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December 11, 2024

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

Attention: Patrick Wruck, Commission Secretary

Dear Patrick Wruck:

**Re: FortisBC Energy Inc. (FEI)**  
**2023 Customer Choice Annual General Meeting (AGM)**  
**Response to the British Columbia Utilities Commission (BCUC) Information**  
**Request (IR) No. 1**

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On October 9, 2024, FEI filed the Application referenced above. In accordance with the amended regulatory timetable established in BCUC Order G-323-24 for the review of the Application, FEI respectfully submits the attached response to BCUC IR No. 1.

If further information is required, please contact Scott Webb, Manager, Market Research and Customer Choice Program at 604-592-7649.

Sincerely,

**FORTISBC ENERGY INC.**

***Original signed:***

Sarah Walsh

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**1.0 Reference: PROPOSED TIMEFRAME FOR ENROLMENTS**

**Exhibit B-2, pp. 1–2**

**Draft Revised Code of Conduct**

FortisBC Energy Inc. (FEI) makes the following submissions on the proposed new Article 28 of the Code of Conduct: <sup>1</sup>

Please note that currently the 5 year contract rule system logic is set to accept a new enrolment less than or equal to 365 days prior to the current contract end date. (...) Historically, this is how the gas marketers have been submitting their new contract terms with existing customers. A change to the GEM system to alter the system logic related to the allowable time frame would be required to enable the proposed “between 180 and 90 days prior to the applicable renewal date”. The scope of such a change, if it were to be required, would need to be evaluated to determine the associated costs and time to implement.

1.1 Please provide information on the current practices regarding the timing of renewals, obtained from Gateway for Energy Marketers (GEM) system data regarding enrolments from the last 12 months.

1.1.1 The average number of days before the existing agreement’s end date that Gas Marketers filed renewals;

1.1.2 The distribution of renewal enrolments throughout the 365-day window: i.e. XX% were enrolled 3 months or less to the end date; YY% between 3 and 6 months; WW% between 6 and 9 months; and ZZ% between 9 and 12 months.

1.1.3 Any other information which FEI understands as pertinent.

**Response:**

FEI is not able to report on the timing of renewals, as the GEM system data does not differentiate between first-time enrolments versus those that are a renewal. FEI is uncertain whether a GEM system report could be developed to provide a history of enrolment submissions by customer account or POD as it is very complex because customers may move during their contract time period or change their account number. Given the platform is nearing 20 years old, FEI anticipates it would require a significant amount of time, external resources, and cost to evaluate the feasibility of generating such a historical report or to implement the ability going forward to differentiate between renewals versus first-time enrolments.

As the GEM system does not have this information, gas marketers may be able to provide some insight into when they contact their customers for renewals and the reasons for their timelines. Customers are at liberty to decide when to renew a contract with a gas marketer as long as the

<sup>1</sup> Exhibit B-2, pp. 1–2.

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1 enrolment is received greater than 30 days before the flow date. FEI is aware that the practices  
2 of some gas marketers are to contact their customers as early as one year before expiry for gas  
3 procurement purposes.

4 Currently, FEI is anticipating that an evaluation to upgrade or replace the aging GEM  
5 infrastructure will take place in 2025. It would be most efficient and cost effective for any  
6 enhancements, new features or reporting to be identified so FEI can include them for  
7 consideration during the upgrade evaluation. FEI can then report back on the feasibility and costs  
8 of implementing requested changes as part of the subsequent system upgrade implementation.  
9 This approach will minimize development costs for both gas marketers and customers, and  
10 operational risks associated with making modifications to the existing aged system.

11 FEI notes that the proposed changes to the renewal language in Article 28 would have the effect  
12 of restricting Consumers to a shorter timeframe for renewal agreements, thus altering the purpose  
13 of Article 28 and imposing additional limitations on the Consumer's ability to choose. FEI therefore  
14 recommends that the existing language for giving notice to the Consumer regarding renewals  
15 remain as "no less than 90 days", thereby continuing to offer Consumers enough time to review  
16 offers without pressure and also the ability to lock in a rate earlier if they are watching the gas  
17 market trends and choose to do so. FEI believes it is more advantageous to the Consumer to  
18 have the choice to renew their gas marketer contract when appropriate for them, so they can  
19 receive the best offer from their incumbent gas marketer or a new gas marketer, within the  
20 parameters of the five-year contracting rule.

