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British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Attention: Mr. Patrick Wruck, Commission Secretary

Dear Sirs/Mesdames:

**Re: FortisBC Energy Inc. and FortisBC Inc. Application for Approval of COVID-19
Customer Recovery Fund Deferral Account ~ Project No. 1599081 - Final Argument**

In accordance with the regulatory timetable in the above proceeding, we enclose for filing the Final Argument of FortisBC Energy Inc. and FortisBC Inc., dated May 13, 2020.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP

[Original signed by]

Christopher Bystrom*
*Law Corporation

CRB/NR
Encl.



BRITISH COLUMBIA UTILITIES COMMISSION
IN THE MATTER OF THE UTILITIES COMMISSION ACT,
R.S.B.C. 1996, CHAPTER 473

and

FORTISBC ENERGY INC. AND FORTISBC INC.
COVID-19 CUSTOMER RECOVERY FUND DEFERRAL ACCOUNT
APPLICATION

FINAL SUBMISSION OF
FORTISBC ENERGY INC. AND FORTISBC INC.

MAY 13, 2020

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A. Introduction

(a) Overview

1. In response to the impact of the COVID-19 pandemic on its customers, FortisBC Energy Inc. (“FEI”) and FortisBC Inc. (“FBC”) (together, “FortisBC”) filed their COVID-19 Customer Recovery Fund Deferral Account Application (the “Application”) on April 3, 2020 to seek approval of customer relief measures and a COVID-19 Customer Recovery Fund deferral account for each of FEI and FBC.¹ In summary, the Application seeks approval of the following for each of FEI and FBC:

- The discretion to offer a three-month bill payment deferral for residential and small commercial customers who have been financially impacted due to the COVID-19 pandemic. Eligible residential and small commercial customers who apply and qualify for this measure will be able to defer their energy bill payments for three months starting April 1, 2020, without penalty, fees, interest charges, or threat of disconnection. Qualifying customers will also enter into repayment arrangements for their deferred balance to be paid over the twelve months following the deferral period.²
- The discretion to offer bill relief in the form of bill credits for three months to small commercial customers that have closed their businesses due to the COVID-19 pandemic. For eligible small commercial customers who apply and qualify for this measure, FortisBC will apply credits to their bills to offset all applicable fees and charges applied to their accounts for three months starting April 1, 2020 through to July 1, 2020. Small commercial customers who qualify under this

¹ Exhibit B-1.

² Exhibit B-1, pp. 2-3.

alternative will effectively have no charges to pay, while maintaining an active account with the utility during the three-month period.³

- A COVID-19 Customer Recovery Fund deferral account for each of FEI and FBC to record and track separately by rate schedule (1) any unrecovered revenue resulting from customers being unable to pay their bills due to the COVID-19 pandemic, (2) any bill payment deferrals provided to customers due to the COVID-19 pandemic and subsequent payments of those deferred amounts; and (3) any bill credits provided to customers due to the COVID-19 pandemic.

2. FortisBC is also working directly with industrial, large commercial and transportation customers that are impacted by the pandemic to provide them with customized bill payment support as needed.⁴ This customized approach has been well-received by these larger customers, who have diverse needs.⁵

3. The customer relief measures proposed in the Application are in addition to other actions that FortisBC is taking to provide relief to customers impacted by the pandemic. These actions include: ceasing all disconnections as directed by the British Columbia Utilities Commission ("BCUC") in Letter L-13-20; suspending late payment and returned payment charges effective March 16, 2020; ceasing all manual collection activity on March 18, 2020; and, ceasing all automated collection activity on March 19, 2020 for FEI and on March 20, 2020 for FBC.⁶

4. In its Application, FortisBC requested interim approval on an expedited basis so that it could begin providing the requested relief to customers. On April 6, FortisBC responded to BCUC information requests⁷ and appeared before the BCUC in an online oral hearing

³ Exhibit B-1, p. 3. The availability of bill credits to small commercial customers that have closed their business due to the pandemic was clarified during the oral hearing.

⁴ Exhibit B-3, BCOAPO IR1 1.3.

