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March 1, 2017

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

Attention: Ms. Erica Hamilton, Commission Secretary and Director

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

2017 First Quarter Gas Cost Report

The attached materials provide the FortisBC Energy Inc. (FEI or the Company) 2017 First Quarter Gas Cost Report (the First 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 February 15, 16, 17, 21, and 22, 2017 forward prices (five-day average forward prices ending February 22, 2017).

#### **CCRA Deferral Account**

Based on the five-day average forward prices ending February 22, 2017, the March 31, 2017 CCRA balance is projected to be approximately \$7 million surplus after tax. Further, based on the five-day average forward prices ending February 22, 2017, the gas purchase cost assumptions, and the forecast commodity cost recoveries at present rates for the 12-month period ending March 31, 2018, and accounting for the projected March 31, 2017 deferral balance, the CCRA trigger ratio is calculated to be 103.8 percent (Tab 1, Page 2, Column 4, Line 7), 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 \$0.075/GJ (Tab 1, Page 2, Column 5, Line 19), which falls inside the \$0.50/GJ rate change threshold. The results of the two-criteria rate adjustment mechanism indicate that a rate change is not required 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 February 22, 2017, 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 April 1, 2017 to March 31, 2018 prospective period.

March 1, 2017 British Columbia Utilities Commission FEI 2017 First Quarter Gas Cost Report Page 2



#### **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 March 31, 2018, based on the five-day average forward prices ending February 22, 2017, is projected to be approximately \$15 million surplus after tax. Further, the MCRA balance at December 31, 2017 and December 31, 2018, based on the five-day average forward prices ending February 22, 2017, are projected to be approximately \$15 million surplus and \$12 million deficit after tax, respectively.

The schedules at Tab 2, Pages 4 to 6, provide details of MCRA gas supply costs for calendar 2016, 2017, and 2018 based on the five-day average forward prices ending February 22, 2017.

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 remains unchanged at April 1, 2017.

FEI will continue to monitor the forward prices, and will report CCRA and MCRA balances in its 2017 Second 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. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS CCRA MONTHLY BALANCES AT EXISTING RATES (AFTER ADJUSTMENTS FOR ENERGY DIFFERENCES) FOR THE FORECAST PERIOD FROM APR 2017 TO MAR 2019 FIVE-DAY AVERAGE FORWARD PRICES - FEB 15,16, 17, 21, AND 22, 2017

\$(Millions)

Line No.	(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1 2		Record Jan-1		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	Recorded Nov-16	Recorded Dec-16	2016 Total
3	CCRA Balance - Beginning (Pre-tax) (a)	\$	(51) \$	6 (48)	\$ (48)	\$ (53)	\$ (55)	\$ (59)	\$ (58)	\$ (51)	\$ (44)	\$ (36)	\$ (34)	\$ (30)	\$ (51)
4	Gas Costs Incurred		19	16	12	9	8	12	18	18	19	23	24	28	206
5	Revenue from APPROVED Recovery Rate		(17)	(16)	(17)	(11)	(11)	(11)	(11)	(11)	(11)	(20)	(20)	(20)	(177)
6 7	CCRA Balance - Ending (Pre-tax) <sup>(b)</sup>	\$	(48) \$	(48)	\$ (53)	\$ (55)	\$ (59)	\$ (58)	\$ (51)	\$ (44)	\$ (36)	\$ (34)	\$ (30)	\$ (22) \$	\$ (22)
8	CCRA Balance - Ending (After-tax) <sup>(c)</sup>	\$	(36) \$	36)	\$ (39)	\$ (41)	\$ (43)	\$ (43)	\$ (38)	\$ (33)	\$ (27)	\$ (25)	\$ (22)	\$ (17)	\$ (17)
9 10 11		Record		Projected Feb-17	Projected Mar-17									,	Jan-17 to Mar-17
12	CCRA Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$	(22) \$	(13)	\$ (8)									;	\$ (22)
13	Gas Costs Incurred		31	24	21										76
14	Revenue from <b>APPROVED</b> Recovery Rate		(21)	(19)	(21)									_	(60)
15 16	CCRA Balance - Ending (Pre-tax) <sup>(b)</sup>	\$	(13)	\$ (8)	\$ (9)									=	\$ (9)
17	CCRA Balance - Ending (After-tax) (c)	\$	(9)	\$ (6)	\$ (7)										\$ (7)
18 19 20 21 22		Foreca Apr-1		Forecast May-17	Forecast Jun-17	Forecast Jul-17	Forecast Aug-17	Forecast Sep-17	Forecast Oct-17	Forecast Nov-17	Forecast Dec-17	Forecast Jan-18	Forecast Feb-18	Forecast Mar-18	Apr-17 to Mar-18
23	CCRA Balance - Beginning (Pre-tax) (a)	\$	(9) \$	(13)	\$ (16)	\$ (19)	\$ (23)	\$ (25)	\$ (28)	\$ (30)	\$ (27)	\$ (23)	\$ (18)	\$ (13) \$	\$ (9)
24	Gas Costs Incurred		17	17	17	18	18	18	19	23	25	26	23	25	245
25	Revenue from <b>EXISTING</b> Recovery Rates		(20)	(04)	(00)	(21)							(19)	(21)	(0.4-)
26 27	CCDA Bolongo Ending (Dro tox) (D)		(20)	(21)	(20)	(21)	(21)	(20)	(21)	(20)	(21)	(21)	(13)	(21)	(245)
	CCRA Balance - Ending (Pre-tax) (b)	\$	(13) \$	` '	` '	` `	` '	•	` '	, , ,	` ,	` '	` '	` '	
28 29 30	CCRA Balance - Ending (Pre-tax) (c)	\$	` '	5 (16)	\$ (19)	\$ (23)	\$ (25)	\$ (28)	\$ (30)	\$ (27)	\$ (23)	\$ (18)	\$ (13)	\$ (9)	\$ (9)
28 29		\$  Foreca	(13) \$ (9) \$	5 (16)	\$ (19)	\$ (23)	\$ (25)	\$ (28)	\$ (30)	\$ (27)	\$ (23)	\$ (18)	\$ (13)	\$ (9)	\$ (9)
28 29 30 31 32		\$ Foreca	(13) \$ (9) \$	(16) (12) Forecast May-18	\$ (19) \$ (14) Forecast Jun-18	\$ (23) \$ (17) Forecast Jul-18	\$ (25) \$ (19) Forecast Aug-18	\$ (28) \$ (21) Forecast Sep-18	\$ (30) \$ (22) Forecast Oct-18	\$ (27) \$ (20) Forecast Nov-18	\$ (23) \$ (17) Forecast Dec-18	\$ (18) \$ (13) Forecast Jan-19	\$ (13) \$ (10)	\$ (9) \$ (7) Forecast Mar-19	\$ (9) \$ (7) Apr-18 to Mar-19
28 29 30 31 32 33	CCRA Balance - Ending (After-tax) <sup>(c)</sup>	\$ Foreca	(13) \$ (9) \$	(16) (12) Forecast May-18	\$ (19) \$ (14) Forecast Jun-18	\$ (23) \$ (17) Forecast Jul-18	\$ (25) \$ (19) Forecast Aug-18	\$ (28) \$ (21) Forecast Sep-18	\$ (30) \$ (22) Forecast Oct-18	\$ (27) \$ (20) Forecast Nov-18	\$ (23) \$ (17) Forecast Dec-18	\$ (18) \$ (13) Forecast Jan-19	\$ (13) \$ (10) Forecast Feb-19	\$ (9) \$ (7) Forecast Mar-19	\$ (9) \$ (7) Apr-18 to Mar-19
28 29 30 31 32 33	CCRA Balance - Ending (After-tax) (c)  CCRA Balance - Beginning (Pre-tax) (a)  Gas Costs Incurred  Revenue from <b>EXISTING</b> Recovery Rates	\$ Foreca Apr-1	(13) \$ (9) \$ ast 8 (9) \$	Forecast May-18	\$ (19) \$ (14)  Forecast Jun-18 \$ (11)	\$ (23) \$ (17)  Forecast Jul-18 \$ (12)	\$ (25) \$ (19) Forecast Aug-18 \$ (13) 20	\$ (28) \$ (21) Forecast Sep-18 \$ (14) 19	\$ (30) \$ (22) Forecast Oct-18 \$ (15)	\$ (27) \$ (20) Forecast Nov-18 \$ (15)	\$ (23) \$ (17)  Forecast Dec-18 \$ (13)	\$ (18) \$ (13) Forecast Jan-19 \$ (8)	\$ (13) \$ (10) Forecast Feb-19 \$ (2) 24	\$ (9) \$  \$ (7) \$  Forecast Mar-19  \$ 3 \$ 25	\$ (9) \$ (7) Apr-18 to Mar-19 \$ (9)
28 29 30 31 32 33 34 35	CCRA Balance - Ending (After-tax) (c)  CCRA Balance - Beginning (Pre-tax) (a)  Gas Costs Incurred	\$ Foreca Apr-1	(13) \$ (9) \$ ast 8 (9) \$ 20	Forecast May-18 (10) 20 (21)	\$ (19) \$ (14)  Forecast Jun-18 \$ (11) 19 (20)	\$ (23) \$ (17)  Forecast Jul-18 \$ (12) 20 (21)	\$ (25) \$ (19) Forecast Aug-18 \$ (13) 20 (21)	\$ (28) \$ (21) Forecast Sep-18 \$ (14) 19 (20)	\$ (30) \$ (22) Forecast Oct-18 \$ (15) 20 (21)	\$ (27) \$ (20) Forecast Nov-18 \$ (15) 23 (20)	\$ (23) \$ (17)  Forecast Dec-18 \$ (13) 26 (21)	\$ (18) \$ (13)  Forecast Jan-19 \$ (8) 27 (21)	\$ (13) \$ (10) Forecast Feb-19 \$ (2) 24	\$ (9) \$  \$ (7) \$  Forecast Mar-19  \$ 3 \$  25 (21)	\$ (9) \$ (7)  Apr-18 to Mar-19 \$ (9) 263 (247)

#### Notes:

2016 to 2019 tax rate at 26.0%.

