



FortisBC Energy Inc. (FEI or the Company) Application for Common Equity Component and Return on Equity for 2016 (the Application)	Submission Date: December 18, 2015
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c) Would FEI accept the standard finance notion that "perfectly integrated" means the "Law of One Price" applies such that identical assets sell for identical prices?

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Response:

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Please refer to Mr. Coyne's response to APMC IR 1.3.8.

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10 1.5 FEI indicates it is now part of Fortis.

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a) Please indicate whether Fortis is listed on any foreign stock exchange.

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Response:

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Fortis Inc. is only listed on the Toronto Stock Exchange.

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b) Please list the percentage of Fortis non-Canadian shareholders for each year since 2000.

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Response:

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FEI does not have the ability to access the requested information back to the year 2000. The chart below shows the percentage of Canadian versus non-Canadian shareholders, including institutional ownership, from 2010 to the most recent available date. This data was obtained through Bloomberg and is based on publicly reportable holdings. Bloomberg only has this data available from 2010 onwards.

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	Canadian Shareholders	Non-Canadian Shareholders
12/11/2015	80.07%	19.93%
12/28/2014	74.88%	25.12%
12/29/2013	74.55%	25.45%
12/30/2012	80.26%	19.74%
12/25/2011	77.82%	22.18%
12/26/2010	81.17%	18.83%

Source: Bloomberg

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c) Please indicate whether a US pension or mutual fund receives a dividend from Fortis without paying any with-holding tax.

Response:

10 Non-resident tax applies to all shareholders in absence of an exception certificate issued by the
 11 CRA specific to the shareholder. Please note that Depository Trust & Clearing Corporation
 12 (DTCC) is exempt from withholding by transfer agents and the responsibility for withholding is
 13 delegated to their participants that have access to the beneficial holder's records and tax status.
 14 FEI does not have access or means of knowing if DTCC Participants are following the same
 15 practice as transfer agents.

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d) Please indicate whether the tax treatment for a non-Canadian shareholder would be identical to that for a Canadian shareholder in the event of a) a rights issue or b) a spin-off of assets.

Response:

24 Typically a rights issue and spin off of assets are complex in nature, and therefore it is more
 25 likely that the tax treatments would not be identical. The tax treatment of such transactions is
 26 dependent upon the series of transactions to accomplish the rights issue or spin-off of assets,
 27 the country of residence of the non-Canadian shareholder and the existence of a tax treaty
 28 between Canada and the country in which the non-Canadian shareholder is a resident.



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e) Please confirm that in its September 11, 2014 short form prospectus Fortis states "the securities being offered under this short form prospectus have not been and will not be registered under the US Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold within the United States..."

Response:

The full statement per the September 11, 2014 short term prospectus is as follows:

"The securities being offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws, and may not be offered or sold within the United States unless the securities are registered under the 1933 Act or an exemption from the registration requirements of the 1933 Act is available."