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September 4, 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 Third Quarter Gas Cost Report**

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The attached materials provide the FortisBC Energy Inc. (FEI or the Company) 2019 Third Quarter Gas Cost Report (the Third 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 August 20, 21, 22, 23 and 26, 2019 forward prices (five-day average forward prices ending August 26, 2019).

#### **CCRA Deferral Account**

Based on the five-day average forward prices ending August 26, 2019, the September 30, 2019 CCRA balance is projected to be approximately at \$24 million surplus after tax. Further, based on the five-day average forward prices ending August 26, 2019, the gas purchase cost assumptions, and the forecast commodity cost recoveries at present rates for the 12-month period ending September 30, 2020, and accounting for the projected September 30, 2019 deferral balance, the CCRA trigger ratio is calculated to be 109.7 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 \$0.136/GJ (Tab 1, Page 2, Column 5, Line 26), which falls within the \$0.50/GJ minimum rate change threshold. The results of the two-criteria rate adjustment mechanism indicate that a rate change is not required at this time.

The schedules at Tab 2, Pages 1 and 2, provide details of the recorded and forecast, based on the five-day average forward prices ending August 26, 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 October 1, 2019 to September 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 September 30, 2019, based on the five-day average forward prices ending August 26, 2019, is projected to be approximately \$25 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 August 26, 2019 and at existing recovery rates, are projected to be approximately \$11 million deficit and \$9 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 August 26, 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 October 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 Fourth Quarter Gas Cost Report.

We trust BCUC will find the attached to be in order. However, should any further information be required, please contact Gurvinder Sidhu at 604-592-7675.

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 OCT 2019 TO SEP 2021**  
**FIVE-DAY AVERAGE FORWARD PRICES - AUG 20, 21, 22, 23, AND 26, 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	Recorded May-19	Recorded Jun-19	Recorded Jul-19	Projected Aug-19	Projected Sep-19				Jan-19 to Sep-19
3	CCRA Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$ (13)	\$ (7)	\$ (2)	\$ 9	\$ 4	\$ (2)	\$ (11)	\$ (20)	\$ (26)				\$ (13)
4	Gas Costs Incurred	24	21	28	13	11	8	8	12	12				137
5	Revenue from <b>APPROVED</b> Recovery Rate	(17)	(16)	(17)	(17)	(18)	(17)	(18)	(18)	(17)				(154)
6	<b>CCRA Balance - Ending (Pre-tax) <sup>(b)</sup></b>	<b>\$ (7)</b>	<b>\$ (2)</b>	<b>\$ 9</b>	<b>\$ 4</b>	<b>\$ (2)</b>	<b>\$ (11)</b>	<b>\$ (20)</b>	<b>\$ (26)</b>	<b>\$ (33)</b>				<b>\$ (33)</b>
8	Tax Rate	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%				27.0%
10	<b>CCRA Balance - Ending (After-tax) <sup>(c)</sup></b>	<b>\$ (5)</b>	<b>\$ (2)</b>	<b>\$ 6</b>	<b>\$ 3</b>	<b>\$ (1)</b>	<b>\$ (8)</b>	<b>\$ (15)</b>	<b>\$ (19)</b>	<b>\$ (24)</b>				<b>\$ (24)</b>
		Forecast Oct-19	Forecast Nov-19	Forecast Dec-19	Forecast Jan-20	Forecast Feb-20	Forecast Mar-20	Forecast Apr-20	Forecast May-20	Forecast Jun-20	Forecast Jul-20	Forecast Aug-20	Forecast Sep-20	Oct-19 to Sep-20
16	CCRA Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$ (33)	\$ (34)	\$ (31)	\$ (25)	\$ (18)	\$ (12)	\$ (8)	\$ (9)	\$ (11)	\$ (14)	\$ (15)	\$ (17)	\$ (33)
17	Gas Costs Incurred	17	19	24	25	23	21	16	16	15	16	16	16	222
18	Revenue from <b>EXISTING</b> Recovery Rates	(18)	(17)	(18)	(18)	(16)	(18)	(17)	(18)	(17)	(18)	(18)	(17)	(207)
19	<b>CCRA Balance - Ending (Pre-tax) <sup>(b)</sup></b>	<b>\$ (34)</b>	<b>\$ (31)</b>	<b>\$ (25)</b>	<b>\$ (18)</b>	<b>\$ (12)</b>	<b>\$ (8)</b>	<b>\$ (9)</b>	<b>\$ (11)</b>	<b>\$ (14)</b>	<b>\$ (15)</b>	<b>\$ (17)</b>	<b>\$ (18)</b>	<b>\$ (18)</b>
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	<b>CCRA Balance - Ending (After-tax) <sup>(c)</sup></b>	<b>\$ (25)</b>	<b>\$ (23)</b>	<b>\$ (18)</b>	<b>\$ (13)</b>	<b>\$ (8)</b>	<b>\$ (6)</b>	<b>\$ (7)</b>	<b>\$ (8)</b>	<b>\$ (10)</b>	<b>\$ (11)</b>	<b>\$ (12)</b>	<b>\$ (13)</b>	<b>\$ (13)</b>
		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	Forecast Jul-21	Forecast Aug-21	Forecast Sep-21	Oct-20 to Sep-21
29	CCRA Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$ (18)	\$ (18)	\$ (17)	\$ (12)	\$ (6)	\$ (2)	\$ 2	\$ 2	\$ 1	\$ 1	\$ 1	\$ 2	\$ (18)
30	Gas Costs Incurred	18	19	23	24	21	22	17	17	17	18	19	18	233
31	Revenue from <b>EXISTING</b> Recovery Rates	(18)	(17)	(18)	(18)	(16)	(18)	(17)	(18)	(17)	(18)	(18)	(17)	(212)
32	<b>CCRA Balance - Ending (Pre-tax) <sup>(b)</sup></b>	<b>\$ (18)</b>	<b>\$ (17)</b>	<b>\$ (12)</b>	<b>\$ (6)</b>	<b>\$ (2)</b>	<b>\$ 2</b>	<b>\$ 2</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 2</b>	<b>\$ 2</b>	<b>\$ 2</b>
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	<b>CCRA Balance - Ending (After-tax) <sup>(c)</sup></b>	<b>\$ (13)</b>	<b>\$ (12)</b>	<b>\$ (9)</b>	<b>\$ (5)</b>	<b>\$ (1)</b>	<b>\$ 2</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 0</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 2</b>	<b>\$ 2</b>

Notes:

(a) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts.

(b) For rate setting purposes CCRA pre-tax balances include grossed-up projected deferred interest of approximately \$2.4 million credit as at September 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 OCT 2019 TO SEP 2020**  
**FIVE-DAY AVERAGE FORWARD PRICES - AUG 20, 21, 22, 23, AND 26, 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	<b><u>CCRA RATE CHANGE TRIGGER RATIO</u></b>					
2	(a)					
3	Projected Deferral Balance at Sep 30, 2019	\$ (32.9)				(Tab 1, Page 1, Col.14, Line 16)
4	Forecast Incurred Gas Costs - Oct 2019 to Sep 2020	\$ 221.9				(Tab 1, Page 1, Col.14, Line 17)
5	Forecast Recovery Gas Costs at Existing Recovery Rate - Oct 2019 to Sep 2020	\$ 207.2				(Tab 1, Page 1, Col.14, Line 18)
6						
7	CCRA = Forecast Recovered Gas Costs (Line 5)	= \$ 207.2		= 109.7%		
8	Ratio Forecast Incurred Gas Costs (Line 4) + Projected CCRA Balance (Line 3)	\$ 189.0				<b>Outside 95% to 105% deadband</b>
9						
10						
11						
12						
13	<b><u>Existing Cost of Gas (Commodity Cost Recovery Rate), effective January 1, 2018</u></b>				<b>\$ 1.549</b>	
14						
15						
16						
17						
18	<b><u>CCRA RATE CHANGE THRESHOLD (+/- \$0.50/GJ)</u></b>					
19	(c)					
20	Forecast 12-month CCRA Baseload - Oct 2019 to Sep 2020		133,780			(Tab1, Page 7, Col.5, Line 11 )
21	(a)					
22	Projected Deferral Balance at Sep 30, 2019	\$ (32.9)			\$ (0.2458) <sup>(b)</sup>	
23	Forecast 12-month CCRA Activities - Oct 2019 to Sep 2020	\$ 14.6			\$ 0.1094 <sup>(b)</sup>	
24	(Over) / Under Recovery at Existing Rate	\$ (18.3)				(Line 3 + Line 4 - Line 5)
25						
26	<b>Tested Rate (Decrease) / Increase</b>				<b>\$ (0.136 ) <sup>(b)</sup></b>	<b>Within minimum +/- \$0.50/GJ threshold</b>

Notes:

- (a) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts.  
(b) Commodity cost recovery rate in tariff is set at 3 decimal places. Individual rate components are shown to 4 decimals places.  
(c) Forecast baseload quantity is based on the 2019 Annual Review forecast demand.

