



**Diane Roy**  
Vice President, Regulatory Affairs

**Gas Regulatory Affairs Correspondence**  
Email: [gas.regulatory.affairs@fortisbc.com](mailto:gas.regulatory.affairs@fortisbc.com)

**Electric Regulatory Affairs Correspondence**  
Email: [electricity.regulatory.affairs@fortisbc.com](mailto:electricity.regulatory.affairs@fortisbc.com)

**FortisBC**  
16705 Fraser Highway  
Surrey, B.C. V4N 0E8  
Tel: (604) 576-7349  
Cell: (604) 908-2790  
Fax: (604) 576-7074  
Email: [diane.roy@fortisbc.com](mailto:diane.roy@fortisbc.com)  
[www.fortisbc.com](http://www.fortisbc.com)

June 6, 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 Second Quarter Gas Cost Report**

---

The attached materials provide the FortisBC Energy Inc. (FEI or the Company) 2018 Second Quarter Gas Cost Report (the Second 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 May 22, 23, 24, 25 and 29, 2018 forward prices (five-day average forward prices ending May 29, 2018).

#### **CCRA Deferral Account**

Based on the five-day average forward prices ending May 29, 2018, the June 30, 2018 CCRA balance is projected to be approximately \$27 million surplus after tax. Further, based on the five-day average forward prices ending May 29, 2018, the gas purchase cost assumptions, and the forecast commodity cost recoveries at present rates for the 12-month period ending June 30, 2019, and accounting for the projected June 30, 2018 deferral balance, the CCRA trigger ratio is calculated to be 115.1 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 \$0.203/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 May 29, 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 July 1, 2018 to June 30, 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 June 30, 2018, based on the five-day average forward prices ending May 29, 2018, is projected to be approximately \$69 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 May 29, 2018 and at existing recovery rates, are projected to be approximately \$59 million and \$25 million surplus after tax, respectively.

The schedules at Tab 2, Pages 4 to 5, provide details of MCRA gas supply costs for calendar 2018 and 2019 based on the five-day average forward prices ending May 29, 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 July 1, 2018.

FEI will continue to monitor the forward prices, and will report CCRA and MCRA balances in its 2018 Third 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 JUL 2018 TO JUN 2020**  
**FIVE-DAY AVERAGE FORWARD PRICES - MAY 22, 23, 24, 25, AND 29, 2018**  
**\$(Millions)**

Tab 1

Page 1

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		Recorded Jan-18	Recorded Feb-18	Recorded Mar-18	Recorded Apr-18	Projected May-18	Projected Jun-18							Jan-18 to Jun-18
1														
2	CCRA Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$ (33)	\$ (31)	\$ (27)	\$ (26)	\$ (26)	\$ (30)							\$ (33)
3	Gas Costs Incurred	20	19	19	16	14	13							100
4	Revenue from <b>APPROVED</b> Recovery Rate	(17)	(16)	(17)	(17)	(17)	(17)							(101)
5	<b>CCRA Balance - Ending (Pre-tax) <sup>(b)</sup></b>	<b>\$ (31)</b>	<b>\$ (27)</b>	<b>\$ (26)</b>	<b>\$ (26)</b>	<b>\$ (30)</b>	<b>\$ (36)</b>							<b>\$ (36)</b>
6														
7	Tax Rate	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%							27.0%
8														
9	<b>CCRA Balance - Ending (After-tax) <sup>(c)</sup></b>	<b>\$ (22)</b>	<b>\$ (20)</b>	<b>\$ (19)</b>	<b>\$ (19)</b>	<b>\$ (22)</b>	<b>\$ (27)</b>							<b>\$ (27)</b>
10														
11														
12														
13		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	Forecast Apr-19	Forecast May-19	Forecast Jun-19	Jul-18 to Jun-19
14														
15	CCRA Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$ (36)	\$ (37)	\$ (37)	\$ (37)	\$ (37)	\$ (34)	\$ (29)	\$ (24)	\$ (20)	\$ (16)	\$ (20)	\$ (23)	\$ (36)
16	Gas Costs Incurred	17	17	17	18	20	22	22	20	21	13	14	13	214
17	Revenue from <b>EXISTING</b> Recovery Rates	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(16)	(17)	(17)	(17)	(17)	(205)
18	<b>CCRA Balance - Ending (Pre-tax) <sup>(b)</sup></b>	<b>\$ (37)</b>	<b>\$ (37)</b>	<b>\$ (37)</b>	<b>\$ (37)</b>	<b>\$ (34)</b>	<b>\$ (29)</b>	<b>\$ (24)</b>	<b>\$ (20)</b>	<b>\$ (16)</b>	<b>\$ (20)</b>	<b>\$ (23)</b>	<b>\$ (27)</b>	<b>\$ (27)</b>
19														
20	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%
21														
22	<b>CCRA Balance - Ending (After-tax) <sup>(c)</sup></b>	<b>\$ (27)</b>	<b>\$ (27)</b>	<b>\$ (27)</b>	<b>\$ (27)</b>	<b>\$ (25)</b>	<b>\$ (21)</b>	<b>\$ (18)</b>	<b>\$ (14)</b>	<b>\$ (12)</b>	<b>\$ (14)</b>	<b>\$ (17)</b>	<b>\$ (20)</b>	<b>\$ (20)</b>
23														
24														
25														
26		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	Forecast Apr-20	Forecast May-20	Forecast Jun-20	Jul-19 to Jun-20
27														
28	CCRA Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$ (27)	\$ (30)	\$ (34)	\$ (37)	\$ (40)	\$ (40)	\$ (38)	\$ (36)	\$ (34)	\$ (34)	\$ (38)	\$ (43)	\$ (27)
29	Gas Costs Incurred	14	14	14	15	17	19	20	18	19	13	13	12	189
30	Revenue from <b>EXISTING</b> Recovery Rates	(18)	(18)	(17)	(18)	(17)	(18)	(18)	(17)	(18)	(17)	(18)	(17)	(211)
31	<b>CCRA Balance - Ending (Pre-tax) <sup>(b)</sup></b>	<b>\$ (30)</b>	<b>\$ (34)</b>	<b>\$ (37)</b>	<b>\$ (40)</b>	<b>\$ (40)</b>	<b>\$ (38)</b>	<b>\$ (36)</b>	<b>\$ (34)</b>	<b>\$ (34)</b>	<b>\$ (38)</b>	<b>\$ (43)</b>	<b>\$ (48)</b>	<b>\$ (48)</b>
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) <sup>(c)</sup></b>	<b>\$ (22)</b>	<b>\$ (24)</b>	<b>\$ (27)</b>	<b>\$ (29)</b>	<b>\$ (29)</b>	<b>\$ (28)</b>	<b>\$ (26)</b>	<b>\$ (25)</b>	<b>\$ (25)</b>	<b>\$ (28)</b>	<b>\$ (32)</b>	<b>\$ (35)</b>	<b>\$ (35)</b>

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 \$2.2 million credit as at June 30, 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 JUL 2018 TO JUN 2019**  
**FIVE-DAY AVERAGE FORWARD PRICES - MAY 22, 23, 24, 25, AND 29, 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 Jun 30, 2018	\$ (36.3)				(Tab 1, Page 1, Col.14, Line 15)
4	Forecast Incurred Gas Costs - Jul 2018 to Jun 2019	\$ 214.2				(Tab 1, Page 1, Col.14, Line 16)
5	Forecast Recovery Gas Costs at Existing Recovery Rate - Jul 2018 to Jun 2019	\$ 204.7				(Tab 1, Page 1, Col.14, Line 17)
6						
7	CCRA = Forecast Recovered Gas Costs (Line 5)	= \$ 204.7		= 115.1%		
8	Ratio Forecast Incurred Gas Costs (Line 4) + Projected CCRA Balance (Line 3)	\$ 177.9				<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 - Jul 2018 to Jun 2019		132,147			(Tab1, Page 7, Col.5, Line 11 )
21	(a)					
22	Projected Deferral Balance at Jun 30, 2018	\$ (36.3)			\$ (0.2747) <sup>(b)</sup>	
23	Forecast 12-month CCRA Activities - Jul 2018 to Jun 2019	\$ 9.5			\$ 0.0721 <sup>(b)</sup>	
24	(Over) / Under Recovery at Existing Rate	\$ (26.8)				(Line 3 + Line 4 - Line 5)
25						
26	<b>Tested Rate (Decrease) / Increase</b>				<b>\$ (0.203 ) <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 JUL 2018 TO JUN 2020**  
**FIVE-DAY AVERAGE FORWARD PRICES - MAY 22, 23, 24, 25, AND 29, 2018**  
**\$(Millions)**

