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October 22, 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 Fourth Quarter Report on the Biomethane Variance Account (BVA) and Biomethane Energy Recovery Charge (BERC) (the 2014 Fourth Quarter BVA Report)

2014 Fourth Quarter Report Explanation

Pursuant to British Columbia Utilities Commission (the Commission) Order G-210-13 and the accompanying December 11, 2013 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 (collectively the Decision), the attached materials provide the 2014 Fourth 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.

Based on the biomethane gas supply cost assumptions (i.e. project in-service date, cost of service and production volumes) and 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 \$1,099 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 \$97 thousand deficit after tax (Tab 1, Page 2, Column 14, Line 11) and \$85 thousand deficit after tax (Tab 1, Page 2, Column 14, Line 24), respectively.

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. In the following, the Company provides some further explanation as to the schedules attached herein.

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.

In the schedule at Tab 1, Page 5, the Company provides calculation of the proposed BERC rate, effective January 1, 2015. The proposed BERC rate, calculated using a prospective period ending December 31, 2015, shows an increase of \$0.349/GJ from the current \$14.065/GJ to \$14.414/GJ (Tab 1, Page 5, Column 3, Line 18). Although the unit rate of the BERC is proposed to increase by \$0.349/GJ or approximately 2.5%, the Company notes that in the majority of cases, customers subscribing to Rate Schedule 1B only purchase a portion of their gas consumption at BERC rate and therefore the total impact on customer bills will not be a full 2.5%. In addition, customers can choose to opt in to or out of the program. The proposed change to the BERC rate, exclusive of any other tariff rate component changes effective January 1, 2015, equates to an increase to a typical Mainland residential Biomethane Service Offering customer's annual bill of approximately \$3 or 0.3% based on an average total annual consumption of 90 GJ and a 10% blend selection. FEI provides at Tabs 2 and 3 the tariff continuity and bill impact schedules for Rate Schedules 1B, 2B, and 3B customers, showing the effects of the proposed increase to the BERC rate effective January 1, 2015.

Tab 1 Page 6 provides the monthly BVA deferral balances with the proposed changes to the BERC rate, effective January 1, 2015. The BVA balance at December 31, 2015 and December 31, 2016, based on the proposed BERC rate and after adjustment for the value of the unsold biomethane quantities, is forecast to be approximately zero (Tab 1, Page 6, Column 14, Line 24) and \$187 thousand deficit after tax (Tab 1, Page 6, Column 14, Line 37), respectively.

The schedule at Tab 1, Page 7 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.

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.

Please note that in Order G-138-14 pertaining to FEI's 2014-2018 PBR Application, the Commission directed that an approximate \$425 thousand in Biomethane Application costs be transferred to the BVA. However, the Company on October 3, 2014 filed a Request for Clarification and Request for Reconsideration and Variance Application, which specifically requested that the Commission reconsider its decision on the transfer of the application costs to the BVA¹. Thus, FEI has excluded the impact of these costs from the 2014 Fourth Quarter BVA report. As noted in the Request for Reconsideration, if fully recovered within one year, the impact of this transfer would be a further increase to the BERC rate of approximately \$2 per GJ. Following a determination on this issue, if necessary, FEI will include these Application costs in the relevant BVA Quarterly Report.

Proposed BERC Rate Change Guidelines

Commission Letter L-51-14, dated September 18, 2014, stated:

"The Commission acknowledges FortisBC Energy Inc.'s stated intention to initiate discussions with Commission staff regarding guidelines and criteria for a mechanism for evaluating when a BERC rate change is warranted in order that a mechanism can be in place for January 1, 2015. The Commission expects FortisBC Energy Inc. to file proposed guidelines and criteria for BERC rate changes with the 2014 fourth quarter Biomethane Variance Account report."

In accordance with Letter L-51-14, FEI met with Commission staff on October 9, 2014 to discuss guidelines and criteria for potential BERC rate changes. As a result of this discussion, FEI expects to file a proposal in 2015 for a revised BERC rate. In the interim, FEI proposes the following guidelines and criteria:

1. Annual resetting of the BERC rate on an annual basis effective January 1 of a given year; and,
2. A threshold of \$1.00 per GJ that will trigger a rate reset. That is, if a Quarterly Report indicates a change greater than \$1.00 per GJ (plus or minus) is required, the BERC rate will be reset.

Under this approach, the annual resetting of the BERC rate eliminates over or under recovery of costs associated with expected minor quantity or price variances between forecast and actual biomethane supply from existing projects and also accounts for any increase or decrease to the unit cost of biomethane within the supply portfolio from new projects. Furthermore, the use of a January 1st effective date for annual resetting aligns with changes to other rate components for customers and provides rate stability, which is expected to encourage customer participation in the program. Finally, the proposed trigger threshold of \$1.00 per GJ addresses potential unforeseen variances throughout the year

¹ Pages 16 – 18 of the Multi-Year Performance Based Ratemaking Plans for 2014 through 2019 Decisions
FortisBC Request for Clarification and Reconsideration and Variance Application

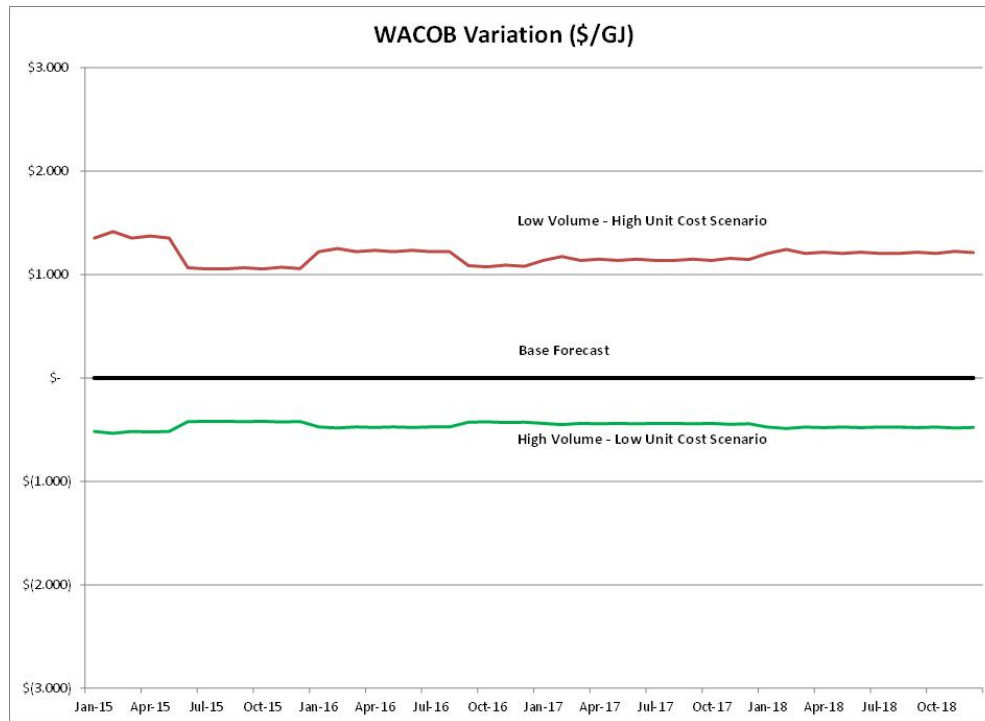
which could result in a larger than expected addition to the BVA for future refund or recovery from customers.

