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October 18, 2013

Via Email
Original via Mail

British Columbia Public Interest Advocacy Centre
Suite 209 – 1090 West Pender Street
Vancouver, BC
V6E 2N7

Attention: Ms. Tannis Braithwaite, Acting Executive Director

Dear Ms. Braithwaite:

Re: FortisBC Inc. (FBC)

FBC Radio-Off AMI Meter Option Application

Response to the British Columbia Public Interest Advocacy Center on behalf of the British Columbia Pensioners' and Seniors' Organization *et al* (BCPSO) Information Request (IR) No. 1

On August 30, 2013, FBC filed the Application as referenced above. In accordance with Commission Order G-160-13 setting out the Amended Regulatory Timetable for the review of the Application, FBC respectfully submits the attached response to BCPSO IR No. 1.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC INC.

Original signed:

Dennis Swanson

Attachments

cc: Commission Secretary
Registered Parties (email only)



FortisBC Inc. (FortisBC, FBC or the Company) Application for Advanced Metering Infrastructure (AMI) Radio-Off Meter Option (the Application)	Submission Date: October 18, 2013
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1 **1.0 Reference: Exhibit B-1, Section 1.3, Application, page 4**

2 **Preamble:** “Thirty days prior to scheduled deployment of AMI meters to a particular
3 region, the Company will mail a notice of pending AMI meter installation
4 to all customers of the region. Included in that notice will be a general
5 information kit regarding AMI, as well as a reminder that if they have any
6 concerns regarding the installation they need to contact FortisBC. The
7 notice will clearly indicate that customers can select the Radio-Off Option,
8 set out the means by which that choice must be communicated to
9 FortisBC, and provide the fee schedule associated with that option.”

10 1.1 Will customers opening accounts after the initial deployment have the option to
11 turn off the radio of previously installed radio-on meters?
12

13 **Response:**

14 Yes.

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16

17
18 1.2 How will this option be communicated to new customers?
19

20 **Response:**

21 FortisBC intends to have communications directed at customers throughout the AMI project
22 timeline. These communications will generally include a statement that customers with concerns
23 should visit the FortisBC AMI website or call our contact centre.

24 Both during and after the initial deployment of the AMI meters, information regarding the Radio-
25 Off Option will be offered through the contact centre and the Company’s website. When new
26 customers sign up and if they bring up concerns with AMI, information and resources will be
27 provided through the contact centre.

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1 1.3 Will FortisBC incur any additional costs and/or will new customers be charged
2 any additional fees that do not apply to customers choosing the radio-off option
3 prior to initial deployment?
4

5 **Response:**

6 FortisBC does not expect any additional costs for radio-off customers after deployment and
7 does not expect to require additional fees for customers choosing the radio-off option after
8 deployment.

9 However, as the proposed fees are estimates, FortisBC has proposed in its application a
10 mechanism to capture and deal with any cost variances related to the radio-off customers.
11 Exhibit B-1, Section 1.7, pp 7-8 deals with radio-off cost variances:

12 *The revenue received from radio-off fees would be forecast and recorded as "Other*
13 *Income" similar to other tariff fees. These revenues would be offset by increased O&M*
14 *costs. The net result would be a forecast zero rate impact.*

15 *FortisBC will monitor both actual numbers of Radio-Off Customers and actual manual*
16 *meter reading costs. The Company will recommend fee revisions during the next Cost of*
17 *Service/Rate Design Application if appropriate.*

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1 **2.0 Reference: Exhibit B-1, Section 1.6, page 5**

2 2.1 Has FortisBC considered possible methods of reading radio-off AMI meters other
3 than the proposed manual site visits? For example, could customers submit
4 digital photographs of their meters on a monthly basis? Could customers use the
5 FortisBC web portal to self-report meter readings (with FortisBC carrying out spot
6 audits to ensure accurate reporting)?
7

8 **Response:**

9 FortisBC has considered other methods of reading radio-off AMI meters. However, FortisBC
10 believes that the proposed method of company employees downloading data manually from
11 radio-off AMI meters is in the best interest of all customers since:

- 12 • it ensures the collection of hourly interval readings. Hourly interval readings are only
13 available through the use of the handheld device with which meter readers will be
14 equipped. Hourly interval readings are important because they assist in energy
15 balancing, thus helping to ensure revenue protection benefits. This was referenced in
16 FortisBC's response to BCUC IR 2.50.2 in the AMI CPCN proceeding. The fact that
17 hourly interval data would be available was a key benefit of having radio-off AMI meters
18 as opposed to electromechanical or ordinary digital meters;
- 19 • it is most likely to result in accurate readings; and
- 20 • it reduces radio-off fees, because AMI benefits are substantially preserved (see the
21 response to BCPSO IR 1.2.2 for the increased cost of not having hourly interval
22 readings).

