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September 6, 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 Third Quarter Gas Cost Report**

The attached materials provide the FortisBC Energy Inc. (FEI or the Company) 2017 Third Quarter Gas Cost Report (the Third 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 August 23, 24, 25, 28, and 29, 2017 forward prices (five-day average forward prices ending August 29, 2017).

CCRA Deferral Account

Based on the five-day average forward prices ending August 29, 2017, the September 30, 2017 CCRA balance is projected to be approximately \$10 million surplus after tax. Further, based on the five-day average forward prices ending August 29, 2017, the gas purchase cost assumptions, and the forecast commodity cost recoveries at present rates for the 12-month period ending September 30, 2018, and accounting for the projected September 30, 2017 deferral balance, the CCRA trigger ratio is calculated to be 104.0 percent (Tab 1, Page 2, Column 4, Line 7), which falls inside 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 \$0.079/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 August 29, 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 October 1, 2017 to September 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 September 30, 2018, based on the five-day average forward prices ending August 29, 2017, is projected to be approximately \$35 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 August 29, 2017, are projected to be approximately \$36 million and \$17 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 August 29, 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 October 1, 2017.

FEI will continue to monitor the forward prices, and will report CCRA and MCRA balances in its 2017 Fourth 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 OCT 2017 TO SEP 2019
FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 23, 24, 25, 28, AND 29, 2017
\$(Millions)

Tab 1

Page 1

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1		Recorded Jan-17	Recorded Feb-17	Recorded Mar-17	Recorded Apr-17	Recorded May-17	Recorded Jun-17	Recorded Jul-17	Projected Aug-17	Projected Sep-17				Jan-17 to Sep-17
2														
3	CCRA Balance - Beginning (Pre-tax) ^(a)	\$ (22)	\$ (13)	\$ (9)	\$ (6)	\$ (3)	\$ 2	\$ 5	\$ 3	\$ (2)				\$ (22)
4	Gas Costs Incurred	31	23	24	23	26	23	19	18	11				197
5	Revenue from APPROVED Recovery Rate	(21)	(19)	(21)	(20)	(21)	(20)	(21)	(22)	(21)				(186)
6	CCRA Balance - Ending (Pre-tax) ^(b)	\$ (13)	\$ (9)	\$ (6)	\$ (3)	\$ 2	\$ 5	\$ 3	\$ (2)	\$ (14)				\$ (14)
7														
8	Tax Rate	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%				26.00%
9														
10	CCRA Balance - Ending (After-tax) ^(c)	\$ (9)	\$ (6)	\$ (4)	\$ (2)	\$ 1	\$ 4	\$ 2	\$ (1)	\$ (10)				\$ (10)
11														
12														
13														Oct-17 to Sep-18
14		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	Forecast Jul-18	Forecast Aug-18	Forecast Sep-18	
15														
16	CCRA Balance - Beginning (Pre-tax) ^(a)	\$ (14)	\$ (17)	\$ (16)	\$ (13)	\$ (10)	\$ (6)	\$ (3)	\$ (4)	\$ (5)	\$ (7)	\$ (8)	\$ (9)	\$ (14)
17	Gas Costs Incurred	19	23	25	26	23	25	21	21	20	21	21	20	265
18	Revenue from EXISTING Recovery Rates	(22)	(21)	(22)	(22)	(20)	(22)	(21)	(22)	(21)	(22)	(22)	(21)	(261)
19	CCRA Balance - Ending (Pre-tax) ^(b)	\$ (17)	\$ (16)	\$ (13)	\$ (10)	\$ (6)	\$ (3)	\$ (4)	\$ (5)	\$ (7)	\$ (8)	\$ (9)	\$ (10)	\$ (10)
20														
21	Tax Rate	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
22														
23	CCRA Balance - Ending (After-tax) ^(c)	\$ (13)	\$ (12)	\$ (10)	\$ (7)	\$ (5)	\$ (2)	\$ (3)	\$ (4)	\$ (5)	\$ (6)	\$ (7)	\$ (7)	\$ (7)
24														
25														
26														Oct-18 to Sep-19
27		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	Forecast Jul-19	Forecast Aug-19	Forecast Sep-19	
28														
29	CCRA Balance - Beginning (Pre-tax) ^(a)	\$ (10)	\$ (11)	\$ (8)	\$ (4)	\$ 1	\$ 5	\$ 9	\$ 7	\$ 4	\$ 0	\$ (3)	\$ (5)	\$ (10)
30	Gas Costs Incurred	23	25	28	28	25	27	21	20	20	20	20	20	276
31	Revenue from EXISTING Recovery Rates	(23)	(23)	(23)	(23)	(21)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(275)
32	CCRA Balance - Ending (Pre-tax) ^(b)	\$ (11)	\$ (8)	\$ (4)	\$ 1	\$ 5	\$ 9	\$ 7	\$ 4	\$ 0	\$ (3)	\$ (5)	\$ (8)	\$ (8)
33														
34	Tax Rate	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
35														
36	CCRA Balance - Ending (After-tax) ^(c)	\$ (8)	\$ (6)	\$ (3)	\$ 1	\$ 4	\$ 7	\$ 5	\$ 3	\$ 0	\$ (2)	\$ (4)	\$ (6)	\$ (6)

Notes:

- (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 \$2.0 million credit as at September 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 OCT 2017 TO SEP 2018
FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 23, 24, 25, 28, AND 29, 2017

Tab 1
Page 2

Line No.	Particulars	Pre-Tax (\$Millions)	Forecast Energy (TJ)	Percentage	Unit Cost (\$/GJ)	Reference / Comment
	(1)	(2)	(3)	(4)	(5)	(6)
1	<u>CCRA RATE CHANGE TRIGGER RATIO</u>					
2						
3	Projected Deferral Balance at Sep 30, 2017	\$ (14)				(Tab 1, Page 1, Col.14, Line 6)
4	Forecast Incurred Gas Costs - Oct 2017 to Sep 2018	\$ 265				(Tab 1, Page 1, Col.14, Line 17)
5	Forecast Recovery Gas Costs at Existing Recovery Rate - Oct 2017 to Sep 2018	\$ 261				(Tab 1, Page 1, Col.14, Line 18)
6						
7	CCRA = <u>Forecast Recovered Gas Costs (Line 5)</u>	= \$ 261		= 104.0%		
8	Ratio <u>Forecast Incurred Gas Costs (Line 4) + Projected CCRA Balance (Line 3)</u>	\$ 251				Within 95% to 105% deadband
9						
10						
11						
12						
13						
14	<u>Existing Cost of Gas (Commodity Cost Recovery Rate), effective October 1, 2016</u>				\$ 2.050	
15						
16						
17						
18						
19	<u>CCRA RATE CHANGE THRESHOLD (+/- \$0.50/GJ)</u>					
20						
21	Forecast 12-month CCRA Baseload - Oct 2017 to Sep 2018		127,205			(Tab1, Page 7, Col.5, Line 11)
22	(Over) / Under Recovery at Existing CCRA Rate	\$ (10)				(Line 3 + Line4 - Line 5)
23						
24	Tested Rate (Decrease) / Increase				\$ (0.079)	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 OCT 2017 TO SEP 2019
FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 23, 24, 25, 28, AND 29, 2017
\$(Millions)

