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Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

550 Burrard Street, Suite 2900
Vancouver, British Columbia V6C 0A3
Canada

T +1 604 631 3131
+1 866 635 3131
F +1 604 631 3232

fasken.com

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Christopher R. Bystrom
Direct 604 631 4715
Facsimile 604 632 4715
cbystrom@fasken.com

By Electronic Filing

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

Attention: Sara Hardgrave, Acting Commission Secretary

Dear Sirs/Mesdames:

Re: FortisBC Energy Inc. (“FEI”)

Application for Common Rates and 2022 Revenue Requirements for the Fort Nelson Service Area (Application) ~ Project No. 1599246

FEI Written Supplemental Reply Argument on BC Stats Letter

We are counsel for FEI in the referenced proceeding and are filing this Written Supplemental Reply Argument on the BC Stats Letter¹ in accordance with the regulatory timetable set by Order G-200-22.

FEI first notes that, in its July 19, 2022 procedural submission, the Fort Nelson and District Chamber of Commerce (FNDCC) and Northern Rockies Regional Municipality (NRRM) submits that paragraphs 51-52 of FEI’s Reply Submission is new evidence. In reply to that comment, those paragraphs, which list various communities served by FEI by laterals off the Enbridge line, is directly apparent from the system map in Attachment 1.2 of FEI’s response to FNDCC-NRRM IR1 1.2, which is referenced at the beginning of paragraph 51 of FEI’s Reply Submission.

The remainder of this letter is in reply to the supplemental arguments of FNDCC-NRRM filed on July 27, 2022, and the Residential Consumers Intervener Association (RCIA) filed on July 28, 2022 with respect to the BC Stats Letter. In general, FEI submits that its Rebuttal Evidence on the BC Stats data² (the “BC Stats Evidence”) was fairly and properly entered into evidence, is not contradicted, and should be given weight in accordance with its relevance and probative value.

¹ The BC Stats Letter is Exhibit E-2.

² Exhibit B-15, Rebuttal Evidence, p. 24, ll. 19 to 26.



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However, FEI reiterates paragraph 66 of FEI's Reply Submission that the justification for common rates does not depend on a continued decline in FEFN's demand or that FEFN's residential delivery rates reach parity with FEI. No forecast over the next 10 years will be perfectly accurate and there are compelling reasons to adopt common rates for FEFN regardless of the expectations for natural gas demand in the area.

REPLY TO FNDCC-NRRM

In general, FEI submits that FNDCC-NRRM has not fairly characterized FEI's evidence and submissions in this proceeding or the meaning and consequences of the BC Stats Letter.

FNDCC-NRRM claims in various ways that the BC Stats Letter undermines³ FEI's BC Stats Evidence. Contrary to FNDCC-NRRM's submissions, the BC Stats Letter contains no statement that FEI's BC Stats Evidence is inaccurate or that the individuals who provided information to FEI were unqualified to do so or did not represent BC Stats. FEI confirmed the BC Stats Evidence via email directly with the A/Director, Provincial Statistics, BC Stats Digital Platforms & Data Division Office of the Chief Information Officer.⁴

Contrary to FNDCC-NRRM, BC Stats did not recommend that "FEI should wait if it can wait"⁵ for an updated forecast. Rather, "BC Stats explained that the forecast is currently based on the 2016 Census of Population, uses a method that was developed in 1999, and the forecast assumptions may not reflect the current circumstance in Fort Nelson." FEI confirmed in response to an IR that based on FEI's conversation with BC Stats, their forecast is currently based on the 2016 Census and that BC Stats had not yet updated their forecasts using the 2021 Census.⁶ In addition, the methodology papers from BC Stats provided by CSCW are all dated August 1999.⁷ It is relevant and of probative value that BC Stats itself acknowledged that its forecast was based on a 1999 method, 2016 data, and "may not reflect the current circumstance in Fort Nelson." Given these statements from BC Stats, in combination with the fact that CSWC's forecast based on the BC Stats data produces inexplicable results, is consistently overly optimistic, is contradicted by the CBOC data used in FEI's forecast, and is already directionally incorrect for 2021, FEI submits that it would not be reasonable to rely on CSCW's forecast.⁸

In reply to FNDCC-NRRM's submissions that FEI should have explained the details of this proceeding to BC Stats,⁹ FEI maintains that it was transparent in its conversations with BC Stats, but that this has no bearing on the relevance and probative value of the BC Stats Evidence. BC Stats is not a party to this proceeding, and has no stake in its outcome.