⁵ Exhibit B-4, CEC IR IR1 2.4.

⁶ Exhibit B-3, BCOAPO IR1 1.1.

⁷ Exhibit B-2.

process.⁸ The BCUC granted interim approval on April 7, 2020 in Order G-80-20 and Order G-81-20 for FBC and FEI, respectively.

5. Following interim approval, the BCUC commenced a public hearing process and six parties intervened: British Columbia Old Age Pensioners Organization et al (“BCOAPO”), Commercial Energy Consumers of British Columbia (“CEC”), Canadian Office and Professional Employees Union, Local 378 (known as Movement of United Professionals or “MoveUP”), Mr. Shadrack (“Shadrack”), Mr. Gabana (“Gabana”) and the BC Sustainable Energy Association (“BCSEA”). FortisBC responded to information request from four interveners⁹ on May 8, providing detailed responses that addressed the issues raised.¹⁰

6. Overall, the evidentiary record shows that FortisBC’s response to the pandemic provides an appropriate balance between support and relief for FortisBC customers significantly impacted by COVID-19 and the cost to all other FortisBC customers of providing that support and relief.¹¹ The COVID-19 Customer Recovery Fund deferral accounts will provide transparency and reporting by rate schedule of the costs of these customer support mechanisms and the unrecovered revenue due to the pandemic.

7. FortisBC requests approval of its Application on a final basis as soon as practicable to bring certainty to the relief it has already started to provide to customers under the BCUC’s interim orders. Updated draft orders sought are attached to this Final Submission.¹²

(b) Unwinding Interim Relief Not Practical

8. If the BCUC does not grant final approval of the proposed customer relief mechanisms, or modifies the relief mechanisms, FortisBC requests that the BCUC allow FortisBC to honour the relief it has already provided to customers. In FortisBC’s submission, it would not

⁸ Transcript Volume 1, Proceeding April 6, 2020.

⁹ Gabana and BCSEA did not ask any information requests.

¹⁰ Exhibit B-3 to B-6.

¹¹ Exhibit B-6, Shadrack IR1 1.

¹² Note that the reference in FBC’s Application to Rate Schedule 22 was in error and should be Rate Schedule 22A.

be practical or acceptable during this time to claw back the relief offered to customers under interim approval. The inexorable fact is that COVID-19 pandemic is having an impact on the ability of some customers to pay their bills and, even in the absence of the proposed customer relief mechanisms, FortisBC would have used the discretion in its tariffs to allow impacted customers to defer their bill payments in some form, or customers would have simply not paid. As approximately one percent of residential and commercial customers had applied for the relief at the time of responding to intervenor information requests,¹³ honouring the relief offered to date would not have a material impact to other customers. Therefore, if the BCUC determines that it should not grant final approval, FortisBC respectfully requests that the BCUC's direction should be that FortisBC must cease to offer the relief to any new customers as of a specific date - being at least two days after the BCUC's Order, to provide time for FortisBC to provide instructions to its customer service representatives.

(c) Organization of Final Submission

9. The following sections of this Final Submission address the key themes of the information requests on FortisBC's Application, and are organized around the following points:

- FortisBC's proposed approach is the result of a consideration of a balance of factors specific to FortisBC and its customers. Overall, FortisBC's proposal balances support and relief for FortisBC customers significantly impacted by COVID-19 and the cost to all other FortisBC customers of providing that support and relief.
- FortisBC's proposed approach provides relief to affected customers in all rate classes, with a delivery approach tailored to the volume and needs of customers in each rate class.
- FortisBC's proposed COVID-19 Customer Relief Fund deferral accounts are just and reasonable, as they will provide transparency to unrecovered revenue due to the pandemic, help normalize bad debt expense, and are consistent with the

¹³ Exhibit B-5, MoveUP IR1 1.2.

treatment of uncontrollable and unforeseeable costs in FortisBC's 2014-2019 performance based ratemaking ("PBR") plans and proposed 2020-2024 multi-year ratemaking plans ("MRPs").

