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May 5, 2020

British Columbia Public Interest Advocacy Centre
Suite 803 470 Granville Street
Vancouver, B.C.
V6C 1V5

Attention: Ms. Leigha Worth, Executive Director

Dear Ms. Worth:

**Re: British Columbia Hydro and Power Authority (BC Hydro) and FortisBC Energy Inc. and FortisBC Inc. (FortisBC)**

**Evacuation Relief Tariff Amendment Applications (Applications)**

**Response to the British Columbia Public Interest Advocacy Centre representing the British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, Together Against Poverty Society, and the Tenant Resource and Advisory Centre *et al.* (BCOAPO) Information Request (IR) No. 2**

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In accordance with British Columbia Utilities Commission Order G-68-20 further establishing the Regulatory Timetable for the review of the above noted Applications, FortisBC respectfully submits the attached response to BCOAPO-FortisBC IR No. 2.

If further information is required, please contact the undersigned.

Sincerely,

**on behalf of FORTISBC**

***Original signed:***

Doug Slater

Attachments

cc (email only): Commission Secretary
Registered Parties

**6.0 Reference: Exhibit B2-3, BCUC 2.1**

**Exhibit B2-4, BCOAPO 1.1 and BCOAPO 1.2.1**

**Preamble:** The response to BCUC 1.2.1 states:

"In a situation where a customer's premise is destroyed during an Evacuation Order, FortisBC would attempt to determine the date the premise was destroyed, and would close the account on the earliest of the date the premise was destroyed or the date of the Evacuation Order. Further, when the customer of a destroyed premise rebuilds and requests reconnection, FortisBC has the ability to waive certain fees, if appropriate, such as the application, reconnection, or reactivation charges".

6.1 Will FortisBC commit to waiving the connection/reconnection fees for customers whose premise were destroyed during an event that triggered an Evacuation Order?

**Response:**

Consistent with the response to BCUC-FortisBC IR1 2.1, FortisBC has the flexibility to consider the circumstances and may waive the connection/reconnection fees for customers whose premise is destroyed whether by an event which triggered an Evacuation Order or otherwise.

6.2 If not, what criteria will FortisBC use to determine whether or not it will exercise its ability to waive such fees?

**Response:**

Please refer to the response to BCOAPO-FortisBC IR2 6.1.

6.3 In general, with respect to FortisBC's ability to waive such fees, how will the Companies ensure that all customers are treated equally?

**Response:**

FortisBC provides its customer service representatives with guidance and training to enable them to assess individual customer circumstances to determine when a waiver of fees is appropriate. This guidance and training allows FortisBC's customer service representatives to apply consistent principles as they support the unique needs and situations that our customers, including Evacuee Customers, may have.

**7.0 Reference: Exhibit B2-3, BCUC.2.3 and BCUC 3.1**

**Exhibit B2-4, BCOAPO 3.1**

**Preamble:** In its responses to the BCUC information requests, FortisBC has revised its proposed tariff changes to allow for the discretion to consider individual customer circumstances, such as being subject to an Evacuation Order for less than the five consecutive day threshold, when granting evacuation relief.

7.1 What criteria will BC Hydro use to determine whether relief will be provided to evacuee customers who do not meet the five consecutive day threshold?

**Response:**

FortisBC presumes that the question was intended to ask what criteria FortisBC will use to determine whether relief will be provided to Evacuee Customers who do not meet the five consecutive day threshold.

For customers who seek evacuation relief but do not meet the five consecutive day threshold, FortisBC will consider the individual customer's circumstances, including relevant details such as Evacuation Order duration, number of Evacuation Orders in the relevant time period, and the customer's location. For example, if a customer was under an Evacuation Order for less than five consecutive days while others in the same area were under an Evacuation Order for much longer, FortisBC may determine that those customers evacuated for less than five consecutive days should also be granted evacuation relief. The discretion in applying the five consecutive day threshold enables more consistent customer treatment when customers are subject to the same qualifying disaster event that results in Evacuation Order(s) being issued.

FortisBC proposes it will review these cases based on the customer's individual circumstances, guided by the following considerations, which is similar to that discussed by BC Hydro in its response to BCUC-BC Hydro IR1 1.2.1 (Exhibit B1-4):

1. That the disaster event resulted in Evacuation Order(s) that were in place for at least five consecutive days for parts of the municipality or regional district;
2. Evacuation Order(s) that were in place for less than five consecutive days were in the same geographic area as customers affected by Evacuation Order(s) for at least five consecutive days; and
3. If Evacuation Order(s) affected a large number of customers but was for less than five consecutive days, it may be appropriate to provide those Evacuee Customers with relief, as was discussed in the response to BCUC-FortisBC IR1 3.4 (Exhibit B2-3).

7.2 How will FortisBC ensure that these criteria will be applied on a fair and consistent basis to all customers who do not meet the five consecutive day threshold?

