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June 24, 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 or the Company)**  
**Project No. 3698874**  
**Customer Choice Program Cost Recovery Application (the Application)**  
**Section 5.6 and Appendix D REDACTED Public Version**

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On June 23, 2016, the British Columbia Utilities Commission (the Commission) issued Order A-5-16 in the above noted proceeding and directed, among other things, FEI to file a revised public version of Section 5.6 and Appendix D of the Application with the redactions in the form of company names being replaced with the terms Company A, B, C, etc., and to advise each gas marketer individually which letter corresponds to their company by June 24, 2016.

Pursuant to Order A-5-16, FEI attaches the redacted public version of Section 5.6 and Appendix D. Pages 32-38 attached replace those originally filed (Exhibit B-1). Note that in the original filing two tables were inadvertently named Table 5-6, so FEI has taken the opportunity to renumber the subsequent tables correctly on pages 37 and 38 in the attached.

As directed, FEI will advise each gas marketer individually of the letter corresponding to their company.

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

cc (email only): Registered Parties

1 Table 5-3 below shows the results of the quantitative assessment of Option 1. As shown in the  
 2 table, Company A has no customers and no fees in 2015. Their fees under Option 1 would  
 3 increase to the flat fee allocation of \$60,618 despite no sales activity upon which to recoup their  
 4 investment. Other Marketers with low enrolments, like Companies B, C and D would see their  
 5 fees spike by more than 244 per cent. For example, with fee Option 1, Company C – with less  
 6 than one per cent of the market share – would see their fees more than double with a fee  
 7 increase of over \$43,000. If Company C and the other smaller Marketers are influenced to leave  
 8 the Program, their share of fees would transfer to the Marketers that remain.

9 If Option 1 is selected, larger Marketers, including Companies H, F and G would all enjoy  
 10 immediate annual savings of 58 per cent, 47 per cent and 22 per cent respectively. The dollar  
 11 value of the savings for Companies F and H would be in excess of \$50,000 each.

12 Based on the major percentage change in annual Gas Marketer recoveries this option results in,  
 13 FEI believes it is not a suitable allocation approach. For example, Company B sees a 429 per  
 14 cent increase in fees, with remittances increasing from \$11,457 in 2015, to \$60,618. Company  
 15 D ends up with an increase of 305 per cent, and Company C with a 244 per cent increase.

16 **Table 5-3: Quantitative Assessment of Option 1: Equal Fixed Fee per Marketer**

**Option 1 - Equal Fixed Fee per Marketer**

<b>FIXED FEE</b>	<b>A</b>	<b>B</b>	<b>D = A/B</b>	<b>E = D/12</b>
		<b>Number of Marketers</b>	<b>Annual Fee per Marketer</b>	<b>Monthly Fee per Marketer</b>
<b>Total Marketer Recovery</b>	\$ 484,947	8	\$ 60,618	\$ 5,052

<b>Gas Marketer</b>	<b>F Active Customers</b>	<b>G 2015 Actual Recoveries</b>	<b>H = D Proposed Recovery</b>	<b>I = H - G Impact on Marketer (\$'s)</b>	<b>J = H/G - 1 Impact on Marketer (%)</b>
Company A	-	\$ -	\$ 60,618	\$ 60,618	-
Company B	51	11,457	60,618	49,161	429%
Company C	68	17,599	60,618	43,020	244%
Company D	735	14,951	60,618	45,667	305%
Company E	2,673	39,229	60,618	21,390	55%
Company F	3,996	113,736	60,618	(53,118)	-47%
Company G	6,707	77,577	60,618	(16,959)	-22%
Company H	17,834	144,537	60,618	(83,918)	-58%
<b>Total Customers</b>	<b>32,064</b>	<b>\$ 419,086</b>	<b>\$ 484,947</b>		

17

18 **Qualitative Objective 1: Fairness [Score: Poor]**

19 Option 1 does not allocate costs in a way that reflects each Marketer’s relative use of the  
 20 Customer Choice systems and administration overhead. Marketers with either no customers or  
 21 a small customer base would pay the same as Marketers with a large customer base. FEI  
 22 contends that all Marketers should pay a portion of Program Costs for their continued access to  
 23 and use of the Program. However, it seems reasonable that Marketers with more customers are

1 using the systems more often in order to process their enrolments, relying upon administration  
2 resources to answer questions and resolve processing issues, and requiring Commission staff  
3 to deliberate disputes. Lastly, and most importantly, Gas Marketers with few or no active  
4 enrolments cannot recoup fees through commodity sales. Large increases in fees may result in  
5 Marketers leaving the Program, driving up costs for remaining Marketers and reducing  
6 competitive options for customers that want fixed rate commodity options.

7 **Qualitative Objective 2: Ease of Implementation [Score: Good]**

8 There would be minimal development changes required for any of the four options. The  
9 recovery amount would be a simple calculation. FEI can implement the change easily.

10 **Qualitative Objective 3: Long-Term Flexibility [Score: Good]**

11 Option 1 is flexible in that a simple annual recalculation of the fee can be applied to ensure a full  
12 recovery of costs. Any over or under recovery at year-end could simply be rolled into the  
13 following year's expenses and factored in the recalculation of the fee.

14 **5.6.3 Assessment of Option 2: Proportional Fixed Fee per Marketer**

15 **Quantitative Objective 1: Impact to Gas Marketers [Score: Fair]**

16 Option 2 is a proportional division of costs based on each Gas Marketer's share of the total  
17 customer base. Table 5-4 below displays the Quantitative Assessment of Option 2: Proportional  
18 Fixed Fee per Marketer. As shown in the table, the recoveries range from lows of zero for  
19 Company A with no customers, and about \$1,000 for Marketers like Companies B and C that  
20 have a limited number of customers, to highs of over \$101,000 for Company G and almost  
21 \$270,000 for Company H.

22 Option 2 results in much lower year over year percentage changes in fees than does Option 1.  
23 The largest Marketer by market share, Company H, would be charged 87 per cent more than  
24 they paid in 2015. Company G would pay 31 per cent more, and Company E would pay 3 per  
25 cent more than they did with the current fee structure. The remaining Marketers would be  
26 allocated less, with annual decreases ranging from 26 per cent for Company D and 94 per cent  
27 for Company C. Company A, with no customers, would continue to pay no fees.

28 FEI rates this Option as "Fair." It is preferable to Option 1 in that it somewhat meets the  
29 objective of minimizing the financial impact the replacement fee structure has on Gas  
30 Marketers.

1 **Table 5-4: Quantitative Assessment of Option 2: Proportional Fixed Fee per Marketer**

**Option 2 - Proportional Fixed Fee per Marketer**

	A	B = A Marketer / A Total	C	D = B x \$484,947	E = D - C	F = D/C - 1
Gas Marketer	Active Customers	Market Share (%)	2015 Actual Recoveries	Proposed Recovery	Impact on Marketer (\$'s)	Impact on Marketer (%)
Company A	-	0%	\$ -	\$ -	\$ -	-
Company B	51	0.2%	11,457	771	(10,686)	-93%
Company C	68	0.2%	17,599	1,028	(16,570)	-94%
Company D	735	2.3%	14,951	11,116	(3,835)	-26%
Company E	2,673	8.3%	39,229	40,427	1,199	3%
Company F	3,996	12.5%	113,736	60,437	(53,299)	-47%
Company G	6,707	20.9%	77,577	101,439	23,862	31%
Company H	17,834	55.6%	144,537	269,728	125,191	87%
<b>Total Customers</b>	<b>32,064</b>	<b>100%</b>	<b>\$ 419,086</b>	<b>\$ 484,947</b>		

2

3 **Qualitative Objective 1: Fairness [Score: Poor]**

4 Option 2 does not fairly allocate Program costs in a way consistent with the principle of cost  
5 causation. With the current division of customers, one sole Marketer would be responsible for  
6 more than half of the recovery costs. On the other extreme, one Marketer with no customer  
7 base will not incur any costs at all, despite their opportunity to enrol customers. The remaining  
8 six licenced Marketers (seventy-five per cent of the Marketers) would cover forty-four per cent of  
9 the costs. All Marketers benefit from the availability of the Program and access to its supporting  
10 systems and infrastructure, but under Option 2 costs end up focused on a single Marketer. This  
11 allocation approach seemingly penalizes the Marketer that is successfully selling and  
12 maintaining commodity contracts.

13 **Qualitative Objective 2: Ease of Implementation [Score: Good]**

14 Option 2's recovery amount is a simple proportional calculation that is easy to implement. A  
15 year-end true up may be required if there is an addition or attrition of Marketers to the Program.

16 **Qualitative Objective 3: Long Term Flexibility [Score: Good]**

17 Option 2 is flexible in that a simple annual recalculation of the fee is required to ensure a full  
18 recovery of costs. Any over or under recovery at year-end could simply be rolled into the  
19 following year's expenses and included in the recalculation of the fee.

