



Sarah Walsh
Director, Regulatory Affairs

Gas Regulatory Affairs Correspondence
Email: gas.regulatory.affairs@fortisbc.com

Electric Regulatory Affairs Correspondence
Email: electricity.regulatory.affairs@fortisbc.com

FortisBC
16705 Fraser Highway
Surrey, B.C. V4N 0E8
Tel: (778) 578-3861
Cell: (604) 230-7874
Fax: (604) 576-7074
www.fortisbc.com

July 14, 2023

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, B.C.
V6Z 2N3

Attention: Patrick Wruck, Commission Secretary

Dear Patrick Wruck:

Re: FortisBC Energy Inc. (FEI)

Application for a Certificate of Public Convenience and Necessity for the Okanagan Capacity Upgrade Project (Application) ~ Project No. 1599152

Response to the British Columbia Utilities Commission (BCUC) CONFIDENTIAL Information Request (IR) No. 1 on Supplementary Filing, Question 1.2 – Filed Non-Confidentially

On November 16, 2020, FEI filed the Application referenced above. On May 5, 2023, in accordance with BCUC Order G-106-23, the BCUC issued BCUC Confidential IR No. 1 on Supplementary Filing (Exhibit A-33). FEI confirms that the response to BCUC Confidential IR No. 1, 1.2 on Supplementary Filing is not confidential and is being filed publicly for the record. FEI respectfully submits the attached response to BCUC Confidential IR No. 1, 1.2 on Supplementary Filing on a non-confidential basis.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Sarah Walsh

Attachments

cc (email only): Registered Interveners

FortisBC Energy Inc. (FEI or the Company) Application for a CPCN for the Okanagan Capacity Upgrade (OCU) Project (Application)	Submission Date: July 14, 2023
Response to British Columbia Utilities Commission (BCUC) CONFIDENTIAL Information Request (IR) No. 1 on Supplementary Filing – Filed Non-Confidentially	Page 1

1 **A. PROJECT COST**

2 **1.0 Reference: PROJECT COST**

3 **Exhibit B-35, Table 4-3, pp. 15- 16; Exhibit B-35-1, Appendix B, p. 10**

4 **Rate Impact Analysis**

5 On page 15 of the Supplementary Filing, FEI states:

6 The OCU Project will have incremental delivery rate impacts from 2024 to 2027.
7 The drivers of the delivery rate impact in each year are explained below:

- 8 • [...] All new assets related to the OCU Project are expected to be in-service
9 in 2026 and will be transferred to rate base on January 1, 2027, resulting
10 in an incremental delivery rate impact of approximately 2.37 percent in
11 2027, when compared to the approved 2023 delivery rates.

12
13 On page 16 of the Supplementary Filing, FEI provides Table 4-3 showing the annual
14 incremental revenue requirement and annual delivery rate impact from 2024 to 2027, as
15 compared to FEI’s current 2023 approved delivery rates:

Table 4-3: Summary of Project Annual Delivery Rate Impact

	2024	2025	2026	2027
Incremental Delivery Margin, compared to 2023 Approved, Non-Bypass (\$ millions)	(0.554)	(0.474)	(0.319)	24.788
Annual Delivery Rate Impact, compared to 2023 Approved, Non-bypass	(0.05%)	(0.05%)	(0.03%)	2.37%

16
17 On page 10 of Appendix B to the Supplementary Filing (Schedule 10), FEI provides the
18 year-on-year percentage increase in delivery rate, as compared to the 2023 approved
19 delivery rate:

20 1.2 Please provide an extended version of Table 4-3 (Summary of Project Annual
21 Delivery Rate Impact) above to include all the years currently included in Schedule
22 10 (i.e. from 2023 till 2092), on a non-confidential basis.

23
24 **Response:**

25 The response to this question is not confidential and has, therefore, been filed publicly.

26 Please see Table 1 below for an extended version of Table 4-3 for the Incremental Delivery Margin
27 and Annual Delivery Rate Impacts (compared to 2023 Approved delivery rates) from 2023 to
28 2092.



