Forecast)	629,072	\$0.3085	\$0.3900	(\$0.0815)	(\$51,269)	(\$828,422)
18	May (Forecast)	435,838	\$0.2935	\$0.3900	(\$0.0965)	(\$42,058)	(\$870,480)
19	June (Forecast)	271,254	\$0.2922	\$0.3900	(\$0.0978)	(\$26,529)	(\$897,009)
20	Total July, 2012 to June, 2013	<u>8,373,366</u>				<u>(\$637,118)</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]			=	\$3,265,613	=	137.9%
25	June 30, 2012 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)				\$2,368,553		

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 JUNE 30, 2014**

Tab 1
Page 2

WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-28-12)

(MAY 18, 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	June, 2013 Balance (Forecast)						(\$897,009)
2	July (Forecast)	234,416	\$0.2881	\$0.3900	(\$0.1019)	(\$23,887)	(\$920,896)
3	August (Forecast)	205,121	\$0.2895	\$0.3900	(\$0.1005)	(\$20,615)	(\$941,511)
4	September (Forecast)	300,782	\$0.2969	\$0.3900	(\$0.0931)	(\$28,003)	(\$969,514)
5	October (Forecast)	672,712	\$0.3123	\$0.3900	(\$0.0777)	(\$52,270)	(\$1,021,784)
6	November (Forecast)	979,426	\$0.3221	\$0.3900	(\$0.0679)	(\$66,503)	(\$1,088,287)
7	December (Forecast)	1,313,011	\$0.3267	\$0.3900	(\$0.0633)	(\$83,114)	(\$1,171,401)
8	January, 2014 (Forecast)	1,311,446	\$0.3255	\$0.3900	(\$0.0645)	(\$84,588)	(\$1,255,989)
9	February (Forecast)	1,060,004	\$0.3282	\$0.3900	(\$0.0618)	(\$65,508)	(\$1,321,497)
10	March (Forecast)	1,016,068	\$0.3236	\$0.3900	(\$0.0664)	(\$67,467)	(\$1,388,964)
11	April (Forecast)	637,231	\$0.3075	\$0.3900	(\$0.0825)	(\$52,572)	(\$1,441,536)
12	May (Forecast)	439,846	\$0.2915	\$0.3900	(\$0.0985)	(\$43,325)	(\$1,484,861)
13	June (Forecast)	275,383	\$0.2894	\$0.3900	(\$0.1006)	(\$27,704)	(\$1,512,565)
14	Total July, 2013 to June, 2014	<u>8,445,445</u>				<u>(\$615,556)</u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FORECAST AVERAGE COST OF PROPANE
FOR THE PERIOD ENDING JUNE 30, 2013

(MAY 18, 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	July, 2012 (Forecast)	231,064	-	231,064	\$ -	\$ 0.2796	\$ -	\$ 64,599	\$ 64,599
2	August (Forecast)	202,336	-	202,336	\$ -	\$ 0.2815	\$ -	\$ 56,960	\$ 56,960
3	September (Forecast)	297,663	-	297,663	\$ -	\$ 0.2904	\$ -	\$ 86,441	\$ 86,441
4	October (Forecast)	668,878	-	668,878	\$ -	\$ 0.3063	\$ -	\$ 204,851	\$ 204,851
5	November (Forecast)	973,031	450,000	523,031	\$ 0.3147	\$ 0.3150	\$ 141,634	\$ 164,761	\$ 306,395
6	December (Forecast)	1,305,806	450,000	855,806	\$ 0.3147	\$ 0.3231	\$ 141,634	\$ 276,548	\$ 418,182
7	January, 2013 (Forecast)	1,301,065	450,000	851,065	\$ 0.3147	\$ 0.3313	\$ 141,634	\$ 281,969	\$ 423,603
8	February (Forecast)	1,050,339	450,000	600,339	\$ 0.3147	\$ 0.3362	\$ 141,634	\$ 201,813	\$ 343,447
9	March (Forecast)	1,007,021	450,000	557,021	\$ 0.3147	\$ 0.3252	\$ 141,634	\$ 181,121	\$ 322,755
10	April (Forecast)	629,072	-	629,072	\$ -	\$ 0.3085	\$ -	\$ 194,040	\$ 194,040
11	May (Forecast)	435,838	-	435,838	\$ -	\$ 0.2935	\$ -	\$ 127,922	\$ 127,922
12	June (Forecast)	271,254	-	271,254	\$ -	\$ 0.2922	\$ -	\$ 79,248	\$ 79,248
13	Total July, 2012 to June, 2013	<u>8,373,366</u>	<u>2,250,000</u>	<u>6,123,366</u>			<u>\$ 708,171</u>	<u>\$ 1,920,273</u>	<u>\$ 2,628,444</u>
14									
15	Forecast Average Cost of Propane - (\$/Litre)^(A)								<u>\$ 0.3139</u>
16									
17	Forecast Average Cost of Propane - (\$/GJ)^(A)								<u>\$ 12.265</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 JUNE 30, 2013

