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June 4, 2014

Via Email
Original via Mail

British Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

**Re: FortisBC Energy Inc. – Lower Mainland, Inland, and Columbia Service Areas
Commodity Cost Reconciliation Account (CCRA) and Midstream Cost
Reconciliation Account (MCRA) Quarterly Gas Costs
2014 Second Quarter Gas Cost Report**

The attached materials provide the FortisBC Energy Inc. (FEI or the Company) 2014 Second Quarter Gas Cost Report for the CCRA and MCRA deferral accounts as required under British Columbia Utilities Commission (the Commission) guidelines. The results, discussed further below, are based on the five-day average of the May 14, 15, 16, 20, and 21, 2014 forward prices (five-day forward prices ending May 21, 2014).

CCRA Deferral Account

Based on the five-day average forward prices ending May 21, 2014, the June 30, 2014 CCRA balance is projected to be approximately \$16 million deficit after tax. Further, based on the five-day average forward prices ending May 21, 2014, the gas purchase cost assumptions, and the forecast commodity cost recoveries at present rates for the 12-month period ending June 30, 2015, and accounting for the projected June 30, 2014 deferral balance, the CCRA trigger ratio is calculated to be 104.9 percent (Tab 1, Page 2, Column 4, Line 10), which falls within the deadband range of 95 percent to 105 percent. The tested rate decrease that would produce a 100 percent commodity recovery-to-cost ratio is calculated to be \$0.218/GJ (Tab 1, Page 2, Column 5, Line 25), which falls within the \$0.50/GJ rate change threshold and indicates that a rate change is not required at this time.

The schedules at Tab 2, Pages 1 to 2, provide details of the recorded and forecast, based on the five-day average forward prices ending May 21, 2014, CCRA gas supply costs. The schedule at Tab 2, Page 3 provides the information related to the unitization of the forecast CCRA gas supply costs for the July 1, 2014 to June 30, 2015 prospective period, based on the five-day average forward prices ending May 21, 2014.

MCRA Deferral Account

The monthly deferral account balances for the MCRA are shown on the schedule provided at Tab 1, Page 3, at the existing rates. The MCRA balance at June 30, 2014, based on the five-day average forward prices ending May 21, 2014, is projected to be approximately \$17 million surplus after tax. Further, the MCRA balance at December 31, 2014 and December 31, 2015, based on the five-day average forward prices May 21, 2014, are projected to be approximately \$14 million surplus and \$12 million surplus after tax, respectively.

The schedules at Tab 2, Pages 4 and 5, provide details of MCRA gas supply costs for calendar 2014 and 2015 based on the five-day average forward prices ending May 21, 2014.

FEI will continue to monitor and report the MCRA balances consistent with the Company's position that midstream rates be reported on a quarterly basis and, under normal circumstances, midstream rates be adjusted on an annual basis with a January 1 effective date.

Summary

The Company hereby proposes the Commodity Cost Recovery Charge remain unchanged at July 1, 2014.

FEI will continue to monitor the forward prices, and will report CCRA and MCRA balances in its 2014 Third Quarter Gas Cost Report.

We trust the Commission will find the attached to be in order. However, should any further information be required, please contact Doug Richardson at 604-592-7643.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachments

**FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
CCRA MONTHLY BALANCES AT EXISTING RATES (AFTER ADJUSTMENTS FOR ENERGY DIFFERENCES)
FOR THE FORECAST PERIOD JULY 1, 2014 TO JUNE 30, 2016
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 20, AND 21, 2014
\$(Millions)**

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		Recorded Jan-14	Recorded Feb-14	Recorded Mar-14	Recorded Apr-14	Projected May-14	Projected Jun-14							Jan-14 to Jun-14
1	CCRA Balance - Beginning (Pre-tax) ^(1*)	\$ (14)	\$ (9)	\$ 9	\$ 29	\$ 27	\$ 26							\$ (14)
2	Gas Costs Incurred	\$ 33	\$ 49	\$ 51	\$ 41	\$ 41	\$ 39							\$ 254
3	Revenue from APPROVED Recovery Rate	\$ (28)	\$ (31)	\$ (31)	\$ (43)	\$ (43)	\$ (41)							\$ (216)
4	CCRA Balance - Ending (Pre-tax) ^(2*)	\$ (9)	\$ 9	\$ 29	\$ 27	\$ 26	\$ 22							\$ 22
5														
6	CCRA Balance - Ending (After-tax) ^(3*)	\$ (7)	\$ 7	\$ 21	\$ 20	\$ 19	\$ 16							\$ 16
7														
8														
9														
10		Forecast Jul-14	Forecast Aug-14	Forecast Sep-14	Forecast Oct-14	Forecast Nov-14	Forecast Dec-14	Forecast Jan-15	Forecast Feb-15	Forecast Mar-15	Forecast Apr-15	Forecast May-15	Forecast Jun-15	Jul-14 to Jun-15
12	CCRA Balance - Beginning (Pre-tax) ^(1*)	\$ 22	\$ 19	\$ 15	\$ 11	\$ 8	\$ 6	\$ 5	\$ 4	\$ 2	\$ 1	\$ (7)	\$ (16)	\$ 22
13	Gas Costs Incurred	\$ 39	\$ 39	\$ 38	\$ 40	\$ 40	\$ 42	\$ 42	\$ 38	\$ 42	\$ 34	\$ 35	\$ 34	\$ 463
14	Revenue from EXISTING Recovery Rates	\$ (43)	\$ (43)	\$ (42)	\$ (43)	\$ (42)	\$ (43)	\$ (43)	\$ (39)	\$ (43)	\$ (42)	\$ (44)	\$ (42)	\$ (509)
15	CCRA Balance - Ending (Pre-tax) ^(2*)	\$ 19	\$ 15	\$ 11	\$ 8	\$ 6	\$ 5	\$ 4	\$ 2	\$ 1	\$ (7)	\$ (16)	\$ (24)	\$ (24)
16														
17	CCRA Balance - Ending (After-tax) ^(3*)	\$ 14	\$ 11	\$ 8	\$ 6	\$ 5	\$ 4	\$ 3	\$ 2	\$ 0	\$ (6)	\$ (12)	\$ (18)	\$ (18)
18														
19														
20														
21		Forecast Jul-15	Forecast Aug-15	Forecast Sep-15	Forecast Oct-15	Forecast Nov-15	Forecast Dec-15	Forecast Jan-16	Forecast Feb-16	Forecast Mar-16	Forecast Apr-16	Forecast May-16	Forecast Jun-16	Jul-15 to Jun-16
23	CCRA Balance - Beginning (Pre-tax) ^(1*)	\$ (24)	\$ (32)	\$ (41)	\$ (49)	\$ (57)	\$ (63)	\$ (69)	\$ (73)	\$ (78)	\$ (83)	\$ (93)	\$ (103)	\$ (24)
24	Gas Costs Incurred	\$ 35	\$ 35	\$ 34	\$ 36	\$ 36	\$ 38	\$ 39	\$ 36	\$ 38	\$ 33	\$ 34	\$ 33	\$ 428
25	Revenue from EXISTING Recovery Rates	\$ (44)	\$ (44)	\$ (42)	\$ (44)	\$ (42)	\$ (44)	\$ (44)	\$ (41)	\$ (44)	\$ (42)	\$ (44)	\$ (42)	\$ (516)
26	CCRA Balance - Ending (Pre-tax) ^(2*)	\$ (32)	\$ (41)	\$ (49)	\$ (57)	\$ (63)	\$ (69)	\$ (73)	\$ (78)	\$ (83)	\$ (93)	\$ (103)	\$ (112)	\$ (112)
27														
28	CCRA Balance - Ending (After-tax) ^(3*)	\$ (24)	\$ (30)	\$ (36)	\$ (42)	\$ (47)	\$ (51)	\$ (54)	\$ (58)	\$ (62)	\$ (69)	\$ (76)	\$ (83)	\$ (83)

Notes: Slight differences in totals due to rounding.

(1*) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts (2014 to 2016 at 26.0%).

(2*) For rate setting purposes CCRA pre-tax balances include grossed-up projected deferred interest of approximately \$1.5 million credit as at June 30, 2014.

(3*) For rate setting purposes CCRA after tax balances are independently grossed-up to reflect pre-tax amounts.

**FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
CCRA RATE CHANGE TRIGGER MECHANISM
FOR THE FORECAST PERIOD JULY 1, 2014 TO JUNE 30, 2015
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 20, AND 21, 2014**

Line No.	Particulars (1)	Pre-Tax (\$Millions) (2)	Forecast Energy (TJ) (3)	Percentage (4)	Unit Cost (\$/GJ) (5)	Reference / Comment (6)
1	<u>CCRA RATE CHANGE TRIGGER RATIO</u>					
2						
3	Projected Deferral Balance at Jun 30, 2014	\$ 22				(Tab 1, Page 1, Col.14, Line 4)
4						
5	Forecast Incurred Gas Costs - Jul 2014 to Jun 2015	\$ 463				(Tab 1, Page 1, Col.14, Line 13)
6						
7	Forecast Recovery Gas Costs at Existing Recovery Rate - Jul 2014 to Jun 2015	\$ 509				(Tab 1, Page 1, Col.14, Line 14)
8						
9						
10	CCRA					
11	Ratio = $\frac{\text{Forecast Recovered Gas Costs (Line 7)}}{\text{Forecast Incurred Gas Costs (Line 5) + Projected CCRA Balance (Line 3)}}$	= \$ 509		= 104.9%		Within 95% to 105% deadband
12		\$ 485				
13						
14						
15						
16						
17	<u>CCRA RATE CHANGE THRESHOLD (+/- \$0.50/GJ)</u>					
18						
19	Tested Rate					
20						
21	Forecast 12-month CCRA Baseload - Jul 2014 to Jun 2015		109,783.7			(Tab1, Page 7, Col.5, Line 14)
22						
23	(Over) / Under Recovery at Existing CCRA Rate	\$ (24)				(Line 3 + Line 5 - Line 7)
24						
25	Tested Rate (Decrease) / Increase				<u>\$ (0.218)</u>	Within minimum +/- \$0.50/GJ threshold

Notes: Slight differences in totals due to rounding.

**FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
MCRA MONTHLY BALANCES AT EXISTING RATES (AFTER ADJUSTMENTS FOR ENERGY DIFFERENCES)
FOR THE FORECAST PERIOD JULY 1, 2014 TO JUNE 30, 2016
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 20, AND 21, 2014**

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	\$(Millions)													
	Recorded Jan-14	Recorded Feb-14	Recorded Mar-14	Recorded Apr-14	Projected May-14	Projected Jun-14	Forecast Jul-14	Forecast Aug-14	Forecast Sep-14	Forecast Oct-14	Forecast Nov-14	Forecast Dec-14		Total 2014
1														
2														
3	MCRA Cumulative Balance - Beginning (Pre-tax) ^(1*)	\$ (19)	\$ (29)	\$ (24)	\$ (27)	\$ (32)	\$ (27)	\$ (24)	\$ (15)	\$ (6)	\$ 1	\$ (0)	\$ (6)	\$ (19)
4	2014 MCRA Activities													
5	<u>Rate Rider 6</u>													
6	Amount to be amortized in 2014 ^(4*)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
7	Rider 6 Amortization at APPROVED 2014 Rates	\$ 1	\$ 1	\$ 1	\$ 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1	\$ 1	\$ 1	\$ 9
8	<u>Midstream Base Rates</u>													
9	Gas Costs Incurred	\$ 64	\$ 69	\$ 53	\$ 26	\$ (4)	\$ (10)	\$ (12)	\$ (13)	\$ (8)	\$ 4	\$ 30	\$ 52	\$ 250
10	Revenue from APPROVED Recovery Rates	\$ (76)	\$ (65)	\$ (56)	\$ (32)	\$ 8	\$ 17	\$ 20	\$ 22	\$ 14	\$ (5)	\$ (36)	\$ (66)	\$ (255)
11	Total Midstream Base Rates (Pre-tax)	\$ (11)	\$ 3	\$ (3)	\$ (6)	\$ 4	\$ 7	\$ 8	\$ 9	\$ 7	\$ (1)	\$ (7)	\$ (14)	\$ (5)
12														
13	MCRA Cumulative Balance - Ending (Pre-tax) ^(2*)	\$ (29)	\$ (24)	\$ (27)	\$ (32)	\$ (27)	\$ (24)	\$ (15)	\$ (6)	\$ 1	\$ (0)	\$ (6)	\$ (19)	\$ (19)
14														
15	MCRA Cumulative Balance - Ending (After-tax) ^(3*)	\$ (21)	\$ (18)	\$ (20)	\$ (24)	\$ (20)	\$ (17)	\$ (11)	\$ (5)	\$ 0	\$ (0)	\$ (4)	\$ (14)	\$ (14)
16														
17														
18														
19														
20	MCRA Balance - Beginning (Pre-tax) ^(1*)	\$ (19)	\$ (32)	\$ (42)	\$ (49)	\$ (49)	\$ (42)	\$ (32)	\$ (20)	\$ (6)	\$ 3	\$ 4	\$ (2)	\$ (19)
21	2015 MCRA Activities													
22	<u>Rate Rider 6</u>													
23	Rider 6 Amortization at EXISTING 2014 Rates	\$ 1	\$ 1	\$ 1	\$ 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1	\$ 1	\$ 1	\$ 9
24	<u>Midstream Base Rates</u>													
25	Gas Costs Incurred	\$ 56	\$ 49	\$ 35	\$ 11	\$ (2)	\$ (7)	\$ (8)	\$ (10)	\$ 1	\$ 10	\$ 30	\$ 49	\$ 214
26	Revenue from EXISTING Recovery Rates	\$ (70)	\$ (60)	\$ (44)	\$ (12)	\$ 8	\$ 17	\$ 20	\$ 24	\$ 9	\$ (10)	\$ (37)	\$ (65)	\$ (220)
27	Total Midstream Base Rates (Pre-tax)	\$ (15)	\$ (11)	\$ (8)	\$ (1)	\$ 6	\$ 10	\$ 12	\$ 13	\$ 9	\$ 0	\$ (7)	\$ (16)	\$ (7)
28														
29														
30	MCRA Cumulative Balance - Ending (Pre-tax) ^(2*)	\$ (32)	\$ (42)	\$ (49)	\$ (49)	\$ (42)	\$ (32)	\$ (20)	\$ (6)	\$ 3	\$ 4	\$ (2)	\$ (16)	\$ (16)
31														
32	MCRA Cumulative Balance - Ending (After-tax) ^(3*)	\$ (24)	\$ (31)	\$ (36)	\$ (36)	\$ (31)	\$ (24)	\$ (15)	\$ (5)	\$ 2	\$ 3	\$ (1)	\$ (12)	\$ (12)

Notes: Slight differences in totals due to rounding.

(1*) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts (Jan 1, 2014 and 2015 at 26.0%).

(2*) For rate setting purposes MCRA pre-tax balances include grossed-up projected deferred interest of approximately \$3.7 million credit as at June 30, 2014.

(3*) For rate setting purposes MCRA after tax balances are independently grossed-up to reflect pre-tax amounts.

(4*) BCUC Order G-201-13 approved the 1/2 projected MCRA cumulative balance at Dec 31, 2013 to be amortized into the next year's midstream rates, via Rider 6, as filed in the FEI 2013 Fourth Quarter Gas Cost Report.

**FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
SUMAS INDEX FORECAST FOR THE PERIOD ENDING JUNE 30, 2016
AND US DOLLAR EXCHANGE RATE FORECAST UPDATE**

Tab 1
Page 4.1

Line No	Particulars	Five-day Average Forward Prices - May 14, 15, 16, 20, and 21, 2014		Five-day Average Forward Prices - February 12, 13, 14, 18, and 19, 2014		Change in Forward Price (4) = (2) - (3)
		2014 Q2 Gas Cost Report (1)	(2)	2014 Q1 Gas Cost Report (3)	(4)	
1	Sumas Index Prices - \$US/MMBtu					
2	2014					
3	January		\$ 4.89	Recorded \$ 4.89	\$ -	
4	February		\$ 5.12	Projected \$ 5.19	\$ (0.07)	
5	March		\$ 5.78	Forecast \$ 5.42	\$ 0.36	
6	April	Recorded	\$ 4.37	\$ 4.61	\$ (0.24)	
7	May	Projected	\$ 4.53	\$ 4.36	\$ 0.17	
8	June	Forecast	\$ 4.21	\$ 4.29	\$ (0.08)	
9	July		\$ 4.24	\$ 4.46	\$ (0.22)	
10	August		\$ 4.33	\$ 4.54	\$ (0.21)	
11	September		\$ 4.35	\$ 4.53	\$ (0.18)	
12	October		\$ 4.50	\$ 4.60	\$ (0.10)	
13	November		\$ 4.87	\$ 4.98	\$ (0.11)	
14	December		\$ 5.19	\$ 5.33	\$ (0.14)	
15	Simple Average (Jan, 2014 - Dec, 2014)		\$ 4.70	\$ 4.77	-1.5% \$ (0.07)	
16	Simple Average (Apr, 2014 - Mar, 2015)		\$ 4.63	\$ 4.74	-2.3% \$ (0.11)	
17	Simple Average (Jul, 2014 - Jun, 2015)		\$ 4.51	\$ 4.54	-0.7% \$ (0.03)	
18	Simple Average (Oct, 2014 - Sep, 2015)		\$ 4.43	\$ 4.33	2.3% \$ 0.10	
19	2015					
20	January		\$ 5.09	\$ 5.24	\$ (0.14)	
21	February		\$ 4.99	\$ 5.14	\$ (0.14)	
22	March		\$ 4.85	\$ 4.84	\$ 0.00	
23	April		\$ 3.98	\$ 3.71	\$ 0.27	
24	May		\$ 3.85	\$ 3.55	\$ 0.30	
25	June		\$ 3.85	\$ 3.52	\$ 0.33	
26	July		\$ 3.99	\$ 3.67	\$ 0.31	
27	August		\$ 3.99	\$ 3.69	\$ 0.30	
28	September		\$ 3.99	\$ 3.68	\$ 0.31	
29	October		\$ 4.05	\$ 3.74	\$ 0.31	
30	November		\$ 4.51	\$ 4.18	\$ 0.33	
31	December		\$ 4.87	\$ 4.59	\$ 0.28	
32	Simple Average (Jan, 2015 - Dec, 2015)		\$ 4.33	\$ 4.13	4.8% \$ 0.20	
33	Simple Average (Apr, 2015 - Mar, 2016)		\$ 4.26	\$ 3.95	7.8% \$ 0.31	
34	Simple Average (Jul, 2015 - Jun, 2016)		\$ 4.25			
35	2016					
36	January		\$ 4.81	\$ 4.50	\$ 0.31	
37	February		\$ 4.70	\$ 4.39	\$ 0.31	
38	March		\$ 4.51	\$ 4.19	\$ 0.32	
	April		\$ 3.93			
	May		\$ 3.82			
	June		\$ 3.83			

Conversation Factors

1 MMBtu = 1.055056 GJ

Average Exchange Rate to convert \$US/MMBtu to \$CDN/GJ (\$1US=\$x.xxxCDN)

	Forecast Jul 2014-Jun 2015	Forecast Apr 2014-Mar 2015	
Prophet X natural gas trading platform Avg Exchange Rate	\$ 1.0922	\$ 1.0986	-0.6% \$ (0.006)
For information purpose:			
Bank of Canada Daily Exchange Rate	May 21, 2014 \$ 1.0933	February 19, 2014 \$ 1.1045	-1.0% \$ (0.011)

**FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
SUMAS INDEX FORECAST FOR THE PERIOD ENDING JUNE 30, 2016
(PRESENTED IN \$CDN/GJ)**

