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November 22, 2013

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

Dear Ms. Hamilton:

**RE: Project No. 3698760
British Columbia Utilities Commission (BCUC)
British Columbia Hydro and Power Authority (BC Hydro)
Application for Approval of Charges Related to Meter Choices Program
Responses to BCUC and Judy Skogstad Information Request No. 1**

BC Hydro writes in compliance with BCUC Order No. G-186-13 to provide its responses to Round 1 information requests as follows:

Exhibit B-5	Responses to BCUC Information Request No. 1 (Public Version)
Exhibit B-5-1	Responses to BCUC Information Request No. 1 (Confidential Version)
Exhibit B-6	Responses to Judy Skogstad Information Request No. 1

For further information, please contact Gordon Doyle at 604-623-3815 or by email at bhydroregulatorygroup@bhydro.com.

Yours sincerely,



(for) Janet Fraser
Chief Regulatory Officer

jc/ma

Enclosures (3)

Copy to: BCUC Project No. 3698760 (Application for Approval of Charges Related to Meter Choices Program) Registered Intervener Distribution List.

November 4th, 2013

Ms. Erica Hamilton
Commission Secretary
British Columbia Utilities Commission
Sixth Floor, 900 Howe Street
Box 250
Vancouver BC V6Z 2N3 and via fax to 604-660-1102

Dear Madam:

Re: BC Hydro Smart Meter Choices Program – Order No. G-167-13 (Project No?)

This in reference to Exhibit C22-1 (letter dated October 23rd, 2013) in which I stated I would like to email a letter of objection to the prices proposed for the options to a smart meter and to the time frame by which users have to make a decision prior to a ruling by the BC Utilities Commission. This is the letter of objection.

I would like to acknowledge that I appreciate the opportunity to have an option to Smart Meters. I have an immune compromised health condition, and would like to minimize my exposure to potentially harmful environments. Further, I do expect to pay for additional costs that can be reasonably allocated to my chosen option. However, those costs should be fair with respect to other options. Further, the options presented should be long term.

The on-going costs are an issue for me due to the impact they will have on my BC Hydro bill. My average monthly BC Hydro bill in 2012 was \$42.64, and to-date in 2013 it is \$55.13. These are costs for my dwelling, exclusive of heating by natural gas (furnace, fireplace and hot water). A \$35.00 per month increase represents an 82% increase of my hydro costs for 2012, and a 63.5% increase in the costs to date for 2013. A \$20.00 per month surcharge represents a 46.9% increase in costs for 2012 and a 36.3 % increase in 2013. I find this unacceptable, given that I conserve hydro as much as possible by turning off lights, purchasing energy efficient appliances, etc.

My comments, as follows, are based on information presented in BC Hydro's *Application for Approval of Charges Related to Meter Choices Program, Chapter 3 – Meter Choices Program Costs*. I have read this document several times in an attempt to understand and accept that the costs are justifiable. I find the document confusing and contradictory in places, and the costs padded. Further the proposed costs are inequitable with respect to smart meter users and non-smart meter users – i.e. discriminatory.

1.0 Proposed Meter Choices Standard Charges

BC Hydro states the following on page 3-6: *"For premises where the existing installed meter is a legacy meter, it is proposed that neither customers choosing a smart meter nor customers choosing a radio-off meter will be charged directly for the meter exchange (these costs will be treated in the same manner as other smart meter deployment costs)."*

BC Hydro states that *In the case of customers choosing to retain the legacy meter, no visit to the customer's premises is necessary and therefore there are no associated meter exchange costs.*

Radio-off Meters

Table 3-1 Proposed Standard Charges for Eligible Customers indicates that those with an existing legacy meter choosing a radio-off meter will pay \$100, and those individuals moving from a property with a radio-off meter and requesting a change from a smart meter to a radio-off smart meter in their next residence will pay \$155.

So what is the basis for charging \$100 and \$155? These amounts include a \$55 exit fee in the \$100 fee and it appears to include two exit fees in the \$155. These in effect represent the average costs of installing a smart meter. Presumably BC Hydro is required to install meters in residences regardless of the type – this is part of the service they provide and therefore included in the rate structure. So why charge an exit fee? The additional cost to provide a radio off smart meter is \$26.91 (page 3.14), and the start up fees should be limited to this. To charge a \$55 exit fee assumes that a property owner with a radio-off meter will want this in their next residence, when in fact they may move out of province, stay in their homes until they pass away, or move into a care facility. If an individual does choose to move into a dwelling with a smart meter and want that changed to a radio-off meter in the future, the charge should be incurred at that time and only with respect to operations required to turn the radio off.

