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March 2, 2022

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
2022 First Quarter Gas Cost Report

The attached materials provide the FortisBC Energy Inc. (FEI or the Company) 2022 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 14, 15, 16, 17, and 18, 2022 forward prices (five-day average forward prices ending February 18, 2022).

GCRA and Commodity Cost Recovery Charge

Based on the five-day average forward prices ending February 18, 2022, the March 31, 2022 GCRA deferral balance is projected to be approximately \$9.1 thousand surplus after tax. At the existing commodity rate, the GCRA ratio is calculated to be 94.2 percent, which falls outside the 95 percent to 105 percent deadband range. The tested rate increase that would produce a 100 percent commodity recovery-to-cost ratio is calculated to be \$0.246/GJ, which falls within the \$0.50/GJ minimum rate change threshold. The results of the two-criterion rate adjustment mechanism indicate that no change is required to the commodity cost recovery charge at this time.

FEI notes that although a commodity rate change is not required at April 1, 2022, the forward western Canadian natural gas prices have continued to increase from the forward prices used in the FEI 2021 Third Quarter Gas Cost Report for Fort Nelson, when the commodity cost recovery rate was last reset. The forward prices increased due to stronger prices at Henry Hub, which is the pricing point for natural gas futures across North America. In addition, colder winter weather increased storage withdrawals and has Canadian storage inventory in a deficit compared to the five-year average, which contributed to the increase in prices.

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 18, 2022) monthly GCRA balances, including the commodity and midstream related costs and recoveries for 2021 to March 2024.

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, 2022 from the current rate of \$3.964/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 2022 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 2022 TO MAR 2023
FIVE-DAY AVERAGE FORWARD PRICES - FEBRUARY 14, 15, 16, 17, AND 18, 2022

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	<u>COMMODITY COST RECOVERY CHARGE CHANGE TRIGGER RATIO</u>					
2	(a)					
3	Projected Pre-Tax GCRA Deferral Balance at Apr 1, 2022	\$ (12.5)				(Tab 1, Page 4, Col 14, Line 1)
4	Forecast Total Commodity Related Costs - Apr 2022 to Mar 2023	\$ 1,958.1				(Tab 1, Page 4, Col 14, Line 11)
5	Forecast Storage and Transport Related Activities Imbalance at 2022 Flow Through Rates - Apr to Dec 2022	\$ 0.9				(Tab 1, Page 4, Line 26 notes)
6	Forecast Recovery at Existing Commodity Cost Recovery Charge - Apr 2022 to Mar 2023	\$ 1,832.8				(Tab 1, Page 4, Col 14, Line 18)
7						
8						
9	Trigger = $\frac{\text{Forecast Recovery at Existing Cost of Gas Recovery Rate (Line 6)}}{\text{Projected GCRA Balance (Line 3) + Forecast Commodity Related Costs (Line 4) + Forecast Storage and Transport Related Activities Imbalance (Line 5)}}$	\$ 1,832.8				
10	Ratio = $\frac{\text{Forecast Recovery at Existing Cost of Gas Recovery Rate (Line 6)}}{\text{Projected GCRA Balance (Line 3) + Forecast Commodity Related Costs (Line 4) + Forecast Storage and Transport Related Activities Imbalance (Line 5)}}$	\$ 1,946.5				
11						
12						
13						
14	<u>Existing Commodity Cost Recovery Charge, effective October 1, 2021</u>				\$ 3.964	
15						
16						
17						
18						
19	<u>COMMODITY COST RECOVERY CHARGE CHANGE THRESHOLD (+/- \$0.50/GJ)</u>					
20						
21	Forecast Sales Rate Classes Recovery Energy - Apr 2022 to Mar 2023		462.4			(Tab 1, Page 4, Col 14, Line 14)
22	(a)					
23	Projected Pre-Tax GCRA Balance at Apr 1, 2022	\$ (12.5)			\$ (0.0270) ^(b)	
24	Forecast 12-month GCRA Activities - Apr 2022 to Mar 2023	126.2			0.2729 ^(b)	
25	(Over) / Under Recovery at Existing Commodity Cost Recovery Charge	<u>\$ 113.7</u>				(Line 3 + Line 4 + Line 5 - Line 6)
26						
27	Tested Commodity Cost Recovery Charge (Decrease) / Increase				<u>\$ 0.246</u> ^(b)	Within minimum +/- \$0.50/GJ threshold

