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Exhibit__ (BVP-8)

FortisBC

2011

Corporate Report



Energizing B.C.

Corporate
Report 2011





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A photograph of a man and a young child sitting on a wooden coffee table in a living room, playing a board game. The man is leaning over the table, and the child is looking at the game pieces. The room has a wood-paneled wall and a fireplace in the background.

Energizing B.C.

Like many of us, you probably started your day off to the sound of your alarm clock and then enjoyed a nice hot shower. Maybe you scrambled some eggs as the heat kicked in and warmed your home. Or maybe you relaxed, enjoying a hot cup of coffee in front of your natural gas fireplace.

However your day started, and however you got to where you are now, chances are, you've already been touched by FortisBC today.

FortisBC is with you throughout your day. We're in your home, your community and across the province. We're providing solutions to meet your energy needs, moving more energy than any other B.C. utility.

As a private, investor-owned utility, we move electricity, natural gas, propane and renewable energy through our infrastructure safely and reliably. And our employees make it happen every day. They form the connection to our customers and the communities we serve. A connection we're very proud of.

As we reflect back on our stories of 2011, you'll see how we're meeting British Columbia's evolving energy needs, and energizing your everyday life.

A 2011 snapshot

Every day, serving the energy needs of British Columbians.

At FortisBC, we touch the lives of our customers every day, providing the energy needed for their homes, schools and businesses. From electricity, natural gas and propane, to integrated energy solutions such as geothermal and district energy, we deliver energy safely and reliably, at the lowest reasonable cost.

Serving approximately 1.1 million customers in more than 135 communities, we deliver more energy than any other utility in British Columbia, approximately 22 per cent of the total energy consumed. We do so with 2,300 employees all focused on quality service and customer satisfaction.

As an integrated energy solutions provider, FortisBC owns and operates four regulated hydroelectric

generating plants, approximately 7,000 kilometres of transmission and distribution power lines and approximately 47,000 kilometres of natural gas transmission and distribution pipelines.

FortisBC Inc., FortisBC Energy Inc., FortisBC Energy (Vancouver Island) Inc., and FortisBC Energy (Whistler) Inc., all do business as FortisBC. We are indirectly wholly owned by Fortis Inc., the largest investor-owned distribution utility in Canada that, through its subsidiaries, serves more than two million gas and electricity customers.

At FortisBC, we are dedicated to energizing British Columbia today and for the future.

Financial highlights

FortisBC Holding Inc. (All amounts in millions of dollars)	2011	2010
Net earnings	\$139.1	\$130.3
Gross revenues	\$1,577.8	\$1,555.0
Operating expenses	\$246.4	\$228.9
Capital programs before CIAC ¹	\$253.1	\$253.3

FortisBC Inc. (regulated)	2011	2010
Net earnings	\$47.5	\$41.8
Gross revenues	\$283.9	\$259.7
Operating expenses	\$70.8	\$63.9
Capital programs before CIAC ¹	\$102.6	\$141.4

Performance

FortisBC Holding Inc. (All amounts in millions of dollars)	2011	2010
Peak day demand (TJ)	1,210	1,421
Gas volumes (TJ)	202,755	193,775
Customer satisfaction index	79%	80%

FortisBC Inc. (regulated)	2011	2010
Generating capacity (MW)	223	223
Peak demand each year (MW)	669	707
Energy sales (GWh)		
(Unregulated) Walden	40	36
(Regulated)	3,143	3,046
Customer satisfaction index	87%	88%

¹ CIAC is the Canadian Infrastructure Accounting Council. CIAC is a non-profit organization that provides a common set of accounting standards for infrastructure companies. CIAC's standards are based on the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

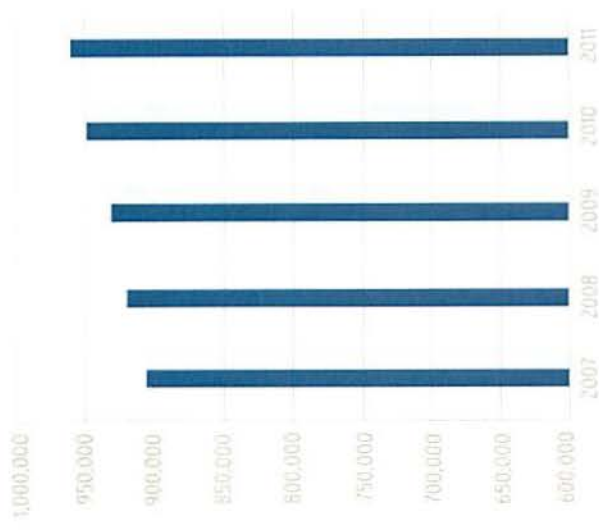
² CIAC is the Canadian Infrastructure Accounting Council. CIAC is a non-profit organization that provides a common set of accounting standards for infrastructure companies. CIAC's standards are based on the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Area of operations



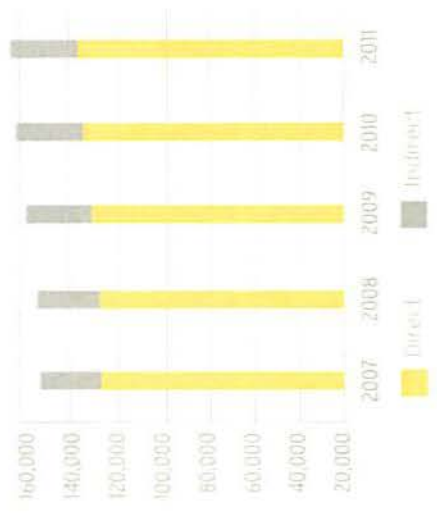
FortisBC gas customers*

(Approximate total in BC)

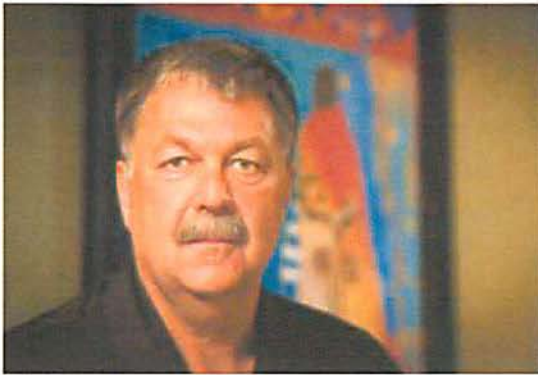


FortisBC electricity customers

(Approximate total in BC)



A message from the President and CEO



Tom Walker

At FortisBC, 2011 was a year marked by significant changes, challenges and achievements for all our operations. With great team effort we met the challenges, brought several key projects to completion, and delivered excellent results during a period of continued regulatory and economic uncertainty. With \$139.1 million in regulated earnings from our gas operations and \$47.5 million from our electric operations, 2011 was a record year.

In March, we took a major step in the alignment of our business operations. We renamed our gas and integrated energy solutions operations under the same name as our electricity operations, FortisBC.

For our customers and key stakeholders, the name change drew attention to the important role that all our operations play in the energy sector of our province. After an early drop in recognition, we recovered quickly to pre-name change levels with about 94 per cent name recognition among our customers. Looking ahead, our focus will be to consistently reinforce our role as the province's only utility to offer a variety of energy choices.

