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June 7, 2017

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Mr. Patrick Wruck, Commission Secretary and Manager, Regulatory Support

Dear Mr. Wruck:

**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 Second Quarter Gas Cost Report**

The attached materials provide the FortisBC Energy Inc. (FEI or the Company) 2017 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 24, 25, 26, 30, and 31, 2017 forward prices (five-day average forward prices ending May 31, 2017).

CCRA Deferral Account

Based on the five-day average forward prices ending May 31, 2017, the June 30, 2017 CCRA balance is projected to be approximately \$3 million deficit after tax. Further, based on the five-day average forward prices ending May 31, 2017, the gas purchase cost assumptions, and the forecast commodity cost recoveries at present rates for the 12-month period ending June 30, 2018, and accounting for the projected June 30, 2017 deferral balance, the CCRA trigger ratio is calculated to be 81.5 percent (Tab 1, Page 2, Column 4, Line 7), which falls outside 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 \$0.465/GJ (Tab 1, Page 2, Column 5, Line 24), 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 May 31, 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 July 1, 2017 to June 30, 2018 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, 2018, based on the five-day average forward prices ending May 31, 2017, is projected to be approximately \$22 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 May 31, 2017, are projected to be approximately \$37 million and \$7 million surplus after tax, respectively.

The schedules at Tab 2, Pages 4 and 5, provide details of MCRA gas supply costs for calendar 2017 and 2018 based on the five-day average forward prices ending May 31, 2017.

FEI will continue to monitor and report the MCRA balances consistent with the Company's position that midstream costs and recoveries 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 July 1, 2017.

FEI will continue to monitor the forward prices, and will report CCRA and MCRA balances in its 2017 Third Quarter Gas Cost Report.

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

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachments

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
CCRA MONTHLY BALANCES AT EXISTING RATES (AFTER ADJUSTMENTS FOR ENERGY DIFFERENCES)
FOR THE FORECAST PERIOD FROM JUL 2017 TO JUN 2019
FIVE-DAY AVERAGE FORWARD PRICES - MAY 24, 25, 26, 30, AND 31, 2017
\$(Millions)

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1		Recorded	Recorded	Recorded	Recorded	Projected	Projected							
2		Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17							Jan-17 to Jun-17
3	CCRA Balance - Beginning (Pre-tax) ^(a)	\$ (22)	\$ (13)	\$ (9)	\$ (6)	\$ (3)	\$ 1							\$ (22)
4	Gas Costs Incurred	31	23	24	23	24	26							151
5	Revenue from APPROVED Recovery Rate	(21)	(19)	(21)	(20)	(21)	(20)							(122)
6	CCRA Balance - Ending (Pre-tax) ^(b)	<u>\$ (13)</u>	<u>\$ (9)</u>	<u>\$ (6)</u>	<u>\$ (3)</u>	<u>\$ 1</u>	<u>\$ 4</u>							<u>\$ 4</u>
7														
8	CCRA Balance - Ending (After-tax) ^(c)	<u>\$ (9)</u>	<u>\$ (6)</u>	<u>\$ (4)</u>	<u>\$ (2)</u>	<u>\$ 1</u>	<u>\$ 3</u>							<u>\$ 3</u>
9														
10														
11														Jul-17 to Jun-18
12		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
13		Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	
14	CCRA Balance - Beginning (Pre-tax) ^(a)	\$ 4	\$ 9	\$ 13	\$ 17	\$ 21	\$ 27	\$ 34	\$ 42	\$ 49	\$ 56	\$ 56	\$ 56	\$ 4
15	Gas Costs Incurred	25	25	24	25	26	28	29	26	28	20	20	20	296
16	Revenue from EXISTING Recovery Rates	(21)	(21)	(20)	(21)	(20)	(21)	(21)	(19)	(21)	(20)	(21)	(20)	(244)
17	CCRA Balance - Ending (Pre-tax) ^(b)	<u>\$ 9</u>	<u>\$ 13</u>	<u>\$ 17</u>	<u>\$ 21</u>	<u>\$ 27</u>	<u>\$ 34</u>	<u>\$ 42</u>	<u>\$ 49</u>	<u>\$ 56</u>	<u>\$ 56</u>	<u>\$ 56</u>	<u>\$ 55</u>	<u>\$ 55</u>
18														
19	CCRA Balance - Ending (After-tax) ^(c)	<u>\$ 6</u>	<u>\$ 10</u>	<u>\$ 12</u>	<u>\$ 16</u>	<u>\$ 20</u>	<u>\$ 25</u>	<u>\$ 31</u>	<u>\$ 36</u>	<u>\$ 41</u>	<u>\$ 42</u>	<u>\$ 41</u>	<u>\$ 41</u>	<u>\$ 41</u>
20														
21														
22														Jul-18 to Jun-19
23		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
24		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	
25	CCRA Balance - Beginning (Pre-tax) ^(a)	\$ 55	\$ 55	\$ 55	\$ 55	\$ 55	\$ 58	\$ 63	\$ 69	\$ 74	\$ 79	\$ 77	\$ 74	\$ 55
26	Gas Costs Incurred	21	21	20	21	23	25	27	24	26	18	18	18	264
27	Revenue from EXISTING Recovery Rates	(21)	(21)	(20)	(21)	(20)	(21)	(21)	(19)	(21)	(20)	(21)	(20)	(247)
28	CCRA Balance - Ending (Pre-tax) ^(b)	<u>\$ 55</u>	<u>\$ 55</u>	<u>\$ 55</u>	<u>\$ 55</u>	<u>\$ 58</u>	<u>\$ 63</u>	<u>\$ 69</u>	<u>\$ 74</u>	<u>\$ 79</u>	<u>\$ 77</u>	<u>\$ 74</u>	<u>\$ 72</u>	<u>\$ 72</u>
29														
30	CCRA Balance - Ending (After-tax) ^(c)	<u>\$ 41</u>	<u>\$ 41</u>	<u>\$ 41</u>	<u>\$ 41</u>	<u>\$ 43</u>	<u>\$ 46</u>	<u>\$ 51</u>	<u>\$ 55</u>	<u>\$ 58</u>	<u>\$ 57</u>	<u>\$ 55</u>	<u>\$ 53</u>	<u>\$ 53</u>

Notes:

2017 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 June 30, 2017.

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

Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
CCRA RATE CHANGE TRIGGER MECHANISM
FOR THE FORECAST PERIOD JUL 2017 TO JUN 2018
FIVE-DAY AVERAGE FORWARD PRICES - MAY 24, 25, 26, 30, AND 31, 2017

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, 2017	\$ 4				(Tab 1, Page 1, Col.14, Line 6)
4	Forecast Incurred Gas Costs - Jul 2017 to Jun 2018	\$ 296				(Tab 1, Page 1, Col.14, Line 15)
5	Forecast Recovery Gas Costs at Existing Recovery Rate - Jul 2017 to Jun 2018	\$ 244				(Tab 1, Page 1, Col.14, Line 16)
6						
7	CCRA = $\frac{\text{Forecast Recovered Gas Costs (Line 5)}}{\text{Forecast Incurred Gas Costs (Line 4) + Projected CCRA Balance (Line 3)}}$	= \$ 244		= 81.5%		
8	Ratio	\$ 300				Outside 95% to 105% deadband
9						
10						
11						
12						
13						
14	<u>Existing Cost of Gas (Commodity Cost Recovery Rate), effective October 1, 2016</u>				<u>\$ 2.050</u>	
15						
16						
17						
18						
19	<u>CCRA RATE CHANGE THRESHOLD (+/- \$0.50/GJ)</u>					
20						
21	Forecast 12-month CCRA Baseload - Jul 2017 to Jun 2018		119,253			(Tab1, Page 7, Col.5, Line 11)
22	(Over) / Under Recovery at Existing CCRA Rate	\$ 55				(Line 3 + Line4 - Line 5)
23						
24	Tested Rate (Decrease) / Increase				<u>\$ 0.465</u>	Within minimum +/- \$0.50/GJ threshold

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 FROM JUL 2017 TO JUN 2019
FIVE-DAY AVERAGE FORWARD PRICES - MAY 24, 25, 26, 30, AND 31, 2017
\$(Millions)

