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Utilities Commission

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July 17, 2019

Sent via eFile

<b>BCUC INQUIRY INTO GASOLINE AND DIESEL PRICES IN BC EXHIBIT A2-1-2</b>
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**Re: British Columbia Utilities Commission – An Inquiry into Gasoline and Diesel Prices in British Columbia  
– Project No. 1599007 – Deetken Group -Elise Lepine CV**

British Columbia Utilities Commission (BCUC) staff submit the following Curriculum Vitae for the record in this proceeding:

Deetken Group  
Curriculum Vitae for Elise Lepine

Sincerely,

*Original signed by:*

Patrick Wruck  
Commission Secretary

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Enclosure

## **Elise Lepine**

*The Deetken Group, Principal*

Elise is a Principal with The Deetken Group, a strategy and economic advisory firm. Elise has a BA from McGill University, majoring in both Economics & International Development Studies, and an MA in Economics from the University of British Columbia. Below is a selection of Elise's projects completed while at the Deetken Group.

### **NATURAL RESOURCES & UTILITIES**

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#### **LNG Competitiveness Assessment and Economic Advisor to the Province**

Advised the Province of BC on the global competitiveness of LNG production in BC. Elise conducted both qualitative and quantitative analysis to support government decision making, including:

- developing detailed financial models of the LNG projects, from gas extraction to shipping over a 40-year term;
- projecting incremental provincial and federal government revenues, both direct and indirect (e.g.: taxes on incremental labour revenue);
- developing price and cost simulations to better understand the likelihood of different global market outcomes;
- modeling global supply and demand and established factors which may increase or suppress market demand in the coming decades;
- supporting ad-hoc reporting, forecasting, and modelling requests from the client in order to support decision making; and
- writing decision support documentation for the highest levels of provincial and federal government.

#### **Evaluation of Proposed Expansion of Green House Gas Reduction Regulation (GGRR)**

Evaluated the potential of expanded GGRR engine conversion incentives to impact BC's GHG emissions. Elise modelled the conversion investment decision for private decision makers both with and without incentives as well as tested the sensitivity of these investment decisions to end of the pipe price differentials between diesel and LNG. The results of these outcomes were then used to model likely rate payer impacts. The analysis included:

- modelling alternative end-of-pipe prices;
- quantifying impact on Fortis ratepayers;
- evaluating the likelihood of conversion in the absence of incentives; and
- establishing conditions under which expansion of incentives will make rate payers better off.

#### **Marine Bunkering**

Evaluated the market viability of a proposed marine bunkering facility on BC's coast and its regulatory and environmental footprint. The evaluation included the following:

- modelling vessel traffic in the area in order to determine the addressable market;
- establishing benchmark capital and operational costs for all required elements of the facility;
- interviewing regulators in order to determine likely regulatory footprint;
- initiating discussions with potential suppliers and site property owners;
- conducting a competitive analysis between the proposed facility and comparable facilities within the same marketplace; and
- establishing likely environmental impacts of the facility.

#### **Rate Schedule 50 Analysis**

July 16<sup>th</sup>, 2019

Analyzed Fortis rate payer impacts which would result from a proposed change to Rate Schedule 50 in order to inform the Province's decision regarding approvals of proposed changes.

## PROCUREMENT FINANCIAL MODELING & DESIGN

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### Financial Model Design 1

Design of a deal structure for a Province of BC procurement valued at over CAD 50 M / year. This work included detailed risk, feasibility and incentive assessment of alternative deal structures.

### Financial Model Design 2

Design of a deal structure for a Province of BC procurement valued at over CAD 10 M / year. This work included detailed risk, feasibility and incentive assessment of alternative deal structures.

## END OF TERM ASSESSMENTS

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### Enhanced Price Review

As a third-party, independent evaluator, Elise conducted an Enhanced Price Review of a Province of BC contract valued at over CAD 1 Billion. The EPR was a contractually required review which served as a tool for mid-term price negotiations. The EPR included a review of several service types across multiple contracts held by the service provider to the Province of BC. Specifically, the review:

- established a baseline of current services in the contract, including historical consumption, key terms of the agreement, and key service levels;
- assessed areas of likely future growth for the contract in order to identify key areas of interest;
- selected comparable contracts held by the service provider to use as comparators (based on size, service composition & geographical dispersion);
- developed an evaluation method which provided a complete view of all value categories in a form that facilitated direct comparisons between the comparable contracts;
- applied normalizations across the contracts in order to improve comparability;
- identified areas of high- and low-price competitiveness in the current contract and highlighted areas for focus in negotiations.

This document was accepted by both parties and used as a negotiation tool in the midterm price negotiations.

### End of Term Assessment for Applications Management Contract

Assessed an applications management contract for a Province of BC system valued at ~ CAD 80 M. The contract and the vendor's performance were both evaluated against original contract goals as well as assessed for opportunities for improvement in the re-procurement of services in 2020. Elise conducted interviews, analysis and desktop research to answer the core questions of the assessment and provided several key recommendations to improve value for money and business outcomes.

## BUSINESS STRATEGY

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### IT Sourcing Strategy

A crown corporation sought a sourcing strategy for services and technologies acquired by the organization. Elise created a roadmap and strategy for future sourcing decisions using analysis of past spend, current operations and change plans as well as a set of guiding principles.

### Intellectual Property Business Strategy

Advised a BC crown corporation on definition of a business strategy to ensure strategic management of its significant public asset. This included designing a full set of business model options, creation of an evaluation framework, conducting a best response analysis to predict the market response to a change in business strategy and preparing a briefing document to Board of Directors for their contemplation. The recommended business strategy and business model was accepted and implemented.

July 16<sup>th</sup>, 2019

## **Business Model Evaluation**

Assessed insurance company's processes in an effort to simplify, reduce administrative burden, and reduce financial risk. The current model was assessed and compared to models of similar insurance agencies in Canada and three alternatives were developed for consideration. Business impacts from the models were characterized both qualitatively and quantitatively for internal consideration by the client. The analysis provided was foundational to supporting the senior executive's decision to move toward a more streamlined operating model.