

REQUESTOR NAME: **BC Sustainable Energy Association and Sierra Club BC**

INFORMATION REQUEST ROUND NO: 2

TO: **FortisBC Inc. (FBC)**

BCUC File: 57919  
Batch: 55592

DATE: **June 18, 2018**

PROJECT NO: **1598939**

APPLICATION NAME: **FortisBC Inc. 2017 Cost of Service Analysis and Rate Design Application**

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**1.0 Topic: Customer Costs**

**Reference: Exhibit B-12, BCSEA IR 4.2, pdf page 10**

Preamble:

In the provided breakdown of the \$49.38 million of customer-related costs allocated to the residential class, the largest single item is "Return and Income Taxes", accounting for 42.7% of the total costs.

The minimum system approach is described on pages 25-26 of the COSA (Exhibit B-1, Appendix A, pdf pages 164-165).

- 1.1 Please present a version of the same table, but with Return and Income Taxes separated into two separate rows.
- 1.2 Please indicate the percentage of total customer-related costs allocated to the residential class that are capital-related (e.g., depreciation and return).
- 1.3 Please describe the assets underlying these capital costs, and indicate the value attributed to them in the rate base.
- 1.4 Please estimate the share of these capital costs that are related to the "minimum system".
- 1.5 Please estimate the residential customer-related revenue requirement and costs per customer that would result from excluding the "minimum system" capital costs.

**2.0 Topic: Net Metering Program**

**Reference: Exhibit B-12, BCSEA IR 5.1, pdf page 11**

Preamble:

As requested, FBC provided a table showing NM New and Total Customers and New and Total Installed Capacity (kW DC) by Year.

- 2.1 Please confirm that the figures in the table are for NM participants in all rate classes.
- 2.2 Please confirm, or otherwise explain, that the figures are for calendar year end.

- 2.3 Please provide a version of the table, for 2017 and with a breakdown by rate class.
- 2.4 For each rate class that has NM participation, please indicate whether the rate class has a demand charge.

**3.0 Topic: Net Metering Costs**

**Reference: Exhibit B-1, Appendix A, Schedules, pdf page 197, et. seq.**

Preamble:

The cost allocation schedules have columns for “Residential w/o Net Metering” and “Net Metering.”

- 3.1 Please explain the columns for “Residential w/o Net Metering” and “Net Metering” in the cost of service schedules.
- 3.2 Are the figures for “Net Metering” limited to NM participants in the Residential rate classes?

**4.0 Topic: Rate Impacts**

**References: 1. Exhibit B-12, BCSEA IR 9.3, pdf page 16  
2. Exhibit B-12, BCSEA IR 21.1, Table 1, pdf page 39**

Citation (Reference 1):

With respect to the FBC proposal, as described in Table 6-10 of the Application, the Company cannot conceive of a situation where a customer could have a 3.5 percent impact in each of the five years. Each set of energy rates within the RCR in each year has a different rate differential that will produce a different impact when applied to an account with sufficient consumption to generate a 3.5 percent bill impact in any year. Of the 89,661 accounts included in the analysis, only 208 (0.2 percent) show the same impact in all years, and in none of these cases was the impact greater than 0.7 percent in each year.

Preamble:

Table 1 of Response 21.1 demonstrates, for each consumption tranche, the percent change over 5 years at FBC’s Recommended Rates (column D) and over 5 years billed at the 5th Year Rate (column G).

- 4.1 For the two cases described in Table 1 of Response 21.1 (5 years at FBC’s Recommended Rates, and 5 years billed at the 5th Year Rate), please indicate the number and the percent of the 89,661 accounts included in the analysis for which the five-year rate increase would exceed a) 5%, b) 10%, c) 15% and d) 20%.

For clarity, it is suggested to use the following template for the response.

