



LETTER L-59-12

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC CANADA V6Z 2N3
TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

Log No. 40416

ERICA HAMILTON
COMMISSION SECRETARY
Commission.Secretary@bcuc.com
web site: <http://www.bcuc.com>

VIA EMAIL

electricity.regulatory.affairs@fortisbc.com

October 15, 2012

Mr. Dennis Swanson
Director, Regulatory Affairs
FortisBC Inc.
Suite 100 – 1975 Springfield Road
Kelowna, BC V1Y 7V7

Dear Mr. Swanson:

Re: FortisBC Inc.
Updated Tariff Supplement 4 - Wholesale Service Agreements
for the City of Penticton, the District of Summerland,
the City of Grand Forks and the Corporation of the City of Nelson

On June 14, 21012, FortisBC Inc. (FortisBC) filed an update to Tariff Supplement 4(ii) – the Wholesale Agreement for Service Agreement for Service to the City of Kelowna under Rate Schedule 40 Wholesale Service. On October 12, 2012, the Commission issued Order G-146-12 approving the Wholesale Service Agreement with the City of Kelowna.

On January 29, 2009, the Commission issued Letter L-9-09 addressing the Wholesale Power Factor Report filed by FortisBC as a requirement of Order G-101-08. In Letter L-9-09, Table 1 shows the agreement renewal dates for each of the Wholesale Service Agreements under Tariff Supplement 4 as follows:

Table 1 - Wholesale Agreement Renewal Dates

| WHOLESALE CUSTOMER | AGREEMENT RENEWAL DATE |
|---------------------------------------|-------------------------------|
| The City of Penticton | March 31, 2010 |
| The District of Summerland | March 31, 2010 |
| The City of Kelowna | October 31, 2009 |
| The City of Grand Forks | March 31, 2010 |
| The Corporation of the City of Nelson | December 31, 2009 |

Letter L-9-09 also stated that FortisBC concluded that the power factor could be increased from 90 to 95 percent with minimal impact as the majority of wholesale customers were in excess of the 95 percent power factor. FortisBC was directed by the Commission to modify Clause 6.10 in each of the Wholesale Agreements in Tariff Supplement Number 4 upon the renewal dates of the agreement to read:

“The customer shall endeavour to regulate its load so that the Power Factor at each Point of Delivery will be no less than 95 percent lagging.”

FortisBC is to file with the Commission a report on the status of the Wholesale Service agreements approved under Tariff Supplement Number 4 – Wholesale Agreements for the City of Penticton; the District of Summerland; the City of Grand Forks; and the Corporation of the City of Nelson within 30 days of the date of this Letter. The status report should include the following:

- whether these Wholesale Agreements were renewed;
- whether Clause 6.10 was modified as directed in L-9-09; and
- whether the renewal agreements have been filed with the Commission for approval.

To the extent the renewal agreements have not been filed, FortisBC is to provide a timeline with the expected filing dates.

Yours truly,

Erica Hamilton

CM/dg