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March 3, 2021

British Columbia Utilities Commission  
Suite 410, 900 Howe Street  
Vancouver, BC  
V6Z 2N3

Attention: Mr. Patrick Wruck, Commission Secretary

Dear Mr. Wruck:

**Re: FortisBC Energy Inc. – Fort Nelson Service Area (Fort Nelson)**  
**Gas Cost Reconciliation Account (GCRA) and Commodity Cost Recovery Charge**  
**2021 First Quarter Gas Cost Report**

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The attached materials provide the FortisBC Energy Inc. (FEI or the Company) 2021 First Quarter Gas Cost Report for Fort Nelson (the First Quarter Report) as required under the British Columbia Utilities Commission (BCUC) guidelines.

The gas cost forecast used within the First Quarter Report is based on the five-day average of the February 16, 17, 18, 19, and 22, 2021 forward prices (five-day average forward prices ending February 22, 2021).

### **GCRA and Commodity Cost Recovery Charge**

Based on the five-day average forward prices ending February 22, 2021, the March 31, 2021 GCRA deferral balance is projected to be approximately \$44.2 thousand deficit after tax (Tab 1, Page 3, Column 14, Line 34). Further, based on the five-day average forward prices ending February 22, 2021, the gas purchase cost assumptions, and the forecast gas cost recoveries at present rates for the 12-month period ending March 31, 2022, and accounting for the projected March 31, 2021 deferral balance, the GCRA ratio is calculated to be 91.4% (Tab 1, Page 1, Column 4, Line 9), which falls outside the 95% to 105% deadband. The tested rate increase that would produce a 100% commodity recovery-to-cost ratio is calculated to be \$0.283/GJ (Tab 1, Page 1, Column 5, Line 27), which falls within the \$0.50/GJ minimum rate change threshold. The results of the two-criterion rate adjustment mechanism indicate that a rate change is not required at this time.

Forward western Canadian natural gas prices have increased from the forward prices used in the FEI 2020 Fourth Quarter Gas Cost Report for Fort Nelson. The forward prices increased due to extreme cold weather in February for parts of North America, which caused

heating demand to rise. In addition, supply disruptions in the US from the cold weather drove up imports from Canada, further increasing demand from Alberta and British Columbia.

The schedules at Tab 1, Pages 2 to 5 provide details of the recorded and forecast (based on the five-day average forward prices ending February 22, 2021) monthly GCRA balances, including the commodity and midstream related costs and recoveries for 2020 to March 2023.

Provided in Tab 2 is the detail of the forecast cost of gas for Fort Nelson. The Company requests the information contained in Tab 2 be treated as CONFIDENTIAL.

### **CONFIDENTIALITY**

FEI is requesting that this information be filed on a confidential basis pursuant to Section 18 of the BCUC's Rules of Practice and Procedure regarding confidential documents adopted by Order G-15-19, and Section 71(5) of the *Utilities Commission Act* and requests that the BCUC exercise its discretion under Section 6.0 of the Rules for Natural Gas Energy Supply Contracts and allow these documents to remain confidential. FEI believes this will ensure that market sensitive information is protected, and FEI's ability to obtain favorable commercial terms for future natural gas contracting is not impaired.

In this regard, FEI further believes that the Core Market could be disadvantaged and may well shoulder incremental costs if utility gas supply procurement strategies as well as contracts are treated in a different manner than those of other gas purchasers, and believes that since it continues to operate within a competitive environment, there is no necessity for public disclosure and risk prejudice or influence in the negotiations or renegotiation of subsequent contracts.

### **Summary**

The Company requests approval for the Commodity Cost Recovery Charge applicable to all sales rate classes in the Fort Nelson service area to remain unchanged at April 1, 2021 from the current rate of \$2.999/GJ.

FEI will continue to monitor the forward prices and will report the recorded and forecast GCRA balances, including the commodity and midstream related costs and recoveries, in its 2021 Second Quarter Gas Cost Report. Further, under normal circumstances the storage and transport rates will be adjusted on an annual basis with a January 1 effective date.

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:***

Diane Roy

Attachments

**FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA**  
**GAS COST RECONCILIATION ACCOUNT (GCRA) RATE CHANGE TRIGGER MECHANISM**  
**COMMODITY COST RECOVERY CHARGE FLOW-THROUGH**  
**FOR THE FORECAST PERIOD APR 2021 TO MAR 2022**  
**FIVE-DAY AVERAGE FORWARD PRICES - FEB 16, 17, 18, 19, AND 22, 2021**