Tab 1
Page 3

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	Recorded May-17	Recorded Jun-17	Recorded Jul-17	Projected Aug-17	Projected 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)	\$ (60)	\$ (60)	\$ (63)	\$ (54)	\$ (47)	\$ (45)	\$ (44)	\$ (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	\$ (4)	\$ (9)	\$ (14)	\$ (4)	\$ 1	\$ 6	\$ 19	\$ 30	125
10	Revenue from APPROVED Recovery Rates	(48)	(38)	(27)	(12)	(0)	8	11	12	9	(5)	(21)	(37)	(149)
11	Total Midstream Base Rates (Pre-tax)	\$ (7)	\$ (7)	\$ (6)	\$ (6)	\$ (4)	\$ (1)	\$ (3)	\$ 8	\$ 10	\$ 0	\$ (2)	\$ (8)	\$ (25)
12														
13	MCRA Cumulative Balance - Ending (Pre-tax) ^(b)	\$ (48)	\$ (51)	\$ (54)	\$ (57)	\$ (60)	\$ (60)	\$ (63)	\$ (54)	\$ (47)	\$ (45)	\$ (44)	\$ (48)	\$ (48)
14	Tax Rate	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
15														
16	MCRA Cumulative Balance - Ending (After-tax) ^(c)	\$ (35)	\$ (38)	\$ (40)	\$ (43)	\$ (45)	\$ (45)	\$ (46)	\$ (40)	\$ (35)	\$ (33)	\$ (33)	\$ (36)	\$ (36)
17														
18														
19		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
20														
21	MCRA Balance - Beginning (Pre-tax) ^(a)	\$ (48)	\$ (52)	\$ (54)	\$ (54)	\$ (54)	\$ (50)	\$ (43)	\$ (36)	\$ (28)	\$ (22)	\$ (19)	\$ (20)	\$ (48)
22	2018 MCRA Activities													
23	Rate Rider 6													
24														
25	Rider 6 Amortization at APPROVED 2017 Rates	\$ 4	\$ 3	\$ 3	\$ 2	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 3	\$ 4	\$ 26
26	Midstream Base Rates													
27	Gas Costs Incurred	\$ 33	\$ 27	\$ 21	\$ 8	\$ 1	\$ (2)	\$ (6)	\$ (5)	\$ (2)	\$ 7	\$ 20	\$ 34	137
28	Revenue from EXISTING Recovery Rates	(41)	(32)	(24)	(11)	2	8	11	12	8	(6)	(24)	(41)	(137)
29	Total Midstream Base Rates (Pre-tax)	\$ (8)	\$ (4)	\$ (3)	\$ (2)	\$ 3	\$ 6	\$ 6	\$ 7	\$ 6	\$ 0	\$ (3)	\$ (7)	\$ (1)
30														
31	MCRA Cumulative Balance - Ending (Pre-tax) ^(b)	\$ (52)	\$ (54)	\$ (54)	\$ (54)	\$ (50)	\$ (43)	\$ (36)	\$ (28)	\$ (22)	\$ (19)	\$ (20)	\$ (23)	\$ (23)
32	Tax Rate	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
33														
34	MCRA Cumulative Balance - Ending (After-tax) ^(c)	\$ (39)	\$ (40)	\$ (40)	\$ (40)	\$ (37)	\$ (32)	\$ (27)	\$ (21)	\$ (16)	\$ (14)	\$ (15)	\$ (17)	\$ (17)




Notes:

- (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 \$4.3 million credit as at September 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 SEP 2019
AND US DOLLAR EXCHANGE RATE FORECAST UPDATE

Tab 1
Page 4.1

Line No	Particulars		Five-day Average Forward Prices - August 23, 24, 25, 28, and 29, 2017 2017 Q3 Gas Cost Report		Five-day Average Forward Prices - May 24, 25, 26, 30, and 31, 2017 2017 Q2 Gas Cost Report		Change in Forward Price	
	(1)		(2)		(3)		(4) = (2) - (3)	
1	SUMAS Index Prices - presented in \$US/MMBtu							
2								
3	2017	April	 Recorded	\$ 2.34	Recorded Forecast 	\$ 2.34	\$ -	
4		May		\$ 2.42		\$ 2.43	\$ (0.01)	
5		June		\$ 2.70		\$ 2.70	\$ 0.00	
6		July		\$ 2.29		\$ 2.71	\$ (0.42)	
7		August		\$ 2.49		\$ 2.76	\$ (0.28)	
8		September	 Forecast	\$ 2.53		\$ 2.73	\$ (0.20)	
9		October		\$ 2.44		\$ 2.73	\$ (0.29)	
10		November		\$ 2.69		\$ 2.95	\$ (0.26)	
11		December		\$ 3.17		\$ 3.41	\$ (0.24)	
12		2018		January		\$ 3.12	\$ 3.34	\$ (0.22)
13	February		\$ 3.01	\$ 3.21	\$ (0.20)			
14	March		\$ 2.59	\$ 2.75	\$ (0.16)			
15	April		\$ 2.03	\$ 2.08	\$ (0.05)			
16	May		\$ 1.94	\$ 1.97	\$ (0.03)			
17		June		\$ 1.97		\$ 2.00	\$ (0.03)	
18		July		\$ 2.05		\$ 2.08	\$ (0.04)	
19		August		\$ 2.05		\$ 2.09	\$ (0.04)	
20		September		\$ 2.19		\$ 2.23	\$ (0.04)	
21		October		\$ 2.20		\$ 2.24	\$ (0.04)	
22		November		\$ 2.58		\$ 2.63	\$ (0.05)	
23		December		\$ 3.05		\$ 3.11	\$ (0.06)	
24		2019		January		\$ 2.98	\$ 3.05	\$ (0.07)
25				February		\$ 2.85	\$ 2.93	\$ (0.08)
26				March		\$ 2.41	\$ 2.48	\$ (0.07)
27	April		\$ 1.77	\$ 1.80	\$ (0.03)			
28	May		\$ 1.68	\$ 1.71	\$ (0.03)			
29		June		\$ 1.71		\$ 1.74	\$ (0.03)	
30		July		\$ 1.78				
31		August		\$ 1.79				
32		September		\$ 1.93				
33								
34	Simple Average (Oct 2017 - Sep 2018)			\$ 2.44		\$ 2.57	-5.2%	\$ (0.13)
35	Simple Average (Jan 2018 - Dec 2018)			\$ 2.40		\$ 2.48	-3.3%	\$ (0.08)
36	Simple Average (Apr 2018 - Mar 2019)			\$ 2.36		\$ 2.41	-2.1%	\$ (0.05)
37	Simple Average (Jul 2018 - Jun 2019)			\$ 2.29		\$ 2.34	-2.1%	\$ (0.05)
38	Simple Average (Oct 2018 - Sep 2019)			\$ 2.23				

Conversion Factors




1 MMBtu = 1.055056 GJ

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

Forecast Oct 2017 - Sep 2018		Forecast Jul 2017 - Jun 2018			
\$	1.2499	\$	1.3421	-6.9%	\$ (0.0922)

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

Tab 1
Page 4.2

Line No	Particulars	Five-day Average Forward Prices - August 23, 24, 25, 28, and 29, 2017 2017 Q3 Gas Cost Report	Five-day Average Forward Prices - May 24, 25, 26, 30, and 31, 2017 2017 Q2 Gas Cost Report	Change in Forward Price
	(1)	(2)	(3)	(4) = (2) - (3)
1	SUMAS Index Prices - presented in \$CDN/GJ			
2				
3	2017 April	 \$ 2.95	Recorded \$ 2.95	\$ -
4	May	\$ 3.13	Forecast \$ 3.15	\$ (0.01)
5	June	\$ 3.45	\$ 3.44	\$ 0.01
6	July	Recorded \$ 2.82	 \$ 3.45	\$ (0.64)
7	August	\$ 2.95	\$ 3.52	\$ (0.58)
8	September	\$ 3.00	\$ 3.47	\$ (0.48)
9	October	\$ 2.89	\$ 3.48	\$ (0.59)
10	November	 \$ 3.19	\$ 3.75	\$ (0.57)
11	December	\$ 3.76	\$ 4.34	\$ (0.59)
12	2018 January	\$ 3.69	\$ 4.25	\$ (0.55)
13	February	\$ 3.57	\$ 4.08	\$ (0.52)
14	March	\$ 3.07	\$ 3.50	\$ (0.43)
15	April	\$ 2.41	\$ 2.64	\$ (0.24)
16	May	\$ 2.29	\$ 2.50	\$ (0.20)
17	June	\$ 2.33	\$ 2.54	\$ (0.21)
18	July	\$ 2.42	\$ 2.64	\$ (0.22)
19	August	\$ 2.43	\$ 2.65	\$ (0.23)
20	September	\$ 2.59	\$ 2.82	\$ (0.23)
21	October	\$ 2.61	\$ 2.84	\$ (0.23)
22	November	\$ 3.05	\$ 3.33	\$ (0.28)
23	December	\$ 3.61	\$ 3.93	\$ (0.32)
24	2019 January	\$ 3.53	\$ 3.87	\$ (0.35)
25	February	\$ 3.38	\$ 3.72	\$ (0.34)
26	March	\$ 2.85	\$ 3.14	\$ (0.29)
27	April	\$ 2.10	\$ 2.29	\$ (0.19)
28	May	\$ 1.99	\$ 2.16	\$ (0.18)
29	June	\$ 2.02	\$ 2.19	\$ (0.17)
30	July	\$ 2.11		
31	August	\$ 2.11		
32	September	\$ 2.28		
33				
34	Simple Average (Oct 2017 - Sep 2018)	\$ 2.89	\$ 3.27	-11.6% \$ (0.38)
35	Simple Average (Jan 2018 - Dec 2018)	\$ 2.84	\$ 3.14	-9.7% \$ (0.30)
36	Simple Average (Apr 2018 - Mar 2019)	\$ 2.79	\$ 3.05	-8.6% \$ (0.26)
37	Simple Average (Jul 2018 - Jun 2019)	\$ 2.71	\$ 2.97	-8.5% \$ (0.25)
38	Simple Average (Oct 2018 - Sep 2019)	\$ 2.64		

Conversion Factors




1 MMBtu = 1.055056 GJ

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

Forecast Oct 2017 - Sep 2018	Forecast Jul 2017 - Jun 2018	
\$ 1.2499	\$ 1.3421	-6.9% \$ (0.0922)




