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June 5, 2019

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 and Vancouver Island Service Area
Commodity Cost Reconciliation Account (CCRA) and Midstream Cost
Reconciliation Account (MCRA) Quarterly Gas Costs
2019 Second Quarter Gas Cost Report**

The attached materials provide the FortisBC Energy Inc. (FEI or the Company) 2019 Second Quarter Gas Cost Report (the Second Quarter Report) for the CCRA and MCRA deferral accounts as required under the British Columbia Utilities Commission (BCUC) guidelines. The gas cost forecast used within the attached report is based on the five-day average of the May 17, 21, 22, 23 and 24, 2019 forward prices (five-day average forward prices ending May 24, 2019).

CCRA Deferral Account

Based on the five-day average forward prices ending May 24, 2019, the June 30, 2019 CCRA balance is projected to be approximately at \$9 million surplus after tax. Further, based on the five-day average forward prices ending May 24, 2019, the gas purchase cost assumptions, and the forecast commodity cost recoveries at present rates for the 12-month period ending June 30, 2020, and accounting for the projected June 30, 2019 deferral balance, the CCRA trigger ratio is calculated to be 107.4 percent (Tab 1, Page 2, Column 4, Line 7), which falls outside the deadband range of 95 percent to 105 percent. The tested rate decrease that would produce a 100 percent commodity recovery-to-cost ratio is calculated to be \$0.107/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 May 24, 2019, 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, 2019 to June 30, 2020 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, 2019, based on the five-day average forward prices ending May 24, 2019, is projected to be approximately \$14 million deficit after tax. Further, the MCRA balance at December 31, 2019 and December 31, 2020, based on the five-day average forward prices ending May 24, 2019 and at existing recovery rates, are projected to be approximately \$20 million deficit and \$13 million surplus after tax, respectively.

The schedules at Tab 2, Pages 4 and 5, provide details of MCRA gas supply costs for calendar 2019 and 2020 based on the five-day average forward prices ending May 24, 2019.

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 July 1, 2019 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 2019 Third Quarter Gas Cost Report.

We trust BCUC will find the attached to be in order. However, should any further information be required, please contact Brian Noel at 604-592-7467.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Doug Slater

Attachments

FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA
CCRA MONTHLY BALANCES AT EXISTING RATES (AFTER ADJUSTMENTS FOR ENERGY DIFFERENCES)
FOR THE FORECAST PERIOD FROM JUL 2019 TO JUN 2021
FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 21, 22, 23, AND 24, 2019
\$(Millions)

Tab 1

Page 1

| Line No. | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
|----------|---|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | | Recorded Jan-19 | Recorded Feb-19 | Recorded Mar-19 | Recorded Apr-19 | Projected May-19 | Projected Jun-19 | | | | | | | Jan-19 to Jun-19 |
| 3 | CCRA Balance - Beginning (Pre-tax) ^(a) | \$ (13) | \$ (7) | \$ (2) | \$ 9 | \$ 4 | \$ (2) | | | | | | | \$ (13) |
| 4 | Gas Costs Incurred | 24 | 21 | 28 | 13 | 11 | 8 | | | | | | | 105 |
| 5 | Revenue from APPROVED Recovery Rate | (17) | (16) | (17) | (17) | (18) | (17) | | | | | | | (102) |
| 6 | CCRA Balance - Ending (Pre-tax) ^(b) | \$ (7) | \$ (2) | \$ 9 | \$ 4 | \$ (2) | \$ (13) | | | | | | | \$ (13) |
| 8 | Tax Rate | 27.0% | 27.0% | 27.0% | 27.0% | 27.0% | 27.0% | | | | | | | 27.0% |
| 10 | CCRA Balance - Ending (After-tax) ^(c) | \$ (5) | \$ (2) | \$ 6 | \$ 3 | \$ (1) | \$ (9) | | | | | | | \$ (9) |
| | | Forecast Jul-19 | Forecast Aug-19 | Forecast Sep-19 | Forecast Oct-19 | Forecast Nov-19 | Forecast Dec-19 | Forecast Jan-20 | Forecast Feb-20 | Forecast Mar-20 | Forecast Apr-20 | Forecast May-20 | Forecast Jun-20 | Jul-19 to Jun-20 |
| 16 | CCRA Balance - Beginning (Pre-tax) ^(a) | \$ (13) | \$ (20) | \$ (26) | \$ (32) | \$ (33) | \$ (29) | \$ (21) | \$ (12) | \$ (4) | \$ (1) | \$ (4) | \$ (9) | \$ (13) |
| 17 | Gas Costs Incurred | 10 | 12 | 11 | 17 | 20 | 26 | 26 | 24 | 21 | 14 | 12 | 12 | 205 |
| 18 | Revenue from EXISTING Recovery Rates | (18) | (18) | (17) | (18) | (17) | (18) | (18) | (16) | (18) | (17) | (18) | (17) | (207) |
| 19 | CCRA Balance - Ending (Pre-tax) ^(b) | \$ (20) | \$ (26) | \$ (32) | \$ (33) | \$ (29) | \$ (21) | \$ (12) | \$ (4) | \$ (1) | \$ (4) | \$ (9) | \$ (14) | \$ (14) |
| 21 | 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% |
| 23 | CCRA Balance - Ending (After-tax) ^(c) | \$ (15) | \$ (19) | \$ (23) | \$ (24) | \$ (21) | \$ (15) | \$ (9) | \$ (3) | \$ (1) | \$ (3) | \$ (7) | \$ (10) | \$ (10) |
| | | Forecast Jul-20 | Forecast Aug-20 | Forecast Sep-20 | Forecast Oct-20 | Forecast Nov-20 | Forecast Dec-20 | Forecast Jan-21 | Forecast Feb-21 | Forecast Mar-21 | Forecast Apr-21 | Forecast May-21 | Forecast Jun-21 | Jul-20 to Jun-21 |
| 29 | CCRA Balance - Beginning (Pre-tax) ^(a) | \$ (14) | \$ (19) | \$ (23) | \$ (28) | \$ (30) | \$ (27) | \$ (21) | \$ (13) | \$ (7) | \$ (3) | \$ (4) | \$ (6) | \$ (14) |
| 30 | Gas Costs Incurred | 13 | 14 | 13 | 16 | 21 | 24 | 26 | 22 | 22 | 16 | 15 | 15 | 218 |
| 31 | Revenue from EXISTING Recovery Rates | (18) | (18) | (17) | (18) | (17) | (18) | (18) | (16) | (18) | (17) | (18) | (17) | (212) |
| 32 | CCRA Balance - Ending (Pre-tax) ^(b) | \$ (19) | \$ (23) | \$ (28) | \$ (30) | \$ (27) | \$ (21) | \$ (13) | \$ (7) | \$ (3) | \$ (4) | \$ (6) | \$ (9) | \$ (9) |
| 34 | 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% |
| 36 | CCRA Balance - Ending (After-tax) ^(c) | \$ (14) | \$ (17) | \$ (20) | \$ (22) | \$ (20) | \$ (15) | \$ (10) | \$ (5) | \$ (2) | \$ (3) | \$ (5) | \$ (6) | \$ (6) |

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 \$2.4 million credit as at June 30, 2019.

(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 AND VANCOUVER ISLAND SERVICE AREA
CCRA RATE CHANGE TRIGGER MECHANISM
FOR THE FORECAST PERIOD JUL 2019 TO JUN 2020
FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 21, 22, 23, AND 24, 2019

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 Jun 30, 2019 | \$ (12.9) | | | | (Tab 1, Page 1, Col.14, Line 16) |
| 4 | Forecast Incurred Gas Costs - Jul 2019 to Jun 2020 | \$ 205.4 | | | | (Tab 1, Page 1, Col.14, Line 17) |
| 5 | Forecast Recovery Gas Costs at Existing Recovery Rate - Jul 2019 to Jun 2020 | \$ 206.8 | | | | (Tab 1, Page 1, Col.14, Line 18) |
| 6 | | | | | | |
| 7 | CCRA = Forecast Recovered Gas Costs (Line 5) | = \$ 206.8 | | = 107.4% | | |
| 8 | Ratio Forecast Incurred Gas Costs (Line 4) + Projected CCRA Balance (Line 3) | \$ 192.5 | | | | Outside 95% to 105% deadband |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | <u>Existing Cost of Gas (Commodity Cost Recovery Rate), effective January 1, 2018</u> | | | | \$ 1.549 | |
| 14 | | | | | | |
| 15 | | | | | | |
| 16 | | | | | | |
| 17 | | | | | | |
| 18 | <u>CCRA RATE CHANGE THRESHOLD (+/- \$0.50/GJ)</u> | | | | | |
| 19 | | | | | | |
| 20 | Forecast 12-month CCRA Baseload - Jul 2019 to Jun 2020 | | 133,505 | | | (Tab1, Page 7, Col.5, Line 11) |
| 21 | (a) | | | | | |
| 22 | Projected Deferral Balance at Jun 30, 2019 | \$ (12.9) | | | \$ (0.0965) ^(b) | |
| 23 | Forecast 12-month CCRA Activities - Jul 2019 to Jun 2020 | \$ (1.4) | | | \$ (0.0109) ^(b) | |
| 24 | (Over) / Under Recovery at Existing Rate | \$ (14.3) | | | | (Line 3 + Line 4 - Line 5) |
| 25 | | | | | | |
| 26 | Tested Rate (Decrease) / Increase | | | | \$ (0.107) ^(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 AND VANCOUVER ISLAND SERVICE AREA
MCRA MONTHLY BALANCES AT EXISTING RATES (AFTER ADJUSTMENTS FOR ENERGY DIFFERENCES)
FOR THE FORECAST PERIOD FROM JUL 2019 TO DEC 2020
FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 21, 22, 23, AND 24, 2019
\$(Millions)