20 **5.6.4 Assessment of Option 3: Variable Fee per Customer**

21 **Quantitative Objective 1: Impact to Gas Marketers [Score: Fair]**

22 In Option 3, as in Option 2, recoveries are based on enrolled customers. Percentage fee  
23 payment variances are shown in Table 5-5 below and can be seen to be nearly the same as  
24 described in Option 2, Quantitative Objective 1. Overall, the impact to Marketers is similar to

1 Option 2, as recoveries range from a low of zero for Company A with no customers, to a high of  
 2 almost \$270,000 for Company H.

3 **Table 5-5: Quantitative Assessment of Option 3: Variable Fee per Customer**

**Option 3 - Variable Fee per Customer**

<b>VARIABLE FEE</b>	<b>A</b>	<b>B</b>	<b>C = A/B</b>	<b>D = C/12</b>
	<b>Proposed Gas Marketer</b>	<b>Total Customers</b>	<b>Variable Fee per Customer (annual)</b>	<b>Variable Fee per Customer (monthly)</b>
Infrastructure Support	\$ 175,769	32,064	\$ 5.48 per customer	\$ 0.46 D1
Program Administration	\$ 309,178	32,064	\$ 9.64 per customer	\$ 0.80 D2
<b>Total Marketer Recovery</b>	<b>\$ 484,947</b>			

<b>Gas Marketer</b>	<b>E</b>	<b>F</b>	<b>G = E x (D1 + D2) x 12</b>	<b>H = G - F</b>	<b>I = G/F - 1</b>
	<b>Active Customers</b>	<b>2015 Actual Recoveries</b>	<b>Proposed Recovery</b>	<b>Impact on Marketer (\$'s)</b>	<b>Impact on Marketer (%)</b>
Company A	-	\$ -	\$ -	\$ -	-
Company B	51	11,457	771	(10,686)	-93%
Company C	68	17,599	1,028	(16,570)	-94%
Company D	735	14,951	11,116	(3,835)	-26%
Company E	2,673	39,229	40,427	1,199	3%
Company F	3,996	113,736	60,437	(53,299)	-47%
Company G	6,707	77,577	101,439	23,862	31%
Company H	17,834	144,537	269,728	125,191	87%
<b>Total Customers</b>	<b>32,064</b>	<b>\$ 419,086</b>	<b>\$ 484,947</b>		

4  
 5 **Qualitative Objective 1: Fairness [Score: Poor]**

6 Option 3 does not fairly allocate Program costs in a way consistent with the principle of cost  
 7 causation. As with Option 2, one sole Marketer would be responsible for more than half of the  
 8 recovery costs. On the other extreme, one Marketer with no customer base would not incur any  
 9 costs at all. The remaining six licenced Marketers (seventy-five per cent of the Marketers) would  
 10 cover over forty per cent of the costs. Like Option 2, this allocation approach seemingly  
 11 penalizes the Marketer that is successfully selling and maintaining commodity contracts.  
 12 Likewise, it results in material savings for Marketers that want continued access to the Program,  
 13 but have minimal sales. For these reasons, FEI scores this Option's performance on this  
 14 particular objective as "Poor."

15 **Qualitative Objective 2: Ease of Implementation [Score: Good]**

16 This option is easy to implement. FEI believes this option fully meets this objective so scores it  
 17 as "Good."

18 **Qualitative Objective 3: Long Term Flexibility [Score: Good]**

19 Option 3 is flexible because an annual recalculation of the fees can be done to ensure the fees  
 20 are reflective of any changes to costs and active customer numbers. Year-end Program costs  
 21 would be subtracted from year-end recoveries so that any over or under recovery could simply

1 be rolled into the following year's expenses and included in the recalculation of the fee. This  
2 process is explored in Section 6.1. FEI believes this option fully meets this objective so scores it  
3 as "Good."

#### 4 **5.6.5 Assessment of Option 4: Combination Fee**

##### 5 **Quantitative Objective 1: Impact to Gas Marketers [Score: Fair]**

6 Option 4 is a combination of an equal flat fixed fee and a variable fee based on active  
7 customers. This option increases the amount to be recovered for all except one Marketer, with  
8 the maximum increase being approximately \$43,000 over 2015's recovery as displayed in Table  
9 5-6 below. The remaining increases range between \$7,000 and \$16,000. Company A is an  
10 outlier, as it has no customers and currently pays no recovery fees, but in this option, would be  
11 incurring \$24,000 in annual charges for the new fixed monthly fee.

12 Based on this option's percentage impact on each Gas Marketer, FEI rates this option as "Fair."  
13 Only Company F would see decreased fees amounting to 47 per cent. All other Marketers  
14 would see fees increase, from 10 per cent for Company G to 114 per cent for Company B.

15 **Table 5-6: Quantitative Assessment of Option 4: Combination Fee**

#### **Option 4 - Combination Fee**

<b>FIXED FEE</b>	A	B	C	D = A/B x C	E = D/12
		Number of Marketers	Percentage to be Recovered with Fixed Fee	Annual Fee per Marketer	Monthly Fee per Marketer
Total Marketer Recovery	\$ 484,947	8	40%	\$ 24,000	\$ 2,000
Total Fixed Allocation	\$ 192,000				

<b>VARIABLE FEE</b>	F	G	H = F/G	I = H/12
	Proposed Gas Marketer	Total Customers	Variable Fee per Customer (annual)	Variable Fee per Customer (monthly)
Infrastructure Support	\$ 106,179	32,064	\$ 3.31 per customer	\$ 0.28
Program Administration	\$ 186,769	32,064	\$ 5.82 per customer	\$ 0.49
Total Variable Allocation	\$ 292,947			

	J	K	L = D	M = J x (I1 + I2) x 12	N = L + M	O = N - K	P = N/K - 1
Gas Marketer	Active Customers	2015 Actual Recoveries	Proposed Fixed Fee	Proposed Variable Fee	Total Proposed	Impact on Marketer (\$'s)	Impact on Marketer (%)
Company A	-	\$ -	\$ 24,000	\$ -	\$ 24,000	\$ 24,000	-
Company B	51	11,457	24,000	466	24,466	13,009	114%
Company C	68	17,599	24,000	621	24,621	7,022	40%
Company D	735	14,951	24,000	6,715	30,715	15,764	105%
Company E	2,673	39,229	24,000	24,421	48,421	9,193	23%
Company F	3,996	113,736	24,000	36,509	60,509	(53,227)	-47%
Company G	6,707	77,577	24,000	61,277	85,277	7,700	10%
Company H	17,834	144,537	24,000	162,937	186,937	42,401	29%
Total Customers	32,064	\$ 419,086	\$ 192,000	\$ 292,947	\$ 484,947		

16



1 **Qualitative Objective 1: Fairness [Score: Good]**

2 FEI believes that Option 4 does a better job than other options of fairly allocating Program costs  
 3 in a way consistent with the principle of cost causation. Costs are shouldered by the Marketers  
 4 most often using Program services and infrastructure, but the fixed fee ensures that all  
 5 Marketers are charged for continued access to the Program benefits (i.e., the opportunity to  
 6 enrol customers). For these reasons, FEI believes this option's alignment with the objective of  
 7 Fairness is "Good."

8 **Qualitative Objective 2: Ease of Implementation [Score: Good]**

9 This option is easy to implement. FEI believes this option fully meets this objective so scores it  
 10 as "Good."

11 **Qualitative Objective 3: Long Term Flexibility [Score: Good]**

12 Option 4 is flexible in that an annual recalculation of the fees could be done to ensure the fees  
 13 are reflective of any changes to costs and active customer numbers. Any over or under  
 14 recovery at year-end could be rolled into the following year's expenses and included in the  
 15 recalculation of the fee. FEI believes this option fully meets this objective so scores it as "Good."

16 **5.6.6 Summary of Quantitative and Qualitative Assessment**

17 Table 5-7 below summarizes the cost recovery allocations associated with the four recovery  
 18 options evaluated. Minor variances in total amounts recovered are associated with each  
 19 particular fee structure.

20 **Table 5-7: Comparison of Recovery Options – Impact on Gas Marketers**

**Summary Comparison of Options**

Gas Marketer	Active Customers	2015 Actual Recoveries	Option 1 Equal Fixed Fee per Marketer	Option 2 Proportional Fixed Fee per Marketer	Option 3 Variable Fee per Customer	Option 4 Combination Fee
Company A	-	\$ -	\$ 60,618	\$ -	\$ -	\$ 24,000
Company B	51	11,457	60,618	771	771	24,466
Company C	68	17,599	60,618	1,028	1,028	24,621
Company D	735	14,951	60,618	11,116	11,116	30,715
Company E	2,673	39,229	60,618	40,427	40,427	48,421
Company F	3,996	113,736	60,618	60,437	60,437	60,509
Company G	6,707	77,577	60,618	101,439	101,439	85,277
Company H	17,834	144,537	60,618	269,728	269,728	186,937
<b>Total Customers</b>	<b>32,064</b>	<b>\$ 419,086</b>	<b>\$ 484,947</b>	<b>\$ 484,947</b>	<b>\$ 484,947</b>	<b>\$ 484,947</b>

21  
 22 Table 5-8 summarizes FEI's scoring as discussed above. The table's last column includes  
 23 summary points highlighting the key shortfalls and/or strengths of each option.