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		Recorded Jan-17	Recorded Feb-17	Recorded Mar-17	Recorded Apr-17	Projected May-17	Projected Jun-17	Forecast Jul-17	Forecast Aug-17	Forecast Sep-17	Forecast Oct-17	Forecast Nov-17	Forecast Dec-17	Total 2017
1														
2														
3	MCRA Balance - Beginning (Pre-tax) ^(a)	\$ (45)	\$ (48)	\$ (51)	\$ (54)	\$ (57)	\$ (56)	\$ (59)	\$ (57)	\$ (55)	\$ (53)	\$ (54)	\$ (51)	\$ (45)
4	2017 MCRA Activities													
5	Rate Rider 6 ^(d)													
6	Amount to be amortized in 2017													\$ (24)
7	Rider 6 Amortization at APPROVED 2017 Rates	\$ 4	\$ 4	\$ 3	\$ 2	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 3	\$ 4	\$ 26
8	Midstream Base Rates													
9	Gas Costs Incurred	\$ 41	\$ 31	\$ 21	\$ 6	\$ (3)	\$ (8)	\$ (10)	\$ (10)	\$ (7)	\$ 4	\$ 22	\$ 35	\$ 125
10	Revenue from APPROVED Recovery Rates	(48)	(38)	(27)	(12)	3	8	11	11	8	(6)	(22)	(39)	(151)
11	Total Midstream Base Rates (Pre-tax)	\$ (7)	\$ (7)	\$ (6)	\$ (6)	\$ 0	\$ 1	\$ 1	\$ 1	\$ 1	\$ (2)	\$ (0)	\$ (3)	\$ (27)
12														
13	MCRA Cumulative Balance - Ending (Pre-tax) ^(b)	\$ (48)	\$ (51)	\$ (54)	\$ (57)	\$ (56)	\$ (59)	\$ (57)	\$ (55)	\$ (53)	\$ (54)	\$ (51)	\$ (51)	\$ (51)
14														
15	MCRA Cumulative Balance - Ending (After-tax) ^(c)	\$ (35)	\$ (38)	\$ (40)	\$ (43)	\$ (42)	\$ (44)	\$ (42)	\$ (41)	\$ (40)	\$ (40)	\$ (38)	\$ (37)	\$ (37)
16														
17														
18		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
19														
20	MCRA Balance - Beginning (Pre-tax) ^(a)	\$ (51)	\$ (49)	\$ (45)	\$ (42)	\$ (41)	\$ (37)	\$ (30)	\$ (24)	\$ (17)	\$ (11)	\$ (9)	\$ (8)	\$ (51)
21	2018 MCRA Activities													
22	Rate Rider 6													
23														
24	Rider 6 Amortization at APPROVED 2017 Rates	\$ 4	\$ 3	\$ 3	\$ 2	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 3	\$ 4	\$ 24
25	Midstream Base Rates													
26	Gas Costs Incurred	\$ 35	\$ 29	\$ 22	\$ 8	\$ 0	\$ (2)	\$ (5)	\$ (5)	\$ (3)	\$ 7	\$ 21	\$ 33	\$ 140
27	Revenue from EXISTING Recovery Rates	(37)	(28)	(22)	(9)	3	8	11	11	8	(7)	(22)	(38)	(123)
28	Total Midstream Base Rates (Pre-tax)	\$ (2)	\$ 1	\$ 0	\$ (1)	\$ 3	\$ 6	\$ 6	\$ 6	\$ 5	\$ 0	\$ (1)	\$ (5)	\$ 17
29														
30	MCRA Cumulative Balance - Ending (Pre-tax) ^(b)	\$ (49)	\$ (45)	\$ (42)	\$ (41)	\$ (37)	\$ (30)	\$ (24)	\$ (17)	\$ (11)	\$ (9)	\$ (8)	\$ (10)	\$ (10)
31														
32	MCRA Cumulative Balance - Ending (After-tax) ^(c)	\$ (36)	\$ (33)	\$ (31)	\$ (30)	\$ (27)	\$ (22)	\$ (17)	\$ (13)	\$ (8)	\$ (7)	\$ (6)	\$ (7)	\$ (7)

Notes:

2017 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 \$4.2 million credit as at June 30, 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.

Slight differences in totals due to rounding.

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

Line No	Particulars	Five-day Average Forward Prices - May 24, 25, 26, 30, and 31, 2017 2017 Q2 Gas Cost Report	Five-day Average Forward Prices - Feb 15,16, 17, 21, and 22, 2017 2017 Q1 Gas Cost Report	Change in Forward Price
	(1)	(2)	(3)	(4) = (2) - (3)
1	SUMAS Index Prices - presented in \$US/MMBtu			
2				
3	2017 January	↑ \$ 4.85	Recorded \$ 4.85	\$ -
4	February	\$ 3.17	Forecast \$ 3.38	\$ (0.21)
5	March	\$ 2.20	\$ 2.29	\$ (0.09)
6	April	Recorded \$ 2.34	\$ 2.18	\$ 0.16
7	May	Forecast \$ 2.43	\$ 2.19	\$ 0.25
8	June	\$ 2.70	\$ 2.25	\$ 0.45
9	July	\$ 2.71	\$ 2.55	\$ 0.16
10	August	\$ 2.76	\$ 2.58	\$ 0.18
11	September	\$ 2.73	\$ 2.58	\$ 0.15
12	October	\$ 2.73	\$ 2.69	\$ 0.04
13	November	\$ 2.95	\$ 2.89	\$ 0.06
14	December	\$ 3.41	\$ 3.36	\$ 0.05
15	2018 January	\$ 3.34	\$ 3.31	\$ 0.03
16	February	\$ 3.21	\$ 3.18	\$ 0.03
17	March	\$ 2.75	\$ 2.72	\$ 0.03
18	April	\$ 2.08	\$ 1.93	\$ 0.15
19	May	\$ 1.97	\$ 1.81	\$ 0.15
20	June	\$ 2.00	\$ 1.83	\$ 0.17
21	July	\$ 2.08	\$ 2.09	\$ (0.01)
22	August	\$ 2.09	\$ 2.11	\$ (0.02)
23	September	\$ 2.23	\$ 2.10	\$ 0.13
24	October	\$ 2.24	\$ 2.21	\$ 0.03
25	November	\$ 2.63	\$ 2.61	\$ 0.02
26	December	\$ 3.11	\$ 3.09	\$ 0.02
27	2019 January	\$ 3.05	\$ 3.05	\$ 0.01
28	February	\$ 2.93	\$ 2.93	\$ 0.00
29	March	\$ 2.48	\$ 2.50	\$ (0.02)
30	April	\$ 1.80		
31	May	\$ 1.71		
32	June	\$ 1.74		
33				
34	<i>Simple Average (Jul 2017 - Jun 2018)</i>	\$ 2.72	\$ 2.62	3.8% \$ 0.10
35	<i>Simple Average (Oct 2017 - Sep 2018)</i>	\$ 2.57	\$ 2.50	2.7% \$ 0.07
36	<i>Simple Average (Jan 2018 - Dec 2018)</i>	\$ 2.48	\$ 2.42	2.6% \$ 0.06
37	<i>Simple Average (Apr 2018 - Mar 2019)</i>	\$ 2.41	\$ 2.35	2.3% \$ 0.05
38	<i>Simple Average (Jul 2018 - Jun 2019)</i>	\$ 2.34		

Conversion Factors
1 MMBtu = 1.055056 GJ

Marketview Average Exchange Rate (\$1US=\$x.xxxCDN)

Forecast Jul 2017 - Jun 2018	Forecast Apr 2017 - Mar 2018	
\$ 1.3421	\$ 1.3089	2.5% \$ 0.0332

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

Line No	Particulars	Five-day Average Forward Prices - May 24, 25, 26, 30, and 31, 2017 2017 Q2 Gas Cost Report	Five-day Average Forward Prices - Feb 15,16, 17, 21, and 22, 2017 2017 Q1 Gas Cost Report	Change in Forward Price
	(1)	(2)	(3)	(4) = (2) - (3)
1	SUMAS Index Prices - presented in \$CDN/GJ			
2				
3	2017 January	↑ \$ 6.17	Recorded \$ 6.17	\$ -
4	February	\$ 3.91	Forecast \$ 4.17	\$ (0.26)
5	March	\$ 2.76	\$ 2.85	\$ (0.09)
6	April	Recorded \$ 2.95	↓ \$ 2.71	\$ 0.24
7	May	Forecast \$ 3.15	\$ 2.72	\$ 0.43
8	June	\$ 3.44	\$ 2.80	\$ 0.65
9	July	\$ 3.45	\$ 3.16	\$ 0.29
10	August	↓ \$ 3.52	\$ 3.21	\$ 0.32
11	September	\$ 3.47	\$ 3.20	\$ 0.28
12	October	\$ 3.48	\$ 3.34	\$ 0.14
13	November	\$ 3.75	\$ 3.58	\$ 0.17
14	December	\$ 4.34	\$ 4.17	\$ 0.17
15	2018 January	\$ 4.25	\$ 4.09	\$ 0.15
16	February	\$ 4.08	\$ 3.94	\$ 0.15
17	March	\$ 3.50	\$ 3.37	\$ 0.13
18	April	\$ 2.64	\$ 2.39	\$ 0.26
19	May	\$ 2.50	\$ 2.24	\$ 0.25
20	June	\$ 2.54	\$ 2.26	\$ 0.28
21	July	\$ 2.64	\$ 2.58	\$ 0.06
22	August	\$ 2.65	\$ 2.61	\$ 0.04
23	September	\$ 2.82	\$ 2.58	\$ 0.24
24	October	\$ 2.84	\$ 2.74	\$ 0.10
25	November	\$ 3.33	\$ 3.23	\$ 0.11
26	December	\$ 3.93	\$ 3.82	\$ 0.11
27	2019 January	\$ 3.87	\$ 3.77	\$ 0.10
28	February	\$ 3.72	\$ 3.62	\$ 0.10
29	March	\$ 3.14	\$ 3.07	\$ 0.07
30	April	\$ 2.29		
31	May	\$ 2.16		
32	June	\$ 2.19		
33				
34	Simple Average (Jul 2017 - Jun 2018)	\$ 3.46	\$ 3.25	6.6% \$ 0.21
35	Simple Average (Oct 2017 - Sep 2018)	\$ 3.27	\$ 3.10	5.5% \$ 0.17
36	Simple Average (Jan 2018 - Dec 2018)	\$ 3.14	\$ 2.99	5.2% \$ 0.16
37	Simple Average (Apr 2018 - Mar 2019)	\$ 3.05	\$ 2.91	4.9% \$ 0.14
38	Simple Average (Jul 2018 - Jun 2019)	\$ 2.97		

Conversion Factors

1 MMBtu = 1.055056 GJ

Marketview Average Exchange Rate (\$1US=\$x.xxxCDN)

Forecast Jul 2017 - Jun 2018	Forecast Apr 2017 - Mar 2018	
\$ 1.3421	\$ 1.3089	2.5% \$ 0.0332

**FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
AECO INDEX FORECAST FOR THE PERIOD ENDING JUN 2019**

Line No	Particulars		Five-day Average Forward Prices - May 24, 25, 26, 30, and 31, 2017 2017 Q2 Gas Cost Report		Five-day Average Forward Prices - Feb 15,16, 17, 21, and 22, 2017 2017 Q1 Gas Cost Report		Change in Forward Price
	(1)		(2)		(3)		(4) = (2) - (3)
1	AECO Index Prices - \$CDN/GJ						
2							
3	2017	January	↑	\$ 3.33	Recorded	\$ 3.33	\$ -
4		February		\$ 2.70	Forecast	\$ 2.70	\$ 0.00
5		March		\$ 2.33		\$ 2.39	\$ (0.06)
6		April	Recorded	\$ 2.46		\$ 2.29	\$ 0.17
7		May	Forecast	\$ 2.66		\$ 2.27	\$ 0.39
8		June		\$ 2.79		\$ 2.27	\$ 0.53
9		July		\$ 2.75		\$ 2.29	\$ 0.45
10		August		\$ 2.76		\$ 2.33	\$ 0.43
11		September		\$ 2.74		\$ 2.35	\$ 0.39
12		October		\$ 2.76		\$ 2.43	\$ 0.34
13		November		\$ 2.86		\$ 2.76	\$ 0.09
14		December		\$ 2.96		\$ 2.89	\$ 0.07
15	2018	January		\$ 3.03		\$ 2.99	\$ 0.04
16		February		\$ 3.05		\$ 3.00	\$ 0.05
17		March		\$ 2.96		\$ 2.91	\$ 0.06
18		April		\$ 2.37		\$ 2.40	\$ (0.03)
19		May		\$ 2.31		\$ 2.34	\$ (0.04)
20		June		\$ 2.33		\$ 2.37	\$ (0.04)
21		July		\$ 2.33		\$ 2.37	\$ (0.04)
22		August		\$ 2.34		\$ 2.38	\$ (0.04)
23		September		\$ 2.33		\$ 2.38	\$ (0.06)
24		October		\$ 2.40		\$ 2.42	\$ (0.02)
25		November		\$ 2.51		\$ 2.52	\$ (0.01)
26		December		\$ 2.67		\$ 2.70	\$ (0.03)
27	2019	January		\$ 2.83		\$ 2.83	\$ 0.00
28		February		\$ 2.79		\$ 2.80	\$ (0.01)
29		March		\$ 2.69		\$ 2.67	\$ 0.02
30		April		\$ 2.15			
31		May		\$ 2.09			
32		June		\$ 2.10			
33							
34		<i>Simple Average (Jul 2017 - Jun 2018)</i>		\$ 2.74		\$ 2.59	5.9% \$ 0.15
35		<i>Simple Average (Oct 2017 - Sep 2018)</i>		\$ 2.64		\$ 2.60	1.3% \$ 0.03
36		<i>Simple Average (Jan 2018 - Dec 2018)</i>		\$ 2.55		\$ 2.57	-0.5% \$ (0.01)
37		<i>Simple Average (Apr 2018 - Mar 2019)</i>		\$ 2.49		\$ 2.52	-1.0% \$ (0.02)
38		<i>Simple Average (Jul 2018 - Jun 2019)</i>		\$ 2.44			

**FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
STATION 2 INDEX FORECAST FOR THE PERIOD ENDING JUN 2019**

Line No	Particulars	Five-day Average Forward Prices - May 24, 25, 26, 30, and 31, 2017 2017 Q2 Gas Cost report	Five-day Average Forward Prices - Feb 15,16, 17, 21, and 22, 2017 2017 Q1 Gas Cost report	Change in Forward Price
	(1)	(2)	(3)	(4) = (2) - (3)
1	Station 2 Index Prices - \$CDN/GJ			
2				
3	2017 January	↑ \$ 3.14	Recorded \$ 3.14	\$ -
4	February	\$ 2.33	Forecast \$ 2.42	\$ (0.09)
5	March	\$ 1.91	\$ 2.02	\$ (0.11)
6	April	Recorded \$ 2.03	↓ \$ 1.69	\$ 0.34
7	May	\$ 2.16	\$ 1.67	\$ 0.49
8	June	\$ 2.58	\$ 1.67	\$ 0.91
9	July	\$ 2.22	\$ 1.69	\$ 0.53
10	August	↓ \$ 2.21	\$ 1.73	\$ 0.49
11	September	\$ 2.15	\$ 1.75	\$ 0.40
12	October	\$ 2.20	\$ 1.83	\$ 0.38
13	November	\$ 2.50	\$ 2.26	\$ 0.24
14	December	\$ 2.60	\$ 2.38	\$ 0.21
15	2018 January	\$ 2.67	\$ 2.48	\$ 0.19
16	February	\$ 2.69	\$ 2.49	\$ 0.20
17	March	\$ 2.60	\$ 2.40	\$ 0.20
18	April	\$ 1.90	\$ 1.93	\$ (0.03)
19	May	\$ 1.84	\$ 1.87	\$ (0.03)
20	June	\$ 1.86	\$ 1.90	\$ (0.04)
21	July	\$ 1.87	\$ 1.90	\$ (0.04)
22	August	\$ 1.87	\$ 1.91	\$ (0.04)
23	September	\$ 1.86	\$ 1.91	\$ (0.05)
24	October	\$ 1.93	\$ 1.95	\$ (0.02)
25	November	\$ 2.23	\$ 2.24	\$ (0.02)
26	December	\$ 2.38	\$ 2.42	\$ (0.03)
27	2019 January	\$ 2.54	\$ 2.55	\$ (0.00)
28	February	\$ 2.51	\$ 2.52	\$ (0.01)
29	March	\$ 2.41	\$ 2.39	\$ 0.01
30	April	\$ 1.76		
31	May	\$ 1.70		
32	June	\$ 1.71		
33				
34	<i>Simple Average (Jul 2017 - Jun 2018)</i>	\$ 2.29	\$ 2.06	11.1% \$ 0.23
35	<i>Simple Average (Oct 2017 - Sep 2018)</i>	\$ 2.21	\$ 2.11	4.7% \$ 0.10
36	<i>Simple Average (Jan 2018 - Dec 2018)</i>	\$ 2.14	\$ 2.12	1.2% \$ 0.02
37	<i>Simple Average (Apr 2018 - Mar 2019)</i>	\$ 2.10	\$ 2.12	-1.2% \$ (0.03)
38	<i>Simple Average (Jul 2018 - Jun 2019)</i>	\$ 2.06		

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
GAS BUDGET COST SUMMARY FOR THE FORECAST PERIOD JUL 2017 TO JUN 2018
FIVE-DAY AVERAGE FORWARD PRICES - MAY 24, 25, 26, 30, AND 31, 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		\$ 214,221		93,554	\$ 2.290	
4	AECO		82,640		30,141	\$ 2.742	
5	Huntingdon		-		-		
6	Commodity Costs before Hedging		<u>\$ 296,861</u>		<u>123,696</u>	\$ 2.400	incl. Fuel Gas Provided to Midstream (Receipt Point Fuel Gas) per Order E-10-16, FEI implemented hedges for summer 2017-18.
7	Mark to Market Hedges Cost / (Gain)		(2,794)		-		
8	Subtotal Commodity Purchased		<u>\$ 294,067</u>		<u>123,696</u>	\$ 2.377	
9	Core Market Administration Costs		1,463		-		
10	Fuel Gas Provided to Midstream				<u>(4,442)</u>		
11	Total CCRA Baseload				<u>119,253</u>		
12	Total CCRA Costs		<u>\$ 295,531</u>			<u>\$ 2.478</u>	average unit cost = Line 12, Col. 3 divided by Line 11, Col.5
13							
14							
15	MCRA						
16	Midstream Commodity Related Costs						
17	Midstream Commodity before Hedging		\$ 57,309		22,827	\$ 2.511	
18	Mark to Market Hedges Cost / (Gain)		-		-		
19	Imbalance		(810)		(342)		
20	Company Use Gas Recovered from O&M		(4,726)		(701)		
21	Injections into Storage	\$ (70,965)		(29,570)		\$ 2.400	
22	Withdrawals from Storage	<u>71,648</u>		<u>28,396</u>		\$ 2.523	
23	Storage Withdrawal / (Injection) Activity		683		(1,174)		
24	Total Midstream Commodity Related Costs		<u>\$ 52,456</u>		<u>20,610</u>	\$ 2.545	incl. Company Use Gas and UAF
25							
26	Storage Related Costs						
27	Storage Demand - Third Party Storage	\$ 36,659					
28	On-System Storage - Mt. Hayes (LNG)	<u>18,821</u>					
29	Total Storage Related Costs		55,480				
30							
31	Transport Related Costs		113,953				
32							
33	Mitigation						
34	Commodity Mitigation	\$ (46,761)			(18,840)		
35	Storage Mitigation	-					
36	Transportation Mitigation	<u>(51,743)</u>					
37	Total Mitigation		(98,504)				
38							
39	GSMIP Incentive Sharing		1,000				
40							
41	Core Market Administration Costs		<u>3,415</u>				
42							
43							
44	UAF (Sales & T-Service) & Net Transportation Fuel ^(a)				(1,770)		
45							
46	Net MCRA Commodity (Lines 24, 34 & 44)				<u>-</u>		
47	Total MCRA Costs (Lines 24, 29, 31, 37, 39, & 41)		<u>\$ 127,800</u>			<u>\$ 1.033</u>	average unit cost = Line 47, Col. 3 divided by Line 48, Col.5
48	Total Core Sales Quantities				<u>123,720</u>		
49	Total Forecast Gas Costs (Lines 12 & 47)		<u>\$ 423,330</u>				reference to Tab 1, Page 8, Line 11, Col. 3

