

March 2, 2010

**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: *FortisBC 2009 Rate Design and Cost of Service Application – Project No. 3698564***

FortisBC provides the following errata to its 2009 Rate Design and Cost of Service Application and Information Request No. 1 Responses. Replacement pages are attached.

- 1 2009 Rate Design and Cost of Service Application, Page 15, Table 2.3**  
Small General Service Energy rate “8.571” should read “8.187”  
General Service Tier 1 Energy rate “8.571” should read “8.187”  
General Service Tier 2 Energy rate “6.333” should read “5.882”  
Large General Service Transmission Energy rate “3.938” should read “3.867”
- 2 2009 Rate Design and Cost of Service Application, Page 49, Line 3**  
“four” should read “three”
- 3 2009 Rate Design and Cost of Service Application, Page 62, Lines 20-22 & Lines 26-27**  
Replacement pages attached.
- 4 2009 Rate Design and Cost of Service Application, Page 63, Figure 11.1**  
Replacement pages attached.
- 5 2009 Rate Design and Cost of Service Application, Page 64, Lines 22-23 & 29**  
Replacement page attached.

- 6 2009 Rate Design and Cost of Service Application, Page 65, Line 1, Table 11.1**  
Replacement page attached.
- 7 2009 Rate Design and Cost of Service Application, Page 69, Table 12.2**  
Replacement page attached.
- 8 2009 Rate Design and Cost of Service Application, Appendix B, Amended Rate Schedules**  
Rate Schedule 20 Bimonthly rate “8.571¢” should read “8.187¢”  
Rate Schedule 21 Energy Charge of “8.571¢” should read “8.187¢”  
Rate Schedule 21 Energy Charge of “6.333¢” should read “5.882¢”  
Rate Schedule 31 Energy Charge of “3.938¢” should read “3.867¢”
- 9 2009 Rate Design and Cost of Service Application Responses to Information Requests No. 1, BCUC Information Request No. 1, Page 26, Table A15.1**  
Replacement page attached.
- 10 2009 Rate Design and Cost of Service Application Responses to Information Requests No. 1, BCUC Information Request No. 1, Page 43, Line 13**  
“\$24” should read “\$32”
- 11 2009 Rate Design and Cost of Service Application Responses to Information Requests No. 1, BCUC Information Request No. 1, Page 55, Table A34.4**  
Replacement page attached.
- 12 2009 Rate Design and Cost of Service Application Responses to Information Requests No. 1, BCUC Information Request No. 1, Page 124, Table A71.2**  
Replacement page attached.
- 13 2009 Rate Design and Cost of Service Application Responses to Information Requests No. 1, BCUC Information Request No. 1, Page 129, Table A74.3b**  
Replacement page attached.
- 14 2009 Rate Design and Cost of Service Application Responses to Information Requests No. 1, BCOAPO Information Request No. 1, Page 20, Q18.4**  
Line 24, “\$818.29” should read “\$779.81”  
Line 25, “\$766.08” should read “\$732.41”  
Line 26, “7 percent” should read “6 percent”
- 15 2009 Rate Design and Cost of Service Application Responses to Information Requests No. 1, BCOAPO Information Request No. 1, Pages 43 and 44**  
Replacement pages attached.

**16 2009 Rate Design and Cost of Service Application Responses to Information Requests No. 1, Zellstoff Celgar Information Request No. 1, Page 15, Table A11.4**

Replacement page attached

**17 2009 Rate Design and Cost of Service Application Responses to Information Requests No. 1, OEIA Information Request No. 1, Page 34, Q11.7**

“8” should read “7”

Sincerely,

A handwritten signature in black ink, appearing to read 'Dennis Swanson', with a long horizontal flourish extending to the right.

