



**Doug Slater**  
Director, Regulatory Affairs

**Gas Regulatory Affairs Correspondence**  
Email: [gas.regulatory.affairs@fortisbc.com](mailto:gas.regulatory.affairs@fortisbc.com)

**Electric Regulatory Affairs Correspondence**  
Email: [electricity.regulatory.affairs@fortisbc.com](mailto:electricity.regulatory.affairs@fortisbc.com)

**FortisBC**  
16705 Fraser Highway  
Surrey, B.C. V4N 0E8  
Tel: (778) 578-3874  
Cell: (778) 214-3842  
Fax: (604) 576-7074  
Email: [doug.slater@fortisbc.com](mailto:doug.slater@fortisbc.com)  
[www.fortisbc.com](http://www.fortisbc.com)

September 16, 2019

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

Attention: Mr. Patrick Wruck, Commission Secretary and Manager, Regulatory Support

Dear Mr. Wruck:

**Re: FortisBC Energy Inc. and FortisBC Inc. (collectively FortisBC)**

**Project No. 1598996**

**Application for Approval of a Multi-Year Rate Plan (MRP) for 2020 through 2024  
(Application)**

**Errata to the Responses to the British Columbia Utilities Commission (BCUC)  
Information Requests (IR) No. 1.53.2 and 1.102.2**

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On March 11, 2019, FortisBC filed the Application referenced above. In the process of responding to BCUC IR No. 2, it has come to FortisBC's attention that corrections are required to certain responses to BCUC IR No. 1. Attached please find a correction to the response to BCUC IRs 1.53.2 and 1.102.2 (Exhibit B-10). A blacklined version of Exhibit B-10, pages 452 and 727 are included with this filing.

These corrections do not result in any impacts to recommendations contained in the Application.

If further information is required, please contact the undersigned.

Sincerely,

**FORTISBC ENERGY INC.  
FORTISBC INC.**

***Original signed:***

Doug Slater

Attachments  
cc (email only): Registered Parties



FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC) (collectively FortisBC) Application for Approval of a Multi-Year Rate Plan for 2020 through 2024 (the Application)	<b>Errata Dated:</b> September 16, 2019
Response to British Columbia Utilities Commission (BCUC) Information Request (IR) No. 1, Questions 53.2 and 102.2	Page 452

1 FortisBC's utilization of contingency in estimates is consistent with the Association for the  
2 Advancement of Cost engineering (AACE International) definition of contingency as:

3 An amount added to an estimate to allow for items, conditions, or events for  
4 which the state, occurrence, or effect is uncertain and that experience shows will  
5 likely result, in aggregate, in additional costs. Typically estimated using statistical  
6 analysis or judgment based on past asset or project experience...

7 ...Some of the items, conditions, or events for which the state, occurrence,  
8 and/or effect is uncertain include, but are not limited to, planning and estimating  
9 errors and omissions, minor price fluctuations (other than general escalation),  
10 design developments and changes within the scope, and variations in market  
11 and environmental conditions. Contingency is generally included in most  
12 estimates, and is expected to be expended.

13 Since the contingency amounts are expected to be expended, it is appropriate to include these  
14 contingency items in the total estimate of funds required for project completion.

15  
16

17  
18 53.2 Please re-create Table C3-23 to show the transmission growth projects over \$1  
19 million which were completed and/or started during the Current PBR Plan term.  
20 Please provide the forecast and actual annual capital expenditures for each  
21 project.  
22

23 **Response:**

24 The following table provides the transmission growth projects over \$1 million with spending in  
25 the Current PBR Plan term:

Project Name	Huth 2nd Distribution Transformer Addition		Voltage Support in South Okanagan		Spall Breaker House Reconfiguration		RGA Carmi Voltage Conversion		Sexsmith 2nd Transformer Addition	
	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Projected
Year	(\$ millions)									
2014	\$ 0.372	\$ 0.267	\$ 0.572	\$ 0.616	\$ 1.307	\$ 0.162	-	-	-	-
2015	2.449	2.389	0.731	0.726	-	1.108	-	-	-	-
2016	-	-	-	-	-	-	0.049	0.062	-	-
2017	-	-	-	-	-	-	4.368	2.939	-	-
2018	-	-	-	-	-	-	-	0.945	-	-
2019	-	-	-	-	-	-	-	-	0.833	0.833
2020	-	-	-	-	-	-	-	-	4.607	4.607

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FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC) (collectively FortisBC) Application for Approval of a Multi-Year Rate Plan for 2020 through 2024 (the Application)	Errata Dated: September 16, 2019
Response to British Columbia Utilities Commission (BCUC) Information Request (IR) No. 1, Questions 53.2 and 102.2	Page 727

1 advance, while spot market purchases are executed on a day-ahead or hourly basis. Displacing  
2 PPA energy purchases resulted in a cost savings of \$10.762 million as shown in line 1 of Table  
3 2.

4 FBC was also able to displace 742 MW/months of PPA Capacity in 2018 as a result of forward  
5 and spot market purchases. This resulted in a cost savings of \$6.298 million as shown in line 2  
6 of Table 2. PPA capacity savings can be achieved in three ways: by reducing PPA capacity  
7 required for energy, reducing PPA capacity required for peak demand, and saving on the PPA  
8 capacity ratchet. These three methods are detailed further in Section 2.2 of Appendix C7 of the  
9 Application.

Deleted: 355

10 Further, FBC's optimization included day ahead surplus capacity sales, which reduced PPE by  
11 \$6.495 million as shown in line 3 of Table 2.

12 In order to facilitate the PPA Energy and PPA Capacity displacements, FBC purchased \$0.413  
13 million of incremental wheeling using BC Hydro and Teck Metals Ltd. Transmission, as shown in  
14 line 4 of Table 2. Therefore, as shown in line 5 of Table 2, the Eligible Mitigation Benefit is  
15 equal to \$23.142 million for 2018. This Eligible Mitigation Benefit is then apportioned between  
16 the customer and FBC, with the first \$7.5 million going to the customer, and any benefit beyond  
17 that shared 90 percent to the customer and 10 percent to FBC. The customer's share for 2018  
18 would be \$21.578 million, and FBC's share would be \$1.564 million, as shown in lines 6 and 7  
19 of Table 2, respectively. The FBC share of the incentive is equal to 6.8 percent of the Eligible  
20 Mitigation Benefit. The customer share of the Eligible Mitigation Benefit of \$21.578 million is  
21 equivalent to an approximate 6 percent rate decrease.

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23

24  
25 102.2.1 As part of the above response, please provide the detailed calculation  
26 of the 2018 PPE under the "passive strategy" and explain all inputs and  
27 assumptions.  
28

29 **Response:**

30 Please refer to the response to BCUC IR 1.102.2.

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33  
34 102.3 Please calculate the Eligible Mitigation Benefit, FBC's share of the PSI, and the  
35 ROE impact of the PSI based on FBC's proposed PSI calculation for each year  
36 of the Current PBR Plan term.