1

**Table 5-8: Fee Options Summary**

Option	Description	Evaluation				Summary
		Financial Impact to Individual Gas Marketers	Fairness	Ease of Implementation	Long-term Flexibility	
1	Equal Fixed Fee per Marketer	Poor	Poor	Good	Good	<ul style="list-style-type: none"> <li>dramatically increases costs for Marketers with low active enrolments</li> <li>may incent Marketers with low enrolment out of market</li> <li>does not reflect each Marketer's relative use of Program infrastructure</li> </ul>
2	Proportional Fixed Fee per Marketer	Fair	Poor	Good	Good	<ul style="list-style-type: none"> <li>one company would cover half of Marketer allocated costs</li> <li>one registered Marketer would pay nothing</li> <li>six remaining Marketers (75%) would cover 44% of costs</li> </ul>
3	Variable Fee per Customer	Fair	Poor	Good	Good	<ul style="list-style-type: none"> <li>may result in greater year-end cost/recovery variances as monthly active enrolment numbers change</li> <li>one company would cover over half of Marketer allocated costs</li> <li>one registered Marketer would pay nothing</li> </ul>
4	Combination Fee	Fair	Good	Good	Good	<ul style="list-style-type: none"> <li>Increased costs for all but one Marketer</li> <li>limits the extremes between high and low volume Marketers as compared to other options</li> <li>Projected variance in relation to existing fee structure is generally lower than alternative options</li> <li>fee spreads recoveries across all Marketers based on market share</li> </ul>

2

### 3 **5.7 RECOMMENDED APPROACH**

4 Based on the quantitative and qualitative assessment of the four options considered, FEI  
 5 believes that Option 4: Combination Fee best achieves the objective of cost recovery that is fair  
 6 to Gas Marketers, easy to implement and flexible. More specifically,

- 7 • FEI ratepayers would be protected from potential fee recovery shortfalls;
- 8 • The new fee schedule should cause minimal disruption in terms of the number of Gas  
 9 Marketers that choose to continue to participate in the Customer Choice Program;
- 10 • It ensures all licensed Gas Marketers share in the basic operating costs to run the  
 11 Program. Those Marketers with more customers are not paying all costs while others  
 12 benefit from the same services but pay substantially less;
- 13 • While some Gas Marketers would pay a higher percentage towards the total operating  
 14 costs than they do now, FEI does not perceive the dollar increase as excessive (e.g. a  
 15 small Marketer paying around \$18,000 in the current fee structure would be paying 40%  
 16 more which equates to \$25,000); and
- 17 • The combination model is not a complete departure from the existing Marketer fees paid  
 18 now.

#### 19 **5.7.1 Proposed Fee Structure**

20 Based on Commission approval of the cost allocations proposed in Section 3.2, the following  
 21 summarizes the recommended fee structure and amounts to be paid by Gas Marketers. The



**Appendix D**

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**COST RECOVERY OPTIONS BY MARKETER**

**REDACTED**

**Customer Choice Program**  
**Cost Recovery Options - Impact per Gas Marketer**  
**Option Calculations for Gas Marketer: Company A**

**Table 1 Annual Program Expenses and Proposed Allocations**

COST DESCRIPTION	2015 Actual Expenses	Allocation (%)		Allocation (\$'s)	
		Gas Marketers	All Ratepayers	Gas Marketers	All Ratepayers
Technology Sustainment	\$ 175,769	100%	0%	\$ 175,769	\$ -
Infrastructure Sustainment	\$ 75,882	0%	100%	\$ -	\$ 75,882
Contact Centre	\$ 24,000	0%	100%	\$ -	\$ 24,000
Program Administration	\$ 274,024	100%	0%	\$ 274,024	\$ -
BCUC	\$ 175,771	20%	80%	\$ 35,154	\$ 140,617
Customer Education	\$ 263,893	0%	100%	\$ -	\$ 263,893
<b>Total Expenses</b>	<b>\$ 989,339</b>			<b>\$ 484,947</b>	<b>\$ 504,392</b>

**Table 1** lists the Customer Choice fixed program costs, including: the dollar value of each; the proposed allocation between the Gas Marketers and all ratepayers; and the actual dollar amounts to be recovered from the Gas Marketers and all ratepayers.

**Table 2 Inputs for Option Calculations** as of December 31, 2015

<b>Program Statistics:</b>	
Total Recovery Required from All Gas Marketers	\$ 484,947
Total number of Licenced Gas Marketers	8
Total Customer Base	32,064
<b>Gas Marketer Statistics: Company A</b>	
Active enrollments	-
Percentage share of customer base:	0.00%
2015 Actual Recovery from marketer	\$ -

**Table 2** lists the inputs used to calculate the financial impact to the listed Gas Marketer for each of the four proposed options. Figures provided are as of December 31, 2015.

**Table 3 Summary Comparison of Options**

Marketer:	Active Customers	Market Share (%)	2015 Actual Recoveries
Company A	-	0.0%	\$ -
Options Compared	Proposed Annual Fee Recovery	Impact to Marketer (%)	Impact on Marketer (\$'s)
Option 1	\$ 60,618	-	▲ \$ 60,618
Option 2	\$ -	-	\$ -
Option 3	\$ -	-	\$ -
Option 4 (FEI Recommended Option)	\$ 24,000	-	▲ \$ 24,000

**Table 3** summarizes the proposed recovery amounts for each of the four options and the impacts of each in comparison to the Marketer's actual 2015 recoveries.

**Table 4 Option Calculations for Gas Marketer: Company A**

**Option 1 - Equal Fixed Fee per Marketer**

	Total Marketer Recovery	/	Number of Marketers	=	Proposed Recovery	-	2015 Actual Recoveries	=	Impact on Marketer (\$'s)	=	Impact on Marketer (%)
Impact to Marketer: Company A	\$ 484,947		8		\$ 60,618		\$ -		\$ 60,618		-

**Option 2 - Proportional Fixed Fee per Marketer**

	Total Marketer Recovery	*	Market Share (%)	=	Proposed Recovery	-	2015 Actual Recoveries	=	Impact on Marketer (\$'s)	=	Impact on Marketer (%)
Impact to Marketer: Company A	\$ 484,947		0.0%		\$ -		\$ -		\$ -		-

**Option 3 - Variable Fee per Customer**

	Expense	/	Customer Base	=	Variable Fee per Customer (Annually)	/	12 months	=	Variable Fee per Customer (Monthly)		
Variable Fee Calculation (All Marketers)											
Infrastructure Support Fee	\$ 175,769		32064		\$ 5.48				\$ 0.46		
Program Administration Fee	\$ 309,178		32064		\$ 9.64				\$ 0.80		
Impact to Marketer: Company A	Active Customers	*	Variable Fees (Annual)	=	Proposed Recovery	-	2015 Actual Recoveries	=	Impact on Marketer (\$'s)	=	Impact on Marketer (%)
	-		\$5.48 + \$9.64		\$ -		\$ -		\$ -		-

Table 4 shows the calculations and associated impact each option has on proposed recoveries. Impacts are presented in both dollars and percentage change compared to 2015 actual recoveries.

**Notes for Options 3 & 4:**

**Infrastructure Support Fee** consists of Technology Sustainment expenses

**Program Administration Fee** consists of Program Administration and BCUC expenses

For the purposes of demonstrating the calculations for Options 3 & 4, the **annual proposed fee recovery** is based on a static number of customers for the year. In actuality, the calculation will be based on the customer count at the beginning of each month and the Variable Fee per Customer (Monthly) will be used in the monthly calculation of the recovery.

**Option 4 - Combination Fee (FEI Recommended Option)**

<b>Proposed Fee Recovery Calculations</b>															
	Annual Fixed Fee per Marketer	*	Number of Marketers	=	Total Fixed Fee All Marketers										
Fixed Fee Recovery (All Marketers)	\$ 24,000		8		\$ 192,000										
	Total Marketer Recovery	-	Total Fixed Fee All Marketers	=	Variable Fee Recovery All Marketers										
Variable Fee Recovery (All Marketers)	\$ 484,947		\$ 192,000		\$ 292,947										
	Expense	/	Customer Base	=	Variable Fee per Customer (Annually)	/	12 months	=	Variable Fee per Customer (Monthly)						
Variable Fee Calculation															
Infrastructure Support Fee	\$ 106,179		32064		\$ 3.31				\$ 0.28						
Program Administration Fee	\$ 186,769		32064		\$ 5.82				\$ 0.49						
Variable Fee Recovery (All Marketers)	<u>\$ 292,947</u>														
	Active Customers	*	Variable Fees (Annual)	=	Variable Fee Recovery	+	Fixed Fee Recovery	=	Proposed Total Recovery	-	2015 Actual Recoveries	=	Impact on Marketer (\$'s)	=	Impact on Marketer (%)
Impact to Marketer: Company A	-		\$3.31 + \$5.82		\$ -		\$ 24,000		\$ 24,000		\$ -		\$ 24,000		-

**Customer Choice Program  
Cost Recovery Options - Impact per Gas Marketer  
Option Calculations for Gas Marketer: Company B**

**Table 1 Annual Program Expenses and Proposed Allocations**

COST DESCRIPTION	2015 Actual Expenses	Allocation (%)		Allocation (\$'s)	
		Gas Marketers	All Ratepayers	Gas Marketers	All Ratepayers
Technology Sustainment	\$ 175,769	100%	0%	\$ 175,769	\$ -
Infrastructure Sustainment	\$ 75,882	0%	100%	\$ -	\$ 75,882
Contact Centre	\$ 24,000	0%	100%	\$ -	\$ 24,000
Program Administration	\$ 274,024	100%	0%	\$ 274,024	\$ -
BCUC	\$ 175,771	20%	80%	\$ 35,154	\$ 140,617
Customer Education	\$ 263,893	0%	100%	\$ -	\$ 263,893
<b>Total Expenses</b>	<b>\$ 989,339</b>			<b>\$ 484,947</b>	<b>\$ 504,392</b>

**Table 1** lists the Customer Choice fixed program costs, including: the dollar value of each; the proposed allocation between the Gas Marketers and all ratepayers; and the actual dollar amounts to be recovered from the Gas Marketers and all ratepayers.