(MAY 18, 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	July 1, 2012 to June 30, 2013	\$0.3139	\$12.265
5			
6	ii. Twelve months amortization of projected Deferral Account balance	(\$0.0310)	(\$1.213)
7			
8	Tested Reference Price	\$0.2829	\$11.052
9			
10			
11			
12	Existing Propane Reference Price	\$0.3900	\$15.238
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Decrease in Propane Reference Price to be flowed through in customers' rates	(\$0.1071)	(\$4.185)
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 3.93% ^(A)		(\$0.164)
19			
20	Total Propane Cost Flowthrough ^(B)		(\$4.349)
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		Litres	Percentage
28	Sales	18,923,023	
29			
30	Company Use	4,706	0.02%
31	Propane Used for Vaporizer	256,371	1.35%
32	Unaccounted For	484,170	2.56%
33	Total Fuel / UAF Requirement	<u>745,247</u>	<u>3.93%</u>
34			
35	Note: (B) Breakdown of Rate Change:		
36	Projected Deferral Balance at Jun 30, 2012		(\$1.213)
37	Propane Cost Under (Over) Recovery (including amount at Line 18) for Jul 1, 2012 to Jun 30, 2013 period.		(\$3.136)
38	Total Propane Cost Flowthrough		<u>(\$4.349)</u>

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING JUNE 30, 2013**

Tab 1
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WITH TESTED REFERENCE PRICE EFFECTIVE JULY 1, 2012

(MAY 18, 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 31, 2012 Balance (Recorded)						(\$176,495)
2	April, 2012 (Projected) ^(A)	621,377	\$0.3506	\$0.3900	(\$0.0394)	(\$24,499)	(\$200,994)
3	May (Projected)	432,226	\$0.3229	\$0.3900	(\$0.0671)	(\$28,987)	(\$229,981)
4	June (Projected)	267,427	\$0.2782	\$0.3900	(\$0.1118)	(\$29,910)	(\$259,891)
5	Current Quarter Total	<u>1,321,030</u>				<u>(\$83,396)</u>	
6							
7				Tested			
8				Reference			
9				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	July, 2012 (Forecast)	231,064	\$0.2796	\$0.2829	(\$0.0033)	(\$763)	(\$260,654)
12	August (Forecast)	202,336	\$0.2815	\$0.2829	(\$0.0014)	(\$283)	(\$260,937)
13	September (Forecast)	297,663	\$0.2904	\$0.2829	\$0.0075	\$2,232	(\$258,705)
14	October (Forecast)	668,878	\$0.3063	\$0.2829	\$0.0234	\$15,652	(\$243,053)
15	November (Forecast)	973,031	\$0.3149	\$0.2829	\$0.0320	\$31,137	(\$211,916)
16	December (Forecast)	1,305,806	\$0.3202	\$0.2829	\$0.0373	\$48,707	(\$163,209)
17	January, 2013 (Forecast)	1,301,065	\$0.3256	\$0.2829	\$0.0427	\$55,555	(\$107,654)
18	February (Forecast)	1,050,339	\$0.3270	\$0.2829	\$0.0441	\$46,320	(\$61,334)
19	March (Forecast)	1,007,021	\$0.3205	\$0.2829	\$0.0376	\$37,864	(\$23,470)
20	April (Forecast)	629,072	\$0.3085	\$0.2829	\$0.0256	\$16,104	(\$7,366)
21	May (Forecast)	435,838	\$0.2935	\$0.2829	\$0.0106	\$4,620	(\$2,746)
22	June (Forecast)	271,254	\$0.2922	\$0.2829	\$0.0093	\$2,523	(\$223)
23	Total July, 2012 to June, 2013	<u>8,373,366</u>				<u>\$259,668</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 JUNE 30, 2014**

Tab 1
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WITH TESTED REFERENCE PRICE EFFECTIVE JULY 1, 2012