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

Tab 1
Page 5

Line No	Particulars		Five-day Average Forward Prices - August 23, 24, 25, 28, and 29, 2017 2017 Q3 Gas Cost Report		Five-day Average Forward Prices - May 24, 25, 26, 30, and 31, 2017 2017 Q3 Gas Cost Report		Change in Forward Price (4) = (2) - (3)	
	(1)		(2)		(3)			
1	AECO Index Prices - \$CDN/GJ							
2								
3	2017	April	 Recorded	\$ 2.46	Recorded	\$ 2.46	\$ -	
4		May		\$ 2.62	Forecast	\$ 2.66	\$ (0.04)	
5		June		\$ 2.81	 Forecast	\$ 2.79	\$ 0.01	
6		July		\$ 2.30		\$ 2.75	\$ (0.44)	
7		August		\$ 2.03		\$ 2.76	\$ (0.74)	
8		September	 Forecast	\$ 1.30		\$ 2.74	\$ (1.44)	
9		October		\$ 1.98		\$ 2.76	\$ (0.78)	
10		November		\$ 2.33		\$ 2.86	\$ (0.53)	
11		December		\$ 2.47		\$ 2.96	\$ (0.48)	
12	2018	January		\$ 2.55		\$ 3.03	\$ (0.48)	
13		February		\$ 2.56		\$ 3.05	\$ (0.49)	
14		March		\$ 2.53		\$ 2.96	\$ (0.44)	
15		April		\$ 2.23		\$ 2.37	\$ (0.13)	
16		May		\$ 2.20		\$ 2.31	\$ (0.11)	
17		June		\$ 2.20		\$ 2.33	\$ (0.13)	
18		July		\$ 2.19		\$ 2.33	\$ (0.14)	
19		August		\$ 2.23		\$ 2.34	\$ (0.11)	
20		September		\$ 2.21		\$ 2.33	\$ (0.12)	
21		October		\$ 2.30		\$ 2.40	\$ (0.10)	
22		November		\$ 2.43		\$ 2.51	\$ (0.08)	
23		December		\$ 2.56		\$ 2.67	\$ (0.11)	
24	2019	January		\$ 2.62		\$ 2.83	\$ (0.21)	
25		February		\$ 2.59		\$ 2.79	\$ (0.20)	
26		March		\$ 2.51		\$ 2.69	\$ (0.18)	
27		April		\$ 2.10		\$ 2.15	\$ (0.04)	
28		May		\$ 1.99		\$ 2.09	\$ (0.10)	
29		June		\$ 2.01		\$ 2.10	\$ (0.09)	
30		July		\$ 2.03				
31		August		\$ 2.03				
32		September		\$ 2.04				
33								
34	Simple Average (Oct 2017 - Sep 2018)		\$	2.31	\$	2.64	-12.5%	\$ (0.33)
35	Simple Average (Jan 2018 - Dec 2018)		\$	2.35	\$	2.55	-8.0%	\$ (0.20)
36	Simple Average (Apr 2018 - Mar 2019)		\$	2.36	\$	2.49	-5.5%	\$ (0.14)
37	Simple Average (Jul 2018 - Jun 2019)		\$	2.31	\$	2.44	-5.1%	\$ (0.12)
38	Simple Average (Oct 2018 - Sep 2019)		\$	2.27				

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

Tab 1
Page 6

Line No	Particulars		Five-day Average Forward Prices - August 23, 24, 25, 28, and 29, 2017 2017 Q3 Gas Cost report		Five-day Average Forward Prices - May 24, 25, 26, 30, and 31, 2017 2017 Q2 Gas Cost report		Change in Forward Price (4) = (2) - (3)	
	(1)		(2)		(3)			
1	Station 2 Index Prices - \$CDN/GJ							
2								
3	2017	April		\$ 2.03	Recorded	\$ 2.03	\$ -	
4		May		\$ 2.24	Forecast	\$ 2.16	\$ 0.09	
5		June		\$ 2.56		\$ 2.58	\$ (0.02)	
6		July	Recorded	\$ 1.90		\$ 2.22	\$ (0.33)	
7		August	Forecast	\$ 1.20		\$ 2.21	\$ (1.02)	
8		September		\$ 0.62		\$ 2.15	\$ (1.53)	
9		October		\$ 1.43		\$ 2.20	\$ (0.77)	
10		November		\$ 2.03		\$ 2.50	\$ (0.47)	
11		December		\$ 2.19		\$ 2.60	\$ (0.41)	
12	2018	January		\$ 2.23		\$ 2.67	\$ (0.45)	
13		February		\$ 2.23		\$ 2.69	\$ (0.45)	
14		March		\$ 2.20		\$ 2.60	\$ (0.41)	
15		April		\$ 1.78		\$ 1.90	\$ (0.12)	
16		May		\$ 1.74		\$ 1.84	\$ (0.10)	
17		June		\$ 1.74		\$ 1.86	\$ (0.12)	
18		July		\$ 1.74		\$ 1.87	\$ (0.13)	
19		August		\$ 1.77		\$ 1.87	\$ (0.10)	
20		September		\$ 1.75		\$ 1.86	\$ (0.11)	
21		October		\$ 1.84		\$ 1.93	\$ (0.09)	
22		November		\$ 2.20		\$ 2.23	\$ (0.02)	
23		December		\$ 2.33		\$ 2.38	\$ (0.05)	
24	2019	January		\$ 2.40		\$ 2.54	\$ (0.15)	
25		February		\$ 2.36		\$ 2.51	\$ (0.15)	
26		March		\$ 2.28		\$ 2.41	\$ (0.12)	
27		April		\$ 1.77		\$ 1.76	\$ 0.02	
28		May		\$ 1.66		\$ 1.70	\$ (0.04)	
29		June		\$ 1.68		\$ 1.71	\$ (0.03)	
30		July		\$ 1.70				
31		August		\$ 1.70				
32		September		\$ 1.71				
33								
34	Simple Average (Oct 2017 - Sep 2018)		\$	1.90	\$	2.21	-13.8%	\$ (0.30)
35	Simple Average (Jan 2018 - Dec 2018)		\$	1.96	\$	2.14	-8.4%	\$ (0.18)
36	Simple Average (Apr 2018 - Mar 2019)		\$	1.99	\$	2.10	-5.0%	\$ (0.11)
37	Simple Average (Jul 2018 - Jun 2019)		\$	1.98	\$	2.06	-3.9%	\$ (0.08)
38	Simple Average (Oct 2018 - Sep 2019)		\$	1.97				

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
GAS BUDGET COST SUMMUARY FOR THE FORECAST PERIOD OCT 2017 TO SEP 2018
FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 23, 24, 25, 28, AND 29, 2017

Tab 1
Page 7

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		\$ 188,234		99,792	\$ 1.886	
4	AECO		74,212		32,151	\$ 2.308	
5	Huntingdon		-		-		
6	Commodity Costs before Hedging		\$ 262,446		131,943	\$ 1.989	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)		792		-		
8	Subtotal Commodity Purchased		\$ 263,238		131,943	\$ 1.995	
9	Core Market Administration Costs		1,463		-		
10	Fuel Gas Provided to Midstream				(4,738)		
11	Total CCRA Baseload				127,205		
12	Total CCRA Costs		\$ 264,701			\$ 2.081	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		\$ 45,005		21,251	\$ 2.118	
18	Mark to Market Hedges Cost / (Gain)		-		-		
19	Imbalance		(633)		(393)		
20	Company Use Gas Recovered from O&M		(4,726)		(701)		
21	Injections into Storage	\$ (59,361)		(28,516)		\$ 2.082	
22	Withdrawals from Storage	56,854		28,396		\$ 2.002	
23	Storage Withdrawal / (Injection) Activity		(2,508)		(120)		
24	Total Midstream Commodity Related Costs		\$ 37,139		20,037	\$ 1.854	incl. Company Use Gas and UAF
25							
26	Storage Related Costs						
27	Storage Demand - Third Party Storage	\$ 35,613					
28	On-System Storage - Mt. Hayes (LNG)	18,821					
29	Total Storage Related Costs		54,434				
30							
31	Transport Related Costs		115,155				
32							
33	Mitigation						
34	Commodity Mitigation	\$ (31,776)			(18,336)		
35	Storage Mitigation	-					
36	Transportation Mitigation	(49,268)					
37	Total Mitigation		(81,044)				
38							
39	GSMIP Incentive Sharing		1,000				
40							
41	Core Market Administration Costs		3,415				
42							
43							
44	UAF (Sales & T-Service) & Net Transportation Fuel ^(a)				(1,701)		
45							
46	Net MCRA Commodity (Lines 24, 34 & 44)				-		
47	Total MCRA Costs (Lines 24, 29, 31, 37, 39, & 41)		\$ 130,097			\$ 0.992	average unit cost = Line 47, Col. 3 divided by Line 48, Col.5
48	Total Core Sales Quantities				131,084		
49	Total Forecast Gas Costs (Lines 12 & 47)		\$ 394,799				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 OCT 2017 TO SEP 2018
FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 23, 24, 25, 28, AND 29, 2017
\$(Millions)

