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June 3, 2026

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

Dear Registrar:

Re: FortisBC Energy Inc. – Mainland and Vancouver Island, and Fort Nelson Service Areas
Commodity Cost Reconciliation Account (CCRA) and Midstream Cost Reconciliation Account (MCRA) Quarterly Gas Cost Report
2026 Second Quarter Gas Cost Report

The attached materials provide the FortisBC Energy Inc. (FEI or the Company) 2026 Second Quarter Gas Cost Report for the Mainland and Vancouver Island, and Fort Nelson Service Areas (2026 Second Quarter Gas Cost Report) as required under the British Columbia Utilities Commission (BCUC) guidelines for gas cost rate setting (Guidelines).¹

The gas cost forecast used within the attached 2026 Second Quarter Gas Cost Report is based on the five-day average of the May 13, 14, 15, 19 and 20, 2026 forward prices (five-day average forward prices ending May 20, 2026).

CCRA Deferral Account and Commodity Rate Setting Mechanism

Based on the five-day average forward prices ending May 20, 2026, the June 30, 2026 CCRA balance is projected to be approximately \$51 million surplus after tax. At the existing commodity rate, the CCRA trigger ratio is calculated to be 94.2 percent, which falls outside the deadband range of 95 percent to 105 percent. The tested rate increase that would produce a 100 percent commodity recovery-to-cost ratio is calculated to be \$0.103/GJ, which falls within the \pm \$0.50/GJ minimum rate change threshold. The results of the two-criterion rate adjustment mechanism indicate that no rate change is required at this time.

The schedules at Tab 2, Pages 1 and 2, provide details of the recorded and forecast, based on the five-day average forward prices ending May 20, 2026, CCRA gas supply costs. The

¹ The BCUC established guidelines for gas cost rate setting in Letter L-5-01, dated February 5, 2001, and further modified the guidelines pursuant to Letter L-40-11, dated May 19, 2011, and Letter L-15-16, dated June 17, 2016.

schedule at Tab 2, Page 3 provides the information related to the unitization of the forecast CCRA gas supply costs for the July 1, 2026 to June 30, 2027 prospective period.

Discussion – Natural Gas Forward Prices and the Commodity Rate

The forward western Canadian natural gas prices have decreased from the forward prices used in the FEI 2026 First Quarter Gas Cost Report for the Mainland and Vancouver Island Service Area, and the Fort Nelson Service Area. Western Canadian natural gas prices declined due to unseasonably mild weather, pipeline maintenance and continued excess supply within the region.

The commodity rate was last reset by way of a decrease, effective April 1, 2026, via the 2026 First Quarter Gas Cost Report for the Mainland and Vancouver Island Service Area, and the Fort Nelson Service Area (2026 First Quarter Gas Cost Report). The projected June 30, 2026 CCRA opening balance at the start of the 12-month prospective period in the 2026 Second Quarter Gas Cost Report is \$51 million surplus after tax, which is the same as the projected March 31, 2026 balance reported in the 2026 First Quarter Gas Cost Report. The 12-month prospective period average CCRA commodity cost, including hedging, of \$2.232/GJ forecast in the 2026 Second Quarter Gas Cost Report, and shown at Tab 1, Page 7, Line 11, is slightly higher than the \$2.153/GJ forecast within the 2026 First Quarter Gas Cost Report.

MCRA Deferral Account

Based on the five-day average forward prices ending May 20, 2026, the MCRA balances after tax at December 31, 2026 and December 31, 2027 are projected to be approximately \$96 million deficit and \$116 million deficit, respectively. The monthly MCRA deferral account balances are shown on the schedule provided at Tab 1, Page 3.

The schedules at Tab 2, Pages 4 and 5, provide details of the recorded and forecast MCRA gas supply costs for calendar 2026 and 2027 based on the five-day average forward prices ending May 20, 2026. Tab 2, Pages 6 and 6.1 provide the information related to the forecast MCRA gas supply costs for the July 1, 2026 to June 30, 2027 prospective period.

The schedules at Tab 3, Pages 1 to 4 provide details of the forecast costs for the Revelstoke propane supply portfolio. The schedule at Tab 4, Page 1 provides details of the forecast costs for the Fort Nelson natural gas supply portfolio.

FEI requests the information contained within Tabs 3 and 4 be treated as CONFIDENTIAL.

FEI will continue to monitor and report the MCRA deferral account balances consistent with the Company's position that midstream recoveries and costs be reported on a quarterly basis, and that under normal circumstances, midstream rates be adjusted on an annual basis with a January 1 effective date.

RNG Charge for Voluntary RNG Service to Non-NGV Sales Customers

The RNG Charge for Voluntary Service to non-NGV Sales customers is a subsidized rate which is calculated as the sum of the approved Commodity Cost Recovery Charge, the BC carbon tax, any other applicable taxes, and a premium of \$7 per GJ.

On March 4, 2026, FEI filed an application requesting, among other things, to decrease the RNG Charge for Voluntary RNG service to non-NGV Sales customers by \$0.570/GJ, from \$9.230/GJ to \$8.660/GJ, effective April 1, 2026. FEI's requested rate change was approved pursuant to Order G-50-26, dated March 12, 2026.

Table 1 below summarizes the inputs used in the determination of the RNG Charge for Voluntary RNG service to non-NGV Sales customers and reflects that no rate change is required at this time.

Table 1: Effective & Proposed RNG Charge for Voluntary RNG Service to Non-NGV Sales Customers

<u>Particulars</u>	(\$/GJ)	<u>Effective</u> <i>April 1, 2026</i>	<u>Proposed</u> <i>July 1, 2026</i>
Commodity Cost Recovery Charge	\$	1.660	\$ 1.660
BC Carbon Tax	\$	-	\$ -
Other Applicable Taxes	\$	-	\$ -
Premium	\$	<u>7.000</u>	<u>\$ 7.000</u>
RNG Charge for Voluntary RNG Service to Non-NGV Sales Customers	<u>\$</u>	<u>8.660</u>	<u>\$ 8.660</u>

CONFIDENTIALITY

FEI requests that the information contained in Tabs 3 and 4 be filed on a confidential basis and held confidential by the BCUC in perpetuity, pursuant to Section 23 of the BCUC's Rules of Practice and Procedure regarding confidential documents as set out in Order G-192-25,² and section 71(5) of the *Utilities Commission Act*. FEI 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.

Tabs 4 and 5 contain confidential and commercially sensitive information related to FEI's gas (propane and natural gas) resourcing strategies, including confidential information of third parties that FEI is obligated to protect. FEI procures its gas resources in a competitive market, and it is customary for competing parties to keep their gas portfolio strategies and contracts confidential. Keeping the information confidential will ensure FEI's ability to obtain favourable commercial terms for future gas contracting is not impaired. FEI is unable to foresee a time when its gas resourcing strategies may no longer be commercially sensitive or when its confidentiality obligations to third parties may end, and therefore requests the information remain confidential in perpetuity.

Summary

The Company requests BCUC approval of the following, effective July 1, 2026:

- Approval for the Commodity Cost Recovery Charge applicable to all affected sales rate classes, including Rate Schedule 46 LNG Service, within the Mainland and Vancouver Island, and Fort Nelson service areas to remain unchanged from the current \$1.660/GJ, effective July 1, 2026.
- Approval for the RNG Charge for Voluntary RNG service to non-NGV Sales customers applicable to Rate Schedules 1RNG, 2RNG, 3RNG, 5RNG, 7RNG, and 46 LNG Service, within the Mainland and Vancouver Island, area and Fort Nelson service areas to remain unchanged from the current \$8.660/GJ, effective July 1, 2026.

² As amended by Order G-228-25.

FEI will continue to monitor the forward prices and will report CCRA and MCRA balances in its 2026 Third Quarter Gas Cost Report.

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

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Sarah Walsh

Attachments

FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA, AND FORT NELSON SERVICE AREA
CCRA BALANCES AT EXISTING RATES (AFTER ADJUSTMENTS FOR ENERGY DIFFERENCES)
FOR THE FORECAST PERIOD FROM JUL 2026 TO JUN 2028
FIVE-DAY AVERAGE FORWARD PRICES - MAY 13, 14, 15, 19, AND 20, 2026
\$(Millions)

Tab 1
Page 1

Line	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1		Recorded	Recorded	Recorded	Recorded	Projected	Projected							Jan-26 to
2		Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26							Jun-26
3	CCRA Balance - Beginning (Pre-tax) ^(a)	\$ (80)	\$ (74)	\$ (73)	\$ (74)	\$ (73)	\$ (76)							\$ (80)
4	Gas Costs Incurred	34	26	26	21	18	22							146
5	Revenue from APPROVED Recovery Rates	(27)	(25)	(27)	(20)	(20)	(20)							(140)
6	CCRA Balance - Ending (Pre-tax) ^(b)	\$ (74)	\$ (73)	\$ (74)	\$ (73)	\$ (76)	\$ (70)							\$ (70)
7														
8	Tax Rate	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%							27.0%
9														
10	CCRA Balance - Ending (After-tax) ^(c)	\$ (54)	\$ (53)	\$ (54)	\$ (54)	\$ (55)	\$ (51)							\$ (51)
11														
12														
13		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Jul-26
14		Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	to
15	CCRA Balance - Beginning (Pre-tax) ^(a)	\$ (70)	\$ (68)	\$ (65)	\$ (62)	\$ (57)	\$ (47)	\$ (33)	\$ (18)	\$ (5)	\$ 6	\$ 11	\$ 13	\$ (70)
16	Gas Costs Incurred	23	23	23	25	31	35	37	33	33	25	24	23	334
17	Revenue from EXISTING Recovery Rates	(20)	(20)	(20)	(20)	(21)	(22)	(22)	(19)	(22)	(21)	(22)	(21)	(249)
18	CCRA Balance - Ending (Pre-tax) ^(b)	\$ (68)	\$ (65)	\$ (62)	\$ (57)	\$ (47)	\$ (33)	\$ (18)	\$ (5)	\$ 6	\$ 11	\$ 13	\$ 15	\$ 15
19														
20	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%
21														
22	CCRA Balance - Ending (After-tax) ^(c)	\$ (49)	\$ (47)	\$ (45)	\$ (41)	\$ (34)	\$ (24)	\$ (13)	\$ (3)	\$ 5	\$ 8	\$ 10	\$ 11	\$ 11
23														
24														
25		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Jul-27
26		Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28	May-28	Jun-28	to
27	CCRA Balance - Beginning (Pre-tax) ^(a)	\$ 15	\$ 18	\$ 20	\$ 22	\$ 28	\$ 40	\$ 56	\$ 73	\$ 89	\$ 103	\$ 106	\$ 108	\$ 15
28	Gas Costs Incurred	24	24	23	27	33	38	39	36	35	24	24	23	351
29	Revenue from EXISTING Recovery Rates	(22)	(22)	(21)	(22)	(21)	(22)	(22)	(20)	(22)	(21)	(22)	(21)	(255)
30	CCRA Balance - Ending (Pre-tax) ^(b)	\$ 18	\$ 20	\$ 22	\$ 28	\$ 40	\$ 56	\$ 73	\$ 89	\$ 103	\$ 106	\$ 108	\$ 111	\$ 111
31														
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	CCRA Balance - Ending (After-tax) ^(c)	\$ 13	\$ 15	\$ 16	\$ 20	\$ 29	\$ 41	\$ 54	\$ 65	\$ 75	\$ 77	\$ 79	\$ 81	\$ 81

