



LETTER L-7-14

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC CANADA V6Z 2N3
TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

Log No. 44584

ERICA HAMILTON
COMMISSION SECRETARY
Commission.Secretary@bcuc.com
web site: <http://www.bcuc.com>

VIA EMAIL

electricity.regulatory.affairs@fortisbc.com

January 30, 2014

Mr. Dennis Swanson
Director, Regulatory Affairs
Regulatory Affairs Department
FortisBC Inc.
Suite 100, 1975 Springfield Road
Kelowna, BC V1Y 7V7

Dear Mr. Swanson:

Re: FortisBC Inc.
Residential Conservation Rate Evaluation Report

The British Columbia Utilities Commission (Commission) is in receipt of FortisBC Inc.'s (FortisBC) Residential Conservation Information Report filed on October 31, 2013 (Report), pursuant to Commission Orders G-127-13 and G-153-13.

Upon review of the Report, the Commission is satisfied that preliminary results of the Residential Conservation Rate (RCR) indicate electricity conservation and general customer impact is consistent with forecasts contained in FortisBC's RCR Application. As such, preliminary evidence demonstrates that the RCR is achieving its intended results. The matter of the RCR was reviewed extensively by the Commission in an open, public proceeding culminating in the issuance of Order G-3-12 on January 13, 2012.

While the RCR is in its very early stages of existence, the Commission recognizes that some customers and impacted customer groups remain concerned about the rate structure. The Commission would like FortisBC to collect additional information from potentially heavily impacted customers including residences that do not have access to other sources of heating fuel (such as natural gas) as well as customers using heat pumps. Specifically, the Commission is interested in data from customer consultations and analysis of individual monthly billing impacts for potentially heavily impacted customers. This information, as well as any proposed rate refinements, should be included in FortisBC's next RCR report to the Commission to be filed on November 30, 2014.

Yours truly,

Erica Hamilton

PW/kbb

cc: Paul Wieringa
Executive Director, Electricity Policy and Regulations
Ministry of Energy and Mines
Paul.Wieringa@gov.bc.ca