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December 2, 2016

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

Attention: Ms. Laurel Ross, Acting Commission Secretary and Director

Dear Ms. Ross:

Re: FortisBC Energy Inc. (FEI or the Company)
2016 Biomethane Variance Account (BVA) Annual Report

Pursuant to British Columbia Utilities Commission (the Commission) Order G-133-16 and the accompanying Decision dated August 12, 2016 FEI is directed to file an annual report concurrently with the fourth quarter Commodity Cost Reconciliation Account (CCRA) and Midstream Cost Reconciliation Account (MCRA) report.

In compliance with that decision FEI submitted the a letter (dated November 23, 2016) indicating the Short Term and Long Term Biomethane Energy Recovery Charge (BERC) Rate effective January 1st of 2017. The attached file provides the 2016 BVA Annual Report. In the future FEI anticipates filing the rate calculation and associated BVA report in conjunction with the fourth quarter CCRA and MCRA report as separate documents.

Based on the biomethane gas supply cost assumptions (i.e. project in-service date, cost of service, and production volumes) and the forecast biomethane recoveries at the effective BERC rate, the BVA balance before accounting for the value of the unsold biomethane quantities is projected to be approximately \$2,150 thousand deficit after tax at December 31, 2016 (Tab 1, Page 2, Column 14, Line 8).

Further, the BVA balance at December 31, 2016, based on the October 1, 2016 effective BERC rate, and December 31, 2017, based on the January 1, 2017 effective BERC rate, and after adjustment for the value of the unsold biomethane quantities is forecast to be approximately \$1,867 thousand deficit after tax (Tab 1, Page 2, Column 14, Line 11) and \$3,294 thousand deficit after tax (Tab 1, Page 2, Column 14, Lines 11 and 24), respectively.

The monthly deferral account activity and balances for the BVA are shown on the schedules provided at Tab 1, Pages 1 and 2 – the schedule at Page 1 displays energy quantities, and

the schedule at Page 2 displays dollar amounts. The schedule at Tab 1, Page 3 provides a breakdown of the monthly actual and forecast biomethane recoveries by rate class. The schedules at Tab 1, Pages 4.1C to 4.3C provide a breakdown of the monthly actual and forecast biomethane supply costs by project.

The schedule at Tab 1, Page 5 provides the monthly biomethane inventory change since January 2016, as well as the age of biomethane inventory sold each month as determined on a first in, first out basis.

The Company requests the information contained in Tab 1 at Pages 4.1C, 4.2C, and 4.3C be treated as CONFIDENTIAL.

CONFIDENTIALITY

FEI is requesting that this information be filed on a confidential basis pursuant to section 18 of the Commission's Rules of Practice and Procedure regarding confidential documents, established by Order G-1-16, and Section 71(5) of the *Utilities Commission Act* and requests that the Commission exercise its discretion under Section 6.0 of the Rules for Natural Gas Energy Supply Contracts and allow these documents to remain confidential. FEI believes this will ensure that market sensitive information is protected, and FEI's ability to obtain favourable commercial terms for future gas contracting is not impaired.

In this regard, FEI further believes that the Core Market could be disadvantaged and may well shoulder incremental costs if utility gas supply procurement strategies as well as contracts are treated in a different manner than those of other gas purchasers, and believes that since it continues to operate within a competitive environment, there is no necessity for public disclosure and risk prejudice or influence in the negotiations or renegotiation of subsequent contracts.

We trust the Commission will find the attached to be in order. However, should any further information be required, please contact Scott Gramm at 604-576-7242.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachments

FORTISBC ENERGY INC.
SUMMARY OF BIOMETHANE VARIANCE ACCOUNT (BVA) QUANTITIES
ACTUAL AND FORECAST ACTIVITY ENDING DECEMBER 31, 2018
(Quantities shown in TJ)

