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August 14, 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 Third Quarter Report on the Biomethane Variance Account (BVA) and Biomethane Energy Recovery Charge (BERC) (the 2015 Third 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 Third 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. As well, the Commission accepted on an interim basis, pending a review of FEI's BERC rate methodology proposal in 2015, the BERC rate change guidelines FEI proposed in its 2014 Fourth Quarter Report on the BVA and BERC (the Interim Guidelines).

Based on the biomethane gas supply cost assumptions (i.e. project in-service date, cost of service, and production volumes, etc.¹) and the forecast biomethane recoveries at the

¹ Consistent with previous quarterly reports, the City of Vancouver development costs of \$163K (after tax, as of June 30, 2015) were excluded from this calculation.

present BERC rate, the BVA balance before accounting for the value of the unsold biomethane quantities is projected to be approximately \$1,212 thousand deficit after tax at December 31, 2015 (Tab 1, Page 2, Column 14, Line 8). Please note that the cost of service figures for the Salmon Arm and Kelowna projects have been updated to align with the forecast that will be reflected in the forthcoming BERC Rate Methodology Application and as such represents a change from the cost of service forecast provided in the 2015 Second Quarter Report on the BVA and BERC filed on May 14, 2015.

Further, the BVA balances 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 are forecast to be approximately \$60 thousand deficit after tax (Tab 1, Page 2, Column 14, Line 11) and \$191 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. 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 4.1C to 4.3C 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 October 1, 2015 effective date. Based on the BVA cost and recovery assumptions for the 12-month period ending September 30, 2016, and the projected September 30, 2015 unsold biomethane quantity, the tested rate increase is calculated to be \$0.626/GJ (Tab 1, Page 5, Column 3, Line 25), indicating that no change to the BERC rate is required at this time as per the Interim Guidelines². FEI recommends the BERC rate remain unchanged at October 1, 2015.

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.

The Company requests the information contained in Tab 1 at Pages 4.1C, 4.2C, and 4.3C 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

² The guidelines and criteria for BERC rate changes comprised the following:

- (i) Annual resetting of the BERC rate on an annual basis effective January 1st of a given year;
- (ii) 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.

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 accordance with Commission Letter L-26-15, FEI will be filing the BERC Rate Methodology Application on August 28th, which will include among other items, a review of the appropriate timing and volume triggers for the recovery of unsold biomethane through the Midstream Cost Reconciliation Account. Further, FEI will continue to monitor the BVA balances and will submit its 2015 Fourth Quarter Report on the BVA no later than November 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:

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	Recorded	Recorded	Recorded	Recorded	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
2		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
3	Biomethane Available for Sale - Beginning	79.9	70.4	63.9	63.3	63.5	67.2	75.6	75.9	85.7	95.0	102.3	106.2	79.9
4	Purchases	7.8	8.3	13.3	12.8	12.9	12.0	15.7	18.1	19.3	19.6	19.3	19.6	178.7
5	Sales	(17.3)	(14.8)	(13.9)	(12.7)	(9.2)	(3.6)	(15.4)	(8.3)	(9.9)	(12.3)	(15.4)	(17.8)	(150.6)
6	Biomethane Available for Sale - Ending	70.4	63.9	63.3	63.5	67.2	75.6	75.9	85.7	95.0	102.3	106.2	108.0	108.0
7														
8														
9		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
10		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
11	Biomethane Available for Sale - Beginning	108.0	110.5	115.2	121.6	131.2	143.9	159.1	175.4	193.4	209.4	225.6	238.0	108.0
12	Purchases	20.9	22.3	23.9	24.6	25.9	26.6	26.9	26.9	26.6	29.4	29.1	29.4	312.1
13	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)
14	Biomethane Available for Sale - Ending	110.5	115.2	121.6	131.2	143.9	159.1	175.4	193.4	209.4	225.6	238.0	248.1	248.1
15														
16														
17		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
18		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
19	Biomethane Available for Sale - Beginning	248.1	248.5	248.9	250.2	254.0	259.9	267.4	276.1	286.6	295.1	301.0	302.9	248.1
20	Purchases	31.2	30.4	31.2	31.0	31.2	31.0	31.2	31.2	31.0	31.2	31.0	31.2	372.8
21	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)
22	Biomethane Available for Sale - Ending	248.5	248.9	250.2	254.0	259.9	267.4	276.1	286.6	295.1	301.0	302.9	302.3	302.3

Notes: (1) June sales were understated by 5.5 TJ, the correction was booked in July.

