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March 14, 2018

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Mr. Patrick Wruck, Commission Secretary and Manager, Regulatory Support

Dear Mr. Wruck:

Re: FortisBC Inc. (FBC)

Project No. 1598945

Application for Amendment to Electric Tariff Rate Schedule 50 Lighting – All Areas (the Application) - Reply to Village of Kaslo (Kaslo) Letter of Comment

On November 20, 2017, FBC filed the Application referenced above. On February 9, 2018, the British Columbia Utilities Commission (BCUC or the Commission) issued Order G-37-18 setting out the Amended Regulatory Timetable for the review of the Application, establishing a comment period.

On February 22, 2018, Kaslo filed a Letter of Comment (Exhibit E-1). FBC files this letter in response to Kaslo in accordance with the Regulatory Timetable established by Order G-37-18.

FBC notes that Kaslo's Letter of Comment raises concerns regarding Type II (Customer-owned, Company-maintained) lights that are not the subject of the Application. The following response addresses Kaslo's concerns with respect to Type III (Company-owned, Company-maintained) lights only.

FBC and Kaslo first began conversations regarding LED street lights in 2015 when Kaslo installed decorative LED lights in locations around the Village. Kaslo requested that FBC convert the existing Type III street lights in Kaslo to LED lights at that time. FBC has been in ongoing conversations with Kaslo about a potential conversion of the Type III Company-owned street lights to LED and notified Kaslo of FBC's intent to file the Application in 2017. FBC has also recently been in contact with Kaslo to discuss the concerns presented in its Letter of Comment, including the concerns raised regarding Type II (Customer-owned, Company-maintained) lights.

FBC provides the following responses to each of the four key issues regarding Type III lighting set out in Kaslo's Letter of Comment.

1) It is uncertain how this conversion/upgrade process be phased in for small municipalities like Kaslo.

As noted in FBC's responses to the BCUC Information Requests (IR) in the Application¹, the details regarding project execution have not yet been determined; however, LED replacements for Company-owned fixtures will be completed on a region-by-region basis in consultation with each municipality beginning in 2018 and finishing in 2020. Given the low impact of the conversion to LED, FBC does not require a replacement plan specific for each Type III customer.

2) The obligations of local government for lights on Fortis-owned poles, for which they pay operation and maintenance within municipal boundaries, should be clearly elucidated.

The current Application only pertains to Company-owned fixtures on Company owned-infrastructure. The obligations of local governments regarding the fixtures they own are not impacted. FBC's Rate Schedule 50 (RS 50) Terms and Conditions set out the obligations of Type III lighting customers. RS 50 states that maintenance of Type III lights will be performed by FBC.

3) It should be clearly demonstrated what the operation and maintenance implications will be to local governments within the FortisBC area in the years ahead so that the cost centre can be reasonably anticipated and budgeted for.

FBC's RS 50 Terms and Conditions set out the maintenance implications for Type III lighting customers. The proposed costs associated with operation and maintenance for Type III LED lights are set out in the Application at \$5.36 per light per month, a 60 percent reduction to the current \$13.40 per light per month maintenance charge that Type III customers pay for non-LED lights.

4) It should be recognized that there are operational and maintenance implications to small municipalities of the fact that a high degree of accredited certification is required to allow municipal workers to conduct LED streetlight maintenance on FortisBC-owned poles – in house maintenance of a municipal asset on a Fortis pole

¹ FBC Responses to BCUC IR 1.4.1 and 1.4.1.1

is neither feasible nor affordable, meaning that such maintenance must be outsourced.

As noted in response to item 2 above, RS 50 states that maintenance of Type III lights will be performed by FBC. FBC is not proposing to change the maintenance obligations for Type III LED lights from FBC to the customer, or requiring that customers purchase the Type III LED lights from the Company. Type III lighting service will remain as Company-owned and Company-maintained.

If further information is required, please contact Sarah Wagner at (250) 469-6081.

Sincerely,

FORTISBC INC.

Original signed:

Diane Roy

cc (email only): Registered Parties