

1 **Q. Does Mr. Bowman believe that the Board ought to base rates on temperature or**
2 **weather in various parts of the province? Please explain.**

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4 **A.** Mr. Doug Bowman believes that rates should incorporate temperature and weather to
5 the extent that it affects costs. Using northern jurisdictions as an example, cold
6 temperatures and high winds are in large part responsible for higher loads in the winter
7 driven by space heating, so it makes sense to have rates with higher demand charges in
8 the winter months. The opposite is true in southern jurisdictions where warm
9 temperatures are in large part responsible for higher loads in the summer months driven
10 by air conditioning, so it makes sense to have rates with higher demand charges in the
11 summer months. Mr. Doug Bowman has not seen evidence to suggest that different rates
12 should be applied in different parts of the Province to reflect differences in temperature
13 and weather, but does believe that rates with higher charges in the winter months would
14 improve both the price signal and the fairness of the rate design. The benefits of such a
15 rate design would have to be balanced against the increased costs of administration.