Operating under one name places our gas and electricity employees, wherever they work, on the same team. This is helping us build a common business culture and sharpen our focus on customer service. Moving into 2012, a realignment of duties now sees each executive team member with responsibilities covering our gas and electricity operations. Going forward, and with employee input, we will continue to integrate our operations. By doing so, we'll improve our overall effectiveness and service levels, ultimately for the benefit of our customers.

Keeping our employees, customers and the public safe is at the core of everything we do. In 2011, our trend of improved safety performance continued. Our all-injury frequency rate improved across our operations. This

is a considerable achievement as we had a significant increase in total exposure hours compared to 2010.

FortisBC's public safety campaigns continue to raise awareness. Results show that today one in four British Columbians understand what to do if they smell natural gas. This is a considerable improvement over 2010 when only one in seven were similarly prepared.

Our service reliability also improved. Third-party damage to our natural gas system decreased by about 10 per cent. At the same time, calls for pipeline location information increased. These results indicate greater public awareness of the need to call before excavating. In total, we managed an historic high of more than 82,000 requests for location information.

We saw significantly better electrical system performance with 2011 being the best year in a decade. The length of the average customer interruption was reduced to 1.86 hours (from 2.51 in 2010), and the average customer outage frequency dropped to 1.38 hours (from 1.96 in 2010). These results, aided by fewer weather-related incidents, reflect improved operational performance, ongoing vegetation management and capital investment in key electrical system projects over the last several years.

In 2011, we completed the Okanagan Transmission Reinforcement Project, one of the largest electrical infrastructure upgrades in our history. We also achieved a significant milestone with the completion of our new liquefied natural gas (LNG) storage facility at Mt. Hayes on Vancouver Island. Overall, we invested \$70 million in capital projects across our operations during the year.

Construction progressed on the Waneta Hydroelectric Expansion Project, a partnership between Fortis Inc., and subsidiaries of Columbia Power Corporation and Columbia Basin Trust. FortisBC is planning to purchase capacity from this project commencing in 2015.

The energy sector continues to be shaped by evolving public policy and, for FortisBC, significant regulatory oversight. In 2011, we faced an intense regulatory schedule that touched every aspect of our business and required substantial effort across the organization. We filed 17 major applications with our regulator, the British Columbia Utilities Commission. As part of these regulatory processes, our employees responded to more than 7,000 information requests.

FortisBC is addressing the many challenges by focusing on what our customers tell us is important to them. This involves expanding beyond our traditional products and services to offer energy options that meet their needs, as well as government policy objectives.

In 2011, the British Columbia government recognized the potential of liquefied and compressed natural gas as transportation fuels. FortisBC is leading this effort, and helping B.C. businesses lower costs and emissions. We worked with Vedder Transport to construct a liquefied natural gas fuelling station in Abbotsford. With fuelling services provided by FortisBC, Vedder Transport is able to safely and economically refuel their new fleet of LNG-powered trucks on their own premises.

With such alliances, we are developing greater opportunities that will benefit all natural gas customers through better utilization of our system. This will also create economic and environmental benefits for all of British Columbia.

Through our PowerSense and Energy Efficiency and Conservation programs and rebates, we helped customers manage their energy use and reduce costs, while lessening their environmental impact. Other energy options include geocexchange, district energy systems, and, newly introduced in 2011, our renewable natural gas offer.

In 2011, our customer satisfaction ratings remained consistently strong due to our constant focus on providing quality service to customers. We continued to increase our service offerings, and are finding that many customers are choosing to do business with us online. Today, more than 15 per cent of our residential electricity customers are signed up for electronic billing service. The use of internet self-serve options by electricity customers increased 20 per cent over 2010. Providing customers with these types of flexible service options not only meets their expectations, but also helps reduce paper usage and lowers costs overall.

Bringing our natural gas customer service delivery in-house is another way we're improving service to meet our customers' changing needs. Our two new in-house customer service centres, including billing operations, opened on January 1, 2012.

Today, when gas customers call us, the call is answered by employees who live in the province and have local knowledge of our energy market. This is something our electricity customers have enjoyed for several years through our Trail contact centre. In total, we received more than 13,000 applications for the 300 newly created jobs in B.C. We believe this level of interest speaks to our solid reputation.

Our employees once again volunteered significant amounts of their own time and energy to community causes across the province. FortisBC was pleased to support these efforts. From rebuilding community centres and cleaning streams, to stocking up food banks, we were proud to give back to our communities.

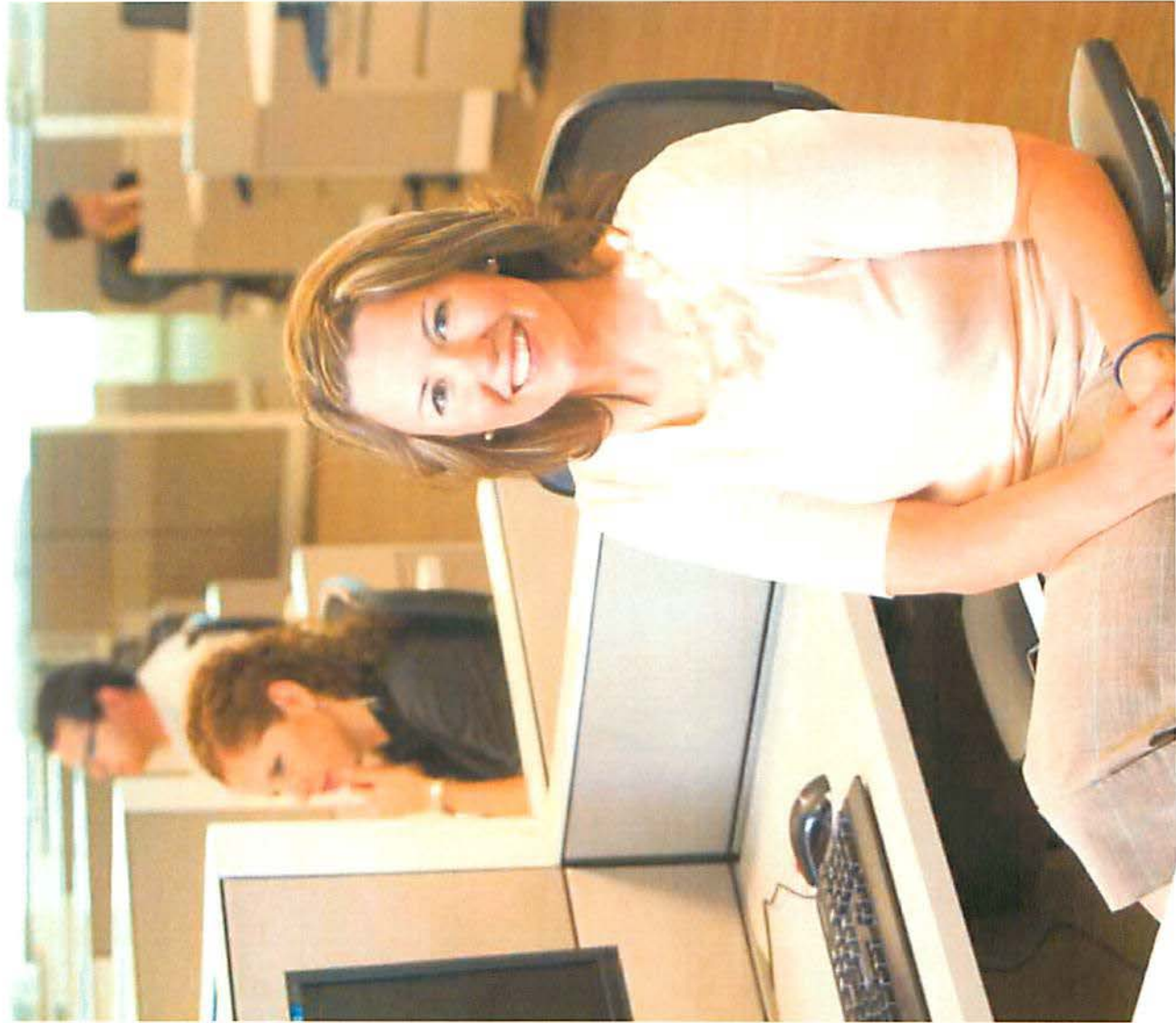
We continued to strengthen relationships with local governments and Aboriginal peoples throughout B.C. We had good results working with First Nations communities on education, training and capacity building programs. As a result, Aboriginal people are working at FortisBC including our new service centres.

