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October 11, 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 Inc. (FBC)**

**Project No. 3698887**

**Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 approved by British Columbia Utilities Commission (the Commission) Order G-139-14 (PBR Plan) – Annual Review for 2017 Rates (the Application)**

**Erratum to the Response to BCUC IR 1.10.1 (Exhibit B-3) dated October 11, 2016**

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On August 8, 2016, FBC filed the Application referenced above. On September 28, 2016, FBC filed its responses to information requests (IRs) No. 1 in the proceeding.

Attached is an Erratum to the response to BCUC IR 1.10.1 (Exhibit B-3) on page 23 which corrects the 2017 Forecast value related to the reclassification of software from capital to O&M expense.

If further information is required, please contact Joyce Martin at 250-368-0319.

Sincerely,

**FORTISBC INC.**

***Original signed:***

Diane Roy

Attachments

cc (email only): Registered Parties



FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2017 Rates (the Application)	<b>Amended</b> Date: October 11, 2016
Response to British Columbia Utilities Commission (BCUC or the Commission) Information Request (IR) No. 1 <b>Erratum to Response to BCUC IR 1.10.1</b>	Page 23

1 **C. O&M EXPENSE**

2 **10.0 Reference: O&M EXPENSE FORECAST OUTSIDE THE FORMULA**

3 **Exhibit B-2, Section 6.3.3, Table 6-5, pp. 38–39;**

4 **FBC Certificate of Public Convenience and Necessity for the**  
5 **Advanced Metering Infrastructure Project (FBC CPCN AMI Project),**  
6 **Decision dated July 23, 2013, pp. 63–64**

7 **Advanced Metering Infrastructure (AMI) project**

8 FBC states in the footnote to Table 6-5 on page 39 of the Application, “CPCN estimates  
9 adjusted to include reclassification of software from capital pursuant to Order G-14-14.”

10  
11 10.1 Please provide the amount of the adjustment for software for 2017 (CPCN and  
12 Forecast) for AMI costs and AMI Savings.  
13

14 **Response:**

15 **The software costs reclassified to O&M Expense for both Forecast and CPCN in 2017 is \$0.324**  
16 **million.**

**Deleted:** The footnote to Table 6-5 should have stated “CPCN values are not comparable to the Approved and Forecast values due to the reclassification of software from capital pursuant to Order G-139-14.” The 2017 CPCN value includes \$0.327 million related to software expense which has not been adjusted for the reclassification described. The 2017 Forecast value includes \$0.544 million related to software expense, of which \$0.272 million is due to the reclassification of software from capital to O&M expense resulted from Directive 105 in the 2014-2019 PBR Decision, Order G-139-14. ¶

24  
25  
26 On page 39 of the Application, FBC states, “The AMI project is expected to be  
27 completed during 2016, such that 2017 will be the first year of fully realized costs and  
28 savings for the AMI project.”

29 Table 6-5 on page 39 of the Application shows the forecast Net AMI Savings to be  
30 approximately 55 percent of the CPCN Net AMI Savings with a forecast savings for 2017  
31 of approximately \$0.852 million lower than the CPCN forecast savings.

32 10.2 Given that 2017 will be the first year of fully realized costs and savings for the  
33 AMI project, please explain if the AMI Savings are forecast to continue at this  
34 reduced level compared to the CPCN forecast.