



Sarah Walsh
Director, Regulatory Affairs

Gas Regulatory Affairs Correspondence
Email: gas.regulatory.affairs@fortisbc.com

Electric Regulatory Affairs Correspondence
Email: electricity.regulatory.affairs@fortisbc.com

FortisBC
16705 Fraser Highway
Surrey, B.C. V4N 0E8
Tel: (778) 578-3861
Cell: (604) 230-7874
www.fortisbc.com

September 22, 2025

Movement of United Professionals
c/o Allevato Quail & Associates
1943 E. Hastings Street
Vancouver, BC
V5L 1T5

Attention: Jim Quail

Dear Jim Quail:

Re: FortisBC Energy Inc. (FEI)
2025 and 2026 Annual Review of Delivery Rates (Application)
Response to the Canadian Office and Professional Employees Union, Local 378
(known as Movement of United Professionals or MoveUP) Information Request
(IR) No. 1

On July 24, 2025, FEI filed the Application referenced above. In accordance with the regulatory timetable established in the British Columbia Utilities Commission Order G-179-25 for the review of the Application, FEI respectfully submits the attached response to MoveUP IR No. 1.¹

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Sarah Walsh

Attachments

cc (email only): Registrar
Registered Interveners

¹ For convenience and efficiency, if FEI has provided an internet address for referenced reports instead of attaching the documents to its IR responses, FEI intends for the referenced documents to form part of its IR responses and the evidentiary record in this proceeding.

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1.0 TOPIC: Recovery of the 2026 revenue deficiency

Reference: Exhibit B-2, section 1.1.2 Permanent 2026 Delivery Rates

1.1 Please provide a table showing FEI's best estimate of the net percentage rate impact of each of the Options described in this section for each year from 2026 through 2031, and of their respective cumulative percentage rate impacts over the duration of that period. Please explain any material assumptions FEI has made in responding to this question that are not discussed in Exhibit B-2.

Response:

FEI does not have a forecast of its delivery rates to 2031 at this time as it requires detailed development of each component of its revenue requirement, including the demand forecast, taxes, O&M expenses, interest rates, and capital additions in each year to 2031. Further, FEI's current rate setting framework (RSF) ends in 2027 and its delivery rates from 2028 to 2031 will depend on the framework approved by the BCUC at that time.

However, in order to be responsive, please refer to Table 1 below which compares the incremental delivery rate impact (and year-over-year increase) due to the 2023-2025 Revenue Deficiency deferral account only (when compared to the 2025 Approved interim rates) for the options presented in Section 1.1.2 of the Application. FEI notes that the incremental delivery rate impact due to the deferral account is the same between Options 1 and 3a, and between Options 2 and 3b. This is because Option 3a is essentially the same as Option 1 (and Option 3b is the same as Option 2) except the former splits the delivery rate increase into two parts in 2026 (i.e., one increase in January and another increase in July). On an annual basis, the overall impact due to the deferral account is the same regardless of whether the increase occurs once over the entire year or is split into two.

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Table 1: Comparison of the Incremental Delivery Rate Impact Due to the 2023-2025 Revenue Deficiency Deferral Account Between Options 1, 2, 3a, 3b, and 4

