

FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC), (FortisBC or the Companies) Application for Approval of Tariff Changes to Permit Relief for Customers Under Evacuation Orders; and Application for Exemption from Applicable Residential and Commercial Tariff Charges for Customers under Evacuation Orders (the Application)	Submission Date: August 15, 2018
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1 Commission staff note that there are a few differences from this application compared to last  
2 year. Last year, the BCUC asked what were the factors that formed the basis for FBC's  
3 proposal to offer credit to customers i.e. why did FBC think it was appropriate to apply under  
4 s63. FBC stated:

- 5 1. Nature and extent of the situation – it was extreme, provincial state of emergency had  
6 been declared
- 7 2. There was over 12,000 customers affected and it would be an administrative burden to  
8 address the needs in the absence of an exemption order
- 9 3. Actual cost of providing the credit was minor, and that even though basic charges  
10 support the maintenance of reliable grid, over time, the basic charges collected from the  
11 customer would outweigh any credit provided. The apportionment of costs amongst all  
12 ratepayers was not going to vary if a small group of customers were provided a small  
13 credit.

14 In this year's application, the difference appears that: Both the utilities are asking to apply the  
15 credit to customers who were affected by two different things – flooding in May and wildfires  
16 starting June. For the wildfires:

- 17 • There appears to be no provincial state of emergency (yet). Last year, FBC described it  
18 as a unique situation.
- 19 • There is no forecast of how many people might get affected, so costs are difficult to  
20 determine.

21 **Response:**

22 FortisBC acknowledges that the extreme circumstances of the situation in 2017 have not yet  
23 been experienced this year. FortisBC is hopeful the situation in 2018 and future years will not  
24 reach extreme conditions as were seen in 2017 when significant areas of the Province were  
25 affected at the same time. However, we are cognizant of and concerned with the impact of  
26 these extreme weather events for customers who are or come to be under an Evacuation Order,  
27 even when they affect only a localized area or a small number of customers. For each Evacuee  
28 Customer, as noted in the Application, the situation is stressful and uncertain and most will not  
29 have the benefit of their utility service while under an Evacuation Order. FortisBC's experience  
30 in 2017 and now in 2018 has made the importance of the relief sought in the Application  
31 increasingly clear.

32 The experience and feedback FortisBC garnered in 2017 from the Evacuee Customers who  
33 were eligible for the section 63 relief granted, supports FortisBC's position that evacuation relief  
34 is important to each affected customer irrespective of the nature and magnitude of the

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1 surrounding circumstances in the rest of the Province. In 2018 a local state of emergency from  
2 flooding was declared for the Grand Forks area while hundreds of customers have recently  
3 been evacuated as a result of wildfires. Currently there are approximately 570 active wildfires  
4 across the Province with thousands of residents on evacuation alert. FortisBC believes that  
5 evacuation relief should be available to Evacuee Customers, irrespective of whether a  
6 Provincial state of emergency is declared. FortisBC notes, however, that unfortunately the  
7 wildfire situation in the Province has worsened and on August 15, 2018, a Provincial state of  
8 emergency was declared with respect to the size and scope of the current wildfire situation.<sup>1</sup>  
9 The wildfire season is likely to persist for several more months and the volatility of the situation  
10 may necessitate further Evacuation Orders.

11 FortisBC provides the following responses to BCUC Staff questions.

12

13 1) For 2017, what were the actual number of total customers affected by wildfires  
14 compared to the forecast of 12,000 customers provided in last year's application?  
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16

16 **Response:**

17 In 2017, a total of 12,919 customer accounts for both FEI and FBC were affected by wildfires  
18 and received the section 63 evacuation relief granted by the Commission. As such, there were  
19 approximately 8 percent more customers affected by wildfires than forecast at the time of last  
20 year's application. The breakdown by utility was as follows:

- 21 • FEI: 12,053 natural gas customer accounts.
  - 22 • FBC: 866 electric customer accounts.
- 23  
24  
25

26 2) For 2017, what was the total actual costs (credit given) related to wildfires? What  
27 was the related administrative costs?  
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29

29 **Response:**

30 For 2017, the total actual costs (credit given) related to the wildfires was \$172,439. The  
31 breakdown by utility was as follows:

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<sup>1</sup> Ministry of Public Safety and Solicitor General Emergency Management news release:  
BC<https://news.gov.bc.ca/releases/2018PSSG0061-001584>.



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- 1 • FEI: \$150,903; and
- 2 • FBC: \$21,536.

3  
4 The related 2017 administrative costs are not accounted for separately and are part of customer  
5 service O&M as opposed to an additional cost. An estimate based on an allocation of  
6 transaction time for the related administrative work is approximately \$46 thousand. An estimate  
7 of this breakdown by utility is as follows:

- 8 • FEI: \$35 thousand; and
- 9 • FBC: \$11 thousand.

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13 3) Please provide the actual number of customers (and estimated credit) affected  
14 by flooding in May.

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16 **Response:**

17 The actual number of customers affected by flooding in May was 2,375. The total estimated  
18 credit, if the relief sought is granted, would be approximately \$56,700. The breakdown by utility  
19 is estimated as follows:

- 20 • FEI: 733 natural gas customer accounts, with a total related credit estimated at \$2,700.
- 21 • FBC: 1,642 electric customer accounts, with a total related credit estimated at \$54  
22 thousand.

23

24

25

26 4) Please confirm that it is FBC's proposal that non-affected customers will bear the  
27 cost of the credit provided to affected customers.

28  
29 **Response:**

30 Not confirmed. FortisBC proposes that the revenue variance from the evacuation relief bill  
31 credits provided to Evacuee Customers (affected customers) would be borne by all customers,  
32 including affected customers. Under the present PBR, the revenue variance would be recorded



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1 in each respective company's flow-through deferral accounts and the impact, if any, would be  
2 addressed and flow through in the subsequent rate setting process.

3 The rate impact of the 2017 Evacuation Orders is as follows:

- 4 • FEI: Delivery rate impact of the \$150,903 evacuation credits is 0.02 percent.
- 5 • FBC: Rate impact of the of the \$21,536 evacuation credits is 0.006 percent.

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7

8 5) Please clarify why FBC is unable to provide a forecast number of customer in the  
9 Application while last year, the estimate provide was 12,000 customers?

10

11 **Response:**

12 In 2017, when FortisBC applied for the section 63 exemption orders, it was at the height of the  
13 wildfire situation and many of the Evacuation Orders had been issued and in place. As such,  
14 FortisBC could forecast, to a reasonable degree, the number of customers that were expected  
15 to be affected. Had weather or other factors contributed to a longer wildfire season with more  
16 wildfires, then the variance from FortisBC's forecast would have been greater.

17 Currently there are an estimated 570 active wildfires across the Province with numerous  
18 Evacuation Orders in place and thousands of residents on evacuation alert. Wildfire danger can  
19 persist for many months depending on weather and other factors, which makes it difficult for  
20 FortisBC to predict how many customers will ultimately come to be under an Evacuation Order.  
21 As such, any forecast FortisBC could provide at this time would be purely speculative and not  
22 reflect what may actually take place.

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