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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. (FEI or the Company) – Fort Nelson Service Area  
Gas Cost Reconciliation Account (GCRA), Gas Cost Recovery Rates  
2017 Third Quarter Gas Cost Report**

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The attached materials provide the FEI 2017 Third Quarter Gas Cost Report for the Fort Nelson Service Area (Fort Nelson) as required under British Columbia Utilities Commission (the Commission) guidelines.

Based on the five-day average of the August 23, 24, 25, 28, and 29, 2017 forward prices for natural gas (five-day average forward prices ending August 29, 2017), the September 30, 2017 GCRA deferral balance is projected to be approximately \$29.8 thousand surplus after tax (Tab 1, Page 2, Column 14, Line 30). Further, based on the five-day average forward prices ending August 29, 2017, the gas purchase cost assumptions, and the forecast gas 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 GCRA ratio is calculated to be 103.8% (Tab 1, Page 1, Column 3, Line 10), which falls inside the 95% to 105% deadband. The tested rate decrease that would produce a 100% commodity recovery-to-cost ratio is calculated to be \$0.076GJ (Tab 1, Page 1, Column 5, Line 33), 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 1, Pages 2 to 4, provide details of the recorded and forecast, based on the five-day average forward prices ending August 29, 2017, GCRA gas supply costs and recoveries.

Provided in Tab 2 are the details of the forecast gas costs for Fort Nelson. The Company requests the information contained in Tab 2 be treated as CONFIDENTIAL.

### **CONFIDENTIALITY**

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

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

### **SUMMARY**

The Company requests approval for the gas cost recovery rates for Fort Nelson to remain unchanged at October 1, 2017.

The Company will continue to monitor the forward prices and will report these results in the 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. - FORT NELSON SERVICE AREA**  
**GAS COST RECONCILIATION ACCOUNT (GCRA) RATE CHANGE TRIGGER MECHANISM**  
**AT EXISTING GAS COST RECOVERY RATES**  
**FOR THE FORECAST PERIOD OCT 2017 TO SEP 2019**  
**FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 23, 24, 25, 28, AND 29, 2017**

Line No.	Particulars	Annual (\$000)	Percentage	Energy (TJ)	Unit Cost (\$/GJ)
	(1)	(2)	(3)	(4)	(5)
1	<b><u>RATE CHANGE TRIGGER MECHANISM</u></b>				
2	Projected Pre-Tax GCRA Balance as at Sep 30, 2017	\$ (40.3)			
3	(Tab 1, Page 2, Col 14, Line 25)				
4					
5	Forecast Incurred Gas Costs - Oct 2017 to Sep 2018	\$ 1,093.8			
6	(Tab 1, Page 3, Col 14, Line 11)				
7	Forecast Recovered Gas Costs at Existing Rate - Oct 2017 to Sep 2018	\$ 1,093.6			
8	(Tab 1, Page 3, Col 14, Line 20)				
9					
10	Ratio = $\frac{\text{Forecast Recovered Gas Costs}}{\text{Forecast Incurred Gas Costs} + \text{Projected GCRA Balance}}$	= \$ 1,093.6			
11		= \$ 1,053.5	= <u>103.8%</u>		
12					
13					
14					
15	<b>Existing Gas Cost Recovery Charge, Effective January 1, 2017</b>				<u>\$ 2.086</u>
16					
17					
18					
19	<b><u>BALANCING REQUIREMENT</u></b>				
20	(applicable when Rate Change Trigger Mechanism Ratio falls outside 95% to 105% deadband and outside ± \$0.50/GJ threshold)				
21					
22					
23	<b>TESTED RATE</b>				
24					
25	Forecast 12 Month Sales Rate Classes Recovery Energy Oct 2017 to Sep 2018			524.1	
26	(Tab 1, Page 3, Col 14, Line 15)				
27					
28	Projected GCRA Balance at Sep 30, 2017 (Line 2)	\$ (40.3)			\$ (0.0769) <sup>(a)</sup>
29	Forecast GCRA Activities - Oct 2017 to Sep 2018 (Line 5 minus Line 7)	<u>0.2</u>			\$ 0.0004 <sup>(a)</sup>
30	(Over) / Under Recovery at Existing Rate	<u>\$ (40.1)</u>			
31					
32					
33	<b>TESTED RATE (DECREASE) / INCREASE</b>				<u>\$ (0.076 ) <sup>(a)</sup></u>

Notes:

(a) Gas cost recovery rates in tariff are set at 3 decimal places. Individual rate components are shown to 4 decimal places.