	2026	2027	2028	2029	2030	2031
<u>Option 1 and 3a - Amortization begins in 2026</u>						
Amortization	15,756	16,860	18,085	19,492	21,956	-
Income Tax	5,828	6,236	6,689	7,209	8,121	-
Total Incremental Revenue Requirement (\$000s)	21,584	23,096	24,774	26,702	30,077	-
Non-bypass Margin at 2025 Interim Approved (\$000s)	1,235,266	1,235,266	1,235,266	1,235,266	1,235,266	1,235,266
Delivery Rate Impact compared to 2025 Interim Approved (%)	1.75%	1.87%	2.01%	2.16%	2.43%	0.00%
Year-over-year Impact (%)	1.75%	0.12%	0.14%	0.16%	0.27%	-2.43%
<u>Option 2 and 3b - Amortization begins in 2027</u>						
Amortization	-	16,737	17,910	19,211	20,706	23,323
Income Tax	-	6,191	6,624	7,105	7,658	8,626
Total Incremental Revenue Requirement (\$000s)	-	22,928	24,534	26,316	28,364	31,950
Non-bypass Margin at 2025 Interim Approved (\$000s)	1,235,266	1,235,266	1,235,266	1,235,266	1,235,266	1,235,266
Delivery Rate Impact compared to 2025 Interim Approved (%)	0.00%	1.86%	1.99%	2.13%	2.30%	2.59%
Year-over-year Impact (%)	0.00%	1.86%	0.13%	0.14%	0.17%	0.29%
<u>Option 4 - 2026 Delivery Rate Increase capped at 9%</u>						
Amortization	-	18,732	20,044	21,500	23,173	26,102
Income Tax	-	6,928	7,413	7,952	8,571	9,654
Deferred Deficiency	(13,247)	-	-	-	-	-
Total Incremental Revenue Requirement (\$000s)	(13,247)	25,660	27,457	29,452	31,744	35,756
Non-bypass Margin at 2025 Interim Approved (\$000s)	1,235,266	1,235,266	1,235,266	1,235,266	1,235,266	1,235,266
Delivery Rate Impact compared to 2025 Interim Approved (%)	-1.07%	2.08%	2.22%	2.38%	2.57%	2.89%
Year-over-year Impact (%)	-1.07%	3.15%	0.15%	0.16%	0.19%	0.32%

As shown in Table 1 above, Options 1 and 3a will fully amortize the deferred revenue deficiency earlier (i.e., in 2030) than the other options, but Options 1 and 3a will result in an additional delivery rate increase of 1.75 percent in 2026. Under Option 4, the delivery rate increase would be capped at 9 percent in 2026, but there will be higher rate volatility from 2026 to 2028 due to the additional deferred deficiency in 2026. Option 4 also results in the highest cumulative delivery rate impact at the end of the period at 2.89 percent.

As such, FEI continues to consider that its proposed Option 2 offers the best balance among the options explored. Although the 2023-2025 Revenue Deficiency deferral account will not be fully amortized until 2031, which is one year later than Option 1, Option 2 helps mitigate the immediate delivery rate increase in 2026 and minimizes potential rate volatility from 2026 to 2028.

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1 **2.0 TOPIC: Rate Base**

2 **Reference: Exhibit A-4, BCUC IR No 1**

3 2.1 Further to BCUC IR No 5.2, please provide a response to this question that
4 explains and differentiates between risks and mitigation strategies in the event
5 that, in its Review of Renewable Natural Gas Definition and Accounting, the
6 Commission determines that further acquisitions of out-of-province biomethane
7 are (a) consistent or (b) not consistent with the requirements of the *Greenhouse*
8 *Gas Reduction (Clean Energy) Regulation (GGRR)*.

9
10 **Response:**

11 Please refer to the response to BCUC IR1 5.2.

12

3.0 TOPIC: Service Quality Indicators

Telephone Service Factor (Non-Emergency)

Reference: FEI 2023 Annual Review Exhibit B-2 p. 173-174

3.1 Please discuss the reasons for the improvement in this Customer Service metric since 2023, and any further measures that FEI intends to take to sustain it.

Response:

Apart from 2022, FEI regularly sustains threshold or benchmark levels of performance for the Telephone Service Factor (TSF) (non-emergency) SQI. There is variability in the factors, or in the timing of those factors, that impact the TSF (non-emergency) SQI, which can result in variability in performance from year to year. FEI focuses on many actions, including the following, to maintain the TSF (non-emergency) SQI at benchmark (or threshold) levels:

- resource planning for the year ahead, with regular reviews during the year to adjust for changes in call volume, employee movement, hiring and training needs;
- regular review for opportunities to optimize scheduling; and
- promotion of self-serve options for customers.

