



**Diane Roy**  
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March 8, 2013

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

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

**Re: FortisBC Energy Inc. (“FEI” or the “Company”) – Fort Nelson Service Area Gas Cost Reconciliation Account (“GCRA”), Gas Cost Recovery Rates, 2013 First Quarter Gas Cost Report**

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The attached materials provide the FEI 2013 First Quarter Gas Cost Report for the Fort Nelson Service Area (“Fort Nelson”) as required under British Columbia Utilities Commission (the “Commission”) guidelines.

Based on the five-day average of the February 15, 19, 20, 21, and 22, 2013 forward prices for natural gas (“five-day average forward prices ending February 22, 2013”), the March 31, 2013 GCRA deferral balance is projected to be approximately \$98.1 thousand surplus after tax (Tab 1, Page 2, Column 2, Line 28). Further, based on the five-day average forward prices ending February 22, 2013, the gas purchase cost assumptions, and the forecast gas cost recoveries at present rates for the 12-month period ending March 31, 2014, and accounting for the projected March 31, 2013 deferral balance, the GCRA ratio is calculated to be 111.4% (Tab 1, Page 1, Column 3, Line 10), which falls outside the 95% to 105% deadband. The tested rate change related to the forecast recovery of gas costs and the amortization of the projected March 31, 2013 deferral balance over the prospective 12-month period is calculated as a rate decrease in the amount of \$0.363GJ (Tab 1 Page 1, Column 5, Line 30), which falls within the \$0.50/GJ rate change threshold and indicates that a rate change is not required at this time.

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

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

## **CONFIDENTIALITY**

Consistent with past practice and previous discussions and positions on the confidentiality of selected filings (and further emphasized in the Company’s January 31, 1994 submission to the Commission) FEI is requesting that this information be filed on a confidential basis

pursuant to Section 71(5) of the *Utilities Commission Act* and requests that the Commission exercise its discretion under Section 6.0 of the Rules for Natural Gas Energy Supply Contracts and allow these documents to remain confidential. FEI believes this will ensure that market sensitive information is protected, and FEI's ability to obtain favourable commercial terms for future gas contracting is not impaired.

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**

The Company requests approval for the gas cost recovery rates for Fort Nelson to remain unchanged at April 1, 2013. The Company will continue to monitor the forward prices and will report these results in the 2013 Second Quarter Gas Cost Report.

We trust the Commission will find the attached to be in order. However, should any further information be required, please contact Brian Noel at 604-592-7467.

All of which is respectfully submitted.

Yours very truly,

**FORTISBC ENERGY INC.**

***Original signed by: Shawn Hill***

**For:** Diane Roy

Attachments

**GAS COST RECONCILIATION ACCOUNT ("GCRA") RATE CHANGE TRIGGER MECHANISM  
FOR THE PERIOD APRIL 1, 2013 TO MARCH 31, 2014  
AT EXISTING GAS COST RECOVERY RATES  
FIVE-DAY AVERAGE FORWARD PRICES - FEBRUARY 15, 19, 20, 21, AND 22, 2013**

