



**Diane Roy**  
Director, Regulatory Services

**Gas Regulatory Affairs Correspondence**  
Email: [gas.regulatory.affairs@fortisbc.com](mailto:gas.regulatory.affairs@fortisbc.com)

**Electric Regulatory Affairs Correspondence**  
Email: [electricity.regulatory.affairs@fortisbc.com](mailto:electricity.regulatory.affairs@fortisbc.com)

**FortisBC**  
16705 Fraser Highway  
Surrey, B.C. V4N 0E8  
Tel: (604) 576-7349  
Cell: (604) 908-2790  
Fax: (604) 576-7074  
Email: [diane.roy@fortisbc.com](mailto:diane.roy@fortisbc.com)  
[www.fortisbc.com](http://www.fortisbc.com)

October 13, 2015

**Via Email**  
**Original via Mail**

Canadian Office and Professional Employees Union Local 378  
c/o Quail, Worth & Allevato Barristers and Solicitors  
405-510 West Hastings St.  
Vancouver, BC  
V6B 1L8

Attention: Mr. Jim Quail

Dear Mr. Quail

**Re: FortisBC Inc. (FBC)**

**Multi-Year Performance Based Ratemaking Plan for 2014 through 2019  
approved by British Columbia Utilities Commission (Commission) Order G-139-  
14 (the PBR Plan) – Annual Review for 2016 Rates (the Application)**

**Response to the Canadian Office and Professional Employees Union Local 378  
(COPE) Information Request (IR) No. 1**

---

On September 11, 2015, FBC filed the Application referenced above. In accordance with Commission Order G-139-15 setting out the Regulatory Timetable for the review of the Application, FBC respectfully submits the attached response to COPE IR No. 1.

Due to a small number of updates to the forecasts in the Application, FBC will be filing an Evidentiary Update prior to the Annual Review Workshop. The Evidentiary Update will include the items listed below:

- Update to incorporate the forecast 2016 reduction in property taxes (see response to BCUC IR 1.16.3);
- Update to the balance in the Capacity and Energy Purchase and Sale Agreement with Powerex Corp. Application deferred account (see response to BCUC IR 1.21.3); and

- Update to 2015 and 2016 revenue to give effect to certain determinations of the Commission in the Stage IV Decision regarding Celgar's Stand-by Billing Demand (Order G-14-15).

If further information is required, please contact Joyce Martin at 250-368-0319.

Sincerely,

**FORTISBC INC.**

***Original signed by: Joyce Martin***

***For:*** Diane Roy

Attachments

cc: Commission Secretary  
Registered Parties (email only)

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 1

1. **Reference: Exhibit B-1-1, Page 4, Section 1.4 EVALUATION OF THE PBR PLAN**

FBC is continuing to explore opportunities for major productivity initiatives, although it has not implemented any initiatives to date. FBC along with FEI are currently working on a company-wide Training and Development initiative to introduce a defined process that enables the Company to plan and track required training activities, ensuring skills requirements for employee training are addressed efficiently and effectively. Presently, there is limited evaluation of the skills requirements for employee training, which may lead to a gap between the training conducted and the skill set or competency that the training was intended to address. Implementation of a new process is expected by late 2015. No O&M savings have been forecast for 2015 as a result of this initiative.

1.1 Is this Training and Development Initiative that FBC and FEI are currently working on a joint project or one each utility is engaging in in parallel?

**Response:**

The initiative is a joint project between FBC and FEI.

1.2 If it is a joint project, what are the associated costs?

**Response:**

As the costs have not been finalized, FBC cannot provide the amount. Any major initiative that has been implemented will be reported on using the Commission-defined template for FEI, which includes both the costs and benefits. At this time, this initiative has not been fully implemented.

1.3 How are these costs being allocated between the two utilities?

**Response:**

To prevent cross-subsidization between FEI and FBC, shared costs will be identified and billed appropriately.

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 2

1.4 Please clarify whether this “limited evaluation of the skills requirements for employee training, which may lead to a gap between the training conducted and the skill set or competency that the training was intended to address,” means that FEI and FBC staff are being asked to complete tasks and fill positions without the training they need to do so.

**Response:**

No, FEI and FBC staff are not being asked to complete tasks and fill positions without adequate training being provided. FBC identified that there is the potential to improve the process of determining specific training needs and ensuring the best training delivery mechanisms are being used for the Company. The Training and Development initiative is intended to enhance this process with the objective to design and implement a corporate training model that will provide efficient, effective and appropriate training to employees.

1.5 Is this training gap contributing to the deterioration in the All Injury Frequency Rate?

**Response:**

No, FBC has not identified any injury contributing to the lower AIFR performance as being the result of the training conducted and the skills set or competency that the training was intended to address. The injuries contributing to the decline in the AIFR performance are primarily of the slips, trips and falls nature and are not related to the skills and competencies requirements of the employees.

Please also refer to the response to COPE IR 1.1.4.

1.6 What O&M savings are projected for future years as a result of this initiative?

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 3

1 **Response:**

2 As this initiative is still in the implementation phase, FBC does not have projected O&M savings  
3 for future years available. As the initiative progresses and FBC evaluates the process and  
4 information captured, it will be able to gain a better understanding of the O&M savings available.

5

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 4

1    **2.0    Reference:    Exhibit B-1-1, page 4**

2    FBC is not projecting any savings in capital relative to the formula in 2015. Projected 2015  
3    capital expenditures excluding items forecast outside of the PBR formula are \$3.213 million  
4    higher than the formula amount, attributable to growth capital which is projected to be above the  
5    formula by this amount. New customer extensions driven by large commercial customers  
6    contribute to the forecast variance. FBC will continue to be challenged to meets its capital  
7    formula for the remainder of the term of the PBR Plan.

8    2.1    Has the larger than formula capital growth resulted in any additional FBC  
9    staffing?

10    a)    If so, please provide a breakdown of the additional positions including  
11    their bargaining unit (if applicable).

12    b)    If not, please describe how FBC is distributing the additional work.

1    **Response:**

2    No additional FBC staffing has been required. FBC used design and line contractors as required  
3    to complete the additional new extension work.

