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June 1, 2016

British Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Ms. Laurel Ross, Acting Commission Secretary and Director

Dear Ms. Ross:

**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
2016 Second Quarter Gas Cost Report**

The attached materials provide the FortisBC Energy Inc. (FEI or the Company) 2016 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 17, 18, 19, 20, and 24, 2016 forward prices (five-day average forward prices ending May 24, 2016).

CRA Deferral Account

Based on the five-day average forward prices ending May 24, 2016, the June 30, 2016 CCRA balance is projected to be approximately \$46 million surplus after tax. Further, based on the five-day average forward prices ending February 24, 2016, the gas purchase cost assumptions, and the forecast commodity cost recoveries at present rates for the 12-month period ending June 30, 2017, and accounting for the projected June 30, 2016 deferral balance, the CCRA trigger ratio is calculated to be 80.7 percent (Tab 1, Page 2, Column 4, Line 10), which falls outside the deadband range of 95 percent to 105 percent. The tested rate increase that would produce a 100 percent commodity recovery-to-cost ratio is calculated to be \$0.273/GJ (Tab 1, Page 2, Column 5, Line 24), 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 24, 2016, 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, 2016 to June 30, 2017 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, 2017, based on the five-day average forward prices ending May 24, 2016, is projected to be approximately \$17 million surplus after tax. Further, the MCRA balance at December 31, 2016 and December 31, 2017, based on the five-day average forward prices ending May 24, 2016, are projected to be approximately \$17 million and \$34 million surplus after tax, respectively.

The schedules at Tab 2, Pages 4 and 5, provide details of MCRA gas supply costs for calendar 2016 and 2017 based on the five-day average forward prices ending May 24, 2016.

FEI will continue to monitor and report the MCRA balances consistent with the Company's position that midstream rates be reported on a quarterly basis and, under normal circumstances, midstream 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, 2016.

FEI will continue to monitor the forward prices, and will report CCRA and MCRA balances in its 2016 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 2016 TO JUN 2018
FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 18, 19, 20, AND 24, 2016
\$(Millions)

Tab 1

Page 1

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1		Recorded	Recorded	Recorded	Recorded	Projected	Projected							Jan-16
2		Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16							to
3	CCRA Balance - Beginning (Pre-tax) ^(a)	\$ (51)	\$ (48)	\$ (48)	\$ (53)	\$ (55)	\$ (59)							Jun-16
4	Gas Costs Incurred	19	16	12	9	8	10							74
5	Revenue from APPROVED Recovery Rate	(17)	(16)	(17)	(11)	(11)	(11)							(83)
6	CCRA Balance - Ending (Pre-tax) ^(b)	<u>\$ (48)</u>	<u>\$ (48)</u>	<u>\$ (53)</u>	<u>\$ (55)</u>	<u>\$ (59)</u>	<u>\$ (62)</u>							<u>\$ (62)</u>
7														
8	CCRA Balance - Ending (After-tax) ^(c)	<u>\$ (36)</u>	<u>\$ (36)</u>	<u>\$ (39)</u>	<u>\$ (41)</u>	<u>\$ (44)</u>	<u>\$ (46)</u>							<u>\$ (46)</u>
9														
10														
11														Jul-16
12		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	to
13		Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jun-17
14	CCRA Balance - Beginning (Pre-tax) ^(a)	\$ (62)	\$ (62)	\$ (61)	\$ (58)	\$ (53)	\$ (46)	\$ (35)	\$ (21)	\$ (9)	\$ 3	\$ 13	\$ 22	\$ (62)
15	Gas Costs Incurred	11	13	14	16	19	22	24	22	24	21	21	21	227
16	Revenue from EXISTING Recovery Rates	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(10)	(11)	(11)	(11)	(11)	(133)
17	CCRA Balance - Ending (Pre-tax) ^(b)	<u>\$ (62)</u>	<u>\$ (61)</u>	<u>\$ (58)</u>	<u>\$ (53)</u>	<u>\$ (46)</u>	<u>\$ (35)</u>	<u>\$ (21)</u>	<u>\$ (9)</u>	<u>\$ 3</u>	<u>\$ 13</u>	<u>\$ 22</u>	<u>\$ 32</u>	<u>\$ 32</u>
18														
19	CCRA Balance - Ending (After-tax) ^(c)	<u>\$ (46)</u>	<u>\$ (45)</u>	<u>\$ (43)</u>	<u>\$ (39)</u>	<u>\$ (34)</u>	<u>\$ (26)</u>	<u>\$ (16)</u>	<u>\$ (7)</u>	<u>\$ 2</u>	<u>\$ 10</u>	<u>\$ 16</u>	<u>\$ 24</u>	<u>\$ 24</u>
20														
21														
22														Jul-17
23		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	to
24		Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jun-18
25	CCRA Balance - Beginning (Pre-tax) ^(a)	\$ 32	\$ 43	\$ 53	\$ 64	\$ 75	\$ 87	\$ 102	\$ 119	\$ 134	\$ 149	\$ 160	\$ 171	\$ 32
26	Gas Costs Incurred	22	22	21	22	24	26	28	25	27	22	22	22	284
27	Revenue from EXISTING Recovery Rates	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(10)	(11)	(11)	(11)	(11)	(134)
28	CCRA Balance - Ending (Pre-tax) ^(b)	<u>\$ 43</u>	<u>\$ 53</u>	<u>\$ 64</u>	<u>\$ 75</u>	<u>\$ 87</u>	<u>\$ 102</u>	<u>\$ 119</u>	<u>\$ 134</u>	<u>\$ 149</u>	<u>\$ 160</u>	<u>\$ 171</u>	<u>\$ 182</u>	<u>\$ 182</u>
29														
30	CCRA Balance - Ending (After-tax) ^(c)	<u>\$ 32</u>	<u>\$ 40</u>	<u>\$ 47</u>	<u>\$ 55</u>	<u>\$ 65</u>	<u>\$ 75</u>	<u>\$ 88</u>	<u>\$ 99</u>	<u>\$ 110</u>	<u>\$ 118</u>	<u>\$ 126</u>	<u>\$ 135</u>	<u>\$ 135</u>

Notes:

- (a) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts (2016 to 2018 at 26.0%).
- (b) For rate setting purposes CCRA pre-tax balances include grossed-up projected deferred interest of approximately \$1.8 million credit as at June 30, 2016.
- (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 2016 TO JUN 2017
FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 18, 19, 20, AND 24, 2016

Line No.	Particulars (1)	Pre-Tax (\$Millions) (2)	Forecast Energy (TJ) (3)	Percentage (4)	Unit Cost (\$/GJ) (5)	Reference / Comment (6)
1	<u>CCRA RATE CHANGE TRIGGER RATIO</u>					
2						
3	Projected Deferral Balance at Jun 30,2016	\$ (62)				(Tab 1, Page 1, Col.14, Line 6)
4						
5	Forecast Incurred Gas Costs - Jul 2016 to Jun 2017	\$ 227				(Tab 1, Page 1, Col.14, Line 15)
6						
7	Forecast Recovery Gas Costs at Existing Recovery Rate - Jul 2016 to Jun 2017	\$ 133				(Tab 1, Page 1, Col.14, Line 16)
8						
9	CCRA = $\frac{\text{Forecast Recovered Gas Costs (Line 7)}}{\text{Forecast Incurred Gas Costs (Line 5) + Projected CCRA Balance (Line 3)}}$	= \$ 133		= 80.7%		
10	Ratio	\$ 165		<u><u>80.7%</u></u>		Outside 95% to 105% deadband
11						
12						
13						
14						
15						
16	<u>CCRA RATE CHANGE THRESHOLD (+/- \$0.50/GJ)</u>					
17						
18	Tested Rate					
19						
20	Forecast 12-month CCRA Baseload - Jul 2016 to Jun 2017		116,868			(Tab1, Page 7, Col.5, Line 11)
21						
22	(Over) / Under Recovery at Existing CCRA Rate	\$ 32				(Line 3 + Line 5 - Line 7)
23						
24	Tested Rate (Decrease) / Increase				<u><u>\$ 0.273</u></u>	Within minimum +/- \$0.50/GJ threshold

