



Diane Roy
Vice President, Regulatory Affairs

Gas Regulatory Affairs Correspondence
Email: gas.regulatory.affairs@fortisbc.com

Electric Regulatory Affairs Correspondence
Email: electricity.regulatory.affairs@fortisbc.com

FortisBC
16705 Fraser Highway
Surrey, B.C. V4N 0E8
Tel: (604) 576-7349
Cell: (604) 908-2790
Fax: (604) 576-7074
Email: diane.roy@fortisbc.com
www.fortisbc.com

August 20, 2018

Anarchist Mountain Community Society and Regional District of Okanagan-Similkameen
c/o Bennett Jones LLP
2200 – 1055 West Hastings Street
Vancouver, BC V6E 2E9

Attention: Mr. David Bursey

Dear Mr. Bursey:

Re: FortisBC Inc. (FBC)
Project No. 1598939
2017 Cost of Service Analysis and Rate Design Application (the Application)
FBC Information Request (IR) No. 1 to the Anarchist Mountain Community Society and Regional District of Okanagan-Similkameen (AMCS-RDOS)

On December 22, 2017, FBC filed the Application referenced above. In accordance with the British Columbia Utilities Commission Order G-101-18 establishing the Regulatory Timetable for the review of the Application, attached please find FBC IR No. 1 to AMCS-RDOS on the Evidence of Nicholas Marty (Exhibit C3-7).

If further information is required, please contact Corey Sinclair at (250) 469-8038.

Sincerely,

FORTISBC INC.

Original signed:

Diane Roy

Attachment

cc (email only): Commission Secretary
Registered Parties

FortisBC Inc. (FBC) 2017 Cost of Service Analysis and Rate Design Application (the Application)	Submission Date: August 20, 2018
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1 **1.0 Reference: RDOS-AMCS Evidence, Appendix C.**

2 “Most of these testimonials were sent to the RDOS in November and December of 2017
3 in response to a call for testimonials issued by the RDOS in October.”

4 Page 3 of 3 of the Administrative Report to the RDOS Community Services Committee
5 from B. Newell, CAO dated January 4, 2018, includes under the heading, Release of
6 RCR Impact Testimonials,

7 “The Regional District is susceptible to the Freedom of Information and Protection of
8 Privacy Act. The expert opinion seems to be that the release of Impact Testimonials
9 would contravene the Act. Knowing the risk, the Board could determine that the benefit
10 outweighs the risk and order release of those documents.”

11 1.1 Please confirm that at the October 5, 2017 the RDOS Board of Directors passed
12 a resolution that included the following components:

- 13 • THAT the Board of Directors seek to obtain intervener status with the BCUC
14 on the “2017 Fortis B.C. Rate Design Application” and that administration
15 applies for any funding assistance available to assist with obtaining
16 intervener status and,
17 • THAT funds be allocated from the Electoral Area Administration cost centre;

18 1.2 Please confirm that, “...funds be allocated from the Electoral Area Administration
19 cost centre” means that RDOS has approved the expenditure of funds to support
20 the RDOS/AMCS intervention in the current process.

21 1.3 Please confirm that on or about October 23, 2017, the RDOS posted the
22 following on its Facebook page:

23 Has the Fortis BC Two Tiered Rate System Negatively Affected Your
24 Pocket Book?

25 The two-tiered rate structure, embedded in the Fortis 2014-2018 Multi-
26 Year Rate Order, increases the cost of electricity after the first 1,600
27 kilowatts used in a billing period. Unfortunately, for the people who live in
28 rural areas where there are no alternatives to electricity and who live in
29 sub-standard housing that requires more energy to heat, this increase
30 has made it difficult for many residents to pay their utility bills and meet
31 their basic needs.

32 If your household has been impacted by the Fortis BC Two-Tiered Rate
33 System, the RDOS would like to hear from you. The Regional District
34 proposes to register as an Intervener to the Fortis BC 2017 Rate Design

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1 Application to the BC Utilities Commission later this year and are looking
2 to gather supporting documentation on the impacts to citizens to add as
3 supporting documentation in our application.

4 1.4 Please confirm RDOS used the above wording in newspaper advertisements
5 seeking testimonials as well.

6 1.5 Please confirm that on or about June 19, 2018, RDOS and/or AMCS issued a
7 press release seeking testimonials that “should...describe hardships experienced
8 under the two-tier rate system...”

9

10 **2.0 Reference: RDOS-AMCS Evidence, Page 28.**

11 “More significantly, it is the low-income, high-use electricity customer who is in most
12 need of assistance and the RCR has made matters worse for these customers.”

13 2.1 Please confirm that on page 2 of 3 of the Administrative Report to the RDOS
14 Community Services Committee from B. Newell, CAO dated January 4, 2018, it
15 is stated that, “The Regional District, based on concerns expressed by low-
16 income citizens, has taken a stand against the Residential Conservation Rates
17 (RCR) currently employed by FortisBC since its inception.”

18 2.2 Is it RDOS’ position that the RCR has a more detrimental impact on customers
19 who consume more electricity than on customers who consume less electricity?

