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Our File: 23841/0226

May 1, 2020

**VIA ELECTRONIC MAIL**

British Columbia Utilities Commission  
6<sup>th</sup> Floor, 900 Howe Street  
Vancouver, B.C. V6Z 2N3

**Attention: Patrick Wruck, Commission Secretary  
and Manager, Regulatory Support**

Dear Sirs/Mesdames:

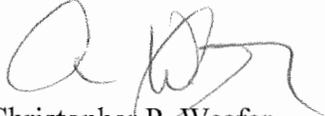
**Re: FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC) (collectively FortisBC) -  
COVID-19 Customer Recovery Fund Deferral Account Application dated April 3,  
2020**

We are counsel to the Commercial Energy Consumers Association of British Columbia (the "CEC"). Attached please find the CEC's first set of Information Requests with respect to the above-noted matter.

If you have any questions regarding the foregoing, please do not hesitate to contact the undersigned.

Yours truly,

**OWEN BIRD LAW CORPORATION**



Christopher P. Weafer

CPW/jj  
cc: CEC  
cc: FortisBC  
cc: Registered Interveners

**COMMERCIAL ENERGY CONSUMERS ASSOCIATION  
OF BRITISH COLUMBIA (“CEC”)**

**INTERVENER INFORMATION REQUEST NO. 1**

**FortisBC Energy Inc. (“FEI”) and FortisBC Inc. (“FBC”) (collectively, “FortisBC”)  
COVID-19 Customer Recovery Fund Deferral Account Application  
dated April 3, 2020**

**May 1, 2020**

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**1. Reference: Eligibility**

FortisBC states that “(E)ligible 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.”

- 1.1 When the eligibility criteria were restricted to residential and small commercial and the plan selected was for three months deferral did Fortis BC review analytical evidence that this selection of criteria and program were justified by quantitative evidence and if so please provide the quantitative analysis that established the basis for the eligibility.
- 1.2 If the plan was in part based on BC Hydro’s plans, please provide all of the documentation received about BC Hydro’s plans and all of the quantitative analysis BC Hydro has provided.
- 1.3 For the commercial sector, regardless of size, please provide an analysis of the use of energy by type of customer to the extent FortisBC can provide such data. The CEC is particularly interested in the following categories, hotels, motels, tourist attractions, beverage retail, restaurants, food services and rental properties. Please provide the data by size of customer based on average energy use and or rate categories.
- 1.4 The CEC represents the interests of the BC Hotels Association, Tourism Industry Association of BC, Association of Beverage Licensees, BC Restaurant and Food Services Association and Landlord BC in this proceeding along with the interests of the entire commercial sector. Please provide any and all analysis in regard to the need for relief FortisBC has developed or received, particularly quantitative analysis with respect to the customer need in the residential sector, small commercial sector and the remaining commercial sectors, with a specific emphasis on the following categories, hotels, motels, tourist attractions, beverage retail, restaurants, food services and rental properties.
- 1.5 Please indicate whether or not FortisBC has done any quantitative analysis and assessment with regard to the impacts of not providing complete relief for customers and

not deferrals versus the risks of bankruptcy or business termination and loss of market demand.

- 1.6 Please provide FortisBC's defense against accusations of eligibility and treatment discrimination between rate classes, for providing the differential reliefs to different customer categories.
- 1.7 Please provide the impact on FortisBC's shareholder, of a program which would provide full relief for customer need, based on customer % loss of business submissions, if the relief were collected in the deferral account and recovered by the utility in the future from general rates and if the deferral account carries an appropriate interest rate to preserve the utility's return on investment.

## **2. Reference: Repayment plan**

FortisBC states that "Residential and small commercial customers who apply and qualify for the three-month bill deferral will also enter into repayment arrangements for their deferred balance to be paid over the twelve months following the deferral period, commencing July 1, 2020."

- 2.1 Please provide an assessment on a per customer basis of the costs of managing a 3 months deferral and collecting the same for each individual customer.
- 2.2 Please provide an indication as to whether or not the cost would vary by size of customer and by how much it would vary by size of customer.
- 2.3 Please provide an estimate of relief for customers with the most significant business losses regardless of the size of the customer and provide it by customer rate category.
- 2.4 Please estimate the rate increase level and cost to all rate payers of recovering a deferral account balance over one following year for the relief estimated to be needed for the customer categories the CEC is particularly concerned about, (hotels, motels, tourist attractions, beverage retail, restaurants, food services and rental properties) and any others that FortisBC believes could have comparable business losses.

## **3. Reference: Small Commercial Customers**

FortisBC proposes to offer two targeted relief measures for qualifying small commercial customers, effective April 1, 2020:

- bill payment deferral, and
- temporary bill relief for certain qualifying small commercial customers experiencing significant financial difficulties as a direct result of the COVID-19 pandemic.

- 3.1 Please provide a description for each of the customer management steps required to manage:

- (1) specific customer deferrals, versus those required to manage; and
- (2) a complete relief from bills collected through the deferral account.

FortisBC states that it 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.

- 3.2 Please explain why reduction of consumption would be a better proxy for the customer's need than the customer's loss of business specifically reported and attested to by the customer with rights to sample audit.

The Application explains that its proposal is designed around the principles put forward by FortisBC and BC Hydro in the Evacuation Relief Tariff Amendments proceeding currently before the BCUC, which is proposing evacuation relief for customers that are under an evacuation order rather than being under a public health order.

- 3.3 Please explain how the Covid-19 pandemic is similar to the Evacuation Relief Tariff customer circumstances and please explain the differences.
- 3.4 Please explain the relief provided to Evacuation Relief Tariff customers.
- 3.5 Please explain whether or not FortisBC has any quantitative information about which of its commercial customers carry business interruption insurance for pandemic effects and provide any evidence FortisBC has for this.
- 3.6 Please provide information on whether or not any Evacuation Relief Tariff customers were reviewed to determine if they had business interruption insurance for pandemic effects.

#### **4. Reference: Deferral Account Treatment**

On page 4 of the Application, FortisBC states that the COVID-19 Customer Recovery Fund deferral accounts will accrue the amount of customers' energy bills by rate schedule that ultimately become unrecoverable from customers and FortisBC will seek approval of the method of recovery of the balances in the deferral accounts in future rate setting processes when the impact of unrecovered customer amounts from pandemic is better known.

- 4.1 Please provide information on how FortisBC would apply a cap on relief and whether or not it would be customer need dependent or simply a size cut off, discriminating against any one not fitting within any proposed cap.

FortisBC explains that 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.

- 4.2 Please provide information the impacts on FortisBC's shareholder should the deferral account carry all of the costs impact reductions on net income of relief provided to customers regardless of size, provided that the deferred cost carried an appropriate interest rate to preserve the utility shareholder's return on investment equity.