



**Diane Roy**  
Director, Regulatory Services

**Gas Regulatory Affairs Correspondence**  
Email: [gas.regulatory.affairs@fortisbc.com](mailto:gas.regulatory.affairs@fortisbc.com)

**Electric Regulatory Affairs Correspondence**  
Email: [electricity.regulatory.affairs@fortisbc.com](mailto:electricity.regulatory.affairs@fortisbc.com)

**FortisBC**  
16705 Fraser Highway  
Surrey, B.C. V4N 0E8  
Tel: (604) 576-7349  
Cell: (604) 908-2790  
Fax: (604) 576-7074  
Email: [diane.roy@fortisbc.com](mailto:diane.roy@fortisbc.com)  
[www.fortisbc.com](http://www.fortisbc.com)

May 2, 2016

British Columbia Utilities Commission  
6<sup>th</sup> Floor, 900 Howe Street  
Vancouver, BC  
V6Z 2N3

Attention: Ms. Laurel Ross, Acting Commission Secretary and Director

Dear Ms. Ross:

**Re: FortisBC Energy Inc. (FEI)  
Customer Choice Program Cost Recovery Application (the Application)**

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On April 14, 2016, FEI filed the Application noted above. It has come to FEI's attention that a correction is required in Figure 2-2 on page 10 of the Application. The 2015 column inadvertently displayed the Customer Choice Administration and Operating costs together instead of separately. FEI confirms that the correction to the display for the 2015 column in Figure 2-2 has no affect on the total Program costs or any other aspect of the Application.

FEI hereby attaches an erratum to the Application, correcting the display of 2015 column in Figure 2-2.

We apologize for any inconvenience this may have caused. If further information is required, please contact Scott Webb, Manager Customer Programs and Research, at 604-592-7649.

Sincerely,

**FORTISBC ENERGY INC.**

***Original signed:***

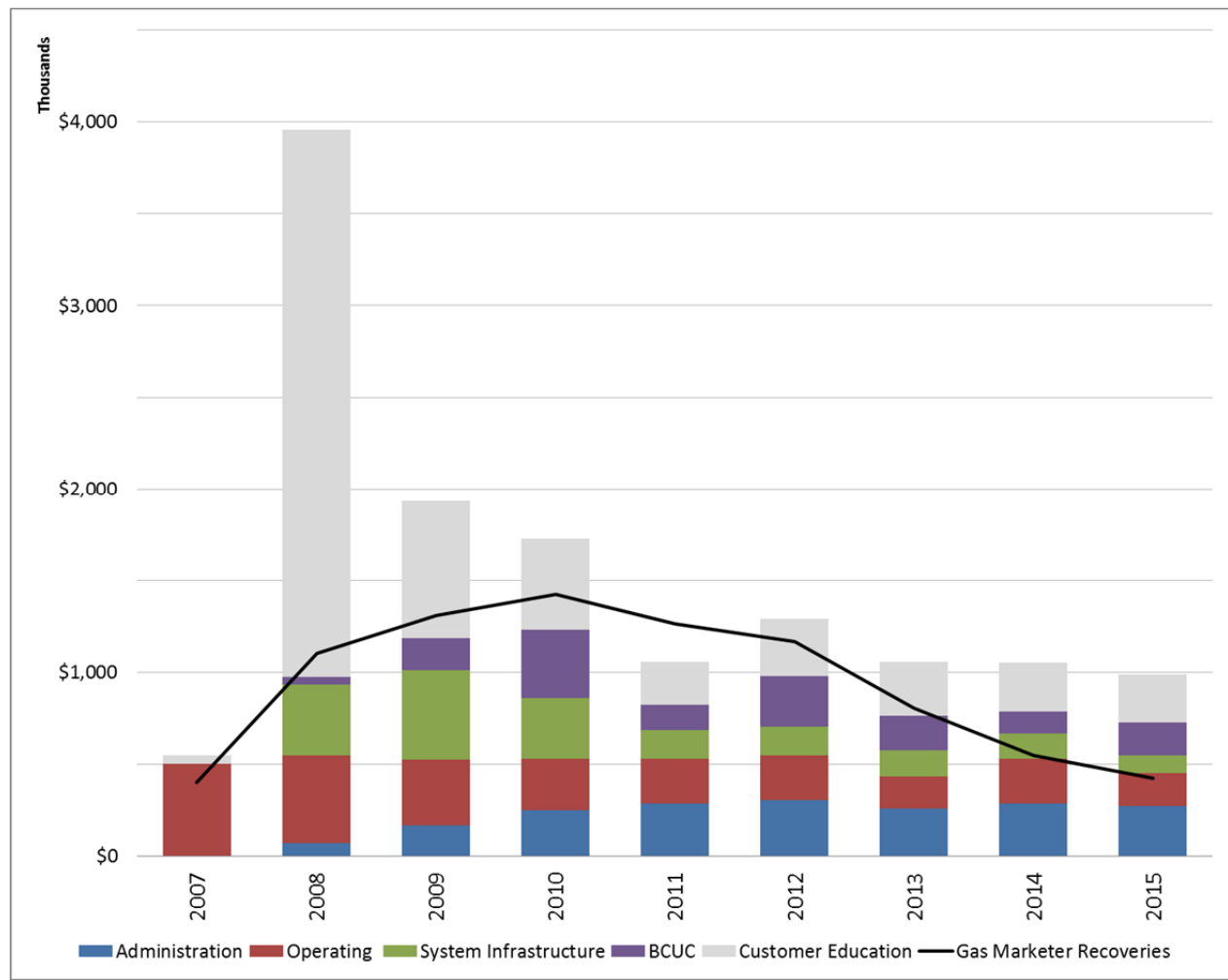
Diane Roy

Attachment

cc (email only): Registered Parties

1

**Figure 2-2: Customer Choice Program Costs and Recoveries 2007 to 2015 <sup>11</sup>**



2

3 Besides a minor adjustment in 2015 to the Confirmation Letter Fee, fee rates have not changed  
 4 since the Program launched in 2007. From 2007 through 2009, this was of little consequence  
 5 because FEI used a deferral account and billing rate rider that allowed it to address both the  
 6 Program's original investment, as well as any annual recovery/cost variances. However, the  
 7 approach was no longer required by 2010 given the stable and relatively low costs of the  
 8 Program in relation to FEI's overall costs. That is, the variances arising from the operation of the  
 9 Program, which generated rate rider amounts of essentially zero, made it administratively  
 10 impractical to continue to administer the deferral account. As a result, in FEI's 2010/2011  
 11 Revenue Requirement Application, the Company proposed and the Commission approved the  
 12 termination of the unbundling deferral account and rate rider. However, variances began to re-  
 13 occur as the Gas Marketer recoveries began to drop off in 2013. These variances are illustrated  
 14 in Figure 2-2.

<sup>11</sup> Costs for systems development, implementation and stabilization incurred from 2007 through 2009 were considered Program implementation costs and are not included in this graph. These costs were charged directly to a deferral account with amounts recovered from all non-bypass customers through a rate rider. See Section 2.1 for more information about implementation cost treatment.