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November 22, 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. – Fort Nelson Service Area
Gas Cost Reconciliation Account (GCRA), Gas Cost Recovery Rates, and the
Revenue Stabilization Adjustment Mechanism (RSAM) Deferral Account and
Rate Rider 5
2017 Fourth Quarter Gas Cost Report

The attached materials provide the FortisBC Energy Inc. (FEI or the Company) 2017 Fourth Quarter Gas Cost Report for the Fort Nelson Service Area (Fort Nelson) as required under British Columbia Utilities Commission (the Commission) guidelines and, in accordance with the FEI Fort Nelson Application for 2017 and 2018 Revenue Requirements and Rates dated June 30, 2016, the Company provides the review of the RSAM deferral account and rate rider.

GCRA Deferral Account

Based on the five-day average of the November 7, 8, 9, 10, and 14, 2017 forward prices for natural gas (five-day average forward prices ending November 14, 2017), the December 31, 2017 GCRA deferral balance is projected to be approximately \$83.8 thousand surplus after tax (Tab 1, Page 2, Column 14, Line 30). Further, based on the five-day average forward prices ending November 14, 2017, the gas purchase cost assumptions, and the forecast gas cost recoveries at present rates for the 12-month period ending December 31, 2018, and accounting for the projected December 31, 2017 surplus balance, the GCRA ratio is calculated to be 132.8% (Tab 1, Page 1, Column 4, Line 8), which falls outside the 95% to 105% deadband. The tested rate decrease that would produce a 100% commodity recovery-to-cost ratio is calculated to be \$0.515/GJ (Tab 1, Page 1, Column 5, Line 26), which falls

outside the \$0.50/GJ rate change threshold. The results of the two-criteria rate adjustment mechanism indicate that a rate change is required effective January 1, 2018.

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 November 14, 2017, GCRA gas supply costs and recoveries. The schedules at Tab 2, Pages 2 and 3 provides the forecast monthly GCRA deferral balances with the proposed change to the gas cost recovery rate, effective January 1, 2018.

Provided in Tab 3 is the detail forecast gas costs for Fort Nelson. The Company requests the information contained in Tab 3 be treated as CONFIDENTIAL.

RSAM Deferral Account and Rate Rider 5

The schedule at Tab 4, Page 1 shows the projected RSAM after tax balance, including interest, at December 31, 2017 of approximately \$319.7 thousand (Tab 4, Page 1, Line 2). Accordingly, the after tax amount to be amortized in 2018 is \$159.9 thousand. As shown on the schedule, this equates to approximately \$219.0 thousand on a pre-tax¹ basis (Tab 4, Page 1, Line 5), or a Rate Rider 5 amount of \$0.391/GJ (Tab 4, Page 1, Line 8) effective January 1, 2018, which is a \$0.123/GJ increase from the existing Rate Rider 5 amount of \$0.268/GJ.

In accordance with the Application for 2017 and 2018 Revenue Requirements and Rates², the Company requests Commission approval for a \$0.123/GJ increase in the RSAM Rate Rider 5 from the current amount of \$0.268/GJ to \$0.391/GJ, effective January 1, 2018.

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.

¹ The BC Corporate Income Tax rate is to be increased to 12% from 11% effective January 2018. As such, the combined Federal and BC corporate income tax rate for FortisBC Energy Inc. is to be increased to 27% from 26% effective January 2018.

² FortisBC Energy Inc. – Fort Nelson Service Area, Application for 2017 and 2018 Revenue Requirements and Rates, Section 2.4, Pages 10-11

SUMMARY

The Company requests Commission approval of the following, effective January 1, 2018:

- Approval for the Gas Cost Recovery Charge to decrease from \$2.086/GJ to \$1.571/GJ for Fort Nelson service area.
- Approval to set the RSAM Rate Rider 5 from \$0.268/GJ to \$0.391/GJ for Fort Nelson service area.

Commission Orders G-162-16 and G-173-16 approved the delivery rates effective January 1, 2017, and 2018. For comparative purposes, the Company provides at Tabs 5 and 6 the tariff continuity and bill impact schedules for Fort Nelson Service Area. These schedules have been prepared showing the combined effects of the approved delivery rates, effective January 1, 2018, the proposed gas cost recovery rates and the proposed RSAM Rate Rider 5 to be effective January 1, 2018. As a result, the annual bill for a typical Fort Nelson Rate Schedule 1 residential customer with an average annual consumption of 135 GJ will decrease by approximately \$20 or 2.4%.

The Company will continue to monitor the forward prices and will report these results in the 2018 First 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 JAN 2018 TO DEC 2019
FIVE-DAY AVERAGE FORWARD PRICES - NOV 7, 8, 9, 10, AND 14, 2017

Tab 1
Page 1

Line No.	Particulars	Annual (\$000)	Energy (TJ)	Percentage	Unit Cost (\$/GJ)	Reference / Comment
	(1)	(2)	(3)	(4)	(5)	(6)
1	<u>RATE CHANGE TRIGGER MECHANISM</u>					
2						
3	Projected Pre-Tax GCRA Balance as at Jan 1, 2018 ^(a)	\$ (114.8)				(Tab 1, Page 3, Col 14, Line 1)
4	Forecast Incurred Gas Costs - Jan 2018 to Dec 2018	\$ 932.4				(Tab 1, Page 3, Col 14, Line 11)
5	Forecast Recovered Gas Costs at Existing Rate - Jan 2018 to Dec 2018	\$ 1,085.7				(Tab 1, Page 3, Col 14, Line 20)
6						
7	Ratio = $\frac{\text{Forecast Recovered Gas Costs}}{\text{Forecast Incurred Gas Costs} + \text{Projected GCRA Balance}}$	$\frac{\$ 1,085.7}{\$ 817.6}$				Outside 95% to 105% deadband
8				132.8%		
9						
10						
11						
12						
13	Existing Gas Cost Recovery Charge, Effective January 1, 2017				\$ 2.086	
14						
15						
16						
17						
18	<u>GCRA RATE CHANGE THRESHOLD (+/- \$0.50/GJ)</u>					
19						
20	Forecast 12 Month Sales Rate Classes Recovery Energy Jan 2018 to Dec 2018		520.3			(Tab 1, Page 3, Col 14, Line 15)
21						
22	Projected Pre-Tax GCRA Balance as at Jan 1, 2018 ^(a)	\$ (114.8)			\$ (0.2206) ^(b)	
23	Forecast GCRA Activities - Jan 2018 to Dec 2018	<u>(153.3)</u>			\$ (0.2946) ^(b)	
24	(Over) / Under Recovery at Existing Rate	<u>\$ (268.1)</u>				(Line 3 + Line 4 - Line 5)
25						
26	Proposed Rate (Decrease) / Increase				\$ (0.515) ^(b)	Exceeds minimum +/- \$0.50/GJ threshold
27	Proposed Flow-Through Gas of Cost Recovery Rate effective Janaury 1, 2018				\$ 1.571	Line 13 + Line 26

Notes:

(a) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts.

(b) 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 RATE
FOR THE PERIOD JAN 2017 TO DEC 2017
RECORDED AND FIVE-DAY AVERAGE FORWARD PRICES - NOV 7, 8, 9, 10, AND 14, 2017

Tab 1
Page 2

Line No.	Particulars		Recorded Jan-17	Recorded Feb-17	Recorded Mar-17	Recorded Apr-17	Recorded May-17	Recorded Jun-17	Recorded Jul-17	Recorded Aug-17	Recorded Sep-17	Recorded Oct-17	Projected Nov-17	Projected Dec-17	Jan-17 to Dec-17 Total
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	GCRA Balance - Beginning (Pre-tax) ^(a)	\$	\$ (124,115)	\$ (69,570)	\$ (39,430)	\$ (17,912)	\$ (12,648)	\$ (1,776)	\$ (4,141)	\$ (8,598)	\$ (21,348)	\$ (39,542)	\$ (97,641)	\$ (99,036)	\$ (124,115)
2															
3															
4	<u>Gas Costs Incurred</u>														
5	Commodity Purchases ^(b)	GJ	77,700	63,500	80,800	40,723	10,200	13,000	4,200	7,200	6,900	20,800	69,310	91,335	485,668
6	Average Unit Cost of Gas Purchased	\$/GJ	\$ 2.533	\$ 2.348	\$ 2.394	\$ 2.363	\$ 2.390	\$ 1.919	\$ 1.617	\$ 0.714	\$ 0.940	\$ 0.508	\$ 1.652	\$ 1.924	\$ 2.067
7	(Line 8 / Line 5)														
8	Purchase Costs	\$	\$ 196,782	\$ 149,092	\$ 193,452	\$ 96,208	\$ 24,383	\$ 24,953	\$ 6,791	\$ 5,140	\$ 6,485	\$ 10,567	\$ 114,533	\$ 175,699	\$ 1,004,085
9	Imbalance Gas ^(c)		(2,427)	11,189	(10,526)	(18,916)	22,719	(3,579)	5,255	(541)	1,277	735	(1,395)	-	3,792
10	Company Use Gas Recovered from O&M		(2,166)	907	(647)	(885)	(136)	(65)	(32)	(17)	(21)	(54)	(390)	(608)	(4,114)
11	Total Gas Costs Incurred	\$	\$ 192,190	\$ 161,188	\$ 182,279	\$ 76,407	\$ 46,965	\$ 21,310	\$ 12,014	\$ 4,582	\$ 7,740	\$ 11,248	\$ 112,748	\$ 175,091	\$ 1,003,763
12															
13															
14	<u>Cost of Gas Recovery</u>														
15	Sales Rate Classes Recovered	GJ	73,754	62,805	77,041	35,166	17,304	11,356	7,896	8,309	12,432	33,244	68,845	90,722	498,874
16	Adjust Sales Under / (Over) Accrual ^(d)	GJ	-	-	-	-	-	-	-	-	-	-	(14,149)		(14,149)
17															
18	Sales Classes @ APPROVED Recovery Rate	\$	\$ (137,585)	\$ (131,012)	\$ (160,707)	\$ (71,104)	\$ (36,097)	\$ (23,688)	\$ (16,471)	\$ (17,333)	\$ (25,934)	\$ (69,347)	\$ (114,096)	\$ (189,246)	\$ (992,619)
19	T-Service Balancing Gas		-	-	-	-	-	-	-	-	-	-	-	-	-
20	T-Service UAF Recovered ^(e)		(61)	(36)	(54)	(39)	4	13	1	(0)	(0)	(1)	(47)	(53)	(273)
21	Total Cost of Gas Recovery	\$	\$ (137,645)	\$ (131,048)	\$ (160,761)	\$ (71,144)	\$ (36,093)	\$ (23,675)	\$ (16,470)	\$ (17,333)	\$ (25,934)	\$ (69,348)	\$ (114,143)	\$ (189,298)	\$ (992,891)
22															
23															
24															
25	GCRA Balance - Ending (Pre-tax)	\$	\$ (69,570)	\$ (39,430)	\$ (17,912)	\$ (12,648)	\$ (1,776)	\$ (4,141)	\$ (8,598)	\$ (21,348)	\$ (39,542)	\$ (97,641)	\$ (99,036)	\$ (113,243)	\$ (113,243)
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%	26.0%	26.0%	26.0%
29															
30	GCRA Balance - Ending (After-tax)	\$	\$ (51,482)	\$ (29,178)	\$ (13,255)	\$ (9,360)	\$ (1,314)	\$ (3,065)	\$ (6,362)	\$ (15,798)	\$ (29,261)	\$ (72,255)	\$ (73,287)	\$ (83,800)	\$ (83,800)

