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August 15, 2014

Via Email
Original via Mail

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. (FEI or the Company)
2014 Third Quarter Report on the Biomethane Variance Account (BVA) and Biomethane Energy Recovery Charge (BERC) (the 2014 Third Quarter BVA Report)

Pursuant to the British Columbia Utilities Commission (the Commission) Decision on the Biomethane Service Offering: Post Implementation Report and Application for Approval of the Continuation and Modification of the Biomethane Program on a Permanent Basis (the Decision), and Order G-210-13 attached to the Decision, both dated December 11, 2013, the attached materials provide the 2014 Third Quarter BVA Report. Consistent with the Decision, the Company provides the quarterly BVA report containing a re-calculation of the BERC, along with its rate recommendations.

The monthly deferral account activity and balances for the BVA are shown on the schedules provided at Tab 1, Pages 1 and 2 – the schedule at Page 1 displays energy quantities, and the schedule at Page 2 displays dollar amounts.

Based on the biomethane gas supply cost assumptions, the forecast biomethane recoveries at the present BERC rate, the BVA balance before accounting for the value of the unsold biomethane quantities is projected to be approximately \$1,172 thousand deficit after tax at December 31, 2014 (Tab 1, Page 2, Column 14, Line 8).

Further, the BVA balance at December 31, 2014 and December 31, 2015, based on the existing BERC rate and after adjustment for the value of the unsold biomethane quantities is forecast to be approximately \$87 thousand deficit after tax (Tab 1, Page 2, Column 14, Line 11) and \$114 thousand deficit after tax (Tab 1, Page 2, Column 14, Line 24), respectively.

The schedule at Tab 1, Page 3 provides a breakdown of the monthly actual and forecast biomethane recoveries by rate class. The schedules at Tab 1, Pages 4.1 to 4.3 provide a breakdown of the monthly actual and forecast biomethane supply costs by project.

The schedule at Tab 1, Page 6 provides the monthly biomethane inventory change since January 2013, as well as the age of biomethane inventory sold each month as determined on a first in, first out basis.

At Tab 1, Page 5 the Company provides a re-calculation of the BERC rate, based on an October 1, 2014 effective date. Based on the BVA cost and recovery assumptions for the 12-month period ending September 30, 2015, and the projected September 30, 2014 unsold biomethane quantity, the tested rate increase is calculated to be \$0.451/GJ (Tab 1, Page 5, Column 3, Line 25). The minimal rate change calculated for the 12-month prospective period being reviewed equates to an increase of approximately only 3.2% to the existing rate and the minimal impact on the BVA of maintaining the existing rate, indicate that the current BERC rate continues to appropriately recover the costs and no change to the BERC rate is required at this time. FEI recommends the BERC rate remain unchanged at October 1, 2014.

In support of its recommendation to leave the BERC rate unchanged at October 1, 2014, the Company provides the following commentary related to proposed criteria for determining when a BERC rate change is required. The Company anticipates working with Commission staff to further develop general guidelines for use in reviewing the BVA balances and BERC rate.

A key consideration in the proposed criteria is that the incurred costs related to biomethane supply are not subject to the level of price volatility that the market-based price of natural gas experiences. Biomethane supply costs captured in the BVA (and recovered via the BERC rate) are derived primarily from pipeline quality biomethane supply contracts or Company owned biogas-to-biomethane processing facilities. As such, the unit cost of the biomethane supply falls within a relatively predictable range. Therefore, traditional criteria used for changing natural gas rates should not necessarily be used when determining changes to the BERC rate.

In addition, FEI has anecdotal evidence that certain commercial customers rely upon a year long, stable rate for Renewable Natural Gas (RNG). These customers will develop energy budgets for the year to account for the additional cost associated with purchasing RNG. FEI believes that a stable BERC rate (one that is unlikely to change quarterly) will aid in selling RNG to more commercial customers.