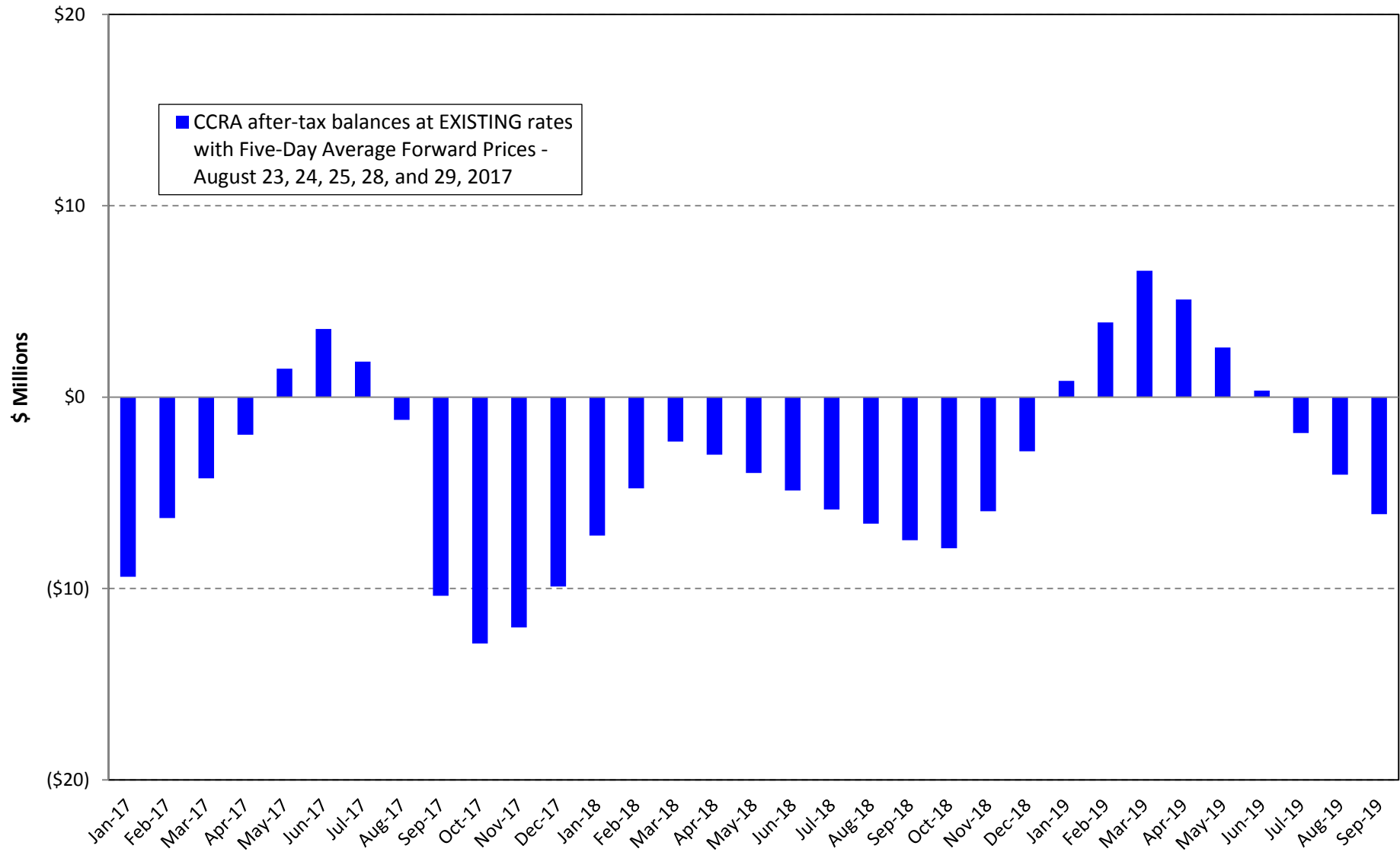
Tab 1
Page 8

No.	Particulars	CCRA / MCRA Deferral Account Forecast	Gas Budget Cost Summary	References
	(1)	(2)	(3)	(4)
1	Gas Cost Incurred			
2	CCRA	\$ 265		(Tab 1, Page 1, Col.14, Line 17)
3	MCRA	130		(Tab 2, Page 6.1, Col.15, Line 33)
4				
5				
6	Gas Budget Cost Summary			
7	CCRA		\$ 265	(Tab 1, Page 7, Col.3, Line 12)
8	MCRA		130	(Tab 1, Page 7, Col.3, Line 47)
9				
10				
11	Totals Reconciled	\$ 395	\$ 395	

Slight differences in totals due to rounding.

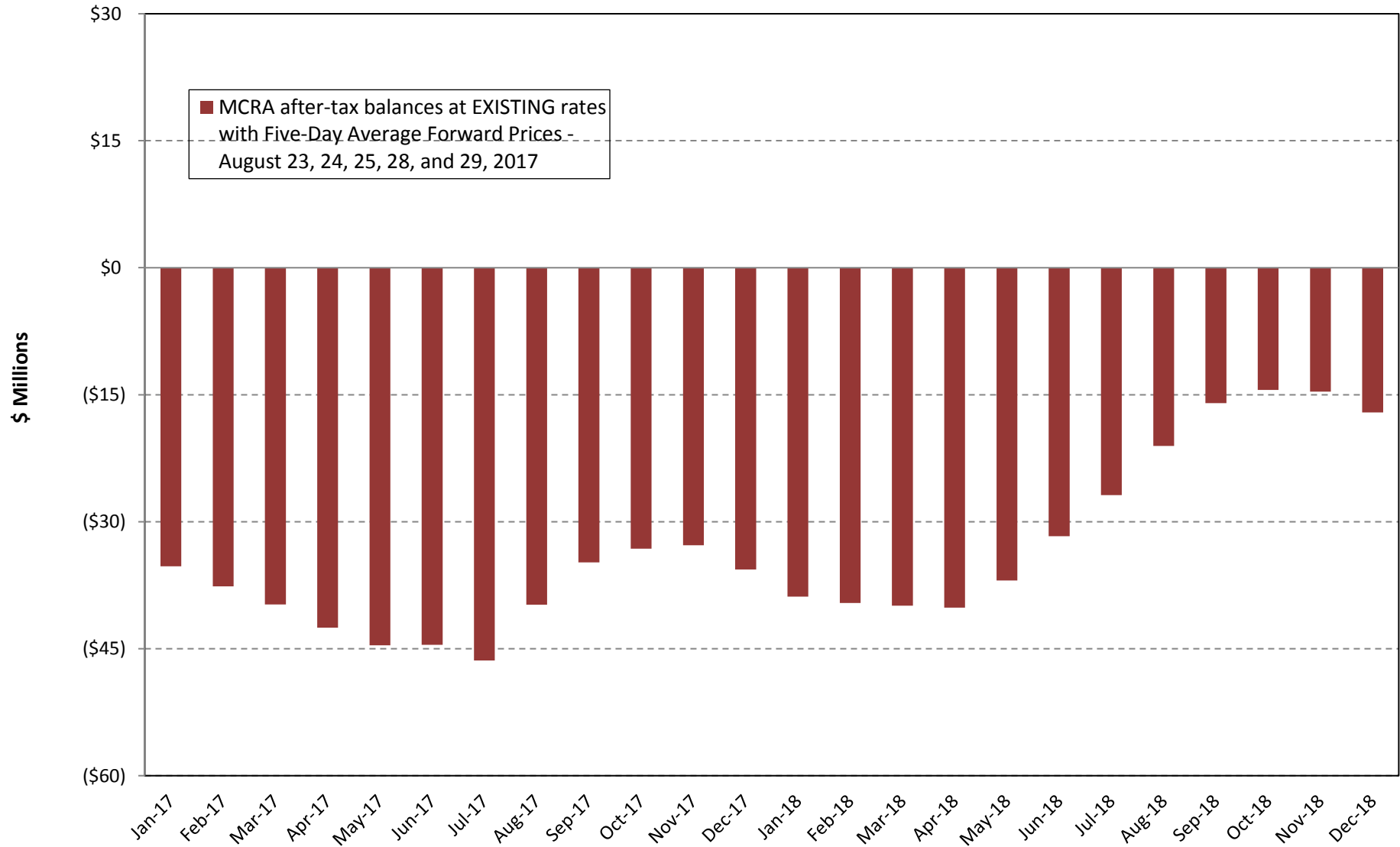
FortisBC Energy Inc. - Mainland, Vancouver Island and Whistler Service Areas
 CCRA After-Tax Monthly Balances
 Recorded July 2017 and Forecast to September 2019

