



ORDER NUMBER
G-323-21

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
E. B. Lockhart, Commissioner

on November 8, 2021

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 56 and 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. On September 9, 2021, the Commercial Energy Consumers submitted a request for extension to the deadline for filing Intervener Information Request Number 1. On September 10, 2021, the Residential Consumer Intervener Association filed a similar request; and
- G. On September 13, 2021, by Order G-269-21, the BCUC amended the regulatory timetable;
- H. By letter dated October 22, 2021, Coalition to Reduce Electropollution (CORE) requested an extension for filing its submissions on further process from November 9, 2021 to November 23, 2021;
- I. By letter dated October 25, 2021, FEI responded to CORE's request for an extension stating, among other things, that the request should be denied;
- J. By letter dated October 29, 2021, CORE responded to FEI's letter, stating, among other things, that there is no prejudice to FEI in granting CORE's request for extension; and
- K. The BCUC has reviewed the submissions and determines that an amendment to the regulatory timetable is warranted.

NOW THEREFORE for the reasons attached as Appendix B to this order, the BCUC amends the regulatory timetable for the review of the Application, as set out in Appendix A to this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 8th day of November 2021.

BY ORDER

Original signed by:

R. I. Mason
Commissioner

Attachments

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

REGULATORY TIMETABLE

Action	Date (2021)
Submissions on further process	Tuesday, November 23

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

REASONS FOR DECISION

1.0 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 56 and 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.

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 scheduled for November 3, 2021. By Order G-269-21, dated September 13, 2021, the BCUC amended the date for submissions on further process set out in the regulatory timetable, to November 5, 2021. By Order G-302-21, the BCUC further amended this date to November 9, 2021.

2.0 Submissions

By letter dated October 22, 2021, the Coalition to Reduce Electropollution (CORE) requested an extension for filing its submissions on further process from November 9, 2021 to November 23, 2021. CORE submitted it has recently retained counsel and that its counsel requires additional time to review materials before it can file submissions on further process, and to confirm its position as to the scope of evidence it wishes to submit in the proceeding. CORE submits that the volume of materials is such that two weeks is inadequate time for counsel to process the material in order to prepare adequate submissions.¹

By letter dated October 25, 2021, FEI responded to CORE's request for an extension stating that submissions on further process are not intended to be an opportunity for argument nor to introduce evidence. Rather, FEI submits that "simply submissions from each party as to their preferred process for further review of an application (for instance, whether an additional round of IRs is required, or whether an intervener seeks an opportunity to file evidence)."² FEI submits that two weeks is adequate time between responses to IRs No. 1 and submissions on further process to prepare submissions on the process for review of the Application. Therefore, FEI submits, CORE's extension request should be denied.³

By letter dated October 29, 2021, CORE responded to FEI's letter, stating that the two-week extension ensures CORE has a meaningful opportunity to consult with potential expert consultants, and to provide an overview of the scope of any non-expert and expert evidence that CORE would like to submit in the proceeding. Further, CORE submits that there is no prejudice to FEI in granting CORE's request for extension.⁴

3.0 Panel Determination

The Panel grants the requested extension to the date for submissions on further process to November 23, 2021.

The two-week delay does not prejudice FEI. FEI has provided no reason why it would be prejudiced by the two-week delay, and the Panel is not aware of any such reason.

This proceeding involves technical issues. Even at this early stage there is a substantial volume of evidence on the record. In our view, the proceeding will progress more efficiently if CORE's recently retained counsel has adequate time to review the evidence and determine the scope of any evidence that CORE may wish to submit.

¹ Exhibit C7-4.

² Exhibit B-4.

³ Ibid.

⁴ Exhibit C7-5.