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1		Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Forecast	Forecast	Total
2		Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	2016
3	Biomethane Available for Sale - Beginning	62.2	54.4	41.7	39.8	38.1	34.6	34.0	39.4	43.8	43.8	43.5	41.9	62.2
4	Purchases	11.6	2.8	12.7	9.9	10.8	8.7	14.4	13.3	9.7	12.2	13.7	14.0	133.9
5	Sales	(19.5)	(15.4)	(14.7)	(11.5)	(14.3)	(9.3)	(9.0)	(9.0)	(9.7)	(12.5)	(15.2)	(18.4)	(158.6)
6	Biomethane Available for Sale - Ending	54.4	41.7	39.8	38.1	34.6	34.0	39.4	43.8	43.8	43.5	41.9	37.5	37.5
7														
8														
9		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
10		Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017
11	Biomethane Available for Sale - Beginning	37.5	27.9	29.2	34.0	42.6	54.2	66.8	80.3	93.7	106.4	116.1	122.3	37.5
12	Purchases	14.1	23.0	25.7	27.1	27.4	27.1	27.4	27.4	27.1	27.4	27.1	28.4	309.3
13	Sales	(23.7)	(21.7)	(21.0)	(18.4)	(15.9)	(14.5)	(13.9)	(14.1)	(14.4)	(17.6)	(21.0)	(24.2)	(220.4)
14	Biomethane Available for Sale - Ending	27.9	29.2	34.0	42.6	54.2	66.8	80.3	93.7	106.4	116.1	122.3	126.5	126.5
15														
16														
17		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
18		Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	2018
19	Biomethane Available for Sale - Beginning	126.5	133.7	143.4	155.0	169.1	186.3	204.7	224.1	243.3	261.8	277.1	288.4	126.5
20	Purchases	32.2	32.4	33.5	33.2	33.5	33.2	33.5	33.5	33.2	33.5	33.2	33.5	398.5
21	Sales	(24.9)	(22.7)	(21.9)	(19.1)	(16.3)	(14.8)	(14.1)	(14.3)	(14.7)	(18.2)	(22.0)	(25.4)	(228.5)
22	Biomethane Available for Sale - Ending	133.7	143.4	155.0	169.1	186.3	204.7	224.1	243.3	261.8	277.1	288.4	296.5	296.5

Slight differences in totals due to rounding.

FORTISBC ENERGY INC.
SUMMARY OF BVA BALANCES AT EXISTING BIOMETHANE ENERGY RECOVERY CHARGE (BERC)
ACTUAL AND FORECAST ACTIVITY ENDING DECEMBER 31, 2018
(Amounts shown in \$000)

