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September 5, 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 Third Quarter Gas Cost Report**

The attached materials provide the FortisBC Energy Inc. (FEI or the Company) 2018 Third Quarter Gas Cost Report (the Third Quarter Report) for the CCRA and MCRA deferral accounts as required under the 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 August 22, 23, 24, 27 and 28, 2018 forward prices (five-day average forward prices ending August 28, 2018).

CCRA Deferral Account

Based on the five-day average forward prices ending August 28, 2018, the September 30, 2018 CCRA balance is projected to be approximately \$27 million surplus after tax. Further, based on the five-day average forward prices ending August 28, 2018, the gas purchase cost assumptions, and the forecast commodity cost recoveries at present rates for the 12-month period ending September 30, 2019, and accounting for the projected September 30, 2018 deferral balance, the CCRA trigger ratio is calculated to be 123.3 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 \$0.293/GJ (Tab 1, Page 2, Column 5, Line 26), which falls within the \$0.50/GJ minimum 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 August 28, 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 October 1, 2018 to September 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 September 30, 2018, based on the five-day average forward prices ending August 28, 2018, is projected to be approximately \$63 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 August 28, 2018 and at existing recovery rates, are projected to be approximately \$64 million and \$29 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 August 28, 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 requests approval for the Commodity Cost Recovery Charge to remain unchanged at October 1, 2018 from the current rate of \$1.549/GJ.

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

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

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachments

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
CCRA MONTHLY BALANCES AT EXISTING RATES (AFTER ADJUSTMENTS FOR ENERGY DIFFERENCES)
FOR THE FORECAST PERIOD FROM OCT 2018 TO SEP 2020
FIVE-DAY AVERAGE FORWARD PRICES - AUG 22, 23, 24, 27, AND 28, 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	Recorded May-18	Recorded Jun-18	Recorded Jul-18	Projected Aug-18	Projected Sep-18				Jan-18 to Sep-18
1														
2	CCRA Balance - Beginning (Pre-tax) ^(a)	\$ (33)	\$ (31)	\$ (27)	\$ (26)	\$ (26)	\$ (30)	\$ (33)	\$ (33)	\$ (34)				\$ (33)
3	Gas Costs Incurred	20	19	19	16	13	14	17	17	16				151
4	Revenue from APPROVED Recovery Rate	(17)	(16)	(17)	(17)	(17)	(17)	(17)	(17)	(17)				(152)
5	CCRA Balance - Ending (Pre-tax) ^(b)	\$ (31)	\$ (27)	\$ (26)	\$ (26)	\$ (30)	\$ (33)	\$ (33)	\$ (34)	\$ (37)				\$ (37)
6														
7	Tax Rate	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%				27.0%
8														
9	CCRA Balance - Ending (After-tax) ^(c)	\$ (22)	\$ (20)	\$ (19)	\$ (19)	\$ (22)	\$ (24)	\$ (24)	\$ (25)	\$ (27)				\$ (27)
10														
11														
12														
13		Forecast Oct-18	Forecast Nov-18	Forecast Dec-18	Forecast Jan-19	Forecast Feb-19	Forecast Mar-19	Forecast Apr-19	Forecast May-19	Forecast Jun-19	Forecast Jul-19	Forecast Aug-19	Forecast Sep-19	Oct-18 to Sep-19
14														
15	CCRA Balance - Beginning (Pre-tax) ^(a)	\$ (37)	\$ (38)	\$ (35)	\$ (31)	\$ (25)	\$ (20)	\$ (17)	\$ (20)	\$ (25)	\$ (29)	\$ (32)	\$ (36)	\$ (37)
16	Gas Costs Incurred	16	20	22	23	21	21	14	12	12	14	14	14	203
17	Revenue from EXISTING Recovery Rates	(17)	(17)	(17)	(17)	(16)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(204)
18	CCRA Balance - Ending (Pre-tax) ^(b)	\$ (38)	\$ (35)	\$ (31)	\$ (25)	\$ (20)	\$ (17)	\$ (20)	\$ (25)	\$ (29)	\$ (32)	\$ (36)	\$ (39)	\$ (39)
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	CCRA Balance - Ending (After-tax) ^(c)	\$ (28)	\$ (26)	\$ (22)	\$ (18)	\$ (15)	\$ (12)	\$ (15)	\$ (18)	\$ (21)	\$ (24)	\$ (26)	\$ (28)	\$ (28)
23														
24														
25														
26		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	Forecast Jul-20	Forecast Aug-20	Forecast Sep-20	Oct-19 to Sep-20
27														
28	CCRA Balance - Beginning (Pre-tax) ^(a)	\$ (39)	\$ (41)	\$ (39)	\$ (36)	\$ (31)	\$ (28)	\$ (26)	\$ (29)	\$ (33)	\$ (36)	\$ (40)	\$ (43)	\$ (39)
29	Gas Costs Incurred	16	19	21	22	20	20	14	14	14	14	14	14	201
30	Revenue from EXISTING Recovery Rates	(18)	(17)	(18)	(18)	(17)	(18)	(17)	(18)	(17)	(18)	(18)	(17)	(209)
31	CCRA Balance - Ending (Pre-tax) ^(b)	\$ (41)	\$ (39)	\$ (36)	\$ (31)	\$ (28)	\$ (26)	\$ (29)	\$ (33)	\$ (36)	\$ (40)	\$ (43)	\$ (46)	\$ (46)
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	CCRA Balance - Ending (After-tax) ^(c)	\$ (30)	\$ (28)	\$ (26)	\$ (23)	\$ (20)	\$ (19)	\$ (21)	\$ (24)	\$ (26)	\$ (29)	\$ (31)	\$ (34)	\$ (34)

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 \$2.3 million credit as at September 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 OCT 2018 TO SEP 2019
FIVE-DAY AVERAGE FORWARD PRICES - AUG 22, 23, 24, 27, AND 28, 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	<u>CCRA RATE CHANGE TRIGGER RATIO</u>					
2	(a)					
3	Projected Deferral Balance at Sep 30, 2018	\$ (37.4)				(Tab 1, Page 1, Col.14, Line 15)
4	Forecast Incurred Gas Costs - Oct 2018 to Sep 2019	\$ 202.9				(Tab 1, Page 1, Col.14, Line 16)
5	Forecast Recovery Gas Costs at Existing Recovery Rate - Oct 2018 to Sep 2019	\$ 204.1				(Tab 1, Page 1, Col.14, Line 17)
6						
7	CCRA = Forecast Recovered Gas Costs (Line 5)	= \$ 204.1		= 123.3%		
8	Ratio Forecast Incurred Gas Costs (Line 4) + Projected CCRA Balance (Line 3)	\$ 165.5				Outside 95% to 105% deadband
9						
10						
11						
12						
13	<u>Existing Cost of Gas (Commodity Cost Recovery Rate), effective January 1, 2018</u>				<u>\$ 1.549</u>	
14						
15						
16						
17						
18	<u>CCRA RATE CHANGE THRESHOLD (+/- \$0.50/GJ)</u>					
19						
20	Forecast 12-month CCRA Baseload - Oct 2018 to Sep 2019		131,752			(Tab1, Page 7, Col.5, Line 11)
21	(a)					
22	Projected Deferral Balance at Sep 30, 2018	\$ (37.4)			\$ (0.2838) ^(b)	
23	Forecast 12-month CCRA Activities - Oct 2018 to Sep 2019	\$ (1.2)			\$ (0.0090) ^(b)	
24	(Over) / Under Recovery at Existing Rate	<u>\$ (38.6)</u>				(Line 3 + Line 4 - Line 5)
25						
26	Tested Rate (Decrease) / Increase				<u>\$ (0.293)</u> ^(b)	Within minimum +/- \$0.50/GJ threshold

