REQUESTOR NAME:	**BCOAPO *et al.***
INFORMATION REQUEST ROUND NO:	**#1**
TO:	**FortisBC Energy Inc. (FEI)**
DATE:	**October 21, 2015**
APPLICATION NAME:	**Biomethane Energy Recovery Charge (BERC) Rate Methodology**

1.0 Reference: Exhibit B-1-1, pages 2-3, and Exhibit B-1, Schedule 3, Rate Impacts and Volumes

The first referenced pages state:

FEI estimates that the rate impact to non-RNG customers of the proposed approach is

approximately $9 million recovered through Storage and Transportation rates over the next five years, or an average of $0.015 per GJ, and approximately $13 million recovered through delivery rates over the next five years, or an average of $0.015 per GJ. For a Mainland Residential customer consuming approximately 90 GJs per year, these two impacts equate to an annual bill impact of less than $3 per year (approximately $15 over five years).

The referenced schedule refers to "Non-bypass Sales Volume" for transfers to storage and transportation rates and for transfers to delivery rates.

1.1 Is the use of the term "sales volume" intended to only include those customers for whom FEI procures commodity gas or does it refer to all delivery customers?

1.2 Please provide the comparable annual bill impacts and consumptions for (i) a typical commercial customer and (ii) a typical industrial customer.

2.0 Reference: Exhibit B-1, Schedule 2, line 2, and B-3, Tab 1, and Exhibit A-3, BCUC IR 23.2, Forecasted Demand

The first referenced schedule shows residential volumes increasing from 68,058 GJ in 2015 to 120,317 GJ in 2020, for a compounded annual increase of about 12% per year while the proposed BERC rate increases by about 1.2% per year in nominal terms and approximately zero in real terms.

2.1 Is the Schedule 2 data sufficient to calculate an implicit elasticity of demand?

2.2 Does the Schedule 2 data indicate a shifting demand curve for residential customers over the period 2015-2020 or a very elastic demand curve (in the face of a slightly falling real price) or both?

2.3 If FEI has estimated demand equations to support the forecasts in this schedule, please provide the estimated equations, a description of the variables, and the summary statistical outputs associated with the estimates.

3.0 Reference: Exhibit B-1, page 6 and page 53, Accounting Treatment and Rate Setting, Cost Recovery and Rate Rider

3.1 Can FEI confirm that under their proposed accounting treatment, recoveries from all non-bypass customers would be the same as if the BCUC suggestion that a rate rider were used for this recovery, in terms of the amounts recovered from customers and rate classes in both cases?

3.2 Does FEI understand the BCUC rate rider suggestion as meaning that the same fixed dollar amount per GJ should be recovered from all customers in all classes or should separate rate riders be calculated for each class?

3.3 Please provide a brief explanation as to how FEI would calculate a rate rider for each class if the BCUC ordered a rate rider approach for RNG cost recovery.

3.4 Are there any customers or classes that will not be required to contribute to recoveries from non-RNG customers under FEI's proposal?

4.0 Reference: Exhibit B-1, page 2, Proposed Transfers from BVA to MCRA

4.1 Would it be fair to say that if FEI's forecasted demand for RNG were more accurate, there would be less need to transfer amounts from the BVA to the MCRA, i.e., if the forecasted volumes were accurate on average, there might be no need for such transfers?

4.2 Does FEI intend to revise its forecasting methodology in respect of RNG demand going forward?

4.3 In terms of procuring RNG supply, please elaborate on the short-term and long-term flexibility FEI has to adjust the supply volumes (i) it provides or (ii) otherwise obtains in order to better match supply with demand.

4.4 Does FEI agree that under its proposal that it has a financial incentive via increased return on equity to maximize the use of its upgraders and other equipment – and possibly oversupply RNG?

5.0 Reference: Exhibit B-1, page 36, Table 5-1

Preamble: Some of the utilities identified in Table 5-1 show a high participation rate and a high premium or bill impact. For example, Wellesley Municipal Light Plant has a participation rate of 11.05% with an $11.11/GJ premium and a $20-$30 monthly bill impact. PacifiCorp (Blue Sky Usage and Habitat) has a participation rate of 8.9% with a $2.92/GJ premium and a $20-$25 monthly bill impact.

5.1 Does FEI have any information on what accounts for the high participation rates achieved by these utilities?

5.2 Has FEI investigated the potential for changes to legislation that would assist in the sale of RNG? For example, in the Creative Energy NES NEFC CPCN Application FEI proposed to supply NEFC customers with RNG as a low carbon alternative to the DES proposed by Creative Energy, but such RNG supply could not be made mandatory in a particular area due to legislative constraints.

6.0 Reference: Exhibit B-1, page 40

Preamble: Bullfrog Power "*does not clean the gas to meet full pipeline quality standards as FEI's supply does. The gas is injected into a transmission pipeline and diluted by mixing it with large volumes of natural gas pipeline in order to keep the gas quality within specification limits*."

6.1 Could this be done in BC to reduce the cost of the RNG supply? Why or why not?