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August 28, 2026

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

Dear Registrar:

Re: FortisBC Energy Inc. (FEI)

Application for Approval of Tariff Supplement No. L-3 to Rate Schedule 46 Liquefied Natural Gas (LNG) Sales and Dispensing Service¹ (RS 46) between the British Columbia Hydro and Power Authority (BC Hydro) and FEI (Application)

FEI respectfully requests approval from the British Columbia Utilities Commission (BCUC) pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA) of the Amendment to the LNG Agreement to Facilitate the Regasification and Injection of Liquefied Natural Gas into the FortisBC Energy System, between BC Hydro and FEI, effective November 1, 2026, as Tariff Supplement No. L-3 to RS 46. A copy of Tariff Supplement No. L-3 is provided in Appendix A.

To support operation of the Island Generation Plant during peak winter periods, BC Hydro requires firm gas supply service of up to 50 TJ per day for up to 14 days from November through March, for a maximum aggregate volume of 700 TJ per year. BC Hydro has requested this winter peaking firm service for an initial one-year term beginning November 1, 2026, with an option to extend for two additional years.

FEI and BC Hydro have entered into a delivery and displacement arrangement to provide the requested winter peaking firm gas service to the Island Generation Plant. This arrangement is comprised of the following agreements pursuant to FEI's approved tariffs:

- a Transportation Agreement for RS 22, commencing November 1, 2026 (RS 22 Transportation Agreement), under which FEI will provide gas transportation service to the Island Generation Plant, attached as Appendix B;
- a Liquefied Natural Gas and Renewable Natural Gas and Dispensing Service Agreement under RS 46, commencing November 1, 2026 (RS 46 LNG Agreement),

¹ Liquefied Natural Gas and Renewable Natural Gas Sales, Dispensing, and Transportation Service (Bundled Service) or Liquefied Natural Gas Transportation Service Only.

under which FEI will provide LNG service from the Mt. Hayes LNG facility, attached as Appendix C; and

- a Transportation Agreement for Rate Schedule 46 commencing November 1, 2026 (RS 46 Transportation Agreement), as BC Hydro will be providing its own gas for its LNG service, attached as Appendix D.

Tariff Supplement No. L-3 modifies the standard terms and conditions of the RS 46 LNG Agreement, to allow FEI to provide BC Hydro with LNG from the Mt. Hayes LNG facility by regasifying and injecting it into FEI's gas system on Vancouver Island. This modification is necessary as RS 46 otherwise contemplates that the LNG would be delivered to the customer at a truck loading bay. Once the LNG is regasified and injected into its system, FEI will deliver the gas to the Island Generation Plant pursuant to the RS 22 Transportation Agreement. At the same time, when FEI dispenses gas derived from LNG to BC Hydro from the Mt. Hayes LNG facility under RS 46, BC Hydro will concurrently deliver gas to the Huntingdon interconnection delivery point. This enables FEI to meet Lower Mainland peak demand with gas delivered at Huntingdon rather than LNG that would otherwise be supplied from the Mt. Hayes LNG facility, thereby making Mt. Hayes LNG capacity available to serve the Island Generation Plant.

This short-term arrangement provides BC Hydro with the gas it needs for the Island Generation Plant to provide service to its customers on Vancouver Island on peak (cold) days, without impacting FEI's other gas customers. FEI has attached as Appendix E a letter that BC Hydro provided to the BCUC on August 6, 2026 describing its Island Generation acquisition and that it was exploring gas supply options with FEI.

FEI respectfully submits that Tariff Supplement No. L-3 is just and reasonable, and should be approved. A draft form of Order is provided in Appendix F.

The remainder of this Application provides further details on the need for Tariff Supplement No. L-3, the key terms of the service under Tariff Supplement No. L-3, and how this arrangement will benefit FEI's core customers.

Delivery and Displacement Arrangement Is Needed to Provide Service to BC Hydro

As noted above, to support the future operation of the Island Generation Plant during peak winter periods, BC Hydro has requested winter peaking firm service of up to 50 TJ per day for up to 14 days from November through March, for a maximum aggregate volume of 700 TJ per year. As there is insufficient firm transportation capacity to the Island Generation Plant to meet this need, FEI will use the Mt. Hayes LNG facility on Vancouver Island to regasify LNG, inject it into the gas system and deliver it to the Island Generation Plant as required.

FEI can meet BC Hydro's request for firm service through a delivery and displacement arrangement that uses a combination of existing pipeline system capacity and the Mt. Hayes LNG facility. Under this arrangement, BC Hydro will deliver gas to FEI at the Huntingdon interconnection delivery point. FEI will then make use of this gas and optimize the system while making deliveries to the Island Generation Plant.

This arrangement is feasible for a maximum aggregate volume of 700 TJ per year and up to 50 TJ per day from November through March as required by BC Hydro over the next 1 to 3

years. It provides reliable generation capability for the Island Generation Plant during peak demand² and will provide incremental value for FEI's core customers.

Terms of Tariff Supplement No. L-3

Tariff Supplement No. L-3 is required to modify the standard terms and conditions of RS 46 which are not compatible with the delivery and displacement arrangement with BC Hydro. The primary issue is that the standard terms and conditions of RS 46 contemplate the dispensing of LNG to customers via tankers at truck loading facilities and not as regasified LNG. Further, RS 46 does not contemplate the type of restrictions on when LNG service may be available.

The key terms of Tariff Supplement No. L-3 are as follows:

- LNG service will only be available between November 1 and March 31.
- The terms of RS 46 that refer to transportation or dispensing of LNG to a tanker are not applicable.
- Dispensing is defined to mean regasifying LNG and injecting the resulting gas into FEI's system.
- FEI will dispense LNG from the Mt. Hayes LNG facility when BC Hydro elects to run the Island Generation Plant and when there is otherwise insufficient capacity to deliver gas to the Island Generation Plant under the RS 22 Transportation Agreement.
- The quantity of LNG dispensed will be measured by the volume of gas delivered to the Island Generation Plant and this quantity will reduce BC Hydro's contract demand under the RS 46 LNG Agreement.

Other than these key changes, the terms and conditions of RS 46 remain applicable to FEI's LNG service to BC Hydro, including limitations on service, curtailment rights, and other operational protections required to maintain reliable service to customers.

Consistent with the other agreements that FEI has entered into with BC Hydro to support this arrangement, Tariff Supplement No. L-3 commences November 1, 2026, has an initial term of one year, and at BC Hydro's option may be extended for a further two years.

FEI Core Customers Will Remain Unaffected and Will Benefit from the Arrangement

The incremental utilization of the Mt. Hayes LNG facility to support the Island Generation Plant over the next three years is within the facility's operational capabilities and will not adversely impact service to FEI's customers.

Even with the increased utilization, FEI will be able to maintain a reserve inventory at the Mt. Hayes LNG facility that is consistent with the historical tank reserve, given the short-term nature of the arrangement and BC Hydro's delivery of gas to FEI at the Huntingdon interconnection delivery point. Accordingly, FEI can continue to meet the peaking supply needs of its customers on Vancouver Island and in the Lower Mainland. FEI will continue to optimize its gas supply portfolio to maintain a minimum Mt. Hayes LNG inventory level at the end of

² [BC Gov News](#) notes that the benefits for Vancouver Island communities include providing capacity to support the provincial electricity grid during peak demand.

each winter season. Thus, the utilization of the Mt. Hayes LNG facility will be increased without compromising system performance.

