



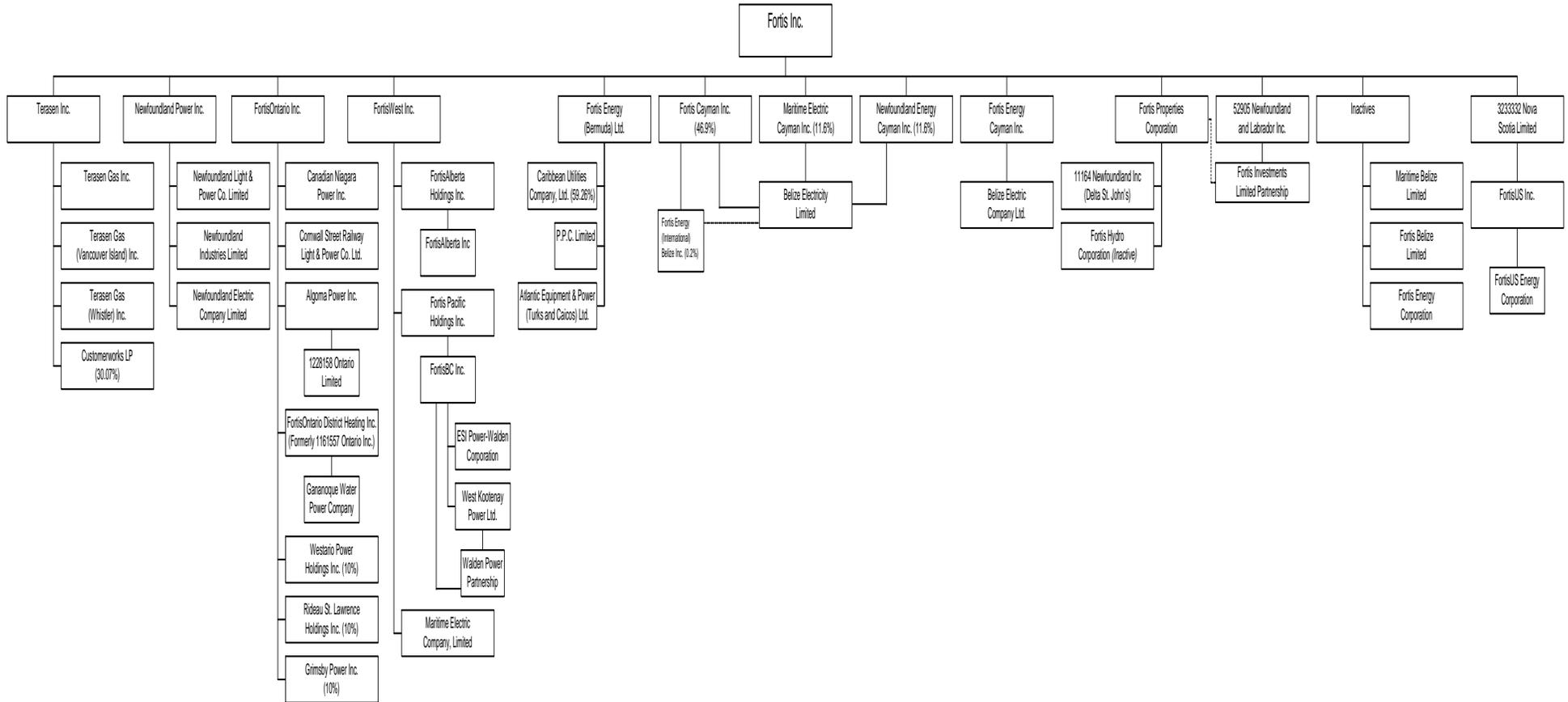
Preliminary 2011 Revenue Requirements

Appendix C

Affiliate Transactions Report

For the year ended December 31, 2009

A. Organizational Chart – FortisBC Inc. and Affiliates



B. List of Affiliates with Whom FortisBC Transacted Business

The following is a list of all affiliates with whom FortisBC transacted business in the year ending December 31, 2009 including the business address, list of officers and directors as at December 31, 2009 and a description of the Affiliates' business activities.

Fortis Inc.

Suite 1201, 139 Water Street
P.O. Box 8837
St. John's, NL
A1B 3T2

Directors:

Geoffrey F. Hyland (Chair)
Peter E. Case
Frank J. Crothers
Ida J. Goodreau
Douglas J. Haughey
H. Stanley Marshall
John S. McCallum
Harry McWatters
Ronald D. Munkley
David G. Norris
Michael A. Pavey
Roy P. Rideout

Officers:

H. Stanley Marshall *President and CEO*
Barry V. Perry *Vice President, Finance and CFO*
Ronald W. McCabe *Vice President, General Counsel and Corporate Secretary*
Donna G. Hynes *Assistant Secretary*

Description of Business: Fortis Inc. is the largest investor-owned distribution utility in Canada, serving more than 2,000,000 gas and electricity customers. Its regulated holdings include a natural gas utility in British Columbia and electric utilities in 5 Canadian provinces and 3 Caribbean countries. Fortis owns non-regulated hydroelectric generation assets across Canada and in Belize and upper New York State. It also owns hotels and commercial real estate in Canada.