Tab 1
Page 4.2

Line No	Particulars (1)	Five-day Average Forward Prices - May 14, 15, 16, 20, and 21, 2014 2014 Q2 Gas Cost Report (2)	Five-day Average Forward Prices - February 12, 13, 14, 18, and 19, 2014 2014 Q1 Gas Cost Report (3)	Change in Forward Price (4) = (2) - (3)
1	Sumas Index Prices - \$CDN/GJ			
2	2014			
3	January	↑ \$ 5.46	Recorded \$ 5.46	\$ -
4	February	\$ 5.37	Projected \$ 5.40	\$ (0.03)
5	March	\$ 6.08	Forecast \$ 5.65	\$ 0.43
6	April	Recorded \$ 4.57	\$ 4.80	\$ (0.24)
7	May	Projected \$ 4.69	\$ 4.53	\$ 0.15
8	June	Forecast \$ 4.36	\$ 4.46	\$ (0.10)
9	July	\$ 4.39	\$ 4.64	\$ (0.25)
10	August	\$ 4.48	\$ 4.73	\$ (0.25)
11	September	\$ 4.51	\$ 4.71	\$ (0.21)
12	October	\$ 4.65	\$ 4.78	\$ (0.13)
13	November	\$ 5.05	\$ 5.19	\$ (0.14)
14	December	\$ 5.37	\$ 5.55	\$ (0.17)
15	<i>Simple Average (Jan, 2014 - Dec, 2014)</i>	\$ 4.91	\$ 4.99	-1.6% \$ (0.08)
16	<i>Simple Average (Apr, 2014 - Mar, 2015)</i>	\$ 4.79	\$ 4.94	-3.0% \$ (0.15)
17	<i>Simple Average (Jul, 2014 - Jun, 2015)</i>	\$ 4.67	\$ 4.72	-1.1% \$ (0.05)
18	<i>Simple Average (Oct, 2014 - Sep, 2015)</i>	\$ 4.58	\$ 4.51	1.6% \$ 0.07
19	2015			
20	January	\$ 5.27	\$ 5.45	\$ (0.18)
21	February	\$ 5.17	\$ 5.35	\$ (0.18)
22	March	\$ 5.02	\$ 5.04	\$ (0.03)
23	April	\$ 4.12	\$ 3.86	\$ 0.26
24	May	\$ 3.99	\$ 3.70	\$ 0.29
25	June	\$ 3.98	\$ 3.66	\$ 0.32
26	July	\$ 4.13	\$ 3.83	\$ 0.30
27	August	\$ 4.13	\$ 3.84	\$ 0.29
28	September	\$ 4.13	\$ 3.83	\$ 0.30
29	October	\$ 4.19	\$ 3.89	\$ 0.30
30	November	\$ 4.67	\$ 4.35	\$ 0.32
31	December	\$ 5.04	\$ 4.78	\$ 0.26
32	<i>Simple Average (Jan, 2015 - Dec, 2015)</i>	\$ 4.49	\$ 4.30	4.4% \$ 0.19
33	<i>Simple Average (Apr, 2015 - Mar, 2016)</i>	\$ 4.41	\$ 4.11	7.3% \$ 0.30
34	<i>Simple Average (Jul, 2015 - Jun, 2016)</i>	\$ 4.40		
35	2016			
36	January	\$ 4.98	\$ 4.68	\$ 0.30
37	February	\$ 4.87	\$ 4.57	\$ 0.29
38	March	\$ 4.67	\$ 4.36	\$ 0.31
	April	\$ 4.07		
	May	\$ 3.95		
	June	\$ 3.97		

Conversation Factors

(A) 1 MMBtu = 1.055056 GJ

(B) Prophet X natural gas trading platform Average Exchange Rate (\$1US=\$x.xxxCDN)

\$ 1.0922	\$ 1.0986	-0.6%	\$ (0.006)
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**FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
AECO INDEX FORECAST FOR THE PERIOD ENDING JUNE 30, 2016**

Tab 1
Page 5

Line No	Particulars (1)	Five-day Average Forward Prices - May 14, 15, 16, 20, and 21, 2014 2014 Q2 Gas Cost Report (2)	Five-day Average Forward Prices - February 12, 13, 14, 18, and 19, 2014 2014 Q1 Gas Cost Report (3)	Change in Forward Price (4) = (2) - (3)
1	AECO Index Prices - \$CDN/GJ			
2	2014			
3	January	\$ 3.66	Recorded \$ 3.66	\$ -
4	February	\$ 4.23	Projected \$ 4.23	\$ -
5	March	\$ 5.64	Forecast \$ 5.01	\$ 0.62
6	April	\$ 4.47	\$ 4.49	\$ (0.03)
7	May	\$ 4.49	\$ 4.38	\$ 0.11
8	June	\$ 4.30	\$ 4.37	\$ (0.07)
9	July	\$ 4.21	\$ 4.37	\$ (0.16)
10	August	\$ 4.20	\$ 4.37	\$ (0.17)
11	September	\$ 4.18	\$ 4.35	\$ (0.17)
12	October	\$ 4.25	\$ 4.42	\$ (0.17)
13	November	\$ 4.42	\$ 4.45	\$ (0.03)
14	December	\$ 4.48	\$ 4.52	\$ (0.04)
15	Simple Average (Jan, 2014 - Dec, 2014)	\$ 4.38	\$ 4.39	-0.2% \$ (0.01)
16	Simple Average (Apr, 2014 - Mar, 2015)	\$ 4.37	\$ 4.45	-1.8% \$ (0.08)
17	Simple Average (Jul, 2014 - Jun, 2015)	\$ 4.21	\$ 4.22	-0.2% \$ (0.01)
18	Simple Average (Oct, 2014 - Sep, 2015)	\$ 4.10	\$ 4.00	2.5% \$ 0.10
19	2015			
20	January	\$ 4.51	\$ 4.61	\$ (0.11)
21	February	\$ 4.49	\$ 4.57	\$ (0.08)
22	March	\$ 4.45	\$ 4.46	\$ (0.01)
23	April	\$ 3.79	\$ 3.56	\$ 0.23
24	May	\$ 3.75	\$ 3.49	\$ 0.26
25	June	\$ 3.77	\$ 3.47	\$ 0.30
26	July	\$ 3.76	\$ 3.49	\$ 0.28
27	August	\$ 3.77	\$ 3.50	\$ 0.27
28	September	\$ 3.77	\$ 3.49	\$ 0.29
29	October	\$ 3.81	\$ 3.54	\$ 0.27
30	November	\$ 3.94	\$ 3.59	\$ 0.34
31	December	\$ 4.05	\$ 3.76	\$ 0.29
32	Simple Average (Jan, 2015 - Dec, 2015)	\$ 3.99	\$ 3.79	5.3% \$ 0.20
33	Simple Average (Apr, 2015 - Mar, 2016)	\$ 3.90	\$ 3.61	8.0% \$ 0.29
34	Simple Average (Jul, 2015 - Jun, 2016)	\$ 3.86		
35	2016			
36	January	\$ 4.16	\$ 3.85	\$ 0.31
37	February	\$ 4.14	\$ 3.82	\$ 0.32
38	March	\$ 4.08	\$ 3.79	\$ 0.29
39	April	\$ 3.62		
40	May	\$ 3.61		
41	June	\$ 3.64		

**FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
STATION NO. 2 INDEX FORECAST FOR THE PERIOD ENDING JUNE 30, 2016**

Tab 1
Page 6

Line No	Particulars (1)	Five-day Average Forward Prices - May 14, 15, 16, 20, and 21, 2014 2014 Q2 Gas Cost Report (2)	Five-day Average Forward Prices - February 12, 13, 14, 18, and 19, 2014 2014 Q1 Gas Cost Report (3)	Change in Forward Price (4) = (2) - (3)
1	Station No. 2 Index Prices - \$CDN/GJ			
2	2014			
3	January	\$ 3.67	Recorded \$ 3.67	\$ -
4	February	\$ 4.39	Projected \$ 4.39	\$ -
5	March	\$ 5.54	Forecast \$ 4.82	\$ 0.72
6	April	\$ 4.26	\$ 4.37	\$ (0.12)
7	May	\$ 4.20	\$ 4.26	\$ (0.06)
8	June	\$ 4.13	\$ 4.26	\$ (0.13)
9	July	\$ 4.04	\$ 4.24	\$ (0.20)
10	August	\$ 4.03	\$ 4.24	\$ (0.21)
11	September	\$ 4.01	\$ 4.21	\$ (0.20)
12	October	\$ 4.08	\$ 4.27	\$ (0.19)
13	November	\$ 4.26	\$ 4.35	\$ (0.09)
14	December	\$ 4.37	\$ 4.44	\$ (0.08)
15	<i>Simple Average (Jan, 2014 - Dec, 2014)</i>	\$ 4.25	\$ 4.29	-0.9% \$ (0.04)
16	<i>Simple Average (Apr, 2014 - Mar, 2015)</i>	\$ 4.20	\$ 4.33	-3.0% \$ (0.13)
17	<i>Simple Average (Jul, 2014 - Jun, 2015)</i>	\$ 4.06	\$ 4.10	-1.0% \$ (0.04)
18	<i>Simple Average (Oct, 2014 - Sep, 2015)</i>	\$ 3.96	\$ 4.06	-2.5% \$ (0.10)
19	2015			
20	January	\$ 4.35	\$ 4.50	\$ (0.14)
21	February	\$ 4.33	\$ 4.45	\$ (0.12)
22	March	\$ 4.30	\$ 4.34	\$ (0.04)
23	April	\$ 3.65	\$ 3.46	\$ 0.19
24	May	\$ 3.60	\$ 3.38	\$ 0.22
25	June	\$ 3.64	\$ 3.38	\$ 0.26
26	July	\$ 3.62	\$ 3.38	\$ 0.24
27	August	\$ 3.63	\$ 3.39	\$ 0.24
28	September	\$ 3.64	\$ 3.37	\$ 0.27
29	October	\$ 3.68	\$ 3.41	\$ 0.27
30	November	\$ 3.80	\$ 3.51	\$ 0.29
31	December	\$ 3.95	\$ 3.70	\$ 0.25
32	<i>Simple Average (Jan, 2015 - Dec, 2015)</i>	\$ 3.85	\$ 3.69	4.3% \$ 0.16
33	<i>Simple Average (Apr, 2015 - Mar, 2016)</i>	\$ 3.77	\$ 3.51	7.4% \$ 0.26
34	<i>Simple Average (Jul, 2015 - Jun, 2016)</i>	\$ 3.74		
35	2016			
36	January	\$ 4.03	\$ 3.75	\$ 0.27
37	February	\$ 4.01	\$ 3.73	\$ 0.28
38	March	\$ 3.94	\$ 3.68	\$ 0.26
	April	\$ 3.51		
	May	\$ 3.49		
	June	\$ 3.55		