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		Restated ⁽¹⁾	Adjusted ⁽²⁾	Adjusted ⁽²⁾	Adjusted ⁽²⁾	Adjusted ⁽²⁾	Adjusted ⁽²⁾⁽³⁾	Forecast ⁽³⁾	Forecast	Forecast	Forecast	Forecast	Forecast	Total
2		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
3	BVA Balance - Beginning (Pre-tax)	\$ 1,390	\$ 1,272	\$ 1,193	\$ 1,269	\$ 1,299	\$ 1,500	\$ 1,729	\$ 1,658	\$ 1,713	\$ 1,766	\$ 1,765	\$ 1,716	\$ 1,390
4	Costs Incurred	\$ 133	\$ 132	\$ 277	\$ 212	\$ 334	\$ 281	\$ 151	\$ 176	\$ 196	\$ 175	\$ 174	\$ 178	\$ 2,418
5	Revenue from Existing BERC Rate	\$ (250)	\$ (212)	\$ (200)	\$ (183)	\$ (133)	\$ (52)	\$ (222)	\$ (120)	\$ (143)	\$ (177)	\$ (222)	\$ (256)	\$(2,171)
6	BVA Balance - Ending (Pre-tax)	\$ 1,272	\$ 1,193	\$ 1,269	\$ 1,299	\$ 1,500	\$ 1,729	\$ 1,658	\$ 1,713	\$ 1,766	\$ 1,765	\$ 1,716	\$ 1,637	\$ 1,637
7														
8	BVA Balance - Ending (After Tax)	\$ 942	\$ 883	\$ 939	\$ 961	\$ 1,110	\$ 1,280	\$ 1,227	\$ 1,268	\$ 1,307	\$ 1,306	\$ 1,270	\$ 1,212	\$ 1,212
9														
10	Adjustment for Value of Unsold Biomethane at Existing BERC Rate (After Tax) ⁽⁴⁾									\$ (1,014)				\$(1,152)
11	Adjusted BVA Balance - Ending (After Tax)									<u>\$ 293</u>				<u>\$ 60</u>
12														
13														
14		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
15		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
16	BVA Balance - Beginning (Pre-tax)	\$ 1,637	\$ 1,692	\$ 1,778	\$ 1,910	\$ 2,063	\$ 2,257	\$ 2,482	\$ 2,725	\$ 2,992	\$ 3,255	\$ 3,494	\$ 3,681	\$ 3,637
17	Costs Incurred	\$ 320	\$ 338	\$ 384	\$ 368	\$ 384	\$ 390	\$ 395	\$ 395	\$ 415	\$ 428	\$ 427	\$ 431	\$ 4,676
18	Revenue from Existing BERC Rate	\$ (265)	\$ (253)	\$ (253)	\$ (215)	\$ (190)	\$ (165)	\$ (152)	\$ (127)	\$ (152)	\$ (190)	\$ (240)	\$ (278)	\$(2,478)
19	BVA Balance - Ending (Pre-tax)	\$ 1,692	\$ 1,778	\$ 1,910	\$ 2,063	\$ 2,257	\$ 2,482	\$ 2,725	\$ 2,992	\$ 3,255	\$ 3,494	\$ 3,681	\$ 3,835	\$ 3,835
20														
21	BVA Balance - Ending (After Tax)	\$ 1,252	\$ 1,316	\$ 1,413	\$ 1,526	\$ 1,670	\$ 1,837	\$ 2,016	\$ 2,214	\$ 2,409	\$ 2,585	\$ 2,724	\$ 2,838	\$ 2,838
22														
23	Adjustment for Value of Unsold Biomethane at Existing BERC Rate (After Tax) ⁽⁴⁾									\$ (2,234)				\$(2,647)
24	Adjusted BVA Balance - Ending (After Tax)									<u>\$ 175</u>				<u>\$ 191</u>
25														
26														
27		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
28		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
29	BVA Balance - Beginning (Pre-tax)	\$ 3,835	\$ 3,861	\$ 3,887	\$ 3,952	\$ 4,027	\$ 4,134	\$ 4,263	\$ 4,409	\$ 4,583	\$ 4,750	\$ 4,856	\$ 4,909	\$ 3,835
30	Costs Incurred	\$ 471	\$ 458	\$ 496	\$ 467	\$ 471	\$ 467	\$ 471	\$ 471	\$ 492	\$ 471	\$ 471	\$ 475	\$ 5,684
31	Revenue from Existing BERC Rate	\$ (445)	\$ (432)	\$ (432)	\$ (392)	\$ (365)	\$ (338)	\$ (325)	\$ (298)	\$ (325)	\$ (365)	\$ (418)	\$ (459)	\$(4,593)
32	BVA Balance - Ending (Pre-tax)	\$ 3,861	\$ 3,887	\$ 3,952	\$ 4,027	\$ 4,134	\$ 4,263	\$ 4,409	\$ 4,583	\$ 4,750	\$ 4,856	\$ 4,909	\$ 4,926	\$ 4,926
33														
34	BVA Balance - Ending (After Tax)	\$ 2,857	\$ 2,877	\$ 2,924	\$ 2,980	\$ 3,059	\$ 3,154	\$ 3,263	\$ 3,391	\$ 3,515	\$ 3,594	\$ 3,633	\$ 3,645	\$ 3,645
35														
36	Adjustment for Value of Unsold Biomethane at Existing BERC Rate (After Tax) ⁽⁴⁾													\$(3,225)
37	Adjusted BVA Balance - Ending (After Tax)													<u>\$ 420</u>