Tab 1  
Page 3

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		Recorded Jan-18	Recorded Feb-18	Recorded Mar-18	Recorded Apr-18	Projected May-18	Projected Jun-18	Forecast Jul-18	Forecast Aug-18	Forecast Sep-18	Forecast Oct-18	Forecast Nov-18	Forecast Dec-18	Total 2018
1														
2	MCRA Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$ (96)	\$ (99)	\$ (98)	\$ (100)	\$ (101)	\$ (97)	\$ (95)	\$ (90)	\$ (85)	\$ (81)	\$ (80)	\$ (79)	\$ (96)
3	<b>2018 MCRA Activities</b>													
4	<u>Rate Rider 6</u> <sup>(d)</sup>													
5	Amount to be amortized in 2018													\$ (40)
6	Rider 6 Amortization at APPROVED 2018 Rates	\$ 6	\$ 6	\$ 5	\$ 3	\$ 2	\$ 1	\$ 1	\$ 1	\$ 1	\$ 3	\$ 5	\$ 6	\$ 40
7	<u>Midstream Base Rates</u>													
8	Gas Costs Incurred	\$ 23	\$ 30	\$ 18	\$ 6	\$ 2	\$ 1	\$ (4)	\$ (5)	\$ (3)	\$ 5	\$ 20	\$ 30	\$ 123
9	Revenue from APPROVED Recovery Rates	(32)	(35)	(25)	(11)	1	5	8	9	5	(7)	(23)	(38)	(143)
10	Total Midstream Base Rates (Pre-tax)	\$ (9)	\$ (5)	\$ (7)	\$ (5)	\$ 2	\$ 6	\$ 4	\$ 4	\$ 3	\$ (2)	\$ (3)	\$ (8)	\$ (20)
11														
12	MCRA Cumulative Balance - Ending (Pre-tax) <sup>(b)</sup>	\$ (99)	\$ (98)	\$ (100)	\$ (101)	\$ (97)	\$ (95)	\$ (90)	\$ (85)	\$ (81)	\$ (80)	\$ (79)	\$ (81)	\$ (81)
13	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%
14														
15	MCRA Cumulative Balance - Ending (After-tax) <sup>(c)</sup>	\$ (72)	\$ (72)	\$ (73)	\$ (74)	\$ (71)	\$ (69)	\$ (65)	\$ (62)	\$ (59)	\$ (58)	\$ (57)	\$ (59)	\$ (59)
16														
17														
18		Forecast Jan-19	Forecast Feb-19	Forecast Mar-19	Forecast Apr-19	Forecast May-19	Forecast Jun-19	Forecast Jul-19	Forecast Aug-19	Forecast Sep-19	Forecast Oct-19	Forecast Nov-19	Forecast Dec-19	Total 2019
19														
20	MCRA Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$ (81)	\$ (82)	\$ (81)	\$ (79)	\$ (77)	\$ (71)	\$ (61)	\$ (52)	\$ (42)	\$ (34)	\$ (30)	\$ (29)	\$ (81)
21	<b>2019 MCRA Activities</b>													
22	<u>Rate Rider 6</u>													
23														
24	Rider 6 Amortization at APPROVED 2018 Rates	\$ 6	\$ 5	\$ 5	\$ 3	\$ 2	\$ 1	\$ 1	\$ 1	\$ 1	\$ 3	\$ 5	\$ 6	\$ 41
25	<u>Midstream Base Rates</u>													
26	Gas Costs Incurred	\$ 30	\$ 26	\$ 20	\$ 9	\$ 4	\$ 3	\$ 0	\$ 0	\$ 2	\$ 8	\$ 19	\$ 27	\$ 149
27	Revenue from EXISTING Recovery Rates	(38)	(30)	(23)	(11)	0	5	8	8	5	(8)	(23)	(38)	(143)
28	Total Midstream Base Rates (Pre-tax)	\$ (8)	\$ (4)	\$ (3)	\$ (2)	\$ 5	\$ 8	\$ 9	\$ 9	\$ 7	\$ 1	\$ (4)	\$ (11)	\$ 6
29														
30	MCRA Cumulative Balance - Ending (Pre-tax) <sup>(b)</sup>	\$ (82)	\$ (81)	\$ (79)	\$ (77)	\$ (71)	\$ (61)	\$ (52)	\$ (42)	\$ (34)	\$ (30)	\$ (29)	\$ (34)	\$ (34)
31	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%
32														
33	MCRA Cumulative Balance - Ending (After-tax) <sup>(c)</sup>	\$ (60)	\$ (59)	\$ (58)	\$ (57)	\$ (52)	\$ (45)	\$ (38)	\$ (31)	\$ (25)	\$ (22)	\$ (21)	\$ (25)	\$ (25)

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 \$5.4 million credit as at June 30, 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 JUN 2020**  
**AND US DOLLAR EXCHANGE RATE FORECAST UPDATE**

Tab 1  
Page 4.1

Line No	Particulars		Five-day Average Forward Prices - May 22, 23, 24, 25, and 29, 2018 2018 Q2 Gas Cost Report		Five-day Average Forward Prices - Feb 21, 22, 23, 26, and 27, 2018 2018 Q1 Gas Cost Report		Change in Forward Price	
	(1)		(2)		(3)		(4) = (2) - (3)	
1	SUMAS Index Prices - presented in \$US/MMBtu							
2								
3	2018	January	↑	\$ 2.90	Recorded	\$ 2.90	\$ -	
4		February		\$ 2.53	Forecast	\$ 2.60	\$ (0.07)	
5		March		\$ 1.96		\$ 2.00	\$ (0.04)	
6		April	Recorded	\$ 1.75		\$ 2.00	\$ (0.25)	
7		May	Forecast	\$ 1.80		\$ 1.69	\$ 0.11	
8		June		\$ 1.45		\$ 1.73	\$ (0.28)	
9		July		\$ 1.98		\$ 1.82	\$ 0.16	
10		August		\$ 2.15		\$ 1.83	\$ 0.32	
11		September		\$ 2.06		\$ 1.98	\$ 0.08	
12		October		\$ 1.99		\$ 1.99	\$ (0.00)	
13		November		\$ 2.40		\$ 2.20	\$ 0.20	
14		December		\$ 2.87		\$ 2.70	\$ 0.17	
15	2019	January		\$ 2.86		\$ 2.69	\$ 0.17	
16		February		\$ 2.69		\$ 2.53	\$ 0.15	
17		March		\$ 2.15		\$ 2.02	\$ 0.13	
18		April		\$ 1.53		\$ 1.58	\$ (0.05)	
19		May		\$ 1.44		\$ 1.50	\$ (0.06)	
20		June		\$ 1.47		\$ 1.54	\$ (0.06)	
21		July		\$ 1.55		\$ 1.62	\$ (0.06)	
22		August		\$ 1.56		\$ 1.63	\$ (0.07)	
23		September		\$ 1.71		\$ 1.78	\$ (0.07)	
24		October		\$ 1.73		\$ 1.80	\$ (0.07)	
25		November		\$ 2.07		\$ 2.22	\$ (0.15)	
26		December		\$ 2.57		\$ 2.73	\$ (0.16)	
27	2020	January		\$ 2.58		\$ 2.76	\$ (0.18)	
28		February		\$ 2.42		\$ 2.61	\$ (0.18)	
29		March		\$ 1.90		\$ 2.09	\$ (0.19)	
30		April		\$ 1.43				
31		May		\$ 1.34				
32		June		\$ 1.38				
33								
34	Simple Average (Jul 2018 - Jun 2019)			\$ 2.13		\$ 2.03	5.0%	\$ 0.10
35	Simple Average (Oct 2018 - Sep 2019)			\$ 2.02		\$ 1.98	1.9%	\$ 0.04
36	Simple Average (Jan 2019 - Dec 2019)			\$ 1.94		\$ 1.97	-1.3%	\$ (0.03)
37	Simple Average (Apr 2019 - Mar 2020)			\$ 1.88		\$ 1.99	-5.5%	\$ (0.11)
38	Simple Average (Jul 2019 - Jun 2020)			\$ 1.85				
Conversation Factors								
1 MMBtu = 1.055056 GJ								
Marketview Average Exchange Rate (\$1US=\$x.xxxCDN)								
				Forecast Jul 2018 - Jun 2019		Forecast Apr 2018 - Mar 2019		
				\$ 1.2849	\$ 1.2662	1.5%	\$ 0.0187	