The results of 2011 have been achieved during a period of major internal and external change. This would not have been possible without the combined efforts of each and every FortisBC employee and our Board of Directors.

Going forward, we'll build on our progress and keep the momentum going for our customers, communities and the future of British Columbia. Together, we are energizing B.C.



John Walker,
President and CEO
FortisBC



A solid reputation

Our new customer service centres resulted in:

300 permanent new customer service jobs

13,000 1,200

applications received

interviews conducted

which, we believe, speaks well of our solid reputation.

Our customer service centres will result in:

\$25,000,000

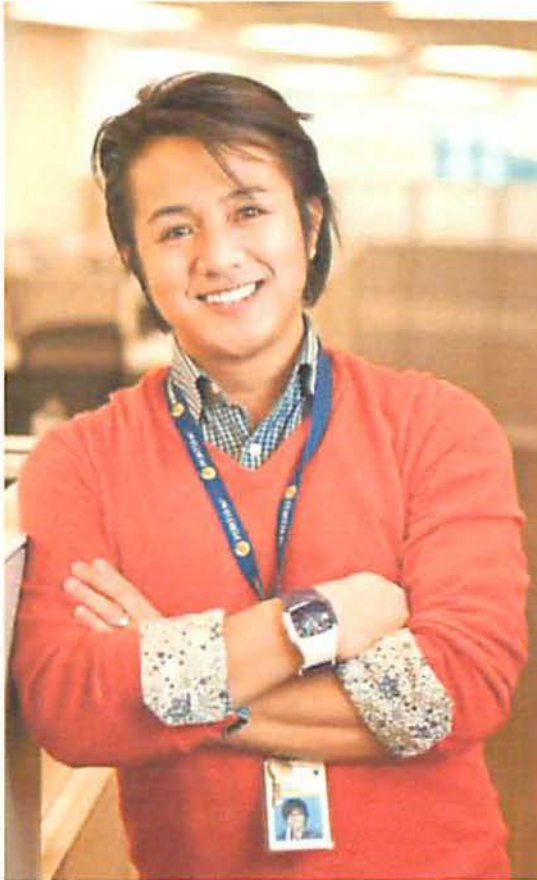
annual contribution to provincial gross domestic product

\$4,500,000

annual contribution to tax revenues

Proceeds from the sale of the new customer service centres are being used to fund the new customer service centres.

Dedicated to customers



Gilbert Bastamante, Senior Customer Service Representative

At FortisBC, we recognize the significant role we play in our customers' lives, and we take that responsibility seriously. Our employees know the importance of anticipating customers' needs and delivering the type of service that always puts them first.

B.C.-based service

Our commitment to providing quality customer service, today and in the future, drove our decision to bring natural gas customer service in-house. Throughout 2011, we finalized our new customer information system and completed recruitment for the opening of our new B.C.-based customer service centres in Burnaby and Prince George.

At 12:01 a.m. on New Year's Day, 2012, emergency service representatives were ready to handle natural gas odour calls. On January 3, phone lines were open at both centres for our natural gas customers, and billing operations began producing the first batch of monthly statements. This project was delivered on time and below budget, with the support of our communities and many stakeholders.

Today, we have five in-house customer service centres. In addition to the two new natural gas centres, natural gas construction services continue to be handled from our Surrey office, while electricity customer service is handled from our Trail and Kelowna offices. With these regional centres our customers are receiving quality service from knowledgeable employees who understand the local energy market and live in B.C. neighbourhoods. This ability to interact directly with our customers is important to us.

Consistency for our customers

In 2011, we applied to the British Columbia Utilities Commission to bring our three natural gas utilities together into one legal entity. If approved, this will allow us to offer common natural gas rates and consistent services across our service areas prior to 2014.

As part of the regulatory process, in 2012 we are gathering feedback on our application through public information sessions and market research. This revenue-neutral application will mean rate stability and simplicity, consistent programs and services, operating efficiencies and lower rates for some customers.

When it comes to energy, it's our job to deliver quality service and value. Combined with expanded offerings and advances in technology it means better value for our customers today and tomorrow.

Our people, our company

Numbers speak volumes

230

the number of employees
honoured for years of service
in 2011

40

Five employees celebrated
40 years or more of
outstanding service



Barb Richardson, manager, talent sourcing, works with Aboriginal peoples and new immigrants.

At FortisBC, it is our employees who make us what we are: a company committed to providing safe, reliable energy to our customers at the lowest reasonable cost. Employing more than 2,300 British Columbians, we understand the importance of attracting great people. It is their combined energy and expertise that makes FortisBC successful and moves our business forward.

Celebrating service milestones

In 2011, we added more than 300 positions for our new customer service centres. We also recruited just over 200 employees to fill vacancies created by retirement and attrition. From experienced professionals to new graduates, we believe this significant interest in FortisBC speaks to our reputation.

Every year, FortisBC honours the career achievements of employees around the company. Last year was no exception with more than 230 employees recognized for milestones of five to more than 40 years of dedicated service.

Power of peers

Company-wide, growth and development initiatives are designed to retain and motivate employees. One such initiative is our Peer Training program for natural gas employees. Employees receive support to be peer trainers, teaching other employees around B.C. In 2011, nearly 240 employees received training on 19 different topics from 57 peer trainers. Teaching at 17 different locations, our trainers used their years of experience to bring meaning and context to the subject matter.

We also support an Engineer-in-Training exchange program that allows junior engineers to gain real-world know-how from experienced engineers within the organization. By providing broader technical and business exposure, the program enriches the skills and knowledge of our engineers as they develop in their careers.

Winning leadership

FortisBC is committed to employees through ongoing development, support and training. Another aspect is our recruitment and retention efforts that help create a wider talent pool with a broad range of skills and perspectives.

When Barb Richardson, manager, talent sourcing, heard she was the recipient of an award from the Open Door Group, a non-profit organization that believes all British Columbians have the ability to succeed, she admitted she never imagined winning. Recognized as an employee who promotes an inclusive workplace through leadership, Barb works with Aboriginal peoples, new immigrants and other groups struggling with employment.

