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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	Residential Inclining Block Rate Report
Are you currently registered as an intervener or interested party?	No

Name (first and last)	Jerrilynn DeCock		
City	[redacted]	Province	British Columbia
Email	[redacted]	Phone number	[redacted]

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) Jerrilynn Decock Date: Sept 3, 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.

I'm adding this as my third letter of comment to be added to the previous two internet comments. This is because I have come into this process late and have not had the time to review all of the information and I have just learned of something in the Fortis submission that does not correlate with utility cost relationships. I have only had time to skim this and pick up on this one thing and need to add this now because of the impending deadline for the public which is shorter than that for the utility companies. (Sept 2 compared to Sept 16)

Fortis put the following in their submission of September 30, 2015:
1.
Do the residential inclining block rates cause cross
-
subsidy between
customers with and without access to natural gas?
The Company believes that whether or not a cross
-
subsidy exists between
groups of customers is inhere
ntly related to cost
-
of
-
service
considerations.
Cross
-
subsidy exists between consumers of a single output when different
categories of consumers are treated in "economically
unjustified" ways
.
3
In order for the Commission to provide the government info
rmation on this
question it will be necessary to determine whether there are cost differences
in serving the two groups
-
those with and without natural gas.
FBC will provide any information that
it has available in this regard however;
due to the nature of data that is aggregated within a
Cost of Service Analysis
COSA
,
such information is limited.

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End of pasted information. It did not paste very well here, but it is legible.

Fortis charges a fixed charge for maintenance to their system like any other electrical utility does; like the several that I have worked for in the past. Fortis charges customers the total cost of adding them to the system when customers require service, like other electrical utility companies do. Then the fixed charge on each bill is for maintenance. These charges are for the cost of service, not energy charges. Capacity upgrades should normally be compensated by increased revenue from increased customers, but are also operating costs, not energy charge costs.

Energy charges relate to the cost of generation and transmission/distribution losses in the system. The utility companies are compensated for the cost of kWh provided. This charge does not correlate with the cost of delivery as previously explained.

The cost of delivery is a fixed charge to cover the operating costs and does not correlate with the energy consumption because the operating cost is not dependent on the amount of energy used. Even if a connected customer does not use any energy, they still have to pay the fixed charge to cover the cost of delivery.

When Fortis BC wrote, "The Company believes that whether or not a cross-subsidy exists between groups of customers is inherently related to cost-of-service considerations.", it flies in the face of the principles behind 'fixed delivery charges' and 'energy charges' when the subject of consideration is the energy charges. It is misleading.

Jerrilynn DeCock
Senior Electrical Engineer

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