20 2.3 If the responses to the previous two questions are confirmed, is it the contention
21 of the RDOS that low income customers tend to also be high consumption
22 customers? If so, does the RDOS have any documentation or other evidence to
23 support such a position?

24 2.4 Has the RDOS received permission from the residents that submitted the Impact
25 Testimonials to provide them to Mr. Marty?

26 2.5 Does the RDOS possess any information related to the Impact Testimonials that
27 can be used to verify the claims of impact described?

28 2.6 Has the RDOS sought testimonials from its constituents that have lower bills
29 dues to the RCR?

30

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- 1 **3.0 Reference: December 15, 2017 Email from Mark Pendergraft to Terry Schafer;**
2 **Bill Newell; Karla Kozakevich Christy Malden and Tom Siddon. The**
3 **email includes the comments of Mr. Marty,**
4 “The BCUC is a judicial process and I will be making purely technical arguments in the
5 intervention as an economist and energy policy expert.”
- 6 3.1 Please confirm that there was an email exchange on December 15, 2017
7 involving Mr. Marty and RDOS representatives in which Mr. Marty said to the
8 RDOS, as quoted above: “The BCUC is a judicial process and I will be making
9 **purely technical** arguments in the intervention as an economist and energy
10 policy expert.” [emphasis added]
- 11 3.2 Please confirm that Mr. Marty noted to RDOS representatives in an email of
12 December 15, 2017: “I stated at the October Board meeting that RDOS could
13 further assist by providing me with resident testimonials on the negative impact of
14 two-tier rates to support my argumentation.”
- 15 3.2.1 Please confirm that the, “October Board meeting” refers to the RDOS
16 Board meeting held on October 5, 2017.
- 17 3.2.2 If confirmed, please also confirm that Mr. Marty’s statement accurately
18 summarizes his statement at the October 5, 2017 RDOS Board meeting.
- 19 3.3 Please provide the names and either the service addresses or account numbers
20 of the customers that provided testimonials that appear in Appendix C.
- 21 3.4 Has RDOS-AMCS verified the information contained in the Appendix C
22 testimonials?
23
- 24 **4.0 Reference: RDOS-AMCS Evidence, Page 3**
25 “FBC claims that there are no adverse impacts of continuing with a modified RCR until
26 2023 but provides no analysis to support their argument.”
- 27 4.1 Please provide references to support the statement that FBC claims that there
28 are no adverse impacts of continuing with a modified RCR.
- 29 4.2 Please explain what RDOS-AMCS means by “modified RCR”.

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1 **5.0 Reference: RDOS-AMCS Evidence, Page 4.**

2 “Monopolies, because they have the market power to set their own prices, will want to
3 maximize revenues by charging prices above cost to those customers least able to
4 reduce their consumption.”

5 5.1 Is it the contention of RDOS-AMCS that utilities, including FBC, propose rates
6 that are intended to specifically impact, “those customers least able to reduce
7 their consumption”? If so, please provide support for this contention.

8 **6.0 Reference: RDOS-AMCS Evidence, Pages 5, 6.**

9 “The correct implementation of a RIB Rate requires setting different thresholds for
10 different customers to reflect the differences in the ways that electricity is used.”

11 “...PG&E has 10 climate zones across its service area...”

12 6.1 Other than in varying the threshold on a geographic basis, is RDOS-AMCS
13 aware of any jurisdiction that utilizes a rate structure incorporating individual
14 customer thresholds?

15 6.2 How many different climate zones does RDOS-AMCS consider to exist in the
16 FBC service area?

17 6.3 How many biogeoclimatic zones exist in the FBC service area?

18 6.4 How many Koppen climate types exist in the FBC service area?

19

20 **7.0 Reference: RDOS-AMCS Evidence, Table 4.1.**

21 7.1 Please describe how RDOS-AMCS arrived at the values in the column labeled,
22 “Percent of Use In Tier 2”.

23 **8.0 Reference: RDOS-AMCS Evidence, Page 28.**

24 “The vast majority of low-income customers are better off under the RIB rate because
25 the vast majority of customers are better off.”

26 8.1 Please reconcile the referenced statement made by RDOS-AMCS with the
27 assertion that the RCR exacerbates fuel poverty. If the vast majority of low-
28 income customers are better off under the RIB rate, will the removal of the RCR
29 not adversely impact these customers?

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1 **9.0 Reference: RDOS-AMCS Evidence, Page 30, Resident #150.**

2 “It’s October 2017 and I just recently paid off last year's winter bill, the highest being over
3 \$1300 for 60 days.”

4 9.1 Please calculate, under the current RCR, the consumption that would be required
5 in order to result in a bill of \$1300 for 60 days.

6 9.2 Please calculate the bill, under the current flat rate of \$0.11749 per kWh and
7 \$37.40 bi-monthly Customer Charge that would result from the consumption
8 determined in the previous question.

9 **10.0 Reference: RDOS-AMCS Evidence, Page 47.**

10 “Sound rate-making and basic fairness requires an immediate termination of the RCR
11 and a return to a Flat Rate, supplemented with optional Time-of-Use rates.”

12 10.1 If the Commission does not approve a Time of Use rate for FBC residential
13 customers, does RDOS-AMCS still advocate for the termination of the RCR?

14