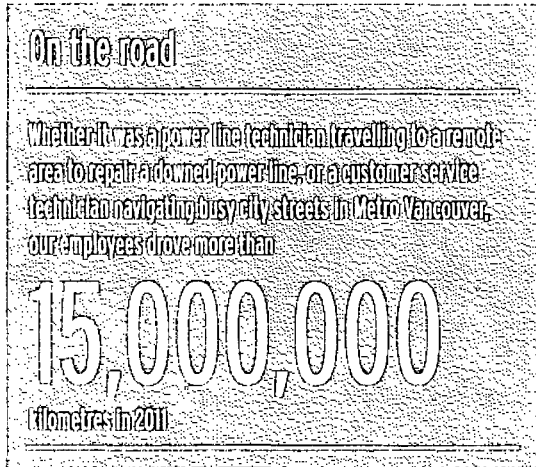
At FortisBC, we tap into the diversity of our people who reflect the communities we serve.

Dave Sealy, customer service technician (100 Mile house call) and Greg Burdett, instructional apprentice (Burnaby), provide to simulate a natural gas leak during a training exercise.





Safe in every way



At FortisBC, safety is our first priority, for our employees, customers and the public at large, in every way. It's top of mind in everything we do. We believe all workplace incidents are preventable and no job is too urgent or routine that it cannot be done safely. We strive to continually improve our safety programs and our ultimate goal is zero injuries.

Employees participate in continual training and assessment that helps ensure they keep focused on safety every day. In 2011, courses on 43 different safety topics were delivered to employees across the organization. New employees participate in thorough utility awareness training, and driving and road safety training is required for field employees and other staff who operate vehicles as part of their role.

Momentous milestones

Three employee groups celebrated significant safety milestones in 2011. Both our Warfield electrical operations groups and our electrical generation operations in South Slokan achieved 1,000 days without a lost-time injury. This translates to almost three years and more than 650,000 person-hours of work. At the same time, our natural gas coastal transmission group reached 37 years without a lost-time incident.

Company-wide, FortisBC experienced the lowest number of lost-time incidents on record for both our gas and electric operations. Our injury frequency rates were 1.48 (electric) and 1.74 (gas) injuries per 100 employees in 2011.

This improvement occurred over the same timeframe that our total exposure hours increased over previous years. Our electricity employees logged about 75,000 hours while our natural gas employees logged 2.7 million hours. Although an achievement over previous years, our focus remains strong on our ultimate goal of zero injuries.

"We reinforce safety as our first priority. Before employees start a job they make a safe work plan, review it with other crew members, control potential hazards and review the plan if the scope of the job changes," explained Gary Petit, supervisor, major maintenance at generation South Slokan.

Safety for all

FortisBC has several safety programs for customers and the general public. The Cooperative Safety Program, established over six years ago, is a partnership of 12 utilities, municipalities and organizations across B.C.'s Southern Interior, all committed to public safety. Our employees also presented important safety-related information to more than 10,000 students in schools throughout our service areas.

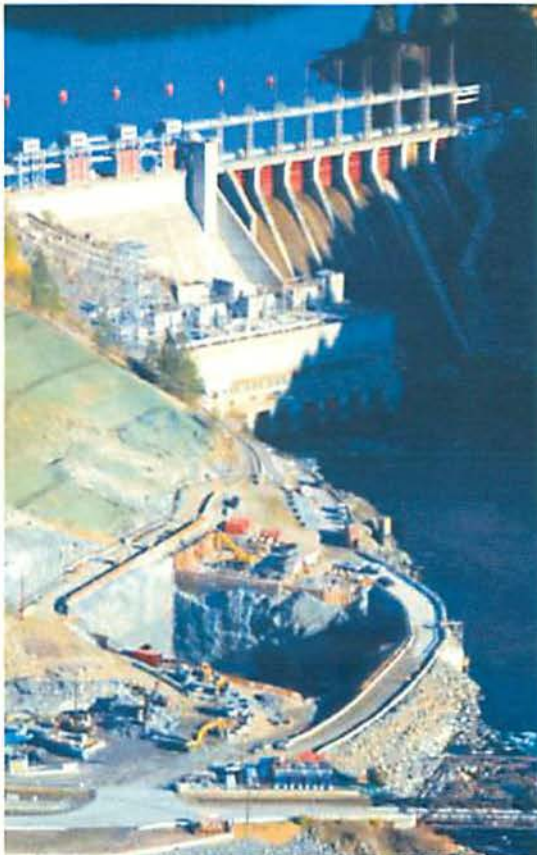
Other community initiatives include educating first responders such as emergency medical services and fire departments about natural gas, carbon monoxide and electrical hazards and emergencies. In 2011, we delivered training sessions to first responders in 11 locations across B.C. These initiatives are essential for managing safe emergency response programs with each municipality we work in.

One of our most successful energy efficiency incentives offered gift cards, encouraging customers to have their natural gas furnace regularly checked and maintained. When customer Andrea Maurice arranged for her furnace to be serviced, a slow carbon monoxide leak was discovered and fixed immediately.

"I never would have made the financial plunge to get the furnace serviced without the incentive of a \$25 gift card," said Maurice. "It may have saved my family's life."

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Investing in B.C.'s communities



*Scheduled for completion in 2015. Construction authorized on the Waneta Hydroelectric Expansion Project.

Every day, FortisBC delivers energy to more than 1.1 million customers. In fact, we deliver more energy than any other utility in British Columbia.

Reliable energy

Reliability of supply means that FortisBC has enough electricity (energy and capacity) and natural gas to meet our customers' needs. We continue to invest in new capital infrastructure and ongoing maintenance projects to ensure the safe and reliable supply of energy for our customers.

In 2011, third-party damage to our natural gas system decreased by about 10 per cent. At the same time, we managed an historic high of more than 82,000 requests for location information.

Our electricity customers experienced the best year of reliability in over a decade with fewer and shorter outages. The length of the average customer interruption reduced to 1.86 hours in 2011 (from 2.51 in 2010) and the average number of customer outages reduced to 1.38 in 2011 (from 1.96 in 2010). Aided by fewer weather-related incidents, these results reflect improved operational performance, ongoing vegetation management and the major capital investment made in our electrical system over the last several years.

One of our largest upgrades to help serve the growing demand for energy in British Columbia, the Okanagan Transmission Reinforcement Project, was completed in 2011. We also completed work on the long-term Upgrade and Life Extension (ULE) program for hydroelectric generation facilities, rebuilding 11 of the 15 hydroelectric generating units in our four generating stations. The program improves efficiency, safety, environmental stewardship and overall reliability. It also preserves long-term, low-cost hydroelectric generation for our customers.

In 2011, our generation system experienced the lowest recorded forced or unplanned outage rate in more than 15 years. This is due in large part to the ULE program, as well as ongoing maintenance and our operating practices.

We also completed our \$200 million Mt. Hayes project, a new liquefied natural gas (LNG) storage facility near Ladysmith on Vancouver Island. During construction, we delivered substantial mid-Island economic and employment benefits, including a \$70 million investment in the region. This was due in large part to the use of local suppliers for goods and services, and the creation of about 120 jobs over the three-year construction period. Now that it is operational, 11 full-time employees work at the facility.

Throughout each stage of the project, from preparing the application to filling the tank that holds 1.5 million cubic feet of LNG, FortisBC communicated with the public and stakeholders, and received constant community and First Nations support.

