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May 3, 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. (FEI)
Project No. 1598946
2017 Long Term Gas Resource Plan (LTGRP) (the Application) - Errata

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On December 14, 2017, FEI filed the Application referenced above. Concurrent with this Errata filing, FEI submitted its responses to Information Requests (IR) No. 1.

During the course of responding to IRs, FEI determined a few corrections are required to the Application, Exhibit B-1. The following outlines the corrections make as part of this Errata.

IR Reference:	Affected Pages (Exhibit B-1)	Correction
	Application, page 60, Line 12	Reference should be "Figure 3-1"
BCUC IR 1.12.1	Application, page 62, Line 8	"The Company had 979 industrial customers in 2015." should read, "The Company had **995** industrial customers in 2015."
CEC IR 1.18.1	Application, page 85, Lines 22 and 26; page 198, Line 8	"…13 million GJ per year…" should read, "…**7** million GJ per year…"

These corrections do not result in any impacts to the results or recommendations contained in the Application.

FEI has attached the blacklined version of the affected pages.

FEI apologizes for any inconvenience this may have caused to the Commission and Interveners in reviewing the Application.

If further information is required, please contact Ken Ross at (604) 576-7343.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachments

cc (email only): Registered Parties

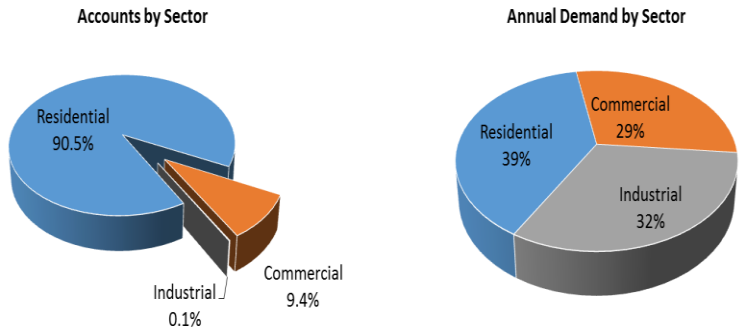
- Sections 3.4.6 and 3.4.7 discuss the annual demand impact of FEI's NGT and RNG initiatives; and
- Section 3.4.8 outlines FEI's total annual demand forecast while Section 3.4.9 discusses the impact of potential new large industrial point loads on this annual demand.

3.2 EXISTING RESIDENTIAL, COMMERCIAL, & INDUSTRIAL CUSTOMER DEMAND

The 2017 LTGRP uses a 2015 base year, starts its forecast in 2016 and ends the forecast horizon in 2036. The 2017 LTGRP selected the 2015 base year because FEI had not finalized its 2016 actuals in time for the 2017 LTGRP analysis to import this data while also being able to conclude in the 2017 submission year.

FEI's customer base includes approximately one million customers, consisting predominantly of residential customers that account for approximately 90 percent of the overall customer base (see Figure 3-1 below). However, on an annual demand basis, there is a more even split between the residential, commercial, and industrial groups. The makeup of the Company's customer base and demand patterns has implications for infrastructure requirements and conservation goals as discussed throughout this LTGRP.

Figure 3-1: FEI Customer Base and Demand Overview, 2015

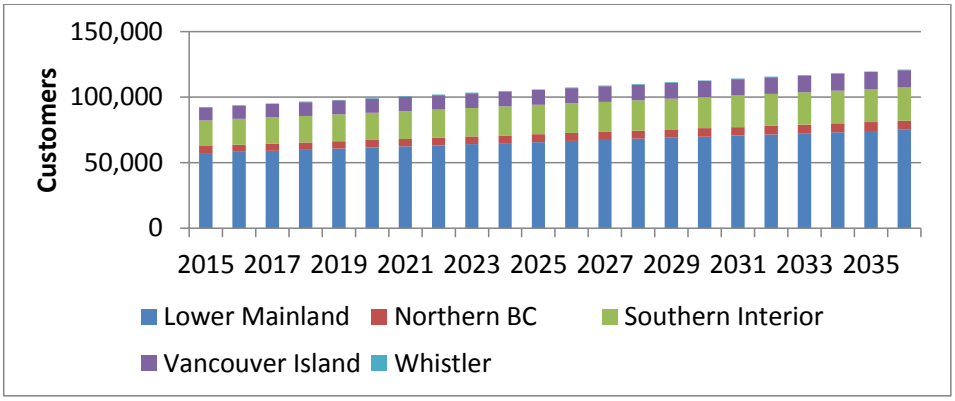


3.3 CUSTOMER ADDITIONS FORECAST

FEI uses a well-established method to forecast customer additions that remains consistent with previous LTRP filings. The forecast of residential customer additions is grounded in the Conference Board of Canada housing starts forecast for BC, while commercial customer additions are forecast based on recent trends in growth for the commercial customer group. In its decision on FEI's 2014 LTRP, the BCUC noted that it expects FEI's future LTRP filings to show "forecast variability in new customer additions for all scenarios based on different

Figure 3-3 shows the Reference Case long term account forecast for commercial rate schedule customers for each of FEI's service regions. The Reference Case predicts continued growth of 31 percent across the planning horizon with regional distribution remaining relatively unchanged.

Figure 3-3: Long Term Customer Forecast by Region – Commercial (Excluding NGT)



3.3.1.3 Industrial

The Company had 995 industrial customers in 2015. At the time the long term forecast was prepared, there were no firm commitments for new industrial customers to take natural gas service or for existing customers to close their accounts. Hence, no material growth or decline in industrial customers has been forecasted.

