

August 29, 2012

Regulatory Affairs Correspondence
Email: gas.regulatory.affairs@fortisbc.comBritish Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, BC
V6Z 2N3Attention: 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 Third Quarter Gas Cost Report**

The attached materials provide the FortisBC Energy Inc. (“FEI” or the “Company”) 2012 Third Quarter Gas Cost Report (the “Third 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 August 13, 14, 15, 16, and 17, 2012 forward prices (“five-day average forward prices ending August 17, 2012”), the September 30, 2012 CCRA balance is projected to be approximately \$18 million surplus after tax. Further, based on the five-day average forward prices ending August 17, 2012, the gas purchase cost assumptions, and the forecast commodity cost recoveries at present rates for the 12-month period ending September 30, 2013, and accounting for the projected September 30, 2012 deferral balance, the CCRA trigger ratio is calculated to be 101.9% (Tab 1, Page 1, Column 10, Lines 36/37). The CCRA trigger ratio falls within the deadband range of 95% to 105%, indicating a rate change is not required at this time. Further, the tested rate decrease that would produce a 100% commodity recovery-to-cost ratio is calculated to be \$0.054/GJ (Tab 2, Page 3, Line 36), which falls well below the minimum \$0.50/GJ rate change threshold under the Commission guidelines.

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 August 17, 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 October 1, 2012 to September 30, 2013 prospective period, based on the five-day average forward prices ending August 17, 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 September 30, 2012, based on the five-day average forward prices ending August 17, 2012, is projected to be approximately \$19 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 August 17, 2012, are projected to be approximately \$23 million surplus and \$29 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 August 17, 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 \$562 thousand deficit after tax at September 30, 2012 (Tab 3, Page 2, Column 10, Line 8); after adjustment for the value of the unsold biomethane volumes at September 30, 2012, the BVA balance is projected to be approximately \$39 thousand surplus after tax (Tab 3, Page 2, Column 10, Line 11).

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 \$110 thousand surplus after tax (Tab 3, Page 2, Column 13, Line 11) and \$149 thousand surplus after tax (Tab 3, Page 2, Column 13, Line 24), 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 October 1, 2012.

FEI will continue to monitor the forward prices, and will report CCRA, MCRA, and BVA balances in its 2012 Fourth 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:

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 OCTOBER 1, 2012 TO SEPTEMBER 30, 2014
FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 13, 14, 15, 16, AND 17, 2012
\$(Millions)**

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
			(4*)	(4*)	(4*)										
		Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Projected	Projected					
		Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12					
1	CCRA Balance - Beginning (Pre-tax) ^(1*)	\$ (19)	\$ (20)	\$ (24)	\$ (29)	\$ (30)	\$ (30)	\$ (30)	\$ (28)	\$ (25)					
2	Gas Costs Incurred	\$ 32	\$ 28	\$ 29	\$ 23	\$ 25	\$ 25	\$ 27	\$ 28	\$ 26					
3	Revenue from APPROVED Recovery Rates	\$ (34)	\$ (32)	\$ (34)	\$ (24)	\$ (25)	\$ (25)	\$ (25)	\$ (25)	\$ (24)					
4	CCRA Balance - Ending (Pre-tax) ^(2*)	\$ (20)	\$ (24)	\$ (29)	\$ (30)	\$ (30)	\$ (30)	\$ (28)	\$ (25)	\$ (24)					
5															
6	CCRA Balance - Ending (After-tax) ^(3*)	\$ (15)	\$ (18)	\$ (22)	\$ (22)	\$ (23)	\$ (23)	\$ (21)	\$ (19)	\$ (18)					
7															
8															
9															
10														Total	
11														Oct-12	
12		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	to	
13		Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Sep-13	
14	CCRA Balance - Beginning (Pre-tax) ^(1*)	\$ (24)	\$ (22)	\$ (23)	\$ (21)	\$ (19)	\$ (17)	\$ (15)	\$ (14)	\$ (13)	\$ (11)	\$ (9)	\$ (7)	\$ (24)	
15	Gas Costs Incurred	\$ 28	\$ 24	\$ 27	\$ 28	\$ 25	\$ 28	\$ 26	\$ 27	\$ 26	\$ 28	\$ 28	\$ 27	\$ 321	
16	Revenue from EXISTING Recovery Rates	\$ (26)	\$ (25)	\$ (26)	\$ (26)	\$ (23)	\$ (26)	\$ (25)	\$ (26)	\$ (25)	\$ (26)	\$ (26)	\$ (25)	\$ (302)	
17	CCRA Balance - Ending (Pre-tax) ^(2*)	\$ (22)	\$ (23)	\$ (21)	\$ (19)	\$ (17)	\$ (15)	\$ (14)	\$ (13)	\$ (11)	\$ (9)	\$ (7)	\$ (6)	\$ (6)	
18															
19	CCRA Balance - Ending (After-tax) ^(3*)	\$ (17)	\$ (17)	\$ (16)	\$ (14)	\$ (13)	\$ (11)	\$ (11)	\$ (10)	\$ (8)	\$ (7)	\$ (6)	\$ (4)	\$ (4)	
20															
21															
22														Total	
23		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	to	
24		Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Sep-14	
25	CCRA Balance - Beginning (Pre-tax) ^(1*)	\$ (6)	\$ (3)	\$ 1	\$ 6	\$ 13	\$ 19	\$ 24	\$ 27	\$ 30	\$ 33	\$ 37	\$ 41	\$ (6)	
26	Gas Costs Incurred	\$ 28	\$ 29	\$ 32	\$ 32	\$ 29	\$ 31	\$ 28	\$ 29	\$ 28	\$ 29	\$ 30	\$ 29	\$ 354	
27	Revenue from EXISTING Recovery Rates	\$ (26)	\$ (25)	\$ (26)	\$ (26)	\$ (23)	\$ (26)	\$ (25)	\$ (26)	\$ (25)	\$ (26)	\$ (26)	\$ (25)	\$ (304)	
28	CCRA Balance - Ending (Pre-tax) ^(2*)	\$ (3)	\$ 1	\$ 6	\$ 13	\$ 19	\$ 24	\$ 27	\$ 30	\$ 33	\$ 37	\$ 41	\$ 45	\$ 45	
29															
30	CCRA Balance - Ending (After-tax) ^(3*)	\$ (2)	\$ 0	\$ 5	\$ 10	\$ 14	\$ 18	\$ 20	\$ 22	\$ 25	\$ 27	\$ 31	\$ 34	\$ 34	
31															
32															
33															
34	CCRA RATE CHANGE TRIGGER MECHANISM														
35															
36	CCRA	Forecast Recovered Gas Costs (Oct 2012 - Sep 2013)										\$ 302			
37	Ratio	Forecast Incurred Gas Costs (Oct 2012 - Sep 2013) + Projected CCRA Pre-tax Balance (Sep 2012)										\$ 297	= <u>101.9%</u>		

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 of approximately \$1.4 million credit as at September 30, 2012.

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

(4*) Corrected CCRA balances, due to formula errors, reported in 2012 Second Quarter Gas Cost Report filed on June 7, 2012.

**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 OCTOBER 1, 2012 TO SEPTEMBER 30, 2014
FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 13, 14, 15, 16, AND 17, 2012
\$(Millions)**

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	Recorded May-12	Recorded Jun-12	Recorded Jul-12	Recorded Aug-12	Projected Sep-12	Projected 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	Forecast Jul-13	Forecast Aug-13	Forecast Sep-13	Forecast Oct-13	Forecast Nov-13	Forecast Dec-13	Total 2012	Total 2013
1																										
2																										
3	MCRA Cumulative Balance - Beginning (Pre-tax) ^(1*)	\$ (8)	\$ (14)	\$ (32)	\$ (42)	\$ (43)	\$ (44)	\$ (39)	\$ (32)	\$ (26)	\$ (25)	\$ (24)	\$ (24)	\$ (24)	\$ (24)	\$ (24)	\$ (24)	\$ (24)	\$ (24)	\$ (24)	\$ (24)	\$ (24)	\$ (24)	\$ (24)	\$ (24)	\$ (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	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 7
8	<u>Midstream Base Rates</u>																									
9	Gas Costs Incurred	\$ 57	\$ 46	\$ 35	\$ 19	\$ 13	\$ 14	\$ 16	\$ (11)	\$ (7)	\$ 14	\$ 44	\$ 53	\$ 294												
10	Revenue from APPROVED Recovery Rates	\$ (64)	\$ (65)	\$ (47)	\$ (20)	\$ (15)	\$ (9)	\$ (9)	\$ 16	\$ 11	\$ (14)	\$ (45)	\$ (60)	\$ (321)												
11	Total Midstream Base Rates (Pre-tax)	\$ (7)	\$ (19)	\$ (11)	\$ (1)	\$ (2)	\$ 5	\$ 7	\$ 5	\$ 4	\$ 0	\$ (1)	\$ (8)	\$ (27)												
12																										
13	MCRA Cumulative Balance - Ending (Pre-tax) ^(2*)	\$ (14)	\$ (32)	\$ (42)	\$ (43)	\$ (44)	\$ (39)	\$ (32)	\$ (26)	\$ (25)	\$ (24)	\$ (24)	\$ (31)	\$ (31)												
14																										
15	MCRA Cumulative Balance - Ending (After-tax) ^(3*)	\$ (10)	\$ (24)	\$ (32)	\$ (32)	\$ (33)	\$ (29)	\$ (24)	\$ (20)	\$ (19)	\$ (18)	\$ (18)	\$ (23)	\$ (23)												
16																										
17																										
18																										
19																										
20	MCRA Cumulative Balance - Beginning (Pre-tax) ^(1*)	\$ (31)	\$ (40)	\$ (44)	\$ (50)	\$ (52)	\$ (50)	\$ (46)	\$ (40)	\$ (35)	\$ (29)	\$ (27)	\$ (30)	\$ (31)												
21	2013 MCRA Activities																									
22	<u>Rate Rider 6</u>																									
23	1/3 of 2012 MCRA Cumulative Ending Balance	\$ (10)																								
24	Rider 6 Amortization at EXISTING Rates	\$ 1	\$ 1	\$ 1	\$ 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1	\$ 1	\$ 6													
25	<u>Midstream Base Rates</u>																									
26	Gas Costs Incurred	\$ 48	\$ 46	\$ 30	\$ 15	\$ 0	\$ (1)	\$ (5)	\$ (4)	\$ (0)	\$ 15	\$ 45	\$ 54	\$ 242												
27	Revenue from EXISTING Recovery Rates	\$ (57)	\$ (52)	\$ (37)	\$ (18)	\$ 2	\$ 5	\$ 10	\$ 10	\$ 6	\$ (14)	\$ (48)	\$ (256)													
28	Total Midstream Base Rates (Pre-tax)	\$ (10)	\$ (6)	\$ (7)	\$ (3)	\$ 2	\$ 4	\$ 5	\$ 6	\$ 6	\$ 1	\$ (4)	\$ (14)													
29																										
30	MCRA Balance - December 31, 2013 (Pre-tax) ^(2*)	\$ (40)	\$ (44)	\$ (50)	\$ (52)	\$ (50)	\$ (46)	\$ (40)	\$ (35)	\$ (29)	\$ (27)	\$ (30)	\$ (38)	\$ (38)												
31																										
32	MCRA Balance - Ending (After-tax) ^(3*)	\$ (30)	\$ (33)	\$ (38)	\$ (39)	\$ (37)	\$ (34)	\$ (30)	\$ (26)	\$ (22)	\$ (20)	\$ (23)	\$ (29)	\$ (29)												