Therefore, FEI recommends that the BERC rate should, under normal circumstances, be reset on an annual basis using a January 1 effective date. Annual resetting of the BERC rate would ensure the BERC rate is trued-up to eliminate any over or under recovery of costs associated with expected minor quantity or price variances between forecast and actual biomethane supply from existing projects, and to account for any increase or decrease to the unit cost of biomethane within the supply portfolio from new projects. Use of the January 1 effective date for annual rate adjustments aligns with changes to other rate components for customers.

In addition, FEI believes that a mechanism for the evaluation of mid-year rate changes may also be appropriate to mitigate the risk of potential growth in the BVA throughout the year. FEI is considering several approaches such as a maximum forecast addition to the BVA on an absolute basis, a maximum forecast addition to the BVA on a per GJ basis, as well as an overall threshold percent rate impact. The Company intends on having a mechanism in place for January 1, 2015 and anticipates working with Commission staff to develop guidelines for this mechanism.

The Company requests the information contained in Tab 1 at Pages 4.1 to 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.

In summary, the Company proposes the BERC rate remain unchanged at October 1, 2014.

FEI will continue to monitor the BVA balances and will submit its 2014 Fourth Quarter Report on the BVA by November 15, 2014.

We trust the Commission will find the attached to be in order. However, should any further information be required, please contact Doug Richardson at 604-592-7643.

Sincerely,

FORTISBC ENERGY INC.

Original signed by: Ilva Bevacqua

For: Diane Roy

Attachments

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
SUMMARY OF BIOMETHANE VARIANCE ACCOUNT (BVA) QUANTITIES
ACTUAL AND FORECAST ACTIVITY ENDING DECEMBER 31, 2016
(Quantities shown in TJ)

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1		Recorded	Recorded	Adjusted ⁽¹⁾	Adjusted ⁽¹⁾⁽²⁾	Adjusted ⁽²⁾	Recorded	Adjusted ⁽³⁾	Forecast	Forecast	Forecast	Forecast	Forecast	Total
2		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
3	Biomethane Available for Sale - Beginning	99.0	92.8	87.2	84.9	87.0	92.0	96.0	100.7	98.9	101.6	105.7	106.1	99.0
4	Purchases	5.8	7.7	8.7	9.7	10.1	8.3	8.7	8.4	13.9	18.2	18.4	18.4	136.2
5	Sales	(12.0)	(13.3)	(11.1)	(7.6)	(5.1)	(4.4)	(4.0)	(10.2)	(11.2)	(14.1)	(18.0)	(20.2)	(130.9)
6	Biomethane Available for Sale - Ending	92.8	87.2	84.9	87.0	92.0	96.0	100.7	98.9	101.6	105.7	106.1	104.3	104.3
7														
8														
9		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
10		Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	2015
11	Biomethane Available for Sale - Beginning	104.3	96.8	91.1	85.3	83.2	83.5	90.9	98.5	107.1	114.7	118.4	119.1	104.3
12	Purchases	16.3	16.9	16.7	16.9	16.7	21.4	20.4	20.2	20.4	20.2	22.1	22.1	230.1
13	Sales	(23.8)	(22.6)	(22.6)	(18.9)	(16.4)	(14.0)	(12.8)	(11.6)	(12.8)	(16.5)	(21.4)	(23.9)	(217.1)
14	Biomethane Available for Sale - Ending	96.8	91.1	85.3	83.2	83.5	90.9	98.5	107.1	114.7	118.4	119.1	117.3	117.3
15														
16														
17		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
18		Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	2016
19	Biomethane Available for Sale - Beginning	117.3	113.3	111.0	108.7	110.7	115.5	123.4	132.9	143.2	152.2	156.4	155.0	117.3
20	Purchases	23.4	23.6	23.6	23.8	23.6	23.8	23.8	23.6	23.8	23.6	23.8	23.8	284.6
21	Sales	(27.4)	(25.9)	(25.9)	(21.8)	(18.9)	(15.9)	(14.4)	(13.2)	(14.9)	(19.4)	(25.3)	(28.2)	(251.3)
22	Biomethane Available for Sale - Ending	113.3	111.0	108.7	110.7	115.5	123.4	132.9	143.2	152.2	156.4	155.0	150.6	150.6

Note (1) The recorded quantity recovered was incorrectly overstated for March and understated for April, and has been restated to more appropriately reflect the monthly recovery in the quarterly BVA report.