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1		Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Forecast	Forecast	Total
2		Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	2016
3	BVA Balance - Beginning (Pre-tax)	\$ 1,566	\$ 1,545	\$ 1,508	\$ 1,609	\$ 1,762	\$ 1,837	\$ 1,927	\$ 2,092	\$ 2,268	\$ 2,365	\$ 2,474	\$ 2,700	\$ 1,566
4	Costs Incurred	259	186	313	320	281	225	294	306	237	267	381	393	3,461
5	Revenue from Existing BERC Rate	(281)	(222)	(212)	(166)	(207)	(134)	(130)	(129)	(140)	(158)	(156)	(188)	(2,122)
6	BVA Balance - Ending (Pre-tax)	<u>\$ 1,545</u>	<u>\$ 1,508</u>	<u>\$ 1,609</u>	<u>\$ 1,762</u>	<u>\$ 1,837</u>	<u>\$ 1,927</u>	<u>\$ 2,092</u>	<u>\$ 2,268</u>	<u>\$ 2,365</u>	<u>\$ 2,474</u>	<u>\$ 2,700</u>	<u>\$ 2,905</u>	<u>\$ 2,905</u>
7														
8	BVA Balance - Ending (After Tax)	<u>\$ 1,143</u>	<u>\$ 1,116</u>	<u>\$ 1,190</u>	<u>\$ 1,304</u>	<u>\$ 1,359</u>	<u>\$ 1,426</u>	<u>\$ 1,548</u>	<u>\$ 1,679</u>	<u>\$ 1,750</u>	<u>\$ 1,831</u>	<u>\$ 1,998</u>	<u>\$ 2,150</u>	<u>\$ 2,150</u>
9														
10	Adjustment for Value of Unsold Biomethane Based on the October 1, 2016 Effective Rate (After Tax) ^(a)													\$ (283)
11	Adjusted BVA Balance - Ending (After Tax)													<u>\$ 1,867</u>
12														
13														
14		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
15		Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017
16	BVA Balance - Beginning (Pre-tax)	\$ 2,905	\$ 2,981	\$ 3,170	\$ 3,421	\$ 3,677	\$ 3,963	\$ 4,260	\$ 4,568	\$ 4,873	\$ 5,196	\$ 5,464	\$ 5,694	\$ 2,905
17	Costs Incurred	325	419	472	450	454	450	454	454	475	454	452	345	5,202
18	Revenue from Existing BERC Rate	(250)	(229)	(221)	(194)	(167)	(153)	(147)	(148)	(152)	(186)	(222)	(255)	(2,323)
19	BVA Balance - Ending (Pre-tax)	<u>\$ 2,981</u>	<u>\$ 3,170</u>	<u>\$ 3,421</u>	<u>\$ 3,677</u>	<u>\$ 3,963</u>	<u>\$ 4,260</u>	<u>\$ 4,568</u>	<u>\$ 4,873</u>	<u>\$ 5,196</u>	<u>\$ 5,464</u>	<u>\$ 5,694</u>	<u>\$ 5,784</u>	<u>\$ 5,784</u>
20														
21	BVA Balance - Ending (After Tax)	<u>\$ 2,206</u>	<u>\$ 2,346</u>	<u>\$ 2,532</u>	<u>\$ 2,721</u>	<u>\$ 2,933</u>	<u>\$ 3,153</u>	<u>\$ 3,380</u>	<u>\$ 3,606</u>	<u>\$ 3,845</u>	<u>\$ 4,043</u>	<u>\$ 4,214</u>	<u>\$ 4,281</u>	<u>\$ 4,281</u>
22														
23	Adjustment for Value of Unsold Biomethane Based on the January 1, 2017 Effective Rate (After Tax) ^(a)													\$ (987)
24	Adjusted BVA Balance - Ending (After Tax)													<u>\$ 3,294</u>
25														
26														
27		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
28		Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	2018
29	BVA Balance - Beginning (Pre-tax)	\$ 5,784	\$ 6,034	\$ 6,307	\$ 6,631	\$ 6,955	\$ 7,313	\$ 7,683	\$ 8,064	\$ 8,443	\$ 8,839	\$ 9,177	\$ 9,474	\$ 5,784
30	Costs Incurred	512	513	555	526	530	526	530	530	551	530	529	397	6,227
31	Revenue from Existing BERC Rate	(263)	(240)	(231)	(202)	(172)	(156)	(149)	(151)	(155)	(192)	(232)	(268)	(2,409)
32	BVA Balance - Ending (Pre-tax)	<u>\$ 6,034</u>	<u>\$ 6,307</u>	<u>\$ 6,631</u>	<u>\$ 6,955</u>	<u>\$ 7,313</u>	<u>\$ 7,683</u>	<u>\$ 8,064</u>	<u>\$ 8,443</u>	<u>\$ 8,839</u>	<u>\$ 9,177</u>	<u>\$ 9,474</u>	<u>\$ 9,603</u>	<u>\$ 9,603</u>
33														
34	BVA Balance - Ending (After Tax)	<u>\$ 4,465</u>	<u>\$ 4,667</u>	<u>\$ 4,907</u>	<u>\$ 5,147</u>	<u>\$ 5,412</u>	<u>\$ 5,686</u>	<u>\$ 5,968</u>	<u>\$ 6,248</u>	<u>\$ 6,541</u>	<u>\$ 6,791</u>	<u>\$ 7,011</u>	<u>\$ 7,106</u>	<u>\$ 7,106</u>
35														
36	Adjustment for Value of Unsold Biomethane Based on the January 1, 2017 Effective Rate (After Tax) ^(a)													\$ (2,312)
37	Adjusted BVA Balance - Ending (After Tax)													<u>\$ 4,794</u>

Notes: (a) Adjustment calculated based on quantity of Biomethane Available For Sale (Tab 1, Page 1) at the effective BERC Rate. BERC rates in effect since January 1, 2015 were as follows:

Jan 1, 2015	\$ 14.414 / GJ
Oct 1, 2016	\$ 10.209 / GJ
Jan 1, 2017	\$ 10.540 / GJ

Slight differences in totals due to rounding.

