

December 7, 2012

Ms. Erica Hamilton
Commission Secretary
British Columbia Utilities Commission
Sixth Floor - 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Ms. Hamilton:

Via email: Commission.secretary@bcuc.com

**Re: Request for a Suspension of Proceedings into the
Fortis BC Application for a Certificate of Public Convenience and Necessity
for the Advanced Metering Infrastructure Project No. 3698682**

Doing What is Best for FortisBC Customers

Introduction

There is virtually no doubt that at some point in the future FortisBC will be allowed to install smart meters at the homes and businesses of its service area customers. Smart meters are being rolled out all over the United States, Europe, China and Australia.

AMI is rapidly becoming the primary replacement meter to existing electromechanical meters because the new meters are more accurate, they provide enhanced outage response, and AMI offers opportunities for customer energy management.

A British Columbia smart grid vision should provide direction to implement technology that will enhance the functionality of the electric grid for **the benefit of utility customers in a cost-effective manner that does not impact customer health, safety, or privacy**. Therefore, it is important to identify electric grid objectives that outline a more reliable grid, improve power quality and incorporate cleaner and renewable power sources for electricity generation. All components of electric grid improvements, including AMI installation, distribution infrastructure replacement, and electric generation **should reflect the larger objective of customer buy-in**.

Before a regulated utility can change a rate or service, it must first file the change with the BC Utilities Commission. For a rate change, such a procedure makes sense. For a momentous change of service like AMI, this is a backwards approach to the issue since significant opposition to wireless smart meter installations has sprung up in every area they have been put in or proposed.

For such an historic change of service that is asking customers to make energy efficiency behaviour a “way of life”, FortisBC has not done **the marketing and education elements necessary to prepare customers** for the roll-out of advanced meters.

The Commission can only authorize a CPCN that is fair and reasonable to customers. FortisBC’s Project No. 3698682 is not. There are cost implications, health, safety, and privacy issues that call into question the adequacy with which FortisBC has prepared its CPNC application – an application that is not based on the best information possible.

In addition, FortisBC has not been forthright with its customers about intentions to utilize the smart meters to introduce time-based, peak day, peak time, and critical peak pricing programs to reflect the cost of electricity production during periods of high demand. Virtually every utility in North America that has installed smart meters has introduced such rates, why would FortisBC be any different? In 2008 when it first sought BCUC approval for AMI, FortisBC argued that although some rate designs to encourage conservation can be implemented in the absence of AMI, there is a broader range of potential structures available with the interval data made available through AMI. FortisBC has not been forthright with its customers about what these “potential structures” might be. **And it is important to remember that FortisBC had to be dragged into implementing its recent Conservation Rate by Andy Shadrack, an intervener in this proceeding.**

Once again, FortisBC does not have an overall “vision” of the complete program for the implementation and use of AMI. Once again, there is insufficient evidence with respect to the feasibility and cost effectiveness of the ultimate end product/result of the program.

Recognizing that there is an active discussion and ongoing research into the possible cost implications and health and environmental effects related to radio frequency signals, **58 municipal councils in BC** have asked for either a moratorium on mandatory installation of BC Hydro’s smart meters and/or have requested an opt-out option.¹ **In California, 57 local governments have opposed the mandatory wireless smart meter program and 13 have made smart meter installations illegal within their jurisdictions.**²

The Union of BC Municipalities passed a resolution on September 30, 2011 calling for a moratorium on BC Hydro’s mandatory installation of smart meters. Several municipal councillors have criticized BC Hydro's communication strategy around its smart metering program; FortisBC’s has not been any better.

FortisBC **has not received the approval of local governments** for the smart meter installation – both the Regional District of Central Kootenay (RDCK) and the Regional District of Kootenay Boundary (RDKB) have registered their opposition to this project. The Kaslo Chamber of Commerce has requested “that FortisBC be required to provide an appropriate and verifiable wired option to the Commission”.