Notes: (1) January 1, 2015 opening deferral balance was restated to reverse an adjustment error identified in the Response to the BCUC IR No. 1 on the 2015 Second Quarter Report on the BVA and BERC filed on June 5, 2015 (Attachment 2.1).

(2) The monthly costs for January - March were incorrectly recorded and an adjusting entry booked in April to correct the costs on a year to date basis. The adjusted monthly costs are used for the purpose of this quarterly report

(3) June sales were understated by 5.5 TJ, the correction was booked in July.

(4) Adjustment calculated based on quantity of Biomethane Available For Sale (Tab 1, Page 1) at the effective BERC Rate.

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 15	Recorded Feb 15	Recorded Mar 15	Recorded Apr 15	Recorded May 15	Recorded Jun 15	Forecast Jul 15	Forecast Aug 15	Forecast Sep 15	Forecast Oct 15	Forecast Nov 15	Forecast Dec 15	Total 2015
1	Sales (GJ)													
2	Residential	8,346	6,089	5,265	4,442	2,122	1,582	2,642	1,321	2,642	4,624	7,267	9,248	55,590
3	Commercial	1,301	1,776	1,115	875	436	476	227	113	227	397	623	794	8,360
4	On/Off System & Other	7,646	6,932	7,501	7,361	6,677	1,519	12,550	6,914	7,050	7,255	7,527	7,732	86,664
5	Total Sales	<u>17,293</u>	<u>14,797</u>	<u>13,881</u>	<u>12,678</u>	<u>9,235</u>	<u>3,577</u>	<u>15,419</u>	<u>8,348</u>	<u>9,919</u>	<u>12,276</u>	<u>15,417</u>	<u>17,774</u>	<u>150,614</u>
6														
7	Effective Rate ⁽¹⁾	\$ 14.481	\$ 14.336	\$ 14.415	\$ 14.414	\$ 14.411	\$ 14.405	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	\$ 14.414	
8														
9	Cost Recovered													
10	Residential	\$ 120,319	\$ 87,773	\$ 75,880	\$ 64,022	\$ 30,565	\$ 22,794	\$ 38,082	\$ 19,041	\$ 38,082	\$ 66,650	\$104,747	\$133,301	\$ 801,255
11	Commercial	18,761	25,587	16,100	12,606	6,290	6,857	3,272	1,629	3,272	5,722	8,980	11,445	120,522
12	On/Off System & Other	111,339	98,767	108,117	106,106	96,235	21,876	180,896	99,658	101,619	104,574	108,494	111,449	1,249,129
13	Total Recovered	<u>\$ 250,420</u>	<u>\$ 212,128</u>	<u>\$ 200,097</u>	<u>\$ 182,734</u>	<u>\$133,090</u>	<u>\$ 51,526</u>	<u>\$222,249</u>	<u>\$120,328</u>	<u>\$142,972</u>	<u>\$176,946</u>	<u>\$222,221</u>	<u>\$256,194</u>	<u>\$2,170,907</u>
14														
15														
16														
17		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
18	Sales (GJ)													
19	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
20	Commercial	816	754	754	565	440	314	251	126	251	440	691	879	6,281
21	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
22	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>
23														
24	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	
25														
26	Cost Recovered													
27	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
28	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
29	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
30	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>
31														
32														
33														
34		Forecast Jan 17	Forecast Feb 17	Forecast Mar 17	Forecast Apr 17	Forecast May 17	Forecast Jun 17	Forecast Jul 17	Forecast Aug 17	Forecast Sep 17	Forecast Oct 17	Forecast Nov 17	Forecast Dec 17	Total 2017
35	Sales (GJ)													
36	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
37	Commercial	854	787	787	591	459	328	262	131	262	459	722	919	6,561
38	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
39	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>
40														
41	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	
42														
43	Cost Recovered													
44	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
45	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
46	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
47	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) Effective recovery rate in January, February and June were different from tariff, due to errors in January and June, which was/will be corrected in February and July. Slight difference in March - May due to rounding.

