

BRITISH COLUMBIA UTILITIES COMMISSION

FORTISBC ENERGY INC. (FEI) MULTI-YEAR RATE PLAN FOR 2020 THROUGH 2024 APPROVED BY
THE BRITISH COLUMBIA UTILITIES COMMISSION (BCUC) ORDER G-165-20 (MRP PLAN)

ANNUAL REVIEW FOR 2020 AND 2021 DELIVERY RATES

INFORMATION REQUEST NO. 1 TO FORTISBC ENERGY INC. FROM MoveUP

1.0 TOPIC: DEMAND FORECAST AND REVENUE AT EXISTING RATES

REFERENCE: p. 18

4 **3.3.2.1 Commercial Customers**

5 The commercial net customer additions forecast is based on the average of the actual net
6 customer additions over the last three years for which a full year of actual data is available (i.e.,
7 2017 to 2019). As there was a relatively large migration of Rate Schedule 23 transportation
8 customers to bundled service under Rate Schedule 3 over the past years, these two rate
9 classes were forecast together as “large commercial” and the total allocated to the two rate
10 classes proportional to the current composition. For 2020, the first six months of the forecast
11 were replaced by actual values.

1.1 Please identify “the past years”

1.2 What proportion of Rate Schedule 23 customers (customer numbers and delivery volumes) have migrated to Rate Schedule 3 over that period?

1.3 What has been the net revenue impact of this migration? (a reasonable approximation will suffice)

1.4 What are the motivations behind this migration? To what extent does it reflect changing customer requirements, as opposed to potential rate design issues?

1.5 Does FEI anticipate that it will continue?

REFERENCE: p. 22 - 23

3.3.3 Industrial Demand

6 The 2021F demand for industrial customers was forecast using the Industrial Survey.

7 For the 2021 Forecast, customers responded to the survey in June and July of 2020. The
8 survey was launched as close as possible to the filing date to mitigate potential variances in the
9 forecast, particularly from Rate Schedule 22 customers. The survey needed to be completed by
10 July 6, 2020 to allow sufficient time for internal review of the results, loading of data in FEI's
11 Forecasting Information System (FIS), preparing the forecast and drafting the Application. Since
12 the survey requires approximately five weeks to complete, it was launched on June 5, 2020.

13 As shown in Table 3-1 below, the response rate achieved in 2020 was 46.7 percent of industrial
14 customers, representing approximately 89.3 percent of industrial volumes. There was no reply
15 from 44.5 percent of industrial customers, who received the survey and three reminder
16 notifications; this group represents only 9.5 percent of the industrial demand. Surveys could not
17 be delivered to 8.8 percent of the industrial customers due to issues such as incorrect email
18 addresses; this group represents 1.2 percent of the total industrial load.

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3 The forecast of demand for customers that either chose not to reply to the survey or could not
4 be contacted (representing 11 percent of the total industrial demand) was set to equal 2019
5 Actual consumption.

6 As seen in Figure 3-11 below, the demand from the industrial rate schedules is forecast to
7 increase by 1.3 PJ in 2020P compared to 2019 Approved and then decrease 4.1 PJs in 2021F
8 compared to 2020P.

1.6 Confirm that the forecast demand for the customers who responded to the survey accounts for all of the change in the demand forecast for 2020P and 2021F. If not confirmed, please explain.

1.7 Confirm that this approach assumes that customers who did not respond to the survey are more likely to maintain their current volumes than those who responded. If not confirmed, please explain.

1.8 Confirm that this assumption (that non-responders, uniquely as a group, will not reduce their consumption from pre-COVID levels through 2021) probably results in an overestimation of industrial demand through 2021. If not confirmed, please explain.

1.9 Please explain why FEI did not apply the same changes in demand indicated by the responding customers to the non-responding customers.

2.0 TOPIC: COVID-19 CUSTOMER RECOVERY FUND DEFERRAL ACCOUNT

REFERENCE: p. 69

12 a) Bill payment deferrals provided to residential and small commercial customers

13 The 3-month bill payment deferral program has been offered to residential and small
14 commercial customers affected by COVID-19 from April to June 2020. The bill payment
15 deferrals are to be repaid by customers over a 12-month period with such repayments
16 beginning in July 2020.

17 **Table 7-11: 2020 Bill payment deferral forecast**

COVID-19 Deferral Account	Year	Opening Bal.	Gross Additions	Less Taxes	Amortization Expense	Ending Bal.
COVID-19 Customer Recovery Fund - Bill Payment Deferrals	2020	-	1,625	-	-	1,625
COVID-19 Customer Recovery Fund - Bill Payment Deferrals	2021	1,625	(1,625)	-	-	-

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19 The deferral account gross additions of \$1.625 million related to this customer relief offering
20 have been estimated as the outstanding customer accounts receivable balances of \$3.652
21 million as of July 2020, less the estimated customer repayments from July 2020 through to the
22 end of 2020. As customers are expected to repay the balances over a 12-month term, beginning
23 in July 2020, there is not expected to be an ending balance of bill payment deferral balances as
24 at the end of 2021.

Bill payment deferrals

2.1 Please provide a table showing total monthly deferrals under this program for each of the residential and small commercial customer classes from the inception of the program through August of 2020.

Repayment of bill payment deferrals

2.2 Please provide a table showing total monthly bill deferral repayments under this program for each of the residential and small commercial customer classes in each of July and August 2020, in total dollar amounts and as a percentage of the total repayments that had come due under the program for each month (i.e., percentage of recovery of repayments as they have come due).

REFERENCE: p. 71

18 For residential and small commercial customers, the loss rate took into account the relative
19 increase in the forecasted 2020 unemployment rate for BC from 5.0 percent prior to the
20 pandemic to 8.2 percent. Similarly, there was a loss rate applied for industrial and large
21 commercial customers which incorporated the forecasted 2020 GDP decrease in BC of 4.5
22 percent. The loss rate was then applied to forecasted revenues from March 2020 through to
23 December 2020. The unemployment and GDP indicators are macroeconomic factors based on
24 forecasts from five financial institutions and corroborated through the Conference Board of
25 Canada.

2.3 Please identify the “five financial institutions” and provide the date of each forecast and their corroboration through the Conference Board of Canada.

2.4 Please file the five forecasts and the corroborative document produced by the Conference Board of Canada.

3.0 TOPIC: SERVICE QUALITY INDICATORS – ALL INJURY FREQUENCY RATE (AIFR)

3.1 Please produce a table with updated 2020 year-to-date injuries, identifying with respect to each injury:

- a. General nature of the injury
- b. How the injury occurred
- c. Affiliation (MoveUP, IBEW or Non-union)
- d. Work-days lost
- e. Actions taken, if any, to prevent recurrence