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April 17, 2008

Original via Courier

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

Dear Ms. Hamilton:

Re: An Application for a CPCN for the Okanagan Transmission Reinforcement (OTR) Project No. 3698488 - ERRATA 2

Please find enclosed FortisBC Inc.'s ERRATA 2 with regard to BCUC Information Request No. 1 (Exhibit B-3). Twenty copies will be couriered to the Commission.

Sincerely,

David Bennett Vice President, Regulatory Affairs and General Counsel

cc: Registered Intervenors

Okanagan Transmission Reinforcement Project

ERRATA 2 to BCUC IR1 (Exhibit B-3)

April 17, 2008

A. Please replace page 90 with the attached Updated page 90
 In the response to BCUC IR1 Q17.1 the reference to a "dashed" line should have read "solid blue" line.

B. Please replace page 91 with the attached Updated page 91

The legend in Figure A17.1 should have read "Supply Limit with single High Capacity VAS-RGA Line & No Technical Limitation from BC Hydro". The additional word "Vernon" was mentioned in error.

- C. Page 135, A29.3, line 18 \$57.0 million should read \$61.0 million
- D. Please replace page 136 with the attached Updated page 136 In the response to BCUC IR1 Q29.4 the references should be to the "2005-2024 System Development Plan" and the "2007 System Development Plan Update" and Table A29.4 has also been corrected.

Project No. 3698488: Okanagan Transmission Reinforcement (OTR) Project Requestor Name: BC Utilities Commission Information Request No: 1 **To:** FortisBC Inc. Request Date: January 22, 2008 Response Date: February 18, 2008

| 1 | 17.0 | Assessment of System Needs | | | | |
|----|-------|---|--|--|--|--|
| 2 | | Reference: Exhibit B-1-1, Tab 3, pp. 38, 39 | | | | |
| 3 | Q17.1 | Please repeat Figure 3-6C and Table 3-6-1 assuming the OTR Project | | | | |
| 4 | | goes ahead with a high capacity single circuit between Vaseux Lake and | | | | |
| 5 | | RG Anderson. | | | | |
| 6 | A17.1 | Please see Figure A17.1 and Table A17.1 below. Note this design will be | | | | |
| 7 | | inadequate (meet neither N-1 nor N-2) as indicated below. Prior to the OTR | | | | |
| 8 | | project, the N-2 limiting condition is the R.G. Anderson Transformer 2 capacity | | | | |
| 9 | | bottleneck. Following the completion of the OTR Project, the N-2 limiting | | | | |
| 10 | | condition moves to the northern supply (Vernon import capacity limit). Note | | | | |
| 11 | | that two load limit lines are shown. The lower line is the contractual import limit | | | | |
| 12 | | at the Vernon interconnection. The higher, dashed solid blue line indicates the | | | | |
| 13 | | technical limit beyond which further load increases will result in voltage or | | | | |
| 14 | | thermal violations. Note that the technical limit may decrease over time as the | | | | |
| 15 | | load in the BCTC system increases (as given by BCTC forecasts). This has | | | | |
| 16 | | the effect of reducing the available supply capacity at Vernon. Both lines' | | | | |
| 17 | | capacity limits are less than the peak load beyond the year 2015. | | | | |

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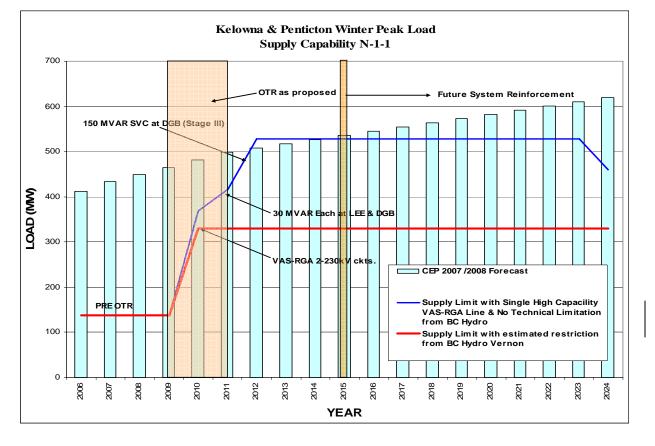


Figure A17.1

Table: A17.1 Okanagan Area Capacity/Adequacy Timeline,Alternative 1C

| Reliability Level | Year | | |
|-------------------|---|--|--|
| N-0 | 2024 + (past planning horizon with / without SVC) | | |
| N-1 | Incompatible | | |
| N-1-1 / N-2 | Incompatible | | |

Project No. 3698488: Okanagan Transmission Reinforcement (OTR) Project **Requestor Name:** BC Utilities Commission Information Request No: 1 To: FortisBC Inc. Request Date: January 22, 2008 **Response Date:** February 18, 2008

| 1 | Q29.4 | The FortisBC 2007-2008 Capital Expenditure Plan at pages 39 to 41 |
|----|-------|--|
| 2 | | identified a cost for the OTR Project of \$75.0 million. Please provide a |
| 3 | | table that compares the breakdown of the 2005 Resource Plan estimate |
| 4 | | and this cost estimate to the estimate in Table 5-1. If the dollar bases for |
| 5 | | the 2005 Resource Plan estimate and the 2007-2008 Capital Plan estimate |
| 6 | | are not the same as the basis as Table 5-1, please include columns that |
| 7 | | show the 2005 Resource Plan estimate and the 2007-2008 Capital Plan |
| 8 | | estimate on the same basis as Table 5-1. Please show the difference in |
| 9 | | estimated cost for each item. |
| 10 | A29.4 | The references above should be to the "2005-2024 System Development |

Plan" and the "2007 System Development Plan Update". Please see Table 11 A29.4 below. 12

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Table: A29.4 OTR Capital Cost Summary Comparisons

| | 2005 SDP (A) | 2007 SDP Update (B) (\$ 000s) | Table 5.1 OTR (C) |
|---|-----------------|--|-------------------------|
| Double Circuit 230kV Vaseux to RGA Penticton (75/76 Line) | 29,500 | (\$ 0003) 38,995 | 55,527 |
| Single Circuit 230kV Vaseux to Bentley (40 Line) | 5,000 | 6,499 | 4,550 |
| 63 & 138kV Circuits Bentley to Oliver | 0,000 | 0,100 | 672 |
| New Bentley Terminal | 20,500 | 21,933 | 30,990 |
| Oliver Substation | 4,000 | 4,716 | 5,687 |
| RG Anderson Terminal Upgrade | | | 10,498 |
| Lee & Bell Terminals 138kV Capacitor Upgrade (formerly | | | |
| Kelowna Shunt Capacitors) | 2,000 | 2,930 | 3,297 |
| Vaseux 230kV Terminal Upgrade | | | 4,440 |
| Vaseux 500kV Terminal Upgrade | | | 2,928 |
| Planning & Preliminary Engineering | | | 5,363 |
| Project Management, Engineering & Operations Support | | | 3,807 |
| Sub Total | 61,000 | 75,073 | 127,760 |
| AFUDC | | | 9,736 |
| Removals & Salvage | | 3,050 | 3,912 |
| TOTAL | 61,000 | 78,123 | 141,408 |

Notes:

Column (A) - the 2005 SDP was presented without AFUDC and capitalized overheads.

Column (B) - includes AFUDC and capitalized overheads.

Column (C) - components include capitalized overheads. AFUDC aggregated for Project total.