(MAY 18, 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)	Tested Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	June, 2013 Balance (Forecast)						(\$223)
2	July (Forecast)	234,416	\$0.2881	\$0.2829	\$0.0052	\$1,219	\$996
3	August (Forecast)	205,121	\$0.2895	\$0.2829	\$0.0066	\$1,354	\$2,350
4	September (Forecast)	300,782	\$0.2969	\$0.2829	\$0.0140	\$4,211	\$6,561
5	October (Forecast)	672,712	\$0.3123	\$0.2829	\$0.0294	\$19,778	\$26,339
6	November (Forecast)	979,426	\$0.3221	\$0.2829	\$0.0392	\$38,393	\$64,732
7	December (Forecast)	1,313,011	\$0.3267	\$0.2829	\$0.0438	\$57,510	\$122,242
8	January, 2014 (Forecast)	1,311,446	\$0.3255	\$0.2829	\$0.0426	\$55,868	\$178,110
9	February (Forecast)	1,060,004	\$0.3282	\$0.2829	\$0.0453	\$48,018	\$226,128
10	March (Forecast)	1,016,068	\$0.3236	\$0.2829	\$0.0407	\$41,354	\$267,482
11	April (Forecast)	637,231	\$0.3075	\$0.2829	\$0.0246	\$15,676	\$283,158
12	May (Forecast)	439,846	\$0.2915	\$0.2829	\$0.0086	\$3,783	\$286,941
13	June (Forecast)	275,383	\$0.2894	\$0.2829	\$0.0065	\$1,790	\$288,731
14	Total July, 2013 to June, 2014	<u>8,445,445</u>				<u>\$288,954</u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING JUNE 30, 2013
WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-28-12)
(MAY 18, 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 31, 2012 Balance (Recorded)						(\$176,495)
2	April, 2012 (Projected) ^(A)	621,377	\$0.3452	\$0.3900	(\$0.0448)	(\$27,845)	(\$204,340)
3	May (Projected)	432,226	\$0.2412	\$0.3900	(\$0.1488)	(\$64,302)	(\$268,642)
4	June (Projected)	267,427	\$0.2158	\$0.3900	(\$0.1742)	(\$46,598)	(\$315,240)
5	Current Quarter Total	<u>1,321,030</u>				<u>(\$138,745)</u>	
6							
7	Forecast Volumes and Forecast Prices						
8	July, 2012 (Forecast)	231,064	\$0.2197	\$0.3900	(\$0.1703)	(\$39,350)	(\$354,590)
9	August (Forecast)	202,336	\$0.2246	\$0.3900	(\$0.1654)	(\$33,466)	(\$388,056)
10	September (Forecast)	297,663	\$0.2369	\$0.3900	(\$0.1531)	(\$45,572)	(\$433,628)
11	October (Forecast)	668,878	\$0.2576	\$0.3900	(\$0.1324)	(\$88,559)	(\$522,187)
12	November (Forecast)	973,031	\$0.2646	\$0.3900	(\$0.1254)	(\$122,018)	(\$644,205)
13	December (Forecast)	1,305,806	\$0.2744	\$0.3900	(\$0.1156)	(\$150,951)	(\$795,156)
14	January, 2013 (Forecast)	1,301,065	\$0.2790	\$0.3900	(\$0.1110)	(\$144,418)	(\$939,574)
15	February (Forecast)	1,050,339	\$0.2783	\$0.3900	(\$0.1117)	(\$117,323)	(\$1,056,897)
16	March (Forecast)	1,007,021	\$0.2708	\$0.3900	(\$0.1192)	(\$120,037)	(\$1,176,934)
17	April (Forecast)	629,072	\$0.2646	\$0.3900	(\$0.1254)	(\$78,886)	(\$1,255,820)
18	May (Forecast)	435,838	\$0.2484	\$0.3900	(\$0.1416)	(\$61,715)	(\$1,317,535)
19	June (Forecast)	271,254	\$0.2470	\$0.3900	(\$0.1430)	(\$38,789)	(\$1,356,324)
20	Total July, 2012 to June, 2013	<u>8,373,366</u>				<u>(\$1,041,084)</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]				\$3,265,613		
25	June 30, 2012 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)			=	<u>\$1,909,276</u>	=	171.0%

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 JUNE 30, 2014
WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-28-12)
(MAY 18, 2012 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

Tab 2

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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	June, 2013 Balance (Forecast)						(\$1,356,324)
2	July (Forecast)	234,416	\$0.2221	\$0.3900	(\$0.1679)	(\$39,358)	(\$1,395,682)
3	August (Forecast)	205,121	\$0.2260	\$0.3900	(\$0.1640)	(\$33,640)	(\$1,429,322)
4	September (Forecast)	300,782	\$0.2365	\$0.3900	(\$0.1535)	(\$46,170)	(\$1,475,492)
5	October (Forecast)	672,712	\$0.2562	\$0.3900	(\$0.1338)	(\$90,009)	(\$1,565,501)
6	November (Forecast)	979,426	\$0.2673	\$0.3900	(\$0.1227)	(\$120,176)	(\$1,685,677)
7	December (Forecast)	1,313,011	\$0.2753	\$0.3900	(\$0.1147)	(\$150,602)	(\$1,836,279)
8	January, 2014 (Forecast)	1,311,446	\$0.2793	\$0.3900	(\$0.1107)	(\$145,177)	(\$1,981,456)
9	February (Forecast)	1,060,004	\$0.2792	\$0.3900	(\$0.1108)	(\$117,448)	(\$2,098,904)
10	March (Forecast)	1,016,068	\$0.2722	\$0.3900	(\$0.1178)	(\$119,693)	(\$2,218,597)
11	April (Forecast)	637,231	\$0.2595	\$0.3900	(\$0.1305)	(\$83,159)	(\$2,301,756)
12	May (Forecast)	439,846	\$0.2430	\$0.3900	(\$0.1470)	(\$64,657)	(\$2,366,413)
13	June (Forecast)	275,383	\$0.2415	\$0.3900	(\$0.1485)	(\$40,894)	(\$2,407,307)
14	Total July, 2013 to June, 2014	<u>8,445,445</u>				<u>(\$1,050,983)</u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA

PROPANE COST DEFERRAL ACCOUNT

FORECAST AVERAGE COST OF PROPANE

FOR THE PERIOD ENDING JUNE 30, 2013

(MAY 18, 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	July, 2012 (Forecast)	231,064	-	231,064	\$ -	\$ 0.2197	\$ -	\$ 50,755	\$ 50,755
2	August (Forecast)	202,336	-	202,336	\$ -	\$ 0.2246	\$ -	\$ 45,438	\$ 45,438
3	September (Forecast)	297,663	-	297,663	\$ -	\$ 0.2369	\$ -	\$ 70,509	\$ 70,509
4	October (Forecast)	668,878	-	668,878	\$ -	\$ 0.2576	\$ -	\$ 172,281	\$ 172,281
5	November (Forecast)	973,031	450,000	523,031	\$ 0.2565	\$ 0.2715	\$ 115,446	\$ 141,982	\$ 257,428
6	December (Forecast)	1,305,806	450,000	855,806	\$ 0.2565	\$ 0.2838	\$ 115,446	\$ 242,854	\$ 358,300
7	January, 2013 (Forecast)	1,301,065	450,000	851,065	\$ 0.2565	\$ 0.2909	\$ 115,446	\$ 247,582	\$ 363,028
8	February (Forecast)	1,050,339	450,000	600,339	\$ 0.2565	\$ 0.2946	\$ 115,446	\$ 176,880	\$ 292,326
9	March (Forecast)	1,007,021	450,000	557,021	\$ 0.2565	\$ 0.2824	\$ 115,446	\$ 157,304	\$ 272,749
10	April (Forecast)	629,072	-	629,072	\$ -	\$ 0.2646	\$ -	\$ 166,440	\$ 166,440
11	May (Forecast)	435,838	-	435,838	\$ -	\$ 0.2484	\$ -	\$ 108,253	\$ 108,253
12	June (Forecast)	271,254	-	271,254	\$ -	\$ 0.2470	\$ -	\$ 67,008	\$ 67,008
13	Total July, 2012 to June, 2013	8,373,366	2,250,000	6,123,366			\$ 577,230	\$ 1,647,286	\$ 2,224,516
14									
15	Forecast Average Cost of Propane - (\$/Litre)^(A)								\$ 0.2657
16									
17	Forecast Average Cost of Propane - (\$/GJ)^(A)								\$ 10.380
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 JUNE 30, 2013

Tab 2
Page 4

(MAY 18, 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	July 1, 2012 to June 30, 2013	\$0.2657	\$10.380
5			
6	ii. Twelve months amortization of projected Deferral Account balance	<u>(\$0.0376)</u>	<u>(\$1.471)</u>
7			
8	Tested Reference Price	\$0.2280	\$8.909
9			
10			
11			
12	Existing Propane Reference Price	<u>\$0.3900</u>	<u>\$15.238</u>
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Decrease in Propane Reference Price to be flowed through in customers' rates	<u>(\$0.1620)</u>	(\$6.330)
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 3.93% ^(A)		<u>(\$0.250)</u>
19			
20	Total Propane Cost Flowthrough ^(B)		<u>(\$6.580)</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		Litres	Percentage
28	Sales	18,923,023	
29			
30	Company Use	4,706	0.02%
31	Propane Used for Vaporizer	256,371	1.35%
32	Unaccounted For	484,170	2.56%
33	Total Fuel / UAF Requirement	<u>745,247</u>	<u>3.93%</u>
34			
35	Note: (B) Breakdown of Rate Change:		
36	Projected Deferral Balance at Jun 30, 2012		(\$1.471)
37	Propane Cost Under (Over) Recovery (including amount at Line 18) for Jul 1, 2012 to Jun 30, 2013 period.		<u>(\$5.109)</u>
38	Total Propane Cost Flowthrough		<u>(\$6.580)</u>

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING JUNE 30, 2013
WITH TESTED REFERENCE PRICE EFFECTIVE JULY 1, 2012
(MAY 18, 2012 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

