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December 18, 2019

B.C. Sustainable Energy Association  
c/o William J. Andrews, Barrister & Solicitor  
1958 Parkside Lane  
North Vancouver, B.C.  
V7G 1X5

Attention: Mr. William J. Andrews

Dear Mr. Andrews:

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

**Project No. 1598996**

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

**Response to the B.C. Sustainable Energy Association and Sierra Club of British  
Columbia (BCSEA) Information Request (IR) No. 4 on Rebuttal Evidence**

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On March 11, 2019, FortisBC filed the Application referenced above. In accordance with the British Columbia Utilities Commission Order G-272-19 setting out the Regulatory Timetable for the review of the Application, FortisBC respectfully submits the attached response to BCSEA IR No. 4 on Rebuttal Evidence.

If further information is required, please contact the undersigned.

Sincerely,

**FORTISBC ENERGY INC.  
FORTISBC INC.**

***Original signed:***

Doug Slater

Attachments

cc (email only): Commission Secretary  
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)	Submission Date: December 18, 2019
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1   **46.0   Topic:            FBC 2020 Interim Refundable Rates**  
2                               **Reference: Exhibit B-23, FortisBC Rebuttal Evidence, A10, p.11; A19,**  
3                               **p.24**

4            In the context of O&M funding, FortisBC states on p.11:

5                                “In determining the incremental O&M funding, FortisBC uses a bottom-up  
6                                approach to understand its needs and to produce a reasonable forecast. All  
7                                forecast amounts are subject to BCUC scrutiny and approval.” [underline added]

8            In the context of capital funding, FortisBC states on p.24:

9  
10                                “In recognition of the uncertainties that are inherent in a five-year forecast, which  
11                                FortisBC explained in detail in response to BCUC IR 1.51.5, FEI and FBC have  
12                                proposed to review their 2023 and 2024 forecasts during the Annual Reviews for  
13                                2023 rates.” [underline added]

14            46.1    Is FortisBC’s evidence that for O&M funding all forecast amounts are subject to  
15                                BCUC scrutiny and approval *in the current proceeding*? Is it FortisBC’s proposal  
16                                that O&M funding 2023 and 2024 forecasts would be reviewed during the Annual  
17                                Reviews for 2023 rates?  
18

19    **Response:**

20    FortisBC’s incremental O&M funding requests<sup>1</sup> are subject to BCUC scrutiny and approval in  
21    this Application as this is necessary to set FEI and FBC’s Base O&M for the Proposed MRPs.  
22    The approved incremental O&M funding will be included in FEI’s and FBC’s Base O&M, which  
23    will escalate over the term of the Proposed MRPs in accordance with the approved index  
24    mechanism.

25    As explained in the Application, FEI and FBC are proposing to review their 2023 and 2024  
26    forecast of Regular capital in the Annual Reviews for 2023 Rates.

27    For clarity, the incremental O&M approved by the BCUC in this proceeding and embedded in  
28    Base O&M per customer would not be reviewed during the Annual Reviews. However, any  
29    O&M funding that is forecast annually outside of the O&M indexing formula<sup>2</sup> will be reviewed  
30    during the Annual Reviews.

<sup>1</sup> Described in Sections C2.4.2.3 and C2.5.2.3 - New Funding for Term of Proposed MRP.

<sup>2</sup> Described in Section C4.4 - O&M.