Notes:

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

(b) Commodity Cost Recovery 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 2021

Tab 1
Page 2

Line No.	Particulars		Actual Jan-21	Actual Feb-21	Actual Mar-21	Actual Apr-21	Actual May-21	Actual Jun-21	Actual Jul-21	Actual Aug-21	Actual Sep-21	Actual Oct-21	Actual Nov-21	Actual Dec-21	Total 2021
	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	GCRA Balance - Beginning (Pre-tax) ^(a)	\$	\$ 107,024	\$ 61,049	\$ 67,492	\$ 90,205	\$ 38,717	\$ 21,044	\$ 32,413	\$ 38,442	\$ 37,929	\$ 51,519	\$ 5,745	\$ 53,367	\$ 107,024
2															
3	GCRA Activities														
4	<u>Commodity Costs Incurred</u>														
5	Commodity Purchases ^(b)	GJ	82,200	90,600	71,700	40,000	15,500	8,400	6,200	4,400	16,708	44,000	67,700	112,200	559,608
6	Average Unit Cost of Gas Purchased	\$/GJ	\$ 2.479	\$ 3.283	\$ 2.573	\$ 2.506	\$ 2.877	\$ 2.967	\$ 3.716	\$ 2.854	\$ 3.062	\$ 2.561	\$ 4.029	\$ 3.695	\$ 3.113
7	(Line 8 / Line 5)														
8	Total Purchase Costs	\$	\$ 203,737	\$ 297,456	\$ 184,476	\$ 100,252	\$ 44,599	\$ 24,927	\$ 23,041	\$ 12,556	\$ 51,162	\$ 112,693	\$ 272,741	\$ 414,524	\$ 1,742,164
9	Imbalance Gas ^(c)		4,855	(6,048)	881	(1,481)	3,558	(1,203)	2,482	12,056	(1,272)	(16,799)	16,624	(21,847)	(8,193)
10	Company Use Gas Recovered from O&M		(886)	(588)	(832)	(231)	(191)	(131)	(45)	(158)	(12)	(419)	(680)	(1,128)	(5,300)
11	Commodity Related Costs Total	\$	\$ 207,707	\$ 290,819	\$ 184,525	\$ 98,539	\$ 47,966	\$ 23,593	\$ 25,477	\$ 24,455	\$ 49,878	\$ 95,475	\$ 288,686	\$ 391,548	\$ 1,728,670
12															
13	<u>Commodity Costs Recoveries</u>														
14	Sales Rate Classes Recovered	GJ	85,201	94,912	53,748	49,968	22,366	4,621	7,016	8,823	12,434	35,616	61,394	96,218	532,317
15	Recovery @ Approved Commodity Cost Recovery Rate	\$	\$ (252,087)	\$ (282,390)	\$ (161,455)	\$ (149,862)	\$ (66,557)	\$ (13,874)	\$ (21,006)	\$ (26,448)	\$ (37,619)	\$ (141,618)	\$ (240,358)	\$ (381,295)	\$ (1,774,570)
16	T-Service Balancing Gas		-	-	-	-	-	-	-	-	-	-	-	-	-
17	T-Service UAF Recovered ^(d)		-	-	-	-	-	-	-	-	-	-	-	-	-
18	Commodity Related Recovery Total (Lines 15, 16 & 17)	\$	\$ (252,087)	\$ (282,390)	\$ (161,455)	\$ (149,862)	\$ (66,557)	\$ (13,874)	\$ (21,006)	\$ (26,448)	\$ (37,619)	\$ (141,618)	\$ (240,358)	\$ (381,295)	\$ (1,774,570)
19	Total Commodity Related Activities (Lines 11 & 18)	\$	\$ (44,380)	\$ 8,429	\$ 23,071	\$ (51,322)	\$ (18,591)	\$ 9,719	\$ 4,471	\$ (1,993)	\$ 12,260	\$ (46,143)	\$ 48,327	\$ 10,253	\$ (45,900)
20															
21															
22	<u>Storage and Transport Costs and Recoveries</u>														
23	Transportation Costs Incurred	\$	\$ 1,946	\$ 1,960	\$ 1,938	\$ 1,872	\$ 1,849	\$ 1,849	\$ 1,846	\$ 1,846	\$ 1,854	\$ 1,866	\$ 1,873	\$ 1,930	\$ 22,629
24	Recovery @ Approved Storage & Transport Rates		(3,541)	(3,945)	(2,296)	(2,038)	(931)	(199)	(288)	(366)	(523)	(1,497)	(2,578)	(4,043)	(22,246)
25															
26	Total Storage and Transport Related Activities (Lines 23 & 24)	\$	\$ (1,595)	\$ (1,986)	\$ (358)	\$ (165)	\$ 918	\$ 1,649	\$ 1,558	\$ 1,480	\$ 1,331	\$ 368	\$ (706)	\$ (2,112)	\$ 383
27															
28	GCRA Balance - Ending (Pre-tax) (Lines 1, 19 & 26)	\$	\$ 61,049	\$ 67,492	\$ 90,205	\$ 38,717	\$ 21,044	\$ 32,413	\$ 38,442	\$ 37,929	\$ 51,519	\$ 5,745	\$ 53,367	\$ 61,508	\$ 61,508
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)	\$	\$ 44,566	\$ 49,269	\$ 65,850	\$ 28,264	\$ 15,362	\$ 23,661	\$ 28,063	\$ 27,688	\$ 37,609	\$ 4,194	\$ 38,958	\$ 44,901	\$ 44,901