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 OCT 2018 TO SEP 2020
FIVE-DAY AVERAGE FORWARD PRICES - AUG 22, 23, 24, 27, AND 28, 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	Recorded May-18	Recorded Jun-18	Recorded Jul-18	Projected Aug-18	Projected Sep-18	Forecast Oct-18	Forecast Nov-18	Forecast Dec-18	Total 2018
1														
2	MCRA Balance - Beginning (Pre-tax) ^(a)	\$ (96)	\$ (99)	\$ (98)	\$ (100)	\$ (101)	\$ (96)	\$ (92)	\$ (91)	\$ (86)	\$ (81)	\$ (80)	\$ (79)	\$ (96)
3	2018 MCRA Activities													
4	<u>Rate Rider 6</u> ^(d)													
5	Amount to be amortized in 2018	\$ 6	\$ 6	\$ 5	\$ 3	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 3	\$ 5	\$ 6	\$ 40
6	Rider 6 Amortization at APPROVED 2018 Rates													
7	<u>Midstream Base Rates</u>													
8	Gas Costs Incurred	\$ 23	\$ 30	\$ 18	\$ 6	\$ (2)	\$ (3)	\$ (9)	\$ (4)	\$ (2)	\$ 6	\$ 19	\$ 28	\$ 112
9	Revenue from APPROVED Recovery Rates	(32)	(35)	(25)	(11)	6	6	8	8	5	(7)	(23)	(38)	(138)
10	Total Midstream Base Rates (Pre-tax)	\$ (9)	\$ (5)	\$ (7)	\$ (5)	\$ 4	\$ 3	\$ (1)	\$ 5	\$ 4	\$ (2)	\$ (4)	\$ (9)	\$ (26)
11														
12	MCRA Cumulative Balance - Ending (Pre-tax) ^(b)	\$ (99)	\$ (98)	\$ (100)	\$ (101)	\$ (96)	\$ (92)	\$ (91)	\$ (86)	\$ (81)	\$ (80)	\$ (79)	\$ (82)	\$ (82)
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) ^(c)	\$ (72)	\$ (72)	\$ (73)	\$ (74)	\$ (70)	\$ (67)	\$ (67)	\$ (62)	\$ (59)	\$ (58)	\$ (58)	\$ (60)	\$ (60)
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) ^(a)	\$ (82)	\$ (84)	\$ (83)	\$ (82)	\$ (81)	\$ (74)	\$ (64)	\$ (54)	\$ (44)	\$ (35)	\$ (31)	\$ (31)	\$ (82)
21	2019 MCRA Activities													
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	\$ 40
25	<u>Midstream Base Rates</u>													
26	Gas Costs Incurred	\$ 29	\$ 25	\$ 20	\$ 9	\$ 5	\$ 3	\$ 1	\$ 0	\$ 2	\$ 8	\$ 20	\$ 27	\$ 148
27	Revenue from EXISTING Recovery Rates	(37)	(29)	(23)	(11)	0	5	8	9	6	(7)	(25)	(37)	(141)
28	Total Midstream Base Rates (Pre-tax)	\$ (8)	\$ (4)	\$ (4)	\$ (2)	\$ 5	\$ 8	\$ 9	\$ 9	\$ 8	\$ 1	\$ (5)	\$ (10)	\$ 7
29														
30	MCRA Cumulative Balance - Ending (Pre-tax) ^(b)	\$ (84)	\$ (83)	\$ (82)	\$ (81)	\$ (74)	\$ (64)	\$ (54)	\$ (44)	\$ (35)	\$ (31)	\$ (31)	\$ (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) ^(c)	\$ (61)	\$ (61)	\$ (60)	\$ (59)	\$ (54)	\$ (47)	\$ (39)	\$ (32)	\$ (25)	\$ (23)	\$ (22)	\$ (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 \$0 million credit as at September 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 SEP 2020
AND US DOLLAR EXCHANGE RATE FORECAST UPDATE

Tab 1
Page 4.1

Line No	Particulars	Five-day Average Forward Prices - Aug 22, 23, 24, 27, and 28, 2018 2018 Q3 Gas Cost Report	Five-day Average Forward Prices - May 22, 23, 24, 25, and 29, 2018 2018 Q2 Gas Cost Report	Change in Forward Price
	(1)	(2)	(3)	(4) = (2) - (3)
1	SUMAS Index Prices - presented in \$US/MMBtu			
2				
3	2018			
4	April	↑ \$ 1.75	Recorded \$ 1.75	\$ -
5	May	\$ 1.69	Forecast \$ 1.80	\$ (0.11)
6	June	\$ 1.48	\$ 1.45	\$ 0.03
7	July	Recorded \$ 1.75	↓ \$ 1.98	\$ (0.23)
8	August	Forecast \$ 2.28	\$ 2.15	\$ 0.13
9	September	\$ 2.14	\$ 2.06	\$ 0.08
10	October	\$ 2.10	\$ 1.99	\$ 0.11
11	November	\$ 2.53	\$ 2.40	\$ 0.13
12	December	\$ 3.00	\$ 2.87	\$ 0.13
13	2019			
14	January	\$ 2.99	\$ 2.86	\$ 0.14
15	February	\$ 2.83	\$ 2.69	\$ 0.14
16	March	\$ 2.29	\$ 2.15	\$ 0.15
17	April	\$ 1.60	\$ 1.53	\$ 0.06
18	May	\$ 1.50	\$ 1.44	\$ 0.07
19	June	\$ 1.54	\$ 1.47	\$ 0.07
20	July	\$ 1.62	\$ 1.55	\$ 0.07
21	August	\$ 1.63	\$ 1.56	\$ 0.06
22	September	\$ 1.77	\$ 1.71	\$ 0.06
23	October	\$ 1.79	\$ 1.73	\$ 0.06
24	November	\$ 2.15	\$ 2.07	\$ 0.07
25	December	\$ 2.64	\$ 2.57	\$ 0.06
26	2020			
27	January	\$ 2.64	\$ 2.58	\$ 0.06
28	February	\$ 2.47	\$ 2.42	\$ 0.04
29	March	\$ 1.93	\$ 1.90	\$ 0.03
30	April	\$ 1.39	\$ 1.43	\$ (0.03)
31	May	\$ 1.29	\$ 1.34	\$ (0.05)
32	June	\$ 1.33	\$ 1.38	\$ (0.05)
33	July	\$ 1.41		
34	August	\$ 1.41		
35	September	\$ 1.56		
36	Simple Average (Oct 2018 - Sep 2019)	\$ 2.12	\$ 2.02	4.9% \$ 0.10
37	Simple Average (Jan 2019 - Dec 2019)	\$ 2.03	\$ 1.94	4.3% \$ 0.08
38	Simple Average (Apr 2019 - Mar 2020)	\$ 1.94	\$ 1.88	3.1% \$ 0.06
39	Simple Average (Jul 2019 - Jun 2020)	\$ 1.89	\$ 1.85	1.7% \$ 0.03
40	Simple Average (Oct 2019 - Sep 2020)	\$ 1.83		

Conversation Factors

1 MMBtu = 1.055056 GJ

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

<u>Forecast Oct 2018 - Sep 2019</u>	<u>Forecast Jul 2018 - Jun 2019</u>	
\$ 1.2957	\$ 1.2849	0.8% \$ 0.0109

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

Tab 1
Page 4.2

Line No	Particulars	Five-day Average Forward Prices - Aug 22, 23, 24, 27, and 28, 2018 2018 Q3 Gas Cost Report	Five-day Average Forward Prices - May 22, 23, 24, 25, and 29, 2018 2018 Q2 Gas Cost Report	Change in Forward Price (4) = (2) - (3)
	(1)	(2)	(3)	
1	SUMAS Index Prices - presented in \$CDN/GJ			
2				
3	2018			
4	April	\$ 2.14	Recorded \$ 2.14	\$ -
5	May	\$ 2.06	Forecast \$ 2.19	\$ (0.14)
6	June	\$ 1.82	\$ 1.77	\$ 0.05
7	July	\$ 2.18	\$ 2.42	\$ (0.24)
8	August	\$ 2.81	\$ 2.63	\$ 0.18
9	September	\$ 2.64	\$ 2.51	\$ 0.13
10	October	\$ 2.58	\$ 2.43	\$ 0.15
11	November	\$ 3.12	\$ 2.92	\$ 0.19
12	December	\$ 3.69	\$ 3.49	\$ 0.19
13	2019			
14	January	\$ 3.68	\$ 3.48	\$ 0.20
15	February	\$ 3.47	\$ 3.27	\$ 0.20
16	March	\$ 2.82	\$ 2.61	\$ 0.20
17	April	\$ 1.96	\$ 1.86	\$ 0.09
18	May	\$ 1.84	\$ 1.74	\$ 0.10
19	June	\$ 1.89	\$ 1.79	\$ 0.10
20	July	\$ 1.99	\$ 1.89	\$ 0.10
21	August	\$ 1.99	\$ 1.90	\$ 0.10
22	September	\$ 2.17	\$ 2.07	\$ 0.10
23	October	\$ 2.19	\$ 2.10	\$ 0.09
24	November	\$ 2.63	\$ 2.51	\$ 0.12
25	December	\$ 3.23	\$ 3.12	\$ 0.11
26	2020			
27	January	\$ 3.23	\$ 3.14	\$ 0.09
28	February	\$ 3.02	\$ 2.94	\$ 0.08
29	March	\$ 2.36	\$ 2.31	\$ 0.05
30	April	\$ 1.71	\$ 1.73	\$ (0.02)
31	May	\$ 1.59	\$ 1.63	\$ (0.04)
32	June	\$ 1.63	\$ 1.66	\$ (0.04)
33	July	\$ 1.72		
34	August	\$ 1.73		
35	September	\$ 1.90		
36	Simple Average (Oct 2018 - Sep 2019)	\$ 2.60	\$ 2.45	5.9% \$ 0.14
37	Simple Average (Jan 2019 - Dec 2019)	\$ 2.49	\$ 2.36	5.4% \$ 0.13
38	Simple Average (Apr 2019 - Mar 2020)	\$ 2.37	\$ 2.28	4.1% \$ 0.09
39	Simple Average (Jul 2019 - Jun 2020)	\$ 2.31	\$ 2.25	2.7% \$ 0.06
40	Simple Average (Oct 2019 - Sep 2020)	\$ 2.24		