Construction also continued at the \$900 million Waneta Hydroelectric Expansion Project, which is expected to help FortisBC meet our current capacity shortfall and our customers' future electricity needs. The project is a partnership between Fortis Inc., Columbia Power Corporation and Columbia Basin Trust. Site preparation began in 2010, and in 2011 about 200 local people worked on the powerhouse, intake and power tunnel excavations. Scheduled for completion in 2015, the project is expected to create the equivalent of more than 400 jobs over the course of construction, pay approximately \$200 million in wages and benefits, and contribute to the local economy through the purchase of goods and services.



Construction completed in 2011. Mt. Hayes liquefied natural gas storage facility, Vancouver Island.

Carbon neutral renewable natural gas

Estimated total savings in the first year of our renewable natural gas program for residential customers, equal to:

5,000 **1,000**
tonnes of carbon cars off the road

"I commend FortisBC for being the first regulated utility in North America to offer renewable natural gas to residential customers. It's an innovative approach that allows their customers to take action on climate change in a simple and cost-effective way."

— Nathan Fairway
Mayor of Fortiterra

Putting waste to good use

Last year, FortisBC launched a renewable natural gas option for residential customers in the Lower Mainland, Fraser Valley, Interior and the Kootenays. Participating customers can designate 10 per cent of their household's natural gas usage as renewable natural gas, or upgraded biomethane. We then inject an equivalent amount of renewable natural gas into our distribution system from local projects that collect organic waste from farms. In 2011, close to 1,300 residential customers signed up for renewable natural gas.

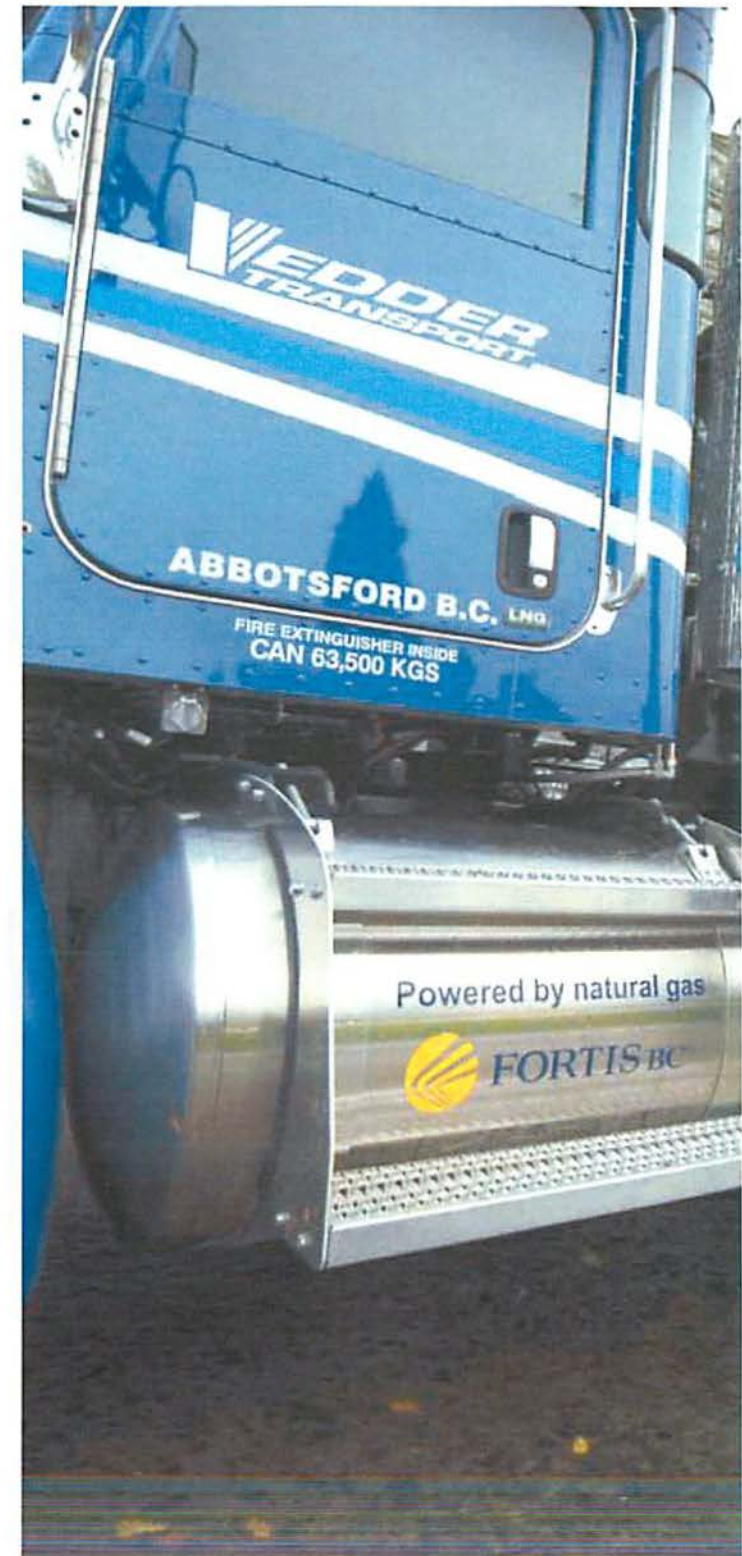
Our program was granted Carbon Neutral Product status by Offsetters in B.C., Canada's leading carbon management solutions provider. The estimated total greenhouse gas savings in the program's first year will be about 5,000 tonnes, equal to removing almost 1,000 cars off the road each year.¹

¹based on delivering 100,000 GJ of renewable natural gas to the FortisBC distribution system.

Thermal energy for schools

In 2011, FortisBC filed an application to provide thermal energy services to the Delta School District in Metro Vancouver. If approved in 2012, the project will provide thermal energy upgrades to 19 buildings within the next two years. Such upgrades could help the district reduce its energy consumption and greenhouse gas emissions.

Our collaboration with the Delta School District is an excellent example of what can happen when many parties come together. Through projects such as these, we can inspire students across B.C. to be conscientious about the energy they use.





Fuelling the future

FortisBC is actively investing in new energy solutions for customers including: natural gas for transportation, renewable natural gas, combined heat and power, district energy systems and liquefied natural gas for remote communities.

In 2011, FortisBC received regulatory approval to provide temporary fuelling services to Vedder Transport through a liquefied natural gas fuelling station. This interim station will stay in service until the permanent facility is completed later in 2012. It will be Western Canada's first large-scale liquefied natural gas fuelling station, helping reduce B.C.'s greenhouse gases by over 3,500 tonnes a year. Using LNG fuel in long-haul trucking is an important step towards a better environmental profile for the transport industry.

Vedder Transport is able to safely and economically refuel their new fleet of 50 LNG-powered trucks on their own premises. At current prices, LNG can be as much as 50 per cent cheaper than diesel. Using technology developed by Westport Innovations, another B.C. company, the trucks' engines produce 21 to 27 per cent fewer greenhouse gases than their diesel counterparts.² In addition to contributing to the economy, using natural gas will help B.C. reach its climate action goals.

FortisBC is also providing fuelling services to Waste Management for their 20 refuse trucks powered by compressed natural gas (CNG). The company owns and maintains a CNG fuelling station on Waste Management's premises, the first of its kind for heavy-duty trucking in Western Canada.

