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July 13, 2016

Ms. Laurel Ross
 Acting Commission Secretary
 British Columbia Utilities Commission
 Sixth Floor – 900 Howe Street
 Vancouver, BC V6Z 2N3

Dear Ms. Ross:

**RE: Project No. 3698781
 British Columbia Utilities Commission (BCUC or Commission)
 British Columbia Hydro and Power Authority (BC Hydro)
 2015 Rate Design Application (2015 RDA)
 Supplementary Filing**

BC Hydro writes in regard to the 2015 RDA to provide revised responses to the Information Requests (**IRs**) listed below and an **erratum to Exhibit B-1**. BC Hydro notes that in the attached revised responses, where practicable, revisions made to the IR responses are identified in blue highlighted text and numbers. We also note that in some cases, the revisions being made are to already revised IRs. As such, we have identified the original IR response, Revision 1 (highlighted in yellow) and Revision 2 (highlighted in blue). Explanations for the revisions are provided in each case in the body of the revised response.

Round 1 (Exhibit B-5) – Revised Responses

BCUC IR 1.126.3	BCUC IR 1.129.4
BCUC IR 1.132.1	BCUC IR 1.132.2
BCOAPO IR 1.160.3	BCOAPO IR 1.183.1 Attachment 4

Round 2 (Exhibit B-23) – Revised Responses

BCOAPO IR 2.282.1	
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July 13, 2016
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Acting Commission Secretary
British Columbia Utilities Commission
2015 Rate Design Application (2015 RDA)
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Round 1 and 2 (Exhibit B-26) – Revised Responses

BCOAPO IR 1.183.1 PUB (Revision 2)	BCOAPO IR 1.192.1 (Revision 2)
BCOAPO IR 1.192.1 Attachment 1 (Revision 2)	BCOAPO IR 2.320.1 (Revision 2)
BCOAPO IR 2.323.1 (Revision 2)	

Round 1 (Exhibit B-5-1-1) – Revised Confidential Response

BCOAPO IR 1.183.1 CONF (Revision 2)	
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BC Hydro is also filing an erratum to Exhibit B-1, section 8.3.3 Late Payment Charge, Table 8-5 (page 8-13) which reflects updated cost and volume information related to dunning communications. In the course of preparing its Rebuttal Evidence (Exhibit B-31), BC Hydro discovered that the costs and volume of dunning communications it filed (Exhibit B-1 and Attachment 4 to BCOAPO IR 1.183.1) were incorrect due to a reporting error.

The incorrect dunning communications costs and volume information impacted BC Hydro and BCOAPO expert witness Mr. Roger Colton's cost effectiveness analyses regarding BC Hydro's collection processes. BC Hydro notes that the updated dunning communications costs and volume were provided to BCOAPO legal counsel on June 10, 2016, immediately following the discovery of the error. The updated figures were provided in Attachment 2 to BC Hydro's Rebuttal Evidence to BCOAPO Evidence and the corrected dunning communications costs and volume have been reflected in the erratum to Exhibit B-1, as well as in the affected IRs attached.

BC Hydro has also amended responses to other IRs where it discovered errors.

For further information, please contact Gordon Doyle at 604-623-3815 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



Tom Loski
Chief Regulatory Officer

jc/ma

Enclosure (1)

Copy to: BCUC Project No. 3698781 (2015 RDA) Registered Intervener Distribution List.

2015 Rate Design Application

ERRATUM – July 13, 2016

REMOVE	INSERT	NOTE
Volume 1		
Chapter 8 Revision 1 – Page 8-13 – December 21, 2015	Chapter 8 Revision 2 – Page 8-13 – July 13, 2016	1

Notes:

1. The costs and volume of dunning communications BC Hydro filed were incorrect due to a reporting error.

1 At Workshop 9, COPE 378 requested that BC Hydro provide the rationale for the
 2 1.5 per cent Late Payment Charge. BC Hydro stated that the Late Payment Charge
 3 is foremost a cost recovery mechanism to compensate BC Hydro for expenses
 4 incurred as a result of the late payment and to take into account the time value of
 5 money, and also a means to induce prompt payments on the part of customers.
 6 BCOAPO, COPE 378 and FNEMC in their written comments concerning
 7 Workshop 9 asked that BC Hydro set out the cost basis for the 1.5 per cent Late
 8 Payment Charge. BC Hydro did so in section 1.2.2 of the Workshop 9a/9b
 9 consideration memo, with the information reproduced in [Table 8-5](#) for ease of
 10 reference. F2015 revenue from the Late Payment Charge was \$7,843,653.

11 **Table 8-5 BC Hydro Late Payment Charge Costs**
 12 **(F2015)**

Accenture Business Service (ABSBC) Costs (credit and call center) (\$)	3,881,143
Customer Late Payment Communications (\$)	4,949,170,254,152
BC Hydro Interest (\$)	1,968,415
BC Hydro Operating and Maintenance (\$)	250,000
Total (\$)	8,048,729,353,711

13 BC Hydro noted in section 1.2.2 of the Workshop 9a/9b consideration memo that it
 14 uses its most recent Weighted Average Cost of Debt (**WACD**) for the Fiscal Year,
 15 which at the time of the memo was 4.21 per cent. To align with the F2015 Late
 16 Payment Charge revenue quoted for this analysis, the interest rate was updated to
 17 the F2014 WACD of 4.28 per cent (as reflected in [Table 8-5](#) above) to calculate
 18 BC Hydro interest. BC Hydro applies its WACD for purposes of security deposits and
 19 any other credits BC Hydro gives back to customers. The Electric Tariff mandates
 20 use of the WACD from the previous fiscal year for security deposit-related interest
 21 (section 2.46.4.6) and for back-billing purposes (section 5.87.6). If BC Hydro used a
 22 bank short-term interest rate (1.32 per cent at the time of the Workshop 9a/9b