



Diane Roy
Director, Regulatory Affairs

FortisBC Energy
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
www.fortisbc.com

November 22, 2013

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

Via Email
Original via Mail

Coalition for Open Competition
c/o Highcliff Energy Services Ltd. (HESL)
2920 Highbury Street
Vancouver, BC V6R 3T8

Attention: Mr. Ronald L. Cliff, President, HESL

Dear Mr. Cliff:

Re: FortisBC Energy Inc. (FEI)

Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)

Response to the Coalition for Open Competition¹ (COC) Information Request (IR) No. 2

On June 10, 2013, FEI filed the Application as referenced above. In accordance with Commission Order G-164-13 setting out the Amended Regulatory Timetable for the review of the Application, FEI respectfully submits the attached response to COC IR No. 2.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachment

cc: Commission Secretary
Registered Parties (e-mail only)

¹ consisting of the Mechanical Contractors Association of British Columbia (MCABC); Heating, Refrigeration and Air Conditioning Institute of Canada (HRAI); Independent Contractors and Business Association (ICBA) and Ameresco Canada Inc. (Ameresco)

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 1

1 **8.0 Code of Conduct/Transfer Pricing Policy**

2 **Reference: Exhibit B-13, FEI Response to COC 1.1.3**

3 ***“The only agreement that exists is for continuing services between***
4 ***FAES and FEI for the operation of certain legacy assets that existed in***
5 ***FAES prior to 2010.”***

6 8.1 Per COC 1.1.3, please provide a copy of the only agreement between FAES and
7 FEI.

8
9 **Response:**

10 The continuing services agreement between FEI and FAES has been filed confidentially in
11 Confidential Attachment 8.1. As COC has anticipated in its next question, the agreement
12 contains sensitive competitive information. It also contains some personal information. It is
13 being filed on a confidential basis with the Commission only.

14
15

16
17 8.2 In the event that this agreement contains confidential or commercially sensitive
18 information, please provide the agreement to the Commission on a confidential
19 basis and advise in your response that this action has been taken.

20
21

21 **Response:**

22 Please refer to the response to COC IR 2.8.1.

23
24

25
26

27 **Reference: Exhibit B-13, FEI Response to COC 1.1.4**

28 ***“FEI currently has a BCUC approved Code of Conduct and Transfer***
29 ***Pricing Policy (COC/TPP) governing the transactions and relationship***
30 ***between the regulated utility and related affiliates.”***

31 8.3 Please confirm that the approved COC is the same as the one contained in
32 Appendix F of the AES Inquiry Report, dated December 27, 2012. If not, please

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 2

1 provide a copy of the approved version together with the Commission Order
2 approving the COC.

3
4 **Response:**

5 Confirmed.

6

7

8

9 8.4 Please confirm that the approved TPP is the same as the one contained in
10 Appendix E of the AES Inquiry Report, dated December 27, 2012. If not, please
11 provide a copy of the approved version together with the Commission Order
12 approving the TPP.

13

14 **Response:**

15 Confirmed.

16

17

18

19

20 **Reference: Exhibit B-13, FEI Response to COC 1.1.4**

21 ***“FEI believes that a similar COC/TPP should be applied to all***
22 ***competitors in the TES business in order to ensure a level playing field***
23 ***for TES providers.”***

24 8.5 Does FEI believe that all TES competitors should be subject to a Commission
25 approved COC and TPP even where:

26

27 (a) The competitor is not a regulated utility, or

28

29 (b) The competitor is a regulated utility but the services being transferred to
30 the regulated utility are from a non-regulated parent or affiliate?

31

32 If so, please explain which sections of the *Utilities Commission Act* apply in these
33 circumstances.

34

35 **Response:**



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 3

1 As stated in responses to COC's similar questions in the first round of Information Requests,
2 FEI regards these types of questions as not relevant to the issues in this Application, which is a
3 revenue requirements application. FEI is providing a response only in the interests of being
4 helpful, but may object to further questions on this topic.

5 FEI wishes to clarify the statement in the preamble:

- 6 1. A COC/TPP is not necessary for an unregulated company to provide services to a
7 regulated company, because the Commission has no need or jurisdiction to oversee the
8 activities of the unregulated company.
- 9 2. A COC/TPP is necessary for any regulated entity that has employees that perform
10 services for another entity. In that case, the COC/TPP is intended to protect the
11 customers of the utility providing the support services.

12
13

14

15 8.6 Would FEI agree that FAES is a regulated TES utility receiving services from a
16 regulated natural gas utility affiliate (FEI, FEVI or FEW)? Does FEI agree that
17 this is fundamentally different than the situations contemplated in COC IR 2.8.5,
18 above?

19

20 **Response:**

21 FEI agrees that FAES is a regulated TES utility receiving services (e.g. back office functions,
22 labour) from a regulated natural gas utility affiliate. This would be different from a circumstance
23 where a non-regulated entity is providing service to a regulated entity. Please refer to the
24 response to COC IR 2.8.5.

25

26

27

28

29 8.7 When FAES receives services from a non-regulated TES provider (such as
30 Johnson Controls in the case of the DSD project), does FEI or FAES require that
31 party to have a COC/TPP in place before it is appropriate to undertake business
32 with that party?

33



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 4

1 **Response:**

2 Johnson Controls L.P. (JCLP) in the case of the Delta School District project is not a TES
3 provider. Rather, JCLP is providing design and build services to FAES (the service provider
4 then) such that FAES can provide regulated thermal energy service to the school district.

5 Please also refer to the cited preamble statement above and the response to COC IR 2.8.5 for
6 FEI's position regarding applicability of an approved COC/TPP to TES providers in the market.

7
8

9
10 8.7.1 Please demonstrate that such an agreement is in place that requires
11 Commission oversight of such a party.

12
13 **Response:**

14 Please refer to the response to COC IR 2.8.7.

15
16

17
18 8.7.2 Please provide Commission approval of the relevant COC/TPP.

19
20 **Response:**

21 Please refer to the response to COC IR 2.8.7.

22

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 5

1 **9.0 EEC Expenditures**

2 **Reference: Exhibit B-13, FEI Response to COC 1.2.1**

3 ***“If the proposal for third party review is accepted, it is the Companies’***
4 ***intent to have PwC review all projects that have a third party thermal***
5 ***energy service component, regardless of supplier. This approach***
6 ***would incorporate not only projects where FAES is involved, but***
7 ***projects where other suppliers are involved as well.” {emphasis***
8 ***added}***

9 **Reference: Exhibit B-13, FEI Response to COC 1.2.4**

10 ***“Please refer also to the response to COC IR 1.2.3. The Companies’***
11 ***proposal is that PwC only review thermal energy services projects that***
12 ***have a third party ownership component. The Companies are not***
13 ***proposing that PwC review thermal energy services projects where the***
14 ***customer owns the project.” {emphasis added}***

15 9.1 When FEI reviewed its alternatives for third party review, did FEI specifically
16 examine the methodology used by BC Hydro to review projects prior to the
17 awarding of DSM or PowerSmart funding?
18

19 **Response:**

20 No.

21

22

23

24 9.2 To FEI’s knowledge, does BC Hydro use a third party to review the distribution of
25 DSM funds to avoid conflict of interest from BC Hydro self-dealing and benefiting,
26 directly or indirectly, as a shareholder or developer of projects that receive that
27 DSM funding?
28

29 **Response:**

30 The Companies are not aware of whether BC Hydro uses a third party to review the distribution
31 of DSM funds.

32

33

34

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 6

1 9.3 Is FEI aware of any BC Hydro involvement in energy projects of its customers
2 beyond the provision of DSM funds?