²Westport Innovations, Investor Fact Sheet, 2102-02-30

Westport Innovations: Fuelling the future with natural gas transportation solutions.
FortisBC: With only one gas source, we're fuelling the future.

"Natural gas is an increasingly popular energy source for the transportation industry. The initiative, to use LNG as a fuel in long-haul trucking, is an important step towards a better environmental profile for the industry."

CLARK GUSTIN,
President, Westport-IP

Caring for communities

In 2011, we assisted dozens of grassroots initiatives including:

- Kaslo Trailblazers Society
- Central Okanagan Crime Stoppers
- Chetwynd Senior Citizens Housing Society
- Make a Wish Foundation of BC and Yukon
- Surrey Hospice Society
- Serpentine Enhancement Society

"Over the past seven years, the generosity of FortisBC's Warm Hearts Foundation makes the holidays a happy time for the families at the Dixon Transition Society's Transition House."

Paulina Babik
Executive Director,
Dixon Transition Society

At FortisBC, we understand the importance of building relationships in our communities. It is through these relationships that we gain local insights on how to best manage our operations in the 135 B.C. communities we serve.

Community giving

In 2011, employees once again volunteered their own time and energy to community causes across the province. We, as a company, were pleased to support these efforts.

Youth in Trail were the beneficiaries when employees gave a facelift to an after school pre-teen drop-in centre. Fulfilling a unique need in the area, the centre provides a free, safe and nurturing environment for young people in need. Employees cleaned, painted, restocked kitchen shelves and completed pre-electrical, construction and plumbing work.

In Ladysmith, volunteers revitalized the North Oyster Community Centre, a historic community landmark. Employees also gathered at a Tsawwassen garden and farm to construct a new greenhouse, plant vegetables, and make food baskets for families in need.

Fulfilling basic needs

For the sixth year in a row, employees designed a sculpture out of stacked cans in the Vancouver Construction competition. After weeks of preparation on their own time, our team spent six and a half hours building the sculpture from approximately 8,000 non-perishable food items and cans at the event, all of which was donated to the Greater Vancouver Food Bank.

Since 1996, Warm Hearts, our employee-run charitable foundation, has been helping B.C. communities. During the 2011 holiday season, our annual toy drive collected toys and gifts for families in need living in five Lower Mainland transition homes. Employees in Kelowna also adopted several local families, donating hampers of gifts, toys and gift cards.



Rose Jacques and Cindy Baker, recognized for their efforts for the ALS Society of Canada.

Creating connections

Sometimes a caring few can help raise both awareness and donations. In 2011, two of our employees, Rose Jacques, external relations assistant, and Cindy Baker, executive assistant, were recognized for their efforts by the ALS Society of Canada, and received the Sidney Valo Exceptional Fundraising Program Award. FortisBC also matched a portion of the funds, bringing the total to more than \$34,000.

We support Aboriginal communities across the province in many different ways. In 2011, some of the initiatives we were involved with included the Splatsin Community Sturgeon Gathering in Revelstoke, the Penticton Indian Band's Aboriginal Cultural Village at Penticton's annual Peachfest and the Lower Kootenay Band's 20th Annual Pow Wow. We also supported and participated in the 35th Annual Elders Gathering hosted in Abbotsford by the Stó:lō and Coast Salish communities.



Paddling through history

Two hundred years ago, explorer, fur trader and cartographer David Thompson mapped a trade route across the Rocky Mountains to the Pacific Ocean via the Columbia River. Since 2007, the David Thompson Columbia River Canoe Brigade has commemorated his epic journey as a salute to the river basin and its history. Teams from across Canada and the United States paddle various lengths of the trip over six weeks.

In 2011, FortisBC employees proudly participated in and sponsored the Ktunaxa Nation's entry in the Brigade. From Canal Flats to Fort Steele in southeastern B.C., employees paddled 100 kilometres alongside Ktunaxa community members, council and chiefs. In total, more than 40 people took turns paddling the canoe.

As part of FortisBC's sponsorship, we contributed \$10,000 for the construction of a new voyager canoe for the Nation. The canoe is now being used by a Ktunaxa children's camp in the East Kootenays.

Supporting the Ktunaxa Nation's entry in the David Thompson Columbia River Canoe Brigade was a privilege for FortisBC employees. Working alongside Ktunaxa Nation members, including Nation Council, Ktunaxa Express, First Nations support and Resource Partners, allowed us and our work area strategic initiatives to contribute to the 2011 David Thompson Columbia River Canoe Brigade.

Building relationships

"FortisBC came to the table interested in building a long-term relationship with us, they took the time to build trust, they were flexible, and operated with integrity."

Capri Thundersmith,
director, Essential Skills for Aboriginal Futures

Strong relationships are forged over time and are based on trust, communication and respect. This is how FortisBC approaches our relationships with Aboriginal communities throughout B.C.

Capacity building

In 2011, we developed a customer service training program with the Prince George Nechako Aboriginal Employment and Training Association and Essential Skills for Aboriginal Futures in the Lower Mainland. More than half of the 20 graduates are working at FortisBC. This is significant as these individuals previously experienced substantial barriers to employment.

FortisBC is also participating in the Aboriginal Business Lead Exchange program sponsored by the Industry Council for Aboriginal Business. A mentorship program, it pairs young professionals and industry leaders with Aboriginal communities. Both Aboriginal and non-Aboriginal participants learn about each other's workplace, as well as social and cultural environments. We are proud to be part of such a program that builds skills, initiates relationship building and encourages capacity-building at both Aboriginal and corporate levels.



All customer service graduates in Prince George. Back row: Sarah Hooper, instructor; Janelyn Baines, Glisandra Webster, Tamara Seymour, Inesko Mitchell, Evelyn Williams and Lauraine Nazio, instructors. Front row: Georgina Milroy, Christine Whistard, Janine Tallon and Kayla Prosser



Excavation at Huth substation.



Roxanne Lortsey, Westbank First Nation, methodically sifts for artifacts.



A flaked stone artifact uncovered at the site.

Much of our infrastructure and operations are located on or near Aboriginal lands. Before we begin work on a new facility or upgrade an existing one, consultation and co-operation are central to our efforts.

A respectful discovery

When culturally significant ancestral remains and artefacts were discovered during routine excavation to upgrade Penticton's Huth substation, work stopped immediately and FortisBC contacted the Penticton Indian Band Chief and Council. A field team of community and band members was hired, as well as an archaeologist the company regularly engages when needed on various projects.

Based on the variety and complexity of the tools and arrowheads found, it appears the site may have been used by early First Nations groups as a migration village along a hunting and trapping route.

FortisBC worked with the band to find a suitable location on the substation site to relocate the ancestral

remains while the artefacts were moved offsite. The location, well-marked and protected, ensures employees working at the substation will respect the cultural significance of the area and fully understand the historical importance of the site for years to come. At the same time, Penticton Indian Band members will be able to use it as an interpretive site in the future.

Through this collaboration, FortisBC and the Penticton Indian Band achieved a mutually beneficial arrangement: this culturally significant area has been preserved and the upgrades to the substation were completed as planned.

Supporting a balanced B.C.

FortisBC is committed to meeting our customers' needs for energy in an environmentally and socially responsible way. We communicate openly with employees, the public, Aboriginal peoples and all stakeholders about our activities, and work to mitigate impacts on the environment.