FORTISBC ENERGY INC.
BVA RECONCILIATION SCHEDULE
ACTUAL ACTIVITY - on After Tax Basis Unless Otherwise Indicated
(Amounts shown in \$000)

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
		Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
1 BVA Balance as per Financial Records		\$ 1,306	\$ 1,283	\$ 1,369	\$ 1,523	\$ 1,597	\$ 1,703	\$ 1,839	\$ 1,973	\$ 2,045	\$ 2,142		
2													
3 Adjustments													
4 CoV CPCN Development & Application Costs ^(a)		(163)	(168)	(179)	(219)	(238)	(277)	(291)	(295)	(295)	(311)		
5 BVA Balance as Reported on Tab 1 Page 2		\$ 1,143	\$ 1,116	\$ 1,190	\$ 1,304	\$ 1,359	\$ 1,426	\$ 1,548	\$ 1,679	\$ 1,750	\$ 1,831		

Notes:

- (a) The City of Vancouver CPCN Development & Application Costs are excluded from the BERC rate calculation as FEI indicated in the FEI 2015 First Quarter BVA Report cover letter. FEI will request approval for the disposition of these costs as part of the City of Vancouver Landfill (CPCN) filing.

Slight differences in totals due to rounding.

FORTISBC ENERGY INC.
COST RECOVERY BY RATE CLASS FOR BIOMETHANE
ACTUAL AND FORECAST ACTIVITY ENDING DECEMBER 31, 2018

Line	Particulars	Recorded Jan 16	Recorded Feb 16	Recorded Mar 16	Recorded Apr 16	Recorded May 16	Recorded Jun 16	Recorded Jul 16	Recorded Aug 16	Recorded Sep 16	Recorded Oct 16	Forecast Nov 16	Forecast Dec 16	Total 2016
1	Sales (GJ)	9,033	6,977	6,268	3,284	2,370	1,897	1,671	1,608	2,229	4,540	8,133	10,840	58,850
2	Residential	2,837	912	1,279	981	464	416	347	455	407	639	1,273	1,709	11,719
3	Commercial	7,599	7,523	7,157	7,277	11,501	7,015	6,971	6,917	7,072	7,345	5,838	5,838	88,053
4	On/Off System & Other	19,469	15,412	14,704	11,542	14,335	9,328	8,989	8,980	9,708	12,524	15,244	18,387	158,622
5	Total Sales													
6														
7	Effective Rate ^(a)	\$ 14.414	\$ 14.414	\$ 14.415	\$ 14.413	\$ 14.413	\$ 14.414	\$ 14.413	\$ 14.412	\$ 14.413	\$ 12.578	\$ 10.209	\$ 10.209	
8														
9	Cost Recovered													
10	Residential	\$ 130,194	\$ 100,563	\$ 90,352	\$ 47,334	\$ 34,150	\$ 27,343	\$ 24,075	\$ 23,160	\$ 32,112	\$ 46,313	\$ 83,030	\$ 110,666	\$ 749,292
11	Commercial	40,893	13,150	18,446	14,134	6,687	5,992	5,003	6,554	5,874	6,538	12,996	17,447	153,713
12	On/Off System & Other	109,538	108,429	103,165	104,888	165,777	101,120	100,477	99,705	101,939	104,670	59,600	59,600	1,218,908
13	Total Recovered	\$ 280,624	\$ 222,142	\$ 211,963	\$ 166,356	\$ 206,613	\$ 134,455	\$ 129,555	\$ 129,419	\$ 139,925	\$ 157,521	\$ 155,626	\$ 187,713	\$ 2,121,912
14														
15														
16														
17		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
