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

Dear Sirs/Mesdames:

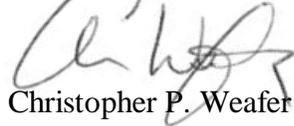
**Re: FortisBC Inc. Rate Design and Rates for Electric Vehicle Direct Current Fast
Charging Service Application ~ Project No. 1598940**

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 Inc.
cc: Registered Interveners

**COMMERCIAL ENERGY CONSUMERS
ASSOCIATION OF BRITISH COLUMBIA**

FINAL SUBMISSIONS

**FortisBC Inc. Rate Design and Rates for Electric Vehicle Direct Current Fast
Charging Service Application ~ Project No. 1598940**

March 30, 2021

Commercial Energy Consumers Association of British Columbia

**FortisBC Inc. Rate Design and Rates for Electric Vehicle Direct Current Fast Charging
Service Application ~ Project No. 1598940**

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**COMMERCIAL ENERGY CONSUMERS ASSOCIATION
OF BRITISH COLUMBIA
FINAL SUBMISSIONS**

**FortisBC Inc. Rate Design and Rates for Electric Vehicle Direct Current Fast Charging
Service Application - Project No. 1598940**

The Commercial Energy Consumers Association of BC represents the interests of ratepayers consuming energy under Commercial tariffs in applications before the BC Utilities Commission (“BCUC” or “Commission”)

FortisBC Inc. (“FortisBC” or “FBC”) has applied to the Commission for permanent approval of its Electric Vehicle (“EV”) charging rate and other related approvals.

FBC bases its request on the concept that its Direct Current Fast Charging (“DCFC”) stations are prescribed undertakings pursuant to section 5 of the *Greenhouse Gas Reduction (Clean Energy) Regulation* (“GRR”) for the purposes of section 18 of the *Clean Energy Act* (“CEA”).

The CEC has participated in the proceeding and provides the following comments for the Commission’s review and consideration.

I. SUMMARY POSITION

1. The CEC finds the FortisBC EV charging stations to be prescribed undertakings pursuant to section 5 of the GRR for the purposes of section 18 of the CEA.
2. The CEC recommends that the Commission approve the rates as proposed by FortisBC, as FBC has committed to recovering its full costs of service from the EV charging customer base.
3. The CEC recommends that the Commission deny the proposed exemption from general rate increases, as this would be a very small component of the charging service rates and not determinative in encouraging EV charging customer participation.

II. SUBMISSIONS

A. INTRODUCTION

4. FBC currently owns and operates 23 DCFC stations across 16 sites, some located in other service territories and the bulk located in FBC service territory, which are subject to interim time-based rates approved by BCUC Order G-9-18. FBC’s capital costs associated with the existing stations have been held outside rate base and were \$3.1 million as of September 23, 2020.

5. By the end of 2021, FBC intends to have transferred two stations to BC Hydro and to have added 19 stations, with the net result being an increase to 40 stations across 23 sites, all within FBC service territory.
6. FBC has only deployed 50kW stations to date but 100kW stations are planned for deployment in 2021.¹ FBC provides its criteria for deploying higher powered stations in BCOAPO 1.9.1.
7. FBC provides an overview of the background and regulatory history in Section 1 of its Revised Application.
8. The following Figure 1-1 provides a map of the existing and planned EV fast charging in the BC Southern Interior.

