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Submitted via email: [engage@auc.ab.ca](mailto:engage@auc.ab.ca)

Alberta Utilities Commission  
Eau Claire Tower  
1400, 600 Third Avenue SW  
Calgary, Alberta T2P 0G5

**Re: Bulletin 2024-01 Emergency Billing Relief  
Feedback from FortisAlberta Inc. (FortisAlberta or the Company)**

On February 6, 2024, the Alberta Utilities Commission (AUC or Commission) issued Bulletin 2024-01 and invited submissions on the topic of an AUC rule to enable implementation of emergency relief credits for utility customers displaced by wildfires. FortisAlberta makes this submission in response and appreciates the opportunity to provide comments on the proposed rule development. Should the Commission provide further opportunities for consultation on this matter, FortisAlberta recommends that the Commission consider an informal round table or technical session for interested parties to further discuss their experiences with the implementation of the Emergency Billing Relief Program (EBRP) in 2023 and the impacts of an emergency billing relief rule.

### **Billing Relief During the 2023 Wildfire Season**

FortisAlberta wishes to acknowledge that the 2023 wildfire season resulted in extensive disruption to the lives and livelihoods of Albertans, many of whom are FortisAlberta customers. The Company acknowledges the efforts led by the Government of Alberta and the AUC to extend relief to evacuated Albertans.

However, before responding to the specific questions posed by the Commission, and for the reasons set out below, FortisAlberta submits that the implementation of the EBRP in the 2023 wildfire season was not successful in providing meaningful relief to customers and, further, did not do so in an efficient manner. As described in greater detail below, FortisAlberta submits that there are more effective and less time and cost intensive ways to issue relief to customers who are impacted by evacuations, including monetary support directly from the Alberta government, tax credits, or a flat daily credit rate.

### **Administrative Burden**

FortisAlberta experienced significant administrative burden implementing the billing relief prescribed in accordance with the 2023 EBRP Manual. Primarily, this was because the EBRP Manual calls for the execution of processes and validation that are outside the Company's existing systems. Therefore, in order to comply with the EBRP Manual, FortisAlberta staff had to develop labour-intensive manual processes and, subsequently, had to integrate the results of the manual processes with existing systems of record. The Company experienced resource constraints both in the implementation of the manual processes and for the



design and implementation of reliable audit trails. FortisAlberta seconded approximately 15 employees who worked between 270 and 350 hours to deliver the billing relief program. On a combined basis, this created many challenges from initiation to end of the EBRP with, in the Company's submission and further described below, limited relief provided to customers.

As an example of the experienced administrative burden, FortisAlberta had to create a manual tracking form to document evacuation events impacting customers in its service area. This required collaboration between multiple departments within the Company to create and complete daily updates. In addition, FortisAlberta was required to monitor evacuation events and assess whether affected sites identified by evacuation orders were eligible for billing relief. Section 4.1.2(3) of the EBRP Manual necessitated daily updates to retailers, so they could flag the sites for upcoming potential billing relief credits.

Further, and as directed by Section 4.1.2(2) of the EBRP Manual, to ensure consistent treatment of affected sites by gas and electricity distributors, multiple reviews and reconciliations were conducted by the respective team of each utility. While the intent of these alignment efforts (consistent and fair treatment of customers) is not lost on the Company, where the billing relief for gas and electricity utility service was provided by separate and independent utilities, the final output required efforts that were arguably in excess of the achieved benefit to customers.

#### Unclear Customer Benefits

In the affected FortisAlberta service area, of the 12,551 evacuated customers eligible for billing relief, 50% received a credit for less than \$20. This equated to 64% of the eligible residential customers receiving a credit of less than \$20. However, this small credit per bill represented significant administrative effort for the Company.

Due to the need to rely on manual updates during a period with fluctuating site-specific status changes over multiple days and weeks, the administration of the billing relief credit was time intensive. The decoupling of the issuance of the credit, an unremarkable amount in any event, from the period during which customers were evacuated was also combined with the fact that there was no ability to identify the credit as being due to "emergency billing relief" on the customer's bill. This had the result of minimizing the recognition of the emergency relief credit for customers, and arguably, this failed to achieve the EBRPs purpose of providing meaningful and timely financial assistance to affected utility customers.

