

BRITISH COLUMBIA UTILITIES COMMISSION**FortisBC Energy Utilities**

**(comprised of FortisBC Energy Inc., FortisBC Energy (Vancouver Island) Inc.,
FortisBC Energy (Whistler) Inc.)**

2014 Long Term Resource Plan

**Canadian Office and Professional Employees Union Local 378 (COPE 378) Request
No. 1**

1.0 Reference: Exhibit B-1 page 16:

“Over the medium to long term, gas demand will be driven by further fuel switching or retiring coal-fired power generation facilities in favour of gas-fired power generators, new industrial demand, U.S. export to Mexico, development of an LNG export sector, and to a lesser degree, development of the NGT sector due to high diesel and gasoline prices coupled with regulations to reduce GHG emissions.”

Request:

- 1.1 At what point, and to what extent, would the growth of intercontinental trade in LNG tend to equalize natural gas prices between Asia and North America?
- 1.2 To what extent would the development of LNG exports from British Columbia exert upward pressure on domestic natural gas commodity prices?
- 1.3 What impact (directionally and, to the extent possible, quantitatively) will the recently-announced Russia-China natural gas agreement have upon natural gas demand and prices for Canadian gas producers?
- 1.4 To what extent are natural gas price forecasts for FEU sensitive to the extent of development of LNG processing and export facilities
 - (a) using natural gas as the liquefaction fuel, or
 - (b) using other energy resources.

2.0 Reference: Exhibit B-1 page 19:

“In the past, low electricity rates have contributed to a competitive challenge for natural gas in B.C. but the decline in gas commodity cost and increases to

electricity rates in B.C. in recent years has helped to improve the competitiveness of natural gas. Figure 2-5 provides a historical comparison of natural gas bills (based on consumption of 95 GJ/year and 95% efficiency) with comparable electricity bills (assuming 100% efficiency) for an FEI residential customer in the Lower Mainland.”

Request:

2.1 Assuming that BC Hydro’s current deferral account balances are amortized over the next decade, what impact will this have upon the extent of the price advantage of natural gas over electricity in British Columbia?

2.2 What degree of impact would this have upon FEU’s load forecasts for that period?

3.0 Reference: Exhibit B-1 page 63:

“Determining peak day demand for the various regions is arrived at through a separate process than for annual demand. The peak day demand forecast is based upon two key inputs:

- The peak day temperature; and
- The relationship between consumption and weather.

The peak day temperature represents the coldest daily temperature that would be expected to occur once every twenty years. The relationship between consumption and weather is determined through regression analysis of historical daily consumption and historical daily temperature experienced over the past three years. Once this relationship is determined, the peak day temperature is applied to it with the resulting design day demand per customer grossed up to reflect current customer counts.”

Request:

3.1 What is the probable directional impact of changing weather patterns caused by climate change upon residential peak day demand?

3.2 To what extent are you able to quantify the probable impact this will have on residential peak day demand?

4.0 Reference Exhibit B-1 p. 147:

“The FEU’s Statement of Aboriginal Principles (see Appendix F) ensures the Companies’ business operations are conducted with respect for social, economic and cultural interests. One of these principles declares the Companies’ commitment to dialogue through clear and open communication with Aboriginal communities on an ongoing and timely basis for the mutual interest and benefit of both parties.

“To meet this objective, the FEU aim to establish an open dialogue with First Nations at the earliest planning stages to ensure that First Nations consultation and accommodation requirements are met.”

Request:

4.1 What measures does FEU take to ensure that First Nations have sufficient capacity to participate effectively in this dialogue process?