B. FortisBC's Proposed Approach Reflects an Appropriate Balance of Factors

10. FortisBC's proposed relief for customers is consistent with relief mechanisms provided by utilities across Canada, but is based on a consideration of factors specific to FortisBC and its customers and ultimately provides an appropriate balance between support and relief for FortisBC customers impacted by COVID-19 and the cost to all FortisBC customers of providing that support and relief.¹⁴ The balance of factors supporting the proposed relief for customers is described below:¹⁵

Degree of Certainty, Timing and Impact of the Pandemic

The duration and impact of the pandemic is uncertain. FortisBC considered that a program should recognize this uncertainty and be able to adapt to changing circumstances and outcomes. The program as proposed is adaptable to changing circumstances through:

- the ability to extent the deferral timeframe;
- delaying decisions on amortization periods and recovery method until the final balance in the account is known;
- providing the opportunity to consider and propose further targeted recovery options based on experience gained; and
- providing the ability to offer customized bill payment options and support for large commercial, transportation and industrial customers.

Customer Need

While all customers are impacted by the pandemic to a degree, their ability to pay their energy bill and the degree of support they require will vary. FortisBC considered that any program put in place should have the flexibility to support those that need it most, while recognizing that many customers are able to continue to pay their bills. The program proposed provides this balance of

¹⁴ Exhibit B-6, Shadrack IR1 1.

¹⁵ Exhibit B-4, CEC IR1 1.1.

support and flexibility. For example, the customer application process allows the customer to seek the support they need, while FortisBC's one-on-one approach for larger volume customers provides customized support. The proposed program is also consistent with FortisBC's belief that all customers that can continue to make their payments through this challenging time should be encouraged to do so.

Overall Customer Impact

FortisBC considered that there may be rate impacts to all customers of any program that is implemented. In consideration of the varying individual customer needs and uncertainty around duration and impact, a sustainable and viable program should provide a balance between immediate support and long-term recovery options while managing rate impacts to all customers. While FortisBC is unable to quantify the potential rate impact of the proposal at this time (due to the uncertainty around timing and potential future balance in the accounts), FortisBC did consider that the small commercial customer bill credit component of the program was likely to have a minimal impact on rates. Further, the twelve-month repayment component of the deferral program will help to mitigate unrecovered revenue by having repayment expectations in place at the outset of the program.

Financing and Liquidity Impacts

FortisBC considered the fact that any form of program implemented will have financing and liquidity implications. To the extent that a program could place pressure on the financing and liquidity position of FortisBC, it would have detrimental impacts overall for all stakeholders, including customers. As such, any program pursued should have manageable impacts on financing and liquidity. Although actual cash flow and financing impacts will be dependent on the number of customers who ultimately participate in the program, analysis as described in the response to BCUC IR1 2.5 indicated that financing and liquidity requirements of FortisBC's proposal could be reasonably supported.

11. FortisBC submits that it has reasonably balanced the relevant factors, which has resulted in a proposal that is ultimately in the best interest of customers. As noted above, the proposed mechanisms were designed to allow for flexibility to adapt to changing circumstances. In this regard, FortisBC will continue to work with its customers and monitor the impacts of the COVID-19 pandemic as it approaches the end of the 90-day deferral period.

If FortisBC believes that an extension of the 90-day period is necessary and appropriate, it will request an extension of the COVID-19 relief measures at that time.¹⁶

12. In designing its proposed relief, FortisBC also considered its ability to respond to customers and deliver a program as quickly as possible, as well as simplicity and ease of administration. These practical factors are seen in the eligibility requirements for FortisBC's customer relief options, which are easy to administer and provide consistent support across the relatively large group of residential and small commercial customers.¹⁷ In short, there are two eligibility requirements: (1) loss of revenue or income due to the pandemic; (2) agreement to a 12-month repayment arrangement. In order to qualify for bill relief in the form of bill credits, small commercial customers must also confirm that they have temporarily closed their business due to COVID-19.¹⁸ As seen in the response to CEC IR1 3.2, the application form is clear and easy to administer.

