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June 8, 2016

FORTISBC INC. NET METERING PROGRAM
TARIFF UPDATE **EXHIBIT A-4**

Ms. Diane Roy
Director, Regulatory Affairs
FortisBC Inc.
16705 Fraser Highway
Surrey, BC V4N 0E8

Dear Ms. Roy:

Re: FortisBC Inc.
Project No. 3698875
Net Metering Program Tariff Update Application

Further to your April 15, 2016 filing of the above noted application, please find enclosed Commission Information Request No. 1. In accordance with the Regulatory Timetable, please file your responses no later than Wednesday June 22, 2016.

Yours truly,

Original signed by:

Laurel Ross

HC/kbb
Enclosure

FortisBC Inc. (FBC)
Net Metering Program Tariff Update Application

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A. GENERAL

1.0 Reference: OVERVIEW OF THE APPLICATION
Exhibit B-1, Application, Section 1, p. 1
General

FBC has included a black-lined version of the tariff with the proposed changes in Appendix C of the Application.

1.1 Please specify which section(s) of the *Utilities Commission Act* (UCA) the Application is filed under.

1.2 Please specify the proposed effective date of the changes to the tariff as presented in Appendix C to the Application.

2.0 Reference: BACKGROUND TO THE NET METERING PROGRAM
Exhibit B-1, Section 3, p. 4; Exhibit A2-1, 2010 Monitoring and Evaluation Report on FortisBC Inc. Net Metering Program (FBC 2010 Net Metering Report), p. 5
Net Metering program update

On page 4 of the Application, FBC states that "As of March 31, 2016, FBC had 86 customers enrolled in the Program, 22 of which are served on Commercial rate schedules with the balance served on a Residential Rate."

In the FBC 2010 Net Metering Report, FBC presents Table 3.0 on page 5 summarizing the installations that have been connected under the Net Metering (NM) tariff.

2.1 Please provide the total number of NM customers, total capacity installed (incremental and cumulative), total energy (kWh) generated, and net-excess generation (kWh) sold to FBC for each year since the inception of the program to date.

2.2 Please provide the number of NM customer in each rate class as of June 1, 2016.

2.3 Please comment on how FBC envisions the NM program to be in 5 years' time (2021) in terms of i) number of customers enrolled, and ii) total energy generated under the program.

2.4 If the NM program is expected to grow, please comment on how demand and supply from NM customers fit into the resource plan. In particular, how does NM demand and supply affect FBC's supply portfolio and system load shaping?

2.5 Please comment on the merits of conducting another report on FBC's NM program to date.

B. PROGRAM INTENT

3.0 Reference: CLARIFICATION OF PROGRAM INTENT
British Columbia Hydro and Power Authority (BC Hydro) Application to Amend Rate Schedule 1289 – Net Metering Service and Cancel Tariff Supplement No. 63 – Net Metering Interconnection Agreement, Order G-57-12 with Reasons for Decision dated May 14, 2012 (BC Hydro 2012 RS 1289 Reasons for Decision), pp. 20, 21;
BC Hydro Amendment to RS 1289 Net Metering Service, Order G-104-14 and Decision dated July 25, 2014 , pp. 2–5, 10, 23
Legislative and evaluation framework

The BC Hydro 2012 RS 1289 Reasons for Decision states on pages 20 and 21:

> In order for the Net Metering program to contribute in a more meaningful way to help BC Hydro meet its obligations, there should be clear objectives for the program that focus on economic effectiveness and efficiency. To that end, there are no clear program objectives that the Panel can use in its evaluation of the proposed changes. The Panel considers it to be important to clearly define success in order to evaluate progress and make necessary changes. Even in the absence of clear goals and targets, **the Panel is of the view that unnecessary economic and other barriers to investment in small-scale clean [distributed generation (DG)] should be mitigated, provided that to do so does not incur a substantial cost on the utility or unnecessarily shift costs to other ratepayers**. [emphasis added]

Commission Decision and Order G-104-14 on BC Hydro RS 1289 Net Metering (BC Hydro 2014 RS 1289 Decision) describes the legislative and regulatory context on pages 2 to 5 and adopts Order G-57-12's evaluation framework on page 10. On page 23 it states "The Panel considers that an ongoing focus by BC Hydro to identify and mitigate market barriers to small-scale DG is consistent with commitments made by BC Hydro in its 2013 [Integrated Resource Plan]."