18	Sales (GJ)	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	2017
19	Residential	10,473	8,742	8,060	5,878	3,648	2,441	1,972	2,097	2,401	5,184	8,209	10,919	70,024
20	Commercial	1,684	1,412	1,337	1,005	664	468	381	404	461	873	1,251	1,690	11,630
21	On/Off System & Other	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	138,720
22	Total Sales	23,717	21,714	20,957	18,443	15,872	14,469	13,913	14,061	14,422	17,617	21,020	24,169	220,374
23														
24	Effective Rate	\$ 10.540	\$ 10.540	\$ 10.540	\$ 10.540	\$ 10.540	\$ 10.540	\$ 10.540	\$ 10.540	\$ 10.540	\$ 10.540	\$ 10.540	\$ 10.540	
25														
26	Cost Recovered													
27	Residential	\$ 110,385	\$ 92,141	\$ 84,952	\$ 61,954	\$ 38,450	\$ 25,728	\$ 20,785	\$ 22,102	\$ 25,307	\$ 54,639	\$ 86,523	\$ 115,086	\$ 738,053
28	Commercial	17,749	14,882	14,092	10,593	6,999	4,933	4,016	4,258	4,859	9,201	13,186	17,813	122,580
29	On/Off System & Other	121,842	121,842	121,842	121,842	121,842	121,842	121,842	121,842	121,842	121,842	121,842	121,842	1,462,109
30	Total Recovered	\$ 249,977	\$ 228,866	\$ 220,887	\$ 194,389	\$ 167,291	\$ 152,503	\$ 146,643	\$ 148,203	\$ 152,008	\$ 185,683	\$ 221,551	\$ 254,741	\$ 2,322,742
31														
32														
33														
34		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
35	Sales (GJ)	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	2018
36	Residential	11,520	9,616	8,866	6,466	4,013	2,685	2,169	2,307	2,641	5,702	9,030	12,011	77,026
37	Commercial	1,852	1,553	1,471	1,106	730	515	419	444	507	960	1,376	1,859	12,793
38	On/Off System & Other	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,560	138,720
39	Total Sales	24,933	22,729	21,897	19,131	16,303	14,760	14,148	14,311	14,708	18,223	21,966	25,430	228,539
40														
41	Effective Rate	\$ 10.540	\$ 10.540	\$ 10.540	\$ 10.540	\$ 10.540	\$ 10.540	\$ 10.540	\$ 10.540	\$ 10.540	\$ 10.540	\$ 10.540	\$ 10.540	
42														
43	Cost Recovered													
44	Residential	\$ 121,424	\$ 101,355	\$ 93,448	\$ 68,150	\$ 42,295	\$ 28,301	\$ 22,863	\$ 24,313	\$ 27,837	\$ 60,103	\$ 95,175	\$ 126,595	\$ 811,858
45	Commercial	19,524	16,371	15,501	11,652	7,698	5,426	4,417	4,684	5,345	10,122	14,504	19,594	134,838
46	On/Off System & Other	121,842	121,842	121,842	121,842	121,842	121,842	121,842	121,842	121,842	121,842	121,842	121,842	1,462,109
47	Total Recovered	\$ 262,791	\$ 239,568	\$ 230,791	\$ 201,644	\$ 171,836	\$ 155,569	\$ 149,123	\$ 150,839	\$ 155,024	\$ 192,067	\$ 231,522	\$ 268,031	\$ 2,408,805

Notes: (a) Slight difference in effective recovery rate in some months due to rounding.