¹ See <http://www.stopsmartmetersbc.ca/html/?p=5441>

² See <http://stopsmartmeters.org/how-you-can-stop-smart-meters/sample-letter-to-local-government/ca-local-governments-on-board/>

Argument for Suspension of Proceedings

The BCUC has to make a decision on the application by Andy Shadrack (representing Area D of the RDCK) and Michael Jessen (representing the Nelson Creston Green Party Constituency Association) to suspend the proceedings into Project No. 3698682 until FortisBC provides the Commission with a fully detailed business case for a wired, feasible, alternative smart meter option. (A “wired smart meter” means an advanced metering infrastructure device using a fixed wire for two-way communication between the device and an electric company.)

If the Commission denies this application, the following will likely result:

An application will be filed with the BCUC to direct FortisBC to submit a proposal for Commission consideration that would provide an alternative to customers who do not wish to have a smart meter with wireless radio transmission. The proposed requirements would include the use of a wired meter in place of a wireless smart meter and no additional charges for customers selecting the opt-out option. Any option adopted would need to be technologically feasible and consistent with the province’s goals to deploy a smart grid.

Note 1: The Vermont legislature passed bill S.214 which was signed into law by the Vermont governor in May 2012. The bill “allows a customer to choose not to have a wireless smart meter installed, at no additional monthly or other charge” and “allows a customer to require removal of a previously installed wireless smart meter for any reason and at an agreed-upon time, without incurring any charge for such removal”. Utilities had already received permission from the Public Service Board to delay implementing previously approved opt-out fees until April 2013, but this recent legislation delays the fees indefinitely. The Department of Health and the Department of Public Service will be conducting more investigations into how the wireless smart meter rollout will impact the health of Vermonters. The bill requires the departments to hire an independent contractor who must submit a report to the legislature by January 15th, 2013. The report is to include “a representative sample of post deployment radio frequency level testing; and recommendations relating to evidence-based surveillance on the potential health effects of wireless smart meters.”³

Note 2: On September 11, 2012 the Michigan Public Service Commission agreed with a staff recommendation that investor-owned electric utilities “shall make available an opt-out option, based on cost-of-service principles, for their customers if or when the provider elects to implement AMI.”⁴

Note 3: Similarly, the California Public Utilities Commission directed Southern California Edison in November 2011 to “file a proposal to provide residential SCE customers an alternative to the installation of a digital electric smart meter that transmits customer usage data through radio

³ See **An act relating to the Vermont energy act of 2012**. (S.214) viewable at <http://www.leg.state.vt.us/docs/2012/Acts/ACT170.pdf>

⁴ See **Case No. U-17000**, viewable at <http://efile.mpsc.state.mi.us/efile/docs/17000/0461.pdf>

transmission. The proposal shall include analysis on the technological feasibility and cost to offer each of the following types of alternatives to installation of a wireless smart meter:

- a. Analog (electromechanical) meter.
- b. Digital meter with no radio installed.
- c. Smart meter with radio transmission turned off.
- d. Wired smart meter.”

For each of these alternatives, SCE was ordered to “include the following analysis:

- a. Whether the radio transmission capability of the electric smart meters can be turned off remotely and the associated cost to include that feature.
- b. Whether the radio transmission capability of the electric smart meters can be programmed to turn on and transmit data at a specified time each month and the associated cost to include that feature.
- c. A comparison of costs to implement each of the alternatives:
 - i. If an analog meter is currently installed.
 - ii. If a wireless smart meter is currently installed.
- d. A comparison of costs when a meter is read:
 - i. By a utility employee every month.
 - ii. By the utility employee on a quarterly basis, with the remaining months being read by the customer.
 - iii. By the utility employee on a semi-annual basis, with the remaining months being read by the customer.
- e. Identification of all costs that would be incurred regardless of how data for the alternative is collected (i.e., read by utility employee, read by customer or read via “snap read”).
- f. The proposed upfront and monthly fees/rates to be paid by customers under each of the opt-out alternatives. The proposed fees/rates shall also specify the discounted fees/rates to be charged to customers enrolled in the California Alternates Rates for Energy Program.⁵

The NCGPCA did not have unlimited time to research the many other instances of public pushback over wireless smart meters. While the decisions in Notes 1, 2, and 3 are in American jurisdictions and are or may be subject to further PUC decisions or court challenges, it is the opinion of the NCGPCA that the BCUC cannot ignore the obvious – denying the application to suspend proceedings will only cause unnecessary lengthy delays in this CPCN process.