Line No.	Particulars	Annual (\$000)	Percentage	Volume (TJ)	Unit Cost (\$/GJ)
	(1)	(2)	(3)	(4)	(5)
1	<b><u>RATE CHANGE TRIGGER MECHANISM</u></b>				
2	Projected Grossed-up GCRA Balance as at March 31, 2013	\$ (130.8)			
3	( Tab 1, Page 2, Col 2, Line 21)				
4					
5	Forecast Incurred Gas Costs - April 2013 to March 2014	\$ 2,015.7			
6	( Tab 1, Page 2, Col 14, Line 16)				
7	Forecast Recovered Gas Costs - April 2013 to March 2014	\$ 2,099.0			
8	( Tab 1, Page 2, Col 14, Line 7)				
9					
10	Ratio = $\frac{\text{Forecast Recovered Gas Costs}}{\text{Forecast Incurred Gas Costs} + \text{Projected GCRA Balance}}$	= \$ 2,099.0			
11		= \$ 1,884.9	= <u>111.4%</u>		
12					
13					
14					
15					
16	<b><u>BALANCING REQUIREMENT</u></b>				
17	(applicable when Rate Change Trigger Mechanism Ratio falls outside 95% to 105% deadband and outside $\pm$ \$0.50/GJ threshold)				
18					
19					
20	<b>TESTED RATES</b>				
21					
22	Forecast 12 Month Sales Recovery Volumes April 2013 to March 2014			590.5	
23	( Tab 1, Page 2, Col 14, Line 2)				
24					
25	Projected GCRA Balance at March 31, 2013 (Line 2)	\$ (130.8)			\$ (0.2215) <sup>(1*)</sup>
26	Forecast GCRA Activities - April 2013 to March 2014 (Line 5 minus Line 7)	(83.3)			\$ (0.1411) <sup>(1*)</sup>
27	(Over) / Under Recovery at Existing Rates	<u>\$ (214.1)</u>			
28					
29					
30	<b>TESTED RATES (DECREASE) / INCREASE</b>				<u>\$ (0.363 )</u> <sup>(1*)</sup>

Notes: Slight differences in totals due to rounding.

Pre-tax opening balances are restated based on current income taxes, to reflect grossed-up after tax amounts.

(1\*) Gas cost recovery rates in tariff are set at 3 decimal places . Individual rate components are shown to 4 decimal places.

**FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA  
RECOVERED AND INCURRED COSTS SUMMARY  
FOR THE PERIOD APRIL 1, 2013 TO MARCH 31, 2014  
AT EXISTING GAS COST RECOVERY RATES  
FIVE-DAY AVERAGE FORWARD PRICES - FEBRUARY 15, 19, 20, 21, AND 22, 2013**