All-Injury Frequency Rate

Reference: Exhibit B-2, Table C6-7 and related discussion

3.2 Please provide a table identifying each reported injury to-date since the most recent previous report to the Commission, showing the date, location, worker status (MoveUP, IBEW, excluded, or contractor), general nature of the injury, work-days lost, whether it gave rise to a workers' compensation claim, and measures taken to avoid recurrence.

Response

Please refer to the following table for the recordable injuries for 2024 and 2025 year-to-date for FEI. FEI does not report on injuries sustained by contractors.

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Month-Year	General Nature of Incident	Total Days Lost	WSBC Claim	Affiliation	Work Location	Measures Taken to Avoid Recurrence
Jan-2024	Sprain/Strain/Tear	6	Yes	IBEW	Abbotsford	<ul style="list-style-type: none"> Completed a team learning focused on the process of returning employees back to work after extended absences. Injury Prevention Specialist delivered a presentation on preventing back injuries.
Jan-2024	Animal Bite (dog)	0	No	IBEW	Mt. Hayes LNG Plant	<ul style="list-style-type: none"> Extended fencing to prevent public from entering the area. Installed a sign at the forest road gate instructing public to maintain dogs on leash while on FEI property.
Jan-2024	Sprain/Strain/Tear	0	Yes	MoveUP	Surrey	<ul style="list-style-type: none"> Reviewed the use of manual pallet jack and proper lifting techniques. Highlighted the use of caution tape and cones when stacked boxes become a safety concern.
Feb-2024	Sprain/Strain/Tear	11	Yes	IBEW	Langley	<ul style="list-style-type: none"> Reviewed examples of site-specific hazards, with an emphasis placed on identifying them on site prior to commencing work. This included discussion of hidden tripping hazards and the importance of walking the best maintained path.
Feb-2024	Sprain/Strain/Tear	17	Yes	IBEW	Langford	<ul style="list-style-type: none"> Discussed the event during Safety Meeting with reminders to maintain three-point contact while exiting a vehicle and to scan the area for slippery/unlevel ground conditions. Reviewed importance of wearing proper footwear for the conditions.
Feb-2024	Sprain/Strain/Tear	14	Yes	IBEW	Surrey	<ul style="list-style-type: none"> Completed an interactive presentation with planning department to outline the ergonomic risks at specific meters.
Feb-2024	Sprain/Strain/Tear	3	Yes	IBEW	Burnaby	<ul style="list-style-type: none"> Reviewed importance of warming up for specific job tasks, taking microbreaks to stretch, and avoiding sustained repetitive activities.
Feb-2024	Sprain/Strain/Tear	0	Yes	MoveUP	Surrey	<ul style="list-style-type: none"> Discussed common hazards within the workspace and how to mitigate them.
Mar-2024	Sprain/Strain/Tear	0	Yes	IBEW	Kelowna	<ul style="list-style-type: none"> Reviewed the importance of utilizing equipment to move heavy/awkward items onto trailer instead of lifting by hand. Discussed importance of proper warm-up prior to starting work and after remaining stationary for longer periods of time.
Mar-2024	Fracture	21	Yes	IBEW	Sparwood	<ul style="list-style-type: none"> Reviewed the Personal Protective Equipment policy, discussed the importance of being alert and using traction aids in winter conditions to avoid slips, trips and falls.