Finally, it is important to note that the emergency relief credits are ultimately a cost deferral and do not provide full billing relief for evacuees. Emergency relief amounts are collected through a subsequent true up for distribution charges and the TAR process for transmission charges from all ratepayers, which includes those customers that were evacuated.

#### PBR Cost Recovery Considerations

Given the above, FortisAlberta requests that the Commission consider whether a rule for emergency billing relief will fundamentally provide individuals experiencing an emergency evacuation actual and meaningful relief. The Company submits that more effective relief during periods of evacuation can be achieved by alternative mechanisms such as direct government financial assistance or a tax credit. Should the Commission, nevertheless, create a rule for emergency billing relief, FortisAlberta submits that automation and upgrades to the Company's systems will be required in order to implement billing relief for future wildfire or natural disaster events, as well as additional personnel for ongoing administration of the program. These costs were not contemplated during the development of the third generation of Performance



Based Regulation (PBR) for distribution utilities in Proceeding 27388, nor does the EBRP Manual contemplate a definitive mechanism for cost recovery or the extent to which the Commission would entertain applications for such cost recovery. As such, the Company would request specific relief for these costs in the form of approval for Y Factor treatment for any incremental capital or operating costs incurred to comply with any resulting emergency billing relief rule. For clarity, this would be inclusive, but not necessarily limited to, funding for system upgrades, automation, and related operating costs.

### **Responses to Engagement Questions**

Should the Commission determine that a new rule is the appropriate mechanism to provide electric and gas utility billing relief to individuals affected by emergency evacuation events, FortisAlberta provides answers to the Commission's specific questions for consideration below:

#### **1. What costs should be eligible for recovery as part of an emergency billing relief program?**

Transmission, distribution, and related rider costs should continue to be eligible for recovery. As discussed during the consultation on the EBRP Manual, it would be appropriate to apply a credit to the cost of the electricity commodity itself. At this time, FortisAlberta does not have a specific commodity-based credit proposal but is supportive of exploring methods to facilitate such a credit.

As stated below, the Company also recommends that a daily flat credit rate be selected and implemented to reduce administrative burden.

Furthermore, FortisAlberta submits that the Commission must consider the funding needs of the utilities in complying with any resulting emergency billing relief rule. These costs were not contemplated during the design of the development of the third generation of PBR for distribution utilities in Proceeding 27388, nor does the EBRP Manual contemplate a definitive mechanism for cost recovery or the extent to which the Commission would entertain applications for such cost recovery. As such, the Company would request specific relief for these costs in the form of approval for Y Factor treatment for any incremental capital or operating costs incurred to comply with any resulting emergency billing relief rule. For clarity, this would be inclusive, but not necessarily limited to, funding for system upgrades, automation, and operating costs.

#### **2. What costs should be excluded?**

FortisAlberta has interpreted this question to mean "what costs should be excluded from the application of the emergency billing relief credit", not "what costs should be excluded from recovery by the utility."

FortisAlberta suggests that items affecting municipalities, such as the Rider A-1 municipal assessment rider and municipal franchise fees, be excluded from issued billing relief credits. It is the Company's understanding that municipalities were not receptive to having charges that flow through to them altered or reduced without their knowledge or consent. While the exclusion of municipal related items will decrease the overall amount of the billing relief credits for impacted

residents, it will remove any financial disruptions to the budgeting and cash flow management for municipalities also affected by wildfires.

To be complete in its response, FortisAlberta would further confirm that in its view, no component of the credits issued by the utility should be excluded from recovery by utilities. Put another way, the utility should be kept whole and able to recover all credits it issued.

**3. What is the best source of information regarding evacuations?**

Information must be provided from an official government source. Ideally, the Alberta Emergency Alert website would be an up-to-date and reliable source of mandatory evacuation orders and the subsequent lifting of such orders. FortisAlberta would strenuously oppose any suggested solution that utilities should seek out informal sources of information regarding evacuations.

