

James D Burns*
Jeffrey B Lightfoot*
Christopher P Weafer*
Gregory J Tucker, QC* ** **
Laura A Wright
James H McBeath*
Barbara E Janzen
George J Roper*
Tony R Anderson
Charlene R Joanes
Lucky D Johal

Duncan J Manson*
Daniel W Burnett, QC*
Ronald G Paton*
Gary M Yaffe*
Harley J Harris*
Jennifer M Williams*
Scott H Stephens*
David W P Moriarty
Katharina R Spotzl*
Steffi M Boyce
H Hailey Graham

Alan A Frydenlund, QC* **
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Paul J Brown*
Heather E Maconachie
Jonathan L Williams*
Kari F Richardson*
James W Zaitsoff*
Daniel H Coles* *
Sameer Kamboj
Patrick J Weafer

Allison R Kuchta*
James L Carpick*
Patrick J Haberl*
Terence W Yu*
Michael F Robson*
Paul A Brackstone* *
Pamela E Sheppard*
Jocelyn M Bellerud*
Brian Y K Cheng**
Georgia Barnard

Rose-Mary L Basham, QC, Associate Counsel*
Josephine M Nadel, QC, Associate Counsel*
Hon Walter S Owen, QC, QC, LLD (1981)
John I Bird, QC (2005)

* Law Corporation
* Also of the Yukon Bar
** Also of the Alberta Bar
** Also of the Ontario Bar
** Also of the Washington Bar

OWEN BIRD
LAW CORPORATION

PO Box 49130
Three Bentall Centre
2900-595 Burrard Street
Vancouver, BC
Canada V7X 1J5

Telephone 604 688-0401
Fax 604 688-2827
Website www.owenbird.com

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VIA ELECTRONIC MAIL

British Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, B.C. V6Z 2N3

Direct Line: 604 691-7557
Direct Fax: 604 632-4482
E-mail: cweafer@owenbird.com
Our File: 23841/0226

**Attention: Patrick Wruck, Commission Secretary
and Manager, Regulatory Support**

Dear Sirs/Mesdames:

**Re: FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC) (collectively FortisBC) -
COVID-19 Customer Recovery Fund Deferral Account Application dated April 3,
2020**

We are counsel to the Commercial Energy Consumers Association of British Columbia (the "CEC"). Attached please find the CEC's Final Submissions with respect to the above-noted matter.

If you have any questions regarding the foregoing, please do not hesitate to contact the undersigned.

Yours truly,

OWEN BIRD LAW CORPORATION



Christopher P. Weafer

CPW/jj
cc: CEC
cc: FortisBC
cc: Registered Interveners

**COMMERCIAL ENERGY CONSUMERS
ASSOCIATION OF BRITISH COLUMBIA**

FINAL SUBMISSIONS

**FortisBC Energy Inc. and FortisBC Inc. - COVID-19 Customer Recovery Fund Deferral
Account Application dated April 3, 2020**

May 20, 2020

**COMMERCIAL ENERGY CONSUMERS ASSOCIATION
OF BRITISH COLUMBIA**

FINAL SUBMISSIONS

**FortisBC Energy Inc. (“FEI”) and FortisBC Inc. (“FBC”) (collectively “FortisBC”) -
COVID-19 Customer Recovery Fund Deferral Account Application dated April 3, 2020**

1. The Commercial Energy Consumers Association of BC (the “CEC”) represents the interests of those ratepayers consuming energy under commercial tariffs in applications before the BC Utilities Commission (the “BCUC” or the “Commission”).
2. In April 2020, FortisBC filed an application for a Covid-19 Customer Relief Deferral Account (the “**Application**”), which asked for the following:
 - A. The discretion to offer a three-month bill payment deferral from April 1, 2020, to eligible residential and small commercial customers impacted by the COVID–19 pandemic;
 - B. The discretion to offer bill credits for three months, from April 1, 2020 to July 1 2020, to small commercial customers that have been ordered to temporarily close their businesses due to the COVID–19 pandemic; and
 - C. Establishment of a COVID–19 deferral account to record and track unrecovered revenue, bill payment deferrals, and bill credits to customers.
3. The CEC has participated in the Application proceeding and provides the following submissions for review and consideration by the Commission.

SUMMARY POSITION:

4. The CEC supports the COVID-19 customer relief program and the establishment of a deferral account.
5. The CEC supports FortisBC’s approach to handling COVID-19 customer relief, with a combination of programs allowing for efficiency with larger numbers of customers and case-by-case treatment to optimize customer service for individual and unique cases.
6. The CEC appreciates FortisBC’s approach to handling customers, particularly those with serious existential impacts (including hotels, motels, tourist attractions, beverage retail, restaurants, food services, and rental properties), on a case-by-case basis to best meet individual and unique needs.
7. The CEC supports FortisBC’s openness in dealing with all of their customers on a non-discriminatory basis.

