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July 10, 2018

Irrigation Ratepayers Group
c/o Weisberg Law Corporation
2730 Ailsa Crescent
North Vancouver, BC V7K 2B2

Attention: Mr. Fred J. Weisberg

Dear Mr. Weisberg:

Re: FortisBC Inc. (FBC)
Project No. 1598939
2017 Cost of Service Analysis and Rate Design Application (the Application)
Response to Irrigation Ratepayers Group (IRG) Information Request (IR) No. 2

On December 22, 2017, FBC filed the Application referenced above. In accordance with British Columbia Utilities Commission Order G-101-18 establishing the Regulatory Timetable for the review of the Application, FBC respectfully submits the attached response to IRG 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) 2017 Cost of Service Analysis and Rate Design Application (the Application)	Submission Date: July 10, 2018
Response to Irrigation Ratepayers Group (IRG) Information Request (IR) No. 2	Page 1

1 **Rate Design Application – Frequency and Purpose**

2

3 **6.0 Reference: Exhibit B-16, PDF 10, FBC Response to IRG 3.11**
4 **Proposal to Provide Seasonal Time of Use (TOU) Rates for Irrigation**
5 **Customers**

6 **Preamble:** FBC's Response stated in part:

7 "Any net savings in power supply costs would benefit all classes by lowering the overall
8 revenue requirements and any need for a rate increase. Whether this savings to non-
9 Irrigation classes would be sufficient to offset the shift in allocated costs to non-irrigation
10 classes is uncertain."

11 6.1 Please confirm that FBC is *currently* uncertain whether the savings to non-
12 Irrigation classes resulting a seasonal TOU rate for Irrigation would be sufficient
13 to offset the shift in allocated costs to non-Irrigation classes.

14

15 **Response:**

16 Not confirmed. FBC does not currently have a seasonal TOU rate for Irrigation customers that
17 could be used as a basis for this conclusion. At the current time, customers on the Irrigation
18 TOU rate are required to stay on the rate for the entire year. If the question intends to inquire as
19 to whether at the present time, FBC is uncertain as to the amount of any savings that would
20 result from Irrigation customers being on a TOU rate during the non-irrigation season only, then
21 that is confirmed.

22

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25 6.2 Please confirm that after FBC completes the further analysis described both in
26 the Application and throughout Exhibit B-16 Responses to IRG, FBC expects that
27 it will be certain whether the savings to non-Irrigation classes resulting a
28 seasonal TOU rate for Irrigation would be sufficient to offset the shift in allocated
29 costs to non-Irrigation classes. If not, please explain what else FBC would have
30 to do in order to be certain in that regard.

31

32 **Response:**

33 The intent of the further analysis is that FBC would be able to provide an assessment to the
34 Commission of the impact of implementing the rate treatment requested by KID, including an
35 assessment of the cost or savings to other customers. This would have a level of certainty in
36 keeping with the COSA in general.

37

FortisBC Inc. (FBC or the Company) 2017 Cost of Service Analysis and Rate Design Application (the Application)	Submission Date: July 10, 2018
Response to Irrigation Ratepayers Group (IRG) Information Request (IR) No. 2	Page 2

1 **7.0 Reference: Exhibit B-16, PDF 11, FBC Response to IRG 4.1**
2 **Proposal to Implement Irrigation TOU Rates in Winter Months**

3 **Preamble:** FBC's Response stated in part:

4 "With respect to the effective dates, FBC does not have enough information on the
5 design of such a rate to be able to accurately estimate a practical date for
6 implementation. However, no design of such a rate would be possible to implement prior
7 to November 1, 2018. New rates, in particular those that have multiple components to
8 them, require modifications to the billing system and related integrated applications.
9 Those modifications need to be designed, built and tested before they can be
10 implemented."

11 7.1 What specifically is the additional information that FBC does not have but needs
12 to enable it to design a seasonal TOU rate for Irrigation?
13

14 **Response:**

15 To enable a seasonal TOU rate for Irrigation, detailed analysis is required to determine if the
16 billing systems and related integrated applications are capable of handling this seasonal
17 change. Irrigation and time of use are measured differently from both a metering and billing
18 system perspective. This creates operational and technical challenges. In addition to the
19 changes required for TOU outlined in the response to BCUC IR 1.90.2, additional changes to
20 the billing system and AMI systems would be needed to automatically change from irrigation to
21 TOU and back to irrigation. FBC's customer portal would also need changes to accommodate
22 such a seasonal rate change.

23 Although FBC has had high level discussions with a third party vendor with respect to TOU, a
24 statement of work agreement would be required for further analysis. FBC cannot provide an
25 estimate of time and cost to design, build and test the required changes until such analysis has
26 occurred.