FORTISBC ENERGY INC.
INCURRED COSTS FOR BIOMETHANE
ACTUAL AND FORECAST ACTIVITY ENDING DECEMBER 31, 2015

Line	Particulars	Adjusted ⁽¹⁾	Adjusted ⁽¹⁾	Adjusted ⁽¹⁾	Adjusted ⁽¹⁾	Adjusted ⁽¹⁾	Adjusted ⁽¹⁾	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
		<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
1	All Supply Projects													
2	Total Purchases (GJ)	7,812	8,309	13,269	12,835	12,932	12,049	15,694	18,088	19,294	19,568	19,294	19,568	178,710
3	Biogas / Biomethane Purchase Costs	\$ 94,113	\$ 95,868	\$ 163,529	\$ 161,505	\$ 161,568	\$ 130,152	\$ 187,037	\$ 196,333	\$ 191,719	\$ 195,711	\$ 194,156	\$ 198,199	\$ 1,969,889
4														
5	Salmon Arm Cost of Service													
6	Cost of Service before O&M	\$ 23,721	\$ 15,784	\$ 19,753	\$ 19,753	\$ 19,753	\$ 19,753	\$ 15,791	\$ 15,791	\$ 15,791	\$ 15,791	\$ 15,791	\$ 15,791	\$ 213,261
7	O&M Costs	3,615	3,700	73,564	931	43,520	21,088	2,930	2,930	27,930	2,930	2,930	2,930	188,998
8	Total	<u>\$ 27,336</u>	<u>\$ 19,484</u>	<u>\$ 93,317</u>	<u>\$ 20,684</u>	<u>\$ 63,272</u>	<u>\$ 40,841</u>	<u>\$ 18,721</u>	<u>\$ 18,721</u>	<u>\$ 43,721</u>	<u>\$ 18,721</u>	<u>\$ 18,721</u>	<u>\$ 18,721</u>	<u>\$ 402,259</u>
9														
10	Kelowna Cost of Service													
11	Cost of Service before O&M ⁽²⁾							\$ -	\$ (68,163)	\$ (68,163)	\$ (68,163)	\$ (68,163)	\$ (68,163)	\$ (408,976)
12	O&M Costs ⁽³⁾							43,843	-	15,571	15,571	15,571	15,571	121,700
13	Total							<u>\$ 43,843</u>	<u>\$ (68,163)</u>	<u>\$ (52,591)</u>	<u>\$ (52,591)</u>	<u>\$ (52,591)</u>	<u>\$ (52,591)</u>	<u>\$ (287,276)</u>
14														
15	General Admin. Costs ⁽⁴⁾	\$ 11,444	\$ 16,887	\$ 19,798	\$ 30,247	\$ 109,357	\$ 65,814	\$ 13,300	\$ 13,300	\$ 13,300	\$ 13,300	\$ 13,300	\$ 13,300	\$ 333,347
16														
17														
18														
19														
20	Total Cost	<u>\$ 132,893</u>	<u>\$ 132,240</u>	<u>\$ 276,644</u>	<u>\$ 212,435</u>	<u>\$ 334,197</u>	<u>\$ 280,650</u>	<u>\$ 150,895</u>	<u>\$ 175,762</u>	<u>\$ 196,149</u>	<u>\$ 175,140</u>	<u>\$ 173,586</u>	<u>\$ 177,629</u>	<u>\$ 2,418,218</u>

Notes: (1) Monthly costs are adjusted to more appropriately reflect costs in each period.
(2) Consistent with the Cost of Service model, Cost of Service charges commence the month following the in-service date.
(3) No O&M costs forecast in July due to unplanned equipment failure.
(4) Approximately \$163K (after tax, as of June 30, 2015) costs related to the City of Vancouver project development was excluded.

