

From: [Jerrilynn DeCock](#)
To: [Commission Secretary BCUC:EX](#)
Subject: RIB Rate Report - DeCock Comments on BCSEA Utility Report Comments
Date: Tuesday, November 29, 2016 11:29:09 AM
Attachments: [DOC_48207_11-24-2016_BCSEA-comment-report_marked_up_by_DeCock.pdf](#)
[res_bc_2_e.pdf](#)
[res_bc_5_e.pdf](#)
[DOC_47334_E-246_Ehrler_Letter-of-comment_Redacted.pdf](#)

I have completed my review of the BCSEA-SCBC report submitted on November 24, 2016. Thank you for the opportunity to provide my review on this report that the BCSEA-SCBC waited until the last day to submit, possibly to avoid review by others. I have marked it up with my initial-reaction comments and highlighted parts to bring them out and hopefully these mark ups will provide food for thought for others, as I had intended with the FBC and BCH report mark ups. Please see the attached markup and tables 2 and 5 from Natural Resources Canada. Following are my overall comments on the attached report to add to my comments on the report document.

My first and foremost comment is my profound shock to read a report from organizations (that I would expect to promote sustainable resources (energy) and to promote environmental responsibility) that support an electrical rate structure that is a deterrent to using clean, renewable, electrical energy for heating and that promotes people to use fossil fuels for heating and furthermore, a rate structure that is an utter failure in deferring the construction of new generation facilities that its magnitude is tied to by using LRMC to determine the magnitude; and is mostly ineffective in overall energy conservation because the energy threshold is too high for some who use fossil fuels and too low for all-electric homes (except where it causes them to live in misery and cold).

I found that this report attacked customers using procedural argument when the customers don't likely care about the Minister's questions or may not even know of them, but were taking the time to provide their comments because it is of importance in their life. Most people are apathetic; just look at voting turnouts, so such a huge response must be considered to show a failure in the rate structure (regarding acceptance in the least – Bonbright Principle #4). I have not had the time to review a lot of the letters-of-comment, but I have from time to time and looked at some more while doing this email report. I have found very little support for the RIB structure and where I have read anything like this it has been to agree with the principle of conservation and from people who do not understand the overall situation very well. There are people who will believe what they are told and support any structure that promotes environmental responsibility through conservation, but they don't realize that this RIB structure is a failure in doing this. I'm not going to justify my 'opinion' here because I have done so in my own reports and I have substantial experience in electrical utilities in other jurisdictions and I have a total of 37 years engineering experience in utility and industrial power applications and so should be considered an expert opinion. Most of the customers don't have this experience and don't understand the procedural arguments using COSA and postage-stamp rates and that these two contradict each other and so should not be criticized for providing their

honest, heartfelt comments regarding the misery that this RIB structure has inflicted on them; and also those who were enticed to go all-electric and then had those enticing rates ripped out from under them and forced to subsidize those who chose natural gas heat.

I don't know what experience there is in these organizations (Sustainable Energy Association and Sierra Club), but it is a lawyer who signed for the report and I doubt that he will have the kind of experience in utility operations that I have, other than the legal side of it. Hence, the arguments made were largely from a 'rule of law' perspective and not considering the basic concept of fairness to all, but like the report for the BCOAPO, was largely arguing about how many were better off financially and not if it was just or not. I'm writing this email after completing the draft for the BCOAPO report; so I am adding here that both reports seem to miss the fact that all-electric homes inherently require much more electrical energy and the RIB structure unfairly penalizes them because the owners don't have a hope of reducing the energy consumption to anywhere near the break-even point, or they just don't care if these people are victimized. I would like to believe the former, because the latter would mean that they have no moral conscience. But then it is so blatantly obvious that all-electric homeowners are subsidizing natural-gas heated homeowners, regardless of any sort of regulatory legal-type definitions that can be used to mask the truth and morality of the situation. I have reviewed more letters-of-comment and the more that I review the letters-of-comment, the more I read about all-electric, rural customers that are being victimized by this RIB structure and customers who have taken advantage of DSM programs to no avail to reach affordable bills. There are people who are really suffering and I have attached one example (more than the unsubstantiated claims of this report and BC Hydro).

In closing, I would like to add that anyone who advocates for the RIB structure to entice peak shaving (hence tied to LRMC) just does not understand the concept; or aware that is what TOU metering was developed for (or what FBC seemed to advocate for when apparently pushed into this RCR in 2012). The basic concept of an RIB structure could entice overall conservation of resources in a homogeneous system where all customers are the same; that is all with all-electric homes or all with gas heated homes for examples, but in a very heterogeneous system it is virtually impossible to be fair with postage-stamp rates and energy allotment levels (and these rates are not actually postage stamp for the province with different rates and energy allotment levels for the two different companies). In fact, after all of the additional research and work that I have done in this process, I still think that the present rate structure violates Article 15 of the Canadian Charter of Rights and Freedoms (not being a lawyer, that is my opinion).

One last thing, if there truly was postage-stamp rates in this province then both utility companies would have the exact same rates and structure and one would transfer funds to the other to cover their unrecovered costs from the rates.

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