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Friday March 2nd

British Columbia Utilities Commission  
Sixth Floor, 900 Howe Street,  
Box 250 Vancouver, B.C.,  
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Attention: Patrick Wruck, Commission Secretary

RE: FortisBC 2017 Cost of Service Analysis & Rate Design Application Procedural Hearing

I write with regard question 1 in Exhibit A-3, to state that the Kaslo Seniors Community Association - Branch #81 supports the COSA being addressed in advance of other topics and the Panel issuing a decision on the COSA first as we wish to question FortisBC and EES Consulting on the appropriateness of using the minimum system theory for the COSA analysis. Here we note that the design for the proposed residential TOU rate was based on real time data, and given the advent of AMI we do not see why the same protocol cannot be used for the COSA.

In this context, and simultaneously, we support the Village of Kaslo request for a comparative average household impact analysis for customers in Kaslo as compared to average customers in say Nakusp, a BC Hydro service area, with longitudinal and multivariate projections over a multi-year term, and the same for business, industry and institutional customers.

Further, as stated in our February 20th intervener application letter, we wish to see, before any COSA analysis begins:

1. A table of the rates of return for this utility since 1987, also showing the CPI for each rate of return period, and a third column indicating the rate of return after elimination of inflation.
2. The amount of long-term debt for the utility by year from 1987 to present
3. Rates of interest paid on each debenture or bond and the annual cost of servicing that debt since 1987
4. A list of capital expenditures that would cause corporate valuation to rise by 25 times since the sale of West Kootenay Power in 1987 to the end of the consolidated revenue period September 30th, 2017
5. Dividend payouts on common shares since 1987 up to the 1.5% paid out on common shares in 2016.
6. A comparison of the salaries and remunerations made to the top corporate officers above \$150,000 between 1987 and now.
7. A table that shows the exact percentage of each cost centre that is allocated to each class of customer so that we are absolutely clear on how the residential class ends up paying for 52% of the applicant's proposed revenue requirement, while only consuming 41.2% of the annual power supply.
8. A table of consumption patterns by class, developed in accordance with the proposed TOU pricing structure that will allow for the addressing of issues raised by customer David DeBiasio with FortisBC.

We ask for this data because we believe that FortisBC residential rates, since 1987, have increased faster and steeper than both the CPI and BC Hydro residential rates, such that while residential customer rates are now higher than BC Hydro residential customer rates, an initial review indicates that other classes of customers have rates that are similar or even lower than BC Hydro rates. We therefore wish to test a hypothesis that FortisBC has not skewed its rate design so that residential customers are subsidizing other rate classes.

With regard question 2 we also support the Village of Kaslo request for comparative data on each municipal and regional district street lighting service, and as local government taxpayers we do not believe that the Commission should allow any rate increase in this streetlight service until internal issues within the service are resolved in the same way that they were in the irrigation service before rate adjustments were made there.

With regard question 3 we believe that an oral hearing is in order, as was the case in 2009. As seniors not always conversant with written protocols and online examination, we believe that, just as in our courts, there is always a place for oral cross-examination follow-up where written answers are insufficient or evasive.

With regard question 4 we believe that the issue of rate design for Net Metering NEG, a Micro Standing Offer Program, Standing Offer Program and the rate of return FortisBC earns are all questions that should be discussed in this hearing, as, for example, BC Hydro has had a Micro Standing Offer Program since 2009 in line with the stated goals and objectives of section 2 of the *Clean Energy Act*.

With regard question 5 we intend to file evidence in response to Table 6-10 of the application before the first round of questions on the rate design, so we can ask sharper and more precise questions about FortisBC claims in that Table.

With regard question 6 we appreciate the fact that the Commission panel has already suggested that the issue of the COSA be broken out from the rate design, as such a process allows the "lay" interveners to focus on the hearing in more manageable chunks of discussion.

With regard question 7 as seniors we agree with the first three bullet points raised by the Village of Kaslo in their letter of February 14th, that rural areas and communities have thus far been unable to:

- directly question the rate design in a public setting
- are mostly unaware of the importance of this hearing to their economic interests.
- are without time, resources or tools to reasonably or objectively analyze the prospective impact of the rate design application

Further, to date, barely 200 customers out of a potential 114,511 residential ones have attended 6 public consultation sessions in Castlegar, Kelowna and Osoyoos. The last session in Kelowna drew 10 people and 20 in Castlegar, while we had 17 out in Kaslo forced to listen to the presentation over an online system without video coverage. We wish to strenuously object to rural and remote customers being treated as second class customers, especially given the online live platforms like zoom and go-to-meeting that can now be used.

Further, we think, as we said in our intervener application, that FortisBC needs to undertake and submit a full and appropriate survey of its customers' opinions that results in more than an anecdotal sample of barely .1% of the 114,511 residential customers. This survey needs to specifically tell residential customers, as stated by Corey Sinclair at the public information session in Kelowna on February 13th, that 80% of all residential customers face between a 16% to 8% increase in their electricity bills between now and 2023.

Again we support the Village of Kaslo request that all data and analyses be provided in an accessible format with sufficient time for review and discussion throughout the service region before the time for public comment ends. Finally, and in conclusion, customers in Kaslo have been asking the Commission since May of 2016 for a meeting with FortisBC sponsored by the Commission, and we think, given the ongoing interest in this community, that it is time to start holding information sessions

in the rural areas of the FortisBC service area starting with Kaslo, in which customers can cross-examine FortisBC and make representation to the Commission itself.

All of which is respectfully submitted,  
Andy Shadrack  
for the Kaslo Seniors Community Association - Branch #81