Background

FEI derived a range of \$1.00 per GJ based on the expected operating range of supply costs as further explained below. The supply costs are the primary driver of the BERC rate and are therefore a reasonable basis for projecting BERC rate variation in the future.

FEI projected the variation in the portfolio of supply costs for the next four years as shown in Figure 1 below. The maximum and minimum costs of supply were derived by considering the maximum and minimum supply volumes of all expected projects in the next four years. The maximum (low volume) and minimum (high volume) were then compared to the expected volumes and an expected range of supply prices was established. The actual calculated range is approximately +\$1.25 per GJ and -\$0.85 per GJ. However, FEI is recommending that a simpler range of +/- \$1.00 per GJ be used for ease of administration and review.

**Figure 1: Expected Operating Range
 (Weighted Average Cost of Biomethane “WACOB”), 2015 – 2018**



Timing for the BERC Rate Review

FEI believes that 2015 may be an appropriate time to revisit the methodology for determining the BERC rate. Based on the current level of the BERC rate, the requirements of potential larger volume customers, feedback from Commission staff and the experience that FEI has gained in the one year managing the program following the Decision, FEI expects to file an application in 2015 seeking approval for changes to the BERC rate methodology.

Currently, the BERC rate is based solely on a cost recovery approach. This methodology has resulted in a rate that may be near or above a maximum sustainable rate for a voluntary

program. For instance, FEI has seen lower growth in the number of Biomethane customers in 2014 than in previous years which suggests the higher rate has some impact on program uptake. In order to understand the limits on the willingness of customers to pay for biomethane, FEI may need to invest in additional market research and as such, FEI will be assessing the associated expected costs. FEI has been reticent to invest in additional market research in 2014 in light of the cost recovery approach. That is, although market research may inform and influence the design of the program and rate methodology, the investment in additional research could exasperate the situation by increasing the required BERC rate even further.

FEI is evaluating possible options for the BERC rate methodology and in its proposal, FEI will be considering:

- Pricing that reflects the benefits of reduced emissions;
- Pricing that reflects the value of biomethane as an alternate to natural gas in the market;
- The varying needs of different types of customers (i.e. Residential, Small Commercial, Industrial, Municipalities and Public Service);
- Other market factors such as a reasonable rate that reflects the value of the product to our customers; and,
- Cost transparency, recovery and the use of deferral accounts and mechanisms as discussed in the 2013 Biomethane Decision.

In advance of its filing, FEI will continue to work with Commission staff in the review and treatment of the expected market research costs and in the development of a proposal for a new BERC rate methodology.

Conclusion

In summary, FEI requests Commission approval to increase the BERC rate from \$14.065/GJ to \$14.414/GJ effective January 1, 2015, for Rate Schedules 1B, 2B, 3B, 5B and 11B within the Mainland Service Area.

FEI will continue to monitor the BVA balances and will submit its 2015 First Quarter Report on the BVA no later than February 18, 2015.

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: Michelle Carman

For: Diane Roy

Attachments

FORTISBC ENERGY INC. - MAINLAND SERVICE AREA ⁽¹⁾
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 ⁽²⁾	Adjusted ^{(2) (3)}	Adjusted ⁽³⁾	Recorded	Adjusted ⁽⁴⁾	Adjusted ⁽⁴⁾	Recorded	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	100.1	99.7	97.0	98.2	99.0
4	Purchases	5.8	7.7	8.7	9.7	10.1	8.3	8.7	9.2	9.8	9.9	16.6	16.8	121.4
5	Sales	(12.0)	(13.3)	(11.1)	(7.6)	(5.1)	(4.4)	(4.0)	(9.8)	(10.3)	(12.7)	(15.4)	(18.7)	(124.2)
6	Biomethane Available for Sale - Ending	92.8	87.2	84.9	87.0	92.0	96.0	100.7	100.1	99.7	97.0	98.2	96.2	96.2
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	96.2	93.0	91.6	90.9	92.6	95.9	105.0	115.2	125.8	134.4	139.8	141.6	96.2
12	Purchases	17.4	16.6	17.4	17.1	17.4	20.9	21.2	21.2	20.9	21.2	20.9	21.2	233.3
13	Sales	(20.6)	(18.0)	(18.0)	(15.4)	(14.0)	(11.9)	(11.0)	(10.6)	(12.3)	(15.7)	(19.2)	(21.8)	(188.6)
14	Biomethane Available for Sale - Ending	93.0	91.6	90.9	92.6	95.9	105.0	115.2	125.8	134.4	139.8	141.6	141.0	141.0
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	141.0	141.2	143.7	146.8	152.4	160.6	171.0	182.6	194.6	207.0	215.9	220.7	141.0
20	Purchases	22.8	22.3	22.8	22.5	22.8	22.5	22.8	22.8	25.0	25.3	25.0	25.3	282.0
21	Sales	(22.6)	(19.7)	(19.7)	(16.9)	(14.5)	(12.2)	(11.2)	(10.7)	(12.6)	(16.4)	(20.2)	(23.1)	(200.0)
22	Biomethane Available for Sale - Ending	141.2	143.7	146.8	152.4	160.6	171.0	182.6	194.6	207.0	215.9	220.7	222.9	222.9

Note (1) Formerly Fortisbc Energy Inc. - Lower Mainland, Inland and Columbia Service Areas.

(2) 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.

(3) 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.

