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July 20, 2026

Fort Nelson & District Chamber of Commerce (FNCOC)
Bev Vandersteen, Executive Director

Northern Rockies Regional Municipality (NRRM)
Hillary Sheppard, Regional Development Officer

Dear FNCOC-NRRM:

Re: FortisBC Energy Inc. (FEI)
2026 Long Term Gas Resource Plan (LTGRP)
Response to the FNCOC-NRRM Joint Information Request (IR) No. 1

On March 27, 2026, FEI filed the 2026 LTGRP referenced above. In accordance with the regulatory timetable established in BCUC Order G-84-26 for the review of the 2026 LTGRP, FEI respectfully submits the attached response to FNCOC-NRRM IR No. 1.¹

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Sarah Walsh

Attachments

cc (email only): Registrar
Registered Interveners

¹ For convenience and efficiency, if FEI has provided an internet address for referenced reports instead of attaching the documents to its IR responses, FEI intends for the referenced documents to form part of its IR responses and the evidentiary record in this proceeding.

FortisBC Energy Inc. (FEI or the Company) 2026 Long Term Gas Resource Plan (LTGRP)	Submission Date: July 20, 2026
Response to FNCOC-NRRM Information Request (IR) No. 1	Page 1

Adequacy of the Review Period and Extended Planning Horizon

The Application proposes a significantly extended planning horizon, increasing exposure to uncertainty associated with economic conditions, technology, policy direction, and global market dynamics. As outlined in Exhibit B Section 1.1.1, FEI proposes extending the planning horizon from the historical 20-year period to 27-years.

1. Given the significant uncertainty associated with long-term energy forecasting, including economic, technological, regulatory, and geopolitical factors, what analysis supports extending the planning horizon beyond previous planning periods?

Response:

FEI extended the planning horizon primarily to align the 2026 LTGRP scenarios and outcomes with BC's long-term energy and climate objectives, as these include 2050 emissions reduction targets. Furthermore, the purpose of the scenario-based analysis of the 2026 LTGRP is to explore a range of plausible outcomes reflecting different technology development, policy, and regulatory directions, many of which have a target year of 2050.

The longer horizon also enables FEI to assess how the different energy pathways influence infrastructure investments and gas supply strategies over time, including providing FEI with insight into the rate impacts as a result of longer-term system needs and constraints, which is particularly relevant for assets with longer lead times (e.g., new LNG facilities or pipeline infrastructure investments).

2. Has FEI evaluated alternative planning horizons, such as a 10-year or 15-year planning period with more frequent updates? If so, what were the results of that evaluation?

Response:

FEI has not undertaken a formal evaluation of alternative planning horizons (e.g., 10-year or 15-year periods with more frequent updates) for the purposes of the 2026 LTGRP.

Consistent with the BCUC Resource Planning Guidelines, the planning horizon adopted for the 2026 LTGRP reflects the need to support long-term infrastructure planning, align with relevant policy milestones, and provide a comprehensive, forward-looking view of the energy system.

FEI further notes that the use of a longer-term planning horizon is consistent with the approach adopted by other utilities in comparable long-term resource planning processes, particularly

FortisBC Energy Inc. (FEI or the Company) 2026 Long Term Gas Resource Plan (LTGRP)	Submission Date: July 20, 2026
Response to FNCOC-NRRM Information Request (IR) No. 1	Page 2

- 1 where alignment with policy-driven decarbonization objectives and infrastructure lead times is
2 required.
- 3 FEI considers that this approach provides an appropriate basis to assess the evolution of demand,
4 supply options, and system needs in a manner that is consistent with legislative targets and the
5 expected cadence of future long-term resource plan filings.
- 6

Engagement and Representation of Northern and Remote Communities

While the Resource Planning Advisory Group (RPAG), as outlined in Exhibit B, Appendix E, Section 2.1, Table 1, includes a range of provincial agencies, industry associations, and advocacy organizations, there appears to be limited direct representation from local governments or communities in northern and remote regions. This is particularly relevant for communities such as Fort Nelson, which is not connected to the integrated BC Hydro electrical grid and faces unique considerations related to energy reliability, resilience, affordability, and long-term planning.

The engagement summary for the June 10, 2025 Northern BC communities session (Exhibit B, Appendix E, Section 4.2, Table 5) indicates that participants raised concerns regarding affordability impacts on rural and remote communities, limited electrification options, infrastructure costs, policy uncertainty, and the scalability of lower-carbon energy alternatives. The summary also notes interest in future engagement opportunities tailored to local needs, including a dedicated session for Fort Nelson.

These concerns align closely with several of the issues raised throughout this intervention. However, it is unclear how these concerns were incorporated into the development of the Plan or whether any additional engagement occurred with Fort Nelson or similarly situated communities following the Northern BC session.