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 RATE
FOR THE FORECAST PERIOD JAN 2018 TO DEC 2018
FIVE-DAY AVERAGE FORWARD PRICES - NOV 7, 8, 9, 10, AND 14, 2017

Tab 1
Page 3

Line No.	Particulars		Forecast Jan-18	Forecast Feb-18	Forecast Mar-18	Forecast Apr-18	Forecast May-18	Forecast Jun-18	Forecast Jul-18	Forecast Aug-18	Forecast Sep-18	Forecast Oct-18	Forecast Nov-18	Forecast Dec-18	Jan-18 to Dec-18 Total
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	GCRA Balance - Beginning (Pre-tax) ^(a)	\$	\$ (114,794)	\$ (131,462)	\$ (144,415)	\$ (163,542)	\$ (189,418)	\$ (204,136)	\$ (211,038)	\$ (215,812)	\$ (221,887)	\$ (234,523)	\$ (260,944)	\$ (267,131)	\$ (114,794)
2															
3															
4	<u>Gas Costs Incurred</u>														
5	Commodity Purchases ^(b)	GJ	89,271	72,097	68,029	35,424	19,828	10,018	7,448	9,103	17,135	38,231	68,075	89,611	524,269
6	Average Unit Cost of Gas Purchased	\$/GJ	\$ 1.892	\$ 1.899	\$ 1.797	\$ 1.345	\$ 1.330	\$ 1.387	\$ 1.434	\$ 1.410	\$ 1.340	\$ 1.388	\$ 1.988	\$ 2.069	\$ 1.786
7	(Line 8 / Line 5)														
8	Purchase Costs	\$	\$ 168,938	\$ 136,932	\$ 122,279	\$ 47,658	\$ 26,364	\$ 13,892	\$ 10,680	\$ 12,834	\$ 22,961	\$ 53,062	\$ 135,365	\$ 185,435	\$ 936,398
9	Imbalance Gas ^(c)		-	-	-	-	-	-	-	-	-	-	-	-	-
10	Company Use Gas Recovered from O&M		(596)	(642)	(503)	(256)	(277)	(80)	(79)	(48)	(72)	(56)	(622)	(755)	(3,986)
11	Total Gas Costs Incurred	\$	\$ 168,341	\$ 136,291	\$ 121,775	\$ 47,402	\$ 26,087	\$ 13,811	\$ 10,601	\$ 12,786	\$ 22,889	\$ 53,006	\$ 134,743	\$ 184,679	\$ 932,412
12															
13															
14	<u>Cost of Gas Recovery</u>														
15	Sales Rate Classes Recovered	GJ	88,668	71,525	67,527	35,120	19,561	9,930	7,371	9,041	17,030	38,073	67,539	88,955	520,338
16															
17	Sales Classes @ EXISTING Recovery Rate	\$	\$ (184,962)	\$ (149,201)	\$ (140,861)	\$ (73,259)	\$ (40,804)	\$ (20,713)	\$ (15,375)	\$ (18,860)	\$ (35,524)	\$ (79,420)	\$ (140,886)	\$ (185,561)	\$ (1,085,426)
18	T-Service Balancing Gas		-	-	-	-	-	-	-	-	-	-	-	-	-
19	T-Service UAF Recovered ^(d)		(47)	(42)	(41)	(19)	(1)	(0)	(0)	(0)	(1)	(8)	(43)	(51)	(254)
20	Total Cost of Gas Recovery	\$	\$ (185,009)	\$ (149,243)	\$ (140,902)	\$ (73,278)	\$ (40,805)	\$ (20,714)	\$ (15,375)	\$ (18,860)	\$ (35,525)	\$ (79,428)	\$ (140,929)	\$ (185,611)	\$ (1,085,680)
21															
22															
23															
24	GCRA Balance - Ending (Pre-tax)	\$	\$ (131,462)	\$ (144,415)	\$ (163,542)	\$ (189,418)	\$ (204,136)	\$ (211,038)	\$ (215,812)	\$ (221,887)	\$ (234,523)	\$ (260,944)	\$ (267,131)	\$ (268,063)	\$ (268,063)
25	(Line 1 + Line 11 + Line 20)														
26															
27	Tax Rate		27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%
28															
29	GCRA Balance - Ending (After-tax)	\$	\$ (95,967)	\$ (105,423)	\$ (119,385)	\$ (138,275)	\$ (149,019)	\$ (154,058)	\$ (157,543)	\$ (161,977)	\$ (171,202)	\$ (190,489)	\$ (195,005)	\$ (195,686)	\$ (195,686)

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 RATE
FOR THE FORECAST PERIOD JAN 2019 TO DEC 2019
FIVE-DAY AVERAGE FORWARD PRICES - NOV 7, 8, 9, 10, AND 14, 2017

Tab 1
Page 4

Line No.	Particulars		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	Forecast Oct-19	Forecast Nov-19	Forecast Dec-19	Jan-19 to Dec-19 Total
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	GCRA Balance - Beginning (Pre-tax) ^(a)	\$	\$ (268,063)	\$ (263,725)	\$ (260,609)	\$ (264,355)	\$ (281,910)	\$ (293,619)	\$ (298,807)	\$ (302,326)	\$ (306,938)	\$ (316,514)	\$ (336,815)	\$ (337,287)	\$ (268,063)
2															
3															
4	<u>Gas Costs Incurred</u>														
5	Commodity Purchases ^(b)	GJ	87,551	70,689	66,702	34,757	19,471	9,852	7,319	8,945	16,840	37,520	66,739	87,828	514,211
6	Average Unit Cost of Gas Purchased	\$/GJ	\$ 2.129	\$ 2.124	\$ 2.023	\$ 1.572	\$ 1.472	\$ 1.550	\$ 1.595	\$ 1.562	\$ 1.509	\$ 1.538	\$ 2.073	\$ 2.212	\$ 1.967
7	(Line 8 / Line 5)														
8	Purchase Costs	\$	\$ 186,440	\$ 150,147	\$ 134,964	\$ 54,634	\$ 28,659	\$ 15,271	\$ 11,676	\$ 13,973	\$ 25,417	\$ 57,709	\$ 138,328	\$ 194,287	\$ 1,011,504
9	Imbalance Gas ^(c)		-	-	-	-	-	-	-	-	-	-	-	-	-
10	Company Use Gas Recovered from O&M		(671)	(718)	(567)	(299)	(306)	(90)	(88)	(53)	(82)	(62)	(649)	(807)	(4,390)
11	Total Gas Costs Incurred	\$	\$ 185,769	\$ 149,429	\$ 134,397	\$ 54,335	\$ 28,353	\$ 15,181	\$ 11,588	\$ 13,920	\$ 25,335	\$ 57,648	\$ 137,679	\$ 193,479	\$ 1,007,114
12															
13															
14	<u>Cost of Gas Recovery</u>														
15	Sales Rate Classes Recovered	GJ	86,953	70,120	66,204	34,454	19,205	9,764	7,242	8,884	16,736	37,364	66,207	87,178	510,311
16															
17	Sales Classes @ EXISTING Recovery Rate	\$	\$ (181,384)	\$ (146,271)	\$ (138,101)	\$ (71,872)	\$ (40,061)	\$ (20,368)	\$ (15,108)	\$ (18,532)	\$ (34,911)	\$ (77,941)	\$ (138,108)	\$ (181,853)	\$ (1,064,509)
18	T-Service Balancing Gas		-	-	-	-	-	-	-	-	-	-	-	-	-
19	T-Service UAF Recovered ^(d)		(47)	(42)	(41)	(19)	(1)	(0)	(0)	(0)	(1)	(8)	(43)	(51)	(254)
20	Total Cost of Gas Recovery	\$	\$ (181,431)	\$ (146,313)	\$ (138,142)	\$ (71,891)	\$ (40,062)	\$ (20,368)	\$ (15,108)	\$ (18,532)	\$ (34,911)	\$ (77,949)	\$ (138,151)	\$ (181,903)	\$ (1,064,763)
21															
22															
23															
24	GCRA Balance - Ending (Pre-tax)	\$	\$ (263,725)	\$ (260,609)	\$ (264,355)	\$ (281,910)	\$ (293,619)	\$ (298,807)	\$ (302,326)	\$ (306,938)	\$ (316,514)	\$ (336,815)	\$ (337,287)	\$ (325,712)	\$ (325,712)
25	(Line 1 + Line 11 + Line 20)														
26															
27	Tax Rate		27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%
28															
29	GCRA Balance - Ending (After-tax)	\$	\$ (192,519)	\$ (190,245)	\$ (192,979)	\$ (205,794)	\$ (214,342)	\$ (218,129)	\$ (220,698)	\$ (224,065)	\$ (231,055)	\$ (245,875)	\$ (246,220)	\$ (237,769)	\$ (237,769)

