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## Electronic Filing

British Columbia Utilities Commission  
Suite 410, 900 Howe Street  
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**Attention: Ms. Marija Tresoglavic, Acting Commission Secretary**

Dear Sirs/Mesdames:

**Re: FortisBC Energy Inc. Annual Review for 2020 and 2021 Delivery Rates ~ Project  
No. 1599120**

We enclose for filing in the above proceeding the Reply Argument of FortisBC Energy Inc., dated November 10, 2020.

Yours truly,

**FASKEN MARTINEAU DuMOULIN LLP**

*[Original signed by]*

Christopher Bystrom

Encl.



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

**AND**

**FORTISBC ENERGY INC.  
ANNUAL REVIEW FOR 2020 AND 2021 DELIVERY RATES  
PROJECT NO. 1599120**

**REPLY ARGUMENT  
OF  
FORTISBC ENERGY INC.**

**November 10, 2020**

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## **PART ONE: INTRODUCTION AND OVERVIEW**

1. This is the first annual review under the 2020 to 2024 Multi-Year Rate Plan (MRP) approved by British Columbia Utilities Commission (BCUC) Order G-165-20, issued on June 20, 2020. In its Annual Review for 2020 and 2021 Delivery Rates (Application) filed on August 12, 2020,<sup>1</sup> FortisBC Energy Inc. (FEI or the Company) is seeking approval of both 2020 and 2021 delivery rates, and addressing the outstanding items from the now completed 2014-2019 Performance Based Ratemaking Plan (PBR Plan), such as FEI's 2019 Service Quality Indicators (SQIs). FEI submits that it has presented its 2020 and 2021 revenue requirements in a clear and transparent manner and, through its responses to information requests (IRs) and discussion at the Workshop, has responded to the concerns raised by the BCUC and interveners in this proceeding. In this reply submission, FEI seeks to respond further to the concerns and comments raised by interveners in their final submissions.

2. FEI's approvals sought are set out in the Application,<sup>2</sup> and include making permanent the 2020 interim delivery rate increase of 2.00 percent, effective January 1, 2020, and a delivery rate increase of 6.59 percent, effective January 1, 2021. These delivery rates include the drawing down of the 2017 & 2018 Revenue Surplus deferral account in the amount of \$10.338 million in 2020 and \$35.287 million in 2021, bringing the account balance to zero.

3. On September 28, 2020, FEI responded to IRs from the BCUC and interveners, including the British Columbia Public Interest Advocacy Centre representing the British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, and the Tenant Resource and Advisory Centre et al. (BCOAPO), the BC Sustainable Energy Association and Sierra Club (BCSEA), the Commercial Energy Consumers Association of BC (CEC), and the Canadian Office and Professional Employees Union, Local 378 (known as Movement of United Professionals or MoveUP). A Workshop was held on October 14, 2020, and FEI's presentation materials and the transcript of the Workshop

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<sup>1</sup> Exhibit B-2, Application.

<sup>2</sup> Exhibit B-2, Application.

were placed on the record in the proceeding.<sup>3</sup> FEI filed responses to undertakings from the Workshop on October 20, 2021.<sup>4</sup>

4. On November 3, 2020, BCOAPO, BCSEA, CEC and MoveUP filed final arguments. The submissions of interveners show broad support for FEI's Application. BCOAPO does not oppose FEI's approvals sought and notes that the Application is consistent with the approved MRP.<sup>5</sup> BCSEA supports FEI's approvals sought.<sup>6</sup> CEC recommends that the BCUC approve FEI's application as filed.<sup>7</sup> MoveUP agrees that the order sought by FEI in this Annual Review should be granted.<sup>8</sup> Consistent with the positions of interveners, FEI submits that it has justified its approvals sought, and the Application should be approved as filed.

5. In the remainder of this Reply Argument, FEI responds to the concerns and comments of interveners, making the following points:

- (a) FEI will continue with its best efforts to manage the impacts of the COVID-19 pandemic and mitigate cost pressures;
- (b) FEI's proposed use of the revenue surplus is consistent with the purpose of the 2017 & 2018 Revenue Surplus deferral account;
- (c) It is too early for evaluation of the MRP;
- (d) There is no need for further work on FEI's demand forecast method at this time;
- (e) FEI will continue to seek approval of its Core Market Administration Expense (CMAE) budget in annual reviews going forward;
- (f) FEI keeps Unaccounted for Gas (UAF) as low as possible;

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<sup>3</sup> Exhibit B-9.