23
24 The problems with customers submitting meter readings by sending digital photographs or
25 entering the reading on the web portal include that:

- 26 • this does not permit the collection of hourly interval data;
- 27 • the photograph may be unclear or data entry may be incorrect;
- 28 • customers may forget or refuse to do this; and
- 29 • administrative costs are incurred in following up on those which have not been provided.

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1
2 2.2 If so, what is the cost of meter reads using these alternative methods?

3
4 **Response:**

5 FortisBC did not explore in detail the cost of these alternate methods, given the substantial
6 drawbacks noted in the response to BCPSO IR 1.2.1 above.

7 For reference, FortisBC did provide an estimate of the impact on project economics of allowing
8 “opting-out” customers to retain their existing meters in the AMI CPCN proceeding, response to
9 BCUC IR 2.84.4, reproduced below. The benefit reduction from customer self-reads of a radio-
10 off AMI meter would closely match those shown in the Theft Reduction and Remote
11 Disconnect/Reconnect part of the analysis since self-reads would not include hourly
12 consumption data. (The other costs and benefits to this self-read option would be the same as
13 “as-filed” in the response to BCUC IR 2.84.4)

14 **Excerpt AMI CPCN, BCUC IR 2.84.4:**

15 84.4 *If an opt-out provision is allowed and the existing meters are permitted to*
16 *be retained, at what level of opt-out does the NPV become negative.*

17 **Response:**

18 *As is noted in the response for BCUC IR No.2 50.2, “FortisBC cannot estimate a*
19 *maximum number of opt-out customers that could be accommodated under the*
20 *conditions noted...”, including the requirement for opt-out customers to hold all other*
21 *customers harmless in terms of lost benefits and increased costs. This requirement is*
22 *satisfied by having opt-out customers pay a one-time set up fee and ongoing manual*
23 *meter reading charge as set out in the response for CEC IR No.1 Q50.6.*

24 *Therefore, in responding to this and the following questions (84.4, 84.4.1, 84.5, and*
25 *84.5.1), the Company is providing a sensitivity analysis with the following assumptions,*
26 *depending upon which type of meter is installed:*

27 *Retain Existing Meters:*

- 28 1. *One-time and ongoing fees to cover manual meter reading are not being*
29 *collected from the opting out customer.*
30 2. *Theft reduction benefits are reduced by five times the opt-out rate (energy*
31 *balancing would become substantially hindered by material opt-out rates)*
32 3. *Measurement Canada Compliance benefits are reduced by the opt-out rate,*
33 4. *Remote Disconnect/Reconnect and Contact Centre benefits are reduced by the*
34 *out-out rate*
35 5. *Meter reading benefits are reduced.*

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- 1 6. *Project Capital Cost is reduced by the fewer numbers of AMI meters being*
2 *purchased*
- 3 7. *Project Capital Cost is increased by the \$110 per unit cost required to set up the*
4 *Opt Out meter, this includes:*
- 5 a. *Additional system configuration costs*
6 b. *Additional network devices to preserve the RF mesh.*

7 *Radio-off AMI Meters:*

- 8 1. *One-time and ongoing fees to cover manual meter reading are not being*
9 *collected from the opting out customer.*
- 10 2. *There is no material loss of theft reduction benefits,*
- 11 3. *There is no material loss of the avoided cost benefit for Measurement Canada*
12 *Compliance,*
- 13 4. *Remote Disconnect/Reconnect and Contact Centre benefits are reduced by the*
14 *percentage of customers opting out*
- 15 5. *Meter reading benefits are reduced.*
- 16 6. *Project Capital Cost is increased by the \$110 per unit cost required to set up the*
17 *Opt Out meter, this includes:*
- 18 a. *Additional system configuration costs*
19 b. *Additional network devices to preserve the RF mesh.*