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 OCT 2019 TO DEC 2020**  
**FIVE-DAY AVERAGE FORWARD PRICES - AUG 20, 21, 22, 23, AND 26, 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	Recorded May-19	Recorded Jun-19	Recorded Jul-19	Projected Aug-19	Projected Sep-19	Forecast Oct-19	Forecast Nov-19	Forecast Dec-19	Total 2019
3	MCRA Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$ (6)	\$ (13)	\$ 7	\$ 16	\$ 8	\$ 9	\$ 14	\$ 17	\$ 30	\$ 34	\$ 34	\$ 28	\$ (6)
4	<b>2019 MCRA Activities</b>													
5	<u>Rate Rider 6</u> <sup>(d)</sup>													
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	\$ (1)	\$ (0)	\$ (4)	\$ 6	\$ 6	\$ 10	\$ 25	\$ 32	\$ 222
10	Revenue from APPROVED Recovery Rates	(42)	(51)	(31)	(12)	2	5	6	7	4	(11)	(31)	(45)	(199)
11	Total Midstream Base Rates (Pre-tax)	\$ (8)	\$ 20	\$ 8	\$ (8)	\$ 1	\$ 5	\$ 2	\$ 13	\$ 10	\$ (1)	\$ (6)	\$ (13)	\$ 23
12														
13	<b>MCRA Cumulative Balance - Ending (Pre-tax) <sup>(b)</sup></b>	\$ (13)	\$ 7	\$ 16	\$ 8	\$ 9	\$ 14	\$ 17	\$ 30	\$ 34	\$ 34	\$ 28	\$ 15	\$ 15
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	<b>MCRA Cumulative Balance - Ending (After-tax) <sup>(c)</sup></b>	\$ (10)	\$ 5	\$ 12	\$ 6	\$ 7	\$ 11	\$ 12	\$ 22	\$ 25	\$ 25	\$ 20	\$ 11	\$ 11
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) <sup>(a)</sup>	\$ 15	\$ 3	\$ (5)	\$ (12)	\$ (15)	\$ (11)	\$ (3)	\$ 3	\$ 9	\$ 12	\$ 8	\$ 1	\$ 15
22	<b>2020 MCRA Activities</b>													
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	\$ 33	\$ 29	\$ 23	\$ 13	\$ 6	\$ 5	\$ (1)	\$ (1)	\$ 0	\$ 7	\$ 25	\$ 32	\$ 170
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)	\$ (13)	\$ (8)	\$ (8)	\$ (3)	\$ 4	\$ 8	\$ 6	\$ 6	\$ 4	\$ (4)	\$ (7)	\$ (14)	\$ (30)
30														
31	<b>MCRA Cumulative Balance - Ending (Pre-tax) <sup>(b)</sup></b>	\$ 3	\$ (5)	\$ (12)	\$ (15)	\$ (11)	\$ (3)	\$ 3	\$ 9	\$ 12	\$ 8	\$ 1	\$ (12)	\$ (12)
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	<b>MCRA Cumulative Balance - Ending (After-tax) <sup>(c)</sup></b>	\$ 2	\$ (4)	\$ (9)	\$ (11)	\$ (8)	\$ (2)	\$ 2	\$ 6	\$ 9	\$ 6	\$ 1	\$ (9)	\$ (9)

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 \$5.6 million credit as at September 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 SEP 2021**  
**AND US DOLLAR EXCHANGE RATE FORECAST UPDATE**

Tab 1  
Page 4.1

Line No	Particulars	Five-day Average Forward Prices - Aug 20, 21, 22, 23, and 26, 2019 2019 Q3 Gas Cost Report	Five-day Average Forward Prices - May 17, 21, 22, 23, and 24, 2019 2019 Q2 Gas Cost Report	Change in Forward Price
	(1)	(2)	(3)	(4) = (2) - (3)
1	<b>SUMAS Index Prices - presented in \$US/MMBtu</b>			
2				
3	<b>2019</b>			
4	April	↑ \$ 2.66	Recorded \$ 2.66	\$ -
5	May	\$ 1.86	Forecast \$ 1.87	\$ (0.01)
6	June	\$ 1.78	\$ 1.83	\$ (0.05)
7	July	Recorded \$ 2.14	↓ \$ 2.54	\$ (0.40)
8	August	Forecast \$ 2.21	\$ 2.67	\$ (0.46)
9	September	\$ 1.74	\$ 2.40	\$ (0.66)
10	October	↓ \$ 1.75	\$ 2.33	\$ (0.58)
11	November	\$ 1.94	\$ 3.24	\$ (1.31)
12	December	\$ 3.23	\$ 4.01	\$ (0.78)
13	<b>2020</b>			
14	January	\$ 2.89	\$ 3.51	\$ (0.61)
15	February	\$ 2.87	\$ 3.62	\$ (0.75)
16	March	\$ 2.90	\$ 3.00	\$ (0.10)
17	April	\$ 1.73	\$ 2.08	\$ (0.35)
18	May	\$ 1.52	\$ 1.65	\$ (0.13)
19	June	\$ 1.41	\$ 1.73	\$ (0.32)
20	July	\$ 1.70	\$ 2.02	\$ (0.32)
21	August	\$ 1.76	\$ 2.08	\$ (0.32)
22	September	\$ 1.74	\$ 2.07	\$ (0.33)
23	October	\$ 1.66	\$ 1.99	\$ (0.32)
24	November	\$ 2.46	\$ 2.73	\$ (0.27)
25	December	\$ 2.62	\$ 2.82	\$ (0.20)
26	<b>2021</b>			
27	January	\$ 2.73	\$ 2.98	\$ (0.25)
28	February	\$ 2.70	\$ 3.09	\$ (0.39)
29	March	\$ 2.69	\$ 2.46	\$ 0.22
30	April	\$ 1.66	\$ 1.99	\$ (0.33)
31	May	\$ 1.45	\$ 1.56	\$ (0.11)
32	June	\$ 1.33	\$ 1.64	\$ (0.31)
33	July	\$ 1.62		
34	August	\$ 1.68		
35	September	\$ 1.67		
36	Simple Average (Oct 2019 - Sep 2020)	\$ 2.12	\$ 2.61	-18.8% \$ (0.49)
37	Simple Average (Jan 2020 - Dec 2020)	\$ 2.11	\$ 2.44	-13.8% \$ (0.34)
38	Simple Average (Apr 2020 - Mar 2021)	\$ 2.06	\$ 2.31	-10.8% \$ (0.25)
39	Simple Average (Jul 2020 - Jun 2021)	\$ 2.04	\$ 2.29	-10.7% \$ (0.24)
40	Simple Average (Oct 2020 - Sep 2021)	\$ 2.02		

Conversation Factors

1 MMBtu = 1.055056 GJ

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

<u>Forecast Oct 2019 - Sep 2020</u>	<u>Forecast Jul 2019 - Jun 2020</u>	
\$ 1.3270	\$ 1.3384	-0.9% \$ (0.0114)

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

Tab 1  
Page 4.2

Line No	Particulars	Five-day Average Forward Prices - Aug 20, 21, 22, 23, and 26, 2019 2019 Q3 Gas Cost Report	Five-day Average Forward Prices - May 17, 21, 22, 23, and 24, 2019 2019 Q2 Gas Cost Report	Change in Forward Price (4) = (2) - (3)
	(1)	(2)	(3)	
1	<b>SUMAS Index Prices - presented in \$CDN/GJ</b>			
2				
3	<b>2019</b>			
4	April	↑ \$ 3.37	Recorded \$ 3.37	\$ -
5	May	\$ 2.37	Forecast \$ 2.37	\$ (0.00)
6	June	\$ 2.28	\$ 2.34	\$ (0.05)
7	July	Recorded \$ 2.65	↓ \$ 3.23	\$ (0.58)
8	August	\$ 2.76	\$ 3.39	\$ (0.63)
9	September	\$ 2.19	\$ 3.05	\$ (0.86)
10	October	↓ \$ 2.20	\$ 2.96	\$ (0.76)
11	November	\$ 2.44	\$ 4.12	\$ (1.68)
12	December	\$ 4.06	\$ 5.09	\$ (1.03)
13	<b>2020</b>			
14	January	\$ 3.64	\$ 4.45	\$ (0.81)
15	February	\$ 3.61	\$ 4.58	\$ (0.98)
16	March	\$ 3.64	\$ 3.80	\$ (0.16)
17	April	\$ 2.18	\$ 2.64	\$ (0.46)
18	May	\$ 1.91	\$ 2.09	\$ (0.18)
19	June	\$ 1.77	\$ 2.19	\$ (0.42)
20	July	\$ 2.14	\$ 2.56	\$ (0.42)
21	August	\$ 2.21	\$ 2.63	\$ (0.42)
22	September	\$ 2.19	\$ 2.61	\$ (0.42)
23	October	\$ 2.09	\$ 2.51	\$ (0.42)
24	November	\$ 3.09	\$ 3.44	\$ (0.35)
25	December	\$ 3.29	\$ 3.57	\$ (0.27)
26	<b>2021</b>			
27	January	\$ 3.43	\$ 3.77	\$ (0.33)
28	February	\$ 3.40	\$ 3.91	\$ (0.52)
29	March	\$ 3.38	\$ 3.12	\$ 0.26
30	April	\$ 2.09	\$ 2.52	\$ (0.43)
31	May	\$ 1.82	\$ 1.98	\$ (0.16)
32	June	\$ 1.67	\$ 2.07	\$ (0.40)
33	July	\$ 2.03		
34	August	\$ 2.11		
35	September	\$ 2.10		
36	Simple Average (Oct 2019 - Sep 2020)	\$ 2.67	\$ 3.31	-19.4% \$ (0.64)
37	Simple Average (Jan 2020 - Dec 2020)	\$ 2.65	\$ 3.09	-14.3% \$ (0.44)
38	Simple Average (Apr 2020 - Mar 2021)	\$ 2.59	\$ 2.92	-11.3% \$ (0.33)
39	Simple Average (Jul 2020 - Jun 2021)	\$ 2.57	\$ 2.89	-11.2% \$ (0.32)
40	Simple Average (Oct 2020 - Sep 2021)	\$ 2.54		

