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Sent via eFile

<b>BCH, FEI AND FBC EVACUATION RELIEF TARIFF AMENDMENT EXHIBIT A-7</b>
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Mr. Doug Slater  
Director, Regulatory Affairs  
FortisBC Inc.  
16705 Fraser Highway  
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**Re: British Columbia Hydro and Power Authority, FortisBC Energy Inc. and FortisBC Inc. – Evacuation Relief Tariff Amendment Applications – Project No. 1599047 – Information Request No. 1**

Dear Mr. Slater:

Further to your August 1, 2018 filing of the above-noted application, enclosed please find British Columbia Utilities Commission Information Request No. 1. In accordance with the regulatory timetable established by G-256-19, please file your responses on or before Wednesday, February 19, 2020.

Sincerely,

*Original Signed By:*

Patrick Wruck  
Commission Secretary

/mp  
Enclosure



British Columbia Hydro and Power Authority, FortisBC Energy Inc. and FortisBC Inc.  
Evacuation Relief Tariff Amendment Application

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**INFORMATION REQUEST NO. 1 TO FORTISBC ENERGY INC. AND FORTISBC INC.**

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**1.0 Reference: Evacuation Relief Tariff Application - Definitions  
Exhibit B2-1, Appendix G, p. D-2**

On page D-2 of Appendix G, FortisBC Energy Inc. and FortisBC Inc. (FortisBC) provides the definition of an Evacuation Order:

**Evacuation Order:** An order issued by federal, provincial, or local authorities requiring persons to immediately, or with short notice, leave their residential or business Premises in an area and not return until the order is lifted or rescinded.

- 1.1 Please confirm that stated evacuee assistance will only apply to Evacuation Orders issued due to a State of Emergency declared under the authority of the *Emergency Program Act*.
  - 1.1.1 If not confirmed, please explain why not, and provide the relevant statutory authority.
- 1.2 Please explain how FortisBC will confirm that Evacuation Orders are for a State of Emergency pursuant to relevant statutory authority.

**2.0 Reference: Evacuation Relief Tariff Application - Discussion  
Exhibit B2-1, Discussion, p. 2**

On page 2 of the Application, FortisBC states “[t]he tariff changes would allow the Companies to provide a credit on the bill for Evacuee Customers, or to not charge Evacuee Customers, for the applicable charges for the Evacuation Period.”

- 2.1 Please explain if FortisBC will provide relief for premises that are destroyed. If yes, please discuss the relief that will be provided.
- 2.2 How does FortisBC plan to deal with any potential complaints related to the administration and management of the relief arising from the proposed tariff changes?
- 2.3 What other risks does FortisBC anticipate in the administration and management of the relief for evacuee customers?
- 2.4 Prior to the 2017 application, how did FortisBC assist customers who had faced Evacuation Orders? Who bore the costs of such assistance?

Page 2 of the Application states: “[t]he Companies believe that the proposed tariff changes are reasonable in order for FortisBC to have the ability to provide relief to Evacuee Customers.”

- 2.5 Please confirm that the relief to be provided under the amendments to FortisBC Energy Inc.’s General Terms and Conditions (FEI GT&Cs) and FortisBC Inc.’s Terms and Conditions (FBC T&Cs) are to the account of ratepayers. If not confirmed, please provide the account.

- 2.6 Please explain if FortisBC has sought any customer feedback on ratepayers bearing the cost of such relief.
- 2.7 Please discuss if the relief to be provided under the amendments to FEI GT&Cs and FBC T&Cs generates a utility benefit for the ratepayers that sufficiently justifies the cost of service.
- 2.8 Please explain whether the relief to be provided under the amendments to FEI GT&Cs and FBC T&Cs amounts to a social assistance program. If not, please clarify how it differs.

**3.0 Reference: Evacuation Relief Tariff Application - Discussion  
Exhibit B2-1, Discussion, p. 3**

On page 3 of the Application, FortisBC states:

The Companies propose that if an Evacuation Order is issued and it affects some of FortisBC’s customers for a period of five or more consecutive days, then the Companies could rely on the proposed Evacuation Relief tariff language, if approved, to provide the contemplated relief to Evacuee Customers for the Evacuation Period. The Companies believe that providing relief for Evacuee Customers when the duration of an Evacuation Order is five days or more is a reasonable threshold in order to ensure the administrative cost of granting the relief does not outweigh the benefit.

