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British Columbia Hydro and Power Authority, FortisBC Energy Inc  
and FortisBC Inc.

Evacuation Relief Assistance Tariff Amendment Application

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Decision  
and Orders G-215-20, G-216-20, G-217-20

August 14, 2020

Before:  
A. K. Fung, QC, Panel Chair  
T. A. Loski, Commissioner

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**COMMISSION ORDER G-215-20**

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**COMMISSION ORDER G-217-20**

## Executive summary

British Columbia Hydro and Power Authority (BC Hydro) alongside FortisBC Inc. (FBC) and FortisBC Energy Inc. (FEI) (collectively FortisBC) applied for approval from the British Columbia Utilities Commission (BCUC) to amend their respective tariffs for customers who are under Evacuation Orders issued by federal, provincial, or local authorities. Considering the similar objectives in the BC Hydro and FortisBC applications, and for the benefit of ensuring a harmonized approach, the BCUC established one proceeding to jointly review the applications.

BC Hydro's proposed tariff changes would benefit Evacuee Customers who may be experiencing stress, anxiety and considerable uncertainty under challenging circumstances. Similarly, FortisBC's proposed tariff amendments would offer the ability to provide more timely and efficient response and relief to Evacuee Customers, while removing the necessity to file multiple separate applications each time customers are affected by Evacuation Orders.

The BCUC established a written hearing process for the review of the applications, which included two rounds of information requests to BC Hydro and FortisBC and written final and reply arguments.

Following review of the evidence and arguments, the Panel approves the proposed amendments to BC Hydro's Electric Tariff Terms and Conditions and the proposed amendments to FEI's General Terms and Conditions and FBC's Terms and Conditions to provide evacuation relief, all as revised during the course of this proceeding.

## 1.0 Introduction

On August 1, 2018, FortisBC Inc. (FBC) and FortisBC Energy Inc. (FEI) (collectively FortisBC or the Companies) filed a joint application for approval to amend FEI's General Terms and Conditions (FEI GT&Cs) and FBC's Terms and Conditions (FBC T&Cs) to permit relief for customers under evacuation orders. Subsequently, on August 8, 2019, and by direction from the British Columbia Utilities Commission (BCUC), British Columbia Hydro and Power Authority (BC Hydro) filed an application to amend its Electric Tariff Terms and Conditions (Electric Tariff) to provide relief for customers subject to a federal, provincial or local evacuation order.

To ensure consistent approach and uniformity among the tariff amendments for each entity, the BCUC established a single proceeding to review the applications and the Panel has written combined reasons for decision to address both applications. This decision is structured to provide background on previous evacuation relief applications filed by each of the utilities including rationale for their respective tariff amendments, and separately addresses those tariff amendments.

### 1.1 Background

Natural and manmade disasters are becoming more frequent, far-reaching, and their effects more widespread. Depending on the nature of the disaster and the specifics of the event, an Evacuation Order<sup>1</sup> may be issued in a localized area or multiple areas within the province requiring the impacted populations to leave their premises immediately or with short notice. Evacuees are not permitted to return to their premises until the Evacuation Order is lifted or revised to permit their return. Often, evacuees face stressful and uncertain circumstances with little or no notice of evacuation and ordinary measures to reduce or forego utility service usage may not be possible or realistic in the situation.<sup>2</sup>

Evacuated utility customers (Evacuee Customer)<sup>3</sup> will be unable to make regular use of any service from their utility provider through no fault or action of their own, and thus for the most part, will not have received benefit of their gas or electricity service while under an Evacuation Order. Nonetheless, the Evacuee Customer will still remain bound by the billing terms of the utilities' approved rate schedules.<sup>4</sup>

In light of the situation created by Evacuation Orders, BC Hydro has previously sought approval under section 63 of the *Utilities Commission Act* (UCA) to waive certain charges by way of bill credits and waivers to customers who are subject to Evacuation Orders within BC Hydro's service territory. Pursuant to the following orders the BCUC granted certain relief to BC Hydro's Evacuee Customers:

- i. Order No. G-152-17 approved billing relief for customers affected by the 2017 Wildfire Season;
- ii. Order No. G-189-18 approved billing relief for customers affected by the 2018 Wildfire Season; and
- iii. Order No. G-2-19 approved billing relief due to the Old Fort Landslide in 2018.

All costs associated with the relief granted pursuant to the above BCUC orders were to the account of the BC Hydro shareholder.

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<sup>1</sup> An order issued by a local authority, provincial government, federal government or First Nations band council during a State of Emergency which requires Evacuee Customers to remain away from their Premises until the Evacuation Order is lifted by the issuing authority. Definition taken from BCH Electric Tariff (Exhibit B1-1, Appendix C-1, page 11); FBC T&C (Exhibit B2-5, Attachment 6.1, Electric Tariff, p. TC-2); FEI GT&C (Exhibit B2-5, Attachment 6.1 p. D-3).

<sup>2</sup> Exhibit B1-1, Section 2.2, p. 12; Exhibit B2-1, Part 1, p. 2.

<sup>3</sup> A customer that receives service from BC Hydro, FBC or FEI under rate schedules as per the respective utilities proposed tariff amendments filed with the BCUC, from time to time, and who is under an Evacuation Order. Definition taken from BCH Electric Tariff (Exhibit B1-1, Appendix C-1, page 12); FBC T&C (Exhibit B2-5, Attachment 6.1, Electric Tariff, p. TC-2); FEI GT&C (Exhibit B2-5, Attachment 6.1 p. D-3).

<sup>4</sup> Exhibit B1-1, Section 2.2, p. 12; Exhibit B2-1, Part 1, p. 2.

FortisBC has also provided bill credit to their Evacuee Customers subject to Evacuation Orders pursuant to BCUC Orders G-124-17 and G-125-17A, respectively, for the 2017 Wildfire Season.

On August 1, 2018, FortisBC applied to the BCUC for approval to amend FEI's GT&C and FBC's T&C to include provisions that would provide automatic relief for Evacuee Customers who were under Evacuation Orders after August 2018. As part of that same application, FortisBC also applied pursuant to section 63 of the UCA for exemption from applicable residential and commercial tariff charges, via the provision of bill credits, for Evacuee Customers who were subject to an Evacuation Order issued in May 2018 in parts of the Interior, Kootenay and Lower Mainland regions due to flooding as well as wildfire Evacuation Orders issued in July and August 2018.<sup>5</sup> The latter bill credits were approved pursuant to BCUC Orders G-169-18 and G-170-18, and the period of relief was extended to the end of the 2018 calendar year. Unlike the case for BC Hydro, the relief provided was to the account of FortisBC's ratepayers.

With respect to the tariff amendments sought by FortisBC (FortisBC Application), the BCUC determined that a separate hearing process should be established at a later date to review the proposal in a fair, transparent and inclusive manner, and required that both FEI and FBC satisfy the BCUC that the proposed tariff amendments for both FEI and FBC are just, reasonable and not unduly discriminatory or unduly preferential. Section 3.0 of these Reasons for Decision further elaborate on the FortisBC Application.

BC Hydro has not previously filed an application to amend its Electric Tariff. However, in the Decision accompanying Order G-189-18, the BCUC noted that BC Hydro had previously received approval to waive the application of the Electric Tariff provisions to Evacuee Customers subject to Evacuation Orders and or/alerts to wildfires in BC. In light of that, the BCUC considered that an amendment to the Electric Tariff may be in the best interest of both the utility and customers as well as ease the regulatory burden on providing relief to similarly affected customers in the future. On that basis, as part of Order G-189-18, the BCUC directed BC Hydro to file an application to amend the Electric Tariff and satisfy the BCUC that the proposed Electric Tariff amendments are just, reasonable and not unduly discriminatory or unduly preferential.<sup>6</sup>

Based on the application to be filed by BC Hydro, the BCUC proposed to jointly review BC Hydro's application to amend its Electric Tariff, alongside the FortisBC Application for approval of proposed amendments to each of FEI's GT&C and FBC's T&C originally filed August 1, 2018. Accordingly, BC Hydro filed a two-part application with the BCUC on August 8, 2019. The first part of the BC Hydro Application was an Evacuee Assistance Application for customers already affected or expected to be affected during the Application review process by Evacuation Orders, and the second part was the Evacuation Relief Tariff Application (BC Hydro Application). Section 2.0 further elaborates on the BC Hydro Application.

## **1.2 Regulatory Process**

By Order G-239-19, the BCUC consented to BC Hydro providing bill credits and waivers to customers affected by Evacuation Orders, pursuant to the first part of its application.

By Orders G-249-19 and G-250-19 dated October 22, 2019, the BCUC found that regulatory efficiency warranted that the respective tariff amendments sought in the BC Hydro Application and the FortisBC Application (together, Applications) be reviewed at the same time due to the similarity of the two Applications, and established a regulatory timetable which included intervener registration, BCUC and intervener information request (IR) No. 1, and BC Hydro and FortisBC responses to IRs.