Slight differences in totals due to rounding.

**FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA**  
**GCRA MONTHLY BALANCES AND ACTIVITIES AT EXISTING RECOVERY RATES**  
**FOR THE PERIOD JAN 2017 TO SEP 2017**  
**RECORDED AND FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 23, 24, 25, 28, AND 29, 2017**

Line No.	Particulars	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)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	GCRA Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$ (124,115)	\$ (69,570)	\$ (39,430)	\$ (17,912)	\$ (12,648)	\$ (1,776)	\$ (4,141)	\$ (8,598)	\$ (18,039)				\$ (124,115)
2														
3														
4	<b>Gas Costs Incurred</b>													
5	Commodity Purchases <sup>(b)</sup>	GJ 77,700	63,500	80,800	40,723	10,200	13,000	4,200	9,254	17,427				316,804
6	Average Unit Cost of Gas Purchased (Line 8 / Line 5)	\$/GJ \$ 2.533	\$ 2.348	\$ 2.394	\$ 2.363	\$ 2.390	\$ 1.919	\$ 1.617	\$ 1.346	\$ 0.799				\$ 2.267
7														
8	Purchase Costs	\$ 196,782	\$ 149,092	\$ 193,452	\$ 96,208	\$ 24,383	\$ 24,953	\$ 6,791	\$ 12,459	\$ 13,919				\$ 718,039
9	Imbalance Gas <sup>(c)</sup>	(2,427)	11,189	(10,526)	(18,916)	22,719	(3,579)	5,255	76	-				3,792
10	Company Use Gas Recovered from O&M	(2,166)	907	(647)	(885)	(136)	(65)	(32)	(41)	(46)				(3,111)
11	<b>Total Gas Costs Incurred</b>	\$ 192,190	\$ 161,188	\$ 182,279	\$ 76,407	\$ 46,965	\$ 21,310	\$ 12,014	\$ 12,494	\$ 13,873				\$ 718,720
12														
13														
14	<b>Cost of Gas Recovery</b>													
15	Sales Rate Classes Recovered	GJ 73,754	62,805	77,041	35,166	17,304	11,356	7,896	9,195	17,318				311,835
16	Adjust Sales Under / (Over) Accrual <sup>(d)</sup>	GJ -	-	-	-	-	-	-	1,320	-				1,320
17														
18	Sales Classes @ <b>APPROVED</b> Recovery Rate	\$ (137,585)	\$ (131,012)	\$ (160,707)	\$ (71,104)	\$ (36,097)	\$ (23,688)	\$ (16,471)	\$ (21,935)	\$ (36,125)				\$ (634,724)
19	T-Service Balancing Gas	-	-	-	-	-	-	-	-	-				-
20	T-Service UAF Recovered <sup>(e)</sup>	(61)	(36)	(54)	(39)	4	13	1	-	(0)				(172)
21	<b>Total Cost of Gas Recovery</b>	\$ (137,645)	\$ (131,048)	\$ (160,761)	\$ (71,144)	\$ (36,093)	\$ (23,675)	\$ (16,470)	\$ (21,935)	\$ (36,125)				\$ (634,896)
22														
23														
24														
25	<b>GCRA Balance - Ending (Pre-tax)</b>	\$ (69,570)	\$ (39,430)	\$ (17,912)	\$ (12,648)	\$ (1,776)	\$ (4,141)	\$ (8,598)	\$ (18,039)	\$ (40,291)				\$ (40,291)
26	(Line 1 + Line 11 + Line 21)													
27														
28	Tax Rate	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%				26.0%
29														
30	<b>GCRA Balance - Ending (After-tax)</b>	\$ (51,482)	\$ (29,178)	\$ (13,255)	\$ (9,360)	\$ (1,314)	\$ (3,065)	\$ (6,362)	\$ (13,349)	\$ (29,815)				\$ (29,815)

Notes:

- (a) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts.
- (b) Commodity Purchases include Company Use Gas quantities, as well as Sales & T-Service UAF requirements.
- (c) Imbalance Gas comprises the Westcoast Energy and T-Service imbalances, which vary monthly; the amount shown in the first Projected column reflects the forecast value to settle the total imbalance at the end of the recorded period.
- (d) Adjustment to the forecast recoveries to account for any under / (over) accrued Sales at the end of the recorded period.
- (e) Sales UAF costs are recovered via gas cost recovery rates; T-Service UAF costs are recovered via delivery revenues.