Figure 1-1: Map of DCFE Stations and Sites (Existing and Planned) in the B.C. Southern Interior EV Fast Charging Network



¹ Exhibit B-10, CEC 1.2.2

² Exhibit B-5, page 3

B. REQUESTED APPROVALS

9. FBC requests the following approvals pursuant to sections 59-61 of the *Utilities Commission Act* (“UCA”):
- (a) Final approval of Rate Schedule (RS) 96 – Electric Vehicle Charging, which includes a \$0.27 per minute EV charging rate for service at FBC-owned DCFC 50 kW stations and a \$0.54 per minute EV charging rate for service at FBC-owned DCFC 100 kW stations;
 - (b) Approval that Rate Schedule 96 shall not be subject to general rate increases, unless otherwise directed by the BCUC;
 - (c) Approval for FBC’s proposed straight line 10 percent depreciation rate for FBC-owned EV DCFC stations; and
 - (d) Approval to include the assets associated with the EV charging stations, and related revenues and expenses, in FBC’s regulated accounts as set out in Section 4 of this Application.
10. FBC also seeks BCUC approval for its disposition of two DCFC charging stations (New Denver and Nakusp) to BC Hydro pursuant to section 52 of the UCA.

C. PRESCRIBED UNDERTAKING

11. FBC is requesting acceptance of its proposed rates for EV DCFC on the basis that the stations to which the rates apply are prescribed undertakings under section 5 of the GRR for the purposes of section 18 of the CEA.
12. Where the project(s) that are the subject of an application are prescribed undertakings for the purposes of section 18 of the CEA, the BCUC’s role with regard to those activities or expenditures is changed. FBC outlines the changes in CEC 1.1.1:

“Section 18 makes it clear that the BCUC is obliged to "set rates that allow the public utility to collect sufficient revenue in each fiscal year to enable it to recover its costs incurred with respect to the prescribed undertaking." FBC respectfully submits that this provision effectively removes BCUC discretion concerning the ultimate recovery of costs that are themselves found to be reasonable and which are incurred with respect to prescribed undertakings. Section 18 also provides that "the commission must not exercise a power under the Utilities Commission Act in a way that would directly or indirectly prevent a public utility referred to in subsection (2) from carrying out a prescribed undertaking". For these reasons, FBC has structured the Revised Application to provide for an examination of whether its stations are prescribed undertakings for the purposes of section 18 of the Clean Energy Act, and then to provide the BCUC with the information it

requires to determine that the proposed rates are just and reasonable according to its rate setting powers under the Utilities Commission Act.”³

13. FBC submits that each of its 40 DCFC charging stations may be considered ‘eligible charging stations’ under section 5(1) of the GRRR:

Prescribed undertaking — electric vehicle charging stations

5 (1) In this section:

"eligible charging site" means a site where one or more eligible charging stations are located;

"eligible charging station" means a fast charging station that:

- (a) is available for use 24 hours a day by any member of the public;
- (b) does not require users to be members of a charging network; and
- (c) is capable of charging electric vehicles of more than one make;

"fast charging station" means a fixed device capable of charging an electric vehicle using a direct current;

"limited municipality" means a municipality with a population of 9 000 or more;

"site limit", in relation to a limited municipality, means the number calculated by;

- (a) dividing the population of the municipality by 9 000, and
- (b) if applicable, rounding the quotient up to the nearest whole number.

(2) A public utility's undertaking that is in a class defined as follows is a prescribed undertaking for the purposes of section 18 of the Act:

- (a) the public utility constructs and operates, or purchases and operates, an eligible charging station;
- (b) the public utility reasonably expects, on the date the public utility decides to construct or purchase an eligible charging station, that:
 - (i) the station will come into operation by December 31, 2025:
and
 - (ii) if the station will be located in a limited municipality, the number of eligible charging sites in the municipality on the date

³ Exhibit B-10, CEC 1.1.1

the station will come into operation will not exceed the site limit for the municipality on that date;

(c) if an eligible charging station comes into operation on or after January 1, 2022, the station uses or is configured to use the Open Charge Point Protocol.⁴

14. Each of FBC’s stations are/will be:

- owned and either constructed or purchased by FBC;
- available for use 24 hours a day by any member of the public;
- not require users to be members of a charging network;
- capable of charges electric vehicles of more than 1 make; and
- expected to come into operation by December 31, 2025.

