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August 20, 2018

Industrial Customers Group c/o #301 – 2298 McBain Avenue Vancouver, BC V6L 3B1

Attention: Mr. Robert Hobbs

Dear Mr. Hobbs:

Re: FortisBC Inc. (FBC)

Project No. 1598939

2017 Cost of Service Analysis and Rate Design Application (the Application)

FBC Information Request (IR) No. 1 to Industrial Customers Group (ICG)

On December 22, 2017, FBC filed the Application referenced above. In accordance with the British Columbia Utilities Commission Order G-101-18 establishing the Regulatory Timetable for the review of the Application, attached please find FBC IR No. 1 to ICG on the Evidence of Mr. Will Cleveland and Mr. Elroy Switlishoff (Exhibit C12-6).

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) 2017 Cost of Service Analysis and Rate Design Application (the Application)	Submission Date: August 20, 2018
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1.0	Reference:	Prepared testimony	y of Mr. Will Cleveland, Page :	2
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"The Proposed Changes do not impact all generators in FBC's service territory that export power. The Proposed Changes only impact those generators that export power to BC Hydro, e.g. Independent Power Producers selling to BC Hydro (a "BC Hydro IPP Within FBC")."

- 1.1 Please specifically identify the "Proposed Changes" to which the prepared testimony refers. Do the Proposed Changes include those changes to the Transmission Services related rates included in Sections 7.3 and 7.4 of the Application?
- 1.2 Please provided an updated list of the members of the Industrial Customers Group (ICG) and indicate the FBC rate under which they take service, and for each, whether or not they currently utilize RS 101 and/or RS 102 or are currently considering doing so. If Mr. Cleveland lacks this knowledge, please canvass the ICG members in order to provide a response.

2.0 Reference: Prepared testimony of Mr. Will Cleveland, Page 3

"For an existing BC Hydro IPP Within (sic) FBC, the Proposed Changes will impose additional costs on their power export, which were not known when they executed their Electricity Purchase Agreement (EPA) with BC Hydro, assuming their EPA was executed after G-12-99."

"To my knowledge there is at least one BC Hydro IPP Within FBC operating with BC Hydro EPA that was executed after G-12-99. My expectation is that when originally negotiating their EPA (and in particular the power price in the EPA), a BC Hydro IPP Within FBC would have taken into account all their known and forecasted costs to deliver energy to the point of interconnection (POI) with BC Hydro, including the zero cost RS 101 transmission rate ordered in G-12-99."

- 2.1 Please confirm that the <u>total</u> cost of transmission service may, <u>or may not</u> be higher than under the status quo if the updates to the language contained in RS 101 and RS 102 as described in Section 7.2 of the Application, and the updated pricing for ancillary services described in Sections 7.3 and 7.4 of the Application are both approved, depending on the circumstances of the SG customer or IPP. If not confirmed, please explain.
- 2.2 Please identify the one BC Hydro IPP within the FBC service area that is operating with BC Hydro EPA that was executed after G-12-99.



FortisBC Inc. (FBC) 2017 Cost of Service Analysis and Rate Design Application (the Application)	Submission Date: August 20, 2018
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1		2.3	Please	e provide the date on which the current BC Hydro EPA expires.
2 3 4 5 6 7 8 9		2.4	to the to imp previo indica 99. D	the testimony of Mr. Cleveland with respect to the proposed updates language contained in RS 101 and RS 102 is that it would be unfair lose the changes on parties that have formed agreements under the lose interpretation, FBC can find no instance within the evidence that tes that FBC's current interpretation is inconsistent with Order G-12-lose Mr. Cleveland believe that FBC's interpretation of Order G-12-reflected in the proposed updates to the language contained in RS and RS 102 is incorrect?
10				
11 12	3.0	Refer	ence:	Prepared testimony of Mr. Will Cleveland, Page 9, Scenario B Diagram
13 14 15		3.1		e further explain the "BCH Internal Cost Transfer for Network Service" ppears in Scenario B.
1.0	4.0	5 (
16	4.0	Reter	ence:	Prepared testimony of Mr. Switlishoff , Page 7
17 18 19	4.0	"The o	econom cond ge	ic analysis that led to the decision to incur the capital expenditure to install enerator therefore considered post-EPA export conditions, which included the retation of the Rate Schedule 101 harmonization provisions."
17 18	4.0	"The o	econom econd ge nt interp Does will pu	ic analysis that led to the decision to incur the capital expenditure to install enerator therefore considered post-EPA export conditions, which included the
17 18 19 20 21	4.0	"The of the se currer	economecond gent interp Does will purent current ln the expec	ic analysis that led to the decision to incur the capital expenditure to install enerator therefore considered post-EPA export conditions, which included the retation of the Rate Schedule 101 harmonization provisions." Zellstoff Celgar have any assurances from BC Hydro that BC Hydro urchase any amount of generation output after the expiration of the
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17 18 19 20 21 22 23 24 25	4.0	"The ethe se currer	economecond general	ic analysis that led to the decision to incur the capital expenditure to install enerator therefore considered post-EPA export conditions, which included the retation of the Rate Schedule 101 harmonization provisions." Zellstoff Celgar have any assurances from BC Hydro that BC Hydro urchase any amount of generation output after the expiration of the ht EPA? absence of an EPA with BC Hydro, please provide Zellstoff Celgar's tation of the wheeling charges it would be required to pay if its ation output were sold to: