



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

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

May 28, 2013

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: British Columbia Utilities Commission (BCUC) Customer Choice 2012 Annual Report Proceeding
FortisBC Energy Inc. (FEI) Response to Commission Issues Outlined in Exhibit A-2

On May 14, 2013, the Commission issued Exhibit A-2, proposing changes related to finalizing the Interim Dispute Guidelines, the Dispute Process and the Rules for Gas Marketers. The Commission also invited feedback from all interested parties on the proposed changes. Below is a summary of the Commission's proposed changes together with FEI's position on each.

Commission Issues

FEI Position

Finalization of Interim Dispute Guidelines

- | | |
|---|---|
| <p>1. <u>Allowing Gas Marketers (GM) 5 Calendar days to respond to both 'Urgent' and 'Normal' Disputes:</u>
Currently the interim guidelines require GM to respond to 'Urgent' and 'Normal' disputes within 2 and 5 business days respectively. The Commission believes the requirement related to 'Urgent' Disputes is overly prescriptive.</p> | <p>1. <u>FEI is confident in the revised Independent Dispute Process for dispute resolution and sees no issue with allowing 5 calendar days as opposed to 2 calendar days to respond to Urgent Disputes.</u></p> |
|---|---|

2. **Use of Calendar days for Dispute related Deadline instead of Business days:** Currently Gas Marketer deadlines are in business days, while Customer deadlines are in calendar days. The Commission proposes to use Calendar days only.
3. **Requirement for GM to submit evidence to all customers, including those that do not have online access:** Under the Interim Guidelines, GMs are not required to submit evidence to customers if they did not provide an email address. The Commission is concerned that customers without online access will be unable to fully benefit in the revised dispute process.
2. **FEI has no issue with streamlining Dispute related deadlines for GM and Customers to Calendar days**
3. **FEI supports the Commission's proposal to require GM to submit evidence to all customers, especially those that do not have online access. In particular, FEI believes conveying the evidence via registered mail, fax or courier is the preferred method of contact. This will ensure procedural fairness to all customers.**

Dispute Process

1. **Dispute Resolution Fee to be applicable to all disputes unless the dispute was ruled in favor of the GM:** Under the interim guidelines, a dispute resolution fee would not be charged for a standard dispute if the dispute is resolved without the Commission's involvement. However, in practice, where a customer lodges a standard dispute, the Commission finds the involvement in processing it, whether resolved directly with the marketer or not, cannot be done without cost to the Program.
2. **GM to ensure Cancellations resulting from a standard dispute is to be effective on the Anniversary date of the agreement. It will be up to the GM to reimburse the customer for the period between the dispute resolution and the anniversary/cancellation date:** The Commission is concerned with the high level of cancellation during the Interim Dispute period and re-asserts that cancellations outside the anniversary date violate the ESM; and will only be allowed for humanitarian reasons and where the commission finds the agreement invalid.
1. **FEI agrees with Commission staff that processing disputes, whether it is a Standard Dispute or Cancellation Dispute, cannot be done without cost to the Program. Because Program fees must recuperate the cost of the Program, FEI supports the application of the Dispute Resolution Fee to all disputes, unless the dispute was ruled in favor of the GM.**
2. **FEI strongly supports the Commission's position to have cancellations resulting from a standard dispute be effective on the Anniversary date of the agreement; and for GM to reimburse the customer for the period between the dispute resolution and the anniversary cancellation date. FEI has always been concerned with cancellations outside the anniversary date and has long been a proponent of limiting the use of Cancellation Disputes to strictly compassionate reasons.**

Rules for Gas Marketers

1. **Amendment to License Requirement Section 6 and Section 7:** Changes to enhance clarity
2. **Amendment to Appendix B 'License Requirements and Application Instructions' Section 7, criteria (e):** inclusion of a table outlining ratios, the method of calculation and target to provide clarity and guidance to GM on what to measure and how
3. **Amendment to Appendix B License Application Instructions:** to ensure GM understand that in order to have information in an application held confidential, they identify the relevant section and provide an explanation for the confidentiality request.
4. **Inclusion Required Terms for the Parental Guarantee:** Comprehensively sets out the legal obligations of the GM Guarantor in the Rules for Gas Marketers where none existed before

FEI has no issue with the Commission proposed amendments to the License Requirement and Application Instructions. FEI believes these amendments provide clarity with respect to roles and obligation of the signee.

With respect to whether or not a General Meeting is warranted, FEI believes a written process will be sufficient in addressing any of the issues raised by interested parties.

If further information is required, please contact Howard Mak at 604-790-2064.

Sincerely,

FORTISBC ENERGY INC.

Original signed by: Ilva Bevacqua

For: Diane Roy

cc (email only): Gas Marketers
BCPSO