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 of approximately \$3.2 million credit as at September 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 SEPTEMBER 30, 2014
AND US DOLLAR EXCHANGE RATE FORECAST UPDATE

Tab 1
Page 3.1

Line No	Particulars	Five-day Average Forward	Five-day Average Forward	Change in Forward Price
		Prices - August 13, 14, 15, 16, and 17, 2012 2012 Q3 Gas Cost Report	Prices - May 14, 15, 16, 17, and 18, 2012 2012 Q2 Gas Cost Report	
	(1)	(2)	(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	\$ 3.15	0.0% \$ -
10	<i>Simple Average (Oct, 2011 - Sep, 2012)</i>	\$ 2.82	\$ 2.81	0.4% \$ 0.01
11	2012			
12	January	\$ 3.47	\$ 3.47	\$ -
13	February	\$ 2.78	\$ 2.78	\$ -
14	March	\$ 2.47	\$ 2.47	\$ -
15	April	\$ 1.96	\$ 1.96	\$ -
16	May	\$ 1.82	\$ 1.82	\$ -
17	June	\$ 2.35	\$ 2.32	\$ 0.03
18	July	\$ 2.44	\$ 2.49	\$ (0.05)
19	August	\$ 2.74	\$ 2.56	\$ 0.18
20	September	\$ 2.54	\$ 2.61	\$ (0.08)
21	October	\$ 2.66	\$ 2.74	\$ (0.08)
22	November	\$ 3.31	\$ 3.36	\$ (0.04)
23	December	\$ 3.80	\$ 3.92	\$ (0.12)
24	<i>Simple Average (Jan, 2012 - Dec, 2012)</i>	\$ 2.70	\$ 2.71	-0.4% \$ (0.01)
25	<i>Simple Average (Apr, 2012 - Mar, 2013)</i>	\$ 2.87	\$ 2.91	-1.4% \$ (0.04)
26	<i>Simple Average (Jul, 2012 - Jun, 2013)</i>	\$ 3.16	\$ 3.22	-1.9% \$ (0.06)
27	<i>Simple Average (Oct, 2012 - Sep, 2013)</i>	\$ 3.36	\$ 3.45	-2.6% \$ (0.09)
28	2013			
29	January	\$ 3.74	\$ 3.85	\$ (0.11)
30	February	\$ 3.65	\$ 3.72	\$ (0.07)
31	March	\$ 3.44	\$ 3.54	\$ (0.10)
32	April	\$ 3.23	\$ 3.37	\$ (0.14)
33	May	\$ 3.17	\$ 3.24	\$ (0.07)
34	June	\$ 3.20	\$ 3.27	\$ (0.07)
35	July	\$ 3.36	\$ 3.44	\$ (0.08)
36	August	\$ 3.35	\$ 3.45	\$ (0.10)
37	September	\$ 3.35	\$ 3.46	\$ (0.10)
38	October	\$ 3.40	\$ 3.52	\$ (0.12)
39	November	\$ 4.00	\$ 4.04	\$ (0.05)
40	December	\$ 4.46	\$ 4.55	\$ (0.08)
41	<i>Simple Average (Jan, 2013 - Dec, 2013)</i>	\$ 3.53	\$ 3.62	-2.5% \$ (0.09)
42	<i>Simple Average (Apr, 2013 - Mar, 2014)</i>	\$ 3.69	\$ 3.75	-1.6% \$ (0.06)
43	<i>Simple Average (Jul, 2013 - Jun, 2014)</i>	\$ 3.79	\$ 3.83	-1.0% \$ (0.04)
44	<i>Simple Average (Oct, 2013 - Sep, 2014)</i>	\$ 3.89		
45	2014			
46	January	\$ 4.42	\$ 4.41	\$ 0.01
47	February	\$ 4.35	\$ 4.23	\$ 0.12
48	March	\$ 3.98	\$ 3.99	\$ (0.01)
49	April	\$ 3.67	\$ 3.70	\$ (0.03)
50	May	\$ 3.56	\$ 3.58	\$ (0.02)
	June	\$ 3.57	\$ 3.62	\$ (0.05)
	July	\$ 3.75		
	August	\$ 3.77		
	September	\$ 3.77		

Conversation Factors

(A) 1 MMBtu = 1.055056 GJ

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

	Forecast Oct 2012-Sep 2013	Forecast Jul 2012-Jun 2013		
Barclays Bank Average Exchange Rate	\$ 0.9933	\$ 1.0169	-2.3%	\$ (0.024)
Bank of Canada Daily Exchange Rate	\$ 0.9901	\$ 1.0110	-2.1%	\$ (0.021)

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

Line No	Particulars (1)	Five-day Average Forward Prices - August 13, 14, 15, 16, and 17, 2012	Five-day Average Forward Prices - May 14, 15, 16, 17, and 18, 2012	Change in Forward Price (4) = (2) - (3)
		2012 Q3 Gas Cost Report (2)	2012 Q2 Gas Cost Report (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	\$ 3.01	0.0% \$ -
9	Simple Average (Oct, 2011 - Sep, 2012)	\$ 2.68	\$ 2.69	-0.4% \$ (0.01)
10	2012 January	\$ 3.29	\$ 3.29	\$ -
11	February	\$ 2.64	\$ 2.64	\$ -
12	March	\$ 2.31	\$ 2.31	\$ -
13	April	\$ 1.84	\$ 1.84	\$ -
14	May	\$ 1.70	\$ 1.75	\$ (0.06)
15	June	\$ 2.31	\$ 2.24	\$ 0.07
16	July	\$ 2.34	\$ 2.40	\$ (0.06)
17	August	\$ 2.58	\$ 2.47	\$ 0.11
18	September	\$ 2.39	\$ 2.52	\$ (0.13)
19	October	\$ 2.51	\$ 2.64	\$ (0.14)
20	November	\$ 3.12	\$ 3.24	\$ (0.12)
21	December	\$ 3.58	\$ 3.78	\$ (0.20)
22	Simple Average (Jan, 2012 - Dec, 2012)	\$ 2.55	\$ 2.59	-1.5% \$ (0.04)
23	Simple Average (Apr, 2012 - Mar, 2013)	\$ 2.71	\$ 2.80	-3.2% \$ (0.09)
24	Simple Average (Jul, 2012 - Jun, 2013)	\$ 2.98	\$ 3.11	-4.2% \$ (0.13)
25	Simple Average (Oct, 2012 - Sep, 2013)	\$ 3.16	\$ 3.32	-4.8% \$ (0.16)
26	2013 January	\$ 3.52	\$ 3.71	\$ (0.19)
27	February	\$ 3.43	\$ 3.58	\$ (0.15)
28	March	\$ 3.24	\$ 3.41	\$ (0.17)
29	April	\$ 3.04	\$ 3.25	\$ (0.21)
30	May	\$ 2.98	\$ 3.12	\$ (0.14)
31	June	\$ 3.01	\$ 3.15	\$ (0.14)
32	July	\$ 3.16	\$ 3.31	\$ (0.15)
33	August	\$ 3.15	\$ 3.33	\$ (0.17)
34	September	\$ 3.16	\$ 3.33	\$ (0.18)
35	October	\$ 3.21	\$ 3.40	\$ (0.19)
36	November	\$ 3.76	\$ 3.90	\$ (0.13)
37	December	\$ 4.20	\$ 4.38	\$ (0.18)
38	Simple Average (Jan, 2013 - Dec, 2013)	\$ 3.32	\$ 3.49	-4.9% \$ (0.17)
39	Simple Average (Apr, 2013 - Mar, 2014)	\$ 3.47	\$ 3.61	-3.9% \$ (0.14)
40	Simple Average (Jul, 2013 - Jun, 2014)	\$ 3.57	\$ 3.69	-3.3% \$ (0.12)
41	Simple Average (Oct, 2013 - Sep, 2014)	\$ 3.66		
42	2014 January	\$ 4.16	\$ 4.25	\$ (0.09)
43	February	\$ 4.10	\$ 4.08	\$ 0.02
44	March	\$ 3.74	\$ 3.85	\$ (0.10)
45	April	\$ 3.46	\$ 3.57	\$ (0.12)
46	May	\$ 3.35	\$ 3.45	\$ (0.10)
47	June	\$ 3.36	\$ 3.49	\$ (0.13)
48	July	\$ 3.53		
49	August	\$ 3.55		
50	September	\$ 3.55		