Any risk to reliable service is further mitigated through FEI's tariff protections under RS 22, RS 46 and FEI's General Terms and Conditions. These provisions preserve FEI's ability to restrict service, if required, to manage system constraints, protect reliability, or respond to actual or anticipated gas supply limitations.

Conclusion

BC Hydro requires a new tariff arrangement to access firm winter peaking gas service for the Island Generation Plant, beginning November 1, 2026 for one year, with a two-year extension option. FEI's service to BC Hydro would be limited to a maximum aggregate volume of 700 TJ per year and 50 TJ per day from November through March. FEI has determined that this level of service can be provided while meeting the peaking supply needs on Vancouver Island and the Lower Mainland. FEI will continue to optimize its gas supply portfolio to maintain a minimum Mt. Hayes LNG inventory level at the end of each winter season. Operational risk is further mitigated through FEI's existing tariff protections that preserve FEI's ability to restrict service if required to manage system constraints, protect reliability, or respond to actual or anticipated gas supply limitations.

FEI accordingly seeks BCUC approval pursuant to sections 59 to 61 of the UCA of Tariff Supplement No. L-3 to implement modifications to the standard terms and conditions of RS 46 so that FEI can regasify LNG and dispense it from the Mt. Hayes LNG facility into FEI's pipeline system, for delivery to the Island Generation Plant. Approval of Tariff Supplement No. L-3 will enable FEI to provide BC Hydro with necessary service while also increasing the utilization of the Mt. Hayes LNG facility without compromising performance or service to FEI's other customers.

To support timely commencement of service, FEI requests approval of Tariff Supplement No. L-3 effective November 1, 2026.

FEI encloses in Appendix G the following FEI Tariff pages as Tariff Supplement No. L-3, effective November 1, 2026, for BCUC endorsement. A blacklined version of the index page is provided in Appendix H to facilitate BCUC staff review.

Tariff Supplement	Description	Revised Pages
L-3	BC Hydro LNG Services Agreement (Mt Hayes Site)	Original Page i Original Pages 1 to 4
Index Page	Liquefied Natural Gas Sales, Dispensing and Transportation Service Index	Third Revision of Page Li

If you require further information or have any questions regarding this submission, please contact Ilva Bevacqua at 604-592-7664.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Sarah Walsh

Attachments

cc (email only): BC Hydro bchydroregulatorygroup@bchydro.com

Appendix A

TARIFF SUPPLEMENT NO. L-3



TARIFF SUPPLEMENT

**RATE SCHEDULE 46 LIQUEFIED NATURAL GAS AND RENEWABLE NATURAL GAS
SALES, DISPENSING, AND TRANSPORTATION SERVICE (BUNDLED SERVICE) OR
LIQUEFIED NATURAL GAS TRANSPORTATION SERVICE ONLY**

**Amendment to LNG Agreement to Facilitate the Regasification and
Injection of Liquefied Natural Gas into the FortisBC Energy System**

BETWEEN

BC HYDRO AND POWER AUTHORITY

AND

FORTISBC ENERGY INC.

Effective November 1, 2026

THIS AGREEMENT is commencing the 1st day of November, 2026 between FortisBC Energy Inc. (FortisBC Energy) and the British Columbia Hydro and Power Authority (BC Hydro, Shipper or Customer).

WHEREAS:

- A. Pursuant to FortisBC Energy's Rate Schedule 46 (RS 46), FortisBC Energy and BC Hydro have entered into a Liquefied Natural Gas and Renewable Natural Gas and Dispensing Service Agreement commencing the 1st day of November, 2026 (LNG Agreement);
- B. Also pursuant to RS 46, FortisBC Energy and BC Hydro have entered into a Transportation Agreement for Rate Schedule 46 commencing the 1st day of November, 2026 (RS 46 Transportation Agreement);
- C. Pursuant to FortisBC Energy's Rate Schedule 22 (RS 22), FortisBC Energy and BC Hydro have entered into a Transportation Agreement for Rate Schedule 22, commencing the 1st day of November, 2026 (RS 22 Transportation Agreement);
- D. The RS 22 Transportation Agreement with BC Hydro is for interruptible gas service to the Island Generation Plant located at 4400 Orange Point Rd., Campbell River (Island Generation Plant);
- E. BC Hydro needs to receive its liquefied natural gas (LNG) under the LNG Agreement regasified and injected into the FortisBC Energy System and then delivered to the Island Generation Plant pursuant to the RS 22 Transportation Agreement;
- F. BC Hydro requires the regasified LNG to provide service to its customers on Vancouver Island on peak (cold) days; and
- G. FortisBC Energy and BC Hydro have agreed to amend the terms of the LNG Agreement to facilitate this arrangement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the terms, conditions and limitations contained herein, the parties agree as follows:

1. **Initial Term** – The initial term of this Agreement, shall be for a period of 1 year, effective on the 1st Day of November 2026 and expiring on the 31st Day of October 2027.
2. **Extension Term** – The term of this Agreement may be extended upon BC Hydro providing written notice to FortisBC Energy of its desire to extend the term of the Agreement for a further two (2) additional years at least six (6) months prior to the expiry of this Agreement.

3. **Amendments to Sections 2.1 and 2.2.** Sections 2.1 and 2.2 of the LNG Agreement are hereby amended by deleting and replacing them in their entirety with the following:

2.1 Additional Terms – Subject to Sections 2.3 to 2.6 of this LNG Agreement, all rates, terms and conditions and definitions set out in Rate Schedule 46, as any of them may be amended in accordance with Section 2.2 (Amendment of Rate Schedule) of Rate Schedule 46 and in the General Terms and Conditions of FortisBC Energy as any of them may be amended by FortisBC Energy and approved by the British Columbia Utilities Commission from time to time, are in addition to the terms and conditions contained in this LNG Agreement and form part of this LNG Agreement and bind FortisBC Energy and the Customer as if set out in this LNG Agreement.

2.2 Conflict – Where anything in this LNG Agreement, as amended, conflicts with either the other terms in Rate Schedule 46 or the General Terms and Conditions of FortisBC Energy, the provisions of this LNG Agreement govern. Where anything in Rate Schedule 46 conflicts with any of the rates, terms and conditions set out in the General Terms and Conditions of FortisBC Energy, the provisions of Rate Schedule 46 govern.

4. **Addition of Section 3.6.** The LNG Agreement is hereby amended by adding the following Section 3.6:

3.6 LNG Service Availability Dates – LNG Service will only be available on and between November 1 of a given year and March 31 of the following year (LNG Service Availability Dates).

5. **Addition of Sections 2.3 to 2.6.** The LNG Agreement is hereby amended by adding the following Sections 2.3 to 2.6:

2.3 Definitions – The definitions in Section 1.1(m), (n) and (w) of Rate Schedule 46 are not in addition to and do not form part of this LNG Agreement and instead are substituted with the following definitions, which hereby form part of this LNG Agreement:

- (m) **Delivery Point** – means the applicable measuring equipment at the Island Generation Plant located at 4400 Orange Point Rd., Campbell River (Island Generation Plant).
- (n) **Dispensing** or any form of the verb **Dispense** – means regasifying LNG and injecting the resulting Gas into the FortisBC Energy System.
- (w) **LNG** – means liquefied Gas and includes LNG that has been regasified and injected into the FortisBC Energy System.