Line No.	Particulars	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	1-12 month Forecast Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>1</b>	<b><u>RECOVERED GAS COSTS</u></b>													
2	Total Sales - TJ	45.6	26.3	19.3	14.0	14.9	25.0	42.3	67.8	85.4	100.0	75.4	74.5	<b>590.5</b>
3	T-Service UAF - TJ	0.0	0.0	0.0	0.0	0.0	-	-	0.0	0.0	0.1	0.1	0.0	0.2
4														
5	Recovery on Sales - \$000	\$ 162.1	\$ 93.6	\$ 68.5	\$ 49.7	\$ 52.9	\$ 88.8	\$ 150.4	\$ 241.0	\$ 303.3	\$ 355.2	\$ 267.8	\$ 264.8	\$ 2,098.2
6	Recovery on T-Service UAF - \$000	0.1	0.0	0.0	0.0	0.0	-	-	0.0	0.1	0.2	0.2	0.1	0.8
7	Total Forecast Recovered Gas Costs - \$000	<u>\$ 162.2</u>	<u>\$ 93.6</u>	<u>\$ 68.5</u>	<u>\$ 49.7</u>	<u>\$ 52.9</u>	<u>\$ 88.8</u>	<u>\$ 150.4</u>	<u>\$ 241.0</u>	<u>\$ 303.4</u>	<u>\$ 355.4</u>	<u>\$ 268.0</u>	<u>\$ 265.0</u>	<u>\$ 2,099.0</u>
8														
9														
10														
<b>11</b>	<b><u>INCURRED GAS COSTS</u></b>													
12	Total Purchases incl. all UAF - TJ	45.8	26.5	19.4	14.1	14.9	25.1	42.5	68.1	85.7	100.4	75.7	74.9	593.1
13														
14	Incurred Cost - \$/GJ	2.8226	2.8334	2.9438	2.8995	2.9365	2.9285	2.9996	3.5272	3.6370	3.6492	3.6664	3.6407	3.3985
15														
16	Forecast Incurred Gas Costs - \$000	<u>\$ 129.4</u>	<u>\$ 75.0</u>	<u>\$ 57.0</u>	<u>\$ 40.8</u>	<u>\$ 43.9</u>	<u>\$ 73.5</u>	<u>\$ 127.5</u>	<u>\$ 240.2</u>	<u>\$ 311.8</u>	<u>\$ 366.5</u>	<u>\$ 277.6</u>	<u>\$ 272.6</u>	<u>\$ 2,015.7</u>
17														
18														
19														
<b>20</b>	<b><u>GCRA BALANCE</u></b>													
21	Opening Balances (Pre-Tax) - \$000 <sup>(1*)</sup>	\$ (130.8)	\$ (163.6)	\$ (182.3)	\$ (193.8)	\$ (202.8)	\$ (211.8)	\$ (227.1)	\$ (250.0)	\$ (250.8)	\$ (242.4)	\$ (231.4)	\$ (221.7)	
22	Forecast Activity - \$000	(32.8)	(18.7)	(11.5)	(9.0)	(9.0)	(15.3)	(22.9)	(0.8)	8.4	11.1	9.6	7.6	\$ (83.3)
23	Closing Balances (Pre-tax) - \$000	<u>\$ (163.6)</u>	<u>\$ (182.3)</u>	<u>\$ (193.8)</u>	<u>\$ (202.8)</u>	<u>\$ (211.8)</u>	<u>\$ (227.1)</u>	<u>\$ (250.0)</u>	<u>\$ (250.8)</u>	<u>\$ (242.4)</u>	<u>\$ (231.4)</u>	<u>\$ (221.7)</u>	<u>\$ (214.1)</u>	
24														
25														
26	Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	
27														
28	Opening Balances (After-Tax) - \$000	\$ (98.1)	\$ (122.7)	\$ (136.7)	\$ (145.3)	\$ (152.1)	\$ (158.8)	\$ (170.3)	\$ (187.5)	\$ (188.1)	\$ (181.8)	\$ (173.5)	\$ (166.3)	
29	Closing Balances (After Tax) - \$000	<u>\$ (122.7)</u>	<u>\$ (136.7)</u>	<u>\$ (145.3)</u>	<u>\$ (152.1)</u>	<u>\$ (158.8)</u>	<u>\$ (170.3)</u>	<u>\$ (187.5)</u>	<u>\$ (188.1)</u>	<u>\$ (181.8)</u>	<u>\$ (173.5)</u>	<u>\$ (166.3)</u>	<u>\$ (160.6)</u>	

Notes: Slight differences in totals due to rounding.

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

**FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA**  
**RECOVERED AND INCURRED COSTS SUMMARY**  
**FOR THE PERIOD APRIL 1, 2014 TO MARCH 31, 2015**  
**AT EXISTING GAS COST RECOVERY RATES**  
**FIVE-DAY AVERAGE FORWARD PRICES - FEBRUARY 15, 19, 20, 21, AND 22, 2013**

