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April 3, 2020

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Mr. Patrick Wruck, Commission Secretary and Manager, Regulatory Support

Dear Mr. Wruck:

**Re: FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC) (collectively FortisBC)
Application for Approval of COVID-19 Customer Recovery Fund Deferral
Account**

Given the rapidly growing impact of the global COVID-19 pandemic on British Columbians and the State of Emergency declared in the province, FortisBC hereby applies to the British Columbia Utilities Commission (BCUC) for approval of the following for each of FEI and FBC:

1. The discretion to offer a three-month bill payment deferral starting April 1, 2020 to residential and small commercial customers who have been directly impacted financially as a result of the COVID-19 pandemic.
2. The discretion to offer bill relief in the form of bill credits for three months, from April 1, 2020 through to July 1, 2020, to small commercial customers that have been ordered to temporarily close their businesses to comply with public health orders due to the COVID-19 pandemic.
3. A COVID-19 Customer Recovery Fund deferral account to record and track separately by rate schedule (1) any unrecovered revenue resulting from customers being unable to pay their bills due to the COVID-19 pandemic, (2) any bill payment deferrals provided to customers due to the COVID-19 pandemic and subsequent payments of those deferred amounts; and (3) any bill credits provided to customers due to the COVID-19 pandemic.

Given the need to provide relief to customers, FortisBC is requesting that the BCUC approve these measures on an interim basis as soon as practicable without notice pursuant to section 91 of the *Utilities Commission Act* (UCA).

Draft forms of orders sought are provided in Appendix A.

FortisBC Is Already Providing Relief to Customers

FortisBC has already put a number of measures in place to help all customers at this time based on the discretion that FortisBC has within the terms of its tariffs. These measures include the cessation of all payment collection related activities, the suspension of late payment and interest charges, as well as the suspension of disconnections for matters other than safety. FortisBC has also continued to work directly with customers to assist them, on a case-by-case basis, with their individual circumstances to reach mutually agreeable bill payment arrangements that may include options, such as equal payment plans, payment deferrals, partial payments, and customized payment plans.

Additional Customer Relief Measures Requiring BCUC Approval

Given the gravity of the ongoing circumstances of the COVID-19 pandemic and its impact on British Columbians, FortisBC proposes to implement further measures to provide qualifying customers with additional support for their energy bills during this challenging time. These additional measures require BCUC approval for FortisBC to implement.

FortisBC proposes to offer two targeted relief measures effective April 1, 2020. These measures are bill payment deferral for qualifying residential and small commercial customers, and temporary bill relief for certain qualifying small commercial customers experiencing significant financial difficulties as a direct result of the COVID-19 pandemic.

FortisBC will continue to evaluate the pandemic situation and may adjust elements of the relief offered to customers, depending on the duration and extent of public health orders and restrictions in place. FortisBC will apply to the BCUC for any necessary approvals should additional relief measures become necessary.

Customer Relief Measure 1: Bill Payment Deferral for Residential and Small Commercial Customers:

The first customer relief measure is a three-month deferral of energy bill payments starting April 1, 2020 for residential customers¹ and small business customers taking service under small commercial rate schedules² who are unable to pay their energy bills due to impacts from the COVID-19 pandemic. This relief will be available to residential customers who are unable to pay their energy bills because they have been directly impacted financially as a result of the COVID-19 pandemic for reasons such as being unable to work, having lost their job, or having been temporarily laid off. It will also be available to small commercial customers who are still operating, but have experienced an impact to their business, such as a reduction in revenue, operating hours, or have had to undergo restructuring of their operations to comply with public health orders.

Eligible residential and small commercial customers can apply to defer their energy bill payments for three months starting April 1, 2020, without penalty, fees, interest charges, or threat of disconnection. Residential and small commercial customers who apply and qualify for the three-month bill deferral will also enter into repayment arrangements for their deferred

¹ Applicable to customers in Rate Schedules 1, 1B, 1U and 1X for FEI and Rate Schedules 1, 2A and 3A for FBC.

² Applicable to Small Commercial Service customers, Rate Schedule 2, 2B, 2U and 2X for FEI and Rate Schedule 20 and certain Rate Schedule 22 customers for FBC that meet the Rate Schedule 20 size restriction.

balance to be paid over the twelve months following the deferral period, commencing July 1, 2020.

Customer Relief Measure 2: Bill Credits for Small Commercial Customers

The second customer relief measure is three-month bill relief for small commercial customers³ who have been ordered to temporarily close their businesses to comply with public health orders due to the COVID-19 pandemic. For eligible small commercial customers who apply and qualify for this measure, FortisBC will apply credits to their bills to offset all applicable fees and charges applied to their accounts for three months starting April 1, 2020 through to July 1, 2020. Small commercial customers who qualify under this alternative will effectively have no charges to pay, while maintaining an active account with the utility during the three-month period.