Tab 1
 Page 9



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

Tab 1
 Page 10



FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
CCRA INCURRED MONTHLY ACTIVITIES
RECORDED PERIOD TO JUL 2017 AND FORECAST TO SEP 2018
FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 23, 24, 25, 28, AND 29, 2017

Tab 2
Page 1

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	Recorded May-17	Recorded Jun-17	Recorded Jul-17	Projected Aug-17	Projected Sep-17				Jan-17 to Sep-17 Total
1														
2														
3	CCRA QUANTITIES													
4	Commodity Purchase	(TJ)												
5	STN 2	8,007	7,234	8,021	7,751	8,010	7,754	8,015	8,475	8,202				71,470
6	AECO	<u>2,543</u>	<u>2,297</u>	<u>2,548</u>	<u>2,462</u>	<u>2,544</u>	<u>2,463</u>	<u>2,545</u>	<u>2,731</u>	<u>2,643</u>				<u>22,776</u>
7	Total Commodity Purchased	10,550	9,531	10,569	10,213	10,554	10,217	10,560	11,206	10,845				94,246
8	Fuel Gas Provided to Midstream	<u>(379)</u>	<u>(342)</u>	<u>(377)</u>	<u>(364)</u>	<u>(376)</u>	<u>(365)</u>	<u>(379)</u>	<u>(402)</u>	<u>(389)</u>				<u>(3,375)</u>
9	Commodity Available for Sale	<u>10,171</u>	<u>9,189</u>	<u>10,192</u>	<u>9,848</u>	<u>10,178</u>	<u>9,853</u>	<u>10,181</u>	<u>10,804</u>	<u>10,455</u>				<u>90,871</u>
10														
11	CCRA COSTS													
12	Commodity Costs	(\$000)												
13	STN 2	\$ 22,672	\$ 16,960	\$ 17,393	\$ 17,204	\$ 18,698	\$ 17,367	\$ 13,536	\$ 12,136	\$ 6,364				\$ 142,330
14	AECO	<u>7,874</u>	<u>5,938</u>	<u>6,130</u>	<u>6,293</u>	<u>6,902</u>	<u>6,508</u>	<u>5,068</u>	<u>5,544</u>	<u>3,435</u>				<u>53,693</u>
15	Commodity Costs before Hedging	\$ 30,546	\$ 22,898	\$ 23,522	\$ 23,497	\$ 25,601	\$ 23,875	\$ 18,604	\$ 17,680	\$ 9,799				\$ 196,023
16	Mark to Market Hedges Cost / (Gain)	-	-	-	(301)	(196)	(1,007)	(111)	228	1,089				(298)
17	Core Market Administration Costs	<u>120</u>	<u>78</u>	<u>114</u>	<u>81</u>	<u>115</u>	<u>142</u>	<u>99</u>	<u>122</u>	<u>122</u>				<u>993</u>
18	Total CCRA Costs	<u>\$ 30,666</u>	<u>\$ 22,976</u>	<u>\$ 23,636</u>	<u>\$ 23,277</u>	<u>\$ 25,520</u>	<u>\$ 23,010</u>	<u>\$ 18,592</u>	<u>\$ 18,030</u>	<u>\$ 11,011</u>				<u>\$ 196,718</u>
19														
20														
21	CCRA Unit Cost	(\$/GJ)	\$ 3.015	\$ 2.500	\$ 2.319	\$ 2.364	\$ 2.507	\$ 2.335	\$ 1.826	\$ 1.669	\$ 1.053			\$ 2.165
22														
23														
24		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	Forecast Jul-18	Forecast Aug-18	Forecast Sep-18	1-12 months Total
25														
26	CCRA QUANTITIES													
27	Commodity Purchase	(TJ)												
28	STN 2	8,475	8,202	8,475	8,475	7,655	8,475	8,202	8,475	8,202	8,475	8,475	8,202	99,792
29	AECO	<u>2,731</u>	<u>2,643</u>	<u>2,731</u>	<u>2,731</u>	<u>2,466</u>	<u>2,731</u>	<u>2,643</u>	<u>2,731</u>	<u>2,643</u>	<u>2,731</u>	<u>2,731</u>	<u>2,643</u>	<u>32,151</u>
30	Total Commodity Purchased	11,206	10,845	11,206	11,206	10,122	11,206	10,845	11,206	10,845	11,206	11,206	10,845	131,943
31	Fuel Gas Provided to Midstream	<u>(402)</u>	<u>(389)</u>	<u>(402)</u>	<u>(402)</u>	<u>(363)</u>	<u>(402)</u>	<u>(389)</u>	<u>(402)</u>	<u>(389)</u>	<u>(402)</u>	<u>(402)</u>	<u>(389)</u>	<u>(4,738)</u>
32	Commodity Available for Sale	<u>10,804</u>	<u>10,455</u>	<u>10,804</u>	<u>10,804</u>	<u>9,758</u>	<u>10,804</u>	<u>10,455</u>	<u>10,804</u>	<u>10,455</u>	<u>10,804</u>	<u>10,804</u>	<u>10,455</u>	<u>127,205</u>
33														
34	CCRA COSTS	(\$000)												
35	Commodity Costs													
36	STN 2	\$ 12,958	\$ 16,285	\$ 18,153	\$ 18,647	\$ 16,902	\$ 18,418	\$ 14,444	\$ 14,613	\$ 14,140	\$ 14,562	\$ 14,891	\$ 14,220	\$ 188,234
37	AECO	<u>5,421</u>	<u>6,154</u>	<u>6,764</u>	<u>6,980</u>	<u>6,322</u>	<u>6,905</u>	<u>5,911</u>	<u>6,008</u>	<u>5,810</u>	<u>5,993</u>	<u>6,099</u>	<u>5,844</u>	<u>74,212</u>
38	Commodity Costs before Hedging	\$ 18,378	\$ 22,440	\$ 24,917	\$ 25,628	\$ 23,224	\$ 25,323	\$ 20,355	\$ 20,620	\$ 19,950	\$ 20,555	\$ 20,990	\$ 20,065	\$ 262,446
39	Mark to Market Hedges Cost / (Gain)	282	-	-	-	-	-	23	118	118	132	33	86	792
40	Core Market Administration Costs	<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>
41	Total CCRA Costs	<u>\$ 18,783</u>	<u>\$ 22,561</u>	<u>\$ 25,039</u>	<u>\$ 25,750</u>	<u>\$ 23,346</u>	<u>\$ 25,445</u>	<u>\$ 20,500</u>	<u>\$ 20,861</u>	<u>\$ 20,190</u>	<u>\$ 20,809</u>	<u>\$ 21,145</u>	<u>\$ 20,272</u>	<u>\$ 264,701</u>
42														
43														
44	CCRA Unit Cost	(\$/GJ)	\$ 1.739	\$ 2.158	\$ 2.318	\$ 2.383	\$ 2.392	\$ 2.355	\$ 1.961	\$ 1.931	\$ 1.931	\$ 1.926	\$ 1.957	\$ 2.081

Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
CCRA INCURRED MONTHLY ACTIVITIES
FORECAST PERIOD FROM OCT 2018 TO SEP 2019
FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 23, 24, 25, 28, AND 29, 2017

Tab 2
Page 2

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
1		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	13-24 months	
2		Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total	
3	CCRA QUANTITIES														
4	Commodity Purchase	(TJ)													
5	STN 2	8,922	8,634	8,922	8,922	8,058	8,922	8,634	8,922	8,634	8,922	8,922	8,634	105,047	
6	AECO	2,874	2,782	2,874	2,874	2,596	2,874	2,782	2,874	2,782	2,874	2,874	2,782	33,844	
7	Total Commodity Purchased	11,796	11,416	11,796	11,796	10,655	11,796	11,416	11,796	11,416	11,796	11,796	11,416	138,892	
8	Fuel Gas Provided to Midstream	(424)	(410)	(424)	(424)	(383)	(424)	(410)	(424)	(410)	(424)	(424)	(410)	(4,988)	
9	Commodity Available for Sale	11,373	11,006	11,373	11,373	10,272	11,373	11,006	11,373	11,006	11,373	11,373	11,006	133,904	
10															
11															
12	CCRA COSTS	(\$000)													
13	Commodity Costs														
14	STN 2	\$ 16,152	\$ 18,281	\$ 20,066	\$ 20,610	\$ 18,346	\$ 19,616	\$ 14,555	\$ 14,058	\$ 13,784	\$ 14,353	\$ 14,397	\$ 13,971	\$ 198,188	
15	AECO	6,615	6,765	7,369	7,544	6,722	7,218	5,861	5,740	5,613	5,841	5,855	5,678	76,820	
16	Commodity Costs before Hedging	\$ 22,767	\$ 25,046	\$ 27,435	\$ 28,154	\$ 25,067	\$ 26,834	\$ 20,416	\$ 19,798	\$ 19,397	\$ 20,193	\$ 20,252	\$ 19,649	\$ 275,008	
17	Mark to Market Hedges Cost / (Gain)	(140)	-	-	-	-	-	-	-	-	-	-	-	(140)	
18	Core Market Administration Costs	122	122	122	122	122	122	122	122	122	122	122	122	1,463	
19	Total CCRA Costs	\$ 22,749	\$ 25,168	\$ 27,557	\$ 28,276	\$ 25,189	\$ 26,956	\$ 20,538	\$ 19,920	\$ 19,519	\$ 20,315	\$ 20,374	\$ 19,771	\$ 276,332	
20															
21															
22	CCRA Unit Cost	(\$/GJ)	\$ 2.000	\$ 2.287	\$ 2.423	\$ 2.486	\$ 2.452	\$ 2.370	\$ 1.866	\$ 1.752	\$ 1.774	\$ 1.786	\$ 1.791	\$ 1.796	\$ 2.064

