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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  
Ms. Laurel Ross  
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](mailto: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.

## 282.0 CHAPTER 7

**Reference: BCOAPO 1.160.3, 1.60.4 and 1.161.1  
Exhibit B-1, Appendix C-5A, Attachment 4**

2.282.1 Please reconcile the “Revenue at F2016 Rates” for F2017 through F2019 shown in Attachment 4 with that set out in BCOAPO 1.160.3.

### ORIGINAL RESPONSE:

The revenue target calculation provided in BC Hydro’s response to BCOAPO IR 1.160.3 replaces the previous calculation in Attachment 4, since the updated calculation is the one that BC Hydro normally uses in an RRA context to determine the amount of revenue that needs to be recovered through its rates. The following explains the difference between the two calculations.

#### Attachment 4 Calculation

“Revenue at F2016 Rates” for F2017 through F2019 shown in Attachment 4 is based on F2015 forecast load multiplied by F2016 rates. This is only a proxy calculation since forecast loads for F2017-F2019 should have been used instead of F2015 forecast load.

As shown in BC Hydro’s response to BCOAPO IR 1.161.1, F2015 forecast Tier 1 load is 10,073 GWh and Tier 2 load is 480 GWh. The F2016 Tier 1 rate is \$38.36/MWh and F2016 Tier 2 rate is \$85.03/MWh. Therefore:

$$\begin{aligned} \text{Revenue at F2016 Rates} &= [(10,073 \times 1,000 \times \$38.36) + (480 \times 1,000 \times \$85.03)]/1,000,000 \\ &= \$427.2 \text{ million} \end{aligned}$$

This value is multiplied by the RRA increases in each year to obtain the “Adjusted Revenues” in Attachment 4, which is the proxy for the revenue target.

#### BCOAPO IR 1.160.3. Calculation

This calculation is more precise since forecast loads for F2017 to F2019 are used to derive “Revenue at F2016 Rates”.

The formula for “Revenue at F2016 Rates” in BC Hydro’s response to BCOAPO IR 1.160.3 is:

F2017	F2018	F2019
Revenue at F2016 Rates = F2016 Tariff Rate x F17 forecast load = $[(10,374 \times 1,000 \times \$38.36) + (491 \times 1,000 \times \$85.03)]/1,000,000 = \$439.7 \text{ million}$	Revenue at F2016 Rates = F2016 Tariff Rate x F18 forecast load = $[(10,286 \times 1,000 \times \$38.36) + (516 \times 1,000 \times \$85.03)]/1,000,000 = \$438.4 \text{ million}$	Revenue at F2016 Rates = F2016 Tariff Rate x F18 forecast load = $[(9,629 \times 1,000 \times \$38.36) + (441 \times 1,000 \times \$85.03)]/1,000,000 = \$406.9 \text{ million}$

These values are multiplied by the RRA increases in each year to derive the Revenue Target that needs to be recovered by rates.

<b>British Columbia Old Age Pensioners' Organization</b> Information Request No. <b>2.282.1</b> Dated: <b>March 8, 2016</b> British Columbia Hydro & Power Authority <b>REVISED</b> Response issued <b>July 13, 2016</b>	Page 2 of 2
British Columbia Hydro & Power Authority <b>2015 Rate Design Application</b>	

**REVISED RESPONSE:**

The revenue target calculation provided in BC Hydro’s response to BCOAPO IR 1.160.3 replaces the previous calculation in Attachment 4, since the updated calculation is the one that BC Hydro normally uses in an RRA context to determine the amount of revenue that needs to be recovered through its rates. The following explains the difference between the two calculations.

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These values are multiplied by the RRA increases in each year to derive the Revenue Target that needs to be recovered by rates.