Cumulative rate impact greater than:	5 years at FBC's Recommended Rates		5 years billed at the 5th Year Rate	
	number	percent	number	percent
5%				
10%				
15%				
20%				

**5.0 Topic: Rate Impacts**  
**Reference: Exhibit B-8, BCUC 34.1.1, pdf page 94**

Citation:

FBC believes that the preference between a flat rate and the RCR is likely to be driven more by consumption level than income level. Customers across the income spectrum would be expected to prefer the flat rate if their consumption is high.

- 5.1 Is FBC aware of any correlation between income and consumption level, either a) in the utility literature, generally, or b) with respect to its clientele? If so, please provide details.

**6.0 Topic: Rate Impacts**  
**Reference 1: Exhibit B-8, BCUC IR 42.2, pdf page 123**  
**Reference 2: Exhibit B-8, BCUC IR 46.2, pdf page 138**

Citation 1 (Ref. 1):

FBC believes that any rate design proposal should be implemented in a way that avoids rate shock to the majority of customers. FBC considers an annual bill impact of more than 10 percent as a general guideline for a rate shock. However, as stated by the Commission in its Decision on BC Hydro's 1992 Rate Design Application, what constitutes rate shock must be assessed in the circumstances of each case:

As indicated by the evidence, whether a particular increase constitutes rate shock depends on the overall rate environment and the circumstances of the particular customer (T. 175-178). It is the Commission's responsibility to assess these circumstances and determine when rate shock may be properly said to have occurred.

Therefore, it may or may not be appropriate to characterize a situation where a small percentage of customers have an annual bill increase of more than 10 percent as rate shock.

Citation 2 (Ref. 2):

FBC is of the opinion that increases of almost 8 percent for two years running could be considered rate shock given the short time frame.

- 6.1 Please describe the framework proposed by FBC for assessing multi-year rate shock.

**7.0 Topic: Difference Between Tier 1 and Tier 2 Rates**  
**Reference: Exhibit B-12, BCSEA IR 10.1, pdf page 17**

Citation:

In July 2012, when the RCR first came into effect, the second tier rate was \$0.03745 per kWh higher (or 45 percent higher) than the first tier rate, while in January 2017 the second tier rate was \$0.05500 per kWh higher (or 54 percent higher) than the first tier rate. The effects of the RCR on high consumption customer bills have become more pronounced with these differential increases, and the number of customer comments expressing concern about the effects of the RCR has also increased over time.

FBC is cognizant of the provisions in s. 59 and s. 60 of the UCA that generally make the Commission the arbiter of whether public utility rates are fair, just and reasonable, meaning that FBC's RCR met the Commission's test(s) of fairness based on the information available and submissions made in the relevant proceedings. However, in view of the facts presented above and other evidence being brought forward in this Application, such as the fact that the second tier RCR energy rate is well above the long run marginal cost, as well as the concerns raised, FBC believes that returning to a flat rate structure as proposed in the Application would be appropriate.

- 7.1 Assuming that the Tier 2 Rate is above the long run marginal cost, would FBC be open to a solution that reduces the Tier 2 Rate to an appropriate level, and thereby reduces the burden on high consuming customers? If not, why not?

**8.0 Topic: LRMC**  
**Reference: Exhibit B-12, BCSEA IR 12.2, pdf page 20-21**

Preamble:

The response makes reference to the analysis of FBC's LRMC in Section 9 and Appendix K of its 2016 LTERP, and indicates that the analysis found in section 4.2 of 2012 RIB Report, found in Attachment 1.2, is still relevant. (The Report is dated Nov. 28, 2014.)

On page 23 of that report (section 4.2; pdf pages 104-105 of Exhibit B-12), FBC indicates that, pending a more fulsome analysis in the then forthcoming LTERP, "FBC considers the value

discussed below to be the appropriate comparator for the Tier 2 rate for information purposes”.

On page 24 (Exhibit B-12, pdf page 105), FBC provides a justification for its LRM estimate of \$112/MWh, stating that it was developed from the BC Hydro Standing Offer Program average price in 2011. It indicates that “It is a nominal dollar levelized price. It has not been adjusted for transmission or distribution losses.”