By Order G-256-19 dated October 24, 2019, the BCUC amended the Regulatory Timetable to defer the review of the Applications following a request from BC Hydro and FortisBC citing resource constraints.

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<sup>5</sup> Exhibit B2-1, Cover letter, p. 1; Part 2, p. 4; G-169-18 and G-170-18.

<sup>6</sup> Order G-189-19, Reasons for Decision.

By Order G-68-20 dated March 26, 2020, the BCUC established the remainder of the regulatory process, including IR No. 2 and written final and reply arguments.

Two interveners registered in the proceeding: British Columbia Old Age Pensioners' Organization *et al.* (BCOAPO), and the Commercial Energy Consumers Association of British Columbia (CEC). One interested party registered, and no letters of comment were received.

### **1.3 Approvals sought**

The Applications filed by BC Hydro and FortisBC seek BCUC approval to change each utilities' tariff provisions to allow each utility to provide bill credits and waivers for certain Evacuee Customers receiving service under applicable rate schedules for the charges during the period of their evacuation (Evacuation Period<sup>7</sup>).

### **1.4 Decision Framework**

The BCUC determined that, to promote alignment, BC Hydro's Evacuation Relief Tariff Application including the proposed regulatory account treatment would be reviewed alongside the FortisBC Application to amend FEI's GT&Cs and FBC's T&Cs for customers who are under Evacuation Orders. However, this decision ultimately addresses the BC Hydro Application separately from the FortisBC Application. Although similar in their intent, there are differences between the two Applications and their proposed tariff amendments that need to be considered independently in this decision. Accordingly, we first address the BC Hydro Application followed by the FortisBC Application. As noted, the Panel has already reviewed and provided a decision for the first part of the BC Hydro Application, leaving only the proposed tariff amendments for determination. Similarly, the Panel has reviewed and made a determination on the bills credits for Evacuee Customers sought in the FortisBC Application, leaving only the proposed tariff amendments for determination. The final orders approving both the BC Hydro Application and the FortisBC Application are appended to this decision.

## **2.0 BC Hydro Application**

In the BC Hydro Application, BC Hydro seeks approval, pursuant section 59 to 61 of the UCA for:

- i. An amendment to BC Hydro's Electric Tariff to provide relief for customers subject to Evacuation Orders arising from a declared State of Emergency (Evacuation Relief Tariff Application); and
- ii. To expand the scope of the Storm Restoration Costs Regulatory Account to include the deferral of revenue impacts related to BC Hydro's actual amounts for waivers of charges from the Evacuation Relief Tariff Application (the Regulatory Account Treatment).

We discuss below BC Hydro's proposed amendments to its Electric Tariff to provide relief for BC Hydro customers subject to Evacuation Orders arising from a State of Emergency, including the accounting treatment and revenue impacts.

### **2.1 Proposed Tariff Amendments**

BC Hydro proposes to provide relief to customers receiving services under specified rate schedules, as identified in section 2.1.1, who are subject to Evacuation Orders arising from a declared State of Emergency and subject to instances where BC Hydro may exercise discretion, as discussed in section 2.1.2. Under the proposed amendments to BC Hydro's Electric Tariff, BC Hydro will provide relief through the use of bill credits to eligible Evacuee Customers. Due to the urgent nature of an Evacuation Order, BC Hydro anticipates that some Evacuee Customers may not have the opportunity to take steps to reduce energy consumption before having to leave

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<sup>7</sup> The period during which an Evacuee Customer is under an Evacuation Order. Definition taken from BCH Electric Tariff (Exhibit B1-1, Appendix C-1, page 12); FBC T&C (Exhibit B2-5, Attachment 6.1, Electric Tariff, p. TC-2); FEI GT&C (Exhibit B2-5, Attachment 6.1 p. D-3).

their premises. As a result, Evacuee Customers may face charges which they may have otherwise avoided but for the issuance of an Evacuation Order. The evacuation relief will not apply to those customers who are subject to evacuation alerts, or instances where an Evacuation Order has not been issued despite a State of Emergency being declared.<sup>8</sup>

Additionally, in the event that an Evacuee Customer's dwelling is destroyed during the Evacuation Period, BC Hydro proposes to waive all outstanding charges for service for the period immediately after the last billing period, up to the date of destruction. Furthermore, BC Hydro proposes to waive service connection charges applicable to the restoration of the same service at the new dwelling that the Evacuee Customer rebuilds, provided that the service connection charge is not recoverable as part of an insurance claim.<sup>9</sup>

### **2.1.1 Rate Schedules Eligible for Relief**

BC Hydro proposes to issue bill credits for the charges under the following rate schedules to customers who meet requirements set forth in the proposed amendments to the Electric Tariff:<sup>10</sup>

- Residential Service (Rate Schedules 1101, 1121, 1105, 1107, 1127, 1148, 1151 and 1161): Basic Charge, Energy Charge, and the Customer Crisis Fund Rate Rider as set out in Rate Schedule 1903 (as applicable);
- Small General Service (Rate Schedules 1234, 1205, 1300, 1301, 1310 and 1311): Basic Charge, Energy Charge, and Minimum Charge;
- Irrigation Service (Rate Schedule 1401): Energy Charge; and
- Street Lighting Service (Rate Schedule 1755): Charge per fixture for each month the Evacuation Order is in effect.

Apart from the additional proposed General Service rate schedules for which BC Hydro may provide discretionary evacuation relief (as discussed in section 2.1.2), by waiving the Energy Charges, BC Hydro does not intend to provide Medium General Service (MGS) and Large General Service (LGS) accounts subject to an Evacuation Order with billing relief for the following reasons:<sup>11</sup>

- These customers are typically funded through taxpayers and government organizations and thus may not experience the same degree of financial impact resulting from an Evacuation Order as do Residential and Small General Service customers. In addition, local authorities may receive financial assistance from the Government of B.C. for response and recovery costs related to the disaster;
- Larger businesses commonly carry forms of business interruption insurance that provide relief arising from loss of operations. Additionally, many MGS and LGS accounts are associated with large parent companies that can absorb financial impacts associated with an Evacuation Order; and
- Some MGS and LGS accounts (e.g., unmanned municipal or industrial pumping sites) would continue to operate normally despite an Evacuation Order being in place. Additionally, there would also be other MGS and LGS accounts that would require the continuous supply of electricity despite being closed due to an Evacuation Order (e.g., continued use of electricity in a grocery store). In either circumstance, the customer continues to benefit from the consumption of electricity despite the Evacuation Order.

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<sup>8</sup> Exhibit B1-1, section 2.4, p. 13.

<sup>9</sup> Exhibit B1-1, section 2.4, p. 14; Exhibit B1-4, Appendix C-1, p. 7; Appendix C-2, p. 7.

<sup>10</sup> Exhibit B1-1, section 2.4, p. 14; Exhibit B1-4, Appendix C-1, p. 7; Appendix C-2, p. 7.

<sup>11</sup> Exhibit B1-1, BCUC IR 1.1.1.1.

Further to the above reasons, BC Hydro is concerned about the increased level of risk placed upon ratepayers if credits were to be issued to MGS and LGS accounts subject to an Evacuation Order should there be a very large or extended evacuation period (Evacuation Period).<sup>12</sup>

### **2.1.2 Discretion under the Evacuation Relief Clauses**

BC Hydro proposes that it be provided discretion to determine whether or not a waiver is to be provided in circumstances where:<sup>13</sup>

- i. The Evacuation Period is less than five consecutive days; or
- ii. An Evacuation Order has ended more than two years before the date BC Hydro receives a request from an Evacuee Customer or otherwise becomes aware of the Evacuation Order.

BC Hydro believes a five day threshold provides a reasonable balance between the relief provided and the level of administrative effort to identify customers subject to Evacuation Orders, and to calculate and apply bill credits (see section 2.1.3 below for additional details on administrative costs). In addition, BC Hydro proposes the two-year limitation because it archives billing data after two years, and if it was necessary to calculate and apply waivers after this period, this would increase administrative burden. BC Hydro notes the two-year limitation would also apply to the waiver of Service Connection Charges for new residential dwellings. However, to accommodate the potential for re-construction that could extend beyond two years, BC Hydro would waive the Service Connection Charge if the service is connected more than two years after the expiry of the Evacuation Order, provided that the Evacuee Customer initiated the new service request within the two year period.<sup>14</sup>

In addition to the circumstances noted above, BC Hydro proposes that it be provided discretion to waive the Energy Charges as set out in the applicable Rate Schedule for Medium General Service (Rate Schedules 1500, 1501, 1510 and 1511), Exempt General Service (Rate Schedules 1200, 1201, 1210 and 1211), General Service (35 kW and Over) (Rate Schedules 1255, 1256, 1265, and 1266), or Large General Service (Rate Schedules 1600, 1601, 1610, and 1611), where:<sup>15</sup>

- The customer is subject to an Evacuation Order; and
- The service is for use in a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park or similar establishment.

