



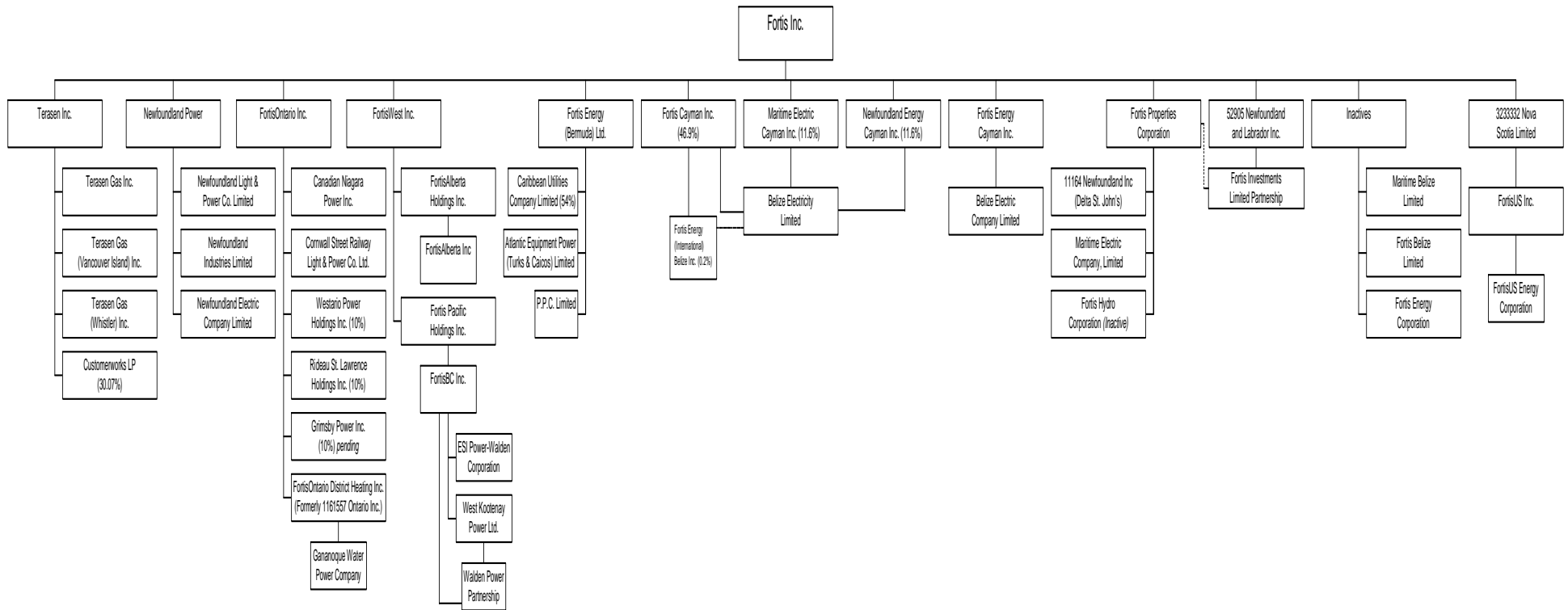
Preliminary 2010 Revenue Requirements

Appendix C

Affiliate Transactions Report

For the year ended December 31, 2008

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, 2008 including the business address, list of officers and directors 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	<i>President and CEO</i>
Barry V. Perry	<i>Vice President, Finance and CFO</i>
Ronald W. McCabe	<i>Vice President, General Counsel and Corporate Secretary</i>
Donna G. Hynes	<i>Assistant Secretary</i>

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
Nora M. Duke
Al Duerr
Joanne R. Lemke
H. Stanley Marshall
John S. McCallum
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>
Cynthia Johnston	<i>Vice President, Regulatory and Legal</i>
Ian G. Lorimer	<i>Vice President, Finance and CFO</i>
Alan Skiffington	<i>Vice President, Business Services and Chief Information Officer</i>
Robert J. Fink	<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

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 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>
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 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>
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 Gas Inc. is the principal natural gas distribution utility in British Columbia. Its service territory includes the populous lower mainland, Vancouver Island and the interior of the province. The Company serves 931,400 customers, or 96 per cent of gas users in the province, and met a peak day demand of 1,402 terajoules in 2008.

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 Inc.

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

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.