15. Section 2 of FBC’s Revised Application reviews elements of the GRRR requirements and their applicability to FBC stations, which is summarized in Table 2-2.

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Table 2-2: FBC DCFC Sites

		Greenhouse Gas Reduction Regulation Criteria						
GRRR Section		5(1)(a)	5(1)(b)	5(1)(c)	5(2)(a)	5(2)(b)(i)	5(2)(a)(ii)	5(2)(c)
		Station is available for use 24 hours a day by any member of the public	Station does not require users to be members of a charging network	Station is capable of charging electric vehicles of more than one make	Eligible charging station is constructed and operated or purchased and operated by the public utility	The public utility reasonably expects, on the date the public utility decides to construct or purchase an eligible charging station, that		For any eligible charging station coming into operation on or after January 1, 2022, the station uses or is configured to use the Open Charge Point Protocol.
						The station will come into operation by December 31, 2025. (Operation Date)	Is the station located in a limited municipality? ⁵ (Population – 2016 Census)	
No.	Sites							
1	Salmo	Yes	Yes	Yes	Yes	Jan 12, 2018	1,141	Yes
2	Christina Lake	Yes	Yes	Yes	Yes	Jan 12, 2018	n/a ⁶	Yes
3	Creston	Yes	Yes	Yes	Yes	Jan 12, 2018	5,351	Yes
4	Castlegar	Yes	Yes	Yes	Yes	Jan 12, 2018	8,039	Yes
5	Greenwood	Yes	Yes	Yes	Yes	Jan 12, 2018	665	Yes
6	Kelowna (Museum)	Yes	Yes	Yes	Yes	Nov 8, 2019 May 21, 2020 ⁷	142,146	Yes
7	Kelowna (Centennial Park)	Yes	Yes	Yes	Yes	Nov 8, 2019 May 25, 2020	142,146	Yes
8	Kelowna (Airport)	Yes	Yes	Yes	Yes	May 24, 2019 (2 stations)	142,146	Yes

⁴ Greenhouse Gas Reduction (Clean Energy) Regulation, BC Reg 102/2012, s. 5(1).

		Greenhouse Gas Reduction Regulation Criteria						
GRR Section		5(1)(a)	5(1)(b)	5(1)(c)	5(2)(a)	5(2)(b)(i)	5(2)(a)(ii)	5(2)(c)
9	Beaverdell	Yes	Yes	Yes	Yes	Nov 8, 2019 May 28, 2020	n/a ⁵	Yes
10	Rossland	Yes	Yes	Yes	Yes	Jan 13, 2020 May 6, 2020	3,729	Yes
11	Nelson	Yes	Yes	Yes	Yes	Jan 8, 2020 May 8, 2020	10,664	Yes
12	Osoyoos	Yes	Yes	Yes	Yes	Dec 10, 2019	5,085	Yes
13	Oliver	Yes	Yes	Yes	Yes	Dec 10, 2019 May 15, 2020	4,928	Yes
14	Kaslo	Yes	Yes	Yes	Yes	Jan 31, 2020	968	Yes
15	New Denver	Yes	Yes	Yes	Yes	Jan 31, 2020	473	Yes
16	Nakusp	Yes	Yes	Yes	Yes	Jan 31, 2020	1,605	Yes
17	Penticton (Downtown)	Yes	Yes	Yes	Yes	October 1, 2020	43,432	Yes
18	Penticton (Trade and Convention Centre)	Yes	Yes	Yes	Yes	Q2 2021	43,432	Yes
19	Trail	Yes	Yes	Yes	Yes	Q4 2020	7,709	Yes
20	Rock Creek	Yes	Yes	Yes	Yes	Q4 2020	n/a ⁵	Yes
21	Keremeos	Yes	Yes	Yes	Yes	Q4 2020	1,502	Yes
22	Princeton	Yes	Yes	Yes	Yes	Q4 2020	2,828	Yes
23	Kootenay Bay	Yes	Yes	Yes	Yes	Q2 2021	n/a ⁵	Yes
24	Naramata	Yes	Yes	Yes	Yes	Q2 2021	n/a ⁵	Yes
25	Grand Forks	Yes	Yes	Yes	Yes	Q2 2021	4,049	Yes

