

13 April 2021

VIA E-FILING

Patrick Wruck
Commission Secretary
BC Utilities Commission
6th Floor 900 Howe Street
Vancouver, BC V6Z 2N3



Reply to: Leigha Worth
ED@bcpiac.org
Ph: 604-687-3034
Our File: 7311.310

Dear Mr. Wruck,

**Re: FortisBC Inc. (FBC) Rate Design and Rates for Electric Vehicle Direct Current Fast Charging Service Application ~ Project No. 1598940
BCOAPO et al. Supplemental Argument**

Please be advised that we submit the following on behalf of our clients in this matter, the more than one hundred thousand members and clients served by the following community-based organizations: the British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Council of Senior Citizens' Organizations of BC, Disability Alliance BC, and the Tenant Resource and Advisory Centre, known collectively in this process as "BCOAPO et al."

Enclosed please find the BCOAPO's Supplemental Argument with respect to the above noted Application.

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

Sincerely,
BC PUBLIC INTEREST ADVOCACY CENTRE

Original on file signed by:

Leigha Worth
Executive Director | General Counsel

encl.

**BRITISH COLUMBIA OLD AGE PENSIONERS' ORGANIZATION, ACTIVE SUPPORT
AGAINST POVERTY, COUNCIL OF SENIOR CITIZENS' ORGANIZATIONS
OF BC, DISABILITY ALLIANCE BC, AND THE TENANT
RESOURCE AND ADVISORY CENTRE ("BCOAPO")**

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

BCOAPO et al. Supplemental Argument

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INTRODUCTION

On December 22, 2017, FortisBC Inc. (FBC) applied to the British Columbia Utilities Commission (BCUC) for Approval of Rate Design and Rates for Electric Vehicle (EV) Direct Current Fast Charging (DCFC) Service and Tariff Rate Schedule 96 (RS 96) pursuant to sections 59 to 61 and 90 of the *Utilities Commission Act* (UCA). By Order G-9-18 dated January 12, 2018, the BCUC approved a time-based rate of \$9.00 per 30-minute period (\$0.30/minute) for EV charging at FBC owned DCFC stations, as set out in RS 96, on an interim basis, effective January 12, 2018.

On September 30, 2020, FBC filed a revised and updated application seeking BCUC, among other matters, the final approval of RS 96 – Electric Vehicle Charging, which included 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 stations¹.

As a result of updates during the course of the proceeding, in its Final Argument² FBC changed the relief it is seeking to approval of permanent rates for EV charging service at FBC-owned DCFC stations at \$0.26/minute at 50 kW stations and \$0.54/minute at 100 kW stations, to be effective within 30 days of the date of the BCUC's order approving the rates.

On March 23, 2021, the BCUC issued Order G-90-21³ in which it determined that supplemental arguments were warranted regarding whether the BCUC should direct the variance, if any, between the interim and permanent rates be recovered or refunded in the permanent rates for customers of FBC's EV charging service. In the letter prefacing that Order, the Commission requested that parties provide supplemental arguments responding to the following:

¹ Exhibit B-5, page 1

² Page 2

³ Exhibit A-15

1. Should the BCUC direct the variance, if any, between the interim and permanent rates be recovered, or refunded as the case may be, in the permanent rates for customers of FBC's EV charging service?
 - a. If so, what are the implications of doing so.
 - b. If not, why not.

SUBMISSIONS

In its Supplemental Argument FBC notes that:

- FBC does not have the ability to track users of the charging service and charge or refund customers on a retroactive basis once a permanent rate is determined, nor could it reasonably be expected to have such an ability to track the affected customers.
- The revenue difference between the interim rate of \$0.30/min and the proposed rate of \$0.26/min for the 50 kW stations from 2018 to 2020 is approximately \$8 thousand. There is no corresponding revenue difference for the 100 kW stations as there were no 100 kW stations in operation from 2018 to 2020.
- The revenue for 2021 is not on the record in this proceeding.
- Even taking into account the variance in 2021 up to the time of a BCUC decision, FBC does not expect the total variance to be material enough to change the proposed 10-year levelized rate, when rounded to the nearest cent per minute.

Based on the foregoing, FBC submits that no action need be taken. However, it is FBC's view that, should the BCUC wish to refund the difference to EV customers (rather than to all customers), that the variance is best returned to customers over one year by way of a temporary rate rider that would reduce the 50 kW station rate. While FBC would need to calculate the rate rider in its compliance filing based on the variance between interim and final rates up to the time of the Decision, the Company estimates that a 1 cent per minute reduction to the 50 kW charging station rate would return approximately \$10,000 to EV customers over a year.

As a matter of principle, BCOAPO supports refunding/recovering any variances in utility revenue arising as a result of differences between interim and final rates directly to/from affected customers or the affected customer class (where the former is not practical). However, in this particular instance BCOAPO submits the BCUC should adopt FBC's preferred course of action

that no action need be taken (i.e., there should be no EV customer-directed refund/recovery of the difference in revenue to date due to the variance, if any, between the interim and permanent rates for customers of FBC's EV charging service).

BCOAPO's rationale for taking this position is based on the following considerations:

- The proposed rates are based on a 10-year levelized rate that equates the revenues and costs of providing EV charging service over the ten years and FBC does not expect the total variance to be material enough to change the proposed 10-year levelized rate.
- The proposed EV charging rates are, as rates often are, based on a number of assumptions. FBC has committed to a regular review of the performance of the RS 96 rate over time (i.e., RS 96 will remain sufficiently in line with FBC's costs such that RS 96 will reasonably recover FBC's cost of service for its eligible charging stations as expected)⁴ and the Utility has indicated on the record it would initiate a review of the rate if there were any material deviations from that forecast (FBC defined material in this case to be +/- 10%⁵. BCOAPO notes that the instant variance falls below that threshold but the definitive fact informing their position in this case is that the amount of money over-collected (\$'s) in the years concerned are, when put into context, of little consequence. In addition, even if no action is directly taken to refund/recover the variance, the difference in revenues can be factored into regular performance reviews of the EV charging rates.
- We also note that the implementation of a rate rider to refund/recover the variance would require changes to FBC's billing system both at the time of implementation and again when the rate rider terminates. The incremental cost of making these changes could well exceed the overall amount being refunded to customers.

As stated previously, as a result of the considerations we have outlined above, we urge the Commission to approve the Utility's preferred course of action in this one specific case: taking no action.

ALL OF WHICH IS RESPECTFULLY SUBMITTED:

Original on file signed by

Leigha Worth
Executive Director | General Counsel

Original on file signed by

Irina Mis
Staff Lawyer

⁴ FBC Final Argument, page 32

⁵ Exhibit B-7, BCUC 6.9 and Exhibit B-17, BCOAPO 30.1