FortisBC will review customer consumption at the end of the three month period to confirm that there was no or only very limited consumption during this time. As a result, on an individual customer basis, the total amounts being credited should be minimal. This proposal is designed around the principles put forward by FortisBC and the British Columbia Hydro and Power Authority in the Evacuation Relief Tariff Amendments proceeding currently before the BCUC, which is proposing evacuation relief for customers are under an evacuation order rather than being under a public health order.

COVID-19 Customer Recovery Fund Deferral Accounts

FortisBC is requesting approval to establish a new rate base deferral account to be called the COVID-19 Customer Recovery Fund deferral account, for each of FEI and FBC, to record the following:

- (1) Unrecovered revenue due to COVID-19: The deferral account will capture any unrecovered revenue resulting from customers in any rate class being unable to pay their bills due to the COVID-19 pandemic. Billed amounts for energy services only become unrecoverable from customers if, after FortisBC exhausts its reasonable and practical collection efforts, amounts are ultimately unable to be collected from customers over a reasonable period of time given the circumstances. FortisBC will track all unrecovered revenue by rate schedule.
- (2) Bill Payment Deferrals and Subsequent Payments: The deferral account will capture all deferred bill payments as a result of the COVID-19 pandemic. It will also capture all payments of these deferred amounts according to the repayment arrangements made with the customers. Accordingly, the balance in the deferral account will ultimately only reflect the unrecovered amounts related to the deferral of bill payments due to the COVID-19 pandemic. FortisBC will track all bill payment deferrals and subsequent payments by rate schedule.
- (3) Bill Credits: The deferral account will also capture any bill credits provided by FortisBC to customers in any rate class due to the COVID-19 pandemic. FortisBC will track all bill credits by rate schedule.

³ Applicable to Small Commercial Service customers, Rate Schedule 2, 2B, 2U and 2X for FEI and Rate Schedule 20 for FBC.

The COVID-19 Customer Recovery Fund deferral accounts will provide transparency into the amount of customers' energy bills by rate schedule that ultimately become unrecoverable from customers due to the COVID-19 pandemic.

The extent of the impact of the COVID-19 pandemic remains uncertain at this time and is outside of the control of the Companies. Further, the economic effects from the COVID-19 pandemic are likely to continue for a significant period of time even after the State of Emergency is lifted. Therefore, it is not possible for FortisBC to forecast the total balances in the COVID-19 Customer Recovery Fund deferral accounts with any degree of accuracy at this time.

FortisBC proposes to report on the COVID-19 Customer Recovery Fund deferral account balances in its regular rate setting processes (e.g., annual reviews) which will occur in Q3 of 2020. Further, FortisBC will seek approval of the method of recovery of the balances in the COVID-19 Customer Recovery Fund deferral accounts in future rate setting processes when the impact of unrecovered customer amounts from the COVID-19 pandemic is better known.

Customer Communications:

FortisBC continues to encourage customers who are concerned about their energy bills to contact us to discuss their alternatives. FEI and FBC will inform customers about their respective COVID-19 Customer Recovery Funds, including who is eligible and how to apply, through various communication channels such as direct communication, news media, social media postings, and information on FortisBC's website.

Approvals Sought:

FortisBC is taking many steps to assist its customers during these unprecedented times. To provide deeper relief, FortisBC requests that the BCUC approve, pursuant to sections 59 to 61 of the UCA, the two customer relief measures set out in this Application and the new rate base deferral account for each of FEI and FBC to record unrecovered revenue and bill credits arising from the COVID-19 pandemic.

Given the need to provide relief to customers immediately, FortisBC is requesting that the BCUC approve these measures on an interim basis as soon as practicable without notice pursuant to section 91 of the UCA.

If further information is required, please contact the undersigned.

Sincerely,

on behalf of FORTISBC

Original signed:

Doug Slater

Attachments

Appendix A
DRAFT ORDERS



ORDER NUMBER

G-xx-xx

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

and

FortisBC Energy Inc.
Application for Approval of COVID-19 Customer Recovery Fund Account

BEFORE:

[Panel Chair]
Commissioner
Commissioner

on **Date**

ORDER

WHEREAS:

- A. On April 3, 2020, given the rapidly growing impact of the global COVID-19 pandemic on British Columbians and the State of Emergency declared in the province, FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC) (collectively FortisBC), filed an application with the British Columbia Utilities Commission (BCUC) for approval, pursuant to sections 59 to 61 and 91 of the *Utilities Commission Act*, of the following for each of FEI and FBC (Application):
1. The discretion to offer a three-month bill payment deferral to residential customers, and small commercial customers served under FEI Rate Schedules 2, 2B, 2U and 2X and FBC Rate Schedule 20 who have been directly impacted financially as a result of the COVID-19 pandemic.
 2. The discretion to offer bill relief in the form of bill credits for three months, starting April 1, 2020 through to July 1, 2020, to small commercial customers served under FEI Rate Schedules 2, 2B, 2U and 2X and FBC Rate Schedule 20 that have been ordered to temporarily close their businesses to comply with public health orders due to the COVID-19 pandemic.
 3. Establishment of a rate base deferral account for the COVID-19 Customer Recovery Fund to record (1) any unrecovered revenue resulting from customers being unable to pay their bills due to the COVID-19 pandemic, which will be tracked separately by rate schedule, (2) any bill payment deferrals provided to customers due to the COVID-19 pandemic and subsequent payments of those deferred amounts; and (3) any bill credits provided to customers due to the COVID-19 pandemic.
- B. The BCUC reviewed the Application and considers that approval is warranted.

