

FortisBC Energy Inc. ("FEI") Complaint Filed by Cascadia Energy Ltd., Direct Energy Marketing Ltd. and Access Gas Services Inc. ("BC GMC")

Information Request No. 1 of the BCGMC to FEI

**1.0 Reference: BC GMC Complaint, Exhibit B-1, Page 2
BC GMC Request 4 a)**

These questions relate to the nature and adequacy of the information that FEI provides to enable transportation customers to comply with the transportation service gas balancing and tolerance rules.

Request:

- 1.1 Describe the consumption related data that FEI supplies to marketers. Please include a sample report that shows the information normally made available.
- 1.2 Describe the timeline related to the data FEI supplies, including the following:
 - 1.2.1 How old is the data when the marketer is first able to access it?
 - 1.2.2 Does the age of the information vary? If so, what is the range of the age of the information?
 - 1.2.3 Please explain FEI's internal standards for the timeliness of the information.
- 1.3 Describe the accuracy of the data, including the following:
 - 1.3.1 What is the accuracy standard of the data when the marketer is first able to access it?
 - 1.3.2 To what extent does the information vary from actual consumption?
 - 1.3.3 Explain FEI's internal standards for the accuracy of this information.
 - 1.3.4 How and when is the data adjusted after the initial delivery? To what standard is the data adjusted?
 - 1.3.5 How is the initial information reconciled with the subsequent consumption records that FEI uses to determine compliance with the balancing rules? How does FEI communicate these adjustments to marketers?
- 1.4 What is the timeline that a marketer must follow to nominate daily gas supplies into the FEI WINS System?
- 1.5 Does FEI follow this timeline to nominate gas for Rate Schedule 14 customers? Please explain any differences.

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- 1.6 How current is the consumption data that FEI supplies to the marketer when they must make a nomination into the FEI WINS System? Please explain any variation in the age of the data.
- 1.7 Does the marketer have the opportunity to adjust nominations after the trading deadline for the next gas day has passed?
- 1.8 Is the data provided sufficient in all cases to accurately nominate supply for a group of customers for one day ahead? Please explain the basis for the response.
- 1.9 How does FEI adjust supply for its Rate 14 group after the initial nomination?
 - 1.9.1 Describe: 1) FEI's decision-making process, 2) its access to intra-day market supply, or 3) any other factors involved in the adjustment process.
 - 1.9.2 Describe how FEI communicates with its customers to determine the expected customer loads to stay within the balancing tolerances for the day ahead.
- 1.10 Over the last five years, how accurate have FEI's nominations been for the FEI Rate 14 group? Please show the information in a table format, including the following:
 - 1.10.1 The variation of the nomination from the actual usage,
 - 1.10.2 The balancing charges, UOR, or other charges levied,
 - 1.10.3 The number of gigajoules of balancing gas, balancing service, and UOR gas or other supplies used.

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**2.0 Reference: BC GMC Complaint, Exhibit B-1, Page 2
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Preamble:

These questions relate to the: 1) measures necessary to assure timely access to customer consumption data, and 2) access to past customer usage data to estimate usage for individual customers and customer groups. The references to data refer to the mean usage data and any affiliated or related data.

Request:

- 2.1 Describe FEI's process to deliver the data from the meter set to the marketer including any internal time limitations, time deadlines, processes, and any other factors that go into how and why the current standard exists, as well as the current standard (i.e. two days after burn) and the performance of FEI in reaching that standard (i.e. 92% on-time delivery).
- 2.2 When and how did FEI establish the current standards of usage data delivery?
- 2.3 Has FEI changed the standards over the past ten years? Please explain how the standards have changed.
- 2.4 What Tariff provisions establish the standard of data that FEI uses?
- 2.5 Has FEI studied the feasibility of providing metered data (including the increased use of real-time metering) to end users? If so, explain the findings of FEI. If not, why not?
- 2.6 Has FEI studied any new technologies, software or approaches that would improve the accuracy or timeliness of the usage data or its provision? If so, explain the findings. If not, why not?
- 2.7 How would FEI detect a significant error in metered usage data?
- 2.8 How does FEI adjust or make allowances in the account for the affected customer(s)? What happens if the measurement error continues into a curtailment period?
- 2.9 If FEI adjusts meter reading data after the billing period ends, and that adjustment affects the volume of high end charges already allocated and billed, how does FEI adjust the account for the affected customer(s)?
- 2.10 For the measurement data FEI receives from upstream or downstream parties, as well as measurement data that FEI collects on its own behalf:

