



Dennis Swanson
Director, Regulatory Affairs

FortisBC Inc.
Suite 100 – 1975 Springfield Road
Kelowna, BC V1Y 7V7
Tel: (250) 717-0890
Fax: 1-866-335-6295
www.fortisbc.com

Regulatory Affairs Correspondence
Email: electricity.regulatory.affairs@fortisbc.com

December 6, 2013

Via Email
Original via Mail

British Columbia Public Interest Advocacy Centre
Suite 209 – 1090 West Pender Street
Vancouver, B.C.
V6E 2N7

Attention: Ms. Tannis Braithwaite, Acting Executive Director

Dear Ms. Braithwaite:

Re: FortisBC Inc. (FBC)

Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)

Response to the British Columbia Public Interest Advocacy Centre on behalf of the British Columbia Pensioners' and Seniors' Organization *et al* (BCPSO) Information Request (IR) No. 2, Responses Related to the PBR Methodology

Filed as Response to FBC BCPSO IR No. 3a

On July 5, 2013, FBC filed the Application as referenced above. FBC submitted its response to BCPSO IR No. 2 on November 22, 2013, noting that the response to BCPSO IR 2.21.1 related to the PBR Methodology, and would be submitted with the PBR Methodology IRs.

In an effort to differentiate the IR responses relating to the PBR Methodology which are the subject of the oral portion of the hearing jointly for FBC and FortisBC Energy Inc. (FEI) from those IR responses which relate to other matters for the written portion of the hearing individually for each of FEI and FBC, FBC will mark these IR responses as FBC BCPSO IR No. 3a.

FBC respectfully submits these FBC BCPSO IR No. 3a responses related to the PBR Methodology.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC INC.

Original signed:

Dennis Swanson

Attachments

cc: Commission Secretary
Registered Parties (email only)



FortisBC Inc. (FBC or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: December 6, 2013
Response to British Columbia Pensioners' and Seniors' Organization et. al (BCPSO) Information Request (IR) No. 2 IRs Related to PBR Methodology being filed as IR No. 3a	Page 1

1 **21.0 Reference: Exhibit B-10, CEC 1.2.2**

2 21.1 Please explain what is meant by “uneconomic for the Company because payback
3 cannot be achieved before rebasing”. Under cost of service regulation, doesn't
4 FortisBC pursue all cost-effective efficiency opportunities (i.e. opportunities where
5 spending dollars derived from customers leads to lower costs for customers over
6 the long term)?
7

8 **Response:**

9 To the extent that FBC is able to include cost effective efficiency opportunities in its test year
10 costs the Company pursues cost effective efficiency. The reference in the question is referring
11 to opportunities that occur between rate cases and are not included in rates.