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British Columbia Utilities Commission
Sixth Floor, 900 Howe Street, Box 250
Vancouver, B.C. V6Z 2N3

Attention: Ms. Laurel Ross, Acting Commission Secretary and Director

Dear Ms. Ross:

**Re: FortisBC Inc. 2016 Long Term Electric Resource Plan (LTERP) and Long Term Demand
Side Management Plan (LT DSM Plan) ~ Project No.3698896
Intervenor Information Request No.1**

1. FBC stated in its application at 2.3.4 "Rate Design Considerations" that:

"...the growth in interest and participation in small scale customer-owned generation, such as the installations that qualify for the Company's Net Metering Program, may begin to pose rate stability challenges for all customers. While the current participation rates and installed capacity are not a cause for concern, FBC recognizes that a proliferation of grid-connected customers with greatly reduced, zero, or periodic load is problematic for the current regulatory model where the costs of providing all aspects of service are recovered primarily through volumetric rates. FBC, like many other utilities, is concerned that the result of the widespread installation of customer-owned generation will be the transfer of costs to customers who either cannot participate, or choose not to participate".

- a) Please explain how growth in participation in small scale customer-owned generation, such as the installations that qualify for the Company's Net Metering Program, may begin to pose "rate stability challenges" for all customers.
 - b) Other than loss of energy sales, what is problematic about a proliferation of grid-connected customers with greatly reduced or zero load in the current regulatory model where the costs of providing all aspects of service are recovered primarily through volumetric rates?
 - c) Please explain what is meant by customers with "periodic load."
 - d) Please explain how widespread installation of customer-owned generation differs from widespread adoption of Demand-Side Management in transferring costs to customers who either cannot participate, or choose not to participate.
- 2.a)** When designing substations and powerline extensions to serve a community or neighbourhood, does FBC take into account differences in timing and magnitude of customers' daily energy consumption as a function of their work schedules, lifestyles, family size, age and composition, etc.?
- b) Does the statistical nature of energy use by large numbers of customers enable FBC to reduce the cost of transmission and distribution infrastructure relative to what it would take to serve those customers if they all had identical timing of their energy demand?

c) Would transmission and distribution infrastructure that is near maximum capacity handle new additional customers more easily if their daily energy demand timing is substantially different from that of existing customers?

d) Will customers who self-generate a substantial portion of their daily energy consumption have significantly different daily demand profiles than customers who do not self-generate?

3. Please explain any differences in FBC's costs incurred to set up a Net Metering customer—and for billing and management of that customer enrolled in the Net Metering program—compared to those costs for a Net Metering customer that produces Net Excess Generation.

4. Please explain any difference between the effect on the FBC generation, transmission and distribution system of the excess energy (“received energy”) produced by nearly every Net Metering customer from time to time, and the excess energy produced by a Net Metering customer who produces Net Excess Generation.

5.a) Please explain the difference, if any, in the effect on FBC's generation, transmission and distribution infrastructure between

i. energy no longer purchased from FBC by a customer due to participation in a Demand-Side Management program,

ii. energy no longer purchased from FBC by a Net Metering customer due to the customer's self-generation and

iii. energy released into FBC's distribution network by a Net Metering customer who happens to produce Net Excess Generation.

b) Please explain the difference, if any, in the effect on FBC's net income between

i. the value of energy no longer purchased from FBC by a customer due to participation in a Demand-Side Management program,

ii. the value of energy no longer purchased from FBC by a Net Metering customer due to the customer's self-generation and

iii. the value of energy released into FBC's distribution network by a Net Metering customer who happens to produce Net Excess Generation.