3.1 When FBC files its next long-term resource plan will it include an updated Distributed Generation (DG) strategy and long-run marginal cost (LRMC) estimate?

3.2 Please describe FBC's objectives for the NM program, and how these objectives align with FBC's broader DG strategy.

3.2.1 If FBC's NM objectives do not focus on promoting economic effectiveness and efficiency, please explain why.

3.2.2 Please explain how FBC's NM program aligns with existing government policy, such as the *Clean Energy Act*, BC Energy Plan, and any other policy in relation to NM.

4.0 Reference: CLARIFICATION OF PROGRAM INTENT
Exhibit B-1, Section 4, p. 5; BC Hydro 2012 RS 1289 Reasons for Decision, pp. 44–45
2009 intent of the NM program

FBC states on page 5 of the Application: "The Program was designed with the intent that a customer's generation should be sized to meet no more than its electricity consumption."

The BC Hydro 2012 RS 1289 Reasons for Decision states on pages 44 to 45: "In the Panel's view, the original policy driver was to support a clean energy goal, and the Commission stated that support was conditional that it did not incur any substantial cost on the utility or impose any inordinate barrier to ratepayers seeking to net meter … the Panel's principle concern is that customers will potentially "slip

through the cracks" between BC Hydro's Net Metering and the [Standard Offer Program (SOP)]."

4.1 Please explain how the FBC NM program design restriction that "a customer's generation should be sized to meet no more than its electricity consumption" (i) aligns with the broader objective of the FBC NM program, and (ii) supports existing government policy.

5.0 Reference: CLARIFICATION OF PROGRAM INTENT
Exhibit B-1, Sections 4.3–4.4, pp. 7–8, Appendix C, sheet 46
Changes to RS 95 to clarify intent

On page 7 of the Application, FBC quotes the evidence from the regulatory process for the FBC 2009 Net Metering Application (2009 Application) that "It is the overriding intent of the program that customers gain the ability to offset their own consumption."

On page 8 of the Application, FBC proposes the following updated definition of Net Metered System:

> Net Metered System – A facility for the production of electric energy that:
>
> …
>
> e) is intended only to offset part or all of the customer-Generator's requirements for electricity on an annual basis. The program is not intended for customers who generate electricity in excess of their annual requirements.

5.1 Please elaborate on how the "requirement for electricity on an annual basis" is determined.

5.2 Please explain how FBC has determined that calculating consumption requirement on an annual basis is the appropriate measurement for "own consumption."

5.3 Please discuss whether FBC considers that offsetting a customer's peak day load, seasonal load, or any other own consumption historically experienced or anticipated by the customer rather than the consumption on an "annual basis" is considered consistent with the intent of the NM program as established in the 2009 Application.

In Appendix C of the Application on sheet 46, special condition 4 in the RS 95 tariff reads "The Contract Period for Service under this schedule shall be one (1) year and thereafter shall be renewed for successive one-year periods..."

5.4 Please explain FBC's NM program contract renewal criteria.

5.5 Please elaborate on FBC's current application process and screening for its NM program applicants.

5.5.1 Please explain whether the eligibility to the NM program would differ as a result of the implementation of the proposed changes in the Application. If yes, please explain how.

5.6 Please explain what action FBC would take, if any, if existing customer's energy consumption drastically decreased to become a consistently net excess generating customer.

5.7 Please explain whether any FBC customers have been unable to renew their NM contract with FBC after the one year contract period expires. If yes, please explain the circumstance(s).

5.8 Please compare the NM contractual duration and contractual termination clauses for NM programs for BC Hydro and in other jurisdictions with those defined in FBC's existing NM program tariff.