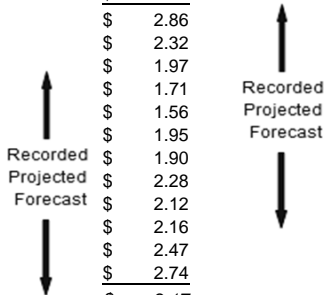
Conversion Factors

(A) 1 MMBtu = 1.055056 GJ

(B) Barclays Bank Average Exchange Rate (\$1US=\$x.xxxCDN) \$ 0.9933 \$ 1.0169 -2.3% \$ (0.024)

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

Line No	Particulars (1)	Five-day Average Forward Prices - August 13, 14, 15, 16, and 17, 2012 2012 Q3 Gas Cost Report (2)	Five-day Average Forward Prices - May 14, 15, 16, 17, and 18, 2012 2012 Q2 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	Simple Average (Jul, 2011 - Jun, 2012)	\$ 2.73	\$ 2.73	0.0% \$ -
10	Simple Average (Oct, 2011 - Sep, 2012)	\$ 2.38	\$ 2.40	-0.8% \$ (0.02)
11	2012			
12	January	\$ 2.86	\$ 2.86	\$ -
13	February	\$ 2.32	\$ 2.32	\$ -
14	March	\$ 1.97	\$ 1.97	\$ -
15	April	\$ 1.71	\$ 1.71	\$ -
16	May	\$ 1.56	\$ 1.56	\$ -
17	June	\$ 1.95	\$ 1.92	\$ 0.03
18	July	\$ 1.90	\$ 2.14	\$ (0.24)
19	August	\$ 2.28	\$ 2.20	\$ 0.08
20	September	\$ 2.12	\$ 2.27	\$ (0.15)
21	October	\$ 2.16	\$ 2.38	\$ (0.22)
22	November	\$ 2.47	\$ 2.66	\$ (0.19)
23	December	\$ 2.74	\$ 2.93	\$ (0.20)
24	Simple Average (Jan, 2012 - Dec, 2012)	\$ 2.17	\$ 2.24	-3.1% \$ (0.07)
25	Simple Average (Apr, 2012 - Mar, 2013)	\$ 2.28	\$ 2.41	-5.4% \$ (0.13)
26	Simple Average (Jul, 2012 - Jun, 2013)	\$ 2.55	\$ 2.73	-6.6% \$ (0.18)
27	Simple Average (Oct, 2012 - Sep, 2013)	\$ 2.74	\$ 2.95	-7.1% \$ (0.21)
28	2013			
29	January	\$ 2.81	\$ 3.03	\$ (0.22)
30	February	\$ 2.83	\$ 3.04	\$ (0.21)
31	March	\$ 2.83	\$ 3.04	\$ (0.20)
32	April	\$ 2.80	\$ 3.02	\$ (0.22)
33	May	\$ 2.82	\$ 3.01	\$ (0.20)
34	June	\$ 2.84	\$ 3.04	\$ (0.20)
35	July	\$ 2.87	\$ 3.08	\$ (0.21)
36	August	\$ 2.88	\$ 3.09	\$ (0.21)
37	September	\$ 2.89	\$ 3.10	\$ (0.21)
38	October	\$ 2.92	\$ 3.14	\$ (0.22)
39	November	\$ 3.10	\$ 3.29	\$ (0.20)
40	December	\$ 3.30	\$ 3.52	\$ (0.23)
41	Simple Average (Jan, 2013 - Dec, 2013)	\$ 2.91	\$ 3.12	-6.7% \$ (0.21)
42	Simple Average (Apr, 2013 - Mar, 2014)	\$ 3.04	\$ 3.24	-6.2% \$ (0.20)
43	Simple Average (Jul, 2013 - Jun, 2014)	\$ 3.14	\$ 3.33	-5.7% \$ (0.19)
44	Simple Average (Oct, 2013 - Sep, 2014)	\$ 3.25		
45	2014			
46	January	\$ 3.38	\$ 3.55	\$ (0.17)
47	February	\$ 3.39	\$ 3.53	\$ (0.14)
48	March	\$ 3.32	\$ 3.49	\$ (0.17)
49	April	\$ 3.22	\$ 3.38	\$ (0.16)
50	May	\$ 3.22	\$ 3.39	\$ (0.17)
	June	\$ 3.24	\$ 3.43	\$ (0.20)
	July	\$ 3.27		
	August	\$ 3.33		
	September	\$ 3.33		



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

Line No	Particulars (1)	Five-day Average Forward Prices - August 13, 14, 15, 16, and 17, 2012 2012 Q3 Gas Cost Report (2)	Five-day Average Forward Prices - May 14, 15, 16, 17, and 18, 2012 2012 Q2 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	Simple Average (Jul, 2011 - Jun, 2012)	\$ 2.55	\$ 2.55	0.0% \$ -
10	Simple Average (Oct, 2011 - Sep, 2012)	\$ 2.30	\$ 2.31	-0.4% \$ (0.01)
11	2012			
12	January	\$ 2.86	\$ 2.86	\$ -
13	February	\$ 2.24	\$ 2.24	\$ -
14	March	\$ 1.90	\$ 1.90	\$ -
15	April	\$ 1.67	\$ 1.67	\$ -
16	May	\$ 1.44	\$ 1.44	\$ -
17	June	\$ 2.02	\$ 2.04	\$ (0.02)
18	July	\$ 2.03	\$ 2.09	\$ (0.06)
19	August	\$ 2.36	\$ 2.15	\$ 0.21
20	September	\$ 2.05	\$ 2.21	\$ (0.16)
21	October	\$ 2.14	\$ 2.34	\$ (0.20)
22	November	\$ 2.57	\$ 2.70	\$ (0.13)
23	December	\$ 2.89	\$ 3.01	\$ (0.12)
24	Simple Average (Jan, 2012 - Dec, 2012)	\$ 2.18	\$ 2.22	-1.8% \$ (0.04)
25	Simple Average (Apr, 2012 - Mar, 2013)	\$ 2.32	\$ 2.40	-3.3% \$ (0.08)
26	Simple Average (Jul, 2012 - Jun, 2013)	\$ 2.59	\$ 2.72	-4.8% \$ (0.13)
27	Simple Average (Oct, 2012 - Sep, 2013)	\$ 2.77	\$ 2.95	-6.1% \$ (0.18)
28	2013			
29	January	\$ 2.90	\$ 3.08	\$ (0.18)
30	February	\$ 2.92	\$ 3.08	\$ (0.16)
31	March	\$ 2.89	\$ 3.06	\$ (0.17)
32	April	\$ 2.77	\$ 2.98	\$ (0.20)
33	May	\$ 2.79	\$ 2.97	\$ (0.18)
34	June	\$ 2.82	\$ 2.99	\$ (0.17)
35	July	\$ 2.86	\$ 3.04	\$ (0.18)
36	August	\$ 2.87	\$ 3.06	\$ (0.19)
37	September	\$ 2.88	\$ 3.06	\$ (0.18)
38	October	\$ 2.92	\$ 3.11	\$ (0.19)
39	November	\$ 3.18	\$ 3.25	\$ (0.07)
40	December	\$ 3.44	\$ 3.53	\$ (0.10)
41	Simple Average (Jan, 2013 - Dec, 2013)	\$ 2.94	\$ 3.10	-5.2% \$ (0.16)
42	Simple Average (Apr, 2013 - Mar, 2014)	\$ 3.07	\$ 3.21	-4.4% \$ (0.14)
43	Simple Average (Jul, 2013 - Jun, 2014)	\$ 3.18	\$ 3.30	-3.6% \$ (0.12)
44	Simple Average (Oct, 2013 - Sep, 2014)	\$ 3.29		
45	2014			
46	January	\$ 3.49	\$ 3.56	\$ (0.07)
47	February	\$ 3.48	\$ 3.50	\$ (0.02)
48	March	\$ 3.38	\$ 3.45	\$ (0.07)
49	April	\$ 3.22	\$ 3.35	\$ (0.14)
50	May	\$ 3.21	\$ 3.35	\$ (0.14)
51	June	\$ 3.24	\$ 3.39	\$ (0.16)
52	July	\$ 3.28		
53	August	\$ 3.33		
54	September	\$ 3.34		