**Table 2 Inputs for Option Calculations** as of December 31, 2015

<b>Program Statistics:</b>	
Total Recovery Required from All Gas Marketers	\$ 484,947
Total number of Licenced Gas Marketers	8
Total Customer Base	32,064
<b>Gas Marketer Statistics: Company B</b>	
Active enrollments	51
Percentage share of customer base:	0.16%
2015 Actual Recovery from marketer	\$ 11,457

**Table 2** lists the inputs used to calculate the financial impact to the listed Gas Marketer for each of the four proposed options. Figures provided are as of December 31, 2015.

**Table 3 Summary Comparison of Options**

Marketer:	Active Customers	Market Share (%)	2015 Actual Recoveries
Company B	51	0.2%	\$ 11,457
Options Compared	Proposed Annual Fee Recovery	Impact to Marketer (%)	Impact on Marketer (\$'s)
Option 1	\$ 60,618	429%	▲ \$ 49,161
Option 2	\$ 771	-93%	▼ \$ (10,686)
Option 3	\$ 771	-93%	▼ \$ (10,686)
Option 4 (FEI Recommended Option)	\$ 24,466	114%	▲ \$ 13,009

**Table 3** summarizes the proposed recovery amounts for each of the four options and the impacts of each in comparison to the Marketer's actual 2015 recoveries.

**Table 4 Option Calculations for Gas Marketer:**

**Company B**

**Option 1 - Equal Fixed Fee per Marketer**

	Total Marketer Recovery	/	Number of Marketers	=	Proposed Recovery	-	2015 Actual Recoveries	=	Impact on Marketer (\$'s)	=	Impact on Marketer (%)
Impact to Marketer: Company B	\$ 484,947		8		\$ 60,618		\$ 11,457		\$ 49,161		▲ 429%

**Option 2 - Proportional Fixed Fee per Marketer**

	Total Marketer Recovery	*	Market Share (%)	=	Proposed Recovery	-	2015 Actual Recoveries	=	Impact on Marketer (\$'s)	=	Impact on Marketer (%)
Impact to Marketer: Company B	\$ 484,947		0.2%		\$ 771		\$ 11,457		\$ (10,686)		▼ -93%

**Option 3 - Variable Fee per Customer**

<b>Variable Fee Calculation (All Marketers)</b>	Expense	/	Customer Base	=	Variable Fee per Customer (Annually)	/	12 months	=	Variable Fee per Customer (Monthly)				
Infrastructure Support Fee	\$ 175,769		32064		\$ 5.48				\$ 0.46				
Program Administration Fee	\$ 309,178		32064		\$ 9.64				\$ 0.80				
<b>Impact to Marketer: Company B</b>			Active Customers	*	Variable Fees (Annual)	=	Proposed Recovery	-	2015 Actual Recoveries	=	Impact on Marketer (\$'s)	=	Impact on Marketer (%)
			51		\$5.48 + \$9.64		\$ 771		\$ 11,457		\$ (10,686)		▼ -93%

**Option 4 - Combination Fee**

*(FEI Recommended Option)*

<b>Proposed Fee Recovery Calculations</b>																	
	Annual Fixed Fee per Marketer	*	Number of Marketers	=	Total Fixed Fee All Marketers												
Fixed Fee Recovery (All Marketers)	\$ 24,000		8		\$ 192,000												
	Total Marketer Recovery	-	Total Fixed Fee All Marketers	=	Variable Fee Recovery All Marketers												
Variable Fee Recovery (All Marketers)	\$ 484,947		\$ 192,000		\$ 292,947												
<b>Variable Fee Calculation</b>	Expense	/	Customer Base	=	Variable Fee per Customer (Annually)	/	12 months	=	Variable Fee per Customer (Monthly)								
Infrastructure Support Fee	\$ 106,179		32064		\$ 3.31				\$ 0.28								
Program Administration Fee	\$ 186,769		32064		\$ 5.82				\$ 0.49								
Variable Fee Recovery (All Marketers)	<u>\$ 292,947</u>																
<b>Impact to Marketer: Company B</b>			Active Customers	*	Variable Fees (Annual)	=	Variable Fee Recovery	+	Fixed Fee Recovery	=	Proposed Total Recovery	-	2015 Actual Recoveries	=	Impact on Marketer (\$'s)	=	Impact on Marketer (%)
			51		\$3.31 + \$5.82		\$ 466		\$ 24,000		\$ 24,466		\$ 11,457		\$ 13,009		▲ 114%

**Table 4** shows the calculations and associated impact each option has on proposed recoveries. Impacts are presented in both dollars and percentage change compared to 2015 actual recoveries.

**Notes for Options 3 & 4:**

**Infrastructure Support Fee** consists of Technology Sustainment expenses

**Program Administration Fee** consists of Program Administration and BCUC expenses

For the purposes of demonstrating the calculations for Options 3 & 4, the **annual proposed fee recovery** is based on a static number of customers for the year. In actuality, the calculation will be based on the customer count at the beginning of each month and the Variable Fee per Customer (Monthly) will be used in the monthly calculation of the recovery.

**Customer Choice Program  
Cost Recovery Options - Impact per Gas Marketer  
Option Calculations for Gas Marketer: Company C**

**Table 1 Annual Program Expenses and Proposed Allocations**

COST DESCRIPTION	2015 Actual Expenses	Allocation (%)		Allocation (\$'s)	
		Gas Marketers	All Ratepayers	Gas Marketers	All Ratepayers
Technology Sustainment	\$ 175,769	100%	0%	\$ 175,769	\$ -
Infrastructure Sustainment	\$ 75,882	0%	100%	\$ -	\$ 75,882
Contact Centre	\$ 24,000	0%	100%	\$ -	\$ 24,000
Program Administration	\$ 274,024	100%	0%	\$ 274,024	\$ -
BCUC	\$ 175,771	20%	80%	\$ 35,154	\$ 140,617
Customer Education	\$ 263,893	0%	100%	\$ -	\$ 263,893
<b>Total Expenses</b>	<b>\$ 989,339</b>			<b>\$ 484,947</b>	<b>\$ 504,392</b>

**Table 1** lists the Customer Choice fixed program costs, including: the dollar value of each; the proposed allocation between the Gas Marketers and all ratepayers; and the actual dollar amounts to be recovered from the Gas Marketers and all ratepayers.

**Table 2 Inputs for Option Calculations** as of December 31, 2015

<b>Program Statistics:</b>	
Total Recovery Required from All Gas Marketers	\$ 484,947
Total number of Licenced Gas Marketers	8
Total Customer Base	32,064
<b>Gas Marketer Statistics: Company C</b>	
Active enrollments	68
Percentage share of customer base:	0.21%
2015 Actual Recovery from marketer	\$ 17,599

**Table 2** lists the inputs used to calculate the financial impact to the listed Gas Marketer for each of the four proposed options. Figures provided are as of December 31, 2015.

**Table 3 Summary Comparison of Options**

Marketer:	Active Customers	Market Share (%)	2015 Actual Recoveries
Company C	68	0.2%	\$ 17,599
Options Compared	Proposed Annual Fee Recovery	Impact to Marketer (%)	Impact on Marketer (\$'s)
Option 1	\$ 60,618	244%	▲ \$ 43,019
Option 2	\$ 1,028	-94%	▼ \$ (16,571)
Option 3	\$ 1,028	-94%	▼ \$ (16,571)
Option 4 (FEI Recommended Option)	\$ 24,621	40%	▲ \$ 7,022

**Table 3** summarizes the proposed recovery amounts for each of the four options and the impacts of each in comparison to the Marketer's actual 2015 recoveries.