BC Hydro proposes to provide billing relief to nursing homes, boarding houses and mobile home parks when the accounts are held by not-for-profit organizations. Billing relief would be provided to the common area of multiple occupancy residential or mixed-use strata developments as, despite often billed under MGS or LGS, this service is to residential customers who are vulnerable to the impacts of an Evacuation Order and these rates would be excluded from Evacuee Customer bill credits without the proposed amendment.<sup>16</sup>

### **2.1.3 Administrative Costs**

BC Hydro contends it is fair and reasonable to balance the relief provided to eligible customers with the administrative cost of identifying affected customers and applying credits and that establishing the threshold for the minimum number of days of an Evacuation Order is a practical way to provide that balance.<sup>17</sup> BC Hydro submits that without a threshold for the duration of an evacuation, BC Hydro could incur administrative costs of \$1,500 to \$4,500 for a one-day evacuation, yet each residential customer may only receive a bill credit of between only \$1 and \$8. Accordingly, the purpose of the threshold is to allow BC Hydro to avoid administrative

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<sup>12</sup> Exhibit B1-4, BCUC IR 1.1.1.

<sup>13</sup> Exhibit B1-4, Appendix C-1, p. 8; Appendix C-2, p. 8.

<sup>14</sup> Exhibit B1-1, Section 1.6, pp. 7-8.

<sup>15</sup> Exhibit B1-4, BCUC IR 1.1.1.

<sup>16</sup> Exhibit B1-5, BCUC IR 8.1 and 8.3.

<sup>17</sup> Exhibit B1-4, BCUC IR 2.2.

costs unless a meaningful level of billing relief is provided to customers, and the five-day threshold strikes an appropriate balance.<sup>18</sup>

BC Hydro estimates that retrieving archived invoices costs \$10 per customer. BC Hydro notes that there is not a centralized source for obtaining Evacuation Orders and there are different practices among issuing authorities for posting historical Evacuation Orders. As a result, as time passes BC Hydro may need to undertake a significant amount of investigation to confirm the existence of an Evacuation Order, the length of time a customer was evacuated and the evacuation area boundaries. Accordingly, the two-year timeline is a reasonable threshold as it coincides with the archiving of invoice data in the billing system whereas a longer period would drive an additional level of effort.<sup>19</sup>

### *Position of the Parties*

BCOAPO generally supports BC Hydro's proposed amendments and agrees that the not-for-profit/non-government funded requirement allows BC Hydro to focus on those customers who are most vulnerable financially.<sup>20</sup> The CEC also agrees with a number of the proposed amendments to the Electric Tariff for evacuation relief, including BC Hydro's proposal for dealing with customers in the event of a disaster, the minimum threshold criteria, and the proposal to exclude customers that can have costs covered by insurance, are continuing operation with adequate revenues or otherwise not impacted.<sup>21</sup> Notwithstanding this agreement, interveners raise concerns with respect to: (i) multiple occupancy residential buildings serviced by one meter; (ii) service connection waivers; and (iii) rate class discrimination, as discussed below.

#### ***Multiple Occupancy Residential Buildings Serviced by one Meter***

BCOAPO expresses concerns that by specifically referencing just the common area of multiple occupancy building the list of eligible MGS/LGS appears to exclude the actual residential premises in such circumstances. BCOAPO submits that relief should be expanded to include MGS and LGS customers where there is one meter and one account for service to the common area of multiple occupancy buildings and all residential units.<sup>22</sup> In response, BC Hydro submits that BCOAPO's suggested revision is not required in consideration of the following:<sup>23</sup>

- i. If service to residential units and common areas in a multiple occupancy building is measured and billed from a single meter, the service would be considered Residential Service and these customers would be included in the proposed evacuation relief; and
- ii. If there are one or more commercial premises in the multiple occupancy building, then service to the entire building would be MGS or LGS. As a result, the situation contemplated by BCOAPO does not arise.

#### ***Service Connection Waivers***

BCOAPO questions the circumstances under which certain charges will be waived if an Evacuee Customer's dwelling is destroyed. BCOAPO submits that in the event an Evacuee Customer's dwelling is destroyed either immediately before or after the period covered by the Evacuation Order, relief should continue to be extended to the customer.<sup>24</sup> BC Hydro contends that to the extent the destruction of a dwelling arises from the cause of the declared State of Emergency resulting in the Evacuation Order, it is not opposed to BCOAPO's suggested refinement, and proposes the following further amendment to the Electric Tariff to address this concern:<sup>25</sup>

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<sup>18</sup> Exhibit B1-4, BCUC IR 2.4, 2.10, 2.12.

<sup>19</sup> Exhibit B1-4, BCUC IR 2.14, 3.7; Exhibit B1-5, BCUC IR 14.1.1.

<sup>20</sup> BCOAPO Written Final Argument, p. 9.

<sup>21</sup> The CEC Written Final Argument, section II, subsection A, pp. 3-6, paragraph 15, 21, 40-41.

<sup>22</sup> BCOAPO Written Final Argument, p. 9.

<sup>23</sup> BC Hydro Written Reply, Part II, p. 2, paragraphs 5-6.

<sup>24</sup> BCOAPO Written Final Argument, p. 10-11.

<sup>25</sup> BC Hydro Written Reply, Part II, p. 2, paragraphs 7-8; p. 3, paragraph 9.

In the event that a Dwelling is destroyed immediately preceding or following the Evacuation Period, BC Hydro may, in its sole discretion, waive the charges set out in this subsection.

### ***Rate Class Discrimination***

The CEC submits there is no persuasive evidence to suggest that MGS and LGS customers are not vulnerable to the effects of Evacuation Orders and further submits that such customer should be treated in a comparable manner to residential customers with regard to need and impact.<sup>26</sup> The CEC contends the proposed amendments for evacuation relief is discriminatory and recommends the BCUC require BC Hydro to establish criteria and processes to include the MGS/LGS customers.<sup>27</sup>

BC Hydro does not support expanding the amendments because providing evacuation relief to the additional MGS/LGS customers would result in a significantly greater administrative and financial cost to BC Hydro and would not be in the interest of ratepayers.<sup>28</sup> BC Hydro states it proposes to provide discretionary relief to eligible MGS/LGS customers who are vulnerable during Evacuation Periods similar to the vulnerability of residential customers, based on financial vulnerability, such as that arising from a lack of insurance coverage, inability to operate during the Evacuation Period, or lack of financial funding.

BC Hydro submits that, should evacuation relief be expanded in these circumstances, and additional MGS/LGS customers be required to apply for evacuation relief, the relief should only apply to the Energy Charge, not the Demand Charge, in the applicable rate schedules. This approach will mitigate the financial risk to all ratepayers and MGS/LGS Evacuee Customers will be incented to turn off or turn down their equipment upon evacuation.<sup>29</sup>

### ***Panel Discussion and Determination***

#### ***Multiple Occupancy Residential Buildings Serviced by one Meter***

The Panel acknowledges BCOAPO's concern regarding multiple occupancy buildings where all residential units are serviced by one meter and is satisfied with BC Hydro's explanation. The Panel recognizes that in the situation where a multi-occupancy residential building is billed as an MGS or LGS by virtue of there being one or more commercial premises in the building, there may be residential units impacted by an Evacuation Order that are not included in the proposed evacuation relief. It is the Panel's view that in this situation, the residential units are generally not direct customers of BC Hydro, but instead customers of the property owner (i.e. landlord) or the strata corporation and as such, if the proposed amendments were expanded to grant evacuation relief in this circumstance, the relief would go to the landlord or the strata corporation, and not necessarily to the tenants/occupants of the residential units in the building. The Panel leaves it to BC Hydro's discretion to apply to the BCUC and seek evacuation relief for those individuals that may find themselves in these circumstances should BC Hydro find such relief to be warranted.

#### ***Service Connection Waivers***

The Panel accepts BC Hydro's proposed further amendment to the Electric Tariff addressing BCOAPO's request to extend evacuation relief in those scenarios where an Evacuee Customer's dwelling is destroyed either immediately before or after the period covered by the Evacuation Order, to the extent that the destruction arises from the cause of the declared State of Emergency resulting in the Evacuation Order.

The Panel recognizes the need for tariffs to be flexible and the general benefits to both the utility and customers when the utility has discretion in applying terms and conditions including: (i) avoiding strict application of the wording; (ii) allowing the utility to accommodate specific, extenuating and/or unusual circumstances; and (iii) permitting regulatory efficiencies by avoiding applications to the BCUC to maintain a suitable standard of care for customers. Flexibility and discretion do not imply arbitrarily or strictly applying the tariff terms and

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<sup>26</sup> The CEC Written Final Argument, section II, subsection A, pp. 5-7, paragraph 31, 43.

<sup>27</sup> The CEC Written Final Argument, section II, subsection A, p. 6-7, paragraph 44, 50.

<sup>28</sup> BC Hydro Written Reply, Part III, p. 5, paragraph 15.

<sup>29</sup> BC Hydro Written Reply, Part III, pp. 6-7, paragraph 20-21.

conditions, but rather ensure that the utility can be responsive to unique and unforeseen circumstances as and when they present themselves.