13. Finally, FortisBC also considered the COVID-19 relief mechanisms offered by other utilities across Canada. As shown in the review of relief mechanisms across Canada provided in Attachment 1.1 in the response to CEC IR1 1.1¹⁹, FortisBC's proposals are consistent with the relief offered by most other utilities across Canada. These relief mechanisms commonly involve ceasing disconnections, waiving late payment fees and penalties, and deferring bill payments, all actions that FortisBC is taking.²⁰

14. The differences in the approach taken by utilities, including between BC Hydro and FortisBC, are likely due to the unique circumstances of each utility. FortisBC explained:

The differences in COVID-19 pandemic support and programs throughout the Province (and across Canada) reflect, and are influenced by, the unique operating circumstances, ownership and financing structures, regulation and customers of each utility. For example, given the financial resources of the

¹⁶ Exhibit B-5, MoveUP IR1 1.1; Exhibit B-3, BCOAPO IR1 5.1.

¹⁷ Exhibit B-2, BCUC IR1 1.1 and 1.2.

¹⁸ Exhibit B-2, BCUC IR1 3.6.

¹⁹ Exhibit B-4.

²⁰ Exhibit B-4, CEC IR1 1.1, Attachment 1.

provincial government, it is reasonable that BC Hydro's COVID-19 relief program may differ in some respects from relief programs offered by FortisBC and other private utilities in BC.²¹

15. As another example, while the Government of Ontario reduced that province's time of use rate structure, FortisBC considered but rejected temporary rate reductions as a potential relief option. A temporary rate reduction would likely lead to larger uncovered balances in the COVID-19 Customer Recovery Fund deferral accounts, assumes that all customers are impacted in the same way and to the same extent, even though a large portion of customers maintain the ability to pay their utility bills, and could place pressure on the financing and liquidity position of FortisBC, to the detriment of all stakeholders, including customers.²² Again, given the financial resources of the Ontario government, it is reasonable that its relief program may differ in some respects from a relief program offered by FortisBC.

16. Overall, FortisBC submits that it has reasonably and carefully considered the relevant factors, and that its proposed COVID-19 Recovery Funds are consistent with relief provided by other utilities, are practical and easy to administer, and provide the best balance of immediate support for those customers that need it most while minimizing the impact on all customers.

C. All Rate Classes Have Relief Available with Differences in Approach Suitable to Each

17. FortisBC's proposed approach provides similar relief to customers in all rate classes. All rate classes have available bill payment deferral options, relief from late payment fees and disconnections for financial reasons, and the availability of structured payment plans. The primary difference amongst rate classes lies in FortisBC's approach to the delivery of the relief, in recognition of the volume and similarity of customers in each group.

18. FortisBC's structured relief programs provided to residential and small commercial customers appropriately reflects that this is a relatively large group of customers

²¹ Exhibit B-6, Mr. Shadrack IR1 1.

²² Exhibit B-3, BCOAPO IR1 2.2.

that share somewhat similar circumstances. Given the number of customers in the residential and small commercial rate schedules, FortisBC needed a program that could handle requests from tens of thousands of customers over a relatively short time-frame. FortisBC also considered the potential large volume of customers impacted and the ability to provide meaningful support to those that need it most, while balancing the overall costs to all customers of providing such relief. Ultimately, offering the ability to defer payments, free of interest, and a twelve-month repayment term, provides immediate support and relief as well as a reasonable repayment period to help ease financial difficulty over the longer term, resulting in minimal impact and cost to all other customers.²³

19. For small commercial customers who have closed their businesses due to the COVID-19 pandemic, FortisBC considered that these customers are not able to continue benefitting from their utility service. In addition, eligible small commercial customers will have minimal consumption and are a relatively small number of customers in relation to total customers, so the impact of the proposed relief is expected to be minimal. In that context, providing bill credits to small commercial customers provides a reasonable balance between the relief provided and the cost to all customers.²⁴

20. FortisBC has implemented relief measures for large commercial, industrial and transportation customers based on meeting the unique needs of each individual customer. The relief offered to these customers comprises bill deferment, payment plans and relief from late payment charges. FortisBC's individual approach to these larger customers recognizes that they represent a relatively small number of customers facing more diverse circumstances that FEI is able to address on a case-by-case basis. Given the diversity of this customer group, there is little value in prescribing a structured program, as it would be less successful in meeting the needs of individual customers within the group. To date, in discussions with customers, this

²³ Exhibit B-3, BCOAPO IR1 2.1; Exhibit B-4, CEC IR1 1.6.