<sup>4</sup> Exhibit B-10.

<sup>5</sup> BCOAPO Final Argument, p. 7.

<sup>6</sup> BCSEA Final Argument, p. 7.

<sup>7</sup> CEC Final Argument, p. 2.

<sup>8</sup> MoveUP Final Argument, p. 4.

- (g) Three years is an appropriate amortization period for the City of Coquitlam Deferral Account; and
- (h) SQIs demonstrate that FEI is maintaining a high level of service.

## **PART TWO: REPLY TO INTERVENER COMMENTS**

### **A. FEI Will Continue with its Best Efforts to Manage the Impacts of the Pandemic and Mitigate Cost Pressures**

6. Interveners are supportive of FEI's Application and efforts to mitigate the impacts of the COVID-19 pandemic. However, interveners such as BCOAPO and CEC also express concern regarding FEI's forecast rate increases in 2020 and 2021 especially in light of the uncertainty brought on by the COVID-19 pandemic.<sup>9</sup> FEI recognizes the impact rate increases have on its customers, and will continue its efforts to mitigate cost pressures and manage the effects of the COVID-19 pandemic to date.

7. Given the impact of the COVID-19 pandemic, it should be recognized, and the BCUC can take notice, that the governments of Canada and British Columbia continue to develop and implement economic stimulus and related support programs intended to mitigate the pandemic's adverse economic effects. For its part, FEI has taken steps to ensure the safety and well-being of its customers and employees, including by maintaining the operational safety and reliability of its delivery system. FEI has suspended disconnections, offered bill deferrals and credits, and worked with its customers to find solutions that work for them.<sup>10</sup> FEI has seen minimal impact to its demand forecast,<sup>11</sup> offset O&M costs with savings,<sup>12</sup> continued with its capital program with minimal impact,<sup>13</sup> and kept service quality high.<sup>14</sup> Ultimately, FEI recognizes that the impacts of the COVID-19 pandemic remain uncertain and these impacts

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<sup>9</sup> BCOAPO Final Argument, pp. 3-6; CEC Final Argument, p. 8.

<sup>10</sup> Workshop Transcript, testimony of Ms. Carman, p. 57, l. 8 to p. 58, l. 11.

<sup>11</sup> Exhibit B-2, Application, Section 3, Figure 3-1.

<sup>12</sup> Exhibit B-9, Workshop Presentation, slide 35.

<sup>13</sup> Workshop Transcript, testimony of Mr. Wong and Mr. Chernikhowsky, p. 69, l. 17 to p. 70, l. 17.

<sup>14</sup> Exhibit B-9, Workshop Presentation, slides 46-47.

may have unanticipated impacts on the utility and its customers. However, FEI will continue with its efforts to manage those impacts, which to date have been effective.

8. While FEI recognizes that the rate increase in 2021 is larger than has been seen in past years, from 2014 through 2021, FEI has effectively managed costs such that its average delivery rate increases over this 8 year period remained below inflation at approximately 1.7 percent.<sup>15</sup> FEI appreciates BCOAPO's position that residential customers cannot rely on "past savings" in the current economic environment;<sup>16</sup> however, these savings have benefitted customers and are evidence of the Company's efforts to keep rate increases as low as possible. FEI is also cognizant of rate volatility and has sought to smooth rates over time through its use of the 2017 & 2018 Revenue Surplus deferral account.<sup>17</sup>

9. Over the term of the MRP, FEI will be focusing on efficiently allocating resources, reflecting a "doing more with what we have" approach.<sup>18</sup> As noted by MoveUP, the current economic environment will make finding additional O&M savings difficult, but to date, the utility has maintained service levels and "broadly met that challenge".<sup>19</sup> As explained in the Workshop, FEI has identified upcoming capital expenditures tied to the integrity, resiliency and reliability of its system which may result in higher rate increases as compared to the average increases dating back to 2014.<sup>20</sup> However, FEI will continue to prudently manage its business, without compromising worker safety, service quality or the reliability of its distribution system, while managing continued and emerging cost pressures.<sup>21</sup>

#### **B. FEI's Proposed Use of Revenue Surplus is Consistent with the Purpose of the 2017 & 2018 Revenue Surplus Deferral Account**

10. FEI is seeking approval in this proceeding to draw down the 2017 & 2018 Revenue Surplus deferral account in the amount of \$10.338 million in 2020 and \$35.287 million in 2021,

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<sup>15</sup> Workshop Transcript, p. 23, ll. 2-6 and p. 32, ll. 16-19.

