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June 3, 2015

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. – Mainland, Vancouver Island, and Whistler Service Areas
Commodity Cost Reconciliation Account (CCRA) and Midstream Cost
Reconciliation Account (MCRA) Quarterly Gas Costs
2015 Second Quarter Gas Cost Report**

The attached materials provide the FortisBC Energy Inc. (FEI or the Company) 2015 Second Quarter Gas Cost Report (the Second Quarter Report) for the CCRA and MCRA deferral accounts as required under British Columbia Utilities Commission (the Commission) guidelines. The gas cost forecast used within the attached report is based on the five-day average of the May 14, 15, 18, 19, and 20, 2015 forward prices (five-day forward prices ending May 20, 2015).

CCRA Deferral Account

Based on the five-day average forward prices ending May 20, 2015, the June 30, 2015 CCRA balance is projected to be approximately \$26 million surplus after tax. Further, based on the five-day average forward prices ending May 20, 2015, the gas purchase cost assumptions, and the forecast commodity cost recoveries at present rates for the 12-month period ending June 30, 2016, and accounting for the projected June 30, 2015 deferral balance, the CCRA trigger ratio is calculated to be 99.4 percent (Tab 1, Page 2, Column 4, Line 10), which falls within the deadband range of 95 percent to 105 percent. The tested rate increase that would produce a 100 percent commodity recovery-to-cost ratio is calculated to be \$0.015/GJ (Tab 1, Page 2, Column 5, Line 25), which falls within the \$0.50/GJ rate change threshold. The results of the two-criteria rate adjustment mechanism indicate that a rate change is not at this time.

The schedules at Tab 2, Pages 1 and 2, provide details of the recorded and forecast, based on the five-day average forward prices ending May 20, 2015, 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, 2015 to June 30, 2016 prospective period.

MCRA Deferral Account

The monthly MCRA deferral account balances are shown on the schedule provided at Tab 1, Page 3, at the existing rates. The MCRA balance at June 30, 2015, based on the five-day average forward prices ending May 20, 2015, is projected to be approximately \$11 million surplus after tax. Further, the MCRA balance at December 31, 2015 and December 31, 2016, based on the five-day average forward prices ending May 20, 2015, are projected to be approximately \$13 million and \$23 million surplus after tax, respectively.

The schedules at Tab 2, Pages 4 and 5, provide details of MCRA gas supply costs for calendar 2015 and 2016 based on the five-day average forward prices ending May 20, 2015.

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, 2015.

FEI will continue to monitor the forward prices, and will report CCRA and MCRA balances in its 2015 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 by:

Diane Roy

Attachments

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
CCRA MONTHLY BALANCES AT EXISTING RATES (AFTER ADJUSTMENTS FOR ENERGY DIFFERENCES)
FOR THE FORECAST PERIOD JULY 1, 2015 TO JUNE 30, 2017
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 18, 19, AND 20, 2015
\$(Millions)

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1														Jan-15
2														to
3														Jun-15
4	CCRA Balance - Beginning (Pre-tax) ⁽¹⁾	\$ 1	\$ (8)	\$ (19)	\$ (32)	\$ (34)	\$ (36)							\$ 1
5	Gas Costs Incurred	\$ 29	\$ 22	\$ 24	\$ 22	\$ 22	\$ 26							\$ 146
6	Revenue from APPROVED Recovery Rate	\$ (37)	\$ (34)	\$ (38)	\$ (23)	\$ (25)	\$ (24)							\$ (181)
7	CCRA Balance - Ending (Pre-tax) ⁽²⁾	\$ (8)	\$ (19)	\$ (32)	\$ (34)	\$ (36)	\$ (35)							\$ (35)
8														
9	CCRA Balance - Ending (After-tax) ⁽³⁾	\$ (6)	\$ (14)	\$ (24)	\$ (25)	\$ (27)	\$ (26)							\$ (26)
10														
11														
12														
13														Jul-15
14														to
15	CCRA Balance - Beginning (Pre-tax) ⁽¹⁾	\$ (35)	\$ (33)	\$ (30)	\$ (28)	\$ (25)	\$ (22)	\$ (18)	\$ (13)	\$ (8)	\$ (3)	\$ (2)	\$ (0)	\$ (35)
16	Gas Costs Incurred	\$ 27	\$ 27	\$ 26	\$ 28	\$ 27	\$ 29	\$ 30	\$ 28	\$ 29	\$ 26	\$ 26	\$ 26	\$ 329
17	Revenue from EXISTING Recovery Rates	\$ (25)	\$ (25)	\$ (24)	\$ (25)	\$ (24)	\$ (25)	\$ (25)	\$ (23)	\$ (25)	\$ (24)	\$ (25)	\$ (24)	\$ (292)
18	CCRA Balance - Ending (Pre-tax) ⁽²⁾	\$ (33)	\$ (30)	\$ (28)	\$ (25)	\$ (22)	\$ (18)	\$ (13)	\$ (8)	\$ (3)	\$ (2)	\$ (0)	\$ 2	\$ 2
19														
20	CCRA Balance - Ending (After-tax) ⁽³⁾	\$ (24)	\$ (23)	\$ (21)	\$ (19)	\$ (17)	\$ (13)	\$ (9)	\$ (6)	\$ (2)	\$ (1)	\$ (0)	\$ 1	\$ 1
21														
22														
23														
24														Jul-16
25														to
26	CCRA Balance - Beginning (Pre-tax) ⁽¹⁾	\$ 2	\$ 4	\$ 6	\$ 8	\$ 11	\$ 15	\$ 20	\$ 28	\$ 34	\$ 40	\$ 43	\$ 45	\$ 2
27	Gas Costs Incurred	\$ 27	\$ 27	\$ 27	\$ 28	\$ 28	\$ 31	\$ 32	\$ 29	\$ 31	\$ 27	\$ 28	\$ 28	\$ 342
28	Revenue from EXISTING Recovery Rates	\$ (25)	\$ (25)	\$ (24)	\$ (25)	\$ (24)	\$ (25)	\$ (25)	\$ (23)	\$ (25)	\$ (24)	\$ (25)	\$ (24)	\$ (295)
29	CCRA Balance - Ending (Pre-tax) ⁽²⁾	\$ 4	\$ 6	\$ 8	\$ 11	\$ 15	\$ 20	\$ 28	\$ 34	\$ 40	\$ 43	\$ 45	\$ 49	\$ 49
30														
31	CCRA Balance - Ending (After-tax) ⁽³⁾	\$ 3	\$ 5	\$ 6	\$ 8	\$ 11	\$ 15	\$ 20	\$ 25	\$ 29	\$ 32	\$ 34	\$ 36	\$ 36

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 (2015 to 2017 at 26.0%).

(2*) For rate setting purposes CCRA pre-tax balances include grossed-up projected deferred interest of approximately \$1.4 million credit as at June 30, 2015.

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

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
CCRA RATE CHANGE TRIGGER MECHANISM
FOR THE FORECAST PERIOD JULY 1, 2015 TO JUNE 30, 2016
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 18, 19, AND 20, 2015

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, 2015	\$ (35)				(Tab 1, Page 1, Col.14, Line 7)
4						
5	Forecast Incurred Gas Costs - Jul 2015 to Jun 2016	\$ 329				(Tab 1, Page 1, Col.14, Line 16)
6						
7	Forecast Recovery Gas Costs at Existing Recovery Rate - Jul 2015 to Jun 2016	\$ 292				(Tab 1, Page 1, Col.14, Line 17)
8						
9						
10	CCRA					
11	Ratio = $\frac{\text{Forecast Recovered Gas Costs (Line 7)}}{\text{Forecast Incurred Gas Costs (Line 5) + Projected CCRA Balance (Line 3)}}$	= \$ 292		= <u>99.4%</u>		Within 95% to 105% deadband
12						
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 2015 to Jun 2016		117,295			(Tab1, Page 7, Col.5, Line 11)
22						
23	(Over) / Under Recovery at Existing CCRA Rate	\$ 2				(Line 3 + Line 5 - Line 7)
24						
25	Tested Rate (Decrease) / Increase				<u>\$ 0.015</u>	Within minimum +/- \$0.50/GJ threshold

Notes: Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
MCRA MONTHLY BALANCES AT EXISTING RATES (AFTER ADJUSTMENTS FOR ENERGY DIFFERENCES)
FOR THE FORECAST PERIOD JULY 1, 2015 TO JUNE 30, 2017
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 18, 19, AND 20, 2015