FORTISBC ENERGY INC.
INCURRED COSTS FOR BIOMETHANE
ACTUAL AND FORECAST ACTIVITY ENDING DECEMBER 31, 2016

Line	Particulars	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Forecast	Forecast	Total
		Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	2016
1	All Supply Projects													
2	Total Purchases (GJ) ^(a)	11,618	2,787	12,742	9,888	10,787	8,729	14,405	13,336	9,739	12,207	13,703	13,977	133,919
3	Biogas / Biomethane Purchase Costs	\$ 159,251	\$ 21,640	\$ 152,333	\$ 121,403	\$ 133,564	\$ 107,144	\$ 176,114	\$ 163,529	\$ 113,020	\$ 146,306	\$ 166,580	\$ 170,256	\$ 1,631,139
4														
5	Salmon Arm Cost of Service													
6	Cost of Service before O&M	\$ 17,589	\$ 41,785	\$ 29,687	\$ 29,687	\$ 29,687	\$ 28,687	\$ 29,520	\$ 29,520	\$ 29,520	\$ 29,520	\$ 29,798	\$ 29,798	\$ 354,800
7	O&M Costs	15,655	22,650	12,226	56,727	44,967	8,989	24,140	9,668	10,841	(172)	15,630	24,140	245,460
8	Total	<u>\$ 33,245</u>	<u>\$ 64,434</u>	<u>\$ 41,913</u>	<u>\$ 86,414</u>	<u>\$ 74,654</u>	<u>\$ 37,676</u>	<u>\$ 53,660</u>	<u>\$ 39,188</u>	<u>\$ 40,361</u>	<u>\$ 29,349</u>	<u>\$ 45,428</u>	<u>\$ 53,938</u>	<u>\$ 600,260</u>
9														
10	Kelowna Cost of Service													
11	Cost of Service before O&M	\$ 38,816	\$ 59,909	\$ 49,362	\$ 49,362	\$ 49,362	\$ 46,762	\$ 48,929	\$ 48,929	\$ 48,929	\$ 48,929	\$ 50,317	\$ 50,317	\$ 589,923
12	O&M Costs	17,965	22,451	12,533	28,220	4,605	17,175	7,400	485	8,550	6,997	16,175	16,175	158,732
13	Total	<u>\$ 56,781</u>	<u>\$ 82,360</u>	<u>\$ 61,895</u>	<u>\$ 77,583</u>	<u>\$ 53,968</u>	<u>\$ 63,937</u>	<u>\$ 56,329</u>	<u>\$ 49,414</u>	<u>\$ 57,479</u>	<u>\$ 55,926</u>	<u>\$ 66,492</u>	<u>\$ 66,492</u>	<u>\$ 748,654</u>
14														
15	General Admin. Costs	\$ 9,618	\$ 17,088	\$ 56,399	\$ 34,770	\$ 18,607	\$ 16,221	\$ 7,811	\$ 54,217	\$ 25,768	\$ 35,158	\$ 102,600	\$ 102,600	\$ 480,857
16														
17														
18														
19														
20	Total Cost	<u>\$ 258,894</u>	<u>\$ 185,522</u>	<u>\$ 312,539</u>	<u>\$ 320,169</u>	<u>\$ 280,793</u>	<u>\$ 224,978</u>	<u>\$ 293,914</u>	<u>\$ 306,348</u>	<u>\$ 236,628</u>	<u>\$ 266,738</u>	<u>\$ 381,100</u>	<u>\$ 393,286</u>	<u>\$ 3,460,911</u>

Notes: (a) Total purchases include approved projects only. Therefore, forecast purchases from City of Vancouver are excluded.

