



## Letter of Comment

In accordance with the Commission's Rules of Practice and Procedure, to submit a letter of comment concerning an application currently before the Commission, please provide a completed form to [commission.secretary@bcuc.com](mailto:commission.secretary@bcuc.com). If email is unavailable, please mail the form to the address above. By doing so, you acknowledge that all letters of comment are published with the author's name as part of the public evidentiary record, both in print copy and on the Commission's website. All personal contact information provided on this page is removed before posting to the website. Forms must be received by the Commission by the last filing date included in the proceeding's regulatory timetable before final arguments.

Proceeding name: Request for Comments on Residential Inclining Block Electricity Rates

Are you currently registered as an intervener or interested party? [ No ]

Name (first and last): Erwin Berg	
City: [REDACTED]	Province: B.C.
Email: [REDACTED]	Phone: [REDACTED]

The BC Utilities Commission is authorized to collect and publish a person or organization's personal information when they participate in a matter before the Commission under sections 26(c) and 33.1(r)(ii) and (iii) of the *Freedom of Information and Protection of Privacy Act* (FOIPPA). Subject to FOIPPA, all documents filed in respect to an application will be placed on the public record.

# Letter of Comment

Name (first and last): Erwin Berg

Date: August 8, 2016

Comment: Please specify the reasons for your interest in the proceeding, your views concerning the proceeding, any relevant information that supports or explains your views, the conclusion you support and any recommendations. The Commission may disallow comments that do not comply with the Rules of Practice and Procedure.

*[Please write your comments in this box]*

August 8, 2016

Ms Laurel Ross

Acting BCUC Commission Secretary

I am a residential electricity customer of FortisBC, without access to natural gas, living on Anarchist Mountain, just east of Osoyoos.

During the past several years, I have experienced a huge increase in my electricity bill. This is due to two reasons. One is the yearly increase in the cost per kwh in both the first and second block pricing system. For example, the increase over the past few years in block one has been in the 20% range and in the block two it has been near 30%!

Under the current two-tier pricing system, the majority of my electricity consumption is in Block 2 – 68% on average. My electricity bill, for the most recent winter months (Dec , 2015 – Feb , 2016) was \$814. This bill is 40% higher than my bill for the same winter period (i.e. Dec, 2012 – Feb, 2013), which was also under the two-tier system, and the utilization was very similar. It would have been considerably higher than when it was under the one rate system. It also represents a 60% increase from the first winter period that I experienced in my new home (Dec 9, 2009 – Feb 11, 2010) when my electricity consumption over that two-month period was in the same range. Clearly, I have been severely impacted by the Government's electricity pricing policy, including the introduction of the RIB.

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There is very little I can actually do to mitigate the impacts. I have taken the steps available to me to mitigate these bill impacts – e.g. turning down my thermostat; washing clothes on the cold cycle; even drying my clothes outside – but such actions have had little impact on my bill. My house was constructed in 2009, is very well insulated. There is virtually no opportunity to reduce my bill through improving the energy efficiency of my house.

The most obvious way for me to reduce my electricity bill would be to switch to wood-heating, however, due to my concerns about the adverse environmental impacts of burning wood, I did not install such a system at the time of construction. There would be no environmental benefits and it would make no economic sense for me to switch to solar energy, which, in any event, would not be very effective in my region which experiences many cloudy days in winter.

The negative impacts I am experiencing are primarily the result of a poorly designed "conservation" rate. They can only be mitigated by the Government fixing its design errors

The huge increase in electricity bills that I have experienced since 2012 is a direct result of the Government and the BCUC requiring electric utilities to implement a two-tiered pricing system that wasn't properly designed to address the diverse set of electricity consumers that exist in BC. The RIB, as structured ignores the fact that there is a small percentage of BC residents (often rural) who use electricity for space and water heating and will, regardless of their efficiency levels, always consume far more electricity than the BC average. This is because most BC residents, particularly those in major urban areas, have access to natural gas and use that fuel for space and water heating, significantly reducing their need to consume electricity (since 75% of the average energy use in single detached homes in BC is for space and water heating).

In addition, the BCUC has approved Block 2 rates at a ridiculously high level. No other province charges a higher rate to its customers (except Ontario but they

only charge their highest rate on consumption during peak hours). Yet, as Minister Bennett has often stated, the cost of electricity generation in BC is among the lowest in North America. And FortisBC has stated that its Block 2 rate significantly exceeds the cost of bringing on new electricity generation. So, the reason I am paying such a high electricity rate has nothing to do with the cost of providing that electricity and has very little to do with how efficiently (or inefficiently) I use that electricity. I am paying one of the highest electricity rates in Canada on the majority of my electricity consumption simply because I live in a rural area with no access to natural gas and hence use electricity rather than natural gas for space and water heating. Setting rates in this fashion actually constitutes price discrimination, which, according to BCUC's mandate, they are supposed to be preventing.

The Government has encouraged the BCUC to implement the RIB as part of its clean energy policy. However, the consumption of hydro-electricity produces no greenhouse gas emissions and the RIB, as structured, is making rural electricity consumers switch to wood-burning which produces greenhouse gas emissions and a variety of other air pollutants.

The only way to mitigate the adverse impacts that the RIB it is having on a small percentage of BC residents is to move to a different pricing system. This could be done readily by replacing the two-tier system with some combination of flat rate/time-of-use pricing, at least for those residents who use electricity for space and water heating.

I urge you to reconsider this unfair pricing policy.

Erwin and Joyce Berg