NOW THEREFORE pursuant to sections 59 to 61 and 91 of the *Utilities Commission Act*, the BCUC orders as follows:

1. FEI is approved to:
 - a. Have the discretion to offer a three-month bill payment deferral starting April 1, 2020 to residential customers and small commercial customers served under Rate Schedules 2, 2B, 2U and 2X who have been directly impacted financially as a result of the COVID-19 pandemic.
 - b. Have the discretion to offer bill relief in the form of bill credits for three months, from April 1, 2020 through to July 1, 2020, to small commercial customers served under Rate Schedules 2, 2B, 2U and 2X that have been ordered to temporarily close their businesses to comply with public health orders due to the COVID-19 pandemic.
 - c. To establish a rate base deferral account for the COVID-19 Customer Recovery Fund to record and track separately by rate schedule (1) any unrecovered revenue resulting from customers being unable to pay their bills due to the COVID-19 pandemic, which will be tracked separately by rate schedule, (2) any bill payment deferrals provided to customers due to the COVID-19 pandemic and subsequent payments of those deferred amounts; and (3) any bill credits provided to customers due to the COVID-19 pandemic.

DATED at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month) 2020.

BY ORDER

(X. X. last name)
Commissioner



ORDER NUMBER

G-xx-xx

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Inc.

Application for Approval of COVID-19 Customer Recovery Fund Deferral Account

BEFORE:

[Panel Chair]
Commissioner
Commissioner

on **Date**

ORDER

WHEREAS:

- A. On April 3, 2020, given the rapidly growing impact of the global COVID-19 pandemic on British Columbians and the State of Emergency declared in the province, FortisBC Inc. (FBC) and FortisBC Energy Inc. (FEI) (collectively FortisBC), filed an application with the British Columbia Utilities Commission (BCUC) for approval, pursuant to sections 59 to 61 and 91 of the *Utilities Commission Act*, of the following for each of FBC and FEI (Application):
1. The discretion to offer a three-month bill payment deferral to residential and small commercial customers served under FEI Rate Schedules 2, 2B, 2U and 2X and FBC Rate Schedules 20 and certain Rate Schedule 22 customers that meet the Rate Schedule 20 size restriction, who have been directly impacted financially as a result of the COVID-19 pandemic.
 2. The discretion to offer bill relief in the form of bill credits for three months, starting April 1, 2020 through to July 1, 2020, to small commercial customers served under FEI Rate Schedules 2, 2B, 2U and 2X and FBC Rate Schedule 20 that have been ordered to temporarily close their businesses to comply with public health orders due to the COVID-19 pandemic.
 3. Establishment of a rate base deferral account for the COVID-19 Customer Recovery Fund to record (1) any unrecovered revenue resulting from customers being unable to pay their bills due to the COVID-19 pandemic, which will be tracked separately by rate schedule, (2) any bill payment deferrals provided to customers due to the COVID-19 pandemic and subsequent payments of those deferred amounts; and (3) any bill credits provided to customers due to the COVID-19 pandemic.
- B. The BCUC reviewed the Application and considers that approval is warranted.

NOW THEREFORE pursuant to sections 59 to 61 and 91 of the *Utilities Commission Act*, the BCUC orders as follows:

1. FBC is approved to:
 - a. Have the discretion to offer a three-month bill payment deferral starting April 1, 2020 to residential customers and small commercial customers served under Rate Schedule 20 and certain Rate Schedule 22 customers that meet the Rate Schedule 20 size restriction, who have been directly impacted financially as a result of the COVID-19 pandemic.
 - b. Have the discretion to offer bill relief in the form of bill credits for three months, from April 1, 2020 through to July 1, 2020, to small commercial customers served under FBC Rate Schedule 20 and certain Rate Schedule 22 customers that meet the Rate Schedule 22 size restrictions, that have been ordered to temporarily close their businesses to comply with public health orders due to the COVID-19 pandemic.
 - c. To establish a rate base deferral account for the COVID-19 Customer Recovery Fund to record and track separately by rate schedule (1) any unrecovered revenue resulting from customers being unable to pay their bills due to the COVID-19 pandemic, (2) any bill payment deferrals provided to customers due to the COVID-19 pandemic and subsequent payments of those deferred amounts; and (3) any bill credits provided to customers due to the COVID-19 pandemic.

DATED at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month) 2020.

BY ORDER

(X. X. last name)
Commissioner