Conversion Factors  
1 MMBtu = 1.055056 GJ

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

Forecast Oct 2019 - Sep 2020	Forecast Jul 2019 - Jun 2020	
\$ 1.3270	\$ 1.3384	-0.9% \$ (0.0114)

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

Tab 1  
Page 5

Line No	Particulars	Five-day Average Forward Prices - Aug 20, 21, 22, 23, and 26, 2019 2019 Q3 Gas Cost Report	Five-day Average Forward Prices - May 17, 21, 22, 23, and 24, 2019 2019 Q2 Gas Cost Report	Change in Forward Price (4) = (2) - (3)
	(1)	(2)	(3)	
1	<b>AECO Index Prices - \$CDN/GJ</b>			
2				
3	<b>2019</b>			
4	April	↑ \$ 1.37	Recorded \$ 1.37	\$ -
5	May	\$ 1.09	Forecast \$ 1.09	\$ 0.00
6	June	\$ 0.86	\$ 0.80	\$ 0.06
7	July	Recorded \$ 0.66	↓ \$ 0.92	\$ (0.26)
8	August	\$ 1.11	\$ 1.05	\$ 0.06
9	September	\$ 1.25	\$ 1.04	\$ 0.21
10	October	\$ 1.54	\$ 1.46	\$ 0.08
11	November	\$ 1.66	\$ 1.76	\$ (0.10)
12	December	\$ 1.96	\$ 2.11	\$ (0.15)
13	<b>2020</b>			
14	January	\$ 2.07	\$ 2.19	\$ (0.13)
15	February	\$ 2.04	\$ 2.15	\$ (0.11)
16	March	\$ 1.72	\$ 1.76	\$ (0.04)
17	April	\$ 1.50	\$ 1.24	\$ 0.26
18	May	\$ 1.45	\$ 1.08	\$ 0.37
19	June	\$ 1.39	\$ 1.09	\$ 0.30
20	July	\$ 1.44	\$ 1.13	\$ 0.32
21	August	\$ 1.44	\$ 1.14	\$ 0.30
22	September	\$ 1.47	\$ 1.14	\$ 0.33
23	October	\$ 1.58	\$ 1.32	\$ 0.26
24	November	\$ 1.64	\$ 1.76	\$ (0.12)
25	December	\$ 1.87	\$ 1.99	\$ (0.13)
26	<b>2021</b>			
27	January	\$ 1.96	\$ 2.12	\$ (0.16)
28	February	\$ 1.93	\$ 2.04	\$ (0.10)
29	March	\$ 1.81	\$ 1.87	\$ (0.06)
30	April	\$ 1.49	\$ 1.43	\$ 0.06
31	May	\$ 1.48	\$ 1.35	\$ 0.13
32	June	\$ 1.51	\$ 1.38	\$ 0.13
33	July	\$ 1.58		
34	August	\$ 1.59		
35	September	\$ 1.59		
36	Simple Average (Oct 2019 - Sep 2020)	\$ 1.64	\$ 1.52	7.9% \$ 0.12
37	Simple Average (Jan 2020 - Dec 2020)	\$ 1.63	\$ 1.50	9.0% \$ 0.13
38	Simple Average (Apr 2020 - Mar 2021)	\$ 1.62	\$ 1.49	8.8% \$ 0.13
39	Simple Average (Jul 2020 - Jun 2021)	\$ 1.64	\$ 1.56	5.2% \$ 0.08
40	Simple Average (Oct 2020 - Sep 2021)	\$ 1.67		



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

Tab 1  
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Line No	Particulars		Five-day Average Forward Prices - Aug 20, 21, 22, 23, and 26, 2019		Five-day Average Forward Prices - May 17, 21, 22, 23, and 24, 2019		Change in Forward Price
	(1)		2019 Q3 Gas Cost Report		2019 Q2 Gas Cost Report		(4) = (2) - (3)
1	Station 2 Index Prices - \$CDN/GJ						
2							
3	2019	April	↑	\$ 0.85	Recorded	\$ 0.85	\$ -
4		May		\$ 0.72	Forecast	\$ 0.76	\$ (0.03)
5		June		\$ 0.71		\$ 0.60	\$ 0.11
6		July	Recorded	\$ 0.61	↓	\$ 0.58	\$ 0.03
7		August	Forecast	\$ 0.74		\$ 0.70	\$ 0.04
8		September		\$ 0.86		\$ 0.79	\$ 0.07
9		October	↓	\$ 1.34		\$ 1.32	\$ 0.02
10		November		\$ 1.56		\$ 1.61	\$ (0.05)
11		December		\$ 1.94		\$ 1.96	\$ (0.02)
12	2020	January		\$ 2.03		\$ 2.07	\$ (0.05)
13		February		\$ 2.00		\$ 2.03	\$ (0.03)
14		March		\$ 1.63		\$ 1.64	\$ (0.01)
15		April		\$ 1.30		\$ 1.09	\$ 0.21
16		May		\$ 1.25		\$ 0.93	\$ 0.32
17		June		\$ 1.19		\$ 0.95	\$ 0.25
18		July		\$ 1.26		\$ 0.98	\$ 0.28
19		August		\$ 1.26		\$ 0.99	\$ 0.26
20		September		\$ 1.29		\$ 0.99	\$ 0.30
21		October		\$ 1.40		\$ 1.18	\$ 0.22
22		November		\$ 1.53		\$ 1.62	\$ (0.09)
23		December		\$ 1.76		\$ 1.85	\$ (0.10)
24	2021	January		\$ 1.87		\$ 1.98	\$ (0.12)
25		February		\$ 1.83		\$ 1.90	\$ (0.06)
26		March		\$ 1.71		\$ 1.73	\$ (0.01)
27		April		\$ 1.41		\$ 1.26	\$ 0.15
28		May		\$ 1.40		\$ 1.18	\$ 0.22
29		June		\$ 1.42		\$ 1.21	\$ 0.21
30		July		\$ 1.50			
31		August		\$ 1.51			
32		September		\$ 1.51			
33							
34	Simple Average (Oct 2019 - Sep 2020)			\$ 1.50		\$ 1.38	9.0% \$ 0.12
35	Simple Average (Jan 2020 - Dec 2020)			\$ 1.49		\$ 1.36	9.6% \$ 0.13
36	Simple Average (Apr 2020 - Mar 2021)			\$ 1.47		\$ 1.35	9.0% \$ 0.12
37	Simple Average (Jul 2020 - Jun 2021)			\$ 1.51		\$ 1.41	7.5% \$ 0.11
38	Simple Average (Oct 2020 - Sep 2021)			\$ 1.57			

**FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA**  
**GAS BUDGET COST SUMMARY FOR THE FORECAST PERIOD OCT 2019 TO SEP 2020**  
**FIVE-DAY AVERAGE FORWARD PRICES - AUG 20, 21, 22, 23, AND 26, 2019**

