

April 13, 2015



BCUC  
6<sup>th</sup> Floor, 900 Howe St., Box 250  
Vancouver, BC  
V6Z 2N3

BCUC Log # 41549  
RECEIVED  
APR 21 2015

Routing \_\_\_\_\_  
\_\_\_\_\_

Attn: Commission Secretary

Re: BC Hydro's application for changes to the rate design

First of all, I want to thank you for the opportunity you have provided via recent email information, for me to speak to this issue. I have enclosed numbered items of correspondence, with highlights, which I will review. These items showcase my issue, and after that, I will provide a summary.

1. I emailed BC Hydro on February 24, 2009 with the basic complaint that we attempted to 'go green' with our new home, with no incentive or assistance with subsequent electricity costs.
2. On February 25, 2009 I received a generic reply from BC Hydro where I was told we had a fuel choice, which we don't. Unless we switch to a wood furnace, which we wanted to avoid. I suppose we could have opted for solar panels, which is also a costly investment.
3. I had emailed Minister of Energy and Mines, Rich Coleman at the time, and he was kind enough to respond on January 16, 2012. I had evidently also commented on the smart meter program, but regarding the Residential Inclining Block rate, he stated that this is the responsibility of BCUC.
4. On June 26, 2012, I received an email from Jack Buchanan on behalf of the Minister, directing me to your complaints process.
5. On October 10, 2012, I sent a detailed email with my concerns to your complaints process.
- 6, 7. October 10, 2012, more back and forth emails.
8. October 11, 2012, BCUC Customer Service's last response to me at that time, suggesting that I participate in the Commission's hearing the next time BC Hydro applies for changes to the rate design. Which brings us to the present.

In summary, we tried to do the 'green' thing by installing geothermal/radiant floor heating at a huge cost. We have no access to natural gas. All of our energy use comes through the heat exchangers that transforms heat from the ground into usable form. The heat exchangers use a lot of energy, especially in the winter. There is no incentive to avoid natural gas and fossil fuels. As a matter of fact, we feel penalized for trying to protect our environment.

My suggestions for the commission are:

1. With proof of installation of geo-thermal heating, all electrical usage should be divided equally between the two tiers.
2. There should be a rebate, possibly 10%, on installation costs. For us, I would very much like to see this retro-active.
3. I would like to see similar incentives for those who install solar panels and wind turbines.

Thank you very much for your consideration and I look forward to positive results.

Sincerely



Carolyn (and for William) Vrieling

[Redacted address information]

/clv

**Carolyn Vrieling**

---

**From:** [REDACTED]  
**To:** [REDACTED]  
**Sent:** April-03-14 3:14 PM  
**Subject:** Fw: re

----- Original Message -----

**From:** Complaints BCUC:EX  
**To:** [REDACTED]  
**Sent:** Thursday, October 11, 2012 10:59 AM  
**Subject:** RE: re

Dear Ms. Vrieling,

Thank you for your email regarding your continued concerns about BC Hydro's Residential Inclining Block (RIB) rate.

BC Hydro's application to the Commission for RIB rates was reviewed through an oral public hearing, wherein members of the public and interested groups were provided the opportunity to participate in the hearing and give comment on the proposed rate structure. The Commission's decision was made based on the evidence submitted by BC Hydro and the hearing participants over the course of the proceeding.

You may be interested in participating in the Commission's proceeding the next time BC Hydro applies for changes to the design of its residential rates. There are a number of ways you can participate in Commission proceedings:

1. **Apply to register as an Intervener:** Interveners participate in the Commission's public proceedings on applications by reviewing evidence submitted by the utility and providing evidence to either support or reject the application.
2. **Apply to register as an Interested Party:** Interested Parties receive proceeding documents but do not submit arguments.
3. **Submit a letter of comment:** Letters of comment are submitted to the Commission Secretary before the close of the evidentiary record and should contain the commenter's name, contact information and a statement of their position on the application. Letters of comment are posted on the Commission's website under the letters of comment section for the proceeding.

To stay up-to-date on new applications, please continue to visit our Current Applications webpage, found at <http://www.bcuc.com/Proceeding.aspx?ApplicationType=Current>.

I hope this information is helpful. Thank you for contacting the Commission.

Regards,

Laura Sharpe  
 Customer Service Specialist  
 British Columbia Utilities Commission  
 Phone: 604.660.4700 | Fax: 604.660.1102 | Toll Free: 1.800.663.1385

The information being transmitted may contain confidential and/or privileged material and is intended only for the person

08/04/2015

or organization to which it is addressed. If you receive this e-mail in error, please delete the material from the receiving computer and contact the sender.