FortisAlberta Inc.

320 17 Avenue SW
Calgary, AB
T2S 2V1

Directors:

Gregory E. Conn (Chair)
Judith J. Athaide
Brian F. Bietz
Mary Cameron
William J. Daley
Al Duerr
Doug Haughey
Joanne R. Lemke
H. Stanley Marshall
Karl W. Smith
John C. Walker

Officers:

Karl W. Smith	<i>President & CEO</i>
Annette Butt	<i>Vice President, Human Resources and Corporate Communications</i>
Nipa Chakravarti	<i>Vice President, Customer Service</i>
Phonse Delaney	<i>Vice President, Operations and Engineering</i>
Ian G. Lorimer	<i>Vice President, Finance and CFO</i>
Alan Skiffington	<i>Vice President, Business Services and Chief Information Officer</i>
Karl Bomhof	<i>General Counsel and Corporate Secretary</i>
Michael G. Olson	<i>Controller & Treasurer</i>

Description of Business: FortisAlberta, a wholly owned subsidiary of Fortis Inc., is a distribution utility providing electricity in central and southern Alberta. The Company serves approximately 461,000 customers and met a peak demand of 3,150 megawatts in 2008.

Fortis Pacific Holdings Inc.

25th Floor
 700 West Georgia Street
 Vancouver, BC
 V7Y 1B3

Directors:

John C. Walker
 Michele Leeners
 David Bennett
 Doyle Sam

Officers:

John C. Walker	<i>President and CEO</i>
Michele Leeners	<i>Vice President, Finance & CFO</i>
Doyle Sam	<i>Vice President, Engineering and Operations</i>
David Bennett	<i>Secretary</i>

Description of Business: Fortis Pacific Holdings Inc. a wholly owned subsidiary of Fortis Inc. is a British Columbia company that is the parent company of FortisBC.

Newfoundland Power Inc.

55 Kenmount Road
 P.O. Box 8910
 St. John's, NL
 A1B 3P6

Directors:

David G. Norris (Chair)
 Peggy Bartlett
 Frank Davis
 Ed Drover
 Georgina Hedges
 Earl A. Ludlow
 Fred O'Brien
 Bruce Simmons
 John C. Walker
 Barry V. Perry
 Jo Mark Zurel

Officers:

Earl A. Ludlow	<i>President and CEO</i>
Jocelyn H. Perry	<i>Vice President, Finance & CFO</i>
Lisa A. Hutchens	<i>Vice President, Customer Relations and Corporate Services</i>
Gary Smith	<i>Vice President, Engineering and Operations</i>
Peter S. Alteen	<i>Vice President, Regulatory Affairs and General Counsel</i>

Description of Business: Newfoundland Power Inc., a wholly owned subsidiary of Fortis Inc., operates an integrated generation, transmission and distribution system in Newfoundland. The Company serves approximately 236,000 customers in the province and met a peak demand of 1,181 MW in 2008.

Terasen Inc.

10th Floor
1111 West Georgia Street
Vancouver, BC
V6E 4M3

Directors:

H. Stanley Marshall (Chair)
Harold Calla
Brenda Eaton
Ida J. Goodreau
R.L. (Randy) Jespersen
Harry McWatters
Barry V. Perry
Linda S. Petch
David R. Podmore
John C. Walker

Officers:

R.L. (Randy) Jespersen	<i>President & CEO</i>
David C. Bennett	<i>Vice President & General Counsel; Corporate Secretary</i>
Roger Dall'Antonia	<i>Vice President, Corporation Development & Treasurer</i>
Scott A. Thomson	<i>Vice President, Regulatory Affairs & CFO</i>
Debra G. Nelson	<i>Assistant Corporate Secretary</i>

Description of Business: Terasen Inc., a Canadian corporation headquartered in Vancouver, British Columbia, is the parent company of the regulated Terasen Gas companies and Terasen Energy Services Inc. A wholly owned subsidiary of Fortis Inc., Terasen, together with its subsidiaries, is one of the largest distributors of natural gas in the greater Pacific Northwest and a leading provider of alternative energy systems.

Terasen Gas Inc.