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Month-Year	General Nature of Incident	Total Days Lost	WSBC Claim	Affiliation	Work Location	Measures Taken to Avoid Recurrence
May-2024	Sprain/Strain/Tear	10	Yes	IBEW	Fort Nelson	<ul style="list-style-type: none"> Communicated with employees the importance of reporting pain/discomfort early on, especially if worsening due to work activities.
May-2024	Sprain/Strain/Tear	3	Yes	IBEW	Kamloops	<ul style="list-style-type: none"> Discussed the importance of worksite planning and self-assessing for pain during emergencies.
Jun-2024	Sprain/Strain/Tear	8	Yes	IBEW	Tilbury	<ul style="list-style-type: none"> Completed an investigation on visibility of all round gauges and readings, including lighting solutions within the building to reduce tripping hazards.
Jun-2024	Fracture	15	Yes	IBEW	Burnaby	<ul style="list-style-type: none"> Delivered safety communication to remind employees to avoid manual handling of lift gates. Retrofitted dump truck of dependent contractor from manual to power lift gate to eliminate hazard.
Jun-2024	Sprain/Strain/Tear	126	Yes	IBEW	Prince George	<ul style="list-style-type: none"> Reminded employees to proactively report the onset or worsening of pain/discomfort prior to it progressing. Injury Prevention Specialist provided education on safe lifting/digging procedures.
Jun-2024	Sprain/Strain/Tear	0	Yes	MoveUP	Surrey	<ul style="list-style-type: none"> Tripping hazard was identified and Facilities took measures to rectify.
Jun-2024	Sprain/Strain/Tear	1	Yes	IBEW	Prince George	<ul style="list-style-type: none"> Reinforced the importance of using an additional person or a crane truck when lifting heavier items.
Jul-2024	Sprain/Strain/Tear	1	Yes	IBEW	Kelowna	<ul style="list-style-type: none"> Discussed the benefits of pre-task warm-up and stretching, as well as suggestions on body positioning to decrease reaching/bending when picking up items.
Jul-2024	Sprain/Strain/Tear	4	Yes	IBEW	Penticton	<ul style="list-style-type: none"> Safety talk with crew to highlight the importance of pre-startup check and assessments of hazards/congestion of work areas.
Aug-2024	Sprain/Strain/Tear	20	Yes	IBEW	Roebuck	<ul style="list-style-type: none"> Injury Prevention Specialist presented on pre-work warmups. Discussed with employees that certain body positions put them at greater risk of injury, even if little to no force is required to perform the movement. Reviewed the other options to complete similar tasks such as electrofusion.
Aug-2024	Sprain/Strain/Tear	2	Yes	IBEW	Abbotsford	<ul style="list-style-type: none"> Discussed the importance of good body mechanics and how this helps prevent musculoskeletal injuries. Implemented a group warm-up prior to starting work.

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Month-Year	General Nature of Incident	Total Days Lost	WSBC Claim	Affiliation	Work Location	Measures Taken to Avoid Recurrence
Sep-2024	Laceration	4	Yes	IBEW	Tilbury	<ul style="list-style-type: none"> Reviewed location where injury occurred and made changes to improve congestion and access within the area. Discussed importance of pre-startup checks and assessments of hazards.
Oct-2024	Sprain/Strain/Tear	0	Yes	IBEW	Burnaby	<ul style="list-style-type: none"> Reminded employees to use caution when exiting crew trucks and to complete warm up prior to starting work.
Nov-2024	Laceration	0	No	IBEW	Tilbury	<ul style="list-style-type: none"> Reviewed that throwing tools is hazardous and not acceptable practice in the workplace.
Nov-2024	Sprain/Strain/Tear	2	Yes	IBEW	Burnaby	<ul style="list-style-type: none"> Evaluated the use of a mobile crane lift for heavy objects. Discussed the use of two people during heavier lifts, with use of a dolly, temporary stand or third person if necessary.
Nov-2024	Laceration	0	No	M&E	Surrey	<ul style="list-style-type: none"> Reviewed importance of identifying overhead hazards and line of fire areas on site and created a setup site so employees are not located within hazardous areas.
Nov-2024	Sprain/Strain/Tear	75	Yes	IBEW	Trail	<ul style="list-style-type: none"> Reviewed the need for caution when stepping in/out of a bell hole and encouraged employees to warm up prior to task. Discussed the importance of early reporting or any injuries or ailments.
Jan-2025	Laceration	0	Yes	IBEW	Richmond	<ul style="list-style-type: none"> Ladders are now stored at the larger stations that are less prone to slippage. Ball valve handles are all facing up, so the sharper edge is facing down, decreasing risk of injury.
Jan-2025	Sprain/Strain/Tear	1	Yes	MoveUP	Surrey	<ul style="list-style-type: none"> Collaborated with engineering and operations on solutions to avoid slip/fall hazards at FEI stations.
Jan-2025	Sprain/Strain/Tear	0	Yes	IBEW	Lanford	<ul style="list-style-type: none"> Highlighted the importance of warming up, especially during the cold months, during safety meeting. Discussed the potential of using a smaller mini excavator, instead of digging, for the job.
Feb-2025	Sprain/Strain/Tear	0	Yes	IBEW	Kelowna	<ul style="list-style-type: none"> Discussed at crew talk assessing alternate options when encountering a tight fitting. Investigated tools to measure torque and force.