↑
Recorded
Projected
Forecast
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Forecast
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FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
GAS BUDGET COST SUMMARY FOR THE FORECAST PERIOD OCT 1, 2012 TO SEP 30, 2013
FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 13, 14, 15, 16, AND 17, 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	\$ 189,772	69,205	\$ 2.742	
4	Commodity from Ft. Nelson Plant	12,785	4,093	3.124	
5	Transportation - TNLH	<u>1,208</u>	<u>-</u>		
6	Station No. 2 Total	\$ 203,766	73,298	\$ 2.780	
7	AECO Total	42,241	15,380	2.747	
8	Huntingdon Total	<u>47,500</u>	<u>15,228</u>	<u>3.119</u>	
9	Commodity Costs before Hedging	\$ 293,507	103,905	\$ 2.825	includes Fuel Used in Transportation (Receipt Point Fuel Gas)
10	Mark to Market Hedges Cost / (Gain)	<u>26,346</u>	<u>-</u>		
11	Subtotal Commodity Purchased	\$ 319,853	103,905	\$ 3.078	
12	Core Market Administration Costs	1,191	-		
13	Fuel Used in Transportation	<u>-</u>	<u>(2,388)</u>	<u>-</u>	
14	Total CCRA Costs	<u>\$ 321,044</u>	<u>101,518</u>	<u>\$ 3.162</u>	
15					
16	MCRA				
17	Midstream Commodity				
18	Midstream Commodity before Hedging	\$ 92,267	33,281	\$ 2.772	includes UAF ^(1*) Company Use Gas, & Fuel Used in Storage
19	Mark to Market Hedges Cost / (Gain)	31	-		
20	Company Use Gas Recovered from O&M	<u>(2,136)</u>	<u>(297)</u>	<u>7.188</u>	
21	Total Midstream Commodity	<u>\$ 90,162</u>	<u>32,983</u>	<u>\$ 2.734</u>	
22					
23	Storage Gas				
24	BC - Aitken Creek	\$ (76,523)	(18,400)	\$ 4.159	
25	LNG - Tilbury & Mt. Hayes	(5,303)	(1,271)	4.173	
26	Alberta - Niska & CrossAlta	(12,452)	(3,069)	4.057	
27	Downstream - JPS & Mist	<u>(20,018)</u>	<u>(4,812)</u>	<u>4.160</u>	
28	Injections into Storage	\$ (114,296)	(27,552)	\$ 4.148	
29	BC - Aitken Creek	\$ 79,951	17,606	4.541	
30	LNG - Tilbury & Mt. Hayes	5,927	1,147	5.170	
31	Alberta - Niska & CrossAlta	11,109	3,083	3.604	
32	Downstream - JPS & Mist	<u>21,328</u>	<u>4,779</u>	<u>4.463</u>	
33	Withdrawals from Storage	118,315	26,614	\$ 4.446	
34	BC - Aitken Creek	\$ 18,549			
35	LNG - Mt. Hayes	16,353			
36	Alberta - Niska & CrossAlta	2,556			
37	Downstream - JPS & Mist	<u>13,973</u>			
38	Storage Demand Charges	<u>51,430</u>	<u>-</u>		
39	Total Net Storage (Lines 28, 33, & 38)	<u>\$ 55,449</u>	<u>(937)</u>		
40					
41	Mitigation				
42	Transportation	\$ (14,889)	-		
43	Commodity Resales	(96,213)	(29,980)	3.209	
44	GSMIP Incentive Sharing	<u>1,000</u>	<u>-</u>		
45	Total Mitigation	<u>\$ (110,102)</u>	<u>(29,980)</u>		
46					
47	Transportation (Pipeline) Charges				
48	WEI	\$ 83,040			
49	NOVA / ANG	14,005			
50	NWP	<u>7,735</u>			
51	Total Transportation Charges	<u>\$ 104,780</u>			
52					
53	Core Market Administration Costs	<u>\$ 2,778</u>			
54					
55	Fuel Used in Storage & UAF (Sales & T-Service)	<u>-</u>	<u>(2,067)</u>		
56					
57	Net MCRA Commodity (Lines 21, 39, 45, & 55)	<u>-</u>	<u>-</u>		
58	Total MCRA Costs (Lines 21, 39, 45, 51, & 53)	<u>\$ 143,068</u>		<u>\$ 1.268</u>	average unit cost = Line 58, Col. 3 divided by Line 59, Col.5
59	Total Core Sales Volumes		<u>112,870</u>		
60	Total Forecast Gas Costs (Lines 14 & 58)	<u>\$ 464,112</u>			reference to Tab 1, Page 7, Line 9, Col. 3

Notes: Slight difference in totals due to rounding.

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

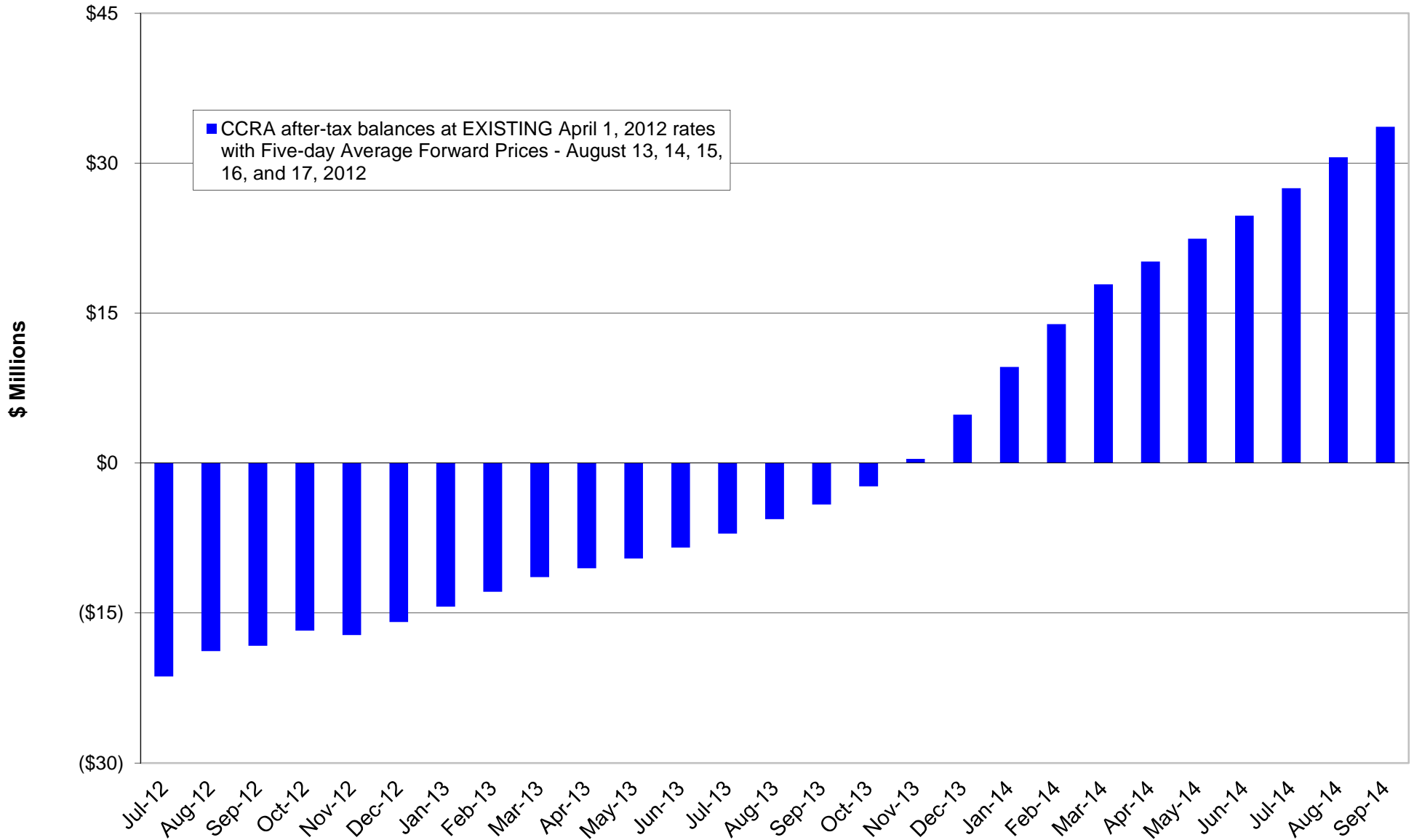
**FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
RECONCILIATION OF GAS COST INCURRED
FOR THE FORECAST PERIOD OCTOBER 1, 2012 TO SEPTEMBER 30, 2013
FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 13, 14, 15, 16, AND 17, 2012
\$(Millions)**

Tab 1
Page 7

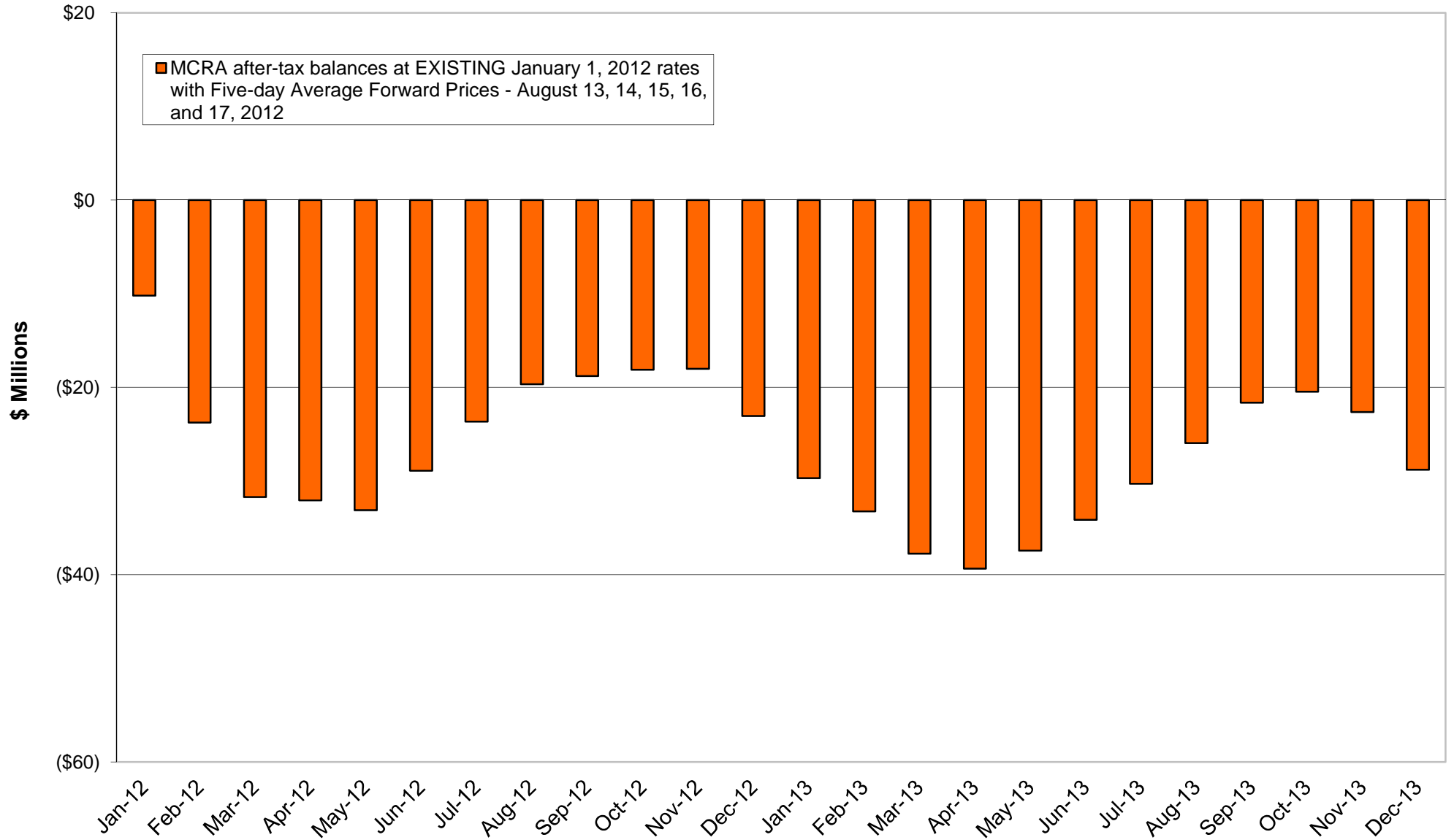
Line No.	Particulars	CCRA/MCRA Deferral Account Forecast	Gas Budget Cost Summary
	(1)	(2)	(3)
1	Gas Cost Incurred		
2	CCRA (Tab 1, Page 1, Col. 14, Line 15)	\$ 321	
3	MCRA (Tab1, Page 2, sum of Col. 11 to 13, Line 9 and Col. 2 to 10, Line 26)	239	
4			
5			
6	Gas Budget Cost Summary		
7	CCRA (Tab 1, Page 6. Col.3, Line 14)		\$ 321
8	MCRA (Tab 1, Page 6. Col.3, Line 58)		143
9	Total Net Costs for Firm Customers		<u>\$ 464</u>
10			
11			
12	Add back Commodity Resales (Tab 1, Page 6. Col.2, Line 43)		96
13			
14			
15	Totals Reconciled	<u>\$ 560</u>	<u>\$ 560</u>

Notes: Slight differences in totals due to rounding.

