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March 7, 2018

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  
2018 First Quarter Gas Cost Report**

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The attached materials provide the FortisBC Energy Inc. (FEI or the Company) 2018 First Quarter Gas Cost Report (the First Quarter Report) for the CCRA and MCRA deferral accounts as required under British Columbia Utilities Commission (the Commission) guidelines. The gas cost forecast used within the attached report is based on the five-day average of the February 21, 22, 23, 26, and 27, 2018 forward prices (five-day average forward prices ending February 27, 2018).

### **CCRA Deferral Account**

Based on the five-day average forward prices ending February 27, 2018, the March 31, 2018 CCRA balance is projected to be approximately \$23 million surplus after tax. Further, based on the five-day average forward prices ending February 27, 2018, the gas purchase cost assumptions, and the forecast commodity cost recoveries at present rates for the 12-month period ending March 31, 2019, and accounting for the projected March 31, 2018 deferral balance, the CCRA trigger ratio is calculated to be 130.4 percent (Tab 1, Page 2, Column 4, Line 7), which falls outside 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 \$0.361/GJ (Tab 1, Page 2, Column 5, Line 26), which falls inside the \$0.50/GJ rate change threshold. The results of the two-criteria rate adjustment mechanism indicate that a rate change is not required at this time.

The schedules at Tab 2, Pages 1 and 2, provide details of the recorded and forecast, based on the five-day average forward prices ending February 27, 2018, CCRA gas supply costs. The schedule at Tab 2, Page 3 provides the information related to the unitization of the forecast CCRA gas supply costs for the April 1, 2018 to March 31, 2019 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 March 31, 2018, based on the five-day average forward prices ending February 27, 2018, is projected to be approximately \$72 million surplus after tax. Further, the MCRA balance at December 31, 2018, and December 31, 2019, based on the five-day average forward prices ending February 27, 2018 and at existing recovery rates, are projected to be approximately \$43 million and \$4 million surplus after tax, respectively.

The schedules at Tab 2, Pages 4 to 6, provide details of MCRA gas supply costs for calendar 2017, 2018 and 2019 based on the five-day average forward prices ending February 27, 2018.

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, the storage and transport rates be adjusted on an annual basis with a January 1 effective date.

### **Summary**

The Company hereby proposes the Commodity Cost Recovery Charge remains unchanged at April 1, 2018.

FEI will continue to monitor the forward prices, and will report CCRA and MCRA balances in its 2018 Second Quarter Gas Cost Report.

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

Sincerely,

**FORTISBC ENERGY INC.**

***Original signed:***

Diane Roy

Attachments

**FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS**  
**CCRA MONTHLY BALANCES AT EXISTING RATES (AFTER ADJUSTMENTS FOR ENERGY DIFFERENCES)**  
**FOR THE FORECAST PERIOD FROM APR 2018 TO MAR 2020**  
**FIVE-DAY AVERAGE FORWARD PRICES - FEB 21, 22, 23, 26, AND 27, 2018**  
**\$(Millions)**

Tab 1

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	Recorded Aug-17	Recorded Sep-17	Recorded Oct-17	Recorded Nov-17	Recorded Dec-17	2017 Total
1														
2														
3	CCRA Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$ (22)	\$ (13)	\$ (9)	\$ (6)	\$ (3)	\$ 2	\$ 5	\$ 3	\$ (3)	\$ (12)	\$ (23)	\$ (27)	\$ (22)
4	Gas Costs Incurred	31	23	24	23	26	23	19	15	11	10	16	15	236
5	Revenue from <b>APPROVED</b> Recovery Rate	(21)	(19)	(21)	(20)	(21)	(20)	(21)	(21)	(20)	(21)	(20)	(21)	(246)
6	<b>CCRA Balance - Ending (Pre-tax)</b> <sup>(b)</sup>	\$ (13)	\$ (9)	\$ (6)	\$ (3)	\$ 2	\$ 5	\$ 3	\$ (3)	\$ (12)	\$ (23)	\$ (27)	\$ (33)	\$ (33)
7														
8	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%
9														
10	<b>CCRA Balance - Ending (After-tax)</b> <sup>(c)</sup>	\$ (9)	\$ (6)	\$ (4)	\$ (2)	\$ 1	\$ 4	\$ 2	\$ (3)	\$ (9)	\$ (17)	\$ (20)	\$ (24)	\$ (24)
11														
12														
13		Recorded Jan-18	Projected Feb-18	Projected Mar-18										Jan-18 to Mar-18
14														
15	CCRA Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$ (33)	\$ (31)	\$ (29)										\$ (33)
16	Gas Costs Incurred	20	18	16										54
17	Revenue from <b>APPROVED</b> Recovery Rate	(17)	(16)	(17)										(50)
18	<b>CCRA Balance - Ending (Pre-tax)</b> <sup>(b)</sup>	\$ (31)	\$ (29)	\$ (32)										\$ (32)
19														
20	Tax Rate	27.0%	27.0%	27.0%										27.0%
21														
22	<b>CCRA Balance - Ending (After-tax)</b> <sup>(c)</sup>	\$ (22)	\$ (21)	\$ (23)										\$ (23)
23														
24														
25														
26		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	Forecast Jan-19	Forecast Feb-19	Forecast Mar-19	Apr-18 to Mar-19
27														
28	CCRA Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$ (32)	\$ (35)	\$ (40)	\$ (44)	\$ (47)	\$ (50)	\$ (52)	\$ (53)	\$ (53)	\$ (51)	\$ (49)	\$ (48)	\$ (32)
29	Gas Costs Incurred	14	12	13	14	14	15	16	17	19	19	17	18	189
30	Revenue from <b>EXISTING</b> Recovery Rates	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(16)	(17)	(204)
31	<b>CCRA Balance - Ending (Pre-tax)</b> <sup>(b)</sup>	\$ (35)	\$ (40)	\$ (44)	\$ (47)	\$ (50)	\$ (52)	\$ (53)	\$ (53)	\$ (51)	\$ (49)	\$ (48)	\$ (48)	\$ (48)
32														
33	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%
34														
35	<b>CCRA Balance - Ending (After-tax)</b> <sup>(c)</sup>	\$ (26)	\$ (29)	\$ (32)	\$ (34)	\$ (36)	\$ (38)	\$ (39)	\$ (39)	\$ (38)	\$ (36)	\$ (35)	\$ (35)	\$ (35)
36														
37														
38														
39		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	Forecast Jan-20	Forecast Feb-20	Forecast Mar-20	Apr-19 to Mar-20
40														
41	CCRA Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$ (48)	\$ (53)	\$ (59)	\$ (66)	\$ (71)	\$ (77)	\$ (83)	\$ (89)	\$ (89)	\$ (87)	\$ (84)	\$ (81)	\$ (48)
42	Gas Costs Incurred	11	12	11	12	12	12	12	17	20	21	19	19	178
43	Revenue from <b>EXISTING</b> Recovery Rates	(17)	(18)	(17)	(18)	(18)	(17)	(18)	(17)	(18)	(18)	(17)	(18)	(210)
44	<b>CCRA Balance - Ending (Pre-tax)</b> <sup>(b)</sup>	\$ (53)	\$ (59)	\$ (66)	\$ (71)	\$ (77)	\$ (83)	\$ (89)	\$ (89)	\$ (87)	\$ (84)	\$ (81)	\$ (80)	\$ (80)
45														
46	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%
47														
48	<b>CCRA Balance - Ending (After-tax)</b> <sup>(c)</sup>	\$ (39)	\$ (43)	\$ (48)	\$ (52)	\$ (56)	\$ (60)	\$ (65)	\$ (65)	\$ (63)	\$ (61)	\$ (59)	\$ (58)	\$ (58)

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 \$2.1 million credit as at March 31, 2018.

(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 APR 2018 TO MAR 2019**  
**FIVE-DAY AVERAGE FORWARD PRICES - FEB 21, 22, 23, 26, AND 27, 2018**

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	<b><u>CCRA RATE CHANGE TRIGGER RATIO</u></b>					
2	(a)					
3	Projected Deferral Balance at Mar 31, 2018	\$ (32.0)				(Tab 1, Page 1, Col.14, Line 28)
4	Forecast Incurred Gas Costs - Apr 2018 to Mar 2019	\$ 188.5				(Tab 1, Page 1, Col.14, Line 29)
5	Forecast Recovery Gas Costs at Existing Recovery Rate - Apr 2018 to Mar 2019	\$ 204.1				(Tab 1, Page 1, Col.14, Line 30)
6						
7	CCRA = Forecast Recovered Gas Costs (Line 5)	= \$ 204.1		= 130.4%		
8	Ratio Forecast Incurred Gas Costs (Line 4) + Projected CCRA Balance (Line 3)	\$ 156.5				<b>Outside 95% to 105% deadband</b>
9						
10						
11						
12						
13	<b><u>Existing Cost of Gas (Commodity Cost Recovery Rate), effective January 1, 2018</u></b>				<b>\$ 1.549</b>	
14						
15						
16						
17						
18	<b><u>CCRA RATE CHANGE THRESHOLD (+/- \$0.50/GJ)</u></b>					
19						
20	Forecast 12-month CCRA Baseload - Apr 2018 to Mar 2019		131,771			(Tab1, Page 7, Col.5, Line 11 )
21	(a)					
22	Projected Deferral Balance at Mar 31, 2018	\$ (32.0)			\$ (0.2426) <sup>(b)</sup>	
23	Forecast 12-month CCRA Activities - Apr 2018 to Mar 2019	\$ (15.6)			\$ (0.1184) <sup>(b)</sup>	
24	(Over) / Under Recovery at Existing Rate	\$ (47.6)				(Line 3 + Line 4 - Line 5)
25						
26	<b>Tested Rate (Decrease) / Increase</b>				<b>\$ (0.361 ) <sup>(b)</sup></b>	<b>Within minimum +/- \$0.50/GJ threshold</b>

Notes:

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

(b) Commodity cost recovery rate in tariff is set at 3 decimal places. Individual rate components are shown to 4 decimals places.

