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March 20, 2018

Catalyst Paper Corporation
2nd Floor, 3600 Lysander Lane
Richmond, BC
V7B 1C3

Attention: Mr. Jouni Martiskainen, Energy Specialist

Dear Mr. Martiskainen:

Re: FortisBC Energy Inc. (FEI)
Project No. 3698899
2016 Rate Design Application (the Application)
Erratum to the Response to Catalyst Paper Corporation (Catalyst) Information Request (IR) No. 2 (Exhibit B-24) Question 4

On November 7, 2017, FEI filed its response to Catalyst IR No. 2 (Exhibit B-24) in the above noted proceeding. In preparing its responses to Catalyst IR No. 3, FEI noted in its response to Catalyst IR 3.25 that the question and response to Catalyst IR 2.4 was inadvertently omitted from the filing of Exhibit B-24. FEI respectfully submits the attached Erratum to provide the response to Catalyst IR No.2.4.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachments

cc (email only): Commission Secretary
Registered Parties



FortisBC Energy Inc. (FEI or the Company) 2016 Rate Design Application (the Application)	Erratum Dated: March 20, 2018
Response to Catalyst Paper Corporation (Cayalyst) Information Request (IR) No. 2, Question 4	Page 1

1 Using disclosed information, Catalyst Paper estimates that the current R:C ratio for the VIGJV
2 under amalgamation (existing firm revenue compared to fairly allocated amalgamated service
3 area transmission costs) is 163 % based on [1] and [2]. In a rate design process to combine
4 certain customers into groups it is essential to know the starting point for each customer in
5 terms of R:C ratio in the amalgamated service area as well as the proposed Final COSA R:C
6 ratios.

7 **4. Please submit FEI's estimate for VIGJV's current R:C ratio detailing how the cost**
8 **allocation is performed with respect to distribution costs and definition of**
9 **transmission service area.**

10

11 **Response:**

12 VIGJV's current R:C ratio is 76.5 percent.

13 Because the VIGJV facilities take gas at a distribution pressure (not transmission pressure), FEI
14 has facilities in place to step down the pressure at the various VIGHV sites, just as FEI has for
15 other distribution pressure customers. The VIGHV attracts distribution costs based on their firm
16 demand of 13 TJ/Day and based on 5 customers (5 mills). Overall, this amounts to
17 approximately 1.27 percent of Distribution demand-related costs and 0.58 percent of the
18 Distribution customer-related costs totaling \$2.2 million and \$1.7 million, respectively.

19 FEI does not define a separate transmission service area or rate.

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1 FEI RDA 2016, Exhibit B-1, Appendix 12, pages 1771-1781

2 FEI Rate Design Application, Exhibit B-4, Workshop No. 2 Presentation, slides 23-38