FortisBC Energy Inc. - Lower Mainland, Inland and Columbia
 CCRA After-Tax Monthly Balances
 Recorded July 2012 and Projected to September 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 JULY 1, 2012 AND FORECAST PERIOD TO SEPTEMBER 30, 2013
FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 13, 14, 15, 16, AND 17, 2012

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		Recorded Oct 11	Recorded Nov 11	Recorded Dec 11	Recorded Jan 12	Recorded Feb 12	Recorded Mar 12	Recorded Apr 12	Recorded May 12	Recorded Jun 12	Recorded Jul 12	Projected Aug 12	Projected Sep 12	Oct-11 to Sep-12 Total
1	CCRA VOLUMES													
2	Commodity Purchase (TJ)													
3	Station No. 2	6,043	5,871	6,071	6,078	5,708	6,104	5,911	6,117	5,985	6,161	6,225	6,024	72,299
4	AECO	1,262	1,231	1,273	1,274	1,197	1,280	1,240	1,284	1,243	1,286	1,306	1,264	15,139
5	Huntingdon	1,249	1,219	1,260	1,262	1,185	1,267	1,228	1,271	1,231	1,273	1,293	1,252	14,989
6	Total Commodity Purchased	8,554	8,321	8,604	8,614	8,089	8,652	8,378	8,672	8,459	8,720	8,825	8,540	102,428
7	Fuel Used in Transportation	(217)	(189)	(195)	(195)	(183)	(196)	(190)	(197)	(216)	(197)	(203)	(196)	(2,373)
8	Commodity Available for Sale	<u>8,338</u>	<u>8,132</u>	<u>8,409</u>	<u>8,419</u>	<u>7,906</u>	<u>8,456</u>	<u>8,189</u>	<u>8,476</u>	<u>8,243</u>	<u>8,523</u>	<u>8,622</u>	<u>8,344</u>	<u>100,055</u>
9														
10	CCRA COSTS													
11	Commodity Costs (\$000)													
12	Station No. 2	\$ 19,003	\$ 17,611	\$ 17,521	\$ 15,305	\$ 11,854	\$ 10,676	\$ 9,115	\$ 10,417	\$ 10,755	\$ 12,311	\$ 13,974	\$ 12,201	\$ 160,742
13	AECO	4,180	3,838	3,851	3,388	2,626	2,381	2,038	2,183	2,364	2,576	2,977	2,675	35,076
14	Huntingdon	4,313	4,590	4,831	4,196	3,076	2,976	2,270	2,246	2,849	2,959	3,209	2,856	40,372
15	Commodity Costs before Hedging	\$ 27,496	\$ 26,039	\$ 26,203	\$ 22,889	\$ 17,556	\$ 16,033	\$ 13,424	\$ 14,845	\$ 15,968	\$ 17,846	\$ 20,160	\$ 17,732	\$ 236,190
16	Mark to Market Hedges Cost / (Gain)	6,958	6,387	8,997	9,083	10,637	12,589	9,385	9,896	8,488	8,947	7,760	8,111	107,237
17	Core Market Administration Costs	72	99	92	84	68	71	79	103	89	125	98	98	1,079
18	Total CCRA Costs	<u>\$ 34,525</u>	<u>\$ 32,525</u>	<u>\$ 35,293</u>	<u>\$ 32,055</u>	<u>\$ 28,262</u>	<u>\$ 28,693</u>	<u>\$ 22,888</u>	<u>\$ 24,844</u>	<u>\$ 24,545</u>	<u>\$ 26,918</u>	<u>\$ 28,018</u>	<u>\$ 25,941</u>	<u>\$ 344,506</u>
19														
20														
21	CCRA Unit Cost (\$/GJ)	\$ 4.1409	\$ 3.9994	\$ 4.1972	\$ 3.8076	\$ 3.5748	\$ 3.3932	\$ 2.7951	\$ 2.9312	\$ 2.9776	\$ 3.1581	\$ 3.2496	\$ 3.1090	\$ 3.4432
22														
23														
24														
25														
26		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	Forecast Jul-13	Forecast Aug-13	Forecast Sep-13	1-12 months Total
27	CCRA VOLUMES													
28	Commodity Purchase (TJ)													
29	Station No. 2	6,225	6,024	6,225	6,225	5,623	6,225	6,024	6,225	6,024	6,225	6,225	6,024	73,298
30	AECO	1,306	1,264	1,306	1,306	1,180	1,306	1,264	1,306	1,264	1,306	1,306	1,264	15,380
31	Huntingdon	1,293	1,252	1,293	1,293	1,168	1,293	1,252	1,293	1,252	1,293	1,293	1,252	15,228
32	Subtotal - Commodity Purchased	8,825	8,540	8,825	8,825	7,971	8,825	8,540	8,825	8,540	8,825	8,825	8,540	103,905
33	Fuel Used in Transportation	(203)	(196)	(203)	(203)	(183)	(203)	(196)	(203)	(196)	(203)	(203)	(196)	(2,388)
34	Commodity Available for Sale	<u>8,622</u>	<u>8,344</u>	<u>8,622</u>	<u>8,622</u>	<u>7,788</u>	<u>8,622</u>	<u>8,344</u>	<u>8,622</u>	<u>8,344</u>	<u>8,622</u>	<u>8,622</u>	<u>8,344</u>	<u>101,518</u>
35														
36														
37	CCRA COSTS													
38	Commodity Costs (\$000)													
39	Station No. 2	\$ 13,425	\$ 15,425	\$ 17,731	\$ 18,024	\$ 16,413	\$ 18,082	\$ 16,817	\$ 17,488	\$ 17,103	\$ 17,879	\$ 17,944	\$ 17,434	\$ 203,766
40	AECO	2,817	3,134	3,582	3,679	3,352	3,711	3,534	3,678	3,590	3,747	3,764	3,653	42,241
41	Huntingdon	3,222	3,965	4,598	4,533	4,023	4,225	3,694	3,783	3,695	3,948	3,963	3,840	47,500
42	Commodity Costs before Hedging	\$ 19,474	\$ 22,524	\$ 25,911	\$ 26,236	\$ 23,788	\$ 26,018	\$ 24,045	\$ 24,950	\$ 24,388	\$ 25,574	\$ 25,672	\$ 24,927	\$ 293,507
43	Mark to Market Hedges Cost / (Gain)	8,089	1,654	1,383	1,382	1,272	1,505	1,883	1,918	1,825	1,847	1,829	1,760	26,346
44	Core Market Administration Costs	98	98	98	98	98	98	98	98	98	102	102	102	1,191
45	Total CCRA Costs	<u>\$ 27,661</u>	<u>\$ 24,277</u>	<u>\$ 27,392</u>	<u>\$ 27,716</u>	<u>\$ 25,159</u>	<u>\$ 27,621</u>	<u>\$ 26,027</u>	<u>\$ 26,966</u>	<u>\$ 26,311</u>	<u>\$ 27,523</u>	<u>\$ 27,603</u>	<u>\$ 26,789</u>	<u>\$ 321,044</u>
46														
47														
48	CCRA Unit Cost (\$/GJ)	\$ 3.2082	\$ 2.9095	\$ 3.1769	\$ 3.2146	\$ 3.2306	\$ 3.2036	\$ 3.1192	\$ 3.1276	\$ 3.1533	\$ 3.1922	\$ 3.2014	\$ 3.2106	\$ 3.1624
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 OCT 1, 2013 TO SEP 30, 2014
FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 13, 14, 15, 16, AND 17, 2012