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

Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND SERVICE AREA
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	Adjusted ⁽³⁾	Recorded	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	\$ 1,219	\$ 1,234	\$ 1,278	\$ 1,400	\$ 1,492	\$ 1,588	\$ 1,581	\$ 1,601	\$ 1,565	\$ 1,547	\$ 1,300
4	Costs Incurred	\$ 95	\$ 119	\$ 144	\$ 151	\$ 193	\$ 154	\$ 153	\$ 131	\$ 164	\$ 142	\$ 198	\$ 201	\$ 1,845
5	Revenue from Existing BERG Rate	\$ (140)	\$ (155)	\$ (129)	\$ (107)	\$ (71)	\$ (62)	\$ (56)	\$ (138)	\$ (144)	\$ (178)	\$ (216)	\$ (263)	\$ (1,660)
6	BVA Balance - Ending (Pre-tax)	\$ 1,256	\$ 1,219	\$ 1,234	\$ 1,279	\$ 1,400	\$ 1,492	\$ 1,588	\$ 1,581	\$ 1,601	\$ 1,565	\$ 1,547	\$ 1,484	\$ 1,485
7														
8	BVA Balance - Ending (After Tax)	\$ 929	\$ 902	\$ 913	\$ 946	\$ 1,036	\$ 1,104	\$ 1,175	\$ 1,170	\$ 1,185	\$ 1,158	\$ 1,145	\$ 1,098	\$ 1,099
9														
10	Adjustment for Value of Unsold Biomethane at Existing BERG Rate (After Tax) ⁽²⁾													\$ (1,002)
11	Adjusted BVA Balance - Ending (After Tax)													\$ 97
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⁾	\$ 1,485	\$ 1,440	\$ 1,421	\$ 1,412	\$ 1,437	\$ 1,484	\$ 1,608	\$ 1,748	\$ 1,893	\$ 2,012	\$ 2,085	\$ 2,108	\$ 1,485
17	Costs Incurred	\$ 245	\$ 235	\$ 245	\$ 241	\$ 245	\$ 291	\$ 294	\$ 294	\$ 291	\$ 294	\$ 293	\$ 297	\$ 3,265
18	Revenue from Existing BERG Rate	\$ (290)	\$ (253)	\$ (253)	\$ (217)	\$ (197)	\$ (167)	\$ (155)	\$ (149)	\$ (173)	\$ (222)	\$ (270)	\$ (306)	\$ (2,652)
19	BVA Balance - Ending (Pre-tax)	\$ 1,440	\$ 1,421	\$ 1,412	\$ 1,437	\$ 1,484	\$ 1,608	\$ 1,748	\$ 1,893	\$ 2,012	\$ 2,085	\$ 2,108	\$ 2,098	\$ 2,098
20														
21	BVA Balance - Ending (After Tax)	\$ 1,066	\$ 1,052	\$ 1,045	\$ 1,063	\$ 1,098	\$ 1,190	\$ 1,293	\$ 1,401	\$ 1,489	\$ 1,543	\$ 1,560	\$ 1,552	\$ 1,552
22														
23	Adjustment for Value of Unsold Biomethane at Existing BERG Rate (After Tax) ⁽²⁾													\$ (1,467)
24	Adjusted BVA Balance - Ending (After Tax)													\$ 85
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⁾	\$ 2,098	\$ 2,130	\$ 2,195	\$ 2,267	\$ 2,376	\$ 2,521	\$ 2,696	\$ 2,888	\$ 3,087	\$ 3,289	\$ 3,441	\$ 3,539	\$ 2,098
30	Costs Incurred	\$ 350	\$ 343	\$ 350	\$ 346	\$ 350	\$ 346	\$ 350	\$ 350	\$ 380	\$ 383	\$ 383	\$ 386	\$ 4,316
31	Revenue from Existing BERG Rate	\$ (318)	\$ (278)	\$ (278)	\$ (238)	\$ (204)	\$ (171)	\$ (158)	\$ (151)	\$ (178)	\$ (231)	\$ (284)	\$ (324)	\$ (2,813)
32	BVA Balance - Ending (Pre-tax)	\$ 2,130	\$ 2,195	\$ 2,267	\$ 2,376	\$ 2,521	\$ 2,696	\$ 2,888	\$ 3,087	\$ 3,289	\$ 3,441	\$ 3,539	\$ 3,601	\$ 3,601
33														
34	BVA Balance - Ending (After Tax)	\$ 1,576	\$ 1,624	\$ 1,678	\$ 1,758	\$ 1,866	\$ 1,995	\$ 2,137	\$ 2,284	\$ 2,434	\$ 2,546	\$ 2,619	\$ 2,665	\$ 2,665
35														
36	Adjustment for Value of Unsold Biomethane at Existing BERG Rate (After Tax) ⁽²⁾													\$ (2,320)
37	Adjusted BVA Balance - Ending (After Tax)													\$ 345

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. January 2014 was restated from the recorded amount reported in the 2014 Q1 report.

Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND SERVICE AREA
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	Adjusted ⁽³⁾ Aug-14	Recorded 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	1,337	1,629	3,606	5,666	8,429	52,021
3	Commercial	677	1,431	1,641	931	633	435	380	267	418	353	554	756	8,476
4	On/Off System & Other	3,733	3,567	3,214	2,536	2,242	2,337	2,243	8,193	8,211	8,721	9,133	9,545	63,676
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>9,797</u>	<u>10,258</u>	<u>12,680</u>	<u>15,354</u>	<u>18,730</u>	<u>124,173</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	\$ 18,812	\$ 22,912	\$ 50,714	\$ 79,693	\$ 118,551	\$ 679,473
11	Commercial	7,411	16,732	19,186	13,096	8,904	6,114	5,377	3,747	5,869	4,963	7,798	10,634	109,831
12	On/Off System & Other	43,665	41,720	37,591	35,669	31,534	32,870	31,541	115,233	115,481	122,663	128,459	134,255	870,679
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>\$ 137,792</u>	<u>\$ 144,262</u>	<u>\$ 178,339</u>	<u>\$ 215,950</u>	<u>\$ 263,440</u>	<u>\$ 1,659,983</u>
14														
15		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
16	Sales (GJ)	<u>Jan 15</u>	<u>Feb 15</u>	<u>Mar 15</u>	<u>Apr 15</u>	<u>May 15</u>	<u>Jun 15</u>	<u>Jul 15</u>	<u>Aug 15</u>	<u>Sep 15</u>	<u>Oct 15</u>	<u>Nov 15</u>	<u>Dec 15</u>	2015
17	Residential	10,175	8,070	8,070	5,965	4,211	2,456	1,754	1,404	2,807	5,614	8,421	10,526	69,473
18	Commercial	807	640	640	473	334	195	139	111	223	445	668	835	5,510
19	On/Off System & Other	9,624	9,308	9,308	8,993	9,480	9,218	9,113	9,060	9,270	9,691	10,111	10,426	113,603
20	Total Sales	<u>20,606</u>	<u>18,019</u>	<u>18,019</u>	<u>15,431</u>	<u>14,025</u>	<u>11,869</u>	<u>11,006</u>	<u>10,575</u>	<u>12,300</u>	<u>15,750</u>	<u>19,200</u>	<u>21,787</u>	<u>188,586</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	\$ 143,117	\$ 113,506	\$ 113,506	\$ 83,896	\$ 59,221	\$ 34,545	\$ 24,675	\$ 19,740	\$ 39,480	\$ 78,961	\$ 118,441	\$ 148,052	\$ 977,142
26	Commercial	11,350	9,002	9,002	6,653	4,696	2,740	1,957	1,565	3,131	6,262	9,393	11,741	77,492
27	On/Off System & Other	135,357	130,923	130,923	126,489	133,343	129,648	128,170	127,431	130,387	136,299	142,211	146,645	1,597,826
28	Total Recovered	<u>\$ 289,823</u>	<u>\$ 253,431</u>	<u>\$ 253,431</u>	<u>\$ 217,039</u>	<u>\$ 197,260</u>	<u>\$ 166,933</u>	<u>\$ 154,802</u>	<u>\$ 148,737</u>	<u>\$ 172,999</u>	<u>\$ 221,522</u>	<u>\$ 270,045</u>	<u>\$ 306,438</u>	<u>\$ 2,652,460</u>
29														
30		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
31	Sales (GJ)	<u>Jan 16</u>	<u>Feb 16</u>	<u>Mar 16</u>	<u>Apr 16</u>	<u>May 16</u>	<u>Jun 16</u>	<u>Jul 16</u>	<u>Aug 16</u>	<u>Sep 16</u>	<u>Oct 16</u>	<u>Nov 16</u>	<u>Dec 16</u>	2016
32	Residential	11,293	8,956	8,956	6,620	4,673	2,726	1,947	1,558	3,115	6,231	9,346	11,682	77,103
33	Commercial	891	707	707	522	369	215	154	123	246	492	737	922	6,083
34	On/Off System & Other	10,404	10,083	10,083	9,761	9,493	9,225	9,118	9,064	9,279	9,707	10,136	10,458	116,811
35	Total Sales	<u>22,588</u>	<u>19,746</u>	<u>19,746</u>	<u>16,903</u>	<u>14,535</u>	<u>12,166</u>	<u>11,219</u>	<u>10,745</u>	<u>12,640</u>	<u>16,430</u>	<u>20,219</u>	<u>23,062</u>	<u>199,997</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	\$ 158,834	\$ 125,972	\$ 125,972	\$ 93,110	\$ 65,725	\$ 38,339	\$ 27,385	\$ 21,908	\$ 43,816	\$ 87,633	\$ 131,449	\$ 164,311	\$ 1,084,456
41	Commercial	12,531	9,939	9,939	7,346	5,185	3,025	2,161	1,728	3,457	6,914	10,371	12,964	85,560
42	On/Off System & Other	146,334	141,812	141,812	137,289	133,520	129,752	128,244	127,490	130,505	136,535	142,565	147,088	1,642,947
43	Total Recovered	<u>\$ 317,700</u>	<u>\$ 277,723</u>	<u>\$ 277,723</u>	<u>\$ 237,745</u>	<u>\$ 204,430</u>	<u>\$ 171,116</u>	<u>\$ 157,790</u>	<u>\$ 151,127</u>	<u>\$ 177,779</u>	<u>\$ 231,082</u>	<u>\$ 284,385</u>	<u>\$ 324,363</u>	<u>\$ 2,812,962</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 incorrectly understated for July and overstated for August, and has been restated to more appropriately reflect the monthly recovery in the quarterly BVA report.

Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND SERVICE AREA
BIOMETHANE VARIANCE ACCOUNT ("BVA") and BIOMETHANE ENERGY RECOVERY CHARGE (BERC) REVIEW
FOR THE FORECAST 12-MONTH PERIOD ENDING DECEMBER 31, 2015
(Amounts shown pre-tax unless otherwise indicated)

Line No.	Particulars (1)	\$000 (2)	TJ (3)	Notes (4)
1	Forecast BVA Deferral Balance at December 31, 2014			
2	Cost (Tab 1, Page 2, Column 2, Row 16)	\$ 1,485.1		
3	Quantity (Tab 1, Page 1, Column 2, Row 11)		96.2	Unsold Quantity
4				
5	Forecast Costs Incurred in the 12-Month Period			
6	Cost	\$ 3,265.3		
7	Quantity		233.3	Purchase Quantity
8				
9	Biomethane Available for Sale in the 12-Month Period			
10	Total Cost to be Recovered	\$ 4,750.4		
11	Total Quantity		329.6	
12	<hr/>			
13				
14				
15	Calculation of Tested Biomethane Energy Recovery Charge Effective January 1, 2015			
16				
17				
18	Tested			
19	BERC = $\frac{\text{Cost of Biomethane Available for Sale in the 12-Month Period}}{\text{Quantity of Biomethane Available for Sale in the 12-Month Period}}$	= $\frac{\$ 4,750.4}{329.6}$	= \$ 14.414	per Gigajoule
20				
21				
22	Existing BERC (effective April 1, 2014)		\$ 14.065	per Gigajoule
23				
24				
25	Proposed Rate Increase (Decrease)		\$ 0.349	per Gigajoule