3. How did FortisBC determine that the composition of the RPAG provided adequate representation of rural, remote, northern, and isolated communities within British Columbia, including communities that are not connected to the integrated BC Hydro electrical grid?

Response:

FortisBC designed its engagement approach for the 2026 Long-Term Resource Plans (LTRPs) to support meaningful participation and incorporate a broad range of perspectives relevant to energy planning across BC. The engagement framework included three primary streams:

- (i) the RPAG;
- (ii) Indigenous Communities and Indigenous-led organizations; and
- (iii) Interested Parties, such as municipalities, non-governmental organizations, academic institutions, and other stakeholders.

These complementary streams were intended to collectively capture diverse perspectives, including regional and community-level considerations.

The RPAG was established as a technical advisory group, with members drawn from government, customer associations, environmental organizations, and other sectors. Its role was to provide input on planning assumptions, methodologies, and key technical elements of the LTRPs. This

FortisBC Energy Inc. (FEI or the Company) 2026 Long Term Gas Resource Plan (LTGRP)	Submission Date: July 20, 2026
Response to FNCOC-NRRM Information Request (IR) No. 1	Page 4

1 composition ensured a range of institutional and sectoral perspectives were represented in the
2 technical review process.

3 In parallel, FortisBC engaged Interested Parties, including municipalities and regional
4 representatives, to bring forward local priorities, community perspectives, and region-specific
5 considerations. Through this broader engagement stream, municipalities and local organizations
6 had the opportunity to participate directly and provide input on energy planning issues relevant to
7 their communities.

8 In addition, FortisBC undertook targeted, regionally-focused engagement activities to better
9 understand the perspectives of specific areas within the province. As part of this enhanced
10 approach, a session was held on June 10, 2025, focused on Northern BC, with participation from
11 organizations such as the Northern Rockies Regional Municipality and the Fort Nelson Chamber
12 of Commerce. This is the session referenced in FNCOC-NRRM IR1 4. This session was intended
13 to capture region-specific priorities, including those of rural, remote, and northern communities.

14 Accordingly, FortisBC did not rely solely on the RPAG membership to represent all geographic
15 and community perspectives. Instead, it adopted a multi-stream engagement approach,
16 supported by regionally-targeted outreach, to ensure that a broad range of interested parties and
17 community perspectives – including those of rural, remote, northern, and isolated communities –
18 could be reflected in the development of the 2026 LTRPs.

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22 4. Following the June 10, 2025 Northern BC engagement session, summary notes
23 indicate interest in a dedicated engagement session for Fort Nelson. Did FortisBC
24 undertake any additional engagement specific to Fort Nelson or other communities
25 with isolated electrical systems and limited electrification options? If yes, please
26 describe the engagement and outcomes.

27
28 **Response:**

29 FEI determined that a further dedicated session for Fort Nelson, or for other communities with
30 isolated electrical systems, was not required because the 2026 LTGRP engagement process had
31 successfully gathered input from a broad range of communities and interested parties across
32 FEI's service area, including regional perspectives and communities with different geographic,
33 economic, infrastructure, and energy-use characteristics. The engagement approach included
34 regionally-focused engagement sessions, written feedback opportunities, surveys, and
35 participation from municipalities, regional districts, Indigenous communities, government
36 representatives, industry, academia, environmental organizations, and other interested parties. A
37 comprehensive description of the engagement approach is provided in Appendix E of the 2026
38 LTGRP.

FortisBC Energy Inc. (FEI or the Company) 2026 Long Term Gas Resource Plan (LTGRP)	Submission Date: July 20, 2026
Response to FNCOC-NRRM Information Request (IR) No. 1	Page 5

1 The engagement process was intentionally structured to capture a diversity of perspectives rather
2 than to hold separate sessions for individual communities or stakeholder groups. FEI's regional
3 engagement approach provided participants with opportunities to raise issues specific to their
4 local circumstances, including considerations relevant to northern, rural, remote, and isolated
5 communities, while also enabling FEI to identify common themes across regions. In addition,
6 FEI's Indigenous engagement program invited participation from more than 50 Indigenous
7 communities across Vancouver Island, the Lower Mainland and Fraser Valley, the Kootenays,
8 and the North and South Interior regions of BC, providing opportunities to gather input from
9 communities with diverse geographic, infrastructure, and energy-related perspectives.

10 At FEI's June 10, 2025 Northern BC engagement session, participants raised considerations
11 particularly relevant to rural, remote, northern, and isolated communities, including affordability,
12 energy reliability and resilience, limited electrification options, infrastructure costs, policy
13 uncertainty, and the scalability of lower-carbon energy alternatives.