- (a) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts.
- (b) For rate setting purposes CCRA pre-tax balances include grossed-up projected deferred interest of approximately \$2.1 million credit as at March 31, 2017.
- (c) 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 APR 2017 TO MAR 2018 FIVE-DAY AVERAGE FORWARD PRICES - FEB 15,16, 17, 21, AND 22, 2017

IVE-DAT	AVERAGE	FURWARD	PRICES .	· LED	15,16,	17, 21,	AND	ZZ, Z

				Forecast			
Line		Pr	e-Tax	Energy		Unit Cost	
No.	Particulars	(\$N	lillions)	(TJ)	Percentage	(\$/GJ)	Reference / Comment
	(1)		(2)	(3)	(4)	(5)	(6)
1	CCRA RATE CHANGE TRIGGER RATIO						
2		_	4-3				
3	Projected Deferral Balance at Mar 31, 2017	\$	(9)				(Tab 1, Page 1, Col.14, Line 15)
4	Forecast Incurred Gas Costs - Apr 2017 to Mar 2018	\$	245				(Tab 1, Page 1, Col.14, Line 24)
5	Forecast Recovery Gas Costs at Existing Recovery Rate - Apr 2017 to Mar 2018	\$	245				(Tab 1, Page 1, Col.14, Line 25)
6							
7	CCRA = Forecast Recovered Gas Costs (Line 5)	= \$	245		= 103.8%		
8	Ratio Forecast Incurred Gas Costs (Line 4) + Projected CCRA Balance (Line 3)	\$	236				Within 95% to 105% deadband
9							
10							
11							
12							
13							
14	CCRA RATE CHANGE THRESHOLD (+/- \$0.50/GJ)						
15							
16	Forecast 12-month CCRA Baseload - Apr 2017 to Mar 2018			119,397			(Tab1, Page 7, Col.5, Line 11 )
17	(Over) / Under Recovery at Existing CCRA Rate	\$	(9)				(Line 3 + Line4 - Line 5)
18		•	` '				,
19	Tested Rate (Decrease) / Increase					\$ (0.075)	Within minimum +/- \$0.50/GJ threshold

## 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 FROM APR 2017 TO MAR 2019

### FIVE-DAY AVERAGE FORWARD PRICES - FEB 15,16, 17, 21, AND 22, 2017 \$(Millions)

Lina						Ψ(ΙΝΙΙΙΙΟΙΙ	3)											
Line No.	(1)		(2)	(3)		(4)	(5)	(6)		(7)	(8)	(9)	(10)	(11)	(12)	(	(13)	(14)
1 2			Recorded Jan-16	Recorded Feb-16		corded ar-16	Recorded Apr-16	Record May-1		Recorded Jun-16	Recorded Jul-16	Recorded Aug-16	Recorded Sep-16	Recorded	Recorded		corded ec-16	Total 2016
3	MCRA Cumulative Balance - Beginning (Pre-tax) (a)		\$ (3	9) \$ (39	) \$	(32)	\$ (31)	\$ (2	(29) \$	\$ (28)	\$ (27)	\$ (30)	\$ (36	s) \$ (39	) \$ (39	9) \$	(42) \$	(39)
4 5	2016 MCRA Activities  Rate Riv (d)	<b>ድ</b> (22)																
6 7	Amount to be amortized in 2016 Rider 6 Amortization at APPROVED 2016 Rates	\$ (23)	\$	3 \$ 3	\$	2	\$ 1	\$	1 \$	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 2	2 \$	4 <b>\$</b>	22
8	Midstream Base Rates			<u> </u>							<u> </u>		·					
9 10	Gas Costs Incurred Revenue from APPROVED 2016 Recovery Rates		\$ 3 (3		<b>\$</b> )	18 (19)	\$ 5 (4)	\$	(1) \$ 1	\$ (2) 3	\$ (9) 4	\$ (11) 4	) \$ (6 2	, .	•	3 \$ 3)	44 \$ (51)	113 (142)
11	Total Midstream Base Rates (Pre-tax)			,	\$	(2)	\$ 0	\$	0 \$	\$ 1	\$ (5)	\$ (6)	) \$ (4	,	,	5) \$	(8) \$	
12 13	MCRA Cumulative Balance - Ending (Pre-tax) (b)		¢ (3	9) \$ (32	) \$	(31)	\$ (29)	<b>¢</b> (*	(28) \$	\$ (27)	\$ (30)	\$ (36)	v ¢ (30	) \$ (39	) \$ (42	2) \$	(45) \$	(45)
14	morar camalanto zalanco znamg (i to tany		Ψ (3	σ, φ (σ2	<del>) Ψ</del>	(31)	ψ (23)	Ψ (/	(20) 4	φ (21)	ψ (30)	ψ (30)	γ (33	ή ψ (33	<del>) ψ (+2</del>	<u>.) Ψ</u>	( <del>4</del> 3) <b>ψ</b>	(40)
15	MCRA Cumulative Balance - Ending (After-tax) (c)		\$ (2	9) \$ (24	) \$	(23)	\$ (22)	\$ (2	(21) \$	\$ (20)	\$ (23)	\$ (27)	\$ (29	) \$ (29	) \$ (31	1) \$	(33) \$	(33)
16 17			Recorded	•			Forecast	Foreca		Forecast	Forecast	Forecast	Forecast	Forecast			recast	Total
18	(a)		Jan-17	Feb-17		ar-17	Apr-17	May-1		Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17		ec-17	2017
19	MCRA Balance - Beginning (Pre-tax) (a)		\$ (4	5) \$ (48	) \$	(46)	\$ (49)	\$ (	(50) \$	\$ (45)	\$ (38)	\$ (31)	) \$ (24	·) \$ (18	) \$ (17	7) \$	(17) \$	(45)
20 21	2017 MCRA Activities Rate Rider 6 (d)																	
22	Amount to be amortized in 2017	\$ (24)	•		•	•		•					•	Φ				0.4
23 24	Rider 6 Amortization at APPROVED 2017 Rates Midstream Base Rates		<u> </u>	4 \$ 3	\$	3	\$ 2	\$	1 \$	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 3	3 \$	4 \$	24
25 26	Gas Costs Incurred Revenue from APPROVED Recovery Rates		\$ 4 (4		\$	21 (22)	\$ 7 (10)		0 \$ 3	\$ (2) 8	\$ (4) 11	\$ (5) 11		,		) \$	32 \$ (38)	138 (133)
27	Total Midstream Base Rates (Pre-tax)			,	) ) \$	(1)	· · · · · ·		3 \$			\$ 7			,	2) \$	(7) \$	<u>(133)</u> <b>5</b>
28	(6)		,		,	, ,									,		, ,	
29 30	MCRA Cumulative Balance - Ending (Pre-tax) (b)		\$ (4	8) \$ (46	) \$	(49)	\$ (50)	\$ (	(45) \$	\$ (38)	\$ (31)	\$ (24)	) \$ (18	5) \$ (17	(17	7) \$	(20) \$	(20)
31	MCRA Cumulative Balance - Ending (After-tax) (c)		\$ (3	5) \$ (34	) \$	(36)	\$ (37)	\$ (:	(34) \$	\$ (28)	\$ (23)	\$ (17)	) \$ (13	5) \$ (13	) \$ (12	2) \$	(15) \$	(15)
32 33																,		
34 35			Forecast Jan-18	Forecast Feb-18		ecast ar-18	Forecast Apr-18	Foreca May-1		Forecast Jun-18	Forecast Jul-18	Forecast Aug-18	Forecast Sep-18	Forecast Oct-18	Forecast Nov-18		recast ec-18	Total 2018
36	MCRA Balance - Beginning (Pre-tax) (a)		\$ (2	0) \$ (23	) \$	(21)	\$ (20)	\$ (2	(20) \$	\$ (14)	\$ (7)	\$ 1	\$ 8	\$ \$ 15	\$ 17	7 \$	19 \$	(20)
37 38 39	2018 MCRA Activities Rate Rider 6																	
40	Rider 6 Amortization at APPROVED 2017 Rates		\$	4 \$ 3	\$	3	\$ 2	\$	1 \$	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 3	3 \$	4 \$	24
41 42	Midstream Base Rates Gas Costs Incurred		\$ 3	1 \$ 27	\$	20	\$ 8	\$	1 \$	\$ (1)	\$ (4)	\$ (4)	) \$ (2	2) \$ 7	\$ 21	1 \$	32 \$	136
43	Revenue from EXISTING Recovery Rates		(3	,		(22)	(10)		3	8	11	11	8	(7	·		(38)	(123)
44 45	Total Midstream Base Rates (Pre-tax)		\$ (	6) \$ (2	) \$	(2)	\$ (1)	\$	4 \$	\$ 7	\$ 7	\$ 7	\$ 6	5 \$ 1	\$ (1	1) \$	(6) \$	13
46	MCRA Cumulative Balance - Ending (Pre-tax) (b)		\$ (2	3) \$ (21	) \$	(20)	\$ (20)	\$ (	(14) \$	\$ (7)	\$ 1	\$ 8	\$ 15	\$ 17	\$ 19	9 \$	17 \$	17
47	MCDA Cumulativa Palanca Ending (Affect tox) (c)		Ф //	7)	\	(45)	Φ (4.5)	Φ ,	(4.4.)	<b>.</b> (5)	Φ	Φ	Φ 44	Ф 10	Φ		40 ^	
48	MCRA Cumulative Balance - Ending (After-tax) (c)		\$ (1	7) \$ (16	) \$	(15)	\$ (15)	<b>»</b> (	(11) \$	(5)	<b>D</b>	\$ 6	\$ 11	\$ 13	\$ 14	4 \$	12 \$	12

### Notes:

2016 to 2018 tax rate at 26.0%.

- (a) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts.
- (b) For rate setting purposes MCRA pre-tax balances include grossed-up projected deferred interest of approximately \$4.1 million credit as at March 31, 2017.
- (c) For rate setting purposes MCRA after-tax balances are independently grossed-up to reflect pre-tax amounts.
- (d) BCUC Order G-177-16 approved the 1/2 projected MCRA cumulative balance at Dec 31, 2016 to be amortized into 2017 midstream rates, via Rider 6, as filed in the FEI 2016 Fourth Quarter Gas Cost Report.

### FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS SUMAS INDEX FORECAST FOR THE PERIOD ENDING MAR 2019 AND US DOLLAR EXCHANGE RATE FORECAST UPDATE

Tab 1 Page 4.1

ine No	Particulars (1)	an	id 22, 20	st Report		d 15, 20	16 st Report	Change in Price	9	
		(1)			(2)			(3)	(4) = (2)	- (3)
1	SUMAS Index	Prices - presented in \$US/MMBtu								
2		p								
3	2016	October	<b>A</b>	\$	2.64	Recorded	\$	2.64	\$	-
4		November		\$	2.62	Forecast	\$	2.64	\$	(0.0
5		December		\$	3.27		\$	2.81	\$	0.4
6	2017	January	Recorded	\$	4.85		\$	2.79	\$	2.0
7		February	Forecast	\$	3.38	▼	\$	2.73	\$	0.6
8		March		\$	2.29		\$	2.27	\$	0.0
9		April		\$	2.18		\$	2.18	\$	0.0
10		May		\$	2.19		\$	2.07	\$	0.1
11		June	•	\$	2.25		\$	2.08	\$	0.1
12		July		\$	2.55		\$	2.46	\$	0.0
13		August		\$	2.58		\$	2.38	\$	0.2
14		September		\$	2.58		\$	2.37	\$	0.2
15		October		\$	2.69		\$	2.44	\$	0.2
16		November		\$	2.89		\$	3.04	\$	(0.1
17		December		\$	3.36		\$	3.44	\$	(0.0
18	2018	January		\$	3.31		\$	3.39	\$	(0.0
19		February		\$	3.18		\$	3.23	\$	(0.0
20		March		\$	2.72		\$	2.71	\$	0.0
21		April		\$	1.93		\$	2.29	\$	(0.3
22		May		\$	1.81		\$	2.11	\$	(0.3
23		June		\$	1.83		\$	2.10	\$	(0.2
24		July		\$	2.09		\$	2.35	\$	(0.2
25		August		\$	2.11		\$	2.33	\$	(0.2
26		September		\$	2.10		\$	2.20	\$	(0.1
27		October		\$	2.21		\$	2.38	\$	(0.1
28		November		\$	2.61		\$	3.00	\$	(0.3
29	0040	December		\$	3.09		\$	3.46	\$	(0.3
30	2019	January		\$	3.05					
31		February		\$	2.93					
32		March		\$	2.50					
33				_			_			
34		e (Apr 2017 - Mar 2018)		\$	2.71		\$	2.65	2.2% \$	
35	Simple Averag	ie (Jul 2017 - Jun 2018)		\$	2.62		\$	2.66	-1.6% \$	(0.0
36	Simple Averag	re (Oct 2017 - Sep 2018)		\$	2.50		\$	2.64	-5.1% \$	(0.1
37	Simple Averag	ne (Jan 2018 - Dec 2018)		\$	2.42		\$	2.63	-8.1% \$	
38	-	e (Apr 2018 - Mar 2019)		\$	2.35		•		r	`
	Conversation Fa 1 MMBtu =	actors = 1.055056 GJ								

<u>Forecast Apr 2017 - Mar 2018</u> <u>Forecast Jan 2017 - Dec 2017</u>

1.3411

-2.4% \$ (0.0321)

1.3089

### FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS SUMAS INDEX FORECAST FOR THE PERIOD ENDING MAR 2019

Tab 1 Page 4.2

Line No		Particulars	Prices - ar	Five-day Average Forward Prices - Feb 15,16, 17, 21, and 22, 2017  2017 Q1 Gas Cost Report  Five-day Average Forward Prices - Nov 8, 9, 10, 14, and 15, 2016 2016 Q4 Gas Cost Report					Change	in Fo	orward
LINE NO		(1)		I Gas Co	(2)	2016 Q <sup>2</sup>	Gas Co	(3)	(4) = 0		(3)
4	CLIMAC Index										
1 2	SUMAS INGEX	Prices - presented in \$CDN/GJ									
3	2016	October	•	\$	3.28	Recorded	\$	3.28		\$	_
4	20.0	November		\$	3.33	Forecast	\$	3.36		\$	(0.03)
5		December		\$	4.16	. 0.000.	\$	3.57		\$	0.59
6	2017	January	Recorded	\$	6.17		\$	3.55		\$	2.62
7		February	Forecast	\$	4.17	•	\$	3.48		\$	0.69
8		March	_	\$	2.85	,	\$	2.89		\$	(0.04
9		April		\$	2.71		\$	2.77		\$	(0.06
10		May	Ţ	\$	2.72		\$	2.63		\$	0.09
11		June	•	\$	2.80		\$	2.65		\$	0.15
12		July		\$	3.16		\$	3.13		\$	0.03
13		August		\$	3.21		\$	3.02		\$	0.19
14		September		\$	3.20		\$	3.01		\$	0.18
15		October		\$	3.34		\$	3.10		\$	0.24
16		November		\$	3.58		\$	3.85		\$	(0.26
17		December		\$	4.17		\$	4.36		\$	(0.19
18	2018	January		\$	4.09		\$	4.29		\$	(0.10
19	2010	February		\$	3.94		\$	4.09		\$	(0.15
20		March		\$ \$	3.37		\$ \$	3.43		\$	(0.06
21		April		φ \$	2.39		\$ \$	2.91		\$	(0.52
22		May		\$ \$	2.39		φ \$	2.68		φ \$	(0.32
23		June		\$ \$	2.24		\$	2.66		\$	(0.40
23 24		July		\$ \$	2.58		φ \$	2.00		φ \$	(0.40
2 <del>4</del> 25		•		\$ \$	2.56		φ \$	2.96		\$	(0.40
26 26		August September		\$ \$	2.58		φ \$	2.90		\$	(0.32
20 27		October		\$ \$	2.74		φ \$	3.01		φ \$	
27 28		November		φ \$	3.23		φ \$	3.76		Ф \$	(0.28
20 29				φ \$			Ф \$	3.76 4.35		э \$	(0.54
30	2019	December		φ \$	3.82 3.77		Ф	4.33		Φ	(0.53
31	2019	January			3.62						
32		February March		\$ \$	3.02						
		iviai Gi i		φ	3.07						
33	Olman I : A :	(Ann 0047 - May 0040)		<b>c</b>	0.00		Φ.	0.00	0.407	Φ.	(0.0
34	-	ge (Apr 2017 - Mar 2018)		\$	3.36		\$	3.36	-0.1%		(0.00
35	, ,	ge (Jul 2017 - Jun 2018)		\$	3.25		\$	3.38	-3.9%		(0.13
36	Simple Averag	ge (Oct 2017 - Sep 2018)		\$	3.10		\$	3.34	-7.3%	\$	(0.24
37	Simple Averag	ge (Jan 2018 - Dec 2018)		\$	2.99		\$	3.33	-10.1%	\$	(0.34
38	Simple Averag	ge (Apr 2018 - Mar 2019)		\$	2.91						
	Conversation Fa	actors = 1.055056 GJ									
	Prophet X	natural gas trading platform Average E	xchange Rate (\$1U	S=\$x.xxx(	CDN)						
		and an gara marang planetin, morago L			2017 - Mar 20	18 Forecast	Jan 2017	7 - Dec 2017			
			<u> </u>	Φ.	1 2000		<u>ф</u>	1 2/11	0.407	φ	(0.0221

\$

1.3089

\$

1.3411

-2.4% \$ (0.0321)

Line No		Particulars	Prices - I ar	Feb 15, nd 22, 2	ge Forward 16, 17, 21, 017 ost Report	Prices - an	Nov 8, id 15, 2	ge Forward 9, 10, 14, 2016 Cost Report	Change in Pric		rd
		(1)	<del></del>		(2)			(3)	(4) = (2)	- (3)	
1	AECO Index F	Prices - \$CDN/GJ									
2											
3	2016	October	<b>A</b>	\$	2.47	Recorded	\$	2.47	\$	-	-
4		November		\$	2.84	Forecast	\$	2.84	\$	(0	.00)
5		December		\$	2.70		\$	2.45	\$	0	.24
6	2017	January	Recorded	\$	3.33		\$	2.48	\$	0	.85
7		February	Forecast	\$	2.70	▼	\$	2.50	\$	0	.20
8		March		\$	2.39		\$	2.50	\$	(0	.10)
9		April		\$	2.29		\$	2.43	\$	(0	.14)
10		May		\$	2.27		\$	2.41	\$		.14)
11		June		\$	2.27		\$	2.43	\$	•	.16)
12		July		\$	2.29		\$	2.47	\$	•	.18)
13		August		\$	2.33		\$	2.47	\$	,	.15)
14		September		\$	2.35		\$	2.47	\$	•	.12)
15		October		\$	2.43		\$	2.52	\$	•	.09)
16		November		\$	2.76		\$	2.71	\$		.06
17		December		\$	2.89		\$	2.90	\$	•	.01)
18	2018	January		\$	2.99		\$	3.03	\$	•	.04)
19		February		\$	3.00		\$	2.96	\$		.03
20		March		\$	2.91		\$	2.86	\$		.05
21		April		\$	2.40		\$	2.46	\$		.06)
22		May		\$	2.34		\$	2.46	\$		.12)
23		June		\$	2.37		\$	2.44	\$	•	.07)
24		July		\$	2.37		\$	2.47	\$	•	.10)
25		August		\$	2.38		\$	2.45	\$	•	.07)
26		September		\$	2.38		\$	2.43	\$	,	.05)
27		October		\$	2.42		\$	2.53	\$		.11)
28		November		\$	2.52		\$	2.61	\$		.08)
29	0040	December		\$	2.70		\$	2.78	\$	(0	.08)
30	2019	January		\$	2.83						
31		February		\$	2.80						
32		March		\$	2.67						
33											
34	Simple Averag	ıe (Apr 2017 - Mar 2018)		\$	2.56		\$	2.64	-2.8% \$	(0	0.07)
35	Simple Averag	ıe (Jul 2017 - Jun 2018)		\$	2.59		\$	2.65	-2.2% \$	(0	0.06)
36		ue (Oct 2017 - Sep 2018)		\$	2.60		\$	2.64	-1.5% \$		0.04)
37	, ,	ue (Jan 2018 - Dec 2018)		\$	2.57		\$	2.62	-2.2% \$		0.06)
	-						Ψ	2.02	<b>2.2</b> /0 Ψ	(0	.50)
38	Simple Averag	ne (Apr 2018 - Mar 2019)		\$	2.52						