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 \$3.210 million debit as at June 30, 2026.
- (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, AND FORT NELSON SERVICE AREA
CCRA RATE CHANGE TRIGGER MECHANISM
FOR THE FORECAST PERIOD JUL 2026 TO JUN 2027
FIVE-DAY AVERAGE FORWARD PRICES - MAY 13, 14, 15, 19, AND 20, 2026

Line	Particulars (1)	Pre-Tax (\$Millions) (2)	Forecast Energy (TJ) (3)	Percentage (4)	Unit Cost (\$/GJ) (5)	Reference / Comment (6)
1	<u>CCRA RATE CHANGE TRIGGER RATIO</u>					
2						
3	Projected Deferral Balance at Jul 1, 2026 ^(a)	\$ (70.3)				(Tab 1, Page 1, Col.14, Line 15)
4	Forecast Incurred Gas Costs - Jul 2026 to Jun 2027	\$ 334.4				(Tab 1, Page 1, Col.14, Line 16)
5	Forecast Recovery Gas Costs at Existing Recovery Rate - Jul 2026 to Jun 2027	\$ 248.8				(Tab 1, Page 1, Col.14, Line 17)
6						
7	CCRA = Forecast Recovered Gas Costs (Line 5)	= \$ 248.8		= 94.2%		
8	Ratio = Forecast Incurred Gas Costs (Line 4) + Projected CCRA Balance (Line 3)	\$ 264.1				Outside 95% to 105% deadband
9						
10						
11						
12						
13	<u>Approved Cost of Gas (Commodity Cost Recovery Rate), effective April 1, 2026</u>				<u>\$ 1.660</u>	
14						
15						
16						
17						
18	<u>CCRA RATE CHANGE THRESHOLD (+/- \$0.50/GJ)</u>					
19						
20	Forecast 12-month CCRA Baseload - Jul 2026 to Jun 2027		149,860			(Tab1, Page 7, Col.5, Line 10)
21						
22	CCRA Deferral Amortization	\$ (73.497)			\$ (0.4904)	
23	CCRA Deferred Interest Drawdown	\$ 3.210			0.0214	
24	Projected Deferral Balance at Jul 1, 2026 ^(a)	\$ (70.287)			\$ (0.4690) ^(b)	
25	Forecast 12-month CCRA Activities - Jul 2026 to Jun 2027	\$ 85.652			0.5715 ^(b)	
26	(Over) / Under Recovery at Approved Rate	\$ 15.365				(Line 3 + Line 4 - Line 5)
27						
28	TESTED Rate (Decrease) / Increase				<u>\$ 0.103</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 rate in tariff is set at 3 decimal places. Individual rate components are shown to 4 decimal places.

Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA, AND FORT NELSON SERVICE AREA
MCRA BALANCES AT EXISTING RATES (AFTER ADJUSTMENTS FOR ENERGY DIFFERENCES)
FOR THE FORECAST PERIOD FROM JUL 2026 TO DEC 2027
FIVE-DAY AVERAGE FORWARD PRICES - MAY 13, 14, 15, 19, AND 20, 2026
\$(Millions)

Line	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		Recorded Jan-26	Recorded Feb-26	Recorded Mar-26	Recorded Apr-26	Projected May-26	Projected Jun-26	Forecast Jul-26	Forecast Aug-26	Forecast Sep-26	Forecast Oct-26	Forecast Nov-26	Forecast Dec-26	Total 2026
1														
2														
3														
4	MCRA Balance - Beginning (Pre-tax) ^(a)	\$ 74	\$ 69	\$ 60	\$ 59	\$ 64	\$ 78	\$ 91	\$ 105	\$ 120	\$ 131	\$ 138	\$ 135	\$ 74
5	2026 MCRA Activities													
6	<u>Rate Rider 6</u>													
7	Rider 6 Amortization at APPROVED 2026 Rates	\$ (4)	\$ (7)	\$ (0)	\$ (3)	\$ (2)	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ (2)	\$ (4)	\$ (5)	\$ (33)
8	<u>Midstream Base Rates</u>													
9	Gas Costs Incurred	\$ 46	\$ 40	\$ 34	\$ 22	\$ 24	\$ 19	\$ 20	\$ 20	\$ 18	\$ 23	\$ 25	\$ 37	\$ 326
10	Revenue from APPROVED Recovery Rates	(46)	(42)	(35)	(14)	(9)	(5)	(4)	(4)	(6)	(14)	(24)	(35)	(237)
11	Total Midstream Base Rates (Pre-tax)	\$ (0)	\$ (2)	\$ (1)	\$ 7	\$ 15	\$ 14	\$ 16	\$ 16	\$ 13	\$ 9	\$ 1	\$ 1	\$ 89
12														
13	MCRA Cumulative Balance - Ending (Pre-tax) ^(b)	\$ 69	\$ 60	\$ 59	\$ 64	\$ 78	\$ 91	\$ 105	\$ 120	\$ 131	\$ 138	\$ 135	\$ 131	\$ 131
14	Tax Rate	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%
15														
16	MCRA Cumulative Balance - Ending (After-tax) ^(c)	\$ 50	\$ 44	\$ 43	\$ 47	\$ 57	\$ 66	\$ 77	\$ 88	\$ 96	\$ 101	\$ 99	\$ 96	\$ 96
17														
18														
19														
20	MCRA Balance - Beginning (Pre-tax) ^(a)	\$ 131	\$ 122	\$ 116	\$ 109	\$ 110	\$ 122	\$ 133	\$ 142	\$ 153	\$ 161	\$ 165	\$ 162	\$ 131
21	2027 MCRA Activities													
22	<u>Rate Rider 6</u>													
23	Rider 6 Amortization at APPROVED 2026 Rates	\$ (5)	\$ (4)	\$ (4)	\$ (3)	\$ (2)	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ (2)	\$ (4)	\$ (5)	\$ (34)
24	<u>Midstream Base Rates</u>													
25	Gas Costs Incurred	\$ 47	\$ 43	\$ 28	\$ 21	\$ 14	\$ 6	\$ 2	\$ 3	\$ 4	\$ 18	\$ 31	\$ 53	\$ 269
26	Revenue from EXISTING Recovery Rates	(51)	(45)	(32)	(16)	(1)	6	9	9	5	(12)	(30)	(51)	(208)
27	Total Midstream Base Rates (Pre-tax)	\$ (4)	\$ (2)	\$ (4)	\$ 4	\$ 14	\$ 12	\$ 11	\$ 12	\$ 10	\$ 6	\$ 1	\$ 2	\$ 61
28														
29	MCRA Cumulative Balance - Ending (Pre-tax) ^(b)	\$ 122	\$ 116	\$ 109	\$ 110	\$ 122	\$ 133	\$ 142	\$ 153	\$ 161	\$ 165	\$ 162	\$ 159	\$ 159
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	MCRA Cumulative Balance - Ending (After-tax) ^(c)	\$ 89	\$ 85	\$ 79	\$ 80	\$ 89	\$ 97	\$ 104	\$ 112	\$ 118	\$ 120	\$ 119	\$ 116	\$ 116

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 \$0.661 million debit as at June 30, 2026.
- (c) For rate setting purposes MCRA 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, AND FORT NELSON SERVICE AREA
SUMAS INDEX FORECAST FOR THE PERIOD ENDING JUN 2028
AND US DOLLAR EXCHANGE RATE FORECAST UPDATE**

Line No	Particulars	Five-day Average Forward Prices - May 13, 14, 15, 19, and 20, 2026 2026 Q2 Gas Cost Report	Five-day Average Forward Prices - February 10, 11, 12, 13, and 17, 2026 2026 Q1 Gas Cost Report	Change in Forward Price
	(1)	(2)	(3)	(4) = (2) - (3)
1	SUMAS Index Prices - presented in \$US/MMBtu			
2				
3	2026 January	\$ 3.40	Settled \$ 3.40	\$ -
4	February	\$ 2.77	Forecast \$ 2.99	\$ (0.22)
5	March	\$ 1.35	\$ 1.25	\$ 0.10
6	April	\$ 1.29	\$ 1.09	\$ 0.20
7	May	\$ 0.75	\$ 0.81	\$ (0.06)
8	June	\$ 1.28	\$ 0.86	\$ 0.41
9	July	\$ 1.69	\$ 1.63	\$ 0.06
10	August	\$ 2.08	\$ 1.87	\$ 0.21
11	September	\$ 2.14	\$ 1.76	\$ 0.38
12	October	\$ 1.87	\$ 1.88	\$ (0.01)
13	November	\$ 2.72	\$ 3.50	\$ (0.78)
14	December	\$ 4.51	\$ 5.70	\$ (1.18)
15	2027 January	\$ 5.32	\$ 6.01	\$ (0.68)
16	February	\$ 4.68	\$ 5.43	\$ (0.75)
17	March	\$ 2.43	\$ 3.12	\$ (0.69)
18	April	\$ 1.68	\$ 1.77	\$ (0.09)
19	May	\$ 1.34	\$ 1.71	\$ (0.38)
20	June	\$ 1.58	\$ 1.86	\$ (0.28)
21	July	\$ 2.38	\$ 2.63	\$ (0.25)
22	August	\$ 2.49	\$ 2.76	\$ (0.26)
23	September	\$ 2.41	\$ 2.68	\$ (0.27)
24	October	\$ 2.33	\$ 2.48	\$ (0.16)
25	November	\$ 3.29	\$ 4.18	\$ (0.89)
26	December	\$ 6.00	\$ 6.60	\$ (0.60)
27	2028 January	\$ 6.30	\$ 6.99	\$ (0.69)
28	February	\$ 5.68	\$ 6.14	\$ (0.46)
29	March	\$ 2.71	\$ 3.22	\$ (0.51)
30	April	\$ 2.33		
31	May	\$ 1.99		
32	June	\$ 2.26		
33				
34	Simple Average (Jul 2026 - Jun 2027)	\$ 2.67	\$ 3.02	-11.6% \$ (0.35)
35	Simple Average (Oct 2026 - Sep 2027)	\$ 2.78	\$ 3.25	-14.4% \$ (0.47)
36	Simple Average (Jan 2027 - Dec 2027)	\$ 2.99	\$ 3.44	-12.9% \$ (0.44)
37	Simple Average (Apr 2027 - Mar 2028)	\$ 3.18	\$ 3.59	-11.3% \$ (0.40)
38	Simple Average (Jul 2027 - Jun 2028)	\$ 3.35		
	Conversion Factors			
	1 MMBtu = 1.055056 GJ			
	Zema ^(a) Average Exchange Rate (\$1US=\$x.xxxCDN)			
		Forecast Jul 2026 - Jun 2027	Forecast Apr 2026 - Mar 2027	
		\$ 1.3620	\$ 1.3488	1.0% \$ 0.0132

Note (a): Exchange rate based on Zema MarketPlace Inc. (Zema).

**FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA, AND FORT NELSON SERVICE AREA
SUMAS INDEX FORECAST FOR THE PERIOD ENDING JUN 2028**

Line No	Particulars	Five-day Average Forward Prices - May 13, 14, 15, 19, and 20, 2026 2026 Q2 Gas Cost Report	Five-day Average Forward Prices - February 10, 11, 12, 13, and 17, 2026 2026 Q1 Gas Cost Report	Change in Forward Price (4) = (2) - (3)
	(1)	(2)	(3)	(4) = (2) - (3)
1	SUMAS Index Prices - presented in \$CDN/GJ			
2				
3	2026			
4	January	\$ 4.42	Settled \$ 4.42	\$ -
5	February	\$ 3.56	Forecast \$ 3.85	\$ (0.29)
6	March	\$ 1.75	\$ 1.60	\$ 0.14
7	April	\$ 1.70	\$ 1.40	\$ 0.29
8	May	\$ 0.97	\$ 1.04	\$ (0.08)
9	June	\$ 1.66	\$ 1.11	\$ 0.55
10	July	\$ 2.19	\$ 2.09	\$ 0.10
11	August	\$ 2.70	\$ 2.40	\$ 0.30
12	September	\$ 2.77	\$ 2.24	\$ 0.52
13	October	\$ 2.42	\$ 2.40	\$ 0.02
14	November	\$ 3.52	\$ 4.47	\$ (0.95)
15	December	\$ 5.83	\$ 7.26	\$ (1.43)
16	2027			
17	January	\$ 6.87	\$ 7.66	\$ (0.79)
18	February	\$ 6.03	\$ 6.92	\$ (0.89)
19	March	\$ 3.13	\$ 3.97	\$ (0.84)
20	April	\$ 2.16	\$ 2.25	\$ (0.09)
21	May	\$ 1.72	\$ 2.18	\$ (0.46)
22	June	\$ 2.03	\$ 2.36	\$ (0.33)
23	July	\$ 3.06	\$ 3.34	\$ (0.29)
24	August	\$ 3.19	\$ 3.50	\$ (0.30)
25	September	\$ 3.09	\$ 3.40	\$ (0.31)
26	October	\$ 2.98	\$ 3.15	\$ (0.17)
27	November	\$ 4.21	\$ 5.30	\$ (1.09)
28	December	\$ 7.67	\$ 8.35	\$ (0.68)
29	2028			
30	January	\$ 8.05	\$ 8.84	\$ (0.79)
31	February	\$ 7.25	\$ 7.76	\$ (0.51)
32	March	\$ 3.46	\$ 4.07	\$ (0.61)
33	April	\$ 2.97		
34	May	\$ 2.54		
35	June	\$ 2.88		
36	<i>Simple Average (Jul 2026 - Jun 2027)</i>	\$ 3.45	\$ 3.85	-10.5% \$ (0.40)
37	<i>Simple Average (Oct 2026 - Sep 2027)</i>	\$ 3.59	\$ 4.14	-13.4% \$ (0.56)
38	<i>Simple Average (Jan 2027 - Dec 2027)</i>	\$ 3.84	\$ 4.36	-11.9% \$ (0.52)
39	<i>Simple Average (Apr 2027 - Mar 2028)</i>	\$ 4.07	\$ 4.54	-10.3% \$ (0.47)
40	<i>Simple Average (Jul 2027 - Jun 2028)</i>	\$ 4.28		

Conversion Factors

1 MMBtu = 1.055056 GJ

Zema ^(a) Average Exchange Rate (\$1US=\$x.xxxCDN)

	Forecast Jul 2026 - Jun 2027	Forecast Apr 2026 - Mar 2027		
\$	1.3620	\$ 1.3488	1.0%	\$ 0.0132

Note (a): Exchange rate based on Zema MarketPlace Inc. (Zema).

**FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA, AND FORT NELSON SERVICE AREA
AECO INDEX FORECAST FOR THE PERIOD ENDING JUN 2028**

Tab 1
Page 5

Line No	Particulars	Five-day Average Forward Prices - May 13, 14, 15, 19, and 20, 2026		Five-day Average Forward Prices - February 10, 11, 12, 13, and 17, 2026		Change in Forward
		2026 Q2 Gas Cost Report		2026 Q1 Gas Cost Report		Price
	(1)	(2)		(3)		(4) = (2) - (3)
1	AECO Index Prices - \$CDN/GJ					
2						
3	2026 January		\$ 3.06	Settled \$ 3.06	\$ -	
4	February		\$ 2.34	Forecast \$ 2.33	\$ 0.02	
5	March		\$ 1.68	\$ 1.72	\$ (0.04)	
6	April		\$ 1.65	\$ 1.59	\$ 0.07	
7	May		\$ 1.10	\$ 1.49	\$ (0.39)	
8	June		\$ 1.51	\$ 1.50	\$ 0.01	
9	July		\$ 1.57	\$ 1.48	\$ 0.10	
10	August		\$ 1.59	\$ 1.55	\$ 0.04	
11	September		\$ 1.60	\$ 1.53	\$ 0.06	
12	October		\$ 1.83	\$ 1.85	\$ (0.02)	
13	November		\$ 2.30	\$ 2.36	\$ (0.06)	
14	December		\$ 2.66	\$ 2.72	\$ (0.06)	
15	2027 January		\$ 2.79	\$ 2.82	\$ (0.04)	
16	February		\$ 2.79	\$ 2.79	\$ 0.01	
17	March		\$ 2.39	\$ 2.50	\$ (0.11)	
18	April		\$ 2.07	\$ 2.20	\$ (0.13)	
19	May		\$ 1.91	\$ 2.06	\$ (0.16)	
20	June		\$ 1.90	\$ 2.10	\$ (0.20)	
21	July		\$ 1.88	\$ 2.13	\$ (0.25)	
22	August		\$ 1.92	\$ 2.16	\$ (0.24)	
23	September		\$ 1.88	\$ 2.17	\$ (0.28)	
24	October		\$ 2.15	\$ 2.43	\$ (0.28)	
25	November		\$ 2.58	\$ 2.91	\$ (0.33)	
26	December		\$ 2.91	\$ 3.11	\$ (0.20)	
27	2028 January		\$ 3.01	\$ 3.22	\$ (0.20)	
28	February		\$ 2.98	\$ 3.18	\$ (0.20)	
29	March		\$ 2.63	\$ 2.63	\$ 0.00	
30	April		\$ 2.23			
31	May		\$ 2.18			
32	June		\$ 2.17			
33						
34	Simple Average (Jul 2026 - Jun 2027)	\$ 2.12	\$ 2.16	-2.2%	\$ (0.05)	
35	Simple Average (Oct 2026 - Sep 2027)	\$ 2.19	\$ 2.32	-5.5%	\$ (0.13)	
36	Simple Average (Jan 2027 - Dec 2027)	\$ 2.26	\$ 2.45	-7.5%	\$ (0.18)	
37	Simple Average (Apr 2027 - Mar 2028)	\$ 2.32	\$ 2.52	-8.2%	\$ (0.21)	
38	Simple Average (Jul 2027 - Jun 2028)	\$ 2.38				

**FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA, AND FORT NELSON SERVICE AREA
STATION 2 INDEX FORECAST FOR THE PERIOD ENDING JUN 2028**

Tab 1
Page 6

Line No	Particulars (1)	Five-day Average Forward Prices - May 13, 14, 15, 19, and 20, 2026 2026 Q2 Gas Cost Report		Five-day Average Forward Prices - February 10, 11, 12, 13, and 17, 2026 2026 Q1 Gas Cost Report		Change in Forward Price
		(2)	(3)	(3)	(4) = (2) - (3)	
1	Station 2 Index Prices - \$CDN/GJ					
2						
3	2026 January	↑ \$ 2.78	Settled \$ 2.78	\$ -		
4	February	\$ 1.76	Forecast \$ 1.86	\$ (0.10)		
5	March	\$ 1.27	\$ 1.31	\$ (0.04)		
6	April	Settled \$ 1.30	↓ \$ 0.95	\$ 0.35		
7	May	Forecast \$ 0.78	\$ 0.85	\$ (0.07)		
8	June	\$ 1.32	\$ 0.86	\$ 0.45		
9	July	↓ \$ 1.34	\$ 0.84	\$ 0.49		
10	August	\$ 1.38	\$ 0.92	\$ 0.47		
11	September	\$ 1.43	\$ 0.90	\$ 0.53		
12	October	\$ 1.59	\$ 1.22	\$ 0.38		
13	November	\$ 2.01	\$ 2.10	\$ (0.08)		
14	December	\$ 2.38	\$ 2.46	\$ (0.09)		
15	2027 January	\$ 2.50	\$ 2.57	\$ (0.06)		
16	February	\$ 2.51	\$ 2.53	\$ (0.02)		
17	March	\$ 2.11	\$ 2.25	\$ (0.14)		
18	April	\$ 1.52	\$ 1.65	\$ (0.13)		
19	May	\$ 1.36	\$ 1.51	\$ (0.15)		
20	June	\$ 1.35	\$ 1.54	\$ (0.19)		
21	July	\$ 1.33	\$ 1.57	\$ (0.24)		
22	August	\$ 1.38	\$ 1.60	\$ (0.23)		
23	September	\$ 1.34	\$ 1.61	\$ (0.28)		
24	October	\$ 1.60	\$ 1.87	\$ (0.27)		
25	November	\$ 2.35	\$ 2.74	\$ (0.40)		
26	December	\$ 2.67	\$ 2.94	\$ (0.27)		
27	2028 January	\$ 2.78	\$ 3.05	\$ (0.27)		
28	February	\$ 2.75	\$ 3.02	\$ (0.27)		
29	March	\$ 2.39	\$ 2.46	\$ (0.07)		
30	April	\$ 1.70				
31	May	\$ 1.65				
32	June	\$ 1.64				
33						
34	Simple Average (Jul 2026 - Jun 2027)	\$ 1.79	\$ 1.71	4.9% \$ 0.08		
35	Simple Average (Oct 2026 - Sep 2027)	\$ 1.78	\$ 1.88	-5.4% \$ (0.10)		
36	Simple Average (Jan 2027 - Dec 2027)	\$ 1.83	\$ 2.03	-9.7% \$ (0.20)		
37	Simple Average (Apr 2027 - Mar 2028)	\$ 1.90	\$ 2.13	-10.8% \$ (0.23)		
38	Simple Average (Jul 2027 - Jun 2028)	\$ 1.96				

FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA, AND FORT NELSON SERVICE AREA
GAS BUDGET COST SUMMARY FOR THE FORECAST PERIOD JUL 2026 TO JUN 2027
FIVE-DAY AVERAGE FORWARD PRICES - MAY 13, 14, 15, 19, AND 20, 2026