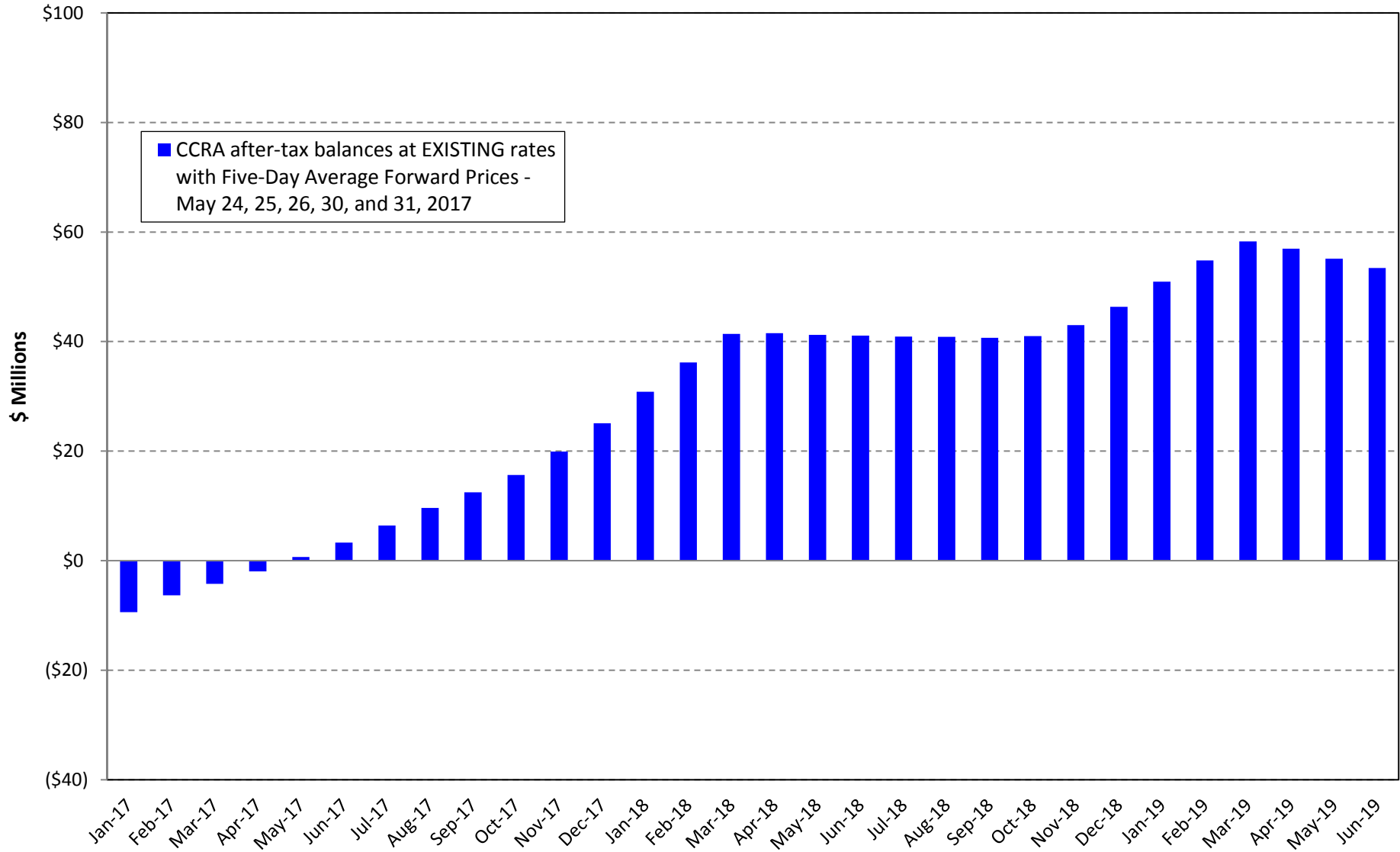
Notes: (a) The total cost of UAF (Sales Rate Classes and T-Service) is included as a component of gas purchased. Sales UAF costs are recovered via gas cost recovery rates. As the T-Service UAF costs are recovered via delivery revenues, they are excluded from the storage and transportation flow-through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

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
RECONCILIATION OF GAS COST INCURRED
FOR THE FORECAST PERIOD JUL 2017 TO JUN 2018
FIVE-DAY AVERAGE FORWARD PRICES - MAY 24, 25, 26, 30, AND 31, 2017
\$(Millions)

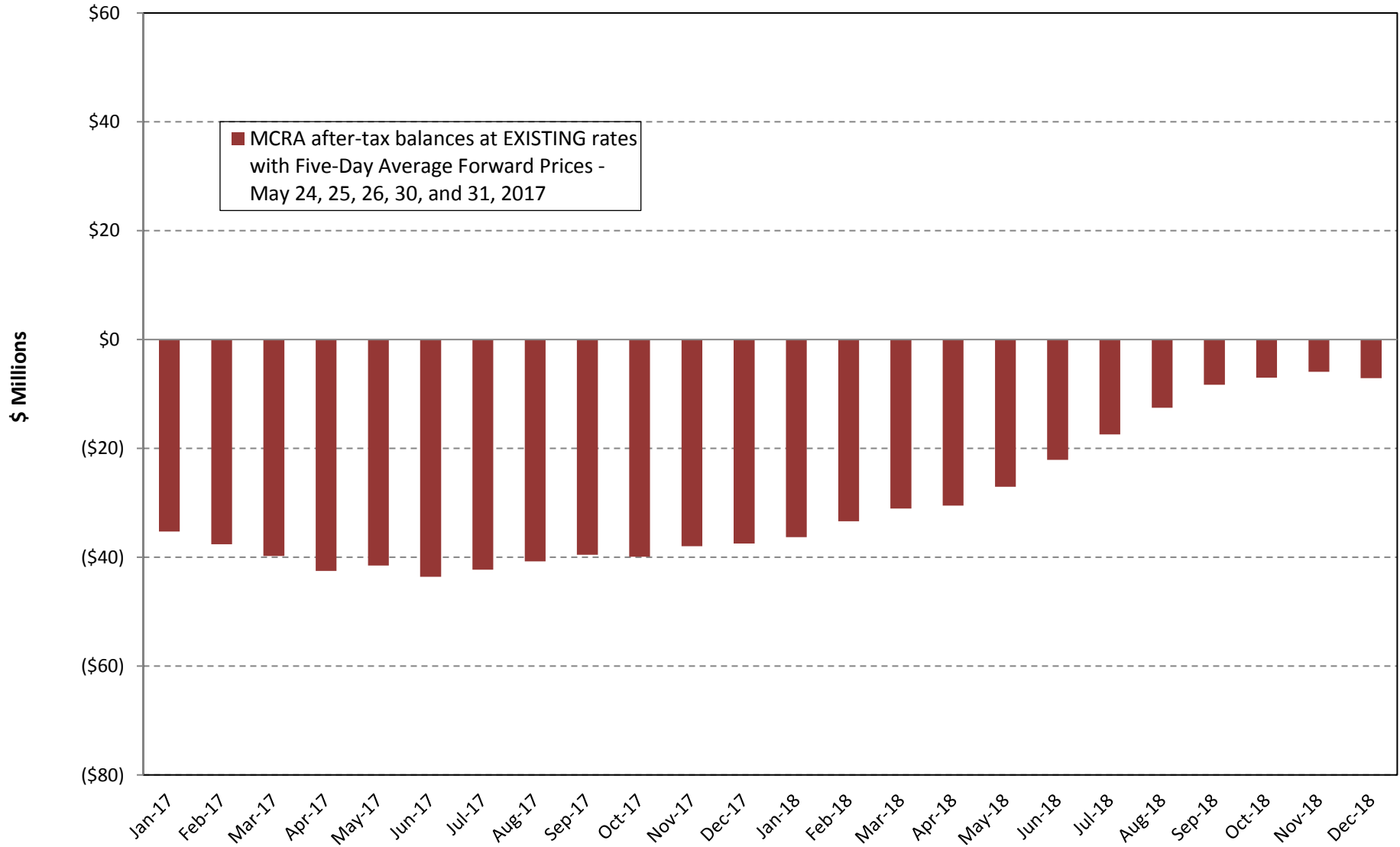
No.	Particulars (1)	CCRA / MCRA Deferral Account Forecast (2)	Gas Budget Cost Summary (3)	References (4)
1	Gas Cost Incurred			
2	CCRA	\$ 296		(Tab 1, Page 1, Col.14, Line 15)
3	MCRA	128		(Tab 1, Page 3, Col.8, Line 9 & Col.7, Line 26)
4				
5				
6	Gas Budget Cost Summary			
7	CCRA		\$ 296	(Tab 1, Page 7, Col.3, Line 12)
8	MCRA		128	(Tab 1, Page 7, Col.3, Line 47)
9				
10				
11	Totals Reconciled	\$ 423	\$ 423	

Slight differences in totals due to rounding.