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 APR 2018 TO MAR 2020**  
**FIVE-DAY AVERAGE FORWARD PRICES - FEB 21, 22, 23, 26, AND 27, 2018**  
**\$(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	Recorded Aug-17	Recorded Sep-17	Recorded Oct-17	Recorded Nov-17	Recorded Dec-17	Total 2017
1														
2														
3	MCRA Cumulative Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$ (45)	\$ (48)	\$ (51)	\$ (54)	\$ (57)	\$ (60)	\$ (60)	\$ (63)	\$ (67)	\$ (68)	\$ (73)	\$ (82)	\$ (45)
4	<b>2017 MCRA Activities</b>													
5	Rate Rider <sup>(d)</sup>													
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)	\$ (17)	\$ (10)	\$ 0	\$ 14	\$ 26	\$ 88
12	Revenue from APPROVED 2017 Recovery Rates	(48)	(38)	(27)	(12)	(0)	8	11	12	8	(7)	(26)	(43)	(163)
16	Total Midstream Base Rates (Pre-tax)	\$ (7)	\$ (7)	\$ (6)	\$ (6)	\$ (4)	\$ (1)	\$ (3)	\$ (5)	\$ (2)	\$ (7)	\$ (11)	\$ (17)	\$ (76)
17														
18	MCRA Cumulative Balance - Ending (Pre-tax) <sup>(b)</sup>	\$ (48)	\$ (51)	\$ (54)	\$ (57)	\$ (60)	\$ (60)	\$ (63)	\$ (67)	\$ (68)	\$ (73)	\$ (82)	\$ (94)	\$ (94)
19	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%
20														
21	MCRA Cumulative Balance - Ending (After-tax) <sup>(c)</sup>	\$ (35)	\$ (38)	\$ (40)	\$ (43)	\$ (45)	\$ (45)	\$ (46)	\$ (49)	\$ (50)	\$ (54)	\$ (61)	\$ (70)	\$ (70)
22														
23														
24														
25		Recorded Jan-18	Projected Feb-18	Projected 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
26	MCRA Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$ (96)	\$ (99)	\$ (96)	\$ (99)	\$ (99)	\$ (93)	\$ (84)	\$ (75)	\$ (66)	\$ (59)	\$ (56)	\$ (55)	\$ (96)
27	<b>2018 MCRA Activities</b>													
28	Rate Rider 6 <sup>(d)</sup>													
29	Amount to be amortized in 2018	\$ (40)												
30	Rider 6 Amortization at APPROVED 2018 Rates	\$ 6	\$ 5	\$ 5	\$ 3	\$ 2	\$ 1	\$ 1	\$ 1	\$ 1	\$ 3	\$ 5	\$ 6	\$ 39
31	Midstream Base Rates													
32	Gas Costs Incurred	\$ 23	\$ 26	\$ 20	\$ 8	\$ 3	\$ 2	\$ (0)	\$ (1)	\$ 1	\$ 7	\$ 20	\$ 27	\$ 137
33	Revenue from APPROVED Recovery Rates	(32)	(29)	(23)	(11)	0	5	8	9	5	(7)	(23)	(38)	(135)
34	Total Midstream Base Rates (Pre-tax)	\$ (9)	\$ (2)	\$ (2)	\$ (3)	\$ 4	\$ 7	\$ 8	\$ 8	\$ 6	\$ (0)	\$ (3)	\$ (11)	\$ 2
35														
36	MCRA Cumulative Balance - Ending (Pre-tax) <sup>(b)</sup>	\$ (99)	\$ (96)	\$ (99)	\$ (99)	\$ (93)	\$ (84)	\$ (75)	\$ (66)	\$ (59)	\$ (56)	\$ (55)	\$ (59)	\$ (59)
37	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%
38														
39	MCRA Cumulative Balance - Ending (After-tax) <sup>(c)</sup>	\$ (72)	\$ (70)	\$ (72)	\$ (72)	\$ (68)	\$ (62)	\$ (55)	\$ (48)	\$ (43)	\$ (41)	\$ (40)	\$ (43)	\$ (43)
40														
41														
42														
43		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	Total 2019
44	MCRA Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$ (59)	\$ (63)	\$ (62)	\$ (61)	\$ (59)	\$ (51)	\$ (40)	\$ (28)	\$ (15)	\$ (4)	\$ 0	\$ 0	\$ (59)
45	<b>2019 MCRA Activities</b>													
46	Rate Rider 6													
47														
48	Rider 6 Amortization at APPROVED 2018 Rates	\$ 6	\$ 5	\$ 5	\$ 3	\$ 2	\$ 1	\$ 1	\$ 1	\$ 1	\$ 3	\$ 5	\$ 6	\$ 41
49	Midstream Base Rates													
50	Gas Costs Incurred	\$ 28	\$ 25	\$ 20	\$ 10	\$ 6	\$ 5	\$ 3	\$ 3	\$ 4	\$ 9	\$ 18	\$ 26	\$ 156
51	Revenue from EXISTING Recovery Rates	(38)	(30)	(23)	(11)	0	5	8	8	5	(8)	(23)	(38)	(143)
52	Total Midstream Base Rates (Pre-tax)	\$ (10)	\$ (5)	\$ (3)	\$ (2)	\$ 6	\$ 10	\$ 11	\$ 12	\$ 9	\$ 2	\$ (5)	\$ (12)	\$ 13
53														
54	MCRA Cumulative Balance - Ending (Pre-tax) <sup>(b)</sup>	\$ (63)	\$ (62)	\$ (61)	\$ (59)	\$ (51)	\$ (40)	\$ (28)	\$ (15)	\$ (4)	\$ 0	\$ 0	\$ (6)	\$ (6)
55	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%
56														
57	MCRA Cumulative Balance - Ending (After-tax) <sup>(c)</sup>	\$ (46)	\$ (45)	\$ (44)	\$ (43)	\$ (37)	\$ (29)	\$ (20)	\$ (11)	\$ (3)	\$ 0	\$ 0	\$ (4)	\$ (4)

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 \$4.9 million credit as at March 31, 2018.




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

(d) BCUC Order G-173-17 approved the 1/2 projected MCRA cumulative balance at December 31, 2017 to be amortized into 2018 midstream rates, via Rider 6, as filed in the FEI 2017 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 MAR 2020**  
**AND US DOLLAR EXCHANGE RATE FORECAST UPDATE**

Tab 1  
Page 4.1

Line No	Particulars	Five-day Average Forward Prices - Feb 21, 22, 23, 26, and 27, 2018 2018 Q1 Gas Cost Report	Five-day Average Forward Prices - Nov 7, 8, 9, 10, and 14, 2017 2017 Q4 Gas Cost Report	Change in Forward Price
	(1)	(2)	(3)	(4) = (2) - (3)
1	<b>SUMAS Index Prices - presented in \$US/MMBtu</b>			
2				
3	<b>2017</b> October	 \$ 2.35	<b>Recorded</b> \$ 2.35	\$ -
4	November	\$ 2.65	<b>Forecast</b> \$ 2.59	\$ 0.06
5	December	\$ 3.15	\$ 3.40	\$ (0.25)
6	<b>2018</b> January	<b>Recorded</b> \$ 2.90	 \$ 3.30	\$ (0.40)
7	February	\$ 2.60	\$ 3.00	\$ (0.40)
8	March	\$ 2.00	\$ 2.46	\$ (0.46)
9	April	 \$ 2.00	\$ 2.00	\$ 0.01
10	May	\$ 1.69	\$ 1.91	\$ (0.22)
11	June	\$ 1.73	\$ 1.95	\$ (0.22)
12	July	\$ 1.82	\$ 2.03	\$ (0.21)
13	August	\$ 1.83	\$ 2.03	\$ (0.20)
14	September	\$ 1.98	\$ 2.17	\$ (0.19)
15	October	\$ 1.99	\$ 2.19	\$ (0.20)
16	November	\$ 2.20	\$ 2.57	\$ (0.37)
17	December	\$ 2.70	\$ 3.08	\$ (0.38)
18	<b>2019</b> January	\$ 2.69	\$ 3.07	\$ (0.38)
19	February	\$ 2.53	\$ 2.91	\$ (0.37)
20	March	\$ 2.02	\$ 2.40	\$ (0.38)
21	April	\$ 1.58	\$ 1.83	\$ (0.25)
22	May	\$ 1.50	\$ 1.72	\$ (0.22)
23	June	\$ 1.54	\$ 1.75	\$ (0.22)
24	July	\$ 1.62	\$ 1.83	\$ (0.21)
25	August	\$ 1.63	\$ 1.83	\$ (0.20)
26	September	\$ 1.78	\$ 1.97	\$ (0.19)
27	October	\$ 1.80	\$ 1.99	\$ (0.19)
28	November	\$ 2.22	\$ 2.36	\$ (0.14)
29	December	\$ 2.73	\$ 2.88	\$ (0.15)
30	<b>2020</b> January	\$ 2.76		
31	February	\$ 2.61		
32	March	\$ 2.09		
33				
34	<i>Simple Average (Apr 2018 - Mar 2019)</i>	\$ 2.10	\$ 2.36	-11.0% \$ (0.26)
35	<i>Simple Average (Jul 2018 - Jun 2019)</i>	\$ 2.03	\$ 2.31	-12.1% \$ (0.28)
36	<i>Simple Average (Oct 2018 - Sep 2019)</i>	\$ 1.98	\$ 2.26	-12.4% \$ (0.28)
37	<i>Simple Average (Jan 2019 - Dec 2019)</i>	\$ 1.97	\$ 2.21	-10.9% \$ (0.24)
38	<i>Simple Average (Apr 2019 - Mar 2020)</i>	\$ 1.99		

Conversation Factors

1 MMBtu = 1.055056 GJ

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

<u>Forecast Apr 2018 - Mar 2019</u>	<u>Forecast Jan 2018 - Dec 2018</u>	
\$ 1.2662	\$ 1.2694	-0.3% \$ (0.0032)

**FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS**  
**SUMAS INDEX FORECAST FOR THE PERIOD ENDING MAR 2020**

Tab 1  
Page 4.2

Line No	Particulars	Five-day Average Forward Prices - Feb 21, 22, 23, 26, and 27, 2018 2018 Q1 Gas Cost Report	Five-day Average Forward Prices - Nov 7, 8, 9, 10, and 14, 2017 2017 Q4 Gas Cost Report	Change in Forward Price (4) = (2) - (3)
	(1)	(2)	(3)	
1	<b>SUMAS Index Prices - presented in \$CDN/GJ</b>			
2				
3	<b>2017</b>			
4	October	\$ 2.78	Recorded \$ 2.78	\$ -
5	November	\$ 3.24	Forecast \$ 3.17	\$ 0.07
6	December	\$ 3.85	\$ 4.10	\$ (0.25)
7	<b>2018</b>			
8	January	\$ 3.45	\$ 3.98	\$ (0.53)
9	February	\$ 3.04	\$ 3.62	\$ (0.58)
10	March	\$ 2.40	\$ 2.96	\$ (0.56)
11	April	\$ 2.41	\$ 2.40	\$ 0.01
12	May	\$ 2.03	\$ 2.30	\$ (0.27)
13	June	\$ 2.08	\$ 2.34	\$ (0.26)
14	July	\$ 2.19	\$ 2.44	\$ (0.25)
15	August	\$ 2.20	\$ 2.44	\$ (0.24)
16	September	\$ 2.38	\$ 2.61	\$ (0.24)
17	October	\$ 2.39	\$ 2.64	\$ (0.25)
18	November	\$ 2.64	\$ 3.09	\$ (0.45)
19	December	\$ 3.23	\$ 3.70	\$ (0.47)
20	<b>2019</b>			
21	January	\$ 3.22	\$ 3.69	\$ (0.46)
22	February	\$ 3.03	\$ 3.49	\$ (0.46)
23	March	\$ 2.41	\$ 2.88	\$ (0.46)
24	April	\$ 1.90	\$ 2.20	\$ (0.30)
25	May	\$ 1.79	\$ 2.07	\$ (0.27)
26	June	\$ 1.84	\$ 2.10	\$ (0.26)
27	July	\$ 1.94	\$ 2.19	\$ (0.26)
28	August	\$ 1.95	\$ 2.19	\$ (0.25)
29	September	\$ 2.12	\$ 2.37	\$ (0.25)
30	October	\$ 2.16	\$ 2.39	\$ (0.24)
31	November	\$ 2.66	\$ 2.83	\$ (0.17)
32	December	\$ 3.27	\$ 3.46	\$ (0.19)
33	<b>2020</b>			
34	January	\$ 3.30		
35	February	\$ 3.12		
36	March	\$ 2.49		
37	Simple Average (Apr 2018 - Mar 2019)	\$ 2.52	\$ 2.84	-11.2% \$ (0.32)
38	Simple Average (Jul 2018 - Jun 2019)	\$ 2.44	\$ 2.78	-12.3% \$ (0.34)
39	Simple Average (Oct 2018 - Sep 2019)	\$ 2.37	\$ 2.72	-12.7% \$ (0.34)
40	Simple Average (Jan 2019 - Dec 2019)	\$ 2.36	\$ 2.66	-11.2% \$ (0.30)
41	Simple Average (Apr 2019 - Mar 2020)	\$ 2.38		

Conversion Factors  
1 MMBtu = 1.055056 GJ

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

<u>Forecast Apr 2018 - Mar 2019</u>	<u>Forecast Jan 2018 - Dec 2018</u>	
\$ 1.2662	\$ 1.2694	-0.3% \$ (0.0032)

**FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS**  
**AECO INDEX FORECAST FOR THE PERIOD ENDING MAR 2020**

Tab 1  
Page 5

		Five-day Average Forward Prices - Feb 21, 22, 23, 26, and 27, 2018		Five-day Average Forward Prices - Nov 7, 8, 9, 10, and 14, 2017		Change in Forward Price	
Line No	Particulars	2018 Q1 Gas Cost Report		2017 Q4 Gas Cost Report		(4) = (2) - (3)	
	(1)	(2)		(3)			
1	AECO Index Prices - \$CDN/GJ						
2							
3	2017	October	↑ \$ 1.49	Recorded	\$ 1.49	\$	-
4		November	\$ 2.04	Forecast	\$ 2.07	\$	(0.03)
5		December	\$ 2.04		\$ 2.29	\$	(0.25)
6	2018	January	Recorded \$ 1.83	↓	\$ 2.32	\$	(0.49)
7		February	\$ 1.86		\$ 2.33	\$	(0.46)
8		March	\$ 1.49		\$ 2.19	\$	(0.70)
9		April	\$ 1.17		\$ 1.83	\$	(0.65)
10		May	↓ \$ 0.96		\$ 1.76	\$	(0.81)
11		June	\$ 1.08		\$ 1.76	\$	(0.68)
12		July	\$ 1.13		\$ 1.77	\$	(0.63)
13		August	\$ 1.20		\$ 1.77	\$	(0.57)
14		September	\$ 1.27		\$ 1.76	\$	(0.49)
15		October	\$ 1.41		\$ 1.90	\$	(0.49)
16		November	\$ 1.75		\$ 2.28	\$	(0.53)
17		December	\$ 1.85		\$ 2.40	\$	(0.55)
18	2019	January	\$ 1.93		\$ 2.49	\$	(0.56)
19		February	\$ 1.88		\$ 2.48	\$	(0.60)
20		March	\$ 1.74		\$ 2.32	\$	(0.59)
21		April	\$ 1.33		\$ 1.97	\$	(0.64)
22		May	\$ 1.35		\$ 1.84	\$	(0.49)
23		June	\$ 1.32		\$ 1.86	\$	(0.54)
24		July	\$ 1.37		\$ 1.86	\$	(0.49)
25		August	\$ 1.34		\$ 1.86	\$	(0.52)
26		September	\$ 1.37		\$ 1.87	\$	(0.51)
27		October	\$ 1.36		\$ 1.94	\$	(0.58)
28		November	\$ 1.81		\$ 2.23	\$	(0.42)
29		December	\$ 1.96		\$ 2.44	\$	(0.48)
30	2020	January	\$ 2.03				
31		February	\$ 2.02				
32		March	\$ 1.93				
33							
34	Simple Average (Apr 2018 - Mar 2019)		\$ 1.45		\$ 2.04	-29.2%	\$ (0.60)
35	Simple Average (Jul 2018 - Jun 2019)		\$ 1.51		\$ 2.07	-26.9%	\$ (0.56)
36	Simple Average (Oct 2018 - Sep 2019)		\$ 1.55		\$ 2.09	-25.9%	\$ (0.54)
37	Simple Average (Jan 2019 - Dec 2019)		\$ 1.56		\$ 2.10	-25.5%	\$ (0.53)
38	Simple Average (Apr 2019 - Mar 2020)		\$ 1.60				



**FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS**  
**STATION 2 INDEX FORECAST FOR THE PERIOD ENDING MAR 2020**

Tab 1  
Page 6

Line No	Particulars	Five-day Average Forward Prices - Feb 21, 22, 23, 26, and 27, 2018 2018 Q1 Gas Cost Report	Five-day Average Forward Prices - Nov 7, 8, 9, 10, and 14, 2017 2017 Q4 Gas Cost Report	Change in Forward Price (4) = (2) - (3)
	(1)	(2)	(3)	
1	<b>Station 2 Index Prices - \$CDN/GJ</b>			
2				
3	<b>2017</b>			
4	October	\$ 0.65	Recorded \$ 0.65	\$ -
5	November	\$ 1.52	Forecast \$ 1.44	\$ 0.08
6	December	\$ 1.19	\$ 1.89	\$ (0.70)
7	<b>2018</b>			
8	January	\$ 0.95	\$ 1.85	\$ (0.90)
9	February	\$ 1.56	\$ 1.85	\$ (0.29)
10	March	\$ 1.32	\$ 1.68	\$ (0.36)
11	April	\$ 0.90	\$ 1.20	\$ (0.30)
12	May	\$ 0.68	\$ 1.13	\$ (0.45)
13	June	\$ 0.80	\$ 1.13	\$ (0.32)
14	July	\$ 0.86	\$ 1.13	\$ (0.28)
15	August	\$ 0.93	\$ 1.14	\$ (0.21)
16	September	\$ 1.00	\$ 1.13	\$ (0.13)
17	October	\$ 1.13	\$ 1.27	\$ (0.13)
18	November	\$ 1.37	\$ 2.01	\$ (0.63)
19	December	\$ 1.48	\$ 2.13	\$ (0.65)
20	<b>2019</b>			
21	January	\$ 1.55	\$ 2.22	\$ (0.67)
22	February	\$ 1.51	\$ 2.21	\$ (0.70)
23	March	\$ 1.37	\$ 2.06	\$ (0.69)
24	April	\$ 0.88	\$ 1.54	\$ (0.65)
25	May	\$ 0.90	\$ 1.41	\$ (0.51)
26	June	\$ 0.87	\$ 1.43	\$ (0.56)
27	July	\$ 0.92	\$ 1.43	\$ (0.51)
28	August	\$ 0.89	\$ 1.43	\$ (0.54)
29	September	\$ 0.92	\$ 1.44	\$ (0.52)
30	October	\$ 0.91	\$ 1.51	\$ (0.60)
31	November	\$ 1.47	\$ 2.01	\$ (0.55)
32	December	\$ 1.62	\$ 2.23	\$ (0.61)
33	<b>2020</b>			
34	January	\$ 1.69		
35	February	\$ 1.68		
36	March	\$ 1.59		
37	Simple Average (Apr 2018 - Mar 2019)	\$ 1.13	\$ 1.56	-27.6% \$ (0.43)
38	Simple Average (Jul 2018 - Jun 2019)	\$ 1.15	\$ 1.64	-29.6% \$ (0.49)
39	Simple Average (Oct 2018 - Sep 2019)	\$ 1.15	\$ 1.71	-32.9% \$ (0.56)
40	Simple Average (Jan 2019 - Dec 2019)	\$ 1.15	\$ 1.74	-33.9% \$ (0.59)
41	Simple Average (Apr 2019 - Mar 2020)	\$ 1.20		

**FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS**  
**GAS BUDGET COST SUMMURY FOR THE FORECAST PERIOD APR 2018 TO MAR 2019**  
**FIVE-DAY AVERAGE FORWARD PRICES - FEB 21, 22, 23, 26, AND 27, 2018**

