

December 14, 2009

Via Email
Original via mail

Ms. Erica M. Hamilton
Commission Secretary
BC Utilities Commission
Sixth Floor, 900 Howe Street, Box 250
Vancouver, BC V6Z 2N3

Dear Ms. Hamilton:

Re: *FortisBC2009 Rate Design and Cost of Service Application – Project No. 3698564*

FortisBC provides the following erratum to its 2009 Rate Design and Cost of Service Application. A replacement page is attached.

- 1 2009 Rate Design and Cost of Service Application, Page 43, Table 7.0, Grand Forks Revenue to Cost Ratio**
“71.3%” should read “68.1%”

Sincerely,



Dennis Swanson
Director, Regulatory Affairs

1 7.0 Study Results

2 The revenue-to-cost ratios for each customer class reflect the extent to which FortisBC
 3 is collecting revenue relative to the costs allocated to each rate class. A revenue-to-
 4 cost ratio of 100 percent indicates that the revenues exactly match the costs of
 5 providing service. A revenue-to-cost ratio below 100 percent indicates that a customer
 6 class is being subsidized by others within the system while a revenue-to-cost ratio
 7 above 100 percent indicates that a customer class is subsidizing other classes. The
 8 2009 COSA Report revenue-to-cost results for current FortisBC rates are reproduced
 9 below.

10 **Table 7.0 - 2009 Revenue-to-Cost Ratios**

Rate Class	Ratio
Residential	98.3%
Small General Service (20)	113.4%
General Service (21)	138.9%
Large General Service Primary (30)	122.4%
Large General Service Transmission (31)	109.9%
Large General Service Transmission TOU (33)	23.5%
Lighting	81.9%
Irrigation	78.6%
Kelowna Wholesale*	89.9%
Penticton Wholesale	78.0%
Summerland Wholesale	96.6%
Grand Forks Wholesale	68.1%
BC Hydro Lardeau Wholesale	101.8%
BC Hydro Yahk Wholesale	103.5%
Nelson Wholesale	80.0%
Total	100.0%

11 * Note that in the table - Kelowna Wholesale through BC Hydro Yahk
 12 Wholesale currently belong to the same Rate class (40) and are broken out
 13 as discussed on page 13 of the EES Report.

14 As noted in the EES Report, "The COSA takes the revenue requirement for the utility
 15 and attempts to equitably allocate those costs to the various customer classes of