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February 13, 2015

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)

2015 First Quarter Report on the Biomethane Variance Account (BVA) and Biomethane Energy Recovery Charge (BERC) (the 2015 First Quarter BVA Report)

Pursuant to British Columbia Utilities Commission (the Commission) Order G-210-13 and the accompanying Decision dated December 11, 2013, 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), the attached materials provide the 2015 First Quarter BVA Report. By Order G-177-14 dated November 14, 2014, the Commission approved an increase in the BERC rate to a rate of \$14.414/gigajoule (GJ), effective January 1, 2015.

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 \$1,425 thousand deficit after tax at December 31, 2015 (Tab 1, Page 2, Column 14, Line 21).

Further, the BVA balance at December 31, 2015 and December 31, 2016, based on the existing BERC rate and after adjustment for the value of the unsold biomethane quantities is forecast to be approximately \$15 thousand deficit after tax (Tab 1, Page 2, Column 14, Line 24) and \$14 thousand surplus after tax (Tab 1, Page 2, Column 14, Line 37), 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. 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 4.4 provide a breakdown of the monthly actual and forecast biomethane supply costs by project.

At Tab 1, Page 5 the Company provides a re-calculation of the BERC rate, based on an April 1, 2015 effective date. Based on the BVA cost and recovery assumptions for the 12-month period ending March 31, 2016, and the projected March 31, 2015 unsold biomethane quantity, the tested rate increase is calculated to be \$0.098/GJ (Tab 1, Page 5, Column 3, Line 25), indicating that no change to the BERC rate is required at this time.

The schedule at Tab 1, Page 6 provides the monthly biomethane inventory change since January 2014, as well as the age of biomethane inventory sold each month as determined on a first in, first out basis.

As noted in the 2014 Fourth Quarter BVA Report, on October 3, 2014 the Company 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 2012 Biomethane Application costs to the BVA¹, and following a determination on this issue, if necessary, FEI would include these Application costs in the relevant BVA Quarterly Report. On February 10, 2015, Order G-15-15 and Reasons for Decision were issued by the Commission which directs that the costs for the 2012 Biomethane Application, and the Reconsideration of Order G-29-13 Regarding Supply Risk process, are to be recovered from all non-bypass customers. Further, the costs for the following Biomethane related processes must be recovered through the Biomethane Variance Account:

- a) Inquiry into Biogas Supplier Exemption;
- b) Biomethane Third Party Suppliers Regulatory Process;
- c) Section 71 Purchase Agreement with Greater Vancouver Sewerage and Drainage District; and
- d) Submissions on the Certificate of Public Convenience and Necessity Threshold for Biomethane Facilities.

In addition, Order G-15-15 provides FEI with 60 days from the date of the Order on which to file a breakdown of the application costs by the various Biomethane related processes noted above. Thus, although a Decision has been reached, FEI has continued to exclude the costs in the calculation of the BERC rate for the 2015 First Quarter BVA Report. Once the breakdown of the costs is endorsed by the Commission, FEI will include the appropriate costs in the calculation of the BERC rate, which is expected to be the 2015 Second Quarter BVA Report.

In addition, FEI expects to incur development and application costs associated with the City of Vancouver Landfill Project, and the associated application for a Certificate of Public

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

Convenience and Necessity (CPCN) for the project, within 2015. FEI will record these development costs in the BVA and will request approval for the disposition of these costs as part of the CPCN filing. In accordance, and until such time a decision on the matter is reached, FEI will track these costs separately and exclude them from the BERC rate calculation. Please note that the BVA forecast included in Tab 1 does not include a forecast of these costs.

Finally, pursuant to Commission Order G-177-14, FEI intends to file a proposed rate methodology for the BERC on or before June 30, 2015. Ahead of that date, FEI intends to work with Commission staff in order to gain input for that proposal.

The Company requests the information contained in Tab 1 at Pages 4.1 to 4.4 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.