Line No		Particulars	Prices - I ar		Prices - No	ov 8, 9, 15, 2016	e Forward 10, 14, and 6 ost report	Change in Fo	orward
		(1)		(2)			(3)	(4) = (2) -	(3)
1	Station 2 Inde	ex Prices - \$CDN/GJ							
2									
3	2016	October	<b>A</b>	\$ 2.19	Recorded	\$	2.19	\$	-
4		November		\$ 2.25	Forecast	\$	2.39	\$	(0.14)
5		December		\$ 2.53		\$	2.14	\$	0.38
6	2017	January	Recorded	\$ 3.14		\$	2.16	\$	0.99
7		February	Forecast	\$ 2.42	•	\$	2.22	\$	0.20
8		March		\$ 2.02		\$	2.18	\$	(0.16)
9		April		\$ 1.69		\$	2.11	\$	(0.42)
10		May	▼	\$ 1.67		\$	2.08	\$	(0.42)
11		June		\$ 1.67		\$	2.06	\$	(0.39)
12		July		\$ 1.69		\$	2.10	\$	(0.41)
13		August		\$ 1.73		\$	2.10	\$	(0.37)
14		September		\$ 1.75		\$	2.09	\$	(0.34)
15		October		\$ 1.83		\$	2.14	\$	(0.31)
16		November		\$ 2.26		\$	2.33	\$	(0.07)
17		December		\$ 2.38		\$	2.58	\$	(0.20)
18	2018	January		\$ 2.48		\$	2.71	\$	(0.22)
19		February		\$ 2.49		\$	2.64	\$	(0.15)
20		March		\$ 2.40		\$	2.54	\$	(0.14)
21		April		\$ 1.93		\$	2.14	\$	(0.21)
22		May		\$ 1.87		\$	2.14	\$	(0.27)
23		June		\$ 1.90		\$	2.08	\$	(0.18)
24		July		\$ 1.90		\$	2.14	\$	(0.23)
25		August		\$ 1.91		\$	2.11	\$	(0.20)
26		September		\$ 1.91		\$	2.10	\$	(0.18)
27		October		\$ 1.95		\$	2.19	\$	(0.24)
28		November		\$ 2.24		\$	2.27	\$	(0.03)
29		December		\$ 2.42		\$	2.45	\$	(0.03)
30	2019	January		\$ 2.55					
31		February		\$ 2.52					
32		March		\$ 2.39					
33									
34	Simple Averag	ge (Apr 2017 - Mar 2018)		\$ 2.00		\$	2.29	-12.5% \$	(0.29)
35	Simple Averag	ge (Jul 2017 - Jun 2018)		\$ 2.06		\$	2.30	-10.4% \$	(0.24)
36	Simple Averag	ge (Oct 2017 - Sep 2018)		\$ 2.11		\$	2.30	-8.6% \$	(0.20)
37	Simple Averag	ge (Jan 2018 - Dec 2018)		\$ 2.12		\$	2.29	-7.6% \$	(0.18)
38	Simple Averag	ge (Apr 2018 - Mar 2019)		\$ 2.12					

### FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS GAS BUDGET COST SUMMUARY FOR THE FORECAST PERIOD APR 2017 TO MAR 2018 FIVE-DAY AVERAGE FORWARD PRICES - FEB 15,16, 17, 21, AND 22, 2017

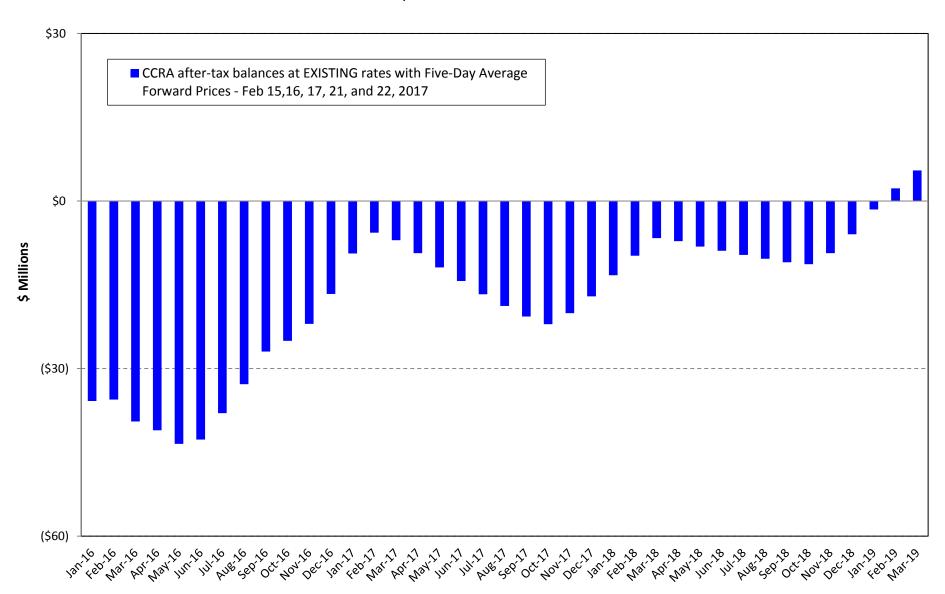
No. Particulars	Costs (\$000)	Quantities (TJ)	Unit Cost (\$/GJ)	Reference / Comments
(1)	(2) (3)	(4) (5)	(6)	(7)
1 CCRA 2 Commodity 3 STN 2 4 AECO 5 Huntingdon 6 Commodity Costs before Hedging 7 Mark to Market Hedges Cost / (Gain) 8 Subtotal Commodity Purchased 9 Core Market Administration Costs 10 Fuel Gas Provided to Midstream 11 Total CCRA Baseload 12 Total CCRA Costs	\$ 166,843 77,415 - \$ 244,258 (451) \$ 243,807 1,463	93,667 30,177 - 123,844 - 123,844 - (4,448) 119,397		incl. Fuel Gas Provided to Midstream (Receipt Point Fuel Gas) per Order E-10-16, FEI implemented hedges for summer 2017.  average unit cost = Line 12, Col. 3 divided by Line 11, Col.5
13				
MCRA  Midstream Commodity Related Costs  Midstream Commodity before Hedging Mark to Market Hedges Cost / (Gain) Imbalance Company Use Gas Recovered from O&M Injections into Storage Withdrawals from Storage Storage Withdrawal / (Injection) Activity Total Midstream Commodity Related Costs  Storage Related Costs Storage Demand - Third Party Storage On-System Storage - Mt. Hayes (LNG) Total Storage Related Costs  Transport Related Costs  Mitigation Commodity Mitigation Storage Mitigation Transportation Mitigation Transportation Mitigation Total Mitigation Total Mitigation Total Mitigation	\$ 48,518 (1,849) (4,726) \$ (51,558) 53,097 1,539 \$ 43,482 \$ 36,165 18,821 54,986 117,479 \$ (37,174) (56,084) (93,258)	21,698 (658) (701) (27,463) 27,596 133 20,471 (18,880)	\$ 2.236 \$ 1.877 \$ 1.924 \$ 2.124	incl. Company Use Gas and UAF
38 39 GSMIP Incentive Sharing	1,000			
40 41 Core Market Administration Costs 42 43	3,415			
44 <u>UAF (Sales &amp; T-Service) &amp; Net Transportation Fuel</u> 45		(1,591)		
46 Net MCRA Commodity (Lines 24, 34 & 44)		-		
47 <b>Total MCRA Costs</b> (Lines 24, 29, 31, 37, 39, & 41)	\$ 127,104		\$ 1.027	average unit cost = Line 47, Col. 3 divided by Line 48, Col.5
Total Core Sales Quantities Total Forecast Gas Costs (Lines 12 & 47)	\$ 372,374	123,745		reference to Tab 1, Page 8, Line 11, Col. 3

Notes: (a) The total cost of UAF (Sales Rate Classes and T-Service) is included as a component of gas purchased. Sales UAF costs are recovered via gas cost recovery rates. As the T-Service UAF costs are recovered via delivery revenues, they are excluded from the storage and transportation flow-through calculation.

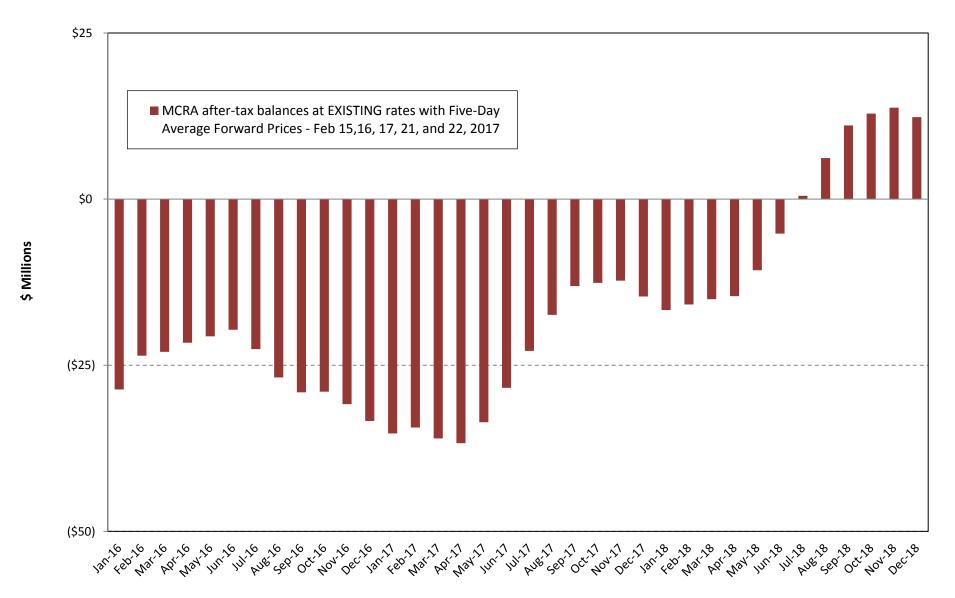
# FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS RECONCILIATION OF GAS COST INCURRED FOR THE FORECAST PERIOD APR 2017 TO MAR 2018 FIVE-DAY AVERAGE FORWARD PRICES - FEB 15,16, 17, 21, AND 22, 2017 \$(Millions)