10th Floor
 1111 West Georgia Street
 Vancouver, BC
 V6E 4M3

Directors:

H. Stanley Marshall (Chair)
 Harold Calla
 Brenda Eaton
 Ida J. Goodreau
 R.L. (Randy) Jespersen
 Harry McWatters
 Barry V. Perry
 Linda S. Petch
 David R. Podmore
 John C. Walker

Officers:

R.L. (Randy) Jespersen	<i>President & CEO</i>
Dwain A. Bell	<i>Vice President, Distribution</i>
David C. Bennett	<i>Vice President & General Counsel; Corporate Secretary</i>
Roger Dall'Antonia	<i>Vice President, Corporation Development & Treasurer</i>
Cynthia Des Brisay	<i>Vice President, Gas Supply & Transmission</i>
Jan A Marston	<i>Vice President, Human Resources & Operations Governance</i>
Robert M. Samels	<i>Vice President, Business Services</i>
Douglas L. Stout	<i>Vice President, Marketing & Business Development</i>
Scott A. Thomson	<i>Vice President, Regulatory Affairs & CFO</i>
Debra G. Nelson	<i>Assistant Corporate Secretary</i>

Description of Business: Terasen Gas Inc., is a regulated utility providing natural gas and alternative energy solutions to 96 percent of BC's natural gas customers. The Company services approximately 940,000 customers in 125 communities across British Columbia.

FortisOntario Inc.

1130 Bertie Street
P.O. Box 1218
Fort Erie, ON
L2A 5Y2

Directors:

Peter E. Case (Chair)
William J. Daley
Geoffrey F. Hyland
Barry V. Perry

Officers:

William J. Daley	<i>President & CEO</i>
Glen King	<i>Vice President, Finance & CFO</i>
R. Scott Hawkes	<i>Vice President, Corporate Services, General Counsel & Corporate Secretary</i>
Angus S. Orford	<i>Vice President, Operations</i>

Description of Business: FortisOntario, a wholly owned subsidiary of Fortis Inc., is a electric transmission and distribution utility, which owns and operates Canadian Niagara Power Inc. and Cornwall Electric. The Company owns regulated transmission assets in the Niagara and Cornwall regions, including an interconnection between New York State and Fort Erie, Ontario. FortisOntario recently announced the purchase of Great Lakes Power Distribution Inc. ("GLPD") located in the district of Algoma in northern Ontario. FortisOntario also owns a 10 per cent interest in each of Westario Power Inc., Rideau St. Lawrence Holdings Inc., and Grimsby Power Inc., three regional electric distribution companies.

Fortis Properties Corp.

Suite 1201, 139 Water Street
P.O. Box 8837
St. John's, NL
A1B 3T2

Directors:

H. Stanley Marshall (Chair)
Nora M. Duke
David G. Norris
Barry V. Perry

Officers:

Nora M. Duke	<i>President & CEO</i>
Jamie D. Roberts	<i>Vice President, Finance & CFO</i>
Terry K. Chaffey	<i>Vice President, Real Estate</i>
Ronald W. McCabe	<i>Vice President, General Counsel & Corporate Secretary</i>

Description of Business: Fortis Properties Inc. a wholly owned non-utility subsidiary of Fortis Inc., owns and operates hotels in 8 provinces in Canada and commercial real estate primarily in Atlantic Canada. Its holdings include 21 hotels with more than 4,000 rooms and approximately 2.8 million square feet of commercial real estate.

Walden Power Partnership

Suite 100, 1975 Springfield Road
Kelowna, BC
V1Y 7V7

Description of Business: Walden Power Partnership is the owner of a non-regulated 16 MW run-of-river hydroelectric power plant near Lillooet, BC. The partnership is between FortisBC Inc. and West Kootenay Power Limited.

C. List of Services Agreements

The following is a list of all Services Agreements in effect during the Reporting Period:

- a. Shared Services Agreement between FortisBC Inc. and FortisAlberta Inc. dated January 1, 2006; and
- b. Property Tax Shared Services Agreement between FortisBC Inc., and Terasen Gas Inc. dated May 1, 2008.
- c. Corporate Services Contract – Legal Services between FortisBC Inc. and Terasen Inc. dated October 1, 2009.
- d. Corporate Services Contract – Executive Services between FortisBC Inc. and Terasen Inc. dated January 1, 2009.
- e. Corporate Services Contract – Insurance between FortisBC Inc. and Terasen Inc. dated January 1, 2009.

D. Affiliate Party Transactions Summary

The following is a summary overview of the types of transactions provided between FortisBC and its affiliates containing a general description of the transactions and services, the parties involved and the approximate aggregate value.