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 OCT 1, 2017 TO SEP 30, 2018
FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 23, 24, 25, 28, AND 29, 2017

Tab 2
Page 3

Line No.	Particulars	Unit	RS-1 to RS-7
	(1)		(2)
1	<u>CCRA Baseload</u>	TJ	127,205
2			
3	<u>CCRA Incurred Costs</u>		
5	STN 2	\$000	\$ 188,233.7
6	AECO		74,212.0
7	CCRA Commodity Costs before Hedging		\$ 262,445.6
8	Mark to Market Hedges Cost / (Gain)		792.1
9	Core Market Administration Costs		1,463.4
10	Total Incurred Costs before CCRA deferral amortization		\$ 264,701.2
11			
12	Pre-tax CCRA Deficit/(Surplus) as of Sep 30, 2017		(14,030.5)
13	Total CCRA Incurred Costs		\$ 250,670.7
14			
15			
16	<u>CCRA Incurred Unit Costs</u>	\$/GJ	
17	CCRA Commodity Costs before Hedging		\$ 2.0632
18	Mark to Market Hedges Cost / (Gain)		0.0062
19	Core Market Administration Costs		0.0115
20	Total Incurred Costs before CCRA deferral amortization		\$ 2.0809
21	Pre-tax CCRA Deficit/(Surplus) as of Sep 30, 2017		(0.1103)
22	CCRA Gas Costs Incurred -- Flow-Through		\$ 1.9706
23			
24			
25			
26			
27			
28			
29	<u>Cost of Gas (Commodity Cost Recovery Charge)</u>		RS-1 to RS-7
30			
31	TESTED Flow-Through Cost of Gas effective Oct 1, 2017		\$ 1.971
32			
33	Existing Cost of Gas (effective since Oct 1, 2016)		2.050
34			
35	Cost of Gas Increase / (Decrease)	\$/GJ	\$ (0.079)
36			
37	Cost of Gas Percentage Increase / (Decrease)		-3.85%

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 - AUGUST 23, 24, 25, 28, AND 29, 2017