3

4 **Response:**

5 The Companies cannot speak unequivocally as to the involvement of BC Hydro in its customers'
6 energy projects. However, the Companies are aware that BC Hydro also provides funding for
7 Energy Managers for qualifying participants in its Power Smart Partner Program. Other services
8 are also available for Power Smart program participants such as conducting energy studies and
9 workplace education and training with respect to energy conservation.

10 In other cases involving the industrial rate classes, there may be more than one avenue by
11 which a customer's energy project can be accommodated in BC Hydro's resource stack. For
12 example, a customer's energy efficiency project may involve self-generation of electricity that
13 will reduce the amount of power the customer takes from BC Hydro. A project in this category
14 may possibly be classified as an industrial load displacement project under Power Smart or
15 alternatively it may be characterized as a power purchase agreement under the Standing Offer
16 Program.

17

18

19

20 **Reference: AES Inquiry Report, page 87:**

21 ***“In respect of DSM funding, the key issue before the AES Inquiry Panel***
22 ***relates to those cases where FEU are the direct or indirect beneficiary***
23 ***of the funds that they are awarding. As participants in the AES market***
24 ***(building and/or operating AES projects) and as distributors of DSM***
25 ***funds, two concerns arise for the Commission:***

26 • ***Where FEU are the direct or indirect beneficiary of funds being***
27 • ***awarded by themselves, there is a conflict of interest with the***
28 • ***potential for preferential treatment; and***

29 • ***The potential exists for DSM funds to be used to partially pay for a***
30 • ***utility asset included in a project where the utility is already earning***
31 • ***a full return on that asset. When this occurs, the utility earns a full***
32 • ***return on the asset plus a further return on the DSM funds used to***
33 • ***finance the asset. This can occur where there is a lack of definition***
34 • ***as to where incentive funds are to be expended.”***



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 7

1 9.4 Does FEI believe that the AES Inquiry Report stated a concern about the
2 distribution of natural gas EEC funds where FEI or its affiliates have **no** potential
3 for benefit, either directly or indirectly, from the provision of that funding?
4

5 **Response:**

6 The excerpts above state that there exists a concern regarding preferential treatment. In order
7 to allay such misconceptions, it is the view of the Companies that all projects with a thermal
8 energy services component regardless of service provider that are receiving EEC funding
9 should be subject to a fairness review. This would demonstrate that there is no preferential
10 treatment occurring.

11
12

13

14 9.5 In the event that FEI determines that there is no TES provider involved in a
15 project receiving EEC funds, is it FEI's position that once those funds are
16 advanced to the customer there will be no further third party review of that
17 project?
18

19 **Response:**

20 It is the FEU's position that should it be determined that a program applicant has no third party
21 thermal energy services component to their proposed project, the program application would not
22 be subject to the PWC process as outlined in Attachment I-4 to Appendix I to Exhibit B-1.
23 Depending on the individual program, such applicants may be subject to different forms of third
24 party review, such as the reviews conducted as part of program impact evaluations.

25
26

27

28 9.6 Is the work contemplated in the PWC proposal additional work to what is
29 currently taking place inside the FEI – EEC group?
30

31 **Response:**

32 In the case of the annual review being proposed, whereby PWC would review program
33 applications over the preceding two-year period, PWC's work is in addition to work currently
34 being done by FEI's EEC team. In the case of some of the aspects of program administration,
35 PWC would perform some of the functions currently performed by the EEC team.

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 8

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34

9.6.1 What is the estimated annual cost of the PWC proposal in each of the years of the forecast period of the Revenue Requirement Application (ie. 2014 to 2018)?

Response:

While challenging to estimate, as stated on page 6 of the PWC proposal, the estimated annual range of the review of program applications with a third party thermal energy services component is approximately \$141 thousand to \$260 thousand, while the estimated cost of an annual review is \$25 thousand.

9.7 If accepted, will the PWC proposal lead to the elimination or reduction of work performed by the FEI – EEC group?

Response:

This is unknown. Presumably there will be additional upfront work by the EEC group in screening whether or not a project has a third party thermal energy services component, as well as work in liaising with PWC staff, but this would be better assessed once the nature of the third party review has been determined, and a time period of a few years has passed.

9.7.1 If so, please quantify the net cost savings in each of the years of the forecast period of the Revenue Requirement Application (ie. 2014 to 2018)?

Response:

Please refer to the response to COC IR 2.9.7.

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 9

1
2 9.8 In the development of its alternatives, did FEI consider moving all activities
3 related to the awarding of EEC funds to a neutral third party to ensure that there
4 was absolutely no potential for conflict of interest or preferential treatment? If
5 not, why not?
6

7 **Response:**

8 No. In British Columbia a well-established delivery model for DSM activity, including the
9 awarding of EEC funds, is through the utilities.
10

11
12 9.9 Under FEI's proposal, which party or parties will pay the incremental cost of the
13 PWC work proposal:
14

- 15 (i) Natural gas ratepayers,
16 (ii) The FAES ratepayers,
17 (iii) FEI's shareholder, or
18 (iv) Other parties (please list)?
19

20 **Response:**

21 The Companies propose that the costs of the third party review of EEC incentives provided to
22 thermal energy services projects regardless of service provider be recovered from natural gas
23 ratepayers, as the third party review costs would be program administration costs to ensure that
24 funds are being dispensed appropriately. These EEC administration costs are recorded in the
25 EEC Deferral account and only actual costs incurred are recovered from natural gas ratepayers.
26 Please refer to the response to BCUC IR 2.381.4.
27

28
29
30 9.10 What mechanism will be used to allocate these incremental costs of the PWC
31 proposal amongst the parties identified as being the parties responsible for
32 paying those costs?
33

34 **Response:**

35 Please refer to the response to COC IR 2.9.9.



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 10

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15

9.11 As EEC funds are provided by natural gas ratepayers, please confirm that if the costs to administer the program rise due to the third party review and are paid by ratepayers (natural gas or thermal) there will be less EEC funds available to complete energy efficiency and conservation projects? Alternatively, will it cost more to ratepayers to accomplish the same result?

Response:

Please refer to the responses to COC IR 2.9.9 and BCUC IR 2.381.4. Under the proposed treatment, the costs of a third party review of EEC incentives for program applicants with third party thermal energy services suppliers would not result in less EEC funds available for EEC projects, but would add costs to natural gas ratepayers.



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 11

1 **10.0 Use of FEI Resources by FAES**

2 **Reference: Exhibit B-13, FEI Response to COC 1.3.1**

3 ***“FAES has no personnel”***

4 10.1 Please list all Directors and Officers of FAES as at the date of the FEI Revenue
5 Requirement Application (June 10, 2013). Have the Directors and Officers of
6 FAES changed subsequently? If so, please provide the updated list of names of
7 Directors and Officers.
8

9 **Response:**

10 The following is a list of the Directors and Officers of FAES as of the date of filing of the
11 Application. The list has not changed since this date.

FORTISBC ALTERNATIVE ENERGY SERVICES INC.	<u>Directors</u>	<u>Officers</u>
	John C. Walker Roger Dall'Antonia David C. Bennett	Douglas L. Stout - President Gareth Jones – Vice President and General Manager Debra G. Nelson - Corporate Secretary

12

13

14

15

16 10.2 Please provide the title and a description of the role within the natural gas utilities
17 (FEI, FEVI and FEW) that relate to all those Directors and Officers of FAES listed
18 in the response to IR 2.10.1, above.

19

20 **Response:**

21 The table below first lists the Directors and Officers in FAES and, if applicable, their titles/roles
22 as Directors or Officers in FEI, FEVI and FEW.