FEI will continue to monitor the BVA balances and will submit its 2015 Second Quarter Report on the BVA no later than May 15, 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: Ilva Bevacqua

For: Diane Roy

Attachments

FORTISBC ENERGY INC.
SUMMARY OF BIOMETHANE VARIANCE ACCOUNT (BVA) QUANTITIES
ACTUAL AND FORECAST ACTIVITY ENDING DECEMBER 31, 2017
(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⁾	Adjusted ⁽³⁾	Recorded	Recorded	Recorded	Recorded	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	97.6	89.0	99.0
4	Purchases	5.8	7.7	8.7	9.7	10.1	8.3	8.7	9.2	9.8	9.2	8.0	8.7	104.0
5	Sales	(12.0)	(13.3)	(11.1)	(7.6)	(5.1)	(4.4)	(4.0)	(9.8)	(10.3)	(11.3)	(16.6)	(17.8)	(123.1)
6	Biomethane Available for Sale - Ending	92.8	87.2	84.9	87.0	92.0	96.0	100.7	100.1	99.7	97.6	89.0	79.9	79.9
7														
8														
9		Recorded	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	79.9	70.4	65.1	61.6	66.0	73.3	82.9	93.6	105.8	116.2	124.5	129.3	79.9
12	Purchases	7.8	10.9	12.7	18.3	19.6	20.3	20.6	20.6	20.3	20.6	20.3	20.6	212.4
13	Sales	(17.3)	(16.2)	(16.2)	(13.8)	(12.3)	(10.7)	(9.9)	(8.3)	(9.9)	(12.3)	(15.4)	(17.8)	(160.2)
14	Biomethane Available for Sale - Ending	70.4	65.1	61.6	66.0	73.3	82.9	93.6	105.8	116.2	124.5	129.3	132.1	132.1
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	132.1	135.0	140.2	147.0	157.1	170.2	185.8	202.5	221.0	237.4	254.0	266.9	132.1
20	Purchases	21.3	22.7	24.3	25.0	26.3	27.0	27.3	27.3	27.0	29.8	29.5	29.8	317.2
21	Sales	(18.4)	(17.5)	(17.5)	(14.9)	(13.2)	(11.4)	(10.6)	(8.8)	(10.6)	(13.2)	(16.6)	(19.3)	(171.9)
22	Biomethane Available for Sale - Ending	135.0	140.2	147.0	157.1	170.2	185.8	202.5	221.0	237.4	254.0	266.9	277.4	277.4
23														
24														
25		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
26		Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017
27	Biomethane Available for Sale - Beginning	277.4	277.3	277.2	278.0	281.4	286.8	293.8	302.0	312.1	320.1	325.5	327.0	277.4
28	Purchases	30.8	29.9	30.8	30.5	30.8	30.5	30.8	30.8	30.5	30.8	30.5	30.8	367.2
29	Sales	(30.9)	(30.0)	(30.0)	(27.2)	(25.3)	(23.5)	(22.5)	(20.7)	(22.5)	(25.3)	(29.0)	(31.8)	(318.7)
30	Biomethane Available for Sale - Ending	277.3	277.2	278.0	281.4	286.8	293.8	302.0	312.1	320.1	325.5	327.0	325.9	325.9