Tab 1  
Page 7

No.	Particulars	Costs (\$000)		Quantities (TJ)		Unit Cost (\$/GJ)	Reference / Comments
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	<b>CCRA</b>						
2	<u>Commodity</u>						
3	STN 2	\$	110,701		104,066	\$ 1.064	
4	AECO		48,227		33,305	\$ 1.448	
5	Huntingdon		-		-		
6	Commodity Costs before Hedging		\$ 158,928		137,371	\$ 1.157	incl. Receipt Point Fuel Gas Provided to Midstream (G-149-17)
7	Mark to Market Hedges Cost / (Gain)		28,099		-		
8	Subtotal Commodity Purchased	\$	187,027		137,371	\$ 1.361	
9	Core Market Administration Costs		1,483		-		
10	Fuel Gas Provided to Midstream				(5,600)		
11	<b>Total CCRA Baseload</b>				<b>131,771</b>		
12	<b>Total CCRA Costs</b>	\$	<b>188,509</b>			<b>\$ 1.431</b>	average unit cost = Line 12, Col. 3 divided by Line 11, Col.5
13							
14							
15	<b>MCRA</b>						
16	<u>Midstream Commodity Related Costs</u>						
17	Midstream Commodity before Hedging	\$	30,324		22,216	\$ 1.365	
18	Mark to Market Hedges Cost / (Gain)		-		-		
19	Imbalance		(1,119)		(674)		
20	Company Use Gas Recovered from O&M		(4,787)		(701)		
21	Injections into Storage	\$	(38,540)		(28,344)	\$ 1.360	
22	Withdrawals from Storage		41,356		28,386	\$ 1.457	
23	Storage Withdrawal / (Injection) Activity		2,815		42		
24	Total Midstream Commodity Related Costs	\$	27,233		20,884	\$ 1.304	incl. Company Use Gas and UAF
25							
26	<u>Storage Related Costs</u>						
27	Storage Demand - Third Party Storage	\$	36,855				
28	On-System Storage - Mt. Hayes (LNG)		18,886				
29	Total Storage Related Costs		55,740				
30							
31	<u>Transport Related Costs</u>		131,652				
32							
33	<u>Mitigation</u>						
34	Commodity Mitigation	\$	(22,059)		(19,555)		
35	Storage Mitigation		-				
36	Transportation Mitigation		(57,779)				
37	Total Mitigation		(79,838)				
38							
39	<u>GSMIP Incentive Sharing</u>		1,000				
40							
41	<u>Core Market Administration Costs</u>		3,459				
42							
43	Net Transportation Fuels <sup>(a)</sup>			136			
44	UAF (Sales and T-Service) <sup>(b)</sup>			(1,465)			
45	<u>UAF &amp; Net Transportation Fuels</u>				(1,329)		
46							
47	Net MCRA Commodity (Lines 24, 34 & 45)				-		
48	<b>Total MCRA Costs</b> (Lines 24, 29, 31, 37, 39, & 41)	\$	<b>139,247</b>			<b>\$ 1.027</b>	average unit cost = Line 48, Col. 3 divided by Line 49, Col.5
49	<b>Total Core Sales Quantities</b>				<b>135,539</b>		
50	<b>Total Forecast Gas Costs</b> (Lines 12 & 48)	\$	<b>327,756</b>				reference to Tab 1, Page 8, Line 11, Col. 3

Notes: (a) Net Transportation Fuel is the difference between fuel gas collected from Commodity Providers and the fuel gas consumed.

(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 transport rate flow-through calculation.

Slight differences in totals due to rounding.

**FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS**  
**RECONCILIATION OF GAS COST INCURRED**  
**FOR THE FORECAST PERIOD APR 2018 TO MAR 2019**  
**FIVE-DAY AVERAGE FORWARD PRICES - FEB 21, 22, 23, 26, AND 27, 2018**  
**\$(Millions)**

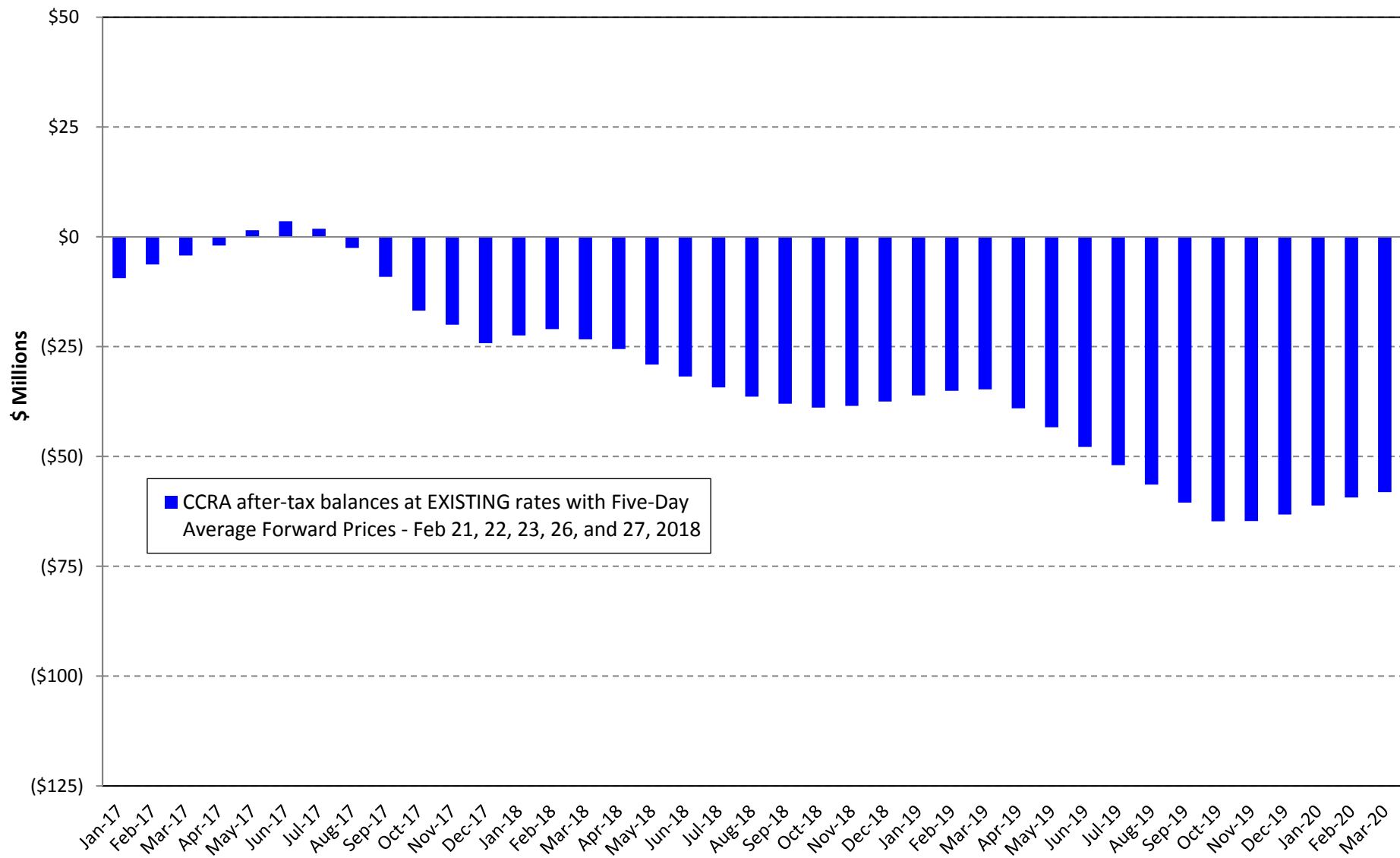
Tab 1  
Page 8

No.	Particulars	CCRA / MCRA Deferral Account Forecast	Gas Budget Cost Summary	References
	(1)	(2)	(3)	(4)
1	<b>Gas Cost Incurred</b>			
2	CCRA	\$ 189		(Tab 1, Page 1, Col.14, Line 29 )
3	MCRA	139		(Tab 2, Page 7.1, Col.15, Line 33)
4				
5				
6	Gas Budget Cost Summary			
7	CCRA		\$ 189	(Tab 1, Page 7, Col.3, Line 12)
8	MCRA		139	(Tab 1, Page 7, Col.3, Line 48)
9				
10				
11	<b>Totals Reconciled</b>	<b>\$ 328</b>	<b>\$ 328</b>	

Slight differences in totals due to rounding.

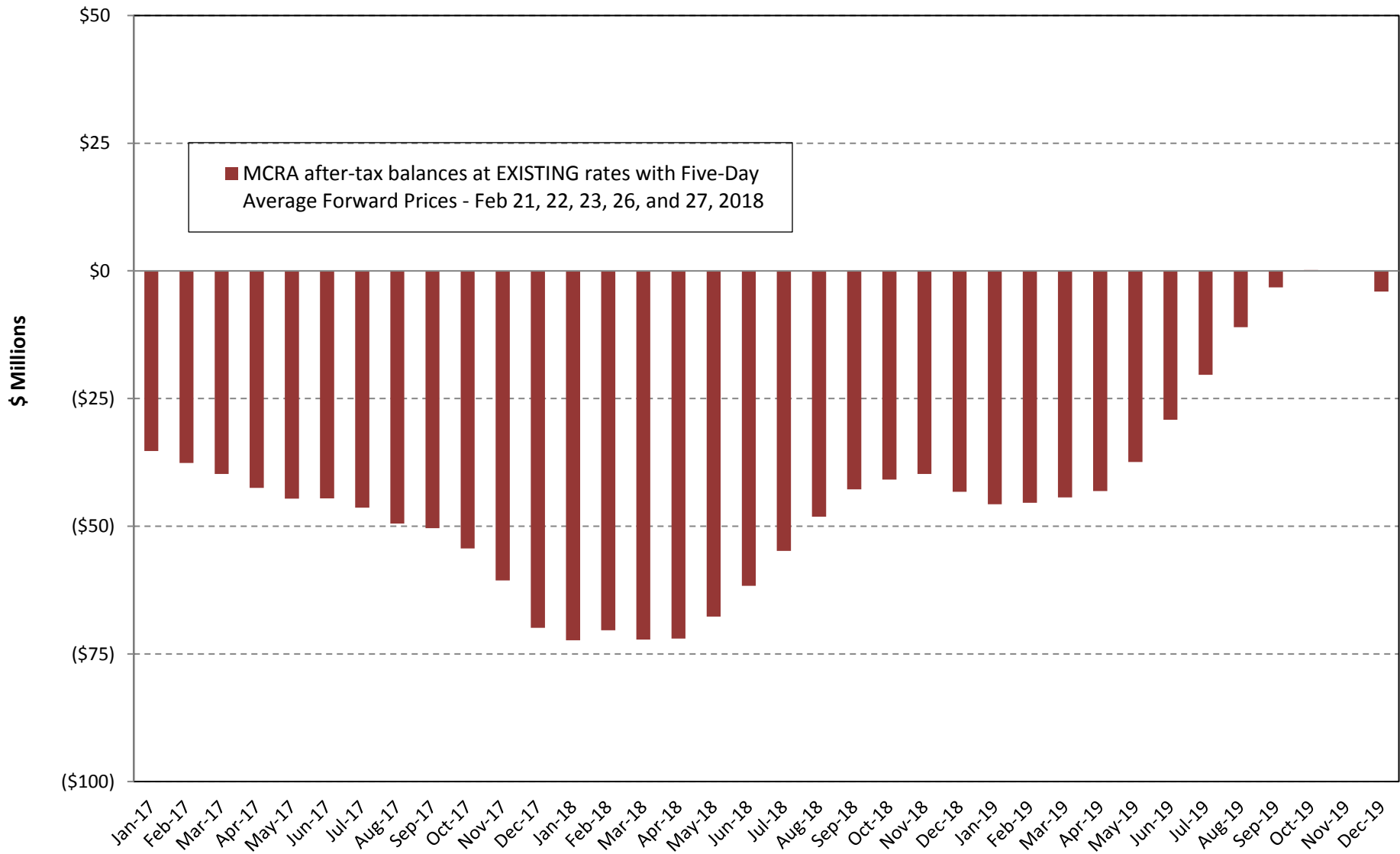
FortisBC Energy Inc. - Mainland, Vancouver Island and Whistler Service Areas  
 CCRA After-Tax Monthly Balances  
 Recorded to January 2018 and Forecast to March 2020

