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June 17, 2020

VIA ELECTRONIC MAIL

British Columbia Utilities Commission
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Dear Sirs/Mesdames:

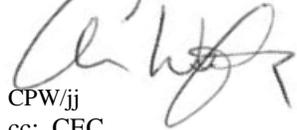
Re: British Columbia Hydro and Power Authority, FortisBC Energy Inc. and FortisBC Inc. - Evacuation Relief Tariff Amendment Applications

We are counsel to the Commercial Energy Consumers Association of British Columbia (the "CEC"). Further to our letter dated June 16, 2020, attached please find the CEC's Final Submissions to FortisBC Energy Inc. and FortisBC Inc. 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



CPW/jj

cc: CEC
cc: BC Hydro and Power Authority
cc: FortisBC Energy Inc. and FortisBC Inc.
cc: Registered Interveners

**COMMERCIAL ENERGY CONSUMERS
ASSOCIATION OF BRITISH COLUMBIA**

**FINAL SUBMISSIONS TO
FORTISBC ENERGY INC. AND FORTIS BC INC.**

**British Columbia Hydro and Power Authority, FortisBC Energy Inc. and FortisBC Inc.
Evacuation Relief Tariff Amendment Applications
Project No. 1599047**

June 17, 2020

Commercial Energy Consumers Association of British Columbia

**British Columbia Hydro and Power Authority, FortisBC Energy Inc. and FortisBC Inc.
Evacuation Relief Tariff Amendment Applications
Project No. 1599047**

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**COMMERCIAL ENERGY CONSUMERS ASSOCIATION
OF BRITISH COLUMBIA**

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Evacuation Relief Tariff Amendment Applications
Project No. 1599047**

1. The Commercial Energy Consumers Association of BC (the “**CEC**”) represents the interests of ratepayers consuming energy under commercial tariffs in applications before the BC Utilities Commission (“**BCUC**” or “**Commission**”).
2. BC Hydro and Power Authority (“**BC Hydro**”) and FortisBC Energy Inc. (“**FEI**”) and FortisBC Inc. (“**FBC**”) together (“**FortisBC**”) apply for amendment to Evacuation Relief tariffs.
3. The applications from the parties are substantially aligned in direction.
4. The CEC has participated in the proceeding and provides the following submissions for the Commission’s review and consideration.

I. SUMMARY POSITION

5. The CEC is concerned that the larger commercial customers for the electricity utilities may be discriminated against inappropriately because the eligibility criteria are inadequately focused on the need for the relief.
6. The CEC submits that this within rate class discrimination, whereby nursing homes, boarding houses, rooming houses, common areas of multiple occupancy buildings, mobile home parks, or similar establishments being operated in a not-for-profit manner may be eligible for potential relief, is inappropriate, and particularly the distinction with respect to not-for-profit is equally inappropriate.
7. The CEC recommends that the Commission require FortisBC to submit, in compliance for approval, a set of criteria to guide their use of discretion that are appropriately applicable to all customers, including the commercial customer rate classes.

II. SUBMISSIONS

A. INTRODUCTION

8. FortisBC and BC Hydro are both proposing tariff amendments to provide a credit, or to not charge, Evacuee Customers, who are subject to an Evacuation Order, during an Evacuation Period.
9. Tariff amendments that are aligned between FortisBC and BC Hydro, are as follows:
 - The definitions for Evacuation Order and Evacuation Period;
 - Discretion in the provision of evacuation relief when the Evacuation Order is less than five consecutive days and when an Evacuation Order ended more than two years before evacuation relief was requested; and
 - Evacuation relief is provided as a credit on a customer's account and the credit will not bear interest.
10. Residential and Small Commercial customers common to FortisBC and BC Hydro are provided relief. Due to the nature of the natural gas service for FEI, all the Large Commercial customers are also included for provision of relief. The electric utilities BC Hydro and FBC only incorporate Medium and Large Commercial customers at the utilities' discretion, and focused to a restricted subset of customer.
11. Due to the terms and conditions of the FortisBC tariffs, FortisBC requires amendments to the tariffs to enable handling of the Evacuee Customers relief at the discretion of FortisBC. This enables them to provide the relief as a customer service as opposed to requiring applications to the Commission on an ongoing basis.
12. Due to the terms of the BC Hydro Electric Tariff, BC Hydro requires two areas of tariff amendments that differ from FBC's filed proposal. Specifically, BC Hydro requires: (1) the definition of Evacuee Customer, with respect to the customer types eligible for evacuation relief as identified by the rate schedule; and (2) the discretion for BC Hydro to provide evacuation relief to certain Medium General Service ("MGS") and Large General Service ("LGS") customers.¹
13. BC Hydro and FortisBC have identified specific customers by rate schedule in their respective definition of Evacuee Customer and who may be eligible for evacuation relief. BC Hydro's proposals also differ from FortisBC's in that:
 - BC Hydro's evacuation relief extends to Street Lighting Service but is limited to the Private Outdoor Lighting only, as discussed in its response to BCUC IR 1.1.2.1.