- 2.4 Transportation or Dispensing to a Tanker Not Applicable** – Any terms and conditions in Rate Schedule 46 which refer to the physical Transportation of LNG or the Dispensing of LNG to a Tanker are not in addition to and do not form part of this LNG Agreement. For clarity, Sections 6.1 (Dispensing of LNG), 7 (Transportation of LNG), 8 (Rights and Responsibilities), 17 (Daily Loading and Scheduling) and 23 (Measurement of LNG) of Rate Schedule 46 are not in addition to and do not form part of this LNG Agreement.
- 2.5 Measurement of LNG Dispensed** – FortisBC Energy will Dispense LNG under this LNG Agreement on Days within the LNG Service Availability Dates when the Customer elects to run the Island Generation Plant only if, in the absence of LNG Dispensed under this LNG Agreement, there would be insufficient capacity on the FortisBC Energy System to deliver the Shipper's Gas to the Delivery Point under the Transportation Agreement for Rate Schedule 22 between FortisBC Energy and the Customer (RS 22 Transportation Agreement), as determined by FortisBC Energy in its sole discretion and without liability therefore. FortisBC Energy will deliver the Gas Dispensed under this LNG Agreement to the Delivery Point pursuant to the RS 22 Transportation Agreement. The quantity of LNG Dispensed under this LNG Agreement shall be equal to the volume of Gas delivered to the Delivery Point on that Day. The quantity of LNG Dispensed on a Day will reduce the remaining Contract Demand available to the Customer under the LNG Agreement for the Contract Year.
- 2.6 LNG Service Charges** – Section 9.1 of Rate Schedule 46 is not in addition to and does form part of this LNG Agreement and is substituted with the following Section 9.1, which hereby forms part of this LNG Agreement:
- 9.1 LNG Service Charges** – The Customer will pay to FortisBC Energy all of the applicable charges, including the following charges for LNG Service, as set out in the Table of Charges for LNG Service:
- (i) For Long-Term LNG Service and Short-Term LNG Service, the Customer will pay to FortisBC Energy all of the following charges:
 - (A) the Minimum Monthly Charge.
 - (ii) Spot Load LNG Charge - For any quantity of LNG Dispensed in excess of the Contract Demand in a Contract Year, the Customer will pay to FortisBC Energy a Spot Charge calculated by multiplying:
 - (A) the quantity of LNG Dispensed in excess of the Contract Demand, measured at the Delivery Point in Gigajoules,
by
 - (B) the LNG Spot Charge.

6. **No further Amendments.** Except as expressly provided in this Agreement, all of the terms of the LNG Agreement are and will remain in full force and effect.
7. **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination does not impair or affect the validity, legality or enforceability of any other provision of this Agreement.
8. **Execution.** This Agreement may be executed in counterparts, each of which shall be deemed as an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of this letter by facsimile or electronic transmission hereof shall be as effective as delivery of an originally executed counterpart hereof.
9. **Approval.** FortisBC Energy shall submit this Agreement to the British Columbia Utilities Commission (BCUC) for approval, and this Agreement is subject to and conditional upon receipt of approval by the BCUC upon terms acceptable to each of FortisBC Energy and the Customer.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

AGREED TO AND ACCEPTED:

The 6th day of August, 2026

AGREED TO AND ACCEPTED:

The 6th day of August, 2026

FORTISBC ENERGY INC.

BY: 
(Signature)

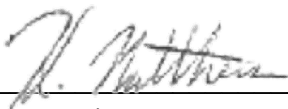
VP, Energy Supply & Resource Development

(Title)

Joe Mazza

(Name – Please Print)

BC HYDRO AND POWER AUTHORITY

BY: 
(Signature)

VP, Power Supply and Corporate
Development

(Title)

Heather Matthews

(Name – Please Print)

Appendix B

RATE SCHEDULE 22 TRANSPORTATION AGREEMENT

**TRANSPORTATION AGREEMENT FOR
RATE SCHEDULES 22, 22A, 22B, 23, 25, 26 AND 27**

This Agreement is dated ___, 20___, between FortisBC Energy Inc. ("FortisBC Energy") and British Columbia Hydro and Power Authority "BC Hydro" (the "Shipper").

WHEREAS:

- A. FortisBC Energy owns and operates the FortisBC Energy System; and
- B. The Shipper has requested that FortisBC Energy arrange for the transportation of Gas on a firm and/or interruptible basis through the FortisBC Energy System to a generation facility located in or near Campbell River British Columbia in accordance with a transportation Rate Schedule as set out below and the terms set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the terms, conditions and limitations contained herein, the parties agree as follows:

1. Specific Information

Applicable Rate Schedule:

☒ 22 ☐ 22A ☐ 22B
☐ 23 ☐ 25 ☐ 26 ☐ 27

Type of Service:

☐ Firm ☒ Interruptible
☐ Firm and Interruptible

Firm DTQ / DTQ:

N/A Gigajoules per day

Shipper Agent and / or Group, if applicable:

Powerex LML

Commencement Date:

November 01, 2026

Expiry Date:

October 31, 2027
(only specify expiry date if term of Transportation Agreement is not automatically renewed from Year to Year as set out in the Automatic Renewal Section of the applicable transportation Rate Schedule)

Service Address:

4400 Orange Point Rd., Campbell River

Account Number:

1542318

Interconnection Point:

The point at (835.9 km-post 917.6)
where the Transporter's pipeline system in
British Columbia interconnection with the
FortisBC Energy System

Address of Shipper for receiving notices:

British Columbia Hydro and Power
Authority "BC Hydro"
(name of Shipper)

Attention: Greg Schabas
(EnergyProcurement Tech Lead)

333 Dunsmuir Street, 17th Floor

(address of Shipper)

Telephone: (604) 623-4165

Vancouver, BC V6B 5R3

Fax: n/a

Email: Greg.Schabas@bchydro.com

The information set out above is hereby approved by the parties and each reference in either this agreement or the applicable transportation Rate Schedule to any such information is to the information set out above.

2. Rate Schedule 22 / 22A / 22B / 23 / 25 / 26 / 27

- 2.1 **Additional Terms** - All rates, terms and conditions set out in the applicable transportation Rate Schedule (22, 22A, 22B, 23, 25, 26 or 27) and the General Terms and Conditions of FortisBC Energy, as any of them may be amended by FortisBC Energy and approved from time to time by the British Columbia Utilities Commission, are in addition to the terms and conditions contained in this Transportation Agreement and form part of this Transportation Agreement and bind FortisBC Energy and the Shipper as if set out in this Transportation Agreement.
- 2.2 **Payment of Amounts** - Without limiting the generality of the foregoing, the Shipper will pay to FortisBC Energy all of the amounts set out in the applicable transportation Rate Schedule for the Services provided under such Rate Schedule and this Transportation Agreement.

- 2.3 **Conflict** - Where anything in either the applicable transportation Rate Schedule or the General Terms and Conditions of FortisBC Energy conflicts with any of the terms and conditions set out in this Transportation Agreement, this Transportation Agreement governs. Where anything in the applicable transportation Rate Schedule conflicts with any of the rates, terms and conditions set out in the General Terms and Conditions of FortisBC Energy, the Rate Schedule governs.
- 2.4 **Member of a Group** - Where the Shipper will be a member of a Group which has a Shipper Agent acting as agent for the members of the Group, the Shipper must complete Appendix A attached to this Transportation Agreement and the Shipper thereby agrees that the terms and conditions of Appendix A form part of this Transportation Agreement and bind the Shipper as if set out in this Transportation Agreement.
- 2.5 **Acknowledgement** - The Shipper acknowledges receiving and reading a copy of the applicable transportation Rate Schedule (22, 22A, 22B, 23, 25, 26 or 27) and the General Terms and Conditions of FortisBC Energy and agrees to comply with and be bound by all terms and conditions set out therein. Without limiting the generality of the foregoing, where the transportation Service is interruptible, the Shipper acknowledges that it is able to accommodate such interruption or curtailment and releases FortisBC Energy from any liability for the Shipper's inability to accommodate such interruption or curtailment of transportation Service.