Line	Particulars	Costs (\$000)		Quantities (TJ)			Unit Cost (\$/GJ)	Reference / Comments
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	CCRA							
2	Commodity							
3	STN 2		\$ 205,933		117,228		\$ 1.757	
4	AECO		80,340		37,877		\$ 2.121	
5	Commodity Costs before Hedging		\$ 286,274		155,105		\$ 1.846	
6	Hedging Cost / (Gain)		46,521		-			
7	Subtotal Commodity Purchased		\$ 332,795		155,105		\$ 2.146	
8	Core Market Administration Expense		1,625		-			
9	Receipt Point Fuel Gas Provided to Midstream				(5,245)			
10	Total CCRA Baseload (net of receipt point fuel gas)				<u>149,860</u>			
11	Total CCRA Costs		<u>\$ 334,420</u>				<u>\$ 2.232</u>	Commodity available for sale average unit cost
12	MCRA							
13	Midstream Commodity Related Costs							
14	Total Cost of Propane	\$ 4,849				371		
15	Propane Costs Recovered based on Cost of Gas Rate		(567)			(354)		
16	Allowance for Propane Own Use, Vaporization & UAF ^(a)					(16)		
17	Propane Costs to be Recovered via Midstream Rates		\$ 4,282			-		
18	Fort Nelson Supply Portfolio Costs	\$ 1,070			442			
19	Fort Nelson Costs Recovered based on Cost of Gas Rate		(728)		(439)			
20	Fort Nelson Costs to be Recovered via Midstream Rates					342		
21	Commodity Costs before Hedging (excl Propane & Fort Nelson)		75,055		34,445			
22	Imbalance Gas		(305)		(248)			
23	Company Use Gas Recovered from O&M		(6,160)					
24	Injections into Storage	\$ (51,455)		(26,470)				
25	Withdrawals from Storage		52,689		30,326			
26	Net Storage Withdrawal / (Injection) Activity		1,234		3,855			
27	Total Midstream Commodity Related Costs		\$ 74,448			38,055		
28	Storage Related Costs							
29	Third Party Storage (Demand & Variable Costs)	\$ 77,871						
30	On-System Storage - LNG Mt. Hayes (Demand & Variable Costs)		19,429					
31	Total Storage Related Costs					97,300		
32	Transportation Related Costs					241,120		
33	Mitigation							
34	Commodity Related Mitigation ^(b)	\$ (68,106)			(26,707)			
35	Storage Related Mitigation		(3,790)					
36	Transportation Related Mitigation		(47,490)					
37	Total Mitigation		(119,386)					
38	GSMIP Incentive		2,500					
39	Core Market Administration Expense		4,875					
40	Net Transportation and Storage Fuel ^(c)				(211)			
41	UAF (Sales and T-Service) ^(d)				(1,517)			
42	Net MCRA Commodity				<u>9,621</u>			
43	Total MCRA Costs (Lines 27, 31, 32, 37, 38 & 39)		<u>\$ 300,856</u>				<u>\$ 1.763</u>	Midstream average unit cost
44	Total Sales Quantity for RS-1 to RS-7, and RS-46				<u>170,605</u>			Reference to Tab 2, Page 6, Line 1, Col. 10
45	Total Forecast Gas Costs (Lines 11 & 43)		<u>\$ 635,276</u>					

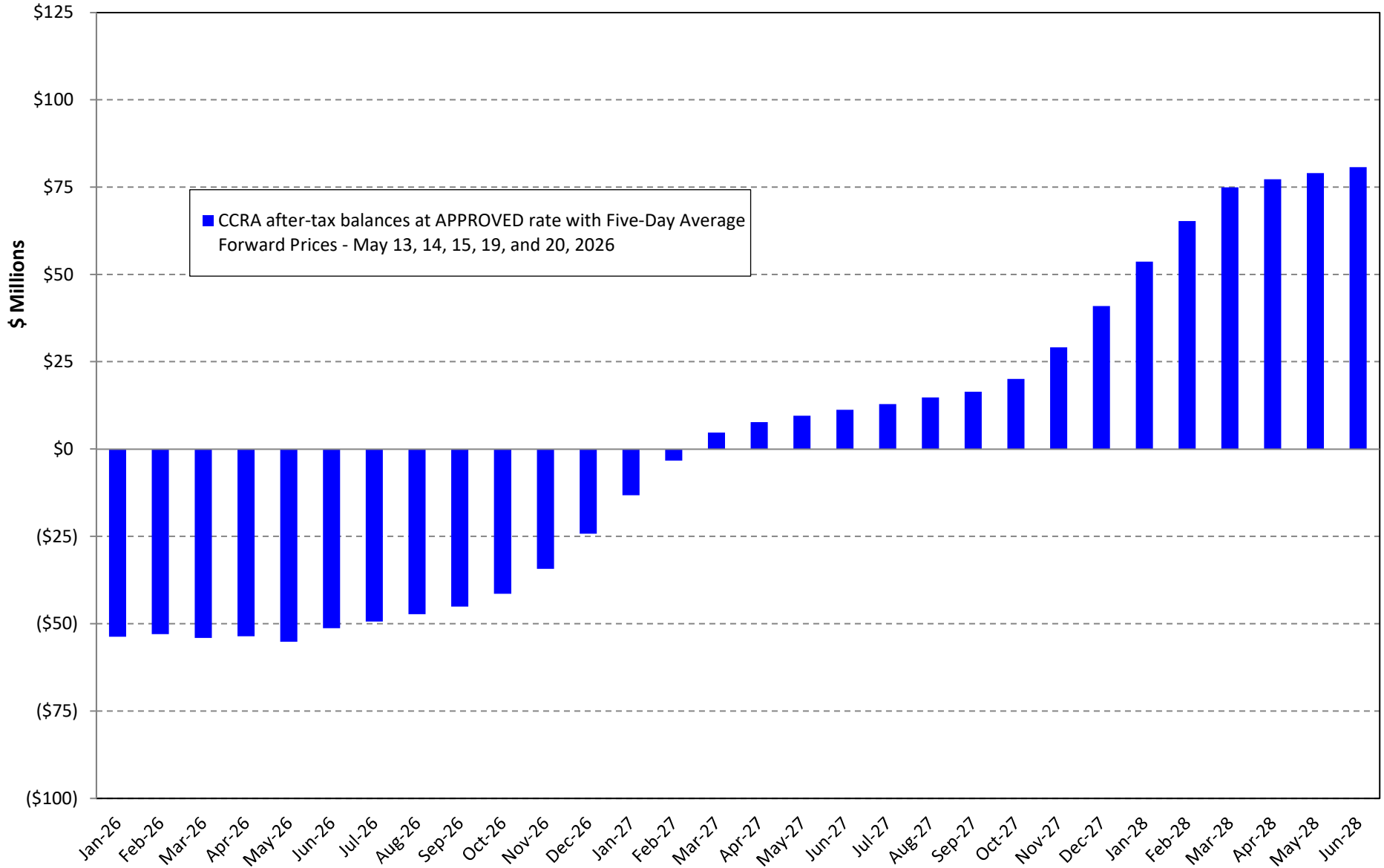
Notes: (a) Allowance for Propane Own Use, Vaporization, and UAF is based on the historical 3-year (2023, 2024, 2025) rolling average.
(b) Includes Rate Schedule 46 commodity recovery at Cost of Gas rate and Off-System commodity sales.
(c) Net Transportation Fuel is the difference between the fuel gas provided by Commodity Providers and the total fuel gas consumed (net of mitigation activities).
(d) The total cost of UAF (Sales and T-Service) is included as a component of gas purchases. 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.

FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA, AND FORT NELSON SERVICE AREA
RECONCILIATION OF GAS COST INCURRED
FOR THE FORECAST PERIOD JUL 2026 TO JUN 2027
FIVE-DAY AVERAGE FORWARD PRICES - MAY 13, 14, 15, 19, AND 20, 2026
\$(Millions)

Line	Particulars	CCRA / MCRA Deferral Account Forecast	Gas Budget Cost Summary	References
	(1)	(2)	(3)	(4)
1	Gas Cost Incurred			
2	CCRA	\$ 334		(Tab 1, Page 1, Col.14, Line 16)
3	MCRA	301		(Tab 2, Page 6.1, Col.15, Line 36)
4				
5				
6	Gas Budget Cost Summary			
7	CCRA		\$ 334	(Tab 1, Page 7, Col.3, Line 11)
8	MCRA		301	(Tab 1, Page 7, Col.3, Line 43)
9				
10				
11	Totals Reconciled	\$ 635	\$ 635	

Slight differences in totals due to rounding.

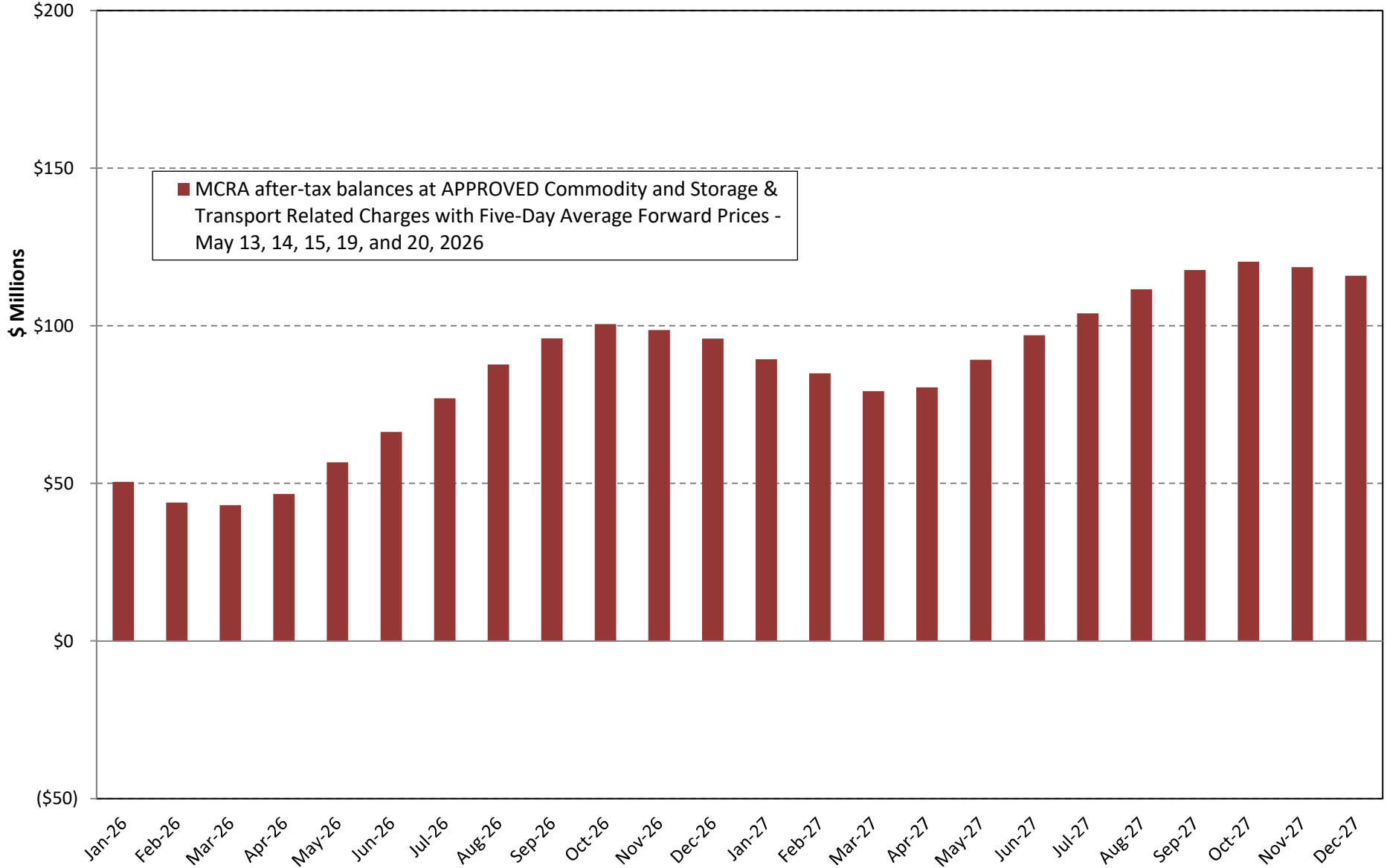
FortisBC Energy Inc. - Mainland and Vancouver Island Service Area, and Fort Nelson Service Area
 CCRA After-Tax Balances
 Recorded to April 2026 and Forecast to June 2028