The Panel also notes that the service connection waivers are not the only area in BC Hydro's Electric Tariff where BC Hydro retains discretion. BC Hydro also applies discretion to, among other things, waive late payment charges, to issue COVID-19 relief to qualifying residential service customers and residential tenants of customers and to issue Customer Crisis relief to qualifying residential service customers.<sup>30</sup>

### ***Rate Class Discrimination***

Contrary to the CEC's argument, the Panel does not regard the proposed evacuation relief to be unduly discriminatory with respect to MGS and LGS customers. Although those classes of customers who are affected by an Evacuation Order are not covered by the proposed amendments to the Electric Tariff, nothing precludes them from applying on their own to the BCUC or attempting to persuade BC Hydro to apply to the BCUC for approval of evacuation relief, similar to past applications.

Furthermore, the Panel agrees that expanding the relief coverage to include MGS and LGS customers who are not receiving taxpayer funding, are not operating, or do not carry business interruption insurance is not reasonable, because it would result in a significantly greater administrative and financial cost and would not be in the interest of all ratepayers. The cost impact has been demonstrated in prior years where evacuation relief granted to MGS and LGS customers accounted for a much greater percentage of the bill credits (Energy Charge only) in dollar value despite representing a small portion of the total customers. If the Demand Charge were also waived, the financial impact would be even greater.<sup>31</sup> The Panel acknowledges that in prior years, the revenue impacts were recorded to the account of the shareholder, and now that the impacts are proposed to the account of the ratepayer, expanding the coverage to include all MGS and LGS customers could unduly burden all ratepayers.

The Panel considers that evacuation relief is intended to address those situations where customers do not benefit from their electricity service while under an Evacuation Order. The Panel accepts that the rate schedules BC Hydro has specified in the proposed tariff amendments, including the Residential and Small General Service customers, cover those customers who will directly experience the lost benefits of service. The Panel accepts BC Hydro's position that some MGS and LGS customers will continue to operate during an Evacuation Order (i.e. government, grocery stores, etc.), and be more likely to have alternative contingencies available to address potential losses, and accordingly may not experience the same degree of financial impact resulting from an Evacuation Order as do Residential and Small General Service customers.

In accordance with sections 59 and 60 of the UCA, the Panel is required to ensure that rates are not unjust, unreasonable, unduly discriminatory or unduly preferential. The Panel recognizes that BC Hydro's proposed tariff amendments restrict evacuation relief to eligible customers under specific rate schedules. However, the Panel does not consider the proposal to be contrary to the UCA provisions. The Panel is satisfied that the proposed Electric Tariff amendments reduce regulatory burden associated with granting evacuation relief on an annual basis, and does not deny relief to any customer class, but rather streamlines an existing process such that the majority of customers that are likely to be impacted by an Evacuation Order (and which are often the same customers that are less equipped to address the financial hardships as a result of these types of events), are provided timely relief from charges for services from which they derive no benefit through no fault of their own.

The Panel concludes that the proposed rate schedules eligible for relief and the proposed areas for BC Hydro to apply discretion are appropriately justified, and BC Hydro is not prevented from applying for evacuation relief as may be needed on an individual basis for other customers that are outside the scope of the Electric Tariff amendments.

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<sup>30</sup> BC Hydro Electric Tariff Terms and Conditions, Section 1.2, Section 6.3.

<sup>31</sup> BC Hydro Written Final Argument, Part II, p. 4, paragraph 10; BC Hydro Written Reply, Part III, pp. 5-6, paragraph 17.

Accordingly, pursuant to sections 59 to 61 of the UCA, the Panel approves BC Hydro's Application to amend its Electric Tariff Terms and Conditions to provide evacuation relief, as revised during the course of this proceeding.

## 2.2 Revenue Impacts and Accounting Treatment

In previous evacuation relief applications filed with the BCUC in September 2017 and August 2018, BC Hydro proposed that the revenue impacts be to the account of BC Hydro's shareholder, and BC Hydro agreed to the same treatment for the Evacuee Assistance Application filed in the first part of the BC Hydro Application. BC Hydro submits that under the proposed amendments to the Electric Tariff, however, the revenue impacts should be to the account of the ratepayer in consideration of the following:<sup>32</sup>

- i. The relief will be available to all customers who meet the proposed requirements as set out in the amended Electric Tariff;
- ii. The relief will be on-going, rather than related to specific events over a limited period of time;
- iii. The revenues impacted will be unpredictable from year to year; and
- iv. BC Hydro will not have control over revenue impacts.

Revenue impacts related to BC Hydro's actual amounts for evacuation relief under the Electric Tariff provisions are proposed to be deferred to the Storm Restoration Costs Regulatory Account and recovered over the next test period. This treatment ensures that BC Hydro will only recover from ratepayers the actual amounts waived by BC Hydro and has the following benefits:<sup>33</sup>

- The Storm Restoration Costs Regulatory Account is an existing regulatory account with an approved recovery mechanism in place; and
- The recovery period for the Storm Restoration Costs Regulatory Account is over the next test period, which aligns with the type of the revenue impacts expected to arise from Evacuee Customer assistance which are more immediate, rather than long-term in nature.

BC Hydro considers the use of an existing regulatory account, in this case the Storm Restoration Costs Regulatory Account, is preferable to establishing a new regulatory account as this limits the number of regulatory accounts and avoids the regulatory burden associated with setting up a new regulatory account.<sup>34</sup> BC Hydro does not propose a forecast amount for evacuation relief considering that disaster events leading to Evacuation Orders are difficult to predict and the revenue impact of the evacuation relief provided can vary based on factors such as the location and magnitude of the event as well as the number of Evacuee Customers impacted by the event.<sup>35</sup> However, BC Hydro submits it will separately track storm restoration costs and evacuation assistance costs within the regulatory account.<sup>36</sup>

BC Hydro contends the proposed deferral of revenue impacts to the Storm Restoration Costs Regulatory Account aligns with the approach taken by FortisBC in its past applications for evacuation relief which were approved by the BCUC.<sup>37</sup>

### *Positions of the Parties*

BCOAPO does not accept BC Hydro's rationale upon which to make the revenue impacts the responsibility of ratepayers as opposed to its shareholder and submits the revenue impacts cannot be viewed as completely

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<sup>32</sup> Exhibit B1-1, Part 2, Section 2.5, pp. 14-15; Exhibit B1-4, BCUC IR 4.2; Order G-239-19.

<sup>33</sup> BC Hydro Application, Part 2, p. 15; Exhibit B1-4, BCUC IR 5.1.

<sup>34</sup> Exhibit B1-4, BCUC IR 5.1 and 5.3.

<sup>35</sup> Exhibit B1-4, BCUC IR 6.1.

<sup>36</sup> Exhibit B1-4, BCUC IR 5.4.

<sup>37</sup> Orders G-125-17A and G-124-17 in 2017; Order G-170-18 in 2018 (BC Hydro Application, Part 2, pp. 15-16).

uncontrollable. On this basis, BCOAPO considers that, at most, it would be appropriate for the revenue impact to be shared equally between ratepayers and the shareholder.<sup>38</sup> BC Hydro maintains its position that as evacuation relief would be integrated into the Electric Tariff, it is appropriate to allocate the revenue impacts to the ratepayer as the evacuation relief amendments would provide evacuation relief available to all eligible Evacuee Customers who face emergencies and are ordered to evacuate.<sup>39</sup> The CEC accepts that waived costs would be collected from ratepayers in the future, and does not take issue with BC Hydro's proposed treatment.<sup>40</sup>

With respect to the regulatory account treatment, BCOAPO considers BC Hydro's proposal to defer the revenue impacts related to its Evacuation Relief Tariff Application to the Storm Restoration Costs Regulatory Account to be reasonable.<sup>41</sup> The CEC accepts that it may be more cost-effective to utilize the existing Storm Restoration Costs Regulatory Account and agrees that it is appropriate for the nature of the deferral.<sup>42</sup>

### *Panel Discussion and Determination*

The Panel is not persuaded by BCOAPO's argument that revenue impacts from evacuation relief are not considered completely uncontrollable. **The Panel finds that costs associated with evacuation relief are beyond BC Hydro's control and that such costs ought reasonably to be borne by ratepayers.**

**Pursuant to section 59 to 61 of the UCA, the Panel approves BC Hydro's request to expand the scope of the Storm Restoration Costs Regulatory Account to include the deferral of revenue impacts related to BC Hydro's actual amounts for bill credits and waivers of charges for evacuation relief. In approving this expanded scope, the Panel directs BC Hydro to separately track the revenue impacts associated with evacuation relief from storm restoration costs, ensuring that evacuation relief costs do not impact the forecasting methodology for storm restoration costs. BC Hydro is directed to provide a breakdown between storm restoration costs and evacuation relief costs in the Storm Restoration Costs Regulatory Account as part of its Annual Report to the BCUC.**

## **3.0 FortisBC Application**

As previously noted, on August 1, 2018, FortisBC applied to the BCUC seeking approval of tariff changes, effective September 1, 2018, pursuant to sections 59 to 61 of the UCA to FEI's GT&Cs and FBC's T&Cs for customers who are under Evacuation Orders.<sup>43</sup> The proposed amendments to provide relief for FortisBC customers subject to Evacuation Orders arising from a State of Emergency, including the accounting treatment and revenue impacts, are discussed below.