Tab 1  
Page 1

Line No.	Particulars	Pre-Tax (\$000)	Forecast Energy (TJ)	Percentage	Unit Cost (\$/GJ)	Reference / Comment
	(1)	(2)	(3)	(4)	(5)	(6)
1	<b><u>COMMODITY COST RECOVERY CHARGE CHANGE TRIGGER RATIO</u></b>					
2	(a)					
3	Projected Pre-Tax GCRA Deferral Balance at Apr 1, 2021	\$ 60.6				(Tab 1, Page 3, Col 14, Line 1)
4	Forecast Total Commodity Related Costs - Apr 2021 to Mar 2022	\$ 1,441.0				(Tab 1, Page 4, Col 14, Line 11)
5	Forecast Storage and Transport Related Activities Imbalance at 2021 Flow Through Rates - Apr 2021 to Dec 2021	\$ 6.2				(Tab 1, Page 4, Line 26 notes)
6	Forecast Recovery at Existing Commodity Cost Recovery Charge - Apr 2021 to Mar 2022	\$ 1,377.8				(Tab 1, Page 4, Col 14, Line 18)
7						
8						
9	<b>Trigger Ratio</b> = $\frac{\text{Forecast Recovery at Existing Cost of Gas Recovery Rate (Line 6)}}{\text{Projected GCRA Balance (Line 3) + Forecast Commodity Related Costs (Line 4) + Forecast Storage and Transport Related Activities Imbalance (Line 5)}}$	$\frac{\$ 1,377.8}{\$ 1,507.8}$		<b>91.4%</b>		<b>Outside 95% to 105% deadband</b>
10						
11						
12						
13						
14	<b><u>Existing Commodity Cost Recovery Charge, effective January 1, 2021</u></b>				<b><u>\$ 2.999</u></b>	
15						
16						
17						
18						
19	<b><u>COMMODITY COST RECOVERY CHARGE CHANGE THRESHOLD (+/- \$0.50/GJ)</u></b>					
20						
21	Forecast Sales Rate Classes Recovery Energy - Apr 2021 to Mar 2022		458.9			(Tab 1, Page 4, Col 14, Line 14)
22	(a)					
23	Projected Pre-Tax GCRA Balance at Apr 1, 2021	\$ 60.6			\$ 0.1321	(b)
24	Forecast 12-month GCRA Activities - Apr 2021 to Mar 2022	69.4			0.1513	(b)
25	(Over) / Under Recovery at Existing Commodity Cost Recovery Charge	<u>\$ 130.0</u>				(Line 3 + Line 4 + Line 5 - Line 6)
26						
27	<b>Tested Commodity Cost Recovery Charge (Decrease) / Increase</b>				<b><u>\$ 0.283</u></b>	(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 Charge 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. - FORT NELSON SERVICE AREA**  
**GCRA MONTHLY BALANCES AND ACTIVITIES FOR THE YEAR 2020**

Tab 1  
Page 2

No.	Particulars		Actual Jan-20	Actual Feb-20	Actual Mar-20	Actual Apr-20	Actual May-20	Actual Jun-20	Actual Jul-20	Actual Aug-20	Actual Sep-20	Actual Oct-20	Actual Nov-20	Actual Dec-20	Total 2020
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	GCRA Balance - Beginning (Pre-tax) <sup>(a)</sup>	\$	\$ (198,839)	\$ (114,220)	\$ (73,950)	\$ (19,845)	\$ 2,445	\$ 22,353	\$ 32,966	\$ 38,890	\$ 48,415	\$ 59,274	\$ 78,572	\$ 90,450	\$ (198,839)
2															
3	GCRA Activities														
4	Commodity Costs Incurred														
5	Commodity Purchases <sup>(b)</sup>	GJ	106,700	70,000	59,900	38,000	18,700	9,050	3,400	7,400	20,100	42,100	79,504	84,800	539,654
6	Average Unit Cost of Gas Purchased	\$/GJ	\$ 1.901	\$ 1.687	\$ 1.850	\$ 1.851	\$ 1.974	\$ 1.822	\$ 1.933	\$ 2.375	\$ 2.196	\$ 2.595	\$ 2.514	\$ 2.408	\$ 2.107
7	(Line 8 / Line 5)														
8	Total Purchase Costs	\$	\$ 202,859	\$ 118,091	\$ 110,843	\$ 70,357	\$ 36,918	\$ 16,489	\$ 6,572	\$ 17,575	\$ 44,145	\$ 109,240	\$ 199,844	\$ 204,218	\$ 1,137,150
9	Imbalance Gas <sup>(c)</sup>		(14,979)	2,330	9,092	(9,828)	3,209	1,441	5,838	3,112	(8,413)	6,415	(12,785)	2,102	(12,466)
10	Company Use Gas Recovered from O&M		(671)	(503)	(249)	(423)	(122)	(89)	(37)	(98)	(105)	(276)	(610)	(487)	(3,669)
11	Commodity Related Costs Total	\$	\$ 187,209	\$ 119,917	\$ 119,685	\$ 60,107	\$ 40,004	\$ 17,841	\$ 12,373	\$ 20,589	\$ 35,627	\$ 115,379	\$ 186,450	\$ 205,833	\$ 1,121,015
12															
13	Commodity Costs Recoveries														
14	Sales Rate Classes Recovered	GJ	94,743	74,241	61,169	35,833	19,839	8,088	7,361	6,398	14,954	39,680	71,754	77,785	511,845
15	Recovery @ <b>Approved Commodity Cost Recovery Rate</b>	\$	\$ (99,500)	\$ (77,591)	\$ (64,109)	\$ (37,551)	\$ (20,791)	\$ (8,476)	\$ (7,713)	\$ (12,370)	\$ (25,674)	\$ (95,770)	\$ (172,679)	\$ (187,133)	\$ (809,356)
16	T-Service Balancing Gas		-	-	-	-	-	-	-	-	-	-	-	-	-
17	T-Service UAF Recovered <sup>(d)</sup>		(227)	(200)	(226)	(153)	58	13	2	(0)	(3)	(7)	(64)	-	(807)
18	Commodity Related Recovery Total (Lines 15, 16 & 17)	\$	\$ (99,727)	\$ (77,791)	\$ (64,335)	\$ (37,704)	\$ (20,732)	\$ (8,463)	\$ (7,712)	\$ (12,370)	\$ (25,677)	\$ (95,777)	\$ (172,743)	\$ (187,133)	\$ (810,162)
19	Total Commodity Related Activities (Lines 11 & 18)	\$	\$ 87,482	\$ 42,126	\$ 55,350	\$ 22,403	\$ 19,272	\$ 9,378	\$ 4,662	\$ 8,219	\$ 9,951	\$ 19,602	\$ 13,707	\$ 18,700	\$ 310,853
20															
21															
22	Storage and Transport Costs and Recoveries														
23	Transportation Costs Incurred	\$	\$ 1,794	\$ 1,785	\$ 1,750	\$ 1,642	\$ 1,635	\$ 1,631	\$ 1,627	\$ 1,630	\$ 1,635	\$ 1,646	\$ 1,678	\$ 1,670	\$ 20,121
24	Recovery @ <b>Approved Storage &amp; Transport Rates</b>		(4,657)	(3,641)	(2,995)	(1,756)	(998)	(396)	(365)	(324)	(727)	(1,951)	(3,507)	(3,796)	(25,111)
25															
26	Total Storage and Transport Related Activities (Lines 23 & 24)	\$	\$ (2,863)	\$ (1,856)	\$ (1,245)	\$ (114)	\$ 637	\$ 1,235	\$ 1,262	\$ 1,306	\$ 909	\$ (304)	\$ (1,829)	\$ (2,126)	\$ (4,990)
27															
28	GCRA Balance - Ending (Pre-tax) (Lines 1, 19 & 26)	\$	\$ (114,220)	\$ (73,950)	\$ (19,845)	\$ 2,445	\$ 22,353	\$ 32,966	\$ 38,890	\$ 48,415	\$ 59,274	\$ 78,572	\$ 90,450	\$ 107,024	\$ 107,024
29															
30	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%
31															
32															
33	GCRA Balance - Ending (After-tax)	\$	\$ (83,381)	\$ (53,983)	\$ (14,487)	\$ 1,785	\$ 16,318	\$ 24,065	\$ 28,390	\$ 35,343	\$ 43,270	\$ 57,358	\$ 66,029	\$ 78,128	\$ 78,128

