May 16, 2011

BC Utilities Commission  
Sixth Floor, 900 Howe Street, Box 250  
Vancouver BC  
V6Z 2N3

Attention: Ms. Alanna Gillis, Acting Commission Secretary

Dear Ms. Alanna Gillis,

Re: FortisBC Residential Inclining Block Rate Application  
    Project No. 3698628/Order G-68-11 – Intervener Request #1

Please find Nelson Hydro’s submission of Intervener Requests #1 for the above application.

Yours truly,

Heather Grant  
Nelson Hydro Office Administrator
1) Ref: Exhibit B-1, Executive Summary, Page 2, lines 9-11
   a) Please explain why the company proposes to exempt the customer charge from future rate increases.
   b) Does it follow that General Rate Increases will be applied solely to the energy charges for residential customers while their customer charges are kept constant?
   c) Will there be any cross subsidy from other rate classes to the residential class as a result of the residential customer charge being exempt from future rate increases?

2) Ref: Exhibit B-1, Section 2.1, Conservation
   a) Does the company consider that energy consumption reductions made as a result of RIB rates are to be considered part of the company DSM programs? Why or why not?

3) Ref: Sec 10, Implementation;
   We understand the company intends to make an application for Advanced Metering Infrastructure which presumably would include the ability to implement Time Of Use Rates:
   a) Is the company intending to move forward with AMI? If yes then please respond to the following:
   b) Would rates enabled by AMI (e.g. Time of Use Rates) replace RIB rates?
   c) Is the company concerned about creating customer confusion with various rates and terminology (Flat rates, RIB rates, TOU rates, Smart Metering)?

4) Ref: Exhibit B-1, Table 6-1, Block Consumption;
   Table 6-1 identifies consumption in block 1 and block 2 for three different thresholds on an annual basis.
   a) Please update the table with the information from the second analysis (page 18 line 25) to indicate how customer billing could be expected to fall into the blocks on a seasonal basis.

5) Ref: Exhibit B-1, Page 19, Footnote 10, REUS
   a) Please file the Residential End Use Survey on the record for this proceeding.

6) Ref: Exhibit B-1, Section 7.1, Lines 5-11, Price Elasticity;
   a) Please identify the values the company has used for price elasticity and reference any studies that may have been conducted to demonstrate the elasticity values.

7) Ref: Exhibit B-1, Section 7.2, Conservation Impacts;
   Assuming the company is successful in encouraging residential customers to conserve energy please clarify how this would impact the company revenue requirements as follows:
   a) Would a marginal reduction in residential energy consumption reduce or increase the company revenue requirements?
   b) Would the change in revenue requirements be allocated solely to the residential customer class or to all rate classes as a general rate change?

8) Ref: Exhibit B-1, Table 7-2, RIB Rate Option Comparison;
   a) Please clarify how the Conservation Impact section of the table should be interpreted.

9) Ref: Section 1, Executive Summary
   a) Does the company have a target for RIB to rates to result in energy consumption reductions – e.g. so many kWh of residential consumption by a certain date?

A City of Nelson Utility