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 2022 AND FORECAST TO MAR 2022
FIVE-DAY AVERAGE FORWARD PRICES - FEBRUARY 14, 15, 16, 17, AND 18, 2022

Tab 1
Page 3

Line No.	Particulars		Recorded Jan-22	Projected Feb-22	Projected Mar-22	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	Jan-22 to Mar-22
	(1)		(2)	(3)	(4)										(14)
1	GCRA Balance - Beginning (Pre-tax) ^(a)	\$	\$ 61,508	\$ 92,814	\$ (12,644)										\$ 61,508
2															
3	2022 GCRA Activities														
4	<u>Commodity Costs Incurred</u>														
5	Commodity Purchases ^(b)	GJ	94,400	66,826	58,494										219,720
6	Average Unit Cost of Gas Purchased	\$/GJ	\$ 3.778	\$ 4.210	\$ 3.940										\$ 3,989
7	(Line 8 / Line 5)														
8	Total Purchase Costs	\$	\$ 356,659	\$ 281,303	\$ 230,441										\$ 868,403
9	Imbalance Gas ^(c)		11,850	135	-										11,985
10	Company Use Gas Recovered from O&M		(1,538)	(1,389)	(1,103)										(4,030)
11	Commodity Related Costs Total (Lines 8, 9 & 10)		\$ 366,971	\$ 280,048	\$ 229,338										\$ 876,358
12															
13	<u>Commodity Costs Recoveries</u>														
14	Sales Rate Classes Recovered	GJ	83,560	65,431	57,282										206,272
15	Adjust Sales Under / (Over) Accrual ^(d)	GJ	-	31,123	-										31,123
16	Recovery @ Approved Commodity Cost Recovery Rate	\$	\$ (331,232)	\$ (382,740)	\$ (227,064)										\$ (941,036)
17	T-Service Balancing Gas		-	-	-										-
18	T-Service UAF Recovered ^(e)		-	-	-										-
19	Commodity Related Recovery Total (Lines 16, 17 & 18)		\$ (331,232)	\$ (382,740)	\$ (227,064)										\$ (941,036)
20	Total Commodity Related Activities (Lines 11 & 19)		\$ 35,739	\$ (102,691)	\$ 2,274										\$ (64,678)
21															
22															
23	<u>Storage and Transport Costs and Recoveries</u>														
24	Transportation Costs Incurred	\$	2,340	2,457	2,457										\$ 7,254
25	Recovery @ Approved Storage & Transport Rates		(6,773)	(5,223)	(4,584)										(16,579)
26															
27	Total Storage and Transport Related Activities (Lines 24 & 25)		\$ (4,433)	\$ (2,766)	\$ (2,127)										\$ (9,326)
28															
29	GCRA Balance - Ending (Pre-tax) (Lines 1, 20 & 27)		\$ 92,814	\$ (12,644)	\$ (12,496)										\$ (12,496)
30															
31	Tax Rate		27.0%	27.0%	27.0%										27.0%
32															
33															
34	GCRA Balance - Ending (After-tax)		\$ 67,754	\$ (9,230)	\$ (9,122)										\$ (9,122)