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 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.
SUMMARY OF BVA BALANCES AT EXISTING BIOMETHANE ENERGY RECOVERY CHARGE (BERC)
ACTUAL AND FORECAST ACTIVITY ENDING DECEMBER 31, 2017
(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	Recorded	Recorded	Recorded	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	\$ 1,279	\$ 1,400	\$ 1,492	\$ 1,588	\$ 1,582	\$ 1,601	\$ 1,583	\$ 1,476	\$ 1,300
4	Costs Incurred	\$ 95	\$ 119	\$ 144	\$ 151	\$ 193	\$ 154	\$ 153	\$ 131	\$ 164	\$ 141	\$ 126	\$ 135	\$ 1,706
5	Revenue from Existing BERC Rate	\$ (140)	\$ (155)	\$ (129)	\$ (107)	\$ (71)	\$ (62)	\$ (56)	\$ (138)	\$ (144)	\$ (159)	\$ (233)	\$ (250)	\$ (1,645)
6	BVA Balance - Ending (Pre-tax)	\$ 1,256	\$ 1,219	\$ 1,234	\$ 1,279	\$ 1,400	\$ 1,492	\$ 1,588	\$ 1,582	\$ 1,601	\$ 1,583	\$ 1,476	\$ 1,361	\$ 1,361
7														
8	BVA Balance - Ending (After Tax)	\$ 929	\$ 902	\$ 913	\$ 946	\$ 1,036	\$ 1,104	\$ 1,175	\$ 1,171	\$ 1,185	\$ 1,171	\$ 1,092	\$ 1,007	\$ 1,007
9														
10	Adjustment for Value of Unsold Biomethane at Existing BERC Rate (After Tax) ⁽²⁾													\$ (832)
11	Adjusted BVA Balance - Ending (After Tax)													<u>\$ 176</u>
12														
13														
14		Recorded	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⁾	\$ 1,361	\$ 1,244	\$ 1,188	\$ 1,156	\$ 1,199	\$ 1,279	\$ 1,387	\$ 1,511	\$ 1,658	\$ 1,778	\$ 1,868	\$ 1,912	\$ 1,361
17	Costs Incurred	\$ 133	\$ 178	\$ 202	\$ 242	\$ 257	\$ 263	\$ 267	\$ 263	\$ 267	\$ 267	\$ 266	\$ 270	\$ 2,874
18	Revenue from Existing BERC Rate	\$ (250)	\$ (234)	\$ (234)	\$ (200)	\$ (177)	\$ (154)	\$ (143)	\$ (120)	\$ (143)	\$ (177)	\$ (222)	\$ (256)	\$ (2,310)
19	BVA Balance - Ending (Pre-tax)	\$ 1,244	\$ 1,188	\$ 1,156	\$ 1,199	\$ 1,279	\$ 1,387	\$ 1,511	\$ 1,658	\$ 1,778	\$ 1,868	\$ 1,912	\$ 1,925	\$ 1,925
20														
21	BVA Balance - Ending (After Tax)	\$ 921	\$ 879	\$ 855	\$ 887	\$ 946	\$ 1,027	\$ 1,118	\$ 1,227	\$ 1,316	\$ 1,383	\$ 1,415	\$ 1,425	\$ 1,425
22														
23	Adjustment for Value of Unsold Biomethane at Existing BERC Rate (After Tax) ⁽²⁾			\$ (657)										\$ (1,409)
24	Adjusted BVA Balance - Ending (After Tax)			<u>\$ 199</u>										<u>\$ 15</u>
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⁾	\$ 1,925	\$ 1,973	\$ 2,050	\$ 2,149	\$ 2,295	\$ 2,481	\$ 2,698	\$ 2,933	\$ 3,193	\$ 3,423	\$ 3,654	\$ 3,833	\$ 1,925
30	Costs Incurred	\$ 312	\$ 330	\$ 351	\$ 360	\$ 376	\$ 383	\$ 387	\$ 387	\$ 383	\$ 420	\$ 419	\$ 424	\$ 4,532
31	Revenue from Existing BERC Rate	\$ (265)	\$ (253)	\$ (253)	\$ (215)	\$ (190)	\$ (165)	\$ (152)	\$ (127)	\$ (152)	\$ (190)	\$ (240)	\$ (278)	\$ (2,478)
32	BVA Balance - Ending (Pre-tax)	\$ 1,973	\$ 2,050	\$ 2,149	\$ 2,295	\$ 2,481	\$ 2,698	\$ 2,933	\$ 3,193	\$ 3,423	\$ 3,654	\$ 3,833	\$ 3,979	\$ 3,979
33														
34	BVA Balance - Ending (After Tax)	\$ 1,460	\$ 1,517	\$ 1,590	\$ 1,698	\$ 1,836	\$ 1,997	\$ 2,170	\$ 2,363	\$ 2,533	\$ 2,704	\$ 2,837	\$ 2,945	\$ 2,945
35														
36	Adjustment for Value of Unsold Biomethane at Existing BERC Rate (After Tax) ⁽²⁾			\$ (1,568)										\$ (2,959)
37	Adjusted BVA Balance - Ending (After Tax)			<u>\$ 23</u>										<u>\$ (14)</u>
38														
39														
40		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
41		Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017
42	BVA Balance - Beginning (Pre-tax) ⁽¹⁾	\$ 3,979	\$ 4,004	\$ 4,029	\$ 4,067	\$ 4,141	\$ 4,246	\$ 4,373	\$ 4,518	\$ 4,690	\$ 4,830	\$ 4,935	\$ 4,986	\$ 3,979
43	Costs Incurred	\$ 470	\$ 457	\$ 470	\$ 465	\$ 470	\$ 465	\$ 470	\$ 470	\$ 465	\$ 470	\$ 469	\$ 474	\$ 5,615
44	Revenue from Existing BERC Rate	\$ (445)	\$ (432)	\$ (432)	\$ (392)	\$ (365)	\$ (338)	\$ (325)	\$ (298)	\$ (325)	\$ (365)	\$ (418)	\$ (459)	\$ (4,593)
45	BVA Balance - Ending (Pre-tax)	\$ 4,004	\$ 4,029	\$ 4,067	\$ 4,141	\$ 4,246	\$ 4,373	\$ 4,518	\$ 4,690	\$ 4,830	\$ 4,935	\$ 4,986	\$ 5,001	\$ 5,001
46														
47	BVA Balance - Ending (After Tax)	\$ 2,963	\$ 2,981	\$ 3,009	\$ 3,064	\$ 3,142	\$ 3,236	\$ 3,343	\$ 3,470	\$ 3,574	\$ 3,652	\$ 3,690	\$ 3,701	\$ 3,701
48														
49	Adjustment for Value of Unsold Biomethane at Existing BERC Rate (After Tax) ⁽²⁾													\$ (3,476)
50	Adjusted BVA Balance - Ending (After Tax)													<u>\$ 224</u>