Slight differences in totals due to rounding.

**FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA**  
**GCRA MONTHLY BALANCES AND ACTIVITIES AT EXISTING RECOVERY RATES**  
**FOR THE FORECAST PERIOD OCT 2017 TO SEP 2018**  
**FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 23, 24, 25, 28, AND 29, 2017**

Line No.	Particulars	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)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	GCRA Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$ (40,291)	\$ (63,052)	\$ (61,680)	\$ (50,277)	\$ (36,888)	\$ (25,514)	\$ (16,280)	\$ (25,707)	\$ (30,963)	\$ (33,024)	\$ (34,263)	\$ (35,793)	\$ (40,291)
2														
3														
4	<b>Gas Costs Incurred</b>													
5	Commodity Purchases <sup>(b)</sup>	GJ 39,064	69,369	91,408	89,337	72,066	68,039	35,385	19,704	10,002	7,424	9,107	17,154	528,060
6	Average Unit Cost of Gas Purchased (Line 8 / Line 5)	\$/GJ \$ 1.495	\$ 2.100	\$ 2.205	\$ 2.230	\$ 2.238	\$ 2.216	\$ 1.812	\$ 1.812	\$ 1.873	\$ 1.912	\$ 1.911	\$ 1.830	\$ 2.080
7														
8	Purchase Costs	\$ 58,386	\$ 145,651	\$ 201,560	\$ 199,246	\$ 161,304	\$ 150,779	\$ 64,124	\$ 35,702	\$ 18,733	\$ 14,196	\$ 17,404	\$ 31,388	\$ 1,098,474
9	Imbalance Gas <sup>(c)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Company Use Gas Recovered from O&M	(249)	(621)	(859)	(849)	(687)	(642)	(273)	(152)	(80)	(61)	(74)	(134)	(4,680)
11	<b>Total Gas Costs Incurred</b>	\$ 58,137	\$ 145,030	\$ 200,702	\$ 198,398	\$ 160,617	\$ 150,136	\$ 63,851	\$ 35,550	\$ 18,653	\$ 14,136	\$ 17,330	\$ 31,254	\$ 1,093,793
12														
13														
14	<b>Cost of Gas Recovery</b>													
15	Sales Rate Classes Recovered	GJ 38,778	68,845	90,722	88,668	71,525	67,527	35,120	19,561	9,930	7,371	9,041	17,030	524,116
16														
17	Sales Classes @ <b>EXISTING</b> Recovery Rate	\$ (80,890)	\$ (143,612)	\$ (189,246)	\$ (184,962)	\$ (149,201)	\$ (140,861)	\$ (73,259)	\$ (40,804)	\$ (20,713)	\$ (15,375)	\$ (18,860)	\$ (35,524)	\$ (1,093,307)
18	T-Service Balancing Gas	-	-	-	-	-	-	-	-	-	-	-	-	-
19	T-Service UAF Recovered <sup>(d)</sup>	(8)	(47)	(53)	(47)	(42)	(41)	(19)	(1)	(0)	(0)	(0)	(1)	(260)
20	<b>Total Cost of Gas Recovery</b>	\$ (80,898)	\$ (143,658)	\$ (189,298)	\$ (185,009)	\$ (149,243)	\$ (140,902)	\$ (73,278)	\$ (40,805)	\$ (20,714)	\$ (15,375)	\$ (18,860)	\$ (35,525)	\$ (1,093,566)
21														
22														
23														
24	<b>GCRA Balance - Ending (Pre-tax)</b>	\$ (63,052)	\$ (61,680)	\$ (50,277)	\$ (36,888)	\$ (25,514)	\$ (16,280)	\$ (25,707)	\$ (30,963)	\$ (33,024)	\$ (34,263)	\$ (35,793)	\$ (40,064)	\$ (40,064)
25	(Line 1 + Line 11 + Line 20)													
26														
27	Tax Rate	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
28														
29	<b>GCRA Balance - Ending (After-tax)</b>	\$ (46,658)	\$ (45,643)	\$ (37,205)	\$ (27,297)	\$ (18,881)	\$ (12,047)	\$ (19,023)	\$ (22,913)	\$ (24,437)	\$ (25,354)	\$ (26,487)	\$ (29,648)	\$ (29,648)

Notes:

- (a) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts.
- (b) Commodity Purchases include Company Use Gas quantities, as well as Sales & T-Service UAF requirements.
- (c) Imbalance Gas is not forecast in future periods.
- (d) Sales UAF costs are recovered via gas cost recovery rates; T-Service UAF costs are recovered via delivery revenues.