FORTISBC ENERGY INC.
INCURRED COSTS FOR BIOMETHANE
FORECAST ACTIVITY ENDING DECEMBER 31, 2017

Line	Particulars	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
		Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	2017	
1	All Supply Projects														
2	Total Purchases (GJ) ^(a)	14,126	23,014	25,691	27,127	27,401	27,127	27,401	27,401	27,127	27,401	27,127	28,401	309,340	
3	Biogas / Biomethane Purchase Costs	\$ 170,478	\$ 263,813	\$ 292,053	\$ 294,866	\$ 298,961	\$ 294,866	\$ 298,961	\$ 298,961	\$ 294,866	\$ 298,961	\$ 297,340	\$ 189,975	\$ 3,294,102	
4															
5	Salmon Arm Cost of Service														
6	Cost of Service before O&M	\$ 27,648	\$ 27,648	\$ 27,648	\$ 27,648	\$ 27,648	\$ 27,648	\$ 27,648	\$ 27,648	\$ 27,648	\$ 27,648	\$ 27,648	\$ 27,648	\$ 331,780	
7	O&M Costs	6,250	6,250	31,250	6,250	6,250	6,250	6,250	6,250	31,250	6,250	6,250	6,250	125,000	
8	Total	\$ 33,898	\$ 33,898	\$ 58,898	\$ 33,898	\$ 33,898	\$ 33,898	\$ 33,898	\$ 33,898	\$ 58,898	\$ 33,898	\$ 33,898	\$ 33,898	\$ 456,780	
9															
10	Kelowna Cost of Service														
11	Cost of Service before O&M	\$ 55,128	\$ 55,128	\$ 55,128	\$ 55,128	\$ 55,128	\$ 55,128	\$ 55,128	\$ 55,128	\$ 55,128	\$ 55,128	\$ 55,128	\$ 55,128	\$ 661,540	
12	O&M Costs	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	312,000	
13	Total	\$ 81,128	\$ 81,128	\$ 81,128	\$ 81,128	\$ 81,128	\$ 81,128	\$ 81,128	\$ 81,128	\$ 81,128	\$ 81,128	\$ 81,128	\$ 81,128	\$ 973,540	
14															
15	City of Surrey Cost of Service														
16	Cost of Service before O&M	\$ 4,608	\$ 4,608	\$ 4,608	\$ 4,608	\$ 4,608	\$ 4,608	\$ 4,608	\$ 4,608	\$ 4,608	\$ 4,608	\$ 4,608	\$ 4,608	\$ 55,290	
17	O&M Costs	902	902	902	902	902	902	902	902	902	902	902	902	10,820	
18	Facility Fee	(12,325)	(12,325)	(12,325)	(12,325)	(12,325)	(12,325)	(12,325)	(12,325)	(12,325)	(12,325)	(12,325)	(12,325)	(147,900)	
19	Total	\$ (6,816)	\$ (6,816)	\$ (6,816)	\$ (6,816)	\$ (6,816)	\$ (6,816)	\$ (6,816)	\$ (6,816)	\$ (6,816)	\$ (6,816)	\$ (6,816)	\$ (6,816)	\$ (81,790)	
20															
21	General Admin. Costs	\$ 46,600	\$ 46,600	\$ 46,600	\$ 46,600	\$ 46,600	\$ 46,600	\$ 46,600	\$ 46,600	\$ 46,600	\$ 46,600	\$ 46,600	\$ 46,600	\$ 559,200	
22															
23															
24															
25															
26	Total Cost	\$325,289	\$418,624	\$471,864	\$449,677	\$453,772	\$449,677	\$453,772	\$453,772	\$474,677	\$453,772	\$452,150	\$344,785	\$5,201,832	

Notes: (a) Total purchases include approved projects only. Therefore, forecast purchases from City of Vancouver are excluded.