20 *The following table provides detail for the requested sensitivity analysis:*

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Opt - out Sensitivity Analysis (Customer pays Opt Out fees)								
	as filed	Retain Existing Meters			Radio-off AMI Meters			
		1%	5%	10%	1%	5%	10%	
NPV of Customer (Benefits) or Cost =	(17,629)	(11,452)	12,960	42,911	(16,335)	(9,811)	(2,630)	
Capital Cost								
Total Project Capital	47,689	47,615	47,318	46,947	47,843	48,462	49,235	
Sustaining Capital:								
Meter Growth and Replacement	1,717	1,717	1,717	1,717	1,717	1,717	1,717	
Handheld Replacement	(581)	(581)	(581)	(581)	(581)	(581)	(581)	
Measurement Canada Compliance	(9,758)	(9,661)	(9,270)	(8,782)	(9,758)	(9,758)	(9,758)	
IT Hardware, Licencing, and Support Costs	5,642	5,642	5,642	5,642	5,642	5,642	5,642	
Operating Expenses								
New Operating Costs	14,320	14,320	14,320	14,320	14,320	14,320	14,320	
Meter Reading	(23,785)	(22,363)	(16,926)	(10,694)	(22,753)	(16,926)	(10,694)	
Remote Disconnect/Reconnect	(5,466)	(5,414)	(5,204)	(4,941)	(5,414)	(5,204)	(4,941)	
Meter Exchanges	(1,478)	(1,478)	(1,478)	(1,478)	(1,478)	(1,478)	(1,478)	
Contact Centre	(441)	(436)	(415)	(389)	(436)	(415)	(389)	
Theft Reduction								
Theft Reduction	(38,386)	(33,716)	(15,037)	8,313	(38,386)	(38,386)	(38,386)	
		NPV of Customer Benefit = \$0 at this percentage of Opt Out 2.8%			NPV of Customer Benefit = \$0 at this percentage of Opt Out 11.9%			

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This analysis demonstrates that an opt-out program using existing meters is considerably more expensive due to benefits erosion than an opt-out program that relies on "radio-off" AMI meters.

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As indicated in the response to BCUC IR 2.84.4 included above, there is a substantial benefit reduction from retaining their existing meter. Again, as stated earlier in this response, the benefit reduction from customer self-reads of a radio-off meter would be similar to those shown on the Theft Reduction and Remote Disconnect/Reconnect lines in the response since self-reads would not include hourly consumption data.

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Project benefits would be reduced by approximately \$4.7 million (\$4.7 million from Theft Reduction and a negligible amount from Remote Disconnect/Reconnect) and would have to be absorbed by radio-off customers if only monthly or bi-monthly usage data were available. This would mean additional costs of approximately \$3,400 per radio-off customer based on the 1% "opt-out" assumption used in the response.

16



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4 2.3 If not, why not?

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6 **Response:**

7 Please refer to the response to BCPSO IR 1.2.2.

8

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1 **3.0 Reference: Exhibit B-1, Section 1.6, page 5**

2 3.1 Has FortisBC considered implementing a subsidy program to allow low income
3 customers to choose the radio-off option at no additional cost? For example, the
4 cost of the radio-off program as a whole could be borne by those customers
5 choosing the radio-off option, but with higher income radio-off customers
6 subsidizing the cost of radio-off meters for low-income customers.

7
8 **Response:**

9 On July 31, 2013, FBC filed a letter confirming that it would proceed with the AMI Project
10 subject to applying for an opt-out provision based on the Commission's principles set out in
11 paragraph 1 of Order C-7-13. Please refer to Attachment 3.1 for a copy of this letter. For
12 reference FBC's AMI Project was approved subject to an opt-out program where:

- 13 (a) *Customers may choose to opt-out of accepting a wireless transmitting meter.*
- 14 (b) *Customers who choose to opt-out will be provided with an AMI meter that has the*
15 *wireless transmit functions disabled. Transmit functions on those meters will be*
16 *disabled until the individual chooses to opt back in to the AMI program; in the*
17 *event that the customer moves from the property, the opt-out choice will move*
18 *with the customer.*
- 19 (c) *The incremental cost of opting-out of the AMI program will be borne by the*
20 *individuals choosing to opt-out.*

21

22 On the basis of principle (c), subsidy programs for low income radio-off customers that would be
23 subsidized by either all customers as a whole or higher income radio-off customers was not a
24 consideration in FBC's AMI Radio-Off Meter Option.

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28 3.2 If not, why not?