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		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	Forecast Jul-14	Forecast Aug-14	Forecast Sep-14	13-24 months Total
1	CCRA VOLUMES													
2	Commodity Purchase	(TJ)												
3	Station No. 2		6,257	6,055	6,257	6,257	5,652	6,257	6,055	6,257	6,055	6,257	6,055	73,673
4	AECO		1,313	1,271	1,313	1,313	1,186	1,313	1,271	1,313	1,271	1,313	1,271	15,459
5	Huntingdon		1,300	1,258	1,300	1,300	1,174	1,300	1,258	1,300	1,258	1,300	1,258	15,306
6	Subtotal - Commodity Purchased		8,870	8,584	8,870	8,870	8,012	8,870	8,584	8,870	8,584	8,870	8,584	104,437
7	Fuel Used in Transportation		(204)	(197)	(204)	(204)	(184)	(204)	(197)	(204)	(197)	(204)	(197)	(2,400)
8	Commodity Available for Sale		<u>8,666</u>	<u>8,387</u>	<u>8,666</u>	<u>8,666</u>	<u>7,828</u>	<u>8,666</u>	<u>8,387</u>	<u>8,666</u>	<u>8,387</u>	<u>8,666</u>	<u>8,387</u>	<u>102,037</u>
9														
10														
11	CCRA COSTS	(\$000)												
12	Commodity Costs													
13	Station No. 2		\$ 18,326	\$ 19,252	\$ 21,306	\$ 21,746	\$ 19,646	\$ 21,251	\$ 19,553	\$ 20,192	\$ 19,662	\$ 20,572	\$ 20,909	\$ 242,686
14	AECO		3,838	3,942	4,340	4,451	4,027	4,373	4,094	4,232	4,111	4,296	4,371	50,308
15	Huntingdon		4,193	4,821	5,476	5,427	4,835	4,927	4,254	4,311	4,188	4,478	4,555	55,878
16	Commodity Costs before Hedging		\$ 26,358	\$ 28,015	\$ 31,121	\$ 31,625	\$ 28,508	\$ 30,551	\$ 27,901	\$ 28,735	\$ 27,961	\$ 29,346	\$ 29,835	\$ 348,871
17	Mark to Market Hedges Cost / (Gain)		1,773	516	466	437	393	457	-	-	-	-	-	4,042
18	Core Market Administration Costs		102	102	102	102	102	102	102	102	102	102	102	1,220
19	Total CCRA Costs		<u>\$ 28,232</u>	<u>\$ 28,633</u>	<u>\$ 31,688</u>	<u>\$ 32,164</u>	<u>\$ 29,003</u>	<u>\$ 31,109</u>	<u>\$ 28,003</u>	<u>\$ 28,837</u>	<u>\$ 28,062</u>	<u>\$ 29,448</u>	<u>\$ 29,937</u>	<u>\$ 354,134</u>
20														
21														
22	CCRA Unit Cost	(\$/GJ)	<u>\$ 3.2577</u>	<u>\$ 3.4141</u>	<u>\$ 3.6566</u>	<u>\$ 3.7115</u>	<u>\$ 3.7052</u>	<u>\$ 3.5897</u>	<u>\$ 3.3390</u>	<u>\$ 3.3275</u>	<u>\$ 3.3461</u>	<u>\$ 3.3980</u>	<u>\$ 3.4545</u>	<u>\$ 3.4706</u>
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 OCTOBER 1, 2012 TO SEPTEMBER 30, 2013
FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 13, 14, 15, 16, AND 17, 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	101,319.5	185.1	12.9	101,517.5
2						
3						
4	CCRA Incurred Costs					
5	Station No. 2	\$000	\$ 203,284.9	\$ 440.0	\$ 40.8	\$ 203,765.7
6	AECO	\$000	42,240.5	0.8	0.1	42,241.3
7	Huntingdon	\$000	47,402.1	98.3	-	47,500.4
8	CCRA Commodity Costs before Hedging	\$000	\$ 292,927.4	\$ 539.1	\$ 40.8	\$ 293,507.3
9	Mark to Market Hedges Cost / (Gain)	\$000	26,297.4	48.4	-	26,345.8
10	Core Market Administration Costs	\$000	1,188.6	2.2	-	1,190.8
11	Total Incurred Costs before CCRA deferral amortization	\$000	\$ 320,413.3	\$ 589.7	\$ 40.8	\$ 321,043.9
12						
13	Pre-tax CCRA Deficit/(Surplus) as of Oct 1, 2012	\$000	\$ (24,307.0)	\$ (44.7)	\$ -	\$ (24,351.7)
14	Total CCRA Incurred Costs	\$000	\$ 296,106.4	\$ 544.9	\$ 40.8	\$ 296,692.1
15						
16						
17	CCRA Incurred Unit Costs					
18	CCRA Commodity Costs before Hedging	\$/GJ	\$ 2.8911			
19	Mark to Market Hedges Cost / (Gain)	\$/GJ	0.2595			
20	Core Market Administration Costs	\$/GJ	0.0117			
21	CCRA Incurred Costs (excl. CCRA Deferral Amortization)	\$/GJ	\$ 3.1624			
22	Pre-tax CCRA Deficit/(Surplus) as of Oct 1, 2012	\$/GJ	(0.2399)			
23	CCRA Gas Costs Incurred -- Flow-Through	\$/GJ	\$ 2.9225			
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 Oct 1, 2012	\$/GJ	\$ 2.923	\$ 2.923	\$ 2.923	
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	\$ (0.054)	\$ (0.054)	\$ (0.054)	
37						
38	Cost of Gas Percentage Increase / (Decrease)		-1.81%	-1.81%	-1.81%	

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 - AUGUST 13, 14, 15, 16, AND 17, 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	Recorded May 12	Recorded Jun 12	Recorded Jul 12	Projected Aug 12	Projected Sep 12	Forecast Oct 12	Forecast Nov 12	Forecast Dec 12	2012 Total
1	MCRA COSTS													
2	Midstream Commodity Costs													
3	Midstream Commodity Costs before Hedging ^(1*)	\$ 14,453	\$ 10,178	\$ 5,432	\$ 202	\$ 440	\$ (16)	\$ 66	\$ (142)	\$ 157	\$ 2,118	\$ 8,933	\$ 13,981	\$ 55,802
4	Mark to Market Hedges Cost / (Gain)	88	141	1	-	-	-	-	-	-	-	-	(28)	203
5	Subtotal Midstream Commodity Purchased	\$ 14,542	\$ 10,319	\$ 5,433	\$ 202	\$ 440	\$ (16)	\$ 66	\$ (142)	\$ 157	\$ 2,118	\$ 8,933	\$ 13,953	\$ 56,005
6	Imbalance ^(2*)	(841)	(1,328)	492	(549)	4	152	41	-	-	-	-	-	(2,030)
7	Company Use Gas Recovered from O&M	(363)	(228)	(134)	(138)	(60)	(59)	(33)	(86)	(78)	(40)	(23)	(28)	(1,271)
8	Total Midstream Commodity Costs	\$ 13,338	\$ 8,762	\$ 5,791	\$ (486)	\$ 385	\$ 76	\$ 74	\$ (229)	\$ 79	\$ 2,077	\$ 8,910	\$ 13,925	\$ 52,703
9														
10	Storage (including Linepack)													
11	Storage Demand Charges	\$ 1,975	\$ 1,959	\$ 1,948	\$ 2,967	\$ 3,090	\$ 3,170	\$ 3,009	\$ 3,626	\$ 3,591	\$ 3,403	\$ 3,436	\$ 3,430	\$ 35,605
12	Mt. Hayes Demand Charges	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,328	1,328	1,328	1,328	1,328	15,943
13	Mt. Hayes Variable Charges	4	2	2	2	2	8	1	55	55	55	7	7	197
14	Injections into Storage	(1,226)	(286)	(1,893)	(4,361)	(14,922)	(13,768)	(16,626)	(21,619)	(18,442)	(2,160)	(1,256)	(2,053)	(98,612)
15	Withdrawals from Storage	26,219	17,563	14,153	2,749	349	1,103	397	-	-	2,162	23,335	27,699	115,728
16	Total Storage	\$ 28,301	\$ 20,566	\$ 15,539	\$ 2,685	\$ (10,153)	\$ (8,158)	\$ (11,889)	\$ (16,611)	\$ (13,469)	\$ 4,788	\$ 26,851	\$ 30,411	\$ 68,861
17														
18	Mitigation													
19	Transportation	\$ (703)	\$ (1,038)	\$ (775)	\$ (985)	\$ (536)	\$ (2,863)	\$ (1,662)	\$ (2,408)	\$ (1,871)	\$ (1,245)	\$ (557)	\$ (711)	\$ (15,354)
20	Commodity Resales	(4,924)	(6,204)	(5,192)	(1,405)	(2,590)	(2,581)	(3,881)	(1,497)	(98)	(5,066)	(16,132)	(14,436)	(64,007)
21	Other GSMIP Mitigation	(125)	320	2,248	799	1,837	(942)	(1,759)	-	-	-	-	-	2,379
22	Subtotal GSMIP Mitigation	\$ (5,752)	\$ (6,922)	\$ (3,719)	\$ (1,591)	\$ (1,289)	\$ (6,386)	\$ (7,301)	\$ (3,905)	\$ (1,969)	\$ (6,311)	\$ (16,689)	\$ (15,147)	\$ (76,983)
23	GSMIP Incentive Sharing	87	129	85	4	50	96	83	-	333	-	-	-	867
24	Other Non-GSMIP Mitigation	105	181	13	79	(194)	(173)	129	-	-	-	-	-	141
25	Total Mitigation	\$ (5,560)	\$ (6,612)	\$ (3,621)	\$ (1,508)	\$ (1,433)	\$ (6,463)	\$ (7,089)	\$ (3,905)	\$ (1,636)	\$ (6,311)	\$ (16,689)	\$ (15,147)	\$ (75,974)
26														
27	Transportation (Pipeline) Charges													
28	WEI (BC Pipeline)	\$ 6,080	\$ 6,080	\$ 6,080	\$ 6,080	\$ 5,667	\$ 6,080	\$ 6,080	\$ 5,869	\$ 5,869	\$ 5,869	\$ 5,869	\$ 5,869	\$ 71,493
29	TransCanada (BC Line)	409	409	409	285	287	285	290	301	301	301	431	431	4,139
30	Nova (Alberta Line)	693	693	681	693	496	693	693	720	720	720	778	780	8,359
31	Northwest Pipeline	508	456	500	364	188	281	300	459	439	652	847	874	5,870
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	23	18	14	34	34	34	34	34	427
35	Midstream Tolls and Fees	1,151	945	178	1,129	-	492	260	471	471	471	538	563	6,670
36	Total Transportation Charges	\$ 9,232	\$ 8,958	\$ 8,225	\$ 8,908	\$ 6,985	\$ 8,174	\$ 7,960	\$ 8,178	\$ 8,158	\$ 8,371	\$ 8,821	\$ 8,876	\$ 100,846
37														
38	Core Market Administration Costs	\$ 202	\$ 167	\$ 170	\$ 225	\$ 243	\$ 211	\$ 293	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 2,659
39	TOTAL MCRA COSTS (Line 8, 16, 25, 36, & 38) (\$000)	\$ 45,513	\$ 31,842	\$ 26,104	\$ 9,824	\$ (3,972)	\$ (6,159)	\$ (10,652)	\$ (12,336)	\$ (6,638)	\$ 9,154	\$ 28,122	\$ 38,294	\$ 149,095
40														
41														
42	Variable Costs	\$ 26,148	\$ 18,224	\$ 12,439	\$ (482)	\$ (14,572)	\$ (12,164)	\$ (15,968)	\$ (21,093)	\$ (17,916)	\$ 527	\$ 22,624	\$ 26,216	\$ 23,983
43	Fixed Costs	19,365	13,618	13,665	10,306	10,599	6,005	5,316	8,757	11,279	8,626	5,498	12,078	125,112
44	Total MCRA Costs (\$000)	\$ 45,513	\$ 31,842	\$ 26,104	\$ 9,824	\$ (3,972)	\$ (6,159)	\$ (10,652)	\$ (12,336)	\$ (6,638)	\$ 9,154	\$ 28,122	\$ 38,294	\$ 149,095

Notes: Slight difference in totals due to rounding.

