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File No: 19-1152

June 30, 2020

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

Attention: Marija Tresoglavic, Acting Commission Secretary and Manager, Regulatory Support

Dear Ms. Tresoglavic:

**Re: British Columbia Hydro and Power Authority (BC Hydro) and
FortisBC Energy Inc. and FortisBC Inc. (FortisBC)
Evacuation Relief Tariff Amendment Applications**

In accordance with British Columbia Utilities Commission Order G-68-20 further establishing the Regulatory Timetable for the review of the above noted Applications, FortisBC respectfully submits the attached reply submission.

If further information is required, please contact the undersigned.

Yours truly,

FARRIS LLP

Per: 

Erica C. Miller

ECM/
Enclosure
cc: Registered Parties

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BRITISH COLUMBIA UTILITIES COMMISSION

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

and

British Columbia Hydro and Power Authority, FortisBC Energy Inc. and FortisBC Inc.
Evacuation Relief Tariff Amendment Application

**REPLY SUBMISSIONS OF
FORTISBC ENERGY INC. AND FORTISBC INC.**

DATED JUNE 30, 2020

FortisBC Energy Inc. and FortisBC Inc.

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PART 1 - OVERVIEW

1. On May 26, 2020, FortisBC Energy Inc. (**FEI**) and FortisBC Inc. (**FBC**) (collectively **FortisBC** or the **Companies**) filed their final written submission (the **FortisBC Submission**), pursuant to Order G-68-20 of the British Columbia Utilities Commission (**BCUC** or the **Commission**), establishing a further Regulatory Timetable in this proceeding.
2. Subsequent to FortisBC filing the FortisBC Submission, the following Interveners filed final written submissions with the BCUC:
 - a. on June 16, 2020, the BC Old Age Pensioners' Organization, Active Support Against Poverty, Council of Senior Citizens' Organizations of BC, Disability Alliance BC, Tenant Resource and Advisory Centre, and Together Against Poverty Society (together, **BCOAPO**) filed its final written submission (the **BCOAPO Submission**); and
 - b. on June 17, 2020, the Commercial Energy Consumers Association of British Columbia (**CEC**), filed its final written submission (the **CEC Submission**).
3. FortisBC provides this submission (the **Reply Submission**) in reply to the BCOAPO Submission and the CEC Submission. Unless otherwise specified, capitalized terms used in this Reply Submission are as defined in the FortisBC Submission. In their respective submissions, BCOAPO and CEC each indicate their general support for the Application. In this respect, BCOAPO:
 - a. states that there "are relevant and reasonable public interest considerations that justify the need for the Application";¹
 - b. agrees with FortisBC's proposals as to the Rate Schedules eligible for relief for FBC² and FEI;³ and
 - c. considers the discretion sought by FortisBC, where the Evacuation Period is less than five consecutive days, or where the Evacuation Order ended more than two years

¹ BCOAPO Submission, p. 21.

² BCOAPO Submission, p. 22.

³ BCOAPO Submission, p. 23.

before the Company becomes aware of a request from an Evacuee Customer, to be reasonable.⁴

4. The CEC Submission confirms that CEC:
 - a. finds that FortisBC's "proposals for dealing with customers in the event of a disaster are generally acceptable";⁵
 - b. "supports the benefits cited by FortisBC and the broader premise" of the Application;⁶ and
 - c. "supports the use of deferral accounts" in accounting for the costs of the relief offered to the account of ratepayers.⁷
5. While BCOAPO and CEC are generally supportive of the Application, each raise certain specific concerns in their respective submissions, which are addressed next in this Reply Submission.
6. In asking the BCUC to grant the relief sought in the Application, FortisBC continues to rely on the FortisBC Submission and on its Application and the evidence as a whole. Points in the BCOAPO Submission and the CEC Submission that are not specifically responded to should not be taken to be admitted.

PART 2 - RESPONSE TO SPECIFIC ITEMS

A. Availability of Relief to Larger Commercial Customers

7. The primary concern raised by CEC appears to be with respect to the availability of evacuation relief to FBC's larger commercial customers. More specifically, CEC expresses concern that evacuation relief is only available to certain types of FBC's medium and large commercial customers, at the discretion of the utility.⁸

⁴ BCOAPO Submission, p. 29.

⁵ CEC Submission, para. 20.

⁶ CEC Submission, para. 38.

⁷ CEC Submission, para. 46.