14 FEI also held an engagement session with Indigenous communities in Northern BC on July 22,
15 2025. This session provided an additional opportunity to discuss regional energy challenges,
16 infrastructure needs, affordability, resilience, and long-term planning considerations relevant to
17 Northern BC communities. While the session was not dedicated specifically to Fort Nelson or
18 isolated electrical systems, it provided a further opportunity for Northern BC perspectives to be
19 reflected in the development of the 2026 LTGRP.

20 FEI considers that this engagement approach provided a reasonable and robust basis for
21 understanding the range of perspectives relevant to the 2026 LTGRP, including those of rural,
22 remote, northern, and isolated communities. FEI must also balance the benefits of additional
23 engagement with the need to ensure that engagement remains meaningful, proportionate, and
24 relevant to the scope of the LTGRP.

25 Feedback received through the Northern BC engagement process was considered alongside
26 feedback received through the broader engagement program and informed FEI's assessment of
27 long-term planning considerations, including the need to balance affordability, reliability, and
28 sustainability across its service area. FEI will continue to consider feedback from communities
29 and interested parties, including northern and remote communities, as part of future long-term
30 resource planning and related engagement activities.

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34 5. How were the concerns raised during the Northern BC engagement session
35 incorporated into the assumptions, analysis, and conclusions of the 2026 Long-
36 Term Gas Resource Plan?
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FortisBC Energy Inc. (FEI or the Company) 2026 Long Term Gas Resource Plan (LTGRP)	Submission Date: July 20, 2026
Response to FNCOC-NRRM Information Request (IR) No. 1	Page 6

1 **Response:**

2 Following the engagement with interested parties, FEI summarized the feedback it received into
3 five broad themes, as outlined in Table 8-3 in Section 8.5 of the 2026 LTGRP. The table also
4 includes FEI's response to how it has addressed those themes within the 2026 LTGRP. A
5 comprehensive record of interested parties' engagement activities is provided in Appendix E of
6 the 2026 LTGRP.

7 Further, feedback from the Northern BC engagement session informed select elements of the
8 2026 LTGRP, including the following:

- 9 • Input identifying the need for additional clarity on LNG demand and ISO shipments is
10 addressed in the demand outlook presented in Section 3.5.3; and
- 11 • Feedback related to infrastructure cost implications and the scalability of renewable and
12 lower-carbon gas options, including RNG and hydrogen, is considered in the evaluation
13 of supply-side resources in Section 5 and, where relevant, in the rate impacts assessment
14 outlined in Section 9.4.

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FortisBC Energy Inc. (FEI or the Company) 2026 Long Term Gas Resource Plan (LTGRP)	Submission Date: July 20, 2026
Response to FNCOC-NRRM Information Request (IR) No. 1	Page 7

Demand Side Management and Regional Equity

Demand Side Management (DSM) measures are a foundational component of the 2026 LTGRP and appear to underpin significant portions of the Plan's demand forecast, emissions reduction trajectory, and resource planning assumptions. As outlined in Exhibit B, Section 4.3.3, key DSM initiatives include gas-fired heat pumps, dual-fuel systems, and deep energy retrofits.

The NRRM and FNCOC is concerned that the Plan does not clearly demonstrate whether the forecast adoption rates, energy savings, emissions reductions, and customer affordability benefits associated with these measures are achievable in northern and remote communities. In regions such as Fort Nelson, implementation may be influenced by factors including prolonged extreme cold temperatures, extended heating seasons, an isolated electrical system that is not connected to the integrated BC Hydro grid, significant geographic distances, limited availability of qualified contractors and service providers, and higher equipment, transportation, and installation costs.

Given the extent to which DSM measures contribute to the Plan's forecasts and resource planning assumptions, it is important that the underlying participation and performance assumptions appropriately reflect regional operating conditions. Without such analysis, there is a risk that province-wide forecasts may not accurately represent the achievable outcomes in northern and remote regions.

7. Has FEI undertaken any regional analysis, segmentation, or sensitivity testing to assess the expected performance and uptake of DSM measures in rural, northern, remote, and/or electrically isolated communities? If so, please provide the results.

Response:

FEI incorporated regional analysis within the analytical framework supporting the 2026 LTGRP. However, consistent with the 2026 LTGRP's system-level planning objectives, DSM results are presented on a sectoral basis (e.g., residential, commercial, and industrial), as outlined in Section 4, rather than by specific community types.

The potential ranges of DSM measure uptake are evaluated using an integrated modelling approach designed to inform overall resource planning and portfolio assessment. As a result, reported outcomes reflect aggregated assumptions and results rather than community-specific sensitivities or segmentation. Accordingly, the 2026 LTGRP does not include separate sensitivity testing or reported DSM results specific to rural, northern, remote, or electrically isolated communities.

For the development, execution and cost-effectiveness of DSM expenditure plans, FEI does not model regional segmentation but considers and plans for regional accessibility for DSM programs. Programs are structured to minimize participation barriers for all customers, including rural and remote customers. For example, rebate programs utilize simplified application processes with online and phone-based intake and one-on-one support, allowing remote customers to access incentives without in-person requirements.