IN WITNESS WHEREOF the parties hereto have executed this Transportation Agreement.

FORTISBC ENERGY INC.

BY: _____
(Signature)

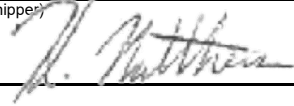
(Title)

(Name – Please Print)

DATE: _____

**BRITISH COLUMBIA HYDRO AND
POWER AUTHORITY “BC HYDRO”**

(here insert name of Shipper)

BY:  _____
(Signature)

VP, Power Supply and Corporate Development
(Title)

Heather Matthews

(Name – Please Print)

DATE: August 6, 2026

APPENDIX A

NOTICE OF APPOINTMENT OF SHIPPER AGENT

1. British Columbia Hydro and Power Authority "BC Hydro" (Shipper) hereby gives notice to FortisBC Energy
(Name of Shipper) that Shipper has appointed Powerex (the Shipper Agent) to
(Name of Shipper Agent)
act as agent for Shipper in all matters relating to gas supply and to transportation Service on the FortisBC Energy System. Shipper also gives notice to FortisBC Energy that Shipper wishes to be a member of a Group and the Shipper will cause the Shipper Agent to enter into a Shipper Agent Agreement or other agreement with FortisBC Energy that binds the Shipper Agent to pay the charges which the Shipper Agent elects to pay for and on behalf of the Shipper.
2. Shipper acknowledges and agrees that the Shipper Agent will provide aggregate nominations for the Group to FortisBC Energy.
3. Shipper acknowledges and agrees that if the Group includes a member which is a Shipper under Rate Schedule 22, 22A, or 22B, the Group and its members will be subject to the demand surcharge provisions of Rate Schedule 22.
4. Shipper acknowledges and agrees that when there are constraints or limitations of Gas supply FortisBC Energy will notify the Shipper Agent and it will then be the responsibility of the Shipper Agent to notify Shipper of any curtailment or interruption arising from the constraint or limitation of Gas supply.
5. Shipper acknowledges and agrees that the Shipper Agent will provide FortisBC Energy with information which will be used by FortisBC Energy to bill Shipper for Backstopping Gas, Balancing Gas, Unauthorized Overrun Gas charges and demand surcharges.
6. Shipper acknowledges that FortisBC Energy will bill Shipper on the basis of information provided to FortisBC Energy by the Shipper Agent. Shipper agrees that it is bound by the information supplied to FortisBC Energy by the Shipper Agent and Shipper agrees that it will not dispute the information provided to FortisBC Energy by the Shipper Agent. Shipper agrees that the Shipper Agent may elect to pay some or all of the charges for Gas identified in Section 3.7 (Monthly Billing Information) of the standard form Shipper Agent Agreement and Shipper acknowledges that if the Shipper Agent fails to provide information to FortisBC Energy then notwithstanding any election that has been made by the Shipper Agent to pay some or all of the charges for Gas identified in Section 3.7 (Monthly Billing Information) of the standard form Shipper Agent Agreement, FortisBC Energy will bill Shipper directly on the bases set out in Section 3.8 (Lack of Allocation Information) of the standard form Shipper Agent Agreement of FortisBC Energy. Shipper agrees to pay FortisBC Energy as billed, and if Shipper disagrees with any of the billing information used by FortisBC Energy the Shipper will deal with the Shipper Agent to resolve that disagreement. Disputes between the Shipper and the Shipper Agent will not constitute a basis for non-payment by Shipper to FortisBC Energy of the amounts billed.

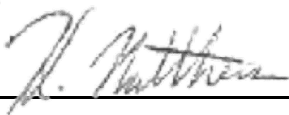
7. Shipper will provide FortisBC Energy with 30 days notice, except with the prior approval from FortisBC Energy, if Shipper wishes to leave the Group, to be effective on the beginning of the next calendar month following the expiry of the notice period.
8. Shipper acknowledges and agrees that FortisBC Energy may disband the Group pursuant to Section 10 (Disbanding of the Group) of the standard form Shipper Agent Agreement.
9. Shipper will indemnify and hold harmless each of FortisBC Energy, its employees, contractors and agents from and against any and all adverse claims, losses, suits, actions, judgments, demands, debts, accounts, damages, costs, penalties and expenses (including all legal fees and disbursements) arising from any act or omission of the Shipper Agent related to the agency created by the Shipper Agent Agreement.
10. Shipper acknowledges receiving a copy of the standard form Shipper Agent Agreement of FortisBC Energy.

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY "BC HYDRO"

(here insert name of Shipper)

BY:

(Signature)



VP, Power Supply and Corporate Development

(Title)

Heather Matthews

(Name - Please Print)

DATE: August 6, 2026

Appendix C

RATE SCHEDULE 46 LNG AGREEMENT

LIQUEFIED NATURAL GAS AND RENEWABLE NATURAL GAS SALES AND DISPENSING SERVICE AGREEMENT

| c

This Agreement (LNG Natural Gas Sales and Dispensing Agreement or LNG Agreement) is dated _____, 20__ (Effective Date) between FortisBC Energy Inc. (FortisBC Energy) and _____ British Columbia Hydro and Power Authority "BC Hydro" (Customer).

WHEREAS:

- A. FortisBC Energy owns and operates the FortisBC Energy System in British Columbia.
- B. The Customer has requested that FortisBC Energy provide services for liquefaction of natural Gas and Dispensing of LNG from the LNG Facilities.

NOW THEREFORE THIS LNG AGREEMENT WITNESSES THAT in consideration of the terms, conditions and limitations contained herein, the parties agree as follows:

1. Specific Information

Applicable Rate Schedule: 46

Type of Service: ☐ Long Term ☒ Short Term ☐ Spot

Dispensing Point Preferred by Customer: ☐ Tilbury ☒ Mt. Hayes ☐ Other

Contract Demand: 700,000 Gigajoules per Year

Contract Demand Allocation ☐ Daily ☐ Monthly ☒ Annually

RNG Percentage Selection: _____

Vehicle RNG Service: ☐ Yes

Commencement Date: November 01, 2026

Expiry Date: October 31, 2027

Service Address: 4400 Orange Pt. Rd, Campbell River

Account Number: 1542318

2. Incorporation of Rate Schedule

- 2.1 **Additional Terms** - All rates, terms and conditions and definitions set out in the LNG Sales, Dispensing and Transportation Service Rate Schedule as any of them may be amended in accordance with Section 2.2 (Amendment of Rate Schedule) of this Rate Schedule and in the General Terms and Conditions of FortisBC Energy as any of them may be amended by FortisBC Energy and approved by the British Columbia Utilities Commission, are in addition to the terms and conditions contained in this LNG Agreement and form part of this LNG Agreement and bind FortisBC Energy and the Customer as if set out in this LNG Agreement. | C
- 2.2 **Conflict** - Where anything in this LNG Agreement conflicts with either the other terms in Rate Schedule or the General Terms and Conditions of FortisBC Energy, the provisions of this LNG Agreement govern. Where anything in the Rate Schedule conflicts with any of the rates, terms and conditions set out in the General Terms and Conditions of FortisBC Energy, the provisions of the Rate Schedule govern.