Another component of the \$100 and \$155 start up costs includes a \$12.40 fee as “*work required to modify a customer account to reflect either a radio-off or legacy meter*” reflective of the costs of a new customer account. *It may include customer communications, reviewing the customer account and the determination of eligibility, and processing the account through BC Hydro’s IT system.* Residence with legacy meters – whether choosing to maintain them or switching to a radio-off meter already have accounts with BC Hydro – there is no need to set up a new account. Processing an account through the IT system is already occurring and presumably covered in the existing rate structure. Smart meter customers are presumably not being charged such a fee in spite of the communication strategy around this issue – the toll free line, etc . If they are not, then they are being rewarded for having chosen the smart meter option, and those not choosing it are being subject to a financial penalty.

Legacy Meter

While there is no initial cost for maintaining an existing legacy meter, there will be costs for replacement of expired legacy meters. These are listed in Table 3-3 as operating costs – Expired Meter Seal Exchanges."

While BC Hydro proposes a \$12.40 fee as a “new account” for the radio-off option, unless it is included in the monthly fee, it does not appear to charge this fee for the legacy meter even though it states this is to cover *work required to modify a customer account to reflect either a radio-off or legacy meter* (page 3-13).

2.0 Operating and Capital Costs Reflected in Monthly Fees

The monthly fee of \$20 and \$35 includes both operating and capital costs being amortized over time.

Some of these costs are vindictive and unreasonable, two examples are as follows.

Theft Detection

Theft detection check meters appear to be a new requirement now that legacy meters are going to remain an option for a total of \$0.6 million in the form of additional field investigation teams and

temporary check meters near premises being proposed. BC Hydro states that *A continued presence of legacy meters on the distribution system will increase the effort and resources required to identify energy theft and other unmetered loads on the system.*

Why is there now a need for an increase in effort, given that there will be a relatively small proportion of legacy meters remaining? Has monitoring of theft not already been occurring and therefore covered by the current fee structure? Does BC Hydro believe that there are sufficient numbers of people wanting the legacy meters to remain so as to steal electricity to warrant this additional cost? People I know who do not want smart meters are for reasons of personal security and health.

It appears convenient that the costs for theft detection are amortized for 5 years, which largely corresponds with the year in which 93% of the seals of legacy meters will have expired. The optics are that this component of costs is being introduced to inflate the monthly cost of the legacy option. If theft detection is such an important issue, why was it not introduced when there were more users to absorb the costs? If it is already being addressed, why then are there now additional charges?

Further while BC Hydro states that *“All incremental field investigative costs have been allocated to the legacy meter option”*, Table 3-15 Radio-Off Meter Option Capital Related Costs includes Check Meters – 5 year life.

Telecom Range Extenders

BC Hydro has identified the need for Range Extenders to preserve the integrity of the mesh network, and is proposing that the radio-off and legacy meter users pay for this. While the need for range extenders are a cost associated with options to smart meters, they are in effect required to provide a service to smart meter users, and not the radio-off or legacy users. This is the cost of providing smart meter service at a lower density than initially anticipated, and the costs should be bore by that user group.

BC Hydro is proposing that radio-off and legacy users pay higher meter reading costs than in the past due to more dispersed and lower density users. They then should not have to subsidize smart meter uses as well where lower densities are having an impact on their service. In effect BC Hydro is proposing a financial penalty on non-smart meter users for not wanting their living space to be used to indirectly transmit data to another residence. This is unconscionable given stated concerns regarding health issues around radio frequency exposure levels.

3. Phasing Out of Legacy Meters

Is maintaining a legacy meter an option for the 40% of users with a meter seal that expires in 2013? It appears not.

BC Hydro has stated *“legacy meters remaining in service through the Meter Choices Program will be taken out of service in the year of Measurement Canada seal expiry. An inventory of legacy meters will be developed by using meters with non-expired Measurement Canada seals removed from customer premises that currently have a legacy meter and the customer chooses either a radio-off meter or a smart meter.”*

It therefore appears that there is no inventory at present, and BC Hydro is counting on people giving up their legacy meters with unexpired seals in the future to create an inventory. I contacted BC Hydro

respecting my meter, and was told that the seal expires at the end of 2013, and that my options would be either a smart meter or a radio-off smart meter.

