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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: RIB / Residential Conservation Rate Report (BCUC RIB Rate Report)

Are you currently registered as an intervener or interested party? No

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Name (first and last): Mark McKenney

City: [redacted] Province: BC

Email: [redacted] Phone number: [redacted]

Letter of Comment

Name (first and last): Mark McKenney

Date: 22-Jul-16

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.

I am a residential electricity customer of FortisBC; living on Anarchist Mountain, which is 15 km. east of Osoyoos. Our location is not serviced by natural gas, therefore I am completely dependent upon electricity supplied by Forts for my energy requirements.

Our home was constructed in 2006, to an R2020 energy standard, with Insulated Concrete Formed walls with R16 rating, along with state-of-the-art energy conservation technology incorporated into the design of the home. This includes an in-ground geothermal heat pump system which of course is operated on electricity, triple pane argon-filled glass in the windows; and extra insulation in the attic area. The geothermal heat pump was a conservation measure recommended by the BC government at the time that we were designing the home....it cost > $30,000 to install, and so far due to the high cost of electricity we question whether that investment was worthwhile, since energy costs have been a escalating negative drain on our finances, even though our home is state-of-the art energy efficient.

Since moving into the home in early 2007, we have experienced an 108% increase in our electrical energy costs. (See our actual billing data below). I am also mailing some charts to the BCUC on this matter as they cannot be included in this PDF form. When my mailed submission arrives at BCUC I request that both versions be included in the official record of this review proceeding. The escalating and unfair costs we have experienced are caused by both the cost increases per Kw/ hr. (99% since 2007 to 2006) and the implementation of the 2 tier Residential Conservation Rate. This rate structure places a a discriminatory rate structure upon those without alternate energy options. The RCR Tier 1 limit is so low that those of us in our situation pay the majority of our energy cost at Tier 2 rates, which are unfairly high.

During the period that we have lived in this home we have conserved electrical energy. For example, in 2016 we we will use 23 % less electricity (33,798 total kw/ hr 2016 (estimated) vs 44,082 kw/ hr in 2010).Due to the the 2 tier Residential Conservation Rate structure, our 60 - 63 day billings are characteristically billed at the Tier 2 rate between 55% and 76% of the time, with the average rate being billed at the higher Tier 2 rate on average occurs on 70% of billings. We have no way to avoid being in the higher tier rate despite our conservation efforts.

McKenney - Actual Billings / Costs

	Annual Cost	Annual KW	Average $/KWHr
2008	$ 2,304.77	42,064	$ 0.071
2009	$ 2,899.26	43,463	$0.074
2010	$ 2,956.32	44,082	$0.082
2011	$ 3,150.31	41,484	$0.082
2012	$ 3,585.28	40,307	$0.109
2013	$ 3,974.39	38,656	$0.123
2014	$ 3,803.98	37,012	$0.128
2015	$ 3,836.51	35,439	$0.132
2016 *	$ 4,796.14	33,794	$0.141
Half Year	$ 2,398.07		

-23% Reduction in electrical use since 2007

* Full 2016 estimated based on 1/2 year to June 2016 costs

Our annual cost for electricity has increased 62% since 2008, despite a 23% reduction in electricity use Electricity cost increase since 2007 has increase by 108%.

There is no opportunity to significantly reduce my bill through improving the energy efficiency of my house. I have insulated everything that is an opportunity, and use cold water for cloths washing, and we turn electrical devices off s much as possible. We have demonstrated a strong conservation ethic by already reducing our electricity use by 23% - yet we are penalized by Fortis pricing which continue to escalate at unfair rates.

Our home relies solely on electrical energy for space heating and other uses. We have no access to alternate fuels such as natural gas.

The RIB / Residential Conservation Rate, is a discriminatory rate structure that dis-benefits rural BC citizens that have no access to alternate energy sources, such as natural gas. The RIB / Residential Conservation Rate structure ignores the fact that there is a small percentage of BC residents (usually rural) residents who use electricity for space and water heating and will, regardless of their efficiency levels, 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). Whereas this group may be only 5% -10% of Fortis and BC Hydro customers it is highly discriminatory and unfair to charge these customers at rates 100% higher than Tier 1 customers. The policy should relieve this burden from this relatively small cadre of residents rather than say " the majority of customers are happy with RCR".

I have worked as an environmental professional for over 40 years - and I cannot see how the RIB / Residential Conservation Rate structure supports BC's energy and environmental goals. Indeed the RIB / Residential Conservation Rate encourages people to burn fossil fuels with their concomitant pollution and Green House gas emission consequences. These high costs are turning people back to burning wood, fibre and coal pellets and even waste oil fuels. These are retrograde steps directly harmful to the energy and environmental objectives BC.

Ways to Mitigate Impacts

The RCR should be redesigned to mitigate the burden it currently imposes on those without alternate energy options. This could be done by raising the threshold of Block 1 to a much higher level; perhaps around 4,000 kw/hr for customers with no access to natural gas for space and water heating. This change would have the additional benefit of reduce the number of customers switching to environmentally unsound energy sources such as wood, pellet or fossil fuel heating. This option could be administered to only those customers without alternate energy options, which is a relatively small cadre of Fortis customers in BC. Alternately, some form of rebate program where these customers could apply for and receive relief from the current structure of RCR could also be implimented.

Yours Truly,

Mark McKenney

[redacted] [redacted]

Hard copy with charts to follow by Canada Post.