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 DEC 2019

Tab 1
Page 5

Line No	Particulars		Five-day Average Forward Prices - Nov 7, 8, 9, 10, and 14, 2017 2017 Q4 Gas Cost Report		Five-day Average Forward Prices - August 23, 24, 25, 28, and 29, 2017 2017 Q3 Gas Cost Report		Change in Forward Price (4) = (2) - (3)	
	(1)		(2)		(3)			
1	Station 2 Index Prices - \$CDN/GJ ^(a)							
2								
3	2017	July	↑ Recorded Forecast	\$ 1.55	Recorded	\$ 1.55	\$ -	
4		August		\$ 0.53	Forecast	\$ 1.20	\$ (0.67)	
5		September		\$ 0.67		\$ 0.62	\$ 0.06	
6		October		\$ 0.36		\$ 1.43	\$ (1.07)	
7		November		\$ 1.44		\$ 2.03	\$ (0.59)	
8		December	↓	\$ 1.89		\$ 2.19	\$ (0.30)	
9	2018	January		\$ 1.85		\$ 2.23	\$ (0.38)	
10		February		\$ 1.85		\$ 2.23	\$ (0.38)	
11		March		\$ 1.68		\$ 2.20	\$ (0.52)	
12		April		\$ 1.20		\$ 1.78	\$ (0.58)	
13		May		\$ 1.13		\$ 1.74	\$ (0.61)	
14		June		\$ 1.13		\$ 1.74	\$ (0.61)	
15		July		\$ 1.13		\$ 1.74	\$ (0.60)	
16		August		\$ 1.14		\$ 1.77	\$ (0.63)	
17		September		\$ 1.13		\$ 1.75	\$ (0.62)	
18		October		\$ 1.27		\$ 1.84	\$ (0.57)	
19		November		\$ 2.01		\$ 2.20	\$ (0.20)	
20		December		\$ 2.13		\$ 2.33	\$ (0.20)	
21	2019	January		\$ 2.22		\$ 2.40	\$ (0.17)	
22		February		\$ 2.21		\$ 2.36	\$ (0.15)	
23		March		\$ 2.06		\$ 2.28	\$ (0.22)	
24		April		\$ 1.54		\$ 1.77	\$ (0.24)	
25		May		\$ 1.41		\$ 1.66	\$ (0.25)	
26		June		\$ 1.43		\$ 1.68	\$ (0.26)	
27		July		\$ 1.43		\$ 1.70	\$ (0.27)	
28		August		\$ 1.43		\$ 1.70	\$ (0.28)	
29		September		\$ 1.44		\$ 1.71	\$ (0.27)	
30		October		\$ 1.51				
31		November		\$ 2.01				
32		December		\$ 2.23				
33								
34	<i>Simple Average (Jan 2018 - Dec 2018)</i>			\$ 1.47		\$ 1.96	-25.1%	\$ (0.49)
35	<i>Simple Average (Apr 2018 - Mar 2019)</i>			\$ 1.56		\$ 1.99	-21.6%	\$ (0.43)
36	<i>Simple Average (Jul 2018 - Jun 2019)</i>			\$ 1.64		\$ 1.98	-17.3%	\$ (0.34)
37	<i>Simple Average (Oct 2018 - Sep 2019)</i>			\$ 1.71		\$ 1.97	-13.0%	\$ (0.26)
38	<i>Simple Average (Jan 2019 - Dec 2019)</i>			\$ 1.74				

Notes:

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

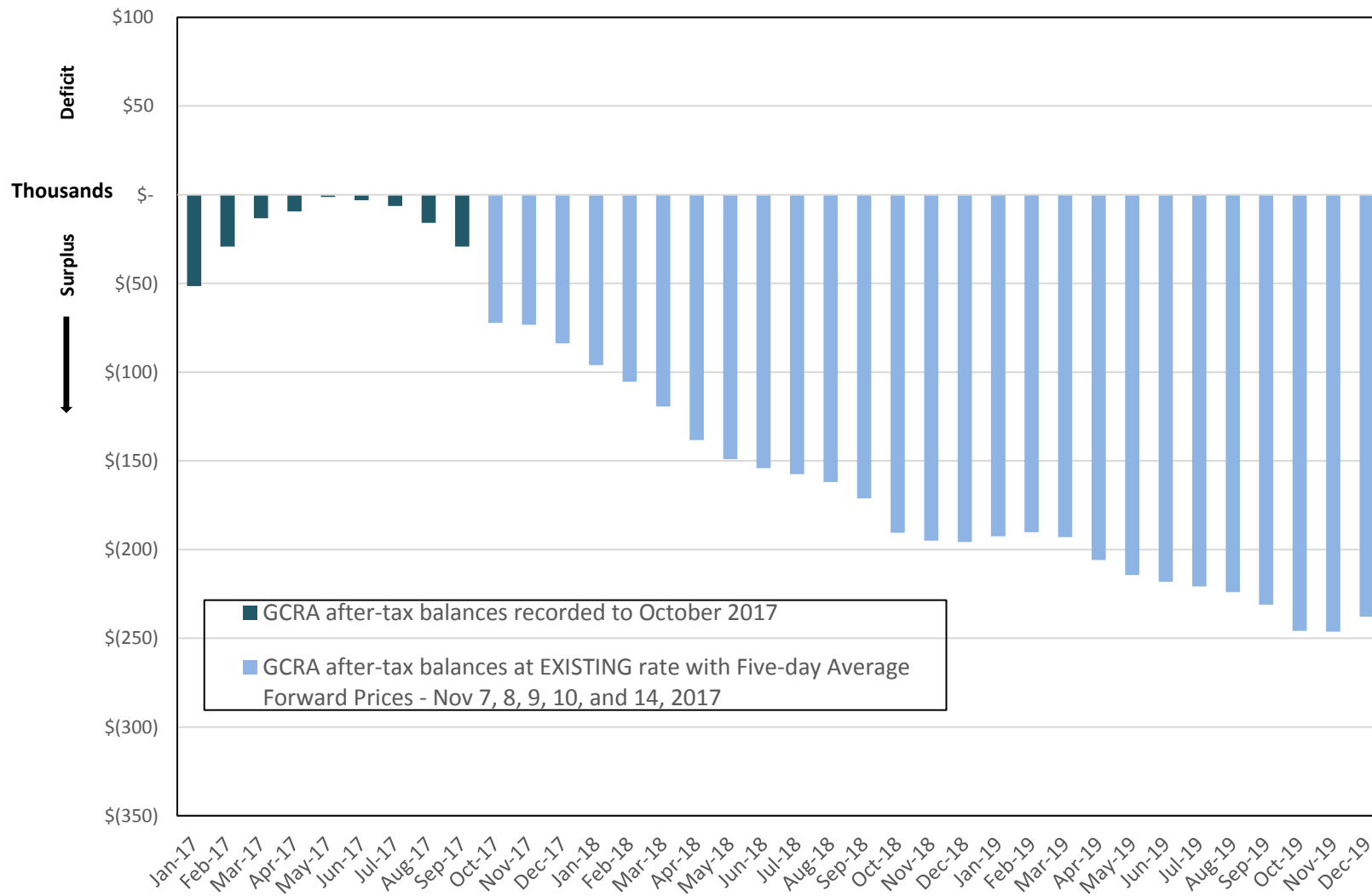
FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
GCRA AFTER-TAX BALANCES AT EXISTING RECOVERY RATE
FOR THE FORECAST PERIOD ENDING DEC 2019
FIVE-DAY AVERAGE FORWARD PRICES - NOV 7, 8, 9, 10, AND 14, 2017
(\$000)

Tab 1
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Line	Particulars		Five-day Average Forward Prices - Nov 7, 8, 9, 10, and 14, 2017 2017 Q4 Gas Cost Report		Five-day Average Forward Prices - August 23, 24, 25, 28, and 29, 2017 2017 Q3 Gas Cost Report	
	(1)		(2)		(3)	
1	2017	July	↑ Recorded Forecast ↓	\$ (6.4)	Recorded	\$ (6.4)
2		August		\$ (15.8)	Forecast	\$ (13.3)
3		September		\$ (29.3)		\$ (29.8)
4		October		\$ (72.3)		\$ (46.7)
5		November		\$ (73.3)		\$ (45.6)
6		December		\$ (83.8)		\$ (37.2)
7	2018	January		\$ (96.0)		\$ (27.3)
8		February		\$ (105.4)		\$ (18.9)
9		March		\$ (119.4)		\$ (12.0)
10		April		\$ (138.3)		\$ (19.0)
11		May		\$ (149.0)		\$ (22.9)
12		June		\$ (154.1)		\$ (24.4)
13		July		\$ (157.5)		\$ (25.4)
14		August		\$ (162.0)		\$ (26.5)
15		September		\$ (171.2)		\$ (29.6)
16		October		\$ (190.5)		\$ (35.9)
17		November		\$ (195.0)		\$ (24.6)
18		December		\$ (195.7)		\$ (4.1)
19	2019	January		\$ (192.5)		\$ 18.5
20		February		\$ (190.2)		\$ 35.7
21		March		\$ (193.0)		\$ 49.5
22		April		\$ (205.8)		\$ 42.5
23		May		\$ (214.3)		\$ 37.5
24		June		\$ (218.1)		\$ 35.5
25		July		\$ (220.7)		\$ 34.4
26		August		\$ (224.1)		\$ 32.8
27		September		\$ (231.1)		\$ 29.0
28		October		\$ (245.9)		
29		November		\$ (246.2)		
30		December		\$ (237.8)		