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 BERC Rate; the result is then adjusted to reflect value on net of tax basis (at 26% for 2014-2017).

(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.
COST RECOVERY BY RATE CLASS FOR BIOMETHANE
ACTUAL AND FORECAST ACTIVITY ENDING DECEMBER 31, 2017

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	Recorded Oct-14	Recorded Nov-14	Recorded 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	2,960	7,285	8,496	53,061
3	Commercial	677	1,431	1,641	931	633	435	380	267	418	533	1,205	1,465	10,016
4	On/Off System & Other	3,733	3,567	3,214	2,536	2,242	2,337	2,243	8,193	8,211	7,819	8,102	7,790	59,987
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>11,312</u>	<u>16,592</u>	<u>17,751</u>	<u>123,064</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	
8														
9	Cost Recovered													
10	Residential	\$ 88,587	\$ 96,578	\$ 72,633	\$ 57,786	\$ 31,058	\$ 22,631	\$ 19,518	\$ 18,812	\$ 22,912	\$ 41,948	\$ 102,474	\$ 119,502	\$ 694,440
11	Commercial	7,411	16,732	19,186	13,096	8,904	6,114	5,377	3,747	5,869	7,495	16,948	20,600	131,480
12	On/Off System & Other	43,665	41,720	37,591	35,669	31,534	32,870	31,541	115,233	115,481	109,970	113,953	109,568	818,793
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>\$ 159,414</u>	<u>\$ 233,376</u>	<u>\$ 249,669</u>	<u>\$ 1,644,713</u>
14														
15		Recorded	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	\$ 8,346	7,927	7,927	5,945	4,624	3,303	2,642	1,321	2,642	4,624	7,267	9,248	65,816
18	Commercial	1,301	680	680	510	397	283	227	113	227	397	623	794	6,232
19	On/Off System & Other	7,646	7,595	7,595	7,391	7,255	7,118	7,050	6,914	7,050	7,255	7,527	7,732	88,128
20	Total Sales	<u>17,293</u>	<u>16,202</u>	<u>16,202</u>	<u>13,846</u>	<u>12,276</u>	<u>10,704</u>	<u>9,919</u>	<u>8,348</u>	<u>9,919</u>	<u>12,276</u>	<u>15,417</u>	<u>17,774</u>	<u>160,176</u>
21														
22	Effective Rate	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	
23														
24	Cost Recovered													
25	Residential	\$ 120,319	\$ 114,260	\$ 114,260	\$ 85,691	\$ 66,650	\$ 47,609	\$ 38,082	\$ 19,041	\$ 38,082	\$ 66,650	\$ 104,747	\$ 133,301	\$ 948,692
26	Commercial	18,761	9,802	9,802	7,351	5,722	4,079	3,272	1,629	3,272	5,722	8,980	11,445	89,837
27	On/Off System & Other	111,339	109,474	109,474	106,534	104,574	102,599	101,619	99,658	101,619	104,574	108,494	111,449	1,271,407
28	Total Recovered	<u>\$ 250,420</u>	<u>\$ 233,536</u>	<u>\$ 233,536</u>	<u>\$ 199,576</u>	<u>\$ 176,946</u>	<u>\$ 154,287</u>	<u>\$ 142,972</u>	<u>\$ 120,328</u>	<u>\$ 142,972</u>	<u>\$ 176,946</u>	<u>\$ 222,221</u>	<u>\$ 256,194</u>	<u>\$ 2,309,935</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	9,584	8,846	8,846	6,635	5,160	3,686	2,949	1,474	2,949	5,160	8,109	10,321	73,719
