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British Columbia Municipal Electrical Utilities

Cities of Penticton, Grand Forks, New Westminster, District of Summerland, Nelson Hydro



October 26, 2018

VIA Upload to website
Commission.Secretary@bcuc.com

British Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, B.C.
V6Z 2N3

Attention: Patrick Wruck, Commission Secretary and Manager, Regulatory Support

Dear Sirs/Mesdames:

**Re: FortisBC Inc. ("FBC") 2017 Cost of Service Analysis and Rate Design Application (the "Application") Project No. 1598939
Final Submissions of the British Columbia Municipal Electric Utilities (the "BCMEU")**

In accordance with British Columbia Utilities Commission (the "**Commission**") Order G-180-18 establishing the Regulatory Timetable for the review of the Application, what follows are the submissions of the BCMEU on this matter.

The BCMEU has participated in this proceeding through engagement with FBC in the pre-Application consultation processes, participation in the regulatory process, and through review of the evidentiary record, and through review of the Final Submissions of FBC.

The BCMEU commends FBC for its efforts to consult with stakeholders in advance of filing of the Application.

In summary, the BCMEU supports Commission approval of the FBC proposals listed on pages 11 through 13 of Exhibit "B-1", as amended by the errata in Exhibit "B-1-4".

With respect to customer rates, the BCMEU does not object to the changes to FBC's fully-bundled rates guided by the underlying cost of providing service supported by the Cost of Service Analysis ("**COSA**") that has been filed with the Application.

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With regard to the most significant area of attention in this proceeding, FBC's proposed changes to Residential Rates, the BCMEU as Wholesale Customers, are not directly impacted by the changes proposed by FBC. The proposed changes have been contested by a variety of different perspectives brought before the Commission. The BCMEU, which has experience providing service to residential customers, is empathetic to the position of FBC and submits that FBC has made a reasonable proposal to deal with some of the pressures that have been applied to residential customers as a result of implementation of the Residential Conservation Rate (the "RCR"). The BCMEU submits that the Commission should give significant weight to the efforts of FBC to deal with this issue, and to the evidence supporting its proposal to move away from the RCR back to a flat Residential Rate.

Dealing with the key specific change impacting the BCMEU members as Wholesale Customers, the BCMEU strongly endorses and supports FBC's proposals at page 26 of its Final Submissions dealing with transformation discounts proposed in the Application, and specifically paragraph 103 of the Final Submissions commenting on the transformation discount to RS40 (the "**Wholesale Primary Rate**"):

"FBC believes that this represents an efficient use of the regulatory process, is based on the COSA currently before the BCUC and is in the public interest."

FBC consulted with BCMEU in advance of the filing of the Application and has provided persuasive evidence in support of the change.

There is no evidence on the record that contradicts this approach to RS40 and the BCMEU submits that the transformation discount for Wholesale Primary Rate is appropriate and further is consistent with the approach taken with other rate classes.

The BCMEU appreciates the opportunity to provide these comments to the Commission.

Should you have any questions with regard to the above, please do not hesitate to contact the undersigned at mcraig@nelson.ca

Regards,



M Craig
Office Administrator
Nelson Hydro
As per the BC~MEU

Cc FortisBC Inc
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