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3.4 *FORECAST METHODS*

The amount of natural gas that the Company expects its customers to use over the course of a year determines both the amount of gas that FEI needs to acquire and transport on behalf of its customers on an annual basis, and the number of units of energy per year over which the Company is able to recover its cost of service. Hence, the forecast of annual demand is a key early step in identifying the resources the Company needs to put into place in order to meet customers' future energy needs.

Using historical data to prepare short term time series forecasts of future consumption is a common and accepted industry practice. This method provides a high level of confidence for near-term business and operational decision making. All short-term demand forecasts for revenue requirements at FEI rely on historical data and the short-term Forecast Information System (FIS), which has been in use for over a decade.

However, as described in Section 2, on-going changes in the end-use energy solutions available to customers and the way in which customers are using energy means that historical

The key early adopters of LNG in BC were on-road heavy duty trucking customers. However, after the preferred high horsepower Cummins-Westport 15 litre high pressure direct injection (HPDI) engine was discontinued in 2013, causing a technology gap in the market, LNG adoption for on-road trucking essentially halted. The key markets that have emerged over the past number of years as consumers of LNG fuel have been high horsepower applications such as marine vessels, mine haul trucks, locomotives, and remote power generation for industrial applications. Similar to the CNG demand forecasts, FEI formulated the LNG demand forecasts by accounting for commitments that have been made by customers to take LNG supply under RS46, then applying inflation and forecasting the impacts of a variety of factors. These factors include the availability of Original Equipment Manufacturer (OEM) technology capable of adopting natural gas, regulatory changes that are expected to drive natural gas adoption and assumptions regarding market size and adoption rates based on past experience for some of the market segments.

The LNG demand scenarios presented below include demand from a number of different market segments that are suited to adopt natural gas as a fuel.

LNG for the marine market could be the largest share of the overall demand if this market segment adopts natural gas over the forecast period. As such, any changes in these marine markets in terms of suitability of adopting natural gas will have a larger impact on the overall LNG demand forecasts as this market segment makes up a large share of the overall demand forecast.

3.4.7.2.1 LNG LOW SCENARIO DEMAND FORECAST

For the Low demand forecast scenario, FEI assumed that LNG demand would grow to about 7 million GJ per year by about 2025 through the capture of key LNG markets such as coastal freight vessels, domestic passenger ferries, locomotives, mine haul trucks and stationary power generation for industrial applications. Under this scenario, no growth is expected beyond this initial capture of 7 million GJ per year through to the end of the forecast period of 2036. This scenario also assumes that no trans-Pacific marine vessels adopt LNG as a marine fuel in response to the tighter emissions regulations that are expected to be imposed on the marine industry by the IMO beginning in 2020 (see Section 2).

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3.4.7.2.2 LNG BASE SCENARIO DEMAND FORECAST

In the Base forecast scenario, FEI built upon the Low scenario but included some capture rate of trans-Pacific marine vessels as LNG fuel adopters. Through market intelligence and industry research, FEI has identified a certain segment of the trans-Pacific marine segment (international car and vehicle carriers) that would be ideal early adopters of LNG as a marine fuel. Over the forecast horizon to 2036, FEI assumed an annual growth rate of about 5 percent per year beyond 2028 as a Base case demand growth scenario.

3.4.7.2.3 LNG HIGH SCENARIO DEMAND FORECAST

For the High forecast scenario, FEI further built upon the Base scenario but incorporated a more aggressive LNG adoption scenario, particularly from the trans-Pacific deep sea marine

8.2.1 NGT

Section 3.4.7 discusses the impact of varying levels of NGT market transformation on customer demand for natural gas over the 20-year planning period. This section splits the analysis into CNG and LNG demand. FEI assumes a range from one to 15 percent CNG market capture in the relevant transportation market sectors by 2036. While capturing 15 percent of the applicable CNG market is reasonably possible, FEI's Reference Case demand forecast uses a more modest 4 percent market capture rate by 2036. FEI's LNG demand forecast ranges between adding a low amount of 7 million GJ only to adding a high amount of more than 500 million GJ over the planning period. While adding more than 500 million GJ over 20 years is reasonably plausible by transforming energy use in the marine market, FEI's Reference Case uses a more moderate LNG demand forecast, which assumes only 5 percent additional annual growth beyond 2028 and adds approximately 78 million GJ of annual demand by the end of the planning horizon.

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Section 6.3 analyses and discusses the impact on FEI's infrastructure needs of these alternate NGT adoption scenarios.

8.2.2 C&EM Technologies

Section 4 of this 2017 LTGRP addresses the annual demand impact of C&EM technology (Figure 4-1 summarizes this impact). Sections 6.2 and 6.3 discuss the impact on system resources of such technologies.

Although FEI has not identified the extent of market transformation that will occur for each measure or technology via specific C&EM programs, the analysis results do represent an estimate of the amount of energy efficiency that can be achieved by the Company over the planning horizon.

8.2.3 Low Carbon Thermal Energy

Low carbon thermal energy solutions such as geo-exchange systems, waste heat recovery systems and solar thermal systems can displace both existing and future expected demand for natural gas. While FEI does not offer these services to its customers, the potential for other third party service providers to do so creates a risk to FEI's annual demand profile and thus to the Company's revenue expectations. The 2017 LTGRP has addressed this risk by including varying levels of displacement of natural gas demand by low carbon thermal technologies in its alternate future scenarios (presented in Section 3 and Appendix B-1). The highest level of displacement is included in the lowest natural gas demand scenario (Lower Bound) while the lowest level of displacement is included in the highest natural gas demand scenario (Upper Bound).

Figure 8-1 below illustrates the low carbon thermal energy demand profile for the Reference Case as well as the Upper and Lower Bound scenarios over the next 20 years. In the Reference Case, low carbon thermal energy demand grows by seven percent over the planning period. In the Upper Bound scenario, this growth switches to a decline of nine percent. In the Lower