



Diane Roy
Director, Regulatory Services

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

FortisBC Energy Inc.
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 12, 2014

Via Email
Original via Mail

British Columbia Public Interest Advocacy Centre
Suite 209 – 1090 West Pender Street
Vancouver, B.C. V6E 2N7

Attention: Ms. Tannis Braithwaite, Executive Director

Dear Ms. Braithwaite:

Re: FortisBC Energy Utilities (FEU)¹

**Application for Removal of the Restriction on the Location of Data and Servers
Providing Service to the FEU, currently Restricted to Canada**

**Response to the British Columbia Public Interest Advocacy Centre
representing the British Columbia Old Age Pensioners' Organization, Active
Support Against Poverty, Disability Alliance BC, Council of Senior Citizens'
Organizations of BC, and the Tenant Resource and Advisory Centre (BCOAPO)
Information Request (IR) No. 1**

On August 1, 2014, the FEU filed the Application as referenced above. In accordance with British Columbia Utilities Commission letter (Exhibit A-4 Log No. 48300) dated September 29, 2014, the FEU respectfully submit the attached response to BCOAPO IR No. 1.

If further information is required, please contact the undersigned.

Sincerely,

on behalf of the FORTISBC ENERGY UTILITIES

Original signed by: Ilva Bevacqua

For: Diane Roy

Attachment

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

¹ Comprised of FortisBC Energy Inc., FortisBC Energy (Vancouver Island) Inc. and FortisBC Energy (Whistler) Inc.



FortisBC Energy Utilities (consisting of FortisBC Energy Inc., FortisBC Energy (Vancouver Island) Inc. and FortisBC Energy (Whistler) Inc. (the FEU) Application for Removal of the Restriction on the Location of Data and Servers Providing Service to the FEU, currently Restricted to Canada (the Application)	Submission Date: November 12, 2014
Response to British Columbia Public Interest Advocacy Centre representing the British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, and the Tenant Resource and Advisory Centre (BCOAPO) Information Request (IR) No. 1	Page 1

1 **1.0 Reference: Exhibit B-1, General**

2 1.1 Does the FEU agree that in the event that the BCUC approves the instant
3 application and the FEU subsequently relocates data and the servers that store
4 the data to the United States, that US legislation and regulation, both existing
5 laws and regulations and laws and regulations implemented in the future, would
6 take primacy over Canadian legislation and regulation in the event that US and
7 Canadian interests were in conflict? If not, please explain why not.

8
9 **Response:**

10 Please refer to the response to BCUC IR 1.4.1.

11
12

13
14 1.2 In FEU's view, what would be the impact of denial of the application (i) on
15 ratepayers and (ii) on FEU's operations? Please quantify where possible.

16
17 **Response:**

18 In the Application, the FEU have explained the potential impact. For instance, on page 5, the
19 Companies explained:

20 *"Today, the current data/server geographical location restriction prevents the FEU from*
21 *considering any third-party service provider that results in data or software being hosted*
22 *on servers outside Canada. The FEU should be able to consider all feasible and*
23 *applicable hosted options when new products are evaluated or existing systems are*
24 *upgraded to find a solution that best fits the FEU's business and services to customers.*
25 *Moreover, the restrictions on the FEU may hinder opportunities for investment in*
26 *information systems, software, service providers, and technology platforms which may*
27 *result in benefits for customers as well as cost savings."*

28 However, it is not possible to quantify the impact to ratepayers and operations at this time as the
29 Companies, due to the existing restriction, have not explored the potential opportunities. When
30 the needs do arise, the Companies want to be in a position, and will endeavor, to find a solution
31 that not only meets the needs of the business and addresses all the FEU requirements, but is
32 also cost effective. In general, cost savings can translate to beneficial rate reductions for
33 ratepayers.



FortisBC Energy Utilities (consisting of FortisBC Energy Inc., FortisBC Energy (Vancouver Island) Inc. and FortisBC Energy (Whistler) Inc. (the FEU) Application for Removal of the Restriction on the Location of Data and Servers Providing Service to the FEU, currently Restricted to Canada (the Application)	Submission Date: November 12, 2014
Response to British Columbia Public Interest Advocacy Centre representing the British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, and the Tenant Resource and Advisory Centre (BCOAPO) Information Request (IR) No. 1	Page 2

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

1.3 In this application, is the FEU claiming a need to remove locational restrictions with respect to data storage and servers?

Response:

In the Application, the FEU has identified four main reasons to support the removal of the restriction because it is no longer necessary and creates potential impairment for the Companies to seek the best technological solutions for its business functions. As stated in the response to BCOAPO IR 1.1.2, when the need arises, the Companies want to be in a position to find appropriate solutions that meet business needs, even though at this time there is no immediate specific application or technological solution that requires the remove of locational restrictions with respect to data storage and servers.



FortisBC Energy Utilities (consisting of FortisBC Energy Inc., FortisBC Energy (Vancouver Island) Inc. and FortisBC Energy (Whistler) Inc. (the FEU) Application for Removal of the Restriction on the Location of Data and Servers Providing Service to the FEU, currently Restricted to Canada (the Application)	Submission Date: November 12, 2014
Response to British Columbia Public Interest Advocacy Centre representing the British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, and the Tenant Resource and Advisory Centre (BCOAPO) Information Request (IR) No. 1	Page 3

1 **2.0 Reference: Exhibit B-1, page 5, Talent Sourcing**

2 The referenced page states:

3 *In addition, many of the vendors that the FEU may wish to use for services other than*
4 *technology services may have servers located outside of Canada. For example, if the*
5 *FEU wished to engage a talent sourcing firm we would be restricted to those firms which*
6 *store all data on Canadian servers and accordingly, the FEU has been faced with*
7 *restrictions on which vendors can be retained for various services.*

8 2.1 Given that the restriction from which the FEU seeks relief applies to utility data,
9 please explain why any talent sourcing firm that FEU wished to engage is
10 restricted to “those firms which store all data on Canadian servers”

11
12 **Response:**

13 Please refer to the responses to BCUC IRs 1.6.4 and 1.6.5.

14

15

16

17

18 2.2 Has the FEU restricted all of its prior recruitment activities using third parties for
19 executive searches to those firms which store all data on Canadian servers?

20

21 **Response:**

22 Yes, the FEU have restricted all recruitment services using third parties to those firms which
23 store the FEU data on Canadian servers.

24