8. The CEC supports FortisBC's approach to balancing the need to address customer relief needs with the future impact on all customers for providing such relief.
9. The CEC recommends that the Commission ensure that reimbursement criteria cover other reasonable sources of relief, so that there is less incentive for double-dipping.
10. The CEC recommend that the Commission ensure that a report is provided at the end date of the program for the Commission and interveners to verify that the COVID-19 response can appropriately evolve as circumstances necessitate.

CEC SUBMISSIONS

11. FortisBC has established eligibility criteria to manage access to the bill payment deferrals and bill credits, based on income loss and or public health orders related to the COVID-19 pandemic.¹
12. Tariff changes are not required for this initiative because FortisBC regularly handle bill payment issues with customers.²
13. The CEC agrees with FortisBC's criteria and with the handling of these issues as customer service and not a tariff change.
14. FortisBC intends to handle complaints from customers on a one-at-a-time basis directly with the customer,³ and customers with challenges may work with FortisBC case-by-case to get relief as merited by circumstances balanced with good utility management.⁴

2 FortisBC will work with customers on a one-on-one basis to find payment arrangements that fit
3 their needs should they not meet the eligibility criteria for the bill deferment program. As such,
4 FortisBC does not expect there to be complaints or reconsiderations with respect to the bill
5 deferment program.

6 FortisBC believes that any potential complaints arising from the proposed bill deferment
7 program can be appropriately dealt with in the manner that all FortisBC customer concerns or
8 complaints are presently managed and resolved. That is, FortisBC expects to continue to work
9 with customers on a one-to-one basis to satisfactorily resolve any issues or concerns

15. The CEC agrees with FortisBC that customer service delivered on a one-to-one basis is preferable and desirable and that handling disputes on this basis is also preferable, given that customers always have the ability to pursue fairness concerns with the Commission if necessary.

¹ Exhibit B-2, BCUC 1.1

² Exhibit B-2, BCUC 1.4

³ Exhibit B-2, BCUC 1.6

⁴ Exhibit B-2, BCUC 2.4

16. FortisBC expects a 30% application rate from customers, with an impact of \$50 million for FEI and \$15 million⁵ for FBC.
17. The CEC is satisfied with this analysis of potential implications and accepts that there will be considerable uncertainty associated with any such estimates. The CEC would support larger impacts if needed based on the fact that FortisBC is looking to address customer needs and preserve customer payment ability while responsibly managing to control appropriately broader customer impacts.
18. FortisBC's terms in the agreement with customers will cover reimbursement if the customer is compensated through an insurance claim.⁶
19. FortisBC notes that governments have offered programs to assist businesses in managing the economic impacts of the COVID-19 pandemic.⁷
20. The CEC agrees with FortisBC's approach to handling reimbursement in the event of compensation through other mechanisms and would encourage the Commission to ensure that this approach covers other appropriate sources beyond insurance.
21. FortisBC does not expect there to be any value in capping the program and instead view the program as an open and transparent means for helping customers to pay their bill, with the consequence of less FortisBC revenue loss over time than might otherwise happen.⁸
22. The CEC agrees with FortisBC that capping the program would not be appropriate.
23. FortisBC, in restricting the program to residential and small business customers, did not conduct any quantitative analysis and sought to use soft criteria of: (1) degree of certainty regarding the impact of the pandemic, (2) overall customer impact, and (3) financial and liquidity impacts.⁹
24. FortisBC's criteria included wanting to support those that need it most, while recognizing that many customers are able to continue to pay their bills.
25. The CEC supports FortisBC's approach to supporting customers most in need while recognizing customer ability to continue to make their bill payments.

⁵ Exhibit B-2, BCUC 2.5

⁶ Exhibit B-2, BCUC 3.6

⁷ Exhibit B-4, CEC 1.5

⁸ Exhibit B-2, BCUC 4.1

⁹ Exhibit B-4, CEC 1.1

30 **Customer Need**

31 While all customers are impacted by the pandemic to a degree, their ability to pay their energy
32 bill and the degree of support they require will vary. FortisBC considered that any program put in
33 place should have the flexibility to support those that need it most, while recognizing that many
34 customers are able to continue to pay their bills. The program proposed provides this balance

26. FortisBC, regardless of the size of customer, is providing customer service by handling smaller customers through a program process and larger customers on a case-by case basis.¹⁰

28 The COVID 19 pandemic is an unprecedented event that developed very quickly and to which
29 FortisBC has responded. In addition to Orders from the BCUC regarding disconnection activity,
30 FortisBC immediately took steps to help customers manage the impacts of the pandemic.
31 FortisBC determined that the best option for relief for customers in the residential and small
32 commercial rate classes was a program that could handle requests from tens of thousands of
33 customers over a relatively short time-frame. For customers in the larger commercial and
34 industrial rate classes, FortisBC is taking a case-by-case approach to best meet the individual
35 and unique needs of this group of customers.