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		\$(Millions)												
		Recorded Jan-15	Recorded Feb-15	Recorded Mar-15	Recorded Apr-15	Projected May-15	Projected Jun-15	Forecast Jul-15	Forecast Aug-15	Forecast Sep-15	Forecast Oct-15	Forecast Nov-15	Forecast Dec-15	Total 2015
1	MCRA Cumulative Balance - Beginning (Pre-tax) ^(1*)	\$ (5)	\$ (16)	\$ (15)	\$ (16)	\$ (19)	\$ (16)	\$ (15)	\$ (10)	\$ (6)	\$ (3)	\$ (4)	\$ (9)	\$ (5)
4	2015 MCRA Activities													
5	<u>Rate Rider 6</u>													
6	Amount to be amortized in 2015 ^(4*)	\$ (7)												
7	Rider 6 Amortization at APPROVED 2015 Rates	\$ 1	\$ 1	\$ 1	\$ 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1	\$ 1	\$ 1	\$ 7
8	<u>Midstream Base Rates</u>													
9	Gas Costs Incurred	\$ 59	\$ 50	\$ 42	\$ 22	\$ 3	\$ 2	\$ (2)	\$ (0)	\$ (1)	\$ 8	\$ 32	\$ 41	\$ 257
10	Revenue from APPROVED Recovery Rates	\$ (71)	\$ (50)	\$ (44)	\$ (25)	\$ (1)	\$ 2	\$ 6	\$ 4	\$ 4	\$ (10)	\$ (38)	\$ (50)	\$ (273)
11	Total Midstream Base Rates (Pre-tax)	\$ (12)	\$ (0)	\$ (1)	\$ (3)	\$ 3	\$ 5	\$ 5	\$ 4	\$ 3	\$ (2)	\$ (6)	\$ (9)	\$ (16)
13	MCRA Cumulative Balance - Ending (Pre-tax) ^(2*)	\$ (16)	\$ (15)	\$ (16)	\$ (19)	\$ (16)	\$ (15)	\$ (10)	\$ (6)	\$ (3)	\$ (4)	\$ (9)	\$ (17)	\$ (17)
15	MCRA Cumulative Balance - Ending (After-tax) ^(3*)	\$ (12)	\$ (11)	\$ (12)	\$ (14)	\$ (12)	\$ (11)	\$ (7)	\$ (4)	\$ (2)	\$ (3)	\$ (7)	\$ (13)	\$ (13)
19		Forecast Jan-16	Forecast Feb-16	Forecast Mar-16	Forecast Apr-16	Forecast May-16	Forecast Jun-16	Forecast Jul-16	Forecast Aug-16	Forecast Sep-16	Forecast Oct-16	Forecast Nov-16	Forecast Dec-16	Total 2016
20	MCRA Balance - Beginning (Pre-tax) ^(1*)	\$ (17)	\$ (25)	\$ (32)	\$ (37)	\$ (39)	\$ (36)	\$ (34)	\$ (28)	\$ (22)	\$ (17)	\$ (17)	\$ (23)	\$ (17)
21	2016 MCRA Activities													
22	<u>Rate Rider 6</u>													
23	Rider 6 Amortization at EXISTING 2015 Rates	\$ 1	\$ 1	\$ 1	\$ 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1	\$ 1	\$ 1	\$ 7
24	<u>Midstream Base Rates</u>													
25	Gas Costs Incurred	\$ 43	\$ 40	\$ 25	\$ 10	\$ 2	\$ (1)	\$ (2)	\$ (0)	\$ 0	\$ 10	\$ 30	\$ 40	\$ 198
26	Revenue from EXISTING Recovery Rates	\$ (53)	\$ (48)	\$ (31)	\$ (13)	\$ 1	\$ 6	\$ 8	\$ 6	\$ 4	\$ (11)	\$ (36)	\$ (50)	\$ (216)
27	Total Midstream Base Rates (Pre-tax)	\$ (9)	\$ (8)	\$ (5)	\$ (3)	\$ 3	\$ 5	\$ 6	\$ 5	\$ 5	\$ (1)	\$ (7)	\$ (10)	\$ (18)
30	MCRA Cumulative Balance - Ending (Pre-tax) ^(2*)	\$ (25)	\$ (32)	\$ (37)	\$ (39)	\$ (36)	\$ (34)	\$ (28)	\$ (22)	\$ (17)	\$ (17)	\$ (23)	\$ (32)	\$ (32)
32	MCRA Cumulative Balance - Ending (After-tax) ^(3*)	\$ (19)	\$ (24)	\$ (27)	\$ (29)	\$ (27)	\$ (25)	\$ (21)	\$ (16)	\$ (13)	\$ (13)	\$ (17)	\$ (23)	\$ (23)

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 (2015 to 2017 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, 2015.

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

(4*) BCUC Order G-175-14 approved the 1/2 projected MCRA cumulative balance at Dec 31, 2014 to be amortized into the next year's midstream rates, via Rider 6, as filed in the FEI 2014 Fourth Quarter Gas Cost Report.

**FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
SUMAS INDEX FORECAST FOR THE PERIOD ENDING JUNE 30, 2017
AND US DOLLAR EXCHANGE RATE FORECAST UPDATE**

Line No	Particulars (1)	Five-day Average Forward Prices - May 14, 15, 18, 19, and 20, 2015 2015 Q2 Gas Cost Report (2)	Five-day Average Forward Prices - February 11, 12, 13, 17, and 18, 2015 2015 Q1 Gas Cost Report (3)	Change in Forward Price (4) = (2) - (3)
1	Sumas Index Prices - \$US/MMBtu			
2	2015			
3	January	↑ \$ 3.23	Recorded \$ 3.23	\$ -
4	February	\$ 2.56	Projected \$ 2.57	\$ (0.01)
5	March	\$ 2.40	Forecast \$ 2.38	\$ 0.02
6	April	\$ 2.15	\$ 2.39	\$ (0.24)
7	May	\$ 2.15	\$ 2.29	\$ (0.14)
8	June	\$ 2.66	\$ 2.31	\$ 0.35
9	Simple Average (Jan, 2015 - Dec, 2015)	↓ \$ 2.72	\$ 2.62	3.8% \$ 0.10
10	Simple Average (Apr, 2015 - Mar, 2016)	\$ 2.83	\$ 2.73	3.7% \$ 0.10
11	July	\$ 2.73	\$ 2.45	\$ 0.27
12	August	\$ 2.76	\$ 2.47	\$ 0.29
13	September	\$ 2.76	\$ 2.45	\$ 0.30
14	October	\$ 2.80	\$ 2.54	\$ 0.26
15	November	\$ 3.05	\$ 2.99	\$ 0.06
16	December	\$ 3.35	\$ 3.32	\$ 0.03
17	2016			
18	January	\$ 3.30	\$ 3.31	\$ (0.00)
19	February	\$ 3.22	\$ 3.22	\$ 0.00
20	March	\$ 3.03	\$ 3.04	\$ (0.01)
21	April	\$ 2.59	\$ 2.60	\$ (0.02)
22	May	\$ 2.44	\$ 2.46	\$ (0.01)
23	June	\$ 2.46	\$ 2.48	\$ (0.02)
24	Simple Average (Jul, 2015 - Jun, 2016)	\$ 2.87	\$ 2.78	3.2% \$ 0.09
25	Simple Average (Oct, 2015 - Sep, 2016)	\$ 2.84	\$ 2.83	0.4% \$ 0.01
26	Simple Average (Jan, 2016 - Dec, 2016)	\$ 2.85	\$ 2.89	-1.4% \$ (0.04)
27	Simple Average (Apr, 2016 - Mar, 2017)	\$ 2.89	\$ 2.97	-2.7% \$ (0.08)
28	July	\$ 2.60	\$ 2.67	\$ (0.06)
29	August	\$ 2.63	\$ 2.68	\$ (0.05)
30	September	\$ 2.60	\$ 2.64	\$ (0.04)
31	October	\$ 2.72	\$ 2.74	\$ (0.03)
32	November	\$ 3.18	\$ 3.27	\$ (0.08)
33	December	\$ 3.48	\$ 3.60	\$ (0.12)
34	2017			
35	January	\$ 3.46	\$ 3.62	\$ (0.16)
36	February	\$ 3.38	\$ 3.54	\$ (0.16)
37	March	\$ 3.19	\$ 3.36	\$ (0.17)
38	April	\$ 2.71		
39	May	\$ 2.57		
40	June	\$ 2.60		
41	Simple Average (Jul, 2016 - May, 2017)	\$ 2.93		

