

June 15, 2018

Sent via email

Patrick Wruck Commission Secretary

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Letter L-11-18

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

Re: FortisBC Energy Inc. – Fort Nelson Service Area – 2018 Second Quarter Gas Cost Report

Dear Ms. Roy:

On June 6, 2018, FortisBC Energy Inc. (FEI) filed with the British Columbia Utilities Commission (BCUC) its 2018 Second Quarter Gas Cost Report for the Fort Nelson service area (Report), which includes details regarding the Gas Cost Reconciliation Account and the related Gas Cost Recovery Charge.

The BCUC notes that the Gas Cost Recovery Charge for the Fort Nelson service area was last changed effective January 1, 2018, when it was decreased by \$0.515 per gigajoule from \$2.086 per gigajoule to \$1.571 per gigajoule via Order G-175-17.

The BCUC reviewed the Report within the context of the quarterly gas costs review and rate setting mechanism guidelines pursuant to Letters L-5-01, L-40-11 and L-15-16. The BCUC acknowledges receipt of the Report and accepts FEI's recommendation that the Gas Cost Recovery Charge for the Fort Nelson service area remain unchanged at \$1.571 per gigajoule effective July 1, 2018.

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

Sincerely,

Original Signed by:

Patrick Wruck Commission Secretary

AP/aci