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



FortisBC Energy Inc. - Mainland, Vancouver Island and Whistler Service Areas
 MCRA After-Tax Monthly Balances
 Recorded April 2017 and Forecast to December 2018



FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
CCRA INCURRED MONTHLY ACTIVITIES
RECORDED PERIOD TO APR 2017 AND FORECAST TO JUN 2017
FIVE-DAY AVERAGE FORWARD PRICES - MAY 24, 25, 26, 30, AND 31, 2017

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1		Recorded	Recorded	Recorded	Recorded	Projected	Projected							Jan-17 to
2		Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17							Jun-17
3														Total
3		CCRA QUANTITIES												
4		Commodity Purchase (TJ)												
5		8,007	7,234	8,021	7,751	7,946	7,689							46,648
6		<u>2,543</u>	<u>2,297</u>	<u>2,548</u>	<u>2,462</u>	<u>2,560</u>	<u>2,477</u>							<u>14,888</u>
7		10,550	9,531	10,569	10,213	10,506	10,167							61,536
8		<u>(379)</u>	<u>(342)</u>	<u>(377)</u>	<u>(364)</u>	<u>(377)</u>	<u>(365)</u>							<u>(2,205)</u>
9		<u>10,171</u>	<u>9,189</u>	<u>10,192</u>	<u>9,848</u>	<u>10,128</u>	<u>9,802</u>							<u>59,331</u>
10		CCRA COSTS												
11		Commodity Costs (\$000)												
12		\$ 22,672	\$ 16,960	\$ 17,393	\$ 17,204	\$ 17,955	\$ 19,320							\$ 111,503
13		<u>7,874</u>	<u>5,938</u>	<u>6,130</u>	<u>6,293</u>	<u>6,810</u>	<u>6,930</u>							<u>39,975</u>
14		\$ 30,546	\$ 22,898	\$ 23,522	\$ 23,497	\$ 24,765	\$ 26,250							\$ 151,478
15		-	-	-	(301)	(547)	(694)							(1,542)
16		120	78	114	81	122	122							637
17		<u>\$ 30,666</u>	<u>\$ 22,976</u>	<u>\$ 23,636</u>	<u>\$ 23,277</u>	<u>\$ 24,340</u>	<u>\$ 25,678</u>							<u>\$ 150,574</u>
18		Total CCRA Costs												
19														
20														
21		\$ 3.015	\$ 2.500	\$ 2.319	\$ 2.364	\$ 2.403	\$ 2.620							\$ 2.538
22														
23														
24		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	1-12 months
25		Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Total
26		CCRA QUANTITIES												
27		Commodity Purchase (TJ)												
28		7,946	7,946	7,689	7,946	7,689	7,946	7,946	7,177	7,946	7,689	7,946	7,689	93,554
29		<u>2,560</u>	<u>2,560</u>	<u>2,477</u>	<u>2,560</u>	<u>2,477</u>	<u>2,560</u>	<u>2,560</u>	<u>2,312</u>	<u>2,560</u>	<u>2,477</u>	<u>2,560</u>	<u>2,477</u>	<u>30,141</u>
30		10,506	10,506	10,167	10,506	10,167	10,506	10,506	9,489	10,506	10,167	10,506	10,167	123,696
31		<u>(377)</u>	<u>(377)</u>	<u>(365)</u>	<u>(377)</u>	<u>(365)</u>	<u>(377)</u>	<u>(377)</u>	<u>(341)</u>	<u>(377)</u>	<u>(365)</u>	<u>(377)</u>	<u>(365)</u>	<u>(4,442)</u>
32		<u>10,128</u>	<u>10,128</u>	<u>9,802</u>	<u>10,128</u>	<u>9,802</u>	<u>10,128</u>	<u>10,128</u>	<u>9,148</u>	<u>10,128</u>	<u>9,802</u>	<u>10,128</u>	<u>9,802</u>	<u>119,253</u>
33		CCRA COSTS												
34		Commodity Costs (\$000)												
35		\$ 18,520	\$ 18,570	\$ 17,637	\$ 18,547	\$ 18,624	\$ 20,047	\$ 20,660	\$ 18,772	\$ 20,112	\$ 14,350	\$ 14,340	\$ 14,041	\$ 214,221
36		<u>7,036</u>	<u>7,079</u>	<u>6,786</u>	<u>7,086</u>	<u>7,083</u>	<u>7,576</u>	<u>7,773</u>	<u>7,057</u>	<u>7,597</u>	<u>5,874</u>	<u>5,915</u>	<u>5,777</u>	<u>82,640</u>
37		\$ 25,556	\$ 25,649	\$ 24,423	\$ 25,633	\$ 25,708	\$ 27,623	\$ 28,433	\$ 25,829	\$ 27,709	\$ 20,224	\$ 20,255	\$ 19,817	\$ 296,861
38		(656)	(677)	(624)	(678)	-	-	-	-	-	(72)	(37)	(49)	(2,794)
39		122	122	122	122	122	122	122	122	122	122	122	122	1,463
40		<u>\$ 25,022</u>	<u>\$ 25,094</u>	<u>\$ 23,922</u>	<u>\$ 25,077</u>	<u>\$ 25,830</u>	<u>\$ 27,745</u>	<u>\$ 28,555</u>	<u>\$ 25,951</u>	<u>\$ 27,831</u>	<u>\$ 20,274</u>	<u>\$ 20,340</u>	<u>\$ 19,891</u>	<u>\$ 295,531</u>
41		Total CCRA Costs												
42														
43														
44		\$ 2.470	\$ 2.478	\$ 2.441	\$ 2.476	\$ 2.635	\$ 2.739	\$ 2.819	\$ 2.837	\$ 2.748	\$ 2.068	\$ 2.008	\$ 2.029	\$ 2.478

Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
CCRA INCURRED MONTHLY ACTIVITIES
FORECAST PERIOD FROM JUL 2018 TO JUN 2019
FIVE-DAY AVERAGE FORWARD PRICES - MAY 24, 25, 26, 30, AND 31, 2017

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1														13-24 months
2	Forecast Jul-18	Forecast Aug-18	Forecast Sep-18	Forecast Oct-18	Forecast Nov-18	Forecast Dec-18	Forecast Jan-19	Forecast Feb-19	Forecast Mar-19	Forecast Apr-19	Forecast May-19	Forecast Jun-19	Total	
3	CCRA QUANTITIES													
4	Commodity Purchase (TJ)													
5	8,025	8,025	7,766	8,025	7,766	8,025	8,025	7,248	8,025	7,766	8,025	7,766	94,487	
6	<u>2,585</u>	<u>2,585</u>	<u>2,502</u>	<u>2,585</u>	<u>2,502</u>	<u>2,585</u>	<u>2,585</u>	<u>2,335</u>	<u>2,585</u>	<u>2,502</u>	<u>2,585</u>	<u>2,502</u>	<u>30,442</u>	
7	10,610	10,610	10,268	10,610	10,268	10,610	10,610	9,584	10,610	10,268	10,610	10,268	124,929	
8	<u>(381)</u>	<u>(381)</u>	<u>(369)</u>	<u>(381)</u>	<u>(369)</u>	<u>(381)</u>	<u>(381)</u>	<u>(344)</u>	<u>(381)</u>	<u>(369)</u>	<u>(381)</u>	<u>(369)</u>	<u>(4,486)</u>	
9	<u>10,229</u>	<u>10,229</u>	<u>9,899</u>	<u>10,229</u>	<u>9,899</u>	<u>10,229</u>	<u>10,229</u>	<u>9,239</u>	<u>10,229</u>	<u>9,899</u>	<u>10,229</u>	<u>9,899</u>	<u>120,442</u>	
10														
11														
12	CCRA COSTS (\$000)													
13	Commodity Costs													
14	\$ 14,672	\$ 14,736	\$ 14,147	\$ 15,171	\$ 16,610	\$ 18,440	\$ 19,725	\$ 17,536	\$ 18,611	\$ 12,980	\$ 12,943	\$ 12,619	\$ 188,188	
15	<u>6,041</u>	<u>6,062</u>	<u>5,830</u>	<u>6,202</u>	<u>6,290</u>	<u>6,909</u>	<u>7,323</u>	<u>6,524</u>	<u>6,964</u>	<u>5,380</u>	<u>5,410</u>	<u>5,265</u>	<u>74,201</u>	
16	\$ 20,713	\$ 20,797	\$ 19,977	\$ 21,374	\$ 22,900	\$ 25,349	\$ 27,048	\$ 24,061	\$ 25,575	\$ 18,359	\$ 18,353	\$ 17,884	\$ 262,389	
17	<u>(53)</u>	<u>(58)</u>	<u>(48)</u>	<u>(92)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(251)</u>	
18	<u>122</u>	<u>122</u>	<u>122</u>	<u>122</u>	<u>122</u>	<u>122</u>	<u>122</u>	<u>122</u>	<u>122</u>	<u>122</u>	<u>122</u>	<u>122</u>	<u>1,463</u>	
19	<u>\$ 20,781</u>	<u>\$ 20,861</u>	<u>\$ 20,051</u>	<u>\$ 21,404</u>	<u>\$ 23,022</u>	<u>\$ 25,471</u>	<u>\$ 27,170</u>	<u>\$ 24,183</u>	<u>\$ 25,697</u>	<u>\$ 18,481</u>	<u>\$ 18,475</u>	<u>\$ 18,006</u>	<u>\$ 263,602</u>	
20														
21														
22	\$ 2.032	\$ 2.039	\$ 2.026	\$ 2.092	\$ 2.326	\$ 2.490	\$ 2.656	\$ 2.617	\$ 2.512	\$ 1.867	\$ 1.806	\$ 1.819	\$ 2.189	

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
FOR THE FORECAST PERIOD JUL 1, 2017 TO JUN 30, 2018
FIVE-DAY AVERAGE FORWARD PRICES - MAY 24, 25, 26, 30, AND 31, 2017

Tab 2
Page 3

Line No.	Particulars (1)	Unit	RS-1 to RS-7 (2)
1	CCRA Baseload	TJ	119,253
2			
3	CCRA Incurred Costs		
5	STN 2	\$000	\$ 214,221.4
6	AECO		82,639.9
7	CCRA Commodity Costs before Hedging		\$ 296,861.3
8	Mark to Market Hedges Cost / (Gain)		(2,793.8)
9	Core Market Administration Costs		1,463.4
10	Total Incurred Costs before CCRA deferral amortization		\$ 295,530.9
11			
12	Pre-tax CCRA Deficit/(Surplus) as of Jun 30, 2017		4,434.5
13	Total CCRA Incurred Costs		\$ 299,965.4
14			
15			
16	CCRA Incurred Unit Costs	\$/GJ	
17	CCRA Commodity Costs before Hedging		\$ 2.4893
18	Mark to Market Hedges Cost / (Gain)		(0.0234)
19	Core Market Administration Costs		0.0123
20	Total Incurred Costs before CCRA deferral amortization		\$ 2.4782
21	Pre-tax CCRA Deficit/(Surplus) as of Jun 30, 2017		0.0372
22	CCRA Gas Costs Incurred -- Flow-Through		\$ 2.5154
23			
24			
25			
26			
27			
28			
29	Cost of Gas (Commodity Cost Recovery Charge)		RS-1 to RS-7
30			
31	TESTED Flow-Through Cost of Gas effective Jul 1, 2017		\$ 2.515
32			
33	Existing Cost of Gas (effective since Oct 1, 2016)		2.050
34			
35	Cost of Gas Increase / (Decrease)	\$/GJ	\$ 0.465
36			
37	Cost of Gas Percentage Increase / (Decrease)		22.68%