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
GAS BUDGET COST SUMMARY FOR THE FORECAST PERIOD JUL 1, 2014 TO JUN 30, 2015
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 20, AND 21, 2014

Line No.	Particulars	Costs (\$000)		Quantities (TJ)		Unit Cost (\$/GJ)	Reference / Comments
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	CCRA						
2	Commodity						
3	Station No. 2	\$	343,756	84,890		\$ 4.049	
4	Commodity from Ft. Nelson Plant			-		-	
5	Transportation - TNLH		<u>1,447</u>	<u>-</u>		<u>-</u>	
6	Station No. 2 Total		\$ 345,202	84,890		\$ 4.066	
7	AECO Total		116,793	27,720		4.213	
8	Huntingdon Total		<u>-</u>	<u>-</u>		<u>-</u>	
9	Commodity Costs before Hedging		\$ 461,996	112,611		\$ 4.103	incl. Fuel Gas Provided to Midstream (Receipt Point Fuel Gas)
10	Mark to Market Hedges Cost / (Gain)		<u>-</u>	<u>-</u>		<u>-</u>	
11	Subtotal Commodity Purchased		\$ 461,996	112,611		\$ 4.103	
12	Core Market Administration Costs		1,261	-		-	
13	Fuel Gas Provided to Midstream		<u>-</u>	<u>(2,827)</u>		<u>-</u>	
14	Total CCRA Baseload			<u><u>109,784</u></u>			
15	Total CCRA Costs		<u><u>\$ 463,257</u></u>			<u><u>\$ 4.220</u></u>	average unit cost = Line 15, Col. 3 divided by Line 14, Col.5
16							
17	MCRA						
18	Midstream Commodity						
19	Midstream Commodity before Hedging		\$ 70,388	16,425		\$ 4.285	incl. Company Use Gas and UAF
20	Mark to Market Hedges Cost / (Gain)		<u>-</u>	<u>-</u>		<u>-</u>	
21	Company Use Gas Recovered from O&M		<u>(1,755)</u>	<u>(277)</u>		<u>6.340</u>	
22	Total Midstream Commodity Purchase		<u>\$ 68,634</u>	<u>16,149</u>		<u>\$ 4.250</u>	
23							
24	Storage Gas						
25	BC - Aitken Creek		\$ (92,645)	(22,522)		\$ 4.114	
26	LNG - Tilbury & Mt. Hayes		(4,089)	(1,051)		3.889	
27	Alberta - Niska & CrossAlta		(6,266)	(1,613)		3.884	
28	Downstream - JPS & Mist		<u>(13,852)</u>	<u>(3,307)</u>		<u>4.188</u>	
29	Injections into Storage		\$ (116,852)	(28,494)		\$ 4.101	
30	BC - Aitken Creek		\$ 84,935	19,800		4.290	
31	LNG - Tilbury & Mt. Hayes		5,058	1,095		4.620	
32	Alberta - Niska & CrossAlta		6,680	1,550		4.310	
33	Downstream - JPS & Mist		<u>13,655</u>	<u>3,050</u>		<u>4.477</u>	
34	Withdrawals from Storage		110,328	25,495		\$ 4.327	
35	BC - Aitken Creek		\$ 18,820				
36	LNG - Mt. Hayes		16,409				
37	Alberta - Niska & CrossAlta		1,243				
38	Downstream - JPS & Mist		<u>12,889</u>				
39	Storage Demand Charges		<u>49,361</u>	<u>-</u>			
40	Total Net Storage (Lines 29, 34, & 39)		<u>\$ 42,836</u>	<u>(2,999)</u>			
41							
42	Mitigation						
43	Transportation		\$ (20,010)				
44	Commodity Resales		(61,497)	(12,119)		5.075	
45	Other Mitigation		(1,456)				
46	GSMIP Incentive Sharing		<u>1,000</u>	<u>-</u>			
47	Total Mitigation		<u>\$ (81,963)</u>	<u>(12,119)</u>			
48							
49	Transportation (Pipeline) Charges						
50	Spectra		\$ 82,808				
51	TCPL		15,021				
52	NWP		<u>3,598</u>				
53	Total Transportation Charges		<u>\$ 101,427</u>				
54							
55	Core Market Administration Costs		\$ 2,943				
56							
57	UAF (Sales & T-Service) & Net Transportation Fuel ⁽¹⁾		-	(1,031)			
58							
59	Net MCRA Commodity (Lines 22, 40, 47, & 57)			<u>-</u>			
60	Total MCRA Costs (Lines 22, 40, 47, 53, & 55)		<u><u>\$ 133,878</u></u>			<u><u>\$ 1.173</u></u>	average unit cost = Line 60, Col. 3 divided by Line 61, Col.5
61	Total Core Sales			<u><u>114,168</u></u>			
62	Total Forecast Gas Costs (Lines 15 & 60)		<u><u>\$ 597,135</u></u>				reference to Tab 1, Page 8, Line 9, Col. 3

Notes: (1) The total cost of UAF is included as a component of gas purchased. Sales UAF costs are recovered via gas cost recovery rates, while T-Service UAF costs are recovered via delivery revenues. Net Transportation Fuel is the difference between fuel gas collected from Commodity Providers and the fuel gas consumed.

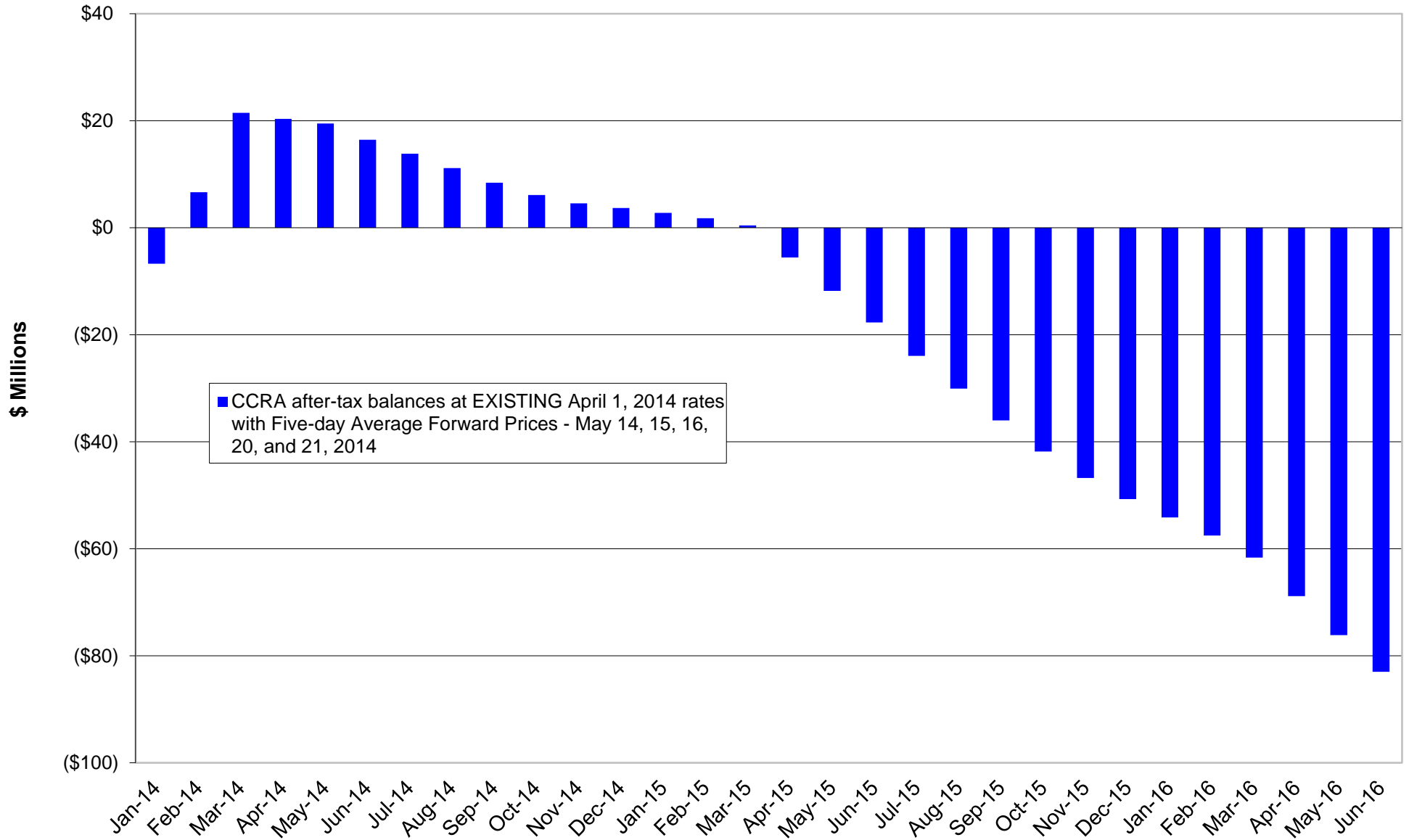
**FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
RECONCILIATION OF GAS COST INCURRED
FOR THE FORECAST PERIOD JULY 1, 2014 TO JUNE 30, 2015
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 20, AND 21, 2014
\$(Millions)**

