



bcuc
British Columbia
Utilities Commission

Patrick Wruck
Commission Secretary

Commission.Secretary@bcuc.com
bcuc.com

Suite 410, 900 Howe Street
Vancouver, BC Canada V6Z 2N3
P: 604.660.4700
TF: 1.800.663.1385
F: 604.660.1102

June 8, 2017

Sent via eFile

**FORTISBC INC. LONG TERM ELECTRIC RESOURCE PLAN
& LONG TERM DEMAND SIDE MANAGEMENT PLAN EXHIBIT A-9**

Mr. Robert Hobbs
Industrial Customers Group
c/o #301-2298 McBain Avenue
Vancouver, BC V6L 3B1
rhhobbs@shaw.ca

Re: FortisBC Inc. – 2016 Long Term Electric Resource Plan & Long Term Demand Side Management Plan

Dear Mr. Hobbs:

Further to the May 25, 2017 filing of intervener evidence, enclosed please find Commission Information Request No. 1 on Intervener Evidence. Please file your response electronically with the Commission on or before Thursday, June 29, 2017.

Original signed by Katie Berezan for:

Patrick Wruck
Commission Secretary

LU/dg
Enclosure



FortisBC Inc.
2016 Long Term Electric Resource Plan & Long Term Demand Side Management Plan

INFORMATION REQUEST NO. 1 TO INDUSTRIAL CUSTOMER GROUP

- 1.0 **Reference:** **DEMAND SIDE MANAGEMENT PROGRAMS**
Exhibit C7-4, p. 1; Decision on FortisBC Inc.’s (FBC) Application for Acceptance of Demand Side Management Expenditures for 2015 and 2016 dated December 3, 2014, pp. 19–20
Self-generator eligibility

Mr. Switlishoff states on page 1 of Exhibit C7-4: “This report documents the incentives available from FortisBC for an industrial Demand Side Management (DSM) opportunity at Zellstoff Celgar’s pulp mill in Castlegar, BC ...”

The Commission stated on pages 19 and 20 of the December 3, 2014 Decision on FBC’s Application for Acceptance of Demand Side Management Expenditures for 2015 and 2016 (G-186-14):

In considering the interests of persons in BC who receive or may receive service from the public utility, the Commission Panel considered the balance of DSM programs, specifically whether the DSM proposal provides broad opportunities for customers to participate, in particular for ‘hard to reach’ customers such as low-income groups and renters. The portfolio level review of the balance in access to DSM programs includes: (i) a review of DSM funding levels by customer class, and (ii) DSM programs targeted to ‘hard to reach’ customers.

Review of DSM funding levels by customer class

FBC provided the following analysis of DSM spending by customer class:

Table 5. FBC DSM Expenditures as a Percentage of Sector Revenue⁷⁶

	2012	2013	2015	2016
DSM expenditure % of sector revenue (excluding wholesale)				
Residential	1.6%	2.4%	1.9%	2.0%
Commercial	4.1%	3.0%	3.3%	3.3%
Industrial	0.6%	1.5%	0.7%	0.7%
Total	2.8%	3.1%	2.7%	2.7%
Total (including wholesale)	2.8%	2.4%	2.3%	2.4%

- 1.1 Please estimate the (i) total revenues FBC received from Celgar over the last 10 years and (ii) total DSM incentives provided by FBC to Celgar over the last 10 years. Please calculate the total DSM incentives as a percentage of total revenues.
- 1.1.1 Please estimate a 10-year DSM incentive cap, assuming it was set at (i) 1% and (ii) 2.5 % of the revenues paid to FBC over the past 10 years.

- 1.1.2 Please discuss the advantages/disadvantages of a DSM incentive cap (linked to a percentage of revenues) as a way to address the 'effectiveness and balance' considerations of offering DSM programs to partial service customers.