### **3.1 Proposed Tariff Amendments**

FortisBC proposes tariff changes that would allow FortisBC to provide a credit on the bill for Evacuee Customers, or to not charge Evacuee Customers, for the applicable charges that would otherwise apply under the Evacuation Period. Additionally, when a dwelling is destroyed during an Evacuation Period, FortisBC proposes to close the account at the earlier of the date when the dwelling is destroyed or the date of Evacuation Order, and may waive applicable fees such as application, reconnection, or reactivation charges. FortisBC submits the proposed tariff changes offer the ability to: (i) allow the Companies to provide more timely and efficient response and relief to Evacuee Customers; (ii) facilitate more efficient and effective use of resources by removing the necessity to file multiple separate applications each time FortisBC customers are affected by

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<sup>38</sup> BCOAPO Written Final Argument, p. 15.

<sup>39</sup> BC Hydro Written Reply Argument, p. 4, paragraph 13; BC Hydro's Final Argument, page 7, paragraph 20.

<sup>40</sup> The CEC Written Final Argument to BC Hydro, p. 5, paragraph 36.

<sup>41</sup> BCOAPO Written Final Argument, p. 15.

<sup>42</sup> The CEC Written Final Argument to BC Hydro, p. 7, paragraph 54.

<sup>43</sup> Exhibit B2-1, Cover letter, p. 1.

Evacuation Orders; and (iii) facilitate the Companies' ability to provide more timely communications with Evacuee Customers who may be experiencing stress, anxiety, and considerable uncertainty under the circumstances.<sup>44</sup>

FortisBC proposes to provide relief to customers receiving services under specified rate schedules, as identified in section 3.1.1, who are subject to Evacuation Orders arising from a declared State of Emergency and subject to instances where FortisBC may exercise discretion, as discussed in section 3.1.2.

### **3.1.1 Rate Schedules Eligible for Relief**

FortisBC proposes tariff changes to FEI's GT&Cs and FBC's T&Cs to allow the Companies to issue bill credits to Evacuee Customers, or to not charge Evacuee Customers, for the applicable charges for the Evacuation Period. Only those FortisBC Evacuee Customers who receive service under the following Rate Schedules are eligible for evacuation relieve under the prosed tariff changes:<sup>45</sup>

#### **FEI**

- Residential (Rate Schedules 1, 1U, 1X, 1B);
- Small Commercial Service (Rate Schedules 2, 2U, 2X, 2B); and
- Large Commercial (Rate Schedules 3, 3U, 3X, 3B) and Large Commercial Transportation Service (Rate Schedule 23).

#### **FBC**

- Residential Service (Rate Schedules 1, 2A, and 3A);
- Small Commercial Service (Rate Schedule 20);
- Irrigation and Drainage Service (Rate Schedule 60 and 61); and
- Commercial Service (Rate Schedule 21, 22A, and 23A) and Lighting Service (Rate Schedule 50) in limited circumstances.<sup>46</sup>

FortisBC proposes that Evacuee Customers include Large Commercial customers, only in limited circumstances. FortisBC submits that it will have discretion to provide evacuation relief to a customer taking service under Rate Schedules 21, 22A and 23A, if that service is to a "nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park, or similar establishment" and the customer is under an Evacuation Order.<sup>47</sup> FortisBC submits that these identified business types share characteristics with residential or small commercial service customers, despite their consumption or demand properties which place their service under the commercial schedule. These similar characteristics make this subset of customers particularly vulnerable to the financial impacts of an Evacuation Order as compared to other businesses receiving similar service under these Rate Schedules.<sup>48</sup>

FortisBC acknowledges that its Application, as originally filed, did not include customers receiving service under larger commercial or industrial Rate Schedules. This cut off was established to take into account the fact that the magnitude of bill credits payable to these large commercial or industrial customers could be substantially higher than the relief payable to other customers, placing the risk of these larger revenue shortfalls on all ratepayers. Additionally, FortisBC submits that these larger customers are more likely to have alternative contingencies

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<sup>44</sup> Exhibit B2-1, Part 2, p. 2-3; Exhibit B2-5, BCUC IR 6.1.

<sup>45</sup> Exhibit B2-1, section 2.4, p. 14; Exhibit B1-4, Appendix C-1, p. 7; Appendix C-2, p. 7.

<sup>46</sup> Exhibit B2-5, BCUC IR6.1, Exhibit B2-5, Attachment 6.1, p.2 and p. 10.

<sup>47</sup> FortisBC Reply Argument, p. 4.

<sup>48</sup> FortisBC Reply Argument, p. 6.

available to them to address or cover losses associated with an Evacuation Order, such as business interruption insurance or other resources.<sup>49</sup>

### 3.1.2 Discretion under the Evacuation Relief Clauses

FortisBC proposes that it be provided discretion to provide credit to Evacuee Customers, or not charge Evacuee Customers, for the Rate Schedule charges that are or would otherwise have been applicable during the Evacuation Period if:<sup>50</sup>

- i. The Evacuation Period is less than five consecutive days; or
- ii. An Evacuation Order has ended more than two years before the date FortisBC receives a request from an Evacuee Customer or otherwise becomes aware of the Evacuation Order; or
- iii. A customer being served under FBC's Commercial Service (Rate Schedules 21, 22A, and 23A) is under an Evacuation Order and Service is to a nursing home, boarding house, rooming house, common area of a multiple occupancy building, mobile home park, or similar establishment; or
- iv. A customer being served under FBC's Lighting Service (Rate Schedule 50), is under an Evacuation Order and Service is to private outdoor lighting.<sup>51</sup>

FortisBC submits the discretion in the circumstances where an Evacuation Order is less than five consecutive days or ended more than two years prior to the date it receives a customer request provides flexibility to work with customers and take into consideration individual circumstances as well as provide for the dynamic nature of Evacuation Order boundaries, which may shift from day to day. FortisBC also believes the two-year limitation strikes a balance with administrative work required to issue a bill credit in those circumstances where the Evacuee Customer was eligible at the time, but not identified until a later date. Further, to the extent that FortisBC is expecting to proactively identify customers eligible for evacuation relief once an Evacuation Order is made, FortisBC expects very few customers to request evacuation relief more than two years after the fact.<sup>52</sup>

FortisBC believes that the proposed discretion with respect to FBC's rate schedules achieves the objective to harmonize evacuation relief between FortisBC and BC Hydro, and thus ensures both utilities offer and administer the relief in substantially the same manner to substantially similar customers. Despite being similar, FortisBC acknowledges that because each utility is unique, each with its own tariff, history, rate design, and rate structures, complete harmonization is not possible nor practical. As a result, in addition to their uniqueness, there are inherent differences in rate schedules between the utilities given their difference in size, number of customers served, and in the case of FEI, the type of energy provided.<sup>53</sup>

### 3.1.1 Administrative Costs

FortisBC submits that while there are administrative costs associated with providing relief to customers under Evacuation Orders, incremental costs have not been incurred to date because any associated costs have been managed within the existing operations and maintenance for Customer Service. These administrative costs would largely reflect the cost of labour associated with providing the evacuation relief and would include, but may not be limited to, monitoring the Evacuation Orders, identifying customers affected, and processing and administering bill credits or waiver of charges. Additional costs for customers would also include the cost associated with regulatory applications.<sup>54</sup>

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<sup>49</sup> FortisBC Reply Argument, p. 4.

<sup>50</sup> Exhibit B1-4, Appendix C-1, p. 8; Appendix C-2, p. 8.

<sup>51</sup> FortisBC Final Argument, p. 4.

<sup>52</sup> Exhibit B2-3, BCUC IR 2.3, 3.10.

<sup>53</sup> Exhibit B2-5, BCUC IR 6.1.

<sup>54</sup> Exhibit B2-3, BCUC IR 4.7.

FortisBC's experience in 2017 and 2018 indicates there are components of confirming Evacuation Orders and customers impacted that are largely fixed in nature and would be incurred regardless of the number of customers impacted. In 2017 and 2018, FortisBC estimates less than \$35,000 was absorbed in operations and maintenance (O&M) each year resulting in an estimated range of \$3 to \$44 per Evacuee Customer. Further, FortisBC estimates that the administrative costs for completing the evacuation relief process for an Evacuee Customer who applies for relief after the fact would be minimal and likely less than \$5 per Evacuee Customer. FortisBC believes that, in most instances, the proposed thresholds provide a reasonable balance between the relief provided and the level of administrative effort involved to provide the relief.<sup>55</sup>

As a result of the minimal administrative costs to provide evacuation relief, FortisBC does not propose to separately track these administrative costs.<sup>56</sup> The Panel agrees with this proposal.

