

Village of Kaslo



2018.03.02

Via Email

Patrick Wruck
Commission Secretary, BC Utilities Commission

Commission.Secretary@bcuc.com

Dear Mr. Wruck:

Re: FortisBC Inc. 2017 Cost of Service Analysis and Rate Design Application – Project No. 1598939 – Procedural Conference

This is the Village of Kaslo's preliminary questions and comments with respect to the items identified for address in your letter dated February 26th 2018:

1. It is agreed that the Cost of Service Allocation (COSA) study should be addressed in advance of other topics, with the Panel issuing a decision on the COSA study in advance of other topics.
2. No other topics other than the COSA study should be addressed by an expedited process. *As per the Village's questions already submitted, understanding and projections of impact around the COSA study methodology are arguably a key building block to appropriate decision-making on any other aspect of the Application.*
3. As per the Village's written submission to the BCUC in February of this month, there is a credible and public interest need for oral hearings with respect to the Application in rural-remote areas of the FortisBC Inc. service area. *This is considered critical for communities with low or medium income households completely reliant on electric power for heating, both in terms of explanation of the COSA and public participation.*

While FortisBC has informally suggested an open house in the community of Kaslo, which is much appreciated, this would be something that would be more appropriately delivered and presented through the BC Utilities Commission as such an event is the purpose of the Commission. Poorly attended hearings in Castlegar

Box 576, Kaslo, British Columbia V0G 1M0

Tel. 250-353-2311 Fax. 250-353-7767
E-mail: admin@kaslo.ca
<http://www.kaslo.ca>



and Kelowna, hundreds of kilometres from many customers, should not be an acceptable benchmark for public participation.

4. It is not felt that the question of 'net metering' is being addressed properly for local governments. As a municipal corporation, the Village of Kaslo has long been interested in small micro-hydro or solar initiatives that could reduce the burden of the municipal power bill on taxpayers (\$69,861.48 in 2017), examples of that billing submitted with this letter. However, for feasibility studies and engineered proposals to be worth the investment (grant driven or otherwise), the Village must be able to either (a) sell the power or (b) receive a discount across its consolidated corporate billing by FortisBC Inc. Net metering is of little value to a municipality like Kaslo if only one meter near the site of private generation counts for the program. As the Village's billing data shows, streetlighting costs and various municipal properties would see the greatest benefit from 'consolidated' net metering, not the meter beside the pressure reducing station.

Some time should be spent in the hearing process establishing clear mechanisms for municipal corporations to offset their sizeable electrical billing corporation-wide through the net-metering program.

5. To aid in some of the hearings and discussions, the Village is filing its recent corporate billing data with respect to electricity, which is public information at the municipal end. The Village is doing this in part to underline that its utility billing information, as a corporation, is publicly available and would be provided in response to any inquiry under the *Freedom of Information and Protection of Privacy Act (FOIPPA)*. Indeed, these bills are critical to the annual Financial Plan Bylaw process under the *Community Charter* as municipal staff and Council attempt to predict variances on these bills and maintenance charges year-on-year. *FortisBC and other interveners are openly invited to comment on and analyse this data.*
6. The Village has made its position clear already with respect to item (6) of the letter. It is the view of Council that this process has provided insufficient time, opportunity and analysis for the general public, local governments and other stakeholders to evaluate the social and economic impacts of the Application.

The context of this is largely due to the local perception that the Kaslo area was once considered one of the cheapest and most affordable areas for power use in British Columbia (as an electrical resource region) – there is a concern in the community that FortisBC households in the local area could soon end up paying more on average than



neighbouring BC Hydro customers in communities like New Denver and Nakusp. This discussion may need time and it is very much in the public interest that it occurs.

7. This comment is largely the same as that for item (6). The Village is not satisfied with the level of public consultation by the BC Utilities Commission nor the advertising or publicity around it. *Is it the role of the oldest municipality in the Kootenays to ensure that the public and other governments are aware and engaged in this matter? More needs to be done in this area urgently.*

In addition:

- Village staff have recently tried informally to get a better understanding of how it pays for electrical power in comparison to other local governments within and beyond the FortisBC area. It has been challenging to do this. The Village would ask the Panel to comment on whether there may be an analytical role for the Office of the Auditor General for Local Government to provide Councils and the public assurance that local governments are billed consistently and fairly across the Province.
- Residents and other customers are as yet unable to access the detailed analytical benefits of smart meters that were promised long ago (by both BC Hydro and FortisBC) so that consumers could make energy-saving adjustments themselves based on real-time use data. As FortisBC is likely using the smart meter data from customers in the COSA, is there an ability for the Panel to hold a discussion about the timetable for free customer access to smart meter data? *Customers' better understanding their own use patterns is arguably the best way to successfully engage them on such a vital process.*

The Village of Kaslo is grateful for this opportunity and of the work of the FortisBC community engagement staff. Council hopes that the BCUC panel bears with it as the Village gets to grips with the process and securing appropriate legal and research advice through PACA. As an intervener, staff is available to discuss any issues that other local governments might have or wish raised in a collaborative spirit as the process moves along.

Sincerely,



Neil Smith, MCIP, RPP
Chief Administrative Officer