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30 **Response:**

31 Please refer to the response to BCPSO IR 1.3.1.

32

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1 **4.0 Reference: Exhibit B-1, Section 1.6, page 6**

2 **Preamble:** FortisBC excerpts the following statement from the November 2012 issue
 3 of Power Grid International:

4 *"In practice, the number of customers who opt out of smart meters –*
 5 *fewer than 1 percent – confirms that most customers support having a*
 6 *smart meter or at least do not oppose it."*

7 4.1 Please provide the costs associated with opting out of smart meters in the
 8 jurisdictions (other than Maine) listed, and those in any other North American
 9 jurisdiction FortisBC considered prior to making this application.

10 **Response:**

11 FortisBC sets out below the information that it was able to locate on each utility's website in this
 12 regard. The lefthand column sets out the utility, and the righthand column the fee that is
 13 charged. This is the cost to the opting out customer.

Utility	Opt Out Fees		Source
Avista Corp.	<i>Not found</i>		
Florida Power & Light Co.*	Enrollment Fee: \$105 Monthly Surcharge: \$16		http://www.fpl.com/energysmart/pdf/meter_facts.pdf
Lafayette Utilities System	<i>Not found</i>		
Pacific Gas & Electric Co.	Initial Charge: \$75 Monthly Charge: \$10	Income Qualified Initial Charge: \$10 Monthly Charge: \$5	http://www.pge.com/myhome/customerservice/smartmeter/options/optout/
Portland General Electric Co.	Initial Charge: \$251 Monthly Charge: \$51		http://www.portlandgeneral.com/our_company/energy_strategy/smart_grid/smart_meters_faq.aspx
San Diego Gas & Electric Co.	Initial Charge: \$75 Monthly Charge: \$10		http://www.sdge.com/residential/smart-meter-opt-out/smart-meter-opt-out-program
Hydro Quebec	Initial Charge: \$98 Monthly Charge: \$17		http://www.hydroquebec.com/business/customer-services/next-generation-meters/frequently-asked-questions/
BC Hydro*	<u>Legacy Meter (Existing)</u> Initial Charge: \$100 Monthly Charge: \$20 <u>Legacy Meter</u> Monthly Charge: \$35	<u>Smart Meter-Radio Off</u> Initial Charge: \$155 Monthly Charge: \$20	http://www.bcuc.com/Documents/Proceedings/2013/DOC_36245_B-1_BCH_Application-MeterChoicesProgram.pdf

15 * Proposed



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1 Please note that the proposed FortisBC per-read fee is the equivalent of \$11 per month for
2 residential customers (since they are billed \$22 bi-monthly).

3
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6 4.2 Please provide any statistics/data/information FortisBC has reviewed concerning
7 customer reasons for opting out of (or opting in to) smart meter programs in other
8 jurisdictions.

9

10 **Response:**

11 FortisBC has kept a record of concerns expressed by its customers and believes that those
12 customers' perception of health, privacy, security and safety concerns are the main reason that
13 customers may choose the radio-off option.

14 FortisBC has not reviewed other statistics/data/information concerning customer reasons for
15 opting out of AMI programs.

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1 **5.0 Reference: Exhibit B-1, Section 1.7, page 7**

2 **Preamble:** FortisBC states in the Application that “the Company will recommend fee
3 revisions during the next Cost of Service/Rate Design Application if
4 appropriate.”

5 5.1 Please confirm that if FortisBC’s current Performance Based Ratemaking
6 Revenue Requirements 2014-2018 Application is successful, the next Cost of
7 Service/Rate Design Application will be submitted for F2019.

8
9 **Response:**

10 Please refer to the response to BCUC IR 1.10.1.

11
12

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14 5.2 If the above is confirmed, has FortisBC considered alternative adjustment
15 mechanisms that can be applied in the shorter term?

16
17 **Response:**

18 FBC is proposing to complete a Cost of Service/Rate Design Application after it has one full
19 year of data from the AMI system. The actual number of customers choosing the radio-off
20 option and actual costs would likely not be known until after full implementation of the AMI
21 project. As a result, if the radio-off fees required an update, the earliest feasible time for
22 completing such a revision would be in the next Cost of Service/Rate Design Application. Given
23 that, a shorter term adjustment does not appear to be possible.

24
25

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27 5.3 If not, why not?

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29 **Response:**

30 Please refer to the response to BCPSO IR 1.5.2.

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1 **6.0 Reference: Exhibit B-1, Section 1.9, page 9**

2 **Preamble:** FortisBC notes that when a radio-off customer moves, “FortisBC will turn
3 the wireless transmission ‘on’ at that premises unless the new, incoming
4 customer at the premise also elects to choose a radio-off AMI meter, and
5 completes, signs, and submits the FBC Radio-Off Option Form in the
6 manner outlined above.”