6.0 Reference: CLARIFICATION OF PROGRAM INTENT
Exhibit B-1, Section 3, p. 3; BC Hydro 2014 RS 1289 Decision, pp. 13, 14; BC Hydro Amendment to RS 1289 Net Metering Service, Exhibit B-4, BCUC IR 1.2.1.3, 1.6.3.1, Exhibit B-5, BCPSO IR 1.4.3; BC Hydro website, Comparison of BC Hydro's DG offers
50 kW Capacity limit

FBC states on page 3 of the Application that the program "is limited to capacity of not more than 50kW."

The BC Hydro 2014 RS 1289 Decision on page 13 approved an increase in BC Hydro's NM capacity cap from 50 kW to 100 kW and states on page 14: "The Panel also reaffirms the 2012 Decision that, in undertaking this future evaluation, BC Hydro should demonstrate that increasing the RS 1289 cap would result in a substantial cost to the utility and its ratepayers, not just that it would result in more exports to the grid."

In the BC Hydro RS 1289 2014 proceeding (Exhibit B-4), BC Hydro estimated the average NM credit for medium and large general service customers in BCUC 1.6.3. BC Hydro also estimated the DG capacity that various customer classes could install while still not exceeding their average annual consumption in BCUC 1.2.1.3:

Customer Class	Average Annual Consumption (kWh)	Estimated DG Capacity (kW) [1]		
		PV Solar (Assumed 10% Capacity Factor)	Wind (Assumed 20% Capacity Factor)	Hydro (Assumed 40% Capacity Factor)
Residential Service	11,000	13	6	3
Small General Service (SGS)	46,000	53	26	13
Medium General Service (MGS)	200,000	228	114	57
Large General Service (LGS)	1,800,000	2,055	1,027	513

BC Hydro provides a comparison of its distributed generation offers on its website.[1] In Exhibit B-5 (BCPSO IR 1.4.3) BC Hydro stated: "It is not expected, even with the proposed increase in maximum generator size to 100 kW, that there will be significant increases in the amount of annual net electricity sold to BC Hydro under RS 1289."

6.1 Has FBC received requests for access to the NM rate for customers wishing to install DG in excess of 50 kW? If yes, please describe.

6.2 Please explain the rationale for the 50 kW capacity cap. Please include in this explanation whether an increase in the cap could result in a substantial cost to the utility (excluding any connection policy related considerations) and if so please estimate the dollar magnitude of the impact.

6.3 Does FBC consider that the table provided by BC Hydro estimating the DG capacity that various customer classes could install while still not exceeding their average annual consumption (BC Hydro RS 1289 2014 proceeding, Exhibit B-4, BCUC 1.2.1.3) would also generally apply to FBC's service area? If not, please explain why and provide an updated table for FBC's service area.

[1] https://www.bchydro.com/content/dam/BCHydro/customer-portal/documents/corporate/independent-power-producers-calls-for-power/initiatives-in-development/cheat-sheet-hand-out-comparison-of-DG-offers-final.pdf

6.3.1 Please estimate the ¢/kWh credit FBC's customers receive (by customer class) for energy generated that is not in excess of annual consumption.

6.3.2 Please explain whether the 50 kW capacity cap could reasonably be increased for FBC (i) residential and (ii) commercial customers. Please exclude concerns that relate to the connection policy.

C. NET EXCESS GENERATION BANKING MECHANISM

7.0 Reference: CHANGES TO THE TREATMENT OF NET EXCESS GENERATION
Exhibit B-1, section 5.2, p. 10, Appendix A, Appendix C, sheet 45
kWh bank

FBC states on page 10 of its Application that "FBC is proposing … the use of a kWh bank that alternately carries NEG forward to offset consumption in a future billing period, or applies previously accumulated NEG in a billing period when net consumption exceeds net generation." Examples of the operation of a kWh Bank for both a Time-of-Use (TOU) and a non-TOU NM customer are provided in Appendix A to the Application.

7.1 Please specify the proposed effective date of the kWh bank mechanism, and explain how the kWh banking mechanism will be rolled out for existing customers.

7.2 Please explain the pros and cons for the customer and for FBC to offset customer consumption at the end of the billing year (ending on March 31) rather than at the end of the billing period using the kWh accumulated in the kWh Bank, such that Tier 2 consumption for RCR customers would be offset first before Tier 1 consumption on an annual basis.

