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November 5, 2014

Via Email
Original via Mail

British Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

Re: FortisBC Energy Inc. (FEI)

Application for Approval of Code of Conduct (COC) and Transfer Pricing Policy (TPP) for Affiliated Regulated Businesses Operating in a Non-Natural Monopoly Environment (ARBNNM) (the Application)

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

On June 27, 2014, FEI filed the Application as referenced above. In accordance with Commission Order G-160-14 setting out the Amended Regulatory Timetable for the review of the Application, FEI respectfully submits the attached response to COPE IR No. 1.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed by: Ilva Bevacqua

For: Diane Roy

cc (email only): Registered Parties



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1 **1.0 Transfer and Hiring of Employees and Shared Services**

2 FortisBC transferred some employees from FEI to FAES on January 1, 2014 and
3 apparently expects to perform additional employee transfers, including transfers effective
4 on the first day of each successive year.

5 1.1 Please detail the employee status (bargaining unit or excluded), job titles,
6 reporting structures, and principal work functions of the direct employees of
7 FAES, and indicate whether they were transferred from FEI (or another FortisBC
8 entity) and when they became employees of FEI.

9
10 **Response:**

11 The question is directed to matters internal to FAES, and is not relevant to this Application.
12 However, FEI has nonetheless responded. Positions of the direct employees of FAES are listed
13 below, along with their affiliation, job title and transfer dates from FEI.

Affiliation	Job title	Transferred from	Original Hire Date
M&E	Vice President and General Manager	FEI	9/4/1990
M&E	Confidential Assistant	FEI	7/22/1996
M&E	Project Assessment Manager	FEI	12/29/1998
M&E	Manager, Operations & Project Assessment	FEI	9/5/1994
M&E	Director, Bus Dev - Thermal Energy	FEI	9/7/2010
M&E	Senior AES Manager	FEI	12/13/2010
M&E	Senior Project Development Manager	FEI	4/18/2011
M&E	Senior Project Development Manager	FEI	5/2/2011
M&E	Project Assessment Manager	FEI	5/9/2012
M&E	Senior AES Manager	FHI	1/6/2014
M&E	Energy Systems Operations Engineer	New Hire	7/2/2014

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15 Of the FAES employees listed, 7 of the employees provide administration, finance, regulatory,
16 engineering, project management and operational services. The others perform business
17 development services.

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21 (a) Please describe any situation where a direct employee of FAES reports
22 to a superior who is within FEI.
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1 **Response:**

2 There is only one employee of FAES who reports to a superior within FEI. Gareth Jones is the
3 Vice President and General Manager of FAES. He is also the Director, Business Development
4 for FEI. He reports to Douglas Stout, who is the Vice President, Market Development &
5 External Relations for FEI, in addition to being the President of FAES.

6 Please refer to the response to COC IR 1.2.1 for clarification regarding the role of Mr. Gareth
7 Jones Director, Business Development for FEI, Mr. Douglas Stout's Market Development role
8 within FEI and Mr. Roger Dall'Antonia's role as it relates to the Energy Solutions and Energy
9 Efficiency and Conservation groups in FEI.

10

11 1.2 Do any direct employees of FAES perform work or provide services to or on
12 behalf of FEI or any other FortisBC subsidiary, other than FAES? If so, please
13 provide details.

14

15 **Response:**

16 The following three FAES positions provide or have provided services in support of the
17 development of FEI's Tilbury LNG expansion project.

- 18 • Vice President and General Manager
- 19 • Senior AES Manager
- 20 • Confidential Assistant

21

22 In addition, the Vice President and General Manager, on an as-required basis, provides support
23 to FEI in the development of capital projects.

24

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27 1.3 Does FortisBC or any of its subsidiaries anticipate any transfers of additional
28 employees from FEI or any other FortisBC entity to FAES over the next 16
29 months?

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31 **Response:**

32 Over the next 16 months, as provided for under FEI's Code of Conduct and Transfer Pricing
33 Policy, FEI anticipates FAES may continue to request the use of some of FEI's employees for



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1 specific activities such as accounting, regulatory and other corporate services. However, as
2 indicated in the response to BCUC IR 1.6.3, FAES has been investigating alternatives to
3 provide greater separation from FEI and to replace some of the services currently provided by
4 FEI. As a result, FEI expects the overhead allocation for 2014 and 2015 to be lower which will
5 mean decreasing amounts of time required from FEI employees. At this time, FortisBC has no
6 knowledge of any upcoming employee transfers. FAES' future labour requirements are
7 dependent upon developments in its business. FortisBC employees may apply for future
8 openings at FAES or any other affiliate.

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12 If "yes" or "possibly" then:

13
14 (a) when do you anticipate these transfers will take place?

15
16 **Response:**

17 Please refer to the response to COPE IR 1.1.3.

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21 (b) to the extent possible, please indicate the number of these employees
22 and their respective status (bargaining unit or excluded), job titles,
23 reporting structures and principal work functions.

24
25 **Response:**

26 Please refer to the response to COPE IR 1.1.3.

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30 1.4 Does FortisBC, FEI or FAES anticipate that FAES will hire additional employees
31 who will not be transferred in from another subsidiary (i.e., "external hires")?
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1 **Response:**

2 FEI understands that FAES' future labour requirements are dependent upon developments in its
3 business. FAES may hire additional employees externally in the future to meet its business
4 needs.

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6

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8 (a) Under what circumstances and to what extent do you anticipate that
9 such hires will take place?

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11 **Response:**

12 Please refer to the response to COPE IR 1.1.4.

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16 (b) In what time-frame(s) do you anticipate that such hires will take place?

17

18 **Response:**

19 Please refer to the response to COPE IR 1.1.4.

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23 (c) What job titles and work functions do you anticipate hiring?

24

25 **Response:**

26 Please refer to the response to COPE IR 1.1.4.

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30 1.5 Does FortisBC or any of its subsidiaries expect that direct employees of FAES
31 will perform work or provide services to or on behalf of FEI or any other FortisBC



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1 subsidiary, other than FAES, within the next 16 months? If “yes” or “possibly”,
2 please provide details.

3

4 **Response:**

5 Please refer to the response to COPE IR 1.1.2.

6 As the services are on an as required basis, the work can only be considered temporary in
7 nature.

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