FORTISBC ENERGY INC.
INCURRED COSTS FOR BIOMETHANE
FORECAST ACTIVITY ENDING DECEMBER 31, 2018

Line	Particulars	Forecast Jan 18	Forecast Feb 18	Forecast Mar 18	Forecast Apr 18	Forecast May 18	Forecast Jun 18	Forecast Jul 18	Forecast Aug 18	Forecast Sep 18	Forecast Oct 18	Forecast Nov 18	Forecast Dec 18	Total 2018
1	All Supply Projects													
2	Total Purchases (GJ) ^(a)	32,175	32,353	33,509	33,235	33,509	33,235	33,509	33,509	33,235	33,509	33,235	33,509	398,518
3	Biogas / Biomethane Purchase Costs	\$ 341,053	\$ 342,140	\$ 359,098	\$ 354,949	\$ 359,098	\$ 354,949	\$ 359,098	\$ 359,098	\$ 354,949	\$ 359,098	\$ 358,059	\$ 225,847	\$ 4,127,437
4														
5	Salmon Arm Cost of Service													
6	Cost of Service before O&M	\$ 29,264	\$ 29,264	\$ 29,264	\$ 29,264	\$ 29,264	\$ 29,264	\$ 29,264	\$ 29,264	\$ 29,264	\$ 29,264	\$ 29,264	\$ 29,264	\$ 351,170
7	O&M Costs	6,250	6,250	31,250	6,250	6,250	6,250	6,250	6,250	31,250	6,250	6,250	6,250	125,000
8	Total	\$ 35,514	\$ 35,514	\$ 60,514	\$ 35,514	\$ 35,514	\$ 35,514	\$ 35,514	\$ 35,514	\$ 60,514	\$ 35,514	\$ 35,514	\$ 35,514	\$ 476,170
9														
10	Kelowna Cost of Service													
11	Cost of Service before O&M	\$ 64,518	\$ 64,518	\$ 64,518	\$ 64,518	\$ 64,518	\$ 64,518	\$ 64,518	\$ 64,518	\$ 64,518	\$ 64,518	\$ 64,518	\$ 64,518	\$ 774,210
12	O&M Costs	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	318,000
13	Total	\$ 91,018	\$ 91,018	\$ 91,018	\$ 91,018	\$ 91,018	\$ 91,018	\$ 91,018	\$ 91,018	\$ 91,018	\$ 91,018	\$ 91,018	\$ 91,018	\$ 1,092,210
14														
15	City of Surrey Cost of Service													
16	Cost of Service before O&M	\$ 9,086	\$ 9,086	\$ 9,086	\$ 9,086	\$ 9,086	\$ 9,086	\$ 9,086	\$ 9,086	\$ 9,086	\$ 9,086	\$ 9,086	\$ 9,086	\$ 109,030
17	O&M Costs	920	920	920	920	920	920	920	920	920	920	920	920	11,040
18	Facility Fee	(12,325)	(12,325)	(12,325)	(12,325)	(12,325)	(12,325)	(12,325)	(12,325)	(12,325)	(12,325)	(12,325)	(12,325)	(147,900)
19	Total	\$ (2,319)	\$ (2,319)	\$ (2,319)	\$ (2,319)	\$ (2,319)	\$ (2,319)	\$ (2,319)	\$ (2,319)	\$ (2,319)	\$ (2,319)	\$ (2,319)	\$ (2,319)	\$ (27,830)
20														
21	General Admin. Costs	\$ 46,600	\$ 46,600	\$ 46,600	\$ 46,600	\$ 46,600	\$ 46,600	\$ 46,600	\$ 46,600	\$ 46,600	\$ 46,600	\$ 46,600	\$ 46,600	\$ 559,200
22														
23														
24														
25														
26	Total Cost	\$ 511,865	\$ 512,953	\$ 554,911	\$ 525,762	\$ 529,911	\$ 525,762	\$ 529,911	\$ 529,911	\$ 550,762	\$ 529,911	\$ 528,872	\$ 396,659	\$ 6,227,187

Notes: (a) Total purchases include approved projects only. Therefore, forecast purchases from City of Vancouver are excluded.

FORTISBC ENERGY INC.
AGE OF BIOMETHANE INVENTORY SOLD

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Date	Monthly Activity				Cumulative Quantities		
	Beginning Balance <i>(in TJ)</i>	Quantity Purchased <i>(in TJ)</i>	Quantity Sold ^(a) <i>(in TJ)</i>	Ending Balance <i>(in TJ)</i>	Biomethane Purchases <i>(in TJ)</i>	Biomethane Sales <i>(in TJ)</i>	Age of Inventory Sold <i>(Month)</i>
Jan-16	62.23	11.62	(19.47)	54.38	450.26	(395.88)	5
Feb-16	54.38	2.79	(15.41)	41.76	453.05	(411.29)	4
Mar-16	41.76	12.74	(14.70)	39.79	465.79	(425.99)	4 ^(a)
Apr-16	39.79	9.89	(11.54)	38.14	475.68	(437.54)	4
May-16	38.14	10.79	(14.34)	34.59	486.46	(451.87)	3
Jun-16	34.59	8.73	(9.33)	33.99	495.19	(461.20)	3
Jul-16	33.99	14.41	(8.99)	39.41	509.60	(470.19)	3
Aug-16	39.41	13.34	(8.98)	43.77	522.93	(479.17)	3
Sep-16	43.77	9.74	(9.71)	43.80	532.67	(488.88)	3
Oct-16	43.80	12.21	(12.52)	43.48	544.88	(501.40)	3

(a) Incorrectly reported in the 2016 Second Quarter Report.