Maintaining a legacy meter is a very expensive short term option, and may not be an option even on an interim basis for those with seal expiry dates in 2013. This is despite the undated letter I received sometime in September from BC Hydro listing keeping my old analog digital meter as an option. Further, if I choose this option now, and refuse either a smart meter or radio-off meter, will I then be subject to the \$65 failed installation fee if there is no replacement legacy meter available?

4. Summary

- BC Hydro is misleading when stating that there are no direct costs for a radio-off meter installation or legacy meter exchanges. There are Installation costs imposed for a radio-off smart meter in the form of an “exit fee” and for the replacement of an expired legacy meter in the form of an operating cost in contrast to smart meters for which installation costs are not being passed onto consumers. Smart meters are free of charge and there is no separate monthly fee.
- The \$12.40 fee for account processing is a charge for services already paid for under the current fee structure and is being applied indiscriminately against the radio-off option.
- Capital and operating costs in some cases are punitive and unwarranted.
- Maintaining a legacy meter is not an option on a long term basis, and may not be an option for those with legacy meter seals expiring in 2013.

5. Request to the BC Utilities Commission

I request that the BC Utilities Commission carefully review the proposed costs in light of my analysis, which is not exhaustive. I believe I have only pointed out some of the more obvious issues. I would appreciate a ruling where the costs imposed are not punitive and are equitable and fair amongst the three options.

I also request that the BC Utilities Commission require BC Hydro to present a long term and on-going option to address concerns respecting privacy concerns. Phasing out the legacy meters will mean that those concerned with the privacy of their information will have no option.

A final request is to order that the December 1st, 2013 deadline be changed to a time after which the Commission makes a ruling so consumers have complete information on which to make a decision re their chosen option.

Thank you for the opportunity to comment.

Sincerely,

Judy Skogstad

6188 Mika Road, Sechelt, BC, V0N 3A7

c.c. BC Hydro – Meter Choice, PO Box 9530 Stn Terminal, Vancouver BC, V6B 4G8
and via fax to 778-452-6945

Judy Skogstad Information Request No. 1.1.1 Dated: November 6, 2013 British Columbia Hydro & Power Authority Response issued November 22, 2013	Page 1 of 1
British Columbia Hydro & Power Authority Application for Approval of Charges Related to Meter Choices Program	Exhibit: B-6

1.0 Proposed Meter Choices Standard Charges

Radio-off Meters

Table 3-1 Proposed Standard Charges for Eligible Customers indicates that those with an existing legacy meter choosing a radio-off meter will pay \$100, and those individuals moving from a property with a radio-off meter and requesting a change from a smart meter to a radio-off smart meter in their next residence will pay \$155.

- 1.1.1 So what is the basis for charging \$100 and \$155? These amounts include a \$55 exit fee in the \$100 fee and it appears to include two exit fees in the \$155. These in effect represent the average costs of installing a smart meter. Presumably BC Hydro is required to install meters in residences regardless of the type – this is part of the service they provide and therefore included in the rate structure. So why charge an exit fee?

RESPONSE:

The basis for the proposed Meter Choices Program charges is provided in section 3.6.1 of the Application. Appendix I of the Application provides the detailed analysis.

As noted in section 3.4.2.2 of the Application (page 3-15), the exit fee is intended to recover the cost of exchanging the radio-off meter for a smart meter when the customer moves from the premises or chooses a smart meter.

Judy Skogstad Information Request No. 1.2.1 Dated: November 6, 2013 British Columbia Hydro & Power Authority Response issued November 22, 2013	Page 1 of 1
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2.0 Operating and Capital Costs Reflected in Monthly Fees Theft Detection

Theft detection check meters appear to be a new requirement now that legacy meters are going to remain an option for a total of \$0.6 million in the form of additional field investigation teams and temporary check meters near premises being proposed. BC Hydro states that *A continued presence of legacy meters on the distribution system will increase the effort and resources required to identify energy theft and other unmetered loads on the system.*

- 1.2.1 Why is there now a need for an increase in effort, given that there will be a relatively small proportion of legacy meters remaining? Has monitoring of theft not already been occurring and therefore covered by the current fee structure? Does BC Hydro believe that there are sufficient numbers of people wanting the legacy meters to remain so as to steal electricity to warrant this additional cost?