Line No.	Particulars	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	13-24 month Forecast Total
	(1)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
<b>1</b>	<b><u>RECOVERED GAS COSTS</u></b>													
2	Total Sales - TJ	46.3	26.7	19.6	14.2	15.1	25.5	43.0	68.9	86.7	101.6	76.6	75.8	<b>599.9</b>
3	T-Service UAF - TJ	0.0	0.0	0.0	0.0	0.0	-	-	0.0	0.0	0.1	0.1	0.0	0.2
4														
5	Recovery on Sales - \$000	\$ 164.5	\$ 94.9	\$ 69.5	\$ 50.4	\$ 53.7	\$ 90.5	\$ 152.7	\$ 244.8	\$ 308.1	\$ 361.1	\$ 272.1	\$ 269.2	\$ 2,131.5
6	Recovery on T-Service UAF - \$000	0.1	0.0	0.0	0.0	0.0	-	-	0.0	0.1	0.2	0.2	0.1	0.8
7	Total Forecast Recovered Gas Costs - \$000	<u>\$ 164.6</u>	<u>\$ 95.0</u>	<u>\$ 69.5</u>	<u>\$ 50.4</u>	<u>\$ 53.7</u>	<u>\$ 90.5</u>	<u>\$ 152.7</u>	<u>\$ 244.9</u>	<u>\$ 308.2</u>	<u>\$ 361.3</u>	<u>\$ 272.3</u>	<u>\$ 269.3</u>	<u>\$ 2,132.4</u>
8														
9														
10														
<b>11</b>	<b><u>INCURRED GAS COSTS</u></b>													
12	Total Purchases incl. all UAF - TJ	46.5	26.8	19.6	14.2	15.2	25.6	43.2	69.2	87.1	102.1	76.9	76.1	602.5
13														
14	Incurred Cost - \$/GJ	3.1605	3.1847	3.3083	3.2702	3.2793	3.2556	3.3330	3.6908	3.8123	3.8507	3.8689	3.8102	3.6329
15														
16	Forecast Incurred Gas Costs - \$000	<u>\$ 147.0</u>	<u>\$ 85.5</u>	<u>\$ 65.0</u>	<u>\$ 46.6</u>	<u>\$ 49.8</u>	<u>\$ 83.2</u>	<u>\$ 143.8</u>	<u>\$ 255.4</u>	<u>\$ 332.0</u>	<u>\$ 393.1</u>	<u>\$ 297.6</u>	<u>\$ 290.0</u>	<u>\$ 2,189.0</u>
17														
18														
19														
<b>20</b>	<b><u>GCRA BALANCE</u></b>													
21	Opening Balances (Pre-Tax) - \$000 <sup>(1*)</sup>	\$ (214.1)	\$ (231.7)	\$ (241.2)	\$ (245.7)	\$ (249.6)	\$ (253.5)	\$ (260.8)	\$ (269.6)	\$ (259.1)	\$ (235.3)	\$ (203.5)	\$ (178.1)	
22	Forecast Activity - \$000	(17.6)	(9.5)	(4.5)	(3.8)	(3.9)	(7.2)	(8.9)	10.5	23.8	31.8	25.4	20.6	\$ 56.6
23	Closing Balances (Pre-tax) - \$000	<u>\$ (231.7)</u>	<u>\$ (241.2)</u>	<u>\$ (245.7)</u>	<u>\$ (249.6)</u>	<u>\$ (253.5)</u>	<u>\$ (260.8)</u>	<u>\$ (269.6)</u>	<u>\$ (259.1)</u>	<u>\$ (235.3)</u>	<u>\$ (203.5)</u>	<u>\$ (178.1)</u>	<u>\$ (157.5)</u>	
24														
25														
26	Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	
27														
28	Opening Balances (After-Tax) - \$000	\$ (160.6)	\$ (173.8)	\$ (180.9)	\$ (184.3)	\$ (187.2)	\$ (190.1)	\$ (195.6)	\$ (202.2)	\$ (194.3)	\$ (176.5)	\$ (152.6)	\$ (133.6)	
29	Closing Balances (After Tax) - \$000	<u>\$ (173.8)</u>	<u>\$ (180.9)</u>	<u>\$ (184.3)</u>	<u>\$ (187.2)</u>	<u>\$ (190.1)</u>	<u>\$ (195.6)</u>	<u>\$ (202.2)</u>	<u>\$ (194.3)</u>	<u>\$ (176.5)</u>	<u>\$ (152.6)</u>	<u>\$ (133.6)</u>	<u>\$ (118.1)</u>	

Notes: Slight differences in totals due to rounding.