FORTISBC ENERGY INC.
INCURRED COSTS FOR BIOMETHANE
FORECAST ACTIVITY ENDING DECEMBER 31, 2016

Line	Particulars	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
1	All Supply Projects													
2	Total Purchases (GJ)	20,851	22,303	23,851	24,577	25,851	26,577	26,851	26,851	26,577	29,351	29,077	29,351	312,066
3	Biogas / Biomethane Purchase Costs	\$208,977	\$226,891	\$247,977	\$256,934	\$272,471	\$279,154	\$283,471	\$283,471	\$279,154	\$316,971	\$315,980	\$320,353	\$3,291,807
4														
5	Salmon Arm Cost of Service													
6	Cost of Service before O&M	\$ 22,263	\$ 22,263	\$ 22,263	\$ 22,263	\$ 22,263	\$ 22,263	\$ 22,263	\$ 22,263	\$ 22,263	\$ 22,263	\$ 22,263	\$ 22,263	\$ 267,159
7	O&M Costs	6,250	6,250	31,250	6,250	6,250	6,250	6,250	6,250	31,250	6,250	6,250	6,250	125,000
8	Total	\$ 28,513	\$ 28,513	\$ 53,513	\$ 28,513	\$ 28,513	\$ 28,513	\$ 28,513	\$ 28,513	\$ 53,513	\$ 28,513	\$ 28,513	\$ 28,513	\$ 392,159
9														
10	Kelowna Cost of Service													
11	Cost of Service before O&M	\$ 36,297	\$ 36,297	\$ 36,297	\$ 36,297	\$ 36,297	\$ 36,297	\$ 36,297	\$ 36,297	\$ 36,297	\$ 36,297	\$ 36,297	\$ 36,297	\$ 435,565
12	O&M Costs	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	306,000
13	Total	\$ 61,797	\$ 61,797	\$ 61,797	\$ 61,797	\$ 61,797	\$ 61,797	\$ 61,797	\$ 61,797	\$ 61,797	\$ 61,797	\$ 61,797	\$ 61,797	\$ 741,565
14														
15	General Admin. Costs	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 250,000
16														
17														
18														
19														
20	Total Cost	<u>\$320,121</u>	<u>\$338,035</u>	<u>\$384,121</u>	<u>\$368,078</u>	<u>\$383,615</u>	<u>\$390,298</u>	<u>\$394,615</u>	<u>\$394,615</u>	<u>\$415,298</u>	<u>\$428,115</u>	<u>\$427,124</u>	<u>\$431,496</u>	<u>\$4,675,531</u>

