

Date Submitted: February 28, 2018

Proceeding name: FortisBC Inc. 2017 Cost of Service Analysis & Rate Design

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

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Comment:
see attached letter

Thank you for the opportunity to provide input into the hearings concerning electrical rate adjustments.

With respect to the differential between tier 1 and 2 electrical prices, we support the immediate removal of the 2 tier pricing practice for all rural customers who have no access to natural gas. We make this recommendation for the following three reasons: Firstly, the goals were unattainable for the vast majority of rural residents; secondly, the program is unfairly administered; and thirdly, the program serves to benefit Fortis to the detriment of non natural gas users.

Firstly, the stated goal of the 2 tier pricing method was to encourage customers to conserve electrical energy. This was to be accomplished by heavily penalizing customers an additional 50% price for those who exceeded the tier 1 threshold that was recommended by Fortis, however this was virtually unattainable for most rural residents.

For example, my wife and I are pensioners who live in West Creston, in an average size home of approximately 1600 sq ft, with a walk out basement of approximately the same size. We built our house in 2005 with a view to being as energy efficient as possible and in 2013 we had an energy audit performed by Total Home Solutions Inc, in concert with Fortis BC and Kootenay Energy Diet. (See attached).

The audit report states "The average energy efficient rating for a house of this age in BC is 71, where as the highest rating achieved by the most energy efficient houses in this category is 88". Our "house rates 85 points on the Energy Guide scale", well above the average and very close to the most energy efficient houses in the province. The audit also stated we "could reduce your energy consumption by 0 % by implementing improvements".

My wife and I are the only occupants of our house, and heat our home almost exclusively with firewood, the exception being an electric heated tiled bath room floor and entry way. We converted virtually every light fixture to LEDs or CFL bulbs. We do our best to conserve electrical energy, however our fall and winter electrical bills are consistently in the tier 2 category. Short of shutting of our hot water, it's impossible for us to avoid the heavily penalized tier 2 category. If we can't be successful, how could other rural residents with families or less energy efficient homes succeed ?

Secondly, we maintain the 2 tier pricing program was unfairly administered. The program disproportionately penalized rural consumers who had no access to lower cost energy alternatives and Fortis continues the practice on the guise that they are encouraging customers to take steps to conserve energy. Fortis has continued the 2 tier program long after most customers have implemented conservation steps and they hope to continue the process for another 5 years.

Fortis rep Bogdanovic told Global News, " what we found through our rate review is people who had the capacity to conserve energy did and other people do have high energy needs and may not have the same opportunities to conserve ". Fortis wishes to continue gouging rural customers for another 5 years, with the apparent goal no longer being conservation, but rather to protect the other 70% of customers from increases. Bogdanovic told Global News, "By phasing in the rate over five years it mitigates the impact to those customers who have benefited from the savings over the

years".

Clearly Fortis knew or should have known, that few if any rural customers could completely reduce their electrical energy needs below the tier 1 level, yet they continued to administer a program that hurt rural residents, while raking in enormous additional funds. Encouragement to conserve, has long since given way to punishment and greed. Fortis only agreed that they should stop the 2 tier pricing in 5 years, following pressure by rural consumers and Regional District representatives.

Thirdly, Fortis has maintained a program that they knew or should have known, would hurt rural electrical users who did not have access to natural gas. In Fortis's web site they state, "natural gas is about one third the cost of electricity. Fortis controls both the electrical and natural gas distribution systems in our area and although the main gas line runs through the center of our rural community, we have no access to this more economical energy source. Fortis knows rural customers are solely dependent on electricity and also know we could potentially reduce our electrical use by 75% if we had access to natural gas. Why are there no programs available to help rural communities access natural gas?"

CONCLUSION

In conclusion, it is evident that the vast majority of rural electrical users who do not have access to cheaper natural gas, cannot reduce their electrical energy consumption below the 2 tier level, particularly during colder months, regardless of what conservation steps they take. It is also evident that Fortis knew or should have known that they were being deceptive when they continued to charge a premium to most rural electrical customers on the guise that their goal was to conserve energy usage, while in turn they are reaping in higher profits from this group.

Fortis controls the distribution networks for both natural gas and electricity in our area, and until rural homeowners can access grant programs to assist with gas line installation such as exits in rural Alberta and Saskatchewan, we will continue to be solely dependent on electrical energy.

RECOMMENDATIONS

We urge the BC Utilities Commission do the following:

1. Immediately end the 2 tier cost structure for all rural electrical users who have no access to natural gas.
2. Order Fortis to partially reimburse the addition 50% fee charged on all tier 2 levies for electrical customers who had no access to natural gas.
3. Investigate and recommend grant programs to assist with the expansion and access to natural gas in rural areas and with assistance for connection fees.
4. Investigate and recommend programs to assist rural electrical consumers to access lower electrical rates, when natural gas is not made available.

Thank you for the opportunity to provide input into the issue of Tier 2 electrical pricing.

Marge and Michael Kennedy

Energy Efficiency Evaluation Report October 2013

Congratulations on participating in the Kootenay Energy Diet! You have just taken the first steps to helping improve the Energy Efficiency of your home.

Total Home Solutions is proud to be part of the Kootenay Energy Diet alongside Fortis BC and BC LiveSmart. We trust your pre-retrofit evaluation was an educational experience and hope you have found it informative.

The results of your pre-retrofit energy evaluation show that your house rates 85 points on the EnerGuide scale. If you implement all of the recommendations in this report, you could reduce your energy consumption by up to 0% and increase your home's energy efficiency rating to 85 points. The average energy efficiency rating for a house of this age in British Columbia is 71, whereas the highest rating achieved by the most energy-efficient houses in this category is 88.

The sooner you start your renovations, the sooner you will benefit from the energy savings. And let's not forget how reduced energy consumption helps protect the environment.

Did you know that when you reduce the amount of energy used in your home, you also reduce the production of greenhouse gases (GHG) such as carbon dioxide? By improving your home's energy efficiency rating to 85 points, you will reduce its GHG emissions by 0.0 tonnes per year!

Your home will take part in the BC LiveSmart Program in conjunction with Fortis BC. There are various rebates and incentives available and we encourage you to fully research the minimum criteria of your planned upgrades to ensure eligibility.

Note: If you notice any discrepancies with the above description of your home, contact your service organization