FortisBC Inc  
Project no. 3698628/Order G-68-11  
Residential Inclining Block Rate Application  

KAS2464 submissions to the Commission Panel on the matters listed in correspondence of July 25\textsuperscript{th}, 2011:

1) The record of submissions is not adequate to establish the Basic Charge especially in light of the 2012 Integrated System Plan application and TOU.

2) The record is not sufficient to establish relationships between Basic Charge, Block 1 and Block 2 rates and the Threshold. The Threshold was developed on two years of real-time data. The time duration is too short and in addition the observed climate was benign during the study period. The restriction to mirror the BC Hydro application does not allow a southern BC interior solution to take into account climatic influences and low sun azimuth in the winter season in mountainous areas.

3) The application does not clearly articulate, develop and test the pricing principles. The claim that the Basic Charge, threshold and Block pricing to be revenue neutral are claims heard in other areas that have proven false. FortisBC resistance to performance measures on RIB efficiency undermines the claim that FortisBC “does not currently have a guaranteed level of Profit”. The option to deregulate electrical services would have given clarity to the pricing principle.

4) The Application does not adequately project and assess the impact on conservation as FortisBC rejects performance measures on the efficiency of RIB rates. The net effect of conservation could result increased rates to guarantee FortisBC profits and a reduction in incentives to conserve power.

5) With regard to RIB rates and TOU rates there is no clear understanding. To mirror the BC Hydro would again deny that southern BC interior is much different than the lower mainland.

6) Seasonal thresholds, reporting performance measurement results and longer period of study on thresholds. To mirror the BC Hydro application for RIB rates restricts the discussion. Deregulation as an option should be included.

7) Prefer written submissions.