



Suncor Energy
2489 North Sheridan Way
Mississauga, ON L9T 4Z6
www.suncor.com

October 9, 2020

Commission Secretary and Manager, Regulatory Services
British Columbia Utilities Commission
Email: Commission.Secretary@bcuc.com

Re: Fuel Price Transparency Act – Retail Pilot Methodology and Draft Reporting Guidelines

Dear Commission Secretary:

On behalf of Suncor Energy Inc. and its affiliates, we thank you for the opportunity to provide feedback on the BCUC's Retail Pilot Methodology and Draft Reporting Guidelines, issued pursuant to the *Fuel Price Transparency Act* (FPT Act). We trust that our feedback will be given due consideration in the development of the final methodology and reporting requirements.

Note that any references in this document to Suncor includes Suncor and/or its affiliates.

Consultation Schedule, Commencement of Data Collection and Enforcement of Reporting Obligations

Similar to our written comments regarding the Draft Wholesale Reporting Guidelines, submitted to the BCUC on September 25, Suncor's first observation relates to the compressed schedule for the consultation process prior to the commencement of the pilot and data collection.

The BCUC notified retailers of the retail data collection pilot on September 18, and issued its Pilot Sampling Methodology and Draft Reporting Guidelines on September 22. The deadline for responding to the draft guidelines was set for October 9. This afforded participants only twelve business days to review the sampling methodology and draft guidelines, engage appropriate stakeholders within their respective organizations, attend consultation discussions scheduled on September 29, October 1 and October 6, and prepare written comments. As we stated in response to the Draft Wholesale Reporting Guidelines consultation process, these timelines are unreasonable. Twelve business days is not a reasonable amount of time for a party to properly review the draft guidelines, assess its ability to meet the reporting requirements, and provide informed and thoughtful feedback.

We further note that the Pilot Sampling Methodology and Final Reporting Guidelines will not be issued by the BCUC until October 19, and that the first report is expected to be filed less than a month later, on November 16.

We recognize that the BCUC and its staff face the same timing challenges, and we will collaborate with the BCUC to meet the objectives of the FPT Act. We also appreciate that the BCUC is prepared to work

with industry participants through this process and to remain flexible and pragmatic insofar as strict enforcement of the Regulation is concerned while these issues are addressed and resolved.

Confidentiality

The data proposed to be collected pursuant to the Retail Pilot Methodology and Draft Reporting Guidelines raises the same concerns regarding confidentiality that Suncor identified in its written comments to the Draft Wholesale Reporting Guidelines. Confidentiality and the protection of competitively and commercially sensitive information is a major concern for all industry stakeholders.

Suncor's primary concern specifically relating to the retail purchases and sales report data proposed to be collected in the retail pilot is that the data (a business's location, purchase and sales prices, and volumes), if published, will enable retail competitors to quickly derive margin and revenue. Equipping competitors with this information could adversely affect the competitiveness of the retail fuels industry. For example, competitors that are more efficient could use this information to maximize their margins and/or to drive less efficient competitors out of the market, thereby reducing competition.

We assume that the BCUC will consider the commercial and competitive sensitivity of the retail purchases and sales report data in Parkland's application for an Advance Ruling on Confidentiality, and that any order issued pursuant to that application will apply equally to data reported and collected in the retail pilot.

Undue Administrative Burden for Retail Dealers

Information required within the Draft Retail Reporting Guidelines is extensive and some elements are complex to track, calculate and report. In terms of Suncor's "controlled" Petro-Canada retail dealers, the additional retail sales and purchases data reporting requirements will compound the administrative burden created by the wholesale reporting requirements. An even greater concern, however, is the impact of the retail pilot on independent retail businesses. Suncor expects that the reporting requirements will impose a significant burden on our "uncontrolled" Petro-Canada retail dealers, who will be required to independently prepare and file monthly reports and challenged by relatively limited analytical and reporting capabilities.

We recognize and appreciate that BCUC will be examining this burden relative to the benefit to the public as part of the pilot process, and we trust that it will work with independent retailers to ensure that they are supported throughout the pilot.

British Columbia Monthly Retail Purchases Report and Monthly Retail Sales Report

Regarding BCUC's draft guidelines for the collection of monthly retail purchases information, Suncor provides the following feedback and recommendations:

Transfer Prices

- Suncor notes that the draft guidelines ask for a "transfer price" to be reported where a purchase price is inapplicable.

Recommendation:

- Suncor requests the BCUC change its Retail Pilot Methodology and Reporting Guidelines to align with the final Wholesale Guidelines issued on October 5th; specifically, that "Transfer pricing information is not required to be reported on any forms".

Transportation Costs per Litre (\$/L)

- Suncor uses 'statistical freight' to track and report on the cost of transporting the fuel from a supply terminal to a retail site when this cost is borne by Suncor; any reporting of freight costs for Suncor "controlled" retail dealers will be on a statistical basis as there is no ability for Suncor to match individual freight logistics invoices to individual deliveries within our reporting systems.

Fuel Cost Adjustments (rebates, adjustments, etc.)

- As a supplier of retail fuel to Petro-Canada "uncontrolled" retail dealers that purchase the product from Suncor, Suncor may provide rebates, corrections and other adjustments that are independent of volume and that cannot be tied to a previously reported transaction.

Recommendation:

- Suncor requests the ability for its "uncontrolled" retail dealers to report these fuel cost adjustments on a total \$ amount rather than a \$ per litre amount, and the ability to report a total \$ amount without specifying a volume for this transaction if a supply transaction cannot be reconciled to the rebate, adjustment, etc.

Clarification on Fuel Type Definitions

- Suncor supplies its Petro-Canada branded "controlled" and "uncontrolled" retail dealers with Ultra Low Sulphur Diesel that meets the quality specifications and seasonal temperature and fuel volatility requirements specific to each geographic location.

- Suncor, however, does not designate “ULSD BC4” or “ULSD BC6” as a fuel type supplied to retail dealers; transactions simply list “ULSD”.
- Suncor and other respondents requested the inclusion of the cost to meet these quality specifications and seasonal temperature and fuel volatility requirements in the Monthly Importer Report as that is when and where the costs are borne and tracked. Based on the final Wholesale Guidelines, the BCUC rejected this request.
- The BCUC’s decision to request these costs in the retail purchases reports (where they cannot be reported) and to exclude them from the Monthly Importer Report (where they can be reported) will result in an inaccurate assessment and report on the impact of seasonal and geographic fuel quality requirements on local retail fuel prices.

BC Urban Transit Tax

- We note that the BC Urban Transit Tax is not excluded from reported prices, similar to other applicable taxes that are excluded.

Recommendation:

- Suncor recommends that the reported prices also exclude the BC Urban Transit Tax.

We thank you again for the opportunity to comment on your Retail Pilot Methodology and Draft Reporting Guidelines, and reiterate our commitment to working with the BCUC and other industry stakeholders to ensure that the reporting process is balanced, reasonable and practical for everyone.

Should you have any questions related to the submissions in this letter, we strongly urge you to reach out. We would welcome the discussion, and hope that the BCUC shares our commitment.

Sincerely,

James McLean

Director National Pricing
Suncor Energy Products Partnership