



ORDER NUMBER
G-81-22

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Energy Inc.
Application for a Certificate of Public Convenience and Necessity for the
Advanced Metering Infrastructure Project

BEFORE:

R. I. Mason, Panel Chair
C. M. Brewer, Commissioner
E. B. Lockhart, Commissioner

on March 17, 2022

ORDER

WHEREAS:

- A. On May 5, 2021, FortisBC Energy Inc. (FEI) filed an application with the British Columbia Utilities Commission (BCUC) for a Certificate of Public Convenience and Necessity (CPCN) pursuant to sections 45 and 46 of the *Utilities Commission Act* (UCA) for FEI's Advanced Metering Infrastructure (AMI) Project (Application);
- B. The AMI Project includes the following:
 - 1. Installation of approximately 1,100,000 residential, commercial, and industrial advanced meters and meter retrofits of communication modules capable of remote gas consumption measurement;
 - 2. Installation of approximately 1,100 communication modules on the gas network to increase operational awareness of the gas system state; and
 - 3. Installation of the AMI network and infrastructure to communicate with customer meters and other communication modules on the FEI gas network;
- C. In the Application, FEI also requests approval, pursuant to sections 59 to 61 of the UCA, to create four new asset accounts with associated depreciation and net salvage rates for the proposed meters to be installed as part of the AMI Project, as follows:
 - 1. 478-10 / AMI Meter Hardware, with a depreciation rate set to 5 percent, with no net salvage;
 - 2. 474-00 / AMI Meter Installation, with a depreciation rate set to 5 percent, with 1.58 percent net salvage;
 - 3. 402-06 / AMI Software, with a depreciation rate set to 10 percent; and
 - 4. 488-30 / AMI Communications and Equipment, with a depreciation rate set to 6.67 percent, with no net salvage;

- D. FEI also seeks approval, pursuant to sections 59 to 61 of the UCA, to create four new deferral accounts as follows:
1. A non rate base AMI Application and Feasibility cost deferral account attracting a weighted average cost of capital return until it is placed into rate base, to capture development and application costs for the AMI Project, to be amortized over 3 years;
 2. A non rate base AMI Foreign Exchange (FX) Mark to Market Valuation deferral account to isolate the impact of any foreign exchange hedging used to reduce foreign exchange risk of the AMI Project;
 3. A rate base Existing Meter Cost Recovery deferral account to capture the remaining costs of the meters to be exchanged as part of the AMI Project with a rolling 5-year amortization period; and
 4. A rate base Previously Retired Meter Cost Recovery deferral account to capture the remaining rate base value of previously retired meters with an amortization period of 10 years;
- E. On July 6, 2021, by Order G-204-21, the BCUC established a public hearing and regulatory timetable;
- F. By Orders G-269-21, G-302-21 and G-323-21, the BCUC amended the regulatory timetable;
- G. On September 8, 2021, Coalition for the Reduction of Electropollution (CORE) applied to be an intervener in the proceeding,¹ and on September 13, 2021, the BCUC accepted CORE's request to intervene;²
- H. On December 9, 2021, by Order G-365-21, the BCUC amended the regulatory timetable to include, among other things, Information Request No. 2 from BCUC and Interveners to FEI and submissions on the scope of intervener evidence by February 21, 2022;
- I. On December 16, 2021, CORE filed a request for an extension to the deadline for Information Request No. 2 to FEI from December 22, 2021 to January 15, 2022. By letter dated December 16, 2021, the BCUC requested submissions from parties on CORE's request for an extension, and invited CORE to file its reply submission;
- J. On December 22, 2021, by Order G-389-21, the BCUC amended the regulatory timetable to extend the deadline for Information Request No. 2 and amended the deadline for submissions on the scope of intervener evidence to March 3, 2022;
- K. On March 3, 2022, CORE submitted the scope of intervener evidence it intends to file;
- L. On March 11, 2022, the BCUC held a procedural conference (Procedural Conference) to discuss the scope of intervener evidence and submissions on further process. During the Procedural Conference, CORE submitted a request for an extension to the deadline to submit the names of additional experts who will be providing intervener evidence; and
- M. The BCUC has reviewed the submissions and finds that a determination is warranted.

¹ Exhibit C7-1.

² Exhibit A-9.

NOW THEREFORE the BCUC denies CORE's request for an extension to submit the names of additional experts to provide intervener evidence, for the reasons outlined in Appendix A to this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 17th day of March 2022.