Conversion Factors

1 MMBtu = 1.055056 GJ

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

Forecast Oct 2018 - Sep 2019	Forecast Jul 2018 - Jun 2019		
\$ 1.2957	\$ 1.2849	0.8%	\$ 0.0109




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

Tab 1
Page 5

Line No	Particulars	Five-day Average Forward Prices - Aug 22, 23, 24, 27, and 28, 2018 2018 Q3 Gas Cost Report	Five-day Average Forward Prices - May 22, 23, 24, 25, and 29, 2018 2018 Q2 Gas Cost Report	Change in Forward Price (4) = (2) - (3)
	(1)	(2)	(3)	
1	AECO Index Prices - \$CDN/GJ			
2				
3	2018			
4	April	↑ \$ 1.44	Recorded \$ 1.44	\$ -
5	May	\$ 0.74	Forecast \$ 0.74	\$ 0.00
6	June	\$ 0.74	\$ 0.68	\$ 0.07
7	July	Recorded \$ 1.45	↓ \$ 1.36	\$ 0.10
8	August	\$ 1.32	\$ 1.41	\$ (0.10)
9	September	\$ 1.28	\$ 1.43	\$ (0.15)
10	October	\$ 1.28	\$ 1.50	\$ (0.22)
11	November	↓ \$ 1.78	\$ 1.72	\$ 0.06
12	December	\$ 2.03	\$ 1.93	\$ 0.10
13	2019			
14	January	\$ 2.15	\$ 1.98	\$ 0.16
15	February	\$ 2.14	\$ 1.94	\$ 0.20
16	March	\$ 1.83	\$ 1.75	\$ 0.08
17	April	\$ 1.30	\$ 1.27	\$ 0.03
18	May	\$ 1.17	\$ 1.25	\$ (0.08)
19	June	\$ 1.19	\$ 1.26	\$ (0.08)
20	July	\$ 1.32	\$ 1.29	\$ 0.03
21	August	\$ 1.33	\$ 1.29	\$ 0.04
22	September	\$ 1.32	\$ 1.29	\$ 0.03
23	October	\$ 1.41	\$ 1.34	\$ 0.06
24	November	\$ 1.80	\$ 1.63	\$ 0.17
25	December	\$ 1.92	\$ 1.76	\$ 0.15
26	2020			
27	January	\$ 2.02	\$ 1.83	\$ 0.19
28	February	\$ 1.95	\$ 1.81	\$ 0.14
29	March	\$ 1.86	\$ 1.72	\$ 0.14
30	April	\$ 1.32	\$ 1.27	\$ 0.05
31	May	\$ 1.30	\$ 1.22	\$ 0.07
32	June	\$ 1.33	\$ 1.25	\$ 0.09
33	July	\$ 1.34		
34	August	\$ 1.34		
35	September	\$ 1.34		
36	Simple Average (Oct 2018 - Sep 2019)	\$ 1.57	\$ 1.54	1.9% \$ 0.03
37	Simple Average (Jan 2019 - Dec 2019)	\$ 1.57	\$ 1.51	4.4% \$ 0.07
38	Simple Average (Apr 2019 - Mar 2020)	\$ 1.55	\$ 1.48	4.6% \$ 0.07
39	Simple Average (Jul 2019 - Jun 2020)	\$ 1.57	\$ 1.48	6.6% \$ 0.10
40	Simple Average (Oct 2019 - Sep 2020)	\$ 1.58		

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

Tab 1
Page 6

Line No	Particulars		Five-day Average Forward Prices - Aug 22, 23, 24, 27, and 28, 2018 2018 Q3 Gas Cost Report		Five-day Average Forward Prices - May 22, 23, 24, 25, and 29, 2018 2018 Q2 Gas Cost Report		Change in Forward Price (4) = (2) - (3)	
	(1)		(2)		(3)			
1	Station 2 Index Prices - \$CDN/GJ							
2								
3	2018	April		\$ 1.55	Recorded Forecast 	\$ 1.55	\$ -	
4		May		\$ 0.85		\$ 0.90	\$ (0.04)	
5		June		\$ 0.78		\$ 0.72	\$ 0.06	
6		July		\$ 1.30		\$ 1.36	\$ (0.06)	
7		August		\$ 1.32		\$ 1.42	\$ (0.10)	
8		September		\$ 1.29		\$ 1.44	\$ (0.14)	
9		October		\$ 1.29		\$ 1.50	\$ (0.21)	
10		November		\$ 1.59	\$ 1.59	\$ (0.00)		
11		December		\$ 1.86	\$ 1.80	\$ 0.05		
12	2019	January		\$ 1.98	\$ 1.86	\$ 0.12		
13		February		\$ 1.97	\$ 1.81	\$ 0.16		
14		March		\$ 1.65		\$ 1.63	\$ 0.02	
15		April		\$ 1.17		\$ 1.13	\$ 0.03	
16		May		\$ 1.03		\$ 1.11	\$ (0.07)	
17		June		\$ 1.06		\$ 1.12	\$ (0.07)	
18		July		\$ 1.19		\$ 1.15	\$ 0.03	
19		August		\$ 1.19		\$ 1.15	\$ 0.04	
20		September		\$ 1.18		\$ 1.15	\$ 0.04	
21		October		\$ 1.27		\$ 1.20	\$ 0.07	
22		November		\$ 1.56		\$ 1.39	\$ 0.17	
23		December		\$ 1.68		\$ 1.52	\$ 0.15	
24	2020	January		\$ 1.78		\$ 1.59	\$ 0.19	
25		February		\$ 1.71		\$ 1.57	\$ 0.14	
26		March		\$ 1.62		\$ 1.48	\$ 0.14	
27		April		\$ 1.13		\$ 1.03	\$ 0.10	
28		May		\$ 1.10		\$ 0.97	\$ 0.12	
29		June		\$ 1.14		\$ 1.00	\$ 0.14	
30		July		\$ 1.14				
31		August		\$ 1.14				
32		September		\$ 1.14				
33								
34	Simple Average (Oct 2018 - Sep 2019)			\$ 1.43		\$ 1.42	0.9%	\$ 0.01
35	Simple Average (Jan 2019 - Dec 2019)			\$ 1.41		\$ 1.35	4.3%	\$ 0.06
36	Simple Average (Apr 2019 - Mar 2020)			\$ 1.37		\$ 1.30	5.6%	\$ 0.07
37	Simple Average (Jul 2019 - Jun 2020)			\$ 1.38		\$ 1.27	8.8%	\$ 0.11
38	Simple Average (Oct 2019 - Sep 2020)			\$ 1.37				

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
GAS BUDGET COST SUMMUARY FOR THE FORECAST PERIOD OCT 2018 TO SEP 2019
FIVE-DAY AVERAGE FORWARD PRICES - AUG 22, 23, 24, 27, AND 28, 2018