Tab 1
Page 8

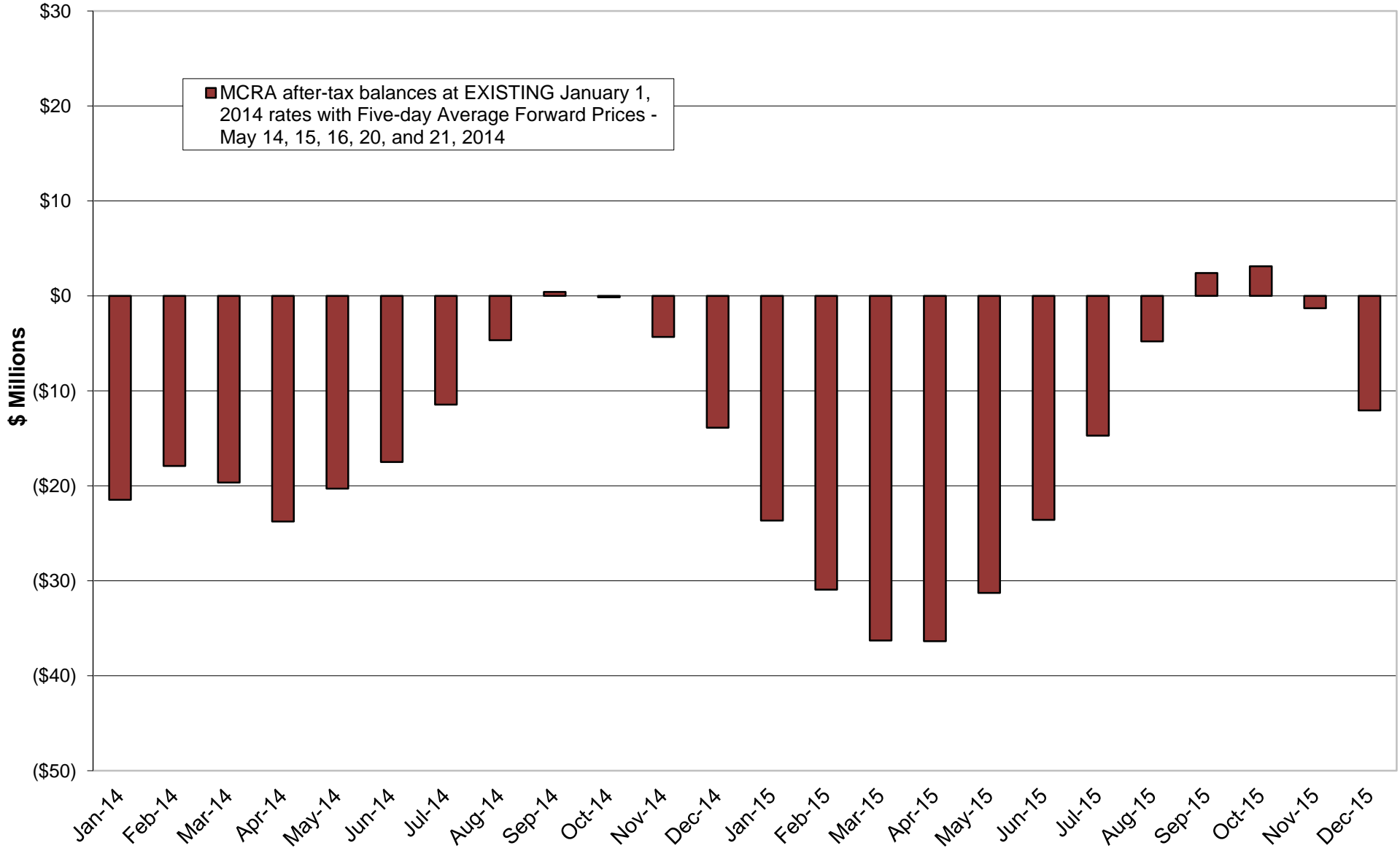
Line No.	Particulars (1)	CCRA/MCRA Deferral Account Forecast (2)	Gas Budget Cost Summary (3)	References
1	Gas Cost Incurred			
2	CCRA	\$ 463		(Tab 1, Page 1, Col. 14, Line 13)
3	MCRA	\$ 195		(Tab 1, Page 3, Col.8, Line 9 to Col.7, Line 26)
4				
5				
6	Gas Budget Cost Summary			
7	CCRA		\$ 463	(Tab 1, Page 7, Col.3, Line 15)
8	MCRA		\$ 134	(Tab 1, Page 7, Col.3, Line 60)
9	Total Net Costs for Firm Customers		<u>\$ 597</u>	
10				
11				
12	Add back Commodity Resales		\$ 61	(Tab 1, Page 7, Col.2, Line 44)
13				
14				
15	Totals Reconciled	<u><u>\$ 659</u></u>	<u><u>\$ 659</u></u>	

Notes: Slight differences in totals due to rounding.

FortisBC Energy Inc. - Lower Mainland, Inland and Columbia Service Areas
 Including FortisBC Energy (Whistler) Inc.
 CCRA After-Tax Monthly Balances
 Recorded January 2014 and Forecast to June 2016



FortisBC Energy Inc. - Lower Mainland, Inland and Columbia Service Areas
 Including FortisBC Energy (Whistler) Inc.
 MCRA After-Tax Monthly Balances
 Recorded to January 2014 and Forecast to December 2015



FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
CCRA INCURRED MONTHLY ACTIVITIES
RECORDED PERIOD TO APRIL 2014 AND FORECAST TO JUNE 30, 2014
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 20, AND 21, 2014

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
														Jan-14 to Jun 14 Total	
1		Recorded	Recorded	Recorded	Recorded	Projected	Projected								
2		Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14								
3		CCRA QUANTITIES													
4		Commodity Purchase (TJ)													
5		Station No. 2	7,305	6,590	7,310	7,077	7,113	6,894						42,289	
6		AECO	1,404	3,133	2,387	2,311	2,323	2,251						13,809	
7		Huntingdon	-	-	-	-	-	-						-	
8		Total Commodity Purchased	8,709	9,723	9,697	9,388	9,436	9,145						56,098	
9		Fuel Gas Provided to Midstream	(243)	(220)	(243)	(236)	(237)	(230)						(1,408)	
10		Commodity Available for Sale	<u>8,466</u>	<u>9,504</u>	<u>9,454</u>	<u>9,152</u>	<u>9,199</u>	<u>8,915</u>						<u>54,689</u>	
11		CCRA COSTS													
12		Commodity Costs (\$000)													
13		Station No. 2	27,045	33,360	38,456	30,730	30,941	29,016						\$ 189,549	
14		AECO	5,098	15,553	12,727	10,286	10,446	9,705						63,814	
15		Huntingdon	-	-	-	-	-	-						-	
16		Commodity Costs before Hedging	\$ 32,143	\$ 48,913	\$ 51,183	\$ 41,016	\$ 41,387	\$ 38,721						\$ 253,363	
17		Mark to Market Hedges Cost / (Gain)	343	140	(316)	0	-	-						167	
18		Core Market Administration Costs	100	84	85	102	105	105						582	
19		Total CCRA Costs	<u>\$ 32,586</u>	<u>\$ 49,137</u>	<u>\$ 50,953</u>	<u>\$ 41,118</u>	<u>\$ 41,492</u>	<u>\$ 38,826</u>						<u>\$ 254,112</u>	
20															
21															
22															
23		CCRA Unit Cost (\$/GJ)	\$ 3.8491	\$ 5.1704	\$ 5.3898	\$ 4.4926	\$ 4.5106	\$ 4.3550						\$ 4.6465	
24															
25															
26															
27															
28			Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	1-12 months	
29			Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Total
30		CCRA QUANTITIES													
31		Commodity Purchase (TJ)													
32		Station No. 2	7,138	7,154	6,939	7,180	6,973	7,217	7,225	6,537	7,241	7,011	7,253	7,022	84,890
33		AECO	2,331	2,336	2,266	2,345	2,277	2,357	2,359	2,135	2,365	2,289	2,368	2,293	27,720
34		Huntingdon	-	-	-	-	-	-	-	-	-	-	-	-	-
35		Subtotal - Commodity Purchased	9,468	9,491	9,205	9,525	9,250	9,573	9,584	8,671	9,606	9,301	9,621	9,315	112,611
36		Fuel Gas Provided to Midstream	(238)	(238)	(231)	(239)	(232)	(240)	(241)	(218)	(241)	(233)	(242)	(234)	(2,827)
37		Commodity Available for Sale	<u>9,231</u>	<u>9,252</u>	<u>8,974</u>	<u>9,286</u>	<u>9,018</u>	<u>9,333</u>	<u>9,344</u>	<u>8,454</u>	<u>9,365</u>	<u>9,067</u>	<u>9,379</u>	<u>9,081</u>	<u>109,784</u>
38															
39		CCRA COSTS													
40		Commodity Costs (\$000)													
41		Station No. 2	\$ 29,395	\$ 29,368	\$ 28,361	\$ 29,852	\$ 29,578	\$ 31,471	\$ 31,346	\$ 28,214	\$ 30,938	\$ 25,234	\$ 26,063	\$ 25,382	\$ 345,202
42		AECO	9,833	9,826	9,490	9,986	10,073	10,568	10,642	9,590	10,543	8,684	8,895	8,663	116,793
43		Huntingdon	-	-	-	-	-	-	-	-	-	-	-	-	-
44		Commodity Costs before Hedging	\$ 39,228	\$ 39,193	\$ 37,850	\$ 39,838	\$ 39,651	\$ 42,040	\$ 41,988	\$ 37,804	\$ 41,481	\$ 33,918	\$ 34,958	\$ 34,046	\$ 461,996
45		Mark to Market Hedges Cost / (Gain)	-	-	-	-	-	-	-	-	-	-	-	-	-
46		Core Market Administration Costs	105	105	105	105	105	105	105	105	105	105	105	105	1,261
47		Total CCRA Costs	<u>\$ 39,333</u>	<u>\$ 39,299</u>	<u>\$ 37,956</u>	<u>\$ 39,943</u>	<u>\$ 39,756</u>	<u>\$ 42,145</u>	<u>\$ 42,093</u>	<u>\$ 37,909</u>	<u>\$ 41,586</u>	<u>\$ 34,024</u>	<u>\$ 35,063</u>	<u>\$ 34,151</u>	<u>\$ 463,257</u>
48															
49															
50		CCRA Unit Cost (\$/GJ)	\$ 4.2611	\$ 4.2474	\$ 4.2297	\$ 4.3015	\$ 4.4085	\$ 4.5157	\$ 4.5050	\$ 4.4843	\$ 4.4407	\$ 3.7524	\$ 3.7383	\$ 3.7606	\$ 4.2197
51															
52															
53		Notes: Slight differences in totals due to rounding.													