7 6.1 Where a new customer moves into a premise where the previous resident had a
8 radio-off meter, will FortisBC charge the new customer a fee to turn on the radio?
9

10 **Response:**

11 Providing that the new customer registers for the radio-off option prior to FortisBC changing the
12 meter to the default radio-on mode, the new customer will not be charged the one-time setup
13 fee for the radio-off option.

14
15

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17 6.2 If so, how much?
18

19 **Response:**

20 Please refer to the response to BCPSO IR 1.6.1.

21
22

23
24 6.3 If not, how are these costs allocated?
25

26 **Response:**

27 Please refer to the response to BCPSO IR 1.6.1.

28
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31 6.4 Please confirm that where a new customer moves into a premise where the
32 previous resident had a radio-off meter, and the incoming customer at the



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1 premise also elects to choose a radio-off meter, the new customer will not be
2 charged the fee to turn the radio off.

3
4 **Response:**

5 Further to the response to BCPSO IR 1.6.1, providing that the new customer registers for the
6 radio-off option prior to FortisBC changing the meter to the default radio-on mode, the new
7 customer will not be charged the one-time setup fee for the radio-off option.

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1 **7.0 Reference: Exhibit B-1, Section 1.11, page 9**

2 **Preamble:** “For those customers that still wish to have a standard radio-on AMI
3 meter, but have concerns related to the wireless communication
4 capabilities of the meter...there remains the option of relocating the meter
5 base to a location mutually acceptable to the customer and the Company,
6 with the customer responsible for all costs related to the relocation.”

7 7.1 Please elaborate on and itemize the costs associated with relocating the meter
8 base to a new location and the factors affecting the cost of this service for
9 various locations.

10
11 **Response:**

12 FortisBC believes that the cost would vary significantly depending on distance from the existing
13 meter base and whether the service was underground or overhead.

14 FortisBC does not have detailed information regarding the cost of meter base relocations, aside
15 from tariff-related disconnection and reconnection charges. This is because meter base
16 relocations are not performed by FortisBC, but by qualified electricians hired and paid by the
17 customer. FortisBC’s role is simply to disconnect and reconnect service.

18 While FortisBC included this reference for completeness, this is an option available under the
19 existing Tariff and thus does not form part of the order requested in the Application.

20

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1 **8.0 Analog Meter Retention**

2 8.1 Has FortisBC considered offering customers an option similar to that offered by
3 BC Hydro whereby those wishing to opt-out of an AMI meter can choose to keep
4 their current analog meter?
5

6 **Response:**

7 On July 31, 2013, FBC filed a letter confirming that it would proceed with the AMI Project
8 subject to applying for an opt-out provision based on the Commission's principles set out in
9 paragraph 1 of its Order. Please refer to Attachment 3.1 provided in response to BCPSO IR
10 1.3.1 for a copy of the letter, dated July 31, 2013. Please also refer to Attachment 1.1 provided
11 in response to BCSEA IR 1.1.1 for a copy of Order C-7-13 and Section 11.4 of the
12 Commission's Decision. For reference FBC's AMI Project was approved subject to an opt-out
13 program where:

14 (a) *Customers may choose to opt-out of accepting a wireless transmitting meter.*

15 (b) *Customers who choose to opt-out will be provided with an AMI meter that has the
16 wireless transmit functions disabled. Transmit functions on those meters will be
17 disabled until the individual chooses to opt back in to the AMI program; in the
18 event that the customer moves from the property, the opt-out choice will move
19 with the customer.*

20 (c) *The incremental cost of opting-out of the AMI program will be borne by the
21 individuals choosing to opt-out.*

22
23 On the basis of principle (b), allowing customers to keep their existing analog meter was not a
24 consideration in FBC's AMI Radio-Off Meter Option.

25 Although FortisBC did not explore an "analog meter option" in this Application (and believes the
26 consideration of such an option is outside its scope), for reference it did provide an estimate of
27 the impact on project economics of allowing customers to retain their existing meters in the
28 response to BCUC IR 2.84.4 in the AMI CPCN regulatory process. Please refer to the response
29 to BCPSO IR 1.2.2 for the excerpt of the response to BCUC IR 2.84.4.

30 That response indicates a substantial benefit reduction from retaining their existing meter.

31 Total project NPV is reduced by approximately \$6.2 million and would have to be absorbed by
32 analog meter customers if only monthly or bi-monthly usage data were available. This would
33 mean additional costs of approximately \$4,400 per radio-off customer based on the 1% "opt-out"
34 assumption used in the response.