### *Positions of the Parties*

In BCOAPO's view, the basis of the FortisBC Application is reasonable and in the public interest.<sup>57</sup> BCOAPO agrees with FortisBC's proposals as to the specific FBC and FEI rate schedules that should be eligible for evacuation relief and considers the discretion requested by FortisBC for the five-day threshold and the two-year limit to be reasonable.<sup>58</sup>

The CEC submits that the FortisBC proposals for dealing with customers in the event of a disaster are generally acceptable.<sup>59</sup> The CEC supports the benefits cited by FortisBC and the broader premise of the proposed amendments to FEI's GT&C and FBC's T&C.<sup>60</sup>

However, BCOAPO and the CEC raise concerns with respect to the language FortisBC proposes in the tariff amendments and the potential for rate class discrimination, as discussed below.

### ***Generality of Language in Proposed Amendments***

BCOAPO raises concerns regarding the use of the word "may" in the FortisBC Tariff amendments, as it suggests FEI and FBC have discretion as to whether to provide relief for Rate Schedule charges even in circumstances where the Evacuation Order is for a period of five or more consecutive days, and this undermines the purpose of establishing a threshold.<sup>61</sup> The CEC accepts the reasonableness of minimum threshold criteria for economic administrative reasons, but recommends that the more arbitrary discretionary thresholds provided by FortisBC be avoided.<sup>62</sup>

FortisBC disagrees with BCOAPO and the CEC and submits that, in most circumstances, an eligible customer that is subject to an Evacuation Order of five or more consecutive days will receive relief, just as a customer that is under an Evacuation Order for less than five consecutive days will not qualify for relief. While there may be circumstances where this guiding principle does not apply, and FortisBC exercises its discretion to grant or refuse relief as it sees fit, the threshold continues to be an important (though not determinative) consideration.<sup>63</sup>

BCOAPO is also critical of FortisBC for not committing to providing relief to waive service connection charges for residential customers where a new dwelling is constructed to replace a dwelling destroyed during the disaster

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<sup>55</sup> Exhibit B2-3, BCUC IR 3.1, 3.9.2, 3.10.2.

<sup>56</sup> Exhibit B2-3; BCUC IR 4.4.

<sup>57</sup> BCOAPO Written Final Argument, p. 21.

<sup>58</sup> BCOAPO Written Final Argument, pp. 22-23, 27, 29.

<sup>59</sup> The CEC Written Final Argument to FortisBC, p. 5, paragraph 20.

<sup>60</sup> The CEC Written Final Argument to FortisBC, p. 6, paragraph 38.

<sup>61</sup> BCOAPO Written Final Argument, p. 27.

<sup>62</sup> The CEC Written Final Argument to FortisBC, pp. 6, 10 paragraph 38, 50.

<sup>63</sup> FortisBC Written Reply Argument, p. 11, paragraph 37.

leading to the Evacuation Order, and where service connection costs are not covered by the Evacuee's insurance.<sup>64</sup>

FortisBC states FEI's GT&C and FBC's T&C currently provide FortisBC with the general ability to waive certain fees, such as application, reconnection and reactivation charges that arise after premises have been destroyed, including where the premises were destroyed by an event which triggered an Evacuation Order, or by other causes.<sup>65</sup> FortisBC does not agree that it should be obliged to waive these connection/reconnection fees when the destruction was caused by an event that triggered an Evacuation Order. Instead, relying on its existing discretion to waive these types of fees will allow FortisBC to consider and respond to any unique circumstances.<sup>66</sup>

BCOAPO suggests that FortisBC has not specified criteria for exercising its discretion with respect to late payment charges and submits that there should be clear direction from the BCUC that late payment charges will be waived for Evacuee Customers.<sup>67</sup>

FortisBC states it is more beneficial for customers that there not be specific or rigid "criteria" with respect to the exercise of the discretion related to charges such as late payment charges. A less prescriptive approach ensures that FortisBC has the flexibility to take into consideration a number or combination of factors unique to each customer.<sup>68</sup> FortisBC submits the discretion is not intended to give the utilities the ability to deny relief to customers that would otherwise be eligible, or to treat customers inconsistently; rather, it enables FortisBC to address specific circumstances in an appropriate and flexible manner that responds to the unique needs of each customer on an individual basis.<sup>69</sup>

### ***Rate Class Discrimination***

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.<sup>70</sup> Similar to the BC Hydro Application, 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 regards to need and impact.<sup>71</sup> The CEC submits that FortisBC's request for discretion to grant evacuation relief to certain not-for-profit commercial customers amounts to rate class discrimination.<sup>72</sup> Accordingly, the CEC recommends that the BCUC require FortisBC to establish a set of criteria to guide the use of discretion that are appropriately applicable to all customers, including the commercial customer rate classes, as well as to ensure non-discriminatory treatment for commercial customers.<sup>73</sup>

FortisBC disagrees that the proposed amendments are inappropriate as amounting to rate class discrimination. FortisBC states FBC established a cut off for larger commercial (over 500kW) customers to take into account the fact that the magnitude of bill credits available to these large commercial or industrial customers could be substantially higher than the relief payable to other customers, placing the risk of these larger revenue shortfalls on all ratepayers. Additionally, these larger customers are more likely to have alternative contingencies available

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<sup>64</sup> BCOAPO Written Final Argument, p. 24.

<sup>65</sup> FortisBC Written Reply Argument, p. 9, paragraph 31.

<sup>66</sup> FortisBC Written Reply Argument, p. 9, paragraph 32.

<sup>67</sup> BCOAPO Written Final Argument, p. 24.

<sup>68</sup> FortisBC Written Reply Argument, p. 10, paragraph 35.

<sup>69</sup> FortisBC Written Reply Argument, p. 8, paragraph 27.

<sup>70</sup> The CEC Written Final Argument to FortisBC, p. 10, paragraph 51.

<sup>71</sup> The CEC Written Final Argument to FortisBC, p. 10, paragraph 52.

<sup>72</sup> The CEC Written Final Argument to FortisBC, p. 6, paragraphs 23-24.

<sup>73</sup> The CEC Written Final Argument to FortisBC, p. 6, paragraph 25.

to them to address or cover losses associated with an Evacuation Order, such as business interruption insurance or other resources.<sup>74</sup>

### *Panel Discussion and Determination*

#### ***Generality of Language in Proposed Amendments***

The Panel acknowledges the concerns raised by BCOAPO and the CEC. However, the Panel does not have concerns with FortisBC's language used in the proposed amendments to FEI's GT&C and FBC's T&C. The Panel recognizes the need for tariffs to be flexible and the general benefits to both the utility and customers when the utility retains a degree of discretion in applying terms and conditions including: (i) avoiding strict application of the wording; (ii) allowing the utility to accommodate specific, extenuating and/or unusual circumstances; and (iii) permitting regulatory efficiencies by avoiding applications to the BCUC to maintain a suitable standard of care for customers. Flexibility and discretion do not imply arbitrarily or strictly applying the tariff terms and conditions, but rather ensure the utility can be adaptable to unique and unforeseen circumstances as and when they present themselves.

The Panel recognizes that FortisBC's proposed language is consistent with other aspects of FortisBC tariffs, which grant discretion to the utility (i.e. waiving late payment charges or reconnection fees) and in the recent years, the utility has exercised its discretion to apply to the BCUC for some form of evacuation relief as needed. The Panel accepts that it is not FortisBC's intent to use its discretion to restrict the evacuation relief provided to eligible customers, but rather to respond to unique circumstances that may come about in the process in providing emergency evacuation relief.

#### ***Rate Class Discrimination***

In the Panel's view, the proposed evacuation relief is not unduly discriminatory towards certain not-for-profit commercial customers that are subject to an Evacuation Order. Those customers not covered through the proposed amendments to FEI's GT&C and FBC's T&C are not precluded from applying on their own to the BCUC or attempting to persuade FortisBC to apply to the BCUC for approval of relief, similar to past applications. The Panel agrees that expanding evacuation relief coverage to include the larger commercial customers, and even industrial customers, would result in a significantly greater administrative and financial cost that is not equitably recovered among the rate classes, and accordingly, could unduly burden all ratepayers.

The Panel considers that evacuation relief is intended to address those situations where customers do not benefit from their gas or electricity service while under an Evacuation Order. The Panel accepts that the specific rate schedules FortisBC has included in the proposed tariff amendments, among them those that pertain to the Residential and Small Commercial Service customers, are those that will directly experience the lost benefits of service during an Evacuation Order. The Panel accepts that the large commercial and industrial customers may continue to operate during an Evacuation Order, and are more likely to have alternative contingencies available to address potential losses and, accordingly, may not experience the same degree of financial impact resulting from an Evacuation Order as would Residential and Small Commercial Service customers.