- 8.1 Please confirm that the LRM used as a comparator for Tier 2 residential rates is a nominal dollar levelized price that has not been adjusted for transmission or distribution losses.

Preamble:

In Appendix K of the LTERP, FBC states:

FBC has adopted a portfolio analysis approach to assessing resource options. FBC investigated a series of scenarios and therefore a series of potential resource portfolios with different characteristics. The LRM is calculated as a by product of a given portfolio scenario. Correspondingly, FBC has stated multiple LRM values with each LRM being reflective of the optimal combination of resources used to meet the forecast load requirements and PRM requirements of the specific portfolio scenario.<sup>1</sup>

- 8.2 Please indicate which portfolio FBC considers most appropriate for determining the LRM to be used as a comparator for the Tier 2 residential rate, and explain the reasons for this choice.

Citation (BCUC Order G-3-12, Reasons for Decision, page 41):

The Block 2 rate is a delivered rate, while the LRM is a cost of acquisition – it only relates to the cost of procuring energy but does not include the LRM of transporting that energy to customers through transmission and distribution networks.

- 8.3 Please provide FBC’s estimate of the LRM of transporting energy to customers through transmission and distribution networks, with supporting analysis. The analysis should include both short-term (losses) and long-term (system expansion) factors.

**9.0 Topic: Avoided Transmission and Distribution Costs**  
**Reference 1: Exhibit B-12, BCSEA IR 28.1, pdf page 50**  
**Reference 2: Exhibit B-12, BCSEA IR 41.1, pdf page 72**

Citation 1 (Ref. 1):

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<sup>1</sup> 2016 LTERP, Appendix K, page 5.

Generally speaking, FBC agrees that increased usage during peak periods tends to accelerate the need for additional capacity projects in transmission and distribution. However, consideration needs to be given to the specific nature of the utility and the capacity that exists in making an assessment of whether increased usage during peak periods will necessitate additional equipment during the planning horizon that must be considered during the development of rates.

Citation 2 (Ref. 2):

The costs for transmission are driven by the system peak load but in most cases the costs are fixed and cannot be reduced in response to a reduction in the system peak load. Over the long term, there may be transmission savings related to reduced peak loads, but only to the extent existing transmission facilities are constrained.

For distribution, facilities are installed at the time customers connect to the system based on their expected peak load, regardless of when it occurs. Once those facilities are installed, there are no savings if customers reduce their peak demand, particularly if they just shift their load to another time period. Over the long term, distribution costs for new customers could be reduced if there is an overall trend in reduced peak demand per customer. This would apply only to new costs and not the cost of facilities already in place. [underline added]

- 9.1 In the case of FBC, is increased usage during peak periods expected to necessitate a) additional transmission and/or b) additional distribution equipment during the planning horizon? If so, please provide indications as to the extent and timing of the expected additions, and the methodology proposed by FBC for integrating the costs thereof into its long-term marginal costs.

**10.0 Topic: Fixed Cost Recovery**  
**Reference: Exhibit B-12, BCSEA IR 13.2, pdf page 23**

Citation:

While the matter of fixed cost recovery through fixed charges, like customer or demand charges, is considered regularly in rate design proceedings, FBC is not aware of a situation where the Commission has directly endorsed a specific percentage of fixed cost recovery, either of the customer-related or of the demand-related fixed costs, to be applicable across a range of customer classes. [underline added]

- 10.1 Please confirm that, in its analysis of the degree of recovery of fixed cost through fixed charges, FBC considers both demand charges and customer charges as “fixed charges.”

- 10.2 Does FBC agree that there is an important distinction to be made between demand charges, which a customer can control, and customer charges, which it cannot control? If so, please explain how this distinction is reflected in FBC's proposal with respect to recovery of fixed charges.
- 10.3 Is FBC aware of any other regulator that has endorsed a specific percentage of fixed cost recovery? If so, please provide references.

