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May 18, 2017

Mr. Norman Gabana
3850 Dogwood Drive
Trail, BC V1R 2V5

Attention: Mr. Norman Gabana

Dear Mr. Gabana:

**Re: FortisBC Inc. (FBC)
Project No. 3698896
2016 Long Term Electric Resource Plan (LTERP) and Long Term Demand Side
Management Plan (LT DSM Plan)
Response to Norman Gabana (Gabana) Information Request (IR) No. 2**

On November 30, 2016, FBC filed the Application referenced above. In accordance with the British Columbia Utilities Commission Order G-197-16 setting out the Regulatory Timetable for the review of the Application, FBC respectfully submits the attached response to Gabana IR No. 2.

If further information is required, please contact Joyce Martin at 250-368-0319.

Sincerely,

FORTISBC INC.

Original signed:

Diane Roy

Attachments

cc (email only): Commission Secretary
Registered Parties



FortisBC Inc. (FBC or the Company) 2016 Long Term Electric Resource Plan (LTERP) and Long Term Demand Side Management Plan (LT DSM Plan) (the Application)	Submission Date: May 18, 2017
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1 1 Provide breakdown of DSM expenditures for year 2015. (50,000 dollar grouping
2 adequate).

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4 **Response:**

5 The breakdown by program area of DSM expenditures for year 2015 is found in the table below:

DSM Program Area	2015 Total Spend (\$000s)
Residential:	
Home Improvement Program	199
Rental	35
Watersavers & HPWH	2
Appliances	71
Residential Lighting	198
Heat Pumps	182
New Home Program	111
Low Income Housing	253
Residential Total	1,050
General Service:	
Commercial Lighting	735
Building Improvement	543
Municipal	36
Irrigation	9
General Service Total	1,324
Industrial:	
Industrial Efficiency	226
Industrial Total	226
Portfolio Activities:	
Planning & Evaluation	585
Supporting Initiatives	346
Total	3,531

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2 Provide some measurable goals for the DSM program in each of the next five years in this purposed long term plan, and attach dollar number to each of the proposed goals.



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1 **Response:**

2 Please refer to the response to BCUC IR 1.38.2 for the 2016 LT DSM Plan annual savings
3 targets and DSM funding levels from 2018 to 2022. The 2016 LT DSM Plan is not an
4 expenditure schedule, so funding levels by sector or by program have not been estimated. The
5 Company anticipates filing its next DSM expenditure schedule, for 2018 onwards, later this year.

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9 3 Provide the amount of internal revenue Fortis has garnered from performing
10 capital works projects in house in years 2015, 2016.

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12 **Response:**

13 FBC is unable to determine what information is being requested and is therefore unable to
14 provide a response. Furthermore, revenue and capital expenditures are reviewed in the context
15 of revenue requirements proceedings and are not relevant to the review of the LTERP.

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19 4 Provide the amount of internal revenue Fortis is anticipating garnering during
20 each year of the first five years of the proposed capital plan.

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22 **Response:**

23 FBC is unable to determine what information is being requested and is therefore unable to
24 provide a response. Furthermore, the LTERP does not contain a five-year capital expenditure
25 plan, although FBC did provide its expected transmission and distribution expenditures in the
26 response to BCUC IR 1.21.1. The Company will include its forecast capital expenditures for the
27 upcoming year in its Annual Review for 2018 Rates, expected to be filed in August 2017.

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31 5 Response to Gabana page 10 line 15. Very encouraging to see number of
32 licensed vehicles (24) declining substantially, provide information for the
33 \$864,000 increase in capital spending between 2014 and 2016 on the Capital
34 Fleet.

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FortisBC Inc. (FBC or the Company) 2016 Long Term Electric Resource Plan (LTERP) and Long Term Demand Side Management Plan (LT DSM Plan) (the Application)	Submission Date: May 18, 2017
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1 **Response:**

2 This question is not relevant to the review of the LTERP and should be addressed in the context
3 of FBC's revenue requirements proceedings. Nevertheless, FBC provides the following
4 information.

5 The reduction in licensed vehicles was a result of retiring the Meter Reader vehicles in the
6 company's fleet, while the increase in expenditures between 2014 and 2016 was related to the
7 purchase of specialized vehicles for utility use.

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11 5.1 Are further reduction in numbers anticipated over the life of the plan?

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13 **Response:**

14 There is no further reduction in vehicle numbers anticipated over the life of the plan. The
15 reduction in vehicles from 2014 to 2016 was a result of retiring the Meter Reader vehicles in the
16 Company's fleet.

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20 5.2 Provide estimate of saving as a result of 24 less licensed vehicles.

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22 **Response:**

23 The estimated savings of 24 less licensed vehicles from 2014 to 2016 is approximately \$300
24 thousand annually in operating costs. The reduction in licensed vehicles was a result of retiring
25 the Meter Reader vehicles in the Company's fleet.

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29 6 With Fortis not planning any operational efficiencies during the life of the LTERP,
30 will bonuses continued to be paid at the present level or higher?

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32 **Response:**

33 In its response to Gabana IR 1.16, FBC stated that it is not planning any operations efficiencies
34 associated with the LTERP during the timeframe posed. The statement referred to efficiencies



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1 in FBC's operating departments (generation, transmission and distribution, customer services
2 and other departments) associated with the LTERP, that is, associated with the acquisition of
3 new resources. FBC does not have a need for new resources before 2025 and there are no
4 planned acquisition activities, therefore no related efficiencies.

5 FBC does continually seek out and implement efficiencies in its operations. The Company's
6 Performance-Based Ratemaking Plan for 2014 through 2019 not only embeds efficiencies in its
7 target O&M Expense and Capital Expenditures, but provides an incentive to achieve additional
8 savings, which are shared between the Company and its customers.

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12 7 Provide average annual cost per hourly paid employee in year 2016.

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14 **Response:**

15 FBC is unable to provide a response as this information is not readily available. Operating and
16 maintenance costs are reviewed in the context of revenue requirements proceedings and are
17 not relevant to the review of the LTERP.

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