Tab 1
Page 7

No.	Particulars	Costs (\$000)		Quantities (TJ)		Unit Cost (\$/GJ)	Reference / Comments
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	CCRA						
2	<u>Commodity</u>						
3	STN 2	\$	146,191		104,051	\$ 1.405	
4	AECO		52,254		33,300	\$ 1.569	
5	Huntingdon		-		-		
6	Commodity Costs before Hedging	\$	198,445		137,352	\$ 1.445	incl. Receipt Point Fuel 2017/18 Percentages.
7	Mark to Market Hedges Cost / (Gain)		2,967		-		
8	Subtotal Commodity Purchased	\$	201,412		137,352	\$ 1.466	
9	Core Market Administration Costs		1,483		-		
10	Fuel Gas Provided to Midstream				(5,599)		
11	Total CCRA Baseload				131,752		
12	Total CCRA Costs	\$	202,895			\$ 1.540	Commodity available for sales average unit cost
13							
14							
15	MCRA						
16	<u>Midstream Commodity Related Costs</u>						
17	Midstream Commodity before Hedging	\$	37,703		21,190	\$ 1.779	
18	Mark to Market Hedges Cost / (Gain)		-		-		
19	Imbalance		(677)		(523)		
20	Company Use Gas Recovered from O&M		(4,787)		(701)		
21	Injections into Storage	\$	(38,130)		(28,424)	\$ 1.341	
22	Withdrawals from Storage		40,831		29,685	\$ 1.375	
23	Storage Withdrawal / (Injection) Activity		2,701		1,261		
24	Total Midstream Commodity Related Costs	\$	34,940		21,227	\$ 1.646	
25							
26	<u>Storage Related Costs</u>						
27	Storage Demand - Third Party Storage	\$	37,190				
28	On-System Storage - Mt. Hayes (LNG)		18,886				
29	Total Storage Related Costs		56,076				
30							
31	<u>Transport Related Costs</u>		134,228				
32							
33	<u>Mitigation</u>						
34	Commodity Mitigation	\$	(31,021)		(19,742)		
35	Storage Mitigation		-				
36	Transportation Mitigation		(52,283)				
37	Total Mitigation		(83,304)				
38							
39	<u>GSMIP Incentive Sharing</u>		1,000				
40							
41	<u>Core Market Administration Costs</u>		3,459				
42							
43	Net Transportation Fuels ^(a)			159			
44	UAF (Sales and T-Service) ^(b)			(1,643)			
45	<u>UAF & Net Transportation Fuels</u>				(1,485)		
46							
47	Net MCRA Commodity (Lines 24, 34 & 45)				-		
48	Total MCRA Costs (Lines 24, 29, 31, 37, 39, & 41)	\$	146,398			\$ 1.082	Midstream average unit cost
49	Total Core Sales Quantities				135,302		
50	Total Forecast Gas Costs (Lines 12 & 48)	\$	349,293				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 OCT 2018 TO SEP 2019
FIVE-DAY AVERAGE FORWARD PRICES - AUG 22, 23, 24, 27, AND 28, 2018
\$(Millions)

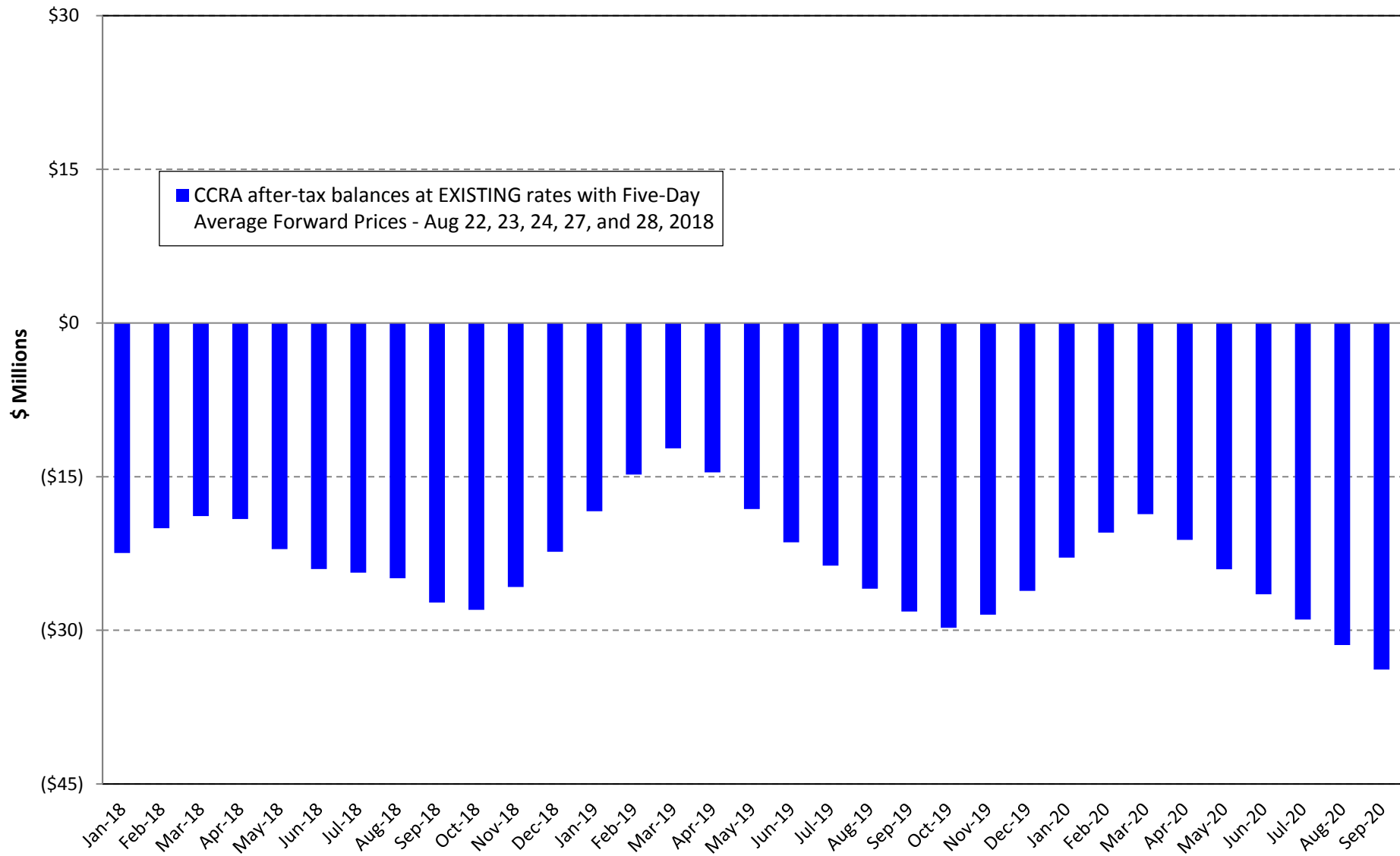
Tab 1
Page 8

No.	Particulars	CCRA / MCRA Deferral Account Forecast	Gas Budget Cost Summary	References
	(1)	(2)	(3)	(4)
1	Gas Cost Incurred			
2	CCRA	\$ 203		(Tab 1, Page 1, Col.14, Line 16)
3	MCRA	146		(Tab 2, Page 6.1, Col.15, Line 33)
4				
5				
6	Gas Budget Cost Summary			
7	CCRA		\$ 203	(Tab 1, Page 7, Col.3, Line 12)
8	MCRA		146	(Tab 1, Page 7, Col.3, Line 48)
9				
10				
11	Totals Reconciled	\$ 349	\$ 349	

Slight differences in totals due to rounding.

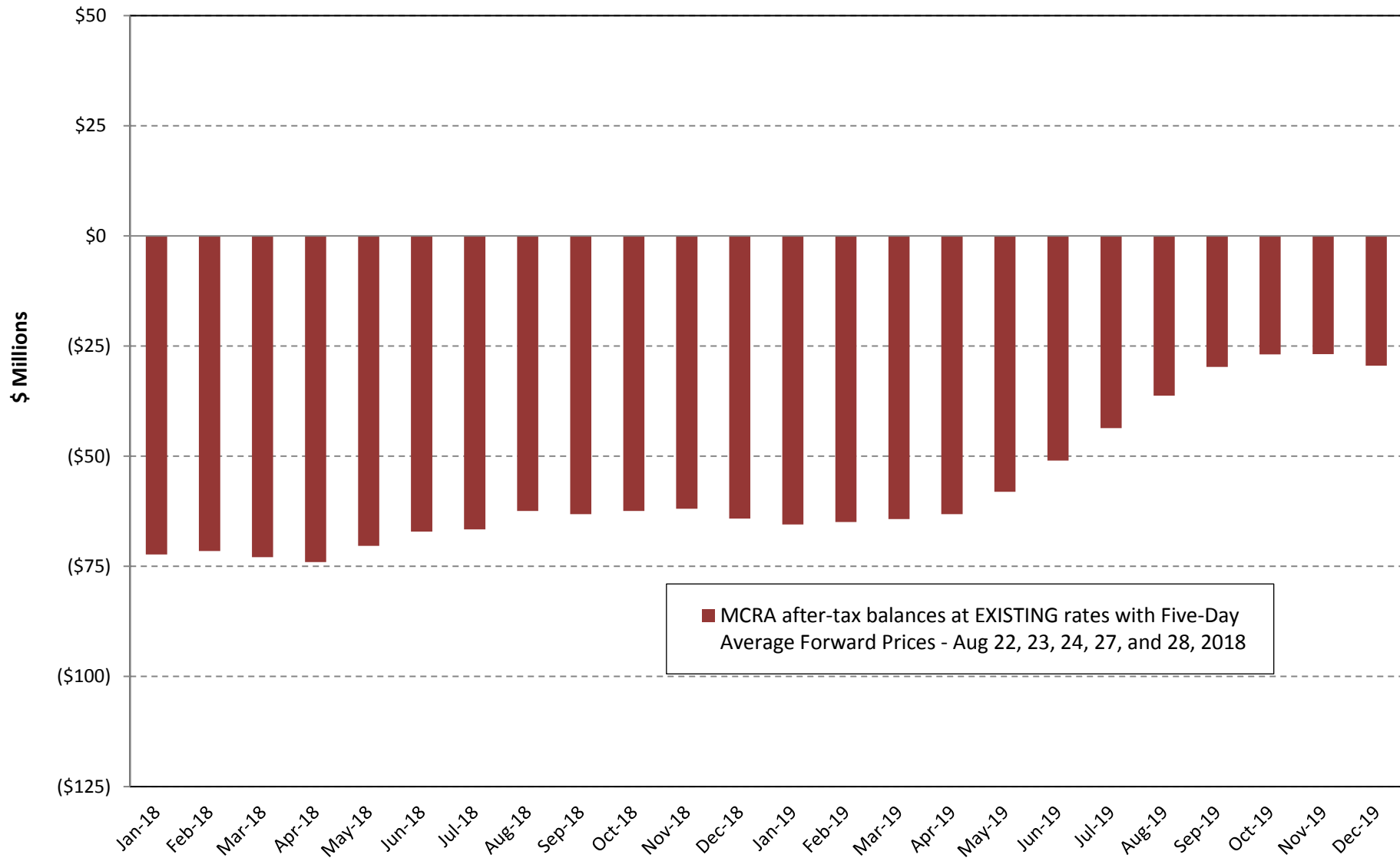
FortisBC Energy Inc. - Mainland, Vancouver Island and Whistler Service Areas
 CCRA After-Tax Monthly Balances
 Recorded to July 2018 and Forecast to September 2020