Tab 2
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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 31, 2012 Balance (Recorded)						(\$176,495)
2	April, 2012 (Projected) ^(A)	621,377	\$0.3452	\$0.3900	(\$0.0448)	(\$27,845)	(\$204,340)
3	May (Projected)	432,226	\$0.2412	\$0.3900	(\$0.1488)	(\$64,302)	(\$268,642)
4	June (Projected)	267,427	\$0.2158	\$0.3900	(\$0.1742)	(\$46,598)	(\$315,240)
5	Current Quarter Total	<u>1,321,030</u>				<u>(\$138,745)</u>	
6							
7				Tested			
8				Reference			
9				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	July, 2012 (Forecast)	231,064	\$0.2197	\$0.2280	(\$0.0083)	(\$1,918)	(\$317,158)
12	August (Forecast)	202,336	\$0.2246	\$0.2280	(\$0.0034)	(\$688)	(\$317,846)
13	September (Forecast)	297,663	\$0.2369	\$0.2280	\$0.0089	\$2,649	(\$315,197)
14	October (Forecast)	668,878	\$0.2576	\$0.2280	\$0.0296	\$19,799	(\$295,398)
15	November (Forecast)	973,031	\$0.2646	\$0.2280	\$0.0366	\$35,613	(\$259,785)
16	December (Forecast)	1,305,806	\$0.2744	\$0.2280	\$0.0464	\$60,589	(\$199,196)
17	January, 2013 (Forecast)	1,301,065	\$0.2790	\$0.2280	\$0.0510	\$66,354	(\$132,842)
18	February (Forecast)	1,050,339	\$0.2783	\$0.2280	\$0.0503	\$52,832	(\$80,010)
19	March (Forecast)	1,007,021	\$0.2708	\$0.2280	\$0.0428	\$43,101	(\$36,909)
20	April (Forecast)	629,072	\$0.2646	\$0.2280	\$0.0366	\$23,024	(\$13,885)
21	May (Forecast)	435,838	\$0.2484	\$0.2280	\$0.0204	\$8,891	(\$4,994)
22	June (Forecast)	271,254	\$0.2470	\$0.2280	\$0.0190	\$5,154	\$160
23	Total July, 2012 to June, 2013	<u>8,373,366</u>				<u>\$315,400</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 JUNE 30, 2014**

Tab 2
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**WITH TESTED REFERENCE PRICE EFFECTIVE JULY 1, 2012
(MAY 18, 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)	Tested Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	June, 2013 Balance (Forecast)						\$160
2	July (Forecast)	234,416	\$0.2221	\$0.2280	(\$0.0059)	(\$1,383)	(\$1,223)
3	August (Forecast)	205,121	\$0.2260	\$0.2280	(\$0.0020)	(\$410)	(\$1,633)
4	September (Forecast)	300,782	\$0.2365	\$0.2280	\$0.0085	\$2,557	\$924
5	October (Forecast)	672,712	\$0.2562	\$0.2280	\$0.0282	\$18,970	\$19,894
6	November (Forecast)	979,426	\$0.2673	\$0.2280	\$0.0393	\$38,491	\$58,385
7	December (Forecast)	1,313,011	\$0.2753	\$0.2280	\$0.0473	\$62,105	\$120,490
8	January, 2014 (Forecast)	1,311,446	\$0.2793	\$0.2280	\$0.0513	\$67,277	\$187,767
9	February (Forecast)	1,060,004	\$0.2792	\$0.2280	\$0.0512	\$54,272	\$242,039
10	March (Forecast)	1,016,068	\$0.2722	\$0.2280	\$0.0442	\$44,910	\$286,949
11	April (Forecast)	637,231	\$0.2595	\$0.2280	\$0.0315	\$20,073	\$307,022
12	May (Forecast)	439,846	\$0.2430	\$0.2280	\$0.0150	\$6,598	\$313,620
13	June (Forecast)	275,383	\$0.2415	\$0.2280	\$0.0135	\$3,718	\$317,338
14	Total July, 2013 to June, 2014	<u>8,445,445</u>				<u>\$317,178</u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING JUNE 30, 2013
WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-28-12)
(MAY 18, 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 31, 2012 Balance (Recorded)						(\$176,495)
2	April, 2012 (Projected) ^(A)	621,377	\$0.3560	\$0.3900	(\$0.0340)	(\$21,154)	(\$197,649)
3	May (Projected)	432,226	\$0.4046	\$0.3900	\$0.0146	\$6,327	(\$191,322)
4	June (Projected)	267,427	\$0.3406	\$0.3900	(\$0.0494)	(\$13,221)	(\$204,543)
5	Current Quarter Total	<u>1,321,030</u>				<u>(\$28,048)</u>	
6							
7	Forecast Volumes and Forecast Prices						
8	July, 2012 (Forecast)	231,064	\$0.3395	\$0.3900	(\$0.0505)	(\$11,669)	(\$216,212)
9	August (Forecast)	202,336	\$0.3385	\$0.3900	(\$0.0515)	(\$10,420)	(\$226,632)
10	September (Forecast)	297,663	\$0.3439	\$0.3900	(\$0.0461)	(\$13,722)	(\$240,354)
11	October (Forecast)	668,878	\$0.3550	\$0.3900	(\$0.0350)	(\$23,411)	(\$263,765)
12	November (Forecast)	973,031	\$0.3652	\$0.3900	(\$0.0248)	(\$24,131)	(\$287,896)
13	December (Forecast)	1,305,806	\$0.3661	\$0.3900	(\$0.0239)	(\$31,209)	(\$319,105)
14	January, 2013 (Forecast)	1,301,065	\$0.3721	\$0.3900	(\$0.0179)	(\$23,289)	(\$342,394)
15	February (Forecast)	1,050,339	\$0.3757	\$0.3900	(\$0.0143)	(\$15,020)	(\$357,414)
16	March (Forecast)	1,007,021	\$0.3702	\$0.3900	(\$0.0198)	(\$19,939)	(\$377,353)
17	April (Forecast)	629,072	\$0.3523	\$0.3900	(\$0.0377)	(\$23,716)	(\$401,069)
18	May (Forecast)	435,838	\$0.3386	\$0.3900	(\$0.0514)	(\$22,402)	(\$423,471)
19	June (Forecast)	271,254	\$0.3373	\$0.3900	(\$0.0527)	(\$14,295)	(\$437,766)
20	Total July, 2012 to June, 2013	<u>8,373,366</u>				<u>(\$233,223)</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]			=	\$3,265,613		
25	June 30, 2012 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)			=	\$2,827,829	115.5%	