3. General

- 3.1 **Amendments to be in Writing** - Except as otherwise set out in the Rate Schedule, no amendment or variation of this LNG Agreement will be effective or binding upon the parties unless such amendment or variation is set out in writing and duly executed by the parties.
- 3.2 **Notice** - Any notices or other communication which may be or is required to be given or made pursuant to the Agreement shall, unless otherwise expressly provided herein, shall be in writing and shall be personally delivered to or sent by facsimile to either party at its address set forth below:

If to FortisBC Energy

FORTISBC ENERGY INC.

MAILING ADDRESS:

16705 Fraser Highway
Surrey, B.C.
V4N 0E8

If to the Customer

BC Hydro

MAILING ADDRESS: 333 Dunsmuir St., 17th Floor
Vancouver, BC V6B 5R3

Attention: Greg Schabas (Energy Procurement Tech Lead)

- 3.3 **Severability** - If any provision of this LNG Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination does not impair or affect the validity, legality or enforceability of any other provision of this LNG Agreement.
- 3.4 **Execution** - This LNG Agreement may be executed in counterparts, each of which shall be deemed as an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of this letter by facsimile or electronic transmission hereof shall be as effective as delivery of an originally executed counterpart hereof.

IN WITNESS WHEREOF the parties hereto have executed this LNG Agreement.

FORTISBC ENERGY INC.

BY: _____
(Signature)

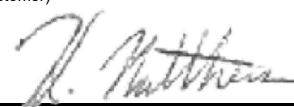
(Title)

(Name – Please Print)

DATE: _____

**BRITISH COLUMBIA HYDRO AND POWER
AUTHORITY “BC HYDRO”**

(here insert name of Customer)

BY: _____
(Signature)

VP, Power Supply and Corporate Development

(Title)

Heather Matthews

(Name – Please Print)

DATE: August 6, 2026

BY: _____
(Signature)

(Title)

(Name – Please Print)

DATE: _____

Appendix D

RATE SCHEDULE 46 TRANSPORTATION AGREEMENT

**TRANSPORTATION AGREEMENT
FOR RATE SCHEDULE 46**

This Agreement is dated _____, 20____, between FortisBC Energy Inc. ("FortisBC Energy") and _____ British Columbia Hydro and Power Authority "BC Hydro" (the "Shipper").

WHEREAS:

- A. FortisBC Energy owns and operates the FortisBC Energy System; and
- B. The Shipper has requested that FortisBC Energy arrange for the transportation of Gas on a firm basis through the FortisBC Energy System to the LNG Facilities to be liquefied and dispensed in accordance with Rate Schedule 46 located in British Columbia in accordance with Rate Schedule 46 as set out below and the terms set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the terms, conditions and limitations contained herein, the parties agree as follows:

1 Specific Information

Applicable Rate Schedule:	☒ 46
Type of Service:	☒ Firm
Firm DTQ	<u>50,000</u> Gigajoules per day
Shipper Agent and / or Group, if applicable:	<u>Powerex LML</u>
Commencement Date:	<u>November 01, 2026</u>
Expiry Date:	<u>October 31, 2027</u> (only specify expiry date if term of Transportation Agreement is not automatically renewed from Year to Year as set out in Section 16.2 (Automatic Renewal) Rate Schedule 46
Service Address:	<u>4400 Orange Pt. Rd., Campbell River</u>
Account Number:	<u>1542318</u>
Interconnection Point:	The point at (<u>835.9</u> km-post <u>917.6</u>) where the Transporter's pipeline system in British Columbia interconnects with the FortisBC Energy System

N

	Attention: <u>Greg Schabas</u>
(name of Shipper)	(EnergyProcurement Tech Lead)
 	Telephone: <u>604-623-4165</u>
(address of Shipper)	
 	Fax: <u>n/a</u>
 	Email: <u>Greg.Schabas@bchydro.com</u>

N

- 2.1 **Additional Terms** - All rates, terms and conditions set out in this Rate Schedule and the General Terms and Conditions of FortisBC Energy, as any of them may be amended by FortisBC Energy and approved from time to time by the British Columbia Utilities Commission, are in addition to the terms and conditions contained in this Transportation Agreement and form part of this Transportation Agreement and bind FortisBC Energy and the Shipper as if set out in this Transportation Agreement.
- 2.2 **Payment of Amounts** - Without limiting the generality of the foregoing, the Shipper will pay to FortisBC Energy all of the amounts set out in Rate Schedule 46 for the Services provided under Rate Schedule 46 and this Transportation Agreement.
- 2.3 **Conflict** - Where anything in Rate Schedule 46 or the General Terms and Conditions of FortisBC Energy conflicts with any of the terms and conditions set out in this Transportation Agreement, this Transportation Agreement governs. Where anything in Rate Schedule 46 conflicts with any of the rates, terms and conditions set out in the General Terms and Conditions of FortisBC Energy, Rate Schedule 46 governs.
- 2.4 **Member of a Group** - Where the Shipper will be a member of a Group which has a Shipper Agent acting as agent for the members of the Group, the Shipper must complete Appendix A attached to this Transportation Agreement and the Shipper thereby agrees

that the terms and conditions of Appendix A form part of this Transportation Agreement and bind the Shipper as if set out in this Transportation Agreement.

2.5 **Acknowledgement** - The Shipper acknowledges receiving and reading a copy of Rate Schedule 46 and the General Terms and Conditions of FortisBC Energy and agrees to comply with and be bound by all terms and conditions set out therein.

IN WITNESS WHEREOF the parties hereto have executed this Transportation Agreement.

FORTISBC ENERGY INC.

BY: _____
(Signature)

(Title)

(Name – Please Print)

DATE: _____

**British Columbia Hydro and Power
Authority “BC Hydro”**

BY: _____
(Signature)

VP, Power Supply and Corporate Development

(Title)

Heather Matthews

(Name – Please Print)

DATE: August 6, 2026

APPENDIX A NOTICE OF APPOINTMENT OF SHIPPER AGENT

1. British Columbia Hydro and Power Authority "BC Hydro" (Shipper) hereby gives notice to FortisBC
(Name of Shipper)
Energy that Shipper has appointed Powerex (the Shipper
(Name of Shipper Agent)
Agent) to act as agent for Shipper in all matters relating to gas supply and to transportation Service on the FortisBC Energy System. Shipper also gives notice to FortisBC Energy that Shipper wishes to be a member of a Group and the Shipper will cause the Shipper Agent to enter into a Shipper Agent Agreement or other agreement with FortisBC Energy that binds the Shipper Agent to pay the charges which the Shipper Agent elects to pay for and on behalf of the Shipper.
2. Shipper acknowledges and agrees that the Shipper Agent will provide aggregate nominations for the Group to FortisBC Energy.
3. Shipper acknowledges and agrees that if the Group includes a member which is a Shipper under Rate Schedule 22, 22A, or 22B, the Group and its members will be subject to the demand surcharge provisions of Rate Schedule 22.
4. Shipper acknowledges and agrees that when there are constraints or limitations of Gas supply FortisBC Energy will notify the Shipper Agent and it will then be the responsibility of the Shipper Agent to notify Shipper of any curtailment or interruption arising from the constraint or limitation of Gas supply.
5. Shipper acknowledges and agrees that the Shipper Agent will provide FortisBC Energy with information which will be used by FortisBC Energy to bill Shipper for Backstopping Gas, Balancing Gas, Unauthorized Overrun Gas charges and demand surcharges.
6. Shipper acknowledges that FortisBC Energy will bill Shipper on the basis of information provided to FortisBC Energy by the Shipper Agent. Shipper agrees that it is bound by the information supplied to FortisBC Energy by the Shipper Agent and Shipper agrees that it will not dispute the information provided to FortisBC Energy by the Shipper Agent. Shipper agrees that the Shipper Agent may elect to pay some or all of the charges for Gas identified in Section 3.7 (Monthly Billing Information) of the standard form Shipper Agent Agreement and Shipper acknowledges that if the Shipper Agent fails to provide information to FortisBC Energy then notwithstanding any election that has been made by the Shipper Agent to pay some or all of the charges for Gas identified in Section 3.7 (Monthly Billing Information) of the standard form Shipper Agent Agreement, FortisBC Energy will bill Shipper directly on the bases set out in Section 3.8 (Lack of Allocation Information) of the standard form Shipper Agent Agreement of FortisBC Energy. Shipper agrees to pay FortisBC Energy as billed, and if Shipper disagrees with any of the billing information used by FortisBC Energy the Shipper will deal with the Shipper Agent to resolve that disagreement. Disputes between the Shipper and the Shipper Agent will not constitute a basis for non-payment by Shipper to FortisBC Energy of the amounts billed.