Appendix C on sheet 45 of the Application states that "For eligible Customers receiving Service under a TOU rate schedule, consumption and generation during On-Peak Hours shall be recorded and netted separately from consumption and generation during Off-Peak Hours and held in separate kWh Banks such that any balance in the respective Banks can be applied in subsequent billing periods in either the On-Peak Hours or Off-Peak Hours as appropriate."

7.3 Please explain whether FBC is aware of any other jurisdiction with TOU customers enrolled in a NM program. If yes, please explain how Off-Peak Hour and Peak Hour generation and consumption is counted for NM billing purposes for TOU NM customers in other jurisdictions.

7.4 Please identify the rate schedule under which TOU NM customers are receiving service.

7.5 Please elaborate on how "energy requirements for electricity on an annual basis" as defined under "Net Metered System" in the proposed tariff is calculated and applied to TOU NM customers.

7.6 Please explain the pros and cons for the customer and for FBC by allowing TOU NM customers to offset Off-Peak Hour consumption with Peak Hour generation, and to offset Peak Hour consumption with Off-Peak Hour generation.

D. NET EXCESS GENERATION VALUATION

8.0 Reference: CHANGES TO THE TREATMENT OF NET EXCESS GENERATION
Exhibit B-1, Section 5, p. 9
Rationale for existing approach

FBC states on page 9 of the Application:

> In the current Tariff, any NEG is valued at the rates specified in the applicable Rate Schedule and credited to the customer's account as a dollar value that contributes to

the overall financial standing of the account. Under the flat rate that was in effect at the time of the 2009 Application, all generation, whether used to serve load or fed back into the FBC system, was to notionally be given the same value within the same customer class (each customer class would have a different valuation).

8.1 Please describe the original rational for crediting customers at the retail rate for any net excess generation for the year.

8.1.1 If FBC still had a flat residential rate, would FBC object to maintaining the status quo? Please explain why/why not.

8.2 Does FBC consider that paying customers the retail rate for annual excess generation (as opposed to an estimate of what the energy is worth) provides simplicity and rate certainty benefits for customers? Please explain for each customer class.

9.0 Reference: CHANGES TO THE TREATMENT OF NET EXCESS GENERATION
Exhibit B-1, Section 5, p. 11; Exhibit A2-1, p. 12; FBC electric tariff, RS 37;
BC Energy Plan, 2007, pp. 10, 39;
FBC Application for a CPCN for the Advanced Metering Infrastructure (AMI) Project, Order C-7-13 and Decision date July 23, 2013, p. 86;
FBC Application for Approval of Demand Side Management Expenditures for 2015 and 2016, Order G-186-14 and Decision dated December 3, 2014 (FBC 2015/2016 DSM Decision), pp. 5, 6;
BC Hydro website, Standing Offer Program Optimization, SOP rules, RS 1289 tariff Alternative options

On page 11 of the Application, FBC proposes to purchase annual net excess generation at the RS 3808 Tranche 1 rate (4.303 ¢/kWh plus a 5% rate rider). FBC Standby service (RS 37) has an energy charge based on the Mid-C index.[2]

FBC states on page 12 of its FBC 2010 Net Metering Report that "… the Company proposed additional language to … clarify the treatment of generation that is in excess of an individual customer's own use … The Company believes that compensation for these sales should be offered in a manner consistent with that of other small Independent Power Producers (IPPs) in its service area."

Page 10 of the BC Energy Plan states: "… BC Hydro will offer the SOP price to those in BC Hydro's Net Metering Program who have a surplus of generation at the end of the year" and on page 39 states "Ensure the procurement of electricity appropriately recognizes the value of aggregated intermittent resources" (Policy Action No. 25).

The Commissions states on page 86 of the FBC AMI Decision (C-7-13): "The Panel considers that a matching principle should apply. Where the energy saving benefit occurs over the long-term, a long-term cost of energy should be used to calculate the value of that benefit."

The Commission states on pages 5 and 6 of the FBC 2015/2016 DSM Decision (G-186-14):

> BC Hydro's November 2013 Integrated Resource Plan (IRP) provides a LRMC of energy (including line losses) of $85 to $100 per MWh and LRMC of capacity of $50 to $55 per kW per year (approximately $13/MWh using BC Hydro's average load factor).