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 5

**3.0 Reference: Exhibit B-1-1, Page 111, Section 13.2.1 SAFETY SERVICE QUALITY INDICATORS**

**Emergency Response Time**

3.1 Please provide a year to date Emergency Response Time result updated to August 31, 2015.

**Response:**

Please refer to the response to BCOAPO IR 1.20.1.

3.2 Please confirm that the purpose of Threshold and Benchmark levels for SQI's is, in full or in part, to allow for negative and positive impacts to Utility performance due to factors beyond the utility's control that do not qualify as Z factor events?

**Response:**

As stated in the Consensus Recommendation, one of the objectives of the performance range is to "give due recognition to normal volatility which may produce SQI scores inferior to the benchmarks that do not represent serious degradation of service." FBC believes that normal volatility in the SQIs can be due to a number of factors, which may include factors beyond the utility's control that do not qualify as Z factor events.

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 6

**4.0 Reference: Exhibit B-1-1, Page 111, Section 13.2.1 SAFETY SERVICE QUALITY INDICATORS**

**All Injury Frequency Rate**

4.1 Please provide the 2015 AIFR as of August 31, 2015 as well as an updated three year rolling average using that figure.

**Response:**

The 2015 AIFR as of August 31, 2015 is 2.6. The updated three year rolling average AIFR is 2.88.

4.2 Please prepare a table describing each of the injuries to August 31, 2015, setting out:

- Date
- Work Location
- Bargaining Unit (if any) of the Employee
- Job Classification
- Nature of Injury
- Work days lost
- Has the Employee returned to work?

**Response:**

FBC has completed the table as requested. Only "Lost Time" incident types have an entry in the last two columns of the table.

FortisBC Inc. January 1 to August 31, 2015							
Incident Date	Location	Affiliation	Job Title	Incident Type	Nature of Injury	Returned to Work	Total Days Lost*
01/09/2015	Rossland	IBEW	Meter Reader	Lost Time	Cut, Puncture, Scrape	Yes	37
01/12/2015	South Slocan	IBEW	Journeyman Tradesman Electrician	Lost Time	Sprain, Strain or Tear	Yes	7



FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 7

FortisBC Inc. January 1 to August 31, 2015							
Incident Date	Location	Affiliation	Job Title	Incident Type	Nature of Injury	Returned to Work	Total Days Lost*
01/29/2015	Trail	IBEW	First Aid Warfield	Lost Time	Fracture of a bone or cartilage	Yes	121
02/25/2015	Trail	IBEW	Metering Technician	Medical Treatment	Laceration/Cut		
03/02/2015	Penticton	IBEW	Equipment Operator Temp	Lost Time	Sprain, Strain or Tear	Yes	19
05/19/2015	Kelowna	COPE	Cash and Banking Coordinator	Lost Time	Sprain, Strain or Tear	Yes	2
07/17/2015	Oliver	IBEW	4 <sup>th</sup> Yr. Apprentice PLT	Medical Treatment	Sprain, Strain or Tear		
08/20/2015	Trail	IBEW	Journeyman Tradesman Electrician	Lost Time	Heat stroke	Yes	3

1  
2  
3

*\*Total days lost as of September 29, 2015. Lost days do not always begin on the date of the injury.*

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 8

1    **5.0    Reference:    Exhibit B-1-1, page 113, Section 13.2.1, All Injury Frequency Rate**

The Company's 2009 to 2014 AIFR results are provided below.

**Table 13-3: Historical All Injury Frequency Rate Results**

All Injury Frequency Rate	2009	2010	2011	2012	2013	2014
Annual Results	1.41	1.72	1.48	1.72	2.82	3.21
Three year rolling average	2.00	2.00	1.54	1.64	2.01	2.58

2

3            5.1    Please modify the above chart to show the 2015 August 31 year to date AIFR  
4            results and the updated three year rolling average.

5

6    **Response:**

7    The historical AIFR results chart below has been updated to reflect data through August 31,  
8    2015.

All Injury Frequency Rate	2009	2010	2011	2012	2013	2014	2015*
Annual Results	1.41	1.72	1.48	1.72	2.82	3.21	2.60
Three year rolling average	2.00	2.00	1.54	1.64	2.01	2.58	2.88

9

*\*AIFR as of August 31, 2015*

10

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 9

1    **6.0    Reference:    Exhibit B-1-1, page 112**

Although the number of incidents is of concern, the majority (85) of the lost days were attributable to a single injury involving a First Aid attendant which did not have an impact on the quality of service being provided to customers. The remaining 46 days of lost time were split between injuries to temporary workers (35 days), office worker (2) days and field workers (8 days), all of whose duties were covered off through normal business practice with no resulting impact on service to customers.

2

3    **Reference:    2015 FBC Annual Review, Exhibit B-1, page 96**

While the increase in the safety incidents is a concern, FBC does not believe it has impacted the quality of service being provided to its customers. FBC notes that it was not under PBR in 2013 and was awaiting the PBR Decision for three quarters of 2014 when the majority of the safety incidents occurred.

4

5            6.1    In both this filing and the 2015 FBC Annual Review filing, when reporting its  
6                   failure to achieve an AIFR result at or below the Commission approved threshold  
7                   value of 2.39, FBC has expressed the view that these injuries have not impacted  
8                   the quality of service to its customers.

9

10           6.2    Does FBC disagree with the use of this metric as one of the ways to measure its  
11                   quality of service?

12

13    **Response:**

14    Please refer to the response to BCSEA IR 1.3.1.

15

16

17

18           6.3    Aside from the reportable SQL's, what objective evidence has FBC provided to  
19                   support its assertion that there has been no deterioration in its quality of service  
20                   to customers?

21

22    **Response:**

23    There is no indication that there has been any deterioration of the service quality to customers.  
24    The reportable SQLs are the metrics by which the Commission determined it would measure the  
25    quality of service provided by FBC over the term of PBR. As discussed in the Application, the  
26    SQL results to date, including informational indicators, are indicative of a high level of service  
27    quality being maintained by FBC. For those SQLs with benchmarks, five are performing better

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 10

1 than the approved benchmarks, two performing better than the threshold, and only the AIFR  
2 SQI is performing inferior to the threshold.