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 2016 TO JUN 2018
FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 18, 19, 20, AND 24, 2016
\$(Millions)

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		Recorded Jan-16	Recorded Feb-16	Recorded Mar-16	Recorded Apr-16	Projected May-16	Projected Jun-16	Forecast Jul-16	Forecast Aug-16	Forecast Sep-16	Forecast Oct-16	Forecast Nov-16	Forecast Dec-16	Total 2016
1	MCRA Balance - Beginning (Pre-tax) ^(a)	\$ (39)	\$ (39)	\$ (32)	\$ (31)	\$ (29)	\$ (24)	\$ (23)	\$ (19)	\$ (16)	\$ (15)	\$ (15)	\$ (20)	\$ (39)
4	2016 MCRA Activities													
5	Rate Rider ^(d)													
6	Amount to be amortized in 2016													\$ (23)
7	Rider 6 Amortization at APPROVED 2016 Rates	\$ 3	\$ 3	\$ 2	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 3	\$ 4	\$ 22
8	Midstream Base Rates													
9	Gas Costs Incurred	\$ 48	\$ 43	\$ 35	\$ 19	\$ 6	\$ 5	\$ 2	\$ 2	\$ 4	\$ 9	\$ 26	\$ 35	\$ 234
10	Revenue from APPROVED Recovery Rates	(51)	(39)	(36)	(18)	(3)	(1)	1	0	(3)	(11)	(34)	(43)	(237)
11	Total Midstream Base Rates (Pre-tax)	\$ (3)	\$ 4	\$ (2)	\$ 0	\$ 4	\$ 5	\$ 4	\$ 2	\$ 0	\$ (2)	\$ (7)	\$ (7)	\$ (3)
12														
13	MCRA Cumulative Balance - Ending (Pre-tax) ^(b)	\$ (39)	\$ (32)	\$ (31)	\$ (29)	\$ (24)	\$ (23)	\$ (19)	\$ (16)	\$ (15)	\$ (15)	\$ (20)	\$ (23)	\$ (23)
14														
15	MCRA Cumulative Balance - Ending (After-tax) ^(c)	\$ (29)	\$ (24)	\$ (23)	\$ (22)	\$ (18)	\$ (17)	\$ (14)	\$ (12)	\$ (11)	\$ (11)	\$ (15)	\$ (17)	\$ (17)
16														
17														
18		Forecast Jan-17	Forecast Feb-17	Forecast Mar-17	Forecast Apr-17	Forecast May-17	Forecast Jun-17	Forecast Jul-17	Forecast Aug-17	Forecast Sep-17	Forecast Oct-17	Forecast Nov-17	Forecast Dec-17	Total 2017
19														
20	MCRA Balance - Beginning (Pre-tax) ^(a)	\$ (23)	\$ (27)	\$ (30)	\$ (33)	\$ (33)	\$ (33)	\$ (33)	\$ (36)	\$ (38)	\$ (40)	\$ (41)	\$ (45)	\$ (23)
21	2017 MCRA Activities													
22	Rate Rider 6													
23														
24	Rider 6 Amortization at APPROVED 2016 Rates	\$ 4	\$ 3	\$ 3	\$ 2	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 3	\$ 4	\$ 23
25	Midstream Base Rates													
26	Gas Costs Incurred	\$ 37	\$ 34	\$ 26	\$ 9	\$ 1	\$ (1)	\$ (3)	\$ (2)	\$ (2)	\$ 6	\$ 30	\$ 39	\$ 173
27	Revenue from EXISTING Recovery Rates	(44)	(40)	(32)	(11)	(2)	(0)	0	(1)	(1)	(9)	(36)	(44)	(219)
28	Total Midstream Base Rates (Pre-tax)	\$ (7)	\$ (6)	\$ (6)	\$ (2)	\$ (1)	\$ (1)	\$ (3)	\$ (4)	\$ (3)	\$ (2)	\$ (7)	\$ (5)	\$ (46)
29														
30	MCRA Cumulative Balance - Ending (Pre-tax) ^(b)	\$ (27)	\$ (30)	\$ (33)	\$ (33)	\$ (33)	\$ (33)	\$ (36)	\$ (38)	\$ (40)	\$ (41)	\$ (45)	\$ (46)	\$ (46)
31														
32	MCRA Cumulative Balance - Ending (After-tax) ^(c)	\$ (20)	\$ (22)	\$ (25)	\$ (25)	\$ (24)	\$ (24)	\$ (26)	\$ (28)	\$ (30)	\$ (30)	\$ (33)	\$ (34)	\$ (34)

Notes:

- (a) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts (2016 or 2017 at 26.0%).
- (b) For rate setting purposes MCRA pre-tax balances include grossed-up projected deferred interest of approximately \$3.9 million credit as at June 30, 2016.
- (c) For rate setting purposes MCRA after tax balances are independently grossed-up to reflect pre-tax amounts.
- (d) BCUC Order G-188-15 approved the 1/2 projected MCRA cumulative balance at Dec 31, 2015 to be amortized into the next year's midstream rates, via Rider 6, as filed in the FEI 2015 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 2018
AND US DOLLAR EXCHANGE RATE FORECAST UPDATE**

Line No	Particulars	Five-day Average Forward Prices - May 17, 18, 19, 20, and 24, 2016 2016 Q2 Gas Cost Report	Five-day Average Forward Prices - Feb 18, 19, 22, 23, and 24, 2016 2016 Q1 Gas Cost Report	Change in Forward Price
	(1)	(2)	(3)	(4) = (2) - (3)
1	SUMAS Index Prices - presented in \$US/MMBtu			
2				
3	2016 January	↑ \$ 2.57	Recorded \$ 2.57	\$ -
4	February	\$ 2.10	Forecast \$ 2.13	\$ (0.02)
5	March	\$ 1.41	\$ 1.42	\$ (0.01)
6	April	↓ \$ 1.42	\$ 1.30	\$ 0.12
7	May	\$ 1.36	\$ 1.21	\$ 0.15
8	June	\$ 1.46	\$ 1.26	\$ 0.20
9	July	\$ 1.63	\$ 1.47	\$ 0.16
10	August	\$ 1.78	\$ 1.52	\$ 0.26
11	September	\$ 1.86	\$ 1.56	\$ 0.30
12	October	\$ 2.12	\$ 1.56	\$ 0.56
13	November	\$ 2.47	\$ 2.13	\$ 0.34
14	December	\$ 3.12	\$ 2.61	\$ 0.51
15	2017 January	\$ 3.14	\$ 2.66	\$ 0.48
16	February	\$ 3.07	\$ 2.55	\$ 0.52
17	March	\$ 2.70	\$ 2.30	\$ 0.40
18	April	\$ 2.25	\$ 1.96	\$ 0.29
19	May	\$ 2.02	\$ 1.81	\$ 0.21
20	June	\$ 2.08	\$ 1.93	\$ 0.15
21	July	\$ 2.37	\$ 1.95	\$ 0.42
22	August	\$ 2.35	\$ 1.97	\$ 0.38
23	September	\$ 2.34	\$ 1.92	\$ 0.42
24	October	\$ 2.38	\$ 2.02	\$ 0.36
25	November	\$ 3.02	\$ 2.53	\$ 0.50
26	December	\$ 3.51	\$ 2.91	\$ 0.60
27	2018 January	\$ 3.47	\$ 2.96	\$ 0.51
28	February	\$ 3.33	\$ 2.86	\$ 0.47
29	March	\$ 2.92	\$ 2.55	\$ 0.37
30	April	\$ 2.35		
31	May	\$ 2.14		
32	June	\$ 2.18		
33				
34	<i>Simple Average (Jul 2016 - Jun 2017)</i>	\$ 2.35	\$ 2.01	17.4% \$ 0.35
35	<i>Simple Average (Oct 2016 - Sep 2017)</i>	\$ 2.50	\$ 2.11	18.4% \$ 0.39
36	<i>Simple Average (Jan 2017 - Dec 2017)</i>	\$ 2.60	\$ 2.21	17.7% \$ 0.39
37	<i>Simple Average (Apr 2017 - Mar 2018)</i>	\$ 2.67	\$ 2.28	17.1% \$ 0.39
38	<i>Simple Average (Jul 2017 - Jun 2018)</i>	\$ 2.70		