**Table 4 Option Calculations for Gas Marketer:**

**Company C**

**Option 1 - Equal Fixed Fee per Marketer**

	<b>Total Marketer Recovery</b>	<b>/</b>	<b>Number of Marketers</b>	<b>=</b>	<b>Proposed Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
Impact to Marketer: Company C	\$ 484,947		8		\$ 60,618		\$ 17,599		\$ 43,019		▲ 244%

**Option 2 - Proportional Fixed Fee per Marketer**

	<b>Total Marketer Recovery</b>	<b>*</b>	<b>Market Share (%)</b>	<b>=</b>	<b>Proposed Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
Impact to Marketer: Company C	\$ 484,947		0.2%		\$ 1,028		\$ 17,599		\$ (16,571)		▼ -94%

**Option 3 - Variable Fee per Customer**

<b>Variable Fee Calculation (All Marketers)</b>	<b>Expense</b>	<b>/</b>	<b>Customer Base</b>	<b>=</b>	<b>Variable Fee per Customer (Annually)</b>	<b>/</b>	<b>12 months</b>	<b>=</b>	<b>Variable Fee per Customer (Monthly)</b>		
Infrastructure Support Fee	\$ 175,769		32064		\$ 5.48				\$ 0.46		
Program Administration Fee	\$ 309,178		32064		\$ 9.64				\$ 0.80		
<b>Impact to Marketer: Company C</b>	<b>Active Customers</b>	<b>*</b>	<b>Variable Fees (Annual)</b>	<b>=</b>	<b>Proposed Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
	68		\$5.48 + \$9.64		\$ 1,028		\$ 17,599		\$ (16,571)		▼ -94%

Table 4 shows the calculations and associated impact each option has on proposed recoveries. Impacts are presented in both dollars and percentage change compared to 2015 actual recoveries.

**Notes for Options 3 & 4:**

**Infrastructure Support Fee** consists of Technology Sustainment expenses

**Program Administration Fee** consists of Program Administration and BCUC expenses

For the purposes of demonstrating the calculations for Options 3 & 4, the **annual proposed fee recovery** is based on a static number of customers for the year. In actuality, the calculation will be based on the customer count at the beginning of each month and the Variable Fee per Customer (Monthly) will be used in the monthly calculation of the recovery.

**Option 4 - Combination Fee**

*(FEI Recommended Option)*

<b>Proposed Fee Recovery Calculations</b>															
	<b>Annual Fixed Fee per Marketer</b>	<b>*</b>	<b>Number of Marketers</b>	<b>=</b>	<b>Total Fixed Fee All Marketers</b>										
Fixed Fee Recovery (All Marketers)	\$ 24,000		8		\$ 192,000										
	<b>Total Marketer Recovery</b>	<b>-</b>	<b>Total Fixed Fee All Marketers</b>	<b>=</b>	<b>Variable Fee Recovery All Marketers</b>										
Variable Fee Recovery (All Marketers)	\$ 484,947		\$ 192,000		\$ 292,947										
<b>Variable Fee Calculation</b>	<b>Expense</b>	<b>/</b>	<b>Customer Base</b>	<b>=</b>	<b>Variable Fee per Customer (Annually)</b>	<b>/</b>	<b>12 months</b>	<b>=</b>	<b>Variable Fee per Customer (Monthly)</b>						
Infrastructure Support Fee	\$ 106,179		32064		\$ 3.31				\$ 0.28						
Program Administration Fee	\$ 186,769		32064		\$ 5.82				\$ 0.49						
Variable Fee Recovery (All Marketers)	<u>\$ 292,947</u>														
<b>Impact to Marketer: Company C</b>	<b>Active Customers</b>	<b>*</b>	<b>Variable Fees (Annual)</b>	<b>=</b>	<b>Variable Fee Recovery</b>	<b>+</b>	<b>Fixed Fee Recovery</b>	<b>=</b>	<b>Proposed Total Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
	68		\$3.31 + \$5.82		\$ 621		\$ 24,000		\$ 24,621		\$ 17,599		\$ 7,022		▲ 40%

**Customer Choice Program**  
**Cost Recovery Options - Impact per Gas Marketer**  
**Option Calculations for Gas Marketer: Company D**

**Table 1 Annual Program Expenses and Proposed Allocations**

COST DESCRIPTION	2015 Actual Expenses	Allocation (%)		Allocation (\$'s)	
		Gas Marketers	All Ratepayers	Gas Marketers	All Ratepayers
Technology Sustainment	\$ 175,769	100%	0%	\$ 175,769	\$ -
Infrastructure Sustainment	\$ 75,882	0%	100%	\$ -	\$ 75,882
Contact Centre	\$ 24,000	0%	100%	\$ -	\$ 24,000
Program Administration	\$ 274,024	100%	0%	\$ 274,024	\$ -
BCUC	\$ 175,771	20%	80%	\$ 35,154	\$ 140,617
Customer Education	\$ 263,893	0%	100%	\$ -	\$ 263,893
<b>Total Expenses</b>	<b>\$ 989,339</b>			<b>\$ 484,947</b>	<b>\$ 504,392</b>

**Table 1** lists the Customer Choice fixed program costs, including: the dollar value of each; the proposed allocation between the Gas Marketers and all ratepayers; and the actual dollar amounts to be recovered from the Gas Marketers and all ratepayers.

**Table 2 Inputs for Option Calculations** as of December 31, 2015

<b>Program Statistics:</b>	
Total Recovery Required from All Gas Marketers	\$ 484,947
Total number of Licenced Gas Marketers	8
Total Customer Base	32,064
<b>Gas Marketer Statistics: Company D</b>	
Active enrollments	735
Percentage share of customer base:	2.29%
2015 Actual Recovery from marketer	14,951

**Table 2** lists the inputs used to calculate the financial impact to the listed Gas Marketer for each of the four proposed options. Figures provided are as of December 31, 2015.

**Table 3 Summary Comparison of Options**

Marketer:	Active Customers	Market Share (%)	2015 Actual Recoveries
Company D	735	2.3%	\$ 14,951
Options Compared	Proposed Annual Fee Recovery	Impact to Marketer (%)	Impact on Marketer (\$'s)
Option 1	\$ 60,618	305%	▲ \$ 45,667
Option 2	\$ 11,116	-26%	▼ \$ (3,835)
Option 3	\$ 11,116	-26%	▼ \$ (3,835)
Option 4 (FEI Recommended Option)	\$ 30,715	105%	▲ \$ 15,764

**Table 3** summarizes the proposed recovery amounts for each of the four options and the impacts of each in comparison to the Marketer's actual 2015 recoveries.

**Table 4 Option Calculations for Gas Marketer:**

**Company D**

**Option 1 - Equal Fixed Fee per Marketer**

	<b>Total Marketer Recovery</b>	<b>/</b>	<b>Number of Marketers</b>	<b>=</b>	<b>Proposed Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
Impact to Marketer: Company D	\$ 484,947		8		\$ 60,618		\$ 14,951		\$ 45,667		▲ 305%

**Option 2 - Proportional Fixed Fee per Marketer**

	<b>Total Marketer Recovery</b>	<b>*</b>	<b>Market Share (%)</b>	<b>=</b>	<b>Proposed Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
Impact to Marketer: Company D	\$ 484,947		2.3%		\$ 11,116		\$ 14,951		\$ (3,835)		▼ -26%

**Option 3 - Variable Fee per Customer**

<b>Variable Fee Calculation (All Marketers)</b>	<b>Expense</b>	<b>/</b>	<b>Customer Base</b>	<b>=</b>	<b>Variable Fee per Customer (Annually)</b>	<b>/</b>	<b>12 months</b>	<b>=</b>	<b>Variable Fee per Customer (Monthly)</b>		
Infrastructure Support Fee	\$ 175,769		32064		\$ 5.48				\$ 0.46		
Program Administration Fee	\$ 309,178		32064		\$ 9.64				\$ 0.80		
<b>Impact to Marketer: Company D</b>	<b>Active Customers</b>	<b>*</b>	<b>Variable Fees (Annual)</b>	<b>=</b>	<b>Proposed Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
	735		\$5.48 + \$9.64		\$ 11,116		\$ 14,951		\$ (3,835)		▼ -26%

Table 4 shows the calculations and associated impact each option has on proposed recoveries. Impacts are presented in both dollars and percentage change compared to 2015 actual recoveries.

**Notes for Options 3 & 4:**

**Infrastructure Support Fee** consists of Technology Sustainment expenses

**Program Administration Fee** consists of Program Administration and BCUC expenses

For the purposes of demonstrating the calculations for Options 3 & 4, the **annual proposed fee recovery** is based on a static number of customers for the year. In actuality, the calculation will be based on the customer count at the beginning of each month and the Variable Fee per Customer (Monthly) will be used in the monthly calculation of the recovery.