Tab 1  
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FortisBC Energy Inc. - Mainland, Vancouver Island and Whistler Service Areas  
 MCRA After-Tax Monthly Balances  
 Recorded to January 2018 and Forecast to March 2020

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**FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS**  
**CCRA INCURRED MONTHLY ACTIVITIES**  
**RECORDED PERIOD TO JAN 2018 AND FORECAST TO MAR 2019**  
**FIVE-DAY AVERAGE FORWARD PRICES - FEB 21,22, 23, 26, AND 27, 2018**

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	Recorded Aug-17	Recorded Sep-17	Recorded Oct-17	Recorded Nov-17	Recorded Dec-17	2017 Total
1															
2															
3	<b>CCRA QUANTITIES</b>														
4	Commodity Purchase	(TJ)													
5	STN 2		8,007	7,234	8,021	7,751	8,010	7,754	8,015	8,017	7,759	8,015	7,802	8,108	94,494
6	AECO		2,543	2,297	2,548	2,462	2,544	2,463	2,545	2,546	2,464	2,545	2,468	2,551	29,977
7	Total Commodity Purchased		10,550	9,531	10,569	10,213	10,554	10,217	10,560	10,563	10,223	10,560	10,270	10,659	124,471
8	Fuel Gas Provided to Midstream		(379)	(342)	(377)	(364)	(376)	(365)	(379)	(379)	(367)	(379)	(419)	(434)	(4,562)
9	<b>Commodity Available for Sale</b>		10,171	9,189	10,192	9,848	10,178	9,853	10,181	10,184	9,856	10,181	9,851	10,225	119,910
10															
11	<b>CCRA COSTS</b>														
12	Commodity Costs	(\$000)													
13	STN 2		\$ 22,672	\$ 16,960	\$ 17,393	\$ 17,204	\$ 18,698	\$ 17,367	\$ 13,536	\$ 9,846	\$ 7,271	\$ 6,512	\$ 10,316	\$ 9,807	\$ 167,582
14	AECO		7,874	5,938	6,130	6,293	6,902	6,508	5,068	4,779	3,062	2,961	5,191	5,087	65,794
15	Commodity Costs before Hedging		\$ 30,546	\$ 22,898	\$ 23,522	\$ 23,497	\$ 25,601	\$ 23,875	\$ 18,604	\$ 14,625	\$ 10,333	\$ 9,472	\$ 15,508	\$ 14,894	\$ 233,376
16	Mark to Market Hedges Cost / (Gain)		-	-	-	(301)	(196)	(1,007)	(111)	222	896	894	259	276	932
17	Core Market Administration Costs		120	78	114	81	115	142	99	98	123	95	94	107	1,266
18	<b>Total CCRA Costs</b>		\$ 30,666	\$ 22,976	\$ 23,636	\$ 23,277	\$ 25,520	\$ 23,010	\$ 18,592	\$ 14,945	\$ 11,352	\$ 10,462	\$ 15,860	\$ 15,278	\$ 235,574
19															
20															
21	CCRA Unit Cost	(\$/GJ)	\$ 3.015	\$ 2.500	\$ 2.319	\$ 2.364	\$ 2.507	\$ 2.335	\$ 1.826	\$ 1.467	\$ 1.152	\$ 1.028	\$ 1.610	\$ 1.494	\$ 1.965
22															
23															
24															
25															
26															
27			Recorded Jan-18	Projected Feb-18	Projected Mar-18										Jan-18 to Mar-18 Total
28															
29	<b>CCRA QUANTITIES</b>														
30	Commodity Purchase	(TJ)													
31	STN 2		8,812	7,983	8,838										25,634
32	AECO		2,780	2,555	2,829										8,163
33	Total Commodity Purchased		11,592	10,538	11,667										33,797
34	Fuel Gas Provided to Midstream		(473)	(430)	(476)										(1,378)
35	<b>Commodity Available for Sale</b>		11,119	10,108	11,191										32,419
36															
37	<b>CCRA COSTS</b>														
38	Commodity Costs	(\$000)													
39	STN 2		\$ 13,615	\$ 12,269	\$ 10,678										\$ 36,562
40	AECO		5,319	4,767	4,218										14,304
41	Commodity Costs before Hedging		\$ 18,934	\$ 17,036	\$ 14,896										\$ 50,866
42	Mark to Market Hedges Cost / (Gain)		615	508	1,175										2,298
43	Core Market Administration Costs		142	124	124										389
44	<b>Total CCRA Costs</b>		\$ 19,692	\$ 17,667	\$ 16,195										\$ 53,554
45															
46															
47	CCRA Unit Cost	(\$/GJ)	\$ 1.771	\$ 1.748	\$ 1.447										\$ 1.652

Slight differences in totals due to rounding.

**FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS**  
**CCRA INCURRED MONTHLY ACTIVITIES**  
**FORECAST PERIOD FROM APR 2018 TO MAR 2020**  
**FIVE-DAY AVERAGE FORWARD PRICES - FEB 21,22, 23, 26, AND 27, 2018**

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	1-12 months
2		Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
3	<b>CCRA QUANTITIES</b>													
4	Commodity Purchase	(TJ)												
5	STN 2	8,553	8,838	8,553	8,838	8,838	8,553	8,838	8,553	8,838	8,838	7,983	8,838	104,066
6	AECO	2,737	2,829	2,737	2,829	2,829	2,737	2,829	2,737	2,829	2,829	2,555	2,829	33,305
7	Total Commodity Purchased	11,291	11,667	11,291	11,667	11,667	11,291	11,667	11,291	11,667	11,667	10,538	11,667	137,371
8	Fuel Gas Provided to Midstream	(460)	(476)	(460)	(476)	(476)	(460)	(476)	(460)	(476)	(476)	(430)	(476)	(5,600)
9	<b>Commodity Available for Sale</b>	10,830	11,191	10,830	11,191	11,191	10,830	11,191	10,830	11,191	11,191	10,108	11,191	131,771
10														
11	<b>CCRA COSTS</b>	(\$000)												
12	Commodity Costs													
13	STN 2	\$ 7,056	\$ 5,345	\$ 6,239	\$ 6,908	\$ 7,539	\$ 7,901	\$ 9,340	\$ 11,326	\$ 12,603	\$ 13,260	\$ 11,598	\$ 11,585	\$ 110,701
14	AECO	3,217	2,711	2,965	3,211	3,410	3,493	3,986	4,788	5,247	5,461	4,812	4,927	48,227
15	Commodity Costs before Hedging	\$ 10,272	\$ 8,056	\$ 9,204	\$ 10,120	\$ 10,950	\$ 11,394	\$ 13,326	\$ 16,114	\$ 17,849	\$ 18,720	\$ 16,411	\$ 16,512	\$ 158,928
16	Mark to Market Hedges Cost / (Gain)	3,393	4,286	3,721	3,659	3,407	3,050	2,671	1,061	720	449	557	1,124	28,099
17	Core Market Administration Costs	124	124	124	124	124	124	124	124	124	124	124	124	1,483
18	<b>Total CCRA Costs</b>	\$ 13,789	\$ 12,466	\$ 13,048	\$ 13,902	\$ 14,480	\$ 14,568	\$ 16,121	\$ 17,299	\$ 18,692	\$ 19,293	\$ 17,092	\$ 17,759	\$ 188,509
19														
20														
21	CCRA Unit Cost	(\$/GJ)	\$ 1.273	\$ 1.114	\$ 1.205	\$ 1.242	\$ 1.294	\$ 1.345	\$ 1.440	\$ 1.597	\$ 1.670	\$ 1.724	\$ 1.691	\$ 1.431
22														
23														
24														
25														
26		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	13-24 months
27		Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Total
28	<b>CCRA QUANTITIES</b>													
29	Commodity Purchase	(TJ)												
30	STN 2	8,766	9,058	8,766	9,058	9,058	8,766	9,058	8,766	9,058	9,058	8,474	9,058	106,949
31	AECO	2,806	2,899	2,806	2,899	2,899	2,806	2,899	2,806	2,899	2,899	2,712	2,899	34,228
32	Total Commodity Purchased	11,572	11,958	11,572	11,958	11,958	11,572	11,958	11,572	11,958	11,958	11,186	11,958	141,176
33	Fuel Gas Provided to Midstream	(472)	(487)	(472)	(487)	(487)	(472)	(487)	(472)	(487)	(487)	(456)	(487)	(5,755)
34	<b>Commodity Available for Sale</b>	11,100	11,470	11,100	11,470	11,470	11,100	11,470	11,100	11,470	11,470	10,730	11,470	135,421
35														
36														
37	<b>CCRA COSTS</b>	(\$000)												
38	Commodity Costs													
39	STN 2	\$ 7,423	\$ 7,786	\$ 7,241	\$ 7,966	\$ 7,658	\$ 7,658	\$ 7,853	\$ 12,097	\$ 13,944	\$ 14,578	\$ 13,527	\$ 13,655	\$ 121,387
40	AECO	3,753	3,933	3,712	3,991	3,888	3,840	3,949	5,082	5,694	5,902	5,487	5,607	54,839
41	Commodity Costs before Hedging	\$ 11,177	\$ 11,719	\$ 10,953	\$ 11,957	\$ 11,546	\$ 11,499	\$ 11,802	\$ 17,179	\$ 19,638	\$ 20,480	\$ 19,014	\$ 19,262	\$ 176,226
42	Mark to Market Hedges Cost / (Gain)	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Core Market Administration Costs	124	124	124	124	124	124	124	124	124	124	124	124	1,483
44	<b>Total CCRA Costs</b>	\$ 11,300	\$ 11,843	\$ 11,077	\$ 12,080	\$ 11,670	\$ 11,622	\$ 11,925	\$ 17,302	\$ 19,762	\$ 20,603	\$ 19,138	\$ 19,385	\$ 177,708
45														
46														
47	CCRA Unit Cost	(\$/GJ)	\$ 1.018	\$ 1.033	\$ 0.998	\$ 1.053	\$ 1.017	\$ 1.047	\$ 1.040	\$ 1.559	\$ 1.723	\$ 1.796	\$ 1.784	\$ 1.312