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 12

FORTISBC ALTERNATIVE ENERGY SERVICES INC.	<u>Directors</u> John C. Walker Roger Dall'Antonia David C. Bennett	<u>Officers</u> Douglas L. Stout - President Gareth Jones – Vice President and General Manager Debra G. Nelson - Corporate Secretary
FORTISBC ENERGY INC.	John C. Walker	John C. Walker - President & CEO David C. Bennett - VP, Operations Support, General Counsel and Corporate Secretary Roger A. Dall'Antonia – VP, Strategic Planning, Corporate Development & Regulatory Affairs Douglas L. Stout, VP, Energy Solutions & External Relations Debra G. Nelson - Assistant Corporate Secretary
FORTISBC ENERGY (VANCOUVER ISLAND) INC. And FORTISBC ENERGY (WHISTLER) INC	John C. Walker – Chair David C. Bennett Douglas L. Stout	John C. Walker - President & CEO David C. Bennett - VP, Operations Support and General Counsel Roger A. Dall'Antonia – VP, Strategic Planning, Corporate Development & Regulatory Affairs Douglas L. Stout, VP, Energy Solutions & External Relations Debra G. Nelson - Corporate Secretary

1
2
3
4
5
6
7
8
9

10.3 What is the estimated aggregate annual cost of these Directors and Officers of FAES (inclusive of salaries, bonuses, benefits, direct expenses and overhead) before allocation to FAES in 2013 and 2014?

Response:

10 The following response also addresses the response to COC IR 2.10.4.

11 For 2013, the amount proposed, as indicated in the response to BCUC IR 1.78.1 in the 2012-
12 2013 RRA, was as set out in the table below. The Commission increased the overall allocation
13 and FEI does not know what, if any, increase was attributable to the Directors and Officers of
14 FAES. For 2014, the allocation has been kept the same as the Commission has directed, so
15 FEI does not have a breakdown of these amounts for 2014. Upon the final determination of the
16 Transfer Pricing/Code of Conduct review, FEI will capture any difference between the amount



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 13

1 that results from that review and the Commission-determined amount in a newly requested
2 deferral account.

ALLOCATION OF OVERHEADS FOR THERMAL ENERGY SOLUTIONS		SUBTOTAL (\$)	TOTAL (\$)
AREA	SERVICES TO AES		
Executives	President & CEO	4,380.00	\$ 58,035.00
	EVP, Finance	8,760.00	
	VP Finance & CFO	8,760.00	
	VP Energy Solutions & External Relations	36,135.00	

3
4

5 The above amount includes time spent as a Director or Officer of FAES.

6
7
8

9

10 10.4 What portion of the aggregate annual costs identified in IR 2.10.3, above, are
11 being allocated to FAES by virtue of those individuals being directors and officers
12 of FAES?

13

14 **Response:**

15 Please refer to the response to COC IR 2.10.3.

16
17

18

19 **Reference: Exhibit B-13, FEI Response to COC 1.4.2**

20 ***“The Director, EEC, interacts occasionally with staff within FAES,***
21 ***primarily on regulatory matters, and with the Director, Business***
22 ***Development, responsible for FAES, but this is in the context of regular***
23 ***management meetings.”***

24 10.5 Please reconcile the statement that FAES has “no personnel” (IR 1.3.1) with the
25 statement “staff within FAES” (IR 1.4.2)?

26
27

27 **Response:**

28 FAES has its own directors and officers, but has no personnel directly employed by FAES at
29 this time. In 2012 and 2013, the referenced employees (staff within FAES) are FEI employees
30 but their costs are included in the TESDA or are cross-charged directly to FAES as appropriate.



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 14

1 Starting January 1, 2014, these employees will be transferred out to a separate company. The
2 following personnel who currently reside in the TESDA and are employed by FEI dedicate their
3 time to FAES' TES projects:

- 4 1. Mgr, Operations & Project Assessment
- 5 2. Business Development Manager (4)
- 6 3. Energy Solutions Manager (2)
- 7 4. Confidential Assistant
- 8 5. Project Development Manager (2)
- 9 6. Manager, Operations & Project Assessment
- 10 7. Mgr, Engineering & Tech. Ops

11
12 Other FEI employees who work on FAES' TES projects are either covered by the 2013
13 approved overhead allocation of approximately \$850 thousand or charge time spent on TES
14 projects directly to the TESDA.

15
16

17
18 10.6 Is the "staff within FAES" more than just the directors and officers of FAES?

19
20 **Response:**

21 Please refer to the response to COC IR 2.10.5.

22
23

24
25 10.6.1 Is so, what are the titles and roles of these individuals within FEI?

26
27 **Response:**

28 Please refer to the response to COC IR 2.10.5.

29
30

31
32 10.6.2 What is the aggregate annual cost of these individuals?



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 15

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

Response:

The Director, EEC does interact with FAES staff but only on matters that are of interest to natural gas customers; as such, none of the time of the Director, EEC is charged to FAES. FAES staff and the Director, Business Development charge their time to FAES or to TESDA when they are undertaking any business on behalf of thermal energy customers. The aggregate cost of the “staff within FAES” and the Director, Business Development is approximately \$1.6 million for 2012. All staff, including the Director, Business Development charge to TESDA/FAES on a timesheet basis and the aggregate dollar value represents the amounts charged by all of the individual FEI employees to TESDA/FAES in 2012.

10.6.3 What portion of the aggregate annual cost of these individuals is allocated to FAES?

Response:

Please refer to the response to COC IR 10.6.2.

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 16

1 **11.0 Cost Allocation Methodology**

2 **Reference: Exhibit B-13, FEI Response to COC 1.4.3**

3 *“FEI employees who provide services to affiliate entities charge those*
4 *entities via timesheet entries or through the TESDA allocation. FEI is*
5 *proposing to move those FEI employees who spend a significant*
6 *amount of time working on TES activities to an affiliated entity starting*
7 *January 1, 2014. It is expected that this would be 12 to 14 employees.*
8 *Other FEI employees, who only spend a small amount of time on TES*
9 *related activities, will continue to charge via completing timesheets.”*

10 **Reference: Exhibit B-13, FEI Response to COC 1.4.4**

11 *“With the exception of temporary employees, FEI employees charge*
12 *time on an exception basis. This is true whether the time is spent*
13 *working on affiliates or on any other project.”*

14 11.1 Please confirm that the FEI employees that spend only small amounts of their
15 time on non-FEI activities only account for their time on non-FEI activities and do
16 not account for their time on natural gas related activities?

17
18 **Response:**

19 Confirmed.

20 Reminders for FEI employees on the Code and Conduct and Transfer Pricing Policy are posted
21 on the Company’s intranet site.

22 Please refer to the response to COC IR 2.14.5.1.

23
24

25
26 11.2 If employees do not account for 100% of their time, is there a risk that their time
27 allocation will, by default, tend to be allocated to their primary activity (natural gas
28 for instance) and that minor amounts of time on their secondary activity (thermal
29 energy for instance) would tend to be overlooked? Without assuming
30 carelessness or malice, would it not simply be human nature to be biased to
31 under reporting time spend on the secondary, occasional task?
32



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 17

1 **Response:**

2 No. FEI's employees are subject to FEI's Code and Conduct and Transfer Pricing Policy and
3 are responsible for accurately reporting their time spent on non-FEI activities. FEI expects and
4 has confidence that its employees are meeting their responsibilities. Requiring an employee to
5 account for 100 percent of their time would not affect the employee's ability to accurately record
6 time spent on non-FEI matters.

7 Please refer to the response to COC IR 2.11.1.

8
9

10

11 11.3 Please confirm that "temporary employees" referred to in IR 1.4.4 are deemed to
12 be charged to one activity or another (eg. natural gas or thermal energy)?

13

14 **Response:**

15 Not confirmed. Temporary employees can charge their time to more than one activity, on the
16 basis of the work they are performing similar to full-time regular employees.

17 Temporary employees are required to fill out timesheets regularly in order to be paid.

18
19

20

21 11.3.1 Can FEI confirm that temporary employees never work in both natural
22 gas and thermal energy areas?