**Option 4 - Combination Fee**

*(FEI Recommended Option)*

<b>Proposed Fee Recovery Calculations</b>															
	<b>Annual Fixed Fee per Marketer</b>	<b>*</b>	<b>Number of Marketers</b>	<b>=</b>	<b>Total Fixed Fee All Marketers</b>										
Fixed Fee Recovery (All Marketers)	\$ 24,000		8		\$ 192,000										
	<b>Total Marketer Recovery</b>	<b>-</b>	<b>Total Fixed Fee All Marketers</b>	<b>=</b>	<b>Variable Fee Recovery All Marketers</b>										
Variable Fee Recovery (All Marketers)	\$ 484,947		\$ 192,000		\$ 292,947										
<b>Variable Fee Calculation</b>	<b>Expense</b>	<b>/</b>	<b>Customer Base</b>	<b>=</b>	<b>Variable Fee per Customer (Annually)</b>	<b>/</b>	<b>12 months</b>	<b>=</b>	<b>Variable Fee per Customer (Monthly)</b>						
Infrastructure Support Fee	\$ 106,179		32064		\$ 3.31				\$ 0.28						
Program Administration Fee	\$ 186,769		32064		\$ 5.82				\$ 0.49						
Variable Fee Recovery (All Marketers)	<u>\$ 292,947</u>														
<b>Impact to Marketer: Company D</b>	<b>Active Customers</b>	<b>*</b>	<b>Variable Fees (Annual)</b>	<b>=</b>	<b>Variable Fee Recovery</b>	<b>+</b>	<b>Fixed Fee Recovery</b>	<b>=</b>	<b>Proposed Total Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
	735		\$3.31 + \$5.82		\$ 6,715		\$ 24,000		\$ 30,715		\$ 14,951		\$ 15,764		▲ 105%

**Customer Choice Program**  
**Cost Recovery Options - Impact per Gas Marketer**  
**Option Calculations for Gas Marketer: Company E**

**Table 1 Annual Program Expenses and Proposed Allocations**

COST DESCRIPTION	2015 Actual Expenses	Allocation (%)		Allocation (\$'s)	
		Gas Marketers	All Ratepayers	Gas Marketers	All Ratepayers
Technology Sustainment	\$ 175,769	100%	0%	\$ 175,769	\$ -
Infrastructure Sustainment	\$ 75,882	0%	100%	\$ -	\$ 75,882
Contact Centre	\$ 24,000	0%	100%	\$ -	\$ 24,000
Program Administration	\$ 274,024	100%	0%	\$ 274,024	\$ -
BCUC	\$ 175,771	20%	80%	\$ 35,154	\$ 140,617
Customer Education	\$ 263,893	0%	100%	\$ -	\$ 263,893
<b>Total Expenses</b>	<b>\$ 989,339</b>			<b>\$ 484,947</b>	<b>\$ 504,392</b>

**Table 1** lists the Customer Choice fixed program costs, including: the dollar value of each; the proposed allocation between the Gas Marketers and all ratepayers; and the actual dollar amounts to be recovered from the Gas Marketers and all ratepayers.

**Table 2 Inputs for Option Calculations** as of December 31, 2015

<b>Program Statistics:</b>	
Total Recovery Required from All Gas Marketers	\$ 484,947
Total number of Licenced Gas Marketers	8
Total Customer Base	32,064
<b>Gas Marketer Statistics: Company E</b>	
Active enrollments	2,673
Percentage share of customer base:	8.34%
2015 Actual Recovery from marketer	\$ 39,229

**Table 2** lists the inputs used to calculate the financial impact to the listed Gas Marketer for each of the four proposed options. Figures provided are as of December 31, 2015.

**Table 3 Summary Comparison of Options**

Marketer:	Active Customers	Market Share (%)	2015 Actual Recoveries
Company E	2,673	8.3%	\$ 39,229
Options Compared	Proposed Annual Fee Recovery	Impact to Marketer (%)	Impact on Marketer (\$'s)
Option 1	\$ 60,618	55%	▲ \$ 21,389
Option 2	\$ 40,427	3%	▲ \$ 1,198
Option 3	\$ 40,427	3%	▲ \$ 1,198
Option 4 (FEI Recommended Option)	\$ 48,421	23%	▲ \$ 9,192

**Table 3** summarizes the proposed recovery amounts for each of the four options and the impacts of each in comparison to the Marketer's actual 2015 recoveries.

**Table 4 Option Calculations for Gas Marketer:**

**Company E**

**Option 1 - Equal Fixed Fee per Marketer**

	<b>Total Marketer Recovery</b>	<b>/</b>	<b>Number of Marketers</b>	<b>=</b>	<b>Proposed Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
Impact to Marketer: Company E	\$ 484,947		8		\$ 60,618		\$ 39,229		\$ 21,389		▲ 55%

**Option 2 - Proportional Fixed Fee per Marketer**

	<b>Total Marketer Recovery</b>	<b>*</b>	<b>Market Share (%)</b>	<b>=</b>	<b>Proposed Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
Impact to Marketer: Company E	\$ 484,947		8.3%		\$ 40,427		\$ 39,229		\$ 1,198		▲ 3%

**Option 3 - Variable Fee per Customer**

<b>Variable Fee Calculation (All Marketers)</b>	<b>Expense</b>	<b>/</b>	<b>Customer Base</b>	<b>=</b>	<b>Variable Fee per Customer (Annually)</b>	<b>/</b>	<b>12 months</b>	<b>=</b>	<b>Variable Fee per Customer (Monthly)</b>
Infrastructure Support Fee	\$ 175,769		32064		\$ 5.48				\$ 0.46
Program Administration Fee	\$ 309,178		32064		\$ 9.64				\$ 0.80

  

	<b>Active Customers</b>	<b>*</b>	<b>Variable Fees (Annual)</b>	<b>=</b>	<b>Proposed Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
Impact to Marketer: Company E	2,673		\$5.48 + \$9.64		\$ 40,427		\$ 39,229		\$ 1,198		▲ 3%

**Option 4 - Combination Fee**

*(FEI Recommended Option)*

<b>Proposed Fee Recovery Calculations</b>											
	<b>Annual Fixed Fee per Marketer</b>	<b>*</b>	<b>Number of Marketers</b>	<b>=</b>	<b>Total Fixed Fee All Marketers</b>						
Fixed Fee Recovery (All Marketers)	\$ 24,000		8		\$ 192,000						
	<b>Total Marketer Recovery</b>	<b>-</b>	<b>Total Fixed Fee All Marketers</b>	<b>=</b>	<b>Variable Fee Recovery All Marketers</b>						
Variable Fee Recovery (All Marketers)	\$ 484,947		\$ 192,000		\$ 292,947						
<b>Variable Fee Calculation</b>	<b>Expense</b>	<b>/</b>	<b>Customer Base</b>	<b>=</b>	<b>Variable Fee per Customer (Annually)</b>	<b>/</b>	<b>12 months</b>	<b>=</b>	<b>Variable Fee per Customer (Monthly)</b>		
Infrastructure Support Fee	\$ 106,179		32064		\$ 3.31				\$ 0.28		
Program Administration Fee	\$ 186,769		32064		\$ 5.82				\$ 0.49		
Variable Fee Recovery (All Marketers)	<u>\$ 292,947</u>										

  

	<b>Active Customers</b>	<b>*</b>	<b>Variable Fees (Annual)</b>	<b>=</b>	<b>Variable Fee Recovery</b>	<b>+</b>	<b>Fixed Fee Recovery</b>	<b>=</b>	<b>Proposed Total Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
Impact to Marketer: Company E	2,673		\$3.31 + \$5.82		\$ 24,421		\$ 24,000		\$ 48,421		\$ 39,229		\$ 9,192		▲ 23%

Table 4 shows the calculations and associated impact each option has on proposed recoveries. Impacts are presented in both dollars and percentage change compared to 2015 actual recoveries.

**Notes for Options 3 & 4:**

**Infrastructure Support Fee** consists of Technology Sustainment expenses

**Program Administration Fee** consists of Program Administration and BCUC expenses

For the purposes of demonstrating the calculations for Options 3 & 4, the **annual proposed fee recovery** is based on a static number of customers for the year. In actuality, the calculation will be based on the customer count at the beginning of each month and the Variable Fee per Customer (Monthly) will be used in the monthly calculation of the recovery.

**Customer Choice Program  
Cost Recovery Options - Impact per Gas Marketer  
Option Calculations for Gas Marketer: Company F**

**Table 1 Annual Program Expenses and Proposed Allocations**

COST DESCRIPTION	2015 Actual Expenses	Allocation (%)		Allocation (\$'s)	
		Gas Marketers	All Ratepayers	Gas Marketers	All Ratepayers
Technology Sustainment	\$ 175,769	100%	0%	\$ 175,769	\$ -
Infrastructure Sustainment	\$ 75,882	0%	100%	\$ -	\$ 75,882
Contact Centre	\$ 24,000	0%	100%	\$ -	\$ 24,000
Program Administration	\$ 274,024	100%	0%	\$ 274,024	\$ -
BCUC	\$ 175,771	20%	80%	\$ 35,154	\$ 140,617
Customer Education	\$ 263,893	0%	100%	\$ -	\$ 263,893
<b>Total Expenses</b>	<b>\$ 989,339</b>			<b>\$ 484,947</b>	<b>\$ 504,392</b>

**Table 1** lists the Customer Choice fixed program costs, including: the dollar value of each; the proposed allocation between the Gas Marketers and all ratepayers; and the actual dollar amounts to be recovered from the Gas Marketers and all ratepayers.

**Table 2 Inputs for Option Calculations** as of December 31, 2015

<b>Program Statistics:</b>	
Total Recovery Required from All Gas Marketers	\$ 484,947
Total number of Licenced Gas Marketers	8
Total Customer Base	32,064
<b>Gas Marketer Statistics: Company F</b>	
Active enrollments	3,996
Percentage share of customer base:	12.46%
2015 Actual Recovery from marketer	\$ 113,736

**Table 2** lists the inputs used to calculate the financial impact to the listed Gas Marketer for each of the four proposed options. Figures provided are as of December 31, 2015.

