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Via Email
Original via Mail

Fort Nelson & District Chamber of Commerce
5500 Alaska Highway, P.O. Box 196
Fort Nelson, B.C.
V0C 1R0

Attention: Ms. Bev Vandersteen, Executive Director

Dear Ms. Vandersteen:

Re: FortisBC Energy Inc. Fort Nelson Service Area (FEFN)
Application for Deferral Account Treatment for 2014 and Changes to the
Revenue Stabilization Adjustment Mechanism (RSAM) Rider (the Application)
Response to Fort Nelson & District Chamber of Commerce (FNDCC)
Information Request (IR) No. 1

On October 11, 2013, FEFN filed with the British Columbia Utilities Commission (the Commission), the Application as referenced above. On December 12, 2013, the Commission issued a letter (Log No. 45153), establishing a deadline for information requests from the FNDCC. On December 18, 2013, FNDCC issued its IR No. 1 to FEFN.

FEFN respectfully submits the attached response to FNDCC IR No. 1, in advance of the January 15, 2014 deadline.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachment

cc: Commission Secretary



FortisBC Energy Inc. Fort Nelson Service Area (FEFN or the Company) Application for Deferral Account Treatment for 2014 and Changes to the Revenue Stabilization Adjustment Mechanism (RSAM) Rider (the Application)	Submission Date: January 6, 2013
Response to Fort Nelson & District Chamber of Commerce (FNCC) Information Request (IR) No. 1	Page 1

1 **1.0 Reference: Table 2.1 pg 4 and 3.1 Muskwa River Crossing pg 5**

2 Table 2.1 illustrates the surplus expected for 2013 however in the Muskwa River
3 Crossing review FEI notes ... "Muskwa River Crossing deferral account was first created
4 in 2011 and later extended to 2012 and 2013 to capture the cost of service of the Project
5 that had been recovered from customers through delivery rates."

6 1.1 Please provide information on what the actual balance currently is in the deferral
7 account and the amounts carried over from 2011 and 2012.

8
9 **Response:**

10 The December 31, 2013 forecast balance, as shown in the Application, for the Muskwa River
11 Crossing deferral account is a credit owing to customers of \$186 thousand. However, the
12 corrected forecast December 31, 2013 balance in the deferral account is a credit of \$273
13 thousand, as shown in the Table below. This change has an immaterial impact, approximately
14 (\$4) thousand, on the annual revenue requirement shown in this Application.

15 Please refer to the table below for a summary of the account. As shown, the balance owing to
16 customers of \$87 thousand from 2011 was returned to customers through 2012 delivery rates.
17 The closing balance is composed of an amount from 2012 of \$90 thousand and an amount from
18 2013 of \$183 thousand.

**Muskwa River Crossing Deferral Account
Forecast Balance at December 31, 2013**

<i>(\$000's)</i>	2011	2012	2013
Opening Balance	\$ -	\$ (87)	\$ (90)
Net Additions	(87)	(90)	(183)
Amortization	-	87	-
Closing Balance	<u>\$ (87)</u>	<u>\$ (90)</u>	<u>\$ (273)</u>

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1 **2.0 Reference: Appendix A - Draft Order pg 2**

2 "d. Approval to adopt the accounting changes approved for FortisBC Energy Inc. in its
3 Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014-
4 2018 as set out in the Application"

5 2.1 Please advise what impact the accounting changes will have specifically on
6 FEFN customers.

7
8 **Response:**

9 The net impact of the accounting changes (change to commencement of depreciation and net
10 lead lag days) is a decrease to the annual revenue requirement of approximately \$100
11 thousand. To clarify, FEFN has reflected these accounting changes in its forecast 2014
12 revenue requirement and this amount is embedded in the revenue surplus forecast as shown on
13 Page 4, Table 2.1.

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