**Response:**

Similar to how FortisBC implements and manages consistent customer service practices generally, customer service representatives, team leaders, and managers will be provided with relevant guidance and training. This will allow customer service representatives, supported by team leaders and managers, to apply this discretion in a fair and consistent manner to all Evacuee Customers.

**8.0 Reference: Exhibit B2-3, BCUC 3.10**

**Exhibit B2-4, BCOAPO 1.3.2**

**Preamble:** FortisBC's response to BCUC 1.3.10 indicated that while it did not specify a deadline for when an Evacuee Customer would be eligible to request evacuation relief, one was implicit through the existing references in the tariff to the applicable limitation period provided by law. The response also indicated that FortisBC has revised its proposed tariff changes to include the discretion to consider requests by potential Evacuee Customers more than two years after an Evacuation Order has ended.

8.1 Please explain what criteria FortisBC will use to determine whether or not to provide a credit to an Evacuee Customer for the Rate Schedule charges that are or would otherwise have been applicable during the Evacuation Period if an Evacuation Order has ended more than two years before the date FortisBC receives a request from the customer.

**Response:**

As discussed in the response to BCUC-FortisBC IR1 3.10, FortisBC is expecting to proactively identify customers eligible for evacuation relief once an Evacuation Order is made. As such, FortisBC expects the number of customers likely requesting evacuation relief more than two years after the end of the Evacuation Order, to be very low. Generally speaking, FortisBC would evaluate such requests on a case-by-case basis based on the individual circumstances, in consideration of the same factors as would be considered for all Evacuee Customers irrespective of whether the request is made within the two-year period or beyond.

**9.0 Reference: Exhibit B2-3, BCUC 2.5**

**Exhibit B2-4, BCOAPO 1.1**

9.1 When FortisBC uses its discretion to waive Late Payment Charges or Connection/Reconnection Charges, are the revenue impacts to the account of the ratepayers or the shareholder?

9.1.1 If to the account of the ratepayer, please explain how this is accomplished.

**Response:**

When Late Payment Charges or Connection/Reconnection charges are waived, the result is a lower amount of "Other Revenue" than would have otherwise been the case. Since the forecast of Other Revenue received from these charges is primarily based on historical averages, the forecast for each year implicitly includes some impact of historical levels of waived fees.

The treatment of variances between actual late payment and connection/reconnection revenue received and amounts forecast is dependent on the approved rate setting mechanism in place. Under the PBR for 2014-2019, Other Revenue variances of this nature were captured in the Flow-through deferral accounts and returned to or recovered from customers in the subsequent year. As proposed in the MRP Application, Other Revenue variances of this nature will be shared equally between customers and the shareholder through the proposed earnings sharing mechanism.

**10.0 Reference: Exhibit B2-3, BCUC 2.7 and BCUC 2.8**

**Preamble:** The response to BCUC 2.7 states:

"FortisBC believes that the benefit generated by the relief provided under the amendments to FEI GT&Cs and FBC T&Cs provides a benefit to ratepayers that sufficiently justifies the cost to provide the relief".

10.1 In the referenced part of BCUC 2.7 does FortisBC include the revenue impact of waiving certain Rate Schedule charges as part of the "cost to provide the relief"?

**Response:**

The response to BCUC-FortisBC IR1 2.7 related to the "cost to provide relief" is focused on the administrative costs of identifying Evacuee Customers and implementing bill credits or waivers of charges, which will be absorbed as part of O&M, rather than the revenue impact of waiving certain rate schedule charges. With respect to the revenue impact of bill credits or waiver of charges, FortisBC believes that the benefit of the proposed evacuation relief provided to Evacuee Customers impacted by Evacuation Orders outweighs the cost impact to all customers[1]. This is because the benefit is significant to impacted Evacuee Customers, the relative portion of Evacuee Customers to total customers overall is small, and the time period that Evacuee Customers are impacted is temporary and short in duration and, as such, the financial impact on all customers of providing this exemption is expected to be minimal.

10.2 Can the proposed tariff changes be justified on a "cost of service" basis? If yes, please demonstrate.

**Response:**

FortisBC has interpreted "justified on a 'cost of service' basis" to inquire whether the tariff changes result in an overall lower cost of service, to which the answer is no. The tariff changes have been proposed on the basis that FortisBC believes they are in the public interest. The Companies considered that the cost of service associated with providing the relief is expected to be minimal, the benefit is equally available to all customers and finally, that the benefit of the proposed tariff amendments provides for ease of administration of evacuation relief to customers and potentially reduced regulatory related costs overall.

[1] Revenue impacts would be recovered from all customers, including Evacuee Customers.

10.3 Can the proposed tariff changes be justified on an economic basis (i.e., customers in general either benefit or, at minimum, are held harmless from an economic perspective)? If yes, please demonstrate.

**Response:**

Please refer to the response to BCOAPO-FortisBC IR2 10.2.