<sup>16</sup> BCOAPO Final Argument, p. 5.

<sup>17</sup> Workshop Transcript, p. 31, ll. 14-20.

<sup>18</sup> Exhibit B-2, Application, p. 1.

<sup>19</sup> MoveUP Final Argument, p. 4.

<sup>20</sup> Workshop Transcript, p. 32, ll. 19-26.

<sup>21</sup> Exhibit B-2, Application, p. 1.

bringing the account balance to zero.<sup>22</sup> Drawing down the balance as proposed allows FEI to maintain the 2020 rate increase at 2.00 percent and mitigates the rate increase in 2021.

11. The CEC expresses concern with FEI drawing down the 2017 & 2018 Revenue Surplus deferral account to mitigate rate increases in 2020 and 2021, suggesting that rate smoothing was not the intention of the deferral account and that it arose out of excess revenue that should have been returned to ratepayers.<sup>23</sup> The CEC's submission is misguided. The 2017 & 2018 Revenue Surplus deferral account was proposed by FEI and approved by the BCUC precisely for the purpose of rate smoothing. In short, instead of decreasing rates in 2017 and 2018, rates were held steady and the surplus was recorded in the 2017 & 2018 Revenue Surplus deferral account. The history of the BCUC's approval of the amounts in the account is described in detail on pages 164-165 of FEI's Application.<sup>24</sup> As FEI's delivery rates did not increase in 2017 or 2018 and only increased by a small amount in 2019, this Application has presented the first opportunity for FEI to return to customers prior year's revenue surpluses to mitigate rate increases. As a result, delivery rates from 2017 to 2021 will be smoother than they otherwise would have been.

### **C. Incentive-Based Ratemaking Encourages Sustainable Savings**

12. The CEC suggest the rate increases in 2020 and 2021 could have been avoided, if not for unsustainable savings during the 2014-2019 PBR Plan.<sup>25</sup> The CEC is incorrect. In its Decision approving FEI's MRP, the BCUC evaluated the PBR Plan and concluded that it was successful and resulted in "sizable benefits" to both ratepayers and the utility.<sup>26</sup> Further, FEI has explained in detail the reasons for the rate increases in 2020 and 2021,<sup>27</sup> and they are simply not related to "unsustainable savings" during the PBR Plan term.

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<sup>22</sup> Exhibit B-2, Application, pp. 164-165.

<sup>23</sup> CEC Final Argument, pp. 4-5.

<sup>24</sup> Exhibit B-2, pp. 164-165.

<sup>25</sup> CEC Final Argument, pp. 4-5.

<sup>26</sup> BCUC Decision and Orders G-165-20 and G-166-20, dated June 22, 2020, p. 14.

<sup>27</sup> See e.g., Exhibit B-2, Application, pp. 4-8 and Exhibit B-9, Workshop Presentation, slides 11-16.



13. The CEC goes on to submit that: “this is a concern with PBR or MRP types of ratemaking. There is a strong incentive for the utility to unsustainably cut costs, rather than create longstanding efficiencies, which results in the build-up of costs over time.”<sup>28</sup> The CEC is again incorrect. In fact, MRP or PBR-type ratemaking creates incentives for long-term savings by virtue of the length of the term and the ability of the utility to share in any savings achieved over that term. In contrast, the BCUC has observed that the incentive under cost of service ratemaking may be to create unsustainable savings.<sup>29</sup>

#### **D. TOO EARLY FOR EVALUATION OF MRP**

14. The CEC recommends that, “in the future, the Commission undertake to carefully assess the impacts directly caused by the MRP.”<sup>30</sup> Needless to say, as the MRP was approved in June 2020, and has only just begun, it is too early to engage in any evaluation of the MRP.

#### **E. No Need for Further Work on Demand Forecast Method at this Time**

15. FEI’s demand forecast is presented in Section 3 of the Application and related Appendices. FEI responded in full to a number of IRs on its demand forecasting methodology<sup>31</sup> and provided a detailed presentation at the Workshop.<sup>32</sup>

16. The CEC submits that “further work into developing UPC forecasting methodologies could be a useful undertaking in the Long-Term Resource Plan.”<sup>33</sup> FEI disagrees. As explained in detail in response to IRs<sup>34</sup> and at the Workshop,<sup>35</sup> FEI just completed an extensive, multi-year review of its use per customer (UPC) forecasting methodologies from 2015 to 2019, which has resulted in the exponential smoothing method being adopted for FEI’s UPC forecasts in this Application. The 2019 UPC forecast, resulting in the forecast variance referenced by CEC on

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<sup>28</sup> CEC Final Argument, p. 5.