(2) The recorded quantity recovered was incorrectly understated for April and overstated for May, and has been restated to more appropriately reflect the monthly recovery in the quarterly BVA report.

(3) The recorded quantity recovered was incorrect in July, and has been restated in the quarterly BVA report. Correction will be made in August.

Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
SUMMARY OF BIOMETHANE VARIANCE ACCOUNT (BVA) BALANCES AT EXISTING BERG RATE
ACTUAL AND FORECAST ACTIVITY ENDING DECEMBER 31, 2016
(Amounts shown in \$000)

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1		Adjusted ⁽³⁾	Adjusted ⁽³⁾	Adjusted ⁽³⁾	Adjusted ⁽³⁾	Recorded	Recorded	Recorded	Forecast	Forecast	Forecast	Forecast	Forecast	Total
2		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
3	BVA Balance - Beginning (Pre-tax) ⁽¹⁾	\$ 1,300	\$ 1,256	\$ 1,220	\$ 1,234	\$ 1,279	\$ 1,400	\$ 1,492	\$ 1,588	\$ 1,590	\$ 1,610	\$ 1,645	\$ 1,630	\$ 1,300
4	Costs Incurred	\$ 95	\$ 119	\$ 144	\$ 152	\$ 193	\$ 154	\$ 153	\$ 146	\$ 176	\$ 234	\$ 237	\$ 237	\$ 2,039
5	Revenue from Existing BERG Rate	\$ (140)	\$ (155)	\$ (129)	\$ (107)	\$ (71)	\$ (62)	\$ (56)	\$ (143)	\$ (157)	\$ (198)	\$ (253)	\$ (284)	\$ (1,755)
6	BVA Balance - Ending (Pre-tax)	\$ 1,256	\$ 1,220	\$ 1,234	\$ 1,279	\$ 1,400	\$ 1,492	\$ 1,588	\$ 1,590	\$ 1,610	\$ 1,645	\$ 1,630	\$ 1,584	\$ 1,584
7														
8	BVA Balance - Ending (After Tax)	\$ 929	\$ 902	\$ 913	\$ 947	\$ 1,036	\$ 1,104	\$ 1,175	\$ 1,177	\$ 1,191	\$ 1,218	\$ 1,206	\$ 1,172	\$ 1,172
9														
10	Adjustment for Value of Unsold Biomethane at Existing BERG Rate (After Tax) ⁽²⁾									\$ (1,057)				\$ (1,086)
11	Adjusted BVA Balance - Ending (After Tax)									\$ 134				\$ 87
12														
13														
14		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
15		Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	2015