¹ Exhibit B1-5, BCUC 2.10.1

- BC Hydro’s evacuation relief does not extend to its MGS and LGS rate class customers as this would result in a greater financial risk for ratepayers, as discussed in its responses to BCUC IR 1.1.1.1 and CEC IR 1.2.4.²
14. FortisBC, specifically FBC, says in the application that all commercial customers would be provide relief and the rate class designations for these customers are included.³ However, in the fine print, FortisBC discriminates against some customers on the basis of the type of their business.⁴ The application itself did not contain these restrictions.
 15. The CEC is concerned that the larger commercial customers for the electricity utilities may be discriminated against inappropriately because the eligibility criteria are inadequately focused on the need for the relief.
 16. FortisBC has provided a useful comparison of the BC Hydro and the FortisBC tariff change requests provided below for convenience.

Category	BC Hydro	FBC	FEI	Substantive Differences
Customer Types	Residential	Residential	Residential	None
	Small Commercial	Small Commercial	Small Commercial	None
	Commercial (discretion) ¹	Commercial (discretion) ¹	Large Commercial	Substantially similar. FEI reasonable to include Large Commercial because of customer types end-use (heating, hot water, cooking)

² Exhibit B1-5, BCUC 2.10.1

³ Exhibit B2-1, page 4, para 2

⁴ Exhibit B2-5, Attachment 6.1, Tariff Section 19.1(c)

Category	BC Hydro	FBC	FEI	Substantive Differences
	Irrigation	Irrigation	n/a	None
	Private Outdoor Lighting	Lighting (discretion) ²	n/a	None
Evacuation Order	Issued, appropriate authority, remain away from premise	Issued, appropriate authority, remain away from premise		None
Evacuation Period	May refuse to waive if less than 5 consecutive days or ended more than 2 years before request	5 or more consecutive days, may provide relief if less than 5 consecutive days or ended more than 2 years before request		None
Evacuee Customer	RS 1101, 1121, 1105, 1107, 1127, 1148, 1151, 1161, 1234, 1205, 1300, 1301, 1310, 1311, 1401 Discretion: RS 1500, 1501, 1510, 1511, 1200, 1201, 1210, 1211, 1255, 1256, 1265, 1266, 1600, 1601, 1610, 1611	RS 1, 2A, 3A, 20, 60, 61 Discretion: RS 21, 22A, 23A, 50	RS 1, 1U, 1X, 1B, 2, 2U, 2X, 2B, 3, 3U, 3X, 3B, 23	Substantially similar as noted under customer types
Dwelling Destroyed during Evacuation Period	Waiver of outstanding charges from last bill to date destroyed, service connection charge to restore service	Account closed earliest of date destroyed or date of Evacuation Order, may waive applicable fees such as application, reconnection, or reactivation charges		None
Interest on Credits / Waived Charges	Interest not paid on amounts credited to Evacuee Customer Accounts			None

1 Notes:

2 ¹ Discretion to grant evacuation relief for other commercial rate schedules when service to nursing homes, boarding houses, rooming houses, common area of multiple occupancy buildings, or mobile home parks or similar establishments.

3
4
5 ² Discretion to grant evacuation relief for lighting customers when service to private lighting customers.

6 While it is not important for FortisBC to duplicate the specific words and tariff language

7 proposed by BC Hydro, for example in BC Hydro's section 5.8 Evacuation Relief, the underlying

5

B. FORTISBC

17. FortisBC seeks amendments to the FortisBC Tariff Terms and Conditions to provide relief for Evacuee Customers. The relief includes bill credits primarily and some waivers for gas and electricity use during Evacuation Orders declared under a State of Emergency.