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 APR 1, 2018 TO MAR 31, 2019**  
**FIVE-DAY AVERAGE FORWARD PRICES - FEB 21, 22, 23, 26, AND 27, 2018**

Tab 2  
Page 3

Line No.	Particulars	Unit	RS-1 to RS-7
	(1)		(2)
1	<b><u>CCRA Baseload</u></b>	TJ	131,771
2			
3			
4	<b><u>CCRA Incurred Costs</u></b>	\$000	
5	STN 2		\$ 110,700.5
6	AECO		48,227.3
7	CCRA Commodity Costs before Hedging		\$ 158,927.8
8	Mark to Market Hedges Cost / (Gain)		28,099.0
9	Core Market Administration Costs		1,482.6
10	<b>Total Incurred Costs before CCRA deferral amortization</b>		<b>\$ 188,509.4</b>
11			
12	Pre-tax CCRA Deficit / (Surplus) as of Mar 31, 2018		(31,964.2)
13	<b>Total CCRA Incurred Costs</b>		<b>\$ 156,545.2</b>
14			
15			
16	<b><u>CCRA Incurred Unit Costs</u></b>	\$/GJ	
17	CCRA Commodity Costs before Hedging		\$ 1.2061
18	Mark to Market Hedges Cost / (Gain)		0.2132
19	Core Market Administration Costs		0.0113
20	Total Incurred Costs before CCRA deferral amortization		\$ 1.4306
21	Pre-tax CCRA Deficit / (Surplus) as of Mar 31, 2018		(0.2426)
22	<b>CCRA Gas Costs Incurred -- Flow-Through</b>		<b>\$ 1.1880</b>
23			
24			
25			
26			
27			
28			
29	<b><u>Cost of Gas (Commodity Cost Recovery Charge)</u></b>		<b>RS-1 to RS-7</b>
30			
31	<b>TESTED Flow-Through Cost of Gas effective Apr 1, 2018</b>		<b>\$ 1.188</b>
32			
33	Existing Cost of Gas (effective since Jan 1, 2018)		\$ 1.549
34			
35	Cost of Gas Increase / (Decrease)	\$/GJ	\$ (0.361 )
36			
37	Cost of Gas Percentage Increase / (Decrease)		-23.31%



**FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS**  
**MCRA INCURRED MONTHLY ACTIVITIES FOR THE YEAR 2017**

Tab 2  
Page 4

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
			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	Recorded Nov-17	Recorded Dec-17	2017 Total
1	<b>MCRA COSTS</b>	(\$000)													
2	<u>Midstream Commodity Related Costs</u>														
3	Midstream Commodity Costs before Hedging <sup>(a)</sup>		20,751.8	14,493.8	9,575.4	1,878.9	1,923.0	2,314.4	1,420.5	306.7	613.9	1,538.5	5,349.0	8,543.0	68,708.9
4	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	-
5	Imbalance <sup>(b)</sup>		(48.9)	(754.4)	(663.5)	378.7	346.7	8.8	(532.3)	(212.3)	(100.5)	235.3	433.8	(88.9)	(997.4)
6	Company Use Gas Recovered from O&M		(536.7)	48.5	(63.2)	(213.1)	(126.0)	(174.3)	(155.4)	(137.6)	(141.7)	(180.3)	(267.1)	(479.9)	(2,426.8)
7	Storage Withdrawal / (Injection) Activity <sup>(c)</sup>		13,137.1	11,103.8	10,852.2	(136.0)	(9,451.7)	(13,428.2)	(9,976.5)	(8,791.7)	(6,040.5)	(2,168.8)	8,009.0	11,325.9	4,434.5
8	Total Midstream Commodity Related Costs		33,303.3	24,891.8	19,700.9	1,908.5	(7,308.0)	(11,279.4)	(9,243.7)	(8,834.9)	(5,668.9)	(575.3)	13,524.7	19,300.1	69,719.2
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	3,564.7	3,644.8	3,580.0	2,600.1	2,601.6	37,125.5
12	On-System Storage - Mt. Hayes (LNG)		1,520.5	1,504.4	1,519.3	1,505.0	1,665.1	1,635.5	1,522.0	1,503.9	1,571.5	1,680.5	1,587.3	1,526.1	18,741.2
13	Total Storage Related Costs		4,161.3	4,101.5	4,168.6	4,055.7	5,275.3	5,322.3	4,921.3	5,068.6	5,216.4	5,260.5	4,187.5	4,127.7	55,866.7
14															
15	<u>Transportation Related Costs</u>														
16	Enbridge (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	6,848.1	6,711.2	6,697.8	7,394.5	7,346.7	86,695.4
17	TransCanada (Foothills BC)		390.7	390.7	390.7	249.9	250.4	292.4	293.7	292.6	293.7	292.6	381.7	378.0	3,897.3
18	TransCanada (NOVA Alta)		965.1	965.1	965.1	1,008.9	1,079.9	804.2	901.8	901.2	868.4	934.0	913.5	913.5	11,220.6
19	Northwest Pipeline		814.9	709.8	796.1	383.2	396.8	377.5	384.1	392.2	284.3	417.1	731.7	766.2	6,454.0
20	FortisBC Huntingdon Inc.		11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	12.0	12.0	135.7
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		11,081.2	10,397.4	10,749.5	8,609.9	8,678.8	8,619.6	8,550.3	8,745.2	8,468.7	8,652.8	9,733.3	9,716.4	112,003.1
23															
24	<u>Mitigation</u>														
25	Commodity Related Mitigation		(4,340.1)	(6,274.0)	(10,145.0)	(1,751.0)	(2,556.2)	(3,416.9)	(5,146.0)	(3,763.4)	(3,389.7)	(3,036.5)	(12,176.4)	(2,873.8)	(58,868.8)
26	Storage Related Mitigation		-	(0.3)	-	(8.3)	268.2	(432.9)	(82.6)	2.7	(26.2)	(18.7)	0.2	-	(297.9)
27	Transportation Related Mitigation		(3,359.2)	(2,308.0)	(3,720.4)	(6,713.1)	(8,634.6)	(8,107.4)	(13,289.1)	(18,317.1)	(15,471.9)	(10,455.0)	(1,306.6)	(4,353.9)	(96,036.2)
28	Total Mitigation		(7,699.2)	(8,582.2)	(13,865.3)	(8,472.4)	(10,922.6)	(11,957.2)	(18,517.7)	(22,077.7)	(18,887.9)	(13,510.2)	(13,482.7)	(7,227.7)	(155,202.9)
29															
30	<u>GSMIP Incentive Sharing</u>		313.5	164.3	150.3	118.3	120.6	119.7	240.3	296.3	263.1	191.1	202.6	204.2	2,384.1
31															
32	<u>Core Market Administration Costs</u>		280.5	181.9	265.3	189.7	268.7	331.0	230.9	228.4	287.3	222.3	218.4	249.8	2,954.2
33	<b>TOTAL MCRA COSTS</b>	(\$000)	41,440.6	31,154.6	21,169.2	6,409.6	(3,887.2)	(8,844.0)	(13,818.6)	(16,574.0)	(10,321.3)	241.2	14,376.8	26,370.5	87,724.4

(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, Enbridge imbalance (difference between Enbridge metered and authorized deliveries) and Transportation imbalance (difference between the authorized receipts and customers' consumption or "burn").

(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 - FEB 21,22, 23, 26, AND 27, 2018**

Tab 2  
Page 5

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
		Opening balance	Recorded Jan-18	Projected Feb-18	Projected 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	<b>MCRA COSTS</b>	(\$000)													
2	<u>Midstream Commodity Related Costs</u>														
3	Midstream Commodity Costs before Hedging <sup>(a)</sup>		\$ 7,499.4	\$ 6,109.4	\$ 3,171.9	\$ 1.2	\$ 1.5	\$ 1.0	\$ 2.0	\$ 2.1	\$ 1.3	\$ 2.6	\$ 4,242.7	\$ 7,314.4	\$ 28,349.5
4	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	-
5	Imbalance <sup>(b)</sup>	\$ 900.3	218.7	-	-	-	-	-	-	-	-	-	-	(1,119.0)	(900.3)
6	Company Use Gas Recovered from O&M		(571.4)	(683.2)	(582.6)	(408.0)	(228.8)	(202.4)	(153.4)	(102.2)	(142.7)	(214.5)	(458.3)	(744.6)	(4,491.9)
7	Storage Withdrawal / (Injection) Activity <sup>(c)</sup>		11,558.0	10,014.3	7,227.3	133.0	(5,248.0)	(6,533.3)	(7,134.0)	(7,405.0)	(6,038.8)	(798.6)	6,935.2	8,547.9	11,258.1
8	Total Midstream Commodity Related Costs		\$ 18,704.6	\$ 15,440.6	\$ 9,816.6	\$ (273.8)	\$ (5,475.2)	\$ (6,734.6)	\$ (7,285.5)	\$ (7,505.0)	\$ (6,180.2)	\$ (1,010.4)	\$ 10,719.6	\$ 13,998.7	\$ 34,215.4
9															
10	<u>Storage Related Costs</u>														
11	Storage Demand - Third Party Storage		\$ 2,522.1	\$ 2,461.0	\$ 2,500.7	\$ 2,532.2	\$ 3,585.8	\$ 3,614.4	\$ 3,625.2	\$ 3,623.8	\$ 3,612.2	\$ 3,534.3	\$ 2,535.6	\$ 2,549.5	\$ 36,696.9
12	On-System Storage - Mt. Hayes (LNG)		1,514.2	1,522.9	1,522.5	1,518.3	1,699.7	1,705.5	1,518.4	1,518.3	1,518.3	1,710.6	1,605.4	1,522.8	18,877.0
13	Total Storage Related Costs		\$ 4,036.2	\$ 3,983.9	\$ 4,023.2	\$ 4,050.5	\$ 5,285.5	\$ 5,319.9	\$ 5,143.7	\$ 5,142.2	\$ 5,130.6	\$ 5,244.9	\$ 4,141.0	\$ 4,072.3	\$ 55,573.9
14															
15	<u>Transportation Related Costs</u>														
16	Enbridge (BC Pipeline) - Westcoast Energy		\$ 9,088.7	\$ 9,075.7	\$ 9,109.3	\$ 8,800.4	\$ 8,784.5	\$ 8,683.2	\$ 8,758.8	\$ 8,779.0	\$ 8,708.3	\$ 8,868.8	\$ 9,044.2	\$ 9,040.0	\$ 106,741.0
17	TransCanada (Foothills BC)		406.2	373.7	413.7	301.8	311.8	301.8	311.8	311.8	301.8	311.8	400.4	413.7	4,160.2
18	TransCanada (NOVA Alta)		833.3	766.8	849.0	821.6	849.0	821.6	849.0	849.0	821.6	849.0	821.6	849.0	9,980.4
19	Northwest Pipeline		675.3	667.7	727.8	358.0	372.6	372.8	387.8	389.2	350.7	364.5	732.5	760.4	6,159.4
20	FortisBC Huntingdon Inc.		12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	143.5
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		\$ 11,315.5	\$ 11,195.9	\$ 11,411.7	\$ 10,593.7	\$ 10,629.9	\$ 10,491.3	\$ 10,619.4	\$ 10,640.9	\$ 10,494.2	\$ 10,706.0	\$ 11,310.7	\$ 11,375.1	\$ 130,784.5
23															
24	<u>Mitigation</u>														
25	Commodity Related Mitigation		\$ (7,497.1)	\$ (3,271.6)	\$ (3,107.0)	\$ (453.8)	\$ (393.2)	\$ (851.3)	\$ (1,534.5)	\$ (1,752.3)	\$ (1,802.7)	\$ (1,384.3)	\$ (4,621.5)	\$ (1,134.3)	\$ (27,803.7)
26	Storage Related Mitigation		(3.0)	-	-	-	-	-	-	-	-	-	-	-	(3.0)
27	Transportation Related Mitigation		(3,801.5)	(1,455.9)	(2,087.2)	(6,417.9)	(6,990.2)	(6,878.3)	(7,421.3)	(7,434.1)	(7,471.2)	(6,771.3)	(2,355.8)	(1,847.6)	(60,932.3)
28	Total Mitigation		\$ (11,301.6)	\$ (4,727.6)	\$ (5,194.2)	\$ (6,871.7)	\$ (7,383.4)	\$ (7,729.6)	\$ (8,955.8)	\$ (9,186.5)	\$ (9,273.9)	\$ (8,155.6)	\$ (6,977.2)	\$ (2,981.9)	\$ (88,739.0)
29															
30	<u>GSMIP Incentive Sharing</u>		\$ 380.0	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 1,296.7
31															
32	<u>Core Market Administration Costs</u>		\$ 331.7	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 3,502.8
33	<b>TOTAL MCRA COSTS</b>	(\$000)	\$ 23,466.5	\$ 26,264.4	\$ 20,428.9	\$ 7,870.4	\$ 3,428.5	\$ 1,718.6	\$ (106.6)	\$ (536.8)	\$ 542.4	\$ 7,156.5	\$ 19,565.7	\$ 26,835.7	\$ 136,634.3

