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March 10, 2017

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

Attention: Ms. Erica Hamilton, Commission Secretary and Director

Dear Ms. Hamilton:

Re: FortisBC Energy Inc. (FEI)

Project No. 3698899

2016 Rate Design Application (the Application) Supplemental Filing – Erratum

On February 2, 2017, FEI filed the Supplemental Filing in the above referenced proceeding. It has come to FEI's attention that the Customer Weighting Factor Study was inadvertently omitted from the Supplemental Filing. FEI apologizes for this oversight and hereby submits the Customer Weighting Factor Study to the Supplemental Filing as Appendix 13-7.

Appendix 13 Fort Nelson Appendices

13-7 Customer Weighting Factor Study Results

If further information is required, please contact the undersigned.

Sincerely,

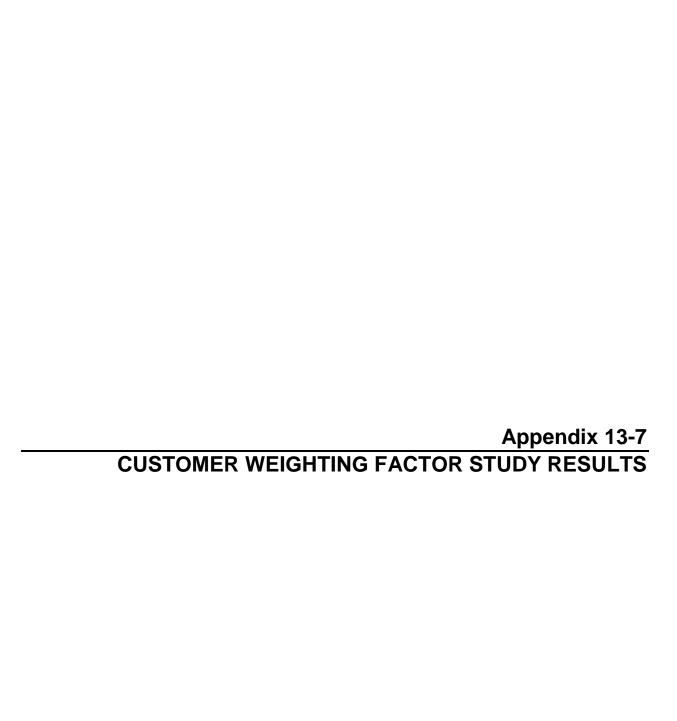
FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachment

cc (email only): Registered Parties





1 CUSTOMER WEIGHTING FACTOR STUDY

2 Purpose of the Customer Weighting Factor Study

- To allocate customer related costs, customer weighting factors must be developed and assigned to each rate. Weighting factors are estimated values indicating the total relative value
- of meter and service assets or customer administration costs associated with a specific rate as
- 6 compared to other rates. For the purposes of this analysis, weighting factors were calculated
- 7 for each rate relative to the residential rate as it represents the lowest cost per customer rate¹.
- 8 Two types of customer weighting factors have been calculated:
 - 1. <u>Customer Weighting Factors for Meters and Services:</u> This weighting factor examines the various types of meters and services used throughout Fort Nelson Service Area and uses current costs associated with meters and services for each customer group. These factors are used to weight customers for allocation of meter and service related costs to the various rates.
 - 2. <u>Customer Weighting Factors for Customer Administration and Billing</u>: Large customers generally require a greater level of administrative effort or customer service than the average residential customer, therefore customer weighting factors are required to properly allocate customer administration, marketing and billing related costs to the various rates.

18 **CUSTOMER WEIGHTING FACTORS**

The following tables present the customer weighting factors for Fort Nelson Service Area for both Meters and Services, and Customer Administration & Billing.

Table 1: Fort Nelson Service Area Customer Weighting Factors for Meters & Services

Rate schedule	2016 Weighting Factors
Rate 1 - Domestic (Residential) Service	1.0
Rate 2.1 – General (Small Commercial) Service	1.6
Rate 2.2 – General (Large Commercial) Service	5.7
Rate Schedule 25 – General Firm Transportation	191.5

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The residential rate has historically been used by FEI as the base weighting factor since the average cost for meter and service equipment is lowest for the residential class. The customer weighting factor study results for this application support the continuation of this method.



1 Table 2: Fort Nelson Service Area Customer Weighting Factors for Administration & Billing

Rate schedule	2016 Weighting Factors
Rate 1 - Domestic (Residential) Service	1.0
Rate 2.1 – General (Small Commercial) Service	1.0
Rate 2.2 – General (Large Commercial) Service	1.2
Rate Schedule 25 – General Firm Transportation	75.0