(1*) The total cost of UAF is included as a component of gas volumes purchased. Sales UAF costs are recovered via gas cost recovery rates, while 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 - AUGUST 13, 14, 15, 16, AND 17, 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*)	\$ 13,983	\$ 12,564	\$ 8,008	\$ 7,480	\$ 3,061	\$ 7,440	\$ 5,364	\$ 5,864	\$ 3,473	\$ 3,169	\$ 10,861	\$ 16,469	\$ 97,734
4	Mark to Market Hedges Cost / (Gain)	15	43	-	-	-	-	-	-	-	-	-	-	59
5	Subtotal Midstream Commodity Purchased	\$ 13,998	\$ 12,607	\$ 8,008	\$ 7,480	\$ 3,061	\$ 7,440	\$ 5,364	\$ 5,864	\$ 3,473	\$ 3,169	\$ 10,861	\$ 16,469	\$ 97,793
6	Imbalance ^(2*)	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Company Use Gas Recovered from O&M	(55)	(167)	(437)	(456)	(341)	(222)	(194)	(92)	(82)	(41)	(24)	(29)	(2,139)
8	Total Midstream Commodity Costs	\$ 13,944	\$ 12,440	\$ 7,572	\$ 7,023	\$ 2,720	\$ 7,219	\$ 5,170	\$ 5,772	\$ 3,390	\$ 3,128	\$ 10,837	\$ 16,440	\$ 95,654
9														
10	Storage (including Linepack)													
11	Storage Demand Charges	\$ 2,447	\$ 2,444	\$ 2,450	\$ 2,417	\$ 2,399	\$ 2,417	\$ 3,405	\$ 3,419	\$ 3,413	\$ 3,226	\$ 2,433	\$ 2,440	\$ 32,906
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	(4,825)	(1,861)	(1,228)	(7,803)	(14,034)	(20,092)	(22,104)	(21,245)	(15,635)	(2,353)	(1,093)	(2,240)	(114,513)
15	Withdrawals from Storage	25,765	23,293	11,583	4,374	52	52	-	-	-	2,057	22,481	27,210	116,868
16	Total Storage	\$ 24,722	\$ 25,211	\$ 14,139	\$ 370	\$ (10,200)	\$ (16,241)	\$ (17,317)	\$ (16,443)	\$ (10,840)	\$ 4,312	\$ 25,156	\$ 28,745	\$ 51,613
17														
18	Mitigation													
19	Transportation	\$ (503)	\$ (744)	\$ (1,509)	\$ (1,047)	\$ (1,240)	\$ (1,121)	\$ (1,922)	\$ (2,402)	\$ (1,887)	\$ (1,255)	\$ (560)	\$ (715)	\$ (14,907)
20	Commodity Resales	(8,771)	(13,521)	(4,575)	(4,836)	(2,542)	(6,541)	(5,668)	(8,282)	(5,842)	(6,224)	(19,861)	(17,318)	(103,981)
21	Other GSMIP Mitigation	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Subtotal GSMIP Mitigation	\$ (9,274)	\$ (14,265)	\$ (6,084)	\$ (5,884)	\$ (3,783)	\$ (7,662)	\$ (7,590)	\$ (10,684)	\$ (7,729)	\$ (7,479)	\$ (20,421)	\$ (18,033)	\$ (118,888)
23	GSMIP Incentive Sharing	-	-	333	-	-	333	-	-	333	-	-	-	1,000
24	Other Non-GSMIP Mitigation	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Total Mitigation	\$ (9,274)	\$ (14,265)	\$ (5,750)	\$ (5,884)	\$ (3,783)	\$ (7,329)	\$ (7,590)	\$ (10,684)	\$ (7,396)	\$ (7,479)	\$ (20,421)	\$ (18,033)	\$ (117,888)
26														
27	Transportation (Pipeline) Charges													
28	WEI (BC Pipeline)	\$ 6,138	\$ 6,138	\$ 6,138	\$ 6,138	\$ 6,138	\$ 6,138	\$ 6,138	\$ 6,138	\$ 6,138	\$ 6,239	\$ 6,239	\$ 6,239	\$ 73,956
29	TransCanada (BC Line)	431	431	431	301	301	301	301	301	301	301	431	431	4,262
30	Nova (Alberta Line)	835	829	835	773	773	773	773	773	773	773	833	835	9,578
31	Northwest Pipeline	806	738	810	581	599	428	441	443	430	483	681	702	7,143
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	46	81	464
35	Midstream Tolls and Fees	588	580	582	498	498	498	498	498	498	498	624	643	6,506
36	Total Transportation Charges	\$ 9,156	\$ 9,074	\$ 9,153	\$ 8,649	\$ 8,668	\$ 8,496	\$ 8,509	\$ 8,511	\$ 8,498	\$ 8,652	\$ 9,177	\$ 9,256	\$ 105,798
37														
38	Core Market Administration Costs	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 237	\$ 237	\$ 237	\$ 237	\$ 237	\$ 237	\$ 2,801
39	TOTAL MCRA COSTS (Line 8, 16, 25, 36,& 38)	\$ 38,776	\$ 32,689	\$ 25,343	\$ 10,389	\$ (2,366)	\$ (7,626)	\$ (10,991)	\$ (12,607)	\$ (6,110)	\$ 8,850	\$ 24,987	\$ 36,645	\$ 137,979
40														
41														
42	Variable Costs	\$ 21,535	\$ 22,019	\$ 10,943	\$ (2,876)	\$ (13,429)	\$ (19,487)	\$ (21,551)	\$ (20,692)	\$ (15,082)	\$ 257	\$ 22,019	\$ 25,621	\$ 9,276
43	Fixed Costs	17,241	10,670	14,400	13,265	11,063	11,861	10,560	8,085	8,972	8,594	2,967	11,024	128,703
44	Total MCRA Costs	\$ 38,776	\$ 32,689	\$ 25,343	\$ 10,389	\$ (2,366)	\$ (7,626)	\$ (10,991)	\$ (12,607)	\$ (6,110)	\$ 8,850	\$ 24,987	\$ 36,645	\$ 137,979

Notes: Slight difference in totals due to rounding.

(1*) The total cost of UAF is included as a component of gas volumes purchased. Sales UAF costs are recovered via gas cost recovery rates, while 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	Recorded	Recorded	Recorded	Projected	Projected	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	Biomethane Available for Sale - Beginning	42.3	43.8	45.7	48.4	51.9	56.8	61.2	60.7	64.1	68.5	71.3	72.3	42.3
4	Purchase Volumes	1.2	2.1	3.1	4.2	5.1	4.7	6.3	4.7	6.2	6.3	6.2	6.3	56.3
5	Sales Volumes	0.2	(0.1)	(0.3)	(0.7)	(0.2)	(0.3)	(6.9)	(1.3)	(1.8)	(3.4)	(5.2)	(6.9)	(26.9)
6	Biomethane Available for Sale - Ending	43.8	45.7	48.4	51.9	56.8	61.2	60.7	64.1	68.5	71.3	72.3	71.8	71.8
7														
8														
9		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
10		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
11	Biomethane Available for Sale - Beginning	71.8	68.2	64.7	61.1	56.3	53.5	46.5	39.9	43.8	46.2	47.5	44.0	71.8
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	(9.9)	(9.4)	(9.9)	(11.0)	(9.1)	(13.2)	(12.9)	(7.7)	(9.0)	(10.3)	(15.0)	(19.9)	(137.2)
14	Biomethane Available for Sale - Ending	68.2	64.7	61.1	56.3	53.5	46.5	39.9	43.8	46.2	47.5	44.0	35.7	35.7
15														
16														
17		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
18		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
19	Biomethane Available for Sale - Beginning	35.7	31.8	29.7	27.9	25.7	28.1	25.4	23.5	29.1	32.4	33.0	24.9	35.7
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	(22.7)	(20.4)	(20.6)	(20.8)	(16.5)	(21.4)	(20.8)	(13.2)	(15.3)	(18.2)	(26.8)	(35.0)	(251.8)
22	Biomethane Available for Sale - Ending	31.8	29.7	27.9	25.7	28.1	25.4	23.5	29.1	32.4	33.0	24.9	8.7	8.7