Tab 2

Page 4

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	Recorded May-17	Recorded Jun-17	Recorded Jul-17	Projected Aug-17	Projected 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)		\$ 20,751.8	\$ 14,493.8	\$ 9,575.4	\$ 1,878.9	\$ 1,923.0	\$ 2,314.4	\$ 1,420.5	\$ 5.3	\$ 2.7	\$ 6.8	\$ 5,506.9	\$ 10,242.9	\$ 68,122.3
4	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	-
5	Imbalance ^(b)	\$ 1,897.7	(48.9)	(754.4)	(663.5)	378.7	346.7	8.8	(532.3)	-	-	-	-	(632.9)	(1,897.7)
6	Company Use Gas Recovered from O&M		(536.7)	48.5	(63.2)	(213.1)	(126.0)	(174.3)	(155.4)	(100.9)	(140.8)	(211.7)	(452.4)	(735.0)	(2,861.1)
7	Storage Withdrawal / (Injection) Activity ^(c)		<u>13,137.1</u>	<u>11,103.8</u>	<u>10,852.2</u>	<u>(136.0)</u>	<u>(9,451.7)</u>	<u>(13,428.2)</u>	<u>(9,976.5)</u>	<u>(10,158.4)</u>	<u>(5,196.7)</u>	<u>(648.5)</u>	<u>9,534.7</u>	<u>9,808.0</u>	<u>5,439.8</u>
8	Total Midstream Commodity Related Costs		<u>\$ 33,303.3</u>	<u>\$ 24,891.8</u>	<u>\$ 19,700.9</u>	<u>\$ 1,908.5</u>	<u>\$ (7,308.0)</u>	<u>\$ (11,279.4)</u>	<u>\$ (9,243.7)</u>	<u>\$ (10,254.0)</u>	<u>\$ (5,334.9)</u>	<u>\$ (853.4)</u>	<u>\$ 14,589.1</u>	<u>\$ 18,682.9</u>	<u>\$ 68,803.3</u>
9															
10	<u>Storage Related Costs</u>														
11	Storage Demand - Third Party Storage		\$ 2,640.9	\$ 2,597.1	\$ 2,649.3	\$ 2,550.6	\$ 3,610.2	\$ 3,686.9	\$ 3,399.3	\$ 3,419.9	\$ 3,425.3	\$ 3,436.7	\$ 2,487.7	\$ 2,493.7	\$ 36,397.4
12	On-System Storage - Mt. Hayes (LNG)		<u>1,520.5</u>	<u>1,504.4</u>	<u>1,519.3</u>	<u>1,505.0</u>	<u>1,665.1</u>	<u>1,635.5</u>	<u>1,522.0</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>18,928.6</u>
13	Total Storage Related Costs		<u>\$ 4,161.3</u>	<u>\$ 4,101.5</u>	<u>\$ 4,168.6</u>	<u>\$ 4,055.7</u>	<u>\$ 5,275.3</u>	<u>\$ 5,322.3</u>	<u>\$ 4,921.3</u>	<u>\$ 5,129.5</u>	<u>\$ 5,129.4</u>	<u>\$ 5,036.7</u>	<u>\$ 4,009.1</u>	<u>\$ 4,015.2</u>	<u>\$ 55,326.0</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	\$ 6,640.5	\$ 6,834.3	\$ 6,659.5	\$ 7,032.3	\$ 6,929.1	\$ 6,966.1	\$ 7,166.1	\$ 7,421.5	\$ 87,212.1
17	TransCanada (Foothill BC)		390.7	390.7	390.7	249.9	250.4	292.4	293.7	294.5	294.5	294.5	390.7	390.7	3,923.6
18	TransCanada (Nova Alta)		965.1	965.1	965.1	1,008.9	1,079.9	804.2	901.8	913.5	913.5	913.5	913.5	913.5	11,257.5
19	Northwest Pipeline		814.9	709.8	796.1	383.2	396.8	377.5	384.1	382.8	354.9	365.6	733.4	774.7	6,473.9
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		<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>\$ 11,081.2</u>	<u>\$ 10,397.4</u>	<u>\$ 10,749.5</u>	<u>\$ 8,609.9</u>	<u>\$ 8,678.8</u>	<u>\$ 8,619.6</u>	<u>\$ 8,550.3</u>	<u>\$ 8,934.2</u>	<u>\$ 8,803.1</u>	<u>\$ 8,850.8</u>	<u>\$ 9,514.9</u>	<u>\$ 9,811.5</u>	<u>\$ 112,601.2</u>
23															
24	<u>Mitigation</u>														
25	Commodity Related Mitigation		\$ (3,855.7)	\$ (6,274.0)	\$ (10,145.0)	\$ (1,220.0)	\$ (819.9)	\$ (584.7)	\$ (1,898.7)	\$ (1,032.8)	\$ (486.7)	\$ (1,386.6)	\$ (7,695.7)	\$ (1,877.5)	\$ (37,277.4)
26	Storage Related Mitigation		(484.3)	(0.3)	-	(539.3)	(1,468.0)	(3,265.1)	(3,329.9)	-	-	-	-	-	(9,086.9)
27	Transportation Related Mitigation		<u>(3,359.2)</u>	<u>(2,308.0)</u>	<u>(3,720.4)</u>	<u>(6,713.1)</u>	<u>(8,634.6)</u>	<u>(8,107.4)</u>	<u>(13,289.1)</u>	<u>(7,333.2)</u>	<u>(7,211.7)</u>	<u>(6,421.4)</u>	<u>(1,987.5)</u>	<u>(1,465.2)</u>	<u>(70,550.8)</u>
28	Total Mitigation		<u>\$ (7,699.2)</u>	<u>\$ (8,582.2)</u>	<u>\$ (13,865.3)</u>	<u>\$ (8,472.4)</u>	<u>\$ (10,922.6)</u>	<u>\$ (11,957.2)</u>	<u>\$ (18,517.7)</u>	<u>\$ (8,366.0)</u>	<u>\$ (7,698.5)</u>	<u>\$ (7,808.0)</u>	<u>\$ (9,683.3)</u>	<u>\$ (3,342.7)</u>	<u>\$ (116,915.1)</u>
29															
30	<u>GSMIP Incentive Sharing</u>		<u>\$ 313.5</u>	<u>\$ 164.3</u>	<u>\$ 150.3</u>	<u>\$ 118.3</u>	<u>\$ 120.6</u>	<u>\$ 119.7</u>	<u>\$ 240.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 83.3</u>	<u>\$ 1,643.5</u>
31															
32	<u>Core Market Administration Costs</u>		<u>\$ 280.5</u>	<u>\$ 181.9</u>	<u>\$ 265.3</u>	<u>\$ 189.7</u>	<u>\$ 268.7</u>	<u>\$ 331.0</u>	<u>\$ 230.9</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 284.6</u>	<u>\$ 3,170.7</u>
33	TOTAL MCRA COSTS	(\$000)	<u>\$ 41,440.6</u>	<u>\$ 31,154.6</u>	<u>\$ 21,169.2</u>	<u>\$ 6,409.6</u>	<u>\$ (3,887.2)</u>	<u>\$ (8,844.0)</u>	<u>\$ (13,818.6)</u>	<u>\$ (4,188.4)</u>	<u>\$ 1,267.0</u>	<u>\$ 5,594.1</u>	<u>\$ 18,797.8</u>	<u>\$ 29,534.8</u>	<u>\$ 124,629.7</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 - AUGUST 23, 24, 25, 28, AND 29, 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	(\$000)													
2	<u>Midstream Commodity Related Costs</u>														
3	Midstream Commodity Costs before Hedging ^(a)		\$ 12,295.1	\$ 9,485.2	\$ 6,223.1	\$ 1,220.9	\$ 3.6	\$ 6.7	\$ 3.6	\$ 3.7	\$ 6.8	\$ 56.0	\$ 4,760.6	\$ 12,350.3	\$ 46,415.7
4	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	-
5	Imbalance ^(b)	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
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>8,870.1</u>	<u>8,269.1</u>	<u>6,627.1</u>	<u>(806.7)</u>	<u>(6,959.3)</u>	<u>(7,714.4)</u>	<u>(11,161.1)</u>	<u>(10,441.5)</u>	<u>(7,885.1)</u>	<u>(451.8)</u>	<u>10,383.9</u>	<u>10,086.2</u>	<u>(1,183.5)</u>
8	Total Midstream Commodity Related Costs		<u>\$ 20,309.3</u>	<u>\$ 17,079.9</u>	<u>\$ 12,275.0</u>	<u>\$ 11.4</u>	<u>\$ (7,181.5)</u>	<u>\$ (7,907.4)</u>	<u>\$ (11,308.9)</u>	<u>\$ (10,538.7)</u>	<u>\$ (8,019.2)</u>	<u>\$ (607.5)</u>	<u>\$ 14,692.1</u>	<u>\$ 21,701.5</u>	<u>\$ 40,506.0</u>
9															
10	<u>Storage Related Costs</u>														
11	Storage Demand - Third Party Storage		\$ 2,497.5	\$ 2,472.9	\$ 2,483.1	\$ 2,504.7	\$ 3,447.8	\$ 3,441.5	\$ 3,447.3	\$ 3,449.1	\$ 3,450.7	\$ 3,462.8	\$ 2,516.1	\$ 2,522.0	\$ 35,695.5
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>\$ 4,032.4</u>	<u>\$ 4,007.3</u>	<u>\$ 4,000.5</u>	<u>\$ 4,022.1</u>	<u>\$ 4,965.2</u>	<u>\$ 4,958.8</u>	<u>\$ 5,072.7</u>	<u>\$ 5,158.7</u>	<u>\$ 5,154.9</u>	<u>\$ 5,062.8</u>	<u>\$ 4,037.5</u>	<u>\$ 4,043.5</u>	<u>\$ 54,516.5</u>
14															
15	<u>Transportation Related Costs</u>														
16	Spectra (BC Pipeline) - Westcoast Energy		\$ 7,949.6	\$ 7,805.1	\$ 7,835.3	\$ 7,535.4	\$ 7,490.7	\$ 7,390.6	\$ 7,515.6	\$ 7,493.6	\$ 7,390.5	\$ 7,443.4	\$ 7,622.9	\$ 7,943.7	\$ 91,416.3
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)		931.7	931.7	931.7	931.7	931.7	931.7	931.7	931.7	931.7	931.7	931.7	931.7	11,180.9
19	Northwest Pipeline		760.1	695.7	734.4	361.6	354.0	357.2	391.1	382.7	350.2	364.8	745.0	773.3	6,270.2
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		<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>\$ 10,351.2</u>	<u>\$ 10,142.3</u>	<u>\$ 10,211.2</u>	<u>\$ 9,440.4</u>	<u>\$ 9,388.0</u>	<u>\$ 9,291.1</u>	<u>\$ 9,449.9</u>	<u>\$ 9,419.6</u>	<u>\$ 9,284.0</u>	<u>\$ 9,351.5</u>	<u>\$ 10,009.3</u>	<u>\$ 10,358.4</u>	<u>\$ 116,696.9</u>
23															
24	<u>Mitigation</u>														
25	Commodity Related Mitigation		\$ (1,038.1)	\$ (2,882.6)	\$ (4,045.1)	\$ (452.8)	\$ (1,211.2)	\$ (2,749.7)	\$ (2,319.0)	\$ (3,100.2)	\$ (3,017.7)	\$ (2,596.4)	\$ (6,746.0)	\$ (1,410.0)	\$ (31,568.9)
26	Storage Related Mitigation		-	-	-	-	-	-	-	-	-	-	-	-	-
27	Transportation Related Mitigation		<u>(1,419.0)</u>	<u>(1,237.3)</u>	<u>(1,868.6)</u>	<u>(5,006.3)</u>	<u>(5,703.2)</u>	<u>(5,492.5)</u>	<u>(6,850.8)</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>(47,903.9)</u>
28	Total Mitigation		<u>\$ (2,457.1)</u>	<u>\$ (4,119.9)</u>	<u>\$ (5,913.7)</u>	<u>\$ (5,459.1)</u>	<u>\$ (6,914.4)</u>	<u>\$ (8,242.1)</u>	<u>\$ (9,169.9)</u>	<u>\$ (9,069.1)</u>	<u>\$ (8,865.2)</u>	<u>\$ (7,653.5)</u>	<u>\$ (8,733.5)</u>	<u>\$ (2,875.2)</u>	<u>\$ (79,472.7)</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	(\$000)	<u>\$ 32,603.8</u>	<u>\$ 27,477.5</u>	<u>\$ 20,940.8</u>	<u>\$ 8,382.6</u>	<u>\$ 625.1</u>	<u>\$ (1,531.7)</u>	<u>\$ (5,588.2)</u>	<u>\$ (4,661.6)</u>	<u>\$ (2,077.6)</u>	<u>\$ 6,521.2</u>	<u>\$ 20,373.3</u>	<u>\$ 33,596.1</u>	<u>\$ 136,661.3</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 OCT 2017 TO SEP 2018
FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 23, 24, 25, 28, AND 29, 2017