Brad Wright, FortisBC environment manager, at Mission Creek in Kelowna.

Another great cleanup

Total kilograms of pollution collected in 2011 by FortisBC employees from local waterways:

670

(1,475 lbs)

Kilograms of trash collected near Kelowna's KLO Creek Bridge:

227

(500-lbs)

Preserving wildlife

We support environmental initiatives and programs that are important to the communities we serve around our province.

Working closely with the Upper Columbia White Sturgeon Recovery Initiative, FortisBC participated in the annual juvenile sturgeon release event. Since 2002, we have released between 10,000 and 13,000 sturgeon into the Columbia River between Revelstoke and Trail.

Once construction of the Waneta Hydroelectric Expansion Project on the Columbia River is complete, the facility will include additional protection for sturgeon. A specially designed gate will be incorporated into this hydroelectric facility to prevent sturgeon from entering the outlet of the plant. As it is the first

of its kind, the gate has generated much interest in the industry.

Around other energy infrastructure, such as the Mt. Hayes natural gas storage facility on Vancouver Island, we discovered rough-skinned newts, northwestern salamanders, western toads, pacific tree and red-legged frogs on site. They were safely relocated under the guidance of professional and environmental agencies.

With water habitats in mind, employees got their hands wet in the annual Great Canadian Shoreline Cleanup event, pulling all kinds of trash out of shorelines in our service areas.

Inspiring a conservation culture

At FortisBC, we encourage our customers to make thoughtful energy choices. And we aim to inspire a culture of energy efficiency and conservation.

One of the most cost effective ways to meet our customers' future needs is to encourage efficient energy use as often as possible. In 2011, we worked with communities across B.C. on a number of initiatives. Working with the City of Kelowna on their waste water treatment facility upgrade, we helped achieve savings of more than 3 million kilowatt hours per year and reduced the City's energy bill by over \$165,000 per year.

Our Tap by Tap pilot initiative with the District of Saanich, the Capital Regional District and City Green Solutions provided free energy and water-saving kits to approximately 900 households.

In 2011, FortisBC received a review of our energy efficiency and conservation potential for our residential, commercial and industrial customers. Results indicated that customers across all sectors of our gas service area could potentially save approximately 10 million gigajoules annually by 2030.

One of the most popular programs in 2011 was the "Give your furnace and fireplace some TLC" campaign, which provided a \$25 incentive to customers to have their natural gas heating equipment serviced. In 2011, we provided incentives to homeowners throughout B.C. to service more than 18,000 natural gas furnaces and 7,500 fireplaces.

Since its inception in 1989, our PowerSense program has helped Southern Interior electricity customers save more than 425 gigawatt hours (GWh), enough electricity to power more than 32,000 homes each year.

Recognizing leaders

In 2011, 14 local businesses and organizations were recognized with FortisBC PowerSense Conservation Excellence awards for outstanding achievements in energy efficiency.

The annual awards recognize customers who have shown a commitment to innovation, conservation and sustainability by completing energy efficiency projects that save more than 100,000 kilowatt hours annually.



Collectively, these award-winners saved over four gigawatt hours of electricity, enough to power more than 330 homes for a year.



Clotheslines make a comeback

It seems our customers can't wait to hang their clothes on environmentally friendly clotheslines. Last summer, we handed out more than 10,000 indoor/outdoor clotheslines to customers at community events in our shared service areas, helping them save energy and money. Since starting this initiative in 2009, we have handed out more than 29,000 clotheslines.

Our customers are proving that clotheslines are making a comeback. A family of four using one of our lines just three months of the year can save 149 kilowatt hours of electricity per year. Together, customers are saving more than 3 gigawatt hours of electricity, enough to power 230 homes or an entire subdivision for a year.

Commercial rebates help schools

With aging boilers, School District No. 72 (Campbell River) devised a plan to upgrade the schools' heating systems. The plan included applying to FortisBC's Efficient Boiler Program. In 2011, two high-efficiency condensing boilers were installed at Georgia Park Elementary. FortisBC found the participants in the Efficient Boiler Program reduced natural gas consumption by an average of 16 per cent per year.³ As well as the savings over the life of the systems, the District received a \$12,625 rebate from FortisBC, which will be reinvested into other school maintenance projects. Our commercial rebates, like all our other energy efficiency incentives, are about helping customers save energy and money, while reducing greenhouse gas emissions.

³Based on a study performed by Prism Engineering, fortisbc.com/provensavings.

A new kind of diet

In the small mountain community of Rossland, residents were surprised to learn they were using almost 40 per cent more electricity than the average B.C. home. In mid-2011, they asked FortisBC to help with an 'eco-vention'. And we did, with the help of the City of Rossland, Columbia Basin Trust, the Nelson & District Credit Union, the Rossland Energy Task Force and the Rossland Sustainability Commission.

Called the Rossland Energy Diet, residents were offered a chance to sign up for a free home energy assessment. They also received help to access federal, provincial and FortisBC financial rebates for energy efficiency home improvement projects that included natural gas and electricity. Small businesses could also access our energy efficient lighting upgrades.

Alicia Gray, a Rossland resident and customer, had a 1940s character home with one irksome quality: no insulation in the walls. Gray said she was "floored by her heating costs," due to her home's inefficiencies.

Gray and more than 250 Rossland residents embraced the energy diet and home energy assessments, while 34 businesses received up to \$5,500 each in lighting upgrades through the FLIP initiative. Participants are now reviewing and implementing measures to slim down their energy use and access rebate programs.

Fostering a conservation culture among our customers, FortisBC will continue to offer a wide variety of incentives and programs to encourage the thoughtful use of energy.

Shedding new light

The FortisBC/LiveSmart BC Lighting Installation Program (FLIP) provides up to \$5,500 to privately owned businesses operating from commercial facilities. A FortisBC-approved contractor walks each business owner through the process, from assessment to installation.

In 2011, the successful initiative was fully subscribed in about four weeks, with even more businesses on a wait list.

What's ahead

At FortisBC, our commitment is clear. Together with customers and communities, we are energizing British Columbia.

It's our goal to understand our customers' energy needs, meeting their service expectations each and every day.

FortisBC employees are listening and responding to customers, and delivering services that touch their lives. It's our goal to understand their energy needs and meet their service expectations each and every day.

Our commitment is clear. We will continue to anticipate our customers' energy needs by making inroads into innovative B.C.-based solutions and always serving customers well. FortisBC is energizing B.C.

We are committed to safely and reliably delivering energy at the lowest reasonable cost to our customers. Going forward, we will continue to focus on the operational performance of our traditional electric and natural gas businesses, the core of FortisBC.

Our vision for the future is to ensure we meet British Columbia's energy needs through the integration of our traditional energy products with new innovative energy solutions. These include:

- **natural gas as a transportation fuel for fleet vehicles**
- **integrated energy systems including geoexchange, biomass and district energy systems for schools, hospitals and municipalities**
- **renewable natural gas offerings for residential and commercial customers**



Leadership Team



Dwain Bell *Vice President, Operations*

Mr. Bell has more than 38 years of experience in the natural gas business throughout B.C. and Alberta, all with FortisBC and its predecessor companies.

David Bennett *Vice President, General Counsel & Corporate Secretary*. Mr. Bennett practiced law in Vancouver until 2001 and then moved to London, England. He returned to B.C. in 2003 and was in private practice until joining FortisBC Inc. in 2004.