FortisBC Energy Inc. - Mainland and Vancouver Island Service Area, and Fort Nelson Service Area

MCRA After-Tax Balances

Recorded to April 2026 and Forecast to December 2027



FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA, AND FORT NELSON SERVICE AREA
CCRA INCURRED MONTHLY ACTIVITIES
RECORDED PERIOD TO APR 2026 AND FORECAST TO JUN 2027
FIVE-DAY AVERAGE FORWARD PRICES - MAY 13, 14, 15, 19, AND 20, 2026

Line	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1														Jan-26 to
2		Recorded	Recorded	Recorded	Recorded	Projected	Projected							Jun-26
3		Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26							Total
4	CCRA QUANTITIES													
5	Commodity Purchase	(TJ)												
6	STN 2		9,552	8,625	9,552	9,282	9,554	9,246						55,812
7	AECO		3,065	2,769	3,065	2,951	3,087	2,988						17,925
8	Total Commodity Purchased		12,617	11,394	12,617	12,234	12,641	12,234						73,737
9	Receipt Point Fuel Gas Provided to Midstream		(442)	(399)	(442)	(427)	(427)	(414)						(2,551)
10	Commodity Available for Sale		12,175	10,995	12,175	11,807	12,214	11,820						71,186
11														
12	CCRA COSTS													
13	Commodity Costs	(\$000)												
14	STN 2		\$ 23,737	\$ 15,927	\$ 13,303	\$ 10,454	\$ 7,056	\$ 11,101						\$ 81,579
15	AECO		8,418	5,736	5,229	4,398	3,382	4,501						31,664
16	Commodity Costs before Hedging		\$ 32,155	\$ 21,663	\$ 18,532	\$ 14,852	\$ 10,438	\$ 15,603						\$ 113,244
17	Hedging Cost / (Gain)		1,457	4,065	7,311	5,531	7,507	5,999						31,871
18	Core Market Administration Expense		152	94	129	173	135	135						820
19	Total CCRA Costs		\$ 33,764	\$ 25,823	\$ 25,972	\$ 20,557	\$ 18,081	\$ 21,737						\$ 145,934
20														
21														
22	CCRA Unit Cost	(\$/GJ)	\$ 2,773	\$ 2,349	\$ 2,133	\$ 1,741	\$ 1,480	\$ 1,839						\$ 2,050
23														
24			Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	1-12 months
25			Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27
26	CCRA QUANTITIES													Total
27	Commodity Purchase	(TJ)												
28	STN 2		9,554	9,554	9,246	9,554	9,833	10,161	10,161	9,177	10,161	9,833	10,161	9,833
29	AECO		3,087	3,087	2,988	3,087	3,177	3,283	3,283	2,965	3,283	3,177	3,283	3,177
30	Total Commodity Purchased		12,641	12,641	12,234	12,641	13,010	13,444	13,444	12,143	13,444	13,010	13,444	13,010
31	Receipt Point Fuel Gas Provided to Midstream		(427)	(427)	(414)	(427)	(440)	(455)	(455)	(411)	(455)	(440)	(455)	(440)
32	Commodity Available for Sale		12,214	12,214	11,820	12,214	12,570	12,989	12,989	11,732	12,989	12,570	12,989	12,570
33														
34	CCRA COSTS	(\$000)												
35	Commodity Costs													
36	STN 2		\$ 11,929	\$ 12,203	\$ 11,984	\$ 14,369	\$ 19,604	\$ 23,950	\$ 25,217	\$ 22,831	\$ 21,198	\$ 15,155	\$ 14,020	\$ 13,474
37	AECO		4,851	4,905	4,758	5,644	7,306	8,742	9,150	8,281	7,850	6,570	6,258	6,025
38	Commodity Costs before Hedging		\$ 16,780	\$ 17,109	\$ 16,742	\$ 20,013	\$ 26,909	\$ 32,692	\$ 34,367	\$ 31,112	\$ 29,048	\$ 21,725	\$ 20,278	\$ 19,499
39	Hedging Cost / (Gain)		5,993	5,937	5,731	5,163	3,550	2,509	2,113	1,893	3,376	3,083	3,632	3,542
40	Core Market Administration Expense		135	135	135	135	135	135	135	135	135	135	135	135
41	Total CCRA Costs		\$ 22,909	\$ 23,181	\$ 22,608	\$ 25,311	\$ 30,595	\$ 35,336	\$ 36,615	\$ 33,140	\$ 32,559	\$ 24,943	\$ 24,045	\$ 23,177
42														
43														
44	CCRA Unit Cost	(\$/GJ)	\$ 1,876	\$ 1,898	\$ 1,913	\$ 2,072	\$ 2,434	\$ 2,720	\$ 2,819	\$ 2,825	\$ 2,507	\$ 1,984	\$ 1,851	\$ 1,844
45														

Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA, AND FORT NELSON SERVICE AREA
CCRA INCURRED MONTHLY ACTIVITIES
FORECAST PERIOD FROM JUL 2027 TO JUN 2028
FIVE-DAY AVERAGE FORWARD PRICES - MAY 13, 14, 15, 19, AND 20, 2026

Line	(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	Forecast
		Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28	May-28	Jun-28	13-24 months
														Total
1														
2														
3														
4	CCRA QUANTITIES													
5	Commodity Purchase (TJ)													
6	STN 2	10,161	10,161	9,833	10,161	9,880	10,209	10,209	9,550	10,209	9,880	10,209	9,880	120,341
7	AECO	3,283	3,283	3,177	3,283	3,192	3,299	3,299	3,086	3,299	3,192	3,299	3,192	38,883
8	Total Commodity Purchased	13,444	13,444	13,010	13,444	13,072	13,508	13,508	12,636	13,508	13,072	13,508	13,072	159,224
9	Receipt Point Fuel Gas Provided to Midstream	(455)	(455)	(440)	(455)	(442)	(457)	(457)	(427)	(457)	(442)	(457)	(442)	(5,384)
10	Commodity Available for Sale	<u>12,989</u>	<u>12,989</u>	<u>12,570</u>	<u>12,989</u>	<u>12,630</u>	<u>13,051</u>	<u>13,051</u>	<u>12,209</u>	<u>13,051</u>	<u>12,630</u>	<u>13,051</u>	<u>12,630</u>	<u>153,840</u>
11														
12														
13	CCRA COSTS													
14	Commodity Costs (\$000)													
15	STN 2	\$ 13,775	\$ 14,205	\$ 13,350	\$ 16,490	\$ 23,170	\$ 27,265	\$ 28,355	\$ 26,257	\$ 24,433	\$ 16,801	\$ 16,820	\$ 16,182	\$ 237,102
16	AECO	6,176	6,314	5,981	7,050	8,239	9,587	9,939	9,210	8,670	7,132	7,194	6,929	92,421
17	Commodity Costs before Hedging	\$ 19,951	\$ 20,519	\$ 19,331	\$ 23,540	\$ 31,409	\$ 36,851	\$ 38,294	\$ 35,466	\$ 33,103	\$ 23,933	\$ 24,014	\$ 23,111	\$ 329,523
18	Hedging Cost / (Gain)	3,702	3,587	3,577	2,970	1,732	904	614	647	1,661	-	-	-	19,393
19	Core Market Administration Expense	135	135	135	135	135	135	135	135	135	135	135	135	1,625
20	Total CCRA Costs	<u>\$ 23,788</u>	<u>\$ 24,241</u>	<u>\$ 23,044</u>	<u>\$ 26,646</u>	<u>\$ 33,277</u>	<u>\$ 37,890</u>	<u>\$ 39,043</u>	<u>\$ 36,249</u>	<u>\$ 34,899</u>	<u>\$ 24,068</u>	<u>\$ 24,150</u>	<u>\$ 23,246</u>	<u>\$ 350,541</u>
21														
22														
23	CCRA Unit Cost (\$/GJ)	<u>\$ 1.831</u>	<u>\$ 1.866</u>	<u>\$ 1.833</u>	<u>\$ 2.051</u>	<u>\$ 2.635</u>	<u>\$ 2.903</u>	<u>\$ 2.992</u>	<u>\$ 2.969</u>	<u>\$ 2.674</u>	<u>\$ 1.906</u>	<u>\$ 1.850</u>	<u>\$ 1.841</u>	<u>\$ 2.279</u>

Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA, AND FORT NELSON SERVICE AREA
COMMODITY COST RECONCILIATION ACCOUNT (CCRA)
COST OF GAS (COMMODITY COST RECOVERY CHARGE) FLOW-THROUGH
FOR THE FORECAST PERIOD JUL 1, 2026 TO JUN 30, 2027
FIVE-DAY AVERAGE FORWARD PRICES - MAY 13, 14, 15, 19, AND 20, 2026

Tab 2
Page 3

Line	Particulars (1)	Unit	RS-1 to RS-7 (2)
1	<u>CCRA Baseload (net of receipt point fuel gas)</u>	TJ	149,860
2			
3			
4	<u>CCRA Incurred Costs</u>	\$000	
5	STN 2		\$ 205,933.5
6	AECO		80,340.4
7	CCRA Commodity Costs before Hedging		\$ 286,273.9
8	Hedging Cost / (Gain)		46,521.0
9	Core Market Administration Expense		1,625.0
10	Total Incurred Costs before CCRA deferral amortization		\$ 334,419.8
11			
12	Pre-tax CCRA Deficit / (Surplus) as of Jul 1, 2026		(70,286.9)
13	Total CCRA Incurred Costs		\$ 264,132.9
14			
15			
16	<u>CCRA Incurred Unit Costs</u>	\$/GJ	
17	CCRA Commodity Costs before Hedging		\$ 1.9103
18	Hedging Cost / (Gain)		0.3104
19	Core Market Administration Expense		0.0108
20	Total Incurred Costs before CCRA deferral amortization		\$ 2.2315
21	Pre-tax CCRA Deficit / (Surplus) as of Jul 1, 2026		(0.4690)
22	CCRA Gas Costs Incurred - Flow-Through		\$ 1.7625
23			
24			
25			
26			
27			
28			
29	<u>Cost of Gas (Commodity Cost Recovery Charge)</u>		RS-1 to RS-7
30			
31	TESTED Flow-Through Cost of Gas effective Jul 1, 2026		\$ 1.763
32			
33	Approved Cost of Gas (effective since Apr 1, 2026)		\$ 1.660
34			
35	TESTED Cost of Gas Increase / (Decrease)	\$/GJ	\$ 0.103
36			
37	TESTED Cost of Gas Percentage Increase / (Decrease)		6.20%

Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA, AND FORT NELSON SERVICE AREA
MCRA INCURRED MONTHLY ACTIVITIES FOR THE YEAR 2026
FORECAST PERIODS WITH FIVE-DAY AVERAGE FORWARD PRICES - MAY 13, 14, 15, 19, AND 20, 2026

Line	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Opening balance	Recorded Jan-26	Recorded Feb-26	Recorded Mar-26	Recorded Apr-26	Projected May-26	Projected Jun-26	Forecast Jul-26	Forecast Aug-26	Forecast Sep-26	Forecast Oct-26	Forecast Nov-26	Forecast Dec-26	2026 Total	
1 MCRA COSTS	(\$000)														
2 <u>Midstream Commodity Related Costs</u>															
3 Propane Available for Sale - Purchase & Inventory Change		\$ 694.0	\$ 560.8	\$ 545.4	\$ 293.6	\$ 183.2	\$ 154.7	\$ 172.0	\$ 159.0	\$ 178.9	\$ 323.0	\$ 505.5	\$ 782.6	\$ 4,552.7	
4 Propane Costs Recovered based on Cost of Gas Rate		(110.2)	(92.5)	(95.2)	(39.2)	(21.9)	(18.2)	(20.1)	(19.0)	(21.6)	(38.5)	(58.7)	(89.9)	(625.0)	
5 Propane Costs to be Recovered via Midstream Rates		\$ 583.8	\$ 468.3	\$ 450.2	\$ 254.4	\$ 161.4	\$ 136.5	\$ 151.9	\$ 140.0	\$ 157.3	\$ 284.5	\$ 446.9	\$ 692.6	\$ 3,927.8	
6 Fort Nelson Supply Portfolio Costs		\$ 204.9	\$ 75.5	\$ 129.2	\$ 77.5	\$ 21.5	\$ 16.2	\$ 14.1	\$ 15.1	\$ 26.3	\$ 63.6	\$ 127.8	\$ 203.9	\$ 975.6	
7 Fort Nelson Costs Recovered based on Cost of Gas Rate		(151.5)	(172.7)	(159.9)	(58.0)	(22.6)	(12.5)	(10.5)	(11.2)	(20.7)	(50.1)	(87.2)	(130.1)	(886.9)	
8 Fort Nelson Costs to be Recovered via Midstream Rates		\$ 53.4	\$ (97.2)	\$ (30.7)	\$ 19.5	\$ (1.1)	\$ 3.7	\$ 3.5	\$ 3.9	\$ 5.7	\$ 13.6	\$ 40.6	\$ 73.8	\$ 88.7	
9 Commodity Costs before Hedging (excl Propane & Fort Nelson) ^(a)		\$ 19,002.9	\$ 13,090.5	\$ 9,722.7	\$ 2,021.9	\$ 7,253.0	\$ 10,151.0	\$ 11,942.7	\$ 12,086.6	\$ 10,007.6	\$ 1,738.6	\$ 3,731.8	\$ (2,998.2)	\$ 97,750.8	
10 Imbalance Gas ^(b)	\$ 1,282.2	(296.8)	(545.4)	(114.1)	(15.8)	-	-	-	-	-	-	-	(304.6)	(1,276.7)	
11 Company Use Gas Recovered from O&M		(1,047.0)	(808.3)	(761.5)	(485.1)	(294.2)	(259.8)	(197.6)	(131.8)	(183.8)	(274.6)	(590.6)	(957.9)	(5,992.2)	
12 Net Storage Withdrawal / (Injection) Activity ^(c)		7,438.0	5,722.0	7,414.2	957.9	(6,681.1)	(9,990.1)	(9,374.5)	(8,254.2)	(8,179.7)	(1,260.3)	5,446.7	13,056.0	(3,705.1)	
13 Total Midstream Commodity Related Costs (Lines 5, 8 & 9 to 12)		\$ 25,734.3	\$ 17,830.0	\$ 16,680.8	\$ 2,752.7	\$ 437.9	\$ 41.4	\$ 2,526.0	\$ 3,844.4	\$ 1,807.0	\$ 501.8	\$ 9,075.4	\$ 9,561.7	\$ 90,793.3	
14 <u>Storage Related Costs</u>															
16 Third Party Storage (Demand & Variable Costs)		\$ 4,617.3	\$ 4,597.7	\$ 4,622.8	\$ 5,102.4	\$ 7,509.6	\$ 7,550.4	\$ 7,551.5	\$ 7,545.6	\$ 7,526.0	\$ 7,526.8	\$ 5,044.5	\$ 6,065.9	\$ 75,260.5	
17 On-System Storage - LNG Mt. Hayes (Demand & Variable Costs)		1,553.6	1,505.7	1,566.9	1,556.8	1,926.7	1,519.2	1,688.0	1,503.9	1,546.3	1,867.6	1,513.1	1,676.7	19,424.4	
18 Total Storage Related Costs		\$ 6,170.9	\$ 6,103.4	\$ 6,189.7	\$ 6,659.1	\$ 9,436.3	\$ 9,069.5	\$ 9,239.5	\$ 9,049.5	\$ 9,072.3	\$ 9,394.4	\$ 6,557.6	\$ 7,742.6	\$ 94,684.9	
19 <u>Transportation Related Costs</u>															
21 Enbridge (BC Pipeline) - Westcoast Energy		\$ 18,338.5	\$ 18,860.6	\$ 18,396.7	\$ 15,819.6	\$ 14,876.1	\$ 14,935.1	\$ 15,048.8	\$ 15,859.6	\$ 14,947.1	\$ 15,042.7	\$ 17,821.5	\$ 17,861.0	\$ 197,807.3	
22 TC Energy (Foothills BC)		844.4	848.5	841.2	634.0	634.0	634.0	634.0	634.0	634.0	634.0	841.2	841.2	8,654.1	
23 TC Energy (NOVA Alta)		1,226.9	1,249.9	1,203.7	1,203.7	1,204.1	1,204.1	1,204.1	1,204.1	1,204.1	1,204.1	1,204.1	1,204.1	14,516.8	
24 Northwest Pipeline		838.1	796.2	845.6	444.3	452.1	454.7	459.3	455.4	448.9	452.2	833.7	843.6	7,324.2	
25 FortisBC Huntingdon Inc.		11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	137.3	
26 Southern Crossing Pipeline		1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	13,284.1	
27 Total Transportation Related Costs		\$ 22,366.4	\$ 22,873.7	\$ 22,405.6	\$ 19,220.0	\$ 18,284.7	\$ 18,346.2	\$ 18,464.6	\$ 19,271.5	\$ 18,352.4	\$ 18,451.4	\$ 21,818.9	\$ 21,868.3	\$ 241,723.9	
28 <u>Mitigation</u>															
30 Commodity Related Mitigation		\$ (7,233.1)	\$ (6,565.5)	\$ (10,801.1)	\$ (4,617.5)	\$ (1,834.4)	\$ (3,126.9)	\$ (6,010.4)	\$ (8,281.8)	\$ (6,704.8)	\$ (1,705.6)	\$ (9,920.1)	\$ (1,957.1)	\$ (68,758.2)	
31 Storage Related Mitigation		(270.5)	(238.2)	(593.8)	2.5	(71.4)	(1,092.6)	(118.7)	-	(163.2)	-	(1,509.6)	(294.6)	(4,350.1)	
32 Transportation Related Mitigation		(1,628.6)	(621.5)	(444.0)	(2,812.8)	(2,889.6)	(4,835.6)	(4,835.6)	(4,835.6)	(4,835.6)	(4,349.1)	(1,945.9)	(973.0)	(35,006.9)	
33 Total Mitigation		\$ (9,132.2)	\$ (7,425.2)	\$ (11,838.9)	\$ (7,427.8)	\$ (4,795.5)	\$ (9,055.1)	\$ (10,964.7)	\$ (13,117.4)	\$ (11,703.6)	\$ (6,054.7)	\$ (13,375.6)	\$ (3,224.6)	\$ (108,115.2)	
34 <u>GSMIP Incentive</u>															
35 GSMIP Incentive		\$ 298.9	\$ 192.9	\$ 88.3	\$ 103.5	\$ 208.3	\$ 208.3	\$ 208.3	\$ 208.3	\$ 208.3	\$ 208.3	\$ 208.3	\$ 208.3	\$ 2,350.2	
36 <u>Core Market Administration Expense</u>															
37 Core Market Administration Expense		\$ 456.8	\$ 283.5	\$ 386.6	\$ 520.0	\$ 406.3	\$ 406.3	\$ 406.3	\$ 406.3	\$ 406.3	\$ 406.3	\$ 406.3	\$ 406.3	\$ 4,896.9	
38 TOTAL MCRA COSTS (Lines 13, 18, 27, 33, 35 & 37)	(\$000)	\$ 45,895.0	\$ 39,858.2	\$ 33,912.3	\$ 21,827.5	\$ 23,978.0	\$ 19,016.7	\$ 19,880.0	\$ 19,662.6	\$ 18,142.8	\$ 22,907.5	\$ 24,690.9	\$ 36,562.7	\$ 326,334.0	

Notes:

(a) The total cost of UAF is included as a component of gas purchases. Sales UAF costs are recovered via gas cost recovery rates, while T-Service UAF costs are recovered via delivery revenues.

(b) Imbalance Gas composes 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 2026 opening balance reflects FEI owed Enbridge / Transportation Marketers 460 TJ of gas valued at \$1.28M. 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, AND FORT NELSON SERVICE AREA
MCRA INCURRED MONTHLY ACTIVITIES FOR THE YEAR 2027
FORECAST PERIODS WITH FIVE-DAY AVERAGE FORWARD PRICES - MAY 13, 14, 15, 19, AND 20, 2026