3 The Commission has determined that a component of safe, reliable and adequate service  
4 includes protection of the safety of FBC's employees, as explained in the Application. However,  
5 the lost time from the injuries has not contributed to deterioration in the quality of service to  
6 customers:

7 *"The lost time injuries that have been reported to WorkSafeBC include a strained*  
8 *shoulder, crushed finger, pulled groin and two slip and fall injuries resulting in 131 lost*  
9 *days of work. One employee received medical treatment as a result of a small cut on the*  
10 *leg.*

11 *Although the number of incidents is of concern, the majority (85) of the lost days were*  
12 *attributable to a single injury involving a First Aid attendant which did not have an impact*  
13 *on the quality of service being provided to customers. The remaining 46 days of lost time*  
14 *were split between injuries to temporary workers (35 days), office worker (2) days and*  
15 *field workers (8 days), all of whose duties were covered off through normal business*  
16 *practice with no resulting impact on service to customers."*

17

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 11

1     **7.0     Reference: Exhibit B-1-1, page 112**

2             In 2015, safety continues to be a core value for FBC and prevention of injury remains a key  
3             focus. FBC continues to focus and reinforce fundamentals of safe work planning, hazard  
4             identification and proper body positioning with all employees. In addition, FBC continues to  
5             maintain the Certificate of Recognition (COR) through audits performed annually, providing  
6             validation of the effectiveness of the Company's safety programs. The COR, administered by  
7             the Partners in Injury and Disability Prevention Program of WorkSafeBC, is a voluntary initiative  
8             that recognizes and rewards employers who meets the requirements of the Occupational Health  
9             and Safety Regulations. An independent qualified auditor is used to assess the Company's  
10            Health and Safety programs in consideration of this initiative.

11           7.1     In the 2015 Annual Review Filing (Exhibit B-1, page 94), FBC reported its 2013  
12            AIFR of 2.82 and its 2014 result of 3.21 along with a description of the same  
13            initiatives listed above. Given there is no possibility of attributing the 2015 year  
14            to date results to the IBEW job action and the associated Labour Relations Board  
15            resolution process, how does FBC explain its continuing failure to meet the AIFR  
16            threshold set by the Commission?

17           **Response:**

18           Although prevention of injuries has been a key focus of FBC, tasks related to lifting, pulling,  
19           turning, rotating, etc. continue to result in recordable injuries. FBC has been unable to identify  
20           any atypical events that would explain the AIFR result in 2015 to date. The exact nature of  
21           injuries in industrial, field-type working environments, where workers may conduct similar tasks  
22           for many decades (such as those at FBC) is often unpredictable on a year by year basis. The  
23           number of injuries may be correlated to the work environment, seasonal influences, general  
24           physical condition of the worker or other human factors that influence the precise manner in  
25           which work is conducted, which can vary significantly.

26           FBC's plans to improve safety are developed to eliminate all injuries in the workplace. The  
27           Company is confident that with the new Target Zero safety program elements and the focus on  
28           continuous improvement in recognizing and addressing the human factors involved with safety,  
29           there will be improvement in the AIFR.

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 12

**8.0 Reference: Exhibit B-1-1, page 127**

FBC states: "As a part of the Company's focus on continuous improvement, FBC has undertaken a comprehensive review of its Safety Management System including peer reviews with other utilities from the Fortis group of companies who have achieved overall improvement in safety."

8.1 Please provide materials specifically listing and describing the Utility's understanding of what programs have been put in place in these other Fortis utilities to achieve these improvements in their respective AIFR's.

**Response:**

The following programs and activities have been observed in different variations and combinations in the Fortis family of utilities. These programs target accountability and engagement in safety at all levels and have had the greatest impact on improving AIFR performance.

- Annual employee safety perception survey that allows the company to better understand the current state of the safety culture and prioritize and implement initiatives that are relevant to employees.
- Targeted and relevant safety communications.
  - Consistently branded safety communications and messaging throughout respective operating areas using different media formats including, stickers, banners, video, license plates and social media.
- Annual safety performance analysis developed for all business units.
  - A safety analysis performed for each business unit that includes safety survey results, adherence to established internal programs, safety statistics, and review of the annual safety action plan, leadership engagement, employee involvement, regulatory compliance and hazard control.
- Safety action plans are created by each business unit on an annual basis that addresses findings from the annual safety performance analysis. This will become the blueprint for that business unit's safety improvement. This approach recognizes that all business units are not at the identical place in their safety evolution.
- Development and implementation of a new voluntary employee based safety program. A voluntary safety program developed and administered by the employees for the employees.

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 13

8.2 What were the AIFR's before and after for these other utilities in the Fortis group of companies who have achieved overall improvements in safety?

**Response:**

Two of the peer utilities reviewed experienced a significant improvement in AIFR performance. Fortis Alberta's AIFR performance improved from 1.81 in 2012 to 0.78 in 2014. UNS Energy achieved a longer and more dramatic improvement from 3.46 in 2008 to 1.61 in 2014. However, it is difficult to associate the improvements with a specific initiative (i.e. Target Zero equivalent) as Safety Management systems and programs continue to evolve with time. The companies mentioned continuously made adjustments and improvements to their safety management strategies and programs over time.

8.3 How much did each of these other Fortis Utilities spend:

- a) Each year?
- b) On each program?

**Response:**

FBC does not have the information requested for safety program spending for the other Fortis utilities and does not believe the information would be readily available on a comparable basis.

Comparison of the amount of spending for each of the safety programs was not a factor considered in the referenced peer review, recognizing that the amount of spending on each program is influenced by company-specific factors such as the number of employees and the size of the company, making it difficult to arrive at any conclusions by comparing safety program spending levels.

Instead, FBC's review of the Safety Management System of its peer utilities from the Fortis group of companies focused on understanding the safety practices and programs being utilized and what worked well. Some of these programs and practices are being adopted by FBC for its Target Zero program.

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 14

8.4 Please generate list of each FBC safety project, initiative, or program with an explanation of its purpose, target FBC demographic, and its associated costs for each year starting in 2011 and ending with the actual year to date expenditures for 2015 current to August 31, 2015.

**Response:**

An effective health and safety program contains many elements designed to prevent accidents and occupational diseases. The elements of FBC's health and safety programs are based on provincial and national regulatory requirements, risk, human factors and industry best practices. All program elements are reviewed and updated on a regular basis, and new program elements may be added as a result of internal or external influences or requirements.