Tab 1  
Page 7

No.	Particulars	Costs (\$000)		Quantities (TJ)		Unit Cost (\$/GJ)	Reference / Comments
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	<b>CCRA</b>						
2	<u>Commodity</u>						
3	STN 2		\$ 162,967		105,010	\$ 1.552	
4	AECO		55,621		33,880	\$ 1.642	
5	Huntingdon		-		-		
6	Commodity Costs before Hedging		\$ 218,588		138,889	\$ 1.574	incl. Receipt Point Fuel Proposed 2019/20 Percentages.
7	Mark to Market Hedges Cost / (Gain)		1,747		-		
8	Subtotal Commodity Purchased		\$ 220,335		138,889	\$ 1.586	
9	Core Market Administration Costs		1,524		-		
10	Fuel Gas Provided to Midstream				(5,110)		
11	<b>Total CCRA Baseload</b>				<b>133,780</b>		
12	<b>Total CCRA Costs</b>		<b>\$ 221,859</b>			<b>\$ 1.658</b>	Commodity available for sale average unit cost
13							
14							
15	<b>MCRA</b>						
16	<u>Midstream Commodity Related Costs</u>						
17	Midstream Commodity before Hedging		\$ 79,012		34,234	\$ 2.308	
18	Mark to Market Hedges Cost / (Gain)		3,409		-		
19	Imbalance		(244)		(228)		
20	Company Use Gas Recovered from O&M		(4,892)		(701)		
21	Injections into Storage	\$ (46,823)		(31,428)		\$ 1.490	
22	Withdrawals from Storage	43,489		32,191		\$ 1.351	
23	Storage Withdrawal / (Injection) Activity		(3,334)		763		
24	Total Midstream Commodity Related Costs		\$ 73,951		34,068	\$ 2.171	
25							
26	<u>Storage Related Costs</u>						
27	Storage Demand - Third Party Storage	\$ 37,307					
28	On-System Storage - Mt. Hayes (LNG)	18,909					
29	Total Storage Related Costs		56,216				
30							
31	<u>Transport Related Costs</u>		171,703				
32							
33	<u>Mitigation</u>						
34	Commodity Mitigation	\$ (71,790)			(31,698)		
35	Storage Mitigation	-					
36	Transportation Mitigation	(60,701)					
37	Total Mitigation		(132,492)				
38							
39	<u>GSMIP Incentive Sharing</u>		1,000				
40							
41	<u>Core Market Administration Costs</u>		3,556				
42							
43	Net Transportation Fuels <sup>(a)</sup>			(633)			
44	UAF (Sales and T-Service) <sup>(b)</sup>			(1,737)			
45	<u>UAF &amp; Net Transportation Fuels</u>				(2,370)		
46							
47	Net MCRA Commodity (Lines 24, 34 & 45)				-		
48	<b>Total MCRA Costs</b> (Lines 24, 29, 31, 37, 39, & 41)		<b>\$ 173,935</b>			<b>\$ 1.263</b>	Midstream average unit cost
49	<b>Total Sales Quantities for RS1 to RS7</b>				<b>137,722</b>		
50	<b>Total Forecast Gas Costs</b> (Lines 12 & 48)		<b>\$ 395,793</b>				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 OCT 2019 TO SEP 2020**  
**FIVE-DAY AVERAGE FORWARD PRICES - AUG 20, 21, 22, 23, AND 26, 2019**  
**\$(Millions)**

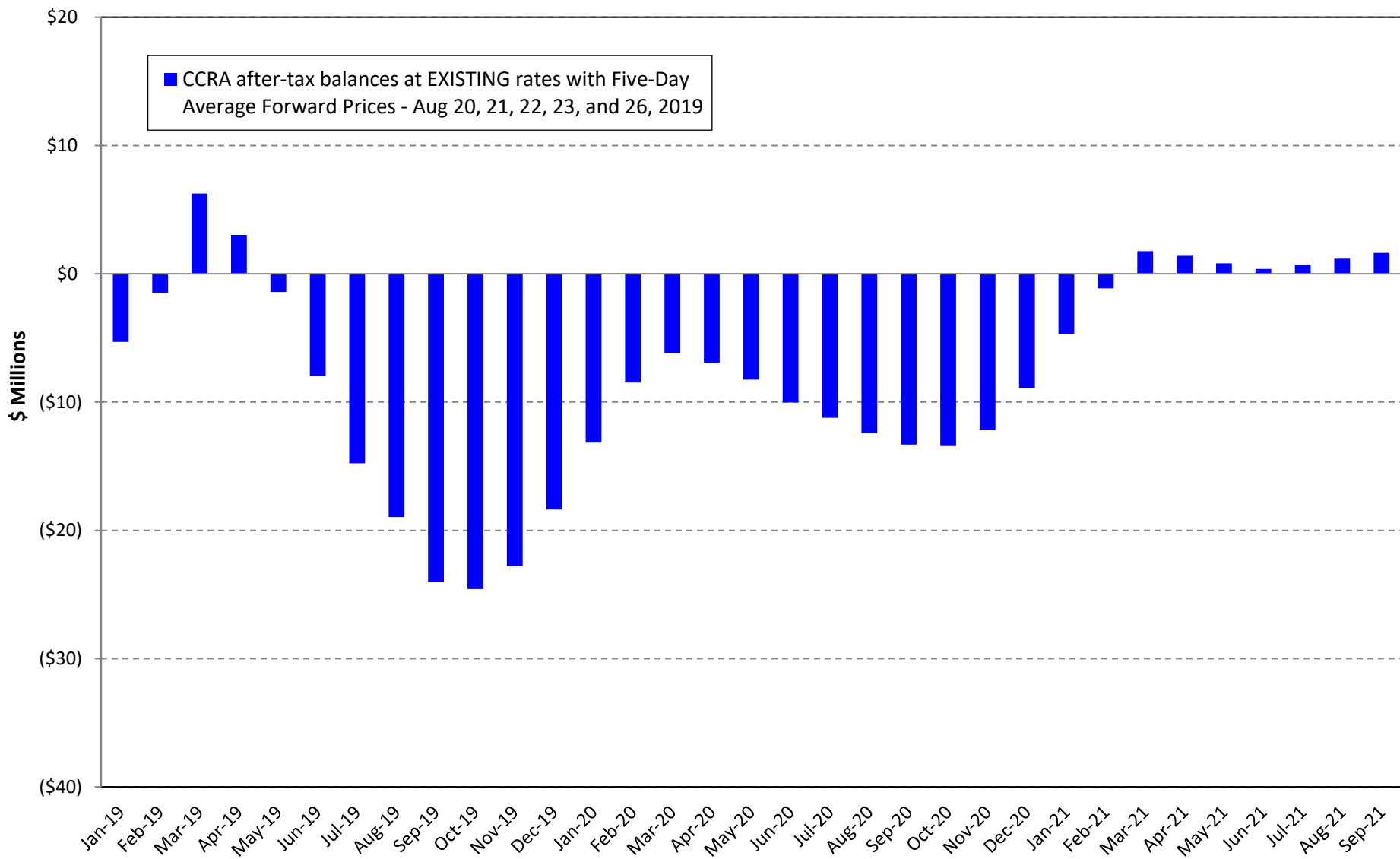
Tab 1  
Page 8

No.	Particulars	CCRA / MCRA Deferral Account Forecast	Gas Budget Cost Summary	References
	(1)	(2)	(3)	(4)
1	<b>Gas Cost Incurred</b>			
2	CCRA	\$ 222		(Tab 1, Page 1, Col.14, Line 17 )
3	MCRA	174		(Tab 2, Page 6.1, Col.15, Line 34)
4				
5				
6	Gas Budget Cost Summary			
7	CCRA		\$ 222	(Tab 1, Page 7, Col.3, Line 12)
8	MCRA		174	(Tab 1, Page 7, Col.3, Line 48)
9				
10				
11	<b>Totals Reconciled</b>	<b>\$ 396</b>	<b>\$ 396</b>	

Slight differences in totals due to rounding.