⁸ CEC Submission, paras. 5-6 and 10.

The Proposed Availability of Relief

8. As background, when the Application was filed, FBC proposed certain changes to the FBC T&Cs that defined an “Evacuee Customer” as including customers receiving service under Rate Schedules 21, 22A and 23A (which serve medium and large commercial customers with an electrical demand of 40 kW to 500 kW, served by one meter). Through the course of the proceeding, the BCUC provided FortisBC with an Information Request asking it to “highlight any significant differences in the level and type of evacuation relief provided by FortisBC and BC Hydro, including differences in the customer types offered relief”, and to discuss if it “would be willing to harmonize its proposed amendments ... with BC Hydro’s proposed amendments”.⁹
9. In responding to this Information Request, FortisBC proposed that certain adjustments be made to the changes sought to the FBC T&Cs, including with respect to the customer types for which relief is available. This was done to harmonize the relief offered by FBC with the relief offered by BC Hydro, to the extent possible and appropriate. As revised, FBC proposes that an Evacuee Customer continue to be defined as including “Commercial Service (Rate Schedules 21, 22A and 23A)”, however, only “in limited circumstances, as described in Section 19”.¹⁰ The referenced section 19 was adjusted to provide the following with respect to Commercial Service:

The Company also may, in its discretion, provide credit to an Evacuee Customer, or not charge the Evacuee Customer, for the Rate Schedule charges that are or would otherwise have been applicable during the Evacuation Period, if:

....

(c) A Customer being served under Commercial Service (Rate Schedules 21, 22A, and 23A) is under an Evacuation Order and Service is to a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park, or similar establishment; or

...¹¹

⁹ Ex. B2-5, BCUC IR2 6.1 and 6.2.

¹⁰ Ex. B2-5, BCUC IR2 6.1 and Attachment 6.1 (emphasis added).

¹¹ Ex. B2-5, BCUC IR2 6.1 and Attachment 6.1 (emphasis added).

10. Accordingly, if FortisBC's revised proposal is approved, FBC will have discretion to provide evacuation relief to a customer taking service under Rate Schedules 21, 22A and 23A, if that service is to a "nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park, or similar establishment" and the customer is under an Evacuation Order.

There is no Undue Discrimination

11. Contrary to the suggestion in the CEC Submission, FortisBC disagrees that this is inappropriate "within rate class discrimination".¹² Under section 59 of the UCA, "[a] public utility must not make, demand or receive (a) an unjust, unreasonable, unduly discriminatory or unduly preferential rate for a service provided by it in British Columbia". The Application and the proposed availability of relief do not constitute rate discrimination under section 59 of the UCA, or at all.
12. While the proposed relief is available, at the discretion of FBC, to only certain types of customers taking service under Rate Schedules 21, 22A and 22B, there is a rational reason for this distinction, and it cannot be said to be "discriminatory" at all, or alternatively "unduly discriminatory".¹³
13. As proposed in the Application as initially filed, an Evacuee Customer of FBC did not include customers receiving service under larger commercial (over 500 kW) or industrial Rate Schedules. This cut off was established to take into account the fact that the magnitude of bill credits payable to these large commercial or industrial customers could be substantially higher than the relief payable to other customers, placing the risk of these larger revenue shortfalls on all ratepayers. Additionally, these larger customers are more likely to have alternative contingencies available to them to address or cover losses associated with an Evacuation Order, such as business interruption insurance or other resources.¹⁴ Through the two rounds of Information Requests in this proceeding, CEC did not question FortisBC with respect to these thresholds or the availability of evacuation relief to FBC's large commercial customers (over 500 kW) or industrial customers.

¹² CEC Submission, para. 5.

¹³ As all customers taking service under these Rate Schedules will pay the same rate, and it is the availability of the evacuation relief that may differ between certain customers under the Rate Schedules, arguably any difference in availability is not a 'rate' at all, though FortisBC notes that BC Hydro has said that "[t]he proposed relief is a 'rate'" (Ex. B1-5, BC Hydro Response to BCUC IR2 7.1).

¹⁴ Ex. B2-4, BCOAPO IR1 1.2.