23

24 **Response:**

25 Temporary employees may work in both the natural gas and thermal energy areas. Temporary
26 employees, similar to regular full time employees, are required to complete timesheets and
27 charge time to each business. Please refer to the response to COC IR 2.11.3.

28
29

30

31 11.4 What steps do FEI auditors (both internal and external) undertake to ensure that
32 the time allocated between natural gas and thermal energy activities are
33 reasonably and fairly allocated?



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 18

1
2
3
4
5
6
7
8
9
10
11
12
13
14

Response:

Internal Audit annually conducts a review of the Code of Conduct and Transfer Pricing Policy for both Gas and Electric. The results of these two reviews are annually submitted to the British Columbia Utilities Commission.

11.4.1 Is this task specifically identified in the engagement letter with the external auditors?

Response:

No.

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 19

1 **12.0 Value Transfer to Affiliates**

2 **Reference: Exhibit B-13, FEI Response to COC 1.6.3**

3 *“As FEI filed in its 2012-2013 RRA, the overhead allocation of \$500*
4 *thousand to the TESDA includes IT support costs. In the 2012-2013*
5 *RRA decision, this allocation was increased to \$854 thousand for 2013.*
6 *The contribution that FAES makes to the above mentioned website is*
7 *covered by the \$854 thousand.”*

8 12.1 The response to IR 1.6.3 referenced only the 2012-13 RRA. Please respond to
9 the question in terms of what the allocations are for the 2014-18 revenue
10 requirement period.

11
12 **Response:**

13 Please refer to the response to BCUC IR 2.356.1.

14
15

16
17 12.1.1 What is the basis upon which website and related costs will be allocated
18 to FAES and other non-natural gas related activities on a go forward
19 basis?

20
21 **Response:**

22 This issue will be determined as part of the TPP/CoC Review which will be completed in 2014.

23
24

25
26 **Reference: Exhibit B-13, FEI Response to COC 1.6.4**

27 *“FEI does not currently have a sophisticated “business lead generation*
28 *system” incorporated into the website.”*

29 12.2 Would FEI, as a regulated natural gas utility, have any objection to all TES
30 requests for information being directed to a neutral, third party organization for
31 follow-up with the customer?
32

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 20

1 **Response:**

2 Yes, FEI would object to that proposal. It is in the interests of FEI's customers to be able to deal
3 with FEI, a trusted energy provider, about their energy options. From a customer perspective,
4 the process suggested in the IR could create confusion with customers being directed to a third
5 party as opposed to the entity they believe they should be dealing with.

6 As indicated in the response to COC IR 1.6.2, the FortisBC website provides for a single
7 website address that encompasses all the FortisBC regulated services and therefore includes
8 gas, electric and TES. It is designed with the customer in mind and the type of energy service
9 they are seeking, as opposed to being designed around specific corporate entities. As such, the
10 FortisBC website provides a single point of access for all FortisBC's regulated services, thus
11 facilitating a positive interaction for its customers. This approach is consistent with the
12 Commission's Determination in regards to use of the FortisBC brand name as outlined on pages
13 40-41 of the AES Inquiry Report.

14 Once a customer has accessed the main webpage, they can navigate to a specific section and
15 contact information of the service of their choice, at which point a customer is dealing with the
16 corporate entity providing said service.

17 Additionally, it would pose additional process and administrative costs that may be detrimental
18 to both FAES and the customer.

19
20

21
22 12.2.1 What criteria would be necessary for FEI to accept such an
23 arrangement?
24

25 **Response:**

26 Please refer to the response to COC IR 2.12.2.

27
28

29
30 12.2.2 In the event that this is unacceptable to FEI, why should the market
31 value of the website to FAES not be fully paid by FAES?
32

33 **Response:**

34 Please refer to the response to COC IR 2.12.2.



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 21

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33

12.2.3 In the alternative, would FEI have any difficulty removing all reference to “thermal energy” from its website to avoid any appearance or reality of a conflict of interest?

Response:

The landing page is a FortisBC page, not an FEI page. The FortisBC brand is not owned by FEI. While the initial landing page is a common site, it allows for the customer to select the type of service(s) they are interested in. The website currently provides for segregation between gas, electric and TES offerings.

Please refer to the responses to COC IRs 2.12.2 and 1.6.2. As indicated in the response to COC IR 1.6.2, the approach to have Thermal Energy / FAES reference on the website is consistent with the Commission’s Determination in regards to the use of the FortisBC brand name.

As outlined on pages 40-41 of the AES Inquiry Report:

“2.8.2 Use of the FortisBC Brand Name

The Panel finds that the use of the FortisBC brand name in the AES and New Initiatives market spaces is an acceptable business practice”

Reference: Exhibit B-13, FEI Response to COC 1.6.7

“Energy Solutions Managers are instructed to help customers identify the best solution for their needs. If the best solution for the customer is to use a TES provider, Energy Solutions Managers are instructed to inform the customer of their options, including contacting FAES. FEI staff are trained to help customers find the best energy solution for their needs with the ideal objective incorporating natural gas use. FEI staff will therefore advise customers accordingly.

Are they specifically told to mention FAES as an alternative? No

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 22

1 ***Are they specifically told not to mention FAES as an alternative? No***

2 ***In order for FEI to add new customers and increase natural gas***
3 ***throughput, FEI's preference is that those customers opting for a direct***
4 ***energy or geoexchange system as their main energy solution, use***
5 ***natural gas for peaking, back-up and/or for their lifestyle appliances.***
6 ***For this reason, it is in FEI's interest that FEI Energy Solutions***
7 ***Managers are involved in determining the optimal energy solution for***
8 ***potential new customers. Without this engagement or interaction,***
9 ***existing FEI customers may not gain the benefit of adding new***
10 ***customers with natural gas throughput."***

11 12.3 The response to COC 1.6.7 appears unclear. Can FEI state "yes" or "no" to the
12 question: Do Energy Solution Managers within the natural gas utility mention
13 FAES to prospective or potential TES customers?

14
15 **Response:**

16 FEI's response to COC IR 1.6.7 clearly answers the question where it states the following:

17 *Energy Solutions Managers are instructed to help customers identify the best solution for*
18 *their needs. If the best solution for the customer is to use a TES provider, Energy*
19 *Solutions Managers are instructed to inform the customer of their options, including*
20 *contacting FAES. [Emphasis added.]*

21
22

23
24 12.3.1 If FAES is mentioned, is the number of times this is done recorded by
25 FEI? Is this metric recorded along with the total number of calls
26 received by Energy Solution Managers?

27
28 **Response:**

29 As indicated in the pre-amble, the Energy Solutions managers work with potential customers in
30 determining their optimal energy solution, with their focus on selling natural gas based solutions.
31 If during these interactions there is interest expressed by a potential customer in Thermal
32 Energy solutions, the managers would continue to engage with the customer to maximize the
33 natural gas opportunities which could include gas end uses such as fireplaces, cooktops,
34 dryers, etc, even if a customer decides to pursue other options for space and water heating. The
35 same can occur in the case where a developer may pursue an electric heat option (air source
36 heat pump for example which may involve the local electric utility) but look to natural gas for



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 23

1 other end uses. As the basis of interaction is focused on natural gas, FEI does not track the
2 number of queries received by Energy Solutions Managers from customers inquiring about
3 Thermal Energy solutions.

4
5

6

7 12.3.2 Are costs assigned to FAES for FEI Energy Solution Managers
8 mentioning FAES? If so, what is the basis of assigning these costs?

9

10 **Response:**

11 FEI resources and costs in direct support of FAES activities are charged to FAES or to TESDA
12 in accordance with the existing Transfer Pricing Policy.

13

14

15

16 12.4 Does FEI have a list of recommended TES providers that include companies
17 other than FAES?

