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**British Columbia  
Utilities Commission**

## 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

Are you currently registered as an intervener or interested party?

Name (first and last)

City

Province

Email

Phone number

# Letter of Comment

Name (first and last)

Fran Macpherson

Date:

12-Aug-16

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.

I am a homeowner soon to be on a fixed retirement income in an area that does not have access to natural gas for heating. I am therefore held hostage by BC Hydro and their continually rising rates, in particular by the Tier 2 pricing which has now become 51% higher than Tier 1. While this may make sense for households that only use electricity for lights and appliances, it does not make sense for home heating in situations where there is no reasonable alternative.

During most winter months, in spite of all the measures I have taken to make my home energy efficient - I have an R2000 home with 6" insulated walls and 36" of insulation in the ceiling, all light fixtures changed over to LED, and using only Energy Smart appliances; a house in which an air conditioner is never necessary regardless of the summer temperature - some of my winter BC Hydro bills already range between \$700 to \$800 per month, an amount which will significantly exceed my Canada Pension. When I have called to inquire and complain about this, I have actually had BC Hydro representatives hang up on me.

At one time BC Hydro, provided a two tier pricing system, one for base electrical use (lights, appliances, TV, etc), and one for home heating at a significantly reduced amount. For some reason this system was allowed to be canceled in spite of the fact many homes in outlying areas do not and cannot get access to more economical natural gas. Throughout the province there are thousands of people who must rely on electricity provided by BC Hydro to heat their homes. Many of these people live in and around communities that limit the use of wood burning appliances and therefore cannot even resort to the use of them to reduce their energy consumption.

It seems to me that this rate increase is, in addition to other reasons, a de facto penalty for the fact that BC Hydro, for many years, paid insufficient attention to maintaining its physical assets and allowed them to deteriorate, in order to save money. Now, a near crisis situation has arrived and the utility finds that a near tsunami of expenses has arrived at its doorstep to rehabilitate the electrical system to a reliable state from all the years of neglect.

We are told major upgrading and replacement of infrastructure must now be made and that the cost must be borne by the ratepayers. Why was regular and ongoing maintenance not completed that would have mitigated some of the major costs BC Hydro is now facing and will be facing for years into the future.

Additionally, since the early 2000s BC Hydro has been paying unsupportable, exorbitant rates to

"green" independent power producers, far in excess of what electricity can be sold for on the open market. Some of these contracts with independent producers are locked in for the next 30 to 60 years. While this supports the private energy generation sector, it does so while penalizing residential, business and industrial consumers. And these ratepayers were never consulted on this process that would ultimately add to the skyrocketing of electrical rates. I am not against green energy, but I do feel it should not be heavily subsidized if it cannot be created at a profitable cost. These contracts need to be reviewed and renegotiated to the benefit of BC Hydro and the electrical consumer.

Consumers should not have to pay for such errors of judgment, nor should they have to pay for gross inefficiencies and wasteful spending by BC Hydro in conducting its day-to-day operations. Allowing exorbitant Tier 2 pricing will further penalize citizens without access to alternative heating sources. Some strategy for BC Hydro to accommodate home heating in a more economical manner is essential. And it cannot come quickly enough for many consumers who may not be able to afford to stay in their hard-earned homes after retirement.

I respectfully request you reject the current BC Hydro Tier 2 rate for home heating and insist that BC Hydro develop a strategy to provide economical heating rates to homes that must heat electrically. Secondly I request that contracts with "green" independent power producers be reviewed and/or renegotiated to provide the purchase of electricity at fair, market driven cost recovery rates.

Thank you for your consideration on this important matter.

Fran Macpherson