Please consider the environment before printing this email.

⑦  
**From:** [REDACTED]  
**Sent:** Wednesday, October 10, 2012 4:59 PM  
**To:** Complaints BCUC:EX  
**Subject:** Re: re

Thank you for your prompt reply. All you've done, though, is just explained how the rates work. That does not help our 'bottom line'. We already do everything we can to conserve energy in our situation, and equal payments does not change the annual cost of our electricity. Hydro rates keep increasing and we simply need a break. Since this rate structure came into effect, I'm sure there has been a dramatic increase in customers that have implemented geothermal systems. I think, therefore, that it is time for a review of this structure.

Sincerely  
 Carolyn Vrieling

⑥  
 ----- Original Message -----

**From:** Complaints BCUC:EX  
**To:** [REDACTED]  
**Sent:** Wednesday, October 10, 2012 4:44 PM  
**Subject:** RE: re

Dear Ms. Vrieling,

Thank you for your email to the British Columbia Utilities Commission regarding BC Hydro's Residential Inclining Block (RIB) rate structure.

#### Background

In 2007, the Government of British Columbia issued its Energy Plan, which set out the Province's commitment to reduce greenhouse gas emissions and maximize conservation efforts. The RIB is intended to help in the positive outcome of this Plan and to create conservation awareness amongst all users by employing a two-step rate structure in which consumption that occurs above a certain level is billed at a higher rate.

In February 2008, BC Hydro applied to the Commission for approval of the RIB rate structure. The application was reviewed through an oral public hearing and the Commission issued its decision on August 28, 2012. For more information, all public documents related to this proceeding are available on the Commission's website at <http://www.bcuc.com/ApplicationView.aspx?ApplicationId=187>.

#### Step 1 and Step 2 Rates

BC Hydro moved to the new two-step RIB Rate effective October 1, 2008. Currently, the step 1 rate is 6.80 cents per kilowatt hours (kWh) up to a threshold of 1,350 kWh and a step 2 rate of 10.19 cents per kWh above that threshold in a bi-monthly billing period.

It is important to note that the step 1 threshold is not a target consumption level – it is the point where the cost of electricity changes to the step 2 price. Because you pay a lower price (compared to the flat rate) on the first portion of energy used, and a higher price for consumption above the step 1 threshold amount, you can consume some electricity above the threshold before your total bill increases.

I understand from your email that you are concerned about the financial impact of the rate structure, especially during the winter months as you have geothermal heating. You also express concern that the rate structure does not account for large families. In making its decision, the Commission considered different inclining rate structures proposed by BC Hydro, including segmentation based on customer characteristics such as heating type or number of occupants. The Commission determined there was insufficient evidence presented during the proceeding to support the alternative rate structures. The issue of segmentation is discussed in section 4.2 of the Commission's Reasons for Decision.

In addition, the 1,350 kilowatt hour (kWh) step 1 threshold (or 675 kWh for customers billed monthly) was set by the Commission based on it being about 90% of the median consumption of BC Hydro's residential customers. Under this threshold, the majority of customers will see the step 2 threshold at least once a year. Section 5.7 of the Reasons for Decision document provides further information on this issue.

### Energy Efficiency Programs and Rebates

You may be interested in the energy efficiency information BC Hydro offers through its Power Smart program to help customers manage their electricity consumption. Customers looking to find out more ways to save energy or receive rebates can visit BC Hydro's website at <http://www.bchydro.com/powersmart/>. BC Hydro also offers an equal payment plan, which allows customers to avoid seasonal fluctuations on their bill by paying an equal amount every month. For more information, please contact BC Hydro at 1-800-224-9376.

I hope the above information is helpful. Thank you again for contacting the Commission.

Regards,

Laura Sharpe  
Customer Service Specialist  
British Columbia Utilities Commission  
Phone: 604.660.4700 | Fax: 604.660.1102 | Toll Free: 1.800.663.1385

The information being transmitted may contain confidential and/or privileged material and is intended only for the person or organization to which it is addressed. If you receive this e-mail in error, please delete the material from the receiving computer and contact the sender.



Please consider the environment before printing this email.