Dennis Swanson  
Director, Regulatory Affairs

**Table 2.3 - Summary of Rate Changes**

Rate Class	Current FortisBC Rates				Proposed FortisBC Rates				
	Basic Charge <sup>1</sup>	Energy Rate (¢ / kWh)		Demand (/ kVA)	Basic Charge	Energy Rate (¢ / kWh)		Demand (/ kVA) <sup>3</sup>	
<b>Residential</b>	\$24.26 *	7.627		N/A	\$24.26 *	7.627		N/A	
<b>Small General Service</b>	\$29.24 *	Tier 1	8.694	N/A	\$29.24 *	8.187		N/A	
		Tier 2	6.601						
		Tier 3	4.900						
<b>General Service</b>	\$14.61	Tier 1	8.694	\$7.21 /kW	\$14.61	Tier 1	8.187	\$7.70/kW	
		Tier 2	6.601			Tier 2	5.882		
		Tier 3	4.900			Tier 3	N/A		
<b>Large General Service Primary</b>	\$748.73	4.539		\$6.79	\$748.73	4.383		\$7.25	
<b>Large General Service Transmission</b>	\$2,246.22	3.993		\$5.49	\$2,246.22	3.867		Wires	PS
								\$3.50	\$2.00
<b>Irrigation</b>	\$14.62	5.650		N/A	\$14.62	5.650		N/A	
<b>Kelowna Wholesale</b>	\$1,729.08	3.838		\$7.48	\$1,729.08	2.290		Wires	PS
								\$6.70	\$3.52
<b>Penticton Wholesale</b>	\$1,729.08	3.838		\$7.48	\$1,729.08	1.990		Wires	PS
								\$5.52	\$3.24
<b>Summerland Wholesale</b>	\$1,729.08	3.838		\$7.48	\$1,729.08	2.465		Wires	PS
								\$6.74	\$3.90
<b>Grand Forks Wholesale</b>	\$1,729.08	3.838		\$7.48	\$1,729.08	1.728		Wires	PS
								\$4.76	\$2.80
<b>BCH Lardeau Wholesale</b>	\$1,729.08	3.838		\$7.48	\$1,729.08	2.707		Wires	PS
								\$6.00	\$3.01
<b>BCH Yahk Wholesale</b>	\$1,729.08	3.838		\$7.48	\$1,729.08	2.555		Wires	PS
								\$8.12	\$3.49
<b>Nelson Wholesale</b>	\$3,952.23 <sup>2</sup>	3.779		\$4.44	\$1729.08	1.923		Wires	PS
								\$4.59	\$4.25

1 1 – Basic Charge is monthly unless denoted as bi-monthly by “\*\*”

2 2 – Nelson Basic Charge is per customer on existing rate only. All others are per point of delivery (POD)

3 3– Wires = Wires related component based on Contract Demand. PS = Power Supply Component based on actual demand

1

**Table 8.1b Impact on Revenue-to-Cost Ratio over 5 years**

	Rebalancing Increase and 5% General Rate Increase					
	Initial R/C Ratio	Year 1 R/C Ratio	Year 2 R/C Ratio	Year 3 R/C Ratio	Year 4 R/C Ratio	Year 5 R/C Ratio
	%					
Residential	98.3	98.3	98.3	98.3	98.3	98.3
Small General Service	113.4	109.8	106.7	105.0	105.0	105.0
General Service	138.9	134.6	130.7	127.2	123.0	121.8
Large General Service Primary 30	122.4	118.5	115.1	112.1	108.3	105.0
Large General Service Transmission 31	109.9	106.4	105.0	105.0	105.0	105.0
Large General Service Transmission 33	23.5	24.7	25.8	27.1	28.4	29.7
Lighting	81.9	82.3	89.8	94.1	95.0	95.0
Irrigation	78.6	82.3	86.3	90.4	94.7	95.0
Kelowna Wholesale	89.9	94.2	95.0	95.0	95.0	95.0
Penticton Wholesale	78.0	81.7	85.6	89.7	94.0	95.0
Summerland Wholesale	96.6	96.6	96.6	96.6	96.6	96.6
Grand Forks Wholesale	68.1	71.3	74.7	78.3	82.0	85.9
BCH Lardeau Wholesale	101.8	101.8	101.8	101.8	101.8	101.8
BCH Yahk Wholesale	103.5	103.5	103.5	103.5	103.5	103.5
Nelson Wholesale	80.0	83.8	87.8	92.0	95.0	95.0

2 The results in the table above satisfy the requirements of the rebalancing criteria  
3 mentioned previously. As shown, there are three customer groups that remain outside  
4 of the 95-105 percent range at the end of five years; however this situation cannot be  
5 remedied without introducing increases larger than 10 percent annually for those  
6 groups.

7 Feedback received from the Super Group consultation indicated a high degree of  
8 support for rebalancing in general, and the Company's approach was seen as  
9 reasonable.

1 **Basic Charge**

2 FortisBC considered increasing the General Service Basic Charges since, as noted  
3 above, fixed cost recovery through the current Basic Charge is not sufficient to cover  
4 the costs allocated to the General Service classes. However, in light of the need to  
5 promote energy conservation, increasing the portion of the customer bill that is not  
6 related to electricity consumption was considered undesirable and not in support of the  
7 Energy Plan, and the Basic Charge was left unchanged. General Service participants in  
8 the Super Group session also favoured leaving the Basic Charge at the same level.

9 **Schedule 20 Energy Charges**

10 This current three-step declining block rate structure presents Schedule 20 Small  
11 General Service customers with a declining marginal cost of energy, which is contrary to  
12 the Provincial energy objectives as set out in the Energy Plan and Utilities Commission  
13 Act.