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 2022 TO MAR 2023
FIVE-DAY AVERAGE FORWARD PRICES - FEBRUARY 14, 15, 16, 17, AND 18, 2022

Tab 1
Page 4

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	GCRA Balance - Beginning (Pre-tax) ^(a)	\$ (12,496)	\$ (13,111)	\$ (13,812)	\$ (13,327)	\$ (12,056)	\$ (13,824)	\$ (18,807)	\$ (29,476)	\$ (6,702)	\$ 30,374	\$ 68,437	\$ 96,714	\$ (12,496)
2														
3	GCRA Activities													
4	<u>Commodity Costs Incurred</u>													
5	Commodity Purchases ^(b)	GJ 32,610	18,269	9,180	6,181	7,781	15,994	35,564	64,321	82,103	80,090	63,980	56,044	472,118
6	Average Unit Cost of Gas Purchased	\$/GJ \$ 3.884	\$ 3.804	\$ 3.763	\$ 3.785	\$ 3.433	\$ 3.512	\$ 3.610	\$ 4.296	\$ 4.403	\$ 4.426	\$ 4.385	\$ 4.088	\$ 4.167
7	(Line 8 / Line 5)													
8	Total Purchase Costs	\$ 126,670	\$ 69,501	\$ 34,542	\$ 23,391	\$ 26,711	\$ 56,170	\$ 128,369	\$ 276,352	\$ 361,466	\$ 354,471	\$ 280,583	\$ 229,093	\$ 1,967,319
9	Imbalance Gas ^(c)	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Company Use Gas Recovered from O&M	(719)	(742)	(207)	(208)	(117)	(190)	(126)	(1,310)	(1,611)	(1,394)	(1,447)	(1,145)	(9,216)
11	Commodity Related Costs Total	\$ 125,951	\$ 68,759	\$ 34,335	\$ 23,183	\$ 26,594	\$ 55,981	\$ 128,243	\$ 275,042	\$ 359,854	\$ 353,076	\$ 279,136	\$ 227,949	\$ 1,958,103
12														
13	<u>Commodity Costs Recoveries</u>													
14	Sales Rate Classes Recovered	GJ 31,906	17,784	8,979	6,028	7,623	15,685	34,960	62,990	80,430	78,488	62,623	54,863	462,358
15	Recovery @ Approved Commodity Cost Recovery Rate	\$ (126,473)	\$ (70,496)	\$ (35,593)	\$ (23,893)	\$ (30,217)	\$ (62,177)	\$ (138,581)	\$ (249,693)	\$ (318,826)	\$ (311,125)	\$ (248,239)	\$ (217,477)	\$ (1,832,789)
16	T-Service Balancing Gas	-	-	-	-	-	-	-	-	-	-	-	-	-
17	T-Service UAF Recovered ^(d)	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Commodity Related Recovery Total (Lines 15, 16 & 17)	\$ (126,473)	\$ (70,496)	\$ (35,593)	\$ (23,893)	\$ (30,217)	\$ (62,177)	\$ (138,581)	\$ (249,693)	\$ (318,826)	\$ (311,125)	\$ (248,239)	\$ (217,477)	\$ (1,832,789)
19	Total Commodity Related Activities (Lines 11 & 18)	\$ (523)	\$ (1,737)	\$ (1,258)	\$ (710)	\$ (3,623)	\$ (6,196)	\$ (10,338)	\$ 25,349	\$ 41,029	\$ 41,952	\$ 30,897	\$ 10,472	\$ 125,314
20														
21														
22	<u>Storage and Transport Costs and Recoveries</u>													
23	Transportation Costs Incurred	\$ 2,457	\$ 2,457	\$ 2,457	\$ 2,457	\$ 2,457	\$ 2,457	\$ 2,457	\$ 2,457	\$ 2,457	\$ 2,385	\$ 2,385	\$ 2,385	\$ 29,268
24	Recovery @ Approved Storage & Transport Rates	(2,549)	(1,421)	(713)	(476)	(603)	(1,243)	(2,789)	(5,032)	(6,409)	(6,274)	(5,005)	(4,395)	(36,910)
25	^(e)													
26	Total Storage and Transport Related Activities (Lines 23 & 24)	\$ (92)	\$ 1,036	\$ 1,744	\$ 1,981	\$ 1,854	\$ 1,213	\$ (332)	\$ (2,575)	\$ (3,952)	\$ (3,889)	\$ (2,620)	\$ (2,010)	\$ (7,642)
27														
28	GCRA Balance - Ending (Pre-tax) (Lines 1, 19 & 26)	\$ (13,111)	\$ (13,812)	\$ (13,327)	\$ (12,056)	\$ (13,824)	\$ (18,807)	\$ (29,476)	\$ (6,702)	\$ 30,374	\$ 68,437	\$ 96,714	\$ 105,176	\$ 105,176
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)	\$ (9,571)	\$ (10,083)	\$ (9,728)	\$ (8,801)	\$ (10,092)	\$ (13,729)	\$ (21,518)	\$ (4,893)	\$ 22,173	\$ 49,959	\$ 70,601	\$ 76,778	\$ 76,778