**Table 3 Summary Comparison of Options**

Marketer:	Active Customers	Market Share (%)	2015 Actual Recoveries
Company F	3,996	12.5%	\$ 113,736
Options Compared	Proposed Annual Fee Recovery	Impact to Marketer (%)	Impact on Marketer (\$'s)
Option 1	\$ 60,618	-47%	▼ \$ (53,118)
Option 2	\$ 60,437	-47%	▼ \$ (53,299)
Option 3	\$ 60,437	-47%	▼ \$ (53,299)
Option 4 (FEI Recommended Option)	\$ 60,509	-47%	▼ \$ (53,227)

**Table 3** summarizes the proposed recovery amounts for each of the four options and the impacts of each in comparison to the Marketer's actual 2015 recoveries.



**Table 4 Option Calculations for Gas Marketer:**

**Company F**

**Option 1 - Equal Fixed Fee per Marketer**

	<b>Total Marketer Recovery</b>	<b>/</b>	<b>Number of Marketers</b>	<b>=</b>	<b>Proposed Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
Impact to Marketer: Company F	\$ 484,947		8		\$ 60,618		\$ 113,736		\$ (53,118)		▼ -47%

**Option 2 - Proportional Fixed Fee per Marketer**

	<b>Total Marketer Recovery</b>	<b>*</b>	<b>Market Share (%)</b>	<b>=</b>	<b>Proposed Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
Impact to Marketer: Company F	\$ 484,947		12.5%		\$ 60,437		\$ 113,736		\$ (53,299)		▼ -47%

**Option 3 - Variable Fee per Customer**

<b>Variable Fee Calculation (All Marketers)</b>	<b>Expense</b>	<b>/</b>	<b>Customer Base</b>	<b>=</b>	<b>Variable Fee per Customer (Annually)</b>	<b>/</b>	<b>12 months</b>	<b>=</b>	<b>Variable Fee per Customer (Monthly)</b>
Infrastructure Support Fee	\$ 175,769		32064		\$ 5.48				\$ 0.46
Program Administration Fee	\$ 309,178		32064		\$ 9.64				\$ 0.80

  

	<b>Active Customers</b>	<b>*</b>	<b>Variable Fees (Annual)</b>	<b>=</b>	<b>Proposed Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
Impact to Marketer: Company F	3,996		\$5.48 + \$9.64		\$ 60,437		\$ 113,736		\$ (53,299)		▼ -47%

Table 4 shows the calculations and associated impact each option has on proposed recoveries. Impacts are presented in both dollars and percentage change compared to 2015 actual recoveries.

**Notes for Options 3 & 4:**

**Infrastructure Support Fee** consists of Technology Sustainment expenses

**Program Administration Fee** consists of Program Administration and BCUC expenses

For the purposes of demonstrating the calculations for Options 3 & 4, the **annual proposed fee recovery** is based on a static number of customers for the year. In actuality, the calculation will be based on the customer count at the beginning of each month and the Variable Fee per Customer (Monthly) will be used in the monthly calculation of the recovery.

**Option 4 - Combination Fee**

*(FEI Recommended Option)*

<b>Proposed Fee Recovery Calculations</b>											
	<b>Annual Fixed Fee per Marketer</b>	<b>*</b>	<b>Number of Marketers</b>	<b>=</b>	<b>Total Fixed Fee All Marketers</b>						
Fixed Fee Recovery (All Marketers)	\$ 24,000		8		\$ 192,000						
	<b>Total Marketer Recovery</b>	<b>-</b>	<b>Total Fixed Fee All Marketers</b>	<b>=</b>	<b>Variable Fee Recovery All Marketers</b>						
Variable Fee Recovery (All Marketers)	\$ 484,947		\$ 192,000		\$ 292,947						
<b>Variable Fee Calculation</b>	<b>Expense</b>	<b>/</b>	<b>Customer Base</b>	<b>=</b>	<b>Variable Fee per Customer (Annually)</b>	<b>/</b>	<b>12 months</b>	<b>=</b>	<b>Variable Fee per Customer (Monthly)</b>		
Infrastructure Support Fee	\$ 106,179		32064		\$ 3.31				\$ 0.28		
Program Administration Fee	\$ 186,769		32064		\$ 5.82				\$ 0.49		
Variable Fee Recovery (All Marketers)	<u>\$ 292,947</u>										

  

	<b>Active Customers</b>	<b>*</b>	<b>Variable Fees (Annual)</b>	<b>=</b>	<b>Variable Fee Recovery</b>	<b>+</b>	<b>Fixed Fee Recovery</b>	<b>=</b>	<b>Proposed Total Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
Impact to Marketer: Company F	3,996		\$3.31 + \$5.82		\$ 36,509		\$ 24,000		\$ 60,509		\$ 113,736		\$ (53,227)		▼ -47%

**Customer Choice Program**  
**Cost Recovery Options - Impact per Gas Marketer**  
**Option Calculations for Gas Marketer: Company G**

**Table 1 Annual Program Expenses and Proposed Allocations**

COST DESCRIPTION	2015 Actual Expenses	Allocation (%)		Allocation (\$'s)	
		Gas Marketers	All Ratepayers	Gas Marketers	All Ratepayers
Technology Sustainment	\$ 175,769	100%	0%	\$ 175,769	\$ -
Infrastructure Sustainment	\$ 75,882	0%	100%	\$ -	\$ 75,882
Contact Centre	\$ 24,000	0%	100%	\$ -	\$ 24,000
Program Administration	\$ 274,024	100%	0%	\$ 274,024	\$ -
BCUC	\$ 175,771	20%	80%	\$ 35,154	\$ 140,617
Customer Education	\$ 263,893	0%	100%	\$ -	\$ 263,893
<b>Total Expenses</b>	<b>\$ 989,339</b>			<b>\$ 484,947</b>	<b>\$ 504,392</b>

**Table 1** lists the Customer Choice fixed program costs, including: the dollar value of each; the proposed allocation between the Gas Marketers and all ratepayers; and the actual dollar amounts to be recovered from the Gas Marketers and all ratepayers.

**Table 2 Inputs for Option Calculations** as of December 31, 2015

<b>Program Statistics:</b>	
Total Recovery Required from All Gas Marketers	\$ 484,947
Total number of Licenced Gas Marketers	8
Total Customer Base	32,064
<b>Gas Marketer Statistics: Company G</b>	
Active enrollments	6,707
Percentage share of customer base:	20.92%
2015 Actual Recovery from marketer	\$ 77,577

**Table 2** lists the inputs used to calculate the financial impact to the listed Gas Marketer for each of the four proposed options. Figures provided are as of December 31, 2015.

**Table 3 Summary Comparison of Options**

Marketer:	Active Customers	Market Share (%)	2015 Actual Recoveries
Company G	6,707	20.9%	\$ 77,577
Options Compared	Proposed Annual Fee Recovery	Impact to Marketer (%)	Impact on Marketer (\$'s)
Option 1	\$ 60,618	-22%	▼ \$ (16,959)
Option 2	\$ 101,439	31%	▲ \$ 23,862
Option 3	\$ 101,439	31%	▲ \$ 23,862
Option 4 (FEI Recommended Option)	\$ 85,277	10%	▲ \$ 7,700

**Table 3** summarizes the proposed recovery amounts for each of the four options and the impacts of each in comparison to the Marketer's actual 2015 recoveries.

**Table 4 Option Calculations for Gas Marketer:**

**Company G**

**Option 1 - Equal Fixed Fee per Marketer**

	<b>Total Marketer Recovery</b>	<b>/</b>	<b>Number of Marketers</b>	<b>=</b>	<b>Proposed Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
Impact to Marketer: Company G	\$ 484,947		8		\$ 60,618		\$ 77,577		\$ (16,959)		▼ -22%

**Option 2 - Proportional Fixed Fee per Marketer**

	<b>Total Marketer Recovery</b>	<b>*</b>	<b>Market Share (%)</b>	<b>=</b>	<b>Proposed Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
Impact to Marketer: Company G	\$ 484,947		20.9%		\$ 101,439		\$ 77,577		\$ 23,862		▲ 31%

**Option 3 - Variable Fee per Customer**

<b>Variable Fee Calculation (All Marketers)</b>	<b>Expense</b>	<b>/</b>	<b>Customer Base</b>	<b>=</b>	<b>Variable Fee per Customer (Annually)</b>	<b>/</b>	<b>12 months</b>	<b>=</b>	<b>Variable Fee per Customer (Monthly)</b>		
Infrastructure Support Fee	\$ 175,769		32064		\$ 5.48				\$ 0.46		
Program Administration Fee	\$ 309,178		32064		\$ 9.64				\$ 0.80		
<b>Impact to Marketer: Company G</b>	<b>Active Customers</b>	<b>*</b>	<b>Variable Fees (Annual)</b>	<b>=</b>	<b>Proposed Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
	6,707		\$5.48 + \$9.64		\$ 101,439		\$ 77,577		\$ 23,862		▲ 31%

Table 4 shows the calculations and associated impact each option has on proposed recoveries. Impacts are presented in both dollars and percentage change compared to 2015 actual recoveries.