**From:** [REDACTED]  
**Sent:** Wednesday, October 10, 2012 3:11 PM  
**To:** Complaints BCUC:EX  
**Subject:** re

BC Hydro [REDACTED]  
William Vrieling

Four years ago, we moved into a new house up in the hills outside of [REDACTED]. At the time we wanted to be as environmentally efficient as possible, so we put in geothermal/radiant floor heating. There is no natural gas available up here. The heat exchangers used to transform the heat use up a lot of electricity in the winter, and with the two-tiered usage charge, we have outrageous hydro bills in the winter. I have contacted BC Hydro about this but have not gotten anywhere. We feel like we are being discriminated against. Why is there no provision for people like us? Why is the first step usage limit so small? What about large families? The more people in a family means more basic usage. Are we all being punished for these choices? We also installed all the latest energy efficient appliances and energy efficient light bulbs, but we can't seem to get a break. I am asking that you make adjustments for people like us who must use electricity for heating purposes, and who try

08/04/2015

to use environmentally friendly methods. You could request proof of installation of a geothermal heating system and then you could provide a graduated increase in Step 1 kW.h over the winter months. I would be happy to negotiate amounts.

I trust you will seriously consider this proposal. Thank you.

Carolyn Vrieling



This email is free from viruses and malware because avast! Antivirus protection is active.

----- Original Message -----

**From:** Buchanan, Jack MEM:EX

**Sent:** Tuesday, June 26, 2012 3:43 PM

**Subject:** BC Hydro's residential rate - 63255

Dear Ms. Vrieling:

I have been asked to respond to your January 16, 2012 email regarding BC Hydro's residential inclining block rate. I apologise for the delay.

As you asked in your e-mail, it is best for you to contact the British Columbia Utilities Commission, through their complaints process, about your concerns. To do so, you should submit your name, BC Hydro account number (this can be found on your bills), and a detailed explanation of your issue to [complaints@bcuc.com](mailto:complaints@bcuc.com).

Thank you for writing.

Sincerely yours,

**Carolyn Vrieling**

---

**From:** [REDACTED]  
**To:** "Carolyn Vrieling" [REDACTED]  
**Sent:** April-03-14 3:12 PM  
**Subject:** Fw: BC Hydro's RIB rate and smart meters - 61658

----- Original Message -----

[REDACTED] MH:EX

January 16, 2012 2:08 PM

**Subject:** BC Hydro's RIB rate and smart meters - 61658

Dear Carolyn Vrieling:

Thank you for your November 16, 2011 email regarding BC Hydro's residential inclining block rate and plans to install smart meters.

The benefits of BC Hydro's smart meter program are expected to outweigh the costs by about \$520 million over 20 years, helping keep rates lower for British Columbians. A more efficient and reliable electrical grid will result, with benefits such as:

- automated, real-time notification of power outages so repair crews can be dispatched straight to the problem and restore electricity service faster;
- lower operating costs by shifting power within the power grid to where it is needed most; and
- simplified requirements when a customer moves so that crews do not have to go to a customer's home to read the meter or turn the power on or off when opening or closing accounts.

With a more responsive system, BC Hydro expects smart meters to deliver significant savings over and above the capital investments in smart meters. These savings will be passed onto customers, keeping rates about 1.25 percent lower than they would be without the smart meter system upgrades.

In other words, smart meters do not create additional costs for BC Hydro customers. In fact, they are expected to save customers money by reducing operating costs by \$70 million over the next three years. BC Hydro's business case for the smart meter upgrades is available at

[http://www.bchydro.com/etc/medialib/internet/documents/smi/smi\\_business\\_case.Par.0001.File.smi\\_bus](http://www.bchydro.com/etc/medialib/internet/documents/smi/smi_business_case.Par.0001.File.smi_bus)

Additional information about smart meters is available on BC Hydro's website, including an information sheet, at [http://www.bchydro.com/energy\\_in\\_bc/projects/smart\\_metering\\_infrastructure\\_program.html](http://www.bchydro.com/energy_in_bc/projects/smart_metering_infrastructure_program.html).

Your letter also mentioned concerns about the residential inclining block rate. The residential inclining block is intended to encourage electricity conservation without increasing the average customer's bill and does not increase revenue to BC Hydro. The majority of BC Hydro's residential customers, including many with electric heat, have lower bills under the stepped rate structure even when some of their consumption is at the Tier 2 rate. The rate was approved, and the Tier 1 step size set, by the British Columbia Utilities Commission (Commission). The Commission is an independent regulatory agency of the provincial government that operates under and administers the *Utilities Commission Act*. The Commission's primary responsibility is the regulation of British Columbia's natural gas and electricity utilities.

Over the past few months, a panel of senior Provincial Government officials undertook a comprehensive financial and administrative review of BC Hydro to identify options so BC Hydro can reduce costs to

lower electricity rate increases for British Columbians.