²⁴ Exhibit B-3, BCOAPO IR1 2.1.

relief has been well received and customers appreciate the ability make the arrangements to best manage their bills.²⁵

21. In summary, FortisBC is offering similar relief to all customers, with variations reasonably and fairly based on the differences between number and circumstances of customers in each rate schedule. FortisBC submits that the structured relief for residential and small commercial customers and the case-by-case relief for large commercial and industrial customers, is the best solution to meet the diverse needs of customers.²⁶ As such, FortisBC submits that its proposals are just and reasonable, and not unduly discriminatory.

D. COVID-19 Customer Recovery Fund Deferral Accounts are Just and Reasonable

(a) Accounts will Provide Transparency

22. FortisBC's proposed COVID-19 Customer Recovery Fund deferral accounts will provide transparency into the amount of customers' energy bills by rate schedule that ultimately become unrecoverable from customers due to the COVID-19 pandemic. Specifically, for each of FEI and FBC, the accounts will record the following for each rate schedule:

(1) Unrecovered revenue due to COVID-19: The deferral account will capture any unrecovered revenue resulting from customers in any rate class being unable to pay their bills due to the COVID-19 pandemic. Billed amounts for energy services only become unrecoverable from customers if, after FortisBC exhausts its reasonable and practical collection efforts, amounts are ultimately unable to be collected from customers over a reasonable period of time given the circumstances. FortisBC will track all unrecovered revenue by rate schedule.

(2) Bill Payment Deferrals and Subsequent Payments: The deferral account will capture all deferred bill payments as a result of the COVID-19 pandemic. It will also capture all payments of these deferred amounts according to the repayment arrangements made with the customers. Accordingly, the balance in the deferral account will ultimately only reflect the unrecovered amounts related to the deferral of bill payments due to the COVID-19 pandemic. FortisBC will track all bill payment deferrals and subsequent payments by rate schedule

²⁵ Exhibit B-4, CEC IR1 2.4:

²⁶ Exhibit B-4, CEC IR1 1.5.

(3) Bill Credits: The deferral account will also capture any bill credits provided by FortisBC to customers in any rate class due to the COVID-19 pandemic. FortisBC will track all bill credits by rate schedule.²⁷

23. FortisBC will report on the COVID-19 Customer Recovery Fund deferral account balances in its regular rate setting processes (e.g., annual reviews), providing transparency to the impacts of COVID-19 and customer relief mechanisms by rate schedule.²⁸

(b) Recovery of Bad Debt due to COVID-19 is Consistent with Treatment under Proposed MRPs

24. The proposed COVID-19 Customer Recovery Fund deferral accounts are consistent with the treatment of costs due to uncontrollable and unforeseeable events or exogenous factors in FortisBC's previous PBR plans from 2014-2019 and its proposed MRPs. In FortisBC's view, the COVID-19 pandemic is clearly an uncontrollable and unforeseen event that would qualify as an exogenous factor in its proposed MRPs. Within the terms of the proposed MRPs, exogenous factor costs are recovered from customers through a flow-through mechanism or deferral account. This flow-through treatment is fair, as the costs could not have been foreseen or controlled by the utility, and the flow-through treatment helps provide the utilities with a reasonable opportunity to recover their fair rate of return as determined by the BCUC. The COVID-19 Customer Recovery Fund deferral accounts provide the same result.²⁹

(c) Account Will Help Normalize Bad debts

25. The proposed deferral accounts will also help normalize FortisBC's bad debt expense. FortisBC's proposed MRPs include a Base O&M amount related to bad debt, which accounts for typical or normal customer payment default, or bad debt. The proposed deferral account will help separate this typical bad debt from bad debt attributable to the COVID-19 pandemic.

²⁷ Exhibit B-1, p. 3.