**4. What considerations exist to extend the 2023 EBRP to emergency events beyond wildfires (e.g. floods or other natural disasters)?**

If the Commission determines that it is appropriate to continue with the EBRP, FortisAlberta is not opposed to the program being extended to other emergency events.

However, based on the experience from the 2023 EBRP, and to alleviate undue administrative burden, FortisAlberta is proposing the following areas be reconsidered:

- Increase the duration of the evacuation period to 5 calendar days from the current 96 hours. The change from hours to days will eliminate inconsistencies between DFOs in the application of eligible time. Eligibility should apply to residents that are evacuated for a minimum of 5 calendar days; a period of this length will result in a meaningful credit that is not outweighed by the burden of administering the program.
- Restrict eligibility criteria for types of services to residential, farm and small commercial only.
- Adopt a daily flat credit rate for the distribution component of the credit applicable to residential and farm rate customers. A flat rate would be designed such that it is representative of typical daily usage. The implementation of a flat rate would prevent the need for more complex calculation and administration of credits. FortisAlberta notes that other bill components, including transmission and commodity costs, should also be considered in the event that a flat rate is pursued. Alternatively, the Alberta government could use a similar design to determine an appropriate amount of direct cash relief for affected Albertans, which would mitigate administrative burden associated with distribution utility administration.
- Exclude charges affecting municipalities from processed credits. Please see the response to Question 2, above.
- Ensure that the Alberta Emergency Alert website is maintained and up to date, for both evacuation orders and the lifting of such orders, or otherwise ensure that utilities have access to reliable official government information for evacuation orders and when they are lifted.
- The Commission should undertake development of automated ways for market communication through market transactions under AUC Rule 021 and AUC Rule 004.



Additional comments regarding the EBRP Manual are provided in Appendix A.

Please contact me at (403) 514-4969 or Regulatory Affairs via [regdept@fortisalberta.com](mailto:regdept@fortisalberta.com) if you have any questions with respect to this submission.

Sincerely,

/Amy Johnson/  
Amy Johnson  
Director,  
Regulatory Affairs

**Appendix A**

<b>Section of Emergency Billing Relief Program Manual</b>	<b>Comments</b>
2 Customer (site) eligibility	Revisit definition of sites eligible for electricity billing relief credits; consider restricting credits to residential, farm and small commercial customers.
3 Included evacuation events and calculation of the billing-relief period	<p>While the 2023 EBRP Manual contains details for calculating the number of days eligible for billing relief, it does not provide details for calculating the initial 96-hour evacuation period required to qualify sites for billing relief. This resulted in application misalignment between the distribution facility owners (DFOs). One method employed for calculating the initial 96-hour evacuation period was to calculate <i>days</i> (i.e. 4 days), similar to the calculation for days eligible for billing relief. Another method calculated the 96-hour period from the <i>hour</i> the evacuation notice was issued on the Alberta Emergency Alert website; sites were deemed eligible for relief if 96 hours elapsed since the hour the evacuation notice was issued.</p> <p>As set out in the body of this submission, and to ensure alignment among DFOs, FortisAlberta recommends that the evacuation period be calculated by day. The Company also suggests adoption of a daily flat credit rate.</p>
4 Process and responsibilities by party	Consider ways of minimizing manual handovers of information between parties; the Commission should undertake development of market communication through market transactions under AUC Rule 021 and AUC Rule 004 to facilitate coordination among parties.
4.1.1 At the start of an evacuation event	Revisit the benefit of sharing a tracking form of evacuated sites between market participants before eligibility is confirmed. This will minimize the frequency of exchanging lists of sites and will allow parties to direct effort only to eligible sites, excluding sites that ultimately do not meet eligibility criteria.
4.1.2 During and at the end of an evacuation event	Revisit the need for alignment between gas and electric utilities.
4.1.2.1 Calculation and administration of billing relief	Identify and provide direction on the treatment of all components of DFO charges, including transmission, distribution, franchise fees, and riders, and develop appropriate communication to all affected parties; consider implications for REAs.
4.1.3 Following an evacuation event	Develop templated messaging to ensure consistency between gas and electricity DFOs and customers' retailers.