14 FortisBC proposes to flatten the Schedule 20 energy rate. This increases the marginal  
15 cost of energy for customers with larger bills, promoting conservation.

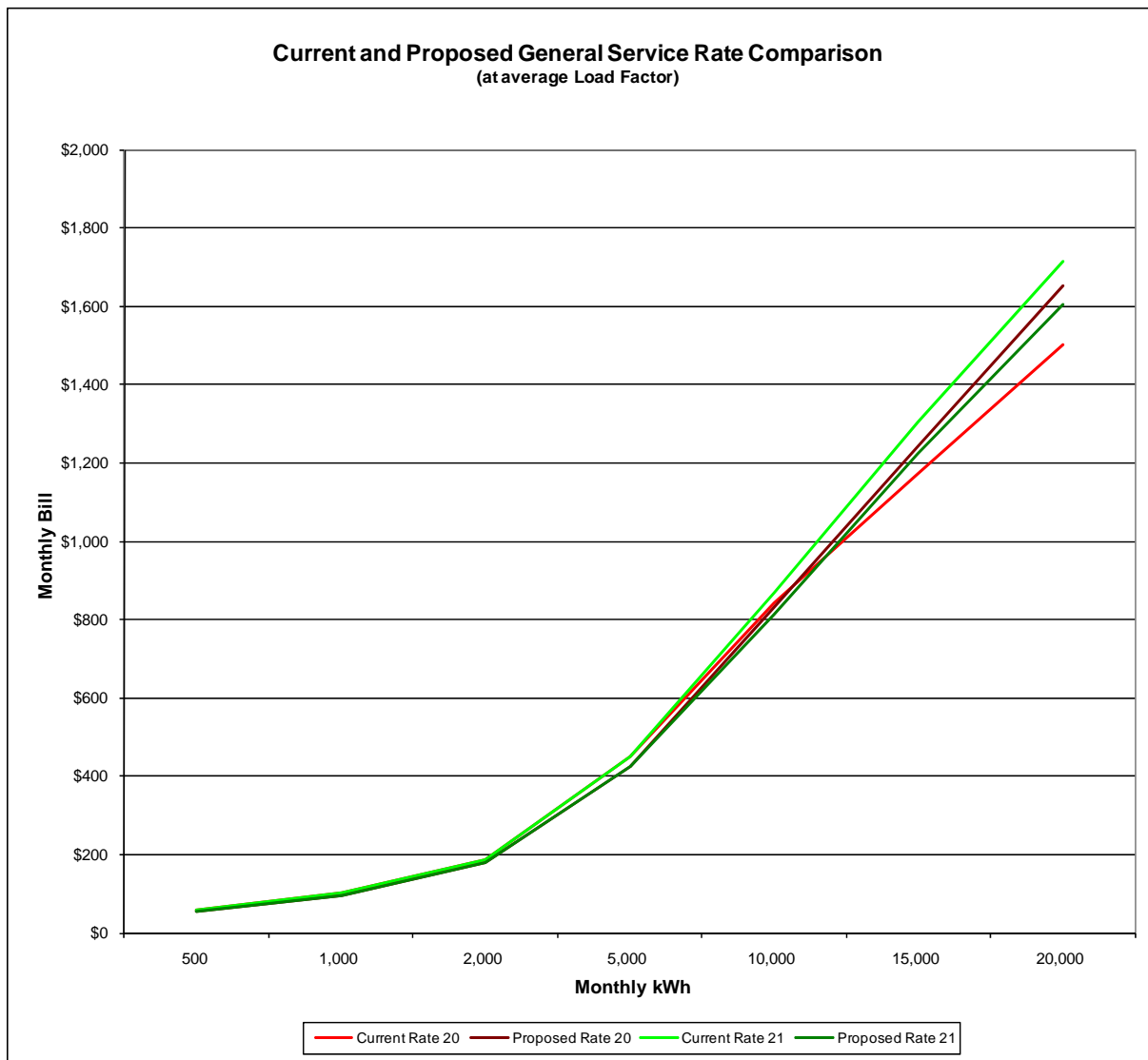
16 Almost 97 percent of Schedule 20 bills are entirely within the first energy block, thus the  
17 rate schedule in practice is already quite flat, which implies the transition to a completely  
18 flat rate would not result in excessive bill impacts or require extensive customer  
19 education for those under this rate. Schedule 20 customers with consumption below  
20 10,500 kWh monthly would see bill reductions of up to 5.7 percent. Customers with  
21 monthly consumption above 10,500 kWh and below 27,500 kWh see increases of 0 –  
22 13.3 percent (14,000 kWh monthly is the approximate consumption of a Schedule 20  
23 customer at the maximum allowed demand of 40 kW and a 50 percent load factor).