Tab 1
Page 3

| Line No. | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
|----------|--|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------|
| | | Recorded Jan-19 | Recorded Feb-19 | Recorded Mar-19 | Recorded Apr-19 | Projected May-19 | Projected Jun-19 | Forecast Jul-19 | Forecast Aug-19 | Forecast Sep-19 | Forecast Oct-19 | Forecast Nov-19 | Forecast Dec-19 | Total 2019 |
| 3 | MCRA Balance - Beginning (Pre-tax) ^(a) | \$ (6) | \$ (13) | \$ 7 | \$ 16 | \$ 8 | \$ 14 | \$ 19 | \$ 32 | \$ 45 | \$ 55 | \$ 54 | \$ 43 | \$ (6) |
| 4 | 2019 MCRA Activities | | | | | | | | | | | | | |
| 5 | <u>Rate Rider 6</u> ^(d) | | | | | | | | | | | | | |
| 6 | Amount to be amortized in 2019 | | | | | | | | | | | | | \$ (3) |
| 7 | Rider 6 Amortization at APPROVED 2019 Rates | \$ 1 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 3 |
| 8 | <u>Midstream Base Rates</u> | | | | | | | | | | | | | |
| 9 | Gas Costs Incurred | \$ 34 | \$ 71 | \$ 39 | \$ 4 | \$ 8 | \$ 8 | \$ 6 | \$ 5 | \$ 6 | \$ 10 | \$ 21 | \$ 29 | 241 |
| 10 | Revenue from APPROVED Recovery Rates | (42) | (51) | (31) | (12) | (2) | 3 | 7 | 7 | 4 | (11) | (31) | (45) | (205) |
| 11 | Total Midstream Base Rates (Pre-tax) | \$ (8) | \$ 20 | \$ 8 | \$ (8) | \$ 6 | \$ 11 | \$ 13 | \$ 12 | \$ 10 | \$ (1) | \$ (11) | \$ (16) | \$ 36 |
| 12 | | | | | | | | | | | | | | |
| 13 | MCRA Cumulative Balance - Ending (Pre-tax) ^(b) | \$ (13) | \$ 7 | \$ 16 | \$ 8 | \$ 14 | \$ 19 | \$ 32 | \$ 45 | \$ 55 | \$ 54 | \$ 43 | \$ 28 | \$ 28 |
| 14 | 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% |
| 15 | | | | | | | | | | | | | | |
| 16 | MCRA Cumulative Balance - Ending (After-tax) ^(c) | \$ (10) | \$ 5 | \$ 12 | \$ 6 | \$ 10 | \$ 14 | \$ 24 | \$ 33 | \$ 40 | \$ 39 | \$ 32 | \$ 20 | \$ 20 |
| 17 | | | | | | | | | | | | | | |
| 18 | | | | | | | | | | | | | | |
| 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 | Forecast Oct-20 | Forecast Nov-20 | Forecast Dec-20 | Total 2020 |
| 20 | | | | | | | | | | | | | | |
| 21 | MCRA Balance - Beginning (Pre-tax) ^(a) | \$ 28 | \$ 13 | \$ 3 | \$ (6) | \$ (13) | \$ (12) | \$ (6) | \$ 1 | \$ 8 | \$ 13 | \$ 8 | \$ (2) | \$ 28 |
| 22 | 2020 MCRA Activities | | | | | | | | | | | | | |
| 23 | <u>Rate Rider 6</u> | | | | | | | | | | | | | |
| 24 | | | | | | | | | | | | | | |
| 25 | Rider 6 Amortization at APPROVED 2019 Rates | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 3 |
| 26 | <u>Midstream Base Rates</u> | | | | | | | | | | | | | |
| 27 | Gas Costs Incurred | \$ 30 | \$ 27 | \$ 21 | \$ 9 | \$ 4 | \$ 3 | \$ (0) | \$ (0) | \$ 1 | \$ 6 | \$ 21 | \$ 29 | 150 |
| 28 | Revenue from EXISTING Recovery Rates | (46) | (37) | (31) | (16) | (3) | 3 | 7 | 7 | 4 | (11) | (32) | (46) | (200) |
| 29 | Total Midstream Base Rates (Pre-tax) | \$ (16) | \$ (10) | \$ (9) | \$ (7) | \$ 1 | \$ 5 | \$ 7 | \$ 7 | \$ 5 | \$ (5) | \$ (11) | \$ (17) | \$ (49) |
| 30 | | | | | | | | | | | | | | |
| 31 | MCRA Cumulative Balance - Ending (Pre-tax) ^(b) | \$ 13 | \$ 3 | \$ (6) | \$ (13) | \$ (12) | \$ (6) | \$ 1 | \$ 8 | \$ 13 | \$ 8 | \$ (2) | \$ (18) | \$ (18) |
| 32 | 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% |
| 33 | | | | | | | | | | | | | | |
| 34 | MCRA Cumulative Balance - Ending (After-tax) ^(c) | \$ 9 | \$ 2 | \$ (4) | \$ (10) | \$ (8) | \$ (4) | \$ 1 | \$ 6 | \$ 9 | \$ 6 | \$ (1) | \$ (13) | \$ (13) |

Notes:

- (a) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts.
(b) For rate setting purposes MCRA pre-tax balances include grossed-up projected deferred interest of approximately \$5.9 million credit as at June 30, 2019.
(c) For rate setting purposes MCRA after-tax balances are independently grossed-up to reflect pre-tax amounts.
(d) BCUC Order G-230-18 approved the 1/2 projected MCRA cumulative balance at December 31, 2018 to be amortized into 2019 midstream rates, via Rider 6, as filed in the FEI 2018 Fourth Quarter Gas Cost Report.

Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA
SUMAS INDEX FORECAST FOR THE PERIOD ENDING JUN 2021
AND US DOLLAR EXCHANGE RATE FORECAST UPDATE

Tab 1
Page 4.1

| Line No | Particulars | Five-day Average Forward Prices - May 17, 21, 22, 23, and 24, 2019 2019 Q2 Gas Cost Report | Five-day Average Forward Prices - Feb 20, 21, 22, 25, and 26, 2019 2019 Q1 Gas Cost Report | Change in Forward Price |
|---------|---|---|---|----------------------------|
| | (1) | (2) | (3) | (4) = (2) - (3) |
| 1 | SUMAS Index Prices - presented in \$US/MMBtu | | | |
| 2 | | | | |
| 3 | 2019 | | | |
| 4 | January | ↑ \$ 6.18 | Recorded \$ 6.18 | \$ - |
| 5 | February | \$ 3.78 | Forecast \$ 3.56 | \$ 0.22 |
| 6 | March | \$ 10.46 | \$ 7.36 | \$ 3.10 |
| 7 | April | Recorded \$ 2.66 | ↓ \$ 2.59 | \$ 0.07 |
| 8 | May | \$ 1.87 | \$ 2.12 | \$ (0.25) |
| 9 | June | \$ 1.83 | \$ 2.18 | \$ (0.34) |
| 10 | July | ↓ \$ 2.54 | \$ 2.51 | \$ 0.03 |
| 11 | August | \$ 2.67 | \$ 2.67 | \$ (0.00) |
| 12 | September | \$ 2.40 | \$ 2.63 | \$ (0.24) |
| 13 | October | \$ 2.33 | \$ 2.49 | \$ (0.16) |
| 14 | November | \$ 3.24 | \$ 3.19 | \$ 0.06 |
| 15 | December | \$ 4.01 | \$ 3.69 | \$ 0.32 |
| 16 | 2020 | | | |
| 17 | January | \$ 3.51 | \$ 3.50 | \$ 0.00 |
| 18 | February | \$ 3.62 | \$ 3.54 | \$ 0.08 |
| 19 | March | \$ 3.00 | \$ 3.30 | \$ (0.30) |
| 20 | April | \$ 2.08 | \$ 1.59 | \$ 0.50 |
| 21 | May | \$ 1.65 | \$ 1.55 | \$ 0.10 |
| 22 | June | \$ 1.73 | \$ 1.59 | \$ 0.14 |
| 23 | July | \$ 2.02 | \$ 1.86 | \$ 0.16 |
| 24 | August | \$ 2.08 | \$ 1.92 | \$ 0.16 |
| 25 | September | \$ 2.07 | \$ 1.89 | \$ 0.17 |
| 26 | October | \$ 1.99 | \$ 1.85 | \$ 0.13 |
| 27 | November | \$ 2.73 | \$ 2.46 | \$ 0.27 |
| 28 | December | \$ 2.82 | \$ 2.95 | \$ (0.13) |
| 29 | 2021 | | | |
| 30 | January | \$ 2.98 | \$ 2.80 | \$ 0.18 |
| 31 | February | \$ 3.09 | \$ 2.84 | \$ 0.25 |
| 32 | March | \$ 2.46 | \$ 2.58 | \$ (0.12) |
| 33 | April | \$ 1.99 | | |
| 34 | May | \$ 1.56 | | |
| 35 | June | \$ 1.64 | | |
| 36 | Simple Average (Jul 2019 - Jun 2020) | \$ 2.73 | \$ 2.69 | 1.6% \$ 0.04 |
| 37 | Simple Average (Oct 2019 - Sep 2020) | \$ 2.61 | \$ 2.51 | 4.1% \$ 0.10 |
| 38 | Simple Average (Jan 2020 - Dec 2020) | \$ 2.44 | \$ 2.33 | 4.6% \$ 0.11 |
| 39 | Simple Average (Apr 2020 - Mar 2021) | \$ 2.31 | \$ 2.16 | 7.0% \$ 0.15 |
| 40 | Simple Average (Jul 2020 - Jun 2021) | \$ 2.29 | | |

Conversation Factors

1 MMBtu = 1.055056 GJ

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

| | | |
|-------------------------------------|-------------------------------------|----------------|
| <u>Forecast Jul 2019 - Jun 2020</u> | <u>Forecast Apr 2019 - Mar 2020</u> | |
| \$ 1.3384 | \$ 1.3123 | 2.0% \$ 0.0261 |

FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA
SUMAS INDEX FORECAST FOR THE PERIOD ENDING JUN 2021

Tab 1
Page 4.2

| Line No | Particulars | Five-day Average Forward Prices - May 17, 21, 22, 23, and 24, 2019 2019 Q2 Gas Cost Report | Five-day Average Forward Prices - Feb 20, 21, 22, 25, and 26, 2019 2019 Q1 Gas Cost Report | Change in Forward Price (4) = (2) - (3) |
|---------|---|---|---|---|
| | (1) | (2) | (3) | |
| 1 | SUMAS Index Prices - presented in \$CDN/GJ | | | |
| 2 | | | | |
| 3 | 2019 | | | |
| 4 | January | ↑ \$ 7.99 | Recorded \$ 7.99 | \$ - |
| 5 | February | \$ 4.71 | Forecast \$ 4.43 | \$ 0.28 |
| 6 | March | \$ 13.06 | \$ 9.20 | \$ 3.86 |
| 7 | April | Recorded \$ 3.37 | ↓ \$ 3.24 | \$ 0.13 |
| 8 | May | \$ 2.37 | \$ 2.64 | \$ (0.27) |
| 9 | June | \$ 2.34 | \$ 2.71 | \$ (0.37) |
| 10 | July | ↓ \$ 3.23 | \$ 3.13 | \$ 0.10 |
| 11 | August | \$ 3.39 | \$ 3.33 | \$ 0.07 |
| 12 | September | \$ 3.05 | \$ 3.28 | \$ (0.23) |
| 13 | October | \$ 2.96 | \$ 3.10 | \$ (0.14) |
| 14 | November | \$ 4.12 | \$ 3.96 | \$ 0.16 |
| 15 | December | \$ 5.09 | \$ 4.58 | \$ 0.51 |
| 16 | 2020 | | | |
| 17 | January | \$ 4.45 | \$ 4.35 | \$ 0.10 |
| 18 | February | \$ 4.58 | \$ 4.39 | \$ 0.20 |
| 19 | March | \$ 3.80 | \$ 4.09 | \$ (0.29) |
| 20 | April | \$ 2.64 | \$ 1.97 | \$ 0.67 |
| 21 | May | \$ 2.09 | \$ 1.92 | \$ 0.17 |
| 22 | June | \$ 2.19 | \$ 1.97 | \$ 0.22 |
| 23 | July | \$ 2.56 | \$ 2.31 | \$ 0.25 |
| 24 | August | \$ 2.63 | \$ 2.38 | \$ 0.25 |
| 25 | September | \$ 2.61 | \$ 2.34 | \$ 0.27 |
| 26 | October | \$ 2.51 | \$ 2.30 | \$ 0.21 |
| 27 | November | \$ 3.44 | \$ 3.04 | \$ 0.40 |
| 28 | December | \$ 3.57 | \$ 3.66 | \$ (0.10) |
| 29 | 2021 | | | |
| 30 | January | \$ 3.77 | \$ 3.47 | \$ 0.29 |
| 31 | February | \$ 3.91 | \$ 3.52 | \$ 0.39 |
| 32 | March | \$ 3.12 | \$ 3.18 | \$ (0.07) |
| 33 | April | \$ 2.52 | | |
| 34 | May | \$ 1.98 | | |
| 35 | June | \$ 2.07 | | |
| 36 | Simple Average (Jul 2019 - Jun 2020) | \$ 3.47 | \$ 3.34 | 3.8% \$ 0.13 |
| 37 | Simple Average (Oct 2019 - Sep 2020) | \$ 3.31 | \$ 3.11 | 6.3% \$ 0.20 |
| 38 | Simple Average (Jan 2020 - Dec 2020) | \$ 3.09 | \$ 2.89 | 6.8% \$ 0.20 |
| 39 | Simple Average (Apr 2020 - Mar 2021) | \$ 2.92 | \$ 2.67 | 9.3% \$ 0.25 |
| 40 | Simple Average (Jul 2020 - Jun 2021) | \$ 2.89 | | |