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16. The CEC submits that the 40 stations can be appropriately qualified as prescribed undertakings under the amended GRR.
17. The CEC does not have any concerns with respect to FBC meeting the above criteria and recommends that the Commission find each of the stations to be a prescribed undertaking under section 5(1) of the GRR.
18. FBC would remedy the unlikely situation in which an EV station is intended to qualify as a prescribed undertaking but fails to meet the necessary requirements, by removing such costs from rate base, returning revenues to ratepayers, and would seek approval from the BCUC prior to re-inclusion. FBC has plans in place to make use of a Flow-through Deferral Account if needed to correct the revenue requirement.⁶
19. The CEC notes that FBC will provide information in its Annual Reviews to assess whether stations that have come into service since the previous review and have met the criteria under the GRR for prescribed undertakings.⁷

⁵ Exhibit B-5, pages 10-11.

⁶ Exhibit B-16, BCUC 2.18 series

⁷ Exhibit B-7, BCUC 1.16.2

Statutory Interpretation Issues

20. On the interplay between the GGRR and the CEA as it relates to prescribed undertakings, the Commission, pursuant to Exhibit A-13 filed on February 24, 2021, set out certain legal interpretation questions for FBC and all intervenors to address in their written arguments.
21. The CEC has had the benefit of reviewing FBC's submissions and responses to the interpretation questions, and accepts the responses of FBC as set out in their final argument at pages 3-18.
22. FBC correctly identifies the appropriate principles of statutory interpretation, including both Driedger's modern principle⁸ and the fair, large, and liberal construction and interpretation afforded to enactments pursuant to section 8 of the *Interpretation Act*.⁹ It would appear that the legislature drafted the legislative amendments to the GGRR such that they support the approach being taken by FBC and impact the jurisdiction of the Commission as argued by FBC. It is through this interpretive lens that FBC frames their responses.
23. The CEC has reviewed FBC's responses and the authorities cited therein and finds the responses to be reasonable and adequately supported.
24. The CEC is satisfied with FBC's approach to ensuring the stations are and continue to meet the criteria for prescribed undertakings.

D. APPROVAL TO DISPOSE OF TWO STATIONS TO BC HYDRO

25. FortisBC proposes to dispose of two existing charging stations (New Denver and Nakusp) pursuant to section 52 of the UCA.
26. FBC is transferring the two stations to BC Hydro in a like-for-like exchange for stations in Keremeos and Princeton. It is more efficient for each utility to operate stations located in closer proximity to their areas served. No additional compensation is required for either party.
27. The CEC has no objection to the exchange, and submits that it is appropriate for FortisBC to have charging stations in its own service territory.
28. The CEC submits that the risks of FBC extending EV charging service beyond FBC's service territory would be offset by its full collection of its costs of service, just in the same way service within FBC's service territory would be protected from spilling over to other rate classes. So, the CEC has little concern with FBC providing EV charging wherever it may be needed and meeting the criteria under the GGRR and the CEA, as this would be a public service.

⁸ FBC Final Argument, page 3.

⁹ *Interpretation Act*, RSBC 1996, c 238, as cited in FBC Final Argument, page 4.

29. The CEC recommends that the Commission approve the exchange of the two stations.

E. PROPOSED RATES

30. FBC requests final approval of RS 96 Electric Vehicle Charging, which includes two rates for its DCFC EV stations. These include:

- (a) a time-based rate of \$0.27 per minute at FBC's 50 kW DCFC stations, and
- (b) a time-based rate of \$0.54 per minute at FBC's 100 kW stations.