Notes:

- (a) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts.
- (b) Commodity Purchases include Company Use Gas quantities and Sales & T-Service UAF requirements.
- (c) Imbalance Gas comprises the Enbridge - Westcoast Energy and T-Service imbalances, which vary monthly; the amount shown in the first Projected column reflects the forecast value to settle the total imbalance at the end of the recorded period.
- (d) Sales UAF costs are recovered via gas cost recovery rates; T-Service UAF costs are recovered via delivery revenues.

Slight differences in totals due to rounding.

**FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA**  
**GCRA MONTHLY BALANCES AND ACTIVITIES AT EXISTING RATES**  
**RECORDED PERIOD TO JAN 2021 AND FORECAST TO MAR 2021**  
**FIVE-DAY AVERAGE FORWARD PRICES - FEB 16, 17, 18, 19, AND 22, 2021**

Tab 1  
Page 3

Line No.	Particulars		Recorded Jan-21	Projected Feb-21	Projected Mar-21	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	Jan-21 to Mar-21
	(1)		(2)	(3)	(4)										(14)
1	<b>GCRA Balance - Beginning (Pre-tax) <sup>(a)</sup></b>	\$	\$ 107,024	\$ 61,049	\$ 53,525										<b>\$ 107,024</b>
2															
3	<b>2021 GCRA Activities</b>														
4	<u>Commodity Costs Incurred</u>														
5	Commodity Purchases <sup>(b)</sup>	GJ	82,200	65,327	63,582										211,108
6	Average Unit Cost of Gas Purchased	\$/GJ	\$ 2.479	\$ 2.965	\$ 3.122										\$ 2.828
7	(Line 8 / Line 5)														
8	Total Purchase Costs	\$	\$ 203,737	\$ 193,704	\$ 198,525										\$ 595,966
9	Imbalance Gas <sup>(c)</sup>		4,855	(1,064)	-										3,791
10	Company Use Gas Recovered from O&M		(886)	(978)	(874)										(2,738)
11	Commodity Related Costs Total (Lines 8, 9 & 10)	\$	\$ 207,707	\$ 191,662	\$ 197,651										\$ 597,019
12															
13	<u>Commodity Costs Recoveries</u>														
14	Sales Rate Classes Recovered	GJ	85,201	64,880	63,214										213,295
15	Adjust Sales Under / (Over) Accrual <sup>(d)</sup>	GJ	-	1,165	-										1,165
16	Recovery @ <b>Approved Commodity Cost Recovery Rate</b>	\$	\$ (252,087)	\$ (198,070)	\$ (189,579)										\$ (639,736)
17	T-Service Balancing Gas		-	-	-										-
18	T-Service UAF Recovered <sup>(e)</sup>		-	(278)	(208)										(486)
19	Commodity Related Recovery Total (Lines 16, 17 & 18)	\$	\$ (252,087)	\$ (198,348)	\$ (189,787)										\$ (640,222)
20	<b>Total Commodity Related Activities</b> (Lines 11 & 19)	\$	\$ (44,380)	\$ (6,686)	\$ 7,864										\$ (43,203)
21															
22															
23	<u>Storage and Transport Costs and Recoveries</u>														
24	Transportation Costs Incurred	\$	1,946	1,891	1,891										\$ 5,729
25	Recovery @ <b>Approved Storage &amp; Transport Rates</b>		(3,541)	(2,729)	(2,667)										(8,937)
26															
27	<b>Total Storage and Transport Related Activities</b> (Lines 24 & 25)	\$	\$ (1,595)	\$ (838)	\$ (776)										\$ (3,208)
28															
29	<b>GCRA Balance - Ending (Pre-tax)</b> (Lines 1, 20 & 27)	\$	\$ 61,049	\$ 53,525	\$ 60,613										<b>\$ 60,613</b>
30															
31	Tax Rate		27.0%	27.0%	27.0%										27.0%
32															
33															
34	<b>GCRA Balance - Ending (After-tax)</b>	\$	\$ 44,566	\$ 39,074	\$ 44,248										<b>\$ 44,248</b>