[2] https://www.fortisbc.com/About/RegulatoryAffairs/ElecUtility/Documents/FortisBCElectricTariff.pdf

> The Commission Panel accepts FBC's LRMC of BC new clean resources as $112 per MWh and the deferred capital expenditure value of $35.60 per kW per year for the purpose of the 2015-2016 DSM Plan. While this estimate is based on BC Hydro's 2008 Clean Power Call, it is reasonable compared to BC Hydro's 2013 LRMC estimate … The Panel notes FBC's commitment to update the LRMC estimate in the next LTRP. The Panel directs FBC to … explain how avoided transmission and distribution energy losses are incorporated into DSM cost/benefit tests.

BC Hydro states on its website that it is reviewing the SOP price and is targeting September 2016 for draft recommendations.[3] BC Hydro's current base SOP price for delivery to the Lower Mainland is 11.156 ¢/kWh.[4] BC Hydro pays 9.99 ¢/kWh for annual excess generation under RS 1289.[5]

9.1 Please explain whether there are any small IPPs in FBC's service area. If yes, please describe the projects and provide the average price FBC pays to purchase energy from these IPPs.

9.2 Please explain whether FBC still believes that "compensation of these sales should be offered in a manner consistent with that of other small Independent Power Producers in its service area."

9.3 Once a customer makes an investment in DG, please estimate (by generator type) the typical life of that DG investment.

9.3.1 Do FBC distribution connected customers with DG have an option of selling generation fed into the grid to a party other than FBC? Please explain and comment on whether FBC's NM customers have similar options to those available to its customers with DG who take standby service (RS 37).

9.3.2 Does FBC consider that the energy generated from a distribution connected DG customer with DG should generally be considered long-term or short-term in nature? Please explain.

9.4 Please estimate the (i) long-term and (ii) short-term value of the energy delivered to the grid by FBC's DG customers, separating out generation energy, losses, ancillary services, generation capacity and network capacity.

9.4.1 Does FBC consider that, on an aggregate basis, its NM customer generation can provide generation and network capacity benefits? Please explain.

9.4.2 Does FBC consider that the RS 3808 Tranche 1 rate is a proxy for FBC's short-run cost of energy or long-run cost of energy? Please explain.

9.5 Does FBC consider that there are other programs better suited to DG customers to sell annual excess energy (for example, BC Hydro's SOP or micro-SOP)? If yes, please explain and comment on whether the price paid under FBC's NM program for annual excess energy should be set at a low level to discourage DG customers from using the NM rate for this purpose.

[3] https://www.bchydro.com/content/dam/BCHydro/customer-portal/documents/corporate/independent-power-producers-calls-for-power/standing-offer/sop-optimization-process.pdf

[4] https://www.bchydro.com/content/dam/BCHydro/customer-portal/documents/corporate/independent-power-producers-calls-for-power/standing-offer/standing-offer-program-rules.pdf, p. 10

[5] https://www.bchydro.com/content/dam/BCHydro/customer-portal/documents/corporate/regulatory-planning-documents/integrated-resource-plans/current-plan/schedule-1289-net-metering-service.pdf

9.6 Please explain in table form the advantages/disadvantages of using the following values as a proxy for the value of annual net excess generation delivered to the grid by FBC's DG customers. In all cases please provide a ¢/kWh estimate of the amount that would be paid and whether they represent *delivered* energy values (i.e. include transmission and distribution line losses).

- Zero
- Status quo
- FBC proposal (BC Hydro RS 3808 Tranche 1)
- FBC LRMC used for the 2015/2016 DSM Application (excluding capacity)
- BC Hydro RS 1289 (Net Metering) price for annual excess generation
- Retail energy rate, using for residential customers the following sub-options:
  - FBC RCR (RS 1) Tier 1
  - FBC RCR (RS 1) Tier 2
  - FBC Exempt Residential Service (RS 3)