<sup>29</sup> BCUC Order G-138-14, p. 14.

<sup>30</sup> CEC Final Argument, p. 8.

<sup>31</sup> See, especially, Exhibit B-3, BCUC IR1 2 to 10.

<sup>32</sup> Exhibit B-9, Workshop Presentation; Workshop Transcript, testimony of Mr. Bailey, pp. 35-48.

<sup>33</sup> CEC Final Argument, p. 10, para. 55.

<sup>34</sup> Exhibit B-3, BCUC IR1 2.1.

<sup>35</sup> Workshop Transcript, testimony of Mr. Bailey, pp. 40-43.

page 10 of its argument, was developed using the previous method. Having just completed an extensive review and adopted a new method, further work would not be useful at this time.

17. The CEC also recommends that the BCUC “direct FEI to conduct a review of the Residential and Commercial Customer Additions forecast in its Long Term Gas Resource Plan Application (“LTGRP”).”<sup>36</sup> There is no evidence to support CEC’s recommendation. FEI reviewed its commercial customer additions forecast method as part of the multi-year forecast method review referenced above. As Mr. Bailey explained at the Workshop, the most promising alternative forecast method – exponential smoothing – did not perform as well as the existing forecast method. Therefore, FEI did not recommend any change in its commercial customer additions forecast methodology.<sup>37</sup>

18. For the residential customer additions forecast, FEI uses the Conference Board of Canada (CBOC) forecast as it is the only guidance FEI is aware of that forecasts both BC single and multi-family housing starts independently. As the housing market transitions to more multi-family dwellings this distinction will continue to be important.<sup>38</sup> In its Decision on FEI’s Annual Review for 2015 rates, the BCUC did not direct FEI to include the residential customer additions forecast in its review of alternative forecasting methods, stating:<sup>39</sup>

**The Panel approves FEI’s 2015 forecast for residential net customer additions and accepts the use of CBOC housing starts as a proxy for these additions.**

Given that FEI capture rates are significantly different for single family versus multi-family dwellings, the disaggregated forecast provided by CBOC is a valuable tool for information which may not otherwise be readily available. Moreover, the impact on rates is small given the relatively minor impact a small variance on net customer additions has on total customers in a given year.

19. Nothing has changed since the BCUC’s 2015 Decision quoted above that would support CEC’s recommendation for further work on the customer additions forecast. Moreover, FEI’s

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<sup>36</sup> CEC Final Argument, paras. 59 and 70 and paras. 163 and 165.

<sup>37</sup> Workshop Transcript, testimony of Mr. Bailey, p. 41, ll. 4-16; Exhibit B-9, Workshop Presentation, slide 25.

<sup>38</sup> Exhibit B-3, BCUC IR1 2.1.

<sup>39</sup> BCUC Decision and Order G-86-15, p. 10. Online:

[https://www.b cuc.com/Documents/Proceedings/2015/DOC\\_43718\\_05-27-2015\\_FEI-Delivery-Rates-Decision.pdf](https://www.b cuc.com/Documents/Proceedings/2015/DOC_43718_05-27-2015_FEI-Delivery-Rates-Decision.pdf)

demand forecast method is performing well, and better than FEI's internal benchmark of plus or minus 4 percent.<sup>40</sup>

20. While further work on FEI's demand forecasting method is clearly not needed at this time, FEI also notes that forecast methodology reviews take significant time and effort<sup>41</sup> and could not reasonably be completed as part of the upcoming Long-Term Gas Resource Plan as CEC recommends. Finally, FEI's Long-Term Gas Resource Plan includes a long-term forecast that is separate and distinct from the short-term forecast used for rate setting purposes. As such, a review of FEI's short-term forecast methods used in this Application would not be relevant to the Long-Term Gas Resource Plan.

21. For all these reasons, FEI submits that the CEC's recommendations should not be accepted.

#### **F. FEI Will Continue to Seek Approval of its CMAE Budget In Annual Reviews Going Forward**

22. FEI is seeking approval of its 2021 Core Market Administration Expense (CMAE) budget of \$5.524 million, and the allocation of the CMAE between FEI's Commodity Cost Reconciliation Account (CCRA) and Midstream Cost Reconciliation Account (MCRA) based on the existing allocation percentages of 30 percent and 70 percent, respectively.<sup>42</sup>

23. The CEC notes that "[v]ariations between forecast and actual gas costs will be returned to or recovered from customers through existing deferral account mechanisms", but adds that the "CEC understands that this does not apply to the CMAE."<sup>43</sup> In fact, any variances between the approved CMAE budget and actual costs are flowed to the CCRA and MCRA, such that any savings are returned to customers.