FortisBC Energy Inc. (FEI or the Company) 2026 Long Term Gas Resource Plan (LTGRP)	Submission Date: July 20, 2026
Response to FNCOC-NRRM Information Request (IR) No. 1	Page 8

Further, FEI invests in regional communications campaigns and has conducted segmentation work to inform marketing and customer outreach activities across its service areas to effectively target diverse customer groups. For example, the Direct Install Program, operating under the Low Income Program Area, is promoted through community outreach initiatives, including in remote and rural communities. FEI has also supported post-secondary research identifying gaps between provincial policy (e.g., the BC Energy Step Code and Zero Carbon Step Code) and the current trades curriculum. FEI continues to invest in contractor capacity building, including in rural and remote communities in the northern and interior regions, through the Trade Ally Network (TAN) and the Home Performance Stakeholder Council (HPSC).

8. What evidence supports the forecast adoption rates for gas-fired heat pumps, dual-fuel systems, and deep energy retrofits in communities that are not connected to the integrated BC Hydro electrical grid?

Response:

As discussed in the response to FNCOC-NRRM IR1 7, the 2026 LTGRP includes regional analysis. However, the results are primarily presented at a province-wide planning level to support an integrated assessment of system-wide trends and outcomes. Regional barriers and factors affecting DSM measure adoption such as contractor scarcity, travel/mobilization costs, and equipment access are not explicitly modeled, but are inherently captured through historical participation trends. More detailed region-specific considerations are addressed through DSM program development, implementation and management.

9. How have regional factors, including contractor availability, workforce capacity, travel requirements, mobilization costs, and access to specialized equipment and services, been incorporated into DSM participation forecasts and cost-effectiveness assessments?

Response:

Please refer to the response to FNCOC-NRRM IR1 7.

FortisBC Energy Inc. (FEI or the Company) 2026 Long Term Gas Resource Plan (LTGRP)	Submission Date: July 20, 2026
Response to FNCOC-NRRM Information Request (IR) No. 1	Page 9

10. Has FEI evaluated whether targeted workforce development, training, certification, or contractor capacity-building initiatives are necessary to achieve forecast DSM participation levels in northern and remote communities? If so, please provide the analysis and conclusions.

Response:

As discussed in the response to FNCOC-NRRM IR1 7, the 2026 LTGRP includes regional analysis; however, DSM forecasts are presented on a sectoral basis (e.g., residential, commercial, and industrial) over the entire gas service area.

For residential programs in particular, activities related to contractor capacity are supported through enabling activities, (e.g., training and quality assurance, including HPSC funded initiatives), which are:

- Designed to support contractor capability and program delivery;
- Implemented across the service area, rather than targeted to specific regions for forecasting purposes; and
- Not included as a direct input into participation modelling.

As such, workforce development and contractor capacity building are considered part of the overall program delivery infrastructure, rather than variables that directly determine participation levels in the LTGRP modelling framework.

11. What analysis has been undertaken to demonstrate that the forecast energy savings, emissions reductions, and customer affordability benefits associated with DSM measures remain achievable under the climatic, infrastructure, and service delivery conditions present in northern and remote regions of British Columbia?

Response:

As discussed in the response to FNCOC-NRRM IR1 7, the 2026 LTGRP does not include separate reported DSM forecasts specific to northern and remote communities. However, FEI's experience with delivering DSM programming suggests that forecast energy savings, GHG emissions reductions, and customer affordability benefits associated with DSM measures would be achievable under the climatic, infrastructure, and service delivery conditions present in northern and remote regions of BC.

Northern System Role and Demand Reality

Fort Nelson serves a unique role within FEI's system that may not be fully reflected in population-based planning assumptions. As the terminus of the gas supply line in northeastern British Columbia and a key service hub along the Alaska Highway, the community supports a small resident population and significant corridor-based activity, including commercial transport, industrial operations, and a large transient population.

As a result, energy demand, reliability requirements, and service obligations in Fort Nelson may differ materially from communities characterized primarily by residential load. Factors such as seasonal traffic, long travel distances, remote location, and extreme weather conditions introduce additional complexity that may not be captured through population-weighted forecasting alone.

There is a concern that these dynamics may lead to an underestimation of demand and reliability needs in rural and remote northern corridor communities, particularly where alternative infrastructure options are limited and system resilience is critical.

12. How does FEI incorporate non-resident and corridor-based demand into its planning assumptions for communities such as Fort Nelson?

Response:

Non-resident demand factors such as seasonal population fluctuations and tourism activity are inherently reflected in historical demand patterns and usage data that inform FEI's forecasts, consistent with the approach described in the response to FNCOC-NRRM IR1 14.

