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Via BCUC E-Filing

British Columbia Utilities Commission
6th Floor - 900 Howe Street
Vancouver, BC V6Z 2N3

**Attention: Patrick Wruck, Commission Secretary and Manager,
Regulatory Support**

Dear Sir:

**Re: FortisBC Inc. (“FBC”) 2017 Cost of Service Analysis and Rate Design Application
–Anarchist Mountain Community Society (“AMCS”) and Regional District of
Okanagan-Similkameen (“RDOS”) – Submission on Further Process**

Further to the Commission’s letter dated 10 September 2018 (Exhibit A-17), we submit the following responses to the Commission’s questions on further process on behalf of AMCS and RDOS.

1. Oral hearing and/or oral arguments on Residential Rate design issues

AMCS and RDOS would like the Commission to convene an oral hearing on the Residential Rate (RS 01) issues related to

- The Residential Inclining Block Residential Conservation Rate (“RCR”) and the timing of returning to a flat rate, and
- Time of Use rates.

AMCS and RDOS would prefer written argument at the end of the hearing.

2. Reasons for an oral hearing

AMCS and RDOS submit the following reasons in support of the requested oral hearing

1. **Rate design hearings are infrequent:** It has been many years since the last COSA review/rate design hearing and decision (2009/2010), and will be many more before the next one. The implications of the decisions in this review will endure for years.

FortisBC notes the importance of adapting to changing trends and consumer behaviours to avoid diminishing intra-class fairness, and specifically cites the issue of flat versus inverted rates as an issue.

... in recent years, a number of emerging technological and market trends, such as increasingly affordable distributed generation technologies and improved demand management technologies, are driving changes in some electricity customers' consumption behaviour and requirements. These changes potentially diminish intra-class fairness as well as lead to rate and/or revenue instability, if these issues are not addressed. As a result, these new challenges are often reflected in utility rate design decisions, particularly in those jurisdictions where these new technologies are more prominent.

...

In terms of prevailing practices in regard to residential rate structures, and as indicated in the EES COSA Report, flat rates, followed by inverted rate structures, continue to be the most common types of electric utility rate structures in Canada with optional TOU rates available to the residential customers of some utilities.¹

2. **Economic impact on customers:** The economic impact of the RCR is a serious concern for many residential customers, as explained in the evidence submitted by AMCS and RDOS. The Commission's decision on the RCR and the timing of returning to the flat rate is of critical importance to these customers.

The severity of the economic impact on customers heightens the need to make the best decisions possible with the best evidentiary record.

3. **Public interest in a comprehensive review:** Most customers cannot afford the time or money to participate in the Commission's review of FortisBC's rates. The Commission undertakes an important role to explore all aspects of FortisBC rates and service on behalf of customers in the public interest.

An oral hearing will allow the most complete opportunity to review and test FortisBC's proposed rate design in a transparent manner.

A hearing can be undertaken efficiently, especially if the scope of issues is narrow.

3. Location preference for an oral hearing Kelowna, B.C.

AMCS and RDOS would like the Commission to convene an oral hearing in Kelowna so customers may attend if they wish. Kelowna is within the FortisBC service area, and more convenient for FortisBC customers than Vancouver.

¹ FortisBC Application, page 31.



April 19, 2018
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We would be pleased to answer any further questions to assist the Commission.

Yours truly,

BENNETT JONES LLP


David Bursey

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cc. Registered Interveners