24 Based on 2008 bill frequency data over 97 percent of bills are below 8,500 kWh,  
25 representing approximately 80 percent of the energy used within the class.

26 Schedule 20 bills with monthly consumption over 27,500 kWh hours will see increases  
27 of up to 17 percent or more, but this only impacts less than 0.1 percent of total bills.  
28 Customers with bill increases in this range may have the option to move to Schedule  
29 21, dependent on the frequency with which they exceed 40 kW, and with the average

1 load factor at this consumption level of 30 percent, transitioned customers will pay  
2 approximately the same amount (see Figure 11.1).  
3 General Service participants in the Super Groups were not generally in favour of  
4 flattening rates and increasing the Basic Charge. After consideration of customer  
5 feedback and the rate design Principles, FortisBC believes that an unchanged Basic  
6 Charge combined with a flattening of the rates is a desirable option and the effect on  
7 customer bills is manageable.

8 **Figure 11.1**



9

1 **Schedule 21 Energy Charges**

2 Customers receiving service under Schedule 21 are larger and average 16,000 kWh per  
3 month with demand generally above 40 kW than those in Schedule 20 at average  
4 usage of 3,800 kWh per month. Both rate schedules are currently billed the same Basic  
5 Charge and energy rates, but Schedule 21 customers also pay a charge for demand  
6 above 40 kW.

7 Completely flattening Schedule 21 energy rates was not considered practical for two  
8 reasons:

- 9 1. Schedule 21 customers currently have a significant portion of their consumption  
10 in all three declining rate blocks (approximately 20 percent in the first block, 50  
11 percent in the second and 30 percent in the third), with the first and third block  
12 rates differing by over 75 percent. A flat rate would have a significant impact on  
13 individual customers, requiring effort for customers to understand and adjust to a  
14 flat rate.
- 15 2. FortisBC proposes to maintain the current smooth rate transition for customers  
16 near the 40 kW threshold that differentiates Schedule 20 and 21. If both  
17 Schedule 20 and 21 rates were flat, then the rates would be different and  
18 customers would experience a bill change as they moved from one rate schedule  
19 to another.

20 For these reasons, the Company has designed a two-step declining block rate for  
21 Schedule 21 customers in which the first block rate (up to 8,000 kWh monthly) and the  
22 flat rate of Schedule 20 are the same at approximately 8.2 cents. The second block of  
23 consumption above 8,000 kWh attracts a rate of approximately 5.9 cents per kWh. This  
24 will allow the customers who receive service under this rate to transition more smoothly  
25 to the time-based rates that FortisBC foresees will become the standard under its future  
26 plans.

27 As with Schedule 20, the majority of Schedule 21 customers will see a modest bill  
28 decrease as a result of the change. Those customer bills with consumption below  
29 140,000 kWh monthly (over 99 percent of all bills and 92 percent of total energy



1 consumed by the class) will see a reduction of between 1.9 - 7.0 percent. The small  
 2 number of bills above 100,000 kWh per month will increase by up to 15 percent.

3 As Figure 11.1 above shows, FortisBC has achieved a smooth transition point at  
 4 approximately 14,000 kWh between proposed Schedule 20 and 21 rates.

5 General Service participants in the Super Groups were not generally in favour of  
 6 flattening rates and increasing the Basic Charge. Although the Basic Charge was left  
 7 unchanged, FortisBC believes that flattening of the rates is desirable and overall the  
 8 effect on customer bills is manageable.

9 **Schedule 21 Demand Charges**

10 The demand charge that currently applies to Schedule 21 customers is approximately  
 11 80 percent of the COSA recommended demand charge. Given the importance of  
 12 demand conservation, FortisBC proposes to raise the demand charge to approximately  
 13 85 percent of COSA recommended level, or \$7.70 per kW, based on current rates.

14 While a demand charge does not necessarily result in guaranteed reductions at the  
 15 system peak, the proposed increase does deliver an improved price signal for demand  
 16 conservation, while still maintaining reasonable intra-class bill changes. The \$7.70 per  
 17 kW proposed in this Application is modestly higher than the \$7.50 per kW proposed  
 18 during consultation.

19 **Table 11.1 - General Service Rate Proposal**

	Current	Proposed	
		GS 20*	GS 21
Basic Charge (monthly)	\$14.61	\$14.61	\$14.61
Block One (First 16000 kWh)	\$.08694 / kWh	\$.08187 / kWh	\$.08187 / kWh
Block Two (Next 184000 kWh)	\$.06601 / kWh	N/A	\$.05882 / kWh
Block Three (Above 200000 kWh)	\$.04900 / kWh	N/A	N/A
Demand Charge	\$7.21 / kW	N/A	\$7.70 / kW

20 \* Blocks are eliminated for GS20

1

**Table 12.2 - Summary of Changes – Rate Schedule 31**

Component	Current	Proposed	
		Supply	Wires
Demand Charge	\$5.49 per kVA	\$2.00 per kVA	\$3.50 per kVA
Basic Charge	\$2246.22 monthly	\$2246.22 monthly	
Energy Charge	3.993¢ per kWh	3.867¢ per kWh	

2

As with Schedule 30, no change is proposed to the Basic Charge for Schedule 31.