No.	Particulars	Defe	CRA / MCRA erral Account Forecast	(	Budget Cost mmary	References
	(1)		(2)		(3)	(4)
1	Gas Cost Incurred					
2	CCRA	\$	245			(Tab 1, Page 1, Col.14, Line 24 )
3	MCRA		127			(Tab 1, Page 3, Col.5 to Col.13, Line 25 & Col.2 to Col.4, Line 42)
4						
5						
6	Gas Budget Cost Summary					
7	CCRA			\$	245	(Tab 1, Page 7, Col.3, Line 12)
8	MCRA				127	(Tab 1, Page 7, Col.3, Line 47)
9						
10						
11	Totals Reconciled	\$	372	\$	372	

### FortisBC Energy Inc. - Mainland, Vancouver Island and Whistler Service Areas CCRA After-Tax Monthly Balances Recorded January 2017 and Forecast to March 2019



### FortisBC Energy Inc. - Mainland, Vancouver Island and Whistler Service Areas MCRA After-Tax Monthly Balances Recorded January 2017 and Forecast to March 2019



# FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS CCRA INCURRED MONTHLY ACTIVITIES RECORDED PERIOD TO JAN 2017 AND FORECAST TO MAR 2017 FIVE-DAY AVERAGE FORWARD PRICES - FEB 15,16, 17, 21, AND 22, 2017

					FIVE-DAY AV	ERAGE	FORV	VARD PRICES	6 - FEB 15,16	5, 17,	21, AND 2	22, 2017									
Line No.	(1)		(	2)	(3)	(4)	)	(5)	(6)		(7)	(8)	(9)	(10)	(11)		(12)		(13)		(14)
1				orded	Recorded	Recor		Recorded	Recorded		Recorded	Recorded	Recorded	Recorded	Record		Recorded		ecorded		2016 Tatal
2	OHANTITIES		Jar	า-16	Feb-16	Mar-	16	Apr-16	May-16		Jun-16	Jul-16	Aug-16	Sep-16	Oct-1	<u> </u>	Nov-16	. <u> </u>	Dec-16		Total
	A QUANTITIES mmodity Purchase	(TJ)																			
5	STN 2	(10)		7,801	7,232	7	7,733	7,507	7,759		7,509	7,764	7,782	7,535	7,	786	7,583		7,836		91,827
6	AECO			2,492	2,311		2,471	2,398	2,479		2,399	2,480	2,486	2,407		<u> 488</u>	2,408		2,488		29,308
7 Tot	tal Commodity Purchased		1	10,293	9,543	10	),204	9,906	10,238		9,907	10,244	10,268	9,942	10,	274	9,991		10,325		121,134
8 Fue	el Gas Provided to Midstream			(324)	(300)		(321)	(312)	(322)	)	(312)	(322)	(323)	(313	)(	323)	(359)		(371)		(3,903
9 Comm	nodity Available for Sale			9,969	9,242		9,882	9,594	9,916		9,596	9,922	9,945	9,629	9,	950	9,632		9,954		117,231
10																					
11 CCRA	COSTS																				
	mmodity Costs	(\$000)											_								
13	STN 2			13,705			3,157				7,954					022		\$	20,249	\$	144,823
14	AECO			5,570	4,351		3,408	2,653	2,807		3,839	5,240	4,872	5,809		913	6,621	Φ.	7,266	Φ.	59,348
	mmodity Costs before Hedging rk to Market Hedges Cost / (Gain)		\$ 1	19,275	\$ 16,203	\$ 11	1,566	\$ 8,656	\$ 7,910	<b>Þ</b>	11,793	\$ 17,520	\$ 18,199	\$ 18,870	\$ 22,	935	\$ 23,730	\$	27,515	Ъ	204,171
	re Market Administration Costs			107	81		95	148	90		151	169	106	94		93	86		130		1,348
	CCRA Costs		\$ 1	19,381	\$ 16,284	\$ 11	,660	\$ 8,804			11,945	\$ 17,688		\$ 18,964	\$ 23,	027	\$ 23,816	\$	27,645	\$	205,519
19	30KA 33313		•	,	· ,	<u>. •                                     </u>	,	<u>·</u>	. ,	· <u>· · · · · · · · · · · · · · · · · · </u>		· · · · · ·	<u>·</u>	<u> , , , , , , , , , , , , , , , , , ,</u>	· · ·		<u>, , , , , , , , , , , , , , , , , , , </u>	<u> </u>	,	•	,
20																					
	Unit Cost	(\$/GJ)	\$	1.944	\$ 1.762	\$ 1	1.180	\$ 0.918	\$ 0.807	\$	1.245	\$ 1.783	\$ 1.841	\$ 1.969	\$ 2	314	\$ 2.473	\$	2.777	\$	1.753
22	TOTAL COST	(ψ/ ΟΟ)	Ψ		<u> </u>	Ψ		<u>φ                                    </u>	ψ 0.001	<u> </u>		Ψσσ	Ψ	Ψ 11000	<u> </u>	<u> </u>	<u> </u>	Ψ		Ψ	111 00
23																					
24																					
25																					
26																				Ja	n-17 to
27			Reco	orded	Projected	Projec	cted														Mar-17
28				า-17	<u>Feb-17</u>	Már-															Total
	QUANTITIES																				
	mmodity Purchase	(TJ)																			
31	STN 2 AECO			8,007 2,543	7,185 2,315		7,955 2,563														23,148 7,421
32 33 Tot	tal Commodity Purchased			10,550	9,500	_	),518														30,569
	el Gas Provided to Midstream			(379)	(341)		(378)														(1,098
-	nodity Available for Sale			10,171	9,159		),141														29,471
36							,														,
	COSTS																				
	mmodity Costs	(\$000)																			
39	STN 2			22,672			1,795													\$	54,888
40	AECO			7,874	6,261		5,142														20,276
	mmodity Costs before Hedging		\$ 3	30,546	\$ 23,682	\$ 20	),937													\$	75,164
	rk to Market Hedges Cost / (Gain)			-	-		-														-
	re Market Administration Costs			120	122	<u> </u>	122														364
	CCRA Costs		<u>\$ 3</u>	30,666	\$ 23,804	<u>\$ 21</u>	,058													\$	75,529
45 46																					
46	Unit Cost	(\$/GJ)	\$	3.015	\$ 2.599	\$ 7	2.077													\$	2.563
47 CCRA	Onit Cost	(Ψ/ Θυ)	Ψ	5.015	ψ 2.099	Ψ 2	011													Ψ	2.303

## FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS CCRA INCURRED MONTHLY ACTIVITIES FORECAST PERIOD FROM APR 2017 TO MAR 2019

FIVE-DAY AVERAGE FORWARD PRICES - FEB 15,16, 17, 21, AND 22, 2017

	Forecast	Forecast	Гатара										
		May-17	Forecast Jun-17	Forecast Jul-17	Forecast Aug-17	Forecast Sep-17	Forecast Oct-17	Forecast Nov-17	Forecast Dec-17	Forecast Jan-18	Forecast Feb-18	Forecast Mar-18	1-12 months
	<u>Apr-17</u>	Iviay-17	Juli-17	Jul-17	Aug-17	<u>Sep-17</u>	OCI-17	1100-17	Dec-17	Jan-10		IVIAI-10	IOtal
(TJ)													
	7,699 2.480	7,955 2,563	7,699 2.480	7,955 2,563	7,955 2.563	7,699 2.480	7,955 2,563	7,699 2.480	7,955 2,563	7,955 2.563	7,185 2.315	7,955 2,563	93,66 30,17
	10,179	10,518	10,179	10,518	10,518	10,179	10,518	10,179	10,518	10,518	9,500	10,518	123,84
	(366)	(378)	(366)	(378)	(378)	(366)	(378)	(366)	(378)	(378)	(341)	(378)	(4,44
	9,813	10,141	9,813	10,141	10,141	9,813	10,141	9,813	10,141	10,141	9,159	10,141	119,39
(\$000)													
		•	•	•				•			•	<b>.</b>	•
													\$ 166,84 77,47
	\$ 16,930									\$ 25,784			
	(43)	(26)	(27)	(46)	(74)	(85)	(150)	-	-	-	-	-	(4
	122	122	122	122	122	122	122	122	122	122	122	122	1,40
	\$ 17,009	\$ 17,334	\$ 16,813	\$ 17,599	\$ 17,960	\$ 17,554	\$ 18,920	\$ 22,787	\$ 24,861	\$ 25,906	\$ 23,484	\$ 25,043	\$ 245,2
(\$/GJ)	\$ 1.733	\$ 1.709	\$ 1.713	\$ 1.735	\$ 1.771	\$ 1.789	\$ 1.866	\$ 2.322	\$ 2.452	\$ 2.555	\$ 2.564	\$ 2.470	\$ 2.0
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	13-24 montl
	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
(TJ)													
	7,762	8,021	7,762	8,021	8,021	7,762	8,021	7,762	8,021	8,021	7,245	8,021	94,44
													30,42 124,80
			·	,	,	,	·	· ·		•		·	(4,4
	9,895	10,224	9,895	10,224	10,224	9,895	10,224	9,895	10,224	10,224	9,235	10,224	120,3
(\$000)													
(\$000)													
													76,5
	\$ 19,456 -	\$ 19,512 -	\$ 19,133 -	\$ 19,848	\$ 19,914	\$ 19,320 -	\$ 20,345	\$ 22,841	\$ 25,430	\$ 26,813	\$ 23,913	\$ 25,178	\$ 261,7
					400	100	122	400	400	400			
	122	122	122	122	122	122	122	122	122	122	122	122	1,4
		122 \$ 19,634		122 \$ 19,970	\$ 20,036		\$ 20,467		\$ 25,552	\$ 26,935	122 \$ 24,035	\$ 25,300	1,4 \$ 263,1
	(\$000) (\$/GJ)	7,699 2,480 10,179 (366) 9,813  (\$000)  \$ 11,243 5,687 \$ 16,930 (43) 122 \$ 17,009  (\$/GJ) \$ 1.733   Forecast Apr-18  (TJ)  7,762 2,501 10,263 (369) 9,895  (\$000)  \$ 13,450 6,006	7,699 7,955 2,480 2,563 10,179 10,518 (366) (378) 9,813 10,141  (\$000)  \$ 11,243 \$ 11,423 5,687 5,814 \$ 16,930 \$ 17,238 (43) (26) 122 122 \$ 17,009 \$ 17,334   (\$/GJ) \$ 1.733 \$ 1.709   Forecast Apr-18 May-18  (TJ)  7,762 8,021 2,501 2,584 10,263 10,605 (369) (381) 9,895 10,224  (\$000)  \$ 13,450 \$ 13,450 6,006 6,062	7,699	T,699	T,699	T,699	T,699	Table   Tabl	7,699	T,699	Total	Topic