(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, Enbridge imbalance (difference between Enbridge metered and authorized deliveries) and Transportation imbalance (difference between the authorized receipts and customers' consumption or "burn").

The Jan 1, 2018 opening balance reflects FEI owed Spectra / Transportation Marketers 674 TJ of gas valued at \$900.3K. 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 2019**  
**FORECAST PERIODS WITH FIVE-DAY AVERAGE FORWARD PRICES - FEB 21,22, 23, 26, AND 27, 2018**

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
		Opening balance	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	2019 Total
1	<b>MCRA COSTS</b>	(\$000)													
2	<u>Midstream Commodity Related Costs</u>														
3	Midstream Commodity Costs before Hedging <sup>(a)</sup>		\$ 7,703.4	\$ 6,735.4	\$ 4,316.3	\$ 0.2	\$ 1.6	\$ 0.2	\$ 1.7	\$ 1.6	\$ 0.3	\$ 1.6	\$ 3,952.3	\$ 7,431.3	\$ 30,146.0
4	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	-
5	Imbalance <sup>(b)</sup>	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Company Use Gas Recovered from O&M		(866.9)	(683.2)	(582.6)	(408.0)	(228.8)	(202.4)	(153.4)	(102.2)	(142.7)	(214.5)	(458.3)	(744.6)	(4,787.5)
7	Storage Withdrawal / (Injection) Activity <sup>(c)</sup>		8,228.5	7,394.6	4,733.8	197.7	(4,615.4)	(4,750.2)	(6,127.4)	(5,645.0)	(4,736.0)	(873.5)	5,565.4	6,901.1	6,273.3
8	Total Midstream Commodity Related Costs		\$ 15,064.9	\$ 13,446.8	\$ 8,467.4	\$ (210.0)	\$ (4,842.5)	\$ (4,952.4)	\$ (6,279.1)	\$ (5,745.6)	\$ (4,878.4)	\$ (1,086.3)	\$ 9,059.4	\$ 13,587.8	\$ 31,631.9
9															
10	<u>Storage Related Costs</u>														
11	Storage Demand - Third Party Storage		\$ 2,555.2	\$ 2,530.2	\$ 2,556.1	\$ 2,547.2	\$ 3,597.1	\$ 3,598.8	\$ 3,616.9	\$ 3,615.6	\$ 3,603.5	\$ 3,541.5	\$ 2,533.7	\$ 2,547.8	\$ 36,843.5
12	On-System Storage - Mt. Hayes (LNG)		1,522.9	1,522.9	1,522.5	1,518.3	1,699.7	1,705.5	1,518.4	1,518.3	1,518.3	1,710.6	1,605.4	1,522.8	18,885.7
13	Total Storage Related Costs		\$ 4,078.1	\$ 4,053.1	\$ 4,078.6	\$ 4,065.5	\$ 5,296.8	\$ 5,304.3	\$ 5,135.3	\$ 5,134.0	\$ 5,121.9	\$ 5,252.0	\$ 4,139.0	\$ 4,070.5	\$ 55,729.2
14															
15	<u>Transportation Related Costs</u>														
16	Enbridge (BC Pipeline) - Westcoast Energy		\$ 9,385.5	\$ 9,284.8	\$ 9,322.5	\$ 8,975.0	\$ 8,958.9	\$ 8,855.9	\$ 8,932.7	\$ 8,953.3	\$ 8,958.6	\$ 9,044.6	\$ 9,207.4	\$ 9,203.4	\$ 109,082.5
17	TransCanada (Foothills BC)		422.0	381.2	422.0	307.8	318.0	307.8	318.0	318.0	307.8	318.0	408.4	422.0	4,251.1
18	TransCanada (NOVA Alta)		866.0	782.2	866.0	838.0	866.0	838.0	866.0	866.0	838.0	866.0	838.0	866.0	10,196.0
19	Northwest Pipeline		726.9	676.9	719.3	360.4	352.5	355.6	389.6	381.1	348.2	363.5	730.8	758.9	6,163.9
20	FortisBC Huntingdon Inc.		12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	143.5
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		\$ 11,712.3	\$ 11,437.0	\$ 11,641.8	\$ 10,793.1	\$ 10,807.4	\$ 10,669.2	\$ 10,818.3	\$ 10,830.4	\$ 10,764.5	\$ 10,904.0	\$ 11,496.6	\$ 11,562.2	\$ 133,436.9
23															
24	<u>Mitigation</u>														
25	Commodity Related Mitigation		\$ (1,768.6)	\$ (3,439.8)	\$ (2,923.1)	\$ (367.5)	\$ (480.3)	\$ (1,007.8)	\$ (1,286.6)	\$ (1,401.0)	\$ (1,319.6)	\$ (745.2)	\$ (4,532.8)	\$ (1,439.0)	\$ (20,711.2)
26	Storage Related Mitigation		-	-	-	-	-	-	-	-	-	-	-	-	-
27	Transportation Related Mitigation		(1,307.9)	(1,125.9)	(1,757.2)	(5,040.5)	(5,612.8)	(5,500.9)	(6,043.9)	(6,056.8)	(6,093.8)	(5,393.9)	(2,355.8)	(1,847.6)	(48,137.1)
28	Total Mitigation		\$ (3,076.5)	\$ (4,565.7)	\$ (4,680.2)	\$ (5,408.0)	\$ (6,093.2)	\$ (6,508.7)	\$ (7,330.5)	\$ (7,457.8)	\$ (7,413.5)	\$ (6,139.1)	\$ (6,888.5)	\$ (3,286.6)	\$ (68,848.3)
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>		\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 3,459.4
33	<b>TOTAL MCRA COSTS</b>	(\$000)	\$ 28,150.5	\$ 24,742.8	\$ 19,879.2	\$ 9,612.2	\$ 5,540.1	\$ 4,884.1	\$ 2,715.6	\$ 3,132.5	\$ 3,966.1	\$ 9,302.3	\$ 18,178.2	\$ 26,305.6	\$ 156,409.1

(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, Enbridge imbalance (difference between Enbridge 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 APR 2018 TO MAR 2019**  
**FIVE-DAY AVERAGE FORWARD PRICES - FEB 21, 22, 23, 26, AND 27, 2018**