31. The rates are approximately 10% lower than the rates that FBC has been charging to date.

32. The current rate is \$0.30 per minute, as per RS 96, approved on an interim basis by BCUC Order G-9-18, for electric vehicle charging at FBC-owned DCFC stations.¹⁰

33. Rates based in whole or in part on energy use (kWh) cannot be implemented due to the lack of Measurement Canada-approved metering.¹¹ Measurement Canada expects to allow energy based rates within the next 18 months, and FBC will examine the potential to offer wholly or partially energy-based rates at that time.¹²

34. The CEC's concern would be to ensure that there is full recovery of the costs of service for the EV charging stations, which can be taken up at the time, when and if FBC may apply for energy-based rates.

35. FBC has not calculated the equivalent rates for 50kW or 100 kW DCFC service on a per kWh basis due to issues reviewed in BCUC 1.7.7. FBC notes that energy-based rates do not necessarily result in a price signal that incents more efficient use.

Recovery of Cost of Service

36. FBC's proposed rates are based on a cost of service analysis of its eligible charging stations and use assumptions based on FBC's experience with its existing stations and projected growth.

37. FBC outlines its cost of service assumptions in its Final Argument at pages 26-27.

38. At a high level these include:

- 20kWh per charge event based on historical kWh at FBC's existing charging stations;
- station usage based on historical data modified by sales targets of the Zero Emissions Vehicle Act Regulations Intentions Paper;

¹⁰ Exhibit B-10, CEC 1.2.1

¹¹ FBC Final Argument page 25

¹² FBC Final Argument page 26

- Inflation of electricity costs based on an indicative rate increase of 3.5% for each of the years 2022-2024 and a 2% inflation rate based on the Bank of Canada historical inflation target and provincial government forecast;
 - Carbon credit forecasts of \$200/credit which FBC considers to be conservative 15% transaction fee payable to FLO;
 - Actual and forecast capital expenditures and contributions in aid of construction;
 - FBC's estimated 10 year service life;
 - Cost of electricity under RS 21;
 - Forecast operating and maintenance costs of \$5,193 per year declining to \$4,900 per year by 2026;
 - Property taxes;
 - Other revenue including carbon credits;
 - Income taxes; and
 - Earned return.¹³
39. The CEC has reviewed FBC's cost of service assessment and does not have significant concerns with the inputs or calculations, which appear to be based on the best available information.
40. The CEC therefore finds that the rate is reasonably designed to recover its cost of service.
41. The CEC notes that if FBC utilized additional information including average use in 2020, the overall impact would be minor. The information was removed in order to provide a more accurate picture of EV growth given the unusual nature of station demand in 2020.¹⁴

Rates are Comparable to Market Rates

42. FBC provides the following rate comparison in its Final Argument at pages 30 and 31.

¹³ FBC Final Argument pages 26-27.

¹⁴ Exhibit B-7, BCUC 1.8.2.1

Table 3-3: EV Rate Comparison

Location	Provider	Fee Structure	Rate	Approx. # of fast chargers installed	Speed of fast chargers installed	Hyperlink
Alberta	ATCO	Time-based	\$0.333/min	18	50 kW	https://www.atco.com/en-ca/projects/peaks-to-prairies-electric-vehicle-charging-station.html
British Columbia	City of Vancouver	Time-based	\$0.26/min	7	50 kW	https://vancouver.ca/streets-transportation/electric-vehicles.aspx
British Columbia	FortisBC	Time-based (proposed rates)	50 kW [\$0.26/min] ⁹⁰ 100 kW \$0.54/min	23	50 kW – 100 kW	https://www.fortisbc.com/services/sustainable-energy-options/electric-vehicle-charging/public-electric-vehicle-charging-stations-in-bc
New Brunswick	NB Power / e-charge network	Time-based	\$0.25/min	25	50 kW	https://www.echargenetwork.com/stations-and-rates
Ontario	Electric Circuit (Hydro Quebec)	Time-based	\$0.283/min	75	50 kW	https://lecircuitelectrique.com/en/stations/fast-charge-station/
Quebec	Electric Circuit (Hydro Quebec)	Time-based	\$0.1963/min	225	50 kW	https://lecircuitelectrique.com/en/stations/fast-charge-station/

