



September 25, 2020

British Columbia Utilities Commission
Via email: Commission.Secretary@bcuc.com

Dear Commission Secretary,

On behalf of the [Canadian Fuels Association](#) (Canadian Fuels) and our members¹, thank you for the opportunity to provide feedback on the draft reporting guidelines for the BC Fuel Price Transparency Act (FPTA).

Canadian Fuels is an association of competitors, as such these comments reflect consensus industry views related to data collection and reporting processes rather than competitively sensitive issues that affect individual fuel suppliers.

Our input is intended to support a practical system that meets the intention of the FPTA. There are several themes which Fuels Association members believe will complicate meeting regulatory requirements and policy goals.

Both BCUC and the obligated parties are working within unrealistic timelines for the consultations and the subsequent implementation steps necessary to meet regulatory requirements. The information required is extensive, and the data required lacks clarity considering the complexity of fuel distribution system. Fuels Association members anticipate monthly reports will require several thousand lines of information. The administrative burden is problematic to first identify the appropriate information then developing a process to extract data in the required format from relevant systems. This will take months but reporting in November requires data gathering in October. This clearly does not account for the clarification of reporting entities or development of data gathering processes. The expectation of gathering quality data within this time frame is unrealistic. In the interim, enforcement of the regulation needs to be relaxed until data collection systems are well established and concerns around data integrity and confidentiality are satisfactorily resolved.

¹ Canadian Fuels members: Federated Co-operatives Limited, Imperial Oil Limited, Irving Oil, North West Redwater Partnership, Parkland Fuel Corporation, Petro-Canada Lubricants Inc., Shell Canada Products, Suncor Energy Products Partnership, Tidewater Midstream and Infrastructure Ltd, and Valero Energy Inc.

Transportation fuel is distributed through a variety of business models. The number of options employed is greatest at the refinery level which adds another layer of reporting complexity for Canadian Fuels members. How costs and volumes are allocated will vary by the different business models and by each obligated party's competitively sensitive internal accounting practices.

An example of this complexity is a refiner supplying a corporately-owned retail site with an internally established transfer cost. Leaving aside for the moment that the concept of a transfer costs does not appear in the Act or the Regulations, we note that transfer cost reporting will differ depending on a number of internal variables which are competitively sensitive and not consistent between fuel suppliers. This will cause uncertainty in cost and volume reporting for these types of transactions. Variations in reporting practice and ambiguity in regulations and draft guidelines compromise the goals of the regulation. Furthermore, a broad interpretation of some of the reporting requirements would capture data and information beyond the jurisdiction of the reporting regime.

It is critical that the data used is compiled and communicated in way that maintains the confidentiality of the party contributing the information. Pricing, volumes and costs are competitively sensitive and Fuels Association members establish procedures to keep this data confidential as a normal course of business. Data aggregation could be helpful to alleviate concerns on data confidentiality but is challenged because obligated parties are not equitably regulated. The derivation of competitively sensitive information would likely be attributable to certain suppliers should source data be made publicly available. A level competitive playing field needs to be in place. As an example, there may be instances where competitively sensitive pricing information is held by reporting parties (i.e. a retailer who purchases wholesale fuel from a third-party supplier) where confidentiality is relevant to their supplier.

Accordingly, we recommend that the BCUC proactively accept pricing information as confidential prior to implementation of reporting under the guidelines, or delay the industry obligation to report until BCUC has reviewed and ruled on the confidentiality of pricing information under the guidelines.

Canadian Fuels members recognize that active collaboration to resolve the issues described above best serves the interests of all parties.

Should you have any questions related to our submission, please do not hesitate to reach out. We would welcome the conversation.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Schick".

Dave Schick

Vice President- Western Division