N

7. Shipper will provide FortisBC Energy with 30 days notice, except with the prior approval from FortisBC Energy, if Shipper wishes to leave the Group, to be effective on the beginning of the next calendar month following the expiry of the notice period.
8. Shipper acknowledges and agrees that FortisBC Energy may disband the Group pursuant to Section 10 (Disbanding of the Group) of the standard form Shipper Agent Agreement.
9. Shipper will indemnify and hold harmless each of FortisBC Energy, its employees, contractors and agents from and against any and all adverse claims, losses, suits, actions, judgments, demands, debts, accounts, damages, costs, penalties and expenses (including all legal fees and disbursements) arising from any act or omission of the Shipper Agent related to the agency created by the Shipper Agent Agreement.
10. Shipper acknowledges receiving a copy of the standard form Shipper Agent Agreement of FortisBC Energy.

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY "BC HYDRO"

(here insert name of Shipper)

BY:

(Signature)

VP, Power Supply and Corporate Development

(Title)

Heather Matthews

(Name - Please Print)

DATE: August 6, 2026

N

Appendix E

BC HYDRO LETTER TO BCUC, AUGUST 6, 2026

Chris Sandve
Chief Regulatory Officer
bchydroregulatorygroup@bchydro.com

August 6, 2026

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

Dear Keshni Nand:

**RE: British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Acquisition of Island Generation Facility**

BC Hydro writes to inform the Commission of its purchase of the Island Generation natural gas-fired generating facility located in Campbell River, B.C. The transaction could close as soon as October 31, 2026 and is expected to close no later than the end of the year.

The continued operation of the existing Island Generation natural gas generation facility was identified as a Near-term Action in BC Hydro's 2025 Integrated Resource Plan (**2025 IRP**), as updated on May 28, 2026.¹ This acquisition will enable BC Hydro to continue to have access to approximately 275 MW of dependable capacity to help meet increasing capacity requirements and support reliability on Vancouver Island.

This submission provides information regarding BC Hydro's acquisition of Island Generation, the expected operation of the facility, and the Government of B.C.'s Direction to the British Columbia Utilities Commission respecting the Ministerial Order No. M291 (issued July 21, 2026 and publicly posted on August 5, 2026).²

Island Generation Background

Island Generation is an existing 275 MW natural gas-fired (combined cycle) generation facility located on Vancouver Island. The plant reached commercial operation in 2002 and has been selling electricity to BC Hydro since this time. The existing electricity purchase agreement (**EPA**) with BC Hydro expires on October 31, 2026.³

The Island Generation plant was initially built as a cogeneration facility, selling electricity to BC Hydro and steam to an adjacent pulp mill. Prior to 2010, Island Generation operated as a baseload generating facility, meaning that it generally ran all the time, as

¹ Exhibit B-8 in the 2025 IRP proceeding.

² https://www.bclaws.gov.bc.ca/civix/document/id/mo/mo/m0291_2026

³ BCUC Order G-325-22.

it had an obligation to continually supply steam to the pulp mill. When the pulp mill closed in 2010, the steam supply contract between Island Generation and the mill was terminated, and the former EPA was amended to provide BC Hydro with full exclusive dispatch rights.

As a result, since 2010, Island Generation has been used by BC Hydro as a peaking facility, primarily to meet winter peak loads. Historically, the operation of Island Generation as a dispatchable resource has been infrequent.

Need for Dependable Dispatchable Capacity

In its May 28, 2026, submission in the 2025 IRP proceeding, BC Hydro advised that its 2026 Reference Load Forecast reflected higher near-term peak demand than previously forecast. This increased demand resulted in a need for additional dependable capacity resources to maintain system reliability and meet customer demand during peak periods.

Island Generation provides approximately 275 MW of dependable dispatchable capacity. As an existing operating facility, it can provide capacity within the timeframe required by BC Hydro and can be dispatched as needed during periods of peak demand and other system conditions requiring additional capacity. The facility also supports reliability on Vancouver Island.

Consistent with the updated planning outlook presented during the 2025 IRP proceeding, the acquisition supports BC Hydro's broader strategy of maintaining sufficient dependable capacity and system reliability while continuing to advance longer-term clean energy and capacity resources.

Acquisition Overview and Regulatory Exemption

Following a thorough due diligence review, BC Hydro executed a purchase agreement for Island Generation in July 2026. Consultation with all potentially affected First Nations was undertaken throughout the acquisition process and completed prior to execution of the purchase agreement.

The transaction is expected to close no later than the end of the year. Commercial details of the transaction are confidential and cannot be disclosed. However, the following information is provided to generally describe the acquisition, the parties involved and the related regulatory implications.

Currently, V.I. Power Limited Partnership (**VIPLP**), a wholly owned subsidiary of Capital Power Corporation (**Capital Power**), owns Island Generation. VIPLP is a limited partnership formed under the laws of British Columbia, with Capital Power Limited Partnership (**CPLP**) holding 99.99%, as a limited partner and Capital Power Generation Services Inc. (**CPGS**) holding 0.01% as the general partner. BC Hydro will acquire

CPLP's limited partnership interest, while subsidiary 1597798 B.C. Ltd.⁴ will purchase CPGS's general partnership interest and related assets.

Upon closing, BC Hydro will assume direct ownership of the land, generating facility and associated affixed assets. VIPLP will continue to exist, with BC Hydro and 1597798 B.C. Ltd holding its partnership interests. VIPLP will continue to be responsible for the operation, maintenance, fuel procurement, and asset management activities associated with the facility. BC Hydro and VIPLP will also enter into a new energy supply contract associated with Island Generation.

To facilitate the acquisition, the Province has issued Ministerial Order No. M291, pursuant to section 22 of the UCA, which exempts VIPLP, CPLP, CPGS, BC Hydro and 1597798 B.C. Ltd. from Part 3 of the UCA in respect of the transactions required to be undertaken in relation to the purchase of the facility and a new energy supply contract.⁵ Accordingly, no approvals are being, or will be, sought from the BCUC in respect of the sale and purchase of Island Generation and the energy supply contract to be entered into with VIPLP. This submission is therefore provided for information purposes only.

Following completion of the transaction, the Island Generation facility will continue to operate as a peaking resource to support reliability and capacity requirements on Vancouver Island and the broader integrated system. The estimated costs of owning, operating and maintaining the facility will be included in BC Hydro's upcoming Revenue Requirements Application to the BCUC.