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	Recorded	Recorded	Recorded	Projected	Projected	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	\$ 518	\$ 564	\$ 627	\$ 675	\$ 685	\$ 730	\$ 749	\$ 750	\$ 731	\$ 454
4	Costs Incurred	\$ 12	\$ 21	\$ 34	\$ 54	\$ 67	\$ 62	\$ 82	\$ 60	\$ 40	\$ 42	\$ 41	\$ 43	\$ 557
5	Revenue from 2012 Approved BER C Rate	\$ 2	\$ (2)	\$ (4)	\$ (8)	\$ (3)	\$ (15)	\$ (72)	\$ (15)	\$ (21)	\$ (40)	\$ (60)	\$ (80)	\$ (317)
6	BVA Balance - Ending (Pre-tax)	\$ 469	\$ 488	\$ 518	\$ 564	\$ 627	\$ 675	\$ 685	\$ 730	\$ 749	\$ 750	\$ 731	\$ 693	\$ 693
7														
8	BVA Balance - Ending (After Tax)	\$ 351	\$ 366	\$ 388	\$ 423	\$ 471	\$ 506	\$ 513	\$ 548	\$ 562	\$ 563	\$ 548	\$ 520	\$ 520
9														
10	Adjustment for Value of Unsold Biomethane at Existing BER C Rate (After Tax) ⁽²⁾						\$ (537)			\$ (600)			\$ (630)	
11	Adjusted BVA Balance - Ending (After Tax)						\$ (31)			\$ (39)			\$ (110)	
12														
13														
14		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
15		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
16	BVA Balance - Beginning (Pre-tax) ⁽¹⁾	\$ 693	\$ 654	\$ 614	\$ 575	\$ 521	\$ 491	\$ 411	\$ 337	\$ 368	\$ 383	\$ 384	\$ 329	\$ 693
17	Costs Incurred	\$ 76	\$ 70	\$ 76	\$ 74	\$ 76	\$ 74	\$ 76	\$ 122	\$ 120	\$ 122	\$ 121	\$ 123	\$ 1,131
18	Revenue from Existing BER C Rate	\$ (115)	\$ (110)	\$ (115)	\$ (129)	\$ (107)	\$ (154)	\$ (151)	\$ (90)	\$ (105)	\$ (121)	\$ (175)	\$ (232)	\$ (1,605)
19	BVA Balance - Ending (Pre-tax)	\$ 654	\$ 614	\$ 575	\$ 521	\$ 491	\$ 411	\$ 337	\$ 368	\$ 383	\$ 384	\$ 329	\$ 219	\$ 219
20														
21	BVA Balance - Ending (After Tax)	\$ 491	\$ 461	\$ 432	\$ 391	\$ 368	\$ 309	\$ 253	\$ 276	\$ 287	\$ 288	\$ 247	\$ 165	\$ 165
22														
23	Adjustment for Value of Unsold Biomethane at Existing BER C Rate (After Tax) ⁽²⁾												\$ (313)	
24	Adjusted BVA Balance - Ending (After Tax)												\$ (149)	
25														
26														
27		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
28		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
29	BVA Balance - Beginning (Pre-tax) ⁽¹⁾	\$ 219	\$ 179	\$ 159	\$ 144	\$ 123	\$ 157	\$ 130	\$ 113	\$ 184	\$ 228	\$ 241	\$ 153	\$ 219
30	Costs Incurred	\$ 226	\$ 219	\$ 226	\$ 223	\$ 226	\$ 223	\$ 226	\$ 226	\$ 223	\$ 226	\$ 225	\$ 227	\$ 2,696
31	Revenue from Existing BER C Rate	\$ (266)	\$ (239)	\$ (242)	\$ (244)	\$ (193)	\$ (250)	\$ (243)	\$ (155)	\$ (179)	\$ (213)	\$ (313)	\$ (410)	\$ (2,946)
32	BVA Balance - Ending (Pre-tax)	\$ 179	\$ 159	\$ 144	\$ 123	\$ 157	\$ 130	\$ 113	\$ 184	\$ 228	\$ 241	\$ 153	\$ (30)	\$ (30)
33														
34	BVA Balance - Ending (After Tax)	\$ 134	\$ 120	\$ 108	\$ 92	\$ 117	\$ 97	\$ 85	\$ 138	\$ 171	\$ 180	\$ 114	\$ (23)	\$ (23)
35														
36	Adjustment for Value of Unsold Biomethane at Existing BER C Rate (After Tax) ⁽²⁾												\$ (77)	
37	Adjusted BVA Balance - Ending (After Tax)												\$ (99)	

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.

(2) Adjustment calculated based on volume of Biomethane Available For Sale (Tab 3, Page 1) at the Existing BER C Rate (\$11.696/GJ); the result is then adjusted to reflect value on net of tax basis (at current tax rate of 25.0%).

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

Tab 3
Page 3

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	Recorded	Recorded	Recorded	Projected	Projected	Forecast	Forecast	Forecast	Total
1	Volume (GJ)													
2	Rate Class 1B	(200)	134	333	413	78	172	6,426	945	1,384	2,864	4,360	5,863	22,772
3	Rate Class 2B	-	-	-	6	7	7	76	36	49	109	162	235	687
4	Rate Class 3B	-	-	-	-	22	15	224	91	137	272	441	575	1,778
5	Rate Class 11B / 30	-	-	-	264	132	132	132	200	200	200	200	200	1,660
6	Total Volume	<u>(200)</u>	<u>134</u>	<u>333</u>	<u>683</u>	<u>239</u>	<u>326</u>	<u>6,858</u>	<u>1,272</u>	<u>1,770</u>	<u>3,446</u>	<u>5,163</u>	<u>6,873</u>	<u>26,896</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	\$ 912	\$ 11,569	\$ 68,521	\$ 11,053	\$ 16,185	\$ 33,495	\$ 50,995	\$ 68,574	\$ 269,256
12	Rate Class 2B	-	-	-	70	82	266	699	416	571	1,279	1,895	2,749	8,026
13	Rate Class 3B	-	-	-	-	257	1,270	1,530	1,066	1,603	3,187	5,159	6,724	20,796
14	Rate Class 11B / 30	-	-	-	3,088	1,544	1,544	1,544	2,339	2,339	2,339	2,339	2,339	19,415
15	Total Recovered	<u>(2,339)</u>	<u>1,567</u>	<u>3,895</u>	<u>7,988</u>	<u>2,795</u>	<u>14,649</u>	<u>72,294</u>	<u>14,874</u>	<u>20,698</u>	<u>40,300</u>	<u>60,388</u>	<u>80,386</u>	<u>317,494</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	6,885	6,478	6,845	5,211	3,579	2,736	2,537	2,367	3,460	7,251	11,358	15,651	74,356
20	Rate Class 2B	293	284	310	240	168	133	125	116	171	363	576	797	3,576
21	Rate Class 3B	693	660	709	542	376	294	264	235	334	689	1,059	1,428	7,285
22	Rate Class 11B / 30	2,000	2,000	2,000	5,000	5,000	10,000	10,000	5,000	5,000	2,000	2,000	2,000	52,000
23	Total Volume	<u>9,871</u>	<u>9,422</u>	<u>9,864</u>	<u>10,993</u>	<u>9,123</u>	<u>13,163</u>	<u>12,926</u>	<u>7,718</u>	<u>8,965</u>	<u>10,303</u>	<u>14,993</u>	<u>19,876</u>	<u>137,217</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	\$ 80,521	\$ 75,767	\$ 80,053	\$ 60,948	\$ 41,854	\$ 32,000	\$ 29,671	\$ 27,684	\$ 40,462	\$ 84,812	\$ 132,843	\$ 183,054	\$ 869,670
29	Rate Class 2B	3,425	3,324	3,630	2,811	1,965	1,557	1,460	1,353	1,998	4,246	6,737	9,325	41,830
30	Rate Class 3B	8,110	7,721	8,295	6,339	4,400	3,439	3,088	2,752	3,910	8,059	12,387	16,702	85,202
31	Rate Class 11B / 30	23,392	23,392	23,392	58,480	58,480	116,960	116,960	58,480	58,480	23,392	23,392	23,392	608,192
32	Total Recovered	<u>115,448</u>	<u>110,204</u>	<u>115,371</u>	<u>128,578</u>	<u>106,699</u>	<u>153,956</u>	<u>151,178</u>	<u>90,270</u>	<u>104,849</u>	<u>120,509</u>	<u>175,359</u>	<u>232,473</u>	<u>1,604,893</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	17,277	15,206	15,428	11,227	7,383	5,580	5,032	4,581	6,372	13,272	20,700	27,860	149,918
37	Rate Class 2B	891	797	813	594	398	300	274	246	354	734	1,137	1,541	8,078
38	Rate Class 3B	1,575	1,394	1,409	1,023	679	511	462	414	590	1,223	1,923	2,648	13,850
39	Rate Class 11B / 30	3,000	3,000	3,000	8,000	8,000	15,000	15,000	8,000	8,000	3,000	3,000	3,000	80,000
40	Total Volume	<u>22,742</u>	<u>20,396</u>	<u>20,650</u>	<u>20,844</u>	<u>16,460</u>	<u>21,391</u>	<u>20,768</u>	<u>13,241</u>	<u>15,316</u>	<u>18,229</u>	<u>26,760</u>	<u>35,049</u>	<u>251,846</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	\$ 202,068	\$ 177,845	\$ 180,446	\$ 131,307	\$ 86,355	\$ 65,264	\$ 58,858	\$ 53,579	\$ 74,527	\$ 155,229	\$ 242,107	\$ 325,851	\$ 1,753,437
46	Rate Class 2B	10,421	9,316	9,505	6,948	4,650	3,509	3,203	2,880	4,138	8,586	13,296	18,025	94,478
47	Rate Class 3B	18,418	16,300	16,480	11,965	7,944	5,978	5,398	4,842	6,905	14,298	22,490	30,974	161,993
48	Rate Class 11B / 30	35,088	35,088	35,088	93,568	93,568	175,440	175,440	93,568	93,568	35,088	35,088	35,088	935,680
49	Total Recovered	<u>265,995</u>	<u>238,550</u>	<u>241,519</u>	<u>243,788</u>	<u>192,518</u>	<u>250,191</u>	<u>242,900</u>	<u>154,869</u>	<u>179,138</u>	<u>213,201</u>	<u>312,981</u>	<u>409,937</u>	<u>2,945,587</u>



LETTER NO. L-XX-12

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Log No. xxxx

DRAFT ORDER

VIA E-MAIL

gas.regulatory.affairs@fortisbc.com

September XX, 2012

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 Third Quarter Gas Cost Report
Commodity Cost Reconciliation Account (CCRA), Midstream Cost Reconciliation
Account (MCRA), and Biomethane Variance Account (BVA)

On August 29, 2012 FortisBC Energy Inc. filed its 2012 Third 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 October 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