FORTISBC ENERGY INC. - MAINLAND SERVICE AREA
SUMMARY OF BIOMETHANE VARIANCE ACCOUNT ("BVA") BALANCES AT PROPOSED 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	Adjusted (3)	Recorded	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	\$ 1,219	\$ 1,234	\$ 1,278	\$ 1,400	\$ 1,492	\$ 1,588	\$ 1,581	\$ 1,601	\$ 1,565	\$ 1,547	\$ 1,300
4	Costs Incurred	\$ 95	\$ 119	\$ 144	\$ 151	\$ 193	\$ 154	\$ 153	\$ 131	\$ 164	\$ 142	\$ 198	\$ 201	\$ 1,845
5	Revenue from Applicable BERG Rate	\$ (140)	\$ (155)	\$ (129)	\$ (107)	\$ (71)	\$ (62)	\$ (56)	\$ (138)	\$ (144)	\$ (178)	\$ (216)	\$ (263)	\$ (1,660)
6	BVA Balance - Ending (Pre-tax)	\$ 1,256	\$ 1,219	\$ 1,234	\$ 1,279	\$ 1,400	\$ 1,492	\$ 1,588	\$ 1,581	\$ 1,601	\$ 1,565	\$ 1,547	\$ 1,484	\$ 1,485
7														
8	BVA Balance - Ending (After Tax)	\$ 929	\$ 902	\$ 913	\$ 946	\$ 1,036	\$ 1,104	\$ 1,175	\$ 1,170	\$ 1,185	\$ 1,158	\$ 1,145	\$ 1,098	\$ 1,099
9														
10	Adjustment for Value of Unsold Biomethane at Applicable BERG Rate (After Tax) ⁽²⁾													\$ (1,002)
11	Adjusted BVA Balance - Ending (After Tax)													\$ 97
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⁾	\$ 1,485	\$ 1,433	\$ 1,408	\$ 1,392	\$ 1,411	\$ 1,454	\$ 1,574	\$ 1,710	\$ 1,852	\$ 1,966	\$ 2,033	\$ 2,050	\$ 1,485
17	Costs Incurred	\$ 245	\$ 235	\$ 245	\$ 241	\$ 245	\$ 291	\$ 294	\$ 294	\$ 291	\$ 294	\$ 293	\$ 297	\$ 3,265
18	Revenue from Proposed BERG Rate	\$ (297)	\$ (260)	\$ (260)	\$ (222)	\$ (202)	\$ (171)	\$ (159)	\$ (152)	\$ (177)	\$ (227)	\$ (277)	\$ (314)	\$ (2,718)
19	BVA Balance - Ending (Pre-tax)	\$ 1,433	\$ 1,408	\$ 1,392	\$ 1,411	\$ 1,454	\$ 1,574	\$ 1,710	\$ 1,852	\$ 1,966	\$ 2,033	\$ 2,050	\$ 2,032	\$ 2,032
20														
21	BVA Balance - Ending (After Tax)	\$ 1,060	\$ 1,042	\$ 1,030	\$ 1,044	\$ 1,076	\$ 1,165	\$ 1,265	\$ 1,370	\$ 1,455	\$ 1,504	\$ 1,517	\$ 1,504	\$ 1,504
22														
23	Adjustment for Value of Unsold Biomethane at Proposed BERG Rate (After Tax) ⁽²⁾													\$ (1,504)
24	Adjusted BVA Balance - Ending (After Tax)													\$ 0
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⁾	\$ 2,032	\$ 2,056	\$ 2,115	\$ 2,180	\$ 2,282	\$ 2,423	\$ 2,594	\$ 2,782	\$ 2,977	\$ 3,174	\$ 3,321	\$ 3,412	\$ 2,032
30	Costs Incurred	\$ 350	\$ 343	\$ 350	\$ 346	\$ 350	\$ 346	\$ 350	\$ 350	\$ 380	\$ 383	\$ 383	\$ 386	\$ 4,316
31	Revenue from Proposed BERG Rate	\$ (326)	\$ (285)	\$ (285)	\$ (244)	\$ (210)	\$ (175)	\$ (162)	\$ (155)	\$ (182)	\$ (237)	\$ (291)	\$ (332)	\$ (2,883)
32	BVA Balance - Ending (Pre-tax)	\$ 2,056	\$ 2,115	\$ 2,180	\$ 2,282	\$ 2,423	\$ 2,594	\$ 2,782	\$ 2,977	\$ 3,174	\$ 3,321	\$ 3,412	\$ 3,466	\$ 3,466
33														
34	BVA Balance - Ending (After Tax)	\$ 1,522	\$ 1,565	\$ 1,613	\$ 1,689	\$ 1,793	\$ 1,919	\$ 2,058	\$ 2,203	\$ 2,349	\$ 2,457	\$ 2,525	\$ 2,565	\$ 2,565
35														
36	Adjustment for Value of Unsold Biomethane at Proposed BERG Rate (After Tax) ⁽²⁾													\$ (2,378)
37	Adjusted BVA Balance - Ending (After Tax)													\$ 187

Notes: Slight differences in totals due to rounding.

(1) Pre-tax opening balances are restated based on current income tax rate (26.0%), to reflect grossed-up after tax amounts.

(2) Adjustment calculated based on volume 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 current tax rate of 26.0%).

FORTISBC ENERGY INC. - MAINLANDSERVICE AREA
AGE OF BIOMETHANE INVENTORY SOLD

Tab 1
Page 7

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
Aug-14	100.67	9.24	(9.80)	100.11	270.30	(170.19)	11
Sep-14	100.11	9.85	(10.26)	99.70	280.15	(180.45)	11

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

FORTISBC ENERGY INC.
 CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
 PROPOSED JANUARY 1, 2015 RATES
 BCUC ORDERS G-XX-14

TAB 2
 PAGE 1
 SCHEDULE 1B

RATE SCHEDULE 1B: RESIDENTIAL BIOMETHANE SERVICE		EXISTING RATES NOVEMBER 1, 2014			COMMODITY RELATED CHARGES CHANGES			PROPOSED JANUARY 1, 2015 RATES		
Line No.	Particulars	Mainland	Vancouver Island	Whistler	Mainland	Vancouver Island	Whistler	Mainland	Vancouver Island	Whistler
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	<u>Delivery Margin Related Charges</u>									
2	Basic Charge per Day	\$0.3890	\$0.3890	\$0.3890	\$0.0000	\$0.0000	\$0.0000	\$0.3890	\$0.3890	\$0.3890
3										
4	Delivery Charge per GJ	\$3.761	\$3.761	\$3.761	\$0.000	\$0.000	\$0.000	\$3.761	\$3.761	\$3.761
	Rider 2 Amalgamation Phase-In Rate Rider	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
	Rider 3 Reserve for Future Use	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
	Rider 4 RSDA Rate Rider	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
5	Rider 5 RSAM per GJ	(\$0.120)	(\$0.120)	(\$0.120)	\$0.000	\$0.000	\$0.000	(\$0.120)	(\$0.120)	(\$0.120)
6	Subtotal Delivery Margin Related Charges per GJ	\$3.641	\$3.641	\$3.641	\$0.000	\$0.000	\$0.000	\$3.641	\$3.641	\$3.641
7										
8										
9	<u>Commodity Related Charges</u>									
10	Storage and Transport Charge per GJ	\$1.385	\$1.385	\$1.385	\$0.000	\$0.000	\$0.000	\$1.385	\$1.385	\$1.385
11	Rider 6 Storage and Transport Rate Rider per GJ	(\$0.082)	(\$0.082)	(\$0.082)	\$0.000	\$0.000	\$0.000	(\$0.082)	(\$0.082)	(\$0.082)
	Rider 8 Reserve For Future Use	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
	Rider 9 Reserve For Future Use	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
12	Subtotal Storage and Transport Related Charges per GJ	\$1.303	\$1.303	\$1.303	\$0.000	\$0.000	\$0.000	\$1.303	\$1.303	\$1.303
13										
14										
15	Cost of Gas (Commodity Cost Recovery Charge) per GJ	\$3.781	\$3.781	\$3.781	\$0.000	\$0.000	\$0.000	\$3.781	\$3.781	\$3.781
16										
17	Cost of Biomethane per GJ	\$14.065	\$14.065	\$14.065	\$0.349	\$0.349	\$0.349	\$14.414	\$14.414	\$14.414
18	(Biomethane Energy Recovery Charge)									