Conversion Factors
1 MMBtu = 1.055056 GJ

Prophet X natural gas trading platform Average Exchange Rate (\$1US=\$x.xxxCDN)

Forecast Jul 2016 - Jun 2017	Forecast Apr 2016 - Mar 2017	
\$ 1.3050	\$ 1.3729	-4.9% \$ (0.0679)

**FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
SUMAS INDEX FORECAST FOR THE PERIOD ENDING JUN 2018**

Tab 1
Page 4.2

Line No	Particulars	Five-day Average Forward Prices - May 17, 18, 19, 20, and 24, 2016 2016 Q2 Gas Cost Report	Five-day Average Forward Prices - Feb 18, 19, 22, 23, and 24, 2016 2016 Q1 Gas Cost Report	Change in Forward Price
	(1)	(2)	(3)	(4) = (2) - (3)
1	SUMAS Index Prices - presented in \$CDN/GJ			
2				
3	2016 January	↑ \$ 3.40	Recorded \$ 3.40	\$ -
4	February	\$ 2.79	Forecast \$ 2.77	\$ 0.02
5	March	\$ 1.79	\$ 1.85	\$ (0.06)
6	April	Recorded \$ 1.76	↓ \$ 1.69	\$ 0.07
7	May	Forecast \$ 1.68	\$ 1.57	\$ 0.11
8	June	\$ 1.81	\$ 1.64	\$ 0.17
9	July	\$ 2.02	\$ 1.92	\$ 0.10
10	August	↓ \$ 2.20	\$ 1.98	\$ 0.22
11	September	\$ 2.31	\$ 2.04	\$ 0.27
12	October	\$ 2.63	\$ 2.03	\$ 0.60
13	November	\$ 3.06	\$ 2.77	\$ 0.29
14	December	\$ 3.86	\$ 3.40	\$ 0.47
15	2017 January	\$ 3.88	\$ 3.46	\$ 0.42
16	February	\$ 3.80	\$ 3.32	\$ 0.48
17	March	\$ 3.33	\$ 2.99	\$ 0.35
18	April	\$ 2.78	\$ 2.55	\$ 0.23
19	May	\$ 2.50	\$ 2.35	\$ 0.15
20	June	\$ 2.57	\$ 2.50	\$ 0.06
21	July	\$ 2.93	\$ 2.54	\$ 0.39
22	August	\$ 2.90	\$ 2.56	\$ 0.34
23	September	\$ 2.89	\$ 2.50	\$ 0.39
24	October	\$ 2.94	\$ 2.62	\$ 0.32
25	November	\$ 3.74	\$ 3.28	\$ 0.45
26	December	\$ 4.34	\$ 3.78	\$ 0.56
27	2018 January	\$ 4.29	\$ 3.84	\$ 0.45
28	February	\$ 4.12	\$ 3.72	\$ 0.40
29	March	\$ 3.60	\$ 3.30	\$ 0.30
30	April	\$ 2.91		
31	May	\$ 2.65		
32	June	\$ 2.68		
33				
34	Simple Average (Jul 2016 - Jun 2017)	\$ 2.91	\$ 2.61	11.6% \$ 0.30
35	Simple Average (Oct 2016 - Sep 2017)	\$ 3.09	\$ 2.75	12.6% \$ 0.35
36	Simple Average (Jan 2017 - Dec 2017)	\$ 3.22	\$ 2.87	12.0% \$ 0.34
37	Simple Average (Apr 2017 - Mar 2018)	\$ 3.30	\$ 2.96	11.4% \$ 0.34
38	Simple Average (Jul 2017 - Jun 2018)	\$ 3.33		

Conversion Factors

1 MMBtu = 1.055056 GJ

Prophet X natural gas trading platform Average Exchange Rate (\$1US=\$x.xxxCDN)

	Forecast Jul 2016 - Jun 2017	Forecast Apr 2016 - Mar 2017	
	\$ 1.3050	\$ 1.3729	-4.9% \$ (0.0679)

**FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
AECO INDEX FORECAST FOR THE PERIOD ENDING JUN 2018**

Line No	Particulars	Five-day Average Forward Prices - May 17, 18, 19, 20, and 24, 2016 2016 Q2 Gas Cost Report	Five-day Average Forward Prices - Feb 18, 19, 22, 23, and 24, 2016 2016 Q1 Gas Cost Report	Change in Forward Price
	(1)	(2)	(3)	(4) = (2) - (3)
1	AECO Index Prices - \$CDN/GJ			
2				
3	2016 January	↑ \$ 2.20	Recorded \$ 2.20	\$ -
4	February	\$ 2.23	Forecast \$ 2.23	\$ (0.00)
5	March	\$ 1.58	\$ 1.77	\$ (0.19)
6	April	Recorded \$ 1.22	\$ 1.54	\$ (0.31)
7	May	Forecast \$ 1.03	\$ 1.57	\$ (0.54)
8	June	\$ 1.28	\$ 1.61	\$ (0.33)
9	July	\$ 1.40	\$ 1.65	\$ (0.25)
10	August	↓ \$ 1.56	\$ 1.70	\$ (0.14)
11	September	\$ 1.69	\$ 1.75	\$ (0.06)
12	October	\$ 1.86	\$ 1.83	\$ 0.04
13	November	\$ 2.13	\$ 2.12	\$ 0.01
14	December	\$ 2.44	\$ 2.35	\$ 0.10
15	2017 January	\$ 2.64	\$ 2.45	\$ 0.20
16	February	\$ 2.69	\$ 2.43	\$ 0.26
17	March	\$ 2.59	\$ 2.39	\$ 0.21
18	April	\$ 2.35	\$ 2.24	\$ 0.10
19	May	\$ 2.29	\$ 2.22	\$ 0.07
20	June	\$ 2.36	\$ 2.28	\$ 0.08
21	July	\$ 2.43	\$ 2.31	\$ 0.12
22	August	\$ 2.41	\$ 2.32	\$ 0.09
23	September	\$ 2.40	\$ 2.29	\$ 0.11
24	October	\$ 2.45	\$ 2.37	\$ 0.08
25	November	\$ 2.65	\$ 2.51	\$ 0.13
26	December	\$ 2.80	\$ 2.66	\$ 0.13
27	2018 January	\$ 2.99	\$ 2.79	\$ 0.21
28	February	\$ 2.98	\$ 2.74	\$ 0.24
29	March	\$ 2.86	\$ 2.65	\$ 0.21
30	April	\$ 2.48		
31	May	\$ 2.44		
32	June	\$ 2.47		
33				
34	Simple Average (Jul 2016 - Jun 2017)	\$ 2.17	\$ 2.12	2.4% \$ 0.05
35	Simple Average (Oct 2016 - Sep 2017)	\$ 2.38	\$ 2.27	5.1% \$ 0.12
36	Simple Average (Jan 2017 - Dec 2017)	\$ 2.50	\$ 2.37	5.6% \$ 0.13
37	Simple Average (Apr 2017 - Mar 2018)	\$ 2.58	\$ 2.45	5.4% \$ 0.13
38	Simple Average (Jul 2017 - Jun 2018)	\$ 2.61		