Roger Dall'Antonia *Vice President, Strategic Planning, Corporate Development & Regulatory Affairs*
Mr. Dall'Antonia rejoined the company in 2007, bringing 15 years of corporate finance and treasury experience. He has considerable experience in senior financial roles, primarily in the energy industry, including positions with Terasen, Westcoast Energy and Versacold Income Fund.

Cynthia Des Brisay *Vice President, Energy Supply & Resource Development*. Ms. Des Brisay has been with the company since 1999. She has more than 28 years of experience in the energy industry, including oil, gas and independent power generation development in Canada and New Zealand.

Mehela Leeners *Vice President, Finance & CFO*

Ms. Leeners is a chartered accountant with over 22 years of experience in finance, treasury and accounting. Prior to joining FortisBC, she held management roles for the Canadian division of a U.S. oil and gas company.

Tom Loski *Vice President, Customer Service*

Mr. Loski has over 29 years of experience with FortisBC and its predecessor companies. Prior to his current role, Mr. Loski was responsible for the development and implementation of corporate regulatory strategy as the Chief Regulatory Officer for Terasen Gas and FortisBC Inc.

Michael Mulcahy *Executive Vice President, Customer & Corporate Services*. Mr. Mulcahy began his career with the Fortis group of companies with Maritime Electric in 1993. Prior to joining FortisBC, he was Vice President of Customer and Corporate Services for Newfoundland Power. Mr. Mulcahy is also Chairman of the Customer Council of the Canadian Electricity Association.

Doyle Sam *Vice President, Engineering & Generation*
Mr. Sam has worked in the electrical utility industry since 1989 and for FortisBC and its predecessors since 2003. He has operated in a variety of engineering, planning, operations and senior management roles throughout his career.

Robert Samels *Vice President, Business Planning*

Mr. Samels has worked with FortisBC and its predecessor companies since 1991. He spent 12 years in public practice with KPMG and PricewaterhouseCoopers prior to holding various senior roles at FortisBC Energy Inc.

Douglas Stout *Vice President, Energy Solutions &*

External Relations. Mr. Stout joined the company in 2001 as Vice President, Gas Supply and Transmission. He has held senior roles with Belcorp Industries Inc. and Husky Energy Inc., and has served as Director for Sultran Ltd., Pacific Coast Terminals and Hillsborough Resources. He is currently a Director of the Northwest Gas Association and the Canadian Natural Gas Vehicle Alliance.

John Walker *President & CEO*

Mr. Walker is President and CEO of FortisBC Inc., FortisBC Holdings Inc., and FortisBC Energy Inc. and serves on the Board of Directors of FortisAlberta Inc. and the FortisBC group of companies. He has worked with Fortis Inc. since 1983, where he began his career with Newfoundland Power Inc. He also serves on the Boards of Directors of the Canadian Gas Association, the Canadian Electricity Association, Western Energy Institute and the Sauder Faculty Advisory Board, University of British Columbia.

Board of Directors



H. Stanley Marshall

Mr. Marshall is the President and CEO of Fortis Inc., serving in this role since 1995. He serves on the boards of several Fortis companies, is a Director of Toromont Industries Ltd. and is Chair of the FortisBC Inc., FortisBC Holdings Inc. and FortisBC Energy Inc. Boards.



Harold G. Calla

Mr. Calla is Chair of the First Nations Financial Management Board. He is a member of the Squamish Nation and has served two terms on its Council. He is on the Board of Directors of the Nicola Valley Institute of Technology, and is a past Director of Canada Mortgage and Housing Corporation and Partnerships BC.



Beth D. Campbell

Ms. Campbell currently holds the title of Governor, and is immediate Past Chair for Best Western International Inc. She serves as a Director on the Board and as Vice Chair of the Member Marketing Advisory Committee for Best Western International Inc. She is the past Vice Chair of Tourism British Columbia and is Owner of the Best Western Inn at Penticton.



Brenda Eaton

Ms. Eaton is the Chair of BC Housing and on the Board of Directors of Transelec, Powertech and several not-for-profit organizations. She previously served as Deputy Minister to the Premier and prior to that as Deputy Minister in Finance and Treasury Board, Energy Mines and Petroleum Resources and Social Services.



Ida J. Goodreau

Ms. Goodreau is Adjunct Professor, Sauder School of Business, and Director, Strategy Centre for Healthcare Management, University of British Columbia. Previously, she was President and CEO of LifeLabs Medical Laboratory Services, and President and CEO of the Vancouver Coastal Health Authority. She is on the Board of Directors of Fortis Inc. and is a member of the Boards of the Vancouver Foundation, Genome B.C., Streethome Foundation and Canada West Foundation.



Roger M. Mayer

Mr. Mayer was elected to the Regional District of the Okanagan Similkameen in 1987. He served as Chair of the Regional District of Okanagan Similkameen from 1996 to 2001 and as Chair of the Regional Hospital District from 1996 to 2000 and again from 2002 to 2004. He presently serves as the Chair of the Okanagan Panel of the Provincial Government's Agricultural Land Commission.



Harry McWatters

Mr. McWatters is the President and CEO of Vintage Consulting Group Inc., and Sundial Vineyard. He is the founding Chairman of the B.C. Wine Institute, and founding Chairman of the B.C. Hospitality Foundation. He has served on the Board of Directors of FortisBC Inc. since 2005, served as Chairman from 2006 to 2010, and has been on the Fortis Inc. Board since 2007.



Barry V. Perry

Mr. Perry is the Vice President, Finance and Chief Financial Officer of Fortis Inc. Prior to his current role at Fortis, he held the position of Vice President, Finance and Chief Financial Officer of Newfoundland Power Inc. He serves on the boards of several Fortis companies.



Linda S. Petch

Ms. Petch is Principal of Linda S. Petch Governance Services, which provides governance and accountability framework services to boards. She is also a member of the Board of Governors of RBC Mutual Funds and RBC Private Pools, and the Board of Directors of the Provincial Health Services Authority.



David R. Podmore

Mr. Podmore is the Chairman and CEO of Concert Properties Ltd., a national real estate enterprise he co-founded in 1989. He currently serves as the Chair of the B.C. Pavilion Corporation and on the Board of the BC Children's Hospital Foundation. He is also a Director of LifeLabs Inc., Medical Laboratory Services, Ainsworth Inc. and the Vancouver Board of Trade.



Karl W. Smith

Mr. Smith is President and CEO of FortisAlberta Inc. and prior to this role, was President and CEO of Newfoundland Power Inc. He has held senior positions with the Fortis group of companies since 1989. He also serves on the Boards of Directors of Junior Achievement of South Alberta and the Western Energy Institute, and is a member of the Board of Governors of Mount Royal University.



John C. Walker

Mr. Walker is President and CEO of FortisBC Inc., Fortis BC Holdings Inc., and FortisBC Energy Inc. and serves on the Board of Directors of FortisAlberta Inc. and the FortisBC group of companies. He has worked with Fortis Inc. since 1983, where he began his career with Newfoundland Power Inc. He also serves on the Boards of Directors of the Canadian Gas Association, the Canadian Electricity Association, Western Energy Institute, and the Sauder Faculty Advisory Board, University of British Columbia.



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