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- 2.10.1 What is the data standard for accuracy?
- 2.10.2 How old is the data used to make an estimate for FEI's own upstream nominations for the next day?
- 2.10.3 Does FEI receive or use real-time data to monitor its load intra-day and make adjustments to its orders and deliveries?
- 2.10.4 What is the "oldest" data that FEI has to rely on in the regular course of ordering gas supplies in its daily operations?
- 2.11 Explain the balancing provisions that FEI operates under with its suppliers, both gas and upstream pipeline capacity.
- 2.12 What penalties would FEI incur from suppliers and upstream pipelines during events that would normally cause FEI to implement curtailments?

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3.0 Reference:

These questions relate to potential adjustments to the balancing rules to allow for inter-customer group balancing.

The basic elements of a possible inter-customer group balancing would include the following

1. allow marketers to cross-allocate deliveries retroactively to their respective groups within the same region.
2. the customer cross-allocating deliveries would arrange compensatory measures between themselves.
3. FEI would adjust the respective customer accounts for deliveries made.
4. These adjustments are accounting related, so no actual gas flows are affected and FEI gas supply is not affected.

Request:

- 3.1 Has FEI allowed inter-customer group balancing in the past? Please explain how it worked.
- 3.2 Did FEI facilitate or aid parties with such balancing?
- 3.3 When did FEI stop allowing such balancing?
- 3.4 Is such balancing possible under the current Tariff?
- 3.5 Explain any operational or system impediments to allowing such balancing?
- 3.6 Does FEI see any benefits to allowing such balancing?
- 3.7 Would FEI lose significant penalty revenue by allowing such inter-company group balancing? If so, explain the approximate amount of revenue expected to be lost.
- 3.8 What are the total annual balancing charges that FEI has imposed over the past five years?
- 3.9 To what extent does the revenue from balancing charges accrue to the benefit of: 1) customer groups, or 2) FEI? Please explain the allocation. Does the multi-year rate settlement affect who benefits?

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4.0 Reference:

These questions relate to FEI's practices related to: 1) decisions to curtail, 2) timing of curtailment, 3) return of gas, and 4) associated charges.

FEI defines Transportation Services curtailment and access to balancing gas and inventory gas as a "Hold to Authorized".

For these questions, the word "curtailment" means any reduction in service or supply by FEI for any customer group, including Rate Schedule 7, 10, and 14, 22, 23, 25, 27 and excludes non-peak (summer time) curtailments made for operational maintenance reasons.

Request:

- 4.1 How does FEI determine if curtailment is necessary for a customer?
- 4.2 How does FEI decide to curtail transportation service customers? Does FEI have a defined priority? If so, please explain it.
- 4.3 How does FEI determine when curtailments may be terminated? Does FEI have a defined priority? If so, please explain it.
- 4.4 How many times has FEI curtailed (restricted supply wholly or partially) for each rate class (including Rate Schedule 7, 10, 14, 22, 23, 25 and 27) for each of the past 5 years? Please use a tabular format to summarize the information.
- 4.5 When customers were under a curtailment, how often was FEI:
 - 4.5.1 "short" gas supply – i.e. in a situation where FEI had to buy incremental intra-day or day ahead gas?
 - 4.5.2 "long" gas supply – i.e. in a situation where FEI had gas supply beyond the actual load that could have been either packed onto the Enbridge pipeline or sold?
- 4.6 List the occasions that FEI engaged in the sale of gas – i.e. off-system sales, for the past five years on days when customers were in curtailment. Indicate: 1) which customer classes were curtailed, 2) the volumes sold, 3) the party sold to, 4) the type of entities sold to, and 5) the dates.
- 4.7 List each day of curtailment, by region, for the past five years and show
 - 4.7.1 the total of the gas supplied by the customers in each rate class and the total volumes actually used by the customers in each rate class.