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8.2 If so, what were the anticipated costs to ratepayers choosing this option?

Response:

Please refer to the response to BCPSO IR 1.8.1.

8.3 If so, why was this option not presented in the Application?

Response:

Please refer to the response to BCPSO IR 1.8.1.

8.4 If not, why not?

Response:

Please refer to the response to BCPSO IR 1.8.1.



FortisBC Inc. (FortisBC, FBC or the Company) Application for Advanced Metering Infrastructure (AMI) Radio-Off Meter Option (the Application)	Submission Date: October 18, 2013
Response to British Columbia Public Interest Advocacy Centre on behalf of the British Columbia Pensioners' and Seniors' Organization et al (BCPSO) Information Request (IR) No.1	Page 17

1 **9.0 Authority to Instruct FortisBC**

2 9.1 As between the property owner, the property resident and the account holder,
3 which party has the authority to instruct FortisBC regarding the radio-on/off status
4 and location of the AMI meter?

5
6 **Response:**

7 As described in Exhibit B-1, page 2, lines 24-25, "A customer for the purpose of the Radio-Off
8 Option is a FortisBC account holder scheduled by FortisBC to receive an AMI meter."

9 A property owner or property resident is not eligible for the Radio-Off Option unless they are an
10 account holder.

11 In terms of instructions regarding the location of the AMI meter, that is not specifically part of the
12 Radio-Off Option. For reference, however, FortisBC notes that page 9 of the Application states:

13 *For those customers that still wish to have a standard radio-on AMI meter, but have*
14 *concerns related to the wireless communication capabilities of the meter, for*
15 *completeness FortisBC notes that there remains the option of relocating the meter base*
16 *to a location mutually acceptable to the customer and the Company, with the customer*
17 *responsible for all costs related to the relocation.*

18
19

20
21 9.2 What steps, if any, does FortisBC take to confirm the identity and status of the
22 property owner, resident and account holder?

23
24 **Response:**

25 As per the definition of Customer in Section 1.1 of FortisBC's AMI Radio-Off Application, and
26 the response to BCPSO IR 1.9.1 above, FortisBC intends to accept radio-off instruction from
27 account holders only. Confirmation that we are speaking to an account holder will follow
28 existing Contact Centre privacy policies. These steps involve asking the customer to verify
29 information such as name, address, account number, phone number and driver's license
30 number.

31

Attachment 3.1



Dennis Swanson
Director, Regulatory Affairs

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

July 31, 2013

Via Email

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

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

**Re: British Columbia Utilities Commission Order C-7-13 made July 23, 2013
(CPCN Order)**

The CPCN Order provides as follows:

NOW THEREFORE pursuant to sections 45, 46 and 56 of the *Utilities Commission Act* the Commission orders as follows:

1. A Certificate of Public Convenience and Necessity is granted to FortisBC for the AMI Project as described in the Application and as modified by directives in this Order and the Decision issued concurrently with it and subject to the condition that FortisBC must confirm in writing by August 1, 2013 that it will file an application for an opt-out provision by November 1, 2013 based on the following principles:
 - (a) Customers may choose to opt-out of accepting a wireless transmitting meter.
 - (b) Customers who choose to opt-out will be provided with an AMI meter that has the wireless transmit functions disabled. Transmit functions on those meters will remain disabled until the individual chooses to opt back in to the AMI program; in the

event that the customer moves from the property, the opt-out choice will move with the customer.

- (c) The incremental cost of opting-out of the AMI program will be borne by the individuals choosing to opt-out.

....

In accordance with the CPCN Order, FortisBC Inc. (FortisBC) hereby confirms that it will file an application for an opt-out provision by November 1, 2013 based on the principles that the Commission set out in subparagraphs (a) to (c) above. FortisBC has determined to proceed with the AMI Project despite its earlier opposition to opt out given that opt out would have the characteristics provided in subparagraphs (a) to (c). Further to pages 148 and 149 of the Commission's Decision and paragraph 1 of the CPCN Order, FortisBC's application will set out the details required to implement the opt-out provision that was outlined by the Commission.

FortisBC appreciates the Commission's timely issuance of the CPCN Order given the timing constraints set out in its July 26, 2012 AMI application.

Sincerely,

FORTISBC INC.

Original signed:

Dennis Swanson

cc (e-mail only): FBC AMI CPCN Application Interveners