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
STATION 2 INDEX FORECAST FOR THE PERIOD ENDING JUN 2018

Line No	Particulars	Five-day Average Forward Prices - May 17, 18, 19, 20, and 24, 2016 2016 Q2 Gas Cost report	Five-day Average Forward Prices - Feb 18, 19, 22, 23, and 24, 2016 2016 Q1 Gas Cost report	Change in Forward Price
	(1)	(2)	(3)	(4) = (2) - (3)
1	Station 2 Index Prices - \$CDN/GJ			
2				
3	2016 January	↑ \$ 1.47	Recorded \$ 1.47	\$ -
4	February	\$ 1.59	Forecast \$ 1.67	\$ (0.08)
5	March	\$ 1.03	\$ 1.22	\$ (0.19)
6	April	Recorded \$ 0.77	↓ \$ 0.91	\$ (0.14)
7	May	\$ 0.86	\$ 0.92	\$ (0.07)
8	June	\$ 1.01	\$ 0.97	\$ 0.05
9	July	\$ 1.13	\$ 1.02	\$ 0.12
10	August	↓ \$ 1.28	\$ 1.06	\$ 0.22
11	September	\$ 1.39	\$ 1.12	\$ 0.28
12	October	\$ 1.56	\$ 1.20	\$ 0.36
13	November	\$ 1.82	\$ 1.63	\$ 0.19
14	December	\$ 2.16	\$ 1.91	\$ 0.26
15	2017 January	\$ 2.33	\$ 1.99	\$ 0.34
16	February	\$ 2.38	\$ 1.97	\$ 0.41
17	March	\$ 2.29	\$ 1.93	\$ 0.35
18	April	\$ 2.02	\$ 1.75	\$ 0.27
19	May	\$ 1.97	\$ 1.76	\$ 0.20
20	June	\$ 2.04	\$ 1.84	\$ 0.19
21	July	\$ 2.11	\$ 1.87	\$ 0.24
22	August	\$ 2.09	\$ 1.89	\$ 0.20
23	September	\$ 2.08	\$ 1.86	\$ 0.22
24	October	\$ 2.13	\$ 1.96	\$ 0.17
25	November	\$ 2.33	\$ 2.23	\$ 0.10
26	December	\$ 2.43	\$ 2.29	\$ 0.14
27	2018 January	\$ 2.66	\$ 2.42	\$ 0.24
28	February	\$ 2.65	\$ 2.37	\$ 0.28
29	March	\$ 2.53	\$ 2.27	\$ 0.26
30	April	\$ 2.14		
31	May	\$ 2.10		
32	June	\$ 2.15		
33				
34	<i>Simple Average (Jul 2016 - Jun 2017)</i>	\$ 1.86	\$ 1.60	16.7% \$ 0.27
35	<i>Simple Average (Oct 2016 - Sep 2017)</i>	\$ 2.07	\$ 1.80	15.0% \$ 0.27
36	<i>Simple Average (Jan 2017 - Dec 2017)</i>	\$ 2.18	\$ 1.94	12.2% \$ 0.24
37	<i>Simple Average (Apr 2017 - Mar 2018)</i>	\$ 2.25	\$ 2.04	10.3% \$ 0.21
38	<i>Simple Average (Jul 2017 - Jun 2018)</i>	\$ 2.28		

**FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
GAS BUDGET COST SUMMARY FOR THE FORECAST PERIOD JUL 2016 TO JUN 2017
FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 18, 19, 20, AND 24, 2016**

No.	Particulars	Costs (\$000)		Quantities (TJ)		Unit Cost (\$/GJ)	Reference / Comments
		(2)	(3)	(4)	(5)		
1	CCRA						
2	<u>Commodity</u>						
3	STN 2		\$ 161,958		91,157	\$ 1.777	
4	AECO		63,863		29,509	2.164	
5	Huntingdon		-		-	-	
6	Commodity Costs before Hedging		\$ 225,821		120,666	\$ 1.871	incl. Fuel Gas Provided to Midstream (Receipt Point Fuel Gas)
7	Mark to Market Hedges Cost / (Gain)		-		-	-	
8	Subtotal Commodity Purchased		\$ 225,821		120,666	\$ 1.871	
9	Core Market Administration Costs		1,531		-	-	
10	Fuel Gas Provided to Midstream				(3,798)	-	
11	Total CCRA Baseload				116,868		
12	Total CCRA Costs		\$ 227,351			\$ 1.945	average unit cost = Line 12, Col. 3 divided by Line 11, Col.5
13							
14	MCRA						
15	<u>Midstream Commodity</u>						
16	Midstream Commodity before Hedging		\$ 56,018		25,217		
17	Mark to Market Hedges Cost / (Gain)		-		-		
18	Company Use Gas Recovered from O&M		(4,812)		(701)		
19	Total Midstream Commodity Purchase		\$ 51,207		24,516	\$ 2.089	incl. Company Use Gas and UAF
20							
21	<u>Storage Gas</u>						
22	BC - Aitken Creek	\$ (33,003)		(19,110)			
23	LNG - Tilbury & Mt. Hayes	(535)		(243)			
24	Alberta - Niska	(4,032)		(2,066)			
25	Downstream - JPS & Mist	(5,981)		(3,187)			
26	Injections into Storage		\$ (43,552)		(24,605)		
27	BC - Aitken Creek	\$ 37,824		22,300			
28	LNG - Tilbury & Mt. Hayes	1,610		496			
29	Alberta - Niska & CrossAlta	2,233		1,850			
30	Downstream - JPS & Mist	6,827		3,295			
31	Withdrawals from Storage		48,494		27,941		
32	BC - Aitken Creek	\$ 18,793					
33	LNG - Mt. Hayes	18,821					
34	Alberta - Niska	1,258					
35	Downstream - JPS & Mist	15,323					
36	Storage Demand Charges		54,196		-		
37	Total Net Storage (Lines 28, 33, & 38)		\$ 59,138		3,335		
38							
39	<u>Mitigation</u>						
40	Transportation	\$ (26,354)			-		
41	Commodity Resales	(83,928)			(26,542)		
42	Other Mitigation	(779)					
43	GSMIP Incentive Sharing	1,000					
44	Misc. Other - Non-GSMIP	(13,113)					
45	Total Mitigation		\$ (123,174)		(26,542)		
46							
47	<u>Transportation (Pipeline) Charges</u>						
48	Total Transportation Charges		\$ 109,081				
49							
50	<u>Core Market Administration Costs</u>		\$ 3,571				
51							
52	<u>UAF (Sales & T-Service) & Net Transportation Fuel ^(a)</u>		-		(1,309)		
53							
54	Net MCRA Commodity (Lines 19, 37, 45 & 52)				-		
55	Total MCRA Costs (Lines 19, 37, 45, 48, & 50)		\$ 99,823			\$ 0.823	average unit cost = Line 55, Col. 3 divided by Line 56, Col.5
56	Total Core Sales				121,238		
57	Total Forecast Gas Costs (Lines 12 & 58)		\$ 327,174				reference to Tab 1, Page 8, Line 9, Col. 3