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 JUNE 30, 2014
WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-28-12)
(MAY 18, 2012 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Tab 3

Page 2

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	June, 2013 Balance (Forecast)						(\$437,766)
2	July (Forecast)	234,416	\$0.3540	\$0.3900	(\$0.0360)	(\$8,439)	(\$446,205)
3	August (Forecast)	205,121	\$0.3530	\$0.3900	(\$0.0370)	(\$7,589)	(\$453,794)
4	September (Forecast)	300,782	\$0.3573	\$0.3900	(\$0.0327)	(\$9,836)	(\$463,630)
5	October (Forecast)	672,712	\$0.3684	\$0.3900	(\$0.0216)	(\$14,531)	(\$478,161)
6	November (Forecast)	979,426	\$0.3768	\$0.3900	(\$0.0132)	(\$12,928)	(\$491,089)
7	December (Forecast)	1,313,011	\$0.3780	\$0.3900	(\$0.0120)	(\$15,756)	(\$506,845)
8	January, 2014 (Forecast)	1,311,446	\$0.3718	\$0.3900	(\$0.0182)	(\$23,868)	(\$530,713)
9	February (Forecast)	1,060,004	\$0.3771	\$0.3900	(\$0.0129)	(\$13,674)	(\$544,387)
10	March (Forecast)	1,016,068	\$0.3750	\$0.3900	(\$0.0150)	(\$15,241)	(\$559,628)
11	April (Forecast)	637,231	\$0.3555	\$0.3900	(\$0.0345)	(\$21,984)	(\$581,612)
12	May (Forecast)	439,846	\$0.3401	\$0.3900	(\$0.0499)	(\$21,948)	(\$603,560)
13	June (Forecast)	<u>275,383</u>	\$0.3374	\$0.3900	(\$0.0526)	<u>(\$14,485)</u>	(\$618,045)
14	Total July, 2013 to June, 2014	<u><u>8,445,445</u></u>				<u><u>(\$180,279)</u></u>	

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FORECAST AVERAGE COST OF PROPANE
FOR THE PERIOD ENDING JUNE 30, 2013**

(MAY 18, 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	July, 2012 (Forecast)	231,064	-	231,064	\$ -	\$ 0.3395	\$ -	\$ 78,442	\$ 78,442
2	August (Forecast)	202,336	-	202,336	\$ -	\$ 0.3385	\$ -	\$ 68,482	\$ 68,482
3	September (Forecast)	297,663	-	297,663	\$ -	\$ 0.3439	\$ -	\$ 102,373	\$ 102,373
4	October (Forecast)	668,878	-	668,878	\$ -	\$ 0.3550	\$ -	\$ 237,421	\$ 237,421
5	November (Forecast)	973,031	450,000	523,031	\$ 0.3729	\$ 0.3586	\$ 167,822	\$ 187,540	\$ 355,363
6	December (Forecast)	1,305,806	450,000	855,806	\$ 0.3729	\$ 0.3625	\$ 167,822	\$ 310,242	\$ 478,065
7	January, 2013 (Forecast)	1,301,065	450,000	851,065	\$ 0.3729	\$ 0.3717	\$ 167,822	\$ 316,356	\$ 484,179
8	February (Forecast)	1,050,339	450,000	600,339	\$ 0.3729	\$ 0.3777	\$ 167,822	\$ 226,745	\$ 394,568
9	March (Forecast)	1,007,021	450,000	557,021	\$ 0.3729	\$ 0.3679	\$ 167,822	\$ 204,939	\$ 372,761
10	April (Forecast)	629,072	-	629,072	\$ -	\$ 0.3523	\$ -	\$ 221,640	\$ 221,640
11	May (Forecast)	435,838	-	435,838	\$ -	\$ 0.3386	\$ -	\$ 147,591	\$ 147,591
12	June (Forecast)	271,254	-	271,254	\$ -	\$ 0.3373	\$ -	\$ 91,488	\$ 91,488
13	Total July, 2012 to June, 2013	<u>8,373,366</u>	<u>2,250,000</u>	<u>6,123,366</u>			<u>\$ 839,112</u>	<u>\$ 2,193,261</u>	<u>\$ 3,032,372</u>
14									
15	Forecast Average Cost of Propane - (\$/Litre)^(A)								<u>\$ 0.3621</u>
16									
17	Forecast Average Cost of Propane - (\$/GJ)^(A)								<u>\$ 14.150</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 JUNE 30, 2013**