²⁸ Exhibit B-1, p. 4.

²⁹ Exhibit B-3, BCOAPO IR1 8.1.

26. Specifically, to the extent that FortisBC deems unrecovered revenue to be uncollectible, FortisBC will determine whether it should be captured in Base O&M expense or the COVID-19 deferral accounts based on information provided to FortisBC by customers.³⁰ FortisBC explained that unrecovered revenue related to COVID-19 is expected to accumulate in the deferral accounts in one of two ways:

Confirmed Applicants to the COVID Customer Recovery Fund

Customers who qualify for and are granted bill relief in the form of a payment deferral also agree to a repayment plan of one year. The deferred payment amounts will be added to the deferral account and subsequently drawn down over the twelve-month repayment term as payments are received. To the extent that customers do not pay their deferred balances, and those balances are deemed uncollectible, the residual difference between the payments deferred and payments received will remain in the deferral account rather than be transferred to O&M expense as bad debt.

Customer Accounts Identified Through the Collections Process

As part of the typical collections process, and prior to the classification of unrecovered revenue as bad debt, there are several touchpoints with the customer to attempt to resolve a payment issue or challenge. In this regard, customer service, or other personnel working with the customer, will have the ability to classify the primary reason that the customer is unable to pay some or all of their energy bills based on the information provided by that customer (i.e., loss of employment, business closure due to COVID-19, etc.). This classification will drive reporting of amounts recorded in the COVID-19 deferral accounts.³¹

27. By capturing the customer relief measures and bad debt due to COVID-19 separately in the deferral accounts, the impacts of all unrecovered revenue due to the COVID-19 pandemic are separated from the bad debt expense that is factored into FEI's and FBC's Base O&M in their proposed MRPs.³² This approach provides a reasonable method to account for bad debt specific to COVID-19 while maintaining the ability to identify typical bad debt expense that is included within O&M in the normal course.

³⁰ Exhibit B-3, BCOAPO IR1 3.2.

³¹ Exhibit B-3, BCOAPO IR1 3.2.

³² Exhibit B-3, BCOAPO IR1 6.1.

(d) Rate Base Deferral Account Appropriate and Consistent with Proposed MRPs

28. FortisBC is requesting approval to establish rate base deferral accounts to reflect the carrying costs required to fund the balances. As explained by FortisBC, the rate base treatment of the COVID-19 deferral accounts is directly comparable to the inclusion of revenue lead lag days in the cash working capital component of rate base, to which the rate base rate of return is applied and approved by the BCUC. However, the establishment of specific rate base deferral accounts provides greater transparency and tracking of costs.³³ The use of rate base deferral accounts to track carrying costs is consistent with the treatment of exogenous factor costs in FortisBC's proposed MRPs.

(e) Disposition of Accounts to be Determined in Future Process

29. FortisBC will propose an amortization period and recovery approach for recovering the balances in the deferral accounts in future applications when the balances in the accounts are reasonably certain. The balance of a deferral account and the distribution of that balance by rate classes impacted is a key consideration in the proposed amortization period and recovery approach because of the potential impact on customer rates. However, due to the uncertainty of the impacts of the pandemic, it is not possible for FortisBC to forecast the balances in the COVID-19 Customer Recovery Fund deferral accounts with any degree of accuracy at this time. Therefore, FortisBC will seek approval of the method of recovery of the balances in the COVID-19 Customer Recovery Fund deferral accounts in future rate setting processes when the impact of unrecovered amounts from the COVID-19 pandemic is better known.³⁴ It will also be more efficient and transparent to establish the recovery of those costs when actuals are known.³⁵

³³ Exhibit B-3, BCOAPO IR1 9.1

³⁴ Exhibit B-1, pp. 3-4.

³⁵ Exhibit B-6, Shadrack IR1 2.