³ E.g., FNDCC-NRRM Supplemental Argument, p. 2, para. 12.

⁴ Exhibit B-18, Attachment 1.2b.

⁵ FNDCC-NRRM Supplemental Argument, page 5, para. 23.

⁶ Exhibit B-19, FNDCC-NRRM IR 9.2 on FEI's Rebuttal Evidence.

⁷ Exhibit C2-8, Attachments 1 and 2 to BCUC IR 4.1.

⁸ Exhibit B-17, BCUC IR1 9.3 on FEI's Rebuttal Evidence.

⁹ E.g., FNDCC-NRRM Supplemental Argument, p. 36.

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In reply to FNDCC-NRRM's submission that Dr. Corbett has not had the chance to respond to FEI's BC Stats Evidence,¹⁰ FEI's Rebuttal Evidence has been on the record since May 2, 2022. FNDCC-NRRM has had the opportunity to ask IRs on that evidence and file written submissions, and to request further process. Furthermore, FEI submits that the only entity that could reasonably rebut FEI's BC Stats evidence is BC Stats itself and BC Stats has now filed a letter which has been accepted on the record in this proceeding, and the BC Stats Letter does not contradict FEI's evidence.

In reply to FNDCC-NRRM's comments in paragraph 26 that FEI is being selective in its concern about the BC Stats data, FEI has in fact stated that it is monitoring the situation regarding BC Stats data, but also explained that FEI does not rely on the BC Stats forecasts in any of its revenue requirement applications.¹¹

FEI submits that paragraphs 28 to 34 of FNDCC-NRRM's submission are not related to the BC Stats Letter and thus go beyond the scope set for these written submissions. FEI has not responded to these submissions, but relies on its Final and Reply Submissions on these topics should the BCUC consider FNDCC-NRRM's submissions.

REPLY TO RCIA

In reply to RCIA's submissions on procedural fairness:¹²

- BC Stats is not a party to this proceeding and has no right to withdraw quotations that it previously provided. The BCUC is the master of its own procedures and even parties to a proceeding that seek to "withdraw" their evidence cannot do so without leave of the BCUC. The BCUC may in fact choose to keep "withdrawn" evidence on the record.¹³
- Whether BC Stats might not have provided the information in different circumstances is not relevant to whether the evidence was properly entered into evidence. FEI properly filed its Rebuttal Evidence in accordance with the procedure set by the BCUC. FEI's Rebuttal Evidence has been the subject of IRs and extensive argument in this proceeding, as well as commentary from BC Stats itself and now these further supplemental submissions.
- All parties have equal access to BC Stats and it is apparent that other parties have spoken with BC Stats, which led to the filing of the BC Stats Letter.¹⁴

¹⁰ E.g., FNDCC-NRRM Supplemental Argument, p. 2 para. 11. FEI notes that its meeting with BC Stats was on April 27, 2022, just several days before the filing of its Rebuttal Evidence on May 2, and well after the opportunity to file IRs to Dr. Corbett.

¹¹ Exhibit B-18, RCIA IR1 1.1 on FEI's Rebuttal Evidence.

¹² RCIA Supplemental Argument, pp. 5-6.

¹³ E.g., in its [Reconsideration Decision](#) on the BC Hydro Interior to Lower Mainland Transmission Project, the BCUC ruled that despite withdrawing as interveners and withdrawing evidence, the submissions and evidence of the withdrawing First Nations would remain on the record (see p. 112).

¹⁴ BC Stats Letter, p. 2.

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- The fact that the quotation directly from BC Stats could be seen as carrying weight is not a procedural fairness issue. Rather, this speaks to the relevance and probative value of the evidence. It is a reason to include the evidence, not exclude it.

Procedural fairness does, however, dictate that FEI have the right to file evidence in response to FNDCC-NRRM's intervener evidence. Withdrawing or giving no weight to FEI's BC Stats Evidence based on the preference of BC Stats would be prejudicial to FEI. Given that BC Stats is not a party to this proceeding and cannot be prejudiced by the outcome of the decision in this proceeding, procedural fairness favours the inclusion of the BC Stats Evidence in the BCUC's deliberations.

CONCLUSION

In conclusion, FEI submits that the BC Stats Evidence should be given weight in accord with its relevance and probative value. FEI reiterates its view that common rates for FEFN is just and reasonable and should be approved regardless of the long-term forecast for natural gas demand in FEFN.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP

[Original signed by]

Christopher Bystrom
Personal Law Corporation

