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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 Are you currently registered as an intervener or interested party? Name (first and last) City Province Email Phone number

Letter of Comment

Name (first and last)

James B. McGinnigle

Date:

25-Aug-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.

Dear Commission,

I am an electric customer of Fortis B.C. and have (as have thousands of others) been severely impacted by the two-tier residential conservation rate. I will only explain mine although many others will have the same problem.

Our house (including water pumping from our well) is 100% electric ; not by choice , as we want gas.

I cannot have natural gas although the main line is less than a kilometer away and the Fortis pumping facility is only four kilometers from my home. Fortis gas advises me that they have nothing to offer us here.

We cannot use wood heat as my wife has Asthma and we chose not to use oil or propane which causes greenhouse gas , carbon load and is also very expensive.

Our 1996 house has an Energy Efficiency rating of 82.7 out of a possible 83 points for this vintage of home. We have installed a very high efficiency air to air heat pump, solar film on all windows to reduced summer heat load, LCD and LED lighting and energy efficient appliances. These improvements total to approximately \$25,000.00. Further energy reduction costs will be subject to the laws of diminishing returns as all the main items have been improved.

Minister Bennett claims that " most electrically heated homes see lower over overall bills under the RCR ". He is incorrect. Since July 2012 when Fortis B.C. started the two-tier pricing our costs have continually gone up even as our consumption has been reduced. For the first full year of the RCR (2013) we paid \$1,461.58 for 12,434 kW. Through the purchase of new equipment and a drastic drop in our comfort level (we are seniors) we reduced our consumption to 10,958 kW in 2014 and 9,362 kW in 2015.

The 2015 effective rate (cost of electricity , plus service charge and GST) was 12.319 cents per kW or 24.3 % above the base effective rate of 9.914 cents per kW.

The 2014 effective rate was 12.077 cents per kW or 26.3 % above the base effective rate of 9.563 cents per kW.

Both of these years were mild winters and had we maintained our home at 20c in the day and 18c at night the cost would have been much higher. In 2014 and 2015 we heated the home to 18c from 7 am through 7 pm and 16c overnight. This is not a comfortable range and borders on deprivation. I do not think we can stand these temperatures for another year. This will result in higher consumption and cost.

The impact of the two-tier billing system in the winter period is drastic. I wear long underwear inside the home and when I rise in the morning I put on a hat and coat until the temperature is up to 18c. As we have an air to air heat pump it takes from one to two hours (subject to the outside temperature) to raise the temperature to 18c in increments of 1/2 c to avoid using the electric back up heaters which all heat pumps engage when too much additional heat is called for at once. Electric resistance heating is from 150 % to 200 % more expensive than the heat pump alone.

We have our electric hot water on a timer and have 4 hours of heating in the morning and again in the evening. We seldom use the electric stove and instead use foods that we can cook in the more efficient microwave. We support conservation but the RCR fails to be fair. Those who use natural gas for space and water heating have no problem in

keeping their electric bills at level one in the winter. We all share the burden of higher electricity consumption in the heat of summer and at least then we are all on an equal playing field. We cool our home to 25c during the summer and have solar film , blinds and drapes in full use to keep out the heat.

We measure and record our daily, month-to-date and annual electric use to help us be aware of our electric consumption. This data is available for anyone who wishes to review our electric history going back to 1995.

For 2014 & 2015 a total of 92.8 % of all second tier use was from November through February. As stated previously we are hardly abusing our consumption as we are cool to cold all winter season.

The winter period from October through March is most unfair for those who heat with electricity. The second tier rate is 150% of the base. This difference (for those who cannot have gas) is punitive and discriminatory and even when users do their best to save , they are priced out of a decent level of comfort. This is Canada and winter is a fact that results in costs to maintain life. Surely , fair pricing should be part of our goals. How can penalizing those without options and who want to be warm considered as fair?

No other heating fuel is charged on a tier basis and neither should electricity be billed in this fashion. Heating equals survival in a Canadian winter.

I would invite Minister Bennett or any government representatives to visit my home and review our controls , procedures and records to show them that we are not receiving a fair pricing during the winter season despite taking all reasonable measures to achieve energy efficiency. Pricing can be corrected by changing the RCR structure to accommodate all electric homes.

As a suggestion I would propose any of the following for winter usage :

Electric dependent customers should have a less expensive tier two rate.

Electric dependent customers should have a higher tier one level.

Electric dependent customers should have a flat rate .

The negative impact of this poorly designed and flawed system can only be corrected by Government since they directed the BCUC and through the Commission to the electric providers to install this process with no concern for the pain they have inflicted upon electric heat consumers. Yet even today rebates are offer to entice users to upgrade their heat pumps. The reality is ; that to heat in a satisfactory way , consumers should switch to polluting fossil fuel or wood which has a negative effect on air quality.

When our house was built West Kootenay Power Ltd. (now Fortis) gave us a comparison cost sheet for space heating . The average cost to eat with Hi-Eff gas was \$361.83 as compared to an air to air heat pump at \$427.68. Pellet stoves, propane and oil were all more expensive. As a result we chose the green option and configured our house systems accordingly.

Had I the option to go back in time and know of today's rate structure , I would not chose to live here but select some other location where we could get natural gas so that I could live out my remaining days in reasonable comfort. In closing I might also add that this electric pricing policy has devalued my home. Who in their right mind would chose to purchase a home which cannot be heated at reasonable cost? Any prospective buyer would want a least a discount to fund installation of an alternate heating system such as by wood or pellet stove.

We will not have an electric car any time soon since the RCR pricing prohibits decent house heating. More electric load is too expensive. Instead we will continue to use our 1997 gasoline mini-van which has a single level of fuel cost and is subject to the basic law of demand (when the price goes up past a reasonable amount , then consumption decreases).

We need fair electric pricing !

Thank you for your consideration.