



ORDER NUMBER
G-169-18

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

and

FortisBC Energy Inc.
Application for Approval to Exempt from Applicable Residential and Commercial Tariff Charges
for Customers Under Evacuation Orders and
Application for Approval of Tariff Changes to Permit Relief for Customers
Under Evacuation Orders

BEFORE:

A. K. Fung, QC, Commissioner/Panel Chair
W. M. Everett, QC, Commissioner
H. G. Harowitz, Commissioner
M. Kresivo, QC, Commissioner
B. A. Magnan, Commissioner
R. D. Revel, Commissioner

on September 13, 2018

ORDER

WHEREAS:

- A. On August 1, 2018, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (BCUC) for the following approvals (Application):
1. pursuant to section 63 of the *Utilities Commission Act* (UCA), approval to provide to evacuee customers (Evacuee Customers) who were under an evacuation order due to flooding or wildfires between May 1 and August 31, 2018 (the Applicable Period), a credit for the charges that would otherwise have applied to the Evacuee Customers during the Applicable Period (the Applicable Charges). The Evacuee Customers receive service under FEI Rate Schedules 1, 1U, 1X, 1B, 2, 2U, 2X, 2B, 3, 3U, 3X, 3B and 23 (part 1 of the Application); and
 2. pursuant to sections 59–62 of the UCA, approval for tariff changes to the FEI General Terms and Conditions (the Tariff). The changes to the Tariff are to permit evacuation relief for customers who are subject to an evacuation order (part 2 of the Application).
- B. The BCUC has reviewed the Application and finds that the determinations below are warranted.

NOW THEREFORE pursuant to sections 59–63 of the UCA and for the reasons outlined in Appendix A to this order, the BCUC orders as follows:

1. FEI’s application to provide a credit for the Applicable Charges is approved. The Applicable Period for the credit relief is extended to the end of the 2018 calendar year.
2. The revenue variance associated with crediting Evacuee Customers for the Applicable Charges will be recorded in FEI’s existing Flow-Through deferral accounts.
3. FEI is directed to report on the impact of the evacuation bill relief on the 2018 revenues and costs in its next Annual Review of Delivery Rates application.
4. A hearing process will be established by the BCUC for the review of part 2 of the Application at a later date.

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of September 2018.

BY ORDER

Original signed by

A. K. Fung, QC
Commissioner

Attachment

FortisBC Energy Inc.
Application for Approval to Exempt from Applicable Residential and Commercial Tariff Charges
for Customers Under Evacuation Orders and
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REASONS FOR DECISION

1.0 Background

In May 2018, residents in parts of the Interior, Kootenay and Lower Mainland regions of British Columbia were issued flood related evacuation orders. On August 15, 2018, a provincial state of emergency was declared in BC due to wildfires, with numerous evacuation orders in place and thousands of residents on evacuation alert. Evacuation orders are issued because people and premises face immediate danger, requiring a swift evacuation. During the 2017 wildfires in BC, 12,053¹ FortisBC Energy Inc. (FEI) customers were similarly affected by wildfires evacuations and received credit relief from the utility pursuant to British Columbia Utilities Commission (BCUC) Order G-125-17A.

On August 1, 2018, FEI applied to the BCUC for approval to provide bill credits to its customers who are subject to an evacuation order due to flooding in May, 2018 and proximity to wildfires in July and August 2018. FEI also applied to amend its Tariff Terms and Conditions to include provisions that would provide automatic relief for customers who are under evacuation orders after August 2018.

2.0 BCUC determination

Credit for charges

The proposed temporary credit relief to residents and businesses that have been impacted by the 2018 evacuation orders is approved for the reasons discussed below.

FEI customers facing a mandatory evacuation order in 2018 are unable to make regular use of any service from FEI through no fault or action of their own; however, they remain bound by billing terms of FEI's approved rate schedules. The Panel finds that temporary credit relief is warranted for 2018 to allow FEI to relieve customers of these billing obligations while under mandatory evacuation orders and thus unable to make regular use of services as contemplated by FEI's approved rate schedules. However, the Panel also considers it appropriate for a more fulsome review before any permanent tariff amendments are made.

The Panel notes that the Application was limited to evacuee customers (Evacuee Customers) between May and August 2018 (the Applicable Period). However, as the Panel has found that further process is required for the Tariff amendment review part of the Application, the Applicable Period is extended until the end of the 2018 calendar year pending the Tariff amendment review. The Panel directs revenue variance resulting from the credit relief to be recorded in FEI's flow-through deferral account. The Panel also directs FEI to report on the impact of the evacuation bill relief on the 2018 revenues and costs in the next rate application. The impact, if any, would be addressed in the subsequent rate setting processes for the utility.

¹ FEI and FBC response to BCUC staff questions, dated August 15, 2018, p. 2.

Amendment to the Tariff

The Panel finds that a hearing process is necessary for the review of the Application for Approval of Tariff Changes to Permit Relief for Customers under Evacuation Orders. This hearing process will be established by the BCUC at a later date.

The Panel considers it necessary that the BCUC hearing process ensures that utility regulation is a fair, transparent and inclusive exercise. FEI must satisfy the Panel that the proposed Tariff amendments are just, reasonable and not unduly discriminatory. As the Panel is unable to make such findings on the proposed Tariff amendments without further process, it determines that a future hearing process for the review of the Application for Approval of Tariff Changes to Permit Relief for Customers under Evacuation Orders is necessary and that the BCUC will establish this hearing at a later date.