From an annual demand perspective, FEI does not forecast demand based on distinct population segments, but rather by sector (e.g., residential, commercial, and industrial). As a result, factors such as non-resident and corridor-based demand are inherently captured within the commercial and industrial sector forecasts through customer count and use-per-customer (UPC) assumptions, as further discussed in the response to FNCOC-NRRM IR1 13.

From a gas supply planning perspective, FEI manages its portfolio of gas supply resources to meet the combined daily load across all of FEI's service areas, including the Fort Nelson service area. This approach ensures that both average and peak demand requirements are reliably met.

From a system capacity planning perspective, the community of Fort Nelson is served by FEI's distribution system which, like all other FEI-served communities, is planned through an annual process of determining peak demand and identifying any capacity constraints and the corresponding system improvements that may be required to alleviate those constraints. This annual process includes evaluation of both residential and non-residential (i.e., commercial and industrial) customer demand.

This process captures future growth based on FEI's annually developed customer account forecasts and ensures all customer demand can be met during peak winter conditions through the forecast horizon.

FortisBC Energy Inc. (FEI or the Company) 2026 Long Term Gas Resource Plan (LTGRP)	Submission Date: July 20, 2026
Response to FNCOC-NRRM Information Request (IR) No. 1	Page 11

13. What analysis has been undertaken to ensure that population-based forecasting methods appropriately reflect the operational and service realities of communities that function as major transportation corridor hubs rather than solely residential centres?

Response:

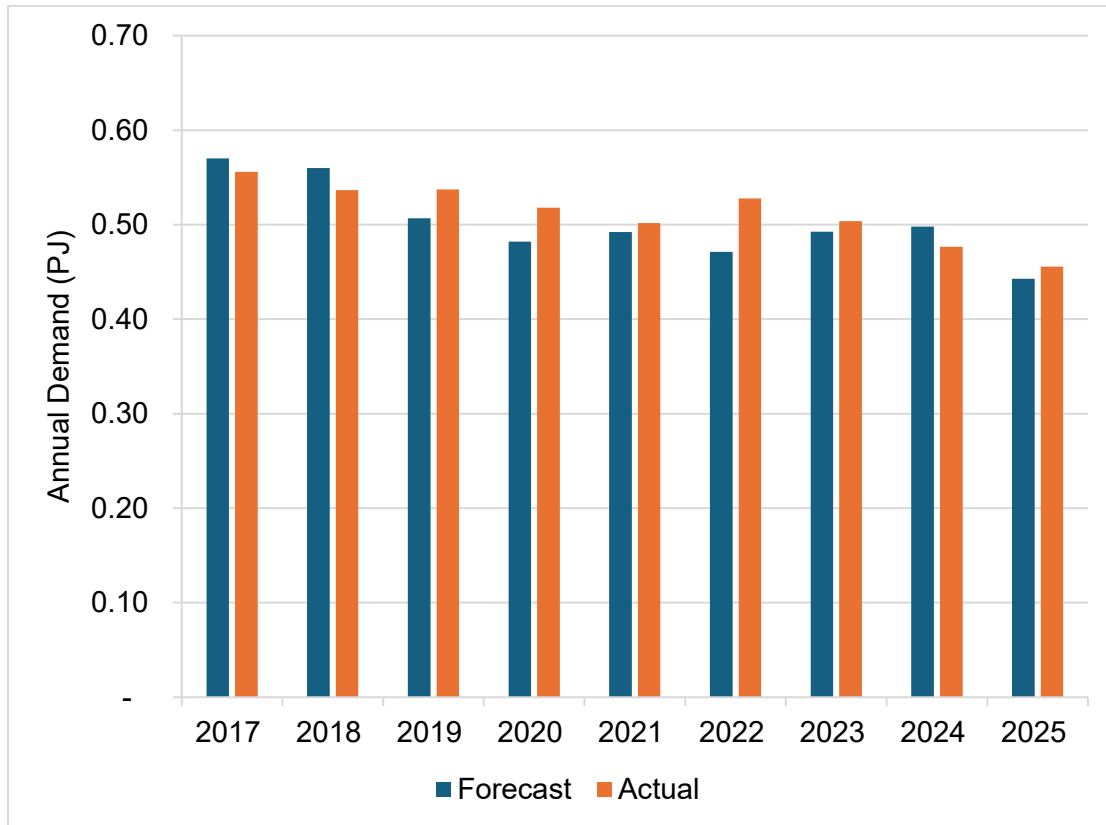
FEI notes that its forecasting methods are not strictly population driven. Instead, they use a combination of customer count and UPC forecasts by rate class. This structure inherently captures the influence of non-residential demand drivers associated with Fort Nelson's function as a transportation corridor hub.