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

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FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
GCRA MONTHLY BALANCES AND ACTIVITIES AT EXISTING RECOVERY RATE
FOR THE PERIOD JAN 2017 TO DEC 2017
RECORDED AND FIVE-DAY AVERAGE FORWARD PRICES - NOV 7, 8, 9, 10, AND 14, 2017

Tab 2
Page 1

Line No.	Particulars		Recorded Jan-17	Recorded Feb-17	Recorded Mar-17	Recorded Apr-17	Recorded May-17	Recorded Jun-17	Recorded Jul-17	Recorded Aug-17	Recorded Sep-17	Recorded Oct-17	Projected Nov-17	Projected Dec-17	Jan-17 to Dec-17 Total
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	GCRA Balance - Beginning (Pre-tax) ^(a)	\$	\$ (124,115)	\$ (69,570)	\$ (39,430)	\$ (17,912)	\$ (12,648)	\$ (1,776)	\$ (4,141)	\$ (8,598)	\$ (21,348)	\$ (39,542)	\$ (97,641)	\$ (99,036)	\$ (124,115)
2															
3															
4	<u>Gas Costs Incurred</u>														
5	Commodity Purchases ^(b)	GJ	77,700	63,500	80,800	40,723	10,200	13,000	4,200	7,200	6,900	20,800	69,310	91,335	485,668
6	Average Unit Cost of Gas Purchased	\$/GJ	\$ 2.533	\$ 2.348	\$ 2.394	\$ 2.363	\$ 2.390	\$ 1.919	\$ 1.617	\$ 0.714	\$ 0.940	\$ 0.508	\$ 1.652	\$ 1.924	\$ 2.067
7	(Line 8 / Line 5)														
8	Purchase Costs	\$	\$ 196,782	\$ 149,092	\$ 193,452	\$ 96,208	\$ 24,383	\$ 24,953	\$ 6,791	\$ 5,140	\$ 6,485	\$ 10,567	\$ 114,533	\$ 175,699	\$ 1,004,085
9	Imbalance Gas ^(c)		(2,427)	11,189	(10,526)	(18,916)	22,719	(3,579)	5,255	(541)	1,277	735	(1,395)	-	3,792
10	Company Use Gas Recovered from O&M		(2,166)	907	(647)	(885)	(136)	(65)	(32)	(17)	(21)	(54)	(390)	(608)	(4,114)
11	Total Gas Costs Incurred	\$	\$ 192,190	\$ 161,188	\$ 182,279	\$ 76,407	\$ 46,965	\$ 21,310	\$ 12,014	\$ 4,582	\$ 7,740	\$ 11,248	\$ 112,748	\$ 175,091	\$ 1,003,763
12															
13															
14	<u>Cost of Gas Recovery</u>														
15	Sales Rate Classes Recovered	GJ	73,754	62,805	77,041	35,166	17,304	11,356	7,896	8,309	12,432	33,244	68,845	90,722	498,874
16	Adjust Sales Under / (Over) Accrual ^(d)	GJ	-	-	-	-	-	-	-	-	-	-	(14,149)		(14,149)
17															
18	Sales Classes @ APPROVED Recovery Rate	\$	\$ (137,585)	\$ (131,012)	\$ (160,707)	\$ (71,104)	\$ (36,097)	\$ (23,688)	\$ (16,471)	\$ (17,333)	\$ (25,934)	\$ (69,347)	\$ (114,096)	\$ (189,246)	\$ (992,619)
19	T-Service Balancing Gas		-	-	-	-	-	-	-	-	-	-	-	-	-
20	T-Service UAF Recovered ^(e)		(61)	(36)	(54)	(39)	4	13	1	(0)	(0)	(1)	(47)	(53)	(273)
21	Total Cost of Gas Recovery	\$	\$ (137,645)	\$ (131,048)	\$ (160,761)	\$ (71,144)	\$ (36,093)	\$ (23,675)	\$ (16,470)	\$ (17,333)	\$ (25,934)	\$ (69,348)	\$ (114,143)	\$ (189,298)	\$ (992,891)
22															
23															
24															
25	GCRA Balance - Ending (Pre-tax)	\$	\$ (69,570)	\$ (39,430)	\$ (17,912)	\$ (12,648)	\$ (1,776)	\$ (4,141)	\$ (8,598)	\$ (21,348)	\$ (39,542)	\$ (97,641)	\$ (99,036)	\$ (113,243)	\$ (113,243)
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%	26.0%	26.0%	26.0%
29															
30	GCRA Balance - Ending (After-tax)	\$	\$ (51,482)	\$ (29,178)	\$ (13,255)	\$ (9,360)	\$ (1,314)	\$ (3,065)	\$ (6,362)	\$ (15,798)	\$ (29,261)	\$ (72,255)	\$ (73,287)	\$ (83,800)	\$ (83,800)

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 PROPOSED RECOVERY RATE
FOR THE FORECAST PERIOD JAN 2018 TO DEC 2018
FIVE-DAY AVERAGE FORWARD PRICES - NOV 7, 8, 9, 10, AND 14, 2017

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Line No.	Particulars		Forecast Jan-18	Forecast Feb-18	Forecast Mar-18	Forecast Apr-18	Forecast May-18	Forecast Jun-18	Forecast Jul-18	Forecast Aug-18	Forecast Sep-18	Forecast Oct-18	Forecast Nov-18	Forecast Dec-18	Jan-18 to Dec-18 Total
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	GCRA Balance - Beginning (Pre-tax) ^(a)	\$	\$ (114,794)	\$ (85,798)	\$ (61,915)	\$ (46,266)	\$ (54,056)	\$ (58,700)	\$ (60,488)	\$ (61,467)	\$ (62,885)	\$ (66,750)	\$ (73,565)	\$ (44,968)	\$ (114,794)
2															
3															
4	<u>Gas Costs Incurred</u>														
5	Commodity Purchases ^(b)	GJ	89,271	72,097	68,029	35,424	19,828	10,018	7,448	9,103	17,135	38,231	68,075	89,611	524,269
6	Average Unit Cost of Gas Purchased	\$/GJ	\$ 1.892	\$ 1.899	\$ 1.797	\$ 1.345	\$ 1.330	\$ 1.387	\$ 1.434	\$ 1.410	\$ 1.340	\$ 1.388	\$ 1.988	\$ 2.069	\$ 1.786
7	(Line 8 / Line 5)														
8	Purchase Costs	\$	\$ 168,938	\$ 136,932	\$ 122,279	\$ 47,658	\$ 26,364	\$ 13,892	\$ 10,680	\$ 12,834	\$ 22,961	\$ 53,062	\$ 135,365	\$ 185,435	\$ 936,398
9	Imbalance Gas ^(c)		-	-	-	-	-	-	-	-	-	-	-	-	-
10	Company Use Gas Recovered from O&M		(596)	(642)	(503)	(256)	(277)	(80)	(79)	(48)	(72)	(56)	(622)	(755)	(3,986)
11	Total Gas Costs Incurred	\$	\$ 168,341	\$ 136,291	\$ 121,775	\$ 47,402	\$ 26,087	\$ 13,811	\$ 10,601	\$ 12,786	\$ 22,889	\$ 53,006	\$ 134,743	\$ 184,679	\$ 932,412
12															
13															
14	<u>Cost of Gas Recovery</u>														
15	Sales Rate Classes Recovered	GJ	88,668	71,525	67,527	35,120	19,561	9,930	7,371	9,041	17,030	38,073	67,539	88,955	520,338
16															
17	Sales Classes @ PROPOSED Recovery Rate	\$	\$ (139,298)	\$ (112,365)	\$ (106,085)	\$ (55,173)	\$ (30,730)	\$ (15,600)	\$ (11,579)	\$ (14,204)	\$ (26,754)	\$ (59,812)	\$ (106,104)	\$ (139,749)	\$ (817,452)
18	T-Service Balancing Gas		-	-	-	-	-	-	-	-	-	-	-	-	-
19	T-Service UAF Recovered ^(d)		(47)	(42)	(41)	(19)	(1)	(0)	(0)	(0)	(1)	(8)	(43)	(51)	(254)
20	Total Cost of Gas Recovery	\$	\$ (139,345)	\$ (112,408)	\$ (106,126)	\$ (55,192)	\$ (30,731)	\$ (15,600)	\$ (11,579)	\$ (14,204)	\$ (26,754)	\$ (59,820)	\$ (106,146)	\$ (139,799)	\$ (817,706)
21															
22															
23															
24	GCRA Balance - Ending (Pre-tax)	\$	\$ (85,798)	\$ (61,915)	\$ (46,266)	\$ (54,056)	\$ (58,700)	\$ (60,488)	\$ (61,467)	\$ (62,885)	\$ (66,750)	\$ (73,565)	\$ (44,968)	\$ (88)	\$ (88)
25	(Line 1 + Line 11 + Line 20)														
26															
27	Tax Rate		27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%
28															
29	GCRA Balance - Ending (After-tax)	\$	\$ (62,633)	\$ (45,198)	\$ (33,774)	\$ (39,461)	\$ (42,851)	\$ (44,156)	\$ (44,871)	\$ (45,906)	\$ (48,728)	\$ (53,702)	\$ (32,827)	\$ (64)	\$ (64)

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 PROPOSED RECOVERY RATE
FOR THE FORECAST PERIOD JAN 2019 TO DEC 2019
FIVE-DAY AVERAGE FORWARD PRICES - NOV 7, 8, 9, 10, AND 14, 2017