Notes:

- (a) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts.
- (b) Commodity Purchases include Company Use Gas quantities and Sales & T-Service UAF requirements.
- (c) Imbalance Gas comprises the Enbridge - Westcoast Energy and T-Service imbalances, which vary monthly; the amount shown in the first Projected column reflects the forecast value to settle the total imbalance at the end of the recorded period.
- (d) Adjustment to the forecast recoveries to account for any under / (over) accrued Sales at the end of the recorded period.
- (e) Sales UAF costs are recovered via gas cost recovery rates; T-Service UAF costs are recovered via delivery revenues.

Slight differences in totals due to rounding.

**FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA**  
**GCRA MONTHLY BALANCES AND ACTIVITIES AT EXISTING RATES**  
**FORECAST PERIOD FROM APR 2021 TO MAR 2022**  
**FIVE-DAY AVERAGE FORWARD PRICES - FEB 16, 17, 18, 19, AND 22, 2021**

Tab 1  
Page 4

Line No.	Particulars (1)	Forecast Apr-21 (2)	Forecast May-21 (3)	Forecast Jun-21 (4)	Forecast Jul-21 (5)	Forecast Aug-21 (6)	Forecast Sep-21 (7)	Forecast Oct-21 (8)	Forecast Nov-21 (9)	Forecast Dec-21 (10)	Forecast Jan-22 (11)	Forecast Feb-22 (12)	Forecast Mar-22 (13)	Apr-21 to Mar-22 (14)
1	<b>GCRA Balance - Beginning (Pre-tax)<sup>(a)</sup></b>	\$ 60,613	\$ 58,102	\$ 53,902	\$ 52,385	\$ 52,116	\$ 50,836	\$ 48,088	\$ 44,753	\$ 55,888	\$ 77,049	\$ 101,197	\$ 120,033	<b>\$ 60,613</b>
3	<b>GCRA Activities</b>													
4	<u>Commodity Costs Incurred</u>													
5	Commodity Purchases <sup>(b)</sup>	GJ 30,115	17,173	9,293	5,539	7,551	14,804	34,974	60,523	78,680	77,191	63,817	62,083	461,743
6	Average Unit Cost of Gas Purchased (Line 8 / Line 5)	\$/GJ \$ 2.893	\$ 2.682	\$ 2.672	\$ 2.646	\$ 2.619	\$ 2.726	\$ 2.891	\$ 3.194	\$ 3.286	\$ 3.329	\$ 3.307	\$ 3.126	\$ 3.136
8	Total Purchase Costs	\$ 87,135	\$ 46,058	\$ 24,828	\$ 14,658	\$ 19,773	\$ 40,359	\$ 101,118	\$ 193,294	\$ 258,540	\$ 257,003	\$ 211,026	\$ 194,061	\$ 1,447,852
9	Imbalance Gas <sup>(c)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Company Use Gas Recovered from O&M	(535)	(523)	(147)	(146)	(89)	(147)	(101)	(974)	(1,203)	(1,049)	(1,091)	(875)	(6,880)
11	Commodity Related Costs Total	\$ 86,600	\$ 45,535	\$ 24,681	\$ 14,512	\$ 19,684	\$ 40,212	\$ 101,017	\$ 192,320	\$ 257,337	\$ 255,954	\$ 209,934	\$ 193,186	\$ 1,440,972
13	<u>Commodity Costs Recoveries</u>													
14	Sales Rate Classes Recovered	GJ 29,901	16,973	9,237	5,483	7,516	14,747	34,926	60,121	78,181	76,733	63,370	61,716	458,903
15	Recovery @ <b>Approved Commodity Cost Recovery Rate</b>	\$ (89,672)	\$ (50,903)	\$ (27,701)	\$ (16,444)	\$ (22,539)	\$ (44,228)	\$ (104,742)	\$ (180,302)	\$ (234,465)	\$ (230,122)	\$ (190,047)	\$ (185,085)	\$ (1,376,250)
16	T-Service Balancing Gas	-	-	-	-	-	-	-	-	-	-	-	-	-
17	T-Service UAF Recovered <sup>(d)</sup>	(71)	(11)	(3)	(1)	(3)	(7)	(31)	(231)	(316)	(341)	(278)	(208)	(1,500)
18	Commodity Related Recovery Total (Lines 15, 16 & 17)	\$ (89,743)	\$ (50,914)	\$ (27,704)	\$ (16,445)	\$ (22,542)	\$ (44,235)	\$ (104,774)	\$ (180,534)	\$ (234,781)	\$ (230,463)	\$ (190,325)	\$ (185,293)	\$ (1,377,750)
19	<b>Total Commodity Related Activities (Lines 11 &amp; 18)</b>	\$ (3,143)	\$ (5,379)	\$ (3,023)	\$ (1,933)	\$ (2,858)	\$ (4,023)	\$ (3,757)	\$ 11,787	\$ 22,556	\$ 25,491	\$ 19,609	\$ 7,893	\$ 63,221
22	<u>Storage and Transport Costs and Recoveries</u>													
23	Transportation Costs Incurred	\$ 1,891	\$ 1,891	\$ 1,891	\$ 1,891	\$ 1,891	\$ 1,891	\$ 1,891	\$ 1,891	\$ 1,891	\$ 1,891	\$ 1,891	\$ 1,891	\$ 22,695
24	Recovery @ <b>Approved Storage &amp; Transport Rates</b>	(1,259)	(713)	(385)	(227)	(313)	(617)	(1,470)	(2,543)	(3,287)	(3,235)	(2,664)	(2,603)	(19,315)
25	<sup>(e)</sup>													
26	<b>Total Storage and Transport Related Activities (Lines 23 &amp; 24)</b>	\$ 632	\$ 1,178	\$ 1,506	\$ 1,664	\$ 1,578	\$ 1,275	\$ 421	\$ (651)	\$ (1,395)	\$ (1,344)	\$ (773)	\$ (711)	\$ 3,380
28	<b>GCRA Balance - Ending (Pre-tax) (Lines 1, 19 &amp; 26)</b>	\$ 58,102	\$ 53,902	\$ 52,385	\$ 52,116	\$ 50,836	\$ 48,088	\$ 44,753	\$ 55,888	\$ 77,049	\$ 101,197	\$ 120,033	\$ 127,214	<b>\$ 127,214</b>
30	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	<b>GCRA Balance - Ending (After-tax)</b>	\$ 42,415	\$ 39,348	\$ 38,241	\$ 38,045	\$ 37,111	\$ 35,104	\$ 32,669	\$ 40,798	\$ 56,246	\$ 73,873	\$ 87,624	\$ 92,866	<b>\$ 92,866</b>