Location	Provider	Fee Structure	Rate	Approx. # of fast chargers installed	Speed of fast chargers installed	Hyperlink
Various	Canadian Tire / Electrify Canada	Time-based, tiered by power level	< 75 kW: \$0.27/min < 125 kW: \$0.77/min < 350 kW = \$1.07/min Idling fee = \$0.40/min	24	50 kW; 150 kW; 350 kW	https://www.electrify-canada.ca/pricing/
Various	Petro-Canada	Time-based	AB: \$0.33/min BC: \$0.27/min MB: \$0.33/min NB: \$0.25/min NS: \$0.25/min ON: \$0.33/min QC: \$0.20/min SK: \$0.33/min	~100	100 – 350 kW	https://www.petro-canada.ca/en/personal/fuel/canadas-electric-highway

43. The CEC submits that the evidence supports FBC’s assessment that the rates are within range of standard market rates.

F. IDLING FEE

44. FBC does not propose an idling fee in the Revised Application.

45. Idling fees are used to encourage EV owners from occupying a charging station unnecessarily. FBC notes that its customers tend to charge at stations for about 30

minutes and depart after charging their vehicle, so no idling fee is necessary based on current use patterns.

46. The CEC agrees that it is not necessary to implement an idling fee in the absence of concerns, but notes that since only one charging event can occur at a time, it is important for FBC to monitor this possible issue going forwards.¹⁵

G. PAYMENT OPTIONS

47. Drivers using FBC DCFC charging stations for EV recharging purposes will have two options for payment transactions with FBC. These include creating a membership with the FLO network and linking an appropriate means of payment, or scanning a Quick Response Code (“**QR Code**”) on the station with a mobile phone which will ultimately take standard credit card information.¹⁶
48. All FBC DCFC charging stations will also support roaming for FLO, Chargepoint, BC Hydro, Electric Circuit and eCharge network members.¹⁷ To the extent that other networks are not supported, such as Electrify Canada, customers can use the above more universal payment methods.
49. FBC uses station vendor AddEnergy which does not currently offer the option for physical payment via credit card swiping, which FBC considers as reasonable given the unattended nature of the DCFC sites and the associated costs and potential reliability issues for physical credit card readers.¹⁸
50. The CEC considers that it would be appropriate for FBC to monitor options for cost-effectively including standard credit card charging¹⁹ and include those when available to permit readier payment access for a variety of customers.

H. EXEMPTION FROM GENERAL RATE INCREASE

51. FBC requests that the Commission exempt RS 96 from general rate changes.
52. Instead, the performance of RS 96 would be subject to periodic review during COSA reviews which occur approximately every 5 to 7 years.
53. They would also review program performance under the Multiyear Rate Plan Annual Reviews which would include updated annual forecasts for the EV program and allow for full review by BCUC and Interveners.²⁰

