



LETTER L-44-13

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VIA EMAIL

gas.regulatory.affairs@fortisbc.com

July 18, 2013

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

Dear Ms. Roy:

Re: FortisBC Energy (Vancouver Island) Inc.
2013/14 Annual Gas Contracting Plan (November 2013 – October 2014)

On May 1, 2013, FortisBC Energy (Vancouver Island) Inc. (FEVI) filed on a confidential basis its 2013/14 Annual Contracting Plan (ACP). The British Columbia Utilities Commission (Commission) accepts the FEVI 2013/14 ACP and items as set out on page 7. The major portfolio changes affecting the FEVI 2013/14 ACP are as follows:

1. Forecast Design Peak Day Demand: FEVI recommends peak day a value for 2013/14 of 106.2 TJ/day, a decrease of 2.5 TJ/day or 2.3% from the 2012/13 value of 108.7 TJ/day. This reduction in forecast peak day demand is mainly attributable to a decline in the forecast use per customer.
2. Annual Normal Demand: the annual normal demand for 2013/14 is forecast to be 11.6 PJ resulting in an average daily normal load of 31.8 TJ/day. This change represents a decrease of 0.3 PJ, or 2.5% from the 2012/13 contract year.
3. Commodity Supply: adjust seasonal supply to account for changes in market conditions.
4. Peaking Supply: reduce peaking supply due to the decrease in forecast peak day demand.
5. Transportation Resources: contract for transportation service capacity according to the changes in the forecast commodity supply.
6. Storage Resources: continue to sublease a portion of the recently renewed Aitken Creek storage by FEI. The storage contracting amounts remain unchanged from 2012/13.

With regard to item 5 above, the Commission requests that FEVI provide an analysis of the contracting alternatives prior to contracting for the transportation service capacity.

The Commission requests FEVI file its 2014/15 ACP by May 1, 2014. In addition to the items in section 2.3.2 of the ACP entitled "*Actions for FEVI Prior to Submitting the FEVI 2014/15 ACP*," the Commission requests FEVI include each of the supplemental analyses the Commission has requested FortisBC Energy Inc. (FEI) to provide for its 2014/15 ACP as set out in Commission Letter L-43-13.

In addition, FEVI is requested to continue to seek acceptance of the level of the Supplemental LNG Service FEVI intends to provide to FEI under the terms of the Storage and Delivery Agreement between FEVI and FEI for each contract year prior to providing notice of such to FEI. The filing should include an analysis to determine the amount of LNG capacity and delivery that is surplus to the requirements of FEVI's customers that includes an optimization of the overall portfolio resource using an analysis similar to the analysis conducted for the Mt. Hayes resource, included in Appendix H in the 2011/12 ACP.

Exclusive of the Executive Summary (attached), the Commission agrees to hold the 2013/14 Annual Contracting Plan confidential as it contains market sensitive information.

Yours truly,

Original signed by:

Erica Hamilton

CMM/kbb
Attachment