E. Conclusion

30. FortisBC submits that its proposed customer relief mechanisms and the COVID-19 Customer Relief deferral accounts are just and reasonable and should be approved as set out in the Draft Orders attached to this Final Submission. FortisBC's proposed combination of a deferral program for residential and small commercial customers, bill credits for small commercial customers who have closed their business due to the pandemic, and a custom support model for larger volume customers provides a reasonable balance between providing immediate and meaningful support to those customers that require it with the potential financial impact on all customers of providing that support. The COVID-19 Customer Recovery Fund deferral accounts will provide transparency into and tracking of the costs of these programs and bad debt due to the pandemic, and are consistent with the treatment of uncontrollable and unforeseeable costs in FortisBC's 2014-2019 PBR plans and 2020-2024 proposed MRPs.

31. While FortisBC has proposed what it considers to be balanced and appropriate customer relief mechanisms, FortisBC recognizes the wide-ranging impacts of the pandemic and that its customers are facing financial and other challenges that are greater than their energy bills. FortisBC's proposed relief should, therefore, be seen as complementary to the significant federal and provincial COVID-19 relief measures, programs, and benefits available, which have been designed to assist individuals and businesses with support including managing financial impacts and help with their financial responsibilities.³⁶

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

Dated: May 13, 2020

[original signed by Christopher Bystrom]

Christopher Bystrom
Counsel for FortisBC

³⁶ Exhibit B-6, Shadrack IR1 3.

Attachment 1

UPDATED DRAFT ORDERS



ORDER NUMBER

G-xx-xx

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Energy Inc.
Application for Approval of
COVID-19 Customer Recovery Fund Deferral Account

BEFORE:

[Panel Chair]
Commissioner
Commissioner

on **Date**

ORDER

WHEREAS:

- A. On April 3, 2020, FortisBC Inc. (FBC) and FortisBC Energy Inc. (FEI) (collectively FortisBC), filed an application with the British Columbia Utilities Commission (BCUC) for approval, pursuant to sections 59 to 61 and 91 of the *Utilities Commission Act*, of the following for each of FBC and FEI (Application):
- (i) The discretion to offer a three-month bill payment deferral to residential customers, and to small commercial customers served under FEI Rate Schedules 2, 2B, 2U and 2X and FBC Rate Schedules 20 and certain Rate Schedule 22 customers that meet the Rate Schedule 20 size restriction, who have been directly impacted financially as a result of the COVID-19 pandemic;
 - (ii) The discretion to offer bill relief in the form of bill credits for three months, starting April 1, 2020 through to July 1, 2020, to small commercial customers served under FEI Rate Schedules 2, 2B, 2U and 2X and FBC Rate Schedule 20 that have been ordered to temporarily close their businesses to comply with public health orders due to the COVID-19 pandemic; and
 - (iii) Establishment of a rate base deferral account for the COVID-19 Customer Recovery Fund to record (a) any unrecovered revenue resulting from customers being unable to pay their bills due to the COVID-19 pandemic, which will be tracked separately by rate schedule, (b) any bill payment deferrals provided to customers due to the COVID-19 pandemic and subsequent payments of those deferred amounts; and (c) any bill credits provided to customers due to the COVID-19 pandemic.
- B. FortisBC states that the Application was filed in response to the growing impact of the global COVID-19 pandemic in British Columbia and the State of Emergency declared in the province;

- C. On April 6, 2020, the BCUC issued information requests (IRs) to FortisBC, received responses by FortisBC, and held a web-based Streamlined Review Process to review the Application;
- D. By Order G-81-20 dated April 7, 2020, the BCUC approved the Application on an interim basis and established a public hearing process;
- E. The BCUC has completed its public review of the Application, the IR responses and evidence filed, and the submissions of FortisBC and interveners, and considers that approval is warranted.

NOW THEREFORE pursuant to sections 59 to 61 and 63 of the *Utilities Commission Act*, the BCUC orders as follows:

1. FEI is approved to:
 - a. offer a three-month bill payment deferral commencing April 1, 2020, to residential customers and to small commercial customers served under Rate Schedules 2, 2B, 2U and 2X who have been directly impacted financially as a result of the COVID-19 pandemic.
 - b. offer bill relief in the form of bill credits for three months, commencing April 1, 2020 through to July 1, 2020, to small commercial customers served under Rate Schedules 2, 2B, 2U and 2X that have closed their businesses due to the COVID-19 pandemic.
 - c. establish a rate base deferral account for the FEI COVID-19 Customer Recovery Fund to record and track separately by rate schedule (1) any unrecovered revenue resulting from customers being unable to pay their bills due to the COVID-19 pandemic; (2) any bill payment deferrals provided to customers due to the COVID-19 pandemic and subsequent payments of those deferred amounts; and (3) any bill credits provided to customers due to the COVID-19 pandemic.