18

19 **Response:**

20 No, FEI currently does not have a list of other recommended TES providers.

21

22

23

24 12.4.1 Does FEI make these names available to potential customers when so
25 requested by potential TES customers?

26

27 **Response:**

28 FEI provides options to customers, including FAES. Please refer to the response to COC IR
29 2.12.3.

30

31

32



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 24

1 12.4.2 Is there a web link to TES contractors on the FEI website similar to that
2 used to locate a natural gas contractor (eg.
3 www.fortisbc.com/findacontractor)?
4

5 **Response:**

6 No, there is no web link to TES providers similar to that of the link to natural gas contractors.
7 The situation is not analogous.

8 Natural gas contractors enable the use of natural gas provided by the utility. The gas contractor
9 listed on the website works downstream of the utility owned service. The contractor is therefore
10 a support to and an influencer of the natural gas business and products. Additionally, the gas
11 contractors have to meet certain qualifications in order to be on the website.

12 TES contractors and gas contractors are not the same. The TES contractor, as referenced in
13 the question, would not enable use of thermal energy of a TES utility as a gas contractor would
14 the natural gas business. Rather, as referenced in the question, it appears that the TES
15 contractor would either be the utility or perform work for the utility upstream of the thermal
16 energy transfer point.

17 In addition, the TES marketplace is currently at the early stages of development and both TES
18 utilities and contractors, as well as market rules are still being established. Once the TES utility
19 market place is more established, it may be prudent for TES utilities to list contractors that
20 would service TES systems downstream from the utility owned assets (akin to the list provided
21 by FEI currently for gas contractors). However, it is too early to consider this type of listing at
22 this point in time.

23

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 25

1 **13.0 Corporate Services Allocation**

2 **Reference: Exhibit B-13, FEI Response to COC 1.7.5**

3 *“FEI does not believe it is appropriate to use the Massachusetts*
4 *Formula or other similar type of allocators to allocate costs to a*
5 *business under development, like FAES and has stated so in past*
6 *proceedings. As pointed out in the question, the allocators used in the*
7 *Massachusetts Formula are not always the most meaningful method to*
8 *allocate common costs. For this reason, FEI did not use an allocator to*
9 *try and allocate costs to FAES but instead has relied on management*
10 *estimates or timesheets of those individuals involved to charge time to*
11 *FAES.”*

12 **Reference: Exhibit B-1-1, Appendix F2, Table 6.7, page 23.**

13 13.1 Of the \$103,000 of the FHI Management Fee Allocation that is assigned to
14 “other” (Table 6.7), how much of this amount is assigned to FAES?

15
16 **Response:**

17 This response addresses the responses to COC IR 2.13 series of questions.

18 Of the \$103 thousand in the FHI Management Fee Allocation to Other entities including FAES,
19 using the Massachusetts Method, which relies on payroll, net operating revenue and average
20 net book value of capital assets plus inventory, approximately \$15 thousand (i.e. 0.12 percent of
21 \$12.4 million total corporate services cost pool) is calculated as the allocation to FAES. This
22 amount along with the remainder of the \$103 thousand for Other has been absorbed by FHI
23 with no impact to FEI ratepayers (none has been allocated to FEI). As stated above in the pre-
24 amble to this IR, the use of the Massachusetts formula for a business under development does
25 not as work as well as for established utility operations.

26 For details regarding how the allocations were calculated for Table 6.7, please refer to Exhibit
27 B-1-1, Appendix F2 Corporate Services Study and Agreement, page 22 Table 6.6 and page 23.
28 As indicated on page 23, the net total corporate services cost pool of FHI of \$12.4 million is
29 allocated on a pro rata basis to the utilities based on the allocation results calculated using the
30 Massachusetts Formula (refer to Section 6.6 of this report).

31 The TPP/CoC review process will review the resources sharing between the regulated affiliates
32 FEI and FAES and the appropriate cost structure.

33

34

35

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 26

1 13.2 Which method is used to perform the allocation shown in Table 6.7:

2

3

(a) Use of payroll and timesheets;

4

(b) The Massachusetts Formula; or,

5

(c) An alternative methodology (please describe)?

6

7 **Response:**

8 Please refer to the response to COC IR 2.13.1.

9

10

11

12 13.3 If payroll is used conjunction with time sheets for the purpose of allocating the
13 FHI Management Fee, please provide the detailed calculation including the
14 numerators for each of FEI, FEVI, FEW and FAES that correspond to the
15 calculation shown in Table 6.7.

16

17 **Response:**

18 Please refer to the response to COC IR 2.13.1.

19

20

21

22 13.4 Describe how the methodology used adequately allocates the FHI Management
23 Fee to a new start up business (such as FAES) relative to an established utility
24 operation (such as FEI)?

25

26 **Response:**

27 Please refer to the response to COC IR 2.13.1.

28

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 27

1 **14.0 Existing Code of Conduct/Transfer Pricing Policy**

2 **Reference: AES Inquiry Report, Appendix F – Code of Conduct, page 3 of 7:**

3 *“2(c) NRBs may contract for any Utility personnel using the*
4 *Commission approved [Terasen Gas] Transfer Pricing Policy,*
5 *providing the Utility complies with Section 4 of this Code,*
6 *Provision of Information by [Terasen Gas Inc.], and no conflict of*
7 *interest exists which will negatively impact on ratepayers.”*

8 14.1 Has FEI ever applied to the Commission to establish that no conflict of interest
9 exists which will negatively impact on Ratepayers?

10
11 **Response:**

12 The existing Code of Conduct and Transfer Pricing Policy has been approved by the
13 Commission. FEI is otherwise not aware of any such applications in the past to the
14 Commission, nor would FEI have expected such an application given that the COC and TPP
15 had been approved and in use for many years.

16
17

18
19 14.2 Please provide any orders, letters, reports, or decisions issued by the
20 Commission that establish that no conflict exists?

21
22 **Response:**

23 Apart from what is discussed in the response to COC IR 2.14.1, FEI is not aware of any such
24 documents.

25
26

27
28 14.3 Until such time as it is updated and amended under future Commission direction,
29 does FEI consider that the existing Code of Conduct is in full force and effect?

30
31 **Response:**

32 FEI’s position is that existing Code of Conduct continues to apply until such time it is updated.

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 28

1 The existing Code of Conduct and Transfer Pricing Policy have been in place for a number of
2 years and have worked to protect the interests of ratepayers while ensuring the appropriate
3 recovery of costs to the benefit of natural gas ratepayers.

4
5

6

7 14.4 Until such time as it is updated and amended under future Commission direction,
8 does FEI consider the existing Transfer Pricing Policy to be in full force and effect
9 for the purpose of transferring costs in its 2014-2018 Revenue Requirement
10 Application?

11

12 **Response:**

13 FEI's position is that the existing Transfer Pricing Policy continues to apply until such time it is
14 updated. Also, as discussed on page 276 of Exhibit B-1, FEI has proposed an interim solution
15 for the accounting of corporate and shared services to FAES which will keep both the natural
16 gas utility and FAES' ratepayers whole until the current Code of Conduct and Transfer Pricing
17 Policy update process is completed. This process was discussed in the response to BCUC IR
18 1.172.5.

19

20

21

22 **Reference: AES Inquiry Report, Appendix F – Code of Conduct, page 4 of 7:**

23

“5. Preferential Treatment

24

25

26

27

28

29

[Terasen Gas] will not state or imply that favoured treatment will be available to customers of the Utility as a result of using any service of an NRB. In addition, no Company personnel will condone or acquiesce in any other person stating or implying that favoured treatment will be available to customers of the Company as a result of using any product or service of an NRB.

30

6. Equitable Access to Services

31

32

33

Except as required to meet acceptable quality and performance standards, and except for some specific assets or services which require special consideration as approved by the Commission,

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 29

1 **[Terasen Gas] will not preferentially direct customers seeking**
2 **competitively offered services to an NRB or a specific retailer.”**

3 14.5 Are the FEI Energy Solution Managers aware of the existing Code of Conduct
4 and, in particular, Clauses 5 & 6?