Line	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
		Opening balance	Forecast Jan-27	Forecast Feb-27	Forecast Mar-27	Forecast Apr-27	Forecast May-27	Forecast Jun-27	Forecast Jul-27	Forecast Aug-27	Forecast Sep-27	Forecast Oct-27	Forecast Nov-27	Forecast Dec-27	2027 Total
1	MCRA COSTS	(\$000)													
2	<u>Midstream Commodity Related Costs</u>														
3	Propane Available for Sale - Purchase & Inventory Change	\$	761.7	710.6	582.0	360.4	171.6	142.1	153.6	146.1	166.6	298.0	457.7	710.6	4,661.1
4	Propane Costs Recovered based on Cost of Gas Rate		(84.4)	(78.9)	(68.6)	(45.4)	(23.0)	(19.2)	(21.4)	(20.2)	(22.9)	(40.4)	(61.5)	(94.5)	(580.5)
5	Propane Costs to be Recovered via Midstream Rates	\$	677.2	631.7	513.3	315.0	148.7	122.9	132.3	125.9	143.8	257.5	396.2	616.1	4,080.5
6	Fort Nelson Supply Portfolio Costs		212.3	172.4	136.4	59.8	24.3	14.4	12.5	13.3	22.2	56.6	134.7	212.9	1,071.7
7	Fort Nelson Costs Recovered based on Cost of Gas Rate		(132.3)	(107.0)	(91.4)	(53.5)	(22.0)	(12.2)	(10.3)	(10.9)	(20.1)	(48.8)	(85.1)	(126.8)	(720.5)
8	Fort Nelson Costs to be Recovered via Midstream Rates	\$	80.1	65.4	45.0	6.2	2.2	2.2	2.2	2.4	2.1	7.8	49.6	86.0	351.3
9	Commodity Costs before Hedging (excl Propane & Fort Nelson) ^(a)	\$	14,507.2	13,134.0	10,904.6	-	-	-	-	-	-	-	11,749.5	15,447.4	65,742.6
10	Imbalance Gas ^(b)	\$	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Company Use Gas Recovered from O&M		(1,116.1)	(880.6)	(749.5)	(523.8)	(294.2)	(259.8)	(197.6)	(131.8)	(183.8)	(274.6)	(590.6)	(957.9)	(6,160.3)
12	Net Storage Withdrawal / (Injection) Activity ^(c)		11,187.5	9,711.3	7,329.8	1,122.8	(8,650.0)	(10,901.5)	(11,465.9)	(10,704.4)	(11,214.6)	(1,786.8)	6,090.8	14,533.4	(4,747.5)
13	Total Midstream Commodity Related Costs (Lines 5, 8 & 9 to 12)	\$	25,335.9	22,661.7	18,043.3	920.2	(8,793.3)	(11,036.1)	(11,529.0)	(10,707.8)	(11,252.6)	(1,796.1)	17,695.4	29,725.0	59,266.6
14															
15	<u>Storage Related Costs</u>														
16	Third Party Storage (Demand & Variable Costs)	\$	5,055.9	5,034.4	5,045.9	5,040.3	8,220.2	8,213.7	8,215.8	8,210.5	8,194.2	8,196.1	5,740.4	5,761.6	80,929.1
17	On-System Storage - LNG Mt. Hayes (Demand & Variable Costs)		1,503.3	1,569.9	1,587.8	1,526.4	1,926.7	1,519.2	1,688.0	1,503.9	1,546.3	1,867.6	1,513.1	1,676.7	19,428.8
18	Total Storage Related Costs	\$	6,559.2	6,604.4	6,633.7	6,566.7	10,146.9	9,732.9	9,903.8	9,714.3	9,740.5	10,063.8	7,253.5	7,438.3	100,357.9
19															
20	<u>Transportation Related Costs</u>														
21	Enbridge (BC Pipeline) - Westcoast Energy	\$	18,093.5	18,009.2	18,100.2	15,389.9	15,340.0	15,402.1	15,521.9	16,376.1	15,414.7	15,515.5	18,317.0	18,356.6	199,836.8
22	TC Energy (Foothills BC)		866.4	866.4	866.4	653.0	653.0	653.0	653.0	653.0	653.0	653.0	866.4	866.4	8,902.8
23	TC Energy (NOVA Alta)		1,240.2	1,240.2	1,240.2	1,240.2	1,240.2	1,240.2	1,240.2	1,240.2	1,240.2	1,240.2	1,240.2	1,240.2	14,882.4
24	Northwest Pipeline		840.4	788.2	838.1	457.7	461.5	461.9	453.7	453.4	449.5	457.2	841.7	851.7	7,354.8
25	FortisBC Huntingdon Inc.		11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	137.3
26	Southern Crossing Pipeline		1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	13,284.1
27	Total Transportation Related Costs	\$	22,158.9	22,022.4	22,163.4	18,859.2	18,813.1	18,875.6	18,987.3	19,841.1	18,875.8	18,984.3	22,383.7	22,433.3	244,398.2
28															
29	<u>Mitigation</u>														
30	Commodity Related Mitigation	\$	(4,545.7)	(5,908.5)	(15,209.7)	(2,108.6)	(2,046.7)	(3,707.1)	(8,612.6)	(9,551.4)	(6,246.0)	(3,719.5)	(12,783.2)	(5,715.3)	(80,154.4)
31	Storage Related Mitigation		(162.7)	-	(529.6)	-	(62.1)	(949.2)	(103.1)	-	(141.8)	-	(1,311.5)	(255.9)	(3,515.8)
32	Transportation Related Mitigation		(2,981.6)	(2,981.6)	(3,727.0)	(4,347.9)	(4,347.9)	(7,329.5)	(7,329.5)	(7,329.5)	(7,329.5)	(6,584.1)	(2,981.6)	(1,490.8)	(58,760.3)
33	Total Mitigation	\$	(7,690.0)	(8,890.1)	(19,466.3)	(6,456.5)	(6,456.7)	(11,985.8)	(16,045.2)	(16,880.9)	(13,717.2)	(10,303.6)	(17,076.3)	(7,461.9)	(142,430.6)
34															
35	GSMIP Incentive	\$	208.3	208.3	208.3	208.3	208.3	208.3	208.3	208.3	208.3	208.3	208.3	208.3	2,500.0
36															
37	Core Market Administration Expense	\$	406.3	406.3	406.3	406.3	406.3	406.3	406.3	406.3	406.3	406.3	406.3	406.3	4,875.0
38	TOTAL MCRA COSTS (Line 13, 18, 27, 33, 35 & 37)	(\$000)	\$ 46,978.6	\$ 43,012.9	\$ 27,988.7	\$ 20,504.2	\$ 14,324.5	\$ 6,201.2	\$ 1,931.4	\$ 2,581.3	\$ 4,261.1	\$ 17,562.9	\$ 30,870.9	\$ 52,749.3	\$ 268,967.1

Notes:

- (a) The total cost of UAF is included as a component of gas purchases. Sales UAF costs are recovered via gas cost recovery rates, while T-Service UAF costs are recovered via delivery revenues.
- (b) Imbalance Gas composes 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").
- (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, AND FORT NELSON SERVICE AREA
STORAGE AND TRANSPORT RELATED CHARGES FLOW-THROUGH BY RATE SCHEDULE
FOR THE FORECAST PERIOD JUL 2026 TO JUN 2027
FIVE-DAY AVERAGE FORWARD PRICES - MAY 13, 14, 15, 19, AND 20, 2026**

Line	Particulars (1)	Unit										For Information Only							
			Residential			Commercial			General			Total MCRA Gas Costs	Seasonal RS-4	General Interruptible RS-7	LNG (Sales) RS-46	Off-System Interruptible Sales RS-30			
			RS-1 (2)	Fort Nelson RS-1 (3)	RS-2 (4)	Fort Nelson RS-2 (5)	RS-3 (6)	Fort Nelson RS-3 (7)	Firm RS-5 (8)	NGV RS-6 (9)	(10)						(11)	(12)	(13)
1	Sales Quantity (Natural Gas & Propane)	TJ	81,383.0	226.3	29,282.0	164.2	31,309.1	74.2	28,146.2	20.4	170,605.4								
2																			
3	Load Factor Adjusted Quantity																		
4	Load Factor ^(a)	%	30.1%	30.1%	29.7%	29.7%	34.6%	34.6%	51.7%	100.0%									
5	Load Factor Adjusted Quantity	TJ	270,235.3	37.6	98,540.0	27.6	90,422.6	10.7	54,441.5	20.4	513,735.7								
6	Load Factor Adjusted Volumetric Allocation	%	52.602%	0.007%	19.181%	0.005%	17.601%	0.002%	10.597%	0.004%	100.000%								
7																			
8	MCRA Costs - Load Factor Adjusted Allocation																		
9	Midstream Commodity Related Costs (Net of Mitigation)	\$000	\$ 3,001.8	\$ 0.4	\$ 1,094.6	\$ 0.3	\$ 1,004.4	\$ 0.1	\$ 604.7	\$ 0.2	\$ 5,706.6								
10	Storage Related Costs (Net of Mitigation)	\$000	49,188.2	6.8	17,936.2	5.0	16,458.7	2.0	9,909.4	3.7	93,510.0								
11	Transportation Related Costs (Net of Mitigation)	\$000	101,853.1	14.2	37,140.2	10.4	34,080.7	4.0	20,519.3	7.7	193,629.6								
12	GSMIP Incentive	\$000	1,315.1	0.2	479.5	0.1	440.0	0.1	264.9	0.1	2,500.0								
13	Core Market Administration Expense - MCRA 75%	\$000	2,564.3	0.4	935.1	0.3	858.0	0.1	516.6	0.2	4,875.0								
14	Total Midstream Cost of Gas Allocated by Rate Class	\$000	<u>\$ 157,922.4</u>	<u>\$ 21.9</u>	<u>\$ 57,585.6</u>	<u>\$ 16.2</u>	<u>\$ 52,841.9</u>	<u>\$ 6.3</u>	<u>\$ 31,815.0</u>	<u>\$ 11.9</u>	<u>\$ 300,221.2</u>								
15	T-Service UAF Costs Recovered via Delivery Revenues ^(b)																		
16	Total MCRA Costs ^(c)																		
17	Amortize 1/2 of Pre-Tax MCRA Deficit/(Surplus) as of Jul 1, 2026	\$000	<u>\$ 23,888.6</u>	<u>\$ 3.3</u>	<u>\$ 8,710.8</u>	<u>\$ 2.4</u>	<u>\$ 7,993.3</u>	<u>\$ 0.9</u>	<u>\$ 4,812.6</u>	<u>\$ 1.8</u>	<u>\$ 45,413.8</u>								
18																			
19																			
20	MCRA Costs Unitized																		
26	MCRA Flow-Through Costs Before MCRA Deferral Amortization	\$/GJ	<u>\$ 1.9405</u>	<u>\$ 0.0970</u>	<u>\$ 1.9666</u>	<u>\$ 0.0983</u>	<u>\$ 1.6878</u>	<u>\$ 0.0845</u>	<u>\$ 1.1303</u>	<u>\$ 0.5837</u>	<u>\$ 1.7597</u>								
29	MCRA Deferral Amortization via Rate Rider 6	\$/GJ	<u>\$ 0.2935</u>	<u>\$ 0.0147</u>	<u>\$ 0.2975</u>	<u>\$ 0.0149</u>	<u>\$ 0.2553</u>	<u>\$ 0.0128</u>	<u>\$ 0.1710</u>	<u>\$ 0.0883</u>	<u>\$ 0.2662</u>								

Notes:

- (a) Based on the historical 3-year (2022, 2023, and 2024 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; T-Service UAF costs are recovered via delivery revenues and therefore deducted from the flow-through calculation.
- (c) Reconciled to the Total MCRA Costs on Tab 1, Page 7, and on Tab 2, Page 6.1.
- (d) Storage & Transport and MCRA Rate Rider 6 charges for RS-4, RS-6P (Fueling Stations), RS-7, and RS-46 (Sales) are set at the RS-5 tariff rates. For midstream cost allocation purposes the RS-5 allocations include RS-4, RS-5, RS-6P (Fueling Stations),

Slight differences in totals due to rounding.

