

ROBERT J. PELLATT  
COMMISSION SECRETARY



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*VIA FACSIMILE*

July 16, 1997

Ms. Annelies Reardon  
Property Leasing, BC Region  
Seaboard Advertising Company  
Suite 200  
4180 Lougheed Highway  
Burnaby, B.C.  
V5C 6A7

Dear Ms. Reardon:

Re: British Columbia Hydro and Power Authority  
Customer Request -Removal of Basic Charge - Unmetered Accounts

Further to your May 26, 1997 correspondence requesting that Seaboard Advertising Company be exempt from B.C. Hydro's Basic Charge for unmetered electrical accounts to transit shelter units, the Commission encloses for your information and review, a copy of B.C. Hydro's June 17, 1997 response.

While we recognize that Seaboard's transit shelters receive service from an unmetered supply, B.C. Hydro's Electric Tariff requires shelters to be billed individually under General Service Rate Schedule 1200 (under 35 kW). In its letter, B.C. Hydro has provided information regarding the rationale for the present charge. The Commission is satisfied that Seaboard Advertising Company is being charged under the appropriate rate schedule.

Since no further action is required, the Commission has closed your file. Thank you for contacting the Commission.

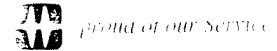
Yours truly,

A handwritten signature in cursive script that reads "Alison Cormack".

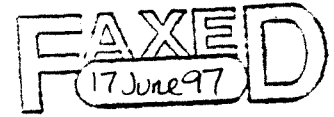
for: Alison Cormack  
Robert J. Pellatt