BY ORDER

Original signed by:

R. I. Mason
Commissioner

Attachment

FortisBC Energy Inc.
Application for a Certificate of Public Convenience and Necessity for the
Advanced Metering Infrastructure Project

Reasons for Decision

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1.0 Introduction

At a procedural conference on March 11, 2022 (Procedural Conference), Coalition for the Reduction of Electropollution (CORE) made a formal request for an extension to the deadline for submissions on the scope of intervenor evidence from March 3, 2022 for “preferably a month but certainly a minimum of two weeks” following the procedural conference to identify three as yet unnamed experts.³

2.0 Background

On May 5, 2021, FortisBC Energy Inc. (FEI) filed an application with the British Columbia Utilities Commission (BCUC) for a Certificate of Public Convenience and Necessity (CPCN) pursuant to sections 45 and 46 of the *Utilities Commission Act* (UCA) for FEI’s Advanced Metering Infrastructure (AMI) Project (Application).

The AMI Project includes the following:

- Installation of approximately 1,100,000 residential, commercial, and industrial advanced meters and meter retrofits of communication modules capable of remote gas consumption measurement;
- Installation of approximately 1,100 communication modules on the gas network to increase operational awareness of the gas system state; and
- Installation of the AMI network and infrastructure to communicate with customer meters and other communication modules on the FEI gas network.

In the Application, FEI also requests approval, pursuant to sections 59 to 61 of the UCA, to create four new asset accounts with associated depreciation and net salvage rates for the proposed meters to be installed as part of the AMI Project, as follows:

- 478-10 / AMI Meter Hardware, with a depreciation rate set to 5 percent, with no net salvage;
- 474-00 / AMI Meter Installation, with a depreciation rate set to 5 percent, with 1.58 percent net salvage;
- 402-06 / AMI Software, with a depreciation rate set to 10 percent; and
- 488-30 / AMI Communications and Equipment, with a depreciation rate set to 6.67 percent, with no net salvage.

FEI also seeks approval, pursuant to sections 59 to 61 of the UCA, to create four new deferral accounts as follows:

- A non rate base AMI Application and Feasibility cost deferral account attracting a weighted average cost of capital return until it is placed into rate base, to capture development and application costs for the AMI Project, to be amortized over 3 years;
- A non rate base AMI Foreign Exchange (FX) Mark to Market Valuation deferral account to isolate the impact of any foreign exchange hedging used to reduce foreign exchange risk of the AMI Project;
- A rate base Existing Meter Cost Recovery deferral account to capture the remaining costs of the meters to be exchanged as part of the AMI Project with a rolling 5-year amortization period; and
- A rate base Previously Retired Meter Cost Recovery deferral account to capture the remaining rate base value of previously retired meters with an amortization period of 10 years;

³ Transcript Volume 1, March 11, 2022, p. 78.

By Order G-204-21 dated July 6, 2021, the BCUC established a public hearing process for the review of the Application which included, among other things, public notice, intervener registration, BCUC and intervener information request (IR) No. 1, FEI responses to IRs No. 1 and submissions on further process.

In its Application to intervene, dated September 8, 2021, CORE stated it planned to submit expert evidence.⁴

By Orders G-269-21, G-302-21, and G-323-21, G-365-21, G-389-21, the BCUC amended the regulatory timetable. On December 9, 2021, by Order G-365-21, the BCUC amended the regulatory timetable to include, among other things, Information Request No. 2 from BCUC and Interveners to FEI and submissions on the scope of intervener evidence by February 21, 2022.

On December 16, 2021, CORE filed a request for an extension to the deadline for Information Request No. 2 to FEI from December 22, 2021 to January 15, 2022. By letter dated December 16, 2021, the BCUC requested submissions from parties on CORE's request for an extension, and invited CORE to file its reply submission.

On December 22, 2021, by Order G-389-21, the BCUC amended the regulatory timetable to extend the deadline for Information Request No. 2 and amended the deadline for submissions on the scope of intervener evidence to March 3, 2022.

3.0 Submissions

3.1 Panel Direction to Interveners

By letter dated December 9, 2021, the Panel requested submissions from interveners on the possible filing of evidence by February 21, 2022, and provided the following direction to interveners regarding these submissions:

- Interveners are to detail the scope of the evidence they intend to file.
- Interveners are to provide the qualifications of any expert they intend to rely upon and introduce evidence through.
- Intervener evidence is to be limited to the scope detailed in the relevant application to intervene and be limited to matters of direct and sufficient relevance to the intervener.
- Pursuant to Rule 10.02 of the BCUC's Rules of Practice and Procedure, interveners are expected to take reasonable efforts to avoid the duplication of evidence.⁵

By letter dated February 24, 2022, the Panel provided further information regarding submissions on the scope of intervener evidence and the Procedural Conference. The Panel requested that at the Procedural Conference, parties be prepared to address the following matters:

- The appropriate next steps in the proceeding, in consideration of the evidentiary record subsequent to FEI's responses to information requests (IRs) No. 2;
- Whether any interveners propose to submit evidence, and if so, for those interveners to provide:

⁴ Exhibit C7-1, p. 2.