“FortisBC writes seeking approval from the British Columbia Utilities Commission (the Commission) for Tariff Changes, pursuant to sections 59 to 61 of the Utilities Commission Act (the UCA), to FEI’s General Terms

⁵ Exhibit B2-5, BCUC 2.6.1

and Conditions (FEI GT&Cs) and FBC's Terms and Conditions (FBC T&Cs), effective September 1, 2018, for customers who are under Evacuation Orders issued by federal, provincial, or local authorities (the Evacuation Relief Tariff Application). The specific terms of the orders sought are set out in Appendices A and B for FEI and FBC respectively.

In addition, the Companies are seeking approval for Exemption Orders, pursuant to section 63 of the UCA, from applicable Residential and Commercial Tariff Charges related to recent flooding and wildfire Evacuation Orders issued in May and July 2018 as described below (the Exemption Application). The specific terms of the Exemption Orders sought are set out in Appendices C and D for FEI and FBC".⁶

18. The proposed relief is a "rate", which must not be unjust, unreasonable, unduly discriminatory, or unduly preferential, as set out in the *Utilities Commission Act*.⁷

General Practices

19. FortisBC provided a description of proposed practices in implementing the proposed rate relief, and responded to multiple information requests.
20. The CEC has reviewed the evidence and submits that the FortisBC proposals for dealing with customers in the event of a disaster are generally acceptable.

Impacted Customers Relief Eligibility

21. FortisBC rate classes eligible for relief are provided in the application as follows:⁸

Evacuee Customer:

- **FEI:** A Customer who receives Service under Rate Schedules 1, 1U, 1X, 1B, 2, 2U, 2X, 2B, 3, 3U, 3X, 3B, and 23, and who is under an Evacuation Order.
 - **FBC:** A Customer who receives Service under Rate Schedules 1, 2A, 3, 3A, 20, 21, 22A, 21, 23A, 60, 61 or 95, and who is under an Evacuation Order.
22. FBC does not include Medium or Large Commercial Service customers in its proposed relief, but requests discretion to grant Evacuation Relief to certain Medium and Large Commercial Service customers. These include nursing homes, boarding houses, rooming houses, common areas of multiple occupancy buildings, mobile home parks, or similar establishments being operated in a not-for-profit manner. This group is deemed to be vulnerable to the effects of Evacuation Orders in the same manner as residential Customers.⁹ Relief would not be provided when a nursing home is part of a for-profit

⁶ Exhibit B2-1, page 1

⁷ Exhibit B1-5 BCUC 2.7.1

⁸ Exhibit B2-1, page 1

⁹ FortisBC Final Argument, page 4, para 13, item c

organization that operates a chain of retirement homes.¹⁰ FBC does not contain the for-profit discrimination in its tariff application, although they say they have aligned their discretion with BC Hydro.

23. The CEC submits that this within rate class discrimination, whereby nursing homes, boarding houses, rooming houses, common areas of multiple occupancy buildings, mobile home parks, or similar establishment being operated in a not-for-profit manner may be eligible for relief, is inappropriate and particularly the distinction with respect to not-for-profit is equally inappropriate.
24. The CEC notes that it is entirely possible that excluded commercial customers could and or would suffer the same inability to use the utility services, which is the premise of the relief proposal. Equally, such customer could lose everything with a destroyed business. Unfairness is a poor approach to customer service. The FortisBC alignment with BC Hydro seems to be moving FortisBC further away from their instincts to provide customer service. The CEC submits that this is unfortunate.
25. The CEC does not find the FortisBC arguments for discrimination against their commercial rate classes and specific customers within those classes to be persuasive. The CEC recommends that the Commission require FortisBC to submit, in compliance for approval, a set of criteria to guide their use of discretion that are appropriately applicable to all customers, including the commercial customer rate classes.

Terms and Conditions for FortisBC, Including Utility Discretion

26. FortisBC are seeking tariff changes to the FEI GT&Cs and the FBC T&Cs in order to allow the Companies discretion to provide relief to Evacuee Customers in the form of a credit on the bill for Evacuee Customers, or to not charge Evacuee Customers.¹¹
27. FortisBC are asking for discretion to provide relief to Evacuee Customers subject to and Evacuation Order.¹²
28. In prior years when FortisBC were faced with similar circumstances they would provide relief in payment terms or waivers based on customer ability to pay, and provide bill credits.¹³
29. When a premise is destroyed, FortisBC would close the account to stop charges and if customer rebuilds a destroyed premise and requests reconnection, FortisBC have the ability to waive certain fees, if appropriate, such as the application, reconnection, or reactivation charges.¹⁴