Conversation Factors

1 MMBtu = 1.055056 GJ

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

	Forecast Jul 2015-Jun 2016	Forecast Apr 2015-Mar 2016	
Prophet X natural gas trading platform Avg Exchange Rate	\$ 1.2141	\$ 1.2491	-2.8% \$ (0.035)

For information purpose:

	May 20, 2015	February 18, 2015	
Bank of Canada Daily Exchange Rate	\$ 1.2212	\$ 1.2455	-2.0% \$ (0.024)

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
SUMAS INDEX FORECAST FOR THE PERIOD ENDING JUNE 30, 2017
(PRESENTED IN \$CDN/GJ)

Line No	Particulars (1)	Five-day Average Forward Prices - May 14, 15, 18, 19, and 20, 2015		Five-day Average Forward Prices - February 11, 12, 13, 17, and 18, 2015		Change in Forward Price (4) = (2) - (3)
		2015 Q2 Gas Cost Report (2)		2015 Q1 Gas Cost Report (3)		
1	Sumas Index Prices - \$CDN/GJ					
2	2015					
3	January		\$ 3.59	Recorded	\$ 3.59	\$ -
4	February		\$ 3.05	Projected	\$ 3.04	\$ 0.01
5	March		\$ 2.85	Forecast	\$ 2.81	\$ 0.04
6	April	Recorded	\$ 2.57		\$ 2.83	\$ (0.26)
7	May	Projected	\$ 2.47		\$ 2.71	\$ (0.24)
8	June	Forecast	\$ 3.06		\$ 2.73	\$ 0.32
9	Simple Average (Jan, 2015 - Dec, 2015)		\$ 3.14		\$ 3.08	1.9% \$ 0.06
10	Simple Average (Apr, 2015 - Mar, 2016)		\$ 3.26		\$ 3.23	0.9% \$ 0.03
11	July		\$ 3.13		\$ 2.90	\$ 0.23
12	August		\$ 3.17		\$ 2.92	\$ 0.25
13	September		\$ 3.16		\$ 2.90	\$ 0.26
14	October		\$ 3.22		\$ 3.01	\$ 0.21
15	November		\$ 3.52		\$ 3.54	\$ (0.03)
16	December		\$ 3.86		\$ 3.93	\$ (0.07)
17	2016					
18	January		\$ 3.80		\$ 3.92	\$ (0.11)
19	February		\$ 3.71		\$ 3.81	\$ (0.10)
20	March		\$ 3.49		\$ 3.60	\$ (0.11)
21	April		\$ 2.98		\$ 3.08	\$ (0.10)
22	May		\$ 2.81		\$ 2.91	\$ (0.10)
23	June		\$ 2.83		\$ 2.94	\$ (0.10)
24	Simple Average (Jul, 2015 - Jun, 2016)		\$ 3.31		\$ 3.29	0.6% \$ 0.02
25	Simple Average (Oct, 2015 - Sep, 2016)		\$ 3.27		\$ 3.35	-2.4% \$ (0.08)
26	Simple Average (Jan, 2016 - Dec, 2016)		\$ 3.29		\$ 3.43	-4.1% \$ (0.14)
27	Simple Average (Apr, 2016 - Mar, 2017)		\$ 3.34		\$ 3.52	-5.1% \$ (0.18)
28	July		\$ 3.00		\$ 3.16	\$ (0.16)
29	August		\$ 3.03		\$ 3.17	\$ (0.15)
30	September		\$ 3.00		\$ 3.13	\$ (0.13)
31	October		\$ 3.13		\$ 3.25	\$ (0.12)
32	November		\$ 3.67		\$ 3.87	\$ (0.20)
33	December		\$ 4.02		\$ 4.27	\$ (0.25)
34	2017					
35	January		\$ 4.00		\$ 4.29	\$ (0.29)
36	February		\$ 3.90		\$ 4.19	\$ (0.29)
37	March		\$ 3.68		\$ 3.95	\$ (0.28)
38	April		\$ 3.12			
39	May		\$ 2.97			
40	June		\$ 2.99			
41	Simple Average (Jul, 2016 - May, 2017)		\$ 3.37			

Conversion Factors

1 MMBtu = 1.055056 GJ

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

	Forecast Jan 2015-Dec 2015	Forecast Oct 2014-Sep 2015	
Prophet X natural gas trading platform Avg Exchange Rate	\$ 1.2141	\$ 1.2491	-2.8% \$ (0.035)

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
AECO INDEX FORECAST FOR THE PERIOD ENDING JUNE 30, 2017
AND US DOLLAR EXCHANGE RATE FORECAST UPDATE

Line No	Particulars (1)	Five-day Average Forward Prices - May 14, 15, 18, 19, and 20, 2015 2015 Q2 Gas Cost Report (2)	Five-day Average Forward Prices - February 11, 12, 13, 17, and 18, 2015 2015 Q1 Gas Cost Report (3)	Change in Forward Price (4) = (2) - (3)
1	AECO Index Prices - \$CDN/GJ			
2	2015			
3	January	↑ \$ 3.19	Recorded \$ 3.19	\$ -
4	February	\$ 2.60	Projected \$ 2.60	\$ 0.00
5	March	\$ 2.59	Forecast \$ 2.56	\$ 0.03
6	April	Recorded \$ 2.54	↓ \$ 2.64	\$ (0.10)
7	May	Projected \$ 2.42	\$ 2.64	\$ (0.22)
8	June	Forecast \$ 2.73	\$ 2.67	\$ 0.06
9	Simple Average (Jan, 2015 - Dec, 2015)	\$ 2.79	\$ 2.76	1.1% \$ 0.03
10	Simple Average (Apr, 2015 - Mar, 2016)	↓ \$ 2.87	\$ 2.87	0.0% \$ -
11	July	\$ 2.81	\$ 2.67	\$ 0.14
12	August	\$ 2.82	\$ 2.69	\$ 0.13
13	September	\$ 2.82	\$ 2.69	\$ 0.13
14	October	\$ 2.87	\$ 2.76	\$ 0.11
15	November	\$ 2.96	\$ 2.94	\$ 0.02
16	December	\$ 3.07	\$ 3.09	\$ (0.02)
17	2016			
18	January	\$ 3.18	\$ 3.24	\$ (0.06)
19	February	\$ 3.16	\$ 3.22	\$ (0.06)
20	March	\$ 3.11	\$ 3.18	\$ (0.07)
21	April	\$ 2.82	\$ 2.90	\$ (0.08)
22	May	\$ 2.81	\$ 2.87	\$ (0.06)
23	June	\$ 2.84	\$ 2.93	\$ (0.08)
24	Simple Average (Jul, 2015 - Jun, 2016)	\$ 2.94	\$ 2.93	0.3% \$ 0.01
25	Simple Average (Oct, 2015 - Sep, 2016)	\$ 2.96	\$ 3.01	-1.7% \$ (0.05)
26	Simple Average (Jan, 2016 - Dec, 2016)	\$ 2.98	\$ 3.06	-2.6% \$ (0.08)
27	Simple Average (Apr, 2016 - Mar, 2017)	\$ 3.01	\$ 3.13	-3.8% \$ (0.12)
28	July	\$ 2.88	\$ 2.98	\$ (0.10)
29	August	\$ 2.90	\$ 2.99	\$ (0.09)
30	September	\$ 2.90	\$ 2.99	\$ (0.09)
31	October	\$ 2.94	\$ 3.02	\$ (0.08)
32	November	\$ 3.00	\$ 3.12	\$ (0.12)
33	December	\$ 3.17	\$ 3.33	\$ (0.16)
34	2017			
35	January	\$ 3.31	\$ 3.52	\$ (0.21)
36	February	\$ 3.29	\$ 3.51	\$ (0.22)
37	March	\$ 3.23	\$ 3.44	\$ (0.21)
38	April	\$ 2.92		
39	May	\$ 2.90		
40	June	\$ 2.95		
41	Simple Average (Jul, 2016 - May, 2017)	\$ 3.03		

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
STATION NO.2 INDEX FORECAST FOR THE PERIOD ENDING JUNE 30, 2017
AND US DOLLAR EXCHANGE RATE FORECAST UPDATE