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

Tab 1  
Page 4.2

Line No	Particulars	Five-day Average Forward Prices - May 22, 23, 24, 25, and 29, 2018 2018 Q2 Gas Cost Report	Five-day Average Forward Prices - Feb 21, 22, 23, 26, and 27, 2018 2018 Q1 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>2018</b>			
4	January	↑ \$ 3.45	Recorded \$ 3.45	\$ -
5	February	\$ 2.95	Forecast \$ 3.04	\$ (0.09)
6	March	\$ 2.38	\$ 2.40	\$ (0.02)
7	April	Recorded \$ 2.14	↓ \$ 2.41	\$ (0.27)
8	May	\$ 2.19	\$ 2.03	\$ 0.16
9	June	\$ 1.77	\$ 2.08	\$ (0.31)
10	July	↓ \$ 2.42	\$ 2.19	\$ 0.24
11	August	\$ 2.63	\$ 2.20	\$ 0.43
12	September	\$ 2.51	\$ 2.38	\$ 0.14
13	October	\$ 2.43	\$ 2.39	\$ 0.04
14	November	\$ 2.92	\$ 2.64	\$ 0.28
15	December	\$ 3.49	\$ 3.23	\$ 0.26
16	<b>2019</b>			
17	January	\$ 3.48	\$ 3.22	\$ 0.26
18	February	\$ 3.27	\$ 3.03	\$ 0.24
19	March	\$ 2.61	\$ 2.41	\$ 0.20
20	April	\$ 1.86	\$ 1.90	\$ (0.03)
21	May	\$ 1.74	\$ 1.79	\$ (0.05)
22	June	\$ 1.79	\$ 1.84	\$ (0.05)
23	July	\$ 1.89	\$ 1.94	\$ (0.05)
24	August	\$ 1.90	\$ 1.95	\$ (0.05)
25	September	\$ 2.07	\$ 2.12	\$ (0.05)
26	October	\$ 2.10	\$ 2.16	\$ (0.06)
27	November	\$ 2.51	\$ 2.66	\$ (0.15)
28	December	\$ 3.12	\$ 3.27	\$ (0.15)
29	<b>2020</b>			
30	January	\$ 3.14	\$ 3.30	\$ (0.16)
31	February	\$ 2.94	\$ 3.12	\$ (0.18)
32	March	\$ 2.31	\$ 2.49	\$ (0.18)
33	April	\$ 1.73		
34	May	\$ 1.63		
35	June	\$ 1.66		
36	Simple Average (Jul 2018 - Jun 2019)	\$ 2.60	\$ 2.44	6.6% \$ 0.16
37	Simple Average (Oct 2018 - Sep 2019)	\$ 2.45	\$ 2.37	3.5% \$ 0.08
38	Simple Average (Jan 2019 - Dec 2019)	\$ 2.36	\$ 2.36	0.2% \$ 0.00
39	Simple Average (Apr 2019 - Mar 2020)	\$ 2.28	\$ 2.38	-4.0% \$ (0.10)
40	Simple Average (Jul 2019 - Jun 2020)	\$ 2.25		

Conversion Factors

1 MMBtu = 1.055056 GJ

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

Forecast Jul 2018 - Jun 2019	Forecast Apr 2018 - Mar 2019
\$ 1.2849	\$ 1.2662
	1.5% \$ 0.0187

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

Tab 1  
Page 5

Line No	Particulars	Five-day Average Forward Prices - May 22, 23, 24, 25, and 29, 2018 2018 Q2 Gas Cost Report	Five-day Average Forward Prices - Feb 21, 22, 23, 26, and 27, 2018 2018 Q1 Gas Cost Report	Change in Forward Price (4) = (2) - (3)
	(1)	(2)	(3)	
1	<b>AECO Index Prices - \$CDN/GJ</b>			
2				
3	<b>2018</b>			
4	January	↑ \$ 1.83	Recorded \$ 1.83	\$ -
5	February	\$ 1.92	Forecast \$ 1.86	\$ 0.06
6	March	\$ 1.52	\$ 1.49	\$ 0.03
7	April	Recorded \$ 1.44	↓ \$ 1.17	\$ 0.27
8	May	\$ 0.74	\$ 0.96	\$ (0.22)
9	June	\$ 0.68	\$ 1.08	\$ (0.40)
10	July	↓ \$ 1.36	\$ 1.13	\$ 0.22
11	August	\$ 1.41	\$ 1.20	\$ 0.21
12	September	\$ 1.43	\$ 1.27	\$ 0.16
13	October	\$ 1.50	\$ 1.41	\$ 0.09
14	November	\$ 1.72	\$ 1.75	\$ (0.03)
15	December	\$ 1.93	\$ 1.85	\$ 0.08
16	<b>2019</b>			
17	January	\$ 1.98	\$ 1.93	\$ 0.06
18	February	\$ 1.94	\$ 1.88	\$ 0.06
19	March	\$ 1.75	\$ 1.74	\$ 0.02
20	April	\$ 1.27	\$ 1.33	\$ (0.06)
21	May	\$ 1.25	\$ 1.35	\$ (0.11)
22	June	\$ 1.26	\$ 1.32	\$ (0.06)
23	July	\$ 1.29	\$ 1.37	\$ (0.08)
24	August	\$ 1.29	\$ 1.34	\$ (0.05)
25	September	\$ 1.29	\$ 1.37	\$ (0.08)
26	October	\$ 1.34	\$ 1.36	\$ (0.01)
27	November	\$ 1.63	\$ 1.81	\$ (0.18)
28	December	\$ 1.76	\$ 1.96	\$ (0.20)
29	<b>2020</b>			
30	January	\$ 1.83	\$ 2.03	\$ (0.20)
31	February	\$ 1.81	\$ 2.02	\$ (0.21)
32	March	\$ 1.72	\$ 1.93	\$ (0.21)
33	April	\$ 1.27		
34	May	\$ 1.22		
35	June	\$ 1.25		
36	Simple Average (Jul 2018 - Jun 2019)	\$ 1.57	\$ 1.51	3.5% \$ 0.05
37	Simple Average (Oct 2018 - Sep 2019)	\$ 1.54	\$ 1.55	-0.9% \$ (0.01)
38	Simple Average (Jan 2019 - Dec 2019)	\$ 1.51	\$ 1.56	-3.7% \$ (0.06)
39	Simple Average (Apr 2019 - Mar 2020)	\$ 1.48	\$ 1.60	-7.5% \$ (0.12)
40	Simple Average (Jul 2019 - Jun 2020)	\$ 1.48		



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

Tab 1  
Page 6

Line No	Particulars	Five-day Average Forward Prices - May 22, 23, 24, 25, and 29, 2018 2018 Q2 Gas Cost Report	Five-day Average Forward Prices - Feb 21, 22, 23, 26, and 27, 2018 2018 Q1 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>2018</b>			
4	January	\$ 0.95	Recorded \$ 0.95	\$ -
5	February	\$ 1.87	Forecast \$ 1.56	\$ 0.31
6	March	\$ 1.46	\$ 1.32	\$ 0.14
7	April	\$ 1.55	\$ 0.90	\$ 0.65
8	May	\$ 0.90	\$ 0.68	\$ 0.22
9	June	\$ 0.72	\$ 0.80	\$ (0.09)
10	July	\$ 1.36	\$ 0.86	\$ 0.50
11	August	\$ 1.42	\$ 0.93	\$ 0.49
12	September	\$ 1.44	\$ 1.00	\$ 0.44
13	October	\$ 1.50	\$ 1.13	\$ 0.37
14	November	\$ 1.59	\$ 1.37	\$ 0.22
15	December	\$ 1.80	\$ 1.48	\$ 0.32
16	<b>2019</b>			
17	January	\$ 1.86	\$ 1.55	\$ 0.30
18	February	\$ 1.81	\$ 1.51	\$ 0.31
19	March	\$ 1.63	\$ 1.37	\$ 0.26
20	April	\$ 1.13	\$ 0.88	\$ 0.25
21	May	\$ 1.11	\$ 0.90	\$ 0.20
22	June	\$ 1.12	\$ 0.87	\$ 0.25
23	July	\$ 1.15	\$ 0.92	\$ 0.23
24	August	\$ 1.15	\$ 0.89	\$ 0.26
25	September	\$ 1.15	\$ 0.92	\$ 0.23
26	October	\$ 1.20	\$ 0.91	\$ 0.30
27	November	\$ 1.39	\$ 1.47	\$ (0.08)
28	December	\$ 1.52	\$ 1.62	\$ (0.10)
29	<b>2020</b>			
30	January	\$ 1.59	\$ 1.69	\$ (0.10)
31	February	\$ 1.57	\$ 1.68	\$ (0.11)
32	March	\$ 1.48	\$ 1.59	\$ (0.11)
33	April	\$ 1.03		
34	May	\$ 0.97		
35	June	\$ 1.00		
36	Simple Average (Jul 2018 - Jun 2019)	\$ 1.48	\$ 1.15	28.4% \$ 0.33
37	Simple Average (Oct 2018 - Sep 2019)	\$ 1.42	\$ 1.15	23.3% \$ 0.27
38	Simple Average (Jan 2019 - Dec 2019)	\$ 1.35	\$ 1.15	17.6% \$ 0.20
39	Simple Average (Apr 2019 - Mar 2020)	\$ 1.30	\$ 1.20	8.6% \$ 0.10
40	Simple Average (Jul 2019 - Jun 2020)	\$ 1.27		

**FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS**  
**GAS BUDGET COST SUMMARY FOR THE FORECAST PERIOD JUL 2018 TO JUN 2019**  
**FIVE-DAY AVERAGE FORWARD PRICES - MAY 22, 23, 24, 25, AND 29, 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	\$	148,529		104,363	\$ 1.423	
4	AECO		52,393		33,400	\$ 1.569	
5	Huntingdon		-		-		
6	Commodity Costs before Hedging		<u>200,922</u>		<u>137,763</u>	\$ 1.458	incl. Receipt Point Fuel Gas Provided to Midstream (G-149-17)
7	Mark to Market Hedges Cost / (Gain)		11,816		-		
8	Subtotal Commodity Purchased	\$	212,738		137,763	\$ 1.544	
9	Core Market Administration Costs		1,483		-		
10	Fuel Gas Provided to Midstream				<u>(5,616)</u>		
11	<b>Total CCRA Baseload</b>				<u>132,147</u>		
12	<b>Total CCRA Costs</b>	\$	<u>214,221</u>			<u>\$ 1.621</u>	Commodity available for sales average unit cost
13							
14							
15	<b>MCRA</b>						
16	<u>Midstream Commodity Related Costs</u>						
17	Midstream Commodity before Hedging	\$	37,757		22,060	\$ 1.712	
18	Mark to Market Hedges Cost / (Gain)		-		-		
19	Imbalance		(919)		(705)		
20	Company Use Gas Recovered from O&M		(4,787)		(701)		
21	Injections into Storage	\$	(43,590)		(28,776)	\$ 1.515	
22	Withdrawals from Storage		<u>46,812</u>		<u>29,785</u>	\$ 1.572	
23	Storage Withdrawal / (Injection) Activity		3,223		1,009		
24	Total Midstream Commodity Related Costs	\$	35,273		21,664	\$ 1.628	
25							
26	<u>Storage Related Costs</u>						
27	Storage Demand - Third Party Storage	\$	37,082				
28	On-System Storage - Mt. Hayes (LNG)		<u>18,886</u>				
29	Total Storage Related Costs		55,968				
30							
31	<u>Transport Related Costs</u>		133,775				
32							
33	<u>Mitigation</u>						
34	Commodity Mitigation	\$	(33,803)		(20,352)		
35	Storage Mitigation		-				
36	Transportation Mitigation		<u>(60,721)</u>				
37	Total Mitigation		(94,524)				
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>			159			
44	UAF (Sales and T-Service) <sup>(b)</sup>			<u>(1,470)</u>			
45	<u>UAF &amp; Net Transportation Fuels</u>				(1,312)		
46							
47	Net MCRA Commodity (Lines 24, 34 & 45)				<u>-</u>		
48	<b>Total MCRA Costs</b> (Lines 24, 29, 31, 37, 39, & 41)	\$	<u>134,952</u>			<u>\$ 0.992</u>	Midstream average unit cost
49	<b>Total Core Sales Quantities</b>				<u>135,993</u>		
50	<b>Total Forecast Gas Costs</b> (Lines 12 & 48)	\$	<u>349,172</u>				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 JUL 2018 TO JUN 2019**  
**FIVE-DAY AVERAGE FORWARD PRICES - MAY 22, 23, 24, 25, AND 29, 2018**  
**\$(Millions)**

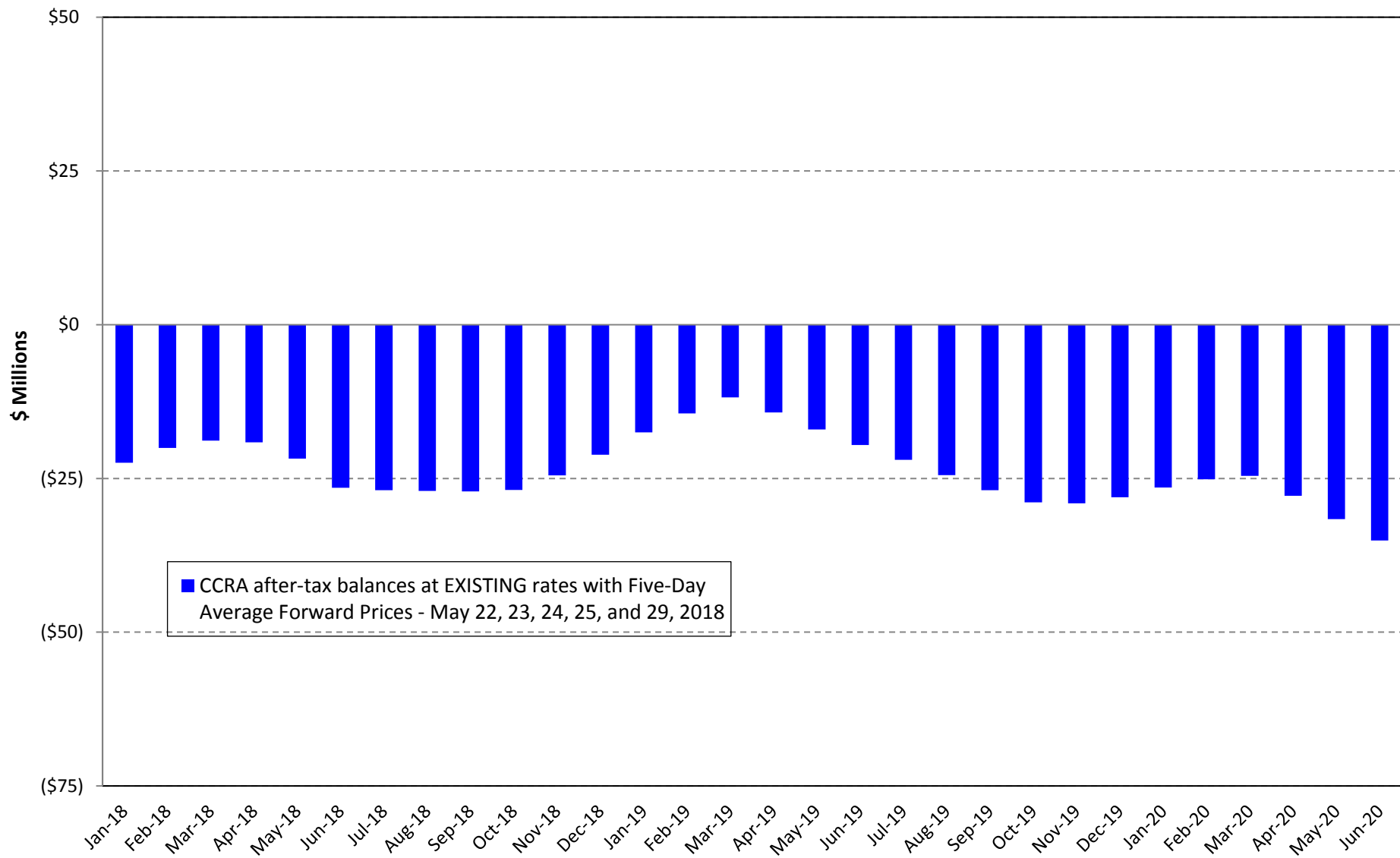
Tab 1  
Page 8

No.	Particulars	CCRA / MCRA Deferral Account Forecast	Gas Budget Cost Summary	References
	(1)	(2)	(3)	(4)
1	<b>Gas Cost Incurred</b>			
2	CCRA	\$ 214		(Tab 1, Page 1, Col.14, Line 16 )
3	MCRA	135		(Tab 2, Page 6.1, Col.15, Line 33)
4				
5				
6	Gas Budget Cost Summary			
7	CCRA		\$ 214	(Tab 1, Page 7, Col.3, Line 12)
8	MCRA		135	(Tab 1, Page 7, Col.3, Line 48)
9				
10				
11	<b>Totals Reconciled</b>	<b>\$ 349</b>	<b>\$ 349</b>	

Slight differences in totals due to rounding.

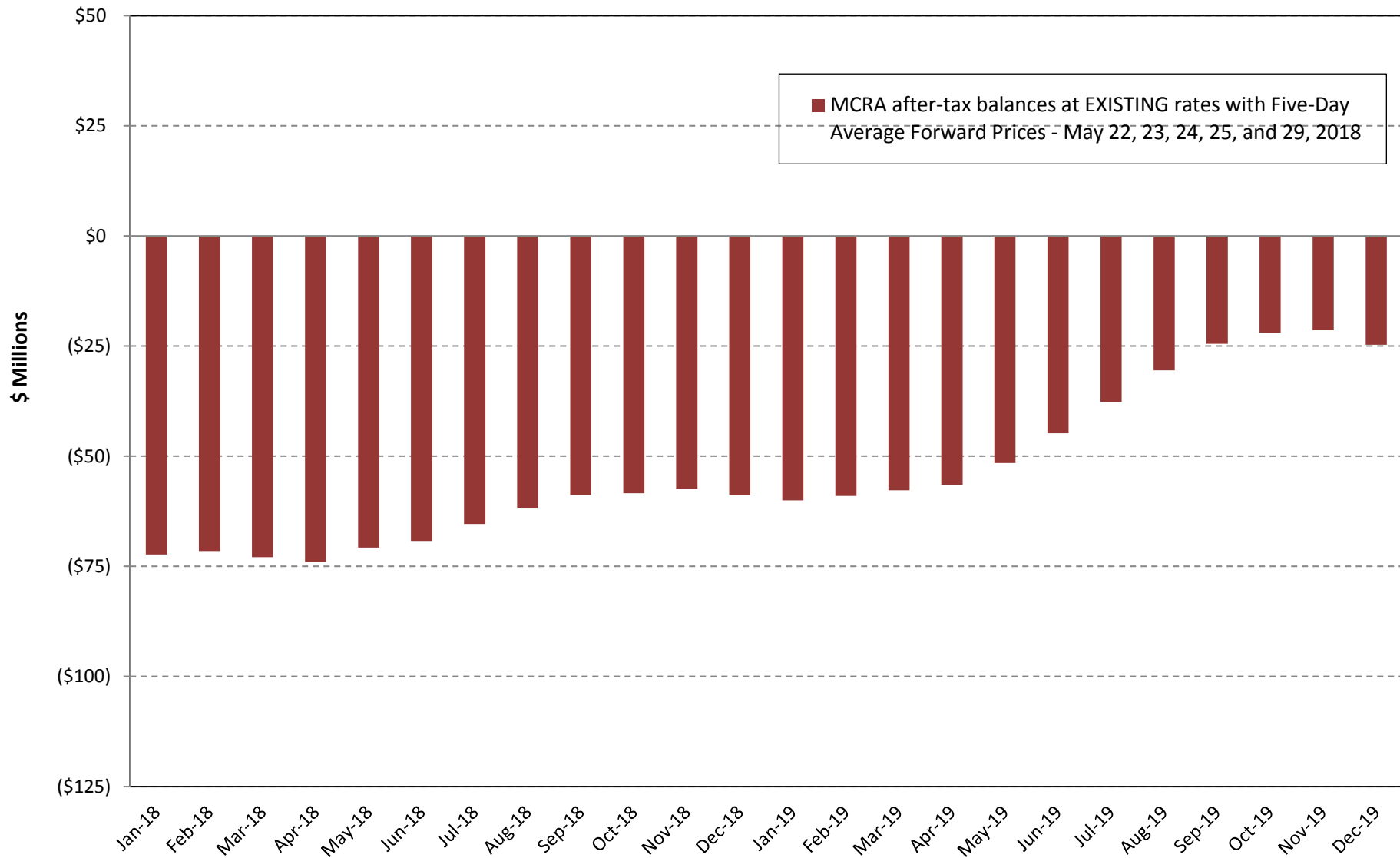
FortisBC Energy Inc. - Mainland, Vancouver Island and Whistler Service Areas  
 CCRA After-Tax Monthly Balances  
 Recorded to April 2018 and Forecast to June 2020