¹⁰ Exhibit B1-5, BCUC 2.8.1

¹¹ FortisBC Final Argument, Page 6 to 8, Paras 19 to 28, & Exhibit B2-1, Page 2

¹² FortisBC Final Argument, Page 6, Para 19

¹³ Exhibit B-2-3, BCUC 1.2.4

¹⁴ Exhibit B-2-3, BCUC 1.2.1

30. FortisBC note a risk may be an eligible Evacuee Customer is not initially identified appropriately and for this has adopted a BC Hydro proposal that (1) if an Evacuation Order ended more than two years before the date a request is received from a customer or otherwise becomes aware of an Evacuation Order¹⁵, and (2) an Evacuation Order is less than five consecutive days in duration¹⁶, it be provided with discretion on whether or not a waiver is provided.¹⁷
31. With respect to the five-day rule, FortisBC provide the following information.¹⁸

Year	Type of Energy	# Customers Receiving Bill Credits	# Customers with Evacuation Order of 5+ Days	# Customers with Evacuation Order of <5 Days	Average Length of Evacuation Order (Days)
2017	Gas	12,053	12,025	28	18.89
2017	Electric	866	599	267	8.18
2018	Gas	680	278	402	5.77
2018	Electric	1,795	1,735	60	12.28

32. The CEC notes that the percentage of customers with less than five days of exposure is significant and it may become possible that the additional variable administrative costs for processing these customers does not outweigh the benefits.
33. The CEC submits that the better criteria to pick up the economic efficiency would be to not make a relief payment for less than say \$10 or even \$5. The CEC submits that this would simplify the whole process and avoid a more arbitrary approach.
34. FortisBC have declined to give a cost estimate for the administrative variable cost, but estimated a relief cost absorbed into the O&M costs at between \$4 and \$44.¹⁹ However, FortisBC then go on to defend a cost related to exercise of their discretion as about \$5 per customer.²⁰

Benefits of FortisBC Discretion in Providing Customers

35. FortisBC’s reasons for proposing changes to the tariffs are as follows²¹:

¹⁵ FortisBC Final Argument, Page 7 to 8, Paras 25 to 28

¹⁶ FortisBC Final Argument, Page 6 to 7, Paras 20 to 24

¹⁷ Exhibit B-2-3, BCUC 1.2.2

¹⁸ Exhibit B-2-3, BCUC 1.3.4

¹⁹ Exhibit B-2-3, BCUC 1.3.9.1 & BCUC 1.3.9.2

²⁰ Exhibit B-2-3, BCUC 1.3.10.2

²¹ Exhibit B2-1, Page 2 to 3

- a) more timely and efficient response and relief to Evacuee Customers;
 - b) more efficient and effective use of both the Commission's and the Companies' resources; and
 - c) more timely communications with Evacuee Customers who may be experiencing stress.
36. FortisBC state the benefit generated by the relief provided under FEI GT&Cs and FBC T&Cs provides a benefit to ratepayers that sufficiently justifies the costs to provide the relief because²²;
- a) relief cost is expected to be minimal;
 - b) potentially regulatory related costs overall would be reduced;
 - c) administration would be easier, as less predictable frequency event tracking/accounting would create an administrative burden with limited benefit;
 - d) based on past experience, the administrative costs to apply the bill credits or waivers are not expected to be significant, and would be absorbed as part of FortisBC's O&M;
 - e) the benefit is to be equally available to all customers providing an equal opportunity for eligible customers to benefit from the relief; and
 - f) the proposed tariff changes would be available to all applicable customers.
37. The basic premise of the utilities' tariffs is that customers who apply for service are agreeing to pay for their service and any related consumption because they benefit from that service. In the case of an Evacuee Customer, the proposed tariff amendments provide relief to Evacuee Customers because they would be unable to benefit from that service because an Evacuation Order is preventing them from accessing their premises.
38. The CEC supports the benefits cited by FortisBC and the broader premise. Unfortunately, FortisBC modified the application to become discriminatory.
39. The FortisBC argument also makes the case that the relief would be available to all²³, which appears to be a false statement based on what is applied for.
40. The CEC recommends that the Commission in its decision hold FortisBC accountable to the argument and require non-discriminatory relief to all customer classes affected. The basic premise advanced seems to make the case clearly.