FORTISBC ENERGY INC. - MAINLAND AND VANCOUVER ISLAND SERVICE AREA, AND FORT NELSON SERVICE AREA
MCRA INCURRED MONTHLY ACTIVITIES FOR THE PERIOD FROM JUL 2026 TO JUN 2027
FORECAST PERIODS WITH FIVE-DAY AVERAGE FORWARD PRICES - MAY 13, 14, 15, 19, AND 20, 2026

Line	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Opening balance	Forecast Jul-26	Forecast Aug-26	Forecast Sep-26	Forecast Oct-26	Forecast Nov-26	Forecast Dec-26	Forecast Jan-27	Forecast Feb-27	Forecast Mar-27	Forecast Apr-27	Forecast May-27	Forecast Jun-27	Forecast Jul-27	Jul-26 to Jun-27 Total
1	MCRA COSTS														
		(\$000)													
2	Midstream Commodity Related Costs														
3	Propane Available for Sale - Purchase & Inventory Change	\$ 172.0	\$ 159.0	\$ 178.9	\$ 323.0	\$ 505.5	\$ 782.6	\$ 761.7	\$ 710.6	\$ 582.0	\$ 360.4	\$ 171.6	\$ 142.1	\$ 4,849.4	
4	Propane Costs Recovered based on Cost of Gas Rate	(20.1)	(19.0)	(21.6)	(38.5)	(58.7)	(89.9)	(84.4)	(78.9)	(68.6)	(45.4)	(23.0)	(19.2)	(567.5)	
5	Propane Costs to be Recovered via Midstream Rates	\$ 151.9	\$ 140.0	\$ 157.3	\$ 284.5	\$ 446.9	\$ 692.6	\$ 677.2	\$ 631.7	\$ 513.3	\$ 315.0	\$ 148.7	\$ 122.9	\$ 4,281.9	
6	Fort Nelson Supply Portfolio Costs	\$ 14.1	\$ 15.1	\$ 26.3	\$ 63.6	\$ 127.8	\$ 203.9	\$ 212.3	\$ 172.4	\$ 136.4	\$ 59.8	\$ 24.3	\$ 14.4	\$ 1,070.4	
7	Fort Nelson Costs Recovered based on Cost of Gas Rate	(10.5)	(11.2)	(20.7)	(50.1)	(87.2)	(130.1)	(132.3)	(107.0)	(91.4)	(53.5)	(22.0)	(12.2)	(728.1)	
8	Fort Nelson Costs to be Recovered via Midstream Rates	\$ 3.5	\$ 3.9	\$ 5.7	\$ 13.6	\$ 40.6	\$ 73.8	\$ 80.1	\$ 65.4	\$ 45.0	\$ 6.2	\$ 2.2	\$ 2.2	\$ 342.3	
9	Commodity Costs before Hedging (excl Propane & Fort Nelson) ^(a)	\$ 11,942.7	\$ 12,086.6	\$ 10,007.6	\$ 1,738.6	\$ 3,731.8	\$ (2,998.2)	\$ 14,507.2	\$ 13,134.0	\$ 10,904.6	\$ -	\$ -	\$ -	\$ 75,054.8	
10	Imbalance Gas ^(b)	-	-	-	-	-	(304.6)	-	-	-	-	-	-	(304.6)	
11	Company Use Gas Recovered from O&M	(197.6)	(131.8)	(183.8)	(274.6)	(590.6)	(957.9)	(1,116.1)	(880.6)	(749.5)	(523.8)	(294.2)	(259.8)	(6,160.3)	
12	Net Storage Withdrawal / (Injection) Activity ^(c)	(9,374.5)	(8,254.2)	(8,179.7)	(1,260.3)	5,446.7	13,056.0	11,187.5	9,711.3	7,329.8	1,122.8	(8,650.0)	(10,901.5)	1,234.0	
13	Total Midstream Commodity Related Costs (Lines 5, 8 & 9 to 12)	\$ 2,526.0	\$ 3,844.4	\$ 1,807.0	\$ 501.8	\$ 9,075.4	\$ 9,561.7	\$ 25,335.9	\$ 22,661.7	\$ 18,043.3	\$ 920.2	\$ (8,793.3)	\$ (11,036.1)	\$ 74,448.0	
14															
15	Storage Related Costs														
16	Third Party Storage (Demand & Variable Costs)	\$ 7,551.5	\$ 7,545.6	\$ 7,526.0	\$ 7,526.8	\$ 5,044.5	\$ 6,065.9	\$ 5,055.9	\$ 5,034.4	\$ 5,045.9	\$ 5,040.3	\$ 8,220.2	\$ 8,213.7	\$ 77,870.8	
17	On-System Storage - LNG Mt. Hayes (Demand & Variable Costs)	1,688.0	1,503.9	1,546.3	1,867.6	1,513.1	1,676.7	1,503.3	1,569.9	1,587.8	1,526.4	1,926.7	1,519.2	19,428.8	
18	Total Storage Related Costs	\$ 9,239.5	\$ 9,049.5	\$ 9,072.3	\$ 9,394.4	\$ 6,557.6	\$ 7,742.6	\$ 6,559.2	\$ 6,604.4	\$ 6,633.7	\$ 6,566.7	\$ 10,146.9	\$ 9,732.9	\$ 97,299.6	
19															
20	Transportation Related Costs														
21	Enbridge (BC Pipeline) - Westcoast Energy	\$ 15,048.8	\$ 15,859.6	\$ 14,947.1	\$ 15,042.7	\$ 17,821.5	\$ 17,861.0	\$ 18,093.5	\$ 18,009.2	\$ 18,100.2	\$ 15,389.9	\$ 15,340.0	\$ 15,402.1	\$ 196,915.6	
22	TC Energy (Foothills BC)	634.0	634.0	634.0	634.0	841.2	841.2	866.4	866.4	866.4	653.0	653.0	653.0	8,776.3	
23	TC Energy (NOVA Alta)	1,204.1	1,204.1	1,204.1	1,204.1	1,204.1	1,204.1	1,240.2	1,240.2	1,240.2	1,240.2	1,240.2	1,240.2	14,665.6	
24	Northwest Pipeline	459.3	455.4	448.9	452.2	833.7	843.6	840.4	788.2	838.1	457.7	461.5	461.9	7,340.9	
25	FortisBC Huntingdon Inc.	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	137.3	
26	Southern Crossing Pipeline	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	1,107.0	13,284.1	
27	Total Transportation Related Costs	\$ 18,464.6	\$ 19,271.5	\$ 18,352.4	\$ 18,451.4	\$ 21,818.9	\$ 21,868.3	\$ 22,158.9	\$ 22,022.4	\$ 22,163.4	\$ 18,859.2	\$ 18,813.1	\$ 18,875.6	\$ 241,119.8	
28															
29	Mitigation														
30	Commodity Related Mitigation	\$ (6,010.4)	\$ (8,281.8)	\$ (6,704.8)	\$ (1,705.6)	\$ (9,920.1)	\$ (1,957.1)	\$ (4,545.7)	\$ (5,908.5)	\$ (15,209.7)	\$ (2,108.6)	\$ (2,046.7)	\$ (3,707.1)	\$ (68,106.2)	
31	Storage Related Mitigation	(118.7)	-	(163.2)	-	(1,509.6)	(294.6)	(162.7)	-	(529.6)	-	(62.1)	(949.2)	(3,789.5)	
32	Transportation Related Mitigation	(4,835.6)	(4,835.6)	(4,835.6)	(4,349.1)	(1,945.9)	(973.0)	(2,981.6)	(2,981.6)	(3,727.0)	(4,347.9)	(4,347.9)	(7,329.5)	(47,490.2)	
33	Total Mitigation	\$ (10,964.7)	\$ (13,117.4)	\$ (11,703.6)	\$ (6,054.7)	\$ (13,375.6)	\$ (3,224.6)	\$ (7,690.0)	\$ (8,890.1)	\$ (19,466.3)	\$ (6,456.5)	\$ (6,456.7)	\$ (11,985.8)	\$ (119,385.9)	
34	GSMIP Incentive	\$ 208.3	\$ 208.3	\$ 208.3	\$ 208.3	\$ 208.3	\$ 208.3	\$ 208.3	\$ 208.3	\$ 208.3	\$ 208.3	\$ 208.3	\$ 208.3	\$ 2,500.0	
35	Core Market Administration Expense	\$ 406.3	\$ 406.3	\$ 406.3	\$ 406.3	\$ 406.3	\$ 406.3	\$ 406.3	\$ 406.3	\$ 406.3	\$ 406.3	\$ 406.3	\$ 406.3	\$ 4,875.0	
36	TOTAL MCRA COSTS (Line 13, 18, 27, 33, 34 & 35)	(\$000)	\$ 19,880.0	\$ 19,662.6	\$ 18,142.8	\$ 22,907.5	\$ 24,690.9	\$ 36,562.7	\$ 46,978.6	\$ 43,012.9	\$ 27,988.7	\$ 20,504.2	\$ 14,324.5	\$ 6,201.2	\$ 300,856.5

Notes:

(a) The total cost of UAF is included as a component of gas purchases. Sales UAF costs are recovered via gas cost recovery rates, while T-Service UAF costs are recovered via delivery revenues.

(b) Imbalance Gas composes 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").

(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.



DATE

Letter L-xx-xx

Ms. Sarah Walsh
Director, Regulatory Affairs
FortisBC Energy Inc.
16705 Fraser Highway
Surrey, BC V4N 0E8
gas.regulatory.affairs@fortisbc.com

Re: FortisBC Energy Inc. – Mainland and Vancouver Island Service Area, and the Fort Nelson Service Area - 2026 Second Quarter Gas Cost Report

Dear Ms. Walsh:

On June 3, 2026, FortisBC Energy Inc. (FEI) filed with the BCUC its 2026 Second Quarter Gas Cost Report for the Mainland and Vancouver Island, and Fort Nelson Service Areas (Report), which includes details regarding the Commodity Cost Reconciliation Account and Midstream Cost Reconciliation Account.

The BCUC notes that the Commodity Cost Recovery Charge for the Mainland and Vancouver Island, and Fort Nelson Service Areas was last changed by Order G-50-26, when it decreased by \$0.570 per gigajoule from \$2.230 per gigajoule to \$1.660 per gigajoule, effective April 1, 2026. The BCUC also notes the Renewable Natural Gas (RNG) Charge for Voluntary RNG service to non-NGV Sales customers for the Mainland and Vancouver Island, and Fort Nelson Service Areas was also changed by Order G-50-26, when it decreased by \$0.570 per gigajoule from \$9.230 per gigajoule to \$8.660 per gigajoule, effective April 1, 2026.

The BCUC has reviewed the Report in accordance with the guidelines for reviewing the quarterly gas costs review and rate-setting mechanism set out in BCUC Letters L-5-01, L-40-11, and L-15-16. The BCUC acknowledges receipt of the Report and accepts FEI's recommendation that the Commodity Cost Recovery Charge for the Mainland and Vancouver Island, and Fort Nelson Service Areas remain unchanged at \$1.660 per gigajoule, effective July 1, 2026. The BCUC also accepts FEI's recommendation that the RNG Charge for Voluntary RNG service to non-NGV Sales customers for the Mainland and Vancouver Island Service Area, and the Fort Nelson Service Area remain unchanged at \$8.660 per gigajoule, effective July 1, 2026.

The BCUC will hold the information in Tab 3 and Tab 4 of the Report confidential, as requested by FEI, as it contains market-sensitive information, unless the BCUC determines otherwise.

Sincerely,

Keshni Nand
Registrar

AUTHOR INITIALS/typist initials

Enclosure

cc: xxxx@xxxx.com