Conversion Factors
1 MMBtu = 1.055056 GJ

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

| | |
|------------------------------|------------------------------|
| Forecast Jul 2019 - Jun 2020 | Forecast Apr 2019 - Mar 2020 |
| \$ 1.3384 | \$ 1.3123 |
| | 2.0% \$ 0.0261 |

FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA
AECO INDEX FORECAST FOR THE PERIOD ENDING JUN 2021

Tab 1
Page 5

| Line No | Particulars | Five-day Average Forward Prices - May 17, 21, 22, 23, and 24, 2019 2019 Q2 Gas Cost Report | Five-day Average Forward Prices - Feb 20, 21, 22, 25, and 26, 2019 2019 Q1 Gas Cost Report | Change in Forward Price (4) = (2) - (3) |
|---------|--------------------------------------|---|---|---|
| | (1) | (2) | (3) | |
| 1 | AECO Index Prices - \$CDN/GJ | | | |
| 2 | | | | |
| 3 | 2019 | | | |
| 4 | January | ↑ \$ 1.61 | Recorded \$ 1.61 | \$ - |
| 5 | February | \$ 1.85 | Forecast \$ 1.85 | \$ 0.01 |
| 6 | March | \$ 2.07 | \$ 1.91 | \$ 0.16 |
| 7 | April | Recorded \$ 1.37 | ↓ \$ 1.33 | \$ 0.04 |
| 8 | May | \$ 1.09 | \$ 1.30 | \$ (0.21) |
| 9 | June | \$ 0.80 | \$ 1.16 | \$ (0.36) |
| 10 | July | ↓ \$ 0.92 | \$ 1.19 | \$ (0.26) |
| 11 | August | \$ 1.05 | \$ 1.22 | \$ (0.17) |
| 12 | September | \$ 1.04 | \$ 1.27 | \$ (0.22) |
| 13 | October | \$ 1.46 | \$ 1.39 | \$ 0.08 |
| 14 | November | \$ 1.76 | \$ 1.90 | \$ (0.14) |
| 15 | December | \$ 2.11 | \$ 2.08 | \$ 0.03 |
| 16 | 2020 | | | |
| 17 | January | \$ 2.19 | \$ 2.18 | \$ 0.02 |
| 18 | February | \$ 2.15 | \$ 2.18 | \$ (0.03) |
| 19 | March | \$ 1.76 | \$ 1.88 | \$ (0.12) |
| 20 | April | \$ 1.24 | \$ 1.30 | \$ (0.07) |
| 21 | May | \$ 1.08 | \$ 1.22 | \$ (0.15) |
| 22 | June | \$ 1.09 | \$ 1.28 | \$ (0.18) |
| 23 | July | \$ 1.13 | \$ 1.36 | \$ (0.23) |
| 24 | August | \$ 1.14 | \$ 1.36 | \$ (0.22) |
| 25 | September | \$ 1.14 | \$ 1.36 | \$ (0.22) |
| 26 | October | \$ 1.32 | \$ 1.48 | \$ (0.15) |
| 27 | November | \$ 1.76 | \$ 1.64 | \$ 0.11 |
| 28 | December | \$ 1.99 | \$ 1.87 | \$ 0.13 |
| 29 | 2021 | | | |
| 30 | January | \$ 2.12 | \$ 2.04 | \$ 0.08 |
| 31 | February | \$ 2.04 | \$ 1.93 | \$ 0.11 |
| 32 | March | \$ 1.87 | \$ 1.74 | \$ 0.13 |
| 33 | April | \$ 1.43 | | |
| 34 | May | \$ 1.35 | | |
| 35 | June | \$ 1.38 | | |
| 36 | Simple Average (Jul 2019 - Jun 2020) | \$ 1.49 | \$ 1.59 | -6.4% \$ (0.10) |
| 37 | Simple Average (Oct 2019 - Sep 2020) | \$ 1.52 | \$ 1.62 | -6.3% \$ (0.10) |
| 38 | Simple Average (Jan 2020 - Dec 2020) | \$ 1.50 | \$ 1.59 | -5.8% \$ (0.09) |
| 39 | Simple Average (Apr 2020 - Mar 2021) | \$ 1.49 | \$ 1.55 | -3.5% \$ (0.05) |
| 40 | Simple Average (Jul 2020 - Jun 2021) | \$ 1.56 | | |

FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA
STATION 2 INDEX FORECAST FOR THE PERIOD ENDING JUN 2021

Tab 1
Page 6

| Line No | Particulars | Five-day Average Forward Prices - May 17, 21, 22, 23, and 24, 2019 2019 Q2 Gas Cost Report | Five-day Average Forward Prices - Feb 20, 21, 22, 25, and 26, 2019 2019 Q1 Gas Cost Report | Change in Forward Price (4) = (2) - (3) |
|---------|--|---|---|---|
| | (1) | (2) | (3) | |
| 1 | Station 2 Index Prices - \$CDN/GJ | | | |
| 2 | | | | |
| 3 | 2019 | | | |
| 4 | January | \$ 1.12 | Recorded \$ 1.12 | \$ - |
| 5 | February | \$ 1.25 | Forecast \$ 0.86 | \$ 0.39 |
| 6 | March | \$ 1.07 | \$ 0.96 | \$ 0.11 |
| 7 | April | \$ 0.85 | \$ 0.73 | \$ 0.12 |
| 8 | May | \$ 0.76 | \$ 0.70 | \$ 0.06 |
| 9 | June | \$ 0.60 | \$ 0.56 | \$ 0.04 |
| 10 | July | \$ 0.58 | \$ 0.50 | \$ 0.07 |
| 11 | August | \$ 0.70 | \$ 0.60 | \$ 0.10 |
| 12 | September | \$ 0.79 | \$ 1.25 | \$ (0.46) |
| 13 | October | \$ 1.32 | \$ 1.37 | \$ (0.05) |
| 14 | November | \$ 1.61 | \$ 1.75 | \$ (0.14) |
| 15 | December | \$ 1.96 | \$ 1.93 | \$ 0.03 |
| 16 | 2020 | | | |
| 17 | January | \$ 2.07 | \$ 2.03 | \$ 0.04 |
| 18 | February | \$ 2.03 | \$ 2.04 | \$ (0.01) |
| 19 | March | \$ 1.64 | \$ 1.74 | \$ (0.10) |
| 20 | April | \$ 1.09 | \$ 1.23 | \$ (0.14) |
| 21 | May | \$ 0.93 | \$ 1.15 | \$ (0.22) |
| 22 | June | \$ 0.95 | \$ 1.21 | \$ (0.26) |
| 23 | July | \$ 0.98 | \$ 1.28 | \$ (0.31) |
| 24 | August | \$ 0.99 | \$ 1.29 | \$ (0.30) |
| 25 | September | \$ 0.99 | \$ 1.29 | \$ (0.29) |
| 26 | October | \$ 1.18 | \$ 1.40 | \$ (0.23) |
| 27 | November | \$ 1.62 | \$ 1.48 | \$ 0.14 |
| 28 | December | \$ 1.85 | \$ 1.71 | \$ 0.15 |
| 29 | 2021 | | | |
| 30 | January | \$ 1.98 | \$ 1.88 | \$ 0.10 |
| 31 | February | \$ 1.90 | \$ 1.76 | \$ 0.13 |
| 32 | March | \$ 1.73 | \$ 1.58 | \$ 0.15 |
| 33 | April | \$ 1.26 | | |
| 34 | May | \$ 1.18 | | |
| 35 | June | \$ 1.21 | | |
| 36 | Simple Average (Jul 2019 - Jun 2020) | \$ 1.31 | \$ 1.40 | -6.8% \$ (0.10) |
| 37 | Simple Average (Oct 2019 - Sep 2020) | \$ 1.38 | \$ 1.53 | -9.6% \$ (0.15) |
| 38 | Simple Average (Jan 2020 - Dec 2020) | \$ 1.36 | \$ 1.49 | -8.6% \$ (0.13) |
| 39 | Simple Average (Apr 2020 - Mar 2021) | \$ 1.35 | \$ 1.44 | -6.3% \$ (0.09) |
| 40 | Simple Average (Jul 2020 - Jun 2021) | \$ 1.41 | | |

FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA
GAS BUDGET COST SUMMURY FOR THE FORECAST PERIOD JUL 2019 TO JUN 2020
FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 21, 22, 23, AND 24, 2019

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 | \$ | 153,517 | | 105,436 | \$ 1.456 | |
| 4 | AECO | | 50,310 | | 33,810 | \$ 1.488 | |
| 5 | Huntingdon | | - | | - | | |
| 6 | Commodity Costs before Hedging | | <u>\$ 203,827</u> | | <u>139,246</u> | \$ 1.464 | incl. Receipt Point Fuel 2018/19 Percentages. |
| 7 | Mark to Market Hedges Cost / (Gain) | | - | | - | | |
| 8 | Subtotal Commodity Purchased | \$ | <u>203,827</u> | | <u>139,246</u> | \$ 1.464 | |
| 9 | Core Market Administration Costs | | 1,524 | | - | | |
| 10 | Fuel Gas Provided to Midstream | | | | <u>(5,741)</u> | | |
| 11 | Total CCRA Baseload | | | | <u>133,505</u> | | |
| 12 | Total CCRA Costs | \$ | <u>205,351</u> | | | <u>\$ 1.538</u> | Commodity available for sale average unit cost |
| 13 | | | | | | | |
| 14 | | | | | | | |
| 15 | MCRA | | | | | | |
| 16 | <u>Midstream Commodity Related Costs</u> | | | | | | |
| 17 | Midstream Commodity before Hedging | \$ | 38,323 | | 20,078 | \$ 1.909 | |
| 18 | Mark to Market Hedges Cost / (Gain) | | - | | - | | |
| 19 | Imbalance | | (453) | | (406) | | |
| 20 | Company Use Gas Recovered from O&M | | (4,892) | | (701) | | |
| 21 | Injections into Storage | \$ | (28,167) | (23,289) | | \$ 1.209 | |
| 22 | Withdrawals from Storage | | <u>41,016</u> | <u>31,411</u> | | \$ 1.306 | |
| 23 | Storage Withdrawal / (Injection) Activity | | 12,848 | | <u>8,122</u> | | |
| 24 | Total Midstream Commodity Related Costs | \$ | <u>45,826</u> | | <u>27,093</u> | \$ 1.691 | |
| 25 | | | | | | | |
| 26 | <u>Storage Related Costs</u> | | | | | | |
| 27 | Storage Demand - Third Party Storage | \$ | 38,152 | | | | |
| 28 | On-System Storage - Mt. Hayes (LNG) | | <u>18,909</u> | | | | |
| 29 | Total Storage Related Costs | | 57,061 | | | | |
| 30 | | | | | | | |
| 31 | <u>Transport Related Costs</u> | | 160,212 | | | | |
| 32 | | | | | | | |
| 33 | <u>Mitigation</u> | | | | | | |
| 34 | Commodity Mitigation | \$ | (36,612) | | (25,528) | | |
| 35 | Storage Mitigation | | - | | | | |
| 36 | Transportation Mitigation | | <u>(60,701)</u> | | | | |
| 37 | Total Mitigation | | (97,313) | | | | |
| 38 | | | | | | | |
| 39 | <u>GSMIP Incentive Sharing</u> | | 1,000 | | | | |
| 40 | | | | | | | |
| 41 | <u>Core Market Administration Costs</u> | | <u>3,556</u> | | | | |
| 42 | | | | | | | |
| 43 | Net Transportation Fuels ^(a) | | | 168 | | | |
| 44 | UAF (Sales and T-Service) ^(b) | | | <u>(1,733)</u> | | | |
| 45 | <u>UAF & Net Transportation Fuels</u> | | | | <u>(1,564)</u> | | |
| 46 | | | | | | | |
| 47 | Net MCRA Commodity (Lines 24, 34 & 45) | | | | <u>-</u> | | |
| 48 | Total MCRA Costs (Lines 24, 29, 31, 37, 39, & 41) | \$ | <u>170,341</u> | | | <u>\$ 1.239</u> | Midstream average unit cost |
| 49 | Total Sales Quantities for RS1 to RS7 | | | | <u>137,462</u> | | |
| 50 | Total Forecast Gas Costs (Lines 12 & 48) | \$ | <u>375,692</u> | | | | reference to Tab 1, Page 8, Line 11, Col. 3 |

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

(b) The total cost of UAF (Sales Rate Classes and T-Service) is included as a component of gas purchased. Sales UAF costs are recovered via gas cost recovery rates.