Notes:

- (a) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts.
- (b) Commodity Purchases include Company Use Gas quantities and Sales & T-Service UAF requirements.
- (c) Imbalance Gas comprises the Enbridge - Westcoast Energy and T-Service imbalances, which vary monthly; the amount shown in the first Projected column reflects the forecast value to settle the total imbalance at the end of the recorded period.
- (d) Sales UAF costs are recovered via gas cost recovery rates; T-Service UAF costs are recovered via delivery revenues.
- (e) Total Storage and Transport Related Activities at Line 26 comprise \$6,208 deficit imbalance for the Apr Dec 2021 forecast period, and \$2,828 surplus imbalance for the Jan to Mar 2022 forecast period. Forecast imbalances for the remainder of the current calendar year are related to the existing storage and transport rates, and will be captured in the GCRA and recovered via the Commodity Cost Recovery Charge flow through mechanism. Forecast storage and transport imbalances related to the future calendar year are, under normal circumstances, dealt with as part of the fourth quarter gas cost review when the storage and transport rates are reset using a January 1 effective date.

Slight differences in totals due to rounding.

**FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA**  
**GCRA MONTHLY BALANCES AND ACTIVITIES AT EXISTING RATES**  
**FORECAST PERIOD FROM APR 2022 TO MAR 2023**  
**FIVE-DAY AVERAGE FORWARD PRICES - FEB 16, 17, 18, 19, AND 22, 2021**