Tab 1
 Page 9



FortisBC Energy Inc. - Mainland, Vancouver Island and Whistler Service Areas
 MCRA After-Tax Monthly Balances
 Recorded to July 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 JUL 2018 AND FORECAST TO SEP 2019
FIVE-DAY AVERAGE FORWARD PRICES - AUG 22, 23, 24, 27, AND 28, 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	Recorded May-18	Recorded Jun-18	Recorded Jul-18	Projected Aug-18	Projected Sep-18				Jan-18 to Sep-18 Total
1															
2	CCRA QUANTITIES														
3	Commodity Purchase	(TJ)													
4	STN 2		8,812	7,962	8,801	8,584	8,871	8,584	8,904	8,837	8,552				77,908
5	AECO		2,780	2,512	2,776	2,708	2,798	2,708	2,809	2,828	2,737				24,656
6	Total Commodity Purchased		11,592	10,474	11,578	11,292	11,669	11,292	11,713	11,665	11,289				102,565
7	Fuel Gas Provided to Midstream		(473)	(427)	(472)	(460)	(476)	(460)	(478)	(476)	(460)				(4,181)
8	Commodity Available for Sale		11,119	10,047	11,106	10,832	11,194	10,832	11,235	11,190	10,829				98,383
9															
10	CCRA COSTS														
11	Commodity Costs	(\$000)													
12	STN 2		\$ 13,615	\$ 13,459	\$ 12,851	\$ 10,524	\$ 4,704	\$ 5,952	\$ 10,928	\$ 9,978	\$ 9,361				\$ 91,371
13	AECO		5,319	4,873	4,731	3,831	2,363	2,221	3,900	3,736	3,513				34,488
14	Commodity Costs before Hedging		\$ 18,934	\$ 18,331	\$ 17,581	\$ 14,355	\$ 7,067	\$ 8,173	\$ 14,828	\$ 13,714	\$ 12,874				\$ 125,859
15	Mark to Market Hedges Cost / (Gain)		615	422	1,125	1,980	6,058	5,841	1,976	2,742	2,859				23,618
16	Core Market Administration Costs		142	104	107	90	118	127	117	124	124				1,054
17	Total CCRA Costs		\$ 19,692	\$ 18,857	\$ 18,814	\$ 16,426	\$ 13,244	\$ 14,142	\$ 16,920	\$ 16,579	\$ 15,856				\$ 150,531
18															
19															
20	CCRA Unit Cost	(\$/GJ)	\$ 1.771	\$ 1.877	\$ 1.694	\$ 1.516	\$ 1.183	\$ 1.306	\$ 1.506	\$ 1.482	\$ 1.464				\$ 1.530
21															
22															
23			Forecast Oct-18	Forecast Nov-18	Forecast Dec-18	Forecast Jan-19	Forecast Feb-19	Forecast Mar-19	Forecast Apr-19	Forecast May-19	Forecast Jun-19	Forecast Jul-19	Forecast Aug-19	Forecast Sep-19	1-12 months Total
24															
25	CCRA QUANTITIES														
26	Commodity Purchase	(TJ)													
27	STN 2		8,837	8,552	8,837	8,837	7,982	8,837	8,552	8,837	8,552	8,837	8,837	8,552	104,051
28	AECO		2,828	2,737	2,828	2,828	2,555	2,828	2,737	2,828	2,737	2,828	2,828	2,737	33,300
29	Total Commodity Purchased		11,665	11,289	11,665	11,665	10,537	11,665	11,289	11,665	11,289	11,665	11,665	11,289	137,352
30	Fuel Gas Provided to Midstream		(476)	(460)	(476)	(476)	(430)	(476)	(460)	(476)	(460)	(476)	(476)	(460)	(5,599)
31	Commodity Available for Sale		11,190	10,829	11,190	11,190	10,107	11,190	10,829	11,190	10,829	11,190	11,190	10,829	131,752
32															
33	CCRA COSTS	(\$000)													
34	Commodity Costs														
35	STN 2		\$ 9,666	\$ 13,701	\$ 16,411	\$ 17,491	\$ 15,742	\$ 14,661	\$ 9,880	\$ 9,002	\$ 8,917	\$ 10,347	\$ 10,397	\$ 9,976	\$ 146,191
36	AECO		3,628	4,889	5,738	6,084	5,475	5,194	3,572	3,305	3,264	3,741	3,757	3,608	52,254
37	Commodity Costs before Hedging		\$ 13,294	\$ 18,589	\$ 22,150	\$ 23,575	\$ 21,218	\$ 19,855	\$ 13,452	\$ 12,306	\$ 12,181	\$ 14,087	\$ 14,153	\$ 13,584	\$ 198,445
38	Mark to Market Hedges Cost / (Gain)		2,953	1,115	(234)	(931)	(802)	866	-	-	-	-	-	-	2,967
39	Core Market Administration Costs		124	124	124	124	124	124	124	124	124	124	124	124	1,483
40	Total CCRA Costs		\$ 16,371	\$ 19,828	\$ 22,039	\$ 22,767	\$ 20,540	\$ 20,845	\$ 13,575	\$ 12,430	\$ 12,304	\$ 14,211	\$ 14,277	\$ 13,708	\$ 202,895
41															
42															
43	CCRA Unit Cost	(\$/GJ)	\$ 1.463	\$ 1.831	\$ 1.970	\$ 2.035	\$ 2.032	\$ 1.863	\$ 1.254	\$ 1.111	\$ 1.136	\$ 1.270	\$ 1.276	\$ 1.266	\$ 1.540

Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
CCRA INCURRED MONTHLY ACTIVITIES
FORECAST PERIOD FROM OCT 2019 TO SEP 2020
FIVE-DAY AVERAGE FORWARD PRICES - AUG 22, 23, 24, 27, AND 28, 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
			Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Total
3	CCRA QUANTITIES														
4	Commodity Purchase	(TJ)													
5	STN 2		9,025	8,734	9,025	9,025	8,442	9,025	8,734	9,025	8,734	9,025	9,025	8,734	106,550
6	AECO		<u>2,888</u>	<u>2,795</u>	<u>2,888</u>	<u>2,888</u>	<u>2,702</u>	<u>2,888</u>	<u>2,795</u>	<u>2,888</u>	<u>2,795</u>	<u>2,888</u>	<u>2,888</u>	<u>2,795</u>	<u>34,100</u>
7	Total Commodity Purchased		11,913	11,529	11,913	11,913	11,144	11,913	11,529	11,913	11,529	11,913	11,913	11,529	140,650
8	Fuel Gas Provided to Midstream		<u>(486)</u>	<u>(470)</u>	<u>(486)</u>	<u>(486)</u>	<u>(454)</u>	<u>(486)</u>	<u>(470)</u>	<u>(486)</u>	<u>(470)</u>	<u>(486)</u>	<u>(486)</u>	<u>(470)</u>	<u>(5,734)</u>
9	Commodity Available for Sale		<u>11,427</u>	<u>11,059</u>	<u>11,427</u>	<u>11,427</u>	<u>10,690</u>	<u>11,427</u>	<u>11,059</u>	<u>11,427</u>	<u>11,059</u>	<u>11,427</u>	<u>11,427</u>	<u>11,059</u>	<u>134,916</u>
10															
11															
12	CCRA COSTS	(\$000)													
13	Commodity Costs														
14	STN 2		\$ 11,334	\$ 13,703	\$ 15,217	\$ 16,166	\$ 14,514	\$ 14,661	\$ 9,851	\$ 9,921	\$ 9,918	\$ 10,308	\$ 10,297	\$ 9,958	\$ 145,848
15	AECO		<u>4,070</u>	<u>5,046</u>	<u>5,552</u>	<u>5,856</u>	<u>5,278</u>	<u>5,368</u>	<u>3,711</u>	<u>3,753</u>	<u>3,733</u>	<u>3,882</u>	<u>3,879</u>	<u>3,751</u>	<u>53,878</u>
16	Commodity Costs before Hedging		\$ 15,403	\$ 18,748	\$ 20,769	\$ 22,022	\$ 19,792	\$ 20,029	\$ 13,562	\$ 13,674	\$ 13,651	\$ 14,190	\$ 14,176	\$ 13,710	\$ 199,726
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	Total CCRA Costs		<u>\$ 15,527</u>	<u>\$ 18,872</u>	<u>\$ 20,893</u>	<u>\$ 22,145</u>	<u>\$ 19,916</u>	<u>\$ 20,153</u>	<u>\$ 13,686</u>	<u>\$ 13,797</u>	<u>\$ 13,775</u>	<u>\$ 14,314</u>	<u>\$ 14,299</u>	<u>\$ 13,833</u>	<u>\$ 201,209</u>
20															
21															
22	CCRA Unit Cost	(\$/GJ)	\$ 1.359	\$ 1.707	\$ 1.828	\$ 1.938	\$ 1.863	\$ 1.764	\$ 1.238	\$ 1.207	\$ 1.246	\$ 1.253	\$ 1.251	\$ 1.251	\$ 1.491

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 OCT 1, 2018 TO SEP 30, 2019
 FIVE-DAY AVERAGE FORWARD PRICES - AUG 22, 23, 24, 27, AND 28, 2018

Tab 2
 Page 3

Line No.	Particulars	Unit	RS-1 to RS-7
	(1)		(2)
1	<u>CCRA Baseload</u>	TJ	131,752
2			
3			
4	<u>CCRA Incurred Costs</u>	\$000	
5	STN 2		\$ 146,191.2
6	AECO		52,253.7
7	CCRA Commodity Costs before Hedging		\$ 198,444.9
8	Mark to Market Hedges Cost / (Gain)		2,967.5
9	Core Market Administration Costs		1,482.6
10	Total Incurred Costs before CCRA deferral amortization		\$ 202,895.0
11			
12	Pre-tax CCRA Deficit / (Surplus) as of Sep 30, 2018		(37,392.7)
13	Total CCRA Incurred Costs		\$ 165,502.3
14			
15			
16	<u>CCRA Incurred Unit Costs</u>	\$/GJ	
17	CCRA Commodity Costs before Hedging		\$ 1.5062
18	Mark to Market Hedges Cost / (Gain)		0.0225
19	Core Market Administration Costs		0.0113
20	Total Incurred Costs before CCRA deferral amortization		\$ 1.5400
21	Pre-tax CCRA Deficit / (Surplus) as of Sep 30, 2018		(0.2838)
22	CCRA Gas Costs Incurred -- Flow-Through		\$ 1.2562
23			
24			
25			
26			
27			
28			
29	<u>Cost of Gas (Commodity Cost Recovery Charge)</u>		RS-1 to RS-7
30			
31	TESTED Flow-Through Cost of Gas effective Oct 1, 2018		\$ 1.256
32			
33	Existing Cost of Gas (effective since Jan 1, 2018)		\$ 1.549
34			
35	Cost of Gas Increase / (Decrease)	\$/GJ	\$ (0.293)
36			
37	Cost of Gas Percentage Increase / (Decrease)		-18.92%

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 - AUG 22, 23, 24, 27, AND 28, 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	Recorded May-18	Recorded Jun-18	Recorded Jul-18	Projected Aug-18	Projected Sep-18	Forecast Oct-18	Forecast Nov-18	Forecast Dec-18	2018 Total
1	MCRA COSTS	(\$000)													
2	<u>Midstream Commodity Related Costs</u>														
3	Midstream Commodity Costs before Hedging ^(a)		\$ 7,499.4	\$ 11,589.7	\$ 4,674.1	\$ 386.7	\$ 795.2	\$ (255.6)	\$ 39.4	\$ 4.0	\$ 6.4	\$ 3.9	\$ 4,952.3	\$ 8,811.2	\$ 38,506.9
4	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	-
5	Imbalance ^(b)	\$ 900.3	218.7	(459.3)	94.8	164.3	(474.0)	46.0	186.0	-	-	-	-	-	(223.6)
6	Company Use Gas Recovered from O&M		(571.4)	(425.1)	(291.1)	(188.6)	(232.6)	112.3	(51.1)	(102.2)	(142.7)	(214.5)	(458.3)	(744.6)	(3,309.7)
7	Storage Withdrawal / (Injection) Activity ^(c)		11,558.0	9,332.6	8,072.8	708.2	(4,316.5)	(4,019.5)	(7,150.6)	(7,795.5)	(6,155.7)	(2,100.4)	5,590.6	8,508.2	12,232.3
8	Total Midstream Commodity Related Costs		\$ 18,704.6	\$ 20,037.9	\$ 12,550.7	\$ 1,070.6	\$ (4,227.9)	\$ (4,116.7)	\$ (6,976.3)	\$ (7,893.6)	\$ (6,292.0)	\$ (2,310.9)	\$ 10,084.7	\$ 16,574.8	\$ 47,205.9
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	\$ 3,680.9	\$ 3,676.2	\$ 3,775.6	\$ 3,677.2	\$ 3,645.5	\$ 3,583.2	\$ 2,552.4	\$ 2,566.3	\$ 37,415.2
12	On-System Storage - Mt. Hayes (LNG)		1,514.2	1,520.6	1,518.7	1,563.8	1,677.2	1,519.1	1,594.9	1,518.3	1,518.3	1,710.6	1,605.4	1,522.8	18,784.0
13	Total Storage Related Costs		\$ 4,036.2	\$ 4,101.0	\$ 4,138.8	\$ 4,099.1	\$ 5,358.2	\$ 5,195.3	\$ 5,370.5	\$ 5,195.6	\$ 5,163.8	\$ 5,293.8	\$ 4,157.8	\$ 4,089.1	\$ 56,199.2
14															
15	<u>Transportation Related Costs</u>														
16	Enbridge (BC Pipeline) - Westcoast Energy		\$ 9,084.9	\$ 9,482.8	\$ 8,878.9	\$ 8,855.8	\$ 8,640.2	\$ 8,346.2	\$ 8,626.9	\$ 8,903.4	\$ 8,908.7	\$ 8,993.0	\$ 9,151.0	\$ 9,152.7	\$ 107,024.5
17	TransCanada (Foothills BC)		406.2	406.2	406.2	304.1	308.7	304.1	316.5	306.1	306.1	306.1	288.8	406.2	4,065.2
18	TransCanada (NOVA Alta)		833.3	833.3	833.3	814.7	828.9	398.4	1,264.2	849.4	849.4	849.4	849.4	849.4	10,053.1
19	Northwest Pipeline		675.3	687.7	735.8	347.0	366.8	372.2	376.5	373.1	359.9	362.6	729.7	780.9	6,167.4
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		\$ 11,311.7	\$ 11,722.0	\$ 11,166.1	\$ 10,633.7	\$ 10,456.5	\$ 9,732.8	\$ 10,896.1	\$ 10,743.9	\$ 10,736.0	\$ 10,823.0	\$ 11,330.9	\$ 11,501.1	\$ 131,053.6
23															
24	<u>Mitigation</u>														
25	Commodity Related Mitigation		\$ (7,497.1)	\$ (4,174.5)	\$ (6,004.6)	\$ (2,963.5)	\$ (3,287.3)	\$ (4,235.8)	\$ (6,608.0)	\$ (3,637.0)	\$ (3,167.2)	\$ (785.9)	\$ (4,951.2)	\$ (2,344.1)	\$ (49,656.1)
26	Storage Related Mitigation		(3.0)	-	(1,267.1)	975.9	6.8	(28.4)	(35.6)	-	-	-	-	-	(351.4)
27	Transportation Related Mitigation		(3,797.7)	(2,121.2)	(2,785.4)	(8,131.3)	(10,794.5)	(9,601.0)	(12,035.3)	(8,542.3)	(8,467.4)	(7,855.8)	(2,064.0)	(1,727.3)	(77,923.2)
28	Total Mitigation		\$ (11,297.8)	\$ (6,295.7)	\$ (10,057.2)	\$ (10,118.9)	\$ (14,075.0)	\$ (13,865.1)	\$ (18,678.9)	\$ (12,179.3)	\$ (11,634.7)	\$ (8,641.6)	\$ (7,015.2)	\$ (4,071.3)	\$ (127,930.6)
29															
30	<u>GSMIP Incentive Sharing</u>		\$ 380.0	\$ 353.4	\$ 178.6	\$ 147.2	\$ 177.4	\$ 159.1	\$ 174.9	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 1,987.2
31															
32	<u>Core Market Administration Costs</u>		\$ 331.7	\$ 243.3	\$ 250.5	\$ 211.1	\$ 276.1	\$ 297.3	\$ 272.2	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 288.3	\$ 3,323.6
33	TOTAL MCRA COSTS	(\$000)	\$ 23,466.5	\$ 30,161.7	\$ 18,227.5	\$ 6,042.7	\$ (2,034.7)	\$ (2,597.2)	\$ (8,941.6)	\$ (3,761.9)	\$ (1,655.2)	\$ 5,535.9	\$ 18,929.7	\$ 28,465.3	\$ 111,838.9
	(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").