5
6 **Response:**

7 Yes

8
9

10
11 14.5.1 When have FEI Energy Solution Managers last been provided an
12 update or reminder to the existing Code of Conduct?

13
14 **Response:**

15 An annual reminder is posted on the Company’s intranet site advising all employees to review
16 and/or refresh their understanding of the Code of Conduct and Transfer Pricing Policy related to
17 Non-Regulated businesses. The last reminder was posted on August 2013. Additionally, the
18 FEI Energy Solutions Managers are verbally reminded of the Code of Conduct on a regular
19 basis.

20
21

22
23 14.5.2 Please provide any briefing notes or written materials to establish when
24 and what was communicated with these FEI employees.

25
26 **Response:**

27 An annual reminder is posted on the Company’s intranet site advising all employees to review
28 and/or refresh their understanding of the Code of Conduct and Transfer Pricing Policy. The last
29 reminder was posted on August 2013. Other than the general reminder, there are no briefing
30 notes or written materials available related to the direction noted above.

31 After the AES decision, instructions related to the treatment of potential FAES customers were
32 provided to FEI staff verbally individually, and at an Energy Solutions planning meeting at the
33 end of February 2013. Energy Solutions staff are familiar with the non-preferential treatment of
34 the Customer Choice program related to natural gas service. Examples such as reference



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 30

1 requests for gas marketers and gas contractors provide excellent models for treatment of the
2 alternative energy services business after the AES decision.

3
4

5

6 14.6 Consistent with the existing Code of Conduct, has the Commission approved any
7 special consideration to FEI to allow directing customers to an affiliate or retailer
8 on a preferential basis? Please provide the details including any written
9 correspondence from the Commission.

10

11 **Response:**

12 FAES is not an NRB; it is a regulated affiliate providing a regulated service.

13 The existing Code of Conduct and Transfer Pricing Policy has been approved by the
14 Commission. FEI is otherwise not aware of any such applications in the past to the
15 Commission, nor would FEI have expected such an application given that the COC and TPP
16 had been approved and in use for many years.

17



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 31

1 **15.0 Radio Advertisements**

2 Reference: <http://www.fortisbc.com/MediaCentre/Multimedia/Pages/default.aspx>

3 **Radio Advertisement – “Meet Gail” – transcribed:**

4 **“Meet Gail.**

5 ***Gail loves hot showers and a great cup of coffee. She loves keeping***
6 ***her family safe and warm and the ease of meatloaf Mondays. She loves***
7 ***to curl up with a good book by the fire place and she believes in saving***
8 ***energy for the planet.***

9 ***FortisBC helps Gail, and 1.1 Million other customers, do these things***
10 ***and more. From natural gas and electricity to district energy and geo-***
11 ***exchange, FortisBC delivers the energy services you need every day.***
12 ***Meet FortisBC.”***

13 15.1 Please confirm that wording above is an accurate transcription of the radio
14 advertisement posted on the FortisBC website (as at October 30, 2013)? If not,
15 please make any corrections.
16

17 **Response:**

18 Yes, the wording accurately reflects the “Meet Gail” radio ad.
19
20

21
22 15.2 When this advertisement is played on the radio, what percentage of the cost of
23 this advertisement (including internal and external development cost, and air
24 time) is paid for by each of the following entities within the FortisBC group of
25 companies:
26

- 27 (a) Natural Gas utilities (FEI, FEVI, and FEW)?
28 (b) Electric utility (FBC)?
29 (c) Thermal Energy Services (FAES)?
30

31 **Response:**

32 The “Meet Gail” radio advertisement costs are largely driven by their coverage in terms of their
33 reach of gas and electric customers. As such, customer count is an appropriate cost allocation
34 driver and 85 percent of the expenditure is allocated to the natural gas utility and 15 percent to



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 32

1 the electric utility. The number of TES customers is so small at this stage of FAES' development
2 (under 100 TES customers, as compared to over 1 million gas and electric customers) that the
3 amount has been too small to register in the allocation.

4
5

6

7 15.3 Please confirm that FEI runs frequent public safety advertisements about what to
8 do in the event that one smells natural gas? Also confirm, that similar to the
9 radio advertisement that is transcribed above, these ads make a tag line
10 reference to services offered by FEI other than natural gas?

11

12 **Response:**

13 Confirmed. FEI runs natural gas public safety campaign radio advertisements in the FEI service
14 area, specifically targeted at gas odour and the actions to take in the event that one smells
15 natural gas. This Gas Odour radio ad includes a FortisBC tag line: "*FortisBC, providing natural
16 gas, electricity, propane and thermal energy solutions*".

17

18

19

20 15.3.1 Although these radio ads are extremely important to natural gas
21 customers, as well as the public interest, why does FEI confuse the
22 message by introducing other non-natural gas services that may detract
23 from the underlying safety message?

24

25 **Response:**

26 There is no confused message to the customer and that the mention of FortisBC and the
27 services it provides is not a distraction to listeners. In fact it serves to provide customers with the
28 reassurance that the actions they are being asked to take in the event that they smell gas or in
29 improving excavation diligence are being delivered by a trusted energy provider and thereby an
30 authority on the subject matter. Furthermore, a recent evaluation of the radio ads indicates that
31 there has been an improvement in the percentage of respondents who are "extremely prepared
32 or "very prepared" for such an incident if it were to occur.

33

34

35



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 33

1 15.3.2 Notwithstanding that these advertisements are in the main totally
2 reasonable and excellent commercials for their intended purpose –
3 natural gas safety - what proportion of their cost is allocated amongst
4 the FortisBC group of companies (per IR 2.15.2, above) due to the tag
5 line that include non-natural gas service offerings?
6

7 **Response:**

8 In adherence to the principles of the AES report (page 32 -34), cost causality is the appropriate
9 and fair means of cost allocation for this advertisement. As such, the full cost of this natural gas
10 safety ad is charged to the natural gas line of business.

11 District energy and geo-exchange is mentioned in the common “tag line” used across all three
12 lines of business (natural gas, electricity and TES). This is applied consistently whether the
13 FortisBC common tag line is used in a natural gas utility, electric utility or FAES advertisement.
14 It is a descriptor of the business of FortisBC.

15
16

17
18

19 **Reference: AES Inquiry Report, page 41:**

20 ***“Commission Determination***

21 ***The Panel finds that the use of the FortisBC brand name in the AES***
22 ***and New Initiatives market spaces is an acceptable business practice.***
23 ***Care should be taken to distinguish between the services offered by***
24 ***the traditional natural gas utility and services offered by Affiliated***
25 ***Regulated or Non-Regulated Businesses.”***

26 15.4 Please explain in these radio advertisements where FEI has taken care to
27 “distinguish between the services offered by the traditional natural gas utility and
28 services offered by Affiliated Regulated or Non-Regulated Businesses”?
29

30 **Response:**

31 To provide the distinction between the regulated companies offering the various services, i.e.
32 FEI, FEVI, FEW, FBC Electric and FAES, would only serve to confuse the customer. Particularly
33 given that one is often given only a 30 second spot or approximately sixty words in which to
34 deliver a key message to the listener. As such, it is appropriate to deliver the message utilizing
35 the FortisBC brand name which is the common domain for all of these services.



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 34

1
2
3
4
5
6
7
8
9
10
11

- 15.5 Please provide a written transcript of all radio advertisements run by FortisBC in 2012 and 2013 that include any of the following subjects:
- (a) Natural Gas Safety (ie. smelling gas, rotten egg smell, etc.);
 - (b) One Call for natural gas line locations;
 - (c) Lifestyle Choices (those similar to the “Meet Gail” example); and,
 - (d) Any other natural gas related advertisements.