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<sup>40</sup> Exhibit B-9, Workshop Presentation, p. 29.

<sup>41</sup> Exhibit B-3, BCUC IR1 2.1 and 2.1.1.

<sup>42</sup> Exhibit B-2, Application, p. 3 and Appendix B.

<sup>43</sup> CEC Final Argument, p. 17, paras. 93-94.

24. The CEC supports approval of FEI's CMAE budget, and recommends that "benefits for Information System spending should be accounted for in future Annual Reviews as they are forecast for the whole project and as they occur and are captured and realized."<sup>44</sup> As FEI explained in the Application, in response to previous BCUC direction,<sup>45</sup> FEI will be seeking approval of its CMAE budget in its Annual Reviews and revenue requirement applications going forward. This will provide an opportunity for the BCUC and interveners to ask any questions on the benefits of completed Information System projects.

### **G. FEI Keeps Unaccounted for Gas (UAF) As Low as Possible**

25. UAF is a component of FEI's Cost of Gas.<sup>46</sup> In reference to FEI's response to BCOAPO IR1 6.1, BCOAPO notes that from 2015 to 2019 FEI's UAF quantities have increased, and requests that FEI monitor and minimize UAF going forward.<sup>47</sup> FEI shares BCOAPO's desire to keep UAF as low as possible and already monitors and takes active steps to reduce UAF.<sup>48</sup> Between 2015 to 2019, FEI's five-year rolling average UAF percentage has ranged from 0.4 percent to 0.8 percent. As Mr. Noel testified, FEI's current UAF performance is very reasonable in comparison to other utilities.<sup>49</sup> Moreover, Mr. Noel emphasized that FEI's performance is good considering that variations due to metering inaccuracies, even when up to Measurement Canada standards, can result in variations of plus or minus 1 percent.<sup>50</sup>

26. As Mr. Noel explained, FEI's UAF is predominantly comprised of: (i) measurement inaccuracies; (ii) lost gas; and (iii) system leakage.<sup>51</sup> Each category is discussed briefly below, along with FEI's steps to mitigate each source:

- **Measurement Inaccuracies:** Measurement inaccuracies represent the primary contributor of UAF. These arise due to measurement differences between meters

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<sup>44</sup> CEC Final Argument, pp. 2 and 10.

<sup>45</sup> Exhibit B-2, Application, p. 28.

<sup>46</sup> Exhibit B-2, Application, p. 28.

<sup>47</sup> BCOAPO Final Argument, p. 6.

<sup>48</sup> Workshop Transcript, p. 107, testimony of Mr. Noel, ll. 20-21.

<sup>49</sup> Exhibit B-4, BCOAPO IR1 6.1; Workshop Transcript, testimony of Mr. Noel, p. 109, ll. 13-21.

<sup>50</sup> Workshop Transcript, p. 108, ll. 23-26 and p. 109, ll. 1-10.

<sup>51</sup> Exhibit B-2, Application, p. 29; Workshop Transcript, testimony of Mr. Noel, p. 107-110.

that measure the gas coming onto FEI's system and those used to measure the gas consumed by FEI's customers at the point of delivery. FEI maintains its meter fleet in compliance with Measurement Canada standards.<sup>52</sup>

- **Lost Gas:** Lost gas comprises escaping gas as a result of hit gas lines, theft on FEI's system, and maintenance-related losses. As the main cause of lost gas, FEI works to minimize hit lines by third parties through its participation in BC 1 Call and its "Call Before You Dig" program.<sup>53</sup>
- **System Leakage:** Some of FEI's UAF is attributable to losses through system leakage. FEI has a system integrity program designed to reduce losses of this kind, including leak detection surveys and in-line inspections of the system. FEI also endeavours to repair system leakages as soon as possible after they are identified.<sup>54</sup>

27. FEI will continue to take active steps to keep its UAF volumes as low as possible.

#### **H. Three Years is an Appropriate Amortization Period for the City of Coquitlam Deferral Account**

28. FEI is requesting approval of a deferral account to capture costs related to the ongoing dispute with the City of Coquitlam regarding the use of land that arose from the Lower Mainland Intermediate Pressure System Upgrade Project, and is proposing to amortize these costs over three years.<sup>55</sup> The CEC requests a 5 to 7 year amortization period, stating that it "expects that it is possible that there could be significant additional costs if the appeal is extensive."<sup>56</sup> The CEC's suggestion is based on speculation about the cost and length of ongoing litigation, and should therefore be rejected. FEI's proposal is based on the best information available. A three-year amortization period is consistent with similar deferral accounts and the

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<sup>52</sup> Workshop Transcript, testimony of Mr. Noel, p. 108, l. 23 to p. 109, l. 10.