Notes: Commodity Cost Recovery Related Charge is based on 90% of the Cost of Gas (Commodity Cost Related Charge) per GJ and 10% of the Cost of Biomethane per GJ.

FORTISBC ENERGY INC.
 CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
 PROPOSED JANUARY 1, 2015 RATES
 BCUC ORDERS G-XX-14

TAB 2
 PAGE 2
 SCHEDULE 2B

RATE SCHEDULE 2B: SMALL COMMERCIAL BIOMETHANE SERVICE		EXISTING RATES NOVEMBER 1, 2014			COMMODITY RELATED CHARGES CHANGES			PROPOSED JANUARY 1, 2015 RATES		
Line No.	Particulars	Mainland	Vancouver Island	Whistler	Mainland	Vancouver Island	Whistler	Mainland	Vancouver Island	Whistler
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	<u>Delivery Margin Related Charges</u>									
2	Basic Charge per Day	\$0.8161	\$0.8161	\$0.8161	\$0.0000	\$0.0000	\$0.0000	\$0.8161	\$0.8161	\$0.8161
3										
4	Delivery Charge per GJ	\$3.079	\$3.079	\$3.079	\$0.000	\$0.000	\$0.000	\$3.079	\$3.079	\$3.079
5	Rider 2 Amalgamation Phase-In Rate Rider	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
6	Rider 4 RSDA Rate Rider	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
7	Rider 5 RSAM per GJ	(\$0.120)	(\$0.120)	(\$0.120)	\$0.000	\$0.000	\$0.000	(\$0.120)	(\$0.120)	(\$0.120)
8	Subtotal Delivery Margin Related Charges per GJ	\$2.959	\$2.959	\$2.959	\$0.000	\$0.000	\$0.000	\$2.959	\$2.959	\$2.959
9										
10										
11	<u>Commodity Related Charges</u>									
12	Storage and Transport Charge per GJ	\$1.392	\$1.392	\$1.392	\$0.000	\$0.000	\$0.000	\$1.392	\$1.392	\$1.392
13	Rider 6 Storage and Transport Rate Rider per GJ	(\$0.083)	(\$0.083)	(\$0.083)	\$0.000	\$0.000	\$0.000	(\$0.083)	(\$0.083)	(\$0.083)
14	Subtotal Storage and Transport Related Charges per GJ	\$1.309	\$1.309	\$1.309	\$0.000	\$0.000	\$0.000	\$1.309	\$1.309	\$1.309
15										
16	Cost of Gas (Commodity Cost Recovery Charge) per GJ	\$3.781	\$3.781	\$3.781	\$0.000	\$0.000	\$0.000	\$3.781	\$3.781	\$3.781
17										
18	Cost of Biomethane per GJ	\$14.065	\$14.065	\$14.065	\$0.349	\$0.349	\$0.349	\$14.414	\$14.414	\$14.414
19	(Biomethane Energy Recovery Charge)									

Notes: Commodity Cost Recovery Related Charge is based on 90% of the Cost of Gas (Commodity Cost Related Charge) per GJ and 10% of the Cost of Biomethane per GJ.

FORTISBC ENERGY INC.
 CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
 PROPOSED JANUARY 1, 2015 RATES
 BCUC ORDERS G-XX-14

TAB 2
 PAGE 3
 SCHEDULE 3B

RATE SCHEDULE 3B: LARGE COMMERCIAL BIOMETHANE SERVICE		EXISTING RATES NOVEMBER 1, 2014			COMMODITY RELATED CHARGES CHANGES			PROPOSED JANUARY 1, 2015 RATES		
Line No.	Particulars (1)	Mainland (2)	Vancouver Island (3)	Whistler (4)	Mainland (5)	Vancouver Island (6)	Whistler (7)	Mainland (8)	Vancouver Island (9)	Whistler (10)
1	<u>Delivery Margin Related Charges</u>									
2	Basic Charge per Day	\$4.3538	\$4.3538	\$4.3538	\$0.0000	\$0.0000	\$0.0000	\$4.3538	\$4.3538	\$4.3538
3										
4	Delivery Charge per GJ	\$2.599	\$2.599	\$2.599	\$0.000	\$0.000	\$0.000	\$2.599	\$2.599	\$2.599
5	Rider 2 Amalgamation Phase-In Rate Rider	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
6	Rider 4 RSDA Rate Rider	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
7	Rider 5 RSAM per GJ	(\$0.120)	(\$0.120)	(\$0.120)	\$0.000	\$0.000	\$0.000	(\$0.120)	(\$0.120)	(\$0.120)
8	Subtotal Delivery Margin Related Charges per GJ	\$2.479	\$2.479	\$2.479	\$0.000	\$0.000	\$0.000	\$2.479	\$2.479	\$2.479
9										
10										
11	<u>Commodity Related Charges</u>									
12	Storage and Transport Charge per GJ	\$1.184	\$1.184	\$1.184	\$0.000	\$0.000	\$0.000	\$1.184	\$1.184	\$1.184
13	Rider 6 Storage and Transport Rate Rider per GJ	(\$0.070)	(\$0.070)	(\$0.070)	\$0.000	\$0.000	\$0.000	(\$0.070)	(\$0.070)	(\$0.070)
14	Subtotal Storage and Transport Related Charges per GJ	\$1.114	\$1.114	\$1.114	\$0.000	\$0.000	\$0.000	\$1.114	\$1.114	\$1.114
15										
16	Cost of Gas (Commodity Cost Recovery Charge) per GJ	\$3.781	\$3.781	\$3.781	\$0.000	\$0.000	\$0.000	\$3.781	\$3.781	\$3.781
17										
18	Cost of Biomethane per GJ	\$14.065	\$14.065	\$14.065	\$0.349	\$0.349	\$0.349	\$14.414	\$14.414	\$14.414
19	(Biomethane Energy Recovery Charge)									

Notes: Commodity Cost Recovery Related Charge is based on 90% of the Cost of Gas (Commodity Cost Related Charge) per GJ and 10% of the Cost of Biomethane per GJ.