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 35

1 **Response:**

2 **(a) Natural gas odour safety radio ad 2013**

30 second Radio script 1 – The Nose / Sniff Sniff

Scenario: Guy at home, smells something and knows what to do, enacts the three steps.

Announcer: **Bill Mondy**

SFX: Few sound effects, script relies more on his voice/inflection, his exaggerated 'sniffing' sounds and quiet pauses

The Nose: *Sniff... (exaggerated)*

What's that smell? (*as if he's talking to the listener*)

Sniff, sniff... (louder, more exaggerated)

I smell rotten eggs. (*concerned*)

Hmmm...natural gas smells like rotten eggs.

SFX: *Getting up, walking*

Alright, I'll go outside. Then I'll call FortisBC. (*determined*)

SFX: *Door opening*

Bill Mondy: Natural gas is used safely every day. But if you smell rotten eggs, go outside first, then call 911 or FortisBC's 24 hour line at **1-800-663-9911**.
FortisBC, providing natural gas, electricity, propane and thermal energy solutions.

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 36

1 (b) Natural gas odour safety radio ad 2012 (created in 2011 and ran both in 2011 and
2 2012)

2011 Gas Odour radio scripts

8 sec tag

Announcer:

If you smell natural gas, act fast, get out, then call 911 or Fortis BC.

10 sec tag

Announcer:

The distinct smell of rotten eggs or sulphur could mean a natural gas leak. If you smell it, act fast, get out, then call 911 or Fortis BC.

15 sec tag

Announcer:

What's that odour you ask? The smell of rotten eggs or sulphur could be a sign of a natural gas leak. If you smell it, act fast, get out, then call 911 or Fortis BC at 1-800-663-9911.

30 second script

Dad: Hey kiddo

Son: Hi dad! Eww what stinks? Smells like (sniff sniff) rotten eggs.

Dad: Our new barbeque uses natural gas. That odour let's you know the gas is on.

Son: Is it safe?

Dad: Yup, the igniter just lit the burner but if you do smell that rotten egg or sulphur odour in the house it could be a gas leak. So you wanna make sure you get everyone outside first then call 911 or Fortis BC.

Son: Got it

Announcer: If you smell gas, get out then call Fortis BC or 911. Safety, we've got our best people on it. Fortis BC.

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 37

1 (c) Call Before You Dig ad 2013

<i>Radio</i>	<i>30 seconds</i>
Concept:	On the hook
<i>Scenario:</i>	<i>Two neighbours talking about Call before you dig</i>
<i>Characters:</i>	<i>Homeowner Steve – sheepish, resigned Neighbour Bob – commiserating with his friend Typical announcer</i>
<i>SFX:</i>	<i>Sounds of a typical suburban neighbourhood.</i>
Bob:	Hey Steve, weren't you building a new fence?
Steve:	It's on <u>hold</u> , I kind of blew the budget.
Bob:	How?
Steve:	I hit a natural gas line when I dug the post holes.
Bob:	Whoa, so you didn't call BC One Call to find out where the utilities are buried?
Steve:	Nope. Nope. And now I'm on the hook for the damages.
Announcer:	FortisBC wants you to stay safe and off the hook. Call BC One Call before you <u>dig</u> . 1-800-474-6886 or *6886 on your cell.
Bob:	Well you know the call is free...right?
Steve:	Yeah, not helping...

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 38

1 (d) Call Before You Dig 2012

Concept: Call before you dig – fence

Scenario: Two neighbours talking about Call before you dig

SFX: Sounds of a typical suburban neighbourhood.

John: Hey Bill, thanks for coming to give me a quote on this fence.

Bill: Hey, no problem.

John: We really need it now that we have the new puppy.

Bill: Well, happy to help out John. But before we build it we gotta find out what's underground.

John: What like burried treasure?

Bill: No, like natural gas lines.

Announcer: Hitting a natural gas line can be dangerous. Whether you planting trees, building a deck or putting in a fence, stay safe... Call BC One Call before you dig.

1-800-474-6886 a message from FortisBC.

Bill: Now let's meet this puppy.

End: Puppy barks...

2

3



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 39

1 (e) Meet Gail radio ad --- 2012/2013

Length:	30 seconds
Audience:	customers, potential customers, British Columbians
Narrator:	Meet Gail.
Narrator:	Gail loves hot showers.
SFX:	<i>shower sounds</i>
Narrator:	And a great cup of coffee. She loves keeping her family safe and warm. <u>And the ease of meatloaf Mondays.</u>
SFX:	<i>Really? Again? <husband/kids groaning></i>
Narrator:	She loves to curl up with a good book by the fireplace. And she believes in saving energy for the planet.
SFX:	<i>birds chirping</i>
Narrator:	FortisBC helps Gail, and 1.1 million other customers, do these things and more. From natural gas and electricity, to district energy and geexchange, FortisBC delivers the energy services you need...every day. Meet FortisBC.

2

3



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 40

1 (f) Natural gas “Good for...” radio ad Fall 2013

Narrator: Bill Mondy - voice of FortisBC

Vocal direction: Friendly/informative, neighbour to neighbour tone, not “educational”

Suggested sound effects: soft breeze/outdoor sounds, urban sounds, cooking with gas, homey sounds

Luxury Narrator:

Imagine your dream home. Let's take a look inside.

Ooh, a gourmet kitchen with a natural gas stove for chef-inspired meals...

The ambience and cosy glow of a natural gas fireplace on a chilly night ... the soothing warmth of a relaxing bubble bath to end a long day.

With natural gas from FortisBC, you can add a little affordable luxury to your home.

Discover more at fortisbc dot com.

Natural Gas. Good for affordable luxury.

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 41

1 **(g) Other radio ads**

- 2 • Natural Gas Meter Safety radio ads (live reads on air) – December 2012 and January
3 2013

8 second script:

Keep your gas meter safe. Brush snow away by hand and clear a path for FortisBC's meter readers. More safety tips at FortisBC dot com slash safety.

10 second script:

Keep your gas meter safe this winter. Brush snow away by hand and clear a path for the safety of FortisBC's meter readers. Find more safety tips at FortisBC dot com slash safety.

15 second script:

Keep your gas meter safe this winter. Be sure to brush snow away from your meter by hand and keep the surrounding pathways clear for the safety of FortisBC's meter readers. Find more safety tips at FortisBC dot com slash safety.



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 42

- 1
- Energy Efficiency and Conservation radio ads 2012

AUDIENCE: Residential customers
PURPOSE: Encourage customers to weatherize their home for winter
DATE: Nov 9, 2012
Draft: Revision 1
Writer: Joan Churchill

Concept: a mock live radio call-in talk show called Saving Energy Starts Here

[Host] (*a little over the top*): Welcome back to 'Saving energy starts here'. Brrr it's cold. Bob on line one, how are you keeping warm at home?

[Bob] (*deadpan, matter of fact*): I put on a sweater Dan; cable knit.

[Host]: That ought a save turning up the heat. Doris?

[Doris] (*confidently*): I caulk around window frames and weatherstrip exterior doors. Really keeps out winter drafts!

[Host] (*tongue-in-cheek*): And nosy neighbours too I bet! ...Bert?

[Bert] (*enthusiastically*): I made my single pane windows cosier using my wife's blow dryer and a window film kit.

[Host]: Saving energy *does* start here, with FortisBC. Learn more at fortisbc dot com slash saving energy.

2
3



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 43

CLIENT: EEC/Communications
AUDIENCE: Residential customers
PURPOSE: Encourage customers to take advantage of energy efficiency offers
DATE: October 4, 2012
Draft: final
Writer: Joan Churchill

Concept: a mock live radio call-in talk show called Saving Energy Starts Here

[Host]: Welcome to 'Saving energy starts here'. Bob on line one, how do you save at home?