Line No	Particulars	Five-day Average Forward Prices - May 14, 15, 18, 19, and 20, 2015	Five-day Average Forward Prices - February 11, 12, 13, 17, and 18, 2015	Change in Forward Price
	(1)	2015 Q2 Gas Cost Report (2)	2015 Q1 Gas Cost Report (3)	(4) = (2) - (3)
1	Station No. 2 Index Prices - \$CDN/GJ			
2	2015			
3	January	\$ 2.36	Recorded \$ 2.36	\$ -
4	February	\$ 2.29	Projected \$ 2.13	\$ 0.16
5	March	\$ 2.12	Forecast \$ 2.09	\$ 0.03
6	April	\$ 1.68	\$ 2.37	\$ (0.69)
7	May	\$ 1.82	\$ 2.34	\$ (0.52)
8	June	\$ 2.61	\$ 2.40	\$ 0.21
9	Simple Average (Jan, 2015 - Dec, 2015)	<u>\$ 2.34</u>	<u>\$ 2.41</u>	-2.9% <u>\$ (0.07)</u>
10	Simple Average (Apr, 2015 - Mar, 2016)	<u>\$ 2.49</u>	<u>\$ 2.61</u>	-4.6% <u>\$ (0.12)</u>
11	July	\$ 2.43	\$ 2.37	\$ 0.06
12	August	\$ 2.45	\$ 2.38	\$ 0.07
13	September	\$ 2.44	\$ 2.38	\$ 0.06
14	October	\$ 2.50	\$ 2.49	\$ 0.01
15	November	\$ 2.64	\$ 2.69	\$ (0.05)
16	December	\$ 2.78	\$ 2.87	\$ (0.09)
17	2016			
18	January	\$ 2.90	\$ 3.05	\$ (0.14)
19	February	\$ 2.86	\$ 3.00	\$ (0.15)
20	March	\$ 2.80	\$ 2.94	\$ (0.14)
21	April	\$ 2.53	\$ 2.74	\$ (0.21)
22	May	\$ 2.52	\$ 2.68	\$ (0.15)
23	June	\$ 2.58	\$ 2.76	\$ (0.18)
24	Simple Average (Jul, 2015 - Jun, 2016)	<u>\$ 2.62</u>	<u>\$ 2.70</u>	-3.0% <u>\$ (0.08)</u>
25	Simple Average (Oct, 2015 - Sep, 2016)	<u>\$ 2.66</u>	<u>\$ 2.80</u>	-5.0% <u>\$ (0.14)</u>
26	Simple Average (Jan, 2016 - Dec, 2016)	<u>\$ 2.69</u>	<u>\$ 2.87</u>	-6.3% <u>\$ (0.18)</u>
27	Simple Average (Apr, 2016 - Mar, 2017)	<u>\$ 2.73</u>	<u>\$ 2.94</u>	-7.1% <u>\$ (0.21)</u>
28	July	\$ 2.58	\$ 2.78	\$ (0.20)
29	August	\$ 2.60	\$ 2.78	\$ (0.18)
30	September	\$ 2.60	\$ 2.79	\$ (0.19)
31	October	\$ 2.65	\$ 2.86	\$ (0.21)
32	November	\$ 2.71	\$ 2.90	\$ (0.18)
33	December	\$ 2.91	\$ 3.15	\$ (0.23)
34	2017			
35	January	\$ 3.07	\$ 3.35	\$ (0.28)
36	February	\$ 3.02	\$ 3.32	\$ (0.30)
37	March	\$ 2.95	\$ 3.23	\$ (0.28)
38	April	\$ 2.65		
39	May	\$ 2.64		
40	June	\$ 2.70		
41	Simple Average (Jul, 2016 - May, 2017)	<u>\$ 2.76</u>		

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
GAS BUDGET COST SUMMARY FOR THE FORECAST PERIOD JUL 1, 2015 TO JUN 30, 2016
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 18, 19, AND 20, 2015

Tab 1
Page 7

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 Total	\$ 239,922	90,699	\$ 2.645	
4	AECO Total	87,185	29,617	2.944	
5	Huntingdon Total	-	-	-	
6	Commodity Costs before Hedging	\$ 327,107	120,316	\$ 2.719	incl. Fuel Gas Provided to Midstream (Receipt Point Fuel Gas)
7	Mark to Market Hedges Cost / (Gain)	-	-	-	
8	Subtotal Commodity Purchased	\$ 327,107	120,316	\$ 2.719	
9	Core Market Administration Costs	1,542	-	-	
10	Fuel Gas Provided to Midstream	-	(3,020)	-	
11	Total CCRA Baseload		117,295		
12	Total CCRA Costs	\$ 328,648		\$ 2.802	average unit cost = Line 12, Col. 3 divided by Line 11, Col.5
13					
14	MCRA				
15	Midstream Commodity				
16	Midstream Commodity before Hedging	\$ 46,762	16,547	\$ 2.826	incl. Company Use Gas and UAF
17	Mark to Market Hedges Cost / (Gain)	-	-	-	
18	Company Use Gas Recovered from O&M	(4,775)	(708)	6.739	
19	Total Midstream Commodity Purchase	\$ 41,988	15,839	\$ 2.651	
20					
21	Storage Gas				
22	BC - Aitken Creek	\$ (63,635)	(22,834)	\$ 2.787	
23	LNG - Tilbury & Mt. Hayes	(2,859)	(1,043)	2.742	
24	Alberta - Niska & CrossAlta	(4,901)	(1,779)	2.755	
25	Downstream - JPS & Mist	(9,233)	(3,223)	2.865	
26	Injections into Storage	\$ (80,628)	(28,879)	\$ 2.792	
27	BC - Aitken Creek	\$ 73,283	24,165	3.033	
28	LNG - Tilbury & Mt. Hayes	3,980	1,034	3.848	
29	Alberta - Niska & CrossAlta	5,230	1,850	2.827	
30	Downstream - JPS & Mist	12,072	3,395	3.556	
31	Withdrawals from Storage	94,565	30,444	\$ 3.106	
32	BC - Aitken Creek	\$ 18,669	-	-	
33	LNG - Mt. Hayes	18,968	-	-	
34	Alberta - Niska & CrossAlta	1,253	-	-	
35	Downstream - JPS & Mist	15,333	-	-	
36	Storage Demand Charges	54,223	-	-	
37	Total Net Storage (Lines 26, 31, & 36)	\$ 68,159	1,565	-	
38					
39	Mitigation				
40	Transportation	\$ (23,298)	-	-	
41	Commodity Resales	(55,308)	(16,234)	3.407	
42	Other Mitigation	(897)	-	-	
43	GSMIP Incentive Sharing	1,000	-	-	
44	Total Mitigation	\$ (78,503)	(16,234)	-	
45					
46	Transportation (Pipeline) Charges				
47	Spectra	\$ 85,826	-	-	
48	TCPL	15,224	-	-	
49	NWP	6,008	-	-	
50	Total Transportation Charges	\$ 107,058	-	-	
51					
52	Core Market Administration Costs	\$ 3,597			
53					
54	UAF (Sales & T-Service) & Net Transportation Fuel ⁽¹⁾	-	(1,170)		
55					
56	Net MCRA Commodity (Lines 19, 37, 44 & 54)				
57	Total MCRA Costs (Lines 19, 37, 44, 50 & 52)	\$ 142,299		\$ 1.164	average unit cost = Line 57, Col. 3 divided by Line 58, Col.5
58	Total Core Sales		122,215		
59	Total Forecast Gas Costs (Lines 12 & 57)	\$ 470,948			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.