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 \$877 deficit imbalance for the Apr to Dec 2022 forecast period, and \$8,519 surplus imbalance for the Jan to Mar 2023 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 2023 TO MAR 2024
FIVE-DAY AVERAGE FORWARD PRICES - FEBRUARY 14, 15, 16, 17, AND 18, 2022

Tab 1
Page 5

Line No.	Particulars	Forecast Apr-23	Forecast May-23	Forecast Jun-23	Forecast Jul-23	Forecast Aug-23	Forecast Sep-23	Forecast Oct-23	Forecast Nov-23	Forecast Dec-23	Forecast Jan-24	Forecast Feb-24	Forecast Mar-24	Apr-23 to Mar-24
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	GCRA Balance - Beginning (Pre-tax) ^(a)	\$ 105,176	\$ 76,228	\$ 57,267	\$ 48,868	\$ 44,160	\$ 37,706	\$ 23,343	\$ (7,344)	\$ (39,683)	\$ (71,726)	\$ (98,248)	\$ (121,028)	\$ 105,176
2														
3	GCRA Activities													
4	<u>Commodity Costs Incurred</u>													
5	Commodity Purchases ^(b)	GJ 31,256	17,537	8,796	5,913	7,438	15,294	34,076	61,637	78,514	77,308	61,729	54,134	453,632
6	Average Unit Cost of Gas Purchased	\$/GJ \$ 2.970	\$ 2.748	\$ 2.745	\$ 2.767	\$ 2.784	\$ 2.879	\$ 3.007	\$ 3.413	\$ 3.538	\$ 3.605	\$ 3.571	\$ 3.380	\$ 3.348
7	(Line 8 / Line 5)													
8	Total Purchase Costs	\$ 92,839	\$ 48,185	\$ 24,140	\$ 16,363	\$ 20,711	\$ 44,037	\$ 102,469	\$ 210,337	\$ 277,789	\$ 278,679	\$ 220,412	\$ 182,959	\$ 1,518,920
9	Imbalance Gas ^(c)	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Company Use Gas Recovered from O&M	(549)	(536)	(151)	(152)	(95)	(155)	(105)	(1,041)	(1,295)	(1,136)	(1,178)	(946)	(7,340)
11	Commodity Related Costs Total	\$ 92,289	\$ 47,650	\$ 23,989	\$ 16,210	\$ 20,617	\$ 43,881	\$ 102,364	\$ 209,296	\$ 276,494	\$ 277,543	\$ 219,234	\$ 182,013	\$ 1,511,581
12														
13	<u>Commodity Costs Recoveries</u>													
14	Sales Rate Classes Recovered	GJ 30,569	17,061	8,600	5,764	7,285	14,995	33,492	60,341	76,889	75,760	60,417	52,992	444,165
15	Recovery @ Approved Commodity Cost Recovery Rate	\$ (121,177)	\$ (67,631)	\$ (34,089)	\$ (22,847)	\$ (28,879)	\$ (59,438)	\$ (132,762)	\$ (239,194)	\$ (304,787)	\$ (300,314)	\$ (239,492)	\$ (210,059)	\$ (1,760,669)
16	T-Service Balancing Gas	-	-	-	-	-	-	-	-	-	-	-	-	-
17	T-Service UAF Recovered ^(d)	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Commodity Related Recovery Total (Lines 15, 16 & 17)	\$ (121,177)	\$ (67,631)	\$ (34,089)	\$ (22,847)	\$ (28,879)	\$ (59,438)	\$ (132,762)	\$ (239,194)	\$ (304,787)	\$ (300,314)	\$ (239,492)	\$ (210,059)	\$ (1,760,669)
19	Total Commodity Related Activities (Lines 11 & 18)	\$ (28,888)	\$ (19,982)	\$ (10,100)	\$ (6,637)	\$ (8,262)	\$ (15,557)	\$ (30,398)	\$ (29,897)	\$ (28,293)	\$ (22,770)	\$ (20,258)	\$ (28,046)	\$ (249,088)
20														
21														
22	<u>Storage and Transport Costs and Recoveries</u>													
23	Transportation Costs Incurred	\$ 2,385	\$ 2,385	\$ 2,385	\$ 2,385	\$ 2,385	\$ 2,385	\$ 2,385	\$ 2,385	\$ 2,385	\$ 2,314	\$ 2,314	\$ 2,314	\$ 28,409
24														
25	Recovery @ Approved Storage & Transport Rates	(2,445)	(1,365)	(684)	(456)	(577)	(1,191)	(2,675)	(4,827)	(6,136)	(6,065)	(4,836)	(4,251)	(35,509)
26	Total Storage and Transport Related Activities (Lines 23 & 24)	\$ (60)	\$ 1,020	\$ 1,701	\$ 1,929	\$ 1,808	\$ 1,195	\$ (290)	\$ (2,441)	\$ (3,750)	\$ (3,751)	\$ (2,523)	\$ (1,938)	\$ (7,100)
27														
28	GCRA Balance - Ending (Pre-tax) (Lines 1, 19 & 26)	\$ 76,228	\$ 57,267	\$ 48,868	\$ 44,160	\$ 37,706	\$ 23,343	\$ (7,344)	\$ (39,683)	\$ (71,726)	\$ (98,248)	\$ (121,028)	\$ (151,012)	\$ (151,012)
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)	\$ 55,647	\$ 41,805	\$ 35,673	\$ 32,237	\$ 27,525	\$ 17,041	\$ (5,361)	\$ (28,968)	\$ (52,360)	\$ (71,721)	\$ (88,350)	\$ (110,239)	\$ (110,239)