33	Commercial	816	754	754	565	440	314	251	126	251	440	691	879	6,281
34	On/Off System & Other	7,988	7,918	7,918	7,708	7,567	7,427	7,357	7,216	7,357	7,567	7,848	8,059	91,930
35	Total Sales	<u>18,388</u>	<u>17,518</u>	<u>17,518</u>	<u>14,908</u>	<u>13,167</u>	<u>11,427</u>	<u>10,557</u>	<u>8,816</u>	<u>10,557</u>	<u>13,167</u>	<u>16,648</u>	<u>19,259</u>	<u>171,930</u>
36														
37	Effective Rate	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	
38														
39	Cost Recovered													
40	Residential	\$ 138,144	\$ 127,506	\$ 127,506	\$ 95,637	\$ 74,376	\$ 53,130	\$ 42,507	\$ 21,246	\$ 42,507	\$ 74,376	\$ 116,883	\$ 148,767	\$ 1,062,586
41	Commercial	11,762	10,868	10,868	8,144	6,342	4,526	3,618	1,816	3,618	6,342	9,960	12,670	90,534
42	On/Off System & Other	115,139	114,130	114,130	111,103	109,071	107,053	106,044	104,011	106,044	109,071	113,121	116,162	1,325,079
43	Total Recovered	<u>\$ 265,045</u>	<u>\$ 252,504</u>	<u>\$ 252,504</u>	<u>\$ 214,884</u>	<u>\$ 189,789</u>	<u>\$ 164,709</u>	<u>\$ 152,169</u>	<u>\$ 127,074</u>	<u>\$ 152,169</u>	<u>\$ 189,789</u>	<u>\$ 239,964</u>	<u>\$ 277,599</u>	<u>\$ 2,478,199</u>
44														
45		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
46	Sales (GJ)	<u>Jan 17</u>	<u>Feb 17</u>	<u>Mar 17</u>	<u>Apr 17</u>	<u>May 17</u>	<u>Jun 17</u>	<u>Jul 17</u>	<u>Aug 17</u>	<u>Sep 17</u>	<u>Oct 17</u>	<u>Nov 17</u>	<u>Dec 17</u>	2017
47	Residential	10,267	9,477	9,477	7,108	5,528	3,949	3,159	1,580	3,159	5,528	8,687	11,057	78,976
48	Commercial	854	787	787	591	459	328	262	131	262	459	722	919	6,561
49	On/Off System & Other	19,765	19,693	19,693	19,476	19,331	19,186	19,114	18,969	19,114	19,331	19,620	19,837	233,129
50	Total Sales	<u>30,886</u>	<u>29,957</u>	<u>29,957</u>	<u>27,175</u>	<u>25,318</u>	<u>23,463</u>	<u>22,535</u>	<u>20,680</u>	<u>22,535</u>	<u>25,318</u>	<u>29,029</u>	<u>31,813</u>	<u>318,666</u>
51														
52	Effective Rate	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	
53														
54	Cost Recovered													
55	Residential	\$ 147,989	\$ 136,601	\$ 136,601	\$ 102,455	\$ 79,681	\$ 56,921	\$ 45,534	\$ 22,774	\$ 45,534	\$ 79,681	\$ 125,214	\$ 159,376	\$ 1,138,360
56	Commercial	12,310	11,344	11,344	8,519	6,616	4,728	3,776	1,888	3,776	6,616	10,407	13,246	94,570
57	On/Off System & Other	284,893	283,855	283,855	280,727	278,637	276,547	275,509	273,419	275,509	278,637	282,803	285,931	3,360,321
58	Total Recovered	<u>\$ 445,191</u>	<u>\$ 431,800</u>	<u>\$ 431,800</u>	<u>\$ 391,700</u>	<u>\$ 364,934</u>	<u>\$ 338,196</u>	<u>\$ 324,819</u>	<u>\$ 298,082</u>	<u>\$ 324,819</u>	<u>\$ 364,934</u>	<u>\$ 418,424</u>	<u>\$ 458,553</u>	<u>\$ 4,593,252</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.