Tab 1  
 Page 9



FortisBC Energy Inc. - Mainland, Vancouver Island and Whistler Service Areas  
 MCRA After-Tax Monthly Balances  
 Recorded to April 2018 and Forecast to December 2019

Tab 1  
 Page 10



**FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS**  
**CCRA INCURRED MONTHLY ACTIVITIES**  
**RECORDED PERIOD TO APR 2018 AND FORECAST TO JUN 2019**  
**FIVE-DAY AVERAGE FORWARD PRICES - MAY 22, 23, 24, 25, AND 29, 2018**

Tab 2  
Page 1

Line No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
			Recorded Jan-18	Recorded Feb-18	Recorded Mar-18	Recorded Apr-18	Projected May-18	Projected Jun-18							<b>Jan-18 to Jun-18 Total</b>
1															
2	<b>CCRA QUANTITIES</b>														
3	Commodity Purchase	(TJ)													
4	STN 2		8,812	7,962	8,801	8,584	8,864	8,578							51,601
5	AECO		<u>2,780</u>	<u>2,512</u>	<u>2,776</u>	<u>2,708</u>	<u>2,837</u>	<u>2,745</u>							<u>16,358</u>
6	Total Commodity Purchased		11,592	10,474	11,578	11,292	11,700	11,323							67,959
7	Fuel Gas Provided to Midstream		<u>(473)</u>	<u>(427)</u>	<u>(472)</u>	<u>(460)</u>	<u>(477)</u>	<u>(462)</u>							<u>(2,771)</u>
8	<b>Commodity Available for Sale</b>		<u>11,119</u>	<u>10,047</u>	<u>11,106</u>	<u>10,832</u>	<u>11,223</u>	<u>10,861</u>							<u>65,188</u>
9															
10	<b>CCRA COSTS</b>														
11	Commodity Costs	(\$000)													
12	STN 2		\$ 13,615	\$ 13,459	\$ 12,851	\$ 10,524	\$ 5,467	\$ 4,328							\$ 60,243
13	AECO		<u>5,319</u>	<u>4,873</u>	<u>4,731</u>	<u>3,831</u>	<u>2,097</u>	<u>1,867</u>							<u>22,717</u>
14	Commodity Costs before Hedging		\$ 18,934	\$ 18,331	\$ 17,581	\$ 14,355	\$ 7,564	\$ 6,194							\$ 82,960
15	Mark to Market Hedges Cost / (Gain)		615	422	1,125	1,980	6,070	6,207							16,420
16	Core Market Administration Costs		<u>142</u>	<u>104</u>	<u>107</u>	<u>90</u>	<u>124</u>	<u>124</u>							<u>691</u>
17	<b>Total CCRA Costs</b>		<u>\$ 19,692</u>	<u>\$ 18,857</u>	<u>\$ 18,814</u>	<u>\$ 16,426</u>	<u>\$ 13,757</u>	<u>\$ 12,525</u>							<u>\$ 100,072</u>
18															
19															
20	CCRA Unit Cost	(\$/GJ)	<u>\$ 1.771</u>	<u>\$ 1.877</u>	<u>\$ 1.694</u>	<u>\$ 1.516</u>	<u>\$ 1.226</u>	<u>\$ 1.153</u>							<u>\$ 1.535</u>
21															
22															
23			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	Forecast Apr-19	Forecast May-19	Forecast Jun-19	<b>1-12 months Total</b>
24															
25	<b>CCRA QUANTITIES</b>														
26	Commodity Purchase	(TJ)													
27	STN 2		8,864	8,864	8,578	8,864	8,578	8,864	8,864	8,006	8,864	8,578	8,864	8,578	104,363
28	AECO		<u>2,837</u>	<u>2,837</u>	<u>2,745</u>	<u>2,837</u>	<u>2,745</u>	<u>2,837</u>	<u>2,837</u>	<u>2,562</u>	<u>2,837</u>	<u>2,745</u>	<u>2,837</u>	<u>2,745</u>	<u>33,400</u>
29	Total Commodity Purchased		11,700	11,700	11,323	11,700	11,323	11,700	11,700	10,568	11,700	11,323	11,700	11,323	137,763
30	Fuel Gas Provided to Midstream		<u>(477)</u>	<u>(477)</u>	<u>(462)</u>	<u>(477)</u>	<u>(462)</u>	<u>(477)</u>	<u>(477)</u>	<u>(431)</u>	<u>(477)</u>	<u>(462)</u>	<u>(477)</u>	<u>(462)</u>	<u>(5,616)</u>
31	<b>Commodity Available for Sale</b>		<u>11,223</u>	<u>11,223</u>	<u>10,861</u>	<u>11,223</u>	<u>10,861</u>	<u>11,223</u>	<u>11,223</u>	<u>10,137</u>	<u>11,223</u>	<u>10,861</u>	<u>11,223</u>	<u>10,861</u>	<u>132,147</u>
32															
33	<b>CCRA COSTS</b>	(\$000)													
34	Commodity Costs														
35	STN 2		\$ 10,338	\$ 10,854	\$ 10,671	\$ 11,589	\$ 13,754	\$ 16,076	\$ 16,572	\$ 14,598	\$ 14,535	\$ 9,846	\$ 9,930	\$ 9,767	\$ 148,529
36	AECO		<u>3,852</u>	<u>4,017</u>	<u>3,941</u>	<u>4,252</u>	<u>4,725</u>	<u>5,479</u>	<u>5,638</u>	<u>4,974</u>	<u>4,986</u>	<u>3,505</u>	<u>3,544</u>	<u>3,480</u>	<u>52,393</u>
37	Commodity Costs before Hedging		\$ 14,190	\$ 14,871	\$ 14,611	\$ 15,841	\$ 18,479	\$ 21,555	\$ 22,210	\$ 19,571	\$ 19,521	\$ 13,352	\$ 13,474	\$ 13,247	\$ 200,922
38	Mark to Market Hedges Cost / (Gain)		2,531	2,197	2,017	1,717	1,474	322	3	241	1,315	-	-	-	11,816
39	Core Market Administration Costs		<u>124</u>	<u>124</u>	<u>124</u>	<u>124</u>	<u>124</u>	<u>124</u>	<u>124</u>	<u>124</u>	<u>124</u>	<u>124</u>	<u>124</u>	<u>124</u>	<u>1,483</u>
40	<b>Total CCRA Costs</b>		<u>\$ 16,844</u>	<u>\$ 17,191</u>	<u>\$ 16,752</u>	<u>\$ 17,682</u>	<u>\$ 20,076</u>	<u>\$ 22,000</u>	<u>\$ 22,336</u>	<u>\$ 19,936</u>	<u>\$ 20,960</u>	<u>\$ 13,475</u>	<u>\$ 13,598</u>	<u>\$ 13,370</u>	<u>\$ 214,221</u>
41															
42															
43	CCRA Unit Cost	(\$/GJ)	<u>\$ 1.501</u>	<u>\$ 1.532</u>	<u>\$ 1.542</u>	<u>\$ 1.575</u>	<u>\$ 1.848</u>	<u>\$ 1.960</u>	<u>\$ 1.990</u>	<u>\$ 1.967</u>	<u>\$ 1.868</u>	<u>\$ 1.241</u>	<u>\$ 1.212</u>	<u>\$ 1.231</u>	<u>\$ 1.621</u>

Slight differences in totals due to rounding.

**FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS**  
**CCRA INCURRED MONTHLY ACTIVITIES**  
**FORECAST PERIOD FROM JUL 2019 TO JUN 2020**  
**FIVE-DAY AVERAGE FORWARD PRICES - MAY 22, 23, 24, 25, AND 29, 2018**

Tab 2  
Page 2

Line No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
			Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	13-24 months
			Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	<b>Total</b>
3	<b>CCRA QUANTITIES</b>														
4	Commodity Purchase	(TJ)													
5	STN 2		9,092	9,092	8,798	9,092	8,798	9,092	9,092	8,505	9,092	8,798	9,092	8,798	107,341
6	AECO		<u>2,910</u>	<u>2,910</u>	<u>2,816</u>	<u>2,910</u>	<u>2,816</u>	<u>2,910</u>	<u>2,910</u>	<u>2,722</u>	<u>2,910</u>	<u>2,816</u>	<u>2,910</u>	<u>2,816</u>	<u>34,353</u>
7	Total Commodity Purchased		12,001	12,001	11,614	12,001	11,614	12,001	12,001	11,227	12,001	11,614	12,001	11,614	141,694
8	Fuel Gas Provided to Midstream		<u>(489)</u>	<u>(489)</u>	<u>(473)</u>	<u>(489)</u>	<u>(473)</u>	<u>(489)</u>	<u>(489)</u>	<u>(458)</u>	<u>(489)</u>	<u>(473)</u>	<u>(489)</u>	<u>(473)</u>	<u>(5,776)</u>
9	<b>Commodity Available for Sale</b>		<u>11,512</u>	<u>11,512</u>	<u>11,141</u>	<u>11,512</u>	<u>11,141</u>	<u>11,512</u>	<u>11,512</u>	<u>10,769</u>	<u>11,512</u>	<u>11,141</u>	<u>11,512</u>	<u>11,141</u>	<u>135,918</u>
10															
11															
12	<b>CCRA COSTS</b>	(\$000)													
13	Commodity Costs														
14	STN 2		\$ 10,596	\$ 10,547	\$ 10,180	\$ 11,059	\$ 12,313	\$ 13,931	\$ 14,542	\$ 13,431	\$ 13,500	\$ 9,100	\$ 8,919	\$ 8,844	\$ 136,963
15	AECO		<u>3,774</u>	<u>3,758</u>	<u>3,628</u>	<u>3,922</u>	<u>4,603</u>	<u>5,143</u>	<u>5,338</u>	<u>4,939</u>	<u>5,005</u>	<u>3,598</u>	<u>3,563</u>	<u>3,516</u>	<u>50,787</u>
16	Commodity Costs before Hedging		\$ 14,370	\$ 14,305	\$ 13,809	\$ 14,981	\$ 16,916	\$ 19,074	\$ 19,880	\$ 18,370	\$ 18,506	\$ 12,698	\$ 12,482	\$ 12,359	\$ 187,750
17	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	-
18	Core Market Administration Costs		<u>124</u>	<u>124</u>	<u>124</u>	<u>124</u>	<u>124</u>	<u>124</u>	<u>124</u>	<u>124</u>	<u>124</u>	<u>124</u>	<u>124</u>	<u>124</u>	<u>1,483</u>
19	<b>Total CCRA Costs</b>		<u>\$ 14,493</u>	<u>\$ 14,429</u>	<u>\$ 13,932</u>	<u>\$ 15,104</u>	<u>\$ 17,040</u>	<u>\$ 19,198</u>	<u>\$ 20,004</u>	<u>\$ 18,493</u>	<u>\$ 18,629</u>	<u>\$ 12,822</u>	<u>\$ 12,605</u>	<u>\$ 12,483</u>	<u>\$ 189,232</u>
20															
21															
22	CCRA Unit Cost	(\$/GJ)	\$ 1.259	\$ 1.253	\$ 1.251	\$ 1.312	\$ 1.530	\$ 1.668	\$ 1.738	\$ 1.717	\$ 1.618	\$ 1.151	\$ 1.095	\$ 1.120	\$ 1.392

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 JUL 1, 2018 TO JUN 30, 2019**  
**FIVE-DAY AVERAGE FORWARD PRICES - MAY 22, 23, 24, 25, AND 29, 2018**

Tab 2  
Page 3

Line No.	Particulars	Unit	RS-1 to RS-7
	(1)		(2)
1	<b><u>CCRA Baseload</u></b>	TJ	132,147
2			
3			
4	<b><u>CCRA Incurred Costs</u></b>	\$000	
5	STN 2		\$ 148,529.1
6	AECO		52,393.3
7	CCRA Commodity Costs before Hedging		\$ 200,922.4
8	Mark to Market Hedges Cost / (Gain)		11,815.6
9	Core Market Administration Costs		1,482.6
10	<b>Total Incurred Costs before CCRA deferral amortization</b>		<b>\$ 214,220.6</b>
11			
12	Pre-tax CCRA Deficit / (Surplus) as of Jun 30, 2018		(36,306.8)
13	<b>Total CCRA Incurred Costs</b>		<b>\$ 177,913.9</b>
14			
15			
16	<b><u>CCRA Incurred Unit Costs</u></b>	\$/GJ	
17	CCRA Commodity Costs before Hedging		\$ 1.5204
18	Mark to Market Hedges Cost / (Gain)		0.0894
19	Core Market Administration Costs		0.0112
20	Total Incurred Costs before CCRA deferral amortization		\$ 1.6211
21	Pre-tax CCRA Deficit / (Surplus) as of Jun 30, 2018		(0.2747)
22	<b>CCRA Gas Costs Incurred -- Flow-Through</b>		<b>\$ 1.3463</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 Jul 1, 2018</b>		<b>\$ 1.346</b>
32			
33	Existing Cost of Gas (effective since Jan 1, 2018)		\$ 1.549
34			
35	Cost of Gas Increase / (Decrease)	\$/GJ	\$ (0.203 )
36			
37	Cost of Gas Percentage Increase / (Decrease)		-13.11%



**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 - MAY 22, 23, 24, 25, AND 29, 2018**

Tab 2  
Page 4

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
		Opening balance	Recorded Jan-18	Recorded Feb-18	Recorded Mar-18	Recorded Apr-18	Projected May-18	Projected 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	\$ 11,589.7	\$ 4,674.1	\$ 386.7	\$ 3.8	\$ 0.8	\$ 5.6	\$ 5.8	\$ 1.6	\$ 6.2	\$ 5,254.5	\$ 9,156.0	\$ 38,584.3
4	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	-
5	Imbalance <sup>(b)</sup>	\$ 900.3	218.7	(459.3)	94.8	164.3	-	-	-	-	-	-	-	(918.8)	(900.3)
6	Company Use Gas Recovered from O&M		(571.4)	(425.1)	(291.1)	(188.6)	(228.8)	(202.4)	(153.4)	(102.2)	(142.7)	(214.5)	(458.3)	(744.6)	(3,722.9)
7	Storage Withdrawal / (Injection) Activity <sup>(c)</sup>		11,558.0	9,332.6	8,072.8	708.2	(5,128.8)	(5,517.5)	(8,028.1)	(8,632.4)	(8,529.0)	(2,029.6)	6,501.2	9,661.9	7,969.3
8	Total Midstream Commodity Related Costs		\$ 18,704.6	\$ 20,037.9	\$ 12,550.7	\$ 1,070.6	\$ (5,353.8)	\$ (5,719.0)	\$ (8,175.9)	\$ (8,728.7)	\$ (8,670.0)	\$ (2,237.9)	\$ 11,297.5	\$ 17,154.6	\$ 41,930.4
9															
10	<u>Storage Related Costs</u>														
11	Storage Demand - Third Party Storage		\$ 2,522.1	\$ 2,580.4	\$ 2,620.1	\$ 2,535.3	\$ 3,605.1	\$ 3,630.8	\$ 3,657.8	\$ 3,662.1	\$ 3,652.6	\$ 3,563.5	\$ 2,544.1	\$ 2,557.9	\$ 37,131.7
12	On-System Storage - Mt. Hayes (LNG)		1,514.2	1,520.6	1,518.7	1,563.8	1,699.7	1,705.5	1,518.4	1,518.3	1,518.3	1,710.6	1,605.4	1,522.8	18,916.4
13	Total Storage Related Costs		\$ 4,036.2	\$ 4,101.0	\$ 4,138.8	\$ 4,099.1	\$ 5,304.8	\$ 5,336.3	\$ 5,176.2	\$ 5,180.4	\$ 5,171.0	\$ 5,274.1	\$ 4,149.5	\$ 4,080.7	\$ 56,048.1
14															
15	<u>Transportation Related Costs</u>														
16	Enbridge (BC Pipeline) - Westcoast Energy		\$ 9,084.9	\$ 9,482.8	\$ 8,878.9	\$ 8,867.7	\$ 8,911.1	\$ 8,809.4	\$ 8,885.3	\$ 8,905.6	\$ 8,910.8	\$ 8,995.7	\$ 9,169.5	\$ 9,165.3	\$ 108,067.0
17	TransCanada (Foothills BC)		406.2	406.2	406.2	304.1	306.1	306.1	306.1	306.1	306.1	306.1	406.2	406.2	4,171.5
18	TransCanada (NOVA Alta)		833.3	833.3	833.3	814.7	849.4	849.4	849.4	849.4	849.4	849.4	849.4	849.4	10,109.7
19	Northwest Pipeline		675.3	687.7	735.8	347.0	372.6	377.3	376.1	379.4	375.6	359.1	722.6	773.3	6,181.8
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		\$ 11,311.7	\$ 11,722.0	\$ 11,166.1	\$ 10,645.6	\$ 10,751.1	\$ 10,654.2	\$ 10,728.8	\$ 10,752.4	\$ 10,753.8	\$ 10,822.1	\$ 11,459.6	\$ 11,506.1	\$ 132,273.5
23															
24	<u>Mitigation</u>														
25	Commodity Related Mitigation		\$ (7,497.1)	\$ (4,174.5)	\$ (6,004.6)	\$ (2,963.5)	\$ (921.3)	\$ (1,474.0)	\$ (3,491.3)	\$ (3,411.2)	\$ (1,627.4)	\$ (1,050.4)	\$ (5,483.4)	\$ (1,754.7)	\$ (39,853.4)
26	Storage Related Mitigation		(3.0)	-	(1,267.1)	975.9	-	-	-	-	-	-	-	-	(294.2)
27	Transportation Related Mitigation		(3,797.7)	(2,121.2)	(2,785.4)	(8,143.2)	(8,360.5)	(8,248.5)	(8,791.5)	(8,804.3)	(8,841.4)	(8,141.5)	(2,293.3)	(1,785.1)	(72,113.6)
28	Total Mitigation		\$ (11,297.8)	\$ (6,295.7)	\$ (10,057.2)	\$ (10,130.8)	\$ (9,281.8)	\$ (9,722.4)	\$ (12,282.8)	\$ (12,215.5)	\$ (10,468.8)	\$ (9,191.9)	\$ (7,776.7)	\$ (3,539.9)	\$ (112,261.3)
29															
30	<u>GSMIP Incentive Sharing</u>		\$ 380.0	\$ 353.4	\$ 178.6	\$ 147.2	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 1,725.9
31															
32	<u>Core Market Administration Costs</u>		\$ 331.7	\$ 243.3	\$ 250.5	\$ 211.1	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 3,342.8
33	<b>TOTAL MCRA COSTS</b>	(\$000)	\$ 23,466.5	\$ 30,161.7	\$ 18,227.5	\$ 6,042.7	\$ 1,791.9	\$ 920.6	\$ (4,182.1)	\$ (4,639.8)	\$ (2,842.4)	\$ 5,038.1	\$ 19,501.5	\$ 29,573.1	\$ 123,059.4
	(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").