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

**FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA  
STATION NO. 2 INDEX FORECAST  
FOR THE PERIOD ENDING MARCH 31, 2015**

Line No	Particulars	Five-day Average Forward Prices - February 15, 19, 20, 21, and 22, 2013 2013 Q1 Gas Cost Report	Five-day Average Forward Prices - November 1, 2, 5, 6, and 7, 2012 2012 Q4 Gas Cost Report	Change in Forward Prices
	(1)	(2)	(3)	(4) = (2) - (3)
1	<b>Station No. 2 Index Prices - \$CDN/GJ <sup>(1)</sup></b>			
2	2012 July	\$ 2.22	\$ 2.22	\$ -
3	August	\$ 1.97	\$ 1.97	\$ -
4	September	\$ 2.10	\$ 2.10	\$ -
5	October	\$ 2.80	\$ 2.80	\$ -
6	November	\$ 2.91	\$ 3.14	\$ (0.23)
7	December	\$ 2.82	\$ 3.26	\$ (0.44)
8	Simple Average (Jul, 2012 - Jun, 2013)	\$ 2.59	\$ 2.88	-10.2% \$ (0.29)
9	Simple Average (Oct, 2012 - Sep, 2013)	\$ 2.75	\$ 3.16	-12.8% \$ (0.41)
10	<b>2013</b> January	\$ 2.74	\$ 3.27	\$ (0.53)
11	February	\$ 2.68	\$ 3.26	\$ (0.57)
12	March	\$ 2.64	\$ 3.21	\$ (0.57)
13	April	\$ 2.69	\$ 3.10	\$ (0.41)
14	May	\$ 2.68	\$ 3.11	\$ (0.43)
15	June	\$ 2.78	\$ 3.12	\$ (0.34)
16	July	\$ 2.72	\$ 3.17	\$ (0.45)
17	August	\$ 2.77	\$ 3.21	\$ (0.44)
18	September	\$ 2.79	\$ 3.23	\$ (0.44)
19	October	\$ 2.89	\$ 3.27	\$ (0.39)
20	November	\$ 3.19	\$ 3.52	\$ (0.33)
21	December	\$ 3.36	\$ 3.74	\$ (0.38)
22	Simple Average (Jan, 2013 - Dec, 2013)	\$ 2.83	\$ 3.27	-13.5% \$ (0.44)
23	Simple Average (Apr, 2013 - Mar, 2014)	\$ 3.00	\$ 3.39	-11.4% \$ (0.39)
24	Simple Average (Jul, 2013 - Jun, 2014)	\$ 3.13	\$ 3.47	-9.6% \$ (0.33)
25	Simple Average (Oct, 2013 - Sep, 2014)	\$ 3.26	\$ 3.54	-7.9% \$ (0.28)
26	<b>2014</b> January	\$ 3.38	\$ 3.77	\$ (0.38)
27	February	\$ 3.41	\$ 3.75	\$ (0.34)
28	March	\$ 3.37	\$ 3.66	\$ (0.29)
29	April	\$ 3.20	\$ 3.43	\$ (0.22)
30	May	\$ 3.21	\$ 3.42	\$ (0.21)
31	June	\$ 3.32	\$ 3.43	\$ (0.11)
32	July	\$ 3.26	\$ 3.48	\$ (0.22)
33	August	\$ 3.27	\$ 3.51	\$ (0.24)
34	September	\$ 3.28	\$ 3.53	\$ (0.25)
35	October	\$ 3.37	\$ 3.56	\$ (0.19)
36	November	\$ 3.59	\$ 3.78	\$ (0.19)
37	December	\$ 3.78	\$ 3.98	\$ (0.21)
38	Simple Average (Jan, 2014 - Dec, 2014)	\$ 3.37	\$ 3.61	-6.6% \$ (0.24)
39	Simple Average (Apr, 2014 - Mar, 2015)	\$ 3.48		
40	<b>2015</b> January	\$ 3.84		
41	February	\$ 3.86		
42	March	\$ 3.77		

