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August 23, 2017

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 Inc. (FBC)
Project No. 1598911
Application for Community Solar Pilot Project
Response to the B.C. Sustainable Energy Association and Sierra Club of British Columbia (BCSEA) Information Request (IR) No. 2

On April 27, 2017, FBC filed the Application referenced above. In accordance with the British Columbia Utilities Commission Order G-114-17 setting out the Amended Regulatory Timetable for the review of the Application, FBC respectfully submits the attached response to BCSEA IR No. 2.

If further information is required, please contact Corey Sinclair at 250-469-8038.

Sincerely,

FORTISBC INC.

Original signed:

Diane Roy

Attachment

cc (email only): Commission Secretary
Registered Parties



FortisBC Inc. (FBC or the Company) Community Solar Pilot Project Application (the Application)	Submission Date: August 23, 2017
Response to the BC Sustainable Energy Association and Sierra Club BC (BCSEA) Information Request (IR) No. 2	Page 1

1 **24.0 Topic: Costs and rates**

2 **Reference: Exhibit B-4, FBC Response to BCSEA-SCBC IR 7.1**

3 “In order to ensure the CSPP is in-service by the end of 2017, approval was requested
4 by June 30, 2017. As this date has since past, FBC will make best efforts to complete by
5 the end of 2017, although this may not be possible.

6 If the Project completion is to be delayed to 2018, then the impact will be added inflation
7 and the financing cost during construction (i.e., AFUDC). As an example, assuming the
8 Project in- service date is delayed to April 2018, then the present value of the annual
9 revenue requirement for the Project as well as the rates will be higher by approximately
10 6 percent. Please refer to the table below for the comparison.

	In-Service Dec 2017 ¹	In-Service April 2018
Preliminary Capital Cost Estimate (Incl. AFUDC)	\$960,744	\$968,871
PV of Incremental Revenue Requirement (40 years)	\$933,072	\$985,730
Virtual Solar Panel Option – Annual Rate (\$/panel/yr)	\$86	\$91
Solar Offset Option (\$/kWh)	\$0.246/kWh	\$0.248/kWh

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12 24.1 The response to BCSEA-SCBC IR 7.1 is dated July 7, 2017 and the remainder of
13 the regulatory timetable in Order G-108-17 is dated July 17, 2017. Does knowing
14 the current regulatory timetable affect FBC’s reference to April 2018 as a delayed
15 project in-service date and/or the table of cost estimate comparisons? If so,
16 please provide updated information.

17

18 **Response:**

19 No, the current regulatory timetable does not affect FBC’s reference to April 2018 as a delayed
20 Project in-service date.

21 FBC identified the timing of a regulatory decision as a Project risk, with the impact being FBC’s
22 ability to procure all necessary materials for construction completion by the end of 2017. The
23 current regulatory timetable confirms April 2018 is a more realistic and achievable in-service
24 date than December 2017.

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28 24.2 Please comment on whether the estimated cost per panel (\$91/panel/year)
29 associated with a delayed project in-service date of April 2018 affects FBC’s
30 expectation regarding customer participation in the pilot program.

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FortisBC Inc. (FBC or the Company) Community Solar Pilot Project Application (the Application)	Submission Date: August 23, 2017
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1 **Response:**

2 FBC does not believe the higher cost per panel associated with a delayed Project in-service
3 date will cause the CSPP to not be fully subscribed.

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