As the T-Service UAF costs are recovered via delivery revenues, they are excluded from the storage and transport rate flow-through calculation.

Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA
RECONCILIATION OF GAS COST INCURRED
FOR THE FORECAST PERIOD JUL 2019 TO JUN 2020
FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 21, 22, 23, AND 24, 2019
\$(Millions)

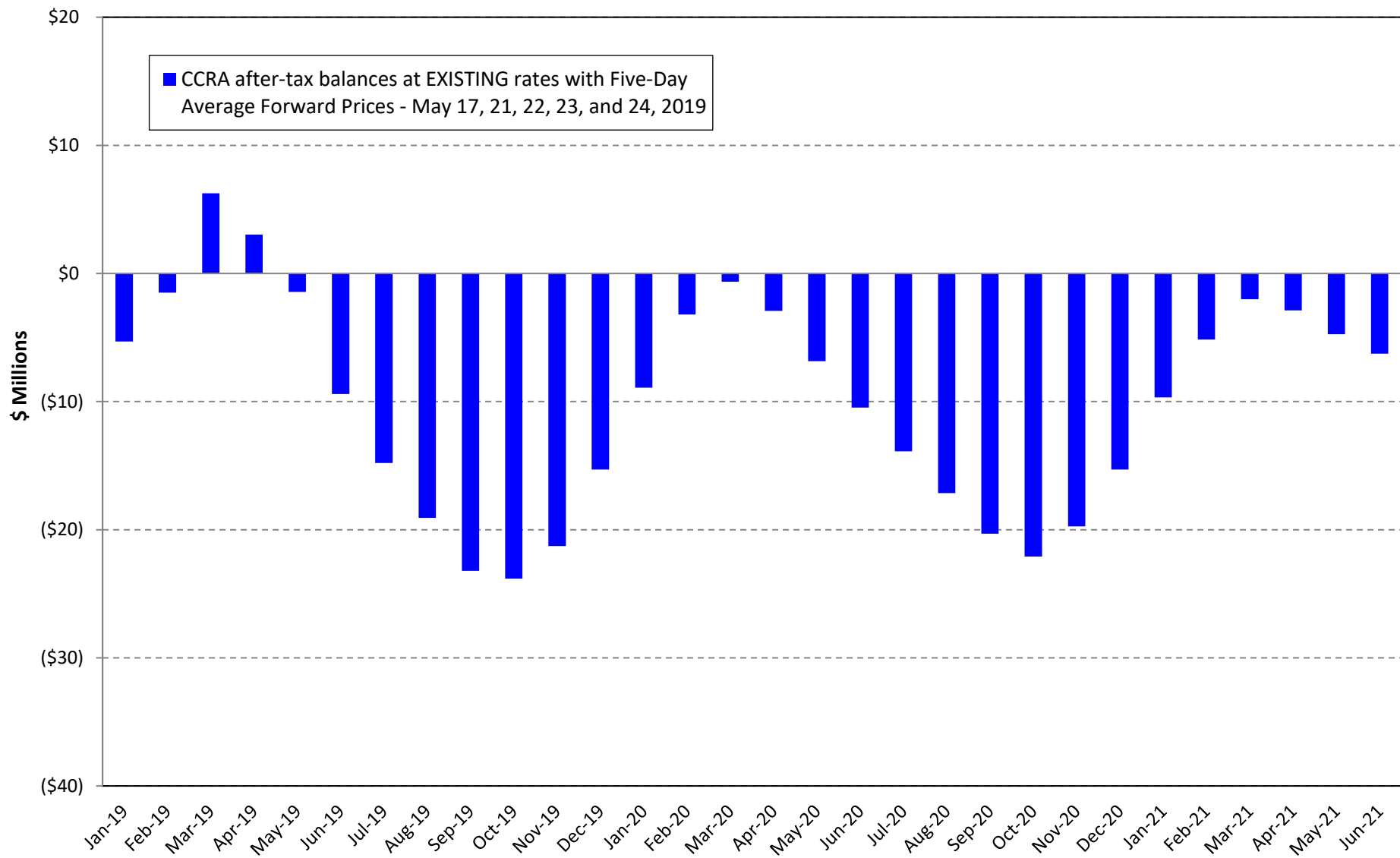
Tab 1
Page 8

| No. | Particulars | CCRA / MCRA Deferral Account Forecast | Gas Budget Cost Summary | References |
|-----|--------------------------|---|-------------------------------|------------------------------------|
| | (1) | (2) | (3) | (4) |
| 1 | Gas Cost Incurred | | | |
| 2 | CCRA | \$ 205 | | (Tab 1, Page 1, Col.14, Line 17) |
| 3 | MCRA | 170 | | (Tab 2, Page 6.1, Col.15, Line 34) |
| 4 | | | | |
| 5 | | | | |
| 6 | Gas Budget Cost Summary | | | |
| 7 | CCRA | | \$ 205 | (Tab 1, Page 7, Col.3, Line 12) |
| 8 | MCRA | | 170 | (Tab 1, Page 7, Col.3, Line 48) |
| 9 | | | | |
| 10 | | | | |
| 11 | Totals Reconciled | \$ 376 | \$ 376 | |

Slight differences in totals due to rounding.

FortisBC Energy Inc. - Mainland and Vancouver Island Service Area
 CCRA After-Tax Monthly Balances
 Recorded to April 2019 and Forecast to June 2021

Tab 1
 Page 9

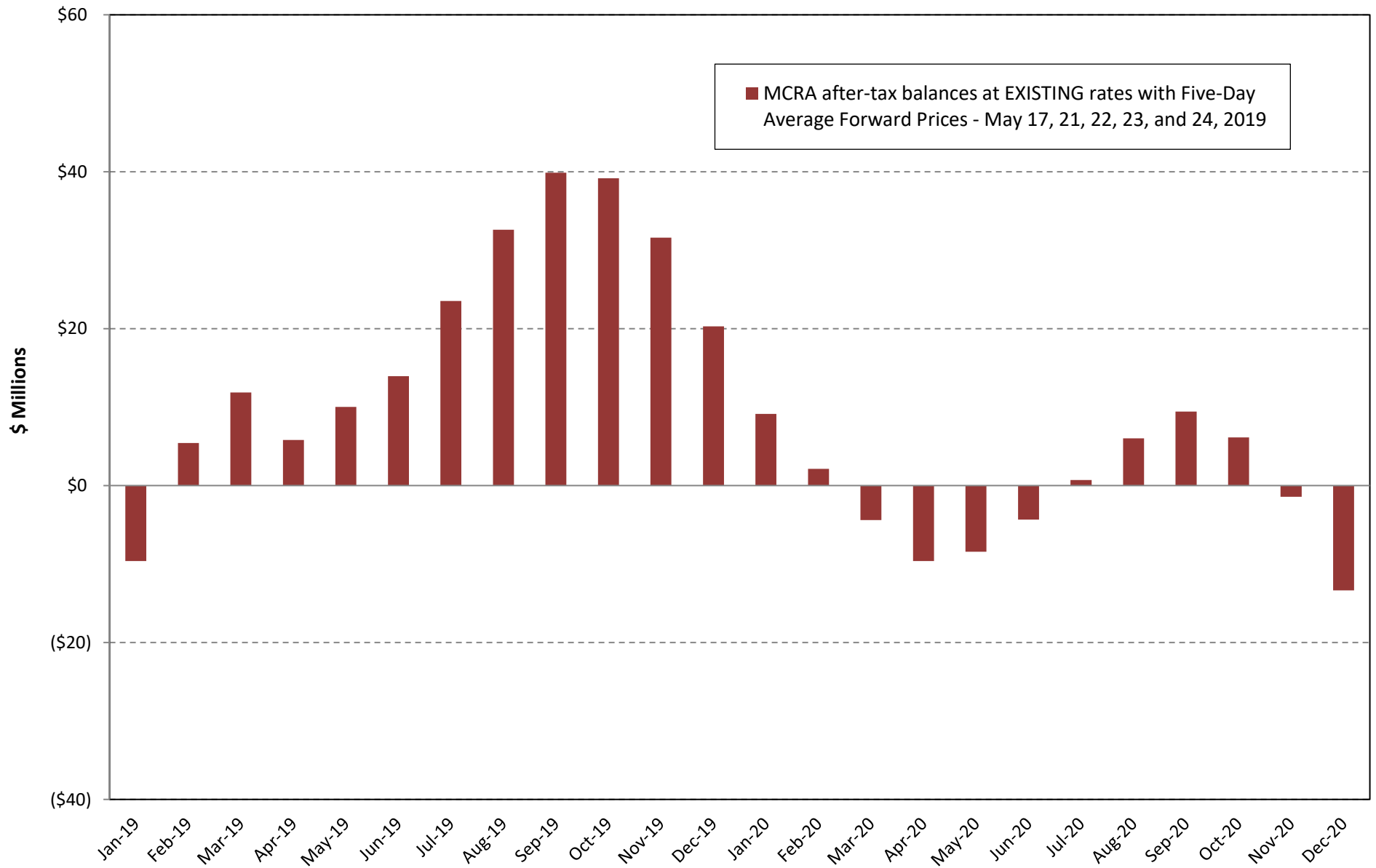


FortisBC Energy Inc. - Mainland and Vancouver Island Service Area

MCRA After-Tax Monthly Balances

Recorded to April 2019 and Forecast to December 2020

Tab 1
Page 10



FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA
CCRA INCURRED MONTHLY ACTIVITIES
RECORDED PERIOD TO APR 2019 AND FORECAST TO JUN 2020
FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 21, 22, 23, AND 24, 2019

