



LETTER L-39-12

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VIA E-MAIL

gas.regulatory.affairs@fortisbc.com

July 10, 2012

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

Dear Ms. Roy:

Re: FortisBC Energy Inc. – Revelstoke Service Area
November 2012 – October 2013 Annual Contracting Plan

On May 4, 2012, FortisBC Energy Inc. (FEI) submitted to the British Columbia Utilities Commission (Commission), on a confidential basis, its Annual Contracting Plan for the Revelstoke Service Area for the period of November 2012 to October 2013 (Revelstoke 2012 ACP). In its submission FEI requests Commission acceptance of the Revelstoke 2012 ACP. The objectives for the Revelstoke 2012 ACP are identified as follows:

1. To contract for supplies to ensure an appropriate balance of cost minimization, security, diversity and reliability in order to meet the customer requirements.
2. To develop a portfolio mix which cost effectively reduces the impact of propane price volatility on customer propane rates.

In compliance with the requirement of Commission Letter L-51-11, FEI also included in its submission the results of the previous year's contracting plan in terms of financial results of its contracting strategies and the degree to which the objectives were met using these strategies.

The Commission has reviewed the FEI filing and accepts the Revelstoke 2012 ACP as being in the public interest. The Commission accepts FEI has met the reporting requirement of the previous year's results as directed by Commission Letter L-55-11, and agrees to hold the contents of the Revelstoke 2012 ACP confidential.

FEI is directed to provide a report by the earlier of June 30, 2013 or the date of submission of FEI's Revelstoke 2013 ACP that identifies the financial outcome of the 2012 ACP and provides an analysis to demonstrate the degree to which the objectives of the 2012 ACP have been met.

Yours truly,

Erica Hamilton

CMM/cms