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 2008 Amount (\$)
Executive Legal Services	101,000
Travel and Misc. Expense	2,000
Total 2008 approximate value	103,000

Transactions charged from Fortis Inc.	
Transaction Type	Approximate 2008 Amount (\$)
Corporate Governance and Strategic Services	840,500
Stock-Based Compensation (Non Regulated)	347,000
Pension Expense for employee covered by Fortis Inc. plan	23,500
Information Technology Services – Shared Ethics Reporting System	20,000
Total 2008 approximate value	1,231,000

2. Transactions with FortisAlberta Inc.

Transactions charged to Fortis Alberta	
Transaction Type	Approximate 2008 Amount (\$)
Pension Expense for Fortis Alberta employee covered by FortisBC plan	28,000
Metering Equipment Maintenance	24,000
Travel Expenses, Board of Directors (J. Walker)	4,000
Staff Travel Expenses (recruitment to FortisAlberta)	2,000
Total 2008 approximate value	58,000

Transactions charged from Fortis Alberta	
Transaction Type	Approximate 2008 Amount (\$)
Materials Purchase (Capital)	163,000
Meter Management Services	76,000
Apprenticeship Technical Training	35,500
Property Tax Support Services	2,000
Interest on intercompany accounts	500
Total 2008 approximate value	277,000

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

Transactions charged to Newfoundland Power	
Transaction Type	Approximate 2008 Amount (\$)
Travel Expenses, Board of Directors (J Walker)	23,000
Total 2008 approximate value	23,000

Transactions charged from Newfoundland Power	
Transaction Type	Approximate 2008 Amount (\$)
Consulting fee – insurance services	8,500
Share of Conference Board of Canada Subscription	3,000
Shared Membership Fee – Institute of Internal Auditors	500
Total 2008 approximate value	12,000

4. Transactions with **Terasen Inc.**

Transactions charged to Terasen Inc.	
Transaction Type	Approximate 2008 Amount (\$)
Executive Legal Services	130,000
Travel Expenses, Board of Directors (J. Walker)	5,000
Total 2008 approximate value	135,000

5. Transactions with **Terasen Gas Inc.**

Transactions charged to Terasen Gas	
Transaction Type	Approximate 2008 Amount (\$)
Sale of Power (Tariff sales)	380,000
Maintenance invoice paid on behalf of Terasen Gas	1,000
Energy Management – shared cost of pilot project	17,500
Total 2008 approximate value	398,500

Transactions charged from Terasen Gas	
Transaction Type	Approximate 2008 Amount (\$)
Rental of Springfield Road office	221,500
Property Tax Support Services including software and license fees and travel expenses	45,500
Sale of Natural Gas (Tariff sales)	15,000
Energy Efficiency Programs	10,000
Conference Expenses	12,000
Donations	2,000
Damage Repairs (Gas Line)	2,500
Travel Expenses, Board of Directors (R Jespersen)	1,500
Total 2008 approximate value	310,000

6. Transactions with **FortisOntario Inc.**

Transactions charged from Fortis Ontario	
Transaction Type	Approximate 2008 Amount (\$)
Travel Expenses, Board of Directors (W Dailey)	5,000
Total 2008 approximate value	5,000

7. Transactions with **Fortis Properties Inc.**

Transactions charged from Fortis Properties	
Transaction Type	Approximate 2008 Amount (\$)
Share of Canadian Hydropower Dues	2,000
Total 2008 approximate value	2,000

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

Transactions charged to FPHI	
Transaction Type	Approximate 2008 Amount (\$)
Services pursuant to Subcontractor Agreements for City of Kelowna Electric Utility, Arrow Lakes Power Co., and Brilliant Expansion Power Corp.	5,626,000
Interest on intercompany account balance	25,000
Total 2008 approximate value	5,651,000

9. Transactions with **Walden Power Partnership**

Transactions charged to Walden Power Partnership	
Transaction Type	Approximate 2008 Amount (\$)
Operation & Maintenance, Walden Power Plant	105,000
Interest Expense	150,000
Total 2008 approximate value	255,000
Net cash invested in Walden in 2008	700,000

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, 2008 to December 31, 2008
(\$000s)

Date	Related Party	Terms	Capital Transactions	Related Party Investing	Related Party Financing
28-Feb-08	Fortis Pacific	Dividend payment	(3,200)	-	-
30-May-08	Fortis Pacific	Dividend payment	(3,200)	-	-
29-Aug-08	Fortis Pacific	Dividend payment	(3,500)	-	-
30-Sep-08	Fortis Pacific	Common equity issue	10,000	-	-
29-Dec-08	Fortis Pacific	Common equity issue	5,000	-	-
29-Dec-08	Fortis Pacific	Dividend payment	(3,500)	-	-