1. Transactions with Fortis Inc.

Transactions charged to Fortis Inc.	
Transaction Type	Approximate 2009 Amount (\$)
Labour & Travel Expenses	9,000
Total 2009 approximate value	9,000

Transactions charged from Fortis Inc.	
Transaction Type	Approximate 2009 Amount (\$)
Corporate Governance Expenses	944,000
Compensation Recoveries (Non-Regulated)	422,000
Pension Recoveries	25,000
Information Technology Services	5,000
Total 2009 approximate value	1,396,000

2. Transactions with FortisAlberta Inc.

Transactions charged to Fortis Alberta	
Transaction Type	Approximate 2009 Amount (\$)
Pension Related Recoveries	30,000
Sale of Inventory Items	16,000
Travel Expenses, Board of Directors (J Walker)	4,000
Total 2009 approximate value	50,000

Transactions charged from Fortis Alberta	
Transaction Type	Approximate 2009 Amount (\$)
Metering Services	55,000
Material & Equipment Purchase (Capital)	43,000
Training Expenses	42,000
Total 2009 approximate value	140,000

3. Transactions with **Newfoundland Power Inc.**

Transactions charged to Newfoundland Power	
Transaction Type	Approximate 2009 Amount (\$)
Travel Expenses, Board of Directors (J Walker)	18,000
Total 2009 approximate value	18,000

Transactions charged from Newfoundland Power	
Transaction Type	Approximate 2009 Amount (\$)
Information Technology Services	16,500
Labour & Travel Expenses	3,000
Share of Conference Board of Canada Subscription	2,000
Shared Membership Fee – Institute of Internal Auditors	500
Total 2009 approximate value	22,000

4. Transactions with **Terasen Inc./ Terasen Gas Inc.**

Transactions charged to Terasen	
Transaction Type	Approximate 2009 Amount (\$)
Sale of Power (Tariff sales)	561,000
Labour & Travel Expenses	195,000
Customer Works Ltd. Partnership Board Expenses	26,000
Cooperative Safety Program (CSP)	10,000
Travel Expenses, Board of Directors (J Walker)	8,000
Energy Management Rebates	7,000
Total 2009 approximate value	807,000

Transactions charged from Terasen	
Transaction Type	Approximate 2009 Amount (\$)
Rental of Springfield Road office	222,000
Property Tax Support Services including software and license fees and travel expenses	49,000
Capital Improvements (Substations)	29,000
Insurance Support Services	20,000
Conference Expenses	11,000
Purchase of Natural Gas	12,000
Banquet and Award Expenses	4,000
Customer Rebate Program	4,000
Travel Expenses, Board of Directors (R Jespersion)	1,000
Total 2009 approximate value	352,000

5. Transactions with **FortisOntario Inc.**

Transactions charged to FortisOntario	
Transaction Type	Approximate 2009 Amount (\$)
Travel Expenses	1,000
Total 2009 approximate value	1,000

Transactions charged from FortisOntario	
Transaction Type	Approximate 2009 Amount (\$)
Board of Director Expenses	13,000
Total 2009 approximate value	13,000

6. Transactions with **Fortis Properties Inc.**

Transactions charged to Fortis Properties	
Transaction Type	Approximate 2009 Amount (\$)
Travel Expenses	5,500
Construction Contribution	1,500
Total 2009 approximate value	1,000

Transactions charged from Fortis Properties	
Transaction Type	Approximate 2009 Amount (\$)
Canadian Hydropower Dues	3,000
Total 2009 approximate value	13,000

7. Transactions with **Fortis Pacific Holdings Inc.**

Transactions charged to FPHI	
Transaction Type	Approximate 2009 Amount (\$)
Services pursuant to Subcontractor Agreements for City of Kelowna Electric Utility, Arrow Lakes Power Co., and Brilliant Expansion Power Corp.	5,489,000
Transfer Pricing charged to FPHI	582,000
Interest on intercompany account balance	11,000
Total 2009 approximate value	6,082,000

8. Transactions with **Walden Power Partnership**

Transactions charged to Walden Power Partnership	
Transaction Type	Approximate 2009 Amount (\$)
Operation & Maintenance, Walden Power Plant	129,000
Transfer Pricing Charged to Walden Power	7,000
Total 2009 approximate value	136,000
Net cash invested in Walden in 2009	600,000

E. Affiliate Party Financial Transactions Summary

The following is a summary of financial transactions provided between FortisBC and its affiliates.

FortisBC Inc.
Affiliate Party Financial Transactions
January 1, 2009 to December 31, 2009
(\$000s)

Date	Related Party	Terms	Capital Transactions	Related Party Investing	Related Party Financing
27-Feb-09	Fortis Pacific	Dividend payment	(3,500)	-	-
29-May-09	Fortis Pacific	Dividend payment	(3,500)	-	-
28-Aug-09	Fortis Pacific	Dividend payment	(3,500)	-	-
29-Sep-09	Fortis Pacific	Common equity issue	5,000	-	-
27-Nov-09	Fortis Pacific	Dividend payment	(4,000)	-	-
31-Dec-09	Fortis Pacific	Common equity issue	5,000	-	-