FBC's health and safety program targets all employees, as all employees may be exposed to potential injury or occupational disease.

Safety Program Element	Target Demographic	Purpose
<b>Safety Orientation</b>	All employees	Provide employees with necessary safety information relevant to their location, role and associated tasks.
<b>Safety Information Meetings</b>	All employees	Improve safety awareness of new and existing hazards, motivate employees to follow new and existing safe practices and programs. Provide forum to discuss safety and review incident and accident causes and corrective actions to prevent recurrence.
<b>Joint Health and Safety Committee</b>	All employees	Create and maintain active interest in health and safety and reduce accidents, discuss and recommend corrective action where appropriate. Promote awareness of health and safety issues and an atmosphere of cooperation between management and workers. Assist in identifying problems, formulating policy and procedures, monitoring and improving workplace health and safety.
<b>Health and Safety Standards</b>	All employees	Align corporate protocols with regulation and industry best practices to eliminate and where that is not practical, minimize, risk of injuries and accidents.
<b>Workplace Inspections</b>	All employees	Examination of the workplace, to identify and record hazards for corrective action.
<b>Event Analysis</b>	All employees	Investigate incidents and accidents to determine root causes, implement corrective actions to prevent recurrence and share learnings throughout organization.
<b>Emergency Planning</b>	All employees	Corporate guidelines for dealing with emergency situations in a consistent manner.
<b>Site Safe Work Planning</b>	All employees	Identify site specific hazards, apply controls and barriers, emergency procedures and communicate with all workers before beginning work.
<b>MoveSafe</b>	All employees	Ergonomic program to help workers prepare their bodies for work reducing ergonomic related injuries.
<b>Worksite Observations</b>	All employees working in a field setting	Formal work observations in a field setting to ensure safe work methods are being applied. Allows management to reinforce expectations for safety with workers.
<b>Employee Safety Survey</b>	All employees	Safety survey to provide an opportunity to hear from all employees about their perceptions of safety. The information from the survey is used in the annual Safety Performance Analysis.



FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 15

Safety Program Element	Target Demographic	Purpose
<b>Safety Performance Analysis</b>	All employees	Safety report card for each business unit, identifying areas and opportunities for improvement.
<b>Safety Action Plans</b>	All employees	Annual safety action plans developed by each business unit to map out their strategy to improve safety. This is presented at an annual safety summit to senior leadership.
<b>Employees Based Safety Program</b>		Engage the employees in the safety process through a program they develop and have ownership of.
<b>Job Hazard Analysis</b>	All Employees	Identify hazards and controls, training and competency requirements for specific tasks performed by workers.

Safety program element costs are not broken down on an individual program element basis; instead the costs to develop, implement, administer and maintain the program are incorporated into the operating expense of the Occupational Health and Safety department. Additionally, the cost for the daily delivery of each program element is embedded into each business unit and can vary dependent on the functions being performed.

FBC's Occupational Health and Safety Department actual/projected operating expenses for 2011 through to 2015 are shown in the table below. Amounts are in thousands.

Year	Annual Spend
<b>2011</b>	\$ 567
<b>2012</b>	\$ 595
<b>2013</b>	\$ 500
<b>2014</b>	\$ 519
<b>2015*</b>	\$ 515
<b>2015YTD*</b>	\$ 301

*\*2015 is projected for the year; 2015 YTD is actual spending through August 31, 2015. Spending will not occur equally throughout the year.*

8.5 Please provide the total 2015 projected spending on safety projects, initiatives, and programs with amounts allocated to each specific program.

**Response:**

Please refer to the response to COPE IR 1.8.4.

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 16

1    **9.0    Reference:    Target Zero Safety Program**

2                                    **Exhibit B-1-1 page 112**

3                    9.1    Is the company proposing a change in their benchmark and threshold AIFR after  
4                                    January 2016 when the Utility rolls out its “Target Zero” safety program?

5  
6    **Response:**

7    The Company considers the benchmarks and thresholds to be fixed for the term of the PBR  
8    Plan.

9    Please refer to footnote 1 in the excerpt below from the approved Consensus Recommendation.

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 17

## Agreed Thresholds

1. Considered collectively, and in the context of the overall PBR Plan, the thresholds set out below establish an appropriate performance range around the benchmark specified for each SQL.

### Approved Service Quality Indicators (SQIs)

Performance Measure	FEI Indicator	FEI Benchmark	FEI Threshold (Fixed value as indicated for full PBR term) <sup>1</sup>	FBC Indicator	FBC Benchmark	FBC Threshold (Fixed value as indicated for full PBR term) <sup>1</sup>
<b>Safety SQIs</b>						
Emergency Response Time	Percent of calls responded to within one hour	97.7%	96.2%	Percent of calls responded to within two hours	93%	90.6%
Telephone Service Factor (Emergency)	Percent of emergency calls answered within 30 seconds or less	95%	92.8%	N/A	N/A	N/A
All Injury Frequency Rate	3 year average of lost time injuries plus medical treatment injuries per 200,000 hours worked	2.08	2.95	3 year average of lost time injuries plus medical treatment injuries per 200,000 hours worked	1.64	2.39
Public contacts with pipelines	3 year average of number of line damages per 1,000 BC One calls received	16	16	N/A	N/A	N/A
<b>Responsiveness of Customer Needs SQIs</b>						
First Contact Resolution	Percent of customers who achieved call resolution in one call	78%	74%	Percent of customers who achieved call resolution in one call	78%	72%
Billing Index	Measure of customer bills produced meeting performance criteria	5	<=5	Measure of customer bills produced meeting performance criteria	5	<=5
Meter Reading Accuracy	Number of scheduled meters that were read	95%	92%	Number of scheduled meters that were read	97%	94%
Telephone Service Factor (Non-Emergency)	Percent of non-emergency calls answered within 30 seconds or less	70%	68%	Percent of calls answered within 30 seconds or less	70%	68%
Meter Exchange Appointment	Percent of appointments met for meter exchanges	95%	93.8%	N/A	N/A	N/A
<b>Reliability SQIs</b>						
System Average Interruption Duration Index - Normalized	N/A	N/A	N/A	3 year average of SAIDI (average of cumulative customer outage time)	2.22	2.62
System Average Interruption Frequency Index - Normalized	N/A	N/A	N/A	3 year average of SAIFI (average customer outage)	1.64	2.50

<sup>1</sup> Determined by adjusting the benchmark for the range for each year of the PBR term and equals the indicated fixed value applicable for the full term of the PBR.