16	BVA Balance - Beginning (Pre-tax) ⁽¹⁾	\$ 1,584	\$ 1,484	\$ 1,409	\$ 1,331	\$ 1,307	\$ 1,316	\$ 1,419	\$ 1,528	\$ 1,651	\$ 1,760	\$ 1,813	\$ 1,826	\$ 1,584
17	Costs Incurred	\$ 235	\$ 242	\$ 239	\$ 242	\$ 239	\$ 300	\$ 289	\$ 286	\$ 289	\$ 286	\$ 313	\$ 313	\$ 3,272
18	Revenue from Existing BERG Rate	\$ (335)	\$ (317)	\$ (317)	\$ (265)	\$ (231)	\$ (196)	\$ (180)	\$ (163)	\$ (180)	\$ (232)	\$ (301)	\$ (336)	\$ (3,053)
19	BVA Balance - Ending (Pre-tax)	\$ 1,484	\$ 1,409	\$ 1,331	\$ 1,307	\$ 1,316	\$ 1,419	\$ 1,528	\$ 1,651	\$ 1,760	\$ 1,813	\$ 1,826	\$ 1,803	\$ 1,803
20														
21	BVA Balance - Ending (After Tax)	\$ 1,098	\$ 1,042	\$ 985	\$ 967	\$ 973	\$ 1,050	\$ 1,131	\$ 1,222	\$ 1,302	\$ 1,342	\$ 1,351	\$ 1,334	\$ 1,334
22														
23	Adjustment for Value of Unsold Biomethane at Existing BERG Rate (After Tax) ⁽²⁾									\$ (1,194)				\$ (1,221)
24	Adjusted BVA Balance - Ending (After Tax)									\$ 108				\$ 114
25														
26														
27		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
28		Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	2016
29	BVA Balance - Beginning (Pre-tax) ⁽¹⁾	\$ 1,803	\$ 1,781	\$ 1,783	\$ 1,785	\$ 1,848	\$ 1,950	\$ 2,096	\$ 2,263	\$ 2,443	\$ 2,603	\$ 2,697	\$ 2,715	\$ 1,803
30	Costs Incurred	\$ 364	\$ 367	\$ 367	\$ 370	\$ 367	\$ 370	\$ 370	\$ 367	\$ 370	\$ 367	\$ 373	\$ 373	\$ 4,422
31	Revenue from Existing BERG Rate	\$ (385)	\$ (365)	\$ (365)	\$ (307)	\$ (265)	\$ (224)	\$ (203)	\$ (186)	\$ (210)	\$ (272)	\$ (356)	\$ (397)	\$ (3,534)
32	BVA Balance - Ending (Pre-tax)	\$ 1,781	\$ 1,783	\$ 1,785	\$ 1,848	\$ 1,950	\$ 2,096	\$ 2,263	\$ 2,443	\$ 2,603	\$ 2,697	\$ 2,715	\$ 2,691	\$ 2,691
33														
34	BVA Balance - Ending (After Tax)	\$ 1,318	\$ 1,320	\$ 1,321	\$ 1,368	\$ 1,443	\$ 1,551	\$ 1,674	\$ 1,808	\$ 1,926	\$ 1,996	\$ 2,009	\$ 1,991	\$ 1,991
35														
36	Adjustment for Value of Unsold Biomethane at Existing BERG Rate (After Tax) ⁽²⁾													\$ (1,568)
37	Adjusted BVA Balance - Ending (After Tax)													\$ 423