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4.7.2 the daily spot market price for the two days immediately before, each day during, and the 5 days immediately after each curtailment.

4.8 Does FEI consider the curtailment of transportation customers as a "source of supply"?

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5.0 Reference:

These questions relate to FEI's offering of competitive service to transportation customers served by gas marketers.

Request:

- 5.1 Please explain FEI's marketing activities related to Transportation Service customers on Rates 22, 23, 25 and 27 for the last three years? Describe the nature and frequency of communications FEI has with customers in this class separated by rates schedule, region, and any other relevant attributes.
- 5.2 Please describe the nature, general purpose, and structure of FEI marketing group(s). Please include groups promoting Demand Side Management incentives, Biogas programs, Transportation Gas Sales (CNG or LNG).
 - 5.2.1 How many employees work in sales or marketing roles? Please list the number of employees for the past three years, by year.
 - 5.2.2 Please list annual budget amounts for the past three years, by year.
 - 5.2.3 Please list the departments, by name, involved in marketing activities. Have there been any changes in the past three years?
 - 5.2.4 Please provide an organizational chart of the marketing department(s) as well as related and ancillary customer-facing groups.
- 5.3 In the last three years, has FEI sent communications to Transportation Service customers explaining the advantages to return to Bundled Service? If so, provide the details and copies of the communication notices.
- 5.4 Has FEI solicited any customers by comparing
 - 5.4.1 Their regulated price to index prices? If so, please explain the details.
 - 5.4.2 FEI performance relative to natural gas marketers in buying their natural gas – for example, by relying on AECO and/or Station 2 hubs coupled with their ability to contract long-term (years) of transport on Enbridge Pipeline to the Huntingdon/Sumas market hub?
- 5.5 For each of the 2018 and 2019 gas years, how many presentations did FEI make to transportation customers explaining rate options that may have included discussions about the comparison of market vs. bundled rates? Please list the dates and the customer groups involved.

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6.0 Reference:

The need for a FEI code of conduct for its gas marketing activities to establish a competitive market and level playing field for all participants.

Request:

- 6.1 Within the last five years, has FEI allowed Transportation Service customers to return to Bundled Service other than at the start of the Contract Year? Has FEI allowed all requests of this type? Please explain the details.
- 6.2 Confirm that the relevant Transportation Service tariffs only allow customers to return to Bundled Service at the start of the Contract Year (November 1) after giving "not less than 2 months' notice prior to the end of the Contract Year then in effect".
- 6.3 Did each case listed in response to question 6.1 comply with the relevant Tariff for switching from Transportation Service to Bundled Service? Please explain the relevant section of the Tariff, and how FEI applied it.
- 6.4 Please explain the FEI process employed to resolve disputes between FEI and a marketer related to the interpretation of the Transportation Service tariffs or the related balancing rules.
- 6.5 Please confirm
 - 6.5.1 When a Rate 23 Transportation Service customers first accesses Transportation Service, they must pay the Automated Meter Reading installation fee of \$400.
 - 6.5.2 If that customer subsequently returns to Bundled Service, the AMR device is removed at no charge.
- 6.6 In April 2019, FEI sent a letter to marketers and subsequently to all transportation service customers advising them that the date for switching from transport service to bundled service had been advanced from Sept 31, 2019 to June 30, 2019 and that this advanced date was a "hard" cut-off for any such requests.
 - 6.6.1 Explain the circumstances leading to the subsequent letters on this same matter sent by FEI to the same customers extending the "hard cut-off" date twice and eventually allowing customer switches up to the original date allowed for in the Tariff. Please include representative copies of all such letters in your response.

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6.6.2 Did FEI engage in any additional activities related to this letter campaign – for example, phone calls, meetings, emails, public notices, or presentations? If so, please list those activities and provide any related communication documents.