-3.66%

## FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS COMMODITY COST RECONCILIATION ACCOUNT (CCRA) COST OF GAS (COMMODITY COST RECOVERY CHARGE) FLOW-THROUGH FOR THE FORECAST PERIOD APR 1, 2017 TO MAR 31, 2018

FIVE-DAY AVERAGE FORWARD PRICES - FEB 15,16, 17, 21, AND 22, 2017

Line				
No.	Particulars Particulars	Unit	R	S-1 to RS-7
	(1)			(2)
1	CCRA Baseload	TJ		119,397
2				
3	CCRA Incurred Costs			
5	STN 2	\$000	\$	166,842.7
6	AECO			77,415.0
7	CCRA Commodity Costs before Hedging		\$	244,257.7
8	Mark to Market Hedges Cost / (Gain)			(450.9)
9	Core Market Administration Costs			1,463.4
10	Total Incurred Costs before CCRA deferral amortization		\$	245,270.2
11				
12	Pre-tax CCRA Deficit/(Surplus) as of Mar 31, 2017			(9,495.5)
13	Total CCRA Incurred Costs		\$	235,774.7
14				
15				
16	CCRA Incurred Unit Costs	\$/GJ		
17	CCRA Commodity Costs before Hedging		\$	2.0458
18	Mark to Market Hedges Cost / (Gain)			(0.0038)
19	Core Market Administration Costs			0.0123
20	Total Incurred Costs before CCRA deferral amortization		\$	2.0542
21	Pre-tax CCRA Deficit/(Surplus) as of Mar 31, 2017			(0.0795)
22	CCRA Gas Costs Incurred Flow-Through		\$	1.9747
23	<b>G</b>			
24				
25				
26				
27				
28				
29	Cost of Gas (Commodity Cost Recovery Charge)		RS	S-1 to RS-7
30	Goot of Gao (Gommounty Goot Rood for y Ghango)			- 10 KG 1
31	TESTED Flow-Through Cost of Gas effective Apr 1, 2017		\$	1.975
32	. Lo. Lo i ion initiagn cost of ous effective Apr 1, 2017		Ψ	1.313
33	Existing Cost of Gas (effective since Oct 1, 2016)			2.050
33 34	Existing Cost of Gas (Griechive Silice Oct 1, 2010)			2.000
	Cost of Cos Ingress / (Decrees)	<b>6</b> / <b>0</b> !	•	(0.075)
35	Cost of Gas Increase / (Decrease)	\$/GJ	\$	(0.075)
36				

Cost of Gas Percentage Increase / (Decrease)

### FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS MCRA INCURRED MONTHLY ACTIVITIES FOR THE YEAR 2016

Line															
No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
		Opening balance	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	Recorded Nov-16	Recorded Dec-16	2016 Total
1	MCRA COSTS (\$000)										•				
2	Midstream Commodity Related Costs														
3	Midstream Commodity Costs before Hedging (a)		13,025.3	11,668.2	3,736.6	1,725.4	440.6	53.2	206.5	117.9	72.7	2,397.5	8,265.6	21,653.2	63,362.8
4	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	-
5	Imbalance <sup>(b)</sup>	\$ 1,476.6	(371.3)	(364.4)	810.2	(1,081.5)	73.1	323.3	140.1	(67.8)	778.2	(289.7)	(387.7)	858.7	421.1
6	Company Use Gas Recovered from O&M	. ,	(702.1)	(498.2)	(421.2)	(235.1)	(86.7)	(88.1)	(112.3)	(49.9)	(49.8)	(105.3)	(309.6)	(578.0)	(3,236.2)
7	Storage Withdrawal / (Injection) Activity (c)		17,161.1	14,672.0	12,144.4	(1,324.9)	(3,431.4)	(3,920.9)	(9,354.5)	(9,063.7)	(7,500.7)	(3,786.8)	8,870.4	12,488.6	26,953.8
8	Total Midstream Commodity Related Costs		29,113.0	25,477.7	16,269.9	(916.1)	(3,004.3)	(3,632.4)	(9,120.1)	(9,063.5)	(6,699.5)	(1,784.3)	16,438.8	34,422.5	87,501.5
9	·														
10	Storage Related Costs														
11	Storage Demand - Third Party Storage		2,706.8	2,575.5	2,534.5	2,456.9	3,506.7	3,481.6	3,529.5	3,479.3	3,732.3	3,655.8	2,693.2	4,095.3	38,447.2
12	On-System Storage - Mt. Hayes (LNG)		1,518.4	1,518.1	1,518.3	1,503.3	1,614.6	1,554.8	1,530.9	1,536.3	1,517.9	1,649.9	1,534.2	1,517.2	18,514.0
13	Total Storage Related Costs		4,225.2	4,093.6	4,052.8	3,960.2	5,121.4	5,036.4	5,060.4	5,015.6	5,250.2	5,305.7	4,227.4	5,612.5	56,961.2
14															
15	Transportation Related Costs														
16	Spectra (BC Pipeline)		8,161.6	8,096.3	7,731.6	7,045.7	6,697.6	6,768.6	6,620.9	7,250.0	7,354.1	7,182.0	6,912.0	7,547.7	87,368.0
17	TransCanada (Foothill BC)		453.1	453.1	453.2	350.1	353.6	345.9	344.9	341.5	341.5	341.5	453.1	453.1	4,684.6
18	TransCanada (Nova Alta)		861.5	870.7	870.7	870.7	841.9	856.3	856.3	856.3	856.3	856.3	870.7	870.7	10,338.8
19	Northwest Pipeline		852.1	730.4	731.7	324.7	363.0	350.7	395.6	381.5	360.4	372.0	762.7	821.4	6,446.3
20	FortisBC Energy Huntingdon Inc.		7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	11.2	11.2	97.8
21	Southern Crossing Pipeline		300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	3,600.0
22	Total Transportation Related Costs		10,635.9	10,458.1	10,094.7	8,898.8	8,563.7	8,629.2	8,525.3	9,136.8	9,219.8	9,059.3	9,309.8	10,004.2	112,535.6
23															
24	<u>Mitigation</u>														
25	Commodity Related Mitigation		(12,684.3)	(11,441.9)	(8,780.5)	(3,876.5)	(2,876.4)	(2,878.3)	(3,826.1)	(2,112.6)	(2,099.4)	(1,719.0)	(14,803.3)	(3,773.1)	(70,871.4)
26	Storage Related Mitigation		(42.9)	(38.4)	(1,062.7)	2,699.7	(673.9)	(2,724.4)	(2,205.7)	(2,551.3)	(1,348.9)	(130.6)	101.0	(263.4)	(8,241.5)
27	Transportation Related Mitigation		(1,728.7)	(585.5)	(3,298.9)	(6,791.8)	(8,200.8)	(7,116.9)	(7,798.9)	(11,828.9)	(10,905.2)	(6,837.4)	(2,204.9)	(2,757.9)	(70,055.8)
28	Total Mitigation		(14,455.8)	(12,065.7)	(13,142.2)	(7,968.6)	(11,751.1)	(12,719.6)	(13,830.8)	(16,492.9)	(14,353.5)	(8,687.0)	(16,907.2)	(6,794.3)	(149,168.6)
29															
30	GSMIP Incentive Sharing		212.6	152.7	64.8	244.7	195.3	132.9	147.9	219.7	225.4	120.5	192.4	173.5	2,082.4
31															
32	Core Market Administration Costs		248.7	188.0	221.3	344.5	211.1	352.8	409.5	230.7	218.2	215.9	200.3	303.7	3,144.6
33	TOTAL MCRA COSTS (\$000)		29,979.5	28,304.3	17,561.4	4,563.4	(664.1)	(2,200.6)	(8,807.8)	(10,953.6)	(6,139.5)	4,230.2	13,461.4	43,722.1	113,056.7

#### Notes

(Line 8, 13, 22, 28, 30 & 32)

<sup>(</sup>a) 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.

<sup>(</sup>b) Imbalance is composed of two components, Spectra imbalance (difference between Spectra metered and authorized deliveries) and Transportation imbalance (difference between the authorized receipts and customers' consumption or "burn").

<sup>(</sup>c) The net impact to the MCRA related to the movement of commodity costs into or out of the Gas in Storage inventory account. Gas injections to storage result in credits to the MCRA, while withdrawals result in costs being debited to the MCRA. Slight difference in totals due to rounding.

## FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS MCRA INCURRED MONTHLY ACTIVITIES FOR THE YEAR 2017 FORECAST PERIODS WITH FIVE-DAY AVERAGE FORWARD PRICES - FEB 15,16, 17, 21, AND 22, 2017

Line									- <b>,</b>						
No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
		Opening	Recorded	Projected	Projected	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	2017
		balance	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
1	MCRA COSTS (\$000)														
2	Midstream Commodity Related Costs														
3	Midstream Commodity Costs before Hedging (a)		\$ 20,750.6	\$ 11,546.2	\$ 7,115.3	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 6,465.7	\$ 11,667.3 \$	57,547.7
4	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	-
5	Imbalance <sup>(b)</sup>	\$ 1,897.7	(48.9)	-	-	-	-	-	-	-	-	-	-	-	(48.9)
6	Company Use Gas Recovered from O&M		(536.7)	(560.9)	(591.3)	(414.0)	(232.2)	(205.4)	(155.7)	(103.7)	(144.8)	(217.7)	(465.1)	(622.9)	(4,250.4)
7	Storage Withdrawal / (Injection) Activity (c)		13,137.1	10,044.1	7,390.3	298.2	(7,179.1)	(8,536.6)	(10,212.6)	(10,174.2)	(8,558.7)	(2,009.6)	9,161.8	11,266.9	4,627.6
8	Total Midstream Commodity Related Costs		\$ 33,302.2	\$ 21,029.3	\$ 13,914.2	\$ (115.4)	\$ (7,410.9)	\$ (8,741.6)	\$ (10,367.9)	\$ (10,277.5)	\$ (8,703.1)	\$ (2,226.9)	\$ 15,162.4	\$ 22,311.3 \$	57,876.1
9	·		· · · · · · · · · · · · · · · · · · ·	<u> </u>	<del> </del>						· · · · · · · · · · · · · · · · · · ·	<del>` ` ` ` ` ` ` ` ` ` ` ` ` ` ` ` ` ` ` </del>	<u>·                                      </u>	· · · · · ·	,
10	Storage Related Costs														
11	Storage Demand - Third Party Storage		\$ 2,642.0	\$ 2,502.1	\$ 2,518.7	\$ 2,514.7	\$ 3,520.3	\$ 3,511.3	\$ 3,508.8	\$ 3,507.1	\$ 3,495.7	\$ 3,501.3	\$ 2,514.8	\$ 2,528.7 \$	36,265.6
12	On-System Storage - Mt. Hayes (LNG)		1,520.5	1,534.5	1,517.4	1,517.4	1,517.4	1,517.4	1,625.5	1,709.6	1,704.2	1,600.0	1,521.4	1,521.5	18,806.6
13	Total Storage Related Costs		\$ 4,162.5	\$ 4,036.6	\$ 4,036.1	\$ 4,032.1	\$ 5,037.6	\$ 5,028.7	\$ 5,134.3	\$ 5,216.8	\$ 5,199.9	\$ 5,101.3	\$ 4,036.2	\$ 4,050.2 \$	55,072.2
14	•										·				<u> </u>
15	Transportation Related Costs														
16	Spectra (BC Pipeline)		\$ 8,395.9	\$ 7,707.5	\$ 7,639.9	\$ 7,366.9	\$ 7,397.6	\$ 7,348.0	\$ 7,423.5	\$ 7,402.8	\$ 7,305.5	\$ 7,340.4	\$ 7,553.3	\$ 7,805.5 \$	90,686.7
17	TransCanada (Foothill BC)		390.7	390.7	390.7	294.5	294.5	294.5	294.5	294.5	294.5	294.5	390.7	390.7	4,015.0
18	TransCanada (Nova Alta)		965.1	965.1	965.1	965.1	965.1	965.1	965.1	965.1	965.1	965.1	965.1	965.1	11,581.3
19	Northwest Pipeline		814.9	719.6	770.7	379.5	371.5	371.9	410.9	401.4	367.3	370.9	780.5	810.0	6,569.0
20	FortisBC Energy Huntingdon Inc.		11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	134.1
21	Southern Crossing Pipeline		300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	3,600.0
22	Total Transportation Related Costs		\$ 10,877.9	\$ 10,094.1	\$ 10,077.6	<u>\$ 9,317.1</u>	\$ 9,339.8	\$ 9,290.6	\$ 9,405.2	\$ 9,375.0	\$ 9,243.5	\$ 9,282.0	\$ 10,000.8	<u>\$ 10,282.6                                   </u>	116,586.2
23															
24	<u>Mitigation</u>														
25	Commodity Related Mitigation		\$ (3,855.7)	\$ (8,538.9)	\$ (5,586.1)	\$ (537.9)	\$ (511.3)	\$ (1,398.8)	\$ (1,644.6)	\$ (1,892.9)	\$ (1,619.2)	\$ (682.4)	\$ (7,628.9)	\$ (3,994.5) \$	(37,891.0)
26	Storage Related Mitigation		(484.3)	-	-	-	-	-	-	-	-	-	-	-	(484.3)
27	Transportation Related Mitigation		(3,155.9)	(1,240.0)	(1,913.5)	(6,345.8)	(6,690.8)	(6,547.0)	(7,251.4)	(7,416.6)	(7,295.1)	(6,504.7)	(1,964.7)	(1,505.0)	(57,830.4)
28	Total Mitigation		\$ (7,496.0)	\$ (9,778.8)	\$ (7,499.6)	\$ (6,883.7)	\$ (7,202.1)	\$ (7,945.8)	\$ (8,896.0)	\$ (9,309.4)	\$ (8,914.2)	<u>\$ (7,187.1)</u>	\$ (9,593.6)	<u>\$ (5,499.5)</u> <u>\$</u>	(96,205.8)
29															
30	GSMIP Incentive Sharing		\$ 313.5	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	<u>\$ 83.3</u> <u>\$</u>	1,230.2
31															
32	Core Market Administration Costs		\$ 280.5	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6 \$	3,410.6
33	TOTAL MCRA COSTS (\$000)		\$ 41,440.6	\$ 25,749.0	\$ 20,896.2	\$ 6,718.0	\$ 132.4	\$ (2,000.2)	\$ (4,356.6)	\$ (4,627.3)	\$ (2,806.0)	\$ 5,337.2	\$ 19,973.6	<u>\$ 31,512.5</u>	137,969.5

#### Notes

(Line 8, 13, 22, 28, 30 & 32)

<sup>(</sup>a) 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.

<sup>(</sup>b) Imbalance is composed of two components, Spectra imbalance (difference between Spectra metered and authorized deliveries) and Transportation imbalance (difference between the authorized receipts and customers' consumption or "burn").

The Jan 1, 2017 opening balance reflects FEI owed Spectra / Transportation Marketers 650 TJ of gas valued at \$1,897.7K. As imbalance amounts can be either a debit or credit value, and typically remain within a narrow range, FEI does not forecast future imbalance amounts.

<sup>(</sup>c) The net impact to the MCRA related to the movement of commodity costs into or out of the Gas in Storage inventory account. Gas injections to storage result in credits to the MCRA, while withdrawals result in costs being debited to the MCRA.

### FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS MCRA INCURRED MONTHLY ACTIVITIES FOR THE YEAR 2018 FORECAST PERIODS WITH FIVE-DAY AVERAGE FORWARD PRICES - FEB 15,16, 17, 21, AND 22, 2017

Line		. •					.511020 12	0,.0,, _	, ,,,	•					
No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
		Opening	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	2018
		balance	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total
1	MCRA COSTS (\$000)										•				
2	Midstream Commodity Related Costs														
3	Midstream Commodity Costs before Hedging (a)		\$ 12.180.0	\$ 11,037.4	\$ 7,164.5	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 6.765.6	\$ 12,028.3 \$	49,177.9
4	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	_	-	_	-	-	-	-	-
5	Imbalance (b)	\$ 1,848.8	(1,848.8)	_	_	-	-	_	-	_	_	_	_	-	(1,848.8)
6	Company Use Gas Recovered from O&M	, ,	(879.9)	(693.4)	(591.3)	(414.0)	(232.2)	(205.4)	(155.7)	(103.7)	(144.8)	(217.7)	(465.1)	(755.7)	(4,858.9)
7	Storage Withdrawal / (Injection) Activity (c)		10,859.7	9,824.2	6,798.9	450.5	(7,547.9)	(9,503.0)	(11,604.3)	(11,255.6)	(9,121.1)	, ,	9,819.5	11,938.8	(1,006.2)
8	Total Midstream Commodity Related Costs		\$ 20,311.0	\$ 20,168.2	\$ 13,372.1	\$ 36.7	\$ (7,779.8)	\$ (9,708.1)	\$ (11,759.7)	\$ (11,359.0)	\$ (9,265.6)	\$ (1,883.2)	\$ 16,120.0	\$ 23,211.4 \$	41,464.0
9	<b>,</b>		<u> </u>	· · · · · · ·		•	·	, (=, ===,	<del>, , , , , , , , , , , , , , , , , , , </del>	<u>, , , , , , , , , , , , , , , , , , , </u>	<del>, (=, ===</del> /	<u>, , , , , , , , , , , , , , , , , , , </u>	<del>, , , , , , , , , , , , , , , , , , , </del>	· · · ·	,
10	Storage Related Costs														
11	Storage Demand - Third Party Storage		\$ 2,534.3	\$ 2,508.6	\$ 2,519.4	\$ 2,540.4	\$ 3,541.5	\$ 3,530.1	\$ 3,527.7	\$ 3,526.7	\$ 3,513.3	\$ 3,525.5	\$ 2,542.4	\$ 2,556.8 \$	36,366.9
12	On-System Storage - Mt. Hayes (LNG)		1,534.9	1,534.5	1,517.4	1,517.4	1,517.4	1,517.4	1,625.5	1,709.6	1,704.2	1,600.0	1,521.4	1,521.5	18,821.1
13	Total Storage Related Costs		\$ 4,069.2	\$ 4,043.1	\$ 4,036.7	\$ 4,057.8	\$ 5,058.9	\$ 5,047.5	\$ 5,153.2	\$ 5,236.3	\$ 5,217.5	\$ 5,125.5	\$ 4,063.8	\$ 4,078.3 \$	55,187.9
14															
15	Transportation Related Costs														
16	Spectra (BC Pipeline)		\$ 8,280.1	\$ 8,192.0	\$ 8,124.4	\$ 7,856.1	\$ 7,886.8	\$ 7,837.2	\$ 7,912.8	\$ 7,892.0	\$ 7,794.7	\$ 7,829.6	\$ 8,039.3	\$ 8,290.4 \$	95,935.3
17	TransCanada (Foothill BC)		398.6	398.6	398.6	300.4	300.4	300.4	300.4	300.4	300.4	300.4	398.6	398.6	4,095.3
18	TransCanada (Nova Alta)		984.4	984.4	984.4	984.4	984.4	984.4	984.4	984.4	984.4	984.4	984.4	984.4	11,813.0
19	Northwest Pipeline		775.3	721.2	767.1	377.6	369.7	369.7	410.8	399.2	364.7	381.3	778.5	808.3	6,523.4
20	FortisBC Energy Huntingdon Inc.		11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	134.1
21	Southern Crossing Pipeline		300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	3,600.0
22	Total Transportation Related Costs		\$ 10,749.6	\$ 10,607.3	\$ 10,585.7	\$ 9,829.7	\$ 9,852.5	\$ 9,802.8	\$ 9,919.5	\$ 9,887.2	\$ 9,755.3	\$ 9,806.8	\$ 10,511.9	<u>\$ 10,792.9</u> <u>\$</u>	122,101.1
23															
24	<u>Mitigation</u>														
25	Commodity Related Mitigation		\$ (3,352.0)	\$ (7,410.9)	\$ (6,500.9)	\$ (863.1)	\$ (793.0)	\$ (1,676.0)	\$ (1,769.9)	\$ (2,134.4)	\$ (1,990.0)	\$ (1,067.7)	\$ (8,508.0)	\$ (4,489.1) \$	(40,555.1)
26	Storage Related Mitigation		-	-	-	-	-	-	-	-	-	-	-	-	-
27	Transportation Related Mitigation		(1,409.4)	(1,240.0)	(1,913.5)	(4,981.5)	(5,326.5)	(5,182.7)	(5,887.1)	(6,052.3)	(5,930.8)			(1,505.0)	(46,533.9)
28	Total Mitigation		<u>\$ (4,761.4)</u>	\$ (8,650.8)	\$ (8,414.4)	\$ (5,844.6)	\$ (6,119.5)	\$ (6,858.7)	\$ (7,657.0)	\$ (8,186.7)	\$ (7,920.8)	\$ (6,208.1)	<u>\$ (10,472.7)</u>	<u>\$ (5,994.1)</u> <u>\$</u>	(87,089.0)
29															
30	GSMIP Incentive Sharing		<u>\$ 83.3</u>	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	<u>\$ 83.3</u> <u>\$</u>	1,000.0
31															
32	Core Market Administration Costs		\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6 \$	3,414.6
33	TOTAL MCRA COSTS (\$000)		\$ 30 736 2	\$ 26 535 7	\$ 19 948 O	\$ 8 <u>4</u> 47 4	\$ 1379.0	\$ (1.348.6)	\$ (3,976.2)	\$ (4.054.4)	\$ (1.845.7)	\$ 7 208 9	\$ 20 590 9	\$ 32,456.4 \$	136,078.6
55	(\$000)		$\psi$ 00,7 00.2	Ψ 20,000.7	$\psi$ 10,040.0	$\psi$ 0,441.4	Ψ 1,013.3	$\psi$ (1,040.0)	$\psi$ (0,370.2)	$\psi$ ( $\pm$ ,00 $\pm$ . $\pm$ )	$\psi$ (1,043.7)	$\psi$ 1,200.9	Ψ 20,030.3	$\psi$ 02,700.7 $\psi$	100,070.0