FEI analyzes its forecasting methods annually by comparing forecast results to actual demand across all regions and rate classes, including communities with unique operational characteristics such as transportation corridor hubs. This continuous testing ensures that forecasting methods remain aligned with observed service realities.

The forecast methods have been successful because the composition of customer types and end uses in the Fort Nelson region has, and is expected to, remain relatively consistent over time. As a result, the historical data used to inform the forecast already reflects the operational realities of the community, including corridor-related demand patterns. These characteristics are embedded in both the actual and forecast consumption.

As demonstrated in Figure 1 below, the variance between forecast and actual annual demand for Fort Nelson since 2017 has been small. Additionally, the observed declining trend is consistently reflected in both actual and forecast data, providing further evidence that the forecast methods are appropriately capturing the community's demand dynamics.

Figure 1: Comparison of Forecast and Actual Annual Demand in Fort Nelson (2017–2025)



14. How are geographic scale, travel distances, seasonal population fluctuations, tourism activity, and commercial transportation demand reflected within the Plan's forecasting methodology?

Response:

The 2026 LTGRP takes into account system-wide energy requirements and evaluates potential future outcomes using an end-use methodology (as described in Section 3.2). This approach supports the development of scenarios under a consistent framework by capturing broad trends in demand across sectors and regions.

Consistent with its role as a strategic, long-term planning tool, the LTGRP is not intended to model demand at a highly disaggregated level. Accordingly, it does not explicitly reflect localized or short-term factors, such as variations in travel distances, seasonal tourism fluctuations, or other region-specific demand drivers. Instead, the LTGRP provides a directional assessment of aggregate demand to inform resource and infrastructure planning.

FortisBC Energy Inc. (FEI or the Company) 2026 Long Term Gas Resource Plan (LTGRP)	Submission Date: July 20, 2026
Response to FNCOC-NRRM Information Request (IR) No. 1	Page 13

Geographic scale is reflected through the 2026 LTGRP's regional structure, which groups demand into the three primary FEI transmission systems (Coastal, Interior and Vancouver Island), as described in Section 7.3, while also capturing smaller service areas and transmission laterals within those regions. At a more detailed level, geographic differences are assessed through system planning and monitoring of individual regions and laterals.

Travel distances are not explicitly modelled within the forecasting methodology. The 2026 LTGRP focuses on demand drivers which are described in Section 3.5, while infrastructure-related considerations, including the implications of system geography, are addressed through transmission and distribution planning.

Seasonal population fluctuations and tourism activity are not modelled as separate inputs. However, they are inherently reflected in historical demand patterns and usage data that inform the forecast, as well as in the overall scenario framework.

Commercial transportation demand is explicitly captured within the transportation category and incorporated into the broader demand outlook within the 2026 LTGRP.

While the 2026 LTGRP provides a high-level view of long-term demand, more detailed assessment of regional characteristics, including smaller transmission laterals such as Fort Nelson and other corridor communities is undertaken through ongoing system planning and peak demand monitoring, as noted in the responses to BCUC IR1 18.1 and 18.2. FEI applies a consistent approach to monitor and forecast peak demand across all FEI transmission systems and laterals to ensure capacity and reliability needs are met.

15. Has FEI evaluated how future industrial development opportunities in northern British Columbia may affect long-term demand forecasts?

Response:

FEI manages industrial inquiries on a one-off basis as it is not possible to forecast where industrial customers may choose to situate, when the industrial customers will attach to the system, or the size of the load. As industrial projects progress towards implementation or final investment decision, the load is incorporated into FEI's short-term forecasts and system capacity planning.

16. How does the Plan account for emergency preparedness, supply resilience, and energy reliability requirements in remote regions where alternative infrastructure options may be limited?

Response:

FEI's approach to maintaining reliable service reflects its obligation to provide reasonable, safe, adequate and fair service to customers across its service area, including in remote areas where infrastructure options may be limited. FEI recognizes that each region presents unique operating conditions, infrastructure constraints, and demand characteristics and its approach relies on a structured combination of ongoing operational practices and long-term planning processes to ensure there are no gaps in service reliability or risk management across regions.

Operating the gas system requires FEI to implement measures, including contingency planning, emergency response, coordination with upstream supply and infrastructure providers, and active management of system operations, on an ongoing basis to ensure reliability and continuity of service under a range of conditions. Operating the system also provides FEI with practical, real-time awareness of system constraints, potential vulnerabilities, and evolving risks, and enables timely responses to maintain reliable service for customers.

FEI's long-term planning process accounts for regions where alternative infrastructure options are limited by recognizing the constraints inherent in remote or single-feed systems and emphasizing system flexibility rather than location-specific redundancy. This includes consideration of supply diversity across the broader system, the ability to utilize available transportation and operational measures, and the maintenance of contingency approaches to manage potential disruptions.