3

There is also no change to the structure of the energy rate, which will continue to be flat,

4

but due to the increase in the demand charge revenues, the energy rate will decrease

5

by approximately 3 percent. Customer impacts from these changes are forecast to be

6

relatively small, with a maximum decrease of 1.1 percent and an increase of 8.6 percent

7

for one Large General Service transmission customer that is below the 5,000 kVA

8

threshold for the rate class.

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SCHEDULE 20 - SMALL COMMERCIAL SERVICE

APPLICABLE: To non-residential Customers whose electrical Demand is generally not more than 40 kW and can be supplied through one meter. Where there is more than one Service to the same location and they are of the same voltage and phase classification and they were connected prior to January 5, 1977, the electrical energy and Demands registered for such Services will be combined and billed at this rate.

BIMONTHLY RATE: For a two month period

All kW.h @ 8.187¢ per kW.h

plus:

BASIC CHARGE: \$29.24 per two month period

DELIVERY AND  
METERING VOLTAGE  
DISCOUNTS:

The above rate applies to power Service when taken at the Company's standard Secondary Voltage. A discount of 1 1/2% shall be applied to the above rate if the electric Service is metered at a primary distribution voltage.

OVERDUE ACCOUNTS:

A late payment charge of 1 1/2% will be assessed each month (compounded monthly 19.56% per annum) on all outstanding balances not paid by the due date.

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Issued \_\_\_\_\_  
FORTISBC INC.

Accepted for filing \_\_\_\_\_  
BRITISH COLUMBIA UTILITIES COMMISSION

By: \_\_\_\_\_

By: \_\_\_\_\_  
Commission Secretary

EFFECTIVE (applicable to consumption on and after) \_\_\_\_\_

SCHEDULE 21 - COMMERCIAL SERVICE

APPLICABLE: To non-residential Customers whose electrical Demand is generally greater than 40 kW but less than 500 kW and can be supplied through one meter. Where there is more than one Service to the same location and they are of the same voltage and phase classification and they were connected prior to January 5, 1977, the electrical energy and Demands registered for such Services will be combined and billed at this rate.

MONTHLY  
RATE:

A Demand Charge of:

\$7.70 per kW of "Billing Demand" above 40 kW

plus:

An Energy Charge of:

First	8000 kW.h	8.187¢ per kW.h
Balance		5.882¢ per kW.h

plus:

BASIC  
CHARGE:

\$14.61 per month

"Billing Demand"

The greatest of:

- (a) Twenty five per cent (25%) of the Contract Demand, or
- (b) The maximum Demand in kW for the current billing month, or
- (c) Seventy-five per cent (75%) of the maximum Demand in kW registered during the months previous eleven month period.

Issued \_\_\_\_\_  
FORTISBC INC.

Accepted for filing \_\_\_\_\_  
BRITISH COLUMBIA UTILITIES COMMISSION

By: \_\_\_\_\_

By: \_\_\_\_\_

Commission Secretary

EFFECTIVE (applicable to consumption on and after) \_\_\_\_\_

SCHEDULE 31 - LARGE COMMERCIAL SERVICE - TRANSMISSION

AVAILABLE: In all areas served by the Company for supply at 60 hertz, three phase with a nominal potential of 60,000 volts or higher as available.

APPLICABLE: Applicable to industrial Customers with loads of 5,000 kVA or more, subject to written agreement.

MONTHLY RATE: A Basic Charge of \$2,246.22

plus: A Demand Charge composed of:

(a) Wires Charge

\$3.50 per kVA determined by:

The greatest of:

- i. 100% of the contract Demand Limit, or
- ii. The maximum Demand in kVA for the current billing month.
- iii. 100% of the maximum Demand in kVA recorded during the previous eleven month period.

(b) Power Supply Charge

\$2.00 per kVA determined by:

the monthly maximum Demand in kVA for the current billing month, as measured by the metering at the Point of Delivery.

plus: An Energy Charge of 3.867¢ per kW.h

OVERDUE ACCOUNTS:

A late payment charge of 1 1/2% will be assessed each month (compounded monthly 19.56% per annum) on all outstanding balances not paid by the due date.

Issued \_\_\_\_\_  
FORTISBC INC.