¹⁵ Exhibit B-7, BCUC 1.7.5.1

¹⁶ Exhibit B-5, page 8

¹⁷ Exhibit B-5, page 8

¹⁸ Exhibit B-10, CEC 1.2.4

¹⁹ Exhibit B-10, CEC 1.2.4.1

²⁰ Exhibit B-7, BCUC 1.6.8

54. FBC would consider initiating a review of RS 96 in three scenarios.
- If there were any material deviations from forecast revenues from existing stations;
 - If there were any material deviations in the cost of new stations as compared to existing stations; or
 - A new rate structure is identified that is preferable to the current RS 96 structure and that is technically possible to implement and legally permissible (e.g. rates based partly on charging speed or kWh).²¹
55. FBC argues that the proposed RS 96 is designed to recover FBC's incremental cost of service over the next 10 years and the stable nature of the rate will help overcome barriers to the adoption of EVs and encourage the use of FBC's EV charging stations.
56. FBC also states that it has already included a reasonable estimate of the annual general rate change to RS 21, (cost of electricity, inflation factors for O&M and property taxes) into its calculation for RS 96.
57. FBC's cost of service assumptions are outlined in FBC's Final Argument at pages 26-27. At a high level these include:
- 20kWh per charge event;
 - station usage based on historical data modified by sales targets of the Zero Emissions Vehicle Act Regulations Intentions Paper;
 - Inflation based on an indicative rate increase of 3.5% for each of the years 2022-2024 and a 2% inflation rate based on the Bank of Canada historical inflation target and provincial government forecast;
 - 15% transaction fee payable to FLO;
 - Actual and forecast capital expenditures and contributions in aid of construction;
 - FBC's estimated 10 year service life;
 - Cost of electricity under RS 21;
 - Forecast operating and maintenance costs of \$5,193 per year declining to \$4,900 per year by 2026;
 - Property taxes;
 - Other revenue including carbon credits;

²¹ Exhibit B-7, BCUC 1.6.9

- Income taxes; and
 - Earned return.
58. The CEC has reviewed FBC's cost of service assessment and does not have significant concerns with the inputs or calculations which appear to be based on the best available information.
 59. The CEC therefore finds that the rate is reasonably designed to recover its cost of service.
 60. However, the CEC considers that several inputs are quite uncertain over the long term.
 61. In particular, the CEC submits that the station usage is very difficult to predict over a ten year period, the operating and maintenance costs may be optimistic, and inflation could be significantly off-target given the considerable uncertainties in the market at this point.
 62. The CEC therefore considers that it is not appropriate to exempt RS 96 from general rate increases based on the expectation that the Cost of Service will continue to be recovered over a 10 year period. Instead, the CEC recommends review at the FBC annual reviews where if there is a need to respond to any significant deviations from expectations the BCUC can ensure that the appropriate adjustments are made.
 63. FortisBC's rationale for avoiding general rate increases includes their view that the stability of the rate would encourage EV drivers to use eligible charging station which will help maximize revenues over the life of the assets.
 64. The CEC does not accept this justification as a determinative criterion.
 65. The CEC notes that rate stability is not the same as a flat rate. As the flat rate has a significant component that is not electricity supply-based, the Commission could and should exempt the elements of the flat rate that are not electricity supply-based or the Commission could just accept this approach at the time of an Annual Review when electricity rates change.
 66. The CEC does not find any evidence that customers will not adopt EV charging if electricity experiences general rate increases in line with all other rate classes, particularly as the changes would be minimal and the customers would likely not find them unreasonable – likely finding them immaterial to their need for EV charging and the fact they own or lease an EV.
 67. The CEC submits that it is normal for consumers to expect that when electricity costs rise, it will rise in all instances and not except certain rate classes such as EV charging.
 68. Indeed, the CEC submits that rate stability might not be supported by potentially permitting the rate to become so divorced from its cost of service such that a significant correction would be required following a Cost of Service review in 5-7 years.

69. When general rate increases are incurred fairly frequently, there is often an advantage that lumpy and excessive rate increases can be avoided.
70. The CEC submits that waiting 5-7 years prior to reviewing the cost of service, and potentially another year for process and rate implementation, is too long and too expensive in regulatory process, where if it is covered annually along with other rates it can be kept simple and efficient.
71. The CEC notes that the inclusion of the rate in general rate increases need not result in any additional regulatory or other costs, and a full review can be included in the next Cost of Service assessment as would be undertaken in any case.
72. FBC does not propose to include language specific to the general rate increase treatment in the tariff pages. Rather, FBC will include language in the requested approvals related to general rate increase that RS 96 not be impacted.²²
73. The CEC submits that even if an exclusion were warranted from time to time it would be reasonable for the Commission to avoid making a specific determination at this point. FortisBC could apply for an exemption at the point of any general rate increase.
74. The CEC recommends that the Commission deny FBC's request to exclude RS 96 from general rate increases.