<p style="text-align: center;">FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)</p>	<p>Submission Date: October 13, 2015</p>
<p style="text-align: center;">Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1</p>	<p style="text-align: center;">Page 18</p>

9.2 How much funding is being allocated to the “Target Zero” safety program?

**Response:**

FBC is planning to spend an incremental \$195 thousand O&M in 2016 in support of the Target Zero program.

9.3 How did the Utility arrive at this figure?

**Response:**

The \$195 thousand incremental funding is the estimated funding required for the Company to administer and deliver the program. This includes additional staff with the skill sets required to deliver and support all elements of the program and associated training and support costs.

9.4 Does the Utility believe this funding is sufficient to significantly improve the AIFR?

**Response:**

FBC believes that the incremental funding allocated to the Target Zero program will strengthen the Company’s ability to sustain safety performance and will result in a decrease of the AIFR over time. The additional resources permit the Company to provide a higher level of safety support to all business units with the goal of increasing safety leadership skills, improving awareness of workplace hazards and the measures to control those hazards along with improved ability to monitor and address safety concerns around compliance with internal policies/procedures and regulatory requirements.

9.5 Does the new voluntary employee based safety program developed and administered by employees for employees mean that the utility is ceding responsibility for safety? Will deny responsibility for degradations in future should they occur?

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 19

1

2 **Response:**

3 The employee based safety program does not mean that FBC is ceding responsibility for safety.  
4 Safety is a core value of the Company and that will not change. As indicated on page 127 of the  
5 Application, the development and implementation of a new employee based safety program is  
6 one element of the overall safety strategy of Target Zero. The employee based safety program  
7 is intended to enhance FBC's safety management system and engage the employees in the  
8 safety process through a program that they develop and have ownership of. Key elements of  
9 the employee based safety program are:

- 10       • it is discipline free;
- 11       • participation is voluntary;
- 12       • it concentrates on positive reinforcement;
- 13       • all participants can remain anonymous; and
- 14       • it is simple with immediate and frequent feedback.

15

16 The Company will continue to look for, and act upon, opportunities for continuous improvement

17 in safety.

18

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 20

**10.0 AIFR Generally**

10.1 Please file the Utility's Corporate Scorecards for F2014 and F2015.

**Response:**

Please refer to Attachment 10.1 for FBC's corporate scorecards for 2014 and June 2015 year-to-date.

10.2 Please explain how the AIFR Corporate Target used in the 2015 Corporate Scorecard was set.

**Response:**

The AIFR Corporate Target of 2.58 is the average of the 2012 (1.72), 2013 (2.82) and 2014 (3.21) AIFRs. This methodology has been used for years.

10.3 If the AIFR Corporate target is not identical for both F2014 and F2015, please explain why not.

**Response:**

The AIFR corporate target is not identical for both 2014 and 2015, because the annual target is based on a three-year rolling average of AIFR results.

10.4 Is the All Injury Frequency Rate tied to M&E Bonuses?

a) If so:

i) what is the current AIFR required to trigger bonuses?

ii) what is the cumulative financial impact on bonuses for a failure to achieve that trigger figure?

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 21

b) If not, is the Utility proposing to tie M&E Bonuses to improvements in the AIFR going forward to further incent improvements in the safety culture?

**Response:**

Short-term incentive pay for management and exempt and new COPE Customer Service employees is partly based on the company's performance as measured by the Corporate Scorecard results. Corporate Scorecard results are determined with reference to the performance of the Company relative to weighted targets in respect of financial, safety, customer satisfaction and regulatory performance. The All Injury Frequency Rate (AIFR) is a metric used to measure the Company's safety performance.

In 2015 the minimum AIFR threshold level of 2.84 is to be achieved to trigger incentive pay on this metric.

The AIFR metric was assigned a weighting of 10% of the overall Corporate Scorecard. If the minimum threshold level of 2.84 is not achieved, the possible scorecard result is reduced by 10%. The cumulative financial impact this has on bonuses is dependent on a number of individual factors, including annual earnings, personal incentive target, and degree of responsibility for electric versus gas operations.

10.5 Is the Utility proposing to decrease the AIFR Corporate Target going forward to further incent improvements in the safety culture?

**Response:**

The methodology used to determine the AIFR target will remain. The three year rolling average AIFR determines the Corporate Target.

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 22

**11.0 Reference: Exhibit B-1-1, 13.2.2 Responsiveness to Customer Needs**

**Telephone Service Factor (Non-Emergency), page 115**

11.1 Please provide the TSF (Non-Emergency) updated to August 31, 2015.

**Response:**

As of August 31, 2015, the year-to-date (YTD) Telephone Service Factor (TSF) for the Electric Contact Centre was 71 percent. Please note that the Electric Contact Centre does not have an Emergency queue, and therefore does not split calls between Emergency and Non-Emergency. The Electric Contact Centre only reports TSF.

11.2 Please provide the monthly TSF (Non-Emergency) scores for the 2015 to August 31, 2015.

**Response:**

The monthly Telephone Service Factor (TSF) scores from January to August 2015 are provided in the table below.