Tab 3
Page 4

(MAY 18, 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	July 1, 2012 to June 30, 2013	\$0.3621	\$14.150
5			
6	ii. Twelve months amortization of projected Deferral Account balance	<u>(\$0.0244)</u>	<u>(\$0.954)</u>
7			
8	Proposed Reference Price	\$0.3377	\$13.196
9			
10			
11			
12	Existing Propane Reference Price	<u>\$0.3900</u>	<u>\$15.238</u>
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Decrease in Propane Reference Price to be flowed through in customers' rates	<u>(\$0.0523)</u>	(\$2.043)
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 3.93% ^(A)		<u>(\$0.082)</u>
19			
20	Total Propane Cost Flowthrough ^(B)		<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		Litres	Percentage
28	Sales	18,923,023	
29			
30	Company Use	4,706	0.02%
31	Propane Used for Vaporizer	256,371	1.35%
32	Unaccounted For	484,170	2.56%
33	Total Fuel / UAF Requirement	<u>745,247</u>	<u>3.93%</u>
34			
35	Note: (B) Breakdown of Rate Change:		
36	Projected Deferral Balance at Jun 30, 2012		(\$0.954)
37	Propane Cost Under (Over) Recovery (including amount at Line 18) for Jul 1, 2012 to Jun 30, 2013 period.		<u>(\$1.171)</u>
38	Total Propane Cost Flowthrough		<u>(\$2.125)</u>

**FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING JUNE 30, 2013**

Tab 3
Page 5

**WITH TESTED REFERENCE PRICE EFFECTIVE JULY 1, 2012
(MAY 18, 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 31, 2012 Balance (Recorded)						(\$176,495)
2	April, 2012 (Projected) ^(A)	621,377	\$0.3560	\$0.3900	(\$0.0340)	(\$21,154)	(\$197,649)
3	May (Projected)	432,226	\$0.4046	\$0.3900	\$0.0146	\$6,327	(\$191,322)
4	June (Projected)	267,427	\$0.3406	\$0.3900	(\$0.0494)	(\$13,221)	(\$204,543)
5	Current Quarter Total	<u>1,321,030</u>				<u>(\$28,048)</u>	
6							
7				Tested			
8				Reference			
9				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	July, 2012 (Forecast)	231,064	\$0.3395	\$0.3377	\$0.0018	\$416	(\$204,127)
12	August (Forecast)	202,336	\$0.3385	\$0.3377	\$0.0008	\$162	(\$203,965)
13	September (Forecast)	297,663	\$0.3439	\$0.3377	\$0.0062	\$1,846	(\$202,119)
14	October (Forecast)	668,878	\$0.3550	\$0.3377	\$0.0173	\$11,572	(\$190,547)
15	November (Forecast)	973,031	\$0.3652	\$0.3377	\$0.0275	\$26,758	(\$163,789)
16	December (Forecast)	1,305,806	\$0.3661	\$0.3377	\$0.0284	\$37,085	(\$126,704)
17	January, 2013 (Forecast)	1,301,065	\$0.3721	\$0.3377	\$0.0344	\$44,757	(\$81,947)
18	February (Forecast)	1,050,339	\$0.3757	\$0.3377	\$0.0380	\$39,913	(\$42,034)
19	March (Forecast)	1,007,021	\$0.3702	\$0.3377	\$0.0325	\$32,728	(\$9,306)
20	April (Forecast)	629,072	\$0.3523	\$0.3377	\$0.0146	\$9,184	(\$122)
21	May (Forecast)	435,838	\$0.3386	\$0.3377	\$0.0009	\$392	\$270
22	June (Forecast)	271,254	\$0.3373	\$0.3377	(\$0.0004)	(\$109)	\$161
23	Total July, 2012 to June, 2013	<u>8,373,366</u>				<u>\$204,704</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 JUNE 30, 2014**

Tab 3
Page 6

**WITH TESTED REFERENCE PRICE EFFECTIVE JULY 1, 2012
(MAY 18, 2012 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)**

Line No.	Particulars (1)	Volumes In Litre (2)	Average Price Per Litre (3)	Tested Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	June, 2013 Balance (Forecast)						\$161
2	July (Forecast)	234,416	\$0.3540	\$0.3377	\$0.0163	\$3,821	\$3,982
3	August (Forecast)	205,121	\$0.3530	\$0.3377	\$0.0153	\$3,138	\$7,120
4	September (Forecast)	300,782	\$0.3573	\$0.3377	\$0.0196	\$5,895	\$13,015
5	October (Forecast)	672,712	\$0.3684	\$0.3377	\$0.0307	\$20,652	\$33,667
6	November (Forecast)	979,426	\$0.3768	\$0.3377	\$0.0391	\$38,296	\$71,963
7	December (Forecast)	1,313,011	\$0.3780	\$0.3377	\$0.0403	\$52,914	\$124,877
8	January, 2014 (Forecast)	1,311,446	\$0.3718	\$0.3377	\$0.0341	\$44,720	\$169,597
9	February (Forecast)	1,060,004	\$0.3771	\$0.3377	\$0.0394	\$41,764	\$211,361
10	March (Forecast)	1,016,068	\$0.3750	\$0.3377	\$0.0373	\$37,899	\$249,260
11	April (Forecast)	637,231	\$0.3555	\$0.3377	\$0.0178	\$11,343	\$260,603
12	May (Forecast)	439,846	\$0.3401	\$0.3377	\$0.0024	\$1,056	\$261,659
13	June (Forecast)	<u>275,383</u>	\$0.3374	\$0.3377	(\$0.0003)	<u>(\$83)</u>	\$261,576
14	Total July, 2013 to June, 2014	<u><u>8,445,445</u></u>				<u><u>\$261,415</u></u>	