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7.0 Reference

These questions are related to Fortis' low-load factor customers and Fortis' marketing to transport customers.

Request:

- 7.1 With respect to allowing access to various Rate Schedules, what restrictions exist for accessing rate schedules in which the Gas Supply cost is based on the Rate Schedule 5 Gas Supply cost?
- 7.2 Which Rate Schedules use the Rate 5 Gas Supply rate?
- 7.3 What is the load factor basis that underlies the Rate 5 gas Supply costs?
- 7.4 In terms of the Rate 5 Gas Supply Cost, if the actual load factor of clients accessing supply at that cost was worse than the load factor used to calculate that cost, would Fortis agree or disagree that a cross-subsidy exists between those clients and other clients? In either case explain why or why not.
- 7.5 As an example, if a customer with a load factor of 30% accessed a rate schedule with gas supplies priced at the Rate 5 Gas Supply cost, what amount of cross-subsidy would theoretically exist, expressed in \$/GJ?
- 7.6 If a material volume of supply were shifted from other rates classes to Rate Schedule 5 or Rate Schedule 7, in effect if the situation described above was the case, on what basis would Fortis reevaluate the Rate 5 Gas Supply Charge to make sure it still adequately reflected the actual load factors of the customers receiving the gas at that cost?
- 7.7 For clarification on what basis is Rate Schedule 7 Interruptible or able to be curtailed for either gas supply or transportation service?

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8.0 Reference:

BCUC IR 1.2 Table 3 and Figure 3.

Preamble: The total volumetric penalties do not reflect the volumes that cumulative inventory reduced by during periods of "hold to authorized".

Table 3: Shipper Agent B – Total Volume and Charges

	DAILY BALANCING GAS SOLD	BALANCING SURCHARGE 10-20% RANGE	BALANCING SURCHARGE 20% PLUS RANGE	UOR UNDER 5%	UOR OVER 5%
Oct-18	-		-	-	-
Nov-18	-			277	-
Dec-18	-			2,820	2
Jan-19	-	10,306	5,049		
Feb-19	-			261	-
Mar-19	-	12,665	36,609	-	-
Apr-19	29,640	12,352	36,075		
May-19	-	640			
Jun-19	-	1,601			
Jul-19	-	1,083	2,453		
Aug-19	63,114	8,504	42,731		
Sep-19	21,728	6,329	14,707		
Oct-19	-				
Nov-19					
Dec-19					
Jan-20	-	1,063	4,063	-	-
Total GJ	114,482	54,543	141,687	3,358	2
\$/GJ	Sumas Daily	\$0.25	\$0.30/\$1.10	Sumas Daily	>\$20 or 1.5 x Sumas Daily
Total \$	\$ 283,386	\$ 13,636	\$ 79,083	\$ 49,811	\$ 38

Request:

- 8.1 Did Shipper Agent B reduce its cumulative inventory by passing drafting penalties directly onto the customers of Shipper Agent B?
- 8.2 Is there another mechanism (besides passing on drafting penalties to customers) that a shipper could employ to reduce cumulative inventory during a hold to authorize outside of penalties?

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9.0 Reference:

Below is an example of the line pack information that Westcoast provides to its shipper. Westcoast provides the "status" of each shipper and the chart provides overall system status that gets refreshed approximately every 30 minutes.

Current Operational Status - Green - Current Linepack: 2832 MMCF

Pipeline Operational Status - April 14 08:30 CCT

Green → **Green**
Healthy Linepack Healthy Linepack

Commercial Notes:
Shippers must ensure accounts are within tolerance.

