



## 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](mailto: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?

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Name (first and last)

City  Province

Email  Phone number

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# Letter of Comment

Name (first and last)

David George

Date:

2016 August 31

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.

Re: Two-tier residential electricity rates in BC & recommendation for mitigation of same

Ms. Ross and members of the Commission:

We are electric heat customers of Fortis BC with no access to natural gas available in the foreseeable future.

Since 1989 my wife and I have lived in [REDACTED], a small town in the Kootenays. Our electricity is supplied by Fortis BC, the latest owner of what used to be West Kootenay Power. At the time we moved here residential electricity cost about 5 cents per kilowatt-hour. This rate increased over the years, and as we own a small mixed-use commercial building, we have been at times on the residential rate and at other times

on a small commercial rate. Commercial users paid less after a certain amount of electricity was consumed, a so-called declining block rate. Residential users paid, if memory serves, a single ‘postage stamp’ rate for many years.

Here in the Kootenays we were paying that single ‘postage stamp’ rate until Fortis implemented a two-tier residential inclining block rate in 2012. We are fortunate enough to have sufficient commercial use

of our property to have gone back to the small commercial rate from Fortis, which is more economical for us despite paying now 7 percent tax to the province, in addition to 5 percent GST.

During the 1990s I appeared several times before the Commission at hearings involving the various owners of the former West Kootenay Power, Utilicorp, which changed its name twice, being Aquila, and then Energy One, before being sold to Fortis, a supposedly all-Canadian company from Newfoundland.

I argued, several times successfully for a readjustment of residential and small commercial rates, and at one hearing was able to get BC Hydro to go on the record under oath saying that Site ‘C’ would no longer be kept in “shelf-ready” state. Of course we know what has happened since then, but that is not the point of this digression. The point is that I am well acquainted with electrical rates and both BC Hydro and Fortis.

When BC Hydro investigated the notion of establishing a two-tier residential rate for electricity, the final rates determined were determined from surveys based on the notion of people having natural gas available for heating instead of electricity. This is a false notion, and the Commission is well aware that large numbers of people in this province do not have natural gas available, and many of them put in electric heat when rates were lower than today’s rates. It is incorrect to state, as BC Hydro did, that the new two-tier rates are revenue neutral. For customers with no access to natural gas who use electric heat the new rates are costing them more, much more.

These surveys which BC Hydro conducted have flawed results. Even worse, Fortis BC swallowed

those BC Hydro surveys ‘hook, line, and sinker’ and conducted none of their own. Most areas served by Fortis BC outside a number of larger cities do not have access to natural gas.

Yes, air-source and ground or water source heat pumps are available, at rather great expense, and propane is usable, except that it is subject to market fluctuations, and costs more than natural gas anyway. Further propane use causes more CO<sub>2</sub>, as it has three carbons to natural gas’s one.

Mitigation for these unfair rates has only two realistic possibilities. First, exempt electric heat users in areas with no natural gas availability from the higher step of residential rates. Second, cancel the two-step rate and revert to a single postage stamp rate through the province.

It is conclusively shown from BC Hydro’s annual reports that electricity usage in BC is not increasing, but has been flat for several years. Conservation efforts have worked. We do not need a two-step rate for electricity, and I suggest the Commission’s best option is to get rid of it.

Sincerely yours,

David George