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23  
24 1.2 Please describe the specific adjustments to the GEM systems and provide an  
25 estimate of the time and cost associated required to enable:

26 1.2.1 the proposed timeline for renewals, i.e., between 180 and 90 days prior  
27 to the applicable renewal date;

28 1.2.2 limiting the enrolment of all agreements to 180 days before the flow date.  
29

30 **Response:**

31 Adjustments to the timeline for renewals would require changes to the GEM system logic. Given  
32 the age of the GEM system, the ability to implement new, more complex logic is limited. The  
33 implementation to restrict enrolment requests to between 180 and 90 days prior to the contract  
34 end date is more complex than the logic currently used in the GEM system and would require  
35 extensive development and testing. Additionally, limiting the enrolment of all agreements to 180  
36 days before the flow date represents a significant change in the current enrolment process which  
37 accepts contracts at minimum greater than 30 days from the contract start date in order to  
38 accommodate gas supply requirements. Currently, the GEM system accepts future enrolments  
39 less than or equal to 365 days of the current contract's end date.

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FEI estimates the time and cost to be 200 hours and \$25 thousand, respectively, to implement either the logic changes to between 180 days and 90 days prior to the contract start date or to limit enrolments to 180 days prior to the flow date in GEM. Alternatively, FEI estimates that changing the 365-day parameter to less than or equal to 180 days would take approximately 80 hours of time and resources to implement for a total cost of \$10 thousand.

FEI anticipates that such changes and associated costs would fall under technology sustainment expenses which are charged to the Program and are split 50/50 between all customers and gas marketers and are based on actual hours spent supporting Customer Choice infrastructure each month.

As explained in the response to BCUC IR1 1.1, to reduce costs and operational risks associated with making changes to the existing GEM system, FEI recommends that any changes or new features be evaluated at the same time as the GEM system upgrade is being evaluated, which is currently anticipated in 2025, and implemented in conjunction with a subsequent system upgrade.

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## 2.0 Reference: CANCELLATION OF AMENDMENT OF AGREEMENTS

### Exhibit B-2, p. 1

### Draft Revised Code of Conduct

On the provisions regarding cancellation of amending agreements, FEI stated:<sup>2</sup>

FEI notes that the original contract would have been dropped already with an anniversary drop in order to accommodate the new amended contract enrolment. Any back-dated enrolments would require a request from the gas marketer to FEI to perform a manual enrolment.

2.1 Please describe FEI's process for cancelling amending agreements within the Cancellation Period, considering that the current version of the Code of Conduct already establishes that the terms and conditions of the original agreement should be reinstated in such instances.

### Response:

The amended contract enrolment is considered a new enrolment by GEM when it is submitted. To cancel an amended agreement within the cancellation period, the gas marketer would upload a file into GEM with a cancellation code (enrolment drop code) in the file. This code would be validated to be within the 10-day cancellation window<sup>3</sup> and would then trigger the FEI billing system to remove the gas marketer contract from the customer's account. A validation response file would be sent to the gas marketer through their GEM inbox to update their own system records. The gas marketer would then have to send an email request to the FEI Customer Choice program analyst requesting that the original contract be reinstated with a manual enrolment.

Gas marketers do not have the ability to upload enrolment files with past dates into GEM. The GEM enrolment system was designed to be as simple as possible and requires some manual intervention to accomplish complex enrolments or changes. FEI notes that since the gas marketer and the customer would have settled on new terms before the execution of an anniversary date and the submission of a new amended contract, it would be unusual for the customer to want to cancel an amended contract, and this request would be a rare occurrence.

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

<sup>3</sup> Allows gas marketers to submit a cancellation drop for 10 days after the enrolment request is received by FEI. The 10 days starts on the day the contract is uploaded to GEM. E.g., contract is uploaded on December 15, the cancellation period ends December 24 to the hour submitted. Any cancellation periods missed will require a 2410 Operational Correction drop instead to be submitted by the 12<sup>th</sup> of the month before the marketer supply requirements are final.

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### 3.0 Reference: CANCELLATION PERIOD

#### Exhibit A2-3

#### Draft Revised Code of Conduct

The draft revised Code of Conduct, enclosed in Exhibit A2-3, includes the following proposed changes to the definition of Cancellation Period:

**Cancellation Period** is the period within which the Consumer can cancel ~~the Customer's~~ the Consumer's Agreement (including new agreements, renewals and amendments) with no penalty incurred, being 10 calendar days from the date ~~the enrolment is received by the LDC from the Gas Marketer. This will generally coincide with the date~~ of the LDC confirmation letter to the Consumer.