FortisBC Energy Inc. (FEI or the Company) Application for a CPCN for the Okanagan Capacity Upgrade (OCU) Project (Application)	Submission Date: July 14, 2023
Response to British Columbia Utilities Commission (BCUC) CONFIDENTIAL Information Request (IR) No. 1 on Supplementary Filing – Filed Non-Confidentially	Page 2

1

Table 1: Summary of Project Annual Delivery Rate Impact from 2023 to 2092

	Reference	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Incremental Delivery Margin, compared to 2023 Approved, Non-Bypass (\$ millions)	Appendix B - Financial Schedules, Schedule 10, Line 4/1000	-	(0.554)	(0.474)	(0.319)	24.788	25.022	25.583	25.674	25.674	25.717	25.720	25.733
Annual Delivery Rate Impact, compared to 2023 Approved, Non-bypass	Appendix B - Financial Schedules, Schedule 10, Line 28	0.00%	-0.05%	-0.05%	-0.03%	2.37%	2.40%	2.45%	2.46%	2.46%	2.46%	2.46%	2.46%
	Reference	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Incremental Delivery Margin, compared to 2023 Approved, Non-Bypass (\$ millions)	Appendix B - Financial Schedules, Schedule 10, Line 4/1000	25.744	25.800	25.636	25.399	25.225	25.030	24.867	24.720	24.644	24.325	23.929	23.635
Annual Delivery Rate Impact, compared to 2023 Approved, Non-bypass	Appendix B - Financial Schedules, Schedule 10, Line 28	2.47%	2.47%	2.46%	2.43%	2.42%	2.40%	2.38%	2.37%	2.36%	2.33%	2.29%	2.26%
	Reference	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058
Incremental Delivery Margin, compared to 2023 Approved, Non-Bypass (\$ millions)	Appendix B - Financial Schedules, Schedule 10, Line 4/1000	23.328	23.077	22.865	22.729	22.323	21.836	21.475	21.106	20.799	20.534	20.378	19.918
Annual Delivery Rate Impact, compared to 2023 Approved, Non-bypass	Appendix B - Financial Schedules, Schedule 10, Line 28	2.23%	2.21%	2.19%	2.18%	2.14%	2.09%	2.06%	2.02%	1.99%	1.97%	1.95%	1.91%
	Reference	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070
Incremental Delivery Margin, compared to 2023 Approved, Non-Bypass (\$ millions)	Appendix B - Financial Schedules, Schedule 10, Line 4/1000	19.380	18.999	18.596	18.267	17.990	17.841	17.346	16.753	16.332	15.908	15.573	15.309
Annual Delivery Rate Impact, compared to 2023 Approved, Non-bypass	Appendix B - Financial Schedules, Schedule 10, Line 28	1.86%	1.82%	1.78%	1.75%	1.72%	1.71%	1.66%	1.60%	1.56%	1.52%	1.49%	1.47%
	Reference	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082
Incremental Delivery Margin, compared to 2023 Approved, Non-Bypass (\$ millions)	Appendix B - Financial Schedules, Schedule 10, Line 4/1000	15.208	14.719	14.564	14.935	14.500	14.194	13.948	13.873	13.340	12.679	12.258	11.850
Annual Delivery Rate Impact, compared to 2023 Approved, Non-bypass	Appendix B - Financial Schedules, Schedule 10, Line 28	1.46%	1.41%	1.39%	1.43%	1.39%	1.36%	1.34%	1.33%	1.28%	1.21%	1.17%	1.13%
	Reference	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092		
Incremental Delivery Margin, compared to 2023 Approved, Non-Bypass (\$ millions)	Appendix B - Financial Schedules, Schedule 10, Line 4/1000	11.529	11.289	11.245	10.679	9.967	9.517	9.064	8.747	8.524	8.546		
Annual Delivery Rate Impact, compared to 2023 Approved, Non-bypass	Appendix B - Financial Schedules, Schedule 10, Line 28	1.10%	1.08%	1.08%	1.02%	0.95%	0.91%	0.87%	0.84%	0.82%	0.82%		

2

3