[Bob]: I put on a sweater instead of turning up the heat.

[Host]: And Susan, you're on the air....

[Susan]: I installed a high-efficiency tankless water heater. We never run out of hot water, save money on our natural gas bills and FortisBC gave me a \$500 rebate!

[Host]: Fabulous! Jerry?

[Jerry]: Nothing beats the cosy warmth of my natural gas fireplace. And, FortisBC gave me 300 bucks for choosing a high-efficiency EnerChoice model.

[Host]: Saving energy *does* start here, with FortisBC. Learn more at **fortisbc dot com slash saving energy**.



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 44

CLIENT: EEC/Communications
AUDIENCE: Commercial customers
PURPOSE: Encourage customers to participate in rebates (e.g., EBP, ECWHP, Efficiency à la Carte)
DATE: November 2, 2012
Draft: second
Writer: Joan Churchill

Concept: a mock live radio call-in talk show called Saving Energy Starts Here

[Host]: Welcome back to 'Saving energy starts here. Today, we're focussing on business. Jasmine on line one, you own a hair salon..?'

[Jasmine]: My water heating bills were higher than my hair product bills. So I replaced the tank with a high-efficiency model and FortisBC gave me a \$500 rebate.

[Host]: And Brian, the baker...

[Brian]: Baking muffins is energy intensive. So I switched my double rack oven to a high-efficiency natural gas model and got \$3,500 from FortisBC.

[Host]: That's a lot of muffins! If your business uses natural gas, FortisBC can help you save energy and money. Learn more at **fortisbc dot com slash business offers**.



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 45

- 1
- Energy Efficiency and Conservation Radio ads 2013

PROJECT: Spring campaign radio tags
DOCKET: 13-127.4
CLIENT: EEC
AUDIENCE: residential customers who listen to the radio
PURPOSE: promote EEC residential rebates
DATE: April 9, 2013

[Squamish, Vancouver & Fraser Valley: 10-second tag – running during traffic reports](#)

Got your prized set of wheels tuned up for spring? What about those other important family members? Your natural gas appliances. Learn more at fortisbc dot com forward slash family.

All other markets:
8, 10, 15 second – standalone tag. These are produced reads, not live.

8 sec: They're just like family. So show your natural gas appliances how much you care. Learn how at fortisbc dot come forward slash family.

10 sec: They're just like family. So show your natural gas appliances how much you care. Take advantage of our rebates to keep them healthy. Learn more at fortisbc dot come forward slash family.

15 sec: They're just like family. So show your natural gas appliances how much you care. Have them serviced. Or upgrade to high-efficiency. You may qualify for rebates of up to \$800. Learn more at fortisbc dot com forward slash family.

2
3



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 46

PROJECT: Fall campaign radio tags – read by stations live on air
CLIENT: EEC
AUDIENCE: residential customers who listen to the radio
PURPOSE: promote EEC residential rebates
DATE: September 2013

10 /12 tags





You *can* shrink your home’s carbon footprint. Test your energy efficiency knowledge and you could win a \$500 family prize pack from FortisBC. Enter at fortisbc.com/smallerfootprints.

15 tags

Reducing your home’s carbon footprint is easier than you think. Check out FortisBC’s virtual Energy House and get conservation tips for your home. Then test your knowledge with our energy quiz and you could win a \$500 family prize pack. At fortisbc.com/smallerfootprints.

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 47

- 1 • Builder Developer and Natural Gas radio ads on CKNW only -- Fall 2012

			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Client: FortisBC
Title: Builder 60
Voice:
Start Date:
Writer:

Material:
Length: 60
End Date:
LPD:

Buying a home is one of the most important investments we'll make. But it costs money to maintain a home. And, it takes energy to run it. How much energy depends on how efficient the home is.

Forward-thinking builders and developers are turning to FortisBC, an integrated energy provider, to create cost-effective, innovative and energy efficient solutions that can help their development stand out from the crowd.

Homes that provide choosy buyers the comfort and convenience of natural gas appliances, like chef-inspired cooktops and natural gas barbecue quick connects; high-efficiency natural gas space and water heating; and individual metering.

So talk to the energy solutions experts at FortisBC. They'll work with you every step of the way, from accessing rebates to designing an innovative space heating and cooling solution, helping you create a comfortable and desirable development with lower energy costs and a reduced carbon footprint. Now that's a standout!

Learn more at [fortisbc dot com slash energy solutions](http://fortisbc.com/energy-solutions).



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 48

- 1
- Renewable Natural Gas radio ads 2012 and 2013

Project: 12-011.32, RNG AIR MILES radio ad edit
Add AIR MILES

Edited/updated version:

Stop waste from going to waste. Join British Columbians in reducing your carbon footprint with renewable natural gas. FortisBC now captures biogas from organic waste and purifies it to provide you with sustainable energy made right here in B.C. Sign up your home for renewable natural gas today and earn up to 150 AIR MILES reward miles. The planet will thank you and so will we. For details, visit fortisbc dot com slash air miles. FortisBC. <mnemonic>

NON-Airmiles radio ad:

Stop waste from going to waste. Join British Columbians in reducing your carbon footprint with renewable natural gas. FortisBC now captures biogas from organic waste and purifies it to provide you with sustainable energy might right here in B.C. Sign up your home for renewable natural gas today. Check your monthly bill for details or visit fortisbc dot com slash renewable natural gas. FortisBC. <mnemonic>

2

3



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 49

- 1 • Natural Gas for Transportation radio ad 2013 -- CKNW only.

CLIENT: Energy solutions

AUDIENCE: Bill Good Show/CKNW listeners

PURPOSE: promote NGT

DATE: January 11, 2013

DRAFT: 1

WRITER: Jennifer Muzzin

To be recorded by the radio station similar to a PSA announcement

British Columbians know natural gas is a good choice for homes and businesses. It's abundant, versatile and cost effective.

Now, with natural gas for transportation, FortisBC is driving change in the trucking and marine industries.

Liquefied natural gas delivers cost savings, while reducing carbon emissions and improving air quality. And, with FortisBC's financial incentives, converting fleets and vehicles to natural gas is easier.

Cleaner fuel for cleaner air. Now that's fresh thinking. Learn more at [fortisbc dot com slash](http://fortisbc.com/slash) NGT.

2

3

4

5

6 15.6 What dollar amounts are included for radio advertisements in the 2014-18
7 Revenue Requirements Application?

8

9 **Response:**

10 This response addresses the responses to COC IRs COC 2.15.6 series.

11 In this proceeding FEI is seeking approval for a PBR formula developed from the 2013 base and
12 is not seeking approval rates for 2014-2018 based on a cost of service forecast.



FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Multi-Year Performance Based Ratemaking Plan for 2014 through 2018 (the Application)	Submission Date: November 22, 2013
Response to Coalition for Open Competition (COC) Information Request (IR) No. 2	Page 50

1 FEI expects at a minimum to maintain its radio advertising frequency at 2013 levels and
2 believes it is necessary to build further on this foundation and increase ad frequency and
3 penetration in the 2014-2018 period. Please refer to Section C3, page 161 of the Application.
4 Amounts included in the 2013 base O&M are net of any allocation to the electric utility and to
5 FAES. Cost allocation methodologies for these 2013 radios ads have been described in
6 response to COC IRs 2.15.2 and 2.15.3.2

7

8

9

10

11 15.6.1 What amount is recovered from the electricity utility (FBC)?

12

13 **Response:**

14 Please refer to the response to COC IR 2.15.6.

15

16

17

18 15.6.2 What amount is recovered from the thermal energy utility (FAES)?

19

20 **Response:**

21 Please refer to the response to COC IR 2.15.6.

22

Attachment 8.1

FILED CONFIDENTIALLY