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 - AUG 22, 23, 24, 27, AND 28, 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	MCRA COSTS	(\$000)													
2	<u>Midstream Commodity Related Costs</u>														
3	Midstream Commodity Costs before Hedging ^(a)		\$ 9,397.4	\$ 8,459.6	\$ 5,324.8	\$ 127.3	\$ 115.7	\$ 114.7	\$ 133.4	\$ 134.1	\$ 128.6	\$ 4.7	\$ 4,226.0	\$ 7,252.5	\$ 35,418.9
4	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	-
5	Imbalance ^(b)	\$ 676.8	(676.8)	-	-	-	-	-	-	-	-	-	-	-	(676.8)
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 ^(c)		8,618.3	7,640.6	5,621.6	228.6	(5,095.5)	(5,583.4)	(7,491.8)	(7,283.1)	(5,952.8)	(1,881.8)	5,561.7	8,320.2	2,702.7
8	Total Midstream Commodity Related Costs		\$ 16,472.1	\$ 15,417.0	\$ 10,363.8	\$ (52.0)	\$ (5,208.6)	\$ (5,671.1)	\$ (7,511.8)	\$ (7,251.2)	\$ (5,966.9)	\$ (2,091.6)	\$ 9,329.4	\$ 14,828.2	\$ 32,657.4
9															
10	<u>Storage Related Costs</u>														
11	Storage Demand - Third Party Storage		\$ 2,569.0	\$ 2,546.4	\$ 2,557.9	\$ 2,565.3	\$ 3,639.3	\$ 3,636.7	\$ 3,664.2	\$ 3,667.5	\$ 3,641.6	\$ 3,574.4	\$ 2,548.8	\$ 2,562.2	\$ 37,173.2
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		\$ 4,091.9	\$ 4,069.3	\$ 4,080.4	\$ 4,083.7	\$ 5,339.0	\$ 5,342.2	\$ 5,182.6	\$ 5,185.9	\$ 5,160.0	\$ 5,284.9	\$ 4,154.2	\$ 4,085.0	\$ 56,058.9
14															
15	<u>Transportation Related Costs</u>														
16	Enbridge (BC Pipeline) - Westcoast Energy		\$ 9,398.8	\$ 9,275.5	\$ 9,311.2	\$ 9,081.5	\$ 9,006.4	\$ 9,024.7	\$ 9,090.7	\$ 9,077.1	\$ 9,082.4	\$ 9,170.5	\$ 9,317.8	\$ 9,319.5	\$ 110,156.1
17	TransCanada (Foothills BC)		414.3	414.3	414.3	312.2	312.2	312.2	312.2	312.2	312.2	312.2	294.6	414.3	4,137.3
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		770.6	703.9	764.7	375.2	372.1	376.3	390.9	384.0	365.8	360.8	726.6	777.2	6,368.2
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		\$ 11,762.0	\$ 11,572.1	\$ 11,668.4	\$ 10,947.3	\$ 10,869.1	\$ 10,891.6	\$ 10,972.2	\$ 10,951.7	\$ 10,938.7	\$ 11,021.8	\$ 11,517.3	\$ 11,689.3	\$ 134,801.3
23															
24	<u>Mitigation</u>														
25	Commodity Related Mitigation		\$ (2,448.6)	\$ (5,168.5)	\$ (5,120.3)	\$ (547.0)	\$ (530.8)	\$ (1,669.2)	\$ (2,372.8)	\$ (2,708.8)	\$ (2,374.1)	\$ (969.9)	\$ (3,348.0)	\$ (2,442.4)	\$ (29,700.3)
26	Storage Related Mitigation		-	-	-	-	-	-	-	-	-	-	-	-	-
27	Transportation Related Mitigation		(1,579.5)	(1,123.7)	(1,685.1)	(5,450.7)	(6,280.4)	(6,019.3)	(6,080.3)	(6,246.1)	(6,171.2)	(5,559.5)	(2,064.0)	(1,727.3)	(49,987.1)
28	Total Mitigation		\$ (4,028.1)	\$ (6,292.2)	\$ (6,805.3)	\$ (5,997.8)	\$ (6,811.2)	\$ (7,688.4)	\$ (8,453.1)	\$ (8,954.9)	\$ (8,545.2)	\$ (6,529.4)	\$ (5,412.0)	\$ (4,169.6)	\$ (79,687.3)
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	TOTAL MCRA COSTS	(\$000)	\$ 28,669.4	\$ 25,137.8	\$ 19,678.9	\$ 9,352.8	\$ 4,559.9	\$ 3,245.8	\$ 561.5	\$ 303.1	\$ 1,958.2	\$ 8,057.4	\$ 19,960.5	\$ 26,804.4	\$ 148,289.7