Tab 2
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Line No.	Particulars		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	Forecast Oct-19	Forecast Nov-19	Forecast Dec-19	Jan-19 to Dec-19 Total
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	GCRA Balance - Beginning (Pre-tax) ^(a)	\$	\$ (88)	\$ 49,030	\$ 88,258	\$ 118,607	\$ 118,796	\$ 116,977	\$ 116,818	\$ 117,029	\$ 116,992	\$ 116,035	\$ 114,976	\$ 148,601	\$ (88)
2															
3															
4	<u>Gas Costs Incurred</u>														
5	Commodity Purchases ^(b)	GJ	87,551	70,689	66,702	34,757	19,471	9,852	7,319	8,945	16,840	37,520	66,739	87,828	514,211
6	Average Unit Cost of Gas Purchased	\$/GJ	\$ 2.129	\$ 2.124	\$ 2.023	\$ 1.572	\$ 1.472	\$ 1.550	\$ 1.595	\$ 1.562	\$ 1.509	\$ 1.538	\$ 2.073	\$ 2.212	\$ 1.967
7	(Line 8 / Line 5)														
8	Purchase Costs	\$	\$ 186,440	\$ 150,147	\$ 134,964	\$ 54,634	\$ 28,659	\$ 15,271	\$ 11,676	\$ 13,973	\$ 25,417	\$ 57,709	\$ 138,328	\$ 194,287	\$ 1,011,504
9	Imbalance Gas ^(c)		-	-	-	-	-	-	-	-	-	-	-	-	-
10	Company Use Gas Recovered from O&M		(671)	(718)	(567)	(299)	(306)	(90)	(88)	(53)	(82)	(62)	(649)	(807)	(4,390)
11	Total Gas Costs Incurred	\$	\$ 185,769	\$ 149,429	\$ 134,397	\$ 54,335	\$ 28,353	\$ 15,181	\$ 11,588	\$ 13,920	\$ 25,335	\$ 57,648	\$ 137,679	\$ 193,479	\$ 1,007,114
12															
13															
14	<u>Cost of Gas Recovery</u>														
15	Sales Rate Classes Recovered	GJ	86,953	70,120	66,204	34,454	19,205	9,764	7,242	8,884	16,736	37,364	66,207	87,178	510,311
16															
17	Sales Classes @ PROPOSED Recovery Rate	\$	\$ (136,603)	\$ (110,159)	\$ (104,006)	\$ (54,128)	\$ (30,171)	\$ (15,340)	\$ (11,378)	\$ (13,956)	\$ (26,292)	\$ (58,699)	\$ (104,012)	\$ (136,956)	\$ (801,699)
18	T-Service Balancing Gas		-	-	-	-	-	-	-	-	-	-	-	-	-
19	T-Service UAF Recovered ^(d)		(47)	(42)	(41)	(19)	(1)	(0)	(0)	(0)	(1)	(8)	(43)	(51)	(254)
20	Total Cost of Gas Recovery	\$	\$ (136,651)	\$ (110,201)	\$ (104,047)	\$ (54,147)	\$ (30,172)	\$ (15,340)	\$ (11,378)	\$ (13,957)	\$ (26,292)	\$ (58,707)	\$ (104,055)	\$ (137,007)	\$ (801,953)
21															
22															
23															
24	GCRA Balance - Ending (Pre-tax)	\$	\$ 49,030	\$ 88,258	\$ 118,607	\$ 118,796	\$ 116,977	\$ 116,818	\$ 117,029	\$ 116,992	\$ 116,035	\$ 114,976	\$ 148,601	\$ 205,073	\$ 205,073
25	(Line 1 + Line 11 + Line 20)														
26															
27	Tax Rate		27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%
28															
29	GCRA Balance - Ending (After-tax)	\$	\$ 35,792	\$ 64,428	\$ 86,583	\$ 86,721	\$ 85,393	\$ 85,277	\$ 85,431	\$ 85,404	\$ 84,706	\$ 83,933	\$ 108,479	\$ 149,703	\$ 149,703

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.

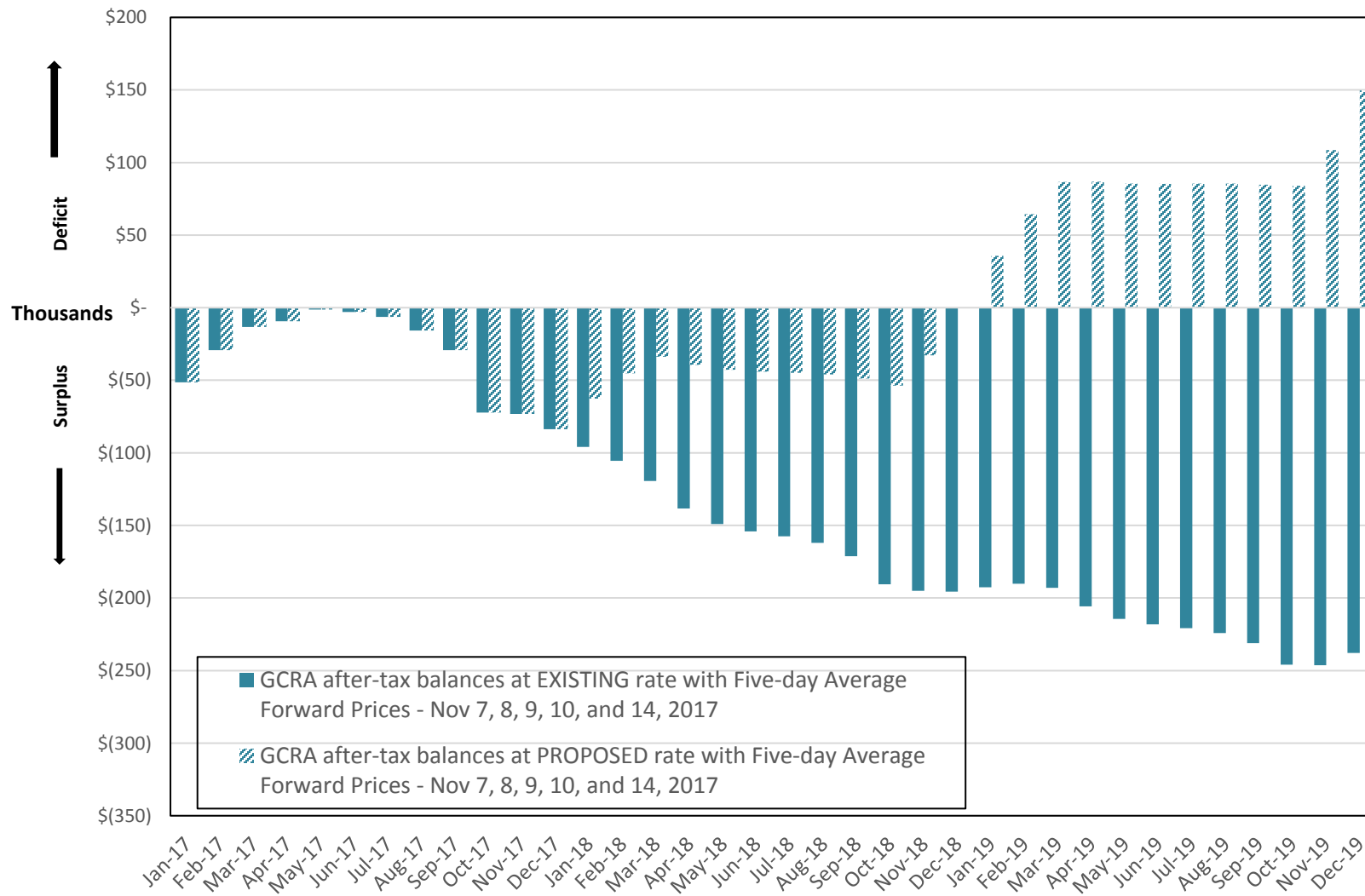
FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
GCRA AFTER-TAX BALANCES AT PROPOSED RECOVERY RATE
FOR THE FORECAST PERIOD ENDING DEC 2019
FIVE-DAY AVERAGE FORWARD PRICES - NOV 7, 8, 9, 10, AND 14, 2017
(\$000)

Tab 2
Page 4

Line	Particulars		Five-day Average Forward Prices - Nov 7, 8, 9, 10, and 14, 2017 @ Proposed Rate 2017 Q4 Gas Cost Report		Five-day Average Forward Prices - Nov 7, 8, 9, 10, and 14, 2017 @ Existing Rate 2017 Q3 Gas Cost Report	
		(1)		(2)		(3)
1	2017	July		\$ (6.4)		\$ (6.4)
2		August	↑	\$ (15.8)		\$ (15.8)
3		September		\$ (29.3)		\$ (29.3)
4		October	Recorded	\$ (72.3)	Recorded	\$ (72.3)
5		November	Forecast	\$ (73.3)	Forecast	\$ (73.3)
6		December		\$ (83.8)		\$ (83.8)
7	2018	January	↓	\$ (62.6)	↓	\$ (96.0)
8		February		\$ (45.2)		\$ (105.4)
9		March		\$ (33.8)		\$ (119.4)
10		April		\$ (39.5)		\$ (138.3)
11		May		\$ (42.9)		\$ (149.0)
12		June		\$ (44.2)		\$ (154.1)
13		July		\$ (44.9)		\$ (157.5)
14		August		\$ (45.9)		\$ (162.0)
15		September		\$ (48.7)		\$ (171.2)
16		October		\$ (53.7)		\$ (190.5)
17		November		\$ (32.8)		\$ (195.0)
18		December		\$ (0.1)		\$ (195.7)
19	2019	January		\$ 35.8		\$ (192.5)
20		February		\$ 64.4		\$ (190.2)
21		March		\$ 86.6		\$ (193.0)
22		April		\$ 86.7		\$ (205.8)
23		May		\$ 85.4		\$ (214.3)
24		June		\$ 85.3		\$ (218.1)
25		July		\$ 85.4		\$ (220.7)
26		August		\$ 85.4		\$ (224.1)
27		September		\$ 84.7		\$ (231.1)
28		October		\$ 83.9		\$ (245.9)
29		November		\$ 108.5		\$ (246.2)
30		December		\$ 149.7		\$ (237.8)