⁵ Exhibit A-20.

- topic(s) to be addressed in the intervenor evidence;
 - the relevance of the evidence to the issues being examined in this proceeding;
 - where applicable, a summary of the person(s) providing the evidence and their qualifications; and
- Suggested timelines and processes for inclusion in a further regulatory timetable.

Intervenor submissions on the scope of intervenor evidence should do the following:

- Detail the scope of the evidence they intend to file. Intervenor evidence is to be limited to the scope detailed in the relevant application to intervene and to matters of direct and sufficient relevance to the intervenor.
- Provide details, including the qualifications, of any expert they intend to rely upon and introduce evidence through.
- Indicate any areas where there may be potential for duplication of evidence with other intervenors' evidence, and what efforts they intend to take to avoid the duplication of evidence pursuant to Rule 10.02 of the British Columbia Utility Commission's (BCUC) Rules of Practice and Procedure.⁶

By letter dated March 9, 2022, the Panel provided a further direction to intervenors on the scope of the Procedural Conference.

3.2 CORE's Submission on Scope of Intervenor Evidence

On March 3, 2022, CORE submitted its scope of intervenor evidence. CORE states it intends to proffer expert opinions in the areas of electrical engineering, safety, privacy, epidemiology, electromagnetic fields (EMF), electromagnetic radiation (EMR) and radio frequency (RF). CORE further states it intends to file nonexpert evidence by Mr. Karow providing an outline of CORE's concerns with the proposed AMI Project including the social, economic, environmental and other impacts of the Project.⁷

In its submission, CORE outlines the expert testimony of three named expert witnesses, and three un-named experts. CORE submits it has retained or will retain:

- Dr. Paul Héroux as an expert witness who will be providing evidence in the area of Toxicology and Health Effects of Electromagnetism as it relates to the AMI Project. Dr. Héroux will provide a critique of Appendix F-1 to FEI's Application, the Exponent RF Technology Report.
- Dr. Anthony Miller, as an expert who will be providing evidence in the areas of Epidemiology, Cancer Control and impacts of radiofrequency radiation (RFR) and electromagnetic fields (EMF) on Human Health as it relates to the AMI Project. Dr. Miller will provide expert opinion evidence regarding the impact the AMI Project will have on increasing the population's exposure to RFR and the causal relationship between such exposure and cancer. Dr. Miller will additionally provide expert testimony on current scientific evidence regarding health risks from exposure to RFR.
- Dr. Magda Havas as an expert witness who will be providing expert opinion evidence in the area of human health effects of electromagnetic fields (EMF), electromagnetic radiation (EMR), and radio

⁶ Exhibit A-27.

⁷ Exhibit C7-11, p. 5.

frequency (RF) as it relates to the AMI Project. CORE submits Dr. Havas will provide a critique of sub-areas of Appendix F-1 to FEI's Application, the Exponent RF Technology Report.⁸

- An un-named expert engineer to provide opinion evidence in the area of electrical engineering as it relates to the AMI Project. CORE proposes that this expert will provide a critique of the lack of a Professional Engineer of Record, lack of CSA certification of the proposed meters, project alternatives, safety provisions, EMR levels and feasibility analysis of the project. This expert has not yet been retained.
- An un-named expert witness to provide opinion evidence in the area of privacy and security issues arising from the AMI Project. This expert has not yet been retained.
- An un-named expert to provide opinion evidence on the adverse human health effects of electromagnetic fields (EMF), electromagnetic radiation (EMR), and radio frequency (RF). CORE submits this expert will critique Appendix F-2 to FEI's Application, the Exponent RF Health Report. This expert has not yet been retained.⁹

For each of the named experts, CORE provides a list of relevant background and qualifications.

4.0 Procedural Conference Submissions

On March 11, 2022, the BCUC held the Procedural Conference to discuss the scope of intervener evidence and submissions on further process. The parties' submissions with respect to CORE's request for an extension to the deadline to submit the names of additional experts who will provide intervener evidence are outlined below.