(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 OCT 2018 TO SEP 2019
FIVE-DAY AVERAGE FORWARD PRICES - AUG 22, 23, 24, 27, AND 28, 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	MCRA Sales Quantity	TJ	80,661.1	30,163.2	21,026.6	2,986.9	35.8	134,873.5	141.7	286.4	135,301.6		1,500.2	1,300.0	16,942.2
2															
3	Load Factor Adjusted Quantity														
4	Load Factor ^(a)	%	31.8%	31.5%	37.3%	50.0%	100.0%								
5	Load Factor Adjusted Quantity	TJ	253,578.4	95,629.7	56,334.3	5,973.7	35.8	411,551.9							
6	Load Factor Adjusted Volumetric Allocation	%	61.6%	23.2%	13.7%	1.5%	0.0%	100.0%							
7															
8															
9	MCRA Cost of Gas - Load Factor Adjusted Allocation														
10	Midstream Commodity Related Costs (Net of Mitigation)	\$000	\$ 1,872.1	\$ 706.0	\$ 415.9	\$ 44.1	\$ 0.3	\$ 3,038.4			\$ 3,038.4		\$ (1,924.0)	\$ (1,892.3)	\$ -
11	Midstream Commodity Related Costs		20,985.8	7,914.2	4,662.2	494.4	3.0	34,059.5					1,896.0	1,815.4	22,666.7
12	Midstream Commodity Related Mitigation		(19,113.7)	(7,208.2)	(4,246.3)	(450.3)	(2.7)	(31,021.1)					(3,820.0)	(3,707.7)	(22,666.7)
13	Storage Related Costs (Net of Mitigation)	\$000	34,551.1	13,029.9	7,675.8	813.9	4.9	56,075.6			56,075.6		-	-	-
14	Storage Related Costs		34,551.1	13,029.9	7,675.8	813.9	4.9	56,075.6					-	-	-
15	Storage Related Mitigation		-	-	-	-	-	-					-	-	-
16	Transportation Related Costs (Net of Mitigation)	\$000	50,490.3	19,040.9	11,216.8	1,189.4	7.1	81,944.6			81,944.6		628.4	544.0	-
17	Transportation Related Costs		82,704.7	31,189.7	18,373.5	1,948.3	11.7	134,227.9					628.4	544.0	-
18	Transportation Related Mitigation		(32,214.4)	(12,148.7)	(7,156.7)	(758.9)	(4.5)	(52,283.3)					-	-	-
19	GSMIP Incentive Sharing	\$000	616.2	232.4	136.9	14.5	0.1	1,000.0			1,000.0		-	-	-
20	Core Market Administration Costs - MCRA 70%	\$000	2,131.5	803.8	473.5	50.2	0.3	3,459.4			3,459.4		-	-	-
21	Total Midstream Cost of Gas Allocated by Rate Class	\$000	\$ 89,661.1	\$ 33,813.1	\$ 19,918.9	\$ 2,112.2	\$ 12.6	\$ 145,517.9			\$ 145,517.9	\$ 145,517.9	\$ (1,295.6)	\$ (1,348.3)	\$ -
22	T-Service UAF to be recovered via delivery revenues ^(b)										880.4				
23	Total MCRA Gas Costs ^(c)										\$ 146,398.3				
24	1/2 of Pre-Tax Amort. MCRA Deficit/(Surplus) as of Oct 1, 2018	\$000	\$ (26,655.3)	\$ (10,052.3)	\$ (5,921.7)	\$ (627.9)	\$ (3.8)	\$ (43,261.0)			\$ (43,261.0)				
25															
26															
27	MCRA Cost of Gas Unitized										Average Costs				
28	Midstream Commodity Related Costs (Net of Mitigation)	\$/GJ	\$ 0.0232	\$ 0.0234	\$ 0.0198	\$ 0.0148	\$ 0.0074				\$ 0.0225				
29	Storage Related Costs (Net of Mitigation)	\$/GJ	0.4283	0.4320	0.3651	0.2725	0.1363				0.4144				
30	Transportation Related Costs (Net of Mitigation)	\$/GJ	0.6260	0.6313	0.5335	0.3982	0.1991				0.6056				
31	GSMIP Incentive Sharing	\$/GJ	0.0076	0.0077	0.0065	0.0049	0.0024				0.0074				
32	Core Market Administration Costs - MCRA 70%	\$/GJ	0.0264	0.0266	0.0225	0.0168	0.0084				0.0256				
33	MCRA Flow-Through Costs before MCRA deferral amortization	\$/GJ	\$ 1.1116	\$ 1.1210	\$ 0.9473	\$ 0.7072	\$ 0.3536				\$ 1.0755				
34	MCRA Deferral Amortization via Rate Rider 6	\$/GJ	\$ (0.3305)	\$ (0.3333)	\$ (0.2816)	\$ (0.2102)	\$ (0.1051)				\$ (0.3197)				
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 OCT 2018 TO SEP 2019
FIVE-DAY AVERAGE FORWARD PRICES - AUG 22, 23, 24, 27, AND 28, 2018

Tab 2
Page 6.1

Line No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
				Forecast Oct-18	Forecast Nov-18	Forecast Dec-18	Forecast Jan-19	Forecast Feb-19	Forecast Mar-19	Forecast Apr-19	Forecast May-19	Forecast Jun-19	Forecast Jul-19	Forecast Aug-19	Forecast Sep-19	Oct-18 to Sep-19 Total
1	MCRA COSTS		(\$000)													
2	<u>Midstream Commodity Related Costs</u>															
3	Midstream Commodity Costs before Hedging ^(a)	\$	3.9	\$ 4,952.3	\$ 8,811.2	\$ 9,397.4	\$ 8,459.6	\$ 5,324.8	\$ 127.3	\$ 115.7	\$ 114.7	\$ 133.4	\$ 134.1	\$ 128.6	\$	37,703.2
4	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Imbalance ^(b)		-	-	-	(676.8)	-	-	-	-	-	-	-	-	-	(676.8)
6	Company Use Gas Recovered from O&M		(214.5)	(458.3)	(744.6)	(866.9)	(683.2)	(582.6)	(408.0)	(228.8)	(202.4)	(153.4)	(102.2)	(142.7)		(4,787.5)
7	Storage Withdrawal / (Injection) Activity ^(c)		(2,100.4)	5,590.6	8,508.2	8,618.3	7,640.6	5,621.6	228.6	(5,095.5)	(5,583.4)	(7,491.8)	(7,283.1)	(5,952.8)		2,701.0
8	Total Midstream Commodity Related Costs	\$	(2,310.9)	\$ 10,084.7	\$ 16,574.8	\$ 16,472.1	\$ 15,417.0	\$ 10,363.8	\$ (52.0)	\$ (5,208.6)	\$ (5,671.1)	\$ (7,511.8)	\$ (7,251.2)	\$ (5,966.9)	\$	34,939.9
9																
10	<u>Storage Related Costs</u>															
11	Storage Demand - Third Party Storage	\$	3,583.2	\$ 2,552.4	\$ 2,566.3	\$ 2,569.0	\$ 2,546.4	\$ 2,557.9	\$ 2,565.3	\$ 3,639.3	\$ 3,636.7	\$ 3,664.2	\$ 3,667.5	\$ 3,641.6	\$	37,189.8
12	On-System Storage - Mt. Hayes (LNG)		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	1,518.4	1,518.3	1,518.3		18,885.7
13	Total Storage Related Costs	\$	5,293.8	\$ 4,157.8	\$ 4,089.1	\$ 4,091.9	\$ 4,069.3	\$ 4,080.4	\$ 4,083.7	\$ 5,339.0	\$ 5,342.2	\$ 5,182.6	\$ 5,185.9	\$ 5,160.0	\$	56,075.6
14																
15	<u>Transportation Related Costs</u>															
16	Enbridge (BC Pipeline) - Westcoast Energy	\$	8,993.0	\$ 9,151.0	\$ 9,152.7	\$ 9,398.8	\$ 9,275.5	\$ 9,311.2	\$ 9,081.5	\$ 9,006.4	\$ 9,024.7	\$ 9,090.7	\$ 9,077.1	\$ 9,082.4	\$	109,645.1
17	TransCanada (Foothills BC)		306.1	288.8	406.2	414.3	414.3	414.3	312.2	312.2	312.2	312.2	312.2	312.2		4,117.3
18	TransCanada (NOVA Alta)		849.4	849.4	849.4	866.4	866.4	866.4	866.4	866.4	866.4	866.4	866.4	866.4		10,345.3
19	Northwest Pipeline		362.6	729.7	780.9	770.6	703.9	764.7	375.2	372.1	376.3	390.9	384.0	365.8		6,376.8
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	\$	10,823.0	\$ 11,330.9	\$ 11,501.1	\$ 11,762.0	\$ 11,572.1	\$ 11,668.4	\$ 10,947.3	\$ 10,869.1	\$ 10,891.6	\$ 10,972.2	\$ 10,951.7	\$ 10,938.7	\$	134,227.9
23																
24	<u>Mitigation</u>															
25	Commodity Related Mitigation	\$	(785.9)	\$ (4,951.2)	\$ (2,344.1)	\$ (2,448.6)	\$ (5,168.5)	\$ (5,120.3)	\$ (547.0)	\$ (530.8)	\$ (1,669.2)	\$ (2,372.8)	\$ (2,708.8)	\$ (2,374.1)	\$	(31,021.1)
26	Storage Related Mitigation		-	-	-	-	-	-	-	-	-	-	-	-		-
27	Transportation Related Mitigation		(7,855.8)	(2,064.0)	(1,727.3)	(1,579.5)	(1,123.7)	(1,685.1)	(5,450.7)	(6,280.4)	(6,019.3)	(6,080.3)	(6,246.1)	(6,171.2)		(52,283.3)
28	Total Mitigation	\$	(8,641.6)	\$ (7,015.2)	\$ (4,071.3)	\$ (4,028.1)	\$ (6,292.2)	\$ (6,805.3)	\$ (5,997.8)	\$ (6,811.2)	\$ (7,688.4)	\$ (8,453.1)	\$ (8,954.9)	\$ (8,545.2)	\$	(83,304.4)
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	TOTAL MCRA COSTS		(\$000)	\$ 5,535.9	\$ 18,929.7	\$ 28,465.3	\$ 28,669.4	\$ 25,137.8	\$ 19,678.9	\$ 9,352.8	\$ 4,559.9	\$ 3,245.8	\$ 561.5	\$ 303.1	\$ 1,958.2	\$ 146,398.3
	(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"). 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.

September #, 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

Dear Ms. Roy:

Re: FortisBC Energy Inc. – Mainland, Vancouver Island, and Whistler Service Areas
2018 Third Quarter Gas Cost Report
Commodity Cost Reconciliation Account and Midstream Cost Reconciliation Account

On September 5, 2018, FortisBC Energy Inc. (FEI) filed with the British Columbia Utilities Commission (Commission) its 2018 Third 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 October 1, 2018.

Yours truly,

Patrick Wruck