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 - MAY 24, 25, 26, 30, AND 31, 2017

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
		Opening balance	Recorded Jan-17	Recorded Feb-17	Recorded Mar-17	Recorded Apr-17	Projected May-17	Projected Jun-17	Forecast Jul-17	Forecast Aug-17	Forecast Sep-17	Forecast Oct-17	Forecast Nov-17	Forecast Dec-17	2017 Total
1	MCRA COSTS														
															(\$000)
2	<u>Midstream Commodity Related Costs</u>														
3	Midstream Commodity Costs before Hedging ^(a)		\$ 20,750.6	\$ 14,498.9	\$ 9,579.7	\$ 1,878.9	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 8,344.4	\$ 13,456.3	\$ 68,511.8
4	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	-
5	Imbalance ^(b)	\$ 1,897.7	(48.9)	(754.4)	(663.5)	378.7	-	-	-	-	-	-	-	-	(1,088.0)
6	Company Use Gas Recovered from O&M		(536.7)	48.5	(63.2)	(213.1)	(225.8)	(199.8)	(151.5)	(100.9)	(140.8)	(211.7)	(452.4)	(735.0)	(2,982.4)
7	Storage Withdrawal / (Injection) Activity ^(c)		13,137.1	11,103.8	10,852.2	(136.0)	(9,684.4)	(13,655.3)	(15,455.3)	(15,125.1)	(12,591.4)	(2,445.0)	12,232.2	14,821.1	(6,946.2)
8	Total Midstream Commodity Related Costs		<u>\$ 33,302.2</u>	<u>\$ 24,896.8</u>	<u>\$ 19,705.2</u>	<u>\$ 1,908.5</u>	<u>\$ (9,909.7)</u>	<u>\$ (13,854.6)</u>	<u>\$ (15,606.3)</u>	<u>\$ (15,225.5)</u>	<u>\$ (12,731.8)</u>	<u>\$ (2,656.3)</u>	<u>\$ 20,124.2</u>	<u>\$ 27,542.3</u>	<u>\$ 57,495.2</u>
9															
10	<u>Storage Related Costs</u>														
11	Storage Demand - Third Party Storage		\$ 2,642.0	\$ 2,592.0	\$ 2,644.9	\$ 2,550.6	\$ 3,596.6	\$ 3,561.3	\$ 3,558.2	\$ 3,556.1	\$ 3,544.7	\$ 3,550.6	\$ 2,537.4	\$ 2,551.5	\$ 36,886.0
12	On-System Storage - Mt. Hayes (LNG)		1,520.5	1,504.4	1,519.3	1,505.0	1,517.4	1,517.4	1,625.5	1,709.6	1,704.2	1,600.0	1,521.4	1,521.5	18,766.2
13	Total Storage Related Costs		<u>\$ 4,162.5</u>	<u>\$ 4,096.5</u>	<u>\$ 4,164.3</u>	<u>\$ 4,055.7</u>	<u>\$ 5,114.0</u>	<u>\$ 5,078.6</u>	<u>\$ 5,183.7</u>	<u>\$ 5,265.8</u>	<u>\$ 5,248.9</u>	<u>\$ 5,150.6</u>	<u>\$ 4,058.8</u>	<u>\$ 4,073.0</u>	<u>\$ 55,652.2</u>
14															
15	<u>Transportation Related Costs</u>														
16	Spectra (BC Pipeline) - Westcoast Energy		\$ 8,599.2	\$ 8,020.6	\$ 8,286.4	\$ 6,656.6	\$ 7,002.0	\$ 6,952.4	\$ 7,028.0	\$ 7,007.3	\$ 6,909.9	\$ 6,944.9	\$ 7,170.2	\$ 7,418.0	\$ 87,995.5
17	TransCanada (Foothill BC)		390.7	390.7	390.7	249.9	294.5	294.5	294.5	294.5	294.5	294.5	390.7	390.7	3,970.5
18	TransCanada (Nova Alta)		965.1	965.1	965.1	1,008.9	965.1	913.5	913.5	913.5	913.5	913.5	913.5	913.5	11,263.7
19	Northwest Pipeline		814.9	709.8	796.1	383.2	386.9	402.4	424.4	414.1	377.1	392.7	801.4	831.6	6,734.5
20	FortisBC 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		<u>\$ 11,081.2</u>	<u>\$ 10,397.4</u>	<u>\$ 10,749.5</u>	<u>\$ 8,609.9</u>	<u>\$ 8,959.7</u>	<u>\$ 8,874.0</u>	<u>\$ 8,971.5</u>	<u>\$ 8,940.4</u>	<u>\$ 8,806.1</u>	<u>\$ 8,856.7</u>	<u>\$ 9,587.0</u>	<u>\$ 9,865.1</u>	<u>\$ 113,698.3</u>
23															
24	<u>Mitigation</u>														
25	Commodity Related Mitigation		\$ (3,855.7)	\$ (6,274.0)	\$ (10,145.0)	\$ (1,220.0)	\$ (649.7)	\$ (1,572.7)	\$ (1,772.1)	\$ (1,953.5)	\$ (1,486.6)	\$ (1,049.1)	\$ (9,964.7)	\$ (4,933.9)	\$ (44,876.9)
26	Storage Related Mitigation		(484.3)	(0.3)	-	(539.3)	-	-	-	-	-	-	-	-	(1,023.9)
27	Transportation Related Mitigation		(3,359.2)	(2,308.0)	(3,720.4)	(6,713.1)	(6,690.8)	(6,547.0)	(7,251.4)	(7,333.2)	(7,211.7)	(6,421.4)	(1,987.5)	(1,465.2)	(61,008.9)
28	Total Mitigation		<u>\$ (7,699.2)</u>	<u>\$ (8,582.2)</u>	<u>\$ (13,865.3)</u>	<u>\$ (8,472.4)</u>	<u>\$ (7,340.5)</u>	<u>\$ (8,119.7)</u>	<u>\$ (9,023.5)</u>	<u>\$ (9,286.8)</u>	<u>\$ (8,698.3)</u>	<u>\$ (7,470.4)</u>	<u>\$ (11,952.2)</u>	<u>\$ (6,399.1)</u>	<u>\$ (106,909.6)</u>
29															
30	<u>GSMIP Incentive Sharing</u>		\$ 313.5	\$ 164.3	\$ 150.3	\$ 118.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 1,413.0
31															
32	<u>Core Market Administration Costs</u>		\$ 280.5	\$ 181.9	\$ 265.3	\$ 189.7	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6	\$ 284.6	\$ 3,193.8
33	TOTAL MCRA COSTS		<u>\$ 41,440.6</u>	<u>\$ 31,154.6</u>	<u>\$ 21,169.2</u>	<u>\$ 6,409.6</u>	<u>\$ (2,808.7)</u>	<u>\$ (7,653.7)</u>	<u>\$ (10,106.8)</u>	<u>\$ (9,938.2)</u>	<u>\$ (7,007.2)</u>	<u>\$ 4,248.5</u>	<u>\$ 22,185.7</u>	<u>\$ 35,449.1</u>	<u>\$ 124,542.9</u>
	(Line 8, 13, 22, 28, 30 & 32)														

Notes:

(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").

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.

(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 2018
FORECAST PERIODS WITH FIVE-DAY AVERAGE FORWARD PRICES - MAY 24, 25, 26, 30, AND 31, 2017