27
28

29

30 7.2 If such information is not in FBC's possession or within its ability to obtain or
31 create, who would be the source of the additional information that FBC requires
32 to design a seasonal TOU rate for Irrigation?
33

34 **Response:**

35 Please refer to the response to IRG IR 2.7.1.

FortisBC Inc. (FBC or the Company) 2017 Cost of Service Analysis and Rate Design Application (the Application)	Submission Date: July 10, 2018
Response to Irrigation Ratepayers Group (IRG) Information Request (IR) No. 2	Page 3

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4 7.3 If a third party would be the source of the additional information that FBC
5 requires to design a seasonal TOU rate for Irrigation, has FBC already requested
6 the additional information from the third party? If not, why has FBC not yet made
7 that request?

8

9 **Response:**

10 Please refer to the response to IRG IR 2.7.1.

11

12

13

14 7.4 If a seasonal TOU rate for Irrigation would have “multiple components”, as FBC’s
15 Response suggests, what specifically are they?

16

17 **Response:**

18 Please refer to the response to IRG IR 2.7.1.

19

20

21

22 7.5 What are FBC’s expectations of the time and cost to design, build and test the
23 required modifications to FBC’s billing system and related integrated applications
24 before they can be implemented?

25

26 **Response:**

27 Please refer to the response to IRG IR 2.7.1.

28

FortisBC Inc. (FBC or the Company) 2017 Cost of Service Analysis and Rate Design Application (the Application)	Submission Date: July 10, 2018
Response to Irrigation Ratepayers Group (IRG) Information Request (IR) No. 2	Page 4

1 **8.0 Reference: Exhibit B-16, PDF 15, FBC Response to IRG 5.1**
2 **Investigation and Implementation of KID’s TOU Rate Proposal**

3 **Preamble:** FBC’s response to IRG 5.1 states that “the Company has indicated (as
4 repeated in the preamble to the KSCA IR 5.0 series) in a general sense the types of
5 issues that need to be examined before it can properly comment on the request made by
6 the KID.”

7 8.1 IRG has reviewed the KSCA IR 5.0 series, which deals with “Wholesale
8 Discount”, and sees no obvious connection to the issues related to the KID
9 seasonal TOU rate request. Please explain the connection, or alternatively,
10 provide a different reference to such discussion.

11
12 **Response:**

13 FBC apologizes for the incorrect reference. The types of system requirements that must be
14 investigated are generally those discussed in the response to BCUC IR 1.90.2. FBC is filing an
15 errata to correct this, concurrent with the filing of these IR responses.

16

FortisBC Inc. (FBC or the Company) 2017 Cost of Service Analysis and Rate Design Application (the Application)	Submission Date: July 10, 2018
Response to Irrigation Ratepayers Group (IRG) Information Request (IR) No. 2	Page 6

1 9.3 Please provide the answer to IRG 5.4, as the current Response does not
2 address the distinction, if any, between “technical and customer information
3 systems issues” vs. “implementation issues”.
4

5 **Response:**

6 Please refer to the response to IRG IR 2.9.1.
7
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10 9.4 Please provide the answer to IRG 5.5, as the current Response does not
11 address any of the contemplated steps that FBC expects will be necessary to
12 adequately investigate the technical and customer information systems issues,
13 and if different, the implementation issues.
14

15 **Response:**

16 In its response to BCUC IR 1.90.2, the Company described many of the components of the
17 metering and billing systems that will need to be reviewed in order to implement any change to
18 the TOU rates that are currently in place. These same elements will be involved in developing
19 an Irrigation TOU rate that differs from those in place for the rest of the rate classes. In addition
20 to the systems work, FBC will need to gather and analyze the load information from the existing
21 Irrigation customers in order to consider a number of participation scenarios and the potential
22 impact on the system load from a technical and COSA perspective.
23
24
25

26 9.5 Please provide the answer to IRG 5.6, as the current Response does not
27 address cost prohibitive solutions of any kind or amount.
28

29 **Response:**

30 FBC cannot provide costing information on matters that have not yet been fully identified. As
31 stated, the Company is at a very preliminary stage in looking at this matter and these questions
32 call for conclusions to be drawn from insufficient information.
33
34
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FortisBC Inc. (FBC or the Company) 2017 Cost of Service Analysis and Rate Design Application (the Application)	Submission Date: July 10, 2018
Response to Irrigation Ratepayers Group (IRG) Information Request (IR) No. 2	Page 7

1 9.6 Please provide the answer to IRG 5.7, as the current Response does not
2 address why less costly solutions might not be found or developed.
3

4 **Response:**

5 Please refer to the response to IRG IR 2.9.5.
6
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9 9.7 Please provide the answer to IRG 5.8, as the current Response does not
10 address the expected timeline required to further investigate the implementation
11 of an optional off-season TOU Irrigation and Drainage rate, other than the period
12 between consulting with IRG and making a recommendation to the Commission..
13

14 **Response:**

15 Please refer to the response to IRG IR 2.9.5.
16