RESPONSE:

The SMI Program was designed to achieve significant theft detection benefits in addition to other benefits, and in the absence of any mitigation efforts, these theft detection benefits would be eroded as a result of the ongoing presence of legacy meters on the BC Hydro system. Please also refer to the responses to BCUC IRs 1.10.3 and 1.18.1.1.

For several years, BC Hydro has monitored for theft through deployment of field investigation teams. With the implementation of the SMI Program, including the deployment of smart meters and distribution meters, the amount of field investigation effort engaged in theft prevention was to be reduced. However, the ongoing presence of legacy meters following the deployment of smart meters will necessitate additional field investigation resources.

The Meter Choices Program cost analysis does not assume any correlation between a specific incidence of theft and a customer's propensity to choose the legacy meter option. In the absence of additional field investigation resources, the ongoing presence of legacy meters reduces the accuracy of theft detection for a given geographic area, rather than for the specific premises of the customer choosing a legacy meter. Please also refer to the response to BCUC IR 1.10.3.

Table 3-15 shows the capital related costs for the legacy and radio-off meter options. The table should have been titled "Meter Choices Program Capital Related Costs."

Judy Skogstad Information Request No. 1.2.2 Dated: November 6, 2013 British Columbia Hydro & Power Authority Response issued November 22, 2013	Page 1 of 1
British Columbia Hydro & Power Authority Application for Approval of Charges Related to Meter Choices Program	Exhibit: B-6

2.0 Operating and Capital Costs Reflected in Monthly Fees Theft Detection

It appears convenient that the costs for theft detection are amortized for 5 years, which largely corresponds with the year in which 93% of the seals of legacy meters will have expired. The optics are that this component of costs is being introduced to inflate the monthly cost of the legacy option. 1.2.2 Why is there now a need for an increase in effort, given that there will be a relatively small proportion of legacy meters remaining? Has monitoring of theft not already been occurring and therefore covered by the current fee structure? Does BC Hydro believe that there are sufficient numbers of people wanting the legacy meters to remain so as to steal electricity to warrant this additional cost?

1.2.2 If theft detection is such an important issue, why was it not introduced when there were more users to absorb the costs? If it is already being addressed, why then are there now additional charges?

RESPONSE:

Please refer to the response to Skogstad IR 1.2.1.

Judy Skogstad Information Request No. 1.3.1 Dated: November 6, 2013 British Columbia Hydro & Power Authority Response issued November 22, 2013	Page 1 of 1
British Columbia Hydro & Power Authority Application for Approval of Charges Related to Meter Choices Program	Exhibit: B-6

3.0 Phasing Out of Legacy Meters

- 1.3.1 Is maintaining a legacy meter an option for the 40% of users with a meter seal that expires in 2013? It appears not.

RESPONSE:

Yes, the legacy meter is an option for these customers.

Judy Skogstad Information Request No. 1.3.2 Dated: November 6, 2013 British Columbia Hydro & Power Authority Response issued November 22, 2013	Page 1 of 1
British Columbia Hydro & Power Authority Application for Approval of Charges Related to Meter Choices Program	Exhibit: B-6

3.0 Phasing Out of Legacy Meters

Maintaining a legacy meter is a very expensive short term option, and may not be an option even on an interim basis for those with seal expiry dates in 2013. This is despite the undated letter I received sometime in September from BC Hydro listing keeping my old analog digital meter as an option.

- 1.3.2 Further, if I choose this option now, and refuse either a smart meter or radio-off meter, will I then be subject to the \$65 failed installation fee if there is no replacement legacy meter available?

RESPONSE:

Section 3.6.2 of the Application describes the conditions in which the Failed Installation Charge will be applicable. As noted on page 3-27, under the Meter Choices Program, BC Hydro will be required to attend at a customer's premises to perform a meter exchange in the following circumstances:

- (a) An eligible customer elects to have a smart meter installed at their premises**
- (b) An eligible customer elects or is deemed to elect to have a radio-off meter installed at their premises**
- (c) An eligible customer elects or is deemed to elect to retain the legacy meter installed at the their premises, and an expired Measurement Canada Seal or meter that is not functioning properly necessitates the exchange of this legacy meter for a replacement legacy meter**

The failed installation charge is applicable if a customer denies or obstructs access to the meter thereby preventing BC Hydro's meter installer from completing the meter exchange at the customer's premises, the failed installation charge will be applied to the customer's account to recover from that customer, rather than all customers, the costs of attendance at the premises.