Acquiring Island Generation Secures Public Ownership

As owner of the facility and VIPLP, BC Hydro will be able to make operational, maintenance, and investment decisions for the facility, at its own discretion, as part of its integrated generation portfolio. These decisions will be made in a manner aligned with broader system planning and reliability objectives.

Acquiring the facility provides a cost-effective means of securing existing capacity while BC Hydro advances new clean-energy generation, battery storage, transmission and hydroelectric upgrades and also provides BC Hydro with greater operational flexibility as electricity demand continues to grow.

Other Considerations

Following acquisition, BC Hydro will ensure that Island Generation operates in accordance with all applicable laws, permits, licences, authorizations, and regulatory requirements, including any mandatory reliability requirements applicable to the facility. Operation of the facility will also continue to comply with requirements governing

⁴ A newly formed company which is wholly-owned by BC Hydro.

⁵ Please refer to Attachment 1.

greenhouse gas-emitting electricity generation facilities, including federal greenhouse gas regulations.⁶

With respect to the facility's gas transportation requirements, BC Hydro is exploring both shorter-term and longer-term options with FortisBC to ensure reliable access to the natural gas required for the plant's limited peak-period operations. Any regulatory approvals that may be required in connection with such arrangements will be obtained and filed with the BCUC, as necessary.

For further information, please contact Alicia Henderson at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



(for)

Chris Sandve
Chief Regulatory Officer

Is/tl

⁶ The federal Clean Electricity Regulations impose limits on carbon dioxide emissions from electricity generating units beginning in 2035 and thereafter permit limited emissions declining to zero by 2050. Since Island Generation will only be used for peaking capacity, emissions associated with Island Generation will remain relatively low, in compliance with the Clean Electricity Regulations.



ORDER NUMBER

G-xx-xx

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Energy Inc.

Application for Approval of Tariff Supplement No. L-3 to Rate Schedule 46
Liquefied Natural Gas and Renewable Natural Gas Sales, Dispensing, and Transportation Service (Bundled Service) or Liquefied Natural Gas Transportation Service Only between British Columbia Hydro and Power Authority and FortisBC Energy Inc.

BEFORE:

[X. X. Last Name, Panel Chair]
[X. X. Last Name, Commissioner]
[X. X. Last Name, Commissioner]

on [Month Day, Year]

ORDER

WHEREAS:

- A. On August 28, FortisBC Energy Inc. (FEI) filed an application with the British Columbia Utilities Commission (BCUC) seeking approval, pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA), of an agreement between British Columbia Hydro and Power Authority (BC Hydro) and FEI dated August 6, 2026 (FEI-BC Hydro Agreement) as Tariff Supplement No. L-3 on a permanent basis, effective November 1, 2026 (Application);
- B. Tariff Supplement No. L-3 modifies terms in Rate Schedule 46 – Liquefied Natural Gas and Renewable Natural Gas Sales, Dispensing and Transportation Service (Bundled Service) or Liquefied Natural Gas Transportation Service Only (RS 46); and
- C. The BCUC has reviewed the Application and considers the following determinations are warranted.

NOW THEREFORE pursuant to sections 59 to 61 of the UCA, the BCUC orders as follows:

- 1. The FEI-BC Hydro Agreement is approved, on a permanent basis, as a supplement to RS 46 under Tariff Supplement No. L-3, effective November 1, 2026.
- 2. The tariff supplement pages, as set out in the Application, are accepted for filing effective November 1, 2026.

DATED at the City of Vancouver, in the Province of British Columbia, this [XXth] day of (Month Year).

BY ORDER

(X. X. last name)
Commissioner

Appendix G

TARIFF PAGES FOR ENDORSEMENT



TARIFF SUPPLEMENT NO. L-3

**RATE SCHEDULE 46 LIQUEFIED NATURAL GAS AND RENEWABLE NATURAL GAS
SALES, DISPENSING, AND TRANSPORTATION SERVICE (BUNDLED SERVICE) OR
LIQUEFIED NATURAL GAS TRANSPORTATION SERVICE ONLY**

**Amendment to LNG Agreement to Facilitate the Regasification and Injection of
Liquefied Natural Gas into the FortisBC Energy System**

BETWEEN

BC HYDRO AND POWER AUTHORITY

AND

FORTISBC ENERGY INC.

Effective November 1, 2026

Order No.:

Issued By: Sarah Walsh, Director, Regulatory Affairs

Effective Date: November 1, 2026

Accepted for Filing: _____

Registrar: _____

Tariff Supplement No. L-3
Original Page i

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THIS AGREEMENT is commencing the 1st day of November, 2026 between FortisBC Energy Inc. (FortisBC Energy) and the British Columbia Hydro and Power Authority (BC Hydro, Shipper or Customer).

WHEREAS:

- A. Pursuant to FortisBC Energy's Rate Schedule 46 (RS 46), FortisBC Energy and BC Hydro have entered into a Liquefied Natural Gas and Renewable Natural Gas and Dispensing Service Agreement commencing the 1st day of November, 2026 (LNG Agreement);
- B. Also pursuant to RS 46, FortisBC Energy and BC Hydro have entered into a Transportation Agreement for Rate Schedule 46 commencing the 1st day of November, 2026 (RS 46 Transportation Agreement);
- C. Pursuant to FortisBC Energy's Rate Schedule 22 (RS 22), FortisBC Energy and BC Hydro have entered into a Transportation Agreement for Rate Schedule 22, commencing the 1st day of November, 2026 (RS 22 Transportation Agreement);
- D. The RS 22 Transportation Agreement with BC Hydro is for interruptible gas service to the Island Generation Plant located at 4400 Orange Point Rd., Campbell River (Island Generation Plant);
- E. BC Hydro needs to receive its liquefied natural gas (LNG) under the LNG Agreement regasified and injected into the FortisBC Energy System and then delivered to the Island Generation Plant pursuant to the RS 22 Transportation Agreement;
- F. BC Hydro requires the regasified LNG to provide service to its customers on Vancouver Island on peak (cold) days; and
- G. FortisBC Energy and BC Hydro have agreed to amend the terms of the LNG Agreement to facilitate this arrangement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the terms, conditions and limitations contained herein, the parties agree as follows:

- 1. **Initial Term** – The initial term of this Agreement, shall be for a period of 1 year, effective on the 1st Day of November 2026 and expiring on the 31st Day of October 2027.
- 2. **Extension Term** – The term of this Agreement may be extended upon BC Hydro providing written notice to FortisBC Energy of its desire to extend the term of the Agreement for a further two (2) additional years at least six (6) months prior to the expiry of this Agreement.

Order No.:

Issued By: Sarah Walsh, Director, Regulatory Affairs

Effective Date: November 1, 2026

Accepted for Filing: _____

Registrar: _____

Tariff Supplement No. L-3
Original Page 1

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3. Amendments to Sections 2.1 and 2.2. Sections 2.1 and 2.2 of the LNG Agreement are hereby amended by deleting and replacing them in their entirety with the following:

2.1 Additional Terms – Subject to Sections 2.3 to 2.6 of this LNG Agreement, all rates, terms and conditions and definitions set out in Rate Schedule 46, as any of them may be amended in accordance with Section 2.2 (Amendment of Rate Schedule) of Rate Schedule 46 and in the General Terms and Conditions of FortisBC Energy as any of them may be amended by FortisBC Energy and approved by the British Columbia Utilities Commission from time to time, are in addition to the terms and conditions contained in this LNG Agreement and form part of this LNG Agreement and bind FortisBC Energy and the Customer as if set out in this LNG Agreement.