FORTISBC ENERGY INC.
 COMMODITY RELATED CHARGES CHANGES
 BCUC ORDERS G-XX-14

RATE SCHEDULE 1B -RESIDENTIAL BIOMETHANE SERVICE

Line No.	Particular	EXISTING RATES NOVEMBER 1, 2014			PROPOSED JANUARY 1, 2015 RATES			Annual Increase/Decrease		
		Quantity	Rate	Annual \$	Quantity	Rate	Annual \$	Rate	Annual \$	% of Previous Total Annual Bill
1	MAINLAND SERVICE AREA									
2	<u>Delivery Margin Related Charges</u>									
3	Basic Charge per Day	365.25	days x \$0.3890 =	\$142.08	365.25	days x \$0.3890 =	\$142.08	\$0.0000	\$0.00	0.00%
4	Delivery Charge per GJ	90.0	GJ x \$3.761 =	338.4900	90.0	GJ x \$3.761 =	338.4900	\$0.000	0.0000	0.00%
5	Rider 2 Amalgamation Phase-In Rate Rider	90.0	GJ x \$0.000 =	0.0000	90.0	GJ x \$0.000 =	0.0000	\$0.000	0.0000	0.00%
6	Rider 4 RSDA Rate Rider	90.0	GJ x \$0.000 =	0.0000	90.0	GJ x \$0.000 =	0.0000	\$0.000	0.0000	0.00%
7	Rider 5 RSAM per GJ	90.0	GJ x (\$0.120) =	(10.8000)	90.0	GJ x (\$0.120) =	(10.8000)	\$0.000	0.0000	0.00%
8	Subtotal Delivery Margin Related Charges			<u>\$469.77</u>			<u>\$469.77</u>		<u>\$0.00</u>	<u>0.00%</u>
9	<u>Commodity Related Charges</u>									
10	Storage and Transport Charge per GJ	90.0	GJ x \$1.385 =	\$124.6500	90.0	GJ x \$1.385 =	\$124.6500	\$0.000	\$0.0000	0.00%
11	Rider 6 Storage and Transport per GJ	90.0	GJ x (\$0.082) =	(7.3800)	90.0	GJ x (\$0.082) =	(7.3800)	\$0.000	0.0000	0.00%
12	Storage and Transport Related Charges Subtotal			<u>\$117.27</u>			<u>\$117.27</u>		<u>\$0.00</u>	<u>0.00%</u>
13	Cost of Gas (Commodity Cost Recovery Charge) per GJ	90.0	GJ x 90% x \$3.781 =	306.26	90.0	GJ x 90% x \$3.781 =	306.26	\$0.000	0.00	0.00%
14	Cost of Biomethane	90.0	GJ x 10% x \$14.065 =	126.59	90.0	GJ x 10% x \$14.414 =	129.73	\$0.349	3.14	0.31%
15	Subtotal Commodity Related Charges			<u>\$550.12</u>			<u>\$553.26</u>		<u>\$3.14</u>	<u>0.31%</u>
16										
17	Total (with effective \$/GJ rate)	<u>90.0</u>	<u>\$11.332</u>	<u>\$1,019.89</u>	<u>90.0</u>	<u>\$11.367</u>	<u>\$1,023.03</u>	<u>\$0.035</u>	<u>\$3.14</u>	<u>0.31%</u>
18										

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

FORTISBC ENERGY INC.
 COMMODITY RELATED CHARGES CHANGES
 BCUC ORDERS G-XX-14

RATE SCHEDULE 2B-SMALL COMMERCIAL BIOMETHANE SERVICE

Line No.	Particular	EXISTING RATES NOVEMBER 1, 2014			PROPOSED JANUARY 1, 2015 RATES			Annual Increase/Decrease		
		Quantity	Rate	Annual \$	Quantity	Rate	Annual \$	Rate	Annual \$	% of Previous Total Annual Bill
1	MAINLAND SERVICE AREA									
2	<u>Delivery Margin Related Charges</u>									
3	Basic Charge per Day	365.25	days x \$0.8161	\$298.08	365.25	days x \$0.8161	\$298.08	\$0.0000	\$0.00	0.00%
4										
5	Delivery Charge per GJ	334.0	GJ x \$3.079	1,028.3860	334.0	GJ x \$3.079	1,028.3860	\$0.000	0.0000	0.00%
6	Rider 2 Amalgamation Phase-In Rate Rider	334.0	GJ x \$0.000	0.0000	334.0	GJ x \$0.000	0.0000	\$0.000	0.0000	0.00%
7	Rider 4 RSDA Rate Rider	334.0	GJ x \$0.000	0.0000	334.0	GJ x \$0.000	0.0000	\$0.000	0.0000	0.00%
8	Rider 5 RSAM per GJ	334.0	GJ x (\$0.120)	(40.0800)	334.0	GJ x (\$0.120)	(40.0800)	\$0.000	0.0000	0.00%
9	Subtotal Delivery Margin Related Charges			<u>\$1,286.39</u>			<u>\$1,286.39</u>		<u>\$0.00</u>	<u>0.00%</u>
10										
11	<u>Commodity Related Charges</u>									
12	Storage and Transport Charge per GJ	334.0	GJ x \$1.392	\$464.9280	334.0	GJ x \$1.392	\$464.9280	\$0.000	\$0.0000	0.00%
13	Rider 6 Storage and Transport per GJ	334.0	GJ x (\$0.083)	(27.7220)	334.0	GJ x (\$0.083)	(27.7220)	\$0.000	0.0000	0.00%
14	Storage and Transport Related Charges Subtotal			<u>\$437.21</u>			<u>\$437.21</u>		<u>\$0.00</u>	<u>0.00%</u>
15	Cost of Gas (Commodity Cost Recovery Charge) per GJ	334.0	GJ x 90% x \$3.781	\$1,136.5700	334.0	GJ x 90% x \$3.781	\$1,136.5700	\$0.000	0.00	0.00%
16	Cost of Biomethane	334.0	GJ x 10% x \$14.065	469.7700	334.0	GJ x 10% x \$14.414	481.4300	\$0.349	11.66	0.35%
17	Subtotal Commodity Related Charges			<u>\$2,043.55</u>			<u>\$2,055.21</u>		<u>\$11.66</u>	<u>0.35%</u>
18	Total (with effective \$/GJ rate)	<u>334.0</u>	<u>\$9.970</u>	<u>\$3,329.94</u>	<u>334.0</u>	<u>\$10.005</u>	<u>\$3,341.60</u>	<u>\$0.035</u>	<u>\$11.66</u>	<u>0.35%</u>
19										