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 - MAY 22, 23, 24, 25, AND 29, 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>		\$ 9,445.5	\$ 8,315.1	\$ 5,559.6	\$ 1.3	\$ 4.5	\$ 1.3	\$ 3.5	\$ 3.5	\$ 8.8	\$ 3.7	\$ 3,903.1	\$ 7,054.5	\$ 34,304.3
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>		9,894.4	8,713.3	6,679.0	392.4	(5,480.7)	(5,919.9)	(6,822.6)	(7,376.8)	(7,021.6)	(1,646.2)	5,675.3	8,405.5	5,492.2
8	Total Midstream Commodity Related Costs		\$ 18,473.0	\$ 16,345.2	\$ 11,655.9	\$ (14.3)	\$ (5,705.0)	\$ (6,121.0)	\$ (6,972.5)	\$ (7,475.5)	\$ (7,155.5)	\$ (1,857.0)	\$ 9,120.1	\$ 14,715.4	\$ 35,009.0
9															
10	<u>Storage Related Costs</u>														
11	Storage Demand - Third Party Storage		\$ 2,560.5	\$ 2,538.0	\$ 2,549.3	\$ 2,556.8	\$ 3,620.9	\$ 3,618.3	\$ 3,646.4	\$ 3,652.3	\$ 3,641.7	\$ 3,553.5	\$ 2,540.0	\$ 2,553.1	\$ 37,030.8
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		\$ 4,083.4	\$ 4,060.9	\$ 4,071.8	\$ 4,075.1	\$ 5,320.6	\$ 5,323.8	\$ 5,164.8	\$ 5,170.7	\$ 5,160.0	\$ 5,264.1	\$ 4,145.4	\$ 4,075.9	\$ 55,916.6
14															
15	<u>Transportation Related Costs</u>														
16	Enbridge (BC Pipeline) - Westcoast Energy		\$ 9,412.9	\$ 9,287.3	\$ 9,329.4	\$ 9,079.2	\$ 9,080.5	\$ 8,978.8	\$ 9,061.7	\$ 9,082.3	\$ 9,087.9	\$ 9,173.9	\$ 9,334.8	\$ 9,330.8	\$ 110,239.4
17	TransCanada (Foothills BC)		414.3	414.3	414.3	312.2	312.2	312.2	312.2	312.2	312.2	312.2	414.3	414.3	4,257.0
18	TransCanada (NOVA Alta)		866.4	866.4	866.4	866.4	866.4	866.4	866.4	866.4	866.4	866.4	866.4	866.4	10,396.3
19	Northwest Pipeline		763.1	697.0	757.0	371.5	371.2	375.4	377.0	386.7	376.5	357.1	719.1	768.9	6,320.5
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		\$ 11,768.5	\$ 11,576.9	\$ 11,679.1	\$ 10,941.2	\$ 10,942.2	\$ 10,844.7	\$ 10,929.2	\$ 10,959.6	\$ 10,954.8	\$ 11,021.5	\$ 11,646.5	\$ 11,692.3	\$ 134,956.6
23															
24	<u>Mitigation</u>														
25	Commodity Related Mitigation		\$ (3,293.8)	\$ (5,451.6)	\$ (5,775.0)	\$ (388.2)	\$ (386.6)	\$ (1,689.6)	\$ (2,634.0)	\$ (2,290.5)	\$ (1,209.9)	\$ (842.0)	\$ (3,927.8)	\$ (1,766.4)	\$ (29,655.3)
26	Storage Related Mitigation		-	-	-	-	-	-	-	-	-	-	-	-	-
27	Transportation Related Mitigation		(1,614.8)	(1,123.7)	(1,808.4)	(5,500.1)	(6,064.3)	(5,952.2)	(6,495.3)	(6,508.1)	(6,545.1)	(5,845.3)	(2,293.3)	(1,785.1)	(51,535.7)
28	Total Mitigation		\$ (4,908.6)	\$ (6,575.3)	\$ (7,583.4)	\$ (5,888.3)	\$ (6,450.9)	\$ (7,641.9)	\$ (9,129.3)	\$ (8,798.5)	\$ (7,755.0)	\$ (6,687.2)	\$ (6,221.1)	\$ (3,551.5)	\$ (81,191.0)
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)	\$ 29,788.0	\$ 25,779.4	\$ 20,195.0	\$ 9,485.3	\$ 4,478.6	\$ 2,777.3	\$ 363.9	\$ 227.9	\$ 1,576.0	\$ 8,113.1	\$ 19,062.5	\$ 27,303.7	\$ 149,150.6
	(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 JUL 2018 TO JUN 2019**  
**FIVE-DAY AVERAGE FORWARD PRICES - MAY 22, 23, 24, 25, AND 29, 2018**