As part of the 2024 Resiliency Plan¹, FEI undertook a system-wide assessment of potential vulnerabilities, including assets serving smaller and remote communities, and applied consistent screening criteria to identify and address vulnerabilities with the greatest potential system-wide consequences. Assets that do not meet the screening thresholds remain actively managed in the ordinary course of business, including through sustainment capital and maintenance programs, coverage under FEI's Emergency Response Plan, and ongoing monitoring for material changes in their consequence profile.

Recent events in the Fort Nelson region further illustrate the considerations associated with remote and infrastructure-constrained systems. In June 2024, the suspension of operations at the Fort Nelson gas processing plant, which had historically served as the primary source of supply for the region, required the implementation of interim supply arrangements to maintain service. In response, FEI worked with multiple interested parties, including upstream supply and infrastructure providers and government, to evaluate potential supply alternatives and support continued service to customers in the region. This experience highlights the importance of operational flexibility, coordination, and contingency measures in maintaining reliable service in remote areas with limited infrastructure options, and how such experience informs ongoing planning assessments.

¹ Exhibit B-61, FEI CPCN for the Tilbury LNG Storage Expansion Project, 2024 Gas System Resiliency Plan, online at: https://docs.bccub.ca/documents/proceedings/2024/doc_78974_b-61-fei-2024gasystemresiliencyplan-redacted-public-web.pdf.

FortisBC Energy Inc. (FEI or the Company) 2026 Long Term Gas Resource Plan (LTGRP)	Submission Date: July 20, 2026
Response to FNCOC-NRRM Information Request (IR) No. 1	Page 15

- 1 Overall, FEI's approach ensures that reliability and resilience requirements across the system,
- 2 including in remote regions, are addressed through a combination of ongoing operational
- 3 practices, active supply management, and forward-looking system planning.

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FortisBC Energy Inc. (FEI or the Company) 2026 Long Term Gas Resource Plan (LTGRP)	Submission Date: July 20, 2026
Response to FNCOC-NRRM Information Request (IR) No. 1	Page 16

Energy Security, Infrastructure Constraints and Regional Benefits

Exhibit B, Section 5.2.2 of the LTGRP states that FEI sources the majority of its natural gas from Station 2 in northeast British Columbia and utilizes seasonal storage capacity at Aitken Creek in northeast BC, while also relying on supply and storage resources in Alberta. The Plan further identifies transportation pipeline capacity and storage availability as key constraints affecting reliability, flexibility, and price volatility, particularly during peak winter demand periods.

While FEI identifies these constraints and describes supply diversification as a strategy to support reliability, it is unclear whether the Plan has fully evaluated opportunities to address these challenges through additional provincial infrastructure, storage capacity, resource development, or other investments within British Columbia. It is also unclear how regional economic benefits, including local employment, infrastructure investment, business participation, and long-term economic development opportunities, were considered in the evaluation of alternative resource and supply options.

17. The LTGRP identifies transportation pipeline capacity and storage availability as key regional constraints. What alternatives were evaluated to address these constraints, including additional storage, infrastructure investment, or supply development opportunities within British Columbia?

Response:

The evaluation of alternatives to address key regional constraints identified in the 2026 LTGRP is driven by specific system needs required to maintain the reliability, flexibility, and cost-effectiveness of FEI's supply portfolio. FEI's assessment identifies available resources capable of addressing underlying system constraints and is not based solely on geographic considerations.

FEI identified three primary categories of resources that could address the regional constraints related to pipeline capacity and storage availability:

- **Pipeline Capacity:** required to meet baseload demand and sustained seasonal demand (e.g., 151-day winter requirements).
- **Market Area Storage:** provides short- to medium-duration (10 to 60 day) supply when winter load requirements exceed the optimal amount of pipeline capacity.
- **On-System Storage:** provides short duration (1 to 10 day), high deliverability supply to meet peak events, such as cold weather periods or emergency situations.

As outlined in Section 6.5 of the 2026 LTGRP, FEI identified infrastructure requirements and evaluated alternatives within each of these categories to address the key regional constraints.

FortisBC Energy Inc. (FEI or the Company) 2026 Long Term Gas Resource Plan (LTGRP)	Submission Date: July 20, 2026
Response to FNCOC-NRRM Information Request (IR) No. 1	Page 17

1 **Pipeline Capacity (British Columbia)**

2 As discussed in Section 6.5.3.2 and 6.6.2 of the 2026 LTGRP, FEI continues to evaluate
3 expansion of its Southern Crossing Pipeline as well as monitor for open seasons for regional
4 pipeline infrastructure as a potential solution to increase transportation capacity.

5 **Market Area Storage**

6 FEI identified a need for incremental market area storage, particularly in response to recent
7 storage recall risks at the Mist facility. An expansion of the Mist storage facility in Oregon was
8 identified as a viable option to address this need.