I. DEPRECIATION

75. FBC is requesting approval of a 10-year straight line depreciation rate for its eligible charging stations based on a service life of 10 years. FBC's existing approved depreciation rates have been utilized for the service extension components of the capital expenditures.
76. The CEC considers the 10-year straight line depreciation to be acceptable but the CEC would not be troubled with longer expectations for the service life of the equipment if well maintained and expects a longer period for depreciation may be reasonable at some point in the future.

J. INCLUSION IN REGULATED ACCOUNTS

77. Further to a determination that the stations are prescribed undertakings, FBC submits that the BCUC must approve the recovery of FBC's investments in its DCFC charging stations, and should approve the inclusion of FBC's associated assets and related revenues and expenses in FBC's regulated accounts.²³

²² Exhibit B-16, BCUC 2.20.1

²³ FBC Final Argument page 23

78. Pursuant to Order G-9-18, FBC has, to date, separately tracked and accounted for its costs associated with its DCFC charging stations outside of rate base and accounted for the related expenses and revenues in its non-regulated books.
79. FBC will reflect the EV charging station assets and related revenues and expenses in its regulated accounts on the date the Revised Application is approved by the BCUC.
80. In the next Annual Review FBC intends to propose a method to recover the 2018 to 2020 net revenue/costs such as through a Flow-through Deferral Account.
81. The CEC finds this proposal to be acceptable.
82. FBC will include the costs and revenues associated with the EV charging stations in its Forecast of rate base, O&M, and revenue. Actual revenue from FBC's sale of Carbon Credits will be treated as Other Revenue.²⁴
83. The CEC submits that it would be an unusual mismatch for customers in other rate classes to experience rate increases that include inputs arising from EV charging, but for the EV charging customers to be exempt from the rate increases.
84. The CEC submits that to the extent that EV charging is included in rate base and revenue and cost forecasting it would be preferable for EV charging customers to participate in all aspects of the ratemaking.

K. COMMERCIAL EV CHARGING

85. FBC would not consider a commercial vehicle charging rate as FBC is not aware of any costs basis to charge a different rate to commercial vehicles.²⁵
86. FBC agrees that supporting commercial vehicle transition to electricity is in line with the GGRR's objectives of lowering GHG emissions. FBC states that it is providing support to commercial vehicles by providing access to its public DCFC stations, as well as engaging with fleet customers on potential commercial arrangements for dedicated charging infrastructure.²⁶
87. To date FBC has only had preliminary discussions with customers that are interested in dedicated charging infrastructure for their electric fleets, including regional governments, school districts and private operators. FBC is continuing to work with these customers to identify vehicles and charging infrastructure appropriate for their needs.²⁷

²⁴ FBC Final Argument page 27

²⁵ Exhibit B-10, CEC 1.7.2.2

²⁶ Exhibit B-19, CEC 2.19.2

²⁷ Exhibit B-19, CEC 2.18.1.2

88. The CEC supports FBC's efforts to assist commercial enterprises wishing to develop dedicated charging infrastructure and recommends that the Commission encourage FBC to continue work in this area.

III. CONCLUSION

89. The CEC submits there is sufficient evidence and justification for a finding that FortisBC EV charging stations are a prescribed undertaking for the purposes of section 18 of the CEA.
90. The CEC recommends that the Commission approve the rates as proposed by FortisBC, as FBC has committed to recovering its full costs of service from the EV charging customer base.
91. The CEC recommends that the Commission deny the proposed exemption from general rate increases, as this would be a very small component of the charging service rates and not determinative in encouraging EV charging customer participation.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

David Craig

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