

**Box 484, Kaslo
British Columbia, V0G 1M0**



**Phone: (250)353-7350
E-Mail: ashadra@telus.net**

August 20th, 2018,

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

Attention: Patrick Wruck, Commission Secretary

Intervener Request #1 to AMCS/RDOS
FortisBC Inc 2017 Cost of Service Analysis and Rate Design

1. With regard Table 4.2, please confirm that if you add in the cost of the Basic Customer Charge. of \$32.09 per billing period, the actual cost of 9,000 kWh (before GST) is \$.12256 per kWh and that for 30,000 kWh is in fact \$.14498 per kWh.
2. Please confirm that the gap between the cost of 9,600 kWh and 30,000 kWh, when including the Basic Customer Charge, is in fact \$0.02242 per kWh and not the \$.038 per kWh claimed in Table 4.2.
3. Please confirm that the price differential is approximately 18.3% and not the 37.6% claimed in Table 4.2
4. Since January 1st, 2009 the Basic Customer Charge has increased from \$23.74 per bi-monthly billing period to \$32.09, which is a 35.1% increase over nine years, 3.9% for each year¹.

Likewise first the "flat rate", and then the Tier 1 rate, has increased from \$.07463 to \$.10117 per kWh since January 1st, 2009 - just under a 35.6% increase, 3.95% for each year¹.

Order G-3-12 directed FortisBC to introduce a Tier 2 rate that was implemented at a cost of \$.12003 per kWh in July, 2012, which, in 2018, is currently set at \$.15617 per kWh, thus the rate has increased by approximately 30.1% since introduction, 5.02% for each year.

In Order G-156-10 the Commission panel determined that:

"The Commission Panel finds that increasing the Basic Charge would be unacceptable, especially in view of the requirement for providing appropriate pricing signals for conservation and energy efficiency" (p 56).

"...Similarly, the Commission Panel is concerned that the existing relatively high basic charge gives wrong pricing signals and believes that Bonbright Principle 3 regarding the price signals encouraging conservation should trump Principle 2 which seems to support a higher basic charge....Accordingly, the Commission Panel directs FortisBC to develop a plan for introducing residential inclining block rates that also incorporate a lower Basic Charge in the immediate future and to file an RIB rate application with the Commission..." (p 57).

- i. Does AMCs/RDOS believe that the Commission panel made either an error in fact or law in directing FortisBC to incorporate a "lower Basic Charge" into the RIB rate application?

ii. What evidence can AMCS/RDOS provide to contradict/counter the evidence that the Commission panel used to make its determination in G-156-10?

5. With reference to variable tier thresholds and rates, does AMCS/RDOS disagree with the determination of the Commission panel in G-156-10, as found at section 3.4, pages 67-69, to support the BC government policy of having postage stamp rates within each class of customer within each utility?

6. With reference to PG&E in California, in how many other jurisdictions are utility regulators now allowing multiple tiered thresholds and rates?

1. Exhibit A2-3, FortisBC Inc. Residential Inclining Block Rate Application ~ Project No.3698628 and:

<https://www.fortisbc.com/About/RegulatoryAffairs/ElecUtility/ElectricBCUCsubmissions/Rates/Pages/default.aspx>

All of which is respectfully submitted,
Andy Shadrack
for Kaslo Senior Citizens Association Branch #81