Slight differences in totals due to rounding.

**FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA**  
**GCRA MONTHLY BALANCES AND ACTIVITIES AT EXISTING RECOVERY RATES**  
**FOR THE FORECAST PERIOD OCT 2018 TO SEP 2019**  
**FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 23, 24, 25, 28, AND 29, 2017**

Line No.	Particulars	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	Oct-18 to Sep-19 Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	GCRA Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$ (40,064)	\$ (48,547)	\$ (33,218)	\$ (5,571)	\$ 25,025	\$ 48,267	\$ 66,831	\$ 57,459	\$ 50,651	\$ 47,987	\$ 46,426	\$ 44,282	\$ (40,064)
2														
3														
4	<b>Gas Costs Incurred</b>													
5	Commodity Purchases <sup>(b)</sup>	GJ 38,357	68,057	89,635	87,617	70,657	66,712	34,717	19,347	9,836	7,296	8,949	16,859	518,041
6	Average Unit Cost of Gas Purchased (Line 8 / Line 5)	\$/GJ \$ 1.858	\$ 2.306	\$ 2.390	\$ 2.430	\$ 2.410	\$ 2.359	\$ 1.809	\$ 1.726	\$ 1.808	\$ 1.865	\$ 1.839	\$ 1.780	\$ 2.234
7														
8	Purchase Costs	\$ 71,255	\$ 156,939	\$ 214,189	\$ 212,952	\$ 170,295	\$ 157,389	\$ 62,792	\$ 33,399	\$ 17,781	\$ 13,606	\$ 16,459	\$ 30,010	\$ 1,157,068
9	Imbalance Gas <sup>(c)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Company Use Gas Recovered from O&M	(310)	(682)	(930)	(925)	(740)	(684)	(273)	(145)	(77)	(59)	(72)	(130)	(5,025)
11	<b>Total Gas Costs Incurred</b>	\$ 70,946	\$ 156,257	\$ 213,259	\$ 212,027	\$ 169,556	\$ 156,706	\$ 62,519	\$ 33,254	\$ 17,704	\$ 13,547	\$ 16,388	\$ 29,880	\$ 1,152,042
12														
13														
14	<b>Cost of Gas Recovery</b>													
15	Sales Rate Classes Recovered	GJ 38,073	67,539	88,955	86,953	70,120	66,204	34,454	19,205	9,764	7,242	8,884	16,736	514,129
16														
17	Sales Classes @ <b>EXISTING</b> Recovery Rate	\$ (79,420)	\$ (140,886)	\$ (185,561)	\$ (181,384)	\$ (146,271)	\$ (138,101)	\$ (71,872)	\$ (40,061)	\$ (20,368)	\$ (15,108)	\$ (18,532)	\$ (34,911)	\$ (1,072,474)
18	T-Service Balancing Gas	-	-	-	-	-	-	-	-	-	-	-	-	-
19	T-Service UAF Recovered <sup>(d)</sup>	(8)	(43)	(51)	(47)	(42)	(41)	(19)	(1)	(0)	(0)	(0)	(1)	(254)
20	<b>Total Cost of Gas Recovery</b>	\$ (79,428)	\$ (140,929)	\$ (185,611)	\$ (181,431)	\$ (146,313)	\$ (138,142)	\$ (71,891)	\$ (40,062)	\$ (20,368)	\$ (15,108)	\$ (18,532)	\$ (34,911)	\$ (1,072,728)
21														
22														
23														
24	<b>GCRA Balance - Ending (Pre-tax)</b>	\$ (48,547)	\$ (33,218)	\$ (5,571)	\$ 25,025	\$ 48,267	\$ 66,831	\$ 57,459	\$ 50,651	\$ 47,987	\$ 46,426	\$ 44,282	\$ 39,250	\$ 39,250
25	(Line 1 + Line 11 + Line 20)													
26														
27	Tax Rate	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
28														
29	<b>GCRA Balance - Ending (After-tax)</b>	\$ (35,924)	\$ (24,581)	\$ (4,122)	\$ 18,519	\$ 35,718	\$ 49,455	\$ 42,520	\$ 37,482	\$ 35,510	\$ 34,355	\$ 32,768	\$ 29,045	\$ 29,045