Tab 1  
Page 5

Line No.	Particulars	Forecast Apr-22	Forecast May-22	Forecast Jun-22	Forecast Jul-22	Forecast Aug-22	Forecast Sep-22	Forecast Oct-22	Forecast Nov-22	Forecast Dec-22	Forecast Jan-23	Forecast Feb-23	Forecast Mar-23	Apr-22 to Mar-23
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	<b>GCRA Balance - Beginning (Pre-tax)<sup>(a)</sup></b>	\$ 127,214	\$ 107,744	\$ 95,081	\$ 88,616	\$ 85,964	\$ 81,700	\$ 71,728	\$ 46,871	\$ 18,545	\$ (14,097)	\$ (41,643)	\$ (64,251)	\$ 127,214
2														
3	<b>GCRA Activities</b>													
4	<u>Commodity Costs Incurred</u>													
5	Commodity Purchases <sup>(b)</sup>	GJ 29,419	16,786	9,095	5,428	7,394	14,486	34,184	59,113	76,903	75,366	62,334	60,606	451,113
6	Average Unit Cost of Gas Purchased (Line 8 / Line 5)	\$/GJ 2.310	2.164	2.116	2.195	2.204	2.219	2.258	2.526	2.589	2.647	2.644	2.565	2.503
7														
8	Total Purchase Costs	\$ 67,950	36,318	19,248	11,913	16,299	32,139	77,170	149,340	199,075	199,504	164,813	155,428	1,129,196
9	Imbalance Gas <sup>(c)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Company Use Gas Recovered from O&M	(427)	(422)	(116)	(121)	(75)	(120)	(79)	(771)	(947)	(834)	(873)	(718)	(5,503)
11	Commodity Related Costs Total	\$ 67,523	35,896	19,131	11,792	16,224	32,019	77,091	148,570	198,128	198,670	163,940	154,710	1,123,694
12														
13	<u>Commodity Costs Recoveries</u>													
14	Sales Rate Classes Recovered	GJ 29,205	16,586	9,039	5,373	7,359	14,429	34,135	58,711	76,404	74,907	61,887	60,238	448,273
15	Recovery @ <b>Approved Commodity Cost Recovery Rate</b>	\$ (87,584)	(49,743)	(27,107)	(16,113)	(22,070)	(43,272)	(102,372)	(176,073)	(229,135)	(224,647)	(185,599)	(180,655)	(1,344,371)
16	T-Service Balancing Gas	-	-	-	-	-	-	-	-	-	-	-	-	-
17	T-Service UAF Recovered <sup>(d)</sup>	(71)	(11)	(3)	(1)	(3)	(7)	(31)	(231)	(316)	(341)	(278)	(208)	(1,500)
18	Commodity Related Recovery Total (Lines 15, 16 & 17)	\$ (87,655)	(49,753)	(27,110)	(16,114)	(22,073)	(43,279)	(102,404)	(176,304)	(229,451)	(224,988)	(185,877)	(180,863)	(1,345,871)
19	<b>Total Commodity Related Activities</b> (Lines 11 & 18)	\$ (20,133)	(13,857)	(7,979)	(4,322)	(5,849)	(11,260)	(25,312)	(27,734)	(31,323)	(26,318)	(21,937)	(26,153)	(222,177)
20														
21														
22	<u>Storage and Transport Costs and Recoveries</u>													
23	Transportation Costs Incurred	\$ 1,891	1,891	1,891	1,891	1,891	1,891	1,891	1,891	1,891	1,929	1,929	1,929	22,808
24														
25	Recovery @ <b>Approved Storage &amp; Transport Rates</b>	(1,229)	(697)	(377)	(222)	(306)	(603)	(1,436)	(2,482)	(3,211)	(3,157)	(2,601)	(2,539)	(18,860)
26	<b>Total Storage and Transport Related Activities</b> (Lines 23 & 24)	\$ 662	1,195	1,514	1,669	1,585	1,288	455	(591)	(1,319)	(1,228)	(672)	(610)	3,948
27														
28	<b>GCRA Balance - Ending (Pre-tax)</b> (Lines 1, 19 & 26)	\$ 107,744	95,081	88,616	85,964	81,700	71,728	46,871	18,545	(14,097)	(41,643)	(64,251)	(91,014)	(91,014)
29														
30	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%
31														
32														
33	<b>GCRA Balance - Ending (After-tax)</b>	\$ 78,653	69,409	64,690	62,753	59,641	52,362	34,216	13,538	(10,291)	(30,399)	(46,903)	(66,441)	(66,441)

Notes:

- (a) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts.
- (b) Commodity Purchases include Company Use Gas quantities and Sales & T-Service UAF requirements.
- (c) Imbalance Gas comprises the Enbridge - Westcoast Energy and T-Service imbalances, which vary monthly; the amount shown in the first Projected column reflects the forecast value to settle the total imbalance at the end of the recorded period.
- (d) Sales UAF costs are recovered via gas cost recovery rates; T-Service UAF costs are recovered via delivery revenues.

Slight differences in totals due to rounding.

**FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA**  
**STATION 2 INDEX FORECAST FOR THE PERIOD ENDING MAR 2023**