E. BILLING CALCULATION METHODOLOGY

10.0 Reference: CHANGES TO BILL CALCULATION METHDOLOGY
Exhibit B-1, Sections 1, 6.1, pp. 1, 13, Appendix B, pp. 1–3, Appendix C, sheet 44; FortisBC Inc. 2009 Net Metering Tariff Application dated April 17, 2009 (FBC 2009 Application), p. 9
Billing methodology

On page 9 of the FBC 2009 Application, FBC states that:

> The bill for each billing period under the Net Metering Tariff will be calculated as:
>
> Total Bill = Customer Charge + (Energy Rate x Net Consumption (kWh)*) + (Demand Rate x Billing Demand (kVA))
>
> * For billing purposes, Net Consumption is the difference between the amount of electricity supplied by FortisBC to the Customer-Generator during the billing period and the electricity received from the Customer-Generator during the same billing period.

The Rate Schedule 95 tariff contained in Appendix C to the Application provides the following definition for Net Consumption:

> Net Consumption - Net Consumption occurs at any point in time where the Electricity required to serve the Customer-Generator's load exceeds that being generated by the Customer-Generator's Net Metered System.

On page 13 of the Application, FBC explains that the net kWh produced or received by the customer can be treated in two distinct ways, depending on the interpretation of the existing tariff language. FBC's preferred solution is that "the threshold in the RCR is applied to the net consumption or generation after the two registered are themselves netted."

On page 1 Appendix B of the Application, FBC states that "with the introduction of the RCR, it is possible to treat the net kWh produced or received by the customer in two distinct ways…" FBC further illustrates the billing calculation under the flat rate and FBC's two interpretations of "net consumption" from pages 1 to 3.

10.1 Please confirm, or otherwise explain, that the methodology to calculate the bill under a flat rate as illustrated under example i and example ii on page 1 of Appendix B of the Application shows that the kWh billed is calculated by netting the two registers before multiplying the energy rate.

10.1.1 If confirmed, please explain why the RCR has an impact on the interpretation of the tariff to read whether the volumes are netted before or after the applicable rate is applied to calculate the bill.

10.2 Please explain BC Hydro's current net metering billing practice.

10.3 Please explain in detail the billing calculation methodology and total amount billed for NM customers under the RCR under i) the existing billing methodology, ii) application of threshold after netting the registers, and iii) application of threshold prior to netting the registers, by showing the calculation of the total amount billed to the customer in a format similar to that presented on page 2 of Appendix B of the application for the following scenarios under each methodology. Please also provide a functional excel spreadsheet containing the calculations.

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6	Scenario 7
Register 1: Total kWh received by customer during the billing period	2000	2000	2000	2000	1200	1200	1200
Register 2: Total kWh delivered to FBC during the billing period	100	1000	1800	4000	100	1800	4000

10.3.1 Please explain whether the existing billing methodology explained above is consistent with the "Net Consumption" definition for billing purposes explained in the 2009 application as referenced above. If it is not consistent, please explain why not.

10.4 Please explain whether it is a feasible methodology to calculate the bill for RCR NM customers with a net consumption within the billing period based on volumes before netting the two meters. The bill would be calculated based on the customer's total consumption in accordance with their retail rate schedules, netted with a bill credit for the offset energy (Tier 2 before Tier 1 energy) at the price of the energy paid by the customer to FBC under the retail rate. An illustrative example is presented below based on the format of the example provided on page 2 of Appendix B of the Application:

		kWh	Rate	Value ($)
Register 1: Total kWh received by customer during the billing period	2000 kWh			
Tier 1		1600	9.845¢ per kWh	157.52
Tier 2		400	15.198¢ per kWh	60.79
Subtotal				218.31
Register 2: Total kWh delivered to FBC during the billing period	1800 kWh			
Tier 1		1400	9.845¢ per kWh	137.83
Tier 2		400[6]	15.198¢ per kWh	60.79
Subtotal				198.62
Total amount billed to customer				19.69

10.4.1 Please compare the total amount billed in the illustrative example above with the total amount billed calculated for Scenario 3 in response to IR 10.3.

10.5 Please explain in what circumstance would i) application of threshold prior to netting the registers (not preferred by FBC) and ii) FBC's existing billing method be more favourable to a NM customer than the FBC preferred billing method. Please demonstrate with a numerical example.