4.1 CORE

CORE made a formal request for an extension to the deadline to submit the names of additional experts who will provide intervener evidence from March 3, 2022 for "preferably a month but certainly a minimum of two weeks" following the procedural conference in order to secure additional experts.¹⁰

CORE provides further details regarding the reasons for the delay in naming its experts providing evidence. CORE states: "in terms of additional experts, we certainly have been challenged in terms of timing and securing additional experts. We allowed that there may be some additional experts."¹¹

CORE submits it has had challenges in securing some of the experts from a timing standpoint and from a capacity standpoint. CORE states it is not seeking a lengthy extension and is being respectful of the requirement of efficiency.¹²

⁸ Ibid., pp. 5-8.

⁹ Ibid., pp. 8-10.

¹⁰ Transcript Volume 1, March 11, 2022, p. 78.

¹¹ Ibid., p. 66.

¹² Ibid., pp. 75-76.

CORE submits it is prepared to file the evidence of its three named experts in mid-April.¹³ CORE submits it would bifurcate its submission of evidence, with the evidence submission from its as-yet-un-named experts two weeks or a month later.¹⁴

4.2 BCOAPO

BC Old Age Pensioners' Organization et al. (BCOAPO) submits the process would be better served by having CORE put forward all of its evidence at once. BCOAPO explains that if the BCUC finds that it is appropriate to allow CORE to file evidence by those experts as yet unnamed, then the filing of all CORE's intervener evidence should be deferred such that all CORE's evidence is submitted on the same date.¹⁵

4.3 BCSEA

BC Sustainable Energy Association (BCSEA) submits that there should be a single deadline for all of CORE's evidence to be filed. BCSEA submits that although CORE has requested a date in mid-April, BCSEA suggests a deadline of three weeks from the date of the procedural conference. To support its position, BCSEA explains that CORE has known that the date for submission of intervener evidence was looming for quite a long time. BCSEA submits it is "not opposed to a Commission decision that said that CORE could file evidence by the experts that it hasn't yet determined as long as it doesn't ask for another extension for that and it files all of the evidence on the date that is set by the Commission to file the evidence and that that date should be sooner rather than later because time's waiting."¹⁶

4.4 RCIA

Residential Consumer Intervener Association (RCIA) submits it agrees with the statements from other interveners, that all CORE evidence is best filed at a single time.¹⁷

4.5 FEI

FEI submits that although CORE states it has had challenges in obtaining expert evidence, "there has been no particularity provided... in terms of what those challenges might be." FEI submits that the lack of specificity provided weighs against providing an extension. Further, FEI submits that "a month is a long delay, and even a two-week extension, given that the original filing date was March 3rd, now we're at March 11th, two weeks from now, is itself quite a bit."¹⁸

Further, FEI raises that the subject matter of two of the un-named experts don't seem to fall within CORE's and allied intervener applications, and there were no submissions countering that point, which are the areas of privacy and security, and electrical engineering.¹⁹

¹³ Ibid. p. 81.

¹⁴ Ibid. 82.

¹⁵ Ibid., p. 86-87.

¹⁶ Ibid., pp. 89-90.

¹⁷ Ibid., p. 92.

¹⁸ Ibid., p. 102.

¹⁹ Ibid., p. 103.

5.0 Panel Determination

The Panel denies CORE's request for an extension to submit the names of additional experts to provide intervenor evidence.

CORE has had sufficient time to identify experts to provide evidence in this proceeding. CORE stated in its application to intervene, on September 8, 2021, that it intended to provide expert testimony.²⁰ CORE was informed on December 9, 2021²¹ that experts were to be identified by February 21, 2022, providing more than two months' notice, and more than six months after CORE originally stated its intention to file expert evidence. CORE was provided further time for this task when the Panel extended the regulatory timetable, at CORE's request, and the date for identification of experts was changed from February 21 to March 3, 2022. Without any compelling reasons for an extension, it would be unfairly prejudicial to FEI and to other ratepayer groups to delay the proceeding further, given the time that CORE has already had to find its experts.

CORE has provided no specific and compelling reasons for why it cannot identify experts to provide evidence. Merely stating that it has not been able to secure experts "from a timing standpoint and from a capacity standpoint"²² gives the Panel no indication of whether the requested extension is reasonable or would be successful in allowing CORE to find additional expertise.

The Panel will shortly issue a further order addressing the other matters raised in the Procedural Conference.

²⁰ Exhibit C7-1.

²¹ Exhibit A-20.

²² Transcript Volume 1, pp. 75-76.