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Line No	Particulars	Five-day Average Forward Prices - Feb 16, 17, 18, 19, and 22, 2021 2021 Q1 Gas Cost Report	Five-day Average Forward Prices - Nov 6, 9, 10, 12, and 13, 2020 2020 Q4 Gas Cost Report	Change in Forward Price (4) = (2) - (3)
	(1)	(2)	(3)	
1	<b>Station 2 Index Prices - \$CDN/GJ <sup>(a)</sup></b>			
2				
3	<b>2020</b> October	\$ 2.59	\$ 2.59	\$ -
4	November	\$ 2.61	<b>Recorded</b> \$ 2.61	\$ -
5	December	\$ 2.47	<b>Forecast</b> \$ 2.93	\$ (0.46)
6	<b>2021</b> January	\$ 2.54	\$ 3.01	\$ (0.47)
7	February	\$ 2.77	\$ 3.04	\$ (0.27)
8	March	\$ 3.05	\$ 2.92	\$ 0.13
9	April	\$ 2.89	\$ 2.44	\$ 0.45
10	May	\$ 2.68	\$ 2.36	\$ 0.32
11	June	\$ 2.67	\$ 2.35	\$ 0.32
12	July	\$ 2.65	\$ 2.44	\$ 0.21
13	August	\$ 2.62	\$ 2.49	\$ 0.12
14	September	\$ 2.73	\$ 2.54	\$ 0.18
15	October	\$ 2.89	\$ 2.66	\$ 0.23
16	November	\$ 3.08	\$ 2.86	\$ 0.22
17	December	\$ 3.21	\$ 3.00	\$ 0.22
18	<b>2022</b> January	\$ 3.28	\$ 3.10	\$ 0.18
19	February	\$ 3.25	\$ 3.11	\$ 0.14
20	March	\$ 2.97	\$ 2.94	\$ 0.04
21	April	\$ 2.31	\$ 2.28	\$ 0.03
22	May	\$ 2.16	\$ 2.15	\$ 0.02
23	June	\$ 2.12	\$ 2.13	\$ (0.01)
24	July	\$ 2.19	\$ 2.19	\$ 0.00
25	August	\$ 2.20	\$ 2.20	\$ 0.01
26	September	\$ 2.22	\$ 2.21	\$ 0.01
27	October	\$ 2.26	\$ 2.32	\$ (0.07)
28	November	\$ 2.29	\$ 2.42	\$ (0.12)
29	December	\$ 2.39	\$ 2.58	\$ (0.19)
30	<b>2023</b> January	\$ 2.47		
31	February	\$ 2.47		
32	March	\$ 2.35		
33				
34	Simple Average (Apr 2021 - Mar 2022)	\$ 2.91	\$ 2.69	8.2% \$ 0.22
35	Simple Average (Jul 2021 - Jun 2022)	\$ 2.77	\$ 2.64	5.0% \$ 0.13
36	Simple Average (Oct 2021 - Sep 2022)	\$ 2.66	\$ 2.57	3.5% \$ 0.09
37	Simple Average (Jan 2022 - Dec 2022)	\$ 2.47	\$ 2.47	0.1% \$ 0.00
38	Simple Average (Apr 2022 - Mar 2023)	\$ 2.29		

Notes:

(a) Recorded monthly price reflects the average booked cost for the month.



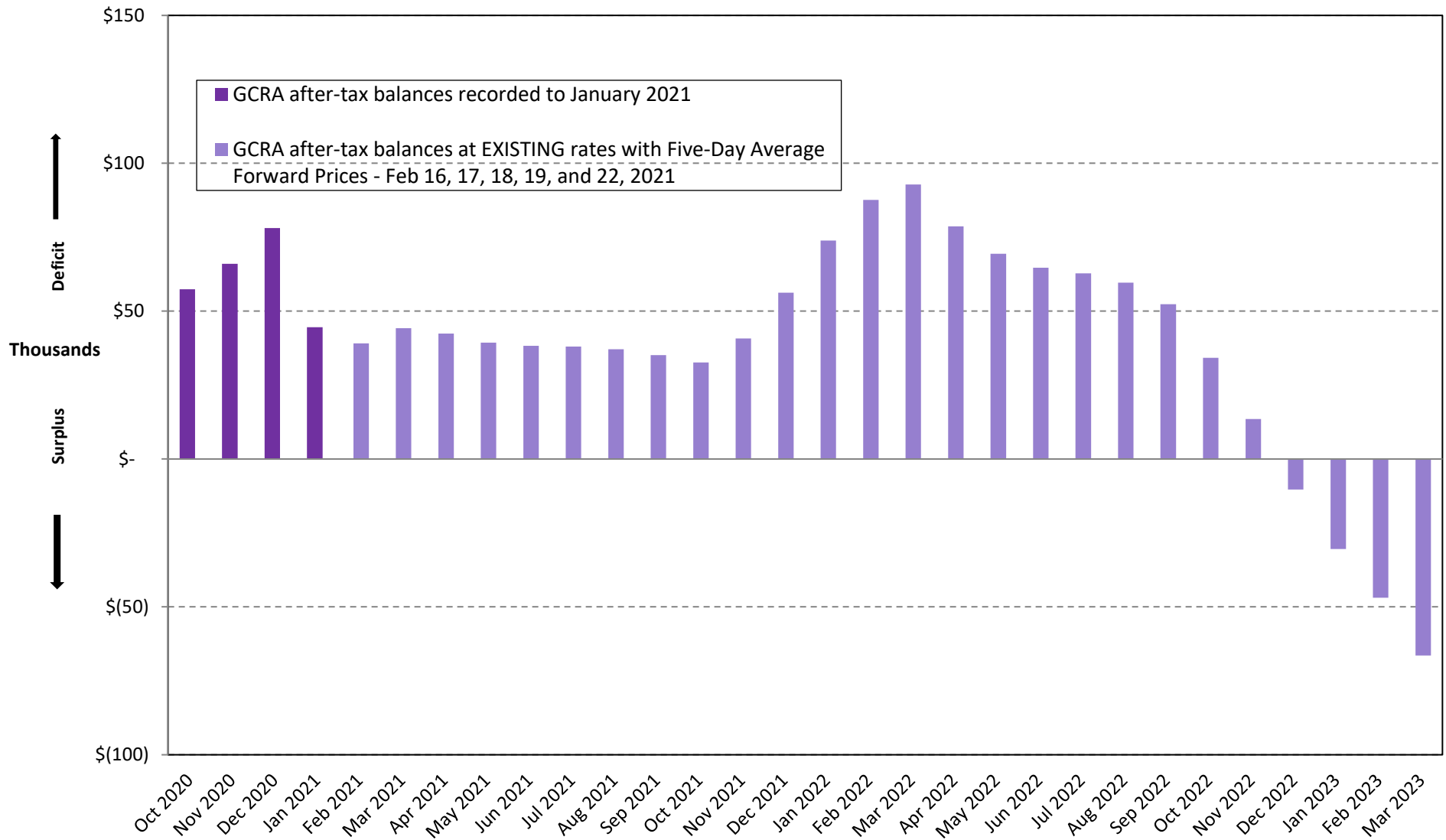
**FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA**  
**GCRA AFTER-TAX BALANCES AT EXISTING RECOVERY RATES**  
**FOR FORECAST PERIOD ENDING MAR 2023**  
**FIVE-DAY AVERAGE FORWARD PRICES - FEB 16, 17, 18, 19, AND 22, 2021**  
**(\$000)**