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

Tab 1  
 Page 9

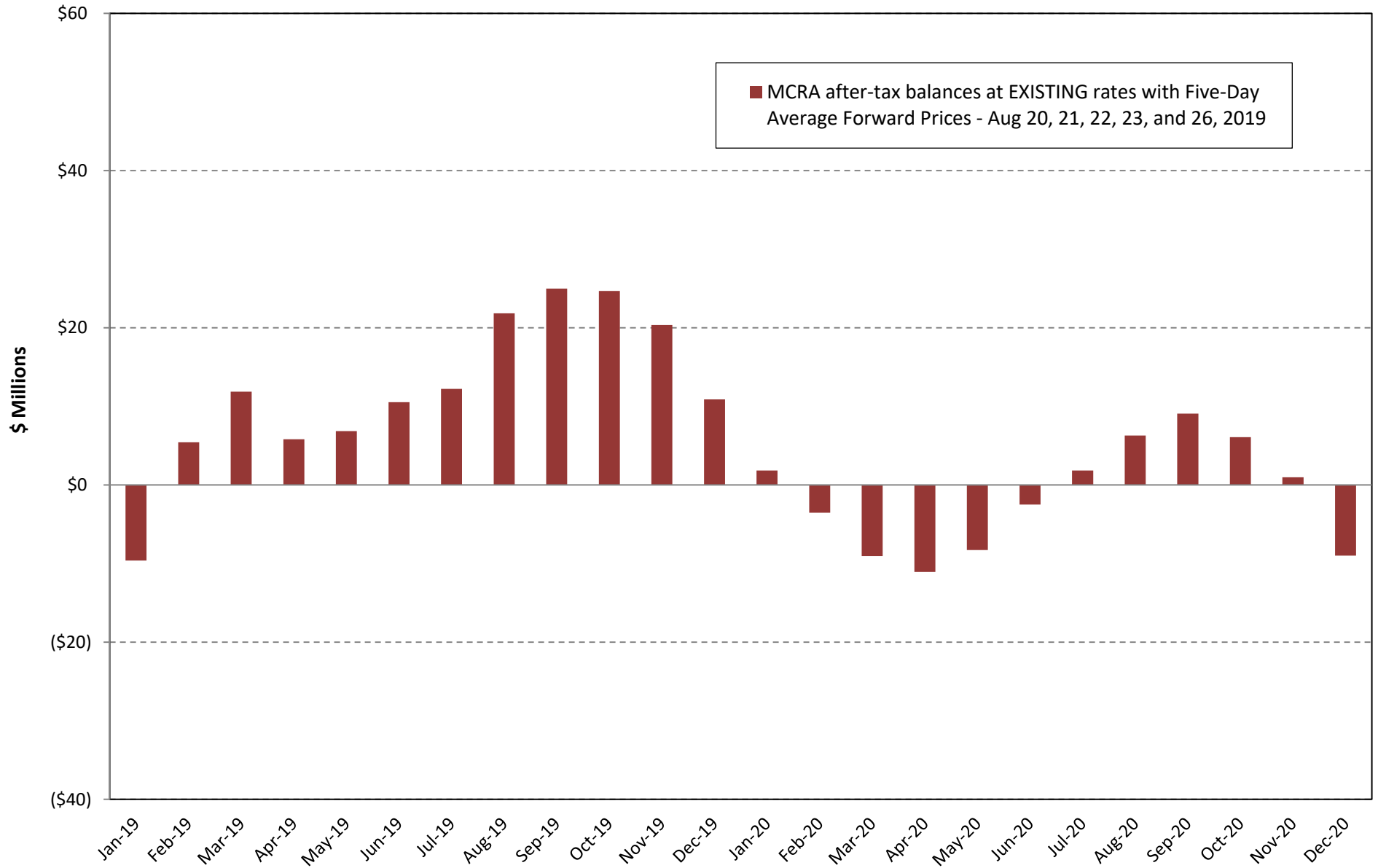


FortisBC Energy Inc. - Mainland and Vancouver Island Service Area

MCRA After-Tax Monthly Balances

Recorded to July 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 JUL 2019 AND FORECAST TO SEP 2020**  
**FIVE-DAY AVERAGE FORWARD PRICES - AUG 20, 21, 22, 23, AND 26, 2019**

Tab 2  
Page 1

Line No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1															<b>Jan-19 to</b>
2			Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Recorded	Projected	Projected				<b>Sep-19</b>
3			Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19				<b>Total</b>
4	<b>CCRA QUANTITIES</b>														
5	Commodity Purchase	(TJ)													
6	STN 2		8,890	8,031	8,890	8,672	8,963	8,672	8,989	8,949	8,660				78,715
7	AECO		2,803	2,532	2,803	2,734	2,826	2,734	2,836	2,870	2,777				24,913
8	Total Commodity Purchased		11,693	10,562	11,693	11,406	11,788	11,407	11,825	11,818	11,437				103,628
9	Fuel Gas Provided to Midstream		(482)	(435)	(482)	(470)	(486)	(470)	(482)	(487)	(472)				(4,267)
10	<b>Commodity Available for Sale</b>		11,211	10,127	11,210	10,935	11,302	10,936	11,343	11,331	10,966				99,361
11															
12	<b>CCRA COSTS</b>														
13	Commodity Costs	(\$000)													
14	STN 2		\$ 16,516	\$ 14,225	\$ 21,976	\$ 9,270	\$ 7,577	\$ 5,805	\$ 5,678	\$ 8,498	\$ 8,842				\$ 98,387
15	AECO		4,731	5,909	6,370	3,145	3,741	2,016	2,432	3,199	3,478				35,020
16	Commodity Costs before Hedging		\$ 21,247	\$ 20,133	\$ 28,346	\$ 12,416	\$ 11,317	\$ 7,821	\$ 8,110	\$ 11,696	\$ 12,320				\$ 133,406
17	Mark to Market Hedges Cost / (Gain)		2,136	680	(457)	-	-	-	-	-	-				2,358
18	Core Market Administration Costs		136	87	122	101	117	134	125	127	127				1,076
19	<b>Total CCRA Costs</b>		\$ 23,518	\$ 20,900	\$ 28,011	\$ 12,517	\$ 11,434	\$ 7,955	\$ 8,236	\$ 11,823	\$ 12,447				\$ 136,841
20															
21															
22	CCRA Unit Cost	(\$/GJ)	\$ 2.098	\$ 2.064	\$ 2.499	\$ 1.145	\$ 1.012	\$ 0.727	\$ 0.726	\$ 1.043	\$ 1.135				\$ 1.377
23															
24															
25			Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	<b>1-12 months</b>
26			Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	<b>Total</b>
27	<b>CCRA QUANTITIES</b>														
28	Commodity Purchase	(TJ)													
29	STN 2		8,949	8,602	8,889	8,889	8,316	8,889	8,602	8,889	8,602	8,889	8,889	8,602	105,010
30	AECO		2,870	2,777	2,870	2,870	2,684	2,870	2,777	2,870	2,777	2,870	2,870	2,777	33,880
31	Total Commodity Purchased		11,818	11,379	11,759	11,759	11,000	11,759	11,379	11,759	11,379	11,759	11,759	11,379	138,889
32	Fuel Gas Provided to Midstream		(487)	(414)	(428)	(428)	(400)	(428)	(414)	(428)	(414)	(428)	(428)	(414)	(5,110)
33	<b>Commodity Available for Sale</b>		11,331	10,966	11,331	11,331	10,600	11,331	10,966	11,331	10,966	11,331	11,331	10,966	133,780
34															
35	<b>CCRA COSTS</b>	(\$000)													
36	Commodity Costs														
37	STN 2		\$ 12,208	\$ 13,549	\$ 17,927	\$ 18,399	\$ 16,977	\$ 15,394	\$ 11,675	\$ 11,468	\$ 10,547	\$ 11,629	\$ 11,640	\$ 11,553	\$ 162,967
38	AECO		4,427	4,622	5,641	5,940	5,484	4,938	4,167	4,163	3,871	4,142	4,129	4,097	55,621
39	Commodity Costs before Hedging		\$ 16,636	\$ 18,171	\$ 23,567	\$ 24,339	\$ 22,461	\$ 20,332	\$ 15,842	\$ 15,631	\$ 14,417	\$ 15,772	\$ 15,769	\$ 15,650	\$ 218,588
40	Mark to Market Hedges Cost / (Gain)		-	1,125	(90)	235	244	233	-	-	-	-	-	-	1,747
41	Core Market Administration Costs		127	127	127	127	127	127	127	127	127	127	127	127	1,524
42	<b>Total CCRA Costs</b>		\$ 16,763	\$ 19,423	\$ 23,604	\$ 24,701	\$ 22,832	\$ 20,692	\$ 15,969	\$ 15,758	\$ 14,544	\$ 15,899	\$ 15,896	\$ 15,777	\$ 221,859
43															
44															
45	CCRA Unit Cost	(\$/GJ)	\$ 1.479	\$ 1.771	\$ 2.083	\$ 2.180	\$ 2.154	\$ 1.826	\$ 1.456	\$ 1.391	\$ 1.326	\$ 1.403	\$ 1.403	\$ 1.439	\$ 1.658

Slight differences in totals due to rounding.

**FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA**  
**CCRA INCURRED MONTHLY ACTIVITIES**  
**FORECAST PERIOD FROM OCT 2020 TO SEP 2021**  
**FIVE-DAY AVERAGE FORWARD PRICES - AUG 20, 21, 22, 23, AND 26, 2019**