**Notes for Options 3 & 4:**

**Infrastructure Support Fee** consists of Technology Sustainment expenses

**Program Administration Fee** consists of Program Administration and BCUC expenses

For the purposes of demonstrating the calculations for Options 3 & 4, the **annual proposed fee recovery** is based on a static number of customers for the year. In actuality, the calculation will be based on the customer count at the beginning of each month and the Variable Fee per Customer (Monthly) will be used in the monthly calculation of the recovery.

**Option 4 - Combination Fee**

*(FEI Recommended Option)*

<b>Proposed Fee Recovery Calculations</b>															
	<b>Annual Fixed Fee per Marketer</b>	<b>*</b>	<b>Number of Marketers</b>	<b>=</b>	<b>Total Fixed Fee All Marketers</b>										
Fixed Fee Recovery (All Marketers)	\$ 24,000		8		\$ 192,000										
	<b>Total Marketer Recovery</b>	<b>-</b>	<b>Total Fixed Fee All Marketers</b>	<b>=</b>	<b>Variable Fee Recovery All Marketers</b>										
Variable Fee Recovery (All Marketers)	\$ 484,947		\$ 192,000		\$ 292,947										
<b>Variable Fee Calculation</b>	<b>Expense</b>	<b>/</b>	<b>Customer Base</b>	<b>=</b>	<b>Variable Fee per Customer (Annually)</b>	<b>/</b>	<b>12 months</b>	<b>=</b>	<b>Variable Fee per Customer (Monthly)</b>						
Infrastructure Support Fee	\$ 106,179		32064		\$ 3.31				\$ 0.28						
Program Administration Fee	\$ 186,769		32064		\$ 5.82				\$ 0.49						
Variable Fee Recovery (All Marketers)	<u>\$ 292,947</u>														
<b>Impact to Marketer: Company G</b>	<b>Active Customers</b>	<b>*</b>	<b>Variable Fees (Annual)</b>	<b>=</b>	<b>Variable Fee Recovery</b>	<b>+</b>	<b>Fixed Fee Recovery</b>	<b>=</b>	<b>Proposed Total Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
	6,707		\$3.31 + \$5.82		\$ 61,277		\$ 24,000		\$ 85,277		\$ 77,577		\$ 7,700		▲ 10%

**Customer Choice Program**  
**Cost Recovery Options - Impact per Gas Marketer**  
**Option Calculations for Gas Marketer: Company H**

**Table 1 Annual Program Expenses and Proposed Allocations**

COST DESCRIPTION	2015 Actual Expenses	Allocation (%)		Allocation (\$'s)	
		Gas Marketers	All Ratepayers	Gas Marketers	All Ratepayers
Technology Sustainment	\$ 175,769	100%	0%	\$ 175,769	\$ -
Infrastructure Sustainment	\$ 75,882	0%	100%	\$ -	\$ 75,882
Contact Centre	\$ 24,000	0%	100%	\$ -	\$ 24,000
Program Administration	\$ 274,024	100%	0%	\$ 274,024	\$ -
BCUC	\$ 175,771	20%	80%	\$ 35,154	\$ 140,617
Customer Education	\$ 263,893	0%	100%	\$ -	\$ 263,893
<b>Total Expenses</b>	<b>\$ 989,339</b>			<b>\$ 484,947</b>	<b>\$ 504,392</b>

**Table 1** lists the Customer Choice fixed program costs, including: the dollar value of each; the proposed allocation between the Gas Marketers and all ratepayers; and the actual dollar amounts to be recovered from the Gas Marketers and all ratepayers.

**Table 2 Inputs for Option Calculations** as of December 31, 2015

<b>Program Statistics:</b>	
Total Recovery Required from All Gas Marketers	\$ 484,947
Total number of Licenced Gas Marketers	8
Total Customer Base	32,064
<b>Gas Marketer Statistics: Company H</b>	
Active enrollments	17,834
Percentage share of customer base:	55.62%
2015 Actual Recovery from marketer	\$ 144,537

**Table 2** lists the inputs used to calculate the financial impact to the listed Gas Marketer for each of the four proposed options. Figures provided are as of December 31, 2015.

**Table 3 Summary Comparison of Options**

Marketer:	Active Customers	Market Share (%)	2015 Actual Recoveries
Company H	17,834	55.6%	\$ 144,537
Options Compared	Proposed Annual Fee Recovery	Impact to Marketer (%)	Impact on Marketer (\$'s)
Option 1	\$ 60,618	-58%	▼ \$ (83,919)
Option 2	\$ 269,728	87%	▲ \$ 125,191
Option 3	\$ 269,728	87%	▲ \$ 125,191
Option 4 (FEI Recommended Option)	\$ 186,937	29%	▲ \$ 42,400

**Table 3** summarizes the proposed recovery amounts for each of the four options and the impacts of each in comparison to the Marketer's actual 2015 recoveries.

**Table 4 Option Calculations for Gas Marketer:**

**Company H**

**Option 1 - Equal Fixed Fee per Marketer**

	<b>Total Marketer Recovery</b>	<b>/</b>	<b>Number of Marketers</b>	<b>=</b>	<b>Proposed Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
Impact to Marketer: Company H	\$ 484,947		8		\$ 60,618		\$ 144,537		\$ (83,919)		▼ -58%

**Option 2 - Proportional Fixed Fee per Marketer**

	<b>Total Marketer Recovery</b>	<b>*</b>	<b>Market Share (%)</b>	<b>=</b>	<b>Proposed Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
Impact to Marketer: Company H	\$ 484,947		55.6%		\$ 269,728		\$ 144,537		\$ 125,191		▲ 87%

**Option 3 - Variable Fee per Customer**

<b>Variable Fee Calculation (All Marketers)</b>	<b>Expense</b>	<b>/</b>	<b>Customer Base</b>	<b>=</b>	<b>Variable Fee per Customer (Annually)</b>	<b>/</b>	<b>12 months</b>	<b>=</b>	<b>Variable Fee per Customer (Monthly)</b>		
Infrastructure Support Fee	\$ 175,769		32064		\$ 5.48				\$ 0.46		
Program Administration Fee	\$ 309,178		32064		\$ 9.64				\$ 0.80		
<b>Impact to Marketer: Company H</b>	<b>Active Customers</b>	<b>*</b>	<b>Variable Fees (Annual)</b>	<b>=</b>	<b>Proposed Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
	17,834		\$5.48 + \$9.64		\$ 269,728		\$ 144,537		\$ 125,191		▲ 87%

**Table 4** shows the calculations and associated impact each option has on proposed recoveries. Impacts are presented in both dollars and percentage change compared to 2015 actual recoveries.

**Notes for Options 3 & 4:**

**Infrastructure Support Fee** consists of Technology Sustainment expenses

**Program Administration Fee** consists of Program Administration and BCUC expenses

For the purposes of demonstrating the calculations for Options 3 & 4, the **annual proposed fee recovery** is based on a static number of customers for the year. In actuality, the calculation will be based on the customer count at the beginning of each month and the Variable Fee per Customer (Monthly) will be used in the monthly calculation of the recovery.

**Option 4 - Combination Fee**

*(FEI Recommended Option)*

<b>Proposed Fee Recovery Calculations</b>															
	<b>Annual Fixed Fee per Marketer</b>	<b>*</b>	<b>Number of Marketers</b>	<b>=</b>	<b>Total Fixed Fee All Marketers</b>										
Fixed Fee Recovery (All Marketers)	\$ 24,000		8		\$ 192,000										
	<b>Total Marketer Recovery</b>	<b>-</b>	<b>Total Fixed Fee All Marketers</b>	<b>=</b>	<b>Variable Fee Recovery All Marketers</b>										
Variable Fee Recovery (All Marketers)	\$ 484,947		\$ 192,000		\$ 292,947										
<b>Variable Fee Calculation</b>	<b>Expense</b>	<b>/</b>	<b>Customer Base</b>	<b>=</b>	<b>Variable Fee per Customer (Annually)</b>	<b>/</b>	<b>12 months</b>	<b>=</b>	<b>Variable Fee per Customer (Monthly)</b>						
Infrastructure Support Fee	\$ 106,179		32064		\$ 3.31				\$ 0.28						
Program Administration Fee	\$ 186,769		32064		\$ 5.82				\$ 0.49						
Variable Fee Recovery (All Marketers)	<u>\$ 292,947</u>														
<b>Impact to Marketer: Company H</b>	<b>Active Customers</b>	<b>*</b>	<b>Variable Fees (Annual)</b>	<b>=</b>	<b>Variable Fee Recovery</b>	<b>+</b>	<b>Fixed Fee Recovery</b>	<b>=</b>	<b>Proposed Total Recovery</b>	<b>-</b>	<b>2015 Actual Recoveries</b>	<b>=</b>	<b>Impact on Marketer (\$'s)</b>	<b>=</b>	<b>Impact on Marketer (%)</b>
	17,834		\$3.31 + \$5.82		\$ 162,937		\$ 24,000		\$ 186,937		\$ 144,537		\$ 42,400		▲ 29%