In accordance with sections 59 and 60 of the UCA, the Panel is not convinced that the evacuation relief as applied for by FortisBC is unjust, unreasonable, unduly discriminatory or unduly preferential. The Panel recognizes that FortisBC's proposed tariff amendments restrict evacuation relief to eligible customers under specific rate schedules. However, the Panel does not consider the proposal to be contrary to the provisions in the UCA. The Panel is satisfied that the proposed tariff amendments reduce regulatory burden on an annual basis, and does not deny relief to any customer class, but rather streamlines a process such that the majority of customers that are likely to be impacted by an Evacuation Order (and which are often the same customers that

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<sup>74</sup> FortisBC Written Reply Argument, p. 4, paragraphs 11, 14.

are less equipped to address the financial hardships due as a result of these types of events), are provided timely relief from charges for services from which they derive no benefit through no fault of their own.

On the basis of the evidence, the Panel is persuaded by FortisBC's justification for limiting the proposed rate schedules that are eligible for evacuation relief along with the areas for FortisBC to apply discretion. Furthermore, nothing precludes FortisBC from applying for evacuation relief, whether on an ad hoc or permanent basis, for other customers that are outside the scope of FortisBC's proposed amendments as may be needed or warranted.

**Accordingly, pursuant to sections 59 to 61 of the UCA, the Panel approves FortisBC's Application to amend FEI's GT&Cs and FBC's T&Cs to provide evacuation relief, as revised during the course of this proceeding.**

### **3.2 Revenue Impacts and Accounting Treatment**

Under the terms of the current Multi-Year Performance Based Ratemaking Plans (MRP) approved by the BCUC for FEI and FBC for the years 2020 to 2024, FortisBC records revenue variances in the respective flow-through deferral accounts for each utility. Any variance resulting from the short-term relief for Evacuee Customers would be addressed in the subsequent rate setting process for each utility and would be to the account of the ratepayer.<sup>75</sup> The flow-through deferral mechanism operates outside the MRP formula and is used to flow-through non-controllable costs and revenues to ensure that customers pay actual costs in circumstances where FortisBC does not control the level of expenditures or revenues.<sup>76</sup>

The level of evacuation relief to be provided to affected Evacuee Customers in a given year, is uncertain and beyond the control of FortisBC. The uncontrollable nature of extreme weather and other catastrophic events is consistent with the description of other expenditures or revenues recorded in the flow-through deferral accounts.<sup>77</sup> Further, given the uncertainty and unpredictability of instances where relief may be required, FortisBC does not believe it is appropriate to include a forecast of revenue variances associated with evacuation relief in its future revenue requirement applications.<sup>78</sup>

FortisBC proposes to separately track, account for, and record any revenue variance associated with evacuation relief granted in FEI's and FBC's flow-through deferral accounts. This is consistent with what the BCUC approved for FortisBC for the evacuation relief granted in 2017 and 2018. FortisBC believes that this continues to be a reasonable approach because any administrative related costs to provide evacuation relief would be expected to be minimal.<sup>79</sup>

#### *Position of the Parties*

BCOAPO contends the revenue impacts cannot be viewed as completely uncontrollable and the need to fully recover the revenue shortfalls from ratepayers should not be taken as a given. BCOAPO suggests that the BCUC need not determine the basis for disposition of the evacuation relief-related revenue shortfalls recorded in the flow-through deferral accounts, including the issue of whether recovery should be entirely from ratepayers, in this proceeding. Rather, it proposes that this be left to be determined by a future panel.<sup>80</sup>

FortisBC disagrees with BCOAPO's suggestion and contends that this issue should be addressed as part of the current application. FortisBC submits that the flow-through deferral accounts have approved methods of disposition, and the method of disposition is consistent with the methodology FortisBC applied to record past

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<sup>75</sup> FortisBC Application, Part 1, p. 3; Exhibit B2-3, BCUC IR 2.5; FortisBC Multi-Year Rate Plan Application for 2020 to 2024 (FortisBC PBR 2020-2024); Exhibit B-1, Section 5.3, p. C-119; Order G-165-20 and G-166-20 Decision, Section 3.2.8, pp. 65-76.

<sup>76</sup> Exhibit B2-3; BCUC IR 4.2; FortisBC PBR 2020-2024; Exhibit B-1, Section 5.3, p. C-119; Order G-165-20 and G-166-20 Decision, Section 3.2.8, pp. 65-76.

<sup>77</sup> Exhibit B2-3; BCUC IR 4.1.

<sup>78</sup> Exhibit B2-3; BCUC IR 4.6.

<sup>79</sup> Exhibit B2-3; BCUC IR 4.4.

<sup>80</sup> BCOAPO Written Final Argument, p. 30.

evacuation relief approved by the BCUC. Further to BCOAPO's suggestion that a future BCUC panel address this topic, FortisBC states this would violate the regulatory compact and FortisBC's right to a reasonable opportunity to recover its costs to serve customers and earn a fair return for its shareholders. Moreover, FortisBC contends this approach would create uncertainty and it would be problematic for the BCUC to approve relief in the current application, but leave it to a subsequent panel to assess whether shareholders should be responsible to fund a portion of the relief.<sup>81</sup>

The CEC acknowledges that FortisBC's proposal is that the evacuation relief costs would be to the account of ratepayers, would be included in the flow-through deferral accounts and collected from ratepayers in the future and does not take issue with this proposal.<sup>82</sup>

### *Panel Discussion and Determination*

The Panel is not persuaded by BCOAPO's argument that revenue impacts from evacuation relief are not considered completely uncontrollable, nor does the Panel accept BCOAPO's position that a decision surrounding the disposition of the evacuation relief can be postponed and determined by a future BCUC panel. The Panel accepts that deferring this decision would create uncertainty and unneeded complexity in the regulatory process. **The Panel acknowledges FortisBC's argument that evacuation relief costs are beyond FortisBC's control and finds that the revenue impacts from the evacuation relief ought to continue to be recovered from ratepayers.**

**Given the speculative and unpredictable nature of disaster events leading to Evacuation Orders, the Panel accepts FortisBC's approach to record revenue variances in the respective flow-through deferral accounts for each of FEI and FBC without a forecast amount. In approving this treatment of costs, the Panel directs each of FEI and FBC to separately track revenue variance associated with evacuation relief granted in the flow-through deferral accounts, and to report this variance to the BCUC as part of their respective Annual Reports.**

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<sup>81</sup> FortisBC Written Reply Argument, pp. 12-13, paragraphs 42-46.

<sup>82</sup> The CEC Written Final Argument to FortisBC, p. 9, paragraph 45.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of August 2020.

*Original Signed By:*

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A.K. Fung, Q.C.  
Panel Chair / Commissioner

*Original Signed By:*

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T.A. Loski  
Commissioner



**ORDER NUMBER  
G-215-20**

IN THE MATTER OF  
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority  
Evacuation Relief Tariff Amendment and Regulatory Account Treatment Application

**BEFORE:**

A. K. Fung, QC, Panel Chair  
T.A. Loski, Commissioner

on August 14, 2020

**ORDER**

**WHEREAS:**

- A. On August 8, 2019, British Columbia Hydro and Power Authority (BC Hydro) applied to the British Columbia Utilities Commission (BCUC) for the following approvals (BC Hydro Application):
  1. Pursuant to section 63 of the *Utilities Commission Act* (UCA), BC Hydro seeks consent to waive certain charges for residential, small general service, irrigation and private outdoor lighting service customers in BC Hydro's service territory subject to evacuation orders from the period starting December 5, 2018 and until final BCUC approval of the Evacuation Relief Tariff Application and Regulatory Account Treatment (Part 1 of the BC Hydro Application); and
  2. Pursuant to sections 59-61 of the UCA, BC Hydro seeks approval for tariff changes to the BC Hydro's Electric Tariff. The changes to the tariff are to permit credit relief or waiver of charges to customers who are subject to an evacuation order. BC Hydro also seeks approval for the deferral of revenue impacts related to this credit relief and waivers of charges to the Storm Restoration Costs Regulatory Account (Part 2 of the BC Hydro Application);
- B. Following a review of Part 1 of the BC Hydro Application, on October 3, 2019, by Order G-239-19, the BCUC consented, pursuant to section 63 of the UCA, to BC Hydro providing bill credits and waivers to customers affected by evacuation orders;
- C. On August 1, 2018, pursuant to sections 59 to 61 of the UCA, FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC) (collectively, FortisBC) applied to the BCUC for approval for tariff changes to the FEI's General Terms and Conditions and FBC's Terms and Conditions (Tariffs) (FortisBC Application). The changes to FortisBC's Tariffs are to permit evacuation relief for customers who are subject to an evacuation order;
- D. By Order G-170-18, the BCUC determined that a hearing regarding the FortisBC Application would be established at a later date;

- E. By Orders G-249-19 and G-250-19, the BCUC found that regulatory efficiency warranted both Part 2 of the BC Hydro Application and the FortisBC Application be heard at the same time, and established a regulatory timetable to jointly review the applications;
- F. British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Council of Senior Citizens' Organizations of BC, Disability Alliance BC, Tenants Resource and Advisory Centre and Together Against Poverty Society (BCOAPO *et al.*) and the Commercial Energy Consumers Association of British Columbia (the CEC) registered as interveners in the proceeding;
- G. By Order G-256-19, dated October 24, 2019, the BCUC amended the regulatory timetable to delay the proceeding;
- H. By Order G-68-20, dated March 26, 2020, the BCUC established the remainder of the regulatory process including a second round of information requests, as well as written final and reply arguments; and
- I. The BCUC has considered the BC Hydro Application, the evidence and submissions of the parties and finds that approval of the following is warranted.