It is noted that a BCUC Panel has once before denied a FortisBC CPCN application and amended application for an AMI project as “incomplete and premature”.⁶ The NCGPCA contends FortisBC CPCN AMI application for Project No. 3698682 is incomplete and premature without a verifiable, fully costed-out viable wired option.

⁵ See **Decision 11-11-006 November 10, 2011** viewable at http://docs.cpuc.ca.gov/word_pdf/FINAL_DECISION/153442.pdf

⁶ See **Order G-168-08 with reasons for decision**, http://www.bcuc.com/Documents/Proceedings/2008/DOC_20449_G-168-08_with-Reasons-for-Decision.pdf

If the Commission approves the application for a suspension of proceedings, the following will occur:

*FortisBC will be required to provide a fully costed viable wired meter option which can be evaluated against the utility's current wireless application. Such an option removes one of the main points of opposition against wireless meters – radio frequency electromagnetic radiation. It will settle the question of the cost of wired versus wireless meters which is currently in dispute. If a wired option proves the least expensive and most viable option, that settles the argument over whether wireless meters will function adequately in sparsely populated rural areas. In addition, the questions of fire hazards and privacy concerns will be settled should the wired option be acknowledged as the preferred option. A decision to approve the application for a suspension of proceedings will go a long way to quell the apprehension that the BCUC has its mind made up about wireless smart meters due to the presence of **Quick Facts About Smart Meters**⁷ on its website.*

Simple logic informs us that these CPCN proceedings into AMI Project No. 3698682 should be suspended until FortisBC has provided the Commission with a fully costed-out viable wired option so the above noted points of opposition, disputes, questions, and apprehensions are resolved thereby relieving the Commission Panel of once again determining that a FortisBC AMI CPCN application is “incomplete and premature”.

Conclusion

Two years ago the provincial government decided to exempt BC Hydro's smart meter program from a hearing by the BCUC. The Citizens for Safe Technology Society filed a complaint under Section 47 of the *Utilities Commission Act*. In a finding issued March 5, 2012, the commission said:

“In the absence of a specific stated requirement that the meters used to fulfill section 17 of the CEA be wireless or wired, the Commission concludes the legislature entrusted BC Hydro, as the technical expert, to determine the equipment needed to meet the requirements under the CEA and the Regulation.”

The Commission further stated:

“The Commission finds there is insufficient evidence to substantiate the Complainants' argument that the legislature intended BC Hydro to use a specific type of equipment, wired or wireless, to fulfill its obligations under section 17 of the CEA and to meet the prescribed requirements under section 2 of the Regulation.”⁸

Choice is one of the defining characteristics of a democracy. One smart meter option – wireless – is not a choice. The BCUC had no choice in the decision over what type of equipment BC Hydro used in its smart meter program since Hydro proceeded under an act and regulation

⁷ See http://www.bcuc.com/Documents/Participant-Info/QuickFacts-on-SmartMeters_Feb2012.pdf

⁸ See **LETTER L-13-12** http://www.bcuc.com/Documents/Orders/2012/DOC_29982_L-13-12_Collins-CSTS-BCH-Smart-Meter-Complaint.pdf

issued by the legislature. **The BCUC does have the power to require choice with regard to CPCN Project No. 3698682.**

Regarding Certificates of Public Convenience and Necessity, the **Utilities Commission Act, Section 45 (8)** states:

“The commission must not give its approval unless it determines that the privilege, concession or franchise proposed is necessary for the public convenience and properly conserves the public interest.”

FortisBC’s 2012 AMI CPCN application as it stands is neither necessary for the public convenience nor does it properly conserve the public interest. Only by providing the Commission with a detailed costed-out viable wired option can the Commission Panel make a timely informed decision.

FortisBC could have avoided the untold bad publicity and customer animosity surrounding wireless smart meters if it had only presented a verifiable, fully costed-out wired meter option in its original application. By not doing so, it put its own interests ahead of those of its customers. FortisBC has abused its mandate as a utility to do what is best for its customers. To balance the interests and concerns of the public and ratepayers, the BCUC should order it to do so now.

Respectfully submitted by,

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On behalf of the Nelson-Creston Green Party Constituency Association
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