14. FBC submits that this same reasoning applies with respect to the revised relief it seeks. As compared to residential or small commercial ratepayers, the relief offered to medium or large commercial customers is more likely to place ratepayers at risk of larger revenue shortfalls. Further, the nature of the customers in question suggests that they are more likely to have insurance or other contingencies available to provide relief in a case where an Evacuation Order is issued.
15. BCOAPO has agreed that these factors are appropriate considerations when determining availability of the evacuation relief. It states in the BCOAPO Submission that it “agrees that the impact on all ratepayers (who FortisBC proposes to be responsible for the revenue impacts of any evacuation relief provided) and the other contingencies/forms of relief that customers may reasonably be viewed as having available are appropriate considerations in determining those customers that should be eligible for evacuation relief”.¹⁵
16. While CEC submits that it is “not appropriate for FortisBC to assume any customer or group of customers is adequately covered by insurance or any other source to protect and absorb the costs of evacuation”,¹⁶ FortisBC submits that it is appropriate and reasonable to conclude that these forms of business insurance or contingencies are more readily available to and utilized by medium and large commercial customers, as compared to residential or small commercial customers.
17. CEC does acknowledge that “it could be reasonable to exclude customers that can have their costs covered by insurance are continuing operation with adequate revenues or are otherwise not impacted”, however it suggests that the assessment criteria should be the same for all customers.¹⁷ While CEC did not pose any Information Requests to FortisBC with respect to this suggestion, FortisBC submits that to verify and validate whether individual customers have insurance coverage would add administrative costs and burden relative to the amount of evacuation relief potentially granted, particularly in the case of individual residential or small business customers.¹⁸ Given that FortisBC is proposing to proactively identify customers who qualify for evacuation relief rather than requiring customers to apply,¹⁹ any insurance verification or validation process will add administrative

¹⁵ BCOAPO Submission, p. 22 (emphasis added).

¹⁶ CEC Submission, para. 47.

¹⁷ CEC Submission, para. 51.

¹⁸ This is also consistent with evidence given by BC Hydro, see Ex. B1-5, BC Hydro’s Response to BCUC IR2 8.5.

¹⁹ Ex. B2-6, BCOAPO IR2 8.1.

burden to qualifying customers as well as delay the granting of relief, both of which will impact customer satisfaction.

18. With respect to the specific businesses identified in section 19, FBC proposes a discretion to grant relief where the service under Rate Schedules 21, 22A or 23A is to “a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park, or similar establishment”. FBC submits that the identified business types share characteristics with residential or small commercial service customers, though their consumption and demand characteristics may place their service under the commercial service Rate Schedules 21, 22A or 23A. These similar characteristics make these customers particularly vulnerable to the financial impacts of an Evacuation Order that may be in contrast with some of the other businesses receiving service under these Rate Schedules. As a result, FBC submits that it is appropriate for it to have the discretion to grant evacuation relief to these customers, when it may not be available to other customers under these rate classes. This is consistent with BC Hydro’s reasons for including a discretion to provide relief to these types of businesses.²⁰
19. In the CEC Submission, CEC raises a particular concern with “the distinction with respect to not-for-profit” in the availability for evacuation relief, calling it “inappropriate”.²¹ The Evacuation Relief Clause proposed by FBC does not differentiate between for-profit and not-for-profit businesses, including with respect to Rate Schedules 21, 22A and 23A, which is acknowledged by CEC.²² However, CEC notes that FBC has “aligned their discretion with BC Hydro”,²³ and that BC Hydro makes this distinction.
20. While FBC has proposed certain adjustments to the tariff amendments sought, in an effort to harmonize the evacuation relief proposed by FBC with the relief proposed by BC Hydro, this harmonization has not resulted in the relief proposed by FBC being identical to that proposed to BC Hydro. Instead, the harmonization was undertaken “to the degree that is reasonable and appropriate given the unique histories, differences, and complexities of each utility”.²⁴ In this regard, the Evacuation Relief Clause proposed by FBC does not differentiate between for-profit and not-for-profit businesses. Instead, FBC proposes a

²⁰ Ex. B1-4, BC Hydro Response to BCUC IR1 1.1.1 and Ex. B1-5, BCH Response to BCUC IR2 8.3.

²¹ CEC Submission, para. 23.

²² CEC Submission, para. 22.

²³ CEC Submission, para. 22.

²⁴ Ex. B2-6, BCUC IR2 6.1.

discretion to provide relief to customers taking service under Rate Schedules 21, 22A or 23A to a nursing home, boarding house, rooming house, common area of multiple occupancy building, mobile home park, or similar establishment. This discretion is available whether that customer is for-profit or not-for-profit and, as is discussed in more detail below, ensures that the Companies are able to take into account the particular circumstances applicable to each customer and situation.