Tab 1  
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Line No	Particulars		Five-day Average Forward Prices - Feb 16, 17, 18, 19, and 22, 2021		Five-day Average Forward Prices - Nov 6, 9, 10, 12, and 13, 2020	
			2021 Q1 Gas Cost Report		2020 Q4 Gas Cost Report	
		(1)		(2)		(3)
1	<b>2020</b>	October		\$ 57.4		\$ 57.4
2		November		\$ 66.0		\$ 66.0
3		December		\$ 78.1		\$ 77.4
4	<b>2021</b>	January		\$ 44.6	<b>Recorded</b>	\$ 61.8
5		February	<b>Recorded</b>	\$ 39.1	<b>Forecast</b>	\$ 51.4
6		March		\$ 44.2		\$ 39.0
7		April		\$ 42.4		\$ 27.0
8		May		\$ 39.3		\$ 19.8
9		June		\$ 38.2		\$ 16.3
10		July		\$ 38.0		\$ 15.1
11		August		\$ 37.1		\$ 13.3
12		September		\$ 35.1		\$ 9.1
13		October		\$ 32.7		\$ 0.5
14		November		\$ 40.8		\$ (1.8)
15		December		\$ 56.2		\$ (0.1)
16	<b>2022</b>	January		\$ 73.9		\$ 5.5
17		February		\$ 87.6		\$ 10.7
18		March		\$ 92.9		\$ 10.6
19		April		\$ 78.7		\$ (4.5)
20		May		\$ 69.4		\$ (14.1)
21		June		\$ 64.7		\$ (19.0)
22		July		\$ 62.8		\$ (21.1)
23		August		\$ 59.6		\$ (24.4)
24		September		\$ 52.4		\$ (32.0)
25		October		\$ 34.2		\$ (48.7)
26		November		\$ 13.5		\$ (66.4)
27		December		\$ (10.3)		\$ (83.8)
28	<b>2023</b>	January		\$ (30.4)		
29		February		\$ (46.9)		
30		March		\$ (66.4)		

FortisBC Energy Inc. - Fort Nelson Service Area  
 GCRA After-Tax Monthly Balances  
 Recorded to January 2021 and Forecast to March 2023

Tab 1  
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**bcuc**  
British Columbia  
Utilities Commission

**Patrick Wruck**  
Commission Secretary

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DATE

Sent via email

**Letter L-xx-xx**

Ms. Diane Roy  
Vice President, Regulatory Affairs  
FortisBC Energy Inc.  
16705 Fraser Highway  
Surrey, BC V4N 0E8  
gas.regulatory.affairs@fortisbc.com

**Re: FortisBC Energy Inc. – Fort Nelson Service Area - 2021 First Quarter Gas Cost Report**

Dear Ms. Roy:

On March 3, 2021, FortisBC Energy Inc. (FEI) filed with the British Columbia Utilities Commission (BCUC) its 2021 First Quarter Gas Cost Report for the Fort Nelson service area (Report), which includes details regarding the Gas Cost Reconciliation Account (GCRA) and Commodity Cost Recovery Charge.

The BCUC notes that the Commodity Cost Recovery Charge for the Fort Nelson service area was last changed by Order G-312-20, effective January 1, 2021, when it increased by \$0.592 per gigajoule from \$2.407 per gigajoule to \$2.999 per gigajoule.

The BCUC has reviewed the Report within the context of the quarterly gas costs review and rate setting mechanism guidelines pursuant to Letters L-5-01 and L-40-11. The BCUC acknowledges receipt of the Report and accepts FEI's recommendation that the Commodity Cost Recovery Charge for the Fort Nelson service area remain unchanged at \$2.999 per gigajoule, effective April 1, 2021.

The BCUC will hold the information in Tab 2 of the Report confidential, as requested by FEI, as it contains market sensitive information.

Sincerely,

Patrick Wruck  
Commission Secretary

AUTHOR INITIALS/typist initials

Enclosure

cc: [xxxx@xxxx.com](mailto:xxxx@xxxx.com)