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
		Opening balance	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	2018 Total
1	MCRA COSTS														
2	<u>Midstream Commodity Related Costs</u>														
3	Midstream Commodity Costs before Hedging ^(a)		\$ 13,867.9	\$ 12,600.5	\$ 9,028.8	\$ 3.1	\$ 3.0	\$ 2.9	\$ 0.5	\$ 0.5	\$ 0.2	\$ 0.5	\$ 7,330.3	\$ 12,210.4	\$ 55,048.6
4	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	-
5	Imbalance ^(b)	\$ 809.7	(809.7)	-	-	-	-	-	-	-	-	-	-	-	(809.7)
6	Company Use Gas Recovered from O&M Storage Withdrawal / (Injection) Activity ^(c)		(855.8)	(674.4)	(575.2)	(402.7)	(225.8)	(199.8)	(151.5)	(100.9)	(140.8)	(211.7)	(452.4)	(735.0)	(4,726.1)
7			<u>14,408.7</u>	<u>12,889.4</u>	<u>9,226.5</u>	<u>804.4</u>	<u>(7,969.0)</u>	<u>(10,113.4)</u>	<u>(12,087.8)</u>	<u>(11,745.7)</u>	<u>(9,451.5)</u>	<u>(1,377.8)</u>	<u>10,655.7</u>	<u>12,902.0</u>	<u>8,141.5</u>
8	Total Midstream Commodity Related Costs		<u>\$ 26,611.1</u>	<u>\$ 24,815.5</u>	<u>\$ 17,680.2</u>	<u>\$ 404.7</u>	<u>\$ (8,191.8)</u>	<u>\$ (10,310.2)</u>	<u>\$ (12,238.8)</u>	<u>\$ (11,846.1)</u>	<u>\$ (9,592.2)</u>	<u>\$ (1,589.0)</u>	<u>\$ 17,533.6</u>	<u>\$ 24,377.4</u>	<u>\$ 57,654.3</u>
9															
10	<u>Storage Related Costs</u>														
11	Storage Demand - Third Party Storage		\$ 2,557.0	\$ 2,530.7	\$ 2,542.0	\$ 2,562.8	\$ 3,589.0	\$ 3,579.3	\$ 3,577.1	\$ 3,576.1	\$ 3,562.6	\$ 3,568.5	\$ 2,562.2	\$ 2,575.3	\$ 36,782.5
12	On-System Storage - Mt. Hayes (LNG)		<u>1,534.9</u>	<u>1,534.5</u>	<u>1,517.4</u>	<u>1,517.4</u>	<u>1,517.4</u>	<u>1,517.4</u>	<u>1,625.5</u>	<u>1,709.6</u>	<u>1,704.2</u>	<u>1,600.0</u>	<u>1,521.4</u>	<u>1,521.5</u>	<u>18,821.1</u>
13	Total Storage Related Costs		<u>\$ 4,091.9</u>	<u>\$ 4,065.2</u>	<u>\$ 4,059.4</u>	<u>\$ 4,080.2</u>	<u>\$ 5,106.3</u>	<u>\$ 5,096.7</u>	<u>\$ 5,202.5</u>	<u>\$ 5,285.7</u>	<u>\$ 5,266.7</u>	<u>\$ 5,168.5</u>	<u>\$ 4,083.6</u>	<u>\$ 4,096.8</u>	<u>\$ 55,603.6</u>
14															
15	<u>Transportation Related Costs</u>														
16	Spectra (BC Pipeline) - Westcoast Energy		\$ 7,899.2	\$ 7,802.0	\$ 7,840.8	\$ 7,480.9	\$ 7,463.8	\$ 7,414.2	\$ 7,489.6	\$ 7,468.8	\$ 7,371.5	\$ 7,406.4	\$ 7,628.0	\$ 7,874.5	\$ 91,139.7
17	TransCanada (Foothill BC)		<u>398.6</u>	<u>398.6</u>	<u>398.6</u>	<u>300.4</u>	<u>300.4</u>	<u>300.4</u>	<u>300.4</u>	<u>300.4</u>	<u>300.4</u>	<u>300.4</u>	<u>398.6</u>	<u>398.6</u>	<u>4,095.3</u>
18	TransCanada (Nova Alta)		<u>931.7</u>	<u>931.7</u>	<u>931.7</u>	<u>931.7</u>	<u>931.7</u>	<u>931.7</u>	<u>931.7</u>	<u>931.7</u>	<u>931.7</u>	<u>931.7</u>	<u>931.7</u>	<u>931.7</u>	<u>11,180.9</u>
19	Northwest Pipeline		<u>796.0</u>	<u>740.4</u>	<u>787.6</u>	<u>387.7</u>	<u>379.3</u>	<u>379.7</u>	<u>421.9</u>	<u>410.0</u>	<u>374.6</u>	<u>390.2</u>	<u>796.8</u>	<u>825.9</u>	<u>6,690.0</u>
20	FortisBC Huntingdon Inc.		<u>11.2</u>	<u>11.2</u>	<u>11.2</u>	<u>11.2</u>	<u>11.2</u>	<u>11.2</u>	<u>11.2</u>	<u>11.2</u>	<u>11.2</u>	<u>11.2</u>	<u>11.2</u>	<u>11.2</u>	<u>134.1</u>
21	Southern Crossing Pipeline		<u>300.0</u>	<u>300.0</u>	<u>300.0</u>	<u>300.0</u>	<u>300.0</u>	<u>300.0</u>	<u>300.0</u>	<u>300.0</u>	<u>300.0</u>	<u>300.0</u>	<u>300.0</u>	<u>300.0</u>	<u>3,600.0</u>
22	Total Transportation Related Costs		<u>\$ 10,336.7</u>	<u>\$ 10,183.9</u>	<u>\$ 10,269.9</u>	<u>\$ 9,411.8</u>	<u>\$ 9,386.4</u>	<u>\$ 9,337.1</u>	<u>\$ 9,454.7</u>	<u>\$ 9,422.1</u>	<u>\$ 9,289.4</u>	<u>\$ 9,339.9</u>	<u>\$ 10,066.3</u>	<u>\$ 10,341.8</u>	<u>\$ 116,840.1</u>
23															
24	<u>Mitigation</u>														
25	Commodity Related Mitigation		\$ (4,802.0)	\$ (8,773.5)	\$ (8,385.4)	\$ (963.3)	\$ (911.2)	\$ (1,765.5)	\$ (2,157.1)	\$ (2,360.8)	\$ (2,236.3)	\$ (1,580.6)	\$ (9,188.2)	\$ (4,769.4)	\$ (47,893.3)
26	Storage Related Mitigation		-	-	-	-	-	-	-	-	-	-	-	-	-
27	Transportation Related Mitigation		<u>(1,419.0)</u>	<u>(1,237.3)</u>	<u>(1,868.6)</u>	<u>(5,038.7)</u>	<u>(5,326.5)</u>	<u>(5,182.7)</u>	<u>(5,887.1)</u>	<u>(5,968.9)</u>	<u>(5,847.4)</u>	<u>(5,057.1)</u>	<u>(1,987.5)</u>	<u>(1,465.2)</u>	<u>(46,286.2)</u>
28	Total Mitigation		<u>\$ (6,221.0)</u>	<u>\$ (10,010.8)</u>	<u>\$ (10,254.0)</u>	<u>\$ (6,002.1)</u>	<u>\$ (6,237.7)</u>	<u>\$ (6,948.2)</u>	<u>\$ (8,044.2)</u>	<u>\$ (8,329.7)</u>	<u>\$ (8,083.7)</u>	<u>\$ (6,637.7)</u>	<u>\$ (11,175.8)</u>	<u>\$ (6,234.7)</u>	<u>\$ (94,179.5)</u>
29															
30	<u>GSMIP Incentive Sharing</u>		<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 1,000.0</u>
31															
32	<u>Core Market Administration Costs</u>		<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 3,414.6</u>
33	TOTAL MCRA COSTS		<u>\$ 35,186.5</u>	<u>\$ 29,421.7</u>	<u>\$ 22,123.2</u>	<u>\$ 8,262.6</u>	<u>\$ 431.1</u>	<u>\$ (2,456.8)</u>	<u>\$ (5,257.8)</u>	<u>\$ (5,100.1)</u>	<u>\$ (2,751.8)</u>	<u>\$ 6,649.6</u>	<u>\$ 20,875.6</u>	<u>\$ 32,949.2</u>	<u>\$ 140,333.1</u>
	(Line 8, 13, 22, 28, 30 & 32)														

Notes:

(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.

Slight difference in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
STORAGE AND TRANSPORT RELATED CHARGES FLOW-THROUGH BY RATE SCHEDULE
FOR THE FORECAST PERIOD JUL 2017 TO JUN 2018
FIVE-DAY AVERAGE FORWARD PRICES - MAY 24, 25, 26, 30, AND 31, 2017

Line No.	Particulars	Unit	Residential		Commercial		General Firm Service	NGV	Subtotal	Seasonal	General Interruptible	RS-1 to RS-7 Summary	Total MCRA Gas Budget Costs	LNG	Term & Spot Gas Sales	Off-System Interruptible Sales
			RS-1	RS-2	RS-3	RS-5	RS-6	RS-4		RS-7	RS-46	RS-14A		RS-30		
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
1	MCRA Sales Quantity	TJ	74,173.6	28,586.7	18,413.4	2,195.5	50.1	123,419.3	148.1	152.7	123,720.2		1,687.6	1,300.0	15,852.2	
2																
3	Load Factor Adjusted Quantity															
4	Load Factor ^(a)	%	31.1%	30.7%	36.8%	50.0%	100.0%									
5	Load Factor Adjusted Quantity	TJ	238,537.7	92,991.7	49,979.4	4,391.0	50.1	385,950.0								
6	Load Factor Adjusted Volumetric Allocation	%	61.8%	24.1%	12.9%	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	\$ 2,732.1	\$ 1,065.1	\$ 572.4	\$ 50.3	\$ 0.6	\$ 4,420.4			\$ 4,420.4		\$ (2,542.0)	\$ (2,192.9)	\$ -	
11	Midstream Commodity Related Costs		31,632.7	12,331.7	6,627.8	582.3	6.6	51,181.2					2,908.0	2,506.2	34,246.6	
12	Midstream Commodity Related Mitigation		(28,900.6)	(11,266.6)	(6,055.4)	(532.0)	(6.1)	(46,760.7)					(5,450.1)	(4,699.0)	(34,246.6)	
13	Storage Related Costs (Net of Mitigation)	\$000	34,289.8	13,367.6	7,184.5	631.2	7.2	55,480.4			55,480.4		-	-	-	
14	Storage Related Costs		34,289.8	13,367.6	7,184.5	631.2	7.2	55,480.4					-	-	-	
15	Storage Related Mitigation		-	-	-	-	-	-					-	-	-	
16	Transportation Related Costs (Net of Mitigation)	\$000	38,448.6	14,988.8	8,055.9	707.8	8.1	62,209.2			62,209.2		581.1	444.3	-	
17	Transportation Related Costs		70,428.8	27,456.0	14,756.5	1,296.4	14.8	113,952.6					581.1	444.3	-	
18	Transportation Related Mitigation		(31,980.2)	(12,467.2)	(6,700.6)	(588.7)	(6.7)	(51,743.4)					-	-	-	
19	GSMIP Incentive Sharing	\$000	618.1	240.9	129.5	11.4	0.1	1,000.0			1,000.0		-	-	-	
20	Core Market Administration Costs - MCRA 70%	\$000	2,110.4	822.7	442.2	38.8	0.4	3,414.6			3,414.6		-	-	-	
21	Total Midstream Cost of Gas Allocated by Rate Class	\$000	\$ 78,199.0	\$ 30,485.2	\$ 16,384.6	\$ 1,439.5	\$ 16.4	\$ 126,524.7			\$ 126,524.7	\$ 126,524.7	\$ (1,960.9)	\$ (1,748.6)	\$ -	
22	T-Service UAF to be recovered via delivery revenues ^(b)											1,274.9				
23	Total MCRA Gas Costs ^(c)											\$ 127,799.5				
24	1/2 of Pre-Tax Amort. MCRA Deficit/(Surplus) as of Jul 1, 2017	\$000	\$ (18,201.8)	\$ (7,095.8)	\$ (3,813.7)	\$ (335.1)	\$ (3.8)	\$ (29,450.2)			\$ (29,450.2)					
25																
26																
27	MCRA Cost of Gas Unitized															
28	Midstream Commodity Related Costs (Net of Mitigation)	\$/GJ	\$ 0.0368	\$ 0.0373	\$ 0.0311	\$ 0.0229	\$ 0.0115				\$ 0.0357					
29	Storage Related Costs (Net of Mitigation)	\$/GJ	0.4623	0.4676	0.3902	0.2875	0.1438				0.4484					
30	Transportation Related Costs (Net of Mitigation)	\$/GJ	0.5184	0.5243	0.4375	0.3224	0.1612				0.5028					
31	GSMIP Incentive Sharing	\$/GJ	0.0083	0.0084	0.0070	0.0052	0.0026				0.0081					
32	Core Market Administration Costs - MCRA 70%	\$/GJ	0.0285	0.0288	0.0240	0.0177	0.0089				0.0276					
33	MCRA Flow-Through Costs before MCRA deferral amortization	\$/GJ	\$ 1.0543	\$ 1.0664	\$ 0.8898	\$ 0.6557	\$ 0.3279				\$ 1.0227					
34	MCRA Deferral Amortization via Rate Rider 6	\$/GJ	\$ (0.2454)	\$ (0.2482)	\$ (0.2071)	\$ (0.1526)	\$ (0.0763)				\$ (0.2380)					