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

Tab 2
 Page 5



FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
Delivery Rate Rider (Rider 5) Changes, effective January 1, 2018

Tab 4
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Line	Particulars	(\$000)		
1	<u>Rate Rider 5 (RSAM Rider)</u>			
2	RSAM + RSAM Interest, Projected December 31, 2017 Balance ^(1*)	\$	319.7	
3	After-Tax Amortization = 1/2 x Closing Balance		159.9	
4				
5	Pre-Tax Amortization = After-Tax Amortization / (1 - Tax Rate of 27.0%) ^(2*)	\$	219.0	
6				
7	Forecast 2018 RSAM Volumes (TJ)		559.8	
8	2018 RSAM (Rate Rider 5) \$/GJ	\$	0.391	
9				
10				
11		2018		Effective January 1, 2018
12	Proposed January 1, 2018 RSAM Rate Rider by Rate Schedule	Forecast Volumes ^(3*)	RSAM, Rate Rider 5	RSAM, Rate Rider 5
13		(TJ)	(\$000s)	(\$ / GJ)
14	<u>Non-Bypass</u>			
15	Rate 1 - Residential	259.9	\$ 101.7	\$ 0.391
16	Rate 2.1 - Commercial	203.7	\$ 79.7	\$ 0.391
17	Rate 2.2 - Commercial	56.7	\$ 22.2	\$ 0.391
18	Rate 3.1 - Large Commercial Service	-	\$ -	\$ 0.391
19	Rate 3.2 - Large Commercial Service	-	\$ -	\$ 0.391
20	Rate 3.3 - Large Commercial Service	-	\$ -	\$ 0.391
21	Rate 25 - Transportation Service	39.5	\$ 15.5	\$ 0.391
22	Total Non-Bypass	559.8	\$ 219.0	

Notes: (1*) The projected December 31, 2017 balance is based on 10-month recorded and 2-month forecast.

(2*) The BC Corporate Income Tax rate is increased to 12% from 11% effective January 2018. As such, the combined Federal and BC corporate income tax rate is increased to 27% from 26%, effective January 2018 for FortisBC group of companies.

(3*) The 2018 forecast volumes were shown in the Appendix A, Section 9, Schedule 24, Column 3, Lines 3, 5, 6, and 8 of the FEI Fort Nelson Service Area 2017 and 2018 Revenue Requirements and Rates Application - BCUC Decision dated November 9, 2016 and Order G-162-16 - Compliance Filing dated November 23, 2016

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY FOR
RATE 1 DOMESTIC SERVICE
PROPOSED January 1, 2018 RATES
BCUC ORDER NO. G-162-16 G-173-16 G-XX-18

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Page 1

Line No.	Schedule (1)	Tariff Page (2)	Particulars (3)	January 1, 2017 Existing Rates (4)	Proposed Changes (5)	January 1, 2018 Proposed Rates (6)
1	Rate 1	No. 1	<u>Option A</u>			
2						
3			Minimum Daily Charge			
4			plus \$0.0391 times			
5			the amount of the promotional			
6			incentive divided by \$100			
7			(includes the first 2 Gigajoules per month prorated to daily basis)			
8						
9			Delivery Charge per Day	\$0.4321	\$0.0267	\$0.4588
10			Revenue Stabilization Adjustment Amount per Day	\$0.0176	\$0.0081	\$0.0257
11			Gas Cost Recovery Charge Prorated to Daily Basis	\$0.1371	(\$0.0339)	\$0.1032
12			Minimum Daily Charge (includes first 2 gigajoules)	\$0.5868	\$0.0009	\$0.5877
13						
14			Delivery Charge per GJ	\$3.350	\$0.207	\$3.557
15			Revenue Stabilization Adjustment Amount per GJ	\$0.268	\$0.123	\$0.391
16			Gas Cost Recovery Charge per GJ	\$2.086	(\$0.515)	\$1.571
17			Next 28 Gigajoules in any month	\$5.704	(\$0.185)	\$5.519
18						
19			Delivery Charge per GJ	\$3.254	\$0.201	\$3.455
20			Revenue Stabilization Adjustment Amount per GJ	\$0.268	\$0.123	\$0.391
21			Gas Cost Recovery Charge per GJ	\$2.086	(\$0.515)	\$1.571
22			Excess of 30 Gigajoules in any month	\$5.608	(\$0.191)	\$5.417
23						
24						
25	Rate 1	No. 1.1	<u>Option B</u>			
26						
27			Delivery Charge per Day	\$0.4321	\$0.0267	\$0.4588
28			Revenue Stabilization Adjustment Amount per Day	\$0.0176	\$0.0081	\$0.0257
29			Gas Cost Recovery Charge Prorated to Daily Basis	\$0.1371	(\$0.0339)	\$0.1032
30			Minimum Daily Charge (includes first 2 gigajoules)	\$0.5868	\$0.0009	\$0.5877
31						
32			Delivery Charge per GJ	\$3.350	\$0.207	\$3.557
33			Revenue Stabilization Adjustment Amount per GJ	\$0.268	\$0.123	\$0.391
34			Gas Cost Recovery Charge per GJ	\$2.086	(\$0.515)	\$1.571
35			Next 28 Gigajoules in any month	\$5.704	(\$0.185)	\$5.519
36						
37			Delivery Charge per GJ	\$3.254	\$0.201	\$3.455
38			Revenue Stabilization Adjustment Amount per GJ	\$0.268	\$0.123	\$0.391
39			Gas Cost Recovery Charge per GJ	\$2.086	(\$0.515)	\$1.571
40			Excess of 30 Gigajoules in any month	\$5.608	(\$0.191)	\$5.417

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY FOR
RATES 2.1, 2.2 & 2.3 GENERAL SERVICE
PROPOSED January 1, 2018 RATES
BCUC ORDER NO. G-162-16 G-173-16 G-XX-18

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Line No.	Schedule (1)	Tariff Page (2)	Particulars (3)	January 1, 2017 Existing Rates (4)	Proposed Changes (5)	January 1, 2018 Proposed Rates (6)
1	Rate 2.1	No. 2	Delivery Charge per Day	\$1.2566	\$0.0792	\$1.3358
2			Revenue Stabilization Adjustment Amount per Day	\$0.0176	\$0.0081	\$0.0257
3			Gas Cost Recovery Charge Prorated to Daily Basis	\$0.1371	(\$0.0339)	\$0.1032
4			Minimum Daily Charge (includes first 2 gigajoules)	\$1.4113	\$0.0534	\$1.4647
5						
6			Delivery Charge per GJ	\$3.776	\$0.227	\$4.003
7			Revenue Stabilization Adjustment Amount per GJ	\$0.268	\$0.123	\$0.391
8			Gas Cost Recovery Charge per GJ	\$2.086	(\$0.515)	\$1.571
9			Next 298 Gigajoules in any month	\$6.130	(\$0.165)	\$5.965
10						
11			Delivery Charge per GJ	\$3.649	\$0.230	\$3.879
12			Revenue Stabilization Adjustment Amount per GJ	\$0.268	\$0.123	\$0.391
13			Gas Cost Recovery Charge per GJ	\$2.086	(\$0.515)	\$1.571
14			Excess of 300 Gigajoules in any month	\$6.003	(\$0.162)	\$5.841
15						
16	Rate 2.2	No. 2	Delivery Charge per Day	\$1.2566	\$0.0792	\$1.3358
17			Revenue Stabilization Adjustment Amount per Day	\$0.0176	\$0.0081	\$0.0257
18			Gas Cost Recovery Charge Prorated to Daily Basis	\$0.1371	(\$0.0339)	\$0.1032
19			Minimum Daily Charge (includes first 2 gigajoules)	\$1.4113	\$0.0534	\$1.4647
20						
21			Delivery Charge per GJ	\$3.776	\$0.227	\$4.003
22			Revenue Stabilization Adjustment Amount per GJ	\$0.268	\$0.123	\$0.391
23			Gas Cost Recovery Charge per GJ	\$2.086	(\$0.515)	\$1.571
24			Next 298 Gigajoules in any month	\$6.130	(\$0.165)	\$5.965
25						
26			Delivery Charge per GJ	\$3.649	\$0.230	\$3.879
27			Revenue Stabilization Adjustment Amount per GJ	\$0.268	\$0.123	\$0.391
28			Gas Cost Recovery Charge per GJ	\$2.086	(\$0.515)	\$1.571
29			Excess of 300 Gigajoules in any month	\$6.003	(\$0.162)	\$5.841
30						
31	Rate 2.3	No. 2.1	Delivery Charge per Month	\$38.910	\$2.448	\$41.358
32			Gas Cost Recovery Charge per Month	\$4.172	(\$1.030)	\$3.142
33			Minimum Monthly Charge (includes first 2 gigajoules)	\$43.08	\$1.418	\$44.50
34						
35			Delivery Charge per GJ	\$4.781	\$0.301	\$5.082
36			Gas Cost Recovery Charge per GJ	\$2.086	(\$0.515)	\$1.571
37			Next 298 Gigajoules in any month	\$6.867	(\$0.214)	\$6.653
38						
39			Delivery Charge per GJ	\$4.659	\$0.294	\$4.953
40			Gas Cost Recovery Charge per GJ	\$2.086	(\$0.515)	\$1.571
41			Excess of 300 Gigajoules in any month	\$6.745	(\$0.221)	\$6.524

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY FOR
RATES 3.1, 3.2 & 3.3 INDUSTRIAL SERVICE
PROPOSED January 1, 2018 RATES
BCUC ORDER NO. G-162-16 G-173-16 G-XX-18