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

FORTISBC ENERGY INC.
 COMMODITY RELATED CHARGES CHANGES
 BCUC ORDERS G-XX-14

RATE SCHEDULE 3B - LARGE COMMERCIAL BIOMETHANE SERVICE

Line No.	Particular	EXISTING RATES NOVEMBER 1, 2014			PROPOSED JANUARY 1, 2015 RATES			Annual Increase/Decrease		
		Quantity	Rate	Annual \$	Quantity	Rate	Annual \$	Rate	Annual \$	% of Previous Total Annual Bill
1	MAINLAND SERVICE AREA									
2	<u>Delivery Margin Related Charges</u>									
3	Basic Charge per Day	365.25	days x \$4.3538	\$1,590.23	365.25	days x \$4.3538	\$1,590.23	\$0.0000	\$0.00	0.00%
4										
5	Delivery Charge per GJ	3,769.0	GJ x \$2.599	9,795.6310	3,769.0	GJ x \$2.599	9,795.6310	\$0.000	0.0000	0.00%
6	Rider 2 Amalgamation Phase-In Rate Rider	3,769.0	GJ x \$0.000	0.0000	3,769.0	GJ x \$0.000	0.0000	\$0.000	0.0000	0.00%
7	Rider 4 RSDA Rate Rider	3,769.0	GJ x \$0.000	0.0000	3,769.0	GJ x \$0.000	0.0000	\$0.000	0.0000	0.00%
8	Rider 5 RSAM per GJ	3,769.0	GJ x (\$0.120)	(452.2800)	3,769.0	GJ x (\$0.120)	(452.2800)	\$0.000	0.0000	0.00%
9	Subtotal Delivery Margin Related Charges			\$10,933.58			\$10,933.58		\$0.00	0.00%
10										
11	<u>Commodity Related Charges</u>									
12	Storage and Transport Charge per GJ	3,769.0	GJ x \$1.184	\$4,462.4960	3,769.0	GJ x \$1.184	\$4,462.4960	\$0.000	\$0.0000	0.00%
13	Rider 6 Storage and Transport per GJ	3,769.0	GJ x (\$0.070)	(263.8300)	3,769.0	GJ x (\$0.070)	(263.8300)	\$0.000	0.0000	0.00%
14	Storage and Transport Related Charges Subtotal			\$4,198.67			\$4,198.67		\$0.00	0.00%
15	Cost of Gas (Commodity Cost Recovery Charge) per GJ	3,769.0	GJ x 90% x \$3.781	\$12,825.5300	3,769.0	GJ x 90% x \$3.781	\$12,825.5300	\$0.000	0.00	0.00%
16	Cost of Biomethane	3,769.0	GJ x 10% x \$14.065	5,301.1000	3,769.0	GJ x 10% x \$14.414	5,432.6400	\$0.349	131.54	0.40%
17	Subtotal Commodity Related Charges			\$22,325.30			\$22,456.84		\$131.54	0.40%
18										
19	Total (with effective \$/GJ rate)	<u>3,769.0</u>	<u>\$8.824</u>	<u>\$33,258.88</u>	<u>3,769.0</u>	<u>\$8.859</u>	<u>\$33,390.42</u>	<u>\$0.035</u>	<u>\$131.54</u>	<u>0.40%</u>
20										

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER**

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DRAFT ORDER

IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by FortisBC Energy Inc.
regarding its 2014 Fourth Quarter Report on the Biomethane Variance Account
and Biomethane Energy Recovery Charge (BERC) Rate effective January 1, 2015
for the Mainland Service Area

BEFORE:

[November xx, 2014]

WHEREAS:

- A. By Order G-40-14 and Reasons for Decision (Decision) dated March 13, 2014, the British Columbia Utilities Commission (Commission) approved an increase in the BERC rate to a rate of \$14.065/gigajoule (GJ), effective April 1, 2014;
- B. On October 22, 2014, FortisBC Energy Inc. (FEI) filed its 2014 Fourth Quarter Report on the BVA (the Report);
- C. The Report forecast a BVA balance, based on the existing rates and after adjustment for the value of unsold biomethane volumes at December 31, 2014, of approximately \$97 thousand deficit after tax, and a balance at December 31, 2015, of approximately \$85 thousand deficit after tax;
- D. FEI requests that the biomethane project cost information in Tab 1, Pages 4.1 to 4.3, of the Report, be held confidential on the basis that it contains market sensitive information;
- E. FEI requests approval to increase the BERC rate by \$0.349/GJ, from \$14.065/GJ to \$14.414/GJ, for Rate Schedules 1B, 2B, 3B, 5B and 11B within the Mainland Service Area effective January 1, 2015;
- F. The Commission has reviewed the material filed and determined that the requested rate changes as outlined in the Report should be approved.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER**

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NOW THEREFORE pursuant to Section 61(4) of the Utilities Commission Act, the Commission orders as follows:

1. The Commission approves the Biomethane Energy Recovery Charge, effective January 1, 2015, be increased to a rate of \$14.414/GJ for Rate Schedules 1B, 2B, 3B, 5B and 11B within the Mainland Service Area, as set out in the 2014 Fourth Quarter Report on the BVA.
2. FEI must notify all affected of the rate changes by way of a bill insert or bill message to be submitted to the Commission prior to its release with the next monthly gas billing.
3. The Commission will hold the biomethane project cost information in Tab 1, Pages 4.1 to 4.3, of the 2014 Fourth Quarter Report on the BVA confidential as requested by FEI to protect commercially sensitive information.

DATED at the City of Vancouver, In the Province of British Columbia, this day of November, 2014.

BY ORDER