The panel determined that BC Hydro can find efficiencies in a number of areas, including paying greater attention to operational processes, capital asset planning and management, using stronger procurement approaches and project management. As well, the panel and BC Hydro discussed setting specific targets to reduce administrative costs. With these and other recommended changes, the panel determined that BC Hydro can reduce proposed rate increases from 9.73 percent to approximately half that level over three years.

The Provincial Government has accepted the panel's recommendations and has directed BC Hydro to act on the recommendations and make the necessary revisions to its 2012–2014 revenue requirements application. The revised application was submitted to the Commission on November 24, 2011.

One of the panel's recommendations was for the Province to work with BC Hydro to clarify the objectives for rate design. I anticipate that this work will commence later in 2012 after the revenue requirements noted above have been established.

A copy of the panel's report is available at  
<http://www.newsroom.gov.bc.ca/downloads/bchydroreview.pdf>.

Thank you, again, for writing.

Sincerely yours,

Rich Coleman  
Minister of Energy and Mines



This email is free from viruses and malware because avast! Antivirus protection is active.

**Carolyn Vrieling**

**From:** [REDACTED]  
**To:** "Carolyn Vrieling" [REDACTED]  
**Sent:** April-03-14 12:58 PM  
**Subject:** Fw: SME RESPONSE REQUIRED SUBJECT: clean energy -geothermal heating NAME:Carolyn (William) Vrieling

----- Original Message -----

**From:** Power Smart  
**To:** [REDACTED]  
**Sent:** Wednesday, February 25, 2009 5:07 PM  
**Subject:** RE: SME RESPONSE REQUIRED SUBJECT: clean energy -geothermal heating NAME:Carolyn (William) Vrieling

Dear Carolyn,

Re: Heat Pumps

Thank you for contacting BC Hydro. Carolyn, as a regulated utility, our mandate is to provide electrical service to customers that request that service and we allow our customers to make their own decision on choice of fuel. We will, however, try to provide factual information, where possible, to aid our customers in their decisions. We are currently investigating the potential impact of fuel switching and fuel choice on our system. Electric Heat Pumps will increase a households electrical consumption.

*We have No options.*

Although BC Hydro does not provide an incentive for Heat Pumps there are incentives available through other government programs, these programs typically require an audit prior to improvements.

<http://www.ecoaction.gc.ca/ECOENERGY-ECOENERGIE/heat-chauffage/index-eng.cfm>

LiveSmart BC **website** at <http://www.gov.bc.ca/empr/> or to **call LiveSmart BC** at 1 866 430-8765.

Sincerely,

**Pat**  
 Power Smart Residential  
 Product Delivery Specialist  
 900-4555 Kingsway  
 Burnaby, BC  
 V5H 4T8

**THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL AND/OR EXEMPT FROM DISCLOSURE UNDER THE PROVISIONS OF THE FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT.** If the reader of this message is not the intended recipient, or an employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any use, distribution or reproduction of this communication is strictly prohibited. If you have received this communication in error, please notify me immediately by telephone, at (604) 453-6435, so that I can arrange to have the erroneous communication dealt with appropriately. Thank you.

-----Original Message-----

**From:** [REDACTED]  
**Sent:** Tuesday, February 24, 2009 9:36 AM  
**To:** BC Hydro Customer Service  
**Subject:** General Contact Form/Res/Other: Electricity Rates

08/04/2015

==== General Contact form submission...(http://www.bchydro.com/contact/ =====

Subject: Electricity Rates

Comments: With all the talk of clean energy, why is there not more financial incentive for people to get involved? We built a new home in rural Salmon Arm and we spent massive amount of money putting in geothermal heating in order to 'go green'. We were promised that costs for operating the heat exchangers would be low. Even with our cold winter, imagine our shock at our recent bill for the last 4 months! I would like to request that people who employ green energy get a significant reduction in hydro rates.

Name: Carolyn (William) Vrieling

Address/Account:

[REDACTED]

Reply required: Yes

Email: [REDACTED]

==== User Info =====

Browser: Mozilla/4.0 (compatible; MSIE 7.0; Windows NT 5.1; FunWebProducts; GTB5; .NET CLR 2.0.50727)

Referring Page: http://www.bchydro.com/about/company\_information.html

---

No virus found in this incoming message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 8.0.237 / Virus Database: 270.11.3/1971 - Release Date: 02/25/09 06:40:00



This email is free from viruses and malware because [avast! Antivirus](#) protection is active.