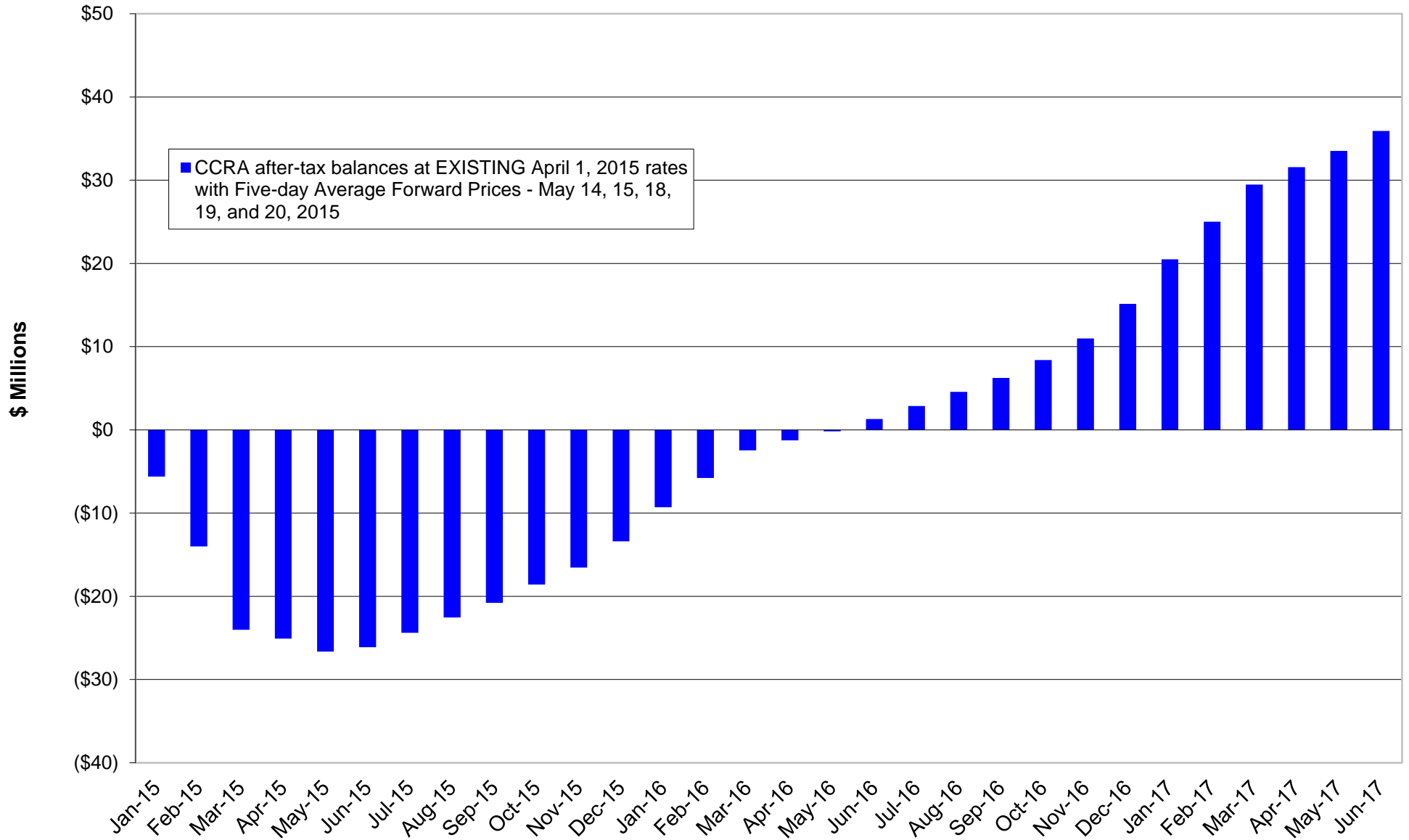
FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
RECONCILIATION OF GAS COST INCURRED
FOR THE FORECAST PERIOD JULY 1, 2015 TO JUNE 30, 2016
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 18, 19, AND 20, 2015
\$(Millions)

Tab 1
Page 8

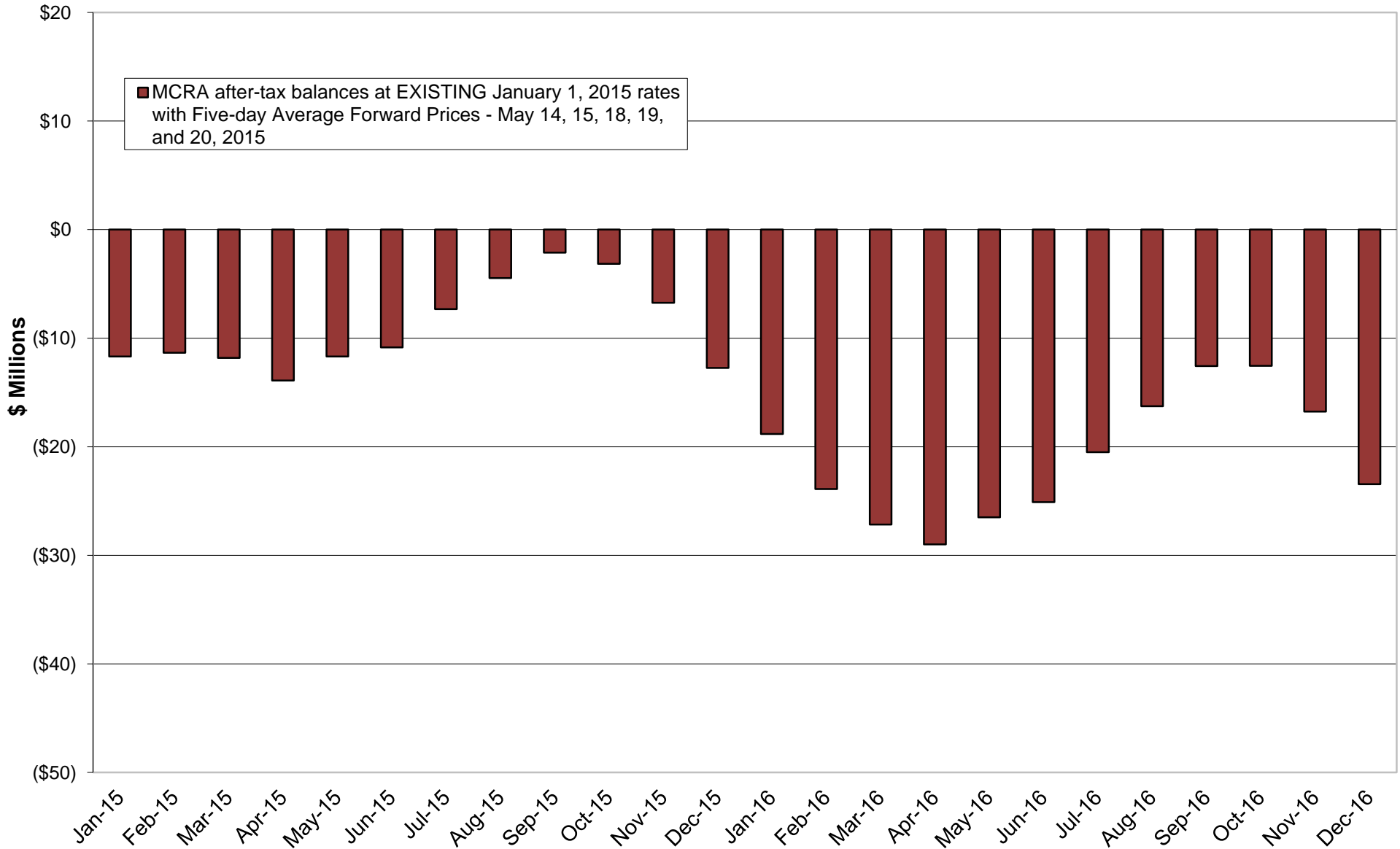
Line No.	Particulars (1)	CCRA/MCRA Deferral Account Forecast (2)	Gas Budget Cost Summary (3)	References
1	Gas Cost Incurred			
2	CCRA	\$ 329		(Tab 1, Page 1, Col. 14, Line 16)
3	MCRA	\$ 198		(Tab 1, Page 3, Col.8, Line 9 to Col.7, Line 26)
4				
5				
6	Gas Budget Cost Summary			
7	CCRA		\$ 329	(Tab 1, Page 7, Col.3, Line 12)
8	MCRA		\$ 142	(Tab 1, Page 7, Col.3, Line 57)
9	Total Net Costs for Firm Customers		<u>\$ 471</u>	
10				
11				
12	Add back Commodity Resales		\$ 55	(Tab 1, Page 7, Col.2, Line 41)
13				
14				
15	Totals Reconciled	<u><u>\$ 526</u></u>	<u><u>\$ 526</u></u>	

Notes: Slight differences in totals due to rounding.

