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www.bcuc.com**British Columbia
Utilities Commission**

Letter of Comment

In accordance with the Commission's Rules of Practice and Procedure, to submit a letter of comment concerning an application currently before the Commission, please provide a completed form to commission.secretary@bcuc.com. If email is unavailable, please mail the form to the address above. By doing so, you acknowledge that all letters of comment are published with the author's name as part of the public evidentiary record, both in print copy and on the Commission's website. All personal contact information provided on this page is removed before posting to the website. Forms must be received by the Commission by the last filing date included in the proceeding's regulatory timetable before final arguments.

Proceeding name

Gabelhouse, Robert & Jacqueline

Are you currently registered as an intervener or interested party?

No

Name (first and last)

Robert & Jacqueline Gabelhouse

City

[REDACTED]

Province

BC

Email

[REDACTED]

Phone number

[REDACTED]

Letter of Comment

Name (first and last)

Robert & Jacqueline Gabelhouse

Date:

July 21, 2016

Comment: Please specify the reasons for your interest in the proceeding, your views concerning the proceeding, any relevant information that supports or explains your views, the conclusion you support and any recommendations. The Commission may disallow comments that do not comply with the Rules of Practice and Procedure.

Hello,

We live in McKinley Landing, a residential subdivision within Kelowna that does not have gas service. Due to this we rely on Fortis electricity for heating our home - and since the 2-tier billing system was implemented we have experienced substantial increases in our electric bills (partially due to BCUC allowing for multiple yearly increases - but let's focus on the unfairness of the 2-tier billing system on communities like ours throughout BC who do not have gas and are forced to pay the higher tier rate).

The huge increase in electricity bills that we have experienced since 2012 is a direct result of the Government and the BCUC requiring electric utilities to implement a two-tiered pricing system that wasn't properly designed to address the diverse set of electricity consumers that exist in BC. The RIB, as structured ignores the fact that there is a small percentage of BC residents (often rural) who use electricity for space and water heating and will, regardless of their efficiency levels, always consume far more electricity than the BC average. This is because most BC residents, particularly those in major urban areas, have access to natural gas and use that fuel for space and water heating, significantly reducing their need to consume electricity (since 75% of the average energy use in single detached homes in BC is for space and water heating).

In addition, the BCUC has approved Block 2 rates at a ridiculously high level. No other province charges a higher rate to its customers (except Ontario but they only charge their highest rate on consumption during peak hours). Yet, as Minister Bennett has often stated, the cost of electricity generation in BC is among the lowest in North America. And FortisBC has stated that its Block 2 rate significantly exceeds the cost of bringing on new electricity generation. So, the reason we are paying such a high electricity rate has nothing to do with the cost of providing that electricity and has very little to do with how efficiently (or inefficiently) we use that electricity. We are paying one of the highest electricity rates in Canada on the majority of our electricity consumption simply because we live in a rural area with no access to natural gas and hence use electricity rather than natural gas for space and water heating. Setting rates in this fashion actually constitutes price discrimination which, according to BCUC's mandate, they are supposed to be preventing.

The Government has encouraged the BCUC to implement the RIB as part of its clean energy policy. However, the consumption of hydro-electricity produces no greenhouse gas emissions and the RIB, as structured, is making rural electricity consumers switch to wood-burning which produces greenhouse

gas emissions and a variety of other air pollutants.

Thus, it makes sense for BCUC to revise the 2-tier billing system in order to not be letting Fortis & BC Hydro take advantage of the customers who do not have gas service.

Thank you,

R. & J. Gabelhouse