FORTISBC ENERGY INC.
INCURRED COSTS FOR BIOMETHANE
FORECAST ACTIVITY ENDING DECEMBER 31, 2017

Line	Particulars	Forecast Jan 17	Forecast Feb 17	Forecast Mar 17	Forecast Apr 17	Forecast May 17	Forecast Jun 17	Forecast Jul 17	Forecast Aug 17	Forecast Sep 17	Forecast Oct 17	Forecast Nov 17	Forecast Dec 17	Total 2017
1	All Supply Projects													
2	Total Purchases (GJ)	31,230	30,408	31,230	30,956	31,230	30,956	31,230	31,230	30,956	31,230	30,956	31,230	372,845
3	Biogas / Biomethane Purchase Costs	\$335,368	\$322,252	\$335,368	\$330,996	\$335,368	\$330,996	\$335,368	\$335,368	\$330,996	\$335,368	\$334,891	\$339,319	\$4,001,661
4														
5	Salmon Arm Cost of Service													
6	Cost of Service before O&M	\$ 26,462	\$ 26,462	\$ 26,462	\$ 26,462	\$ 26,462	\$ 26,462	\$ 26,462	\$ 26,462	\$ 26,462	\$ 26,462	\$ 26,462	\$ 26,462	\$ 317,549
7	O&M Costs	6,250	6,250	31,250	6,250	6,250	6,250	6,250	6,250	31,250	6,250	6,250	6,250	125,000
8	Total	\$ 32,712	\$ 32,712	\$ 57,712	\$ 32,712	\$ 32,712	\$ 32,712	\$ 32,712	\$ 32,712	\$ 57,712	\$ 32,712	\$ 32,712	\$ 32,712	\$ 442,549
9														
10	Kelowna Cost of Service													
11	Cost of Service before O&M	\$ 56,499	\$ 56,499	\$ 56,499	\$ 56,499	\$ 56,499	\$ 56,499	\$ 56,499	\$ 56,499	\$ 56,499	\$ 56,499	\$ 56,499	\$ 56,499	\$ 677,993
12	O&M Costs	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	312,000
13	Total	\$ 82,499	\$ 82,499	\$ 82,499	\$ 82,499	\$ 82,499	\$ 82,499	\$ 82,499	\$ 82,499	\$ 82,499	\$ 82,499	\$ 82,499	\$ 82,499	\$ 989,993
14														
15	General Admin. Costs	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 250,000
16														
17														
18														
19														
20	Total Cost	<u>\$471,414</u>	<u>\$458,297</u>	<u>\$496,414</u>	<u>\$467,041</u>	<u>\$471,414</u>	<u>\$467,041</u>	<u>\$471,414</u>	<u>\$471,414</u>	<u>\$492,041</u>	<u>\$471,414</u>	<u>\$470,936</u>	<u>\$475,364</u>	<u>\$5,684,203</u>

FORTISBC ENERGY INC.
BVA AND BERG REVIEW
FOR THE FORECAST 12-MONTH PERIOD ENDING SEPTEMBER 30, 2016
(Amounts shown pre-tax unless otherwise indicated)

Line No.	Particulars (1)	\$000 (2)	TJ (3)	Notes (4)
1	Forecast BVA Balance - Deficit at September 30, 2015			
2	Cost (Tab 1, Page 2, Column 10, Row 6)	\$ 1,766.3		
3	Quantity (Tab 1, Page 1, Column 10, Row 6)		95.0	Unsold Quantity
4				
5	Forecast Costs Incurred in the 12-Month Period			
6	Cost (Tab 1, Page 2 - October 2015 - September 2016 Costs Incurred)	\$ 3,915.2		
7	Quantity (Tab 1, Page 1 - October 2015 - September 2016 Purchases)		282.7	Purchase Quantity
8				
9	Biomethane Available for Sale in the 12-Month Period			
10	Total Cost to be Recovered	\$ 5,681.5		
11	Total Quantity		377.8	
12				
13				
14				
15	Calculation of Tested BERG Effective October 1, 2015			
16				
17				
18	Tested BERG	= $\frac{\text{Cost of Biomethane Available for Sale in the 12-Month Period}}{\text{Quantity of Biomethane Available for Sale in the 12-Month Period}} = \frac{\$ 5,681.5}{377.8} =$		
19			\$ 15.040	per Gigajoule
20				
21				
22	Existing BERG (effective January 1, 2015)		\$ 14.414	per Gigajoule
23				
24				
25	Tested Rate Increase (Decrease)		\$ 0.626	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
Feb-15	70.43	8.31	(14.80)	63.94	322.14	(258.19)	7
Mar-15	63.94	13.27	(13.88)	63.33	335.41	(272.08)	6
Apr-15	63.33	12.84	(12.68)	63.49	348.24	(284.75)	5
May-15	63.49	12.93	(9.24)	67.19	361.17	(293.99)	5
Jun-15	67.19	12.05	(3.58)	75.66	373.22	(297.57)	5

(A) Including any adjustments reported within the schedule at Page 1 of this report. June 2015 sales quantity was understated by 5.5 TJ.



LETTER NO. L-XX-15

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

VIA E-MAIL

gas.regulatory.affairs@fortisbc.com

August xx, 2015

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

Dear Ms. Roy:

Re: FortisBC Energy Inc.
Biomethane Variance Account (BVA) and Biomethane Energy Recovery Charge (BERC)
2015 Third Quarter Report

Further to your August 14, 2015 filing of the 2015 Third Quarter Report on the BVA and BERC (the Report). The Commission acknowledges receipt of the Report and accepts the recommendation that the BERC rate remain unchanged at October 1, 2015.

The Commission will hold confidential the information in Tab 1, Page 4.1C, 4.2C, and 4.3C of the Report.

Yours truly,

Erica M. Hamilton
Commission Secretary