27. FortisBC is addressing customer needs in the categories of hotels, motels, tourist attractions, beverage retail, restaurants, food services and rental properties on an individual basis and are experiencing customer appreciation for the customer service.¹¹

28. FortisBC is not discriminating in this program between rate classes or customers in rate classes but have a program definition to handle a larger group of smaller customers with an efficient process and handle a smaller number of larger customers on a case-by case basis.¹²

29. The CEC appreciates FortisBC's approach to handling customers, particularly hotels, motels, tourist attractions, beverage retail, restaurants, food services and rental properties with serious existential impacts, on a case-by-case basis to best meet individual and unique needs.

30. The CEC commends FortisBC for being open to providing customer service to all of their customers and considering the needs of those most severely impacted.

31. The CEC appreciates that FortisBC is not discriminating in providing their COVID-19 response except to focus on prudent approaches to meeting customer needs.

32. FortisBC is balancing the relief provided to customers with the associated future costs of providing such relief.¹³

¹⁰ Exhibit B-4, CEC 1.4

¹¹ Exhibit B-4, CEC 2.4

¹² Exhibit B-4, CEC 1.6

¹³ Exhibit B-4, CEC 1.7

7 FortisBC's proposed COVID-19 relief measures balance the relief provided with the associated
8 future costs of providing the relief to all customers.

33. FortisBC does not expect any incremental administrative costs for providing the customer service in offering the relief program.¹⁴
34. The CEC supports the balancing of relief measures based on the needs of their customers with future costs of providing relief.
35. FortisBC responded quickly to curtail approaches to bill payment and collection that would be potentially dysfunctional for impacted customers¹⁵ and the measures were applied to all customer classes.¹⁶
36. The CEC appreciates that FortisBC appropriately responded to their customer's need quickly.
37. FortisBC expects that the COVID-19 pandemic will continue to evolve over time and that its program will continue as needed responding to customer needs, and if changes are needed FortisBC would apply to the BCUC for the changes.¹⁷
38. If the requirements for relief continue, FortisBC would apply to the BCUC for an extension of the July 1, 2020 end-date.¹⁸
39. The CEC would appreciate FortisBC managing the COVID-19 response according to circumstances.
40. The CEC would suggest to the Commission that if there is an end to the defined program, a report should be provided to the Commission and to interveners. This would facilitate assessment of any potential need to continue evolving the response and making further applications to the Commission as appropriate.
41. FortisBC views the COVID-19 pandemic impacts as an exogenous factor for the purposes of rate making.¹⁹
42. The CEC expects that the COVID-19 pandemic would appropriately be an exogenous factor in rate making, subject to the magnitude of the net impact being substantial.

¹⁴ Exhibit B-4, CEC 2.1

¹⁵ Exhibit B-3, BCOAPO 1.1, 1.2

¹⁶ Exhibit B-3, BCOAPO 1.3

¹⁷ Exhibit B-3, BCOAPO 5.1

¹⁸ Exhibit B-5, MOVEUP 1.1

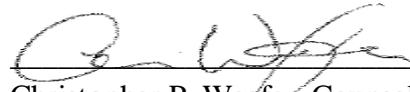
¹⁹ Exhibit B-3, BCOAPO 8.1

43. FortisBC provides a useful comparison of the Evacuation Relief Tariff program and the COVID-19 program²⁰, providing precedent for customer relief and the need to customize to the circumstances.
44. FortisBC provided a useful summary of COVID-19 response programs for governments and utilities across the country.²¹
45. The CEC supports the COVID-19 customer relief program and the establishment of a deferral account as requested by FortisBC in the Application.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

David Craig

David Craig, Consultant for the Commercial Energy
Consumers Association of British Columbia



Christopher P. Weaver, Counsel for the Commercial
Energy Consumers Association of British Columbia

²⁰ Exhibit B-4, CEC 3.3, 3.4, 3.5, 3.6

²¹ Exhibit B-4, CEC 1.1, Attachment 1.1