3.1 Please discuss whether FEI has any concerns with the Code of Conduct establishing the date of the local distribution company confirmation letter to the Consumer as the start date of the Cancellation Period.

#### Response:

In responding to this question and considering the proposed revised wording to the Cancellation Period, FEI is concerned that the revised wording implies that the LDC confirmation letter to the Consumer is what triggers the 10 calendar day Cancellation Period, which is incorrect. Rather, it is the date the marketer uploads the enrolment file into the GEM system that triggers the Consumer protection measure for the 10 calendar day Cancellation Period. The Consumer may or may not receive the confirmation letter within the Cancellation Period timeframe as FEI has no control over the mail delivery service.

The purpose of the confirmation letter is to advise the account holder of a change to their account; therefore, FEI now recommends that it would be more appropriate to retain the language that the enrolment was received by the LDC from the Gas Marketer, which often coincides with the timing of the LDC confirmation letter to the Consumer.

In any event, a Consumer must contact their gas marketer if they wish to cancel a contract, and arrangements can be made to cancel the contract before the flow date even if they are outside of the 10 calendar day Cancellation Period.

The confirmation letter is automatically generated by the GEM system and is dated on the day the marketer uploads the enrolment into the GEM system. The 10 calendar day Cancellation Period starts on the date and time of uploading the enrolment and ends 10 calendar days later to the hour submitted into the GEM system. A sample letter below is provided for reference.

FEI notes the following on the sample letter:

- The date on the top left is the date the marketer uploaded the Consumer enrolment into the GEM system.
- The first paragraph advises the Consumer that FEI has received notification to make a change on their account.

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- The date in the table under “Agreement Opt-Out Deadline” is the date that would be 10 calendar days from Consumer enrolment and would mark the end of the Cancellation Period.



January 30, 2024

PO BOX 48230  
Bentall Centre  
Vancouver BC V7X 1N8  
fortisbc.com

XXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXX

Re: CUSTOMER CHOICE™ program - Confirmation of Enrolment

Dear XXXXXXXXXXXXXXXXX,

, a licensed independent gas marketer, has notified us that you have signed a contract to purchase natural gas from them. Accordingly, the account listed below will be enrolled in the FortisBC Energy Inc CUSTOMER CHOICE™ program.

Customer number: XXXXXXX  
Customer name: XXXXXXX  
POD number: XXXXXXX  
Premise address: XXXXXXX

Gas marketer name:  
Gas marketer telephone:  
Gas marketer email:

The table below summarizes the details of your Agreement with

Effective Contract Start Date with	Effective Contract End Date with	Agreed Contract Price with  (S/GJ)	Agreement Opt-Out Deadline
XXXXXXX	XXXXXXX	\$XXXXXXX	XXXXXXX

If you have waived your right to the 10-day cancellation period as per your contract, the ‘Opt-Out Deadline’ column above will read ‘Waived’.

Please carefully review the terms and conditions of the Agreement you signed with Inc.. If you have any questions or concerns relating to the Agreement, please contact

FortisBC Energy Inc. will continue the safe and reliable delivery of natural gas to your home and provide the same quality of service as we have in the past. For your convenience, please see below for further information about natural gas prices.

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1  
2           3.2     Please discuss the time and cost associated with including wording on the  
3                   confirmation letter advising the Consumer of the start of the Cancellation Period.  
4

5     **Response:**

6     Modifying the wording of the confirmation letter would not result in incremental costs as this work  
7     could be performed by internal FEI staff as part of the Customer Choice program costs. FEI  
8     expects that it would take several weeks to implement changes to the confirmation letter wording  
9     as typical change control processes would need to be followed which includes documenting and  
10    testing the changes prior to implementation.

11  
12

13  
14           3.3     Please explain whether FEI sends confirmation letters to Consumers by mail,  
15                   electronically or both.

16                   3.3.1    If both, please explain FEI's criteria in determining which form of  
17                               confirmation letter (mail or electronic) to send to a Consumer.

18  
19     **Response:**

20     Currently, FEI sends confirmation letters to Consumers by mail only, through a third-party print  
21     provider. Providing an email address is optional and not all customer accounts have an associated  
22     email address.

23