On page 9 of the Application, FBC states that "NEG [during the billing period] for residential customers is now compensated at the Tier 1 rate up to the threshold of 1,600 kWh over 2 months and at the Tier 2 Rate for amounts over 1,600 kWh over 2 months"

[6] Step 1: Register 2 kWh credited at Tier 2 rate is the kWh billed at Tier 2 under register 1 (eg. 2000kWh – 1600kW threshold = 400 kWh)Step 2: Register 2 kWh credited at Tier 1 rate is the kWh balance not credited at Tier 2 (eg. 1800kWh – 400kWh = 1400 kWh)

10.6 Please identify the clause(s) in the FBC Electric Tariff justifying the application of the RCR threshold of 1,600kWh for generation (in addition to for residential consumption), and explain whether the application of the RCR threshold for generation was contemplated at the time the RCR was approved by the Commission.

FBC states on page 1 of its Application that "FBC is seeking Commission confirmation of the Company's approach to the billing calculation… This requires no changes to the Tariff or program documentation…"

10.7 Please explain why FBC considers no changes to the tariff or program documentation is required to clarify the interpretation of "Net Consumption" for billing purpose.

11.0 Reference: CHANGES TO BILL CALCULATION METHODOLOGY
Exhibit B-1, p. 2; FortisBC Inc. Electric Tariff[7], section 11.6; BC Hydro Electric Tariff, section 5.8
Billing methodology

FBC states on page 2 of the Application that "the billing practice in use for Net Metering since the residential Conservation Rate (RCR) was implemented will be updated."

11.1 Please explain whether FBC has received any complaints with regards to billing for NM customers. If yes, please describe the content of the complaint(s) and the resolution to each complaint, if any.

11.2 Please specify the proposed effective date of the billing practice update, and elaborate on the timing and applicability of the billing update to existing NM customers.

11.3 If the Commission accepts the billing method proposed by FBC, and that the accepted billing method differs from the existing methodology used by the utility in computing past customer bills, please explain whether FBC opposes to applying the billing methodology retrospectively to all customers since the inception of the RCR two tier rate.

11.3.1 If the updated billing method results in a lower bill than the existing billing method when applied retrospectively, please comment on whether FBC would be opposed to reimbursing customers for the difference collected since the implementation date of the RCR two tier rate.

Section 11.6 (f) of the FBC Electric Tariff states that:

> In every case of over-billing, the Company will refund to the Customer all money incorrectly collected for the duration of the error, subject to the applicable limitation period provided by law. Interest will be paid in accordance with Clause 11.3.

Section 5.8 subsection 6 of British Columbia Hydro and Power Authority's Tariff[8] states:

> In every case of over-billing, BC Hydro will refund to the Customer all money incorrectly collected for the duration of the error, except that, if the date the error first occurred cannot be determined with reasonable certainty, the maximum refund period will be 6 years back from the date the error was discovered…

11.4 If the Commission finds that a billing error has occurred, please comment on whether FBC would be opposed to refunding the customers for the amount over-billed for the duration of the error.

[7] https://www.fortisbc.com/About/RegulatoryAffairs/ElecUtility/Documents/FortisBCElectricTariff.pdf
[8] https://www.bchydro.com/content/dam/BCHydro/customer-portal/documents/corporate/tariff-filings/electric-tariff/bchydro-electric-tariff.pdf

11.5 Please elaborate on what is the duration of the "limitation period provide by law," and provide a detailed reference to the applicable law in your response.

11.5.1 Also, please provide the specific details of this law, if any, with regards to over-billing.

11.5.2 Hypothetically, suppose there is a limitation in law. For example, if the law provides for a 2 year maximum limitation for over-billing, would it be against the law for a company to offer up to 3 years of over-billing adjustment, if a company in fact made an error for 3 years?

11.5.3 Please confirm, or otherwise explain, that BC Hydro does not have a clause on "limitation period provided by law" in BC Hydro's Tariff with regards to resolving over-billing errors.

11.5.4 Please comment on whether FBC is opposed to removing the wording "subject to the applicable limitation period provide by law" from the FBC Electric Tariff.