FORTISBC ENERGY INC.
BVA AND BERG REVIEW
FOR THE FORECAST 12-MONTH PERIOD ENDING MARCH 31, 2016
(Amounts shown pre-tax unless otherwise indicated)

Line No.	Particulars (1)	\$000 (2)	TJ (3)	Notes (4)	
1	Forecast BVA Balance - Deficit at March 31, 2015				
2	Cost (Tab 1, Page 2, Column 4, Row 19)	\$ 1,156.0			
3	Quantity (Tab 1, Page 1, Column 4, Row 14)		61.6	Unsold Quantity	
4					
5	Forecast Costs Incurred in the 12-Month Period				
6	Cost (Tab 1, Page 2 - April 2015 - March 2016 Costs Incurred)	\$ 3,355.6			
7	Quantity (Tab 1, Page 1 - April 2015 - March 2016 Purchases)		249.3	Purchase Quantity	
8					
9	Biomethane Available for Sale in the 12-Month Period				
10	Total Cost to be Recovered	\$ 4,511.6			
11	Total Quantity		310.9		
12					
13					
14					
15	Calculation of Tested BERG Effective April 1, 2015				
16					
17					
18	Tested BERG	$= \frac{\text{Cost of Biomethane Available for Sale in the 12-Month Period}}{\text{Quantity of Biomethane Available for Sale in the 12-Month Period}} = \frac{\$ 4,511.6}{310.9} = \$ 14.512$			per Gigajoule
19					
20					
21					
22	Existing BERG (effective January 1, 2015)		\$ 14.414	per Gigajoule	
23					
24					
25	Tested Rate Increase (Decrease)		\$ 0.098	per Gigajoule	

FORTISBC ENERGY INC.
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-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
Oct-14	99.70	9.18	(11.31)	97.58	289.34	(191.76)	11
Nov-14	97.58	8.01	(16.59)	89.00	297.35	(208.35)	9
Dec-14	89.00	8.67	(17.75)	79.91	306.02	(226.10)	8
Jan-15	79.91	7.81	(17.29)	70.43	313.83	(243.40)	8

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



LETTER NO. L-XX-15

SIXTH FLOOR, 900 HOWE STREET, BOX 250
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ERICA M. HAMILTON
COMMISSION SECRETARY
Commission.Secretary@bcuc.com
web site: <http://www.bcuc.com>

DRAFT ORDER

VIA E-MAIL

February XX, 2015

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)
2015 First Quarter Report

Further to your February 13, 2015 filing of the 2015 First Quarter Report for the BVA (the Report). The Commission acknowledges receipt of the Report and accepts the recommendation that BERC rates remain unchanged at April 1, 2015.

The Commission will hold confidential the information in Tab 1, Page 4.1 to Page 4.4 of the Report.

Yours truly,

Erica M. Hamilton
Commission Secretary