Notes: (1) Pre-tax opening balances are restated based on effective income tax rate, to reflect grossed-up after tax amounts.

(2) Adjustment calculated based on quantity of Biomethane Available For Sale (Tab 1, Page 1) at the effective BERG Rate; the result is then adjusted to reflect value on net of tax basis (at 26% for 2014-2016).

(3) The recorded Salmon Arm CoS was incorrectly overstated for January - April, and has been restated to more appropriately reflect the monthly costs in the quarterly BVA report. The necessary accounting adjustments will be booked during 2014, and the quarterly BVA reports will reflect the correctly adjusted 2014 monthly amounts. January 2014 has been restated from the recorded amount reported in the 2014 Q1 report.

Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
COST RECOVERY BY RATE CLASS FOR BIOMETHANE
ACTUAL AND FORECAST ACTIVITY ENDING DECEMBER 31, 2016

Line	Particulars	Recorded Jan-14	Recorded Feb-14	Adjusted ⁽¹⁾ Mar-14	Adjusted ⁽¹⁾⁽²⁾ Apr-14	Adjusted ⁽²⁾ May-14	Recorded Jun-14	Adjusted ⁽³⁾ Jul-14	Forecast Aug-14	Forecast Sep-14	Forecast Oct-14	Forecast Nov-14	Forecast Dec-14	Total 2014
1	Sales (GJ)													
2	Residential	7,574	8,257	6,210	4,109	2,208	1,609	1,387	2,188	2,917	5,105	8,021	9,480	59,065
3	Commercial	677	1,431	1,641	931	633	435	380	297	396	694	1,090	1,289	9,895
4	On/Off System & Other	3,733	3,567	3,214	2,536	2,242	2,337	2,243	7,695	7,844	8,293	8,891	9,390	61,983
5	Total Sales	<u>11,984</u>	<u>13,255</u>	<u>11,065</u>	<u>7,576</u>	<u>5,083</u>	<u>4,381</u>	<u>4,010</u>	<u>10,180</u>	<u>11,157</u>	<u>14,091</u>	<u>18,002</u>	<u>20,158</u>	<u>130,942</u>
6														
7	Effective Rate	\$ 11.696	\$ 11.696	\$ 11.696	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065
8														
9	Cost Recovered													
10	Residential	\$ 88,587	\$ 96,578	\$ 72,633	\$ 57,786	\$ 31,058	\$ 22,631	\$ 19,518	\$ 30,770	\$ 41,026	\$ 71,796	\$112,822	\$133,335	\$ 778,540
11	Commercial	7,411	16,732	19,186	13,096	8,904	6,114	5,377	4,182	5,576	9,759	15,335	18,124	129,797
12	On/Off System & Other	43,665	41,720	37,591	35,669	31,534	32,870	31,541	108,223	110,326	116,634	125,045	132,063	846,880
13	Total Recovered	<u>\$ 139,663</u>	<u>\$ 155,030</u>	<u>\$ 129,410</u>	<u>\$ 106,551</u>	<u>\$ 71,495</u>	<u>\$ 61,615</u>	<u>\$ 56,436</u>	<u>\$143,175</u>	<u>\$156,929</u>	<u>\$198,189</u>	<u>\$253,202</u>	<u>\$283,522</u>	<u>\$1,755,216</u>
14														
15		Forecast Jan 15	Forecast Feb 15	Forecast Mar 15	Forecast Apr 15	Forecast May 15	Forecast Jun 15	Forecast Jul 15	Forecast Aug 15	Forecast Sep 15	Forecast Oct 15	Forecast Nov 15	Forecast Dec 15	Total 2015
16	Sales (GJ)													
17	Residential	11,848	10,937	10,937	8,202	6,380	4,557	3,646	2,734	3,646	6,380	10,025	11,848	91,139