FortisBC Energy Inc.- Mainland, Vancouver Island and Whistler Service Areas
 CCRA After-Tax Monthly Balances
 Recorded to April 2015 and Forecast to June 2017



FortisBC Energy Inc.- Mainland, Vancouver Island and Whistler Service Areas
 MCRA After-Tax Monthly Balances
 Recorded to April 2015 and Forecast to December 2016



FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
CCRA INCURRED MONTHLY ACTIVITIES
RECORDED PERIOD TO APRIL 2015 AND FORECAST TO JUNE 30, 2016
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 18, 19, AND 20, 2015

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
		Recorded Jan 15	Recorded Feb 15	Recorded Mar 15	Recorded Apr 15	Projected May 15	Projected Jun 15							Jan-15 to Jun 15 Total	
1	CCRA QUANTITIES														
2	Commodity Purchase	(TJ)													
3	Station No. 2		7,660	6,925	7,712	7,434	7,650	7,405						44,785	
4	AECO		2,468	2,232	2,485	2,396	2,498	2,418						14,497	
5	Total Commodity Purchased		10,128	9,157	10,198	9,829	10,148	9,823						59,283	
6	Fuel Gas Provided to Midstream		(254)	(230)	(256)	(247)	(255)	(247)						(1,488)	
7	Commodity Available for Sale		<u>9,874</u>	<u>8,927</u>	<u>9,942</u>	<u>9,582</u>	<u>9,893</u>	<u>9,577</u>						<u>57,794</u>	
8															
9															
10	CCRA COSTS														
11	Commodity Costs	(\$000)													
12	Station No. 2		\$ 21,885	\$ 16,496	\$ 17,526	\$ 15,888	\$ 16,287	\$ 19,141						\$ 107,223	
13	AECO		7,253	5,822	6,461	6,004	6,059	6,610						38,210	
14	Commodity Costs before Hedging		\$ 29,138	\$ 22,318	\$ 23,988	\$ 21,893	\$ 22,346	\$ 25,751						\$ 145,433	
15	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-						-	
16	Core Market Administration Costs		71	95	85	89	128	128						597	
17	Total CCRA Costs		<u>\$ 29,209</u>	<u>\$ 22,413</u>	<u>\$ 24,073</u>	<u>\$ 21,981</u>	<u>\$ 22,474</u>	<u>\$ 25,880</u>						<u>\$ 146,030</u>	
18															
19															
20	CCRA Unit Cost	(\$/GJ)	\$ 2.958	\$ 2.511	\$ 2.421	\$ 2.294	\$ 2.272	\$ 2.702						\$ 2.527	
21															
22															
23															
24			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	1-12 months Total
25															
26	CCRA QUANTITIES														
27	Commodity Purchase	(TJ)													
28	Station No. 2		7,655	7,664	7,420	7,671	7,426	7,677	7,682	7,184	7,704	7,459	7,701	7,455	90,699
29	AECO		2,500	2,503	2,423	2,505	2,425	2,507	2,509	2,346	2,516	2,436	2,515	2,435	29,617
30	Subtotal - Commodity Purchased		10,155	10,166	9,843	10,176	9,850	10,184	10,191	9,530	10,219	9,895	10,216	9,890	120,316
31	Fuel Gas Provided to Midstream		(255)	(255)	(247)	(255)	(247)	(256)	(256)	(239)	(257)	(248)	(256)	(248)	(3,020)
32	Commodity Available for Sale		<u>9,900</u>	<u>9,911</u>	<u>9,596</u>	<u>9,921</u>	<u>9,603</u>	<u>9,929</u>	<u>9,935</u>	<u>9,291</u>	<u>9,963</u>	<u>9,646</u>	<u>9,959</u>	<u>9,642</u>	<u>117,295</u>
33															
34	CCRA COSTS														
35	Commodity Costs	(\$000)													
36	Station No. 2		\$ 19,792	\$ 19,924	\$ 19,255	\$ 20,317	\$ 19,304	\$ 21,129	\$ 22,120	\$ 20,287	\$ 21,293	\$ 18,575	\$ 19,027	\$ 18,898	\$ 239,922
37	AECO		7,030	7,074	6,839	7,204	7,192	7,703	7,987	7,428	7,825	6,890	7,075	6,938	87,185
38	Commodity Costs before Hedging		\$ 26,823	\$ 26,998	\$ 26,094	\$ 27,521	\$ 26,496	\$ 28,832	\$ 30,107	\$ 27,715	\$ 29,118	\$ 25,466	\$ 26,102	\$ 25,836	\$ 327,107
39	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	
40	Core Market Administration Costs		128	128	128	128	128	128	128	128	128	128	128	128	1,542
41	Total CCRA Costs		<u>\$ 26,951</u>	<u>\$ 27,127</u>	<u>\$ 26,223</u>	<u>\$ 27,649</u>	<u>\$ 26,624</u>	<u>\$ 28,960</u>	<u>\$ 30,235</u>	<u>\$ 27,844</u>	<u>\$ 29,246</u>	<u>\$ 25,594</u>	<u>\$ 26,231</u>	<u>\$ 25,965</u>	<u>\$ 328,648</u>
42															
43															
44	CCRA Unit Cost	(\$/GJ)	\$ 2.722	\$ 2.737	\$ 2.733	\$ 2.787	\$ 2.772	\$ 2.917	\$ 3.043	\$ 2.997	\$ 2.936	\$ 2.653	\$ 2.634	\$ 2.693	\$ 2.802

Notes: Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
CCRA INCURRED MONTHLY ACTIVITIES
FORECAST PERIOD FROM JULY 1, 2016 TO JUNE 30, 2017
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 18, 19, AND 20, 2015

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		Forecast Jul-16	Forecast Aug-16	Forecast Sep-16	Forecast Oct-16	Forecast Nov-16	Forecast Dec-16	Forecast Jan-17	Forecast Feb-17	Forecast Mar-17	Forecast Apr-17	Forecast May-17	Forecast Jun-17	13-24 months Total
1 CCRA QUANTITIES														
2 Commodity Purchase	(TJ)													
3 Station No. 2		7,764	7,789	7,543	7,792	7,543	7,795	7,802	7,052	7,812	7,565	7,819	7,572	91,849
4 AECO		2,535	2,544	2,463	2,545	2,463	2,546	2,548	2,303	2,551	2,470	2,553	2,473	29,993
5 Subtotal - Commodity Purchased		10,300	10,333	10,006	10,337	10,006	10,341	10,349	9,355	10,363	10,035	10,372	10,045	121,842
6 Fuel Gas Provided to Midstream		(259)	(259)	(251)	(259)	(251)	(260)	(260)	(235)	(260)	(252)	(260)	(252)	(3,059)
7 Commodity Available for Sale		<u>10,041</u>	<u>10,074</u>	<u>9,755</u>	<u>10,077</u>	<u>9,755</u>	<u>10,081</u>	<u>10,090</u>	<u>9,120</u>	<u>10,103</u>	<u>9,784</u>	<u>10,112</u>	<u>9,793</u>	<u>118,784</u>
8														
9														
10 CCRA COSTS	(\$000)													
11 Commodity Costs														
12 Station No. 2		\$ 19,644	\$ 19,819	\$ 19,240	\$ 20,337	\$ 20,199	\$ 22,507	\$ 23,729	\$ 21,057	\$ 22,770	\$ 19,775	\$ 20,239	\$ 20,146	\$ 249,461
13 AECO		7,306	7,377	7,150	7,506	7,405	8,073	8,447	7,596	8,257	7,233	7,421	7,296	91,068
14 Commodity Costs before Hedging		\$ 26,950	\$ 27,196	\$ 26,390	\$ 27,843	\$ 27,604	\$ 30,581	\$ 32,176	\$ 28,653	\$ 31,027	\$ 27,008	\$ 27,660	\$ 27,441	\$ 340,529
15 Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	-
16 Core Market Administration Costs		128	128	128	128	128	128	128	128	128	128	128	128	1,542
17 Total CCRA Costs		<u>\$ 27,079</u>	<u>\$ 27,325</u>	<u>\$ 26,518</u>	<u>\$ 27,972</u>	<u>\$ 27,732</u>	<u>\$ 30,709</u>	<u>\$ 32,304</u>	<u>\$ 28,781</u>	<u>\$ 31,155</u>	<u>\$ 27,136</u>	<u>\$ 27,789</u>	<u>\$ 27,570</u>	<u>\$ 342,071</u>
CCRA Unit Cost	(\$/GJ)	<u>\$ 2.697</u>	<u>\$ 2.713</u>	<u>\$ 2.718</u>	<u>\$ 2.776</u>	<u>\$ 2.843</u>	<u>\$ 3.046</u>	<u>\$ 3.202</u>	<u>\$ 3.156</u>	<u>\$ 3.084</u>	<u>\$ 2.774</u>	<u>\$ 2.748</u>	<u>\$ 2.815</u>	<u>\$ 2.880</u>

Notes: Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
COMMODITY COST RECONCILIATION ACCOUNT (CCRA)
COST OF GAS (COMMODITY COST RECOVERY CHARGE) FLOW-THROUGH BY RATE SCHEDULE
FOR THE FORECAST PERIOD JULY 1, 2015 TO JUNE 30, 2016
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 18, 19, AND 20, 2015