Tab 2  
Page 2

Line No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
			Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	13-24 months
			Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Total
3	<b>CCRA QUANTITIES</b>														
4	Commodity Purchase	(TJ)													
5	STN 2		9,137	8,842	9,137	9,137	8,252	9,137	8,842	9,137	8,842	9,137	9,137	8,842	107,576
6	AECO		<u>2,949</u>	<u>2,854</u>	<u>2,949</u>	<u>2,949</u>	<u>2,664</u>	<u>2,949</u>	<u>2,854</u>	<u>2,949</u>	<u>2,854</u>	<u>2,949</u>	<u>2,949</u>	<u>2,854</u>	<u>34,727</u>
7	Total Commodity Purchased		12,086	11,696	12,086	12,086	10,916	12,086	11,696	12,086	11,696	12,086	12,086	11,696	142,303
8	Fuel Gas Provided to Midstream		<u>(440)</u>	<u>(425)</u>	<u>(440)</u>	<u>(440)</u>	<u>(397)</u>	<u>(440)</u>	<u>(425)</u>	<u>(440)</u>	<u>(425)</u>	<u>(440)</u>	<u>(440)</u>	<u>(425)</u>	<u>(5,177)</u>
9	<b>Commodity Available for Sale</b>		<u>11,646</u>	<u>11,271</u>	<u>11,646</u>	<u>11,646</u>	<u>10,519</u>	<u>11,646</u>	<u>11,271</u>	<u>11,646</u>	<u>11,271</u>	<u>11,646</u>	<u>11,646</u>	<u>11,271</u>	<u>137,126</u>
10															
11															
12	<b>CCRA COSTS</b>	(\$000)													
13	Commodity Costs														
14	STN 2		\$ 13,093	\$ 14,390	\$ 16,894	\$ 17,877	\$ 15,883	\$ 16,543	\$ 12,596	\$ 12,731	\$ 12,427	\$ 13,709	\$ 13,863	\$ 13,411	\$ 173,417
15	AECO		<u>4,670</u>	<u>4,681</u>	<u>5,503</u>	<u>5,792</u>	<u>5,148</u>	<u>5,336</u>	<u>4,257</u>	<u>4,367</u>	<u>4,302</u>	<u>4,663</u>	<u>4,699</u>	<u>4,542</u>	<u>57,959</u>
16	Commodity Costs before Hedging		\$ 17,763	\$ 19,072	\$ 22,397	\$ 23,669	\$ 21,031	\$ 21,879	\$ 16,853	\$ 17,098	\$ 16,729	\$ 18,372	\$ 18,563	\$ 17,952	\$ 231,376
17	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	-	-	-
18	Core Market Administration Costs		<u>127</u>	<u>127</u>	<u>127</u>	<u>127</u>	<u>127</u>	<u>127</u>	<u>127</u>	<u>127</u>	<u>127</u>	<u>127</u>	<u>127</u>	<u>127</u>	<u>1,524</u>
19	<b>Total CCRA Costs</b>		<u>\$ 17,890</u>	<u>\$ 19,199</u>	<u>\$ 22,524</u>	<u>\$ 23,796</u>	<u>\$ 21,158</u>	<u>\$ 22,006</u>	<u>\$ 16,980</u>	<u>\$ 17,225</u>	<u>\$ 16,856</u>	<u>\$ 18,499</u>	<u>\$ 18,690</u>	<u>\$ 18,079</u>	<u>\$ 232,900</u>
20															
21															
22	CCRA Unit Cost	(\$/GJ)	\$ 1.536	\$ 1.703	\$ 1.934	\$ 2.043	\$ 2.011	\$ 1.889	\$ 1.507	\$ 1.479	\$ 1.496	\$ 1.588	\$ 1.605	\$ 1.604	\$ 1.698

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 OCT 1, 2019 TO SEP 30, 2020**  
**FIVE-DAY AVERAGE FORWARD PRICES - AUG 20, 21, 22, 23, AND 26, 2019**

Tab 2  
Page 3

Line No.	Particulars	Unit	RS-1 to RS-7
	(1)		(2)
1	<b><u>CCRA Baseload</u></b>	TJ	133,780
2			
3			
4	<b><u>CCRA Incurred Costs</u></b>	\$000	
5	STN 2		\$ 162,967.2
6	AECO		55,620.6
7	CCRA Commodity Costs before Hedging		\$ 218,587.8
8	Mark to Market Hedges Cost / (Gain)		1,746.7
9	Core Market Administration Costs		1,524.0
10	<b>Total Incurred Costs before CCRA deferral amortization</b>		<b>\$ 221,858.6</b>
11			
12	Pre-tax CCRA Deficit / (Surplus) as of Sep 30, 2019		(32,884.2)
13	<b>Total CCRA Incurred Costs</b>		<b>\$ 188,974.4</b>
14			
15			
16	<b><u>CCRA Incurred Unit Costs</u></b>	\$/GJ	
17	CCRA Commodity Costs before Hedging		\$ 1.6339
18	Mark to Market Hedges Cost / (Gain)		0.0131
19	Core Market Administration Costs		0.0114
20	Total Incurred Costs before CCRA deferral amortization		\$ 1.6584
21	Pre-tax CCRA Deficit / (Surplus) as of Sep 30, 2019		(0.2458)
22	<b>CCRA Gas Costs Incurred -- Flow-Through</b>		<b>\$ 1.4126</b>
23			
24			
25			
26			
27			
28			
29	<b><u>Cost of Gas (Commodity Cost Recovery Charge)</u></b>		<b><u>RS-1 to RS-7</u></b>
30			
31	<b>TESTED Flow-Through Cost of Gas effective Oct 1, 2019</b>		<b>\$ 1.413</b>
32			
33	Existing Cost of Gas (effective since Jan 1, 2018)		\$ 1.549
34			
35	Cost of Gas Increase / (Decrease)	\$/GJ	\$ (0.136 )
36			
37	Cost of Gas Percentage Increase / (Decrease)		-8.78%