<sup>53</sup> Workshop Transcript, testimony of Mr. Noel, p. 108, ll. 13-22.

<sup>54</sup> Workshop Transcript, testimony of Mr. Noel, p. 108, ll. 2-12.

<sup>55</sup> Exhibit B-2, Application, p. 68.

<sup>56</sup> CEC Final Argument, p. 31.

expected amount to be amortized does not warrant a longer period.<sup>57</sup> If FEI's costs are greater than expected, the amortization period can be adjusted in future years if needed.

### **I. Service Quality Indicators Demonstrate that FEI Is Maintaining a High Level of Service**

29. FEI appreciates MoveUp's recognition of its employees' efforts and agrees that FEI's workforce has been a key factor in FEI's success and ability to continue to provide customers with safe and reliable service throughout the COVID-19 pandemic.<sup>58</sup> However, FEI notes that MoveUP quotes some of the metrics incorrectly, likely owing to a conflation of the Telephone Service Factor and Average Speed of Answer SQIs.

30. For clarity, as of August 2020, FEI's Telephone Service Factor SQI was 76 percent, representing an increase of 5 percent from 2019.<sup>59</sup> FEI's Average Speed of Answer has only increased 2 seconds from 39 seconds in 2019 to 41 seconds as of August 2020.<sup>60</sup> As noted in the Workshop, FEI's results indicate that the utility has generally performed well with respect to service quality since the beginning of the pandemic, as compared to both the benchmarks and thresholds approved in the MRP decision.<sup>61</sup> The full impact of the COVID-19 pandemic nonetheless remains unknown, and as FEI's explained in response to IRs,<sup>62</sup> SQIs such as Average Speed of Answer are also influenced by annual variability.

## **PART THREE: CONCLUSION**

31. As canvassed by the parties in this proceeding, the impacts of the COVID-19 pandemic have created unforeseen challenges for customers and the utility. There remains a great deal of uncertainty in British Columbia which may have unanticipated impacts through the remainder of 2020 and into 2021. Even so, and as the evidence presented in this proceeding demonstrates, FEI's business has proven resilient in the face of new challenges and a changed operating environment.

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<sup>57</sup> Exhibit B-2, Application, p. 68; Exhibit B-6, CEC IR1 26.1.

<sup>58</sup> MoveUP Final Argument, p. 4.

<sup>59</sup> Exhibit B-9, Workshop Presentation, p. 46.

<sup>60</sup> Exhibit B-9, Workshop Presentation, p. 46; MoveUP Final Argument, p. 4.

<sup>61</sup> Workshop Transcript, testimony of Mr. Wong, p. 90, ll. 20-22.

<sup>62</sup> See e.g., Exhibit B-6, CEC IR1 32. 1 and 32.2.

32. As FEI's Application outlines, the utility has performed well, despite continued and emerging cost pressures, by managing 2020 O&M and capital costs, mitigating customer rate pressures and maintaining the continued integrity of FEI's systems. FEI has also progressed its work on the Clean Growth Innovation Fund in accordance with the approvals obtained as part of the MRP decision, developing its first portfolio and governance structure. FEI's renewable natural gas business has continued to grow, and FEI continues to investigate expansion of its existing renewable gas portfolio. These initiatives are captured in the Application and in the utility's Clean Growth Pathway to 2050, and will continue to guide FEI's decisions across the MRP term.

33. The final submissions of interveners broadly support FEI's Application, reflecting a constructive information-sharing process undertaken through IRs and the Workshop. Therefore, FEI submits that its approvals sought are just and reasonable and should be approved as filed.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

Dated:	November 10, 2020	<b><i>[original signed by Chris Bystrom]</i></b>
	<hr/>	<hr/>
		Chris Bystrom Counsel for FortisBC Energy Inc.

Dated:	November 10, 2020	<b><i>[original signed by Niall Rand]</i></b>
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		Niall Rand Counsel for FortisBC Energy Inc.