Accepted for filing \_\_\_\_\_  
BRITISH COLUMBIA UTILITIES COMMISSION

By: \_\_\_\_\_

By: \_\_\_\_\_  
Commission Secretary

EFFECTIVE (applicable to consumption on and after) \_\_\_\_\_

**Project No. 3698564:** Rate Design and Cost of Service  
**Requestor Name:** British Columbia Utilities Commission  
**Information Request No:** 1  
**To:** FortisBC  
**Request Date:** December 18, 2009  
**Response Date:** January 18, 2010

1

**Updated Table BCUC A15.1**

<b>T&amp;D Forecast Expenditures for 2010</b>						
		<b>Forecast</b>	<b>Nature of Project / Upgrade</b>			
<b>Transmission Projects</b>		<b>(\$000s)</b>	<b>Energy</b>	<b>Capacity</b>	<b>Customer</b>	<b>Prime Driver</b>
	Ellison Distribution Source	500		X		Expansion
	Okanagan Transmission Reinforcement	62,325		X		Expansion
	Benvoulin Distribution Source	13,301		X		Expansion
	Recreation Capacity Increase Stage 1,2,3	2,257		X		Expansion
	Kelowna Distribution Capacity Requirements	517		X		Expansion
	Huth Substation Upgrade	413		X		Expansion
	30 Line Conversion	2,340		X		Expansion
	Transmission Sustaining	4,871		X		Replacement
	Stations Sustaining	5,303		X		Replacement
	<b>Transmission &amp; Stations Total</b>	<b>91,827</b>				
<b>Distribution Projects</b>						
	New Connects System Wide	10,670			X	Expansion
	Airport Way Upgrade (Ellison Feeder 3)	1,551		X		Expansion
	Hollywood Feeder 3 - Sexsmith Feeder 4 Tie	365		X		Expansion
	Beaver Park - Fruitvale Distribution Tie	1,227		X		Expansion
	Small Growth Projects	137		X		Expansion
	Small Capacity Improvements Unplanned	994		X		Expansion
	Distribution Sustaining	14,525		X		Replacement
	<b>Total</b>	<b>29,469</b>				
	<b>Total for Transmission and Distribution:</b>	<b>121,296</b>				
	<b>Category totals:</b>			<b>110,626</b>	<b>10,670</b>	
	<b>Percentage of total T&amp;D:</b>			<b>91%</b>	<b>9%</b>	

1 **26.0 Reference: Exhibit B-1, Residential Rates, p. 56**

2 **Rate Design Options: Figure 10.1a**

3 **Q26.1 Please provide the information depicted in Figure 10.1a as a data**  
4 **table, with rows at 100kW intervals and with a column for each of the**  
5 **four Rate Options.**

6 A26.1 The requested information is included in Table BCUC A26.1 below. For  
7 reference, the Rate Options are:

8 Option #1: \$12 bi-monthly Customer Charge, \$32 minimum bill, and  
9 a \$0.080 energy rate;

10 Option #2: \$24 bi-monthly Customer Charge, 1350 kWh block  
11 threshold with a \$0.065 first block and \$0.091 second  
12 block energy rate;

13 Option #3: \$32 bi-monthly Customer Charge, 1350 kWh block  
14 threshold with a \$0.059 first block and \$0.083 second  
15 block energy rate;

16 Option #4: \$24 bi-monthly Customer Charge with a \$0.075 flat  
17 energy rate.

18

1           **Q34.4 Please complete the following table for a monthly Contract Demand of**  
 2                           **3,000 kVA, a 95 per cent power factor, an 80 per cent load factor, and**  
 3                           **ignoring the effect of the demand ratchet:**

Monthly Billed Demand	Demand Charges @ Existing Rate	Energy Charges @ Existing Rate	Total Charges @ Existing Rate	Wires Charges @ Proposed Rate	Power Supply Charges @ Proposed Rate	Energy Charges @ Proposed Rate	Total Charges @ Proposed Rate	% Increase/ (Decrease)
4,000								
3,500								
3,000								
2,500								
2,000								
1,500								

4  
 5           **A34.4 Please see Table BCUC A34.4 below. Note that Rate 31 applies to**  
 6                           **customers with loads of 5,000 kVA or more.**