Tab 2  
Page 6

Line No.	Particulars	Unit	Residential RS-1	Commercial RS-2	Commercial RS-3	General Firm Service RS-5	NGV RS-6	Subtotal	Seasonal RS-4	General Interruptible RS-7	RS-1 to RS-7 Summary	Total MCRA Gas Budget Costs	LNG RS-46	Term & Spot Gas Sales RS-14A	Off-System Interruptible Sales RS-30
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	<b>MCRA Sales Quantity</b>	TJ	82,028.3	30,605.9	20,243.5	2,692.3	28.0	135,598.1	147.1	247.6	135,992.9		1,111.3	1,300.0	17,941.2
2															
3	<b>Load Factor Adjusted Quantity</b>														
4	Load Factor <sup>(a)</sup>	%	31.8%	31.5%	37.3%	50.0%	100.0%								
5	Load Factor Adjusted Quantity	TJ	257,876.4	97,033.4	54,236.4	5,384.6	28.0	414,559.0							
6	Load Factor Adjusted Volumetric Allocation	%	62.2%	23.4%	13.1%	1.3%	0.0%	100.0%							
7															
8															
9	<b>MCRA Cost of Gas - Load Factor Adjusted Allocation</b>														
10	Midstream Commodity Related Costs (Net of Mitigation)	\$000	\$ 433.0	\$ 162.9	\$ 91.1	\$ 9.0	\$ 0.0	\$ 696.1			\$ 696.1		\$ (1,354.6)	\$ (1,723.8)	\$ -
11	Midstream Commodity Related Costs		21,460.3	8,075.1	4,513.5	448.1	2.3	34,499.4					1,551.9	1,902.8	26,474.5
12	Midstream Commodity Related Mitigation		(21,027.3)	(7,912.1)	(4,422.4)	(439.1)	(2.3)	(33,803.2)					(2,906.5)	(3,626.6)	(26,474.5)
13	Storage Related Costs (Net of Mitigation)	\$000	34,814.6	13,100.0	7,322.2	727.0	3.8	55,967.5			55,967.5		-	-	-
14	Storage Related Costs		34,814.6	13,100.0	7,322.2	727.0	3.8	55,967.5					-	-	-
15	Storage Related Mitigation		-	-	-	-	-	-					-	-	-
16	Transportation Related Costs (Net of Mitigation)	\$000	45,443.8	17,099.5	9,557.7	948.9	4.9	73,054.9			73,054.9		458.4	536.8	-
17	Transportation Related Costs		83,215.1	31,312.1	17,501.7	1,737.6	9.0	133,775.5					458.4	536.8	-
18	Transportation Related Mitigation		(37,771.3)	(14,212.5)	(7,944.0)	(788.7)	(4.1)	(60,720.6)					-	-	-
19	GSMIP Incentive Sharing	\$000	622.1	234.1	130.8	13.0	0.1	1,000.0			1,000.0		-	-	-
20	Core Market Administration Costs - MCRA 70%	\$000	2,151.9	809.7	452.6	44.9	0.2	3,459.4			3,459.4		-	-	-
21	<b>Total Midstream Cost of Gas Allocated by Rate Class</b>	\$000	\$ 83,465.4	\$ 31,406.3	\$ 17,554.4	\$ 1,742.8	\$ 9.1	\$ 134,177.9			\$ 134,177.9	\$ 134,177.9	\$ (896.1)	\$ (1,187.1)	\$ -
22	T-Service UAF to be recovered via delivery revenues <sup>(b)</sup>										773.9				
23	<b>Total MCRA Gas Costs <sup>(c)</sup></b>										\$ 134,951.9				
24	<b>1/2 of Pre-Tax Amort. MCRA Deficit/(Surplus) as of Jul 1, 2018</b>	\$000	\$ (29,507.0)	\$ (11,102.9)	\$ (6,205.9)	\$ (616.1)	\$ (3.2)	\$ (47,435.1)			\$ (47,435.1)				
25															
26															
27	<b>MCRA Cost of Gas Unitized</b>										<b>Average Costs</b>				
28	Midstream Commodity Related Costs (Net of Mitigation)	\$/GJ	\$ 0.0053	\$ 0.0053	\$ 0.0045	\$ 0.0034	\$ 0.0017				\$ 0.0051				
29	Storage Related Costs (Net of Mitigation)	\$/GJ	0.4244	0.4280	0.3617	0.2700	0.1349				0.4115				
30	Transportation Related Costs (Net of Mitigation)	\$/GJ	0.5540	0.5587	0.4721	0.3524	0.1762				0.5372				
31	GSMIP Incentive Sharing	\$/GJ	0.0076	0.0076	0.0065	0.0048	0.0024				0.0074				
32	Core Market Administration Costs - MCRA 70%	\$/GJ	0.0262	0.0265	0.0224	0.0167	0.0083				0.0254				
33	<b>MCRA Flow-Through Costs before MCRA deferral amortization</b>	\$/GJ	\$ 1.0175	\$ 1.0261	\$ 0.8672	\$ 0.6473	\$ 0.3235				\$ 0.9867				
34	<b>MCRA Deferral Amortization via Rate Rider 6</b>	\$/GJ	\$ (0.3597)	\$ (0.3628)	\$ (0.3066)	\$ (0.2288)	\$ (0.1144)				\$ (0.3488)				
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 6.1.

Slight differences in totals due to rounding.

**FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS**  
**MCRA FLOW-THROUGH MONTHLY COSTS FOR THE FORECAST PERIOD JUL 2018 TO JUN 2019**  
**FIVE-DAY AVERAGE FORWARD PRICES - MAY 22, 23, 24, 25, AND 29, 2018**

Tab 2  
Page 6.1

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
			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	Forecast Apr-19	Forecast May-19	Forecast Jun-19	Jul-18 to Jun-19 Total
1	<b>MCRA COSTS</b>	(\$000)													
2	<u>Midstream Commodity Related Costs</u>														
3	Midstream Commodity Costs before Hedging <sup>(a)</sup>	\$	5.6	\$ 5.8	\$ 1.6	\$ 6.2	\$ 5,254.5	\$ 9,156.0	\$ 9,445.5	\$ 8,315.1	\$ 5,559.6	\$ 1.3	\$ 4.5	\$ 1.3	\$ 37,757.0
4	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	-
5	Imbalance <sup>(b)</sup>		-	-	-	-	-	(918.8)	-	-	-	-	-	-	(918.8)
6	Company Use Gas Recovered from O&M		(153.4)	(102.2)	(142.7)	(214.5)	(458.3)	(744.6)	(866.9)	(683.2)	(582.6)	(408.0)	(228.8)	(202.4)	(4,787.5)
7	Storage Withdrawal / (Injection) Activity <sup>(c)</sup>		(8,028.1)	(8,632.4)	(8,529.0)	(2,029.6)	6,501.2	9,661.9	9,894.4	8,713.3	6,679.0	392.4	(5,480.7)	(5,919.9)	3,222.6
8	Total Midstream Commodity Related Costs	\$	(8,175.9)	(8,728.7)	(8,670.0)	(2,237.9)	11,297.5	17,154.6	18,473.0	16,345.2	11,655.9	(14.3)	(5,705.0)	(6,121.0)	35,273.3
9															
10	<u>Storage Related Costs</u>														
11	Storage Demand - Third Party Storage	\$	3,657.8	\$ 3,662.1	\$ 3,652.6	\$ 3,563.5	\$ 2,544.1	\$ 2,557.9	\$ 2,560.5	\$ 2,538.0	\$ 2,549.3	\$ 2,556.8	\$ 3,620.9	\$ 3,618.3	\$ 37,081.8
12	On-System Storage - Mt. Hayes (LNG)		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	1,518.3	1,699.7	1,705.5	18,885.7
13	Total Storage Related Costs	\$	5,176.2	\$ 5,180.4	\$ 5,171.0	\$ 5,274.1	\$ 4,149.5	\$ 4,080.7	\$ 4,083.4	\$ 4,060.9	\$ 4,071.8	\$ 4,075.1	\$ 5,320.6	\$ 5,323.8	\$ 55,967.5
14															
15	<u>Transportation Related Costs</u>														
16	Enbridge (BC Pipeline) - Westcoast Energy	\$	8,885.3	\$ 8,905.6	\$ 8,910.8	\$ 8,995.7	\$ 9,169.5	\$ 9,165.3	\$ 9,412.9	\$ 9,287.3	\$ 9,329.4	\$ 9,079.2	\$ 9,080.5	\$ 8,978.8	\$ 109,200.2
17	TransCanada (Foothills BC)		306.1	306.1	306.1	306.1	406.2	406.2	414.3	414.3	414.3	312.2	312.2	312.2	4,216.2
18	TransCanada (NOVA Alta)		849.4	849.4	849.4	849.4	849.4	849.4	866.4	866.4	866.4	866.4	866.4	866.4	10,294.4
19	Northwest Pipeline		376.1	379.4	375.6	359.1	722.6	773.3	763.1	697.0	757.0	371.5	371.2	375.4	6,321.3
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	\$	10,728.8	\$ 10,752.4	\$ 10,753.8	\$ 10,822.1	\$ 11,459.6	\$ 11,506.1	\$ 11,768.5	\$ 11,576.9	\$ 11,679.1	\$ 10,941.2	\$ 10,942.2	\$ 10,844.7	\$ 133,775.5
23															
24	<u>Mitigation</u>														
25	Commodity Related Mitigation	\$	(3,491.3)	\$ (3,411.2)	\$ (1,627.4)	\$ (1,050.4)	\$ (5,483.4)	\$ (1,754.7)	\$ (3,293.8)	\$ (5,451.6)	\$ (5,775.0)	\$ (388.2)	\$ (386.6)	\$ (1,689.6)	\$ (33,803.2)
26	Storage Related Mitigation		-	-	-	-	-	-	-	-	-	-	-	-	-
27	Transportation Related Mitigation		(8,791.5)	(8,804.3)	(8,841.4)	(8,141.5)	(2,293.3)	(1,785.1)	(1,614.8)	(1,123.7)	(1,808.4)	(5,500.1)	(6,064.3)	(5,952.2)	(60,720.6)
28	Total Mitigation	\$	(12,282.8)	(12,215.5)	(10,468.8)	(9,191.9)	(7,776.7)	(3,539.9)	(4,908.6)	(6,575.3)	(7,583.4)	(5,888.3)	(6,450.9)	(7,641.9)	(94,523.9)
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)	\$ (4,182.1)	\$ (4,639.8)	\$ (2,842.4)	\$ 5,038.1	\$ 19,501.5	\$ 29,573.1	\$ 29,788.0	\$ 25,779.4	\$ 20,195.0	\$ 9,485.3	\$ 4,478.6	\$ 2,777.3	\$ 134,951.9
	(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.



**bcuc**  
British Columbia  
Utilities Commission

Suite 410, 900 Howe Street  
Vancouver, BC Canada V6Z 2N3  
[bcuc.com](http://bcuc.com)

P: 604.660.4700  
TF: 1.800.663.1385  
F: 604.660.1102

June #, 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 Second Quarter Gas Cost Report  
Commodity Cost Reconciliation Account and Midstream Cost Reconciliation Account

---

On June 6, 2018, FortisBC Energy Inc. (FEI) filed with the British Columbia Utilities Commission (Commission) its 2018 Second 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 July 1, 2018.

Yours truly,

Patrick Wruck