**2015 Electric Contact Centre - Telephone Service Factor Scores by Month (January to August)**

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
TSF	72.3	72.8	71.4	71.3	70.4	65.7	72.2	70.3



FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 23

**12.0 Reference: email from Lori Harris, Manager, FEI Customer Contact Centre FEI to staff:**

**From:** Harris, Lori

**Sent:** Wednesday, September 09, 2015 1:25 PM

**To:** Klassen, Kim; Abenante, Cindy; Batch, Tracy; Bobbitt, Dawn; Bobbitt, Helen; Bruce, Karen; Caldwell, Lindsay; Calvin, Lisa; Caputo, Nicole; Clare, Craig; Datchkoff, Jennifer; Dixon, Robin; Fedor, Chelcee; Flanagan, David; Gandha, Suzanne; Haggerty, Shawn; Hastie, Shelley; Heyer, Ruth; Hipperson, Kellie; Hope, Debbie; Huggett, Angela; Johnson, Jennifer; Mathison, Debra; McInnes, Renee; McNaughton, Lea; Meakes, Rick; Montonen, Kerry-Ann; Nutini, Rhonda; Pistak, Catherine; Prime, Angela; Reid, Chris; Roy, Jana; Sanderson, Laura; Smith, Natalie; Spicer, Karen; Stanchuk, Nicole; Thompson, George; Turner, Brenda; Vockeroth, Melannie; Walton, Marc; Winters, Deborah; Worsfold, Rebecca; Youngblut, Natasha; Prince George Contact Centre; Willingdon Park Contact Centre; BOps-Billing.All; Kruiper, Len

**Subject:** Customer Service Update

In January of this year we started using some of our gas CSR's from the Prince George contact centre to assist our electric operations with call volume peaks. This has been very successful in helping us achieve our SQI targets that were set as part of the Performance Based Ratemaking (PBR) decision. We would like to continue to build on this experience by having our electric resources start to support gas operations where gas needs additional support.

The TCC has many long term and experienced employees well positioned to help support our gas operations. We believe that the implausible cases in billing production are a good candidate for this support as it is highly seasonal and fluctuates often requiring a larger pool of resources to support it at various times and it is a function with a high level of overlap in both electric and gas billing knowledge and experience.

In order to support this we will be posting 6 one year temporary positions at the TCC:

- One Billing Leader
- 5 Billing Analysts

Additional resources in our gas operations will be trained to take electric calls to offset the loss of the 6 resources at the TCC. The billing leader will be trained on the processes first and will then help support the training of the new billing analysts once in place. After the first 6 months we will evaluate the support plan and look to make changes to it if required.

The key objective of this change is to work together to provide additional support and flexibility during seasonal peaks for all types of work while maintaining service levels and the SQI levels that we have committed to.

If you have any questions please don't hesitate to speak to your manager.

Thank you.

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 24

1 Dawn, Sonia, Nicole and Lori

2 12.1 Why did FBC decline to adjust its own internal staffing levels to achieve its SQL's  
3 during call volumes peaks?  
4

5 **Response:**

6 FBC notes that an individual's name and the fact that they are a FortisBC employee, (which the  
7 email above implies), is their personal information. It is FBC's view that this information should  
8 not be disclosed in the future, especially when the information provides no additional context to  
9 the evidence as is the case here.

10 FBC evaluated several options and determined that a resource sharing option was the best  
11 option for increasing efficiency and quality in both operations.

12

13

14

15 12.2 As of September 28, 2015 have any additional positions been posted and/or filled  
16 by FBC staff at the TCC to support FEI's gas operations?  
17

18

18 **Response:**

19 As of September 28, 2015, one position has been posted at the TCC to support FEI's gas  
20 operations. This is the Billing Leader position described in the email above.

21

22

23

24 12.3 As of September 28, 2015 are there any FBC customer service representatives  
25 other than the six referred to in the above email assisting the FEI gas operations  
26 by taking gas customer calls?  
27

28

28 a) If so, how many more employees and staff hours are being used?

29 b) If no, does FBC anticipate that will occur and if so how many more  
30 employees and staff hours does it project will be used?

31

32 **Response:**

33 As of September 28, 2015 there are no FBC customer service representatives taking gas calls.  
34 Nor are there any plans in place currently that would have them taking gas calls. FBC notes

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 25

1 that the six positions described above are billing leader and billing analyst positions and not  
2 customer service representative positions. Their main function will be billing operations work  
3 rather than taking gas customer calls.

4  
5  
6  
7 12.4 Are the six FBC employees now providing customer service exclusively to FEI?  
8

9 **Response:**

10 No employees are currently in place as the posting process has not yet concluded.  
11  
12

13  
14 12.5 If not, how is their work being tracked?  
15

16 **Response:**

17 Please refer to the response to COPE IR 1.12.4.  
18  
19

20  
21 12.6 As of September 28, 2015, how many FEI staff are taking FBC electric calls?  
22

23 **Response:**

24 As of September 28, 2015, there are 18 FEI employees trained to take electric customer calls.  
25 These employees are not assigned full time to taking electric calls. Instead, they are called  
26 upon when the electric queues require additional support to reduce wait times for customers  
27 and when the gas queues are slow enough to support it. This initiative takes advantage of  
28 slower periods of call volume for the gas operations where previously there would have been  
29 idle time for FEI staff. Instead, that idle time is now being used to support the electric  
30 operations, which is then charged for the service, creating efficiencies in both operations.

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 26

12.7 Please provide a table showing the monthly volumes of electric utility-related calls handled by the gas utility's Customer Service staff from January through September 2015, the number of hours of staff time that this work has entailed, and its direct and indirect cost to FBC.

a) If this information is not available please explain how FEI accounts to FBC for this service provided by the gas utility.

**Response:**

The monthly volumes (number of calls) and cross charges for the period of January to August 2015 are included below. FEI does not track the number of hours as it uses a cost per interaction to charge FBC for calls answered. Note that September data is not yet available.

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
<b>Volume</b>	236	65	59	46	84	287	471	269
<b>Cross Charges</b>	\$2,253	\$435	\$418	\$400	\$627	\$2,435	\$4,350	\$2,590

Although the number of calls per month may not seem significant when compared to overall volume, it is important to note that these calls have occurred during peak volume times and therefore have had a positive impact on service levels and have resulted in reduced wait times for customers during those busy periods. Without this support during peak times, FBC would be required to carry a higher headcount of staff, scheduled for a minimum of four hour shifts and would therefore incur costs higher than those identified above. The result is that FEI can make use of idle time between busy periods and charge that service to FBC and FBC can utilize that service on an as needed basis, resulting in savings for both FEI and FBC customers.

12.8 How is FEI recovering the cost of this contribution to FBC?

**Response:**

FEI is tracking the volume of calls and is charging FBC for the service through the Company's intercompany allocation process.

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 27

12.9 How many FEI staff hours directed to this effort are projected

- a) to the end of the current year?
- b) through 2016?

