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July 10, 2018

Kaslo Senior Citizens Association – Branch #81
c/o Andy Shadrack
Box 484
Kaslo, British Columbia
VOG 1M0

Attention: Mr. Andy Shadrack

Dear Mr. Shadrack:

Re: FortisBC Inc. (FBC)
Project No. 1598939
2017 Cost of Service Analysis and Rate Design Application (the Application)
Errata to the Response to the Kaslo Senior Citizens Association – Branch #81
(KSCA) Information Request (IR) No. 1 (Exhibit B-17)

On May 8, 2018, FBC filed its responses to KSCA IR No. 1 in the above noted proceeding. During the course of responding to IRs from round 2, FBC determined that a correction is necessary to the response to KSCA IR No. 1.2.1.1 (Exhibit B-17). A blacklined version of Exhibit B-17, page 34 is included with this filing.

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)	Errata Dated: July 10, 2018
Response to Kaslo Senior Citizens Association – Branch #81 (KSCA) Information Request (IR) No. 1, Question 2.1.1	Page 34

1 **2. Net Metering And Other Cost of Service Class Analysis In The Schedules**

2 At Schedule 1.1, EES states that the “Customer Cost \$/Per Customer/Month” is 21%
3 more expensive for NM customers than Non-NM residential customers and that the
4 “Demand Charge \$/KW” was 16.1% cheaper, the “Average Energy Cost\$/kWh” 1.4%
5 more expensive, and the combined “Average Energy+Demand Cost\$/kWh” was 11%
6 more expensive, resulting in a “Combined Average Cost\$/kWh” that is 4.7% more
7 expensive.

8 2.1 Please explain why, if the “Demand Charge \$/KW” is 16.1% cheaper and the
9 “Average Energy Cost\$/kWh” is only 1.4% more expensive, how the “Average
10 Energy+Demand Cost \$/kWh” was 11% more expensive for NM customers than
11 Non-NM residential customers.

12
13 **Response:**

14 The Company consulted with EES to provide the following response.

15 The total average cost per kWh accounts for the combined demand and energy costs on a per
16 kWh basis as well as the customer-related costs spread out on a per kWh basis. While the
17 customer-related costs are 21.2 percent higher on a per customer basis, they are 13 percent
18 lower on a per kWh basis because NM customers have a larger average use per customer.
19 The overall 4.7 percent difference is a weighted average of combined demand and energy costs
20 per kWh that are 11 percent higher and customer-related costs per kWh that are 13 percent
21 lower.

22
23

24

25 2.1.1 Please explain why Customer Direct Charges, the “Customer Cost
26 \$/Per Customer/Month”, is 21% more expensive for NM customers than
27 Non-NM residential customers.

28
29 **Response:**

30 The Company consulted with EES to provide the following response.

31 Some of the customer-related costs are allocated to rate classes on the basis of weighted
32 customers. The weighting factor for meters and services is ~~\$125~~ for a NM customer compared
33 to ~~\$115~~ for a Non-NM customer. The weighting factor for customer accounting/services is 2.0
34 compared to 1.0 for Non-NM customers. These weighting factors differ between NM customers
35 and non-NM customers because of the added complexity associated with NM customers.

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