Tab 2
Page 6

Line No.	Particulars	Unit	Residential RS-1	Commercial RS-2	RS-3	General Firm Service RS-5	NGV RS-6	Subtotal	Seasonal RS-4	General Interruptible RS-7	RS-1 to RS-7 Summary	Total MCRA Gas Budget Costs	LNG RS-46	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	MCRA Sales Quantity	TJ	78,863.2	29,658.0	19,576.7	2,569.9	32.6	130,700.4	148.7	234.9	131,084.0		1,132.9	1,300.0	15,902.8
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	253,619.2	96,476.6	53,137.0	5,139.8	32.6	408,405.2							
6	Load Factor Adjusted Volumetric Allocation	%	62.1%	23.6%	13.0%	1.3%	0.0%	100.0%							
7															
8															
9	MCRA Cost of Gas - Load Factor Adjusted Allocation														
10	Midstream Commodity Related Costs (Net of Mitigation)	\$000	\$ 2,581.4	\$ 982.0	\$ 540.8	\$ 52.3	\$ 0.3	\$ 4,156.9			\$ 4,156.9		\$ (1,602.9)	\$ (1,910.4)	\$ -
11	Midstream Commodity Related Costs		22,314.5	8,488.4	4,675.2	452.2	2.9	35,933.2					1,694.5	2,092.6	23,764.3
12	Midstream Commodity Related Mitigation		(19,733.0)	(7,506.4)	(4,134.4)	(399.9)	(2.5)	(31,776.3)					(3,297.4)	(4,003.0)	(23,764.3)
13	Storage Related Costs (Net of Mitigation)	\$000	33,803.3	12,858.7	7,082.3	685.1	4.3	54,433.7			54,433.7		-	-	-
14	Storage Related Costs		33,803.3	12,858.7	7,082.3	685.1	4.3	54,433.7					-	-	-
15	Storage Related Mitigation		-	-	-	-	-	-					-	-	-
16	Transportation Related Costs (Net of Mitigation)	\$000	40,915.6	15,564.3	8,572.4	829.2	5.3	65,886.8			65,886.8		392.1	449.8	-
17	Transportation Related Costs		71,511.1	27,202.8	14,982.6	1,449.2	9.2	115,155.0					392.1	449.8	-
18	Transportation Related Mitigation		(30,595.5)	(11,638.5)	(6,410.2)	(620.0)	(3.9)	(49,268.2)					-	-	-
19	GSMIP Incentive Sharing	\$000	621.0	236.2	130.1	12.6	0.1	1,000.0			1,000.0		-	-	-
20	Core Market Administration Costs - MCRA 70%	\$000	2,120.5	806.6	444.3	43.0	0.3	3,414.6			3,414.6		-	-	-
21	Total Midstream Cost of Gas Allocated by Rate Class	\$000	\$ 80,041.8	\$ 30,447.9	\$ 16,769.9	\$ 1,622.1	\$ 10.3	\$ 128,892.0			\$ 128,892.0	\$ 128,892.0	\$ (1,210.8)	\$ (1,460.6)	\$ -
22	T-Service UAF to be recovered via delivery revenues ^(b)											1,205.4			
23	Total MCRA Gas Costs ^(c)											\$ 130,097.4			
24	1/2 of Pre-Tax Amort. MCRA Deficit/(Surplus) as of Oct 1, 2017	\$000	\$ (14,599.7)	\$ (5,553.7)	\$ (3,058.9)	\$ (295.9)	\$ (1.9)	\$ (23,510.0)			\$ (23,510.0)				
25															
26															
27	MCRA Cost of Gas Unitized											Average Costs			
28	Midstream Commodity Related Costs (Net of Mitigation)	\$/GJ	\$ 0.0327	\$ 0.0331	\$ 0.0276	\$ 0.0204	\$ 0.0102				\$ 0.0317				
29	Storage Related Costs (Net of Mitigation)	\$/GJ	0.4286	0.4336	0.3618	0.2666	0.1333				0.4153				
30	Transportation Related Costs (Net of Mitigation)	\$/GJ	0.5188	0.5248	0.4379	0.3227	0.1613				0.5026				
31	GSMIP Incentive Sharing	\$/GJ	0.0079	0.0080	0.0066	0.0049	0.0024				0.0076				
32	Core Market Administration Costs - MCRA 70%	\$/GJ	0.0269	0.0272	0.0227	0.0167	0.0084				0.0260				
33	MCRA Flow-Through Costs before MCRA deferral amortization	\$/GJ	\$ 1.0149	\$ 1.0266	\$ 0.8566	\$ 0.6312	\$ 0.3156				\$ 0.9833				
34	MCRA Deferral Amortization via Rate Rider 6	\$/GJ	\$ (0.1851)	\$ (0.1873)	\$ (0.1562)	\$ (0.1151)	\$ (0.0576)				\$ (0.1794)				

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 OCT 2017 TO SEP 2018
FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 23, 24, 25, 28, AND 29, 2017

Tab 2
Page 6.1

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
			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	Forecast Jul-18	Forecast Aug-18	Forecast Sep-18	Oct-17 to Sep-18 Total
1	MCRA COSTS	(\$000)													
2	<u>Midstream Commodity Related Costs</u>														
3	Midstream Commodity Costs before Hedging ^(a)	\$	6.8	5,506.9	10,242.9	12,295.1	9,485.2	6,223.1	1,220.9	3.6	6.7	3.6	3.7	6.8	45,005.3
4	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	-
5	Imbalance ^(b)		-	-	(632.9)	-	-	-	-	-	-	-	-	-	(632.9)
6	Company Use Gas Recovered from O&M		(211.7)	(452.4)	(735.0)	(855.8)	(674.4)	(575.2)	(402.7)	(225.8)	(199.8)	(151.5)	(100.9)	(140.8)	(4,726.1)
7	Storage Withdrawal / (Injection) Activity ^(c)		(648.5)	9,534.7	9,808.0	8,870.1	8,269.1	6,627.1	(806.7)	(6,959.3)	(7,714.4)	(11,161.1)	(10,441.5)	(7,885.1)	(2,507.7)
8	Total Midstream Commodity Related Costs	\$	(853.4)	14,589.1	18,682.9	20,309.3	17,079.9	12,275.0	11.4	(7,181.5)	(7,907.4)	(11,308.9)	(10,538.7)	(8,019.2)	37,138.6
9															
10	<u>Storage Related Costs</u>														
11	Storage Demand - Third Party Storage	\$	3,436.7	2,487.7	2,493.7	2,497.5	2,472.9	2,483.1	2,504.7	3,447.8	3,441.5	3,447.3	3,449.1	3,450.7	35,612.7
12	On-System Storage - Mt. Hayes (LNG)		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	1,625.5	1,709.6	1,704.2	18,821.1
13	Total Storage Related Costs	\$	5,036.7	4,009.1	4,015.2	4,032.4	4,007.3	4,000.5	4,022.1	4,965.2	4,958.8	5,072.7	5,158.7	5,154.9	54,433.7
14															
15	<u>Transportation Related Costs</u>														
16	Spectra (BC Pipeline) - Westcoast Energy	\$	6,966.1	7,166.1	7,421.5	7,949.6	7,805.1	7,835.3	7,535.4	7,490.7	7,390.6	7,515.6	7,493.6	7,390.5	89,960.1
17	TransCanada (Foothill BC)		294.5	390.7	390.7	398.6	398.6	398.6	300.4	300.4	300.4	300.4	300.4	300.4	4,073.8
18	TransCanada (Nova Alta)		913.5	913.5	913.5	931.7	931.7	931.7	931.7	931.7	931.7	931.7	931.7	931.7	11,126.1
19	Northwest Pipeline		365.6	733.4	774.7	760.1	695.7	734.4	361.6	354.0	357.2	391.1	382.7	350.2	6,260.8
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	\$	8,850.8	9,514.9	9,811.5	10,351.2	10,142.3	10,211.2	9,440.4	9,388.0	9,291.1	9,449.9	9,419.6	9,284.0	115,155.0
23															
24	<u>Mitigation</u>														
25	Commodity Related Mitigation	\$	(1,386.6)	(7,695.7)	(1,877.5)	(1,038.1)	(2,882.6)	(4,045.1)	(452.8)	(1,211.2)	(2,749.7)	(2,319.0)	(3,100.2)	(3,017.7)	(31,776.3)
26	Storage Related Mitigation		-	-	-	-	-	-	-	-	-	-	-	-	-
27	Transportation Related Mitigation		(6,421.4)	(1,987.5)	(1,465.2)	(1,419.0)	(1,237.3)	(1,868.6)	(5,006.3)	(5,703.2)	(5,492.5)	(6,850.8)	(5,968.9)	(5,847.4)	(49,268.2)
28	Total Mitigation	\$	(7,808.0)	(9,683.3)	(3,342.7)	(2,457.1)	(4,119.9)	(5,913.7)	(5,459.1)	(6,914.4)	(8,242.1)	(9,169.9)	(9,069.1)	(8,865.2)	(81,044.5)
29															
30	<u>GSMIP Incentive Sharing</u>	\$	83.3	83.3	83.3	83.3	83.3	83.3	83.3	83.3	83.3	83.3	83.3	83.3	1,000.0
31															
32	<u>Core Market Administration Costs</u>	\$	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)	<u>5,594.1</u>	<u>18,797.8</u>	<u>29,534.8</u>	<u>32,603.8</u>	<u>27,477.5</u>	<u>20,940.8</u>	<u>8,382.6</u>	<u>625.1</u>	<u>(1,531.7)</u>	<u>(5,588.2)</u>	<u>(4,661.6)</u>	<u>(2,077.6)</u>	<u>130,097.4</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.

September #, 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 Third Quarter Gas Cost Report
Commodity Cost Reconciliation Account and Midstream Cost Reconciliation Account

On September 6, 2017, FortisBC Energy Inc. (FEI) filed with the British Columbia Utilities Commission (Commission) its 2017 Third 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 October 1, 2017.

Yours truly,

Patrick Wruck