**11.0 Topic: Fixed Cost Recovery**  
**Reference: Exhibit B-8, BCUC 9.2, pdf page 34-35**

Citation:

While there is no standard or "correct" level at which to set the recovery percentages, FBC believes that a more consistent level of recovery across the rate classes is desirable from an equity standpoint, would better reflect the costs derived in the COSA and would begin to address the challenges that may emerge as customers gain the ability to reduce their contribution to the fixed costs of the utility system.

- 11.1 Please explain in what way a more consistent level of recovery of fixed costs through fixed charges across the rate classes would be desirable from an equity standpoint, assuming that, under the current approach, the revenue:cost ratios for these rate classes are the same.

**12.0 Topic: Estimating Bill Impacts**  
**Reference: Exhibit B-12, BCSEA IR 14.5, pdf page 26**

Citation:

The point of the statement is that if one is examining bill impact as an outcome, there will be some combination of changing the billing components that would achieve a similar outcome as a higher winter threshold without the implementation challenges that doing so would create. [underline added]

- 12.1 Please indicate a specific combination of changes to the billing components that would have the same effect as increasing the Tier 2 threshold in winter for electric space heating customers only.

**13.0 Topic: Long-Term Avoided Costs**  
**Reference: Exhibit B-12, BCSEA IR 28.2, pdf page 50**

Preamble:

The response provided to BCSEA 1.28.2 does not appear to respond to the question asked.

- 13.1 Based on its jurisdictional study, please identify jurisdictions that take future transmission and distribution investments into account in setting long-term avoided costs.

**14.0 Topic: TOU Pricing**

**References: Exhibit B-12, BCSEA IR 31.1, pdf page 58**

Citation:

The pricing differentials are based on differences in the underlying cost of power supply by TOU period, which does not differ by customer class.

- 14.1 Does power supply represent the same proportion of the total cost of service for all customer classes? If not, please explain why the pricing differentials between TOU periods should be identical for customer classes in which the proportion of the cost of service made up by power supply is different.

**15.0 Topic: Heat Pumps**

**Reference: Exhibit B-12, RCR Report (July 1, 2012 to June 3, 2014) (the “2014 RCR Report”), page 18 (page 99 of pdf)**

Citation:

The analysis shows that, as a group, customers that use a heat pump as a primary heat source are impacted to a greater degree than customers in general. This result is not unexpected given the higher than average usage of these customers.

- 15.1 Please confirm that heating a given space with a heat pump uses less electricity that heating the same space with electrical resistance heating.
- 15.2 Please provide an indication of the extent to which heating a given space with an a) air-source and b) ground-source heat pump uses less electricity that heating the same space with electrical resistance heating.

**16.0 Topic: Effect of Flat Rate**

**References: Exhibit B-12, 2014 RCR Report, page 20 (pdf page 101)**

Preamble:

Table 3-2 of the 2014 RCR Report provided an estimate of the percent and GWh savings resulting from implementing the RCR rate.

Citation:

Table 3-2: Updated estimate of RCR Savings\*

	Measured Amount	Upper End
Tier 2 Elasticity	-0.16	-0.20
% Price Differential	28%	28%
Resulting % Savings on Tier 2	4.4%	5.7%
2011-2012 GWh in Tier 2	818.3	818.3
Estimated GWh Savings	36.2	46.3

\* Reproduced from Table A-5 of the EES Report

These results show a range of savings from 36 to 46 GWh. The measured savings is within the range of the original estimate, but on the low side as compared to the upper end estimate of 57 GWh in the original Application. With the updated estimates, the values fall within the original range of savings but the range is smaller than originally thought. This is an expected result as the impact of calculating elasticity values is to provide a greater level of certainty, which results in a narrower range.