Tab 2
Page 3

Line No.	Particulars (1)	Unit	Total of RS-1 to RS-7 (2)
1	<u>CCRA Baseload</u>	TJ	<u>117,295</u>
2			
3			
4	<u>CCRA Incurred Costs</u>	\$000	
5	Station No. 2		\$ 239,921.9
6	AECO		87,184.8
7	Huntingdon		<u>-</u>
8	CCRA Commodity Costs before Hedging		\$ 327,106.7
9	Mark to Market Hedges Cost / (Gain)		-
10	Core Market Administration Costs		<u>1,541.7</u>
11	Total Incurred Costs before CCRA deferral amortization		<u>\$ 328,648.4</u>
12			
13	Pre-tax CCRA Deficit/(Surplus) as of Jun 30, 2015		<u>\$ (35,293.9)</u>
14	Total CCRA Incurred Costs incl deferral amortization		<u>\$ 293,354.4</u>
15			
16			
17	<u>CCRA Incurred Unit Costs</u>	\$/GJ	
18	CCRA Commodity Costs before Hedging		\$ 2.7887
19	Mark to Market Hedges Cost / (Gain)		0.0000
20	Core Market Administration Costs		<u>0.0131</u>
21	CCRA Incurred Costs (excl. CCRA Deferral Amortization)		\$ 2.8019
22	Pre-tax CCRA Deficit/(Surplus) as of Jun 30, 2015		<u>(0.3009)</u>
23	CCRA Gas Costs Incurred -- Flow-Through		<u>\$ 2.5010</u>
24			
25			
26			
27			
28			
29			
30	<u>Cost of Gas (Commodity Cost Recovery Charge)</u>		<u>RS-1 to RS-7</u>
31			
32	TESTED Flow-Through Cost of Gas effective Jul 1, 2015		<u>\$ 2.501</u>
33			
34	Existing Cost of Gas (effective since Apr 1, 2015)		<u>2.486</u>
35			
36	Cost of Gas Increase / (Decrease)	\$/GJ	<u>\$ 0.015</u>
37			
38	Cost of Gas Percentage Increase / (Decrease)		0.60%

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
MCRA INCURRED MONTHLY ACTIVITIES FOR THE YEAR 2015
FORECAST PERIODS WITH FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 18, 19, AND 20, 2015

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Recorded Jan 15	Recorded Feb 15	Recorded Mar 15	Recorded Apr 15	Projected May 15	Projected 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 (\$000)													
2	<u>Midstream Commodity Costs</u>													
3	Midstream Commodity Costs before Hedging ⁽¹⁾	\$ 12,485	\$ 8,858	\$ 2,252	\$ 1,726	\$ 774	\$ 1,132	\$ 1,054	\$ 1,033	\$ 986	\$ 1,031	\$ 2,528	\$ 11,541	\$ 45,402
4	Mark to Market Hedges Cost / (Gain)	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Imbalance ⁽²⁾	(110)	(916)	(858)	253	-	-	-	-	-	-	-	-	(1,631)
6	Company Use Gas Recovered from O&M	(753)	(475)	(381)	(258)	(223)	(196)	(149)	(99)	(138)	(209)	(456)	(841)	(4,178)
7	Total Midstream Commodity Costs	\$ 11,622	\$ 7,468	\$ 1,014	\$ 1,720	\$ 552	\$ 936	\$ 905	\$ 935	\$ 848	\$ 822	\$ 2,072	\$ 10,700	\$ 39,593
8														
9	<u>Storage (including Linepack)</u>													
10	Storage Demand Charges	\$ 2,637	\$ 2,623	\$ 2,626	\$ 2,425	\$ 3,364	\$ 3,358	\$ 3,358	\$ 3,356	\$ 3,347	\$ 3,352	\$ 2,527	\$ 2,539	\$ 35,510
11	Mt. Hayes Demand Charges	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	18,039
12	Mt. Hayes Variable Charges	1	62	15	2	28	28	28	145	228	223	117	32	907
13	Injections into Storage	(9)	(0)	(535)	(2,622)	(7,940)	(14,730)	(16,747)	(14,349)	(12,483)	(4,613)	(366)	(2,394)	(76,786)
14	Withdrawals from Storage	25,170	20,081	18,372	1,233	-	5,633	3,832	2,410	143	1,088	17,510	19,411	114,881
15	Total Storage	\$ 29,302	\$ 24,269	\$ 21,981	\$ 2,542	\$ (3,045)	\$ (4,209)	\$ (8,027)	\$ (6,935)	\$ (7,262)	\$ 1,553	\$ 21,290	\$ 21,091	\$ 92,551
16														
17	<u>Mitigation and Misc. Other</u>													
18	Transportation	\$ (1,934)	\$ (135)	\$ (4,097)	\$ (4,597)	\$ (2,567)	\$ (2,567)	\$ (2,642)	\$ (2,642)	\$ (2,617)	\$ (2,467)	\$ (1,214)	\$ (1,111)	\$ (28,592)
19	Commodity Resales	(9,783)	(12,798)	(10,878)	(3,167)	(2,571)	(7,041)	(7,533)	(8,395)	(3,833)	(946)	(7,506)	(3,140)	(77,591)
20	Other Mitigation	(154)	303	(336)	2,692	(57)	(32)	(48)	(58)	(60)	(63)	(135)	(101)	1,952
21	Subtotal Mitigation	\$ (11,870)	\$ (12,629)	\$ (15,310)	\$ (5,072)	\$ (5,196)	\$ (9,640)	\$ (10,223)	\$ (11,096)	\$ (6,511)	\$ (3,476)	\$ (8,856)	\$ (4,353)	\$ (104,230)
22	GSMIP Incentive Sharing	175	113	278	52	83	83	83	83	83	83	83	83	1,285
23	Misc. Other	(763)	(475)	(28)	715	-	-	-	-	-	-	-	-	(551)
24	Total Mitigation and Misc. Other	\$ (12,458)	\$ (12,991)	\$ (15,060)	\$ (4,305)	\$ (5,112)	\$ (9,557)	\$ (10,140)	\$ (11,013)	\$ (6,427)	\$ (3,392)	\$ (8,772)	\$ (4,269)	\$ (103,497)
25														
26	<u>Transportation (Pipeline) Charges</u>													
27	WEI (BC Pipeline)	\$ 7,699	\$ 7,706	\$ 7,149	\$ 6,172	\$ 6,000	\$ 6,028	\$ 6,043	\$ 6,039	\$ 6,052	\$ 6,105	\$ 7,180	\$ 7,318	\$ 79,492
28	TransCanada (BC Line)	457	457	457	344	349	349	349	349	349	349	457	457	4,726
29	Nova (Alberta Line)	862	862	862	862	862	862	862	862	862	862	862	862	10,342
30	Northwest Pipeline	744	679	715	313	334	356	360	332	328	334	708	751	5,955
31	FortisBC Energy Huntingdon Inc.	10	10	10	10	10	10	10	10	10	10	10	10	125
32	Southern Crossing Pipeline	300	300	300	300	300	300	300	300	300	300	300	300	3,600
33	Squamish Wheeling	63	(63)	-	-	-	-	-	-	-	-	-	-	-
34	Total Transportation Charges	\$ 10,137	\$ 9,951	\$ 9,494	\$ 8,002	\$ 7,856	\$ 7,906	\$ 7,925	\$ 7,892	\$ 7,902	\$ 7,960	\$ 9,517	\$ 9,698	\$ 104,240
35														
36	<u>Core Market Administration Costs</u>	\$ 167	\$ 222	\$ 199	\$ 207	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,192
37	TOTAL MCRA COSTS (Line 7, 15, 24, 34 & 36) (\$000)	\$ 38,769	\$ 28,919	\$ 17,628	\$ 8,166	\$ 550	\$ (4,624)	\$ (9,036)	\$ (8,821)	\$ (4,640)	\$ 7,243	\$ 24,406	\$ 37,520	\$ 136,080

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. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
MCRA INCURRED MONTHLY ACTIVITIES FOR THE YEAR 2016
FORECAST PERIODS WITH FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 18, 19, AND 20, 2015