**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 - AUG 20, 21, 22, 23, AND 26, 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	Recorded May-19	Recorded Jun-19	Recorded Jul-19	Projected Aug-19	Projected Sep-19	Forecast Oct-19	Forecast Nov-19	Forecast Dec-19	2019 Total
1	<b>MCRA COSTS</b>	(\$000)													
2	<u>Midstream Commodity Related Costs</u>														
3	Midstream Commodity Costs before Hedging <sup>(a)</sup>		\$ 32,854.1	\$ 28,855.9	\$ 51,072.1	\$ (51.9)	\$ 9.8	\$ 762.5	\$ (3.4)	\$ 15.4	\$ 18.6	\$ 25.4	\$ 7,848.4	\$ 17,769.8	139,176.7
4	Mark to Market Hedges Cost / (Gain)		-	-	-	-	-	-	-	-	-	-	2,239.2	(200.5)	2,038.7
5	Imbalance <sup>(b)</sup>	\$ 823.5	(214.9)	685.4	(275.5)	(565.3)	38.8	(251.5)	3.1	-	-	-	-	(243.6)	(823.5)
6	Company Use Gas Recovered from O&M		(584.3)	(340.4)	(244.8)	(1.0)	65.4	(26.0)	(31.4)	(104.4)	(145.8)	(219.2)	(468.3)	(760.9)	(2,861.1)
7	Storage Withdrawal / (Injection) Activity <sup>(c)</sup>		5,813.0	9,143.3	2,330.8	709.1	(4,379.1)	(2,902.0)	(1,859.5)	(3,239.2)	(2,943.6)	(2,173.3)	5,754.0	9,004.1	15,257.6
8	Total Midstream Commodity Related Costs		\$ 37,867.9	\$ 38,344.2	\$ 52,882.6	\$ 91.0	\$ (4,265.1)	\$ (2,417.0)	\$ (1,891.2)	\$ (3,328.3)	\$ (3,070.8)	\$ (2,367.0)	\$ 15,373.3	\$ 25,568.9	\$ 152,788.4
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	\$ 3,789.5	\$ 3,716.9	\$ 3,686.0	\$ 2,610.5	\$ 2,611.0	\$ 2,615.4	\$ 3,603.5	\$ 3,619.2	\$ 36,872.2
12	On-System Storage - Mt. Hayes (LNG)		1,792.2	1,517.9	1,719.1	1,519.1	1,712.6	1,679.7	1,545.8	1,518.8	1,518.8	1,716.0	1,608.1	1,523.3	19,371.4
13	Total Storage Related Costs		\$ 4,454.9	\$ 4,165.7	\$ 4,403.2	\$ 4,144.7	\$ 5,502.0	\$ 5,396.6	\$ 5,231.8	\$ 4,129.3	\$ 4,129.8	\$ 4,331.4	\$ 5,211.6	\$ 5,142.6	\$ 56,243.6
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	\$ 11,248.5	\$ 10,406.9	\$ 11,078.7	\$ 12,811.1	\$ 12,586.2	\$ 12,535.8	\$ 10,930.5	\$ 11,177.9	\$ 163,768.1
17	TransCanada (Foothills BC)		505.1	515.9	510.5	382.1	41.1	730.7	378.2	380.1	380.1	380.1	474.5	474.5	5,152.8
18	TransCanada (NOVA Alta)		956.2	959.8	958.0	938.7	910.2	910.2	869.4	915.3	915.3	915.3	915.3	915.3	11,078.8
19	Northwest Pipeline		765.2	735.0	773.0	373.8	381.5	369.2	364.3	368.0	367.3	370.8	768.1	810.6	6,446.8
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	\$ 12,891.7	\$ 12,727.4	\$ 13,000.8	\$ 14,784.8	\$ 14,559.2	\$ 14,512.3	\$ 13,398.7	\$ 13,688.7	\$ 196,899.1
24															
25	<u>Mitigation</u>														
26	Commodity Related Mitigation		\$ (20,638.1)	\$ (11,671.8)	\$ (27,885.8)	\$ (5,877.0)	\$ (4,984.5)	\$ (7,210.3)	\$ (9,420.9)	\$ (4,029.8)	\$ (3,941.2)	\$ (1,047.4)	\$ (7,315.5)	\$ (11,309.7)	\$ (115,332.0)
27	Storage Related Mitigation		(1,066.4)	(168.4)	(259.0)	(986.8)	1,319.5	311.7	(2,443.9)	-	-	-	-	-	(3,293.2)
28	Transportation Related Mitigation		(4,306.0)	(2,983.3)	(4,693.2)	(7,140.2)	(11,580.5)	(9,526.3)	(8,993.0)	(6,246.1)	(6,171.2)	(5,559.5)	(2,064.0)	(1,727.3)	(70,990.5)
29	Total Mitigation		\$ (26,010.6)	\$ (14,823.5)	\$ (32,838.0)	\$ (14,003.9)	\$ (15,245.5)	\$ (16,424.9)	\$ (20,857.8)	\$ (10,275.9)	\$ (10,112.3)	\$ (6,607.0)	\$ (9,379.6)	\$ (13,037.0)	\$ (189,615.7)
30															
31	<u>GSMIP Incentive Sharing</u>		\$ 252.2	\$ 169.1	\$ 440.0	\$ 374.7	\$ 110.4	\$ 210.6	\$ 228.4	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 83.3	\$ 2,202.0
32															
33	<u>Core Market Administration Costs</u>		\$ 316.4	\$ 203.2	\$ 285.1	\$ 235.8	\$ 272.6	\$ 313.5	\$ 292.6	\$ 296.3	\$ 296.3	\$ 296.3	\$ 296.3	\$ 296.3	\$ 3,400.8
34	<b>TOTAL MCRA COSTS</b>	(\$000)	\$ 33,754.1	\$ 71,255.8	\$ 39,417.6	\$ 3,862.7	\$ (733.8)	\$ (193.8)	\$ (3,995.3)	\$ 5,689.6	\$ 5,885.6	\$ 10,249.3	\$ 24,983.7	\$ 31,742.8	\$ 221,918.2
	(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 Enbridge / 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 - AUG 20, 21, 22, 23, AND 26, 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	<b>MCRA COSTS</b>	(\$000)													
2	<u>Midstream Commodity Related Costs</u>														
3	Midstream Commodity Costs before Hedging <sup>(a)</sup>		\$ 17,233.8	\$ 15,884.0	\$ 10,306.6	\$ 1,684.4	\$ 1,676.3	\$ 1,550.7	\$ 1,684.4	\$ 1,678.2	\$ 1,669.9	\$ 1,392.6	\$ 6,228.7	\$ 10,021.2	\$ 71,010.7
4	Mark to Market Hedges Cost / (Gain)		452.0	470.8	447.8	-	-	-	-	-	-	-	-	-	1,370.6
5	Imbalance <sup>(b)</sup>	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
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 <sup>(c)</sup>		9,255.9	7,785.9	6,668.2	(541.6)	(7,126.7)	(7,448.3)	(8,622.8)	(8,399.8)	(7,490.0)	(1,892.3)	6,122.2	9,082.3	(2,606.9)
8	Total Midstream Commodity Related Costs		\$ 26,055.8	\$ 23,442.5	\$ 16,827.3	\$ 725.9	\$ (5,684.2)	\$ (6,104.4)	\$ (7,095.2)	\$ (6,826.0)	\$ (5,965.9)	\$ (718.8)	\$ 11,882.5	\$ 18,342.6	\$ 64,882.0
9															
10	<u>Storage Related Costs</u>														
11	Storage Demand - Third Party Storage		\$ 3,618.7	\$ 3,598.4	\$ 3,611.2	\$ 2,634.5	\$ 2,784.0	\$ 2,777.5	\$ 2,817.8	\$ 2,825.7	\$ 2,801.3	\$ 2,658.5	\$ 3,600.9	\$ 3,617.7	\$ 37,346.2
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		\$ 5,142.2	\$ 5,121.9	\$ 5,134.3	\$ 4,153.3	\$ 4,489.1	\$ 4,488.6	\$ 4,336.7	\$ 4,344.5	\$ 4,320.1	\$ 4,374.6	\$ 5,209.0	\$ 5,141.0	\$ 56,255.3
14															
15	<u>Transportation Related Costs</u>														
16	Enbridge (BC Pipeline) - Westcoast Energy		\$ 11,403.3	\$ 11,420.6	\$ 11,341.1	\$ 12,652.0	\$ 12,574.5	\$ 12,589.6	\$ 12,836.7	\$ 12,896.2	\$ 12,648.6	\$ 12,591.6	\$ 11,239.5	\$ 11,525.7	\$ 145,719.3
17	TransCanada (Foothills BC)		484.0	484.0	484.0	387.7	387.7	387.7	387.7	387.7	387.7	387.7	484.0	484.0	5,133.9
18	TransCanada (NOVA Alta)		933.6	933.6	933.6	933.6	933.6	933.6	933.6	933.6	933.6	933.6	933.6	933.6	11,202.7
19	Northwest Pipeline		810.4	759.4	790.6	370.5	389.9	425.8	429.4	417.5	374.5	370.2	767.0	810.0	6,715.1
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		\$ 13,941.6	\$ 13,908.0	\$ 13,859.5	\$ 14,654.1	\$ 14,596.0	\$ 14,646.9	\$ 14,897.7	\$ 14,945.3	\$ 14,654.6	\$ 14,593.3	\$ 13,734.4	\$ 14,063.6	\$ 172,495.1
24															
25	<u>Mitigation</u>														
26	Commodity Related Mitigation		\$ (10,802.7)	\$ (12,856.4)	\$ (11,766.7)	\$ (1,474.2)	\$ (1,231.3)	\$ (2,431.2)	\$ (3,832.7)	\$ (4,186.6)	\$ (3,536.1)	\$ (2,631.3)	\$ (5,674.4)	\$ (5,136.0)	\$ (65,559.5)
27	Storage Related Mitigation		-	-	-	-	-	-	-	-	-	-	-	-	-
28	Transportation Related Mitigation		(1,579.5)	(1,123.7)	(1,685.1)	(5,450.7)	(6,280.4)	(6,019.3)	(9,651.7)	(9,817.5)	(9,742.6)	(9,131.0)	(1,027.6)	(1,014.2)	(62,523.2)
29	Total Mitigation		\$ (12,382.2)	\$ (13,980.1)	\$ (13,451.8)	\$ (6,924.9)	\$ (7,511.8)	\$ (8,450.4)	\$ (13,484.3)	\$ (14,004.0)	\$ (13,278.7)	\$ (11,762.3)	\$ (6,702.0)	\$ (6,150.2)	\$ (128,082.7)
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	<b>TOTAL MCRA COSTS</b>	(\$000)	\$ 33,137.0	\$ 28,872.0	\$ 22,748.9	\$ 12,988.0	\$ 6,268.8	\$ 4,960.5	\$ (965.5)	\$ (1,160.7)	\$ 109.8	\$ 6,866.4	\$ 24,503.6	\$ 31,776.8	\$ 170,105.6

(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 OCT 2019 TO SEP 2020**  
**FIVE-DAY AVERAGE FORWARD PRICES - AUG 20, 21, 22, 23, AND 26, 2019**