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. 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.
- (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 2024

Tab 1
Page 6

Line No	Particulars		Five-day Average Forward Prices - February 14, 15, 16, 17, and 18, 2022		Five-day Average Forward Prices - Nov 9, 10, 12, 15, and 16, 2021		Change in Forward Price	
			2022 Q1 Gas Cost Report		2021 Q4 Gas Cost Report		Price	
		(1)		(2)		(3)		(4) = (2) - (3)
1	Station 2 Index Prices - \$CDN/GJ ^(a)							
2								
3	2021	October		\$ 2.56		\$ 2.56	\$ -	
4		November		\$ 4.20	Recorded	\$ 4.20	\$ -	
5		December		\$ 3.79	Forecast	\$ 4.98	\$ (1.19)	
6	2022	January		\$ 4.21		\$ 4.92	\$ (0.70)	
7		February		\$ 4.66		\$ 4.89	\$ (0.23)	
8		March		\$ 4.18		\$ 4.24	\$ (0.06)	
9		April		\$ 3.88		\$ 3.47	\$ 0.41	
10		May		\$ 3.80		\$ 3.36	\$ 0.44	
11		June		\$ 3.76		\$ 3.34	\$ 0.43	
12		July		\$ 3.78		\$ 3.28	\$ 0.50	
13		August		\$ 3.43		\$ 3.32	\$ 0.12	
14		September		\$ 3.51		\$ 3.24	\$ 0.27	
15		October		\$ 3.61		\$ 3.47	\$ 0.14	
16		November		\$ 4.25		\$ 3.81	\$ 0.44	