Tab 2
Page 1

| Line No. | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
|----------|-------------------------------------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------------|
| 1 | | | | | | | | | | | | | | | Jan-19 to |
| 2 | | | Recorded | Recorded | Recorded | Recorded | Projected | Projected | | | | | | | Jun-19 |
| 3 | | | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | | | | | | | Total |
| 4 | CCRA QUANTITIES | | | | | | | | | | | | | | |
| 5 | Commodity Purchase | (TJ) | | | | | | | | | | | | | |
| 6 | STN 2 | | 8,890 | 8,031 | 8,890 | 8,672 | 8,930 | 8,642 | | | | | | | 52,055 |
| 7 | AECO | | 2,803 | 2,532 | 2,803 | 2,734 | 2,864 | 2,771 | | | | | | | 16,506 |
| 8 | Total Commodity Purchased | | 11,693 | 10,562 | 11,693 | 11,406 | 11,794 | 11,414 | | | | | | | 68,561 |
| 9 | Fuel Gas Provided to Midstream | | (482) | (435) | (482) | (470) | (486) | (471) | | | | | | | (2,827) |
| 10 | Commodity Available for Sale | | 11,211 | 10,127 | 11,210 | 10,935 | 11,308 | 10,943 | | | | | | | 65,734 |
| 11 | | | | | | | | | | | | | | | |
| 12 | CCRA COSTS | | | | | | | | | | | | | | |
| 13 | Commodity Costs | (\$000) | | | | | | | | | | | | | |
| 14 | STN 2 | | \$ 16,516 | \$ 14,225 | \$ 21,976 | \$ 9,270 | \$ 8,136 | \$ 6,055 | | | | | | | \$ 76,178 |
| 15 | AECO | | 4,731 | 5,909 | 6,370 | 3,145 | 3,119 | 2,225 | | | | | | | 25,498 |
| 16 | Commodity Costs before Hedging | | \$ 21,247 | \$ 20,133 | \$ 28,346 | \$ 12,416 | \$ 11,255 | \$ 8,280 | | | | | | | \$ 101,677 |
| 17 | Mark to Market Hedges Cost / (Gain) | | 2,136 | 680 | (457) | - | - | - | | | | | | | 2,358 |
| 18 | Core Market Administration Costs | | 136 | 87 | 122 | 101 | 127 | 127 | | | | | | | 700 |
| 19 | Total CCRA Costs | | \$ 23,518 | \$ 20,900 | \$ 28,011 | \$ 12,517 | \$ 11,382 | \$ 8,407 | | | | | | | \$ 104,735 |
| 20 | | | | | | | | | | | | | | | |
| 21 | | | | | | | | | | | | | | | |
| 22 | CCRA Unit Cost | (\$/GJ) | \$ 2.098 | \$ 2.064 | \$ 2.499 | \$ 1.145 | \$ 1.007 | \$ 0.768 | | | | | | | \$ 1.593 |
| 23 | | | | | | | | | | | | | | | |
| 24 | | | | | | | | | | | | | | | |
| 25 | | | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | 1-12 months |
| 26 | | | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Total |
| 27 | CCRA QUANTITIES | | | | | | | | | | | | | | |
| 28 | Commodity Purchase | (TJ) | | | | | | | | | | | | | |
| 29 | STN 2 | | 8,930 | 8,930 | 8,642 | 8,930 | 8,642 | 8,930 | 8,930 | 8,354 | 8,930 | 8,642 | 8,930 | 8,642 | 105,436 |
| 30 | AECO | | 2,864 | 2,864 | 2,771 | 2,864 | 2,771 | 2,864 | 2,864 | 2,679 | 2,864 | 2,771 | 2,864 | 2,771 | 33,810 |
| 31 | Total Commodity Purchased | | 11,794 | 11,794 | 11,414 | 11,794 | 11,414 | 11,794 | 11,794 | 11,033 | 11,794 | 11,414 | 11,794 | 11,414 | 139,246 |
| 32 | Fuel Gas Provided to Midstream | | (486) | (486) | (471) | (486) | (471) | (486) | (486) | (455) | (486) | (471) | (486) | (471) | (5,741) |
| 33 | Commodity Available for Sale | | 11,308 | 11,308 | 10,943 | 11,308 | 10,943 | 11,308 | 11,308 | 10,578 | 11,308 | 10,943 | 11,308 | 10,943 | 133,505 |
| 34 | | | | | | | | | | | | | | | |
| 35 | CCRA COSTS | (\$000) | | | | | | | | | | | | | |
| 36 | Commodity Costs | | | | | | | | | | | | | | |
| 37 | STN 2 | | \$ 7,374 | \$ 8,488 | \$ 8,283 | \$ 12,339 | \$ 15,432 | \$ 19,525 | \$ 19,872 | \$ 18,325 | \$ 15,841 | \$ 10,287 | \$ 8,922 | \$ 8,830 | \$ 153,517 |
| 38 | AECO | | 2,650 | 3,007 | 2,896 | 4,202 | 4,873 | 6,044 | 6,286 | 5,755 | 5,039 | 3,434 | 3,090 | 3,033 | 50,310 |
| 39 | Commodity Costs before Hedging | | \$ 10,024 | \$ 11,496 | \$ 11,179 | \$ 16,541 | \$ 20,305 | \$ 25,569 | \$ 26,157 | \$ 24,080 | \$ 20,881 | \$ 13,721 | \$ 12,011 | \$ 11,864 | \$ 203,827 |
| 40 | Mark to Market Hedges Cost / (Gain) | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 41 | Core Market Administration Costs | | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 1,524 |
| 42 | Total CCRA Costs | | \$ 10,151 | \$ 11,623 | \$ 11,306 | \$ 16,668 | \$ 20,432 | \$ 25,696 | \$ 26,284 | \$ 24,207 | \$ 21,008 | \$ 13,848 | \$ 12,138 | \$ 11,991 | \$ 205,351 |
| 43 | | | | | | | | | | | | | | | |
| 44 | | | | | | | | | | | | | | | |
| 45 | CCRA Unit Cost | (\$/GJ) | \$ 0.898 | \$ 1.028 | \$ 1.033 | \$ 1.474 | \$ 1.867 | \$ 2.272 | \$ 2.324 | \$ 2.288 | \$ 1.858 | \$ 1.265 | \$ 1.073 | \$ 1.096 | \$ 1.538 |

Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA
CCRA INCURRED MONTHLY ACTIVITIES
FORECAST PERIOD FROM JUL 2020 TO JUN 2021
FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 21, 22, 23, AND 24, 2019

Tab 2
Page 2

| 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 | 13-24 months | |
| 2 | | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Jan-21 | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 | Total | |
| 3 | CCRA QUANTITIES | | | | | | | | | | | | | | |
| 4 | Commodity Purchase | (TJ) | | | | | | | | | | | | | |
| 5 | STN 2 | 9,184 | 9,184 | 8,888 | 9,184 | 8,888 | 9,184 | 9,184 | 8,295 | 9,184 | 8,888 | 9,184 | 8,888 | 108,133 | |
| 6 | AECO | 2,945 | 2,945 | 2,850 | 2,945 | 2,850 | 2,945 | 2,945 | 2,660 | 2,945 | 2,850 | 2,945 | 2,850 | 34,675 | |
| 7 | Total Commodity Purchased | 12,129 | 12,129 | 11,738 | 12,129 | 11,738 | 12,129 | 12,129 | 10,955 | 12,129 | 11,738 | 12,129 | 11,738 | 142,808 | |
| 8 | Fuel Gas Provided to Midstream | (500) | (500) | (484) | (500) | (484) | (500) | (500) | (452) | (500) | (484) | (500) | (484) | (5,888) | |
| 9 | Commodity Available for Sale | 11,629 | 11,629 | 11,254 | 11,629 | 11,254 | 11,629 | 11,629 | 10,503 | 11,629 | 11,254 | 11,629 | 11,254 | 136,920 | |
| 10 | | | | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | | | | |
| 12 | CCRA COSTS | (\$000) | | | | | | | | | | | | | |
| 13 | Commodity Costs | | | | | | | | | | | | | | |
| 14 | STN 2 | \$ 9,889 | \$ 10,062 | \$ 9,727 | \$ 11,526 | \$ 15,526 | \$ 18,098 | \$ 19,347 | \$ 16,904 | \$ 16,692 | \$ 12,039 | \$ 11,366 | \$ 11,293 | \$ 162,469 | |
| 15 | AECO | 3,314 | 3,362 | 3,249 | 3,897 | 5,011 | 5,871 | 6,257 | 5,418 | 5,494 | 4,075 | 3,975 | 3,926 | 53,850 | |
| 16 | Commodity Costs before Hedging | \$ 13,204 | \$ 13,424 | \$ 12,975 | \$ 15,423 | \$ 20,538 | \$ 23,969 | \$ 25,604 | \$ 22,322 | \$ 22,186 | \$ 16,115 | \$ 15,340 | \$ 15,219 | \$ 216,319 | |
| 17 | Mark to Market Hedges Cost / (Gain) | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 18 | Core Market Administration Costs | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 1,524 | |
| 19 | Total CCRA Costs | \$ 13,331 | \$ 13,551 | \$ 13,102 | \$ 15,550 | \$ 20,665 | \$ 24,096 | \$ 25,731 | \$ 22,449 | \$ 22,313 | \$ 16,242 | \$ 15,467 | \$ 15,346 | \$ 217,843 | |
| 20 | | | | | | | | | | | | | | | |
| 21 | | | | | | | | | | | | | | | |
| 22 | CCRA Unit Cost | (\$/GJ) | \$ 1.146 | \$ 1.165 | \$ 1.164 | \$ 1.337 | \$ 1.836 | \$ 2.072 | \$ 2.213 | \$ 2.137 | \$ 1.919 | \$ 1.443 | \$ 1.330 | \$ 1.364 | \$ 1.591 |

Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA
COMMODITY COST RECONCILIATION ACCOUNT (CCRA)
COST OF GAS (COMMODITY COST RECOVERY CHARGE) FLOW-THROUGH
FOR THE FORECAST PERIOD JUL 1, 2019 TO JUN 30, 2020
FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 21, 22, 23, AND 24, 2019

Tab 2
Page 3

| Line No. | Particulars | Unit | RS-1 to RS-7 |
|----------|---|-------|----------------------------|
| | (1) | | (2) |
| 1 | <u>CCRA Baseload</u> | TJ | 133,505 |
| 2 | | | |
| 3 | | | |
| 4 | <u>CCRA Incurred Costs</u> | \$000 | |
| 5 | STN 2 | | \$ 153,516.9 |
| 6 | AECO | | 50,309.7 |
| 7 | CCRA Commodity Costs before Hedging | | \$ 203,826.6 |
| 8 | Mark to Market Hedges Cost / (Gain) | | - |
| 9 | Core Market Administration Costs | | 1,524.0 |
| 10 | Total Incurred Costs before CCRA deferral amortization | | \$ 205,350.6 |
| 11 | | | |
| 12 | Pre-tax CCRA Deficit / (Surplus) as of Jun 30, 2019 | | (12,888.8) |
| 13 | Total CCRA Incurred Costs | | \$ 192,461.8 |
| 14 | | | |
| 15 | | | |
| 16 | <u>CCRA Incurred Unit Costs</u> | \$/GJ | |
| 17 | CCRA Commodity Costs before Hedging | | \$ 1.5267 |
| 18 | Mark to Market Hedges Cost / (Gain) | | - |
| 19 | Core Market Administration Costs | | 0.0114 |
| 20 | Total Incurred Costs before CCRA deferral amortization | | \$ 1.5381 |
| 21 | Pre-tax CCRA Deficit / (Surplus) as of Jun 30, 2019 | | (0.0965) |
| 22 | CCRA Gas Costs Incurred -- Flow-Through | | \$ 1.4416 |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | | | |
| 27 | | | |
| 28 | | | |
| 29 | <u>Cost of Gas (Commodity Cost Recovery Charge)</u> | | <u>RS-1 to RS-7</u> |
| 30 | | | |
| 31 | TESTED Flow-Through Cost of Gas effective Jul 1, 2019 | | \$ 1.442 |
| 32 | | | |
| 33 | Existing Cost of Gas (effective since Jan 1, 2018) | | \$ 1.549 |
| 34 | | | |
| 35 | Cost of Gas Increase / (Decrease) | \$/GJ | \$ (0.107) |
| 36 | | | |
| 37 | Cost of Gas Percentage Increase / (Decrease) | | -6.91% |

FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA
MCRA INCURRED MONTHLY ACTIVITIES FOR THE YEAR 2019
FORECAST PERIODS WITH FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 21, 22, 23, AND 24, 2019

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-19 | Recorded Feb-19 | Recorded Mar-19 | Recorded Apr-19 | Projected May-19 | Projected 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) | | \$ 32,854.1 | \$ 28,855.9 | \$ 51,072.1 | \$ (51.9) | \$ 3.2 | \$ 2.6 | \$ 2.6 | \$ 3.0 | \$ 3.4 | \$ 4.8 | \$ 5,007.3 | \$ 9,275.2 | 127,032.4 |
| 4 | Mark to Market Hedges Cost / (Gain) | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Imbalance ^(b) | \$ 823.5 | (214.9) | 685.4 | (275.5) | (565.3) | - | - | - | - | - | - | - | (453.1) | (823.5) |
| 6 | Company Use Gas Recovered from O&M | | (584.3) | (340.4) | (244.8) | (1.0) | (233.8) | (206.8) | (156.8) | (104.4) | (145.8) | (219.2) | (468.3) | (760.9) | (3,466.5) |
| 7 | Storage Withdrawal / (Injection) Activity ^(c) | | 5,813.0 | 9,143.3 | 2,330.8 | 709.1 | (4,053.4) | (3,460.6) | (3,325.3) | (4,299.7) | (1,945.7) | (1,580.0) | 5,300.4 | 8,017.1 | 12,649.0 |
| 8 | Total Midstream Commodity Related Costs | | \$ 37,867.9 | \$ 38,344.2 | \$ 52,882.6 | \$ 91.0 | \$ (4,284.0) | \$ (3,664.8) | \$ (3,479.5) | \$ (4,401.1) | \$ (2,088.1) | \$ (1,794.4) | \$ 9,839.4 | \$ 16,078.2 | \$ 135,391.4 |
| 9 | | | | | | | | | | | | | | | |
| 10 | <u>Storage Related Costs</u> | | | | | | | | | | | | | | |
| 11 | Storage Demand - Third Party Storage | | \$ 2,662.7 | \$ 2,647.7 | \$ 2,684.2 | \$ 2,625.6 | \$ 3,755.4 | \$ 3,750.8 | \$ 3,758.0 | \$ 3,756.6 | \$ 3,685.1 | \$ 3,669.6 | \$ 2,618.8 | \$ 2,630.8 | \$ 38,245.3 |
| 12 | On-System Storage - Mt. Hayes (LNG) | | 1,792.2 | 1,517.9 | 1,719.1 | 1,519.1 | 1,705.1 | 1,711.1 | 1,518.9 | 1,518.8 | 1,518.8 | 1,716.0 | 1,608.1 | 1,523.3 | 19,368.5 |
| 13 | Total Storage Related Costs | | \$ 4,454.9 | \$ 4,165.7 | \$ 4,403.2 | \$ 4,144.7 | \$ 5,460.5 | \$ 5,462.0 | \$ 5,276.9 | \$ 5,275.4 | \$ 5,203.9 | \$ 5,385.6 | \$ 4,226.9 | \$ 4,154.2 | \$ 57,613.8 |
| 14 | | | | | | | | | | | | | | | |
| 15 | <u>Transportation Related Costs</u> | | | | | | | | | | | | | | |
| 16 | Enbridge (BC Pipeline) - Westcoast Energy | | \$ 11,658.5 | \$ 36,809.3 | \$ 11,509.2 | \$ 11,015.5 | \$ 10,812.0 | \$ 10,830.2 | \$ 10,896.3 | \$ 11,122.0 | \$ 10,897.8 | \$ 10,847.5 | \$ 10,983.3 | \$ 11,252.7 | \$ 158,634.4 |
| 17 | TransCanada (Foothills BC) | | 505.1 | 515.9 | 510.5 | 382.1 | 384.7 | 384.7 | 384.7 | 384.7 | 384.7 | 384.7 | 480.6 | 480.6 | 5,183.1 |
| 18 | TransCanada (NOVA Alta) | | 956.2 | 959.8 | 958.0 | 938.7 | 929.5 | 929.5 | 929.5 | 929.5 | 929.5 | 929.5 | 929.5 | 929.5 | 11,248.7 |
| 19 | Northwest Pipeline | | 765.2 | 735.0 | 773.0 | 373.8 | 384.8 | 405.4 | 388.7 | 387.2 | 370.6 | 374.0 | 755.7 | 788.6 | 6,502.0 |
| 20 | FortisBC Huntingdon Inc. | | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 124.1 |
| 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 | CNG Truck Bridge | | 2,678.0 | 3,866.8 | 183.5 | - | - | - | - | - | - | - | - | - | 6,728.4 |
| 23 | Total Transportation Related Costs | | \$ 16,873.3 | \$ 43,197.1 | \$ 14,244.6 | \$ 13,020.4 | \$ 12,821.4 | \$ 12,860.2 | \$ 12,909.6 | \$ 13,133.8 | \$ 12,892.9 | \$ 12,846.1 | \$ 13,459.4 | \$ 13,761.9 | \$ 192,020.7 |
| 24 | | | | | | | | | | | | | | | |
| 25 | <u>Mitigation</u> | | | | | | | | | | | | | | |
| 26 | Commodity Related Mitigation | | \$ (20,638.1) | \$ (11,671.8) | \$ (27,885.8) | \$ (5,877.0) | \$ (1,019.2) | \$ (1,643.9) | \$ (2,940.3) | \$ (3,189.0) | \$ (4,164.9) | \$ (1,502.8) | \$ (4,495.7) | \$ (2,657.3) | \$ (87,686.0) |
| 27 | Storage Related Mitigation | | (1,066.4) | (168.4) | (259.0) | (986.8) | - | - | - | - | - | - | - | - | (2,480.6) |
| 28 | Transportation Related Mitigation | | (4,306.0) | (2,983.3) | (4,693.2) | (7,140.2) | (5,612.2) | (5,351.0) | (6,080.3) | (6,246.1) | (6,171.2) | (5,559.5) | (2,732.3) | (2,395.5) | (59,270.7) |
| 29 | Total Mitigation | | \$ (26,010.6) | \$ (14,823.5) | \$ (32,838.0) | \$ (14,003.9) | \$ (6,631.4) | \$ (6,994.9) | \$ (9,020.6) | \$ (9,435.1) | \$ (10,336.1) | \$ (7,062.4) | \$ (7,228.0) | \$ (5,052.9) | \$ (149,437.3) |
| 30 | | | | | | | | | | | | | | | |
| 31 | <u>GSMIP Incentive Sharing</u> | | \$ 252.2 | \$ 169.1 | \$ 440.0 | \$ 374.7 | \$ 83.3 | \$ 83.3 | \$ 83.3 | \$ 83.3 | \$ 83.3 | \$ 83.3 | \$ 83.3 | \$ 83.3 | \$ 1,902.7 |
| 32 | | | | | | | | | | | | | | | |
| 33 | <u>Core Market Administration Costs</u> | | \$ 316.4 | \$ 203.2 | \$ 285.1 | \$ 235.8 | \$ 296.3 | \$ 296.3 | \$ 296.3 | \$ 296.3 | \$ 296.3 | \$ 296.3 | \$ 296.3 | \$ 296.3 | \$ 3,411.1 |
| 34 | TOTAL MCRA COSTS | (\$000) | \$ 33,754.1 | \$ 71,255.8 | \$ 39,417.6 | \$ 3,862.7 | \$ 7,746.2 | \$ 8,042.1 | \$ 6,066.1 | \$ 4,952.7 | \$ 6,052.3 | \$ 9,754.6 | \$ 20,677.3 | \$ 29,321.1 | \$ 240,902.5 |
| | (Line 8, 13, 23, 29, 31 & 33) | | | | | | | | | | | | | | |

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, 2019 opening balance reflects FEI owed Spectra / Transportation Marketers 639 TJ of gas valued at \$823.5K. 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 AND VANCOUVER ISLAND SERVICE AREA
MCRA INCURRED MONTHLY ACTIVITIES FOR THE YEAR 2020
FORECAST PERIODS WITH FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 21, 22, 23, AND 24, 2019