When compared to the overall system rather than just the residential Tier 2 GWh, the estimated savings are in the range of 2.6% to 3.3% of total system energy. For comparison purposes, the system-wide savings expected from FBC's DSM programs are 14 GWh (1.0%) for 2014 and 22 GWh (1.6%) for 2015. [underline added]

- 16.1 Please update Table 3-2, using the most recent values available.
- 16.2 Please provide an estimate of a) the total RCR savings since 2014, and b) the system-wide savings, from FBC's DSM programs since 2014.
- 16.3 Please estimate the increase in consumption in percent and in GWh expected to result over the next five (5) years from returning to a flat rate.

**17.0 Topic: Residential Conservation Rate**

- References:**
- 1. Exhibit B-12, BCSEA IR 20.1, 20.2, pdf page 37**
  - 2. Exhibit B-8, BCUC IR 48.2, pdf page 145**

Citation (Ref.2):

FBC believes that it is a reasonable assumption that much of the "low hanging fruit" has been picked over the last five years and this is supported by the comments of at least some residential customers. Though the Company does not have specific further references, it notes that for the residential sector the Conservation Potential Reviews conducted by the FBC on a periodic basis have show a decrease in potential conservation from 299 GWh in 2013 to 222 GWh in 2016.

- 17.1 Please provide a full explanation of the assertion that the Conservation Potential Reviews show a decrease in residential potential conservation from 299 GWh in 2013 to 222 GWh in 2016, with page references to the CPRs.
- 17.2 Please provide copies of or references to any other documents that FBC considers relevant in support of its "reasonable assumption" that much of the "low hanging fruit" with respect to energy conservation has been picked over the last five years.
- 17.3 Is it FBC's position that most of the low-hanging fruit has been picked over the last five years? If so, please provide quantitative support for this assertion.

- 17.4 What percent of FBC’s economic potential for the residential sector would FBC characterize as “low-hanging fruit”? Please confirm that, even if all of the “low-hanging fruit” had been picked, there would remain economic potential for the residential sector.
- 17.5 Please compare the extent to which the remaining economic potential for the residential sector is likely to be achieved under a) a flat rate and b) a RIB rate.
- 17.6 Please explain how a decrease in residential conservation potential (technical or economic) between 2013 and 2016 supports a conclusion that conservation and efficiency opportunities for existing residential customers, either in the top 20% of consumption or generally, have been exhausted or reduced.
- 17.7 Insofar as some RCR residential customers with high annual consumption believe that they have already ‘picked the low-hanging fruit’ of conservation and efficiency opportunities, can one conclude that these customers did in fact respond to the conservation objective of the RCR? If not, why not?
- 17.8 For RCR residential customers with high annual consumption that have made energy efficiency investments in response to the RCR price signal, please confirm that they have benefited from bill savings under the Tier 2 rate, and that they will continue to so benefit for the remainder of the useful life of these conservation and efficiency measures, as long as the RCR remains in place.
- 17.9 For RCR residential customers with high annual consumption that have made energy efficiency investments in response to the RCR price signal, is there reason to believe that that they would have made the same investment under a flat rate? Please elaborate upon your response.
- 17.10 For RCR residential customers with high annual consumption that have not yet made energy efficiency investments in response to the RCR price signal, is there reason to believe that that they are likely to do so under a flat rate? Please elaborate upon your response.
- 17.11 Please confirm, or otherwise explain, that the premise that some high-consuming residential customers have picked the low-hanging fruit of conservation and efficiency opportunities does not imply that all such customers have done so and does not imply that there is no remaining low-hanging fruit.
- 17.12 Does the fact that some high-consuming residential customers have picked the low-hanging fruit of conservation and efficiency opportunities, necessarily imply that there is no more such low-hanging fruit remaining? Please elaborate upon your response.

