



September 3, 2020

Sent via email

Letter L-56-20

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Re: FortisBC Energy Inc. – Complaint filed by B.C. – British Columbia Utilities Commission Review

Dear [REDACTED]

Thank you for contacting the British Columbia Utilities Commission (BCUC). The BCUC received your initial complaint against FortisBC Energy Inc. (FortisBC or FEI) on March 3, 2020, concerning the assessment of fees required for a gas line installation to your premises (Complaint). In the Complaint you also expressed concerns regarding the gas line route approved by FEI, as well as being denied the ability to dig your own trenches to mitigate costs. The BCUC received additional correspondence from you on April 6, 2020. Following requests by BCUC staff, FEI provided its response to your Complaint on March 13 and May 29, 2020. BCUC staff issued a staff information request to FEI on May 13, 2020, and FEI responded in a letter dated May 29, 2020.

When the BCUC reviews complaints it uses the criteria of whether the utility reasonably responded to the customer's concern(s) and whether the utility followed its Gas Tariff (Tariff)¹ and the *Utilities Commission Act* (UCA). As an administrative tribunal, the BCUC follows its own process for a number of procedures, including complaints. The BCUC is not a mediator of disputes, rather it is an independent regulatory agency of the provincial government that operates under and administers the UCA.

Based on staff's review of your Complaint and related correspondence provided in this matter, the BCUC sees no indication that FEI was in contravention of its Tariff or the UCA.

Review Process

In reviewing FEI's response, under the BCUC Complaints Guidelines, the BCUC has, amongst other things, referred to FEI's approved Tariff, which contains the terms and conditions of service between FEI and its customers to ensure FEI's actions were in accordance with the Tariff.

The current version of the Tariff was approved by Order G-135-18² dated July 20, 2018 and came into effect November 1, 2018. The Tariff is set through a formal BCUC proceeding. In the Tariff, rates for each class or type of customer (residential, commercial, industrial) and terms and conditions are designed through a public consultation process to cover the cost of supplying customers in that class with electricity. As a public utility, FEI is required to strictly adhere to the Tariff in its service provisions to customers and are unable to change the Tariff without BCUC approval.

¹ [FortisBC Energy Inc. General Terms and Conditions.](#)

² [Order G-135-18.](#)

Complaint

Regarding your requested route that was denied by FEI and the subsequent approved route with associated fees, FEI offered the following reasoning for both the denying of the requested route and the selection of the approved route:

- The FEI Operations group reviewed the requested route deeming it unsuitable for a distribution main. The route included terrain that was a safety risk such as a steep ravine. Upon further review of aerial photographs of the area a forested area and ravine with rocky outcrops as well as a farmed lot were all noted;
- The viable route selected by FEI took into consideration the right of ways that were in place and the assessment that this offered the lowest cost option for the installation; and
- In regard to the assessment of fees, FEI provided a cost breakdown of the approved route that included a main extension test to ensure appropriate fees were applied. The assessment reviewed the details of the costs and ensured it was compliant with the profitability index required as part of the main extension test.

The BCUC notes that FEI examined the proposed route and their decision aligned with Sections 10.2 and 12.5 of FEI's Tariff.

With respect to the route approval, Section 10.2 (l) of the Tariff states:

The Customer may make application to FortisBC Energy to extend the Service Line beyond that described in Section 10.1 (Provided Installation) part (b)(iii). Upon approval by FortisBC Energy and agreement for payment by the Customer of the additional costs, FortisBC Energy will extend the Service Line only if it is on the route approved by FortisBC Energy.

With respect to assessment of fees for the gas line installation to your property, Section 12.5 states:

The total costs to be used in the economic test include, without limitation:

- (a) the full labour, material, and other costs necessary to serve the new Customers including Mains, Service Lines, Meter Sets and any related facilities such as pressure reducing stations and pipelines;
- (b) the appropriate allocation of FortisBC Energy's overheads based on the direct capital costs for the construction of the Main Extension;
- (c) the incremental operating and maintenance expenses necessary to serve the Customers; and
- (d) an allocation of system improvement costs.

In addition to the costs identified, the economic test will include applicable taxes and the appropriate return on investment as approved by the British Columbia Utilities Commission. In cases where a larger Gas distribution Main is installed to satisfy future requirements, the difference in cost between the larger Main and the smaller Main necessary to serve the Customers supporting the application may be eliminated from the economic test.

With regard to a lack of competition, by being denied the ability to dig your own trenches, FEI offered the following retraction:

FortisBC apologizes for the error in communication and would like to clarify that a third party is able to perform the trenching on private property under the condition that it be pre-inspected to meet our company standards. In this instance, the customer's request to excavate a trench through private property is not applicable given FortisBC concludes the route the customer proposed is not a viable route for the installation of a distribution main.

The BCUC has limited jurisdiction over FEI's business practices, including how it conducts communications, so long as its actions comply with the Tariff and the UCA.

The BCUC finds that as the issues raised in your Complaint regarding the route assessment and subsequent fee for a gas line installation are governed by the Tariff, FEI needs to adhere to the terms and conditions of the Tariff.

The BCUC has reviewed the correspondence provided by both you and FEI and is satisfied that FEI has reasonably responded to your concerns and acted within its Tariff and the UCA.

Accordingly, your file is now closed.

Office of the Ombudsperson

If you have concerns about how the BCUC handled your Complaint, you may wish to contact the Office of the Ombudsperson. The Office of the Ombudsperson receives enquiries and complaints about the practices and services of public agencies within its jurisdiction. Their role is to impartially investigate complaints to determine whether public agencies have acted fairly and reasonably, and whether their actions and decisions were consistent with relevant legislation, policies and procedures.

If you decide to file a complaint with the Ombudsperson, they will review the BCUC's process to ensure it was fair. Though this may not result in a different outcome for you, the office could request that the BCUC reopen its investigation.

Provided is a link to the Office of the Ombudsperson's website: <https://www.bcombudsperson.ca/>. You can also call their office toll-free at: 1-800-567-3247. An employee at the office will be able to assist you and inform you of your options.

Thank you again for contacting the BCUC.

Sincerely,

Original signed by:

Marija Tresoglavic
Acting Commission Secretary

DD/ae