17		December		\$ 4.41		\$ 3.95	\$ 0.46	
18	2023	January		\$ 4.44		\$ 4.01	\$ 0.43	
19		February		\$ 4.38		\$ 3.99	\$ 0.39	
20		March		\$ 3.93		\$ 3.51	\$ 0.42	
21		April		\$ 2.97		\$ 2.94	\$ 0.03	
22		May		\$ 2.75		\$ 2.72	\$ 0.03	
23		June		\$ 2.74		\$ 2.73	\$ 0.02	
24		July		\$ 2.77		\$ 2.77	\$ (0.01)	
25		August		\$ 2.78		\$ 2.78	\$ (0.00)	
26		September		\$ 2.88		\$ 2.83	\$ 0.05	
27		October		\$ 3.01		\$ 2.92	\$ 0.08	
28		November		\$ 3.33		\$ 3.18	\$ 0.15	
29		December		\$ 3.52		\$ 3.41	\$ 0.12	
30	2024	January		\$ 3.62				
31		February		\$ 3.57				
32		March		\$ 3.29				
33								
34	Simple Average (Apr 2022 - Mar 2023)			\$ 3.93		\$ 3.56	10.4%	\$ 0.37
35	Simple Average (Jul 2022 - Jun 2023)			\$ 3.68		\$ 3.41	7.9%	\$ 0.27
36	Simple Average (Oct 2022 - Sep 2023)			\$ 3.49		\$ 3.29	6.1%	\$ 0.20
37	Simple Average (Jan 2023 - Dec 2023)			\$ 3.29		\$ 3.15	4.5%	\$ 0.14
38	Simple Average (Apr 2023 - Mar 2024)			\$ 3.10				

Notes:

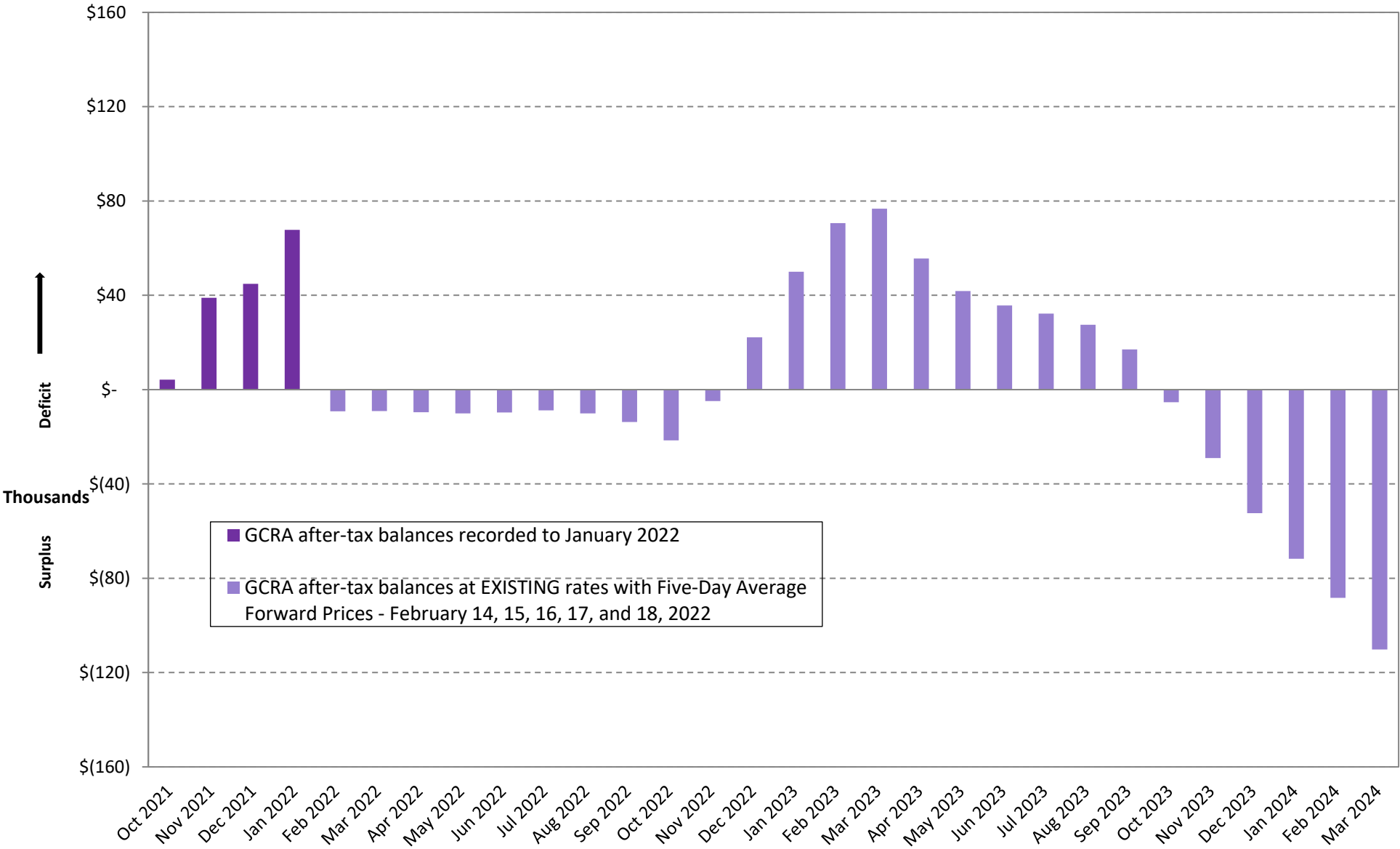
(a) Recorded monthly price reflects the average booked cost for the month.

