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March 10, 2017

British Columbia Utilities Commission  
6<sup>th</sup> 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**

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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

**Appendix 13-7**

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**CUSTOMER WEIGHTING FACTOR STUDY RESULTS**

## 1 CUSTOMER WEIGHTING FACTOR STUDY

### 2 *PURPOSE OF THE CUSTOMER WEIGHTING FACTOR STUDY*

3 To allocate customer related costs, customer weighting factors must be developed and  
4 assigned to each rate. Weighting factors are estimated values indicating the total relative value  
5 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 rate<sup>1</sup>.

8 Two types of customer weighting factors have been calculated:

- 9 1. Customer Weighting Factors for Meters and Services: This weighting factor examines  
10 the various types of meters and services used throughout Fort Nelson Service Area and  
11 uses current costs associated with meters and services for each customer group. These  
12 factors are used to weight customers for allocation of meter and service related costs to the  
13 various rates.
- 14 2. Customer Weighting Factors for Customer Administration and Billing: Large customers  
15 generally require a greater level of administrative effort or customer service than the  
16 average residential customer, therefore customer weighting factors are required to properly  
17 allocate customer administration, marketing and billing related costs to the various rates.

### 18 *CUSTOMER WEIGHTING FACTORS*

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

21 **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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<sup>1</sup> 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
<b>Rate 1 - Domestic (Residential) Service</b>	1.0
<b>Rate 2.1 – General (Small Commercial) Service</b>	1.0
<b>Rate 2.2 – General (Large Commercial) Service</b>	1.2
<b>Rate Schedule 25 – General Firm Transportation</b>	75.0

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