18	Commercial	1,605	1,481	1,481	1,111	864	617	494	370	494	864	1,358	1,605	12,346
19	On/Off System & Other	10,339	10,145	10,145	9,562	9,173	8,784	8,659	8,465	8,659	9,242	10,020	10,408	113,601
20	Total Sales	<u>23,792</u>	<u>22,563</u>	<u>22,563</u>	<u>18,875</u>	<u>16,417</u>	<u>13,959</u>	<u>12,798</u>	<u>11,569</u>	<u>12,798</u>	<u>16,486</u>	<u>21,403</u>	<u>23,861</u>	<u>217,085</u>
21														
22	Effective Rate	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065
23														
24	Cost Recovered													
25	Residential	\$ 166,642	\$ 153,824	\$ 153,824	\$ 115,368	\$ 89,730	\$ 64,093	\$ 51,275	\$ 38,456	\$ 51,275	\$ 89,730	\$141,005	\$166,642	\$1,281,864
26	Commercial	22,574	20,837	20,837	15,628	12,155	8,682	6,946	5,209	6,946	12,155	19,101	22,574	173,642
27	On/Off System & Other	145,421	142,688	142,688	134,487	129,020	123,553	121,790	119,056	121,790	129,990	140,925	146,392	1,597,798
28	Total Recovered	<u>\$ 334,637</u>	<u>\$ 317,348</u>	<u>\$ 317,348</u>	<u>\$ 265,482</u>	<u>\$230,905</u>	<u>\$196,328</u>	<u>\$180,010</u>	<u>\$162,721</u>	<u>\$180,010</u>	<u>\$231,876</u>	<u>\$301,030</u>	<u>\$335,607</u>	<u>\$3,053,304</u>
29														
30		Forecast Jan 16	Forecast Feb 16	Forecast Mar 16	Forecast Apr 16	Forecast May 16	Forecast Jun 16	Forecast Jul 16	Forecast Aug 16	Forecast Sep 16	Forecast Oct 16	Forecast Nov 16	Forecast Dec 16	Total 2016
31	Sales (GJ)													
32	Residential	14,054	12,973	12,973	9,730	7,568	5,405	4,324	3,243	4,324	7,568	11,892	14,054	108,109
33	Commercial	1,897	1,751	1,751	1,313	1,022	730	584	438	584	1,022	1,605	1,897	14,593
34	On/Off System & Other	11,453	11,201	11,201	10,776	10,271	9,765	9,513	9,560	10,013	10,771	11,781	12,287	128,590
35	Total Sales	<u>27,404</u>	<u>25,925</u>	<u>25,925</u>	<u>21,819</u>	<u>18,860</u>	<u>15,900</u>	<u>14,421</u>	<u>13,241</u>	<u>14,921</u>	<u>19,360</u>	<u>25,278</u>	<u>28,238</u>	<u>251,291</u>
36														
37	Effective Rate	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065	\$ 14.065
38														
39	Cost Recovered													
40	Residential	\$ 197,671	\$ 182,466	\$ 182,466	\$ 136,849	\$106,438	\$ 76,027	\$ 60,822	\$ 45,616	\$ 60,822	\$106,438	\$167,260	\$197,671	\$1,520,547
41	Commercial	26,683	24,630	24,630	18,473	14,368	10,263	8,210	6,158	8,210	14,368	22,578	26,683	205,252
42	On/Off System & Other	161,089	157,535	157,535	151,563	144,456	137,349	133,795	134,461	140,828	151,488	165,703	172,810	1,808,611
43	Total Recovered	<u>\$ 385,443</u>	<u>\$ 364,631</u>	<u>\$ 364,631</u>	<u>\$ 306,885</u>	<u>\$265,262</u>	<u>\$223,639</u>	<u>\$202,827</u>	<u>\$186,235</u>	<u>\$209,859</u>	<u>\$272,294</u>	<u>\$355,540</u>	<u>\$397,164</u>	<u>\$3,534,410</u>