FORTISBC ENERGY INC. - FORT NELSON SERVICE AREA
GCRA AFTER-TAX BALANCES AT EXISTING RECOVERY RATES
FOR FORECAST PERIOD ENDING MAR 2024
FIVE-DAY AVERAGE FORWARD PRICES - FEBRUARY 14, 15, 16, 17, AND 18, 2022
(\$000)

Tab 1
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Line No	Particulars		Five-day Average Forward Prices - February 14, 15, 16, 17, and 18, 2022		Five-day Average Forward Prices - November 9, 10, 12, 15, and 16, 2021	
			2022 Q1 Gas Cost Report		2021 Q4 Gas Cost Report	
		(1)		(2)		(3)
1	2021	October		\$ 4.2	Recorded	\$ 4.2
2		November		\$ 39.0	Forecast	\$ 38.8
3		December		\$ 44.9		\$ 64.8
4	2022	January	Recorded	\$ 67.8		\$ 87.9
5		February	Forecast	\$ (9.2)		\$ 106.6
6		March		\$ (9.1)		\$ 106.7
7		April		\$ (9.6)		\$ 95.7
8		May		\$ (10.1)		\$ 89.1
9		June		\$ (9.7)		\$ 86.8
10		July		\$ (8.8)		\$ 85.7
11		August		\$ (10.1)		\$ 83.9
12		September		\$ (13.7)		\$ 77.0
13		October		\$ (21.5)		\$ 64.6
14		November		\$ (4.9)		\$ 59.7
15		December		\$ 22.2		\$ 58.2
16	2023	January		\$ 50.0		\$ 59.3
17		February		\$ 70.6		\$ 60.1
18		March		\$ 76.8		\$ 48.2
19		April		\$ 55.6		\$ 26.0
20		May		\$ 41.8		\$ 11.8
21		June		\$ 35.7		\$ 5.8
22		July		\$ 32.2		\$ 2.7
23		August		\$ 27.5		\$ (1.7)
24		September		\$ 17.0		\$ (12.7)
25		October		\$ (5.4)		\$ (37.8)
26		November		\$ (29.0)		\$ (68.2)
27		December		\$ (52.4)		\$ (99.2)
28	2024	January		\$ (71.7)		
29		February		\$ (88.4)		
30		March		\$ (110.2)		

FortisBC Energy Inc. - Fort Nelson Service Areas
GCRA After-Tax Monthly Balances
Recorded to January 2022 and Forecast to March 2024





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 - 2022 First Quarter Gas Cost Report

Dear Ms. Roy:

On March 2, 2022, FortisBC Energy Inc. (FEI) filed with the British Columbia Utilities Commission (BCUC) its 2022 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-267-21, effective October 1, 2021, when it increased by \$0.965 per gigajoule from \$2.999 per gigajoule to \$3.964 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 \$3.964 per gigajoule, effective April 1, 2022.

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