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March 31, 2022

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

Attention: Mr. Patrick Wruck, Commission Secretary

Dear Mr. Wruck:

Re: FortisBC Energy Inc. (FEI)
2019-2022 Demand Side Management Expenditure Plan – Request for Acceptance of 2021 Budget Transfer

FEI writes with respect to its 2019-2022 Demand Side Management (DSM) Plan accepted by the British Columbia Utilities Commission (BCUC) pursuant to Order G-10-19 (Decision) and FEI's 2021 DSM Annual Report in which FEI identified transfers and carryover of over expenditures that exceeded the transfer rules approved by the Decision.

Further to the Decision, and the transfer rules approved therein¹, FEI is filing this application for approval of a transfer of greater than 25 percent into the Portfolio Level Activities Program Area. This application is filed concurrently with the FEI 2021 DSM Annual Report and aligns with the discussion presented in Section 3, Funding Transfers, in that Report.

FEI received approval pursuant to BCUC Order G-345-21 for a negative carryover amount from a small overspend of the overall 2020 Portfolio approved expenditures. FEI allocated the 2020 negative carryover amounts to the 2021 budgets for Enabling Activities and Portfolio Level Activities, reducing those budget amounts for 2021. This allocation prioritized spending in Program Areas that provide energy savings rebates over Program Areas that do not.

The reduced 2021 budget for the Portfolio Level Activities resulted in actual Portfolio level expenditures exceeding the revised 2021 Plan.² The resulting transfer into Portfolio Level Activities is 57 percent of the revised Plan, exceeding the allowed transfer amount by 32 percent, or \$302 thousand, as shown in Table 3-1 from the FEI 2021 DSM Annual Report reproduced below. This amount represents less than 0.3 percent of the overall Portfolio

¹ The transfer rules require FEI to apply for approval for funding transfers of greater than 25 percent of the giving or receiving Program Area.

² FEI notes that the 2021 budget for the Portfolio Level Activities Program Area was originally \$1.822 million, as approved by BCUC Decision and Order G-10-19 on FEI's 2019-22 DSM Expenditure Plan Application. Before application of the overspend carryover from 2020 that served to reduce the Portfolio Level Activities Program Area budget for 2021, actual spending in this program area would have been lower than Plan.

approved expenditure amount. If FEI had not applied the 2020 overspend to the Portfolio Level Activities Program Area and reduced its 2021 budget, funding transfers would not have exceeded 25 percent across any of the Program areas.

Funding Transfers for 2021 and Calculation of Carryover Expenditures to 2022
 (Table 3-1 from the FEI 2021 DSM Annual Report)

Program Area	2021 Plan Expenditures (incl. 2020 Carryover*)	2021 Actual Expenditures (\$000)	2021 Actual less Plan (\$000)	2021 Funding Transfer Amount In (Out) (\$000)	Plan Amount Carried Over to 2022 (\$000s)	Transfer as a percent of Approved
Residential	50,121	51,484	1,363	1,363	0	3%
Commercial	20,735	21,309	574	574	0	3%
Industrial	7,913	6,095	-1,818	-803	1,015	-10%
Low Income	10,322	9,043	-1,279	0	1,279	0%
Conservation Education and Outreach	8,578	4,517	-4,061	-2,144	1,917	-25%
Innovative Technologies	5,064	3,721	-1,343	0	1,343	0%
Enabling Activities	8,722	9,199	476	476	0	5%
Portfolio Level Activities	943	1,477	534	534	0	57%
ALL PROGRAMS	112,398	106,844	-5,554		5,554	

* See Table 2-2 for 2020 Carryover amounts

In summary, FEI is requesting approval to transfer funds in excess of 25 percent into the Portfolio Level Activities Program Area. The transfer is required as a result of the allocation of the negative carryover amount approved for 2020 to the Portfolio Level Activities Program Area that reduced its budget in 2021. A draft Order is provided in Appendix A.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

cc (email only): Registered parties in the FEI 2019-2022 DSM Expenditures Plan proceeding

Appendix A
DRAFT ORDER



ORDER NUMBER

G-xx-xx

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

and

FortisBC Energy Inc.
2019-2022 Demand Side Management Expenditures Plan –
Request for Acceptance of 2021 Budget Transfer

BEFORE:

[Panel Chair]
Commissioner
Commissioner

on Date

ORDER

WHEREAS:

- A. On January 17, 2019, the British Columbia Utilities Commission (BCUC) issued its decision by way of Order G-10-19 in the FortisBC Energy Inc. (FEI) Application for Acceptance of 2019-2022 Demand Side Management (DSM) Expenditures Plan proceeding, approving, among other things, FEI's request that funding transfers follow the same process as was established in the FEI 2012 and 2013 Revenue Requirements and Natural Gas Rates Decision;
- B. On March 31, 2022, FEI filed for approval to transfer 32 percent in excess of 25 percent into the Portfolio Levels Activities Program Area (\$0.534 million) in 2021;
- C. The BCUC has reviewed the Application and finds that approval is warranted.

NOW THEREFORE, pursuant to section 44.2 of the *Utilities Commission Act*, the BCUC orders as follows:

- 1. FEI is approved to transfer funds into the Portfolio Level Activities Program Area that exceed 25 percent of the total 2021 Portfolio Level Activities Program Area approved funding.

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

BY ORDER

(X. X. last name)
Commissioner