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
CCRA INCURRED MONTHLY ACTIVITIES
FORECAST PERIOD FROM JULY 1, 2014 TO JUNE 30, 2016
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 20, AND 21, 2014

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
1		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	13-24 months	
2		Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Total	
3	CCRA QUANTITIES														
4	Commodity Purchase	(TJ)													
5	Station No. 2	7,250	7,259	7,027	7,264	7,051	7,290	7,294	6,833	7,305	7,072	7,312	7,078	86,035	
6	AECO	2,367	2,370	2,295	2,372	2,302	2,380	2,382	2,231	2,386	2,309	2,388	2,311	28,094	
7	Huntingdon	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	Subtotal - Commodity Purchased	9,617	9,629	9,322	9,636	9,353	9,670	9,676	9,064	9,691	9,381	9,700	9,389	114,129	
9	Fuel Gas Provided to Midstream	(241)	(242)	(234)	(242)	(235)	(243)	(243)	(228)	(243)	(235)	(243)	(236)	(2,865)	
10	Commodity Available for Sale	<u>9,376</u>	<u>9,388</u>	<u>9,088</u>	<u>9,395</u>	<u>9,118</u>	<u>9,427</u>	<u>9,433</u>	<u>8,837</u>	<u>9,448</u>	<u>9,146</u>	<u>9,456</u>	<u>9,153</u>	<u>111,264</u>	
11															
12															
13	CCRA COSTS	(\$000)													
14	Commodity Costs														
15	Station No. 2	\$ 26,066	\$ 26,194	\$ 25,405	\$ 26,548	\$ 26,453	\$ 28,643	\$ 29,095	\$ 27,069	\$ 28,398	\$ 24,225	\$ 25,287	\$ 24,688	\$ 318,072	
16	AECO	8,925	8,952	8,667	9,059	9,079	9,652	9,932	9,259	9,743	8,365	8,630	8,433	108,695	
17	Huntingdon	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	Commodity Costs before Hedging	\$ 34,991	\$ 35,146	\$ 34,072	\$ 35,607	\$ 35,532	\$ 38,294	\$ 39,027	\$ 36,328	\$ 38,141	\$ 32,590	\$ 33,917	\$ 33,122	\$ 426,767	
19	Mark to Market Hedges Cost / (Gain)	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Core Market Administration Costs	105	105	105	105	105	105	105	105	105	105	105	105	1,261	
21	Total CCRA Costs	<u>\$ 35,096</u>	<u>\$ 35,251</u>	<u>\$ 34,177</u>	<u>\$ 35,712</u>	<u>\$ 35,637</u>	<u>\$ 38,399</u>	<u>\$ 39,132</u>	<u>\$ 36,433</u>	<u>\$ 38,246</u>	<u>\$ 32,695</u>	<u>\$ 34,022</u>	<u>\$ 33,227</u>	<u>\$ 428,028</u>	
22															
23															
24	CCRA Unit Cost	(\$/GJ)	\$ 3.7432	\$ 3.7551	\$ 3.7608	\$ 3.8013	\$ 3.9083	\$ 4.0732	\$ 4.1483	\$ 4.1230	\$ 4.0482	\$ 3.5750	\$ 3.5979	\$ 3.6300	\$ 3.8470

Notes: Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
COMMODITY COST RECONCILIATION ACCOUNT (CCRA)
COST OF GAS (COMMODITY COST RECOVERY CHARGE) FLOW-THROUGH BY RATE SCHEDULE
FOR THE FORECAST PERIOD JULY 1, 2014 TO JUNE 30, 2015
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 20, AND 21, 2014

Tab 2
Page 3

Line No.	Particulars (1)	Unit	Total of RS-1 to RS-7, and Whistler (2)
1	<u>CCRA Baseload</u>	TJ	<u>109,783.7</u>
2			
3			
4	<u>CCRA Incurred Costs</u>	\$000	
5	Station No. 2		\$ 345,202.3
6	AECO		116,793.4
7	Huntingdon		-
8	CCRA Commodity Costs before Hedging		\$ 461,995.7
9	Mark to Market Hedges Cost / (Gain)		-
10	Core Market Administration Costs		<u>1,261.5</u>
11	Total Incurred Costs before CCRA deferral amortization		\$ 463,257.2
12			
13	Pre-tax CCRA Deficit/(Surplus) as of Jul 1, 2014		<u>\$ 22,213.8</u>
14	Total CCRA Incurred Costs		\$ 485,471.0
15			
16			
17	<u>CCRA Incurred Unit Costs</u>	\$/GJ	
18	CCRA Commodity Costs before Hedging		\$ 4.2082
19	Mark to Market Hedges Cost / (Gain)		0.0000
20	Core Market Administration Costs		<u>0.0115</u>
21	CCRA Incurred Costs (excl. CCRA Deferral Amortization)		\$ 4.2197
22	Pre-tax CCRA Deficit/(Surplus) as of Jul 1, 2014		<u>0.2023</u>
23	CCRA Gas Costs Incurred -- Flow-Through		\$ 4.4221
24			
25			
26			
27			
28			
29			RS-1 to RS-7, and Whistler
30	<u>Cost of Gas (Commodity Cost Recovery Charge)</u>		<u>4.422</u>
31			
32	TESTED Flow-Through Cost of Gas effective Jul 1, 2014		\$ 4.422
33			
34	Existing Cost of Gas (effective since Apr 1, 2014)		<u>4.640</u>
35			
36	Cost of Gas Increase / (Decrease)	\$/GJ	<u>\$ (0.218)</u>
37			
38	Cost of Gas Percentage Increase / (Decrease)		-4.70%

**FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
MCRA INCURRED MONTHLY ACTIVITIES FOR THE YEAR 2014
FORECAST PERIODS WITH FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 20, AND 21, 2014**

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Recorded Jan 14	Recorded Feb 14	Recorded Mar 14	Recorded Apr 14	Projected May 14	Projected Jun 14	Forecast Jul 14	Forecast Aug 14	Forecast Sep 14	Forecast Oct 14	Forecast Nov 14	Forecast Dec 14	2014 Total	
1 MCRA COSTS														
2 <u>Midstream Commodity Costs</u>														
3 Midstream Commodity Costs before Hedging ⁽¹⁾	\$ 12,247	\$ 20,993	\$ 14,226	\$ 207	\$ 1,733	\$ 1,571	\$ 1,518	\$ 1,424	\$ 1,291	\$ 3,584	\$ 9,578	\$ 14,184	\$ 82,556	
4 Mark to Market Hedges Cost / (Gain)	-	-	-	-	-	-	-	-	-	-	-	-	-	
5 Subtotal Midstream Commodity Purchased	\$ 12,247	\$ 20,993	\$ 14,226	\$ 207	\$ 1,733	\$ 1,571	\$ 1,518	\$ 1,424	\$ 1,291	\$ 3,584	\$ 9,578	\$ 14,184	\$ 82,556	
6 Imbalance ⁽²⁾	(2,428)	477	(880)	(660)	-	-	-	-	-	-	-	-	(3,491)	
7 Company Use Gas Recovered from O&M	(240)	(134)	(49)	(8)	(63)	(34)	(24)	(26)	(25)	(58)	(184)	(360)	(1,206)	
8 Total Midstream Commodity Costs	\$ 9,578	\$ 21,336	\$ 13,297	\$ (460)	\$ 1,670	\$ 1,537	\$ 1,493	\$ 1,398	\$ 1,267	\$ 3,526	\$ 9,394	\$ 13,824	\$ 77,859	
9														
10 <u>Storage (including Linepack)</u>														
11 Storage Demand Charges	\$ 1,937	\$ 1,951	\$ 2,028	\$ 2,001	\$ 3,011	\$ 3,012	\$ 3,012	\$ 3,012	\$ 3,003	\$ 2,192	\$ 2,208	\$ 2,218	\$ 29,586	
12 Mt. Hayes Demand Charges	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	15,947	
13 Mt. Hayes Variable Charges	1	21	0	178	60	60	60	60	60	60	9	9	577	
14 Injections into Storage	(655)	(2,757)	(2,096)	(7,546)	(17,113)	(22,415)	(23,340)	(24,616)	(18,894)	(9,079)	(1,707)	(1,639)	(131,856)	
15 Withdrawals from Storage	24,119	23,683	19,889	681	-	-	-	-	-	-	10,126	28,209	106,708	
16 Total Storage	\$ 26,731	\$ 24,227	\$ 21,150	\$ (3,356)	\$ (12,713)	\$ (18,014)	\$ (18,939)	\$ (20,215)	\$ (14,502)	\$ (5,498)	\$ 11,964	\$ 30,126	\$ 20,961	
17														
18 <u>Mitigation and Misc. Other</u>														
19 Transportation	\$ (1,039)	\$ (1,286)	\$ (794)	\$ (3,040)	\$ (1,039)	\$ (1,559)	\$ (2,809)	\$ (2,809)	\$ (2,809)	\$ (2,709)	\$ (399)	\$ (725)	\$ (21,017)	
20 Commodity Resales	(6,718)	(7,981)	(15,448)	(1,260)	(198)	(183)	(3,491)	(4,433)	(3,456)	(247)	(5,101)	(14,744)	(63,260)	
21 Other Mitigation	(826)	678	(2,705)	1,901	(137)	(103)	(126)	(130)	(137)	(129)	(144)	(127)	(1,986)	
22 Subtotal Mitigation	\$ (8,584)	\$ (8,590)	\$ (18,946)	\$ (2,399)	\$ (1,374)	\$ (1,845)	\$ (6,426)	\$ (7,372)	\$ (6,402)	\$ (3,084)	\$ (5,644)	\$ (15,597)	\$ (86,263)	
23 GSMIP Incentive Sharing	140	116	206	42	83	83	83	83	83	83	83	83	1,171	
24 Misc. Other	(691)	(179)	(179)	79	-	-	-	-	-	-	-	-	(970)	
25 Total Mitigation and Misc. Other	\$ (9,135)	\$ (8,653)	\$ (18,919)	\$ (2,277)	\$ (1,291)	\$ (1,762)	\$ (6,342)	\$ (7,289)	\$ (6,318)	\$ (3,001)	\$ (5,561)	\$ (15,514)	\$ (86,061)	
26														
27 <u>Transportation (Pipeline) Charges</u>														
28 WEI (BC Pipeline)	\$ 9,420	\$ 9,230	\$ 9,027	\$ 6,127	\$ 6,209	\$ 6,193	\$ 6,279	\$ 6,413	\$ 6,445	\$ 6,413	\$ 6,408	\$ 6,571	\$ 84,734	
29 TransCanada (BC Line)	457	457	457	344	344	344	344	344	344	344	457	457	4,695	
30 Nova (Alberta Line)	830	755	904	830	830	830	830	830	830	830	830	830	9,957	
31 Northwest Pipeline	624	545	606	248	258	269	277	277	246	253	411	454	4,468	
32 FortisBC Energy Huntingdon Inc.	7	7	7	7	7	7	7	7	7	7	7	7	88	
33 Southern Crossing Pipeline	300	300	300	300	300	300	300	300	300	300	300	300	3,600	
34 Squamish Wheeling	61	65	51	33	20	15	14	13	15	30	46	64	427	
35 Total Transportation Charges	\$ 11,699	\$ 11,358	\$ 11,353	\$ 7,889	\$ 7,969	\$ 7,958	\$ 8,051	\$ 8,184	\$ 8,188	\$ 8,177	\$ 8,460	\$ 8,683	\$ 107,969	
36														
37 <u>Core Market Administration Costs</u>	\$ 233	\$ 196	\$ 199	\$ 238	\$ 245	\$ 245	\$ 245	\$ 245	\$ 245	\$ 245	\$ 245	\$ 245	\$ 2,829	
38 TOTAL MCRA COSTS (Line 8, 16, 25, 35 & 37) (\$000)	\$ 39,107	\$ 48,464	\$ 27,081	\$ 2,033	\$ (4,119)	\$ (10,035)	\$ (15,492)	\$ (17,677)	\$ (11,121)	\$ 3,449	\$ 24,502	\$ 37,364	\$ 123,557	