**18.0 Topic: Proposed optional TOU Rates**

- References:** 1. Exhibit B-12, BCSEA IR 34.3, pdf page 63  
2. Exhibit B-12, BCSEA IR 34.5, pdf page 64

3. Exhibit B-8, BCUC 1.76.4.2, pdf page 231
4. Exhibit B-8, BCUC 95.1, pdf page 301
5. Exhibit B-8, BCUC 1.76.4.2.2, pdf page 236

Citation (Ref. 1):

FBC does not believe that customers will opt for the TOU rate simply on the basis of being financially better off. The complexities of the TOU rate and having to change behaviour to avoid on-peak pricing may be a deterrent to many customers, even if they would save on their utility bills. While FBC does not believe that the scenario proposed in the question is realistic, based on the sample of residential customers examined by FBC, it was estimated that roughly 19 percent of customers would be better off financially with TOU rates with no changes in their consumption patterns. Based on the sample, if all of the customers with potential savings opted into the TOU rate, and assuming no other residential customers opted in for the TOU rate, the lost revenues would be \$9.4 million out of \$185 million in total. In terms of rate impact, this would result in an added cost of \$0.007 per kWh for customers in the residential class (or \$0.003/kWh if applied to all customer classes). [underline added]

Citation (Ref. 2):

The reason that FBC is proposing to reopen the TOU to residential customers is accurately described on page 108 of the Application.

“TOU rates are generally intended to incent customers to shift the time of consumption in a manner that allows a utility to reduce costs or generate incremental revenue such that a rate benefit will accrue to all customers.”

The Company believes that customer choice is enhanced by the TOU offering and that customer satisfaction may also be improved by the additional optional rate option for customers that would like to enroll on a conservation rate.

However, as also noted in the Application on page 108, “Unless the changes in behaviour caused by the rate results in the desired financial benefit, the rate will not have achieved its objective.”

Citation (Ref. 3):

FBC has not surveyed its existing TOU customers to determine whether or not their experience with TOU has been as expected, and since a large number of them enrolled in TOU while customers of Princeton Light and Power prior to its acquisition by FBC, their original motivation to join in TOU rates is not known. However, given the relatively low participation rates over the last 20 years it would appear that customers have a preference for a simple, stable rate structure. In the past decade, the general level

of rates has risen, and the introduction of the RCR has raised the overall cost of energy for high consuming customers. This has raised interest in the availability of TOU rates, but it appears more as a bill mitigation opportunity than as a conservation measure.  
[underline added]

Citation (Ref. 4):

FBC says that upon approval of the proposed TOU rates it would increase customer communication including “Development of a tool that can be used in conjunction with the hourly account data currently available to aid in assessing the potential impact the rate can have.”

Citation (Ref. 5):

*As noted at page 115 of the Application, “FBC is proposing to track and review the results of the TOU program and after a period of three years, to provide a recommendation to the Commission regarding the continuation of the rates.”*

Part of the analysis that would inform the recommendation that FBC intends to provide to the Commission would be an assessment of the changes in customer behaviour that the TOU rates have prompted and whether or not any adjustments would be required to make the rate as effective as possible in shifting load and creating a benefit for ratepayers.

- 18.1 Please specify the number of residential customers (19%) who would be financially better off under the proposed optional TOU rates with no change in consumption pattern.
- 18.2 Please specify the average lost revenues per customer, assuming that the \$9.4 million of lost revenues are spread over the number of customers mentioned in response to the preceding question.
- 18.3 Would FBC agree that the estimated 19% of customers who would be financially better off under the proposed optional TOU rates with no change in consumption pattern will likely be able to identify themselves using the online tool?
- 18.4 Please confirm, or otherwise explain, that FBC’s proposed three-year TOU evaluation report would quantify the extent to which participants in the proposed optional TOU rate are financially better off without having changed their consumption behaviour.
- 18.5 Please confirm, or otherwise explain, that if all residential customers who would benefit financially adopted the proposed TOU rate and no others did, then, to be successful, the TOU rates would have to cause changes in behaviour that would reduce costs by more than approximately \$9.4 million.

- 18.6 Please elaborate on the comment in Citation 3 to the effect that interest in TOU rates appears to be more as a bill mitigation opportunity than as a conservation measure. How would FBC ensure that the proposed TOU rates are used as a conservation (or load shifting) measure rather than as a bill mitigation opportunity?
- 18.7 Please describe the methodology by which FBC would determine the extent to which participation in the proposed options TOU rates prompted changes in participating customers' consumption behaviour.