**Response:**

FBC assumes that this question is directed to the TCC positions that will support gas operations. In the case of the TCC positions, FEI staff hours would be limited to providing training to the new Billing Leader and Billing Analysts. The number of training hours is anticipated to be the same or less than would be required if those same currently vacant positions were filled by FEI staff or filled externally as the training is substantially the same. Training hours are expected to be minimal and are not expected to add incremental FTE. These costs are not expected to exceed \$4 thousand.

12.10 The Union understands that FEI and FBC use different computer systems in their customer service work. Which utility has trained FEI's staff to work on FBC's computer systems and to answer FBC customer calls?

**Response:**

FEI and FBC do use different systems in the support of customer service. FEI trainers participated in a training class at FBC in order to learn the materials. They then delivered those materials to FEI staff with the support of FBC supervisors who have conducted the training for the past several years.

12.11 What training has FEI or FBC provided to the gas utility Customer Service staff in order to perform this service for FBC?

**Response:**

FEI provides its customer service staff the same training that FBC has been using for ten years to onboard new employees in order to prepare them to handle electric customer service calls.

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 28

1 This training has been shortened to account for skills and knowledge that is common between  
2 the two operations and therefore already familiar to gas customer service representatives. This  
3 training takes four days (or 24 hours) to complete and is usually done with five to ten  
4 representatives at a time.

5  
6  
7  
8 12.12 What further training does FEI or FBC intend to provide to the gas utility  
9 Customer Service staff in order to perform this service for FBC?

10  
11 **Response:**

12 FEI may train additional customer service representatives in taking electric customer service  
13 calls at any point during the rest of 2015 or during 2016. This depends on a number of factors  
14 including the volume of calls experienced in both the gas and electric operations, employee  
15 turnover and the level of service customers are experiencing in each operation.

16  
17  
18  
19 12.13 How many hours of training has FEI or FBC provided to date to each FEI  
20 Customer Service Staff?

21  
22 **Response:**

23 Each FEI CSR who is taking electric calls has received approximately 24 hours of training.

24  
25  
26  
27 12.14 What is the cost of

- 28  
29 a) such training provided to-date?  
30 b) intended future training?  
31

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 29

**Response:**

To date, FEI has provided approximately 430 hours of training to FEI employees in order to be able to take electric calls at a cost of approximately \$9,630. The cost of future training would depend on the number of employees being trained and the hourly wage of those customers.

12.15 How is the cost of this training being tracked and recovered?

**Response:**

FEI tracks both call volumes answered and training hours and charges FBC for the costs of these services through the Company's intercompany allocation process.

12.16 Which utility will be training FBC electricity employees to work on FEI's systems?

**Response:**

The training plan for this initiative will be developed in conjunction with the FBC supervisor and billing leader once the posting process has completed.

12.17 What training is FBC or FEI providing to FBC electricity utility Customer Service Staff in order to perform service to FEI's gas customers?

**Response:**

Please refer to the response to COPE IR 1.12.16.

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 30

12.18 How many hours of training has FBC or FEI predicted or provided to the electricity Customer Service staff in order to perform this service for FEI?

**Response:**

Please refer to the response to COPE IR 1.12.16.

12.19 Will these FBC staff be working exclusively on FEI calls during the term of their posted position?

**Response:**

It is anticipated that these employees will work primarily on FEI billing work. However, if FBC requires assistance in answering customer calls during peak volumes or large scale outages, these staff members could be brought in to assist.

12.20 What is the cost of

- a) such training provided to-date?
- b) intended future training?

**Response:**

Please refer to the response to COPE IR 1.12.16.

12.21 How is the cost of this training being tracked and recovered?



FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 31

1 **Response:**

2 The Company will track training hours and charge the costs of these services through the  
3 intercompany allocation process.

4

5

6

7 12.22 Does FortisBC intend to take further steps to combine or merge the Customer  
8 Service operations or functions between FEI and FBC?

9

10 **Response:**

11 Although there are no other specific plans in place, FEI and FBC intend to continue to review  
12 options to increase efficiency and productivity while maintaining or improving the level of service  
13 provided to our customers.

14

15

16

17 12.23 If so please describe the extent and timing of such steps.

18

19 **Response:**

20 Please refer to the response to COPE IR 1.12.22.

21

22

23

24 12.24 In what other ways is FBC contributing staff or other resources to FEI to help it to  
25 attain its SQL targets, and vice versa? Please provide details including:

26

27 a) a description of the contribution

28 b) the cost or value of the contribution, and

29 c) measures taken to avoid cross-subsidies between the two utilities.

30

FortisBC Inc. (FBC or the Company) Multi-Year Performance Based Ratemaking Plan for 2014 through 2019 Annual Review for 2016 Rates (the Application)	Submission Date: October 13, 2015
Response to Canadian Office and Professional Employees' Union, Local 378 (COPE) Information Request (IR) No. 1	Page 32

1    **Response:**

2    In addition to the sharing of contact centre resources discussed earlier which may impact the  
3    results for the SQIs Telephone Service Factor, Call Abandonment and First Contact Resolution,  
4    FEI and FBC also currently share labour resources to develop and administer the Corporate  
5    Safety Management System and associated programs. In 2015 to date, approximately \$100  
6    thousand has been charged from FBC to FEI and \$60 thousand from FEI to FBC.

7    To prevent cross-subsidization between FEI and FBC for shared resources, department  
8    managers are responsible for ensuring that shared costs are identified and billed appropriately.

9

## **Attachment 10.1**

---

# FortisBC Q4 electric corporate scorecard



Michael Mulcahy

FortisBC's (Electric) performance result was 90 per cent for 2014 compared to 108.8 per cent for 2013.

Performance for 2014 was good overall with opportunities for improvement in some of the measures. While customer satisfaction improved over the last two quarters, finishing at 8.1 for the year, the all injury frequency rate results had a negative impact for the second consecutive year. The system average interruption duration index normalized results were higher than expected due to weather-related outages that exceeded the index's daily threshold, a large outage in September during breaker maintenance work and an increase in planned outages from work carried over from last year.