Notes:

- (a) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts.
- (b) Commodity Purchases include Company Use Gas quantities, as well as Sales & T-Service UAF requirements.
- (c) Imbalance Gas is not forecast in future periods.
- (d) Sales UAF costs are recovered via gas cost recovery rates; T-Service UAF costs are recovered via delivery revenues.

Slight differences in totals due to rounding.

**FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA  
STATION 2 INDEX FORECAST FOR THE PERIOD ENDING SEP 2019**

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	<b>Station 2 Index Prices - \$CDN/GJ<sup>(a)</sup></b>			
2				
3	<b>2017</b> April	↑ \$ 2.33	Recorded \$ 2.33	\$ -
4	May	\$ 2.39	Forecast \$ 2.16	\$ 0.24
5	June	\$ 1.86	\$ 2.60	\$ (0.73)
6	July	\$ 1.55	\$ 2.22	\$ (0.67)
7	August	\$ 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	<b>2018</b> 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	<b>2019</b> 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		

Notes:

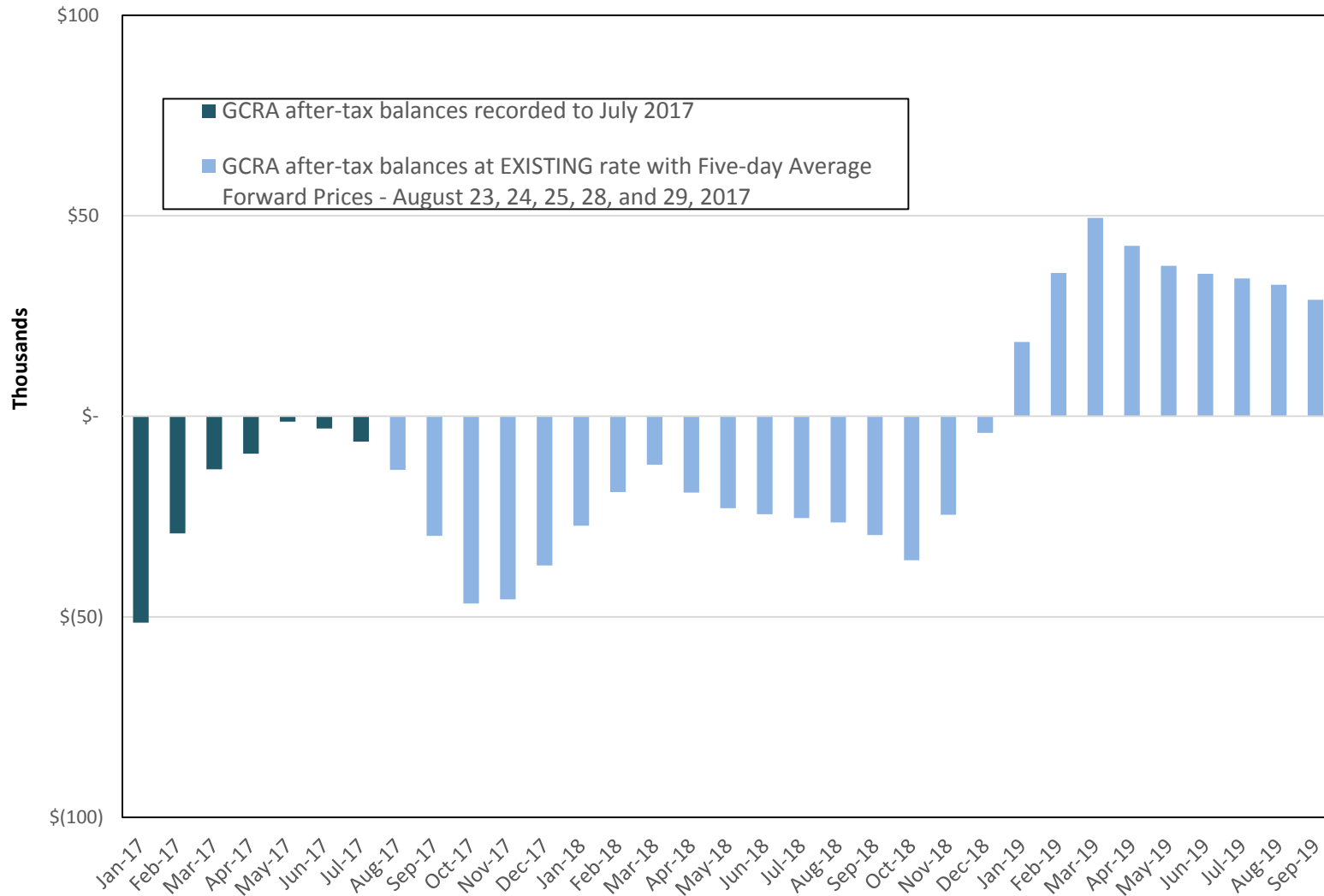
(a) Recorded monthly price reflects the average recorded cost for the month.

**FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA**  
**GCRA AFTER-TAX BALANCES AT EXISTING RECOVERY RATE**  
**FOR THE FORECAST PERIOD ENDING SEP 2019**  
**FIVE-DAY AVERAGE FORWARD PRICES - AUGUST 23, 24, 25, 28, AND 29, 2017**  
**(\$000)**

Line	Particulars (1)	Five-day Average Forward Prices - August 23, 24, 25, 28, and 29, 2017 2017 Q3 Gas Cost Report (2)	Five-day Average Forward Prices - May 24, 25, 26, 30, and 31, 2017 2017 Q2 Gas Cost Report (3)
1	<b>2017</b> April	↑ \$ (9.4)	Recorded \$ (9.4)
2	May	\$ (1.3)	Forecast \$ (8.1)
3	June	\$ (3.1)	↓ \$ (3.9)
4	July	Recorded \$ (6.4)	\$ (2.6)
5	August	Forecast \$ (13.3)	\$ (1.3)
6	September	\$ (29.8)	\$ (0.3)
7	October	\$ (46.7)	\$ 2.2
8	November	\$ (45.6)	\$ 32.4
9	December	↓ \$ (37.2)	\$ 76.4
10	<b>2018</b> January	\$ (27.3)	\$ 122.8
11	February	\$ (18.9)	\$ 160.9
12	March	\$ (12.0)	\$ 194.2
13	April	\$ (19.0)	\$ 190.2
14	May	\$ (22.9)	\$ 187.6
15	June	\$ (24.4)	\$ 186.8
16	July	\$ (25.4)	\$ 186.5
17	August	\$ (26.5)	\$ 186.0
18	September	\$ (29.6)	\$ 184.0
19	October	\$ (35.9)	\$ 180.4
20	November	\$ (24.6)	\$ 195.8
21	December	\$ (4.1)	\$ 222.9
22	<b>2019</b> January	\$ 18.5	\$ 256.2
23	February	\$ 35.7	\$ 282.0
24	March	\$ 49.5	\$ 303.0
25	April	\$ 42.5	\$ 295.7
26	May	\$ 37.5	\$ 291.1
27	June	\$ 35.5	\$ 289.4
28	July	\$ 34.4	
29	August	\$ 32.8	
30	September	\$ 29.0	



FortisBC Energy Inc. - Fort Nelson Service Area  
 GCRA After-Tax Monthly Balances  
 Recorded to July 2017 and Forecast to September 2019





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](mailto:gas.regulatory.affairs@fortisbc.com)

Dear Ms. Roy:

Re: FortisBC Energy Inc. – Fort Nelson Service Area  
2017 Third Quarter Gas Cost Report

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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 Fort Nelson service area (Report), which includes details regarding the Gas Cost Reconciliation Account and the related Gas Cost Recovery Charge.

The Commission notes that the Gas Cost Recovery Charge for the Fort Nelson service area was last changed effective January 1, 2017, when it was increased by \$0.792 per gigajoule from \$1.294 per gigajoule to \$2.086 per gigajoule via Order G-178-16.

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 Gas Cost Recovery Charge for the Fort Nelson service area remain unchanged at \$2.086 per gigajoule effective October 1, 2017.

The Commission will hold the information in Tab 2 of the Report confidential, as requested, since it contains market sensitive information.

Yours truly,

Patrick Wruck