**19.0 Topic: Radio-Off Advanced Meter Option**  
**Reference: Exhibit B-8, BCUC IR 97.1, pdf page 305**

Preamble:

In its responses to the BCUC, FBC proposes to amend its proposed increase to the Radio-Off per read fee, to \$19.50 instead of \$25.00 (from the current fee of \$18.00). The proposed \$19.50 fee would include \$1.50 (rounded) to recover the current balance in the Radio-Off Shortfall Deferral Account over five years beginning in 2019. FBC says the existing \$18.00 per-read fee would recover meter reading costs going forward without adjustment.

- 19.1 Is FBC proposing that the Radio-Off per read fee would continue indefinitely after being set at \$19.50 beginning in 2019, or that it would revert to \$18.00 after five years (or after clearing the net balance in the Radio-Off Shortfall Deferral Account)?
- 19.2 Does FBC have any reason to anticipate a material change in the number of residential customers participating in the Radio-Off Advanced Meter Option in the coming years?

**20.0 Topic: General Terms and Conditions, Residential premises**  
**Reference: Exhibit B-8, BCUC 101.1, pdf page 319**

Citation:

The Residential scenarios listed in Sections 4.3.1 and 4.3.2 were developed at a time when the Residential rate was lower on a kWh basis than the Small Commercial rate. Therefore, FBC's Electric Tariff was very specific about the types of premises that could qualify for Residential rates to ensure that Small Commercial customers were not inappropriately eligible for Residential rates. Since the relative rate levels are now reversed, FBC believes that the simplified Residential Premises scenarios in its proposed GT&Cs ensure that customers are taking service under the appropriate rate schedules.

- 20.1 Is there a need to reword the eligibility requirements for the Small Commercial rate to ensure that Residential customers are not inappropriately eligible for Small Commercial rates?

**21.0 Topic: General Terms and Conditions, Security Deposit for Payment of Bills  
Reference: Exhibit B-8, BCUC 103.1, pdf page 323**

Citation:

The use of “*may not exceed* an amount equal to the estimate of the total bill for the two highest consecutive Months” is a long standing provision which has been in place in the FEI Gas Tariff since at least 1992, and in most cases should result in a reduction in the value of a security deposit required by FBC as compared to FBC’s current Electric Tariff which states “an amount equal to the Customer’s bill for 3 months”. The proposed wording provides a maximum on the value of a security deposit while allowing flexibility for FBC to work with the customer, giving consideration to their specific circumstances on a case-by-case basis, with the objective of providing or maintaining electric service to the customer. ...

FBC does not expect the changes to the wording for security deposits to have a negative impact on customers nor create challenges for low-income customers. On the contrary, FBC expects the wording changes to benefit customers. The current FBC security deposit wording requires security deposits to be equal to a Customer’s bill for 3 months, and does not provide FBC with the flexibility to work with customers, as discussed above, that the proposed wording provides.

21.1 Has FBC sought or received any feedback from customers or anti-poverty advocates regarding its proposed changes to the wording of the security deposit provision?

**22.0 Topic: General Terms and Conditions, Security Deposit for Payment of Bills  
Reference: Exhibit B-8, BCUC 103.1, pdf page 323**

Citation:

Section 11.2 (Access) has been updated to include conditions regarding the obstruction of radio-frequency technology for the purpose of interfering, attenuating or degrading the signal. This addition reflects FBC’s move to remote meter reading through its AMI infrastructure. In addition, the conditions regarding the levying of the False Site Visit charge has been moved from Schedule 80 Standard Charges to Section 11.2 (Access).

Preamble:

FBC proposes to increase the False Site Visit Charge from \$182 to \$246. [Exhibit B-1, pdf p.135]

22.1 How often has FBC imposed a False Site Visit Charge?