²² Exhibit B2-3, BCUC 1.2.7

²³ FortisBC Final Argument, page 9, para 33

41. The exceptions introduced for certain customers to receive discriminatory treatment are advanced in specific amendments to the application²⁴ to mirror BC Hydro's discrimination against Commercial Customers.
42. The issue with respect to whether or not the FortisBC application to provide relief amounts to a social program and FortisBC provide the clarification evidence that this is not the case.²⁵
43. The issue with respect to whether or not the FortisBC application is providing alternative insurance and may lead to customers avoiding supplying their own insurance is addresses by FortisBC demonstrating that it is not.²⁶
44. FortisBC propose to handle complaints as a matter of customer service using those internal resources and FortisBC makes the case that they have had few complaints in the past with regard to their approach.²⁷ The customers would still retain the right to raise any complaints they may have with the Commission.
45. The accounting for the costs would be to the account of ratepayers²⁸ and would be put through the Flow Through Deferral Accounts.²⁹ The CEC notes that waived costs for BC Hydro would be collected from ratepayers in the future.³⁰
46. The CEC supports the use of deferral accounts for the purpose of ensuring the actual costs are recovered and not some formulaic guesstimate of the expected cost.
47. The CEC submits that it is not appropriate for FortisBC to assume any customer or group of customers is adequately covered by insurance or any other source to protect and absorb the costs of evaluation and would not support incurring the costs of diligence assessments of customers for such coverage.
48. The CEC submits that if the customer service principle to providing relief is to meet customer need to pay for services, they can receive, then an ability to pay as declared by a customer could become a universal principal for all customers. Other than the preceding condition the CEC does not support discrimination against customers based on what business they are in and whether or not it runs to make a profit.
49. BC Hydro notes that the costs of managing an Evacuation Order relief are relatively modest³¹, consistent with the FortisBC evidence with respect to the costs of the process.

²⁴ FortisBC Final Argument, Page 8, para 29 to 31

²⁵ Exhibit B2-3, BCUC 1.2.8

²⁶ Exhibit B2-5, BCUC 2.5.1 & BCUC 2.5.2

²⁷ Exhibit B2-3, BCUC 1.2.2

²⁸ Exhibit B2-4, BCOAPO 2.5.1

²⁹ Exhibit B2-3, BCUC 1.3.11

³⁰ Exhibit B-1-4, BCOAPO 1.3.3

³¹ Exhibit B-1-4, BCUC 1.2.12

50. The CEC accepts the reasonableness of minimum threshold criteria for economic administrative reasons but recommends that the Commission avoid the more arbitrary thresholds provided by FortisBC.
51. The CEC accepts that it could be reasonable to exclude customers that can have costs covered by insurance are continuing operation with adequate revenues or are otherwise not impacted, but that this assessment criteria should be the same for all customers.
52. The CEC submits that there is no persuasive evidence to suggest that Commercial customers are not vulnerable to the effects of Evacuation Orders and that they should not be treated in a comparable manner with regard to need and impact.
53. The CEC recommends that the Commission require FortisBC to establish criteria and processes to ensure non-discriminatory treatment for Commercial customers based on customer application information and universal principals of equal application to customers.

Rate Impacts of Proposed Evacuation Relief

54. In consideration of the potential impact to all customers of larger revenue shortfalls, the use of energy for process load and the likelihood of more readily available contingencies to Industrial customers, such as business interruption insurance, FortisBC has not included Industrial customers in the eligibility for evacuation relief.³²
55. FortisBC estimate the impact on revenues to be minimal.³³
56. For a Kootenay and Lower Mainland flood evacuations FortisBC estimate the impact on customers at relatively low to very modest impacts of \$3 thousand and \$60 thousand.³⁴
57. The CEC submits that the rate impact from the example noted above is relatively very small in comparison to FortisBC annual revenues. Further the CEC submits that FortisBC is enabled to recover the revenue impacts from customer over time into the future.
58. The CEC submits that it is not appropriate to exclude rate classes on the basis of a potential rate impact that is highly uncertain, while applying differing standards of 'need.'

³² Exhibit B2-4, BCOAPO 2.1.2

³³ Exhibit B2-6, BCOAPO, 2.10.1

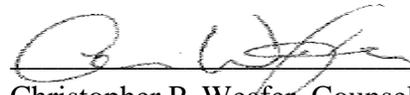
³⁴ Exhibit B2-1, Page 4

59. The CEC submits that the rate impact of a potential relief has not been adequately put into evidence in the FortisBC application or answers to information requests to justify making it the criteria for significant discrimination against customer classes or against individual customers in a class. The CEC recommends that the Commission require in a compliance filing more appropriate criteria which do not discriminate against Commercial Customers.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

David Craig

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



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