FORTISBC ENERGY INC. - REVELSTOKE SERVICE AREA
PROPANE FLOATING PRICES
Forward Prices: MAY 18, 2012

CRUDE OIL FUTURES		
Month	Crude Oil Future Prices (US \$ per Barrel)	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Jul-12	\$91.80	\$0.2197
Aug-12	\$92.08	\$0.2246
Sep-12	\$92.34	\$0.2369
Oct-12	\$92.58	\$0.2576
Nov-12	\$92.77	\$0.2646
Dec-12	\$92.95	\$0.2744
Jan-13	\$93.09	\$0.2790
Feb-13	\$93.16	\$0.2783
Mar-13	\$93.13	\$0.2708
Apr-13	\$92.99	\$0.2646
May-13	\$92.78	\$0.2484
Jun-13	\$92.55	\$0.2470
Jul-13	\$92.30	\$0.2221
Aug-13	\$92.06	\$0.2260
Sep-13	\$91.83	\$0.2365
Oct-13	\$91.63	\$0.2562
Nov-13	\$91.42	\$0.2673
Dec-13	\$91.25	\$0.2753
Jan-14	\$90.96	\$0.2793
Feb-14	\$90.69	\$0.2792
Mar-14	\$90.37	\$0.2722
Apr-14	\$90.06	\$0.2595
May-14	\$89.79	\$0.2430
Jun-14	\$89.53	\$0.2415

PROPANE SWAP PRICES		
Month	Propane Swap Prices (US \$ per Gallon)	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Jul-12	\$0.94	\$0.3395
Aug-12	\$0.95	\$0.3385
Sep-12	\$0.96	\$0.3439
Oct-12	\$0.97	\$0.3550
Nov-12	\$0.98	\$0.3652
Dec-12	\$0.99	\$0.3661
Jan-13	\$1.00	\$0.3721
Feb-13	\$0.99	\$0.3757
Mar-13	\$0.98	\$0.3702
Apr-13	\$0.97	\$0.3523
May-13	\$0.97	\$0.3386
Jun-13	\$0.98	\$0.3373
Jul-13	\$0.99	\$0.3540
Aug-13	\$0.99	\$0.3530
Sep-13	\$1.00	\$0.3573
Oct-13	\$1.01	\$0.3684
Nov-13	\$1.02	\$0.3768
Dec-13	\$1.03	\$0.3780
Jan-14	\$0.97	\$0.3718
Feb-14	\$0.97	\$0.3771
Mar-14	\$0.97	\$0.3750
Apr-14	\$0.97	\$0.3555
May-14	\$0.97	\$0.3401
Jun-14	\$0.97	\$0.3374

50% CRUDE OIL FUTURES & 50% PROPANE SWAP PRICES	
Month	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Jul-12	\$0.2796
Aug-12	\$0.2815
Sep-12	\$0.2904
Oct-12	\$0.3063
Nov-12	\$0.3149
Dec-12	\$0.3202
Jan-13	\$0.3256
Feb-13	\$0.3270
Mar-13	\$0.3205
Apr-13	\$0.3085
May-13	\$0.2935
Jun-13	\$0.2922
Jul-13	\$0.2881
Aug-13	\$0.2895
Sep-13	\$0.2969
Oct-13	\$0.3123
Nov-13	\$0.3221
Dec-13	\$0.3267
Jan-14	\$0.3255
Feb-14	\$0.3282
Mar-14	\$0.3236
Apr-14	\$0.3075
May-14	\$0.2915
Jun-14	\$0.2894

Notes: US-Cdn exchange rates source - Barclays Bank dated May 18, 2012.



LETTER NO. L-XX-12

SIXTH FLOOR, 900 HOWE STREET, BOX 250
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ERICA M. HAMILTON
COMMISSION SECRETARY
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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.
Revelstoke Service Area
2012 Second Quarter Gas Cost Report

Further to your June 7, 2012 filing of the 2012 Second Quarter Gas Cost Report (the Report) for the Revelstoke Service Area. The Commission acknowledges receipt of the Report and accepts the recommendation that customer rates remain unchanged for the Revelstoke Propane Service Area, as of July 1, 2012.

The Commission will hold confidential the information in Tab 5 of the Report.

Yours truly,

Erica M. Hamilton
Commission Secretary