System-Wide OFO in Effect: No
Last refreshed on 14-Apr-2020 14:24 CCT

BC Pipeline Linepack		
Current	14-Apr-2020 02:05 PM	2832 MMCF
Target for Gas Day	14-Apr-2020	2950 MMCF
Projected	15-Apr-2020 09:00 AM	2843 MMCF
End of Gas Day	13-Apr-2020	2835 MMCF
End of Gas Day	12-Apr-2020	2811 MMCF

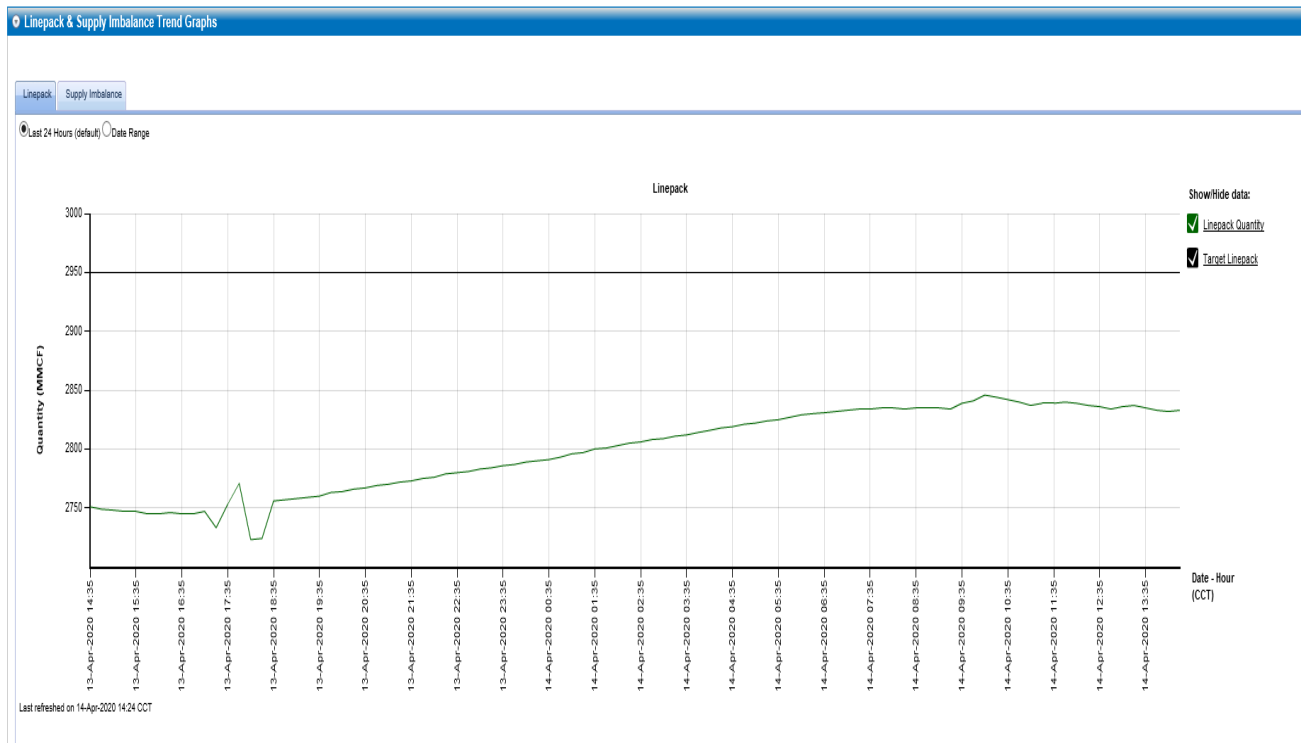
Estimated Imbalance at the end of Gas Day April 13, 2020	
Total Shipper Imbalances (GJ)	-136,701
Total CBA Imbalances (GJ)	95,275
System Gas On Pipe (GJ)	33,675

A negative imbalance is owed to the Pipeline

Current Pipeline Nomination Status - No Discrepancies

Shipper	Last Scheduled Cycle: Intraday 1 Gas Day: 14-Apr-2020	Last Scheduled Cycle: Timely Gas Day: 15-Apr-2020
Direct Energy Marketing Limited	<input checked="" type="checkbox"/> No Discrepancies	<input checked="" type="checkbox"/> No Discrepancies

Last refreshed on 14-Apr-2020 14:24 CCT



Request:

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9.1 Would FEI be willing and able to provide similar system level information? If not, please explain the reasons why shippers should not be provided with system line pack information.