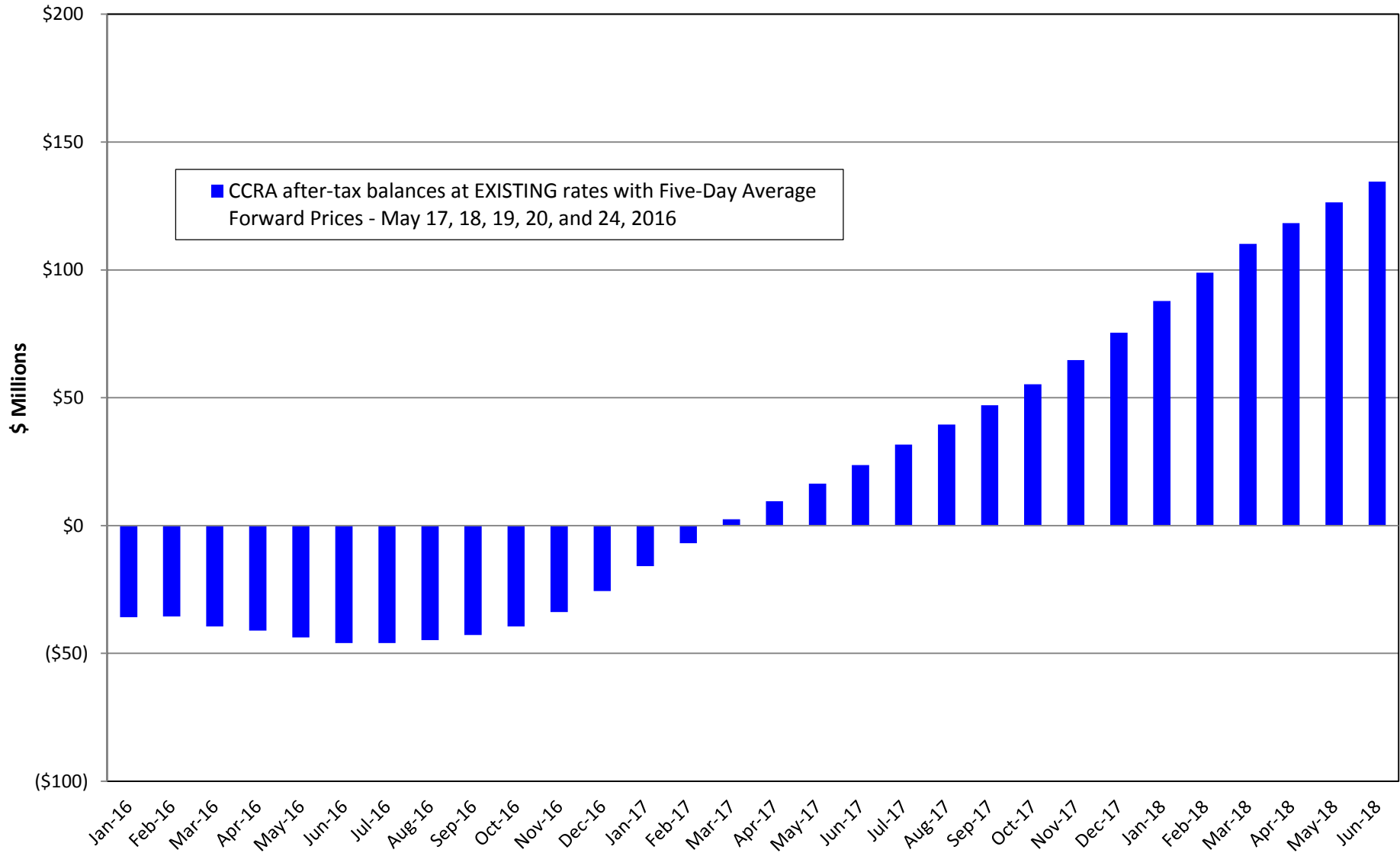
Notes: (a) The total cost of UAF is included as a component of gas purchased. Sales UAF costs are recovered via gas cost recovery rates, while T-Service UAF costs are recovered via delivery revenues.
Net Transportation Fuel is the difference between fuel gas collected from Commodity Providers and the fuel gas consumed.

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
RECONCILIATION OF GAS COST INCURRED
FOR THE FORECAST PERIOD JUL 2016 TO JUN 2017
FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 18, 19, 20, AND 24, 2016
\$(Millions)

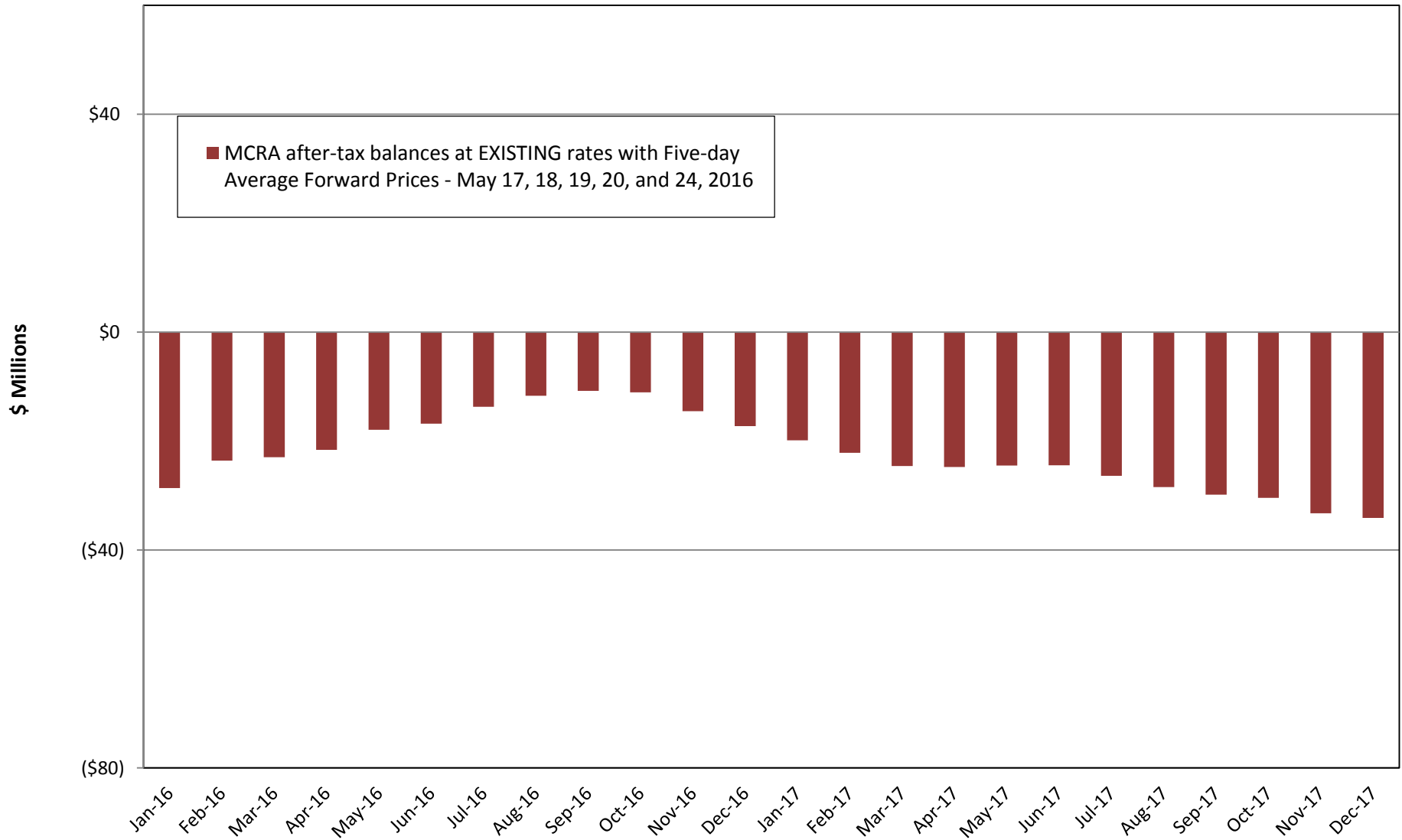
No.	Particulars	CCRA / MCRA Deferral Account Forecast	Gas Budget Cost Summary	References
(1)	(2)	(3)	(4)	
1	Gas Cost Incurred			
2	CCRA	\$ 227		(Tab 1, Page 1, Col.14, Line 15)
3	MCRA	184		(Tab 1, Page 3, Col.8, Line 9 to Col.7, Line 26)
4				
5				
6	Gas Budget Cost Summary			
7	CCRA		\$ 227	(Tab 1, Page 7, Col.3, Line 12)
8	MCRA		100	(Tab 1, Page 7, Col.3, Line 55)
9	Total Net Costs for Firm Customers		<u>\$ 327</u>	
10				
11				
12	Add back Commodity Resales		84	(Tab 1, Page 7, Col.3, Line 41)
13				
14				
15	Totals Reconciled	<u>\$ 411</u>	<u>\$ 411</u>	

Slight differences in totals due to rounding.