**Table BCUC A34.4**

Monthly Billed Demand (kVA)	Demand Charges @ Existing Rate	Energy Charges @ Existing Rate	Total Charges @ Existing Rate	Wires Charges @ Proposed Rate	Power Supply Charges @ Proposed Rate	Energy Charges @ Proposed Rate	Total Charges @ Proposed Rate	% Increase/ (Decrease)
4,000	\$263,520	\$1,119,318	\$1,409,792	\$168,000	\$96,000	\$1,083,986	\$1,374,940	-2.5%
3,500	\$230,580	\$979,403	\$1,209,983	\$147,000	\$84,000	\$948,488	\$1,179,488	-2.5%
3,000	\$197,640	\$839,488	\$1,037,128	\$126,000	\$72,000	\$812,989	\$1,010,989	-2.5%
2,500	\$164,700	\$699,574	\$864,274	\$105,000	\$60,000	\$677,491	\$842,492	-2.5%
2,000	\$131,760	\$559,659	\$691,419	\$84,000	\$48,000	\$541,993	\$673,993	-2.5%
1,500	\$98,820	\$419,744	\$518,564	\$63,000	\$36,000	\$406,495	\$505,495	-2.5%
2,000	\$131,760	\$559,659	\$691,419	\$84,000	\$48,000	\$541,993	\$673,993	-2.5%
1,500	\$98,820	\$419,744	\$518,630	\$63,000	\$36,000	\$406,495	\$505,561	-2.5%





1 the COSA.

2 **Q74.2 Please explain how FortisBC charges customers for capacity used**  
3 **that exceeds contractual levels.**

4 A74.2 Where a customer's actual demand exceeds its contract demand, the  
5 actual demand would become the level of demand used for billing.  
6 Depending on the rate under which the customer receives service, and the  
7 degree to which the contract demand was exceeded, a ratchet provision  
8 could be triggered.

9 **Q74.3 Over the last 36 months for which data are available, what has been**  
10 **the average capacity utilisation (in percentage) by each of Industrial**  
11 **and Wholesale Rate Classes (as defined in the Application)?**

12 A74.3 Over the last 36 months the average capacity utilization (measured  
13 demand divided by contract demand) for the Industrial rate class is as  
14 follows:

15 **Table BCUC A74.3a**

<b>Schedule 31 Measured Demand</b>	<b>Contract Demand</b>	<b>Capacity Utilization</b>
452,832	500,000	90.57%

16 The average capacity utilization for the Wholesale classes are:

17 **Table BCUC A74.3b**

<b>Customers</b>	<b>Measured Demand in KVA</b>	<b>Contract Demand in KVA</b>	<b>Usage average</b>
Nelson Hydro*	815,999	1,620,000	50.37%
City of Kelowna	1,947,551	3,304,800	58.93%
City of Grand Forks	253,023	828,000	30.56%
City of Penticton	2,215,149	5,637,600	39.29%
District of Summerland	657,538	1,032,000	63.71%
BC Hydro Lardeau	75,831	0	n/a

18  
19 These average capacity utilisation figures are much less than the peak  
20 capacity utilisation at each point of delivery.

1 **Question #18**

2 **Reference: Exhibit B-1, Application, page 64, lines 2-4 and lines 22-23**

3 **Q18.1 Please confirm if the demand amount quoted on line 3 should be 4 kW or 40**  
4 **kW.**

5 A18.1 The sentence in question should read:

6 *Customers receiving service under Schedule 21 are larger, averaging 16,000 kWh*  
7 *per month with demand generally above 40 kW, than those in Schedule 20 at*  
8 *average usage of 3,800 kWh per month.*

9 Please refer to Errata 2.

10 **Q18.2 Please confirm if the 100,000 kWh value reported on line 23 should be 8,000**  
11 **kWh.**

12 A18.2 Confirmed. Please refer to Errata 2.

13 **Q18.3 What is the average load factor for customers receiving service under**  
14 **Schedule 21 and with monthly demands of between 40 kW and 60 kW?**

15 A18.3 The average load factor for those customers taking service under Schedule 21 is 33  
16 percent.

17 **Q18.4 Based on the load factor reported in response to Question #18.3, please**  
18 **calculate the monthly bill for:**

- 19
- 20 • **A customer with 41 kW demand on Schedule 21**
  - 21 • **A customer on Schedule 20 using 10% less kWh than the customer in the**  
22 **preceding bullet.**
  - 23 • **Please also compute the percentage difference between the two bills.**

24 A18.4 For a customer with 41 kW demand:

- 25 • The monthly bill for the customer on Schedule 21 would be \$779.81
- 26 • The monthly bill for the customer on Schedule 20 would be \$732.41
- The percentage difference between the bills is 6 percent.

1 **Question #36**

2 **Reference:** Exhibit B-1, Application, pages 63 (lines 6-7), 65 (lines 78), 67 (lines 12-  
3 13), page 69 and 71.

4 **Q36.1** With respect to page 63 and the Schedule 20 customers, please provide a  
5 table that sets out the bill impacts associated with the proposed changes for  
6 different monthly consumption levels and, based on recent data, the number  
7 of bills associated with each consumption level.

