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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	Shannon Estates Thermal Energy System Rate Application
Are you currently registered as an intervener or interested party?	Yes, interested party

Name (first and last)	Sok Mui Lee		
City		Province	BC
Email		Phone number	

The BC Utilities Commission is authorized to collect and publish a person or organization's personal information when they participate in a matter before the Commission under sections 26(c) and 33.1(r)(ii) and (iii) of the Freedom of Information and Protection of Privacy Act (FOIPPA). Subject to FOIPPA, all documents filed in respect to an application will be placed on the public record.

Letter of Comment

Name (first and last) Sok Mui Lee 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 Commissioner,

Below submitted are my comments regarding SETES rate application further to the letter of comment submitted in June:

1) Interim charges collection
SETES was given interim relief to invoice customers effective June 1, 2016, on a refundable basis pending a final determination on the Application. However, there is no discussion as to how customers can recover over-payments should approved rate being lower than interim rate, and the utility service terminated before final rate approval or the rate application being rejected altogether. Some guidance may be required by BCUC to ensure refund of over-payments to be made in a timely manner should such situation arise.

The following comments relate to the SHANNON ESTATES Final Submission dated August 19, 2016:

2) Re: SETES response 2
DEU refers to River District Energy as stated in the beginning of the letter. The variable charge could be found under section 3.1.2 in the attached tariff.
http://www.riverdistrict.ca/wordpress/wp-content/uploads/2012/12/12-12-2012_RDE-Tariff-Executed.pdf

In fact, River District Energy, being the only publicly regulated developer-owned neighbourhood renewable energy system in BC, serves as a better benchmark for variable rate comparison, given the similarity between River District and SETES in terms of market position. River District's 2016 variable rate is $0.03584/kWh. The SETES proposed variable rate for space heating at $0.1036/kWh, is 290% of the River District counterpart. Therefore, the proposed variable rate is far from being competitive.
http://vancouver.ca/green-vancouver/neighbourhood-renewable-energy-system-providers.aspx
http://www.riverdistrict.ca/awards/district-energy-utility/

3) Re: Response 3 Metering charge

IR-1 Exhibit B-2 10.5

SETES response do not demonstrate how an annual cost of $91,200 is derived nor is justifiable to read the meters given that all meters are installed in each unit and reading can be taken automatically on a remote basis. Other listed costs seem to be related to data verification which may not be routinely required in the absence of customers' requests and maintenance cost of certain systems which should not be categorized under meter reading charges. Customers should be given different options in providing readings more economically.

Utility statements show that GST related to the monthly metering charge was collected by QMC (the sub metering company). It is reasonable to assume that QMC to be the sole provider of meter reading service. Clients of QMC receiving the same type of service include city of Vancouver and Fortis BC.
http://qmeters.com/wp-content/uploads/2015/06/CorporateResume_Download.pdf p.2
However, SETES did not provide evidence to show that any QMC clients/any regulated utilities collect fixed charges strictly associated with meter reading.

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4) Re: response 4
SETES, a district energy system, was established in order for Wall Financial to acquire the rezoning permit to increase density and building height of the existing site of Shannon mews.

http://vancouver.ca/files/cov/committees/report-development-permit-board-7298-adera-street-de416823-20130826.pdf p.15 District and renewable energy Opportunities

The original site consisted of 162 apartment units. The new development contains 213 rental apartments and 387 strata units. By establishing SETES, the developer in return receives significant financial benefits as a result of increased saleable floor area.

Therefore, these financial benefits should also be taken into consideration to offset the opportunity cost of the utilities' site land and thus the capacity charge.

Thank you for your patience reading my comments. I hope that they give you with a better picture from the customer's perspective.

Yours sincerely,
Sok Mui Lee

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