Tab 2  
Page 7

Line No.	Particulars	Unit	Residential RS-1 (2)	Commercial RS-2 (3)	Commercial RS-3 (4)	General Firm Service RS-5 (5)	NGV RS-6 (6)	Subtotal (7)	Seasonal RS-4 (8)	General Interruptible RS-7 (9)	RS-1 to RS-7 Summary (10)	Total MCRA Gas Budget Costs (11)	LNG RS-46 (12)	Term & Spot Gas Sales RS-14A (13)	Off-System Interruptible Sales RS-30 (14)
1	MCRA Sales Quantity	TJ	81,774.0	30,493.5	20,168.2	2,681.0	28.0	135,144.8	147.1	247.3	135,539.2		1,111.3	1,300.0	17,143.3
2															
3	Load Factor Adjusted Quantity														
4	Load Factor <sup>(a)</sup>	%	31.8%	31.5%	37.3%	50.0%	100.0%								
5	Load Factor Adjusted Quantity	TJ	257,077.0	96,677.1	54,034.5	5,362.0	28.0	413,178.6							
6	Load Factor Adjusted Volumetric Allocation	%	62.2%	23.4%	13.1%	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	\$ 2,861.6	\$ 1,076.1	\$ 601.5	\$ 59.7	\$ 0.3	\$ 4,599.2			\$ 4,599.2		\$ (1,908.2)	\$ (2,278.7)	\$ -
11	Midstream Commodity Related Costs		16,586.8	6,237.7	3,486.3	346.0	1.8	26,658.5					909.9	1,171.6	15,026.8
12	Midstream Commodity Related Mitigation		(13,725.2)	(5,161.5)	(2,884.9)	(286.3)	(1.5)	(22,059.4)					(2,818.1)	(3,450.3)	(15,026.8)
13	Storage Related Costs (Net of Mitigation)	\$000	\$ 34,681.3	\$ 13,042.3	\$ 7,289.6	\$ 723.4	\$ 3.8	\$ 55,740.4			55,740.4		-	-	-
14	Storage Related Costs		34,681.3	13,042.3	7,289.6	723.4	3.8	55,740.4					-	-	-
15	Storage Related Mitigation		-	-	-	-	-	-					-	-	-
16	Transportation Related Costs (Net of Mitigation)	\$000	\$ 45,963.8	\$ 17,285.3	\$ 9,661.0	\$ 958.7	\$ 5.0	\$ 73,873.8			73,873.8		446.6	523.1	-
17	Transportation Related Costs		81,913.2	30,804.5	17,217.2	1,708.5	8.9	131,652.4					446.6	523.1	-
18	Transportation Related Mitigation		(35,949.5)	(13,519.3)	(7,556.1)	(749.8)	(3.9)	(57,778.6)					-	-	-
19	GSMIP Incentive Sharing	\$000	\$ 622.2	\$ 234.0	\$ 130.8	\$ 13.0	\$ 0.1	\$ 1,000.0			1,000.0		-	-	-
20	Core Market Administration Costs - MCRA 70%	\$000	\$ 2,152.4	\$ 809.4	\$ 452.4	\$ 44.9	\$ 0.2	\$ 3,459.4			3,459.4		-	-	-
21	Total Midstream Cost of Gas Allocated by Rate Class	\$000	\$ 86,281.3	\$ 32,447.2	\$ 18,135.3	\$ 1,799.6	\$ 9.4	\$ 138,672.7			\$ 138,672.7	\$ 138,672.7	\$ (1,461.6)	\$ (1,755.6)	\$ -
22	T-Service UAF to be recovered via delivery revenues <sup>(b)</sup>											574.2			
23	Total MCRA Gas Costs <sup>(c)</sup>											\$ 139,246.9			
24	1/2 of Pre-Tax Amort. MCRA Deficit/(Surplus) as of Apr 1, 2018	\$000	\$ (30,760.7)	\$ (11,567.9)	\$ (6,465.5)	\$ (641.6)	\$ (3.4)	\$ (49,439.1)			\$ (49,439.1)				
25															
26															
27	MCRA Cost of Gas Unitized											Average Costs			
28	Midstream Commodity Related Costs (Net of Mitigation)	\$/GJ	\$ 0.0350	\$ 0.0353	\$ 0.0298	\$ 0.0223	\$ 0.0111					\$ 0.0339			
29	Storage Related Costs (Net of Mitigation)	\$/GJ	0.4241	0.4277	0.3614	0.2698	0.1350					0.4112			
30	Transportation Related Costs (Net of Mitigation)	\$/GJ	0.5621	0.5669	0.4790	0.3576	0.1789					0.5450			
31	GSMIP Incentive Sharing	\$/GJ	0.0076	0.0077	0.0065	0.0048	0.0024					0.0074			
32	Core Market Administration Costs - MCRA 70%	\$/GJ	0.0263	0.0265	0.0224	0.0167	0.0084					0.0255			
33	MCRA Flow-Through Costs before MCRA deferral amortization	\$/GJ	\$ 1.0551	\$ 1.0641	\$ 0.8992	\$ 0.6712	\$ 0.3359					\$ 1.0231			
34	MCRA Deferral Amortization via Rate Rider 6	\$/GJ	\$ (0.3762)	\$ (0.3794)	\$ (0.3206)	\$ (0.2393)	\$ (0.1197)					\$ (0.3648)			
35															

Notes:

- (a) Based on the historical 3-year (2014, 2015, and 2016 data) rolling average load factors for rate schedule 1, 2, 3 and deemed 50% for rate schedule 5; as used in setting rates effective January 1, 2018.
- (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 48, with monthly breakdown on Tab 2, Page 7.1.

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 APR 2018 TO MAR 2019**  
**FIVE-DAY AVERAGE FORWARD PRICES - FEB 21,22, 23, 26, AND 27, 2018**

Tab 2  
Page 7.1

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
			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	Forecast Jan-19	Forecast Feb-19	Forecast Mar-19	Apr-18 to Mar-19 Total
1	<b>MCRA COSTS</b>	(\$000)													
2	<u>Midstream Commodity Related Costs</u>														
3	Midstream Commodity Costs before Hedging <sup>(a)</sup>	\$	1.2	\$ 1.5	\$ 1.0	\$ 2.0	\$ 2.1	\$ 1.3	\$ 2.6	\$ 4,242.7	\$ 7,314.4	\$ 7,703.4	\$ 6,735.4	\$ 4,316.3	\$ 30,323.9
4	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	-
5	Imbalance <sup>(b)</sup>		-	-	-	-	-	-	-	-	(1,119.0)	-	-	-	(1,119.0)
6	Company Use Gas Recovered from O&M		(408.0)	(228.8)	(202.4)	(153.4)	(102.2)	(142.7)	(214.5)	(458.3)	(744.6)	(866.9)	(683.2)	(582.6)	(4,787.5)
7	Storage Withdrawal / (Injection) Activity <sup>(c)</sup>		133.0	(5,248.0)	(6,533.3)	(7,134.0)	(7,405.0)	(6,038.8)	(798.6)	6,935.2	8,547.9	8,228.5	7,394.6	4,733.8	2,815.2
8	Total Midstream Commodity Related Costs	\$	(273.8)	\$ (5,475.2)	\$ (6,734.6)	\$ (7,285.5)	\$ (7,505.0)	\$ (6,180.2)	\$ (1,010.4)	\$ 10,719.6	\$ 13,998.7	\$ 15,064.9	\$ 13,446.8	\$ 8,467.4	\$ 27,232.7
9															
10	<u>Storage Related Costs</u>														
11	Storage Demand - Third Party Storage	\$	2,532.2	\$ 3,585.8	\$ 3,614.4	\$ 3,625.2	\$ 3,623.8	\$ 3,612.2	\$ 3,534.3	\$ 2,535.6	\$ 2,549.5	\$ 2,555.2	\$ 2,530.2	\$ 2,556.1	\$ 36,854.6
12	On-System Storage - Mt. Hayes (LNG)		1,518.3	1,699.7	1,705.5	1,518.4	1,518.3	1,518.3	1,710.6	1,605.4	1,522.8	1,522.9	1,522.9	1,522.5	18,885.7
13	Total Storage Related Costs	\$	4,050.5	\$ 5,285.5	\$ 5,319.9	\$ 5,143.7	\$ 5,142.2	\$ 5,130.6	\$ 5,244.9	\$ 4,141.0	\$ 4,072.3	\$ 4,078.1	\$ 4,053.1	\$ 4,078.6	\$ 55,740.4
14															
15	<u>Transportation Related Costs</u>														
16	Enbridge (BC Pipeline) - Westcoast Energy	\$	8,800.4	\$ 8,784.5	\$ 8,683.2	\$ 8,758.8	\$ 8,779.0	\$ 8,708.3	\$ 8,868.8	\$ 9,044.2	\$ 9,040.0	\$ 9,385.5	\$ 9,284.8	\$ 9,322.5	\$ 107,460.0
17	TransCanada (Foothills BC)		301.8	311.8	301.8	311.8	311.8	301.8	311.8	400.4	413.7	422.0	381.2	422.0	4,191.8
18	TransCanada (NOVA Alta)		821.6	849.0	821.6	849.0	849.0	821.6	849.0	821.6	849.0	866.0	782.2	866.0	10,045.3
19	Northwest Pipeline		358.0	372.6	372.8	387.8	389.2	350.7	364.5	732.5	760.4	726.9	676.9	719.3	6,211.7
20	FortisBC Huntingdon Inc.		12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	143.5
21	Southern Crossing Pipeline		300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	3,600.0
22	Total Transportation Related Costs	\$	10,593.7	\$ 10,629.9	\$ 10,491.3	\$ 10,619.4	\$ 10,640.9	\$ 10,494.2	\$ 10,706.0	\$ 11,310.7	\$ 11,375.1	\$ 11,712.3	\$ 11,437.0	\$ 11,641.8	\$ 131,652.4
23															
24	<u>Mitigation</u>														
25	Commodity Related Mitigation	\$	(453.8)	\$ (393.2)	\$ (851.3)	\$ (1,534.5)	\$ (1,752.3)	\$ (1,802.7)	\$ (1,384.3)	\$ (4,621.5)	\$ (1,134.3)	\$ (1,768.6)	\$ (3,439.8)	\$ (2,923.1)	\$ (22,059.4)
26	Storage Related Mitigation		-	-	-	-	-	-	-	-	-	-	-	-	-
27	Transportation Related Mitigation		(6,417.9)	(6,990.2)	(6,878.3)	(7,421.3)	(7,434.1)	(7,471.2)	(6,771.3)	(2,355.8)	(1,847.6)	(1,307.9)	(1,125.9)	(1,757.2)	(57,778.6)
28	Total Mitigation	\$	(6,871.7)	\$ (7,383.4)	\$ (7,729.6)	\$ (8,955.8)	\$ (9,186.5)	\$ (9,273.9)	\$ (8,155.6)	\$ (6,977.2)	\$ (2,981.9)	\$ (3,076.5)	\$ (4,565.7)	\$ (4,680.2)	\$ (79,838.0)
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>	\$	288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 3,459.4
33	<b>TOTAL MCRA COSTS</b>	(\$000)	\$ 7,870.4	\$ 3,428.5	\$ 1,718.6	\$ (106.6)	\$ (536.8)	\$ 542.4	\$ 7,156.5	\$ 19,565.7	\$ 26,835.7	\$ 28,150.5	\$ 24,742.8	\$ 19,879.2	\$ 139,246.9

(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, Enbridge imbalance (difference between Enbridge 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.



March #, 2018

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. – Mainland, Vancouver Island, and Whistler Service Areas  
2018 First Quarter Gas Cost Report  
Commodity Cost Reconciliation Account and Midstream Cost Reconciliation Account

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On March 7, 2018, FortisBC Energy Inc. (FEI) filed with the British Columbia Utilities Commission (Commission) its 2018 First 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 January 1, 2018, when it was decreased by \$0.501 per gigajoule from \$2.050 per gigajoule to \$1.549 per gigajoule via Order G-173-17.

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 \$1.549 per gigajoule effective April 1, 2018.

Yours truly,

Patrick Wruck