8 A36.1 Please see Table BCOAPO A36.1 below.

9 **Table BCOAPO A36.1**

<b>Monthly Consumption</b>	<b>% of Bills</b>	<b>% Change</b>
0 - 10,500 kWh	97.4%	-1.8% to -5.7%
10,500 - 27,500 kWh	1.9%	0% to 13.3%
Above 27,500 kWh	0.0%	up to 16.7%

10

11 **Q36.2** With respect to page 65 and the Schedule 21 customers, please provide a  
12 table that sets out range of bill impacts associated with the proposed changes  
13 (e.g. 0-1%, 1%-2%, etc.) and the number of bills/customers associated with  
14 each increment in the range.

15 A36.2 Please see Table BCOAPO A36.2 below.

16

**Table BCOAPO A36.2**

<b>Bill Change</b>	<b>% of Bills</b>
-7.0 to -6.0%	44.4%
-5.9 to -1.9%	55.2%
0 to 15.0%	0.4%

1 **Q36.3 With respect to page 67 and Schedule 30 &32 customers, please provide a**  
2 **table that sets out range of bill impacts associated with the proposed changes**  
3 **(e.g. 0-1%, 1%-2%, etc.) and the number of bills/customers associated with**  
4 **each increment in the range.**

5 A36.3 Please see Table BCOAPO A36.3 below.

6

**Table BCOAPO A36.3**

<b>Bill Change</b>	<b>% of Bills</b>
-1.0 to -0.4%	3.2%
-0.3 to -0.0%	22.6%
0.1 to 1.0%	58.1%
Above 1.0% (avg 3.6%)	16.1%

7 **Q36.4 There is no discussion of the bill impacts for Large General Service –**  
8 **Transmission customers. Please provide a schedule indicating the range of**  
9 **anticipated impacts and number of customers affected.**

10 A36.4 There are three customers served under Rate Schedule 31 with estimated bill  
11 impacts of -2.5 percent, -1.2 percent and 7.3 percent. The bill increase results from  
12 a poor load factor.

13 **Q36.5 On pages 46-48 of the Application FortisBC recommends limits on the total**  
14 **annual increase that a customer group should experience due to a**  
15 **combination of rate rebalancing and revenue requirement based rate**  
16 **increases. What are FortisBC’s views as to whether limits should be**  
17 **established as to the bill impacts individual customers will experience as**  
18 **result of revenue requirement increases, rate rebalancing and rate design**  
19 **changes? If limits are appropriate, what does FortisBC recommend?**

20 A36.5 Principle 6 on page 33 of the Application indicates that customer rate impacts should  
21 be managed (Exhibit B-1). This applies to individual customers as well as customer  
22 groups. FortisBC considered individual rate impacts when designing the proposed  
23 rates, but does not believe that specific limits for individual customer bill impacts are  
24 appropriate or practical.

1           **Q11.4 Please provide a table showing the annual amount of energy**  
2                           **purchased by the Celgar facility in Castlegar for each year between**  
3                           **1992 and 2008, and if different, please also provide in the table the**  
4                           **annual plant load for each year and the difference between the two**  
5                           **values. If the value has changed over time, please explain why, and if**  
6                           **FortisBC's energy sales to the Celgar facility in Castlegar have not**  
7                           **increased along with increases in plant load, please explain why.**

8           A11.4 Annual energy purchased is provided below in Table Zellstoff  
9                           Celgar A11.4. The data for 2007 and 2008 is energy billed,  
10                           including manual adjustments.

11                           Data between 1997 and 2006 is extracted from system control  
12                           interchange estimates. The energy purchases between 1992 and  
13                           1996 are not included in the table below because the data was  
14                           combined with Westar Timber in system control records.

15   **Table Zellstoff Celgar A11.4**

<b>Year</b>	<b>MWh</b>
2008	13,772
2007	25,108
2006	62,694
2005	54,427
2004	59,234
2003	71,393
2002	93,833
2001	88,704
2000	30,636
1999	19,824
1998	28,217
1997	57,710

16                           FortisBC does not track the Zellstoff Celgar plant load and therefore  
17                           cannot provide a summary of the differences between the plant load  
18                           and energy purchased.

19

1           **Q11.7 Please discuss the 8 Bonbright principles<sup>27</sup> if the Basic Charges were**  
2           **reduced and electric usage charges increased.**

3           A11.7 In its Rate Design, FortisBC used the paraphrasing of all the Bonbright  
4           Principles in the Application (at page 33) to provide balance when looking at  
5           available options. With respect to the Basic Charge, Principles 3 (concerning  
6           efficient use) and 7 (concerning revenue stability) are most relevant.

7           FortisBC recognizes that a reduction in the basic charge with a corresponding  
8           increase in consumption charges would reduce the revenue stability for the  
9           utility and may provide a conservation incentive to customers.

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<sup>27</sup> **Exhibit B-1, Section 5.0, Pages 33 to 35**