

February, 14, 2019

Sent via email

Letter L-3-19

Mr. Doug Slater
Director, Regulatory Affairs
FortisBC Energy Inc.
16705 Fraser Highway
Surrey, BC V4N 0E8
gas.regulatory.affairs@fortisbc.com

Re: FortisBC Energy Inc. – Gas Supply Mitigation Incentive Program – Year End Report November 2017 – October 2018

Dear Mr. Slater:

The British Columbia Utilities Commission (BCUC) is in receipt of FortisBC Energy Inc.'s (FEI) report dated December 21, 2018 as required by Order G-141-16.

FEI filed a Gas Supply Mitigation Incentive Program (GSMIP) Year End Report for the period from November 1, 2017 to October 31, 2018 (2017-2018 GSMIP Report), in accordance with BCUC Order G-141-16 and the 2016-2019 GSMIP Term Sheet accepted by Letter L-27-16.

The 2017-2018 GSMIP Report submits the calculation of the overall GSMIP incentive payment of \$2,589,519 for the mitigation activities FEI performed in 2017/18. Appendix A of the 2017-2018 GSMIP Report contains an electronic working copy of the GSMIP model spreadsheet which FEI filed confidentially due to commercially sensitive information.

The BCUC has reviewed the 2017-2018 GSMIP Report in accordance with the 2016-2019 GSMIP Term Sheet. FEI did not perform any new activities in 2017/18. Appendix A to this letter provides a table from FEI that shows the mitigation activity summary including the overall GSMIP incentive payment of \$2,589,519 for 2017/18.

The BCUC accepts the calculation of the GSMIP incentive payment of \$2,589,519 for the mitigation activities FEI performed in the 2017/18 year. The BCUC will keep the GSMIP model spreadsheet confidential as requested by FEI as it contains commercially sensitive information.

The BCUC reviewed the 2017-2018 GSMIP Report and is satisfied that the requirements of Order G-141-16 have been met.

Sincerely,

Original signed by:

Patrick Wruck
Commission Secretary

JO/dg
Enclosure

FortisBC Energy Inc.
Gas Supply Mitigation Incentive Program
Year End Report November 2017 - October 2018

Mitigation Activity Summary				
	Total for 2017/18		Total for 2016/17	
Mitigation Activity	Net Mitigation Revenue (in Millions)	Incentive Earned	Net Mitigation Revenue (in Millions)	Incentive Earned
BENCHMARKED ACTIVITIES		2.59%		2.54%
Total	\$93.096	\$2.411	\$89.419	\$2.271
NON-BENCHMARKED ACTIVITIES		4.00%		4.00%
Total	\$9.503	\$0.380	\$7.757	\$0.310
NEW ACTIVITIES		12.00%		12.00%
Total	\$0.000	\$0.000	\$0.000	\$0.000
Total Mitigation Revenue	\$102.599		\$97.176	
Gross Incentive based on allowed % of mitigation revenues⁽¹⁾	\$2.790		\$2.584	
Less Fixed Deduction⁽²⁾	\$0.200		\$0.200	
GSMIP Incentive Payment	\$2.590		\$2.384	

1. The percentage of allowable earnings is different between mitigation activity categories. This is described in more detail in the following sections.

2. The fixed deduction of \$200,000 was approved in the 2016-2019 GSMIP Application under Commission Order G-141-16. As shown above, this amount is deducted from the gross incentive amount to calculate the incentive payment.