Tab 2  
Page 6

Line No.	Particulars	Unit	General							General		Total MCRA Gas Budget Costs	Term & Off-System		
			Residential	Commercial		Firm Service	NGV	Subtotal	Seasonal	Interruptible	RS-1 to RS-7 Summary		(d) LNG	Spot Gas Sales	Interruptible Sales
			RS-1	RS-2	RS-3	RS-5	RS-6		RS-4	RS-7	RS-46			RS-14A	RS-30
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	MCRA Sales Quantity	TJ	81,644.4	30,511.9	21,972.4	3,098.8	40.3	137,267.9	141.3	313.0	137,722.1		1,721.5	1,300.0	28,676.2
2															
3	Load Factor Adjusted Quantity														
4	Load Factor <sup>(a)</sup>	%	31.6%	31.5%	37.7%	45.6%	100.0%								
5	Load Factor Adjusted Quantity	TJ	258,483.4	96,928.1	58,292.4	6,798.0	40.3	420,542.3							
6	Load Factor Adjusted Volumetric Allocation	%	61.5%	23.0%	13.9%	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	\$ 573.2	\$ 214.9	\$ 129.3	\$ 15.1	\$ 0.1	\$ 932.5			\$ 932.5		\$ (1,832.2)	\$ (1,704.4)	\$ -
11	Midstream Commodity Related Costs		44,698.7	16,761.5	10,080.3	1,175.6	7.0	72,723.0					2,578.3	2,086.5	62,762.4
12	Midstream Commodity Related Mitigation		(44,125.5)	(16,546.5)	(9,951.1)	(1,160.5)	(6.9)	(71,790.5)					(4,410.5)	(3,790.9)	(62,762.4)
13	Storage Related Costs (Net of Mitigation)	\$000	34,552.9	12,956.9	7,792.3	908.7	5.4	56,216.2			56,216.2		-	-	-
14	Storage Related Costs		34,552.9	12,956.9	7,792.3	908.7	5.4	56,216.2					-	-	-
15	Storage Related Mitigation		-	-	-	-	-	-					-	-	-
16	Transportation Related Costs (Net of Mitigation)	\$000	68,226.6	25,584.1	15,386.3	1,794.3	10.6	111,001.9			111,001.9		911.3	685.8	-
17	Transportation Related Costs		105,536.2	39,574.8	23,800.2	2,775.6	16.5	171,703.3					911.3	685.8	-
18	Transportation Related Mitigation		(37,309.7)	(13,990.7)	(8,414.0)	(981.2)	(5.8)	(60,701.3)					-	-	-
19	GSMIP Incentive Sharing	\$000	614.6	230.5	138.6	16.2	0.1	1,000.0			1,000.0		-	-	-
20	Core Market Administration Costs - MCRA 70%	\$000	2,185.7	819.6	492.9	57.5	0.3	3,556.0			3,556.0		-	-	-
21	Total Midstream Cost of Gas Allocated by Rate Class	\$000	\$ 106,153.0	\$ 39,806.1	\$ 23,939.3	\$ 2,791.8	\$ 16.6	\$ 172,706.7			\$ 172,706.7	\$ 172,706.7	\$ (920.9)	\$ (1,018.6)	\$ -
22	T-Service UAF to be recovered via delivery revenues <sup>(b)</sup>											1,227.9			
23	Total MCRA Gas Costs <sup>(c)</sup>											\$ 173,934.6			
24	1/2 of Pre-Tax Amort. MCRA Deficit/(Surplus) as of Oct 1, 2019	\$000	\$ 10,514.5	\$ 3,942.8	\$ 2,371.2	\$ 276.5	\$ 1.6	\$ 17,106.7			\$ 17,106.7				
25															
26															
27	MCRA Cost of Gas Unitized											Average Costs			
28	Midstream Commodity Related Costs (Net of Mitigation)	\$/GJ	\$ 0.0070	\$ 0.0070	\$ 0.0059	\$ 0.0049	\$ 0.0022				\$ 0.0068				
29	Storage Related Costs (Net of Mitigation)	\$/GJ	0.4232	0.4247	0.3546	0.2933	0.1337				0.4082				
30	Transportation Related Costs (Net of Mitigation)	\$/GJ	0.8357	0.8385	0.7003	0.5790	0.2639				0.8060				
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	0.0224	0.0185	0.0085				0.0258				
33	MCRA Flow-Through Costs before MCRA deferral amortization	\$/GJ	\$ 1.3002	\$ 1.3046	\$ 1.0895	\$ 0.9009	\$ 0.4106				\$ 1.2540				
34	MCRA Deferral Amortization via Rate Rider 6	\$/GJ	\$ 0.1288	\$ 0.1292	\$ 0.1079	\$ 0.0892	\$ 0.0407				\$ 0.1242				
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 OCT 2019 TO SEP 2020**  
**FIVE-DAY AVERAGE FORWARD PRICES - AUG 20, 21, 22, 23, AND 26, 2019**

Tab 2  
Page 6.1

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
			Forecast Oct-19	Forecast Nov-19	Forecast Dec-19	Forecast Jan-20	Forecast Feb-20	Forecast Mar-20	Forecast Apr-20	Forecast May-20	Forecast Jun-20	Forecast Jul-20	Forecast Aug-20	Forecast Sep-20	Oct-19 to Sep-20 Total
1	<b>MCRA COSTS</b>	(\$000)													
2	<u>Midstream Commodity Related Costs</u>														
3	Midstream Commodity Costs before Hedging <sup>(a)</sup>	\$	25.4	\$ 7,848.4	\$ 17,769.8	\$ 17,233.8	\$ 15,884.0	\$ 10,306.6	\$ 1,684.4	\$ 1,676.3	\$ 1,550.7	\$ 1,684.4	\$ 1,678.2	\$ 1,669.9	\$ 79,011.9
4	Mark to Market Hedges Cost / (Gain)		-	2,239.2	(200.5)	452.0	470.8	447.8	-	-	-	-	-	-	3,409.3
5	Imbalance <sup>(b)</sup>		-	-	(243.6)	-	-	-	-	-	-	-	-	-	(243.6)
6	Company Use Gas Recovered from O&M		(219.2)	(468.3)	(760.9)	(886.0)	(698.2)	(595.4)	(416.9)	(233.8)	(206.8)	(156.8)	(104.4)	(145.8)	(4,892.4)
7	Storage Withdrawal / (Injection) Activity <sup>(c)</sup>		(2,173.3)	5,754.0	9,004.1	9,255.9	7,785.9	6,668.2	(541.6)	(7,126.7)	(7,448.3)	(8,622.8)	(8,399.8)	(7,490.0)	(3,334.4)
8	Total Midstream Commodity Related Costs	\$	(2,367.0)	\$ 15,373.3	\$ 25,568.9	\$ 26,055.8	\$ 23,442.5	\$ 16,827.3	\$ 725.9	\$ (5,684.2)	\$ (6,104.4)	\$ (7,095.2)	\$ (6,826.0)	\$ (5,965.9)	\$ 73,950.9
9															
10	<u>Storage Related Costs</u>														
11	Storage Demand - Third Party Storage	\$	2,615.4	\$ 3,603.5	\$ 3,619.2	\$ 3,618.7	\$ 3,598.4	\$ 3,611.2	\$ 2,634.5	\$ 2,784.0	\$ 2,777.5	\$ 2,817.8	\$ 2,825.7	\$ 2,801.3	\$ 37,307.2
12	On-System Storage - Mt. Hayes (LNG)		1,716.0	1,608.1	1,523.3	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	18,909.0
13	Total Storage Related Costs	\$	4,331.4	\$ 5,211.6	\$ 5,142.6	\$ 5,142.2	\$ 5,121.9	\$ 5,134.3	\$ 4,153.3	\$ 4,489.1	\$ 4,488.6	\$ 4,336.7	\$ 4,344.5	\$ 4,320.1	\$ 56,216.2
14															
15	<u>Transportation Related Costs</u>														
16	Enbridge (BC Pipeline) - Westcoast Energy	\$	12,535.8	\$ 10,930.5	\$ 11,177.9	\$ 11,403.3	\$ 11,420.6	\$ 11,341.1	\$ 12,652.0	\$ 12,574.5	\$ 12,589.6	\$ 12,836.7	\$ 12,896.2	\$ 12,648.6	\$ 145,006.6
17	TransCanada (Foothills BC)		380.1	474.5	474.5	484.0	484.0	484.0	387.7	387.7	387.7	387.7	387.7	387.7	5,107.4
18	TransCanada (NOVA Alta)		915.3	915.3	915.3	933.6	933.6	933.6	933.6	933.6	933.6	933.6	933.6	933.6	11,147.8
19	Northwest Pipeline		370.8	768.1	810.6	810.4	759.4	790.6	370.5	389.9	425.8	429.4	417.5	374.5	6,717.4
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	\$	14,512.3	\$ 13,398.7	\$ 13,688.7	\$ 13,941.6	\$ 13,908.0	\$ 13,859.5	\$ 14,654.1	\$ 14,596.0	\$ 14,646.9	\$ 14,897.7	\$ 14,945.3	\$ 14,654.6	\$ 171,703.3
24															
25	<u>Mitigation</u>														
26	Commodity Related Mitigation	\$	(1,047.4)	\$ (7,315.5)	\$ (11,309.7)	\$ (10,802.7)	\$ (12,856.4)	\$ (11,766.7)	\$ (1,474.2)	\$ (1,231.3)	\$ (2,431.2)	\$ (3,832.7)	\$ (4,186.6)	\$ (3,536.1)	\$ (71,790.5)
27	Storage Related Mitigation		-	-	-	-	-	-	-	-	-	-	-	-	-
28	Transportation Related Mitigation		(5,559.5)	(2,064.0)	(1,727.3)	(1,579.5)	(1,123.7)	(1,685.1)	(5,450.7)	(6,280.4)	(6,019.3)	(9,651.7)	(9,817.5)	(9,742.6)	(60,701.3)
29	Total Mitigation	\$	(6,607.0)	\$ (9,379.6)	\$ (13,037.0)	\$ (12,382.2)	\$ (13,980.1)	\$ (13,451.8)	\$ (6,924.9)	\$ (7,511.8)	\$ (8,450.4)	\$ (13,484.3)	\$ (14,004.0)	\$ (13,278.7)	\$ (132,491.8)
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	<b>TOTAL MCRA COSTS</b>	(\$000)	\$ 10,249.3	\$ 24,983.7	\$ 31,742.8	\$ 33,137.0	\$ 28,872.0	\$ 22,748.9	\$ 12,988.0	\$ 6,268.8	\$ 4,960.5	\$ (965.5)	\$ (1,160.7)	\$ 109.8	\$ 173,934.6

(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.

September #, 2019

Letter L-##-##

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

Dear Mr. Slater:

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

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On September 4, 2019, FortisBC Energy Inc. (FEI) filed with the British Columbia Utilities Commission (BCUC) its 2019 Third 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 October 1, 2019.

Yours truly,

Patrick Wruck