DATED at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month) 2020.

BY ORDER

(X. X. last name)
Commissioner



ORDER NUMBER

G-xx-xx

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Inc.

Application for Approval of

COVID-19 Customer Recovery Fund Deferral Account

BEFORE:

[Panel Chair]

Commissioner

Commissioner

on **Date**

ORDER

WHEREAS:

- A. On April 3, 2020, FortisBC Inc. (FBC) and FortisBC Energy Inc. (FEI) (collectively FortisBC), filed an application with the British Columbia Utilities Commission (BCUC) for approval, pursuant to sections 59 to 61 and 91 of the *Utilities Commission Act*, of the following for each of FBC and FEI (Application):
- (i) The discretion to offer a three-month bill payment deferral to residential customers, and to small commercial customers served under FEI Rate Schedules 2, 2B, 2U and 2X and FBC Rate Schedules 20 and certain Rate Schedule 22 customers that meet the Rate Schedule 20 size restriction, who have been directly impacted financially as a result of the COVID-19 pandemic;
 - (ii) The discretion to offer bill relief in the form of bill credits for three months, starting April 1, 2020 through to July 1, 2020, to small commercial customers served under FEI Rate Schedules 2, 2B, 2U and 2X and FBC Rate Schedule 20 that have been ordered to temporarily close their businesses to comply with public health orders due to the COVID-19 pandemic; and
 - (iii) Establishment of a rate base deferral account for the COVID-19 Customer Recovery Fund to record (a) any unrecovered revenue resulting from customers being unable to pay their bills due to the COVID-19 pandemic, which will be tracked separately by rate schedule, (b) any bill payment deferrals provided to customers due to the COVID-19 pandemic and subsequent payments of those deferred amounts; and (c) any bill credits provided to customers due to the COVID-19 pandemic.
- B. FortisBC states that the Application was filed in response to the growing impact of the global COVID-19 pandemic in British Columbia and the State of Emergency declared in the province;

- C. On April 6, 2020, the BCUC issued information requests (IRs) to FortisBC, received responses by FortisBC, and held a web-based Streamlined Review Process to review the Application;
- D. By Order G-80-20 dated April 7, 2020, the BCUC approved the Application on an interim basis and established a public hearing process;
- E. The BCUC has completed its public review of the Application, the IR responses and evidence filed, and the submissions of FortisBC and interveners, and considers that approval is warranted.

NOW THEREFORE pursuant to sections 59 to 61 and 63 of the *Utilities Commission Act*, the BCUC orders as follows:

- 1. FBC is approved to:
 - a. offer a three-month bill payment deferral commencing April 1, 2020, to residential customers and to small commercial customers served under Rate Schedule 20 and certain Rate Schedule 22A customers that meet the Rate Schedule 20 size restriction, who have been directly impacted financially as a result of the COVID-19 pandemic.
 - b. offer bill relief in the form of bill credits for three months, commencing April 1, 2020 through to July 1, 2020, to small commercial customers served under FBC Rate Schedule 20 and certain Rate Schedule 22A customers that meet the Rate Schedule 20 size restriction, that have closed their businesses due to the COVID-19 pandemic.
 - c. establish a rate base deferral account for the FBC COVID-19 Customer Recovery Fund to record and track separately by rate schedule (a) any unrecovered revenue resulting from customers being unable to pay their bills due to the COVID-19 pandemic, (b) any bill payment deferrals provided to customers due to the COVID-19 pandemic and subsequent payments of those deferred amounts; and (c) any bill credits provided to customers due to the COVID-19 pandemic.

DATED at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month) 2020.

BY ORDER

(X. X. last name)
Commissioner