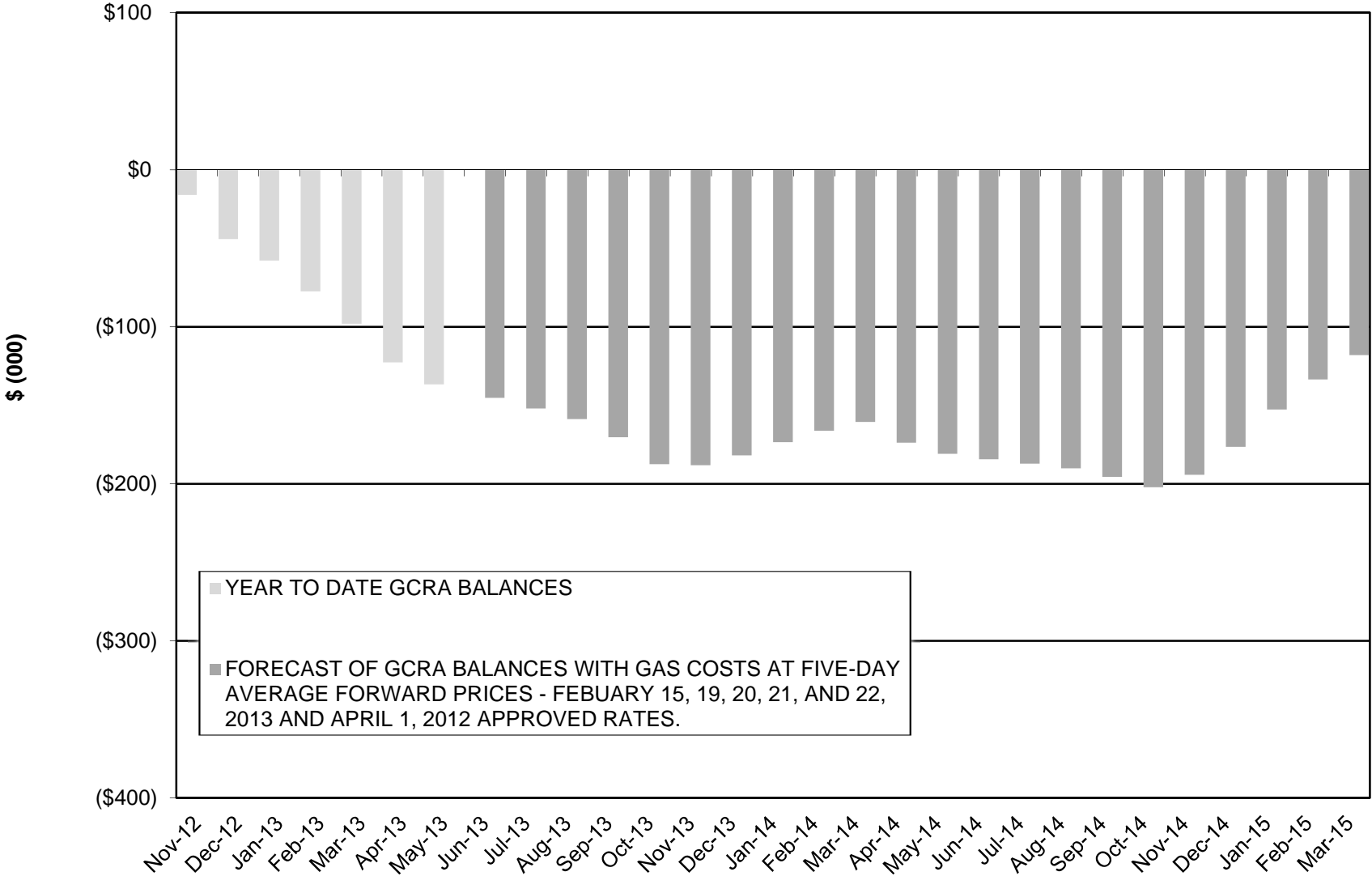
Notes: (1) Average of daily prices is used for recorded months.

**FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA**  
**GCRA AFTER TAX BALANCES (\$000)**  
**FOR THE PERIOD ENDING MARCH 31, 2015**  
**AT EXISTING GAS COST RECOVERY RATES**

Line No.	Particulars	2013 Q1 Gas Cost Report April 1, 2012 Rates Five-day Average Forward Prices - February 15, 19, 20, 21, and 22,		2012 Q4 Gas Cost Report April 1, 2012 Rates Five-day Average Forward Prices - November 1, 2, 5, 6, and 7, 2012		
		(1)	(2)	(3)		
1	2012 Jul		↑	\$ 138.1	↑	\$ 138.1
2	Aug		↑	\$ 150.1	↑	\$ 150.1
3	Sep		Recorded	\$ 148.8	Recorded	\$ 148.8
4	Oct		Adjusted	\$ 147.1 <sup>(A)</sup>	Adjusted	\$ 147.1
5	Nov		Adjusted	\$ (16.0) <sup>(A)</sup>	Projected	\$ (9.3)
6	Dec		Recorded	\$ (44.1)	↓	\$ (11.0)
7	2013 Jan		Recorded	\$ (57.9)	↓	\$ (12.5)
8	Feb		Projected	\$ (77.4)	↓	\$ (14.1)
9	Mar		↓	\$ (98.1)	↓	\$ (17.1)
10	Apr		↓	\$ (122.7)	↓	\$ (29.0)
11	May		↓	\$ (136.7)	↓	\$ (35.3)
12	Jun		↓	\$ (145.3)	↓	\$ (39.6)
13	Jul		↓	\$ (152.1)	↓	\$ (42.1)
14	Aug		↓	\$ (158.8)	↓	\$ (44.3)
15	Sep		↓	\$ (170.3)	↓	\$ (48.2)
16	Oct		↓	\$ (187.5)	↓	\$ (54.3)
17	Nov		↓	\$ (188.1)	↓	\$ (52.4)
18	Dec		↓	\$ (181.8)	↓	\$ (41.0)
19	2014 Jan		↓	\$ (173.5)	↓	\$ (26.4)
20	Feb		↓	\$ (166.3)	↓	\$ (16.0)
21	Mar		↓	\$ (160.6)	↓	\$ (8.9)
22	Apr		↓	\$ (173.8)	↓	\$ (14.3)
23	May		↓	\$ (180.9)	↓	\$ (17.3)
24	Jun		↓	\$ (184.3)	↓	\$ (19.0)
25	Jul		↓	\$ (187.2)	↓	\$ (19.5)
26	Aug		↓	\$ (190.1)	↓	\$ (19.7)
27	Sep		↓	\$ (195.6)	↓	\$ (20.4)
28	Oct		↓	\$ (202.2)	↓	\$ (21.0)
29	Nov		↓	\$ (194.3)	↓	\$ (11.0)
30	Dec		↓	\$ (176.5)	↓	\$ 10.3
31	2015 Jan		↓	\$ (152.6)		
32	Feb		↓	\$ (133.6)		
33	Mar		↓	\$ (118.1)		

Notes: (A) Includes adjustment of storage-related gas cost for prior periods.

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA  
 GCRA AFTER TAX BALANCES BY MONTH  
 FOR THE PERIOD ENDING MARCH 2015







LETTER NO. L-XX-13

SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, B.C. CANADA V6Z 2N3  
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ERICA M. HAMILTON  
COMMISSION SECRETARY  
Commission.Secretary@bcuc.com  
web site: <http://www.bcuc.com>

## DRAFT ORDER

### VIA E-MAIL

[gas.regulatory.affairs@fortisbc.com](mailto:gas.regulatory.affairs@fortisbc.com)

March XX, 2013

Ms. Diane Roy  
Director, Regulatory Affairs – Gas  
FortisBC Energy Inc.  
16705 Fraser Highway  
Surrey, BC V4N 0E8

Dear Ms. Roy:

Re: FortisBC Energy Inc.  
Fort Nelson Service Area  
2013 First Quarter Gas Cost Report

Further to your March 8, 2013 filing of the 2013 First Quarter Gas Cost Report (the Report) for the Fort Nelson Service Area. The Commission acknowledges receipt of the Report and accepts the recommendation that the gas cost recovery rates remain unchanged at April 1, 2013.

The Commission will hold confidential the information in Tab 2 of the Report.

Yours truly,

Erica M. Hamilton  
Commission Secretary