FortisBC Energy Inc. - Mainland, Vancouver Island and Whistler Service Areas
 CCRA After-Tax Monthly Balances
 Recorded April 2016 and Forecast to June 2018



FortisBC Energy Inc. - Mainland, Vancouver Island and Whistler Service Areas
 MCRA After-Tax Monthly Balances
 Recorded April 2016 and Forecast to December 2017



FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
CCRA INCURRED MONTHLY ACTIVITIES
RECORDED PERIOD TO JAN 2016 AND FORECAST TO JUN 2017
FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 18, 19, 20, AND 24, 2016

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1														Jan-16
2														to
3														Jun-16
4														Total
4	CCRA QUANTITIES													
5	Commodity Purchase	(TJ)												
6	STN 2													45,507
7	AECO													14,604
8	Total Commodity Purchased													60,111
9	Fuel Gas Provided to Midstream													(1,892)
10	Commodity Available for Sale													58,219
11														
12	CCRA COSTS													
13	Commodity Costs	(\$000)												
14	STN 2													\$ 51,196
15	AECO													21,682
16	Commodity Costs before Hedging													\$ 72,878
17	Mark to Market Hedges Cost / (Gain)													-
18	Core Market Administration Costs													685
19	Total CCRA Costs													\$ 73,563
20														
21														
22	CCRA Unit Cost	(\$/GJ)												\$ 1.264
23														
24														
25														
26														
27	CCRA QUANTITIES													
28	Commodity Purchase	(TJ)												
29	STN 2													91,157
30	AECO													29,509
31	Total Commodity Purchased													120,666
32	Fuel Gas Provided to Midstream													(3,798)
33	Commodity Available for Sale													116,868
34														
35	CCRA COSTS	(\$000)												
36	Commodity Costs													
37	STN 2													\$ 161,958
38	AECO													63,863
39	Commodity Costs before Hedging													\$ 225,821
40	Mark to Market Hedges Cost / (Gain)													-
41	Core Market Administration Costs													1,531
42	Total CCRA Costs													\$ 227,351
43														
44														
45	CCRA Unit Cost	(\$/GJ)												\$ 1.945

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 2017 TO JUN 2018
FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 18, 19, 20, AND 24, 2016

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	13-24 months
2	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Total	Total
3 CCRA QUANTITIES														
4 Commodity Purchase (TJ)														
5 STN 2	7,786	7,786	7,535	7,786	7,535	7,786	7,786	7,032	7,786	7,535	7,786	7,535	91,671	
6 AECO	<u>2,520</u>	<u>2,520</u>	<u>2,439</u>	<u>2,520</u>	<u>2,439</u>	<u>2,520</u>	<u>2,520</u>	<u>2,276</u>	<u>2,520</u>	<u>2,439</u>	<u>2,520</u>	<u>2,439</u>	<u>29,675</u>	
7 Total Commodity Purchased	10,306	10,306	9,974	10,306	9,974	10,306	10,306	9,309	10,306	9,974	10,306	9,974	121,346	
8 Fuel Gas Provided to Midstream	<u>(324)</u>	<u>(324)</u>	<u>(314)</u>	<u>(324)</u>	<u>(314)</u>	<u>(324)</u>	<u>(324)</u>	<u>(293)</u>	<u>(324)</u>	<u>(314)</u>	<u>(324)</u>	<u>(314)</u>	<u>(3,820)</u>	
9 Commodity Available for Sale	<u>9,982</u>	<u>9,982</u>	<u>9,660</u>	<u>9,982</u>	<u>9,660</u>	<u>9,982</u>	<u>9,982</u>	<u>9,016</u>	<u>9,982</u>	<u>9,660</u>	<u>9,982</u>	<u>9,660</u>	<u>117,527</u>	
10														
11														
12 CCRA COSTS (\$000)														
13 Commodity Costs														
14 STN 2	\$ 16,004	\$ 15,801	\$ 15,254	\$ 16,142	\$ 17,201	\$ 18,697	\$ 20,396	\$ 18,346	\$ 19,375	\$ 15,800	\$ 16,034	\$ 15,828	\$ 204,878	
15 AECO	<u>6,136</u>	<u>6,070</u>	<u>5,862</u>	<u>6,181</u>	<u>6,461</u>	<u>7,050</u>	<u>7,548</u>	<u>6,792</u>	<u>7,217</u>	<u>6,043</u>	<u>6,150</u>	<u>6,035</u>	<u>77,546</u>	
16 Commodity Costs before Hedging	\$ 22,140	\$ 21,871	\$ 21,116	\$ 22,323	\$ 23,663	\$ 25,747	\$ 27,944	\$ 25,138	\$ 26,592	\$ 21,842	\$ 22,184	\$ 21,862	\$ 282,424	
17 Mark to Market Hedges Cost / (Gain)	-	-	-	-	-	-	-	-	-	-	-	-	-	
18 Core Market Administration Costs	<u>128</u>	<u>128</u>	<u>128</u>	<u>128</u>	<u>128</u>	<u>128</u>	<u>128</u>	<u>128</u>	<u>128</u>	<u>128</u>	<u>128</u>	<u>128</u>	<u>1,531</u>	
19 Total CCRA Costs	<u>\$ 22,267</u>	<u>\$ 21,999</u>	<u>\$ 21,244</u>	<u>\$ 22,451</u>	<u>\$ 23,790</u>	<u>\$ 25,875</u>	<u>\$ 28,071</u>	<u>\$ 25,266</u>	<u>\$ 26,720</u>	<u>\$ 21,970</u>	<u>\$ 22,312</u>	<u>\$ 21,990</u>	<u>\$ 283,954</u>	
20														
21														
22 CCRA Unit Cost (\$/GJ)	<u>\$ 2.231</u>	<u>\$ 2.204</u>	<u>\$ 2.199</u>	<u>\$ 2.249</u>	<u>\$ 2.463</u>	<u>\$ 2.592</u>	<u>\$ 2.812</u>	<u>\$ 2.802</u>	<u>\$ 2.677</u>	<u>\$ 2.274</u>	<u>\$ 2.235</u>	<u>\$ 2.276</u>	<u>\$ 2.416</u>	

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, 2016 TO JUN 30, 2017
FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 18, 19, 20, AND 24, 2016

Tab 2
Page 3

Line No.	Particulars (1)	Unit	RS-1 to RS-7 (2)
1	<u>CCRA Baseload</u>	TJ	116,868
2			
3			
5	STN 2	\$000	\$ 161,957.7
6	AECO		63,863.0
7	CCRA Commodity Costs before Hedging		\$ 225,820.7
8	Mark to Market Hedges Cost / (Gain)		-
9	Core Market Administration Costs		1,530.6
10	Total Incurred Costs before CCRA deferral amortization		\$ 227,351.3
11			
12	Pre-tax CCRA Deficit/(Surplus) as of Jun 30, 2016		(62,088.0)
13	Total CCRA Incurred Costs		\$ 165,263.3
14			
15			
16	<u>CCRA Incurred Unit Costs</u>	\$/GJ	
17	CCRA Commodity Costs before Hedging		\$ 1.9323
18	Mark to Market Hedges Cost / (Gain)		-
19	Core Market Administration Costs		0.0131
20	Total Incurred Costs before CCRA deferral amortization		\$ 1.9454
21	Pre-tax CCRA Deficit/(Surplus) as of Jun 30, 2016		(0.5313)
22	CCRA Gas Costs Incurred -- Flow-Through		\$ 1.4141
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 Jul 1, 2016		\$ 1.414
32			
33	Existing Cost of Gas (effective since Apr 1, 2016)		1.141
34			
35	Cost of Gas Increase / (Decrease)	\$/GJ	\$ 0.273
36			
37	Cost of Gas Percentage Increase / (Decrease)		23.93%

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
MCRA INCURRED MONTHLY ACTIVITIES FOR THE YEAR 2016
FORECAST PERIODS WITH FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 18, 19, 20, AND 24, 2016