Notes:

- (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.
(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.
(c) Reconciled to the Total MCRA Costs on Tab 1, Page 7, Col. 3, Line 47, with monthly breakdown on Tab 2, Page 6.1.

Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
MCRA FLOW-THROUGH MONTHLY COSTS FOR THE FORECAST PERIOD JUL 2017 TO JUN 2018
FIVE-DAY AVERAGE FORWARD PRICES - MAY 24, 25, 26, 30, AND 31, 2017

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	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	Forecast Apr-18	Forecast May-18	Forecast Jun-18	Jul-17 to Jun-18 Total		
1	MCRA COSTS (\$000)														
2	<u>Midstream Commodity Related Costs</u>														
3	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 8,344.4	\$ 13,456.3	\$ 13,867.9	\$ 12,600.5	\$ 9,028.8	\$ 3.1	\$ 3.0	\$ 2.9	\$	\$ 57,308.9	
4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	-	-	-	-	-	-	(809.7)	-	-	-	-	-	-	(809.7)	
6	(151.5)	(100.9)	(140.8)	(211.7)	(452.4)	(735.0)	(855.8)	(674.4)	(575.2)	(402.7)	(225.8)	(199.8)		(4,726.1)	
7	(15,455.3)	(15,125.1)	(12,591.4)	(2,445.0)	12,232.2	14,821.1	14,408.7	12,889.4	9,226.5	804.4	(7,969.0)	(10,113.4)		683.0	
8	<u>\$ (15,606.3)</u>	<u>\$ (15,225.5)</u>	<u>\$ (12,731.8)</u>	<u>\$ (2,656.3)</u>	<u>\$ 20,124.2</u>	<u>\$ 27,542.3</u>	<u>\$ 26,611.1</u>	<u>\$ 24,815.5</u>	<u>\$ 17,680.2</u>	<u>\$ 404.7</u>	<u>\$ (8,191.8)</u>	<u>\$ (10,310.2)</u>		<u>\$ 52,456.0</u>	
9															
10	<u>Storage Related Costs</u>														
11	\$ 3,558.2	\$ 3,556.1	\$ 3,544.7	\$ 3,550.6	\$ 2,537.4	\$ 2,551.5	\$ 2,557.0	\$ 2,530.7	\$ 2,542.0	\$ 2,562.8	\$ 3,589.0	\$ 3,579.3	\$	\$ 36,659.3	
12	1,625.5	1,709.6	1,704.2	1,600.0	1,521.4	1,521.5	1,534.9	1,534.5	1,517.4	1,517.4	1,517.4	1,517.4		18,821.1	
13	<u>\$ 5,183.7</u>	<u>\$ 5,265.8</u>	<u>\$ 5,248.9</u>	<u>\$ 5,150.6</u>	<u>\$ 4,058.8</u>	<u>\$ 4,073.0</u>	<u>\$ 4,091.9</u>	<u>\$ 4,065.2</u>	<u>\$ 4,059.4</u>	<u>\$ 4,080.2</u>	<u>\$ 5,106.3</u>	<u>\$ 5,096.7</u>		<u>\$ 55,480.4</u>	
14															
15	<u>Transportation Related Costs</u>														
16	\$ 7,028.0	\$ 7,007.3	\$ 6,909.9	\$ 6,944.9	\$ 7,170.2	\$ 7,418.0	\$ 7,899.2	\$ 7,802.0	\$ 7,840.8	\$ 7,480.9	\$ 7,463.8	\$ 7,414.2	\$	\$ 88,379.2	
17	294.5	294.5	294.5	294.5	390.7	390.7	398.6	398.6	398.6	300.4	300.4	300.4		4,056.1	
18	913.5	913.5	913.5	913.5	913.5	913.5	931.7	931.7	931.7	931.7	931.7	931.7		11,071.3	
19	424.4	414.1	377.1	392.7	801.4	831.6	796.0	740.4	787.6	387.7	379.3	379.7		6,711.8	
20	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	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	<u>\$ 8,971.5</u>	<u>\$ 8,940.4</u>	<u>\$ 8,806.1</u>	<u>\$ 8,856.7</u>	<u>\$ 9,587.0</u>	<u>\$ 9,865.1</u>	<u>\$ 10,336.7</u>	<u>\$ 10,183.9</u>	<u>\$ 10,269.9</u>	<u>\$ 9,411.8</u>	<u>\$ 9,386.4</u>	<u>\$ 9,337.1</u>		<u>\$ 113,952.6</u>	
23															
24	<u>Mitigation</u>														
25	\$ (1,772.1)	\$ (1,953.5)	\$ (1,486.6)	\$ (1,049.1)	\$ (9,964.7)	\$ (4,933.9)	\$ (4,802.0)	\$ (8,773.5)	\$ (8,385.4)	\$ (963.3)	\$ (911.2)	\$ (1,765.5)	\$	\$ (46,760.7)	
26	-	-	-	-	-	-	-	-	-	-	-	-		-	
27	(7,251.4)	(7,333.2)	(7,211.7)	(6,421.4)	(1,987.5)	(1,465.2)	(1,419.0)	(1,237.3)	(1,868.6)	(5,038.7)	(5,326.5)	(5,182.7)		(51,743.4)	
28	<u>\$ (9,023.5)</u>	<u>\$ (9,286.8)</u>	<u>\$ (8,698.3)</u>	<u>\$ (7,470.4)</u>	<u>\$ (11,952.2)</u>	<u>\$ (6,399.1)</u>	<u>\$ (6,221.0)</u>	<u>\$ (10,010.8)</u>	<u>\$ (10,254.0)</u>	<u>\$ (6,002.1)</u>	<u>\$ (6,237.7)</u>	<u>\$ (6,948.2)</u>		<u>\$ (98,504.1)</u>	
29															
30	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>		<u>\$ 1,000.0</u>	
31															
32	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>		<u>\$ 3,414.6</u>	
33	<u>\$ (10,106.8)</u>	<u>\$ (9,938.2)</u>	<u>\$ (7,007.2)</u>	<u>\$ 4,248.5</u>	<u>\$ 22,185.7</u>	<u>\$ 35,449.1</u>	<u>\$ 35,186.5</u>	<u>\$ 29,421.7</u>	<u>\$ 22,123.2</u>	<u>\$ 8,262.6</u>	<u>\$ 431.1</u>	<u>\$ (2,456.8)</u>		<u>\$ 127,799.5</u>	

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

Notes:

- (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.

Slight difference in totals due to rounding.



June 7, 2017

Letter L-##-##

Ms. Diane Roy
Vice President, Regulatory Affairs
FortisBC Energy Inc.
16705 Fraser Highway
Surrey, BC V4N 0E8
gas.regulatory.affairs@fortisbc.com

Dear Ms. Roy:

Re: FortisBC Energy Inc. – Mainland, Vancouver Island, and Whistler Service Areas
2017 Second Quarter Gas Cost Report
Commodity Cost Reconciliation Account and Midstream Cost Reconciliation Account

On June 7, 2017, FortisBC Energy Inc. (FEI) filed with the British Columbia Utilities Commission (Commission) its 2017 Second Quarter Gas Cost Report for the Mainland, Vancouver Island, and Whistler service areas (Report), which includes details regarding the Commodity Cost Reconciliation Account and the related Commodity Cost Recovery Charge.

The Commission notes that the Commodity Cost Recovery Charge for the Mainland, Vancouver Island, and Whistler service areas was last changed effective October 1, 2016, when it was increased by \$0.909 per gigajoule from \$1.141 per gigajoule to \$2.050 per gigajoule via Order G-145-16.

The Commission reviewed the Report within the context of the quarterly gas costs review and rate setting mechanism guidelines pursuant to Letters L-5-01, L-40-11 and L-15-16. The Commission acknowledges receipt of the Report and accepts FEI's recommendation that the Commodity Cost Recovery Charge for the Mainland, Vancouver Island, and Whistler service areas remain unchanged at \$2.050 per gigajoule effective July 1, 2017.

Yours truly,

Patrick Wruck