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Forecast Jan 16	Forecast Feb 16	Forecast Mar 16	Forecast Apr 16	Forecast May 16	Forecast Jun 16	Forecast Jul 16	Forecast Aug 16	Forecast Sep 16	Forecast Oct 16	Forecast Nov 16	Forecast Dec 16	2016 Total	
1	MCRA COSTS (\$000)													
2	<u>Midstream Commodity Costs</u>													
3	Midstream Commodity Costs before Hedging ⁽¹⁾	\$ 12,020	\$ 11,058	\$ 2,681	\$ 919	\$ 964	\$ 947	\$ 772	\$ 691	\$ 653	\$ 700	\$ 2,201	\$ 11,595	\$ 45,201
4	Mark to Market Hedges Cost / (Gain)	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Imbalance ⁽²⁾	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Company Use Gas Recovered from O&M	(842)	(659)	(565)	(397)	(223)	(196)	(149)	(99)	(138)	(209)	(456)	(841)	(4,775)
7	Total Midstream Commodity Costs	\$ 11,178	\$ 10,398	\$ 2,115	\$ 523	\$ 741	\$ 751	\$ 624	\$ 592	\$ 515	\$ 491	\$ 1,745	\$ 10,754	\$ 40,426
8														
9	<u>Storage (including Linepack)</u>													
10	Storage Demand Charges	\$ 2,546	\$ 2,527	\$ 2,532	\$ 2,439	\$ 3,368	\$ 3,364	\$ 3,364	\$ 3,363	\$ 3,356	\$ 3,358	\$ 2,528	\$ 2,541	\$ 35,286
11	Mt. Hayes Demand Charges	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	18,039
12	Mt. Hayes Variable Charges	32	21	21	28	28	28	28	145	228	223	117	32	929
13	Injections into Storage	(971)	-	(1,173)	(1,840)	(10,672)	(15,021)	(16,418)	(14,468)	(12,691)	(4,993)	(1,548)	(1,762)	(81,557)
14	Withdrawals from Storage	19,798	16,682	11,664	557	-	1,472	1,535	1,525	123	2,619	16,220	17,673	89,867
15	Total Storage	\$ 22,909	\$ 20,733	\$ 14,548	\$ 2,686	\$ (5,773)	\$ (8,655)	\$ (9,988)	\$ (7,932)	\$ (7,481)	\$ 2,711	\$ 18,820	\$ 19,986	\$ 62,564
16														
17	<u>Mitigation and Misc. Other</u>													
18	Transportation	\$ (1,059)	\$ (1,055)	\$ (1,359)	\$ (2,872)	\$ (2,128)	\$ (2,128)	\$ (2,153)	\$ (2,153)	\$ (2,128)	\$ (2,118)	\$ (867)	\$ (764)	\$ (20,787)
19	Commodity Resales	(5,791)	(11,537)	(2,562)	(138)	(1,175)	(2,752)	(5,292)	(6,838)	(2,937)	(1,778)	(6,480)	(3,565)	(50,842)
20	Other Mitigation	(126)	(110)	(63)	(45)	(57)	(32)	(48)	(58)	(60)	(63)	(135)	(101)	(897)
21	Subtotal Mitigation	\$ (6,976)	\$ (12,703)	\$ (3,985)	\$ (3,055)	\$ (3,360)	\$ (4,912)	\$ (7,493)	\$ (9,049)	\$ (5,125)	\$ (3,958)	\$ (7,481)	\$ (4,430)	\$ (72,527)
22	GSMIP Incentive Sharing	83	83	83	83	83	83	83	83	83	83	83	83	1,000
23	Misc. Other	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Total Mitigation and Misc. Other	\$ (6,892)	\$ (12,619)	\$ (3,902)	\$ (2,972)	\$ (3,277)	\$ (4,828)	\$ (7,409)	\$ (8,966)	\$ (5,042)	\$ (3,875)	\$ (7,398)	\$ (4,347)	\$ (71,527)
25														
26	<u>Transportation (Pipeline) Charges</u>													
27	WEI (BC Pipeline)	\$ 7,530	\$ 7,321	\$ 7,269	\$ 7,069	\$ 7,074	\$ 7,101	\$ 7,117	\$ 7,102	\$ 7,125	\$ 7,177	\$ 7,310	\$ 7,448	\$ 86,643
28	TransCanada (BC Line)	466	466	466	356	356	356	356	356	356	356	466	466	4,825
29	Nova (Alberta Line)	879	879	879	879	879	879	879	879	879	879	879	879	10,549
30	Northwest Pipeline	742	687	716	346	339	364	369	344	336	364	741	758	6,105
31	FortisBC Energy Huntingdon Inc.	10	10	10	10	10	10	10	10	10	10	10	10	125
32	Southern Crossing Pipeline	300	300	300	300	300	300	300	300	300	300	300	300	3,600
33	Squamish Wheeling	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Total Transportation Charges	\$ 9,928	\$ 9,664	\$ 9,641	\$ 8,961	\$ 8,959	\$ 9,011	\$ 9,031	\$ 8,992	\$ 9,006	\$ 9,087	\$ 9,706	\$ 9,861	111,847
35														
36	<u>Core Market Administration Costs</u>													
36		\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,597
37	TOTAL MCRA COSTS (Line 7, 15, 24, 34 & 36) (\$000)	\$ 37,422	\$ 28,476	\$ 22,702	\$ 9,498	\$ 950	\$ (3,421)	\$ (7,443)	\$ (7,015)	\$ (2,702)	\$ 8,713	\$ 23,173	\$ 36,554	\$ 146,908

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. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
MIDSTREAM COST RECOVERY CHARGE AND MCRA RATE RIDER 6 FLOW-THROUGH BY RATE SCHEDULE
FOR THE FORECAST PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2015
FIVE-DAY AVERAGE FORWARD PRICES - MAY 14, 15, 18, 19, AND 20, 2015

Line No.	Particulars	Unit	Residential		Commercial		General Firm Service	NGV	Seasonal	General Interruptible	Term & Spot Gas Sales		Off-System Interruptible Sales	RS-1 to RS-7, RS-14 & RS-30	RS-1 to RS-7	Total MCRA Gas Budget Costs ⁽²⁾
			RS-1	RS-2	RS-3	RS-5	RS-6	Subtotal		RS-4	RS-7	RS-1 to RS-7 Total	RS-14	RS-30	Total	Summary
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
1	MCRA Sales Quantities	TJ	71,245.6	28,237.2	19,098.0	3,394.9	47.7	122,023.3	150.9	40.6	122,214.8	768.0	15,465.8	138,448.6	122,214.8	
2																
3																
4	MCRA Incurred Costs	\$000														
5	Midstream Commodity Costs	\$	5,717.3	2,263.6	1,277.8	162.6	1.1	9,422.6	-	-	9,422.6	2,171.4	43,467.6	55,061.5	9,422.6	
6	Tolls and Fees		2,950.2	1,168.1	659.4	83.9	0.6	4,862.2	-	-	4,862.2	15.0	289.4	5,166.5	4,862.2	
7	Midstream Storage		32,900.9	13,026.2	7,353.4	935.8	6.6	54,222.8	-	-	54,222.8	-	-	54,222.8	54,222.8	
8	On/Off System Sales Margin (RS-14 & RS-30)		(5,682.3)	(2,249.8)	(1,270.0)	(161.6)	(1.1)	(9,364.9)	-	-	(9,364.9)	-	-	(9,364.9)	(9,364.9)	
9	GSMIP Incentive Sharing		606.8	240.2	135.6	17.3	0.1	1,000.0	-	-	1,000.0	-	-	1,000.0	1,000.0	
10	Pipeline Demand Charges		47,144.1	18,665.5	10,536.8	1,340.9	9.4	77,696.7	-	-	77,696.7	-	-	77,696.7	77,696.7	
11	Core Administration Costs - 70%		2,182.7	864.2	487.8	62.1	0.4	3,597.3	-	-	3,597.3	-	-	3,597.3	3,597.3	
12	MCRA Flow-Through Costs before MCRA deferral amort.		<u>\$ 85,819.7</u>	<u>\$ 33,978.0</u>	<u>\$ 19,180.8</u>	<u>\$ 2,441.0</u>	<u>\$ 17.1</u>	<u>\$ 141,436.7</u>			<u>\$ 141,436.7</u>				<u>\$ 141,436.7</u>	<u>\$ 141,436.7</u>
13	T-Service UAF to be recovered via delivery revenues ⁽¹⁾															862.6
14	Total MCRA Gas Costs⁽²⁾															<u>\$ 142,299.3</u>

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 57) which includes T-Service UAF to be recovered via delivery revenues.



LETTER NO. L-XX-15

SIXTH FLOOR, 900 HOWE STREET, BOX 250
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ERICA M. HAMILTON
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Log No. xxxx

DRAFT ORDER

VIA E-MAIL

June XX, 2015

gas.regulatory.affairs@fortisbc.com

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

Dear Ms. Roy:

Re: FortisBC Energy Inc.
Mainland, Vancouver Island, and Whistler Service Areas
2015 Second Quarter Gas Cost Report
Commodity Cost Reconciliation Account (CCRA) and
Midstream Cost Reconciliation Account (MCRA)

On June 3, 2015 FortisBC Energy Inc. filed its 2015 Second Quarter Gas Cost Report for the Mainland, Vancouver Island, and Whistler 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-39-15 dated March 16, 2015 for the Mainland, Vancouver Island, and Whistler service areas as of July 1, 2015.

Yours truly,

Erica M. Hamilton
Commission Secretary