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Line No.	Schedule (1)	Tariff Page (2)	Particulars (3)	January 1, 2017 Existing Rates (4)	Proposed Changes (5)	January 1, 2018 Proposed Rates (6)
1	Rate 3.1	No. 3	Delivery Charge			
2						
3			First 20 Gigajoules in any month	\$4.186	\$0.336	\$4.522
4			Next 260 Gigajoules in any month	\$3.884	\$0.317	\$4.201
5			Excess over 280 Gigajoules in any month	\$3.179	\$0.271	\$3.450
6						
7			Rider 5 - Revenue Stabilization Adjustment Charge per GJ	\$0.268	\$0.123	\$0.391
8			Gas Cost Recovery Charge per Gigajoule	\$2.086	(\$0.515)	\$1.571
9						
10			Minimum Monthly Delivery Charge	\$1,826.00	\$0.00	\$1,826.00
11						
12	Rate 3.2	No. 3	Delivery Charge			
13						
14						
15			First 20 Gigajoules in any month	\$4.186	\$0.336	\$4.522
16			Next 260 Gigajoules in any month	\$3.884	\$0.317	\$4.201
17			Excess over 280 Gigajoules in any month	\$3.179	\$0.271	\$3.450
18						
19			Rider 5 - Revenue Stabilization Adjustment Charge per GJ	\$0.268	\$0.123	\$0.391
20			Gas Cost Recovery Charge per Gigajoule	\$2.086	(\$0.515)	\$1.571
21						
22			Minimum Monthly Delivery Charge	\$1,826.00	\$0.00	\$1,826.00
23						
24	Rate 3.3	No. 3.1	Delivery Charge			
25						
26						
27			First 20 Gigajoules in any month	\$4.186	\$0.336	\$4.522
28			Next 260 Gigajoules in any month	\$3.884	\$0.317	\$4.201
29			Excess over 280 Gigajoules in any month	\$3.179	\$0.271	\$3.450
30						
31			Rider 5 - Revenue Stabilization Adjustment Charge per GJ	\$0.268	\$0.123	\$0.391
32			Gas Cost Recovery Charge per Gigajoule	\$2.086	(\$0.515)	\$1.571
33						
34			Minimum Monthly Delivery Charge	\$1,826.00	\$0.00	\$1,826.00

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY FOR
RATE 25 TRANSPORTATION SERVICE
PROPOSED January 1, 2018 RATES
BCUC ORDER NO. G-162-16 G-173-16 G-XX-18

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Line No.	Schedule	Tariff Page	Particulars	January 1, 2017 Existing Rates	Proposed Changes	January 1, 2018 Proposed Rates
	(1)	(2)	(3)	(4)	(5)	(6)
1	Rate 25	No. 4.21	Transportation Delivery Charge			
2						
3			First 20 Gigajoules in any month	\$4.186	\$0.336	\$4.522
4			Next 260 Gigajoules in any month	\$3.884	\$0.317	\$4.201
5			Excess over 280 Gigajoules in any month	\$3.179	\$0.271	\$3.450
6						
7			Minimum Monthly Delivery Charge	\$1,826.00	\$0.00	\$1,826.00
8						
9			Administration Charge per Month	\$202.00	\$0.00	\$202.00
10						
11			Delivery Margin Related Rider			
12			Rider 5: RSAM per GJ	\$0.268	\$0.123	\$0.391

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
IMPACT ON CUSTOMERS BILLS
BCUC ORDER NO. G-162-16 G-173-16 G-XX-18

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RATE 1 - DOMESTIC (RESIDENTIAL) SERVICE - OPTION B

Line No.		Existing January 1, 2017 Rates				January 1, 2018 Proposed Rates ¹				Annual Increase/(Decrease)		
		Volume		Rate	Annual \$	Volume		Rate	Annual \$	Rate	Annual \$	% of Previous Annual Bill
1	Rate 1 Domestic Service Option B											
2												
3	<u>Monthly Charge</u>											
4	Delivery Charge per Day	365.25	days x	\$0.4321	\$157.8245	365.25	days x	\$0.4588	\$167.5767	\$0.0267	\$9.7522	1.15%
5	Rider 5 - RSAM per Day	365.25	days x	\$0.0176	6.4284	365.25	days x	\$0.0257	9.3869	\$0.0081	\$2.9585	0.35%
6	Gas Cost Recovery Charge Prorated to Daily Basis	365.25	days x	\$0.1371	50.0758	365.25	days x	\$0.1032	37.6938	(\$0.0339)	(\$12.3820)	-1.46%
7	Minimum Monthly Charge (includes the first 2 gigajoules)			\$0.5868	\$214.33			\$0.5877	\$214.66	\$0.0009	\$0.33	0.04%
8												
9	<u>Next 28 Gigajoules in any month</u>											
10	Delivery Charge per GJ	111	GJ x	\$3.350	\$371.8500	111	GJ x	\$3.557	\$394.8270	\$0.207	\$22.977	2.71%
11	Rider 5 - RSAM per GJ	111	GJ x	0.268	29.7480	111	GJ x	0.391	43.4010	0.123	13.653	1.61%
12	Gas Cost Recovery Charge per GJ	111	GJ x	2.086	231.5460	111	GJ x	1.571	174.3810	(0.515)	(57.165)	-6.75%
13	Total Charges per GJ			\$5.704	\$633.14			\$5.519	\$612.61	(\$0.185)	(\$20.53)	-2.42%
14												
15	<u>Excess of 30 Gigajoules in any month</u>											
16	Delivery Charge per GJ	0	GJ x	\$3.254	\$0.0000	0	GJ x	\$3.455	\$0.0000	\$0.201	\$0.000	0.00%
17	Rider 5 - RSAM per GJ	0	GJ x	0.268	0.0000	0	GJ x	0.391	0.0000	0.123	0.000	0.00%
18	Gas Cost Recovery Charge per GJ	0	GJ x	2.086	0.0000	0	GJ x	1.571	0.0000	(0.515)	0.000	0.00%
19	Total Charges per GJ			\$5.608	\$0.00			\$5.417	\$0.00	(\$0.191)	\$0.00	0.00%
20												
21	Total	135	GJ		\$847.47	135	GJ		\$827.27		(\$20.20)	-2.38%
22												
23	<u>Summary of Annual Delivery and Commodity Charges</u>											
24	Delivery Charge (including RSAM)				\$565.85				\$615.19		\$49.34	5.82%
25	Commodity Charge				281.62				212.07		(69.55)	-8.21%
26	Total				\$847.47				\$827.26		(\$20.21)	-2.38%

¹ In accordance with the FEI 2017-2018 Revenue Requirement and Rates Application for the Fort Nelson Service Area, approved by Commission Orders G-162-16 and G-173-16, the Delivery Charges per GJ are as approved. Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
IMPACT ON CUSTOMERS BILLS
BCUC ORDER NO. G-162-16 G-173-16 G-XX-18

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RATE 2.1 - GENERAL (COMMERCIAL) SERVICE

Line No.		Existing January 1, 2017 Rates			January 1, 2018 Proposed Rates ¹			Annual Increase/(Decrease)		
		Volume		Rate	Annual \$	Volume		Rate	Annual \$	% of Previous Annual Bill
1	Rate 2.1 General Service									
2										
3	<u>Monthly Charge</u>									
4	Delivery Charge per Day	365.25	days x	\$1.2566 =	\$458.9732	365.25	days x	\$1.3358 =	\$487.9010	0.94%
5	Rider 5 - RSAM per Day	365.25	days x	\$0.0176 =	6.4284	365.25	days x	\$0.0257 =	9.3869	0.10%
6	Gas Cost Recovery Charge Prorated to Daily Basis	365.25	days x	\$0.1371 =	50.0758	365.25	days x	\$0.1032 =	37.6938	-0.40%
7	Minimum Monthly Charge (includes the first 2 gigajoules)			\$1.4113	\$515.48			\$1.4647	\$534.98	0.64%
8										
9	<u>Next 298 Gigajoules in any month</u>									
10	Delivery Charge per GJ	416	GJ x	\$3.776 =	\$1,570.8160	416	GJ x	\$4.003 =	\$1,665.2480	3.08%
11	Rider 5 - RSAM per GJ	416	GJ x	0.268 =	111.4880	416	GJ x	0.391 =	162.6560	1.67%
12	Gas Cost Recovery Charge per GJ	416	GJ x	2.086 =	867.7760	416	GJ x	1.571 =	653.5360	-6.99%
13	Total Charges per GJ			\$6.130	\$2,550.08			\$5.965	\$2,481.44	-2.24%
14										
15	<u>Excess of 300 Gigajoules in any month</u>									
16	Delivery Charge per GJ	0	GJ x	\$3.649 =	\$0.0000	0	GJ x	\$3.879 =	\$0.0000	0.00%
17	Rider 5 - RSAM per GJ	0	GJ x	0.268 =	0.0000	0	GJ x	0.391 =	0.0000	0.00%
18	Gas Cost Recovery Charge per GJ	0	GJ x	2.086 =	0.0000	0	GJ x	1.571 =	0.0000	0.00%
19	Total Charges per GJ			\$6.003	\$0.00			\$5.841	\$0.00	0.00%
20										
21	Total	440	GJ		\$3,065.56	440	GJ		\$3,016.42	(\$49.14) -1.60%
22										
23	<u>Summary of Annual Delivery and Commodity Charges</u>									
24	Delivery Charge (including RSAM)				\$2,147.71				\$177.49	5.79%
25	Commodity Charge				917.85				(226.62)	-7.39%
26	Total				\$3,065.56				(\$49.14) -1.60%	

¹ In accordance with the FEI 2017-2018 Revenue Requirement and Rates Application for the Fort Nelson Service Area, approved by Commission Orders G-162-16 and G-173-16, the Delivery Charges per GJ are as approved. Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
IMPACT ON CUSTOMERS BILLS
BCUC ORDER NO. G-162-16 G-173-16 G-XX-18