#### Notes:

(Line 8, 13, 22, 28, 30 & 32)

- (a) 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.
- (b) Imbalance is composed of two components, Spectra imbalance (difference between Spectra metered and authorized deliveries) and Transportation imbalance (difference between the authorized receipts and customers' consumption or "burn"). For developing the forecast midstream costs opening imbalance amounts are forecast to be settled at the beginning of the prospective period. As imbalance amounts can be either a debit or credit value, and typically remain within a narrow range, FEI does not forecast future imbalance amounts.
- (c) The net impact to the MCRA related to the movement of commodity costs into or out of the Gas in Storage inventory account. Gas injections to storage result in credits to the MCRA, while withdrawals result in costs being debited to the MCRA.

## FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS STORAGE AND TRANSPORT RELATED CHARGES FLOW-THROUGH BY RATE SCHEDULE FOR THE FORECAST PERIOD APR 2017 TO MAR 2018 FIVE-DAY AVERAGE FORWARD PRICES - FEB 15,16, 17, 21, AND 22, 2017

Line No.	Particulars Particulars	Unit	Residential RS-1	Comm RS-2	RS-3	General Firm Service RS-5	NGV <b>RS-6</b>	Subtotal	RS-4	General Interruptible RS-7	RS-1 to RS-7 Summary	Total MCRA Gas Budget Costs	LNG <b>RS-46</b>	Term & Spot Gas Sales RS-14A	Off-System Interruptible Sales RS-30
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1 2	MCRA Sales Quantity	TJ	74,187.8	28,552.3	18,460.7	2,194.2	50.1	123,445.1	148.1	152.1	123,745.3		1,200.5	1,300.0	16,379.6
3	Load Factor Adjusted Quantity														
4	Load Factor <sup>(a)</sup>	%	31.1%	30.7%	36.8%	50.0%	100.0%								
5	Load Factor Adjusted Quantity	TJ	238,583.3	92,880.0	50,107.7	4,388.3	50.1	386,009.4							
6	Load Factor Adjusted Volumetric Allocation	%	61.8%	24.1%	13.0%	1.1%	0.0%	100.0%							
7 8 9	MCRA Cost of Gas - Load Factor Adjusted Allocation														
10	Midstream Commodity Related Costs (Net of Mitigation)	\$000		\$ 1,208.0	-	-	-	. ,			\$ 5,020.5		\$ (2,315.7)		
11 12	Midstream Commodity Related Costs  Midstream Commodity Related Mitigation		26,079.5 (22,976.4)	10,152.7 (8,944.7)	5,477.3 (4,825.6)	479.7 (422.6)	5.5 (4.8)	42,194.6 (37,174.1)					1,753.6 (4,069.4)	2,003.1 (4,543.0)	27,864.3 (27,864.3)
13	Storage Related Costs (Net of Mitigation)	\$000	33,985.6	13,230.5	7,137.7	625.1	7.1	54,986.1			54,986.1		(4,000.4)	(4,040.0)	(27,004.0)
14	Storage Related Costs	φοσσ	33,985.6	13,230.5	7,137.7	625.1	7.1	54,986.1			01,000.1		-	-	-
15	Storage Related Mitigation		-	-	-	-	-	-					-	-	-
16	Transportation Related Costs (Net of Mitigation)	\$000	37,946.9	14,772.7	7,969.7	698.0	8.0	61,395.2			61,395.2		427.9	464.8	-
17	Transportation Related Costs		72,611.1	28,267.4	15,249.9	1,335.6	15.2	117,479.2					427.9	464.8	-
18	Transportation Related Mitigation	<b>#</b> 000	(34,664.2)	(13,494.7)	(7,280.2)	(637.6)	(7.3)	(56,084.0)			1 000 0		-	-	-
19 20	GSMIP Incentive Sharing Core Market Administration Costs - MCRA 70%	\$000 \$000	618.1 2,110.5	240.6 821.6	129.8 443.2	11.4 38.8	0.1 0.4	1,000.0 3,414.6			1,000.0 3,414.6		_	-	-
												¢ 405.040.5		<u></u> (0.075.0)	<u> </u>
21	Total Midstream Cost of Gas Allocated by Rate Class	\$000	\$ 77,764.2	\$ 30,273.4	\$ 16,332.2	\$ 1,430.3	\$ 16.3	\$ 125,816.5			<u>\$ 125,816.5</u>	\$ 125,816.5	\$ (1,887.8)	\$ (2,075.2)	<del>\$ -</del>
22	T-Service UAF to be recovered via delivery revenues (b)											1,287.1			
23	Total MCRA Gas Costs <sup>(c)</sup>											<u>\$ 127,103.5</u>			
24	1/2 of Pre-Tax Amort. MCRA Deficit/(Surplus) as of Apr 1, 2017	\$000	\$ (15,040.3)	\$ (5,855.2)	\$ (3,158.8)	\$ (276.6)	\$ (3.2)	\$ (24,334.1)			\$ (24,334.1)				
25															
26 27	MCRA Cost of Gas Unitized										Average Costs				
28	Midstream Commodity Related Costs (Net of Mitigation)	\$/GJ	\$ 0.0418	•		-	•				\$ 0.0406				
29	Storage Related Costs (Net of Mitigation)	\$/GJ	0.4581	0.4634	0.3866	0.2849	0.1424				0.4443				
30 31	Transportation Related Costs (Net of Mitigation) GSMIP Incentive Sharing	\$/GJ \$/GJ	0.5115 0.0083	0.5174 0.0084	0.4317 0.0070	0.3181 0.0052	0.1590 0.0026				0.4961 0.0081				
32	Core Market Administration Costs - MCRA 70%	\$/GJ	0.0284	0.0288	0.0240	0.0177	0.0028				0.0276				
33	MCRA Flow-Through Costs before MCRA deferral amortization	\$/GJ	\$ 1.0482	\$ 1.0603	\$ 0.8847	\$ 0.6519	\$ 0.3259				\$ 1.0167				
34	MCRA Deferral Amortization via Rate Rider 6	\$/GJ	\$ (0.2027)	\$ (0.2051)	\$ (0.1711)	\$ (0.1261)	\$ (0.0630)				\$ (0.1966)				

#### Notes

<sup>(</sup>a) Based on the historical 3-year (2013, 2014, and 2015 data) rolling average load factors for rate schedule 1, 2, 3 and deemed 50% for rate schedule 5.

<sup>(</sup>b) The total cost of UAF (Sales Rate Classes and T-Service) is included as a component of gas purchased. Sales UAF costs are recovered via gas cost recovery rates. As the T-Service UAF costs are recovered via delivery revenues, they are excluded from the storage and transportation flow-through calculation.

<sup>(</sup>c) Reconciled to the Total MCRA Costs (Tab 1, Page 7, Col. 3, Line 47).



Erica Hamilton
Commission Secretary

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Log No. #####

Letter L-##-##

Via Email

gas.regulatory.affairs@fortisbc.com

March ##, 2017

Ms. Diane Roy Vice President, Regulatory Affairs FortisBC Energy Inc. 16705 Fraser Highway Surrey, BC V4N 0E8

Dear Ms. Roy:

Re: FortisBC Energy Inc. – Mainland, Vancouver Island, and Whistler Service Areas

2017 First Quarter Gas Cost Report

Commodity Cost Reconciliation Account and Midstream Cost Reconciliation Account

On March 1, 2017, FortisBC Energy Inc. filed with the British Columbia Utilities Commission (Commission) its 2017 First Quarter Gas Cost Report for the Mainland, Vancouver Island, and Whistler service areas (Report).

The Commission notes that Order G-145-16 established the current Commodity Cost Recovery Charge for the Mainland, Vancouver Island, and Whistler service areas.

The Commission acknowledges receipt of the Report and accepts the recommendation that the Commodity Cost Recovery Charge for the Mainland, Vancouver Island, and Whistler service areas remain unchanged at \$2.050 per gigajoule effective April 1, 2017.

Yours t	trulv.
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Erica Hamilton