9 FEI also considered alternatives within its service areas that address the resource constraints,
10 including further expansions to Tilbury. However, on-system LNG does not have the ability to
11 replace the expected amount of recalled Mist capacity, nor is it a normal operation for FEI's on-
12 system LNG facilities to handle high volumes of supply for daily load balancing requirements that
13 are better suited for market area storage.

14 FEI has not identified any viable market area storage opportunities in the Lower Mainland, where
15 the most significant regional supply and transportation constraints occur, due to geographic, land
16 use, and development limitations.²

17 **On-System Storage (BC)**

18 FEI identified the Tilbury LNG Storage Expansion (TLSE) Project as a key project within BC. This
19 project enhances on-system storage capability, provides additional operational flexibility, and
20 supports future load growth in the Lower Mainland.

21 In summary, FEI's evaluation considered a range of alternatives to address regional constraints,
22 including infrastructure investments within BC and outside of BC. Investments such as the TLSE
23 Project represent direct in-province solutions that provide both system reliability benefits and
24 support regional economic activity. Other solutions, such as market area storage expansion at
25 the Mist facility in Oregon, were selected based on their ability to meet system needs where in-
26 province storage alternatives are limited or not viable. As outlined in Section 6.6.2 of the 2026
27 LTGRP, for higher demand scenarios, FEI will continue to monitor incremental pipeline and/or
28 storage capacity through participation in potential pipeline or storage open seasons.

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32 18. What criteria were used to compare investments in provincial infrastructure,
33 storage, or resource development against reliance on external supply and storage
34 arrangements?
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² The exploration and use of storage reservoirs is regulated by the Petroleum and Natural Gas Storage Reservoir Regulation, B.C. Reg. 350/97, s. 3 (deposited October 16, 1997).

FortisBC Energy Inc. (FEI or the Company) 2026 Long Term Gas Resource Plan (LTGRP)	Submission Date: July 20, 2026
Response to FNCOC-NRRM Information Request (IR) No. 1	Page 18

1 **Response:**

2 Please refer to the response to FNCOC-NRRM IR1 17.

3

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6 19. How were regional economic benefits, including employment, business
7 participation, infrastructure investment, and economic development in resource-
8 producing regions, incorporated into the evaluation of supply and infrastructure
9 options?

10

11 **Response:**

12 Consistent with Section 2.6 in the 2026 LTGRP, FEI considers economic development and
13 benefits of natural gas and renewable and lower-carbon gas at a strategic level. FEI recognizes
14 their role in supporting provincial economic activity, cost competitiveness, employment,
15 government revenues, and commercial and industrial development in BC. However, FEI does not
16 undertake a regional cost-benefit analysis or optimize resource decisions to maximize economic
17 outcomes from one region over another. Rather, FEI evaluates supply and infrastructure options
18 using a set of planning considerations including reliability, flexibility, cost-effectiveness and
19 resiliency for customers.

20 FEI also considers the economic and energy security benefits of infrastructure and storage
21 investments as part of its long-term and short-term planning processes. However, FEI requires a
22 mix of storage resources to meet customer demand, which may not geographically align with the
23 location of the majority of FEI's customer demand or FEI's service area. For example, the majority
24 of FEI's customers are situated in the Lower Mainland where underground storage is not
25 available. As such, FEI may pursue storage opportunities in other parts of the province, or outside
26 of the province. The development of these projects often requires coordination among multiple
27 commercial parties; therefore, storage opportunities are also shaped by broader commercial
28 interests.

29 To address market area storage needs as discussed above and in the response to FNCOC-
30 NRRM IR1 17, FEI utilizes market area storage resources in the Pacific Northwest, including the
31 North Mist expansion. FEI stores gas produced in BC, which can be called upon when needed,
32 providing reliability to customers. FEI evaluates infrastructure and storage opportunities based on
33 their contribution to system reliability, flexibility, and cost-effectiveness, rather than their
34 geographic location or regional economic benefits alone. This includes recently approved
35 projects, such as the TLSE Project and the Okanagan Capacity Mitigation Plan Project, which
36 were advanced to add on-system storage to FEI to strengthen reliability, resiliency, and energy
37 security for customers.

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Response to FNCOC-NRRM Information Request (IR) No. 1	Page 19

- 1
- 2 20. What consideration was given to the potential economic and energy security
- 3 benefits of expanding or enhancing infrastructure and storage capacity within
- 4 British Columbia?
- 5

6 **Response:**

7 Please refer to the response to FNCOC-NRRM IR1 19.

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- 11 21. Has FEI undertaken any assessment of how the costs and benefits associated
- 12 with its long-term resource strategy are distributed among regions of the province,
- 13 including northern and resource-producing communities? If so, please provide the
- 14 results.
- 15

16 **Response:**

17 Please refer to the response to FNCOC-NRRM IR1 19.

18