**NOW THEREFORE** pursuant to section 59 to 61 of the UCA, the BCUC orders as follows:

1. BC Hydro's Application to amend its Electric Tariff Terms and Conditions to provide evacuation relief, as revised during the course of this proceeding, is approved.
2. BC Hydro is to file the amended Electric Tariff Terms and Conditions in tariff supplement form for endorsement by the BCUC within 30 days of the date of this order.
3. BC Hydro's request to expand the scope of the Storm Restoration Costs Regulatory Account to include the deferral of revenue impacts related to BC Hydro's actual amounts for bill credits and waivers of charges for evacuation relief is approved.
4. BC Hydro is directed to separately track the revenue impacts associated with evacuation relief from storm restoration costs, ensuring that evacuation relief costs do not impact the forecasting methodology for storm restoration costs in the Storm Restoration Costs Regulatory Account.
5. BC Hydro is also directed to provide a breakdown between storm restoration costs and evacuation relief costs in the Storm Restoration Costs Regulatory Account as part of its Annual Report to the BCUC.

**DATED** at the City of Vancouver, in the Province of British Columbia, this            14th            day of August 2020.

BY ORDER

*Original Signed By:*

A. K. Fung, QC  
Commissioner



**ORDER NUMBER  
G-216-20**

IN THE MATTER OF  
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Inc. (FBC)

Application for Approval of Tariff Changes to Permit Relief for Customers Under Evacuation Orders;

**BEFORE:**

A. K. Fung, QC, Panel Chair  
T.A. Loski, Commissioner

on August 14, 2020

**ORDER**

**WHEREAS:**

- A. On August 1, 2018, pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA), FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC) (collectively, FortisBC) applied to the British Columbia Utilities Commission (BCUC) for approval for tariff changes to the FEI's General Terms and Conditions and FBC's Terms and Conditions (Tariffs) (FortisBC Application). The changes to FortisBC's Tariffs are to permit evacuation relief for customers who are subject to an evacuation order;
- B. By Order G-170-18, the BCUC determined that a hearing regarding the FortisBC Application would be established at a later date;
- C. On August 8, 2019, British Columbia Hydro and Power Authority (BC Hydro) applied to the BCUC for the following approvals (BC Hydro Application):
  1. Pursuant to section 63 of the UCA, BC Hydro seeks consent to waive certain charges for residential, small general service, irrigation and private outdoor lighting service customers in BC Hydro's service territory subject to evacuation orders from the period starting December 5, 2018 and until final BCUC approval of the Evacuation Relief Tariff Application and Regulatory Account Treatment (Part 1 of the BC Hydro Application); and
  2. Pursuant to sections 59-61 of the UCA, BC Hydro seeks approval for tariff changes to the BC Hydro's Electric Tariff. The changes to the tariff are to permit credit relief or waiver of charges to customers who are subject to an evacuation order. BC Hydro also seeks approval for the deferral of revenue impacts related to this credit relief and waivers of charges to the Storm Restoration Costs Regulatory Account (Part 2 of the BC Hydro Application);
- D. Following a review of Part 1 of the BC Hydro Application, on October 3, 2019, by Order G-239-19, the BCUC consented, pursuant to section 63 of the UCA, to BC Hydro providing bill credits and waivers to customers affected by evacuation orders;

- E. By Orders G-249-19 and G-250-19, the BCUC found that regulatory efficiency warranted both Part 2 of the BC Hydro Application and the FortisBC Application be heard at the same time, and established a regulatory timetable to jointly review the applications;
- F. British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Council of Senior Citizens' Organizations of BC, Disability Alliance BC, Tenants Resource and Advisory Centre and Together Against Poverty Society (BCOAPO *et al.*) and the Commercial Energy Consumers Association of British Columbia (the CEC) registered as interveners in the proceeding;
- G. By Order G-256-19, dated October 24, 2019, the BCUC amended the regulatory timetable to delay the proceeding;
- H. By Order G-68-20, dated March 26, 2020, the BCUC established the remainder of the regulatory process including a second round of information requests, as well as written final and reply arguments; and
- I. The BCUC has considered the FortisBC Application, the evidence and submissions of the parties and finds that approval of the following is warranted.

**NOW THEREFORE** pursuant to section 59 to 61 of the UCA, the BCUC orders as follows:

1. FBC's Application to amend FBC's Terms and Conditions to provide evacuation relief, as revised during the course of this proceeding, is approved.
2. FBC is to file the amended Terms and Conditions in tariff supplement form for endorsement by the BCUC within 30 days of the date of this order.
3. FBC's request to record revenue variances related to evacuation relief in the FBC flow-through deferral account without a forecast figure is approved.
4. FBC is directed to separately track revenue variance associated with evacuation relief granted in the FBC flow-through deferral account, and to report this variance to the BCUC as part of its Annual Report.

**DATED** at the City of Vancouver, in the Province of British Columbia, this           14th           day of August 2020.

BY ORDER

*Original Signed By:*

A. K. Fung, QC  
Commissioner



**ORDER NUMBER**

**G-217-20**

IN THE MATTER OF  
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Energy Inc. (FEI)

Application for Approval of Tariff Changes to Permit Relief for Customers Under Evacuation Orders;

**BEFORE:**

A. K. Fung, QC, Panel Chair

T.A. Loski, Commissioner

on August 14, 2020

**ORDER**

**WHEREAS:**

- A. On August 1, 2018, pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA), FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC) (collectively, FortisBC) applied to the British Columbia Utilities Commission (BCUC) for approval for tariff changes to the FEI's General Terms and Conditions and FBC's Terms and Conditions (Tariffs) (FortisBC Application). The changes to FortisBC's Tariffs are to permit evacuation relief for customers who are subject to an evacuation order;
- B. By Order G-170-18, the BCUC determined that a hearing regarding the FortisBC Application would be established at a later date;
- C. On August 8, 2019, British Columbia Hydro and Power Authority (BC Hydro) applied to the BCUC for the following approvals (BC Hydro Application):
  1. Pursuant to section 63 of the UCA, BC Hydro seeks consent to waive certain charges for residential, small general service, irrigation and private outdoor lighting service customers in BC Hydro's service territory subject to evacuation orders from the period starting December 5, 2018 and until final BCUC approval of the Evacuation Relief Tariff Application and Regulatory Account Treatment (Part 1 of the BC Hydro Application); and
  2. Pursuant to sections 59-61 of the UCA, BC Hydro seeks approval for tariff changes to the BC Hydro's Electric Tariff. The changes to the tariff are to permit credit relief or waiver of charges to customers who are subject to an evacuation order. BC Hydro also seeks approval for the deferral of revenue impacts related to this credit relief and waivers of charges to the Storm Restoration Costs Regulatory Account (Part 2 of the BC Hydro Application);
- D. Following a review of Part 1 of the BC Hydro Application, on October 3, 2019, by Order G-239-19, the BCUC consented, pursuant to section 63 of the UCA, to BC Hydro providing bill credits and waivers to customers affected by evacuation orders;

- E. By Orders G-249-19 and G-250-19, the BCUC found that regulatory efficiency warranted both Part 2 of the BC Hydro Application and the FortisBC Application be heard at the same time, and established a regulatory timetable to jointly review the applications;
- F. British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Council of Senior Citizens' Organizations of BC, Disability Alliance BC, Tenants Resource and Advisory Centre and Together Against Poverty Society (BCOAPO *et al.*) and the Commercial Energy Consumers Association of British Columbia (the CEC) registered as interveners in the proceeding;
- G. By Order G-256-19, dated October 24, 2019, the BCUC amended the regulatory timetable to delay the proceeding;
- H. By Order G-68-20, dated March 26, 2020, the BCUC established the remainder of the regulatory process including a second round of information requests, as well as written final and reply arguments; and
- I. The BCUC has considered the FortisBC Application, the evidence and submissions of the parties and finds that approval of the following is warranted.

**NOW THEREFORE** pursuant to section 59 to 61 of the UCA, the BCUC orders as follows:

1. FEI's Application to amend FEI's General Terms and Conditions to provide evacuation relief, as revised during the course of this proceeding, is approved.
2. FEI is to file the amended General Terms and Conditions in tariff supplement form for endorsement by the BCUC within 30 days of the date of this order.
3. FEI's request to record revenue variances related to evacuation relief in the FEI flow-through deferral account without a forecast figure is approved.
4. FEI is directed to separately track revenue variance associated with evacuation relief granted in the FEI flow-through deferral account, and to report this variance to the BCUC as part of its Annual Report.

**DATED** at the City of Vancouver, in the Province of British Columbia, this           14th           day of August 2020.

BY ORDER

*Original Signed By:*

A. K. Fung, QC  
Commissioner