- 3.1 Please explain what criteria will FortisBC use to determine relief for evacuee customers who do not meet the five consecutive day threshold?
- 3.2 If evacuee customers, who do not meet the five consecutive day threshold, are not eligible for any relief, does FortisBC consider that fair and reasonable? In your response, please address the fact that, previously, customers were not required to meet a time-based threshold.
- 3.3 Has FortisBC considered an appeals or reconsideration process for evacuee customers who are not eligible to relief as proposed in this tariff amendment?
  - 3.3.1 If yes, will this be conducted in-house or by a third party? What are the incremental administrative costs of managing this process (internal or external, if applicable)?
  - 3.3.2 If yes, please outline how the appeals or reconsideration process will work.
- 3.4 Please discuss how FortisBC determines that five consecutive days are an appropriate threshold? Please describe any assumptions, criteria, formulas and/or calculations used to determine the five consecutive day period.
- 3.5 Please confirm or explain otherwise, that once an Evacuation Order is issued, the date of the Evacuation Order would indicate the start of the five consecutive day threshold? If not confirmed, please clarify whether the five consecutive day threshold commences only after a customer has evacuated their premises?
- 3.6 In the instances where an Evacuation Order is issued, but the customer does not comply until a later date, or fails to evacuate, will the customer still be eligible for relief?
- 3.7 How many customers who were eligible to receive relief in 2017 exceeded the five consecutive day threshold?
- 3.8 Please discuss how FortisBC’s proposal would be applied in a scenario where a customer is subject to Evacuation Orders that exceed five non-consecutive days.
- 3.9 Please explain whether customers that were provided with relief approved by BCUC Orders G-124-17 and G-125-17A were confirmed to be subject to an Evacuation Order for at least five consecutive days.
  - 3.9.1 If yes, please provide the total cost and average cost per evacuee to complete the

confirmation process.

- 3.9.2 Please provide the expected cost per evacuee to confirm they were subject to an Evacuation Order for at least five consecutive days.
- 3.10 Please explain if there will be a deadline on when an evacuee will be eligible to apply for relief.
  - 3.10.1 If yes, please provide details of the deadline, and why it is considered necessary. Please describe any assumptions, criteria, formulas and/or calculations used to determine the deadline.
  - 3.10.2 If yes, please provide the estimated costs for completing the relief process in a scenario where an evacuee applied for relief after the deadline.
  - 3.10.3 If yes, please discuss if there were any evacuee customers that applied for relief as a result of the 2017 Evacuation Orders following the proposed time limitation.
- 3.11 Please explain how the loss of revenue is recorded for relief provided to evacuee customers after the year in which the evacuation occurred. In other words, is the lost revenue recorded in the year of the Evacuation Order or the year the relief is provided.

**4.0 Reference: Evacuation Relief Tariff Application – Treatment of Revenue Variance Exhibit B2-1, Treatment of Revenue Variance, p. 3**

Page 3 of the Application states:

Under the terms of the current Multi-Year Performance Based Ratemaking Plans (PBR Plans) approved by the Commission for FortisBC Energy Inc. and FortisBC Inc. for the years 2014 to 2019, the Companies currently record revenue variances in the respective Flow-Through deferral accounts for each company. Any variance resulting from the short-term relief for Evacuee Customers would be addressed in the subsequent rate setting process for each company.

- 4.1 Please explain why FortisBC has chosen to record revenue variances in the respective Flow-Through deferral accounts for each company?
- 4.2 Please explain how the lost revenue for relief provided to evacuee customers after the year in which the Evacuation Order took place will impact the Flow-Through deferral accounts for each company. In other words, will the deferral account be impacted in the year the Evacuation Order occurred or the year the relief was provided?
- 4.3 Please explain if there are any additional overhead costs incurred to support the expansion of the Flow-Through deferral accounts for each company or in establishing a new deferral account.
- 4.4 Please confirm, or explain otherwise, whether FortisBC will separately track relief costs within the Flow-Through deferral accounts for each company.
- 4.5 If an emergency that results in an Evacuation Order is later determined to be human-caused in which FortisBC receives re-imbursement/compensation for lost revenue, please explain how the compensation will be recorded (i.e. to the account of ratepayers or to the shareholder).
- 4.6 Given that there will be ongoing instances where such relief is required, please explain if it's possible to forecast the cost of the relief into future revenue requirements applications, in order to mitigate the variance that is deferred to the Flow-Through deferral accounts for each company.
  - 4.6.1 Please discuss if actual figures from preceding years could be used to establish a forecast, either now or in the future.

- 4.7 Excluding the costs of the relief provided to evacuee customers, please explain whether there are annual operating costs to provide relief to customers under evacuation orders.
  - 4.7.1 If yes, please provide a detailed breakdown of the expected annual costs for fiscal 2020 to fiscal 2024.
- 4.8 Please explain whether the Flow-Through deferral accounts for each company attracts interest.
  - 4.8.1 If yes, please provide the applicable interest rate (i.e. an interest-based return, a weighted average cost of capital-based return, etc.).