2.2 Conflict – Where anything in this LNG Agreement, as amended, conflicts with either the other terms in Rate Schedule 46 or the General Terms and Conditions of FortisBC Energy, the provisions of this LNG Agreement govern. Where anything in Rate Schedule 46 conflicts with any of the rates, terms and conditions set out in the General Terms and Conditions of FortisBC Energy, the provisions of Rate Schedule 46 govern.

4. Addition of Section 3.6. The LNG Agreement is hereby amended by adding the following Section 3.6:

3.6 LNG Service Availability Dates – LNG Service will only be available on and between November 1 of a given year and March 31 of the following year (LNG Service Availability Dates).

5. Addition of Sections 2.3 to 2.6. The LNG Agreement is hereby amended by adding the following Sections 2.3 to 2.6:

2.3 Definitions – The definitions in Section 1.1(m), (n) and (w) of Rate Schedule 46 are not in addition to and do not form part of this LNG Agreement and instead are substituted with the following definitions, which hereby form part of this LNG Agreement:

(m) **Delivery Point** – means the applicable measuring equipment at the Island Generation Plant located at 4400 Orange Point Rd., Campbell River (Island Generation Plant).

(n) **Dispensing** or any form of the verb **Dispense** – means regasifying LNG and injecting the resulting Gas into the FortisBC Energy System.

(w) **LNG** – means liquefied Gas and includes LNG that has been regasified and injected into the FortisBC Energy System.

Order No.:

Issued By: Sarah Walsh, Director, Regulatory Affairs

Effective Date: November 1, 2026

Accepted for Filing: _____

Registrar: _____

Tariff Supplement No. L-3
Original Page 2

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- 2.4 Transportation or Dispensing to a Tanker Not Applicable** – Any terms and conditions in Rate Schedule 46 which refer to the physical Transportation of LNG or the Dispensing of LNG to a Tanker are not in addition to and do not form part of this LNG Agreement. For clarity, Sections 6.1 (Dispensing of LNG), 7 (Transportation of LNG), 8 (Rights and Responsibilities), 17 (Daily Loading and Scheduling) and 23 (Measurement of LNG) of Rate Schedule 46 are not in addition to and do not form part of this LNG Agreement.
- 2.5 Measurement of LNG Dispensed** – FortisBC Energy will Dispense LNG under this LNG Agreement on Days within the LNG Service Availability Dates when the Customer elects to run the Island Generation Plant only if, in the absence of LNG Dispensed under this LNG Agreement, there would be insufficient capacity on the FortisBC Energy System to deliver the Shipper's Gas to the Delivery Point under the Transportation Agreement for Rate Schedule 22 between FortisBC Energy and the Customer (RS 22 Transportation Agreement), as determined by FortisBC Energy in its sole discretion and without liability therefore. FortisBC Energy will deliver the Gas Dispensed under this LNG Agreement to the Delivery Point pursuant to the RS 22 Transportation Agreement. The quantity of LNG Dispensed under this LNG Agreement shall be equal to the volume of Gas delivered to the Delivery Point on that Day. The quantity of LNG Dispensed on a Day will reduce the remaining Contract Demand available to the Customer under the LNG Agreement for the Contract Year.
- 2.6 LNG Service Charges** – Section 9.1 of Rate Schedule 46 is not in addition to and does form part of this LNG Agreement and is substituted with the following Section 9.1, which hereby forms part of this LNG Agreement:
- 9.1 LNG Service Charges** – The Customer will pay to FortisBC Energy all of the applicable charges, including the following charges for LNG Service, as set out in the Table of Charges for LNG Service:
- (i) For Long-Term LNG Service and Short-Term LNG Service, the Customer will pay to FortisBC Energy all of the following charges:
 - (A) the Minimum Monthly Charge.
 - (ii) Spot Load LNG Charge - For any quantity of LNG Dispensed in excess of the Contract Demand in a Contract Year, the Customer will pay to FortisBC Energy a Spot Charge calculated by multiplying:
 - (A) the quantity of LNG Dispensed in excess of the Contract Demand, measured at the Delivery Point in Gigajoules,
 - by
 - (B) the LNG Spot Charge.

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6. **No further Amendments.** Except as expressly provided in this Agreement, all of the terms of the LNG Agreement are and will remain in full force and effect.
7. **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination does not impair or affect the validity, legality or enforceability of any other provision of this Agreement.
8. **Execution.** This Agreement may be executed in counterparts, each of which shall be deemed as an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of this letter by facsimile or electronic transmission hereof shall be as effective as delivery of an originally executed counterpart hereof.
9. **Approval.** FortisBC Energy shall submit this Agreement to the British Columbia Utilities Commission (BCUC) for approval, and this Agreement is subject to and conditional upon receipt of approval by the BCUC upon terms acceptable to each of FortisBC Energy and the Customer.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

AGREED TO AND ACCEPTED:

The 6th day of August, 2026

AGREED TO AND ACCEPTED:

The 6th day of August, 2026

FORTISBC ENERGY INC.

BY: 
(Signature)

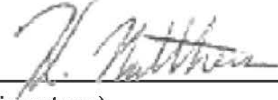
VP, Energy Supply & Resource Development

(Title)

Joe Mazza

(Name – Please Print)

BC HYDRO AND POWER AUTHORITY

BY: 
(Signature)

VP, Power Supply and Corporate Development

(Title)

Heather Matthews

(Name – Please Print)

Order No.:

Issued By: Sarah Walsh, Director, Regulatory Affairs

Effective Date: November 1, 2026

Accepted for Filing: _____

Registrar: _____

Tariff Supplement No. L-3
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FortisBC Energy Inc. Tariff Supplements
Liquefied Natural Gas Sales, Dispensing and Transportation Service
Index

Index

Tariff Supplement No.	Customer	Rate Schedule	Effective Date	Initial Expiry Date	Renewal Terms	
L-1	Sinopec USA Inc.	46	08/15/18	n/a	n/a	
L-2	Top Speed Energy BC Corp.	46	07/12/19	n/a	n/a	
L-3	BC Hydro and Power Authority	46	11/01/26	10/31/27	2 years upon 6 mth notice	N

Order No.:

Issued By: Sarah Walsh, Director, Regulatory Affairs

Effective Date: November 1, 2026

Accepted for Filing: _____

Registrar: _____

Tariff Supplements
Third Revision of Index Page Li

Appendix H

BLACKLINED VERSION INDEX PAGE

FortisBC Energy Inc. Tariff Supplements
Liquefied Natural Gas Sales, Dispensing and Transportation Service
Index

Index

Tariff Supplement No.	Customer	Rate Schedule	Effective Date	<u>Initial</u> Expiry Date	<u>Renewal</u> <u>Terms</u>
L-1	Sinopec USA Inc.	46	08/15/18	n/a	n/a
L-2	Top Speed Energy BC Corp.	46	07/12/19	n/a	n/a
<u>L-3</u>	<u>BC Hydro and Power Authority</u>	<u>46</u>	<u>11/01/26</u>	<u>10/31/27</u>	<u>2 years upon</u> <u>6 mth notice</u>

N

Deleted: G-210-19

Deleted: Doug Slater

Deleted: July 12, 2019

Deleted: September 4, 2019

Deleted: BCUC Secretary

Deleted: Original signed by Patrick Wruck

Deleted: Second

Order No.: _____ Issued By: Sarah Walsh, Director, Regulatory Affairs

Effective Date: November 1, 2026 Accepted for Filing: _____

Registrar: _____ Tariff Supplements
Third Revision of Index Page Li