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		Recorded Jan-16	Recorded Feb-16	Recorded Mar-16	Recorded Apr-16	Projected May-16	Projected Jun-16	Forecast Jul-16	Forecast Aug-16	Forecast Sep-16	Forecast Oct-16	Forecast Nov-16	Forecast Dec-16	2016 Total
1	MCRA COSTS													
														(\$000)
2	<u>Midstream Commodity Costs</u>													
3	Midstream Commodity Costs before Hedging ^(a)	\$ 12,976	\$ 11,632	\$ 3,695	\$ 1,648	\$ 53	\$ 59	\$ 68	\$ 78	\$ 83	\$ 96	\$ 5,684	\$ 13,745	\$ 49,816
4	Mark to Market Hedges Cost / (Gain)	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Imbalance ^(b)	(371)	(364)	810	(1,081)	-	-	-	-	-	-	-	-	(1,007)
6	Company Use Gas Recovered from O&M	(702)	(498)	(421)	(235)	(230)	(203)	(154)	(103)	(143)	(216)	(461)	(748)	(4,115)
7	Total Midstream Commodity Purchase	<u>\$ 11,902</u>	<u>\$ 10,769</u>	<u>\$ 4,084</u>	<u>\$ 331</u>	<u>\$ (177)</u>	<u>\$ (145)</u>	<u>\$ (86)</u>	<u>\$ (25)</u>	<u>\$ (61)</u>	<u>\$ (120)</u>	<u>\$ 5,224</u>	<u>\$ 12,997</u>	<u>\$ 44,694</u>
8														
9	<u>Storage (including Linepack)</u>													
10	Storage Demand Charges	\$ 2,707	\$ 2,575	\$ 2,535	\$ 2,457	\$ 3,446	\$ 3,439	\$ 3,439	\$ 3,438	\$ 3,431	\$ 3,433	\$ 2,450	\$ 2,463	\$ 35,813
11	Mt. Hayes Demand Charges	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	18,039
12	Mt. Hayes Variable Charges	15	15	15	0	14	14	122	206	201	97	18	18	736
13	Injections into Storage	(370)	(859)	(497)	(2,746)	(3,304)	(4,500)	(6,388)	(6,571)	(4,902)	(2,539)	(1,043)	(1,326)	(35,044)
14	Withdrawals from Storage	17,531	15,531	12,642	1,421	-	-	-	-	-	1,954	9,812	10,745	69,635
15	Total Storage	<u>\$ 21,386</u>	<u>\$ 18,766</u>	<u>\$ 16,197</u>	<u>\$ 2,635</u>	<u>\$ 1,660</u>	<u>\$ 457</u>	<u>\$ (1,324)</u>	<u>\$ (1,424)</u>	<u>\$ 233</u>	<u>\$ 4,448</u>	<u>\$ 12,741</u>	<u>\$ 13,403</u>	<u>\$ 89,179</u>
16														
17	<u>Mitigation and Misc. Other</u>													
18	Transportation	\$ (911)	\$ 219	\$ (2,439)	\$ (5,960)	\$ (2,124)	\$ (2,041)	\$ (3,463)	\$ (3,669)	\$ (3,560)	\$ (2,748)	\$ (1,278)	\$ (1,013)	\$ (28,986)
19	Commodity Resales	(12,071)	(11,613)	(9,160)	(4,241)	(1,048)	(3,371)	(3,567)	(4,512)	(5,675)	(2,281)	(13,008)	(10,797)	(81,343)
20	Other Mitigation	(43)	(38)	(1,063)	2,700	(53)	(27)	(38)	(46)	(52)	(55)	(114)	(87)	1,083
21	Total Mitigation	\$ (13,025)	\$ (11,433)	\$ (12,662)	\$ (7,501)	\$ (3,225)	\$ (5,439)	\$ (7,068)	\$ (8,226)	\$ (9,287)	\$ (5,085)	\$ (14,400)	\$ (11,896)	\$ (109,247)
22	GSMIP Incentive Sharing	213	153	65	245	83	83	83	83	83	83	83	83	1,341
23	Misc. Other	(1,193)	(350)	(297)	(299)	(2,016)	(2,016)	(2,016)	(2,016)	(2,016)	(2,016)	-	-	(14,232)
24	Total Mitigation and Misc. Other	<u>\$ (14,005)</u>	<u>\$ (11,630)</u>	<u>\$ (12,894)</u>	<u>\$ (7,555)</u>	<u>\$ (5,157)</u>	<u>\$ (7,371)</u>	<u>\$ (9,000)</u>	<u>\$ (10,158)</u>	<u>\$ (11,219)</u>	<u>\$ (7,017)</u>	<u>\$ (14,316)</u>	<u>\$ (11,813)</u>	<u>\$ (122,137)</u>
25														
26	<u>Transportation (Pipeline) Charges</u>													
27	WEI (BC Pipeline)	\$ 8,162	\$ 8,096	\$ 7,732	\$ 7,046	\$ 6,804	\$ 6,781	\$ 6,844	\$ 6,844	\$ 6,837	\$ 6,832	\$ 6,921	\$ 7,140	86,039
28	TransCanada (BC Line)	453	453	453	350	342	342	342	342	342	342	453	453	4,665
29	Nova (Alberta Line)	861	871	871	871	871	871	871	871	871	871	871	871	10,440
30	Northwest Pipeline	852	730	732	325	357	365	388	374	353	371	778	796	6,421
31	FortisBC Energy Huntingdon Inc.	8	8	8	8	8	8	8	8	8	8	8	8	91
32	Southern Crossing Pipeline	300	300	300	300	300	300	300	300	300	300	300	300	3,600
33	Total Transportation Charges	<u>\$ 10,636</u>	<u>\$ 10,458</u>	<u>\$ 10,095</u>	<u>\$ 8,899</u>	<u>\$ 8,680</u>	<u>\$ 8,666</u>	<u>\$ 8,752</u>	<u>\$ 8,738</u>	<u>\$ 8,710</u>	<u>\$ 8,723</u>	<u>\$ 9,331</u>	<u>\$ 9,568</u>	<u>\$ 111,255</u>
34														
35	<u>Core Market Administration Costs</u>	\$ 249	\$ 188	\$ 221	\$ 344	\$ 298	\$ 298	\$ 298	\$ 298	\$ 298	\$ 298	\$ 298	\$ 298	\$ 3,383
36	TOTAL MCRA COSTS (Line 7, 15, 24, 33 & 35)	<u>\$ 30,168</u>	<u>\$ 28,550</u>	<u>\$ 17,703</u>	<u>\$ 4,655</u>	<u>\$ 5,303</u>	<u>\$ 1,904</u>	<u>\$ (1,360)</u>	<u>\$ (2,572)</u>	<u>\$ (2,039)</u>	<u>\$ 6,332</u>	<u>\$ 13,277</u>	<u>\$ 24,452</u>	<u>\$ 126,375</u>

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 not forecast. Recorded imbalance is composed of Westcoast imbalance (difference between Spectra metered and authorized deliveries) and Transportation imbalance (difference between the authorized receipts and customers' consumption or "burn").

Slight difference in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND, VANCOUVER ISLAND AND WHISTLER SERVICE AREAS
MCRA INCURRED MONTHLY ACTIVITIES FOR THE YEAR 2017
FORECAST PERIODS WITH FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 18, 19, 20, AND 24, 2016