| Line No. | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) |
|----------|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| | | Opening balance | 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 | Forecast Oct-20 | Forecast Nov-20 | Forecast Dec-20 | 2020 Total |
| 1 | MCRA COSTS | (\$000) | | | | | | | | | | | | | |
| 2 | <u>Midstream Commodity Related Costs</u> | | | | | | | | | | | | | | |
| 3 | Midstream Commodity Costs before Hedging ^(a) | | \$ 9,787.8 | \$ 8,952.3 | \$ 5,275.0 | \$ 4.3 | \$ 3.5 | \$ 3.8 | \$ 8.8 | \$ 8.9 | \$ 4.8 | \$ 10.5 | \$ 4,502.7 | \$ 8,135.3 | \$ 36,697.7 |
| 4 | Mark to Market Hedges Cost / (Gain) | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Imbalance ^(b) | \$ - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Company Use Gas Recovered from O&M | | (886.0) | (698.2) | (595.4) | (416.9) | (233.8) | (206.8) | (156.8) | (104.4) | (145.8) | (219.2) | (468.3) | (760.9) | (4,892.4) |
| 7 | Storage Withdrawal / (Injection) Activity ^(c) | | 7,988.0 | 7,291.6 | 6,143.9 | 242.9 | (4,861.0) | (6,124.0) | (6,883.0) | (6,168.0) | (6,550.5) | (2,412.0) | 5,427.4 | 7,891.9 | 1,987.4 |
| 8 | Total Midstream Commodity Related Costs | | \$ 16,889.9 | \$ 15,545.7 | \$ 10,823.5 | \$ (169.7) | \$ (5,091.3) | \$ (6,327.0) | \$ (7,030.9) | \$ (6,263.5) | \$ (6,691.5) | \$ (2,620.6) | \$ 9,461.8 | \$ 15,266.3 | \$ 33,792.7 |
| 9 | | | | | | | | | | | | | | | |
| 10 | <u>Storage Related Costs</u> | | | | | | | | | | | | | | |
| 11 | Storage Demand - Third Party Storage | | \$ 2,630.4 | \$ 2,610.2 | \$ 2,622.9 | \$ 2,628.0 | \$ 3,757.2 | \$ 3,784.2 | \$ 3,838.0 | \$ 3,837.0 | \$ 3,833.3 | \$ 3,691.9 | \$ 2,615.0 | \$ 2,626.8 | \$ 38,475.0 |
| 12 | On-System Storage - Mt. Hayes (LNG) | | 1,523.5 | 1,523.5 | 1,523.0 | 1,518.8 | 1,705.1 | 1,711.1 | 1,518.9 | 1,518.8 | 1,518.8 | 1,716.0 | 1,608.1 | 1,523.3 | 18,909.0 |
| 13 | Total Storage Related Costs | | \$ 4,153.9 | \$ 4,133.6 | \$ 4,145.9 | \$ 4,146.8 | \$ 5,462.4 | \$ 5,495.4 | \$ 5,356.9 | \$ 5,355.8 | \$ 5,352.1 | \$ 5,407.9 | \$ 4,223.1 | \$ 4,150.2 | \$ 57,384.0 |
| 14 | | | | | | | | | | | | | | | |
| 15 | <u>Transportation Related Costs</u> | | | | | | | | | | | | | | |
| 16 | Enbridge (BC Pipeline) - Westcoast Energy | | \$ 11,510.1 | \$ 11,498.2 | \$ 11,414.9 | \$ 11,103.0 | \$ 11,028.0 | \$ 11,046.2 | \$ 11,123.0 | \$ 11,354.2 | \$ 11,124.5 | \$ 11,073.2 | \$ 11,197.5 | \$ 11,466.3 | \$ 134,939.3 |
| 17 | TransCanada (Foothills BC) | | 490.3 | 490.3 | 490.3 | 362.0 | 362.0 | 362.0 | 362.0 | 362.0 | 362.0 | 362.0 | 490.3 | 490.3 | 4,985.2 |
| 18 | TransCanada (NOVA Alta) | | 948.1 | 948.1 | 948.1 | 948.1 | 948.1 | 948.1 | 948.1 | 948.1 | 948.1 | 948.1 | 948.1 | 948.1 | 11,377.1 |
| 19 | Northwest Pipeline | | 794.8 | 749.5 | 782.6 | 383.0 | 383.8 | 406.8 | 409.3 | 384.4 | 372.5 | 376.2 | 748.6 | 785.1 | 6,576.6 |
| 20 | FortisBC Huntingdon Inc. | | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 124.1 |
| 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 | CNG Truck Bridge | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 23 | Total Transportation Related Costs | | \$ 14,053.6 | \$ 13,996.4 | \$ 13,946.2 | \$ 13,106.5 | \$ 13,032.2 | \$ 13,073.5 | \$ 13,152.7 | \$ 13,359.1 | \$ 13,117.4 | \$ 13,069.8 | \$ 13,694.8 | \$ 14,000.1 | \$ 161,602.3 |
| 24 | | | | | | | | | | | | | | | |
| 25 | <u>Mitigation</u> | | | | | | | | | | | | | | |
| 26 | Commodity Related Mitigation | | \$ (2,905.7) | \$ (6,210.6) | \$ (6,293.9) | \$ (592.3) | \$ (546.7) | \$ (1,112.4) | \$ (2,456.3) | \$ (3,304.1) | \$ (1,628.8) | \$ (660.8) | \$ (3,895.5) | \$ (2,278.4) | \$ (31,885.6) |
| 27 | Storage Related Mitigation | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 28 | Transportation Related Mitigation | | (2,247.8) | (1,123.7) | (1,685.1) | (8,353.9) | (9,183.6) | (8,922.4) | (9,651.7) | (9,817.5) | (9,742.6) | (9,131.0) | (2,732.3) | (2,395.5) | (74,987.1) |
| 29 | Total Mitigation | | \$ (5,153.5) | \$ (7,334.3) | \$ (7,979.0) | \$ (8,946.2) | \$ (9,730.3) | \$ (10,034.9) | \$ (12,108.0) | \$ (13,121.6) | \$ (11,371.4) | \$ (9,791.8) | \$ (6,627.8) | \$ (4,673.9) | \$ (106,872.7) |
| 30 | | | | | | | | | | | | | | | |
| 31 | <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 |
| 32 | | | | | | | | | | | | | | | |
| 33 | <u>Core Market Administration Costs</u> | | \$ 296.3 | \$ 296.3 | \$ 296.3 | \$ 296.3 | \$ 296.3 | \$ 296.3 | \$ 296.3 | \$ 296.3 | \$ 296.3 | \$ 296.3 | \$ 296.3 | \$ 296.3 | \$ 3,556.0 |
| 34 | TOTAL MCRA COSTS | (\$000) | \$ 30,323.5 | \$ 26,721.1 | \$ 21,316.4 | \$ 8,517.0 | \$ 4,052.6 | \$ 2,586.6 | \$ (249.6) | \$ (290.5) | \$ 786.3 | \$ 6,445.0 | \$ 21,131.6 | \$ 29,122.3 | \$ 150,462.3 |
| | (Line 8, 13, 23, 29, 31 & 33) | | | | | | | | | | | | | | |

- 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 AND VANCOUVER ISLAND SERVICE AREA
STORAGE AND TRANSPORT RELATED CHARGES FLOW-THROUGH BY RATE SCHEDULE
FOR THE FORECAST PERIOD JUL 2019 TO JUN 2020
FIVE-DAY AVERAGE FORWARD PRICES - MAY 1721, 22, 23, AND 24, 2019

Tab 2
Page 6

| Line No. | Particulars | Unit | General | | | | | | General | | 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 |
|----------|---|-------|------------------|-----------------|-------------|-------------------|-----------|--------------|---------------|--------------------|----------------------|-----------------------------|--------------|------------------------------|--------------------------------------|
| | | | Residential RS-1 | Commercial RS-2 | RS-3 | Firm Service RS-5 | NGV RS-6 | Subtotal | Seasonal RS-4 | Interruptible RS-7 | | | | | |
| | (1) | | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| 1 | MCRA Sales Quantity | TJ | 81,519.0 | 30,455.9 | 21,885.0 | 3,101.1 | 40.3 | 137,001.4 | 141.3 | 318.9 | 137,461.6 | | 1,721.5 | 1,300.0 | 22,506.8 |
| 2 | | | | | | | | | | | | | | | |
| 3 | Load Factor Adjusted Quantity | | | | | | | | | | | | | | |
| 4 | Load Factor ^(a) | % | 31.6% | 31.5% | 37.7% | 45.6% | 100.0% | | | | | | | | |
| 5 | Load Factor Adjusted Quantity | TJ | 258,086.5 | 96,750.3 | 58,060.6 | 6,803.1 | 40.3 | 419,740.8 | | | | | | | |
| 6 | Load Factor Adjusted Volumetric Allocation | % | 61.5% | 23.1% | 13.8% | 1.6% | 0.0% | 100.0% | | | | | | | |
| 7 | | | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | | |
| 9 | MCRA Cost of Gas - Load Factor Adjusted Allocation | | | | | | | | | | | | | | |
| 10 | Midstream Commodity Related Costs (Net of Mitigation) | \$000 | \$ 5,099.8 | \$ 1,911.8 | \$ 1,147.3 | \$ 134.4 | \$ 0.8 | \$ 8,294.1 | | | \$ 8,294.1 | | \$ (2,189.3) | \$ (2,962.8) | \$ - |
| 11 | Midstream Commodity Related Costs | | 27,611.4 | 10,350.8 | 6,211.6 | 727.8 | 4.3 | 44,906.0 | | | | | 2,221.2 | 1,919.6 | 26,492.2 |
| 12 | Midstream Commodity Related Mitigation | | (22,511.6) | (8,439.0) | (5,064.3) | (593.4) | (3.5) | (36,611.9) | | | | | (4,410.5) | (4,882.4) | (26,492.2) |
| 13 | Storage Related Costs (Net of Mitigation) | \$000 | 35,085.0 | 13,152.5 | 7,892.9 | 924.8 | 5.5 | 57,060.8 | | | 57,060.8 | | - | - | - |
| 14 | Storage Related Costs | | 35,085.0 | 13,152.5 | 7,892.9 | 924.8 | 5.5 | 57,060.8 | | | | | - | - | - |
| 15 | Storage Related Mitigation | | - | - | - | - | - | - | | | | | - | - | - |
| 16 | Transportation Related Costs (Net of Mitigation) | \$000 | 61,186.2 | 22,937.2 | 13,764.8 | 1,612.8 | 9.6 | 99,510.6 | | | 99,510.6 | | 897.8 | 678.3 | - |
| 17 | Transportation Related Costs | | 98,509.7 | 36,928.9 | 22,161.3 | 2,596.7 | 15.4 | 160,212.0 | | | | | 897.8 | 678.3 | - |
| 18 | Transportation Related Mitigation | | (37,323.5) | (13,991.7) | (8,396.5) | (983.8) | (5.8) | (60,701.3) | | | | | - | - | - |
| 19 | GSMIP Incentive Sharing | \$000 | 614.9 | 230.5 | 138.3 | 16.2 | 0.1 | 1,000.0 | | | 1,000.0 | | - | - | - |
| 20 | Core Market Administration Costs - MCRA 70% | \$000 | 2,186.5 | 819.7 | 491.9 | 57.6 | 0.3 | 3,556.0 | | | 3,556.0 | | - | - | - |
| 21 | Total Midstream Cost of Gas Allocated by Rate Class | \$000 | \$ 104,172.4 | \$ 39,051.7 | \$ 23,435.2 | \$ 2,746.0 | \$ 16.3 | \$ 169,421.6 | | | \$ 169,421.6 | \$ 169,421.6 | \$ (1,291.5) | \$ (2,284.5) | \$ - |
| 22 | T-Service UAF to be recovered via delivery revenues ^(b) | | | | | | | | | | | 919.8 | | | |
| 23 | Total MCRA Gas Costs ^(c) | | | | | | | | | | | \$ 170,341.3 | | | |
| 24 | 1/2 of Pre-Tax Amort. MCRA Deficit/(Surplus) as of Jul 1, 2019 | \$000 | \$ 5,867.0 | \$ 2,199.4 | \$ 1,319.9 | \$ 154.7 | \$ 0.9 | \$ 9,541.8 | | | \$ 9,541.8 | | | | |
| 25 | | | | | | | | | | | | | | | |
| 26 | | | | | | | | | | | | | | | |
| 27 | MCRA Cost of Gas Unitized | | | | | | | | | | | Average Costs | | | |
| 28 | Midstream Commodity Related Costs (Net of Mitigation) | \$/GJ | \$ 0.0626 | \$ 0.0628 | \$ 0.0524 | \$ 0.0433 | \$ 0.0198 | | | | \$ 0.0603 | | | | |
| 29 | Storage Related Costs (Net of Mitigation) | \$/GJ | 0.4304 | 0.4319 | 0.3607 | 0.2982 | 0.1360 | | | | 0.4151 | | | | |
| 30 | Transportation Related Costs (Net of Mitigation) | \$/GJ | 0.7506 | 0.7531 | 0.6290 | 0.5201 | 0.2371 | | | | 0.7239 | | | | |
| 31 | GSMIP Incentive Sharing | \$/GJ | 0.0075 | 0.0076 | 0.0063 | 0.0052 | 0.0024 | | | | 0.0073 | | | | |
| 32 | Core Market Administration Costs - MCRA 70% | \$/GJ | 0.0268 | 0.0269 | 0.0225 | 0.0186 | 0.0085 | | | | 0.0259 | | | | |
| 33 | MCRA Flow-Through Costs before MCRA deferral amortization | \$/GJ | \$ 1.2779 | \$ 1.2822 | \$ 1.0708 | \$ 0.8855 | \$ 0.4037 | | | | \$ 1.2325 | | | | |
| 34 | MCRA Deferral Amortization via Rate Rider 6 | \$/GJ | \$ 0.0720 | \$ 0.0722 | \$ 0.0603 | \$ 0.0499 | \$ 0.0227 | | | | \$ 0.0694 | | | | |
| 35 | | | | | | | | | | | | | | | |

Notes:

(a) Based on the historical 3-year (2015, 2016, and 2017 data) rolling average load factors for Rate Schedules 1, 2, 3 and 5.

(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.