21. Finally, a benefit of FBC's proposal with respect to availability of relief for medium and large commercial customers is that it reflects a harmonization of the evacuation relief provided by FortisBC and BC Hydro, something that the BCUC specifically requested that FortisBC consider. FBC submits that it is beneficial for FortisBC and BC Hydro to offer and administer the relief in substantially the same manner to substantially similar customers, to the extent it is reasonable and appropriate to do so.²⁵

B. Discretion under the Evacuation Relief Clause

22. In the BCOAPO Submission, BCOAPO²⁶ raises a few concerns with respect to the discretion sought by FortisBC in the proposed amendments, specifically with respect to the waiver of service connection charges and late payment charges²⁷ and the five day threshold for an Evacuation Order.²⁸
23. The CEC Submission also raises FortisBC's discretion, requesting that FortisBC be required to submit a compliance filing with "a set of criteria to guide their use of discretion that are appropriately applicable to all customers, including the commercial rate customers."²⁹
24. While FortisBC addresses these specific concerns raised by BCOAPO and CEC in more detail below, it is important to emphasize, at the outset, the general benefits of it having discretion under the proposed changes to the FortisBC Tariffs.

²⁵ Ex. B2-6, BCUC IR2 6.1.

²⁶ FortisBC notes that, while the BCOAPO Submission states that the constituent groups of BCOAPO "represents the interests of residential energy consumers in British Columbia",²⁶ this appears to be broader than BCOAPO's Intervention in the proceeding, where it stated that its clients are "BC Hydro's, FBC's, and FEI's low and fixed income residential ratepayers",²⁶ as opposed to residential ratepayers more generally.

²⁷ BCOAPO Submission, p. 24.

²⁸ BCOAPO Submission, p. 27.

²⁹ CEC Submission, para. 7.

25. Providing FortisBC with discretion in certain instances under the Evacuation Relief Clause ensures that the Companies are able to take into account the particular circumstances applicable to each customer and situation. For example, in the context of the discretion sought to waive the five day threshold and the two year limitation period, FortisBC emphasized that this discretion “would provide the flexibility to work with customers and take into consideration individual circumstances as well as provide for the dynamic nature of Evacuation Order boundaries, which may shift from day to day”.³⁰
26. Discretion enables the Companies to consider, and address, any extenuating circumstances that are applicable. This includes the ability to address circumstances that may be unusual, or would have been challenging for FortisBC to have specifically anticipated in making the Application for amendments to the FortisBC Tariffs. Ultimately, the Evacuation Relief Clause sets out the typical situations in which relief will be available, which will apply in the majority of instances, and the discretion sought is residual, to be exercised where appropriate circumstances arise.
27. The discretion is not intended to give the Companies the ability to deny relief to customers that would otherwise be eligible, or to treat customers inconsistently; rather, it enables FortisBC to address specific circumstances in an appropriate manner. Because of this, the Companies submit that the discretion favours customers by ensuring that the Companies have the tools to respond to these unique situations, with the aim of achieving as fair of a result as possible.
28. With respect to the exercise of FortisBC’s discretion, the Companies have confirmed that they provide their customer service representatives (“**CSRs**”), as well as team leaders and managers, with guidance and training to enable them to assess individual customer circumstances in order to determine when discretionary relief is appropriate. This guidance and training allows CSRs, supported by team leaders and managers, to apply consistent principles to exercise the discretion in a fair and consistent manner, as they support the unique needs and situations of customers, including Evacuee Customers.³¹
29. Additionally, if a situation were to arise where a customer is unhappy with how the discretion has been exercised, there is recourse available to the customer. FortisBC works with

³⁰ Ex. B2-3, BCUC IR1 2.3.

³¹ Ex. B2-6, BCOAPO IR2 6.3 and 7.2.

customers on a one-on-one basis to resolve any issues or concerns that arise. If a customer does not agree, or believes that the utility has not adequately addressed a concern, the customer always has the option to bring their concern to the BCUC's complaint group for an independent determination.³²

30. Finally, the Companies note that the fact that certain aspects of the Evacuation Relief Clause are expressly discretionary is consistent with the fact that the Evacuation Relief Clause, as a whole, is discretionary: the Companies *may* provide the stated relief. Further, it is consistent with the fact that other aspects of the FortisBC Tariffs are discretionary (for example, the Companies have a discretion to waive late payment charges or reconnection fees, as discussed below). Additionally, the Companies have historically exercised a form of discretion with respect to evacuation relief, in determining the circumstances in which it was appropriate to bring an application to the BCUC for an order approving evacuation relief for specific customers.