We achieved significant regulatory milestones during the year. This included a multi-year performance-based regulatory structure for the electric and gas businesses and a decision by the BC Utilities Commission (BCUC) on phase two of the generic cost of capital proceeding, reaffirming FortisBC's common equity at 40 per cent and its risk premium at 40 basis points.

The year's performance makes it clear that attention to safety needs to be given the priority it deserves. We also need to maintain our focus on our customers. By delivering service that continuously meets their needs, we will continue to thrive as an organization.

## Description of targets

### Customer Satisfaction

The customer satisfaction index for the fourth quarter was 8.4, the highest since the fourth quarter of 2012, which it matched. Satisfaction results for the five main categories compared to the third quarter of 2014 were higher in all areas. The score for both the overall satisfaction metric and satisfaction with the accuracy of meter reading increased by 0.6 points. The customer satisfaction index score finished at 8.1 for 2014.

For the fourth quarter of 2014, the system average interruption duration index normalized results were lower than the previous three-year average. Excluded from the results were November 25 and 26 which exceeded an unusually heavy snowfall throughout the service territory, impacting transmission and distribution systems. The storm affected 31,000 customers and resulted in 123,000 customer hours of interruption.

## Safety

During the fourth quarter, recordable safety incidents increased from 5 in the third quarter of 2014 to 6 in the fourth quarter. The all injury frequency rate for 2014 finished at 3.21, higher than 2013's score of 2.82. We must continue to focus on targeted hazard identification at all times, including implementing the MoveSafe program principles. These principles are an important part of safe work plans which are proven to reduce hazards and injuries. We must continue our focus on safety in everything we do and continue to work towards zero preventable incidents.

## Regulatory

During the fourth quarter, FortisBC Inc. received BCUC approval for its demand side management expenditure plan, approving approximately \$15 million in funding for 2015 and 2016 conservation programs. We also received BCUC approval for new customer billing options supported by the advanced metering infrastructure project, including an option for customers to pick their bill date and a monthly billing option for those billed bi-monthly.

## Financial

We finished the year with regulated net earnings totalling \$44.5 million.

## Fourth quarter performance results

Category	Measurement	Target	Results (weight)	Status
Customer	Customer satisfaction index	8.2	8.1 (9.4%)	Needs attention
	System average interruption duration index	1.94	2.32 (0%)	Needs attention
Safety	All injury frequency rate	2.01	3.21 (0%)	Needs attention
	Preventable vehicle incidents	21	22 (7.5%)	On track
Regulatory	Regulatory performance	Subjective	(36.3%)	Ahead
Financial	Regulated earnings	\$44.1 million	\$44.5 million (36.8%)	On track

**Total**

**90%**

# FortisBC Q2 electric corporate scorecard



Michael Mulcahy

The second quarter scorecard result was 88% with improvements compared to the first quarter 2015 in customer satisfaction and the All Injury Frequency Rate (AIFR).

Customer satisfaction improved in the second quarter of 2015 bringing the year-to-date score to 8.1, up from the first quarter of 2015. Maintaining our customer focus remains a priority in 2015.

The second quarter saw a significant decrease in recordable injuries with an improvement in the AIFR from 5.18 in the first quarter to 2.55 year-to-date. The Company will continue to target education initiatives such as ergonomics fundamentals and “Safety Time Outs”, as well as re-emphasizing expectations regarding safety in the workplace.

On the Regulatory front, during the second quarter, we received the BCUC’s decision on the Company’s Annual Review application resulting in a small rate adjustment to customers.

2015 is the second year we are operating under a performance-based regulatory structure. To date, we have been successful in achieving efficiencies for the benefit of customers while maintaining a high level of service quality. We need to continue this productivity focus in order to be successful as an organization.

## Description of targets

### Customer

The customer satisfaction index for the second quarter of 2015 was 8.1, up from 8.0 recorded in the previous quarter, and higher than the 7.9 recorded in the same quarter of 2014. Satisfaction results for the five main categories compared to the first quarter of 2015 were higher in three areas; overall satisfaction, satisfaction with the accuracy of meter reading and satisfaction with energy conservation information. On a year-to-date basis, the CSI score was 8.1 and up from the results of 7.9 for the same period in 2014.

For the second quarter, the system average interruption duration index normalized results were lower than the previous three-year normalized average with one major event day at the end of June 2015 that resulted from a large windstorm.

### Safety

During the second quarter, there was only 1 recordable injury compared to 6 injuries in the first quarter of 2015. The decrease can be attributed to a focus on the MoveSafe program, preparing the body for work, and was supported through an increase in the number of field safety contacts through the Work Observation program.

The number of vehicle incidents increased from 2 in the first quarter to 3 in the second quarter of 2015. We remain on track to be below the annual target. The month of June was designated “Distracted Driving Month” and information was delivered to employees reminding us of the need to focus on driving safely.

### Regulatory

During the second quarter, the BCUC issued its decision on the Company’s Annual Review. This represents an increase of approximately \$5 to the bimonthly bill for an average residential customer.

### Financial

As part of the Performance Based Ratemaking Plan (PBR) process, the Company is subject to an Annual Review with the BCUC. Further to the recent BCUC decision on the Annual Review for 2015 Rates, the Operating and Maintenance and Capital Execution targets were revised. The Operations and Maintenance target is now \$51.7 million and the Capital Execution target range is now \$77.2—\$69.8 million.

We remain on target to achieving our financial objectives of managing O&M spending and executing on capital projects.

## Second quarter performance results

Category	Measurement	Target	Results (weight)	Status
Customer	Customer Service Index (CSI)	8.2	8.1 (9.4%)	Needs Attention
	System Average Interruption Duration Index (SAIDI)	2.09	2.48 (0.0%)	Needs Attention
Safety	All Injury Frequency Rate (AIFR)	2.58	2.55 (10.6%)	On Track
	Preventable Vehicle Incidents	18	5 (12.5%)	Ahead
Regulatory	Regulatory Performance	Subjective	(15.0%)	On Track
Financial	Operations and Maintenance (\$millions)	\$51.7	\$51.7 (25.0%)	On Track
Financial	Capital Execution (\$millions)	\$77.2–69.8 m	\$77.2–69.8 m (15.0%)	On Track

**Q2 YTD performance results:**

**87.5%**