(d) BCUC Order G-95-19 approved to change the structure of the commodity rate in RS 46 from a market-based index to the structure of the commodity-related charges applicable to all of FEI's other sales service customers that are served under bundled rate schedules with interim rates to be effective May 1, 2019

FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA
MCRA FLOW-THROUGH MONTHLY COSTS FOR THE FORECAST PERIOD JUL 2019 TO JUN 2020
FIVE-DAY AVERAGE FORWARD PRICES - MAY 17, 21, 22, 23, AND 24, 2019

Tab 2
Page 6.1

| Line No. | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) |
|----------|--|---------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------------------|
| | | | Forecast Jul-19 | Forecast Aug-19 | Forecast Sep-19 | Forecast Oct-19 | Forecast Nov-19 | Forecast Dec-19 | Forecast Jan-20 | Forecast Feb-20 | Forecast Mar-20 | Forecast Apr-20 | Forecast May-20 | Forecast Jun-20 | Jul-19 to Jun-20 Total |
| 1 | MCRA COSTS | (\$000) | | | | | | | | | | | | | |
| 2 | <u>Midstream Commodity Related Costs</u> | | | | | | | | | | | | | | |
| 3 | Midstream Commodity Costs before Hedging ^(a) | \$ | 2.6 | \$ 3.0 | \$ 3.4 | \$ 4.8 | \$ 5,007.3 | \$ 9,275.2 | \$ 9,787.8 | \$ 8,952.3 | \$ 5,275.0 | \$ 4.3 | \$ 3.5 | \$ 3.8 | \$ 38,323.0 |
| 4 | Mark to Market Hedges Cost / (Gain) | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Imbalance ^(b) | | - | - | - | - | - | (453.1) | - | - | - | - | - | - | (453.1) |
| 6 | Company Use Gas Recovered from O&M | | (156.8) | (104.4) | (145.8) | (219.2) | (468.3) | (760.9) | (886.0) | (698.2) | (595.4) | (416.9) | (233.8) | (206.8) | (4,892.4) |
| 7 | Storage Withdrawal / (Injection) Activity ^(c) | | <u>(3,325.3)</u> | <u>(4,299.7)</u> | <u>(1,945.7)</u> | <u>(1,580.0)</u> | <u>5,300.4</u> | <u>8,017.1</u> | <u>7,988.0</u> | <u>7,291.6</u> | <u>6,143.9</u> | <u>242.9</u> | <u>(4,861.0)</u> | <u>(6,124.0)</u> | <u>12,848.3</u> |
| 8 | Total Midstream Commodity Related Costs | \$ | <u>(3,479.5)</u> | <u>(4,401.1)</u> | <u>(2,088.1)</u> | <u>(1,794.4)</u> | <u>9,839.4</u> | <u>16,078.2</u> | <u>16,889.9</u> | <u>15,545.7</u> | <u>10,823.5</u> | <u>(169.7)</u> | <u>(5,091.3)</u> | <u>(6,327.0)</u> | <u>45,825.8</u> |
| 9 | | | | | | | | | | | | | | | |
| 10 | <u>Storage Related Costs</u> | | | | | | | | | | | | | | |
| 11 | Storage Demand - Third Party Storage | \$ | 3,758.0 | \$ 3,756.6 | \$ 3,685.1 | \$ 3,669.6 | \$ 2,618.8 | \$ 2,630.8 | \$ 2,630.4 | \$ 2,610.2 | \$ 2,622.9 | \$ 2,628.0 | \$ 3,757.2 | \$ 3,784.2 | \$ 38,151.8 |
| 12 | On-System Storage - Mt. Hayes (LNG) | | <u>1,518.9</u> | <u>1,518.8</u> | <u>1,518.8</u> | <u>1,716.0</u> | <u>1,608.1</u> | <u>1,523.3</u> | <u>1,523.5</u> | <u>1,523.5</u> | <u>1,523.0</u> | <u>1,518.8</u> | <u>1,705.1</u> | <u>1,711.1</u> | <u>18,909.0</u> |
| 13 | Total Storage Related Costs | \$ | <u>5,276.9</u> | <u>5,275.4</u> | <u>5,203.9</u> | <u>5,385.6</u> | <u>4,226.9</u> | <u>4,154.2</u> | <u>4,153.9</u> | <u>4,133.6</u> | <u>4,145.9</u> | <u>4,146.8</u> | <u>5,462.4</u> | <u>5,495.4</u> | <u>57,060.8</u> |
| 14 | | | | | | | | | | | | | | | |
| 15 | <u>Transportation Related Costs</u> | | | | | | | | | | | | | | |
| 16 | Enbridge (BC Pipeline) - Westcoast Energy | \$ | 10,896.3 | \$ 11,122.0 | \$ 10,897.8 | \$ 10,847.5 | \$ 10,983.3 | \$ 11,252.7 | \$ 11,510.1 | \$ 11,498.2 | \$ 11,414.9 | \$ 11,103.0 | \$ 11,028.0 | \$ 11,046.2 | \$ 133,600.2 |
| 17 | TransCanada (Foothills BC) | | <u>384.7</u> | <u>384.7</u> | <u>384.7</u> | <u>384.7</u> | <u>480.6</u> | <u>480.6</u> | <u>490.3</u> | <u>490.3</u> | <u>490.3</u> | <u>362.0</u> | <u>362.0</u> | <u>362.0</u> | <u>5,056.9</u> |
| 18 | TransCanada (NOVA Alta) | | <u>929.5</u> | <u>929.5</u> | <u>929.5</u> | <u>929.5</u> | <u>929.5</u> | <u>929.5</u> | <u>948.1</u> | <u>948.1</u> | <u>948.1</u> | <u>948.1</u> | <u>948.1</u> | <u>948.1</u> | <u>11,265.5</u> |
| 19 | Northwest Pipeline | | <u>388.7</u> | <u>387.2</u> | <u>370.6</u> | <u>374.0</u> | <u>755.7</u> | <u>788.6</u> | <u>794.8</u> | <u>749.5</u> | <u>782.6</u> | <u>383.0</u> | <u>383.8</u> | <u>406.8</u> | <u>6,565.3</u> |
| 20 | FortisBC Huntingdon Inc. | | <u>10.3</u> | <u>10.3</u> | <u>10.3</u> | <u>10.3</u> | <u>10.3</u> | <u>10.3</u> | <u>10.3</u> | <u>10.3</u> | <u>10.3</u> | <u>10.3</u> | <u>10.3</u> | <u>10.3</u> | <u>124.1</u> |
| 21 | Southern Crossing Pipeline | | <u>300.0</u> | <u>300.0</u> | <u>300.0</u> | <u>300.0</u> | <u>300.0</u> | <u>300.0</u> | <u>300.0</u> | <u>300.0</u> | <u>300.0</u> | <u>300.0</u> | <u>300.0</u> | <u>300.0</u> | <u>3,600.0</u> |
| 22 | CNG Truck Bridge | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 23 | Total Transportation Related Costs | \$ | <u>12,909.6</u> | <u>13,133.8</u> | <u>12,892.9</u> | <u>12,846.1</u> | <u>13,459.4</u> | <u>13,761.9</u> | <u>14,053.6</u> | <u>13,996.4</u> | <u>13,946.2</u> | <u>13,106.5</u> | <u>13,032.2</u> | <u>13,073.5</u> | <u>160,212.0</u> |
| 24 | | | | | | | | | | | | | | | |
| 25 | <u>Mitigation</u> | | | | | | | | | | | | | | |
| 26 | Commodity Related Mitigation | \$ | (2,940.3) | \$ (3,189.0) | \$ (4,164.9) | \$ (1,502.8) | \$ (4,495.7) | \$ (2,657.3) | \$ (2,905.7) | \$ (6,210.6) | \$ (6,293.9) | \$ (592.3) | \$ (546.7) | \$ (1,112.4) | \$ (36,611.9) |
| 27 | Storage Related Mitigation | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 28 | Transportation Related Mitigation | | <u>(6,080.3)</u> | <u>(6,246.1)</u> | <u>(6,171.2)</u> | <u>(5,559.5)</u> | <u>(2,732.3)</u> | <u>(2,395.5)</u> | <u>(2,247.8)</u> | <u>(1,123.7)</u> | <u>(1,685.1)</u> | <u>(8,353.9)</u> | <u>(9,183.6)</u> | <u>(8,922.4)</u> | <u>(60,701.3)</u> |
| 29 | Total Mitigation | \$ | <u>(9,020.6)</u> | <u>(9,435.1)</u> | <u>(10,336.1)</u> | <u>(7,062.4)</u> | <u>(7,228.0)</u> | <u>(5,052.9)</u> | <u>(5,153.5)</u> | <u>(7,334.3)</u> | <u>(7,979.0)</u> | <u>(8,946.2)</u> | <u>(9,730.3)</u> | <u>(10,034.9)</u> | <u>(97,313.2)</u> |
| 30 | | | | | | | | | | | | | | | |
| 31 | <u>GSMIP Incentive Sharing</u> | \$ | <u>83.3</u> | <u>83.3</u> | <u>83.3</u> | <u>83.3</u> | <u>83.3</u> | <u>83.3</u> | <u>83.3</u> | <u>83.3</u> | <u>83.3</u> | <u>83.3</u> | <u>83.3</u> | <u>83.3</u> | <u>1,000.0</u> |
| 32 | | | | | | | | | | | | | | | |
| 33 | <u>Core Market Administration Costs</u> | \$ | <u>296.3</u> | <u>296.3</u> | <u>296.3</u> | <u>296.3</u> | <u>296.3</u> | <u>296.3</u> | <u>296.3</u> | <u>296.3</u> | <u>296.3</u> | <u>296.3</u> | <u>296.3</u> | <u>296.3</u> | <u>3,556.0</u> |
| 34 | TOTAL MCRA COSTS | (\$000) | <u>\$ 6,066.1</u> | <u>\$ 4,952.7</u> | <u>\$ 6,052.3</u> | <u>\$ 9,754.6</u> | <u>\$ 20,677.3</u> | <u>\$ 29,321.1</u> | <u>\$ 30,323.5</u> | <u>\$ 26,721.1</u> | <u>\$ 21,316.4</u> | <u>\$ 8,517.0</u> | <u>\$ 4,052.6</u> | <u>\$ 2,586.6</u> | <u>\$ 170,341.3</u> |

(Line 8, 13, 23, 29, 31 & 33)

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.



June #, 2019

Letter L-##-##

Mr. Doug Slater
Director, Regulatory Affairs
FortisBC Energy Inc.
16705 Fraser Highway
Surrey, BC V4N 0E8
gas.regulatory.affairs@fortisbc.com

Dear Mr. Slater:

Re: FortisBC Energy Inc. – Mainland and Vancouver Island Service Area
2019 Second Quarter Gas Cost Report

On June 5, 2019, FortisBC Energy Inc. (FEI) filed with the British Columbia Utilities Commission (BCUC) its 2019 Second Quarter Gas Cost Report for the Mainland and Vancouver Island service area (Report), which includes details regarding the Commodity Cost Reconciliation Account and Midstream Cost Reconciliation Account.

BCUC notes that the Commodity Cost Recovery Charge for the Mainland and Vancouver Island service area was last changed effective January 1, 2018, when it decreased by \$0.501 per gigajoule from \$2.050 per gigajoule to \$1.549 per gigajoule via Order G-173-17.

BCUC 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. BCUC acknowledges receipt of the Report and accepts FEI's recommendation that the Commodity Cost Recovery Charge for the Mainland and Vancouver Island service area remain unchanged at \$1.549 per gigajoule effective July 1, 2019.

Yours truly,

Patrick Wruck