Connection/Reconnection Fees following Destroyed Dwellings

31. BCOAPO is critical of FortisBC for not “committing” to providing relief, with respect to service connection charges for new residential premises where the prior premise was destroyed during an Evacuation Order.³³ The FortisBC Tariffs currently provide the Companies with the general ability to waive certain fees, such as application, reconnection and reactivation charges that arise after a premises has been destroyed.³⁴ This includes if the premise was destroyed by an event which triggered an Evacuation Order, or by other causes.³⁵
32. The Companies do not agree that they should be obliged to waive these connection/reconnection fees when the destruction was caused by an event that triggered an Evacuation Order. Instead, relying on the Companies' existing discretion to waive these types of fees will allow the Companies' to consider and respond to any unique circumstances, as set out above. There may be instances where it would not be appropriate to waive a reconnection fee, in full or in part, for example where the new premises requires a substantially different connection than the prior premises.

³² Ex. B2-3, BCUC IR1 2.2.

³³ BCOAPO Submission, pp. 23-24.

³⁴ Ex. B2-3, BCUC IR1 2.1.

³⁵ Ex. B2-6, BCUC IR2 6.1.

33. Additionally, as set out above, maintaining discretion with respect to waiving these charges is consistent with FortisBC's discretion under the Evacuation Relief Clause more generally, and there are avenues available to customers to challenge a decision of FortisBC, if they disagree with a decision by one of the Companies not to waive a reconnection fee.

Late Payment Charges

34. The BCOAPO Submission also states that FBC has "not requested BCUC approval to credit (not charge) Evacuee Customers late payment charges".³⁶ As BCOAPO correctly notes, FortisBC has discretion to determine whether or not to charge a late payment charge, under the existing FortisBC Tariffs.³⁷
35. BCOAPO suggests that FortisBC has not specified criteria for exercising its discretion with respect to late payment charges, "leaving customers at the mercy of the willingness of the person handling their file to apply that discretion or not".³⁸ On the contrary, as noted previously in this Reply Submission, the discretion that exists in the FortisBC Tariff for any charges, including late payment charges, favours customers so the Companies have the tools and ability to respond to a customer's unique situation, with the aim of achieving as fair of a result as possible. As such, FortisBC believes it is more beneficial for customers that there not be specific or rigid "criteria" with respect to the exercise of the discretion related charges such as late payment charges. A less prescriptive approach ensures that FortisBC has flexibility to take into consideration a number or combination of factors unique to each customer. As set out above, FortisBC's CSRs, team leaders and managers are provided with guidance and training to ensure that they are able to exercise this discretion in a fair and consistent manner.³⁹ FortisBC has experience and regularly exercises the discretion to determine whether or not to bill late payment charges to customers outside of the evacuation relief context. Further, there have been very few, if any, customer complaints escalated to the BCUC with respect to the exercise of this discretion by FortisBC.

Five-Day Threshold

36. The BCOAPO Submission also states that the Evacuation Relief Clause provides that its relief may be provided to Evacuee Customers, suggesting that the Companies have the

³⁶ BCOAPO Submission, p. 24.

³⁷ BCOAPO Submission, p. 24; Ex. B2-4, BCOAPO IR1 1.1.

³⁸ BCOAPO Submission, p. 24.

³⁹ Ex. B2-6, BCOAPO IR2 6.3 and 7.2.

ability to refuse to provide a customer with relief, even if they are subject to an Evacuation Order that lasts for longer than five consecutive days.⁴⁰