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RATE 2.2 - GENERAL (COMMERCIAL) SERVICE

Line No.		Existing January 1, 2017 Rates			January 1, 2018 Proposed Rates ¹			Annual Increase/(Decrease)		
		Volume		Rate	Annual \$	Volume		Rate	Annual \$	% of Previous Annual Bill
1	Rate 2.2 General Service									
2										
3	<u>Monthly Charge</u>									
4	Delivery Charge per Day	365.25	days x	\$1.2566 =	\$458.9732	365.25	days x	\$1.3358 =	\$487.9010	\$0.0792 \$28.9278 0.06%
5	Rider 5 - RSAM per Day	365.25	days x	\$0.0176 =	6.4284	365.25	days x	\$0.0257 =	9.3869	\$0.0081 \$2.9585 0.01%
6	Gas Cost Recovery Charge Prorated to Daily Basis	365.25	days x	\$0.1371 =	50.0758	365.25	days x	\$0.1032 =	37.6938	(\$0.0339) (\$12.3820) -0.03%
7	Minimum Monthly Charge (includes the first 2 gigajoules)			\$1.4113	\$515.48			\$1.4647	\$534.98	\$0.0534 \$19.50 0.04%
8										
9	<u>Next 298 Gigajoules in any month</u>									
10	Delivery Charge per GJ	3,576	GJ x	\$3.776 =	\$13,502.9760	3,576	GJ x	\$4.003 =	\$14,314.7280	\$0.227 \$811.752 1.64%
11	Rider 5 - RSAM per GJ	3,576	GJ x	0.268 =	958.3680	3,576	GJ x	0.391 =	1,398.2160	0.123 439.848 0.89%
12	Gas Cost Recovery Charge per GJ	3,576	GJ x	2.086 =	7,459.5360	3,576	GJ x	1.571 =	5,617.8960	(0.515) (1,841.640) -3.72%
13	Total Charges per GJ			\$6.130	\$21,920.88			\$5.965	\$21,330.84	(\$0.165) (\$590.04) -1.19%
14										
15	<u>Excess of 300 Gigajoules in any month</u>									
16	Delivery Charge per GJ	4,500	GJ x	\$3.649 =	\$16,420.5000	4,500	GJ x	\$3.879 =	\$17,455.5000	\$0.230 \$1,035.000 2.09%
17	Rider 5 - RSAM per GJ	4,500	GJ x	0.268 =	1,206.0000	4,500	GJ x	0.391 =	1,759.5000	0.123 553.500 1.12%
18	Gas Cost Recovery Charge per GJ	4,500	GJ x	2.086 =	9,387.0000	4,500	GJ x	1.571 =	7,069.5000	(0.515) (2,317.500) -4.69%
19	Total Charges per GJ			\$6.003	\$27,013.50			\$5.841	\$26,284.50	(\$0.162) (\$729.00) -1.47%
20										
	Total	8,100	GJ		\$49,449.86	8,100	GJ		\$48,150.32	(\$1,299.54) -2.63%
1										
2	<u>Summary of Annual Delivery and Commodity Charges</u>									
3	Delivery Charge (including RSAM)				\$32,553.25				\$35,425.23	\$2,871.99 5.81%
4	Commodity Charge				16,896.61				12,725.09	(4,171.52) -8.44%
5	Total				\$49,449.86				\$48,150.32	(\$1,299.54) -2.63%

¹ In accordance with the FEI 2017-2018 Revenue Requirement and Rates Application for the Fort Nelson Service Area, approved by Commission Orders G-162-16 and G-173-16, the Delivery Charges per GJ are as approved. Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
IMPACT ON CUSTOMERS BILLS
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RATE 25 - TRANSPORTATION SERVICE

Line No.		Existing January 1, 2017 Rates					January 1, 2018 Proposed Rates					Annual Increase/(Decrease)		
		Volume		Rate		Annual \$	Volume		Rate		Annual \$	Rate	Annual \$	% of Previous Annual Bill
1	Rate 25 Transportation Service													
2														
3	<u>Transportation Delivery Charges</u>													
4														
5	Delivery Charge per Gigajoule													
6	i) First 20 Gigajoules	240	GJ x	\$4.186	=	\$1,004.6400	240	GJ x	\$4.522	=	\$1,085.2800	\$0.336	\$80.6400	0.11%
7	ii) Next 260 Gigajoules	3,120	GJ x	\$3.884	=	12,118.0800	3,120	GJ x	\$4.201	=	13,107.1200	\$0.317	989.0400	1.35%
8	iii) Excess over 280 Gigajoules	16,490	GJ x	\$3.179	=	52,421.7100	16,490	GJ x	\$3.450	=	56,890.5000	\$0.271	4,468.7900	6.10%
9	iv) Minimum Delivery Charge per month	12 months x		\$1,826.00		-	12 months x		\$1,826.00		-	\$0.00	\$0.00	0.00%
10														
11	Administration Charge per month	12 months x		\$202.00	=	\$2,424.00	12 months x		\$202.00	=	\$2,424.00	\$0.00	\$0.00	0.00%
12														
13	Rider 5: RSAM per GJ	19,850	GJ x	\$0.268	=	\$5,319.8000	19,850	GJ x	\$0.391	=	\$7,761.3500	\$0.123	\$2,441.5500	3.33%
14														
15	Total Transportation Delivery & Administration Charges	<u>19,850</u>	GJ x	\$3.692	=	<u>\$73,288.23</u>	<u>19,850</u>	GJ x	\$4.094	=	<u>\$81,268.25</u>	<u>\$0.402</u>	<u>\$7,980.02</u>	<u>10.89%</u>
16														
17														
18	<u>Summary of Annual Delivery, Administration and Commodity Charges</u>													
19	Delivery & Administration Charge (including RSAM)	19,850	GJ x	\$3.692	=	\$73,288.2300	19,850	GJ x	\$4.094	=	\$81,268.2500	\$0.402	\$7,980.0200	10.89%
20	Commodity Charge (no sales from Authorized/Unauthorized Overrun Gas)	0	GJ	0.000	=	0.0000	0	GJ	0.000	=	0.0000	0.000	0.0000	0.00%
21	Total	19,850	GJ x	\$3.692	=	<u>\$73,288.23</u>	19,850	GJ x	\$4.094	=	<u>\$81,268.25</u>	<u>\$0.402</u>	<u>\$7,980.02</u>	<u>10.89%</u>

Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding



ORDER NUMBER

G-xx-xx

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Energy Inc.
Application regarding its 2017 Fourth Quarter Gas Cost Report
And Rate Changes effective January 1, 2018
For the Fort Nelson Service Area

BEFORE:

[Panel Chair]
Commissioner
Commissioner

on Date

ORDER

WHEREAS:

- A. On November 22, 2017, FortisBC Energy Inc. (FEI) filed its 2017 Fourth Quarter Report on Gas Cost Reconciliation Account (GCRA) for the Fort Nelson Service Area based on a five-day average November 7, 8, 9, 10, and 14, 2017 forward gas prices (the 2017 Fourth Quarter Report);
- B. By Letter L-40-11 dated May 19, 2011, the British Columbia Utilities Commission (Commission) revised the guidelines (Guidelines) for the review of quarterly gas costs and rate setting mechanisms that were originally established by Letter L-5-01;
- C. By Order G-162-16 and G-173-16, the Commission approved the permanent 2017 and 2018 delivery rates for the Fort Nelson Service Area effective January 1, 2017, and 2018 respectively. The RSAM Rate Rider 5 was set in the amount of \$0.268/gigajoule (GJ) effective January 1, 2017;
- D. By Order G-178-16 dated December 2, 2016, the Commission established the current Gas Cost Recovery Charge for the Fort Nelson Service Area at \$2.086/GJ effective January 1, 2017;
- E. In the 2017 Fourth Quarter Report, using the five-day average forward prices ending November 14, 2017, the GCRA balance is projected to be \$83,800 surplus after tax at December 31, 2017. FEI calculates the GCRA recovery-to-cost ratio at the existing rate would be 132.8 percent for the following 12 months, the tested rate decrease related to the forecast over recovery of gas costs would be \$0.515/GJ of which falls outside the rate change thresholds set out in the Guidelines indicating that a change to a rate is required effective January 1, 2018;

- F. In the 2017 Fourth Quarter Report, FEI also requests approval to set the RSAM Rate Rider 5 to \$0.391/GJ effective January 1, 2018;
- G. The combined effects of the approved January 1, 2018 delivery rates, the proposed Gas Cost Recovery Charge and the proposed RSAM Rate Rider 5 as requested in the 2017 Fourth Quarter Report would decrease the total annual bill for a typical Fort Nelson residential customer with an average annual consumption of 135 gigajoules by approximately \$20 or 2.4 percent; and
- H. The Commission reviewed the 2017 Fourth Quarter Report and considers that the requested rate changes are warranted, and that Tab 3 of the 2017 Fourth Quarter Report should be held confidential.

NOW THEREFORE the British Columbia Utilities Commission orders as follows:

1. Pursuant to section 61(4) of the *Utilities Commission Act*, the Gas Cost Recovery Charge to decrease from \$2.086/GJ to \$1.571/GJ in the Fort Nelson Service Area effective January 1, 2018.
2. Pursuant to sections 59 to 61 of the *Utilities Commission Act*, the RSAM Rate Rider 5 to increase from \$0.268/GJ to \$0.391/GJ in the Fort Nelson Service Area effective January 1, 2018.
3. FEI will notify all customers that are affected by the rate changes with a bill insert or bill message to be included with the next monthly gas billing.
4. The information in Tab 3 of the 2017 Fourth Quarter Report will be held confidential as requested by FEI as it contains market sensitive information.

DATED at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month 2017).

BY ORDER

(X. X. last name)
Commissioner