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Month-Year	General Nature of Incident	Total Days Lost	WSBC Claim	Affiliation	Work Location	Measures Taken to Avoid Recurrence
Feb-2025	Sprain/Strain/Tear	135	Yes	IBEW	Courtenay	<ul style="list-style-type: none"> Reviewed the benefits of early reporting of injuries and had Injury Management Specialist present in safety meeting. Discussed the importance of identifying low-risk hazards in the surrounding environment.
Feb-2025	Laceration	2	Yes	IBEW	Surrey	<ul style="list-style-type: none"> Conducted dog awareness training with dog trainer for Customer Service Technicians and reviewed job aid on safety around dogs.
Mar-2025	Sprain/Strain/Tear	0	Yes	IBEW	Langford	<ul style="list-style-type: none"> Encouraged employees to warm up at muster prior to starting work. Reviewed the trailer removal process at safety meeting.
Mar-2025	Laceration	0	Yes	IBEW	Salmon Arm	<ul style="list-style-type: none"> Address was flagged in system for having an aggressive dog. Provided education on safety measures when encountering dogs in the workplace.
Apr-2025	Blisters	3	Yes	IBEW	Cranbrook	<ul style="list-style-type: none"> Reminded employees to be mindful of their personal condition and health and to conduct regular self-checks to ensure they are fit for duty. Provided overview of Personal Protective Equipment policy, specific to work boots.
Apr-2025	Sprain/Strain/Tear	2	Yes	IBEW	Trail	<ul style="list-style-type: none"> Reminded employees to be mindful when exiting any vehicle as hidden hazards can be present at any time.
May-2025	Sprain/Strain/Tear	0	Yes	IBEW	Burnaby	<ul style="list-style-type: none"> Discussed the importance of immediately reporting all injuries to management. Reminded employees of modified duties program if experiencing pain/discomfort at work.
May-2025	Sprain/Strain/Tear	35	Yes	IBEW	Prince George	<ul style="list-style-type: none"> Discussed the importance of not lifting heavy water barrels off the truck manually and instead the use of mechanized means.
May-2025	Sprain/Strain/Tear	3	Yes	IBEW	Abbotsford	<ul style="list-style-type: none"> Requested to have employees complete the safe wrenching course again. Advised employees they can suspend a job if it poses a hazard to them.
July-2025	Sprain/Strain/Tear	2	Pending	IBEW	Surrey	<ul style="list-style-type: none"> Reviewed importance of warming up prior to commencing work, especially on areas that are already feeling tight.

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Reference: FEI and FBC Application for approval of a Rate Setting Framework for 2025 through 2027, Exhibit B-1, section 6.3.1:

3.3 Please detail FortisBC's progress toward the development of leading safety indicators, and planned actions to further advance this objective including consultations with employees and employee representatives.

Response:

FEI continues to explore potential leading indicators that are being investigated and/or implemented across the industry, but does not yet have a formal, defined indicator to propose at this time. FEI will continue to examine and develop a leading safety indicator during the term of the RSF and may propose a suitable leading indicator as part of the next rate-setting framework application.

FEI is open to engaging employees and employee representatives through the Joint Health & Safety Committee.