37. FortisBC agrees with this interpretation: as was set out above, the Companies maintain a general, overriding discretion to determine when to grant relief under the Evacuation Relief Clause. However, the Companies disagree with BCOAPO's suggestion that this "totally undermines the purpose of establishing a 'threshold' in the first place".⁴¹ The purpose is not totally undermined. The statement in the Evacuation Relief Clause that it applies to customers under an Evacuation Order for a period of five or more consecutive days provides an important starting threshold for when evacuation relief is available. The Companies submit that, in most circumstances, an eligible customer that is subject to an Evacuation Order of five or more consecutive days will receive relief, just as a customer that is under an Evacuation Order for less than five consecutive days will not qualify for relief. While there may be circumstances where this guiding principle does not apply, and the Companies exercise their discretion to grant or refuse relief when it otherwise would not, the threshold continues to be an important (though not determinative) consideration.
38. While BCOAPO suggests that "FortisBC has provided no rationale for why such discretion is required", the Companies refer to their above submissions on the general benefits of discretion, and confirm that they apply equally to this discretion. Including a discretion to refuse to grant relief, even where the five day threshold has been satisfied, enables the Companies to take into account circumstances that make the default result unfair (much like the converse discretion to grant relief even where the five day threshold has not been satisfied).⁴²
39. In the CEC Submission, CEC also raises a different point with respect to the five day threshold, suggesting that a better threshold would be to "not make a relief payment for less than say \$20 or even \$5".⁴³ CEC did not pose any Information Requests to FortisBC with respect to the five day threshold or substituting a monetary threshold. In any event, FortisBC continues to confirm its view that the five day threshold is appropriate and provides a

⁴⁰ BCOAPO Submission, p. 27.

⁴¹ BCOAPO Submission, p. 27.

⁴² Ex. B2-6, BCOAPO IR2 7.1.

⁴³ CEC Submission, para. 33.

reasonable balance between the relief provided and the level of administrative effort involved to provide the relief.⁴⁴

Criteria for Exercising Discretion with respect to Commercial Customers

40. In the CEC Submission, CEC “recommends that the Commission require FortisBC to submit, in compliance for approval, a set of criteria to guide their use of discretion that are appropriately applicable to all customers, including the commercial customer rate classes”.⁴⁵
41. The requested additional filing is not necessary. As noted above, FortisBC has provided evidence on how its discretion will be exercised with respect to the Evacuation Relief Clause in a general sense, that the Companies submit is equally applicable to the exercise of discretion with respect to customers taking service under FortisBC’s commercial rate schedules. CSRs, team leaders and managers have appropriate guidance and training to enable them to assess individual customer circumstances in order to determine when evacuation relief is appropriate and to apply consistent principles to exercise the discretion in a fair and consistent manner.⁴⁶

C. Accounting Treatment

42. Finally, BCOAPO suggests that “the basis for disposition of the evacuation relief-related revenue shortfalls recorded in the Flow-Through deferral accounts need not be determined by the BCUC at this time and that the BCUC should determine that this matter will be a topic for a future BCUC Panel, including the issue of whether recovery should be entirely from ratepayers”.⁴⁷ FortisBC disagrees with this suggestion for several reasons.
43. First, flow-through deferral accounts already have approved methods of disposition, as recently approved by the BCUC in its decision on the Companies’ 2020-2024 Multi-Year Rate Plans, and this matter does not need to be revisited by a future BCUC Panel.

⁴⁴ Ex. B2-3, BCUC IR1 3.1.

⁴⁵ CEC Submission, para. 7.

⁴⁶ Ex. B2-6, BCOAPO IR2 6.3 and 7.2.

⁴⁷ BCOAPO Submission, p. 30.

44. Second, this method of disposition is consistent with how FortisBC recorded the past evacuation relief granted by the BCUC, through Orders G-124-17, G-125-17, G-169-18, and G-170-18.⁴⁸
45. Third, in FortisBC's submission, any decision by a "future BCUC Panel" that determined it was not appropriate that "recovery should be entirely from ratepayers"⁴⁹ would violate the regulatory compact and FortisBC's right to a reasonable opportunity to recover its costs to serve customers and a fair return for its shareholders.
46. Finally, the Companies submit from a practical perspective that it is unnecessary and would create uncertainty or otherwise be problematic to approve the relief sought in the current Application (allowing revenue short falls to flow-through to ratepayers), only to later revisit this issue and reassess whether the shareholders should be required to fund the relief. FortisBC continues to request that this issue be dealt with as part of the current Application.

PART 3 - CONCLUSION

47. In all the circumstances, FortisBC submits that the Application should be granted, to approve the changes to the FortisBC Tariffs attached as Appendix B to the FortisBC Submission.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

Counsel for FortisBC:

[Original Signed]

Erica C. Miller

Dated: June 30, 2020

⁴⁸ Ex. B2-3, BCUC IR1 3.11.

⁴⁹ BCOAPO Submission, p. 30.