Notes: (1) The recorded quantity recovered was incorrectly overstated for March and understated for April, and has been restated to more appropriately reflect the monthly recovery in the quarterly BVA report.
(2) The recorded quantity recovered was incorrectly understated for April and overstated for May, and has been restated to more appropriately reflect the monthly recovery in the quarterly BVA report.
(3) The recorded quantity recovered was incorrect in July, and has been restated in the quarterly BVA report. Correction will be made in August.

Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
BIOMETHANE VARIANCE ACCOUNT ("BVA") and BIOMETHANE ENERGY RECOVERY CHARGE (BERC) REVIEW
FOR THE FORECAST 12-MONTH PERIOD ENDING SEPTEMBER 30, 2015
(Amounts shown pre-tax unless otherwise indicated)

Line No.	Particulars (1)	\$000 (2)	TJ (3)	Notes (4)
1	Forecast BVA Deferral Balance at September 30, 2014			
2	Cost (Tab 1, Page 2, Column 11, Row 3)	\$ 1,610.0		
3	Quantity (Tab 1, Page 1, Column 11, Row 3)		101.6	Unsold Quantity
4				
5	Forecast Costs Incurred in the 12-Month Period			
6	Cost	\$ 3,068.7		
7	Quantity		220.7	Purchase Quantity
8				
9	Biomethane Available for Sale in the 12-Month Period			
10	Total Cost to be Recovered	\$ 4,678.6		
11	Total Quantity		322.3	
12	<hr/>			
13				
14				
15	Calculation of Tested Biomethane Energy Recovery Charge Effective October 1, 2014			
16				
17				
18	Tested	$\frac{\text{Cost of Biomethane Available for Sale in the 12-Month Period}}{\text{Quantity of Biomethane Available for Sale in the 12-Month Period}} = \frac{\$ 4,678.6}{322.3} =$		
19	BERC		\$ 14.516	per Gigajoule
20				
21				
22	Existing BERC (effective April 1, 2014)		\$ 14.065	per Gigajoule
23				
24				
25	Tested Rate Increase (Decrease)		\$ 0.451	per Gigajoule

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREA
AGE OF BIOMETHANE INVENTORY SOLD

Tab 1
Page 6

Date	Monthly Activity				Cumulative Quantities		
	Beginning Balance <i>(in TJ)</i>	Quantity Purchased <i>(in TJ)</i>	Quantity Sold ^(A) <i>(in TJ)</i>	Ending Balance <i>(in TJ)</i>	Biomethane Purchases <i>(in TJ)</i>	Biomethane Sales <i>(in TJ)</i>	Age of Inventory Sold <i>(Month)</i>
Jan-13	79.57	7.20	(7.48)	79.29	114.96	(35.67)	17
Feb-13	79.29	5.32	(5.46)	79.15	120.28	(41.13)	16
Mar-13	79.15	8.33	(9.63)	77.85	128.61	(50.76)	12
Apr-13	77.85	3.08	(6.26)	74.68	131.69	(57.01)	12
May-13	74.68	12.27	(5.38)	81.57	143.96	(62.39)	12
Jun-13	81.57	8.03	(2.67)	86.93	151.99	(65.06)	12
Jul-13	86.93	7.23	(2.33)	91.83	159.22	(67.39)	13
Aug-13	91.83	7.74	(2.45)	97.12	166.96	(69.84)	13
Sep-13	97.12	8.50	(2.42)	103.20	175.46	(72.26)	14
Oct-13	103.20	9.17	(5.44)	106.93	184.63	(77.70)	14
Nov-13	106.93	8.41	(11.36)	103.98	193.04	(89.06)	13
Dec-13	103.98	9.01	(13.98)	99.01	202.05	(103.04)	12
Jan-14	99.01	5.77	(11.98)	92.79	207.81	(115.02)	11
Feb-14	92.79	7.71	(13.26)	87.24	215.52	(128.28)	11
Mar-14	87.24	8.75	(11.07)	84.93	224.27	(139.34)	10
Apr-14	84.93	9.68	(7.58)	87.03	233.95	(146.92)	10
May-14	87.03	10.09	(5.08)	92.04	244.05	(152.00)	10
Jun-14	92.04	8.32	(4.38)	95.99	252.37	(156.38)	11
Jul-14	95.99	8.69	(4.01)	100.67	261.06	(160.39)	11

(A) Including any adjustments reported within the schedule at Page 1 of this report.



LETTER NO. L-XX-14

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ERICA M. HAMILTON
COMMISSION SECRETARY
Commission.Secretary@bcuc.com
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DRAFT ORDER

VIA E-MAIL

August xx, 2014

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.
Biomethane Variance Account (BVA)
2014 Third Quarter Report

Further to your August 15, 2014 filing of the 2014 Third Quarter Report for the BVA (the Report). The Commission acknowledges receipt of the Report and accepts the recommendation that BERC rates remain unchanged at October 1, 2014.

The Commission will hold confidential the information in Tab 1, Page 4.1 to Page 4.3 of the Report.

Yours truly,

Erica M. Hamilton
Commission Secretary