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		Forecast Jan-17	Forecast Feb-17	Forecast Mar-17	Forecast Apr-17	Forecast May-17	Forecast Jun-17	Forecast Jul-17	Forecast Aug-17	Forecast Sep-17	Forecast Oct-17	Forecast Nov-17	Forecast Dec-17	2017 Total
1	MCRA COSTS													
2	<u>Midstream Commodity Costs</u>													
3	Midstream Commodity Costs before Hedging ^(a)	\$ 14,814	\$ 13,563	\$ 7,522	\$ 121	\$ 121	\$ 122	\$ 14	\$ 14	\$ 14	\$ 15	\$ 7,277	\$ 14,981	\$ 58,578
4	Mark to Market Hedges Cost / (Gain)	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Imbalance ^(b)	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Company Use Gas Recovered from O&M	(871)	(687)	(586)	(410)	(230)	(203)	(154)	(103)	(143)	(216)	(461)	(748)	(4,812)
7	Total Midstream Commodity Purchase	\$ 13,943	\$ 12,876	\$ 6,937	\$ (289)	\$ (108)	\$ (82)	\$ (140)	\$ (88)	\$ (130)	\$ (201)	\$ 6,816	\$ 14,232	\$ 53,766
8														
9	<u>Storage (including Linepack)</u>													
10	Storage Demand Charges	\$ 2,471	\$ 2,444	\$ 2,457	\$ 2,453	\$ 3,452	\$ 3,444	\$ 3,442	\$ 3,442	\$ 3,431	\$ 3,437	\$ 2,454	\$ 2,468	\$ 35,394
11	Mt. Hayes Demand Charges	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	1,503	18,039
12	Mt. Hayes Variable Charges	32	31	14	14	14	14	122	206	201	97	18	18	782
13	Injections into Storage	(347)	-	(942)	(824)	(8,546)	(10,124)	(11,912)	(10,473)	(10,044)	(5,141)	(1,306)	(1,480)	(61,140)
14	Withdrawals from Storage	9,865	8,427	6,995	696	-	-	175	-	-	2,346	12,220	13,527	54,250
15	Total Storage	\$ 13,523	\$ 12,405	\$ 10,027	\$ 3,843	\$ (3,577)	\$ (5,163)	\$ (6,670)	\$ (5,322)	\$ (4,908)	\$ 2,241	\$ 14,890	\$ 16,036	\$ 47,326
16														
17	<u>Mitigation and Misc. Other</u>													
18	Transportation	\$ (929)	\$ (833)	\$ (1,230)	\$ (2,394)	\$ (2,661)	\$ (2,578)	\$ (4,000)	\$ (4,206)	\$ (4,097)	\$ (3,285)	\$ (1,278)	\$ (1,013)	\$ (28,502)
19	Commodity Resales	(12,604)	(15,830)	(12,097)	(244)	(344)	(2,971)	(4,619)	(5,686)	(3,173)	(137)	(15,633)	(11,896)	(85,232)
20	Other Mitigation	(103)	(92)	(64)	(48)	(53)	(27)	(38)	(46)	(52)	(55)	(114)	(87)	(779)
21	Total Mitigation	\$ (13,635)	\$ (16,754)	\$ (13,391)	\$ (2,685)	\$ (3,058)	\$ (5,576)	\$ (8,656)	\$ (9,937)	\$ (7,321)	\$ (3,478)	\$ (17,024)	\$ (12,996)	\$ (114,513)
22	GSMIP Incentive Sharing	83	83	83	83	83	83	83	83	83	83	83	83	1,000
23	Misc. Other	-	-	-	(1,500)	(1,775)	(1,775)	(1,775)	(1,775)	(1,775)	(1,775)	-	-	(12,150)
24	Total Mitigation and Misc. Other	\$ (13,552)	\$ (16,671)	\$ (13,308)	\$ (4,102)	\$ (4,750)	\$ (7,268)	\$ (10,348)	\$ (11,629)	\$ (9,013)	\$ (5,170)	\$ (16,941)	\$ (12,913)	\$ (125,663)
25														
26	<u>Transportation (Pipeline) Charges</u>													
27	WEI (BC Pipeline)	\$ 7,356	\$ 7,266	\$ 7,188	\$ 6,893	\$ 6,850	\$ 6,797	\$ 6,889	\$ 6,888	\$ 6,851	\$ 6,876	\$ 6,560	\$ 6,779	\$ 83,193
28	TransCanada (BC Line)	462	462	462	348	348	348	348	348	348	348	462	462	4,749
29	Nova (Alberta Line)	888	888	888	888	888	888	888	888	888	888	888	888	10,658
30	Northwest Pipeline	756	708	754	365	357	365	399	374	353	371	779	797	6,378
31	FortisBC Energy Huntingdon Inc.	8	8	8	8	8	8	8	8	8	8	8	8	91
32	Southern Crossing Pipeline	300	300	300	300	300	300	300	300	300	300	300	300	3,600
33	Total Transportation Charges	\$ 9,770	\$ 9,631	\$ 9,600	\$ 8,802	\$ 8,751	\$ 8,706	\$ 8,832	\$ 8,806	\$ 8,748	\$ 8,791	\$ 8,998	\$ 9,233	108,669
34														
35	<u>Core Market Administration Costs</u>	\$ 298	\$ 298	\$ 298	\$ 298	\$ 298	\$ 298	\$ 298	\$ 298	\$ 298	\$ 298	\$ 298	\$ 298	\$ 3,571
36	TOTAL MCRA COSTS (Line 7, 15, 24, 33 & 35)	\$ 23,982	\$ 18,540	\$ 13,553	\$ 8,551	\$ 614	\$ (3,508)	\$ (8,028)	\$ (7,936)	\$ (5,005)	\$ 5,959	\$ 14,059	\$ 26,887	\$ 87,669

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 not forecast. Recorded imbalance is composed of Westcoast imbalance (difference between Spectra metered and authorized deliveries) and Transportation imbalance (difference between the authorized receipts and customers' consumption or "burn").

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 2016 TO JUN 2017
FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 18, 19, 20, AND 24, 2016

Line No.	Particulars	Unit	Residential	Commercial		General Firm Service	NGV	Subtotal	Seasonal	General Interruptible	RS-1 to RS-7	Term & Spot Gas Sales	Off-System Interruptible Sales	RS-1 to RS-7, RS-14 & RS-30	RS-1 to RS-7 Summary	Total MCRA Gas Budget Costs ^(b)
			RS-1	RS-2	RS-3	RS-5	RS-6		RS-4	RS-7	Total	RS-14	RS-30	Total	(14)	(15)
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
1	MCRA Sales Quantities	TJ	72,635.4	28,108.7	17,987.9	2,172.6	43.7	120,948.2	130.0	160.2	121,238.4	768.0	25,774.1	147,780.5	121,238.4	
2																
3																
4	MCRA Incurred Costs	\$000														
5	Midstream Commodity Costs		\$ 1,090.4	\$ 427.9	\$ 227.2	\$ 19.9	\$ 0.2	\$ 1,765.6	\$ -	\$ -	\$ 1,765.6	\$ 1,570.2	\$ 51,880.0	\$ 55,215.8	\$ 1,765.6	
6	Tolls and Fees		3,787.7	1,486.4	789.2	69.1	0.7	6,133.2	-	-	6,133.2	16.4	547.6	6,697.1	6,133.2	
7	Midstream Storage		33,470.6	13,135.0	6,974.0	610.3	6.1	54,196.0	-	-	54,196.0	-	-	54,196.0	54,196.0	
8	On/Off System Sales Margin (RS-14 & RS-30)		(18,474.5)	(7,250.0)	(3,849.4)	(336.9)	(3.4)	(29,914.2)	-	-	(29,914.2)	-	-	(29,914.2)	(29,914.2)	
9	GSMIP Incentive Sharing		617.6	242.4	128.7	11.3	0.1	1,000.0	-	-	1,000.0	-	-	1,000.0	1,000.0	
10	Pipeline Demand Charges		38,375.9	15,060.0	7,996.1	699.8	7.0	62,138.8	-	-	62,138.8	-	-	62,138.8	62,138.8	
11	Core Administration Costs - 70%		2,205.6	865.6	459.6	40.2	0.4	3,571.4	-	-	3,571.4	-	-	3,571.4	3,571.4	
12	MCRA Flow-Through Costs before MCRA deferral amort.		\$ 61,073.3	\$ 23,967.2	\$ 12,725.4	\$ 1,113.6	\$ 11.2	\$ 98,890.8	\$ -	\$ -	\$ 98,890.8				\$ 98,890.8	\$ 98,890.8
13	T-Service UAF to be recovered via delivery revenues ^(a)															932.3
14	Total MCRA Gas Costs^(b)															\$ 99,823.1

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) Reconciled to the Total MCRA Costs (Tab 1, Page 7, Col. 3, Line 55) which includes T-Service UAF to be recovered via delivery revenues.



British Columbia
Utilities Commission

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Log No. #####

Letter L-##-##

Via Email

gas.regulatory.affairs@fortisbc.com

June ##, 2016

Ms. Diane Roy
Director, Regulatory Services
FortisBC Energy Inc.
16705 Fraser Highway
Surrey, BC V4N 0E8

Dear Ms. Roy:

Re: FortisBC Energy Inc. – Mainland, Vancouver Island, and Whistler Service Areas
2016 Second Quarter Gas Cost Report
Commodity Cost Reconciliation Account and Midstream Cost Reconciliation Account

On June 1, 2016, FortisBC Energy Inc. filed with the British Columbia Utilities Commission (Commission) its 2016 Second Quarter Gas Cost Report for the Mainland, Vancouver Island, and Whistler service areas (Report).

The Commission notes that Order G-37-16 established the current Commodity Cost Recovery Charge for the Mainland, Vancouver Island, and Whistler service areas.

The Commission acknowledges receipt of the Report and accepts the recommendation that the Commodity Cost Recovery Charge for the Mainland, Vancouver Island, and Whistler service areas remain unchanged at \$1.141 per gigajoule effective July 1, 2016.

Yours truly,

Laurel Ross