Notes: Slight difference in totals due to rounding.

(1*) The total cost of UAF is included as a component of gas purchased. Sales UAF costs are recovered via gas cost recovery rates, while T-Service UAF costs are recovered via delivery revenues.

(2*) Imbalance is not forecast. Recorded imbalance is composed of Westcoast imbalance (difference between Spectra metered and authorized deliveries) and Transportation imbalance (difference between the authorized receipts and customers' consumption or "burn").

**FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
MCRA INCURRED MONTHLY ACTIVITIES FOR THE YEAR 2015**

FORECAST PERIODS WITH FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 20, AND 21, 2014

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Forecast Jan 15	Forecast Feb 15	Forecast Mar 15	Forecast Apr 15	Forecast May 15	Forecast Jun 15	Forecast Jul 15	Forecast Aug 15	Forecast Sep 15	Forecast Oct 15	Forecast Nov 15	Forecast Dec 15	2015 Total	
1 MCRA COSTS														
2 <u>Midstream Commodity Costs</u>														
3 Midstream Commodity Costs before Hedging ^(1*)	\$ 14,070	\$ 12,577	\$ 9,761	\$ 820	\$ 810	\$ 771	\$ 823	\$ 783	\$ 748	\$ 767	\$ 8,160	\$ 12,566	\$ 62,658	
4 Mark to Market Hedges Cost / (Gain)	-	-	-	-	-	-	-	-	-	-	-	-	-	
5 Subtotal Midstream Commodity Purchased	\$ 14,070	\$ 12,577	\$ 9,761	\$ 820	\$ 810	\$ 771	\$ 823	\$ 783	\$ 748	\$ 767	\$ 8,160	\$ 12,566	\$ 62,658	
6 Imbalance ^(2*)	-	-	-	-	-	-	-	-	-	-	-	-	-	
7 Company Use Gas Recovered from O&M	(377)	(295)	(204)	(98)	(67)	(36)	(26)	(28)	(26)	(61)	(192)	(375)	(1,785)	
8 Total Midstream Commodity Costs	\$ 13,693	\$ 12,282	\$ 9,557	\$ 722	\$ 743	\$ 735	\$ 797	\$ 756	\$ 722	\$ 706	\$ 7,968	\$ 12,192	\$ 60,873	
9														
10 <u>Storage (including Linepack)</u>														
11 Storage Demand Charges	\$ 2,479	\$ 2,463	\$ 2,474	\$ 3,291	\$ 3,299	\$ 3,300	\$ 3,301	\$ 3,300	\$ 3,291	\$ 2,473	\$ 2,470	\$ 2,480	\$ 34,622	
12 Mt. Hayes Demand Charges	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	15,947	
13 Mt. Hayes Variable Charges	9	9	9	60	60	60	60	60	60	60	9	9	462	
14 Injections into Storage	(653)	(1,300)	(1,062)	(2,319)	(13,531)	(18,713)	(20,384)	(22,515)	(11,331)	(1,229)	(1,519)	(1,663)	(96,219)	
15 Withdrawals from Storage	30,241	25,858	14,607	1,287	-	-	-	-	-	-	10,752	25,893	108,638	
16 Total Storage	\$ 33,404	\$ 28,358	\$ 17,357	\$ 3,648	\$ (8,843)	\$ (14,024)	\$ (15,694)	\$ (17,827)	\$ (6,651)	\$ 2,633	\$ 13,040	\$ 28,048	\$ 63,450	
17														
18 <u>Mitigation and Misc. Other</u>														
19 Transportation	\$ (504)	\$ (881)	\$ (535)	\$ (1,904)	\$ (1,939)	\$ (1,989)	\$ (1,989)	\$ (1,989)	\$ (1,989)	\$ (1,839)	\$ (399)	\$ (725)	\$ (16,680)	
20 Commodity Resales	(11,320)	(12,974)	(5,220)	(174)	(168)	(169)	(2,756)	(2,637)	(8,812)	(5,112)	(5,956)	(13,649)	(68,946)	
21 Other Mitigation	(149)	(129)	(131)	(100)	(94)	(60)	(82)	(86)	(94)	(85)	(144)	(127)	(1,282)	
22 Subtotal Mitigation	\$ (11,973)	\$ (13,984)	\$ (5,885)	\$ (2,178)	\$ (2,201)	\$ (2,217)	\$ (4,827)	\$ (4,712)	\$ (10,894)	\$ (7,036)	\$ (6,499)	\$ (14,501)	\$ (86,908)	
23 GSMIP Incentive Sharing	83	83	83	83	83	83	83	83	83	83	83	83	1,000	
24 Misc. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	
25 Total Mitigation and Misc. Other	\$ (11,890)	\$ (13,901)	\$ (5,802)	\$ (2,094)	\$ (2,118)	\$ (2,134)	\$ (4,744)	\$ (4,629)	\$ (10,811)	\$ (6,953)	\$ (6,415)	\$ (14,418)	\$ (85,908)	
26														
27 <u>Transportation (Pipeline) Charges</u>														
28 WEI (BC Pipeline)	\$ 6,790	\$ 6,849	\$ 6,732	\$ 6,628	\$ 6,596	\$ 6,580	\$ 6,666	\$ 6,800	\$ 6,832	\$ 6,750	\$ 6,895	\$ 7,058	\$ 81,176	
29 TransCanada (BC Line)	480	480	480	362	362	362	362	362	362	362	362	362	4,693	
30 Nova (Alberta Line)	871	871	871	871	871	871	871	871	871	871	871	871	10,455	
31 Northwest Pipeline	476	427	450	102	102	123	127	118	99	102	433	477	3,036	
32 FortisBC Energy Huntingdon Inc.	7	7	7	7	7	7	7	7	7	7	7	7	88	
33 Southern Crossing Pipeline	300	300	300	300	300	300	300	300	300	300	300	300	3,600	
34 Squamish Wheeling	69	51	46	33	20	15	14	13	15	30	46	64	417	
35 Total Transportation Charges	\$ 8,993	\$ 8,986	\$ 8,887	\$ 8,303	\$ 8,258	\$ 8,259	\$ 8,347	\$ 8,470	\$ 8,486	\$ 8,422	\$ 8,915	\$ 9,139	103,465	
36														
37 <u>Core Market Administration Costs</u>	\$ 245	\$ 245	\$ 245	\$ 245	\$ 245	\$ 245	\$ 245	\$ 245	\$ 245	\$ 245	\$ 245	\$ 245	\$ 2,943	
38 TOTAL MCRA COSTS (Line 8, 16, 25, 35 & 37) (\$000)	\$ 44,446	\$ 35,970	\$ 30,244	\$ 10,824	\$ (1,714)	\$ (6,918)	\$ (11,049)	\$ (12,984)	\$ (8,008)	\$ 5,054	\$ 23,754	\$ 35,206	\$ 144,824	

Notes: Slight difference in totals due to rounding.

(1*) The total cost of UAF is included as a component of gas purchased. Sales UAF costs are recovered via gas cost recovery rates, while T-Service UAF costs are recovered via delivery revenues.

(2*) Imbalance is not forecast. Recorded imbalance is composed of Westcoast imbalance (difference between Spectra metered and authorized deliveries) and Transportation imbalance (difference between the authorized receipts and customers' consumption or "burn").

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
MIDSTREAM COST RECONCILIATION ACCOUNT (MCRA) INCURRED VARIABLE COSTS ALLOCATION BY REGION BY RATE SCHEDULE
MIDSTREAM COST RECOVERY CHARGE AND MCRA RATE RIDER 6 FLOW-THROUGH BY RATE SCHEDULE
FOR THE FORECAST PERIOD JULY 1, 2014 to JUNE 30, 2015
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 20, AND 21, 2014

Line No.	Particulars	Unit	Residential		Commercial		General Firm Service		NGV	Seasonal	General Interruptible	Lower Mainland		Lower Mainland		All Service Areas	
			RS-1	RS-2	RS-3 and Whistler	RS-5	RS-6	RS-4				RS-7	RS-1 to RS-7 and Whistler	Term & Spot Gas Sales	Off-System Interruptible Sales	RS-1 to RS-7, RS-14 & RS-30 and Whistler	RS-1 to RS-7 and Whistler Summary
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
1	LOWER MAINLAND SERVICE AREA																
2																	
3	MCRA Sales Quantities	TJ	51,494.5	17,676.3	15,032.4	2,055.3	56.0	86,314.5	67.3	-	86,381.8	563.6	11,350.5	98,296.0	114,167.5		
4																	
5	MCRA Incurred Costs	\$000															
6	Midstream Commodity Costs	\$	3,567.3	1,224.5	1,041.4	142.4	3.9	5,979.5	0.6	-	5,980.0	2,423.4	50,122.1	58,525.5	7,861.8		
7	Midstream Tolls and Fees		1,845.7	633.6	538.8	73.7	2.0	3,093.7	2.2	-	3,095.9	9.9	209.6	3,315.4	4,090.9		
8	Midstream Mark to Market- Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	-		
9	Subtotal Midstream Variable Costs	\$	5,413.0	1,858.1	1,580.2	216.0	5.9	9,073.2	2.7	-	9,075.9	2,433.3	50,331.7	61,840.9	11,952.8		
10	Midstream Storage - Fixed	\$	23,011.9	7,937.4	5,687.4	552.6	7.5	37,196.9	-	-	37,196.9	-	-	37,196.9	49,297.4		
11	On/Off System Sales Margin (RS-14 & RS-30)		(3,667.2)	(1,264.9)	(906.4)	(88.1)	(1.2)	(5,927.8)	-	-	(5,927.8)	-	-	(5,927.8)	(7,856.2)		
12	GSMIP Incentive Sharing		466.8	161.0	115.4	11.2	0.2	754.5	-	-	754.5	-	-	754.5	1,000.0		
13	Pipeline Demand Charges		36,273.5	12,511.7	8,965.0	871.1	11.9	58,633.2	-	-	58,633.2	-	-	58,633.2	75,711.1		
14	Core Administration Costs - 70%		1,374.0	473.9	339.6	33.0	0.4	2,221.0	-	-	2,221.0	-	-	2,221.0	2,943.5		
15	Subtotal Midstream Fixed Costs	\$	57,458.9	19,819.1	14,201.1	1,379.9	18.8	92,877.8	-	-	92,877.8	-	-	92,877.8	121,095.8		
16	MCRA Flow-Through Costs before MCRA deferral amort.		62,871.9	21,677.2	15,781.2	1,596.0	24.7	101,951.0	2.7	-	101,953.8				133,048.6	133,048.6	
17	T-Service UAF to be recovered via delivery revenues ⁽¹⁾															829.2	
18	Total MCRA Gas Costs ⁽²⁾															133,877.8	

Notes: Slight differences in totals due to rounding.

(1*) The total cost of UAF is included as a component of gas purchased. Sales UAF costs are recovered via gas cost recovery rates, while T-Service UAF costs are recovered via delivery revenues.

(2*) Reconciled to the Total MCRA Costs (Tab 1, Page 7, Col. 3, Line 60) which includes T-Service UAF to be recovered via delivery revenues.

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
MIDSTREAM COST RECONCILIATION ACCOUNT (MCRA) INCURRED VARIABLE COSTS ALLOCATION BY REGION BY RATE SCHEDULE
MIDSTREAM COST RECOVERY CHARGE AND MCRA RATE RIDER 6 FLOW-THROUGH BY RATE SCHEDULE
FOR THE FORECAST PERIOD JULY 1, 2014 TO JUNE 30, 2015
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 20, AND 21, 2014

Tab 2
Page 7

Line No.	Particulars	Unit	Residential	Commercial		General Firm Service	NGV	Subtotal	Seasonal	General Interruptible	Inland	Term & Spot Gas Sales	Off-System Interruptible Sales	Inland
			RS-1	RS-2	RS-3 and Whistler	RS-5	RS-6		RS-4	RS-7	RS-1 to RS-7 Total	RS-14	RS-30	RS-1 to RS-7, & RS-14 Total
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	INLAND SERVICE AREA													
2														
3	MCRA Sales Quantities	TJ	16,220.1	5,963.4	2,610.2	249.4	0.7	25,043.8	101.8	86.7	25,232.3	204.4	-	25,436.7
4														
5	MCRA Incurred Costs	\$000												
6	Midstream Commodity Costs	\$	1,123.7	413.1	180.8	17.3	0.0	1,734.9	0.8	0.7	1,736.5	878.8	-	2,615.3
7	Midstream Tolls and Fees		581.4	213.7	93.6	8.9	0.0	897.6	3.3	2.8	903.7	3.6	-	907.3
8	Midstream Mark to Market- Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-
9	Subtotal Midstream Variable Costs		1,705.0	626.9	274.4	26.2	0.1	2,632.6	4.1	3.5	2,640.2	882.4	-	3,522.6
10	Midstream Storage - Fixed	\$	7,248.4	2,677.8	987.6	67.1	0.1	10,981.0	-	-	10,981.0	-	-	10,981.0
11	On/Off System Sales Margin (RS-14 & RS-30)		(1,155.1)	(426.7)	(157.4)	(10.7)	(0.0)	(1,750.0)	-	-	(1,750.0)	-	-	(1,750.0)
12	GSMIP Incentive Sharing		147.0	54.3	20.0	1.4	0.0	222.7	-	-	222.7	-	-	222.7
13	Pipeline Demand Charges		10,230.0	3,779.3	1,393.8	94.6	0.1	15,497.8	-	-	15,497.8	-	-	15,497.8
14	Core Administration Costs - 70%		432.8	159.9	59.0	4.0	0.0	655.7	-	-	655.7	-	-	655.7
15	Subtotal Midstream Fixed Costs	\$	16,903.1	6,244.6	2,302.9	156.4	0.2	25,607.3	-	-	25,607.3	-	-	25,607.3
16	MCRA Flow-Through Costs before MCRA deferral amort.		18,608.1	6,871.5	2,577.3	182.6	0.3	28,239.8	4.1	3.5	28,247.5	-	-	28,247.5

FORTISBC ENERGY INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS
INCLUDING FORTISBC ENERGY (WHISTLER) INC.
MIDSTREAM COST RECONCILIATION ACCOUNT (MCRA) INCURRED VARIABLE COSTS ALLOCATION BY REGION BY RATE SCHEDULE
MIDSTREAM COST RECOVERY CHARGE AND MCRA RATE RIDER 6 FLOW-THROUGH BY RATE SCHEDULE
FOR THE FORECAST PERIOD JULY 1, 2014 TO JUNE 30, 2015
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 16, 20, AND 21, 2014

Tab 2
Page 8

Line No.	Particulars	Unit	Residential	Commercial		General Firm Service	NGV	Subtotal	Seasonal	General Interruptible	Columbia	Term & Spot Gas Sales	Off-System Interruptible Sales	Columbia
			RS-1	RS-2	RS-3 and Whistler	RS-5	RS-6		RS-4	RS-7	RS-1 to RS-7 Total	RS-14	RS-30	RS-1 to RS-7 Total
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	COLUMBIA SERVICE AREA													
2														
3	MCRA Sales Quantities	TJ	1,658.4	627.2	257.2	10.6	-	2,553.4	-	-	2,553.4	-	-	2,553.4
4														
5	MCRA Incurred Costs	\$000												
6	Midstream Commodity Costs	\$	94.4	35.7	14.6	0.6	-	145.4	-	-	145.4	-	-	145.4
7	Midstream Tolls and Fees		59.3	22.4	9.2	0.4	-	91.3	-	-	91.3	-	-	91.3
8	Midstream Mark to Market- Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-
9	Subtotal Midstream Variable Costs		153.7	58.1	23.8	1.0	-	236.6	-	-	236.6	-	-	236.6
10	Midstream Storage - Fixed	\$	738.9	280.8	97.0	2.8	-	1,119.5	-	-	1,119.5	-	-	1,119.5
11	On/Off System Sales Margin (RS-14 & RS-30)		(117.8)	(44.7)	(15.5)	(0.5)	-	(178.4)	-	-	(178.4)	-	-	(178.4)
12	GSMIP Incentive Sharing		15.0	5.7	2.0	0.1	-	22.7	-	-	22.7	-	-	22.7
13	Pipeline Demand Charges		1,042.8	396.3	136.9	4.0	-	1,580.1	-	-	1,580.1	-	-	1,580.1
14	Core Administration Costs - 70%		44.1	16.8	5.8	0.2	-	66.8	-	-	66.8	-	-	66.8
15	Subtotal Midstream Fixed Costs		1,723.1	654.8	226.2	6.6	-	2,610.7	-	-	2,610.7	-	-	2,610.7
16	MCRA Flow-Through Costs before MCRA deferral amort.		1,876.7	712.9	250.1	7.6	-	2,847.4	-	-	2,847.4	-	-	2,847.4



LETTER NO. L-XX-14

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Log No. xxx

DRAFT ORDER

VIA E-MAIL

June XX, 2014

gas.regulatory.affairs@fortisbc.com

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

Dear Ms. Roy:

Re: FortisBC Energy Inc.
Lower Mainland, Inland, and Columbia Service Areas
2014 Second Quarter Gas Cost Report
Commodity Cost Reconciliation Account (CCRA) and
Midstream Cost Reconciliation Account (MCRA)

On June 4, 2014 FortisBC Energy Inc. filed its 2014 Second Quarter Gas Cost Report for the Lower Mainland, Inland, and Columbia service areas. The British Columbia Utilities Commission acknowledges receipt of the Report and accepts the recommendation that Commodity Cost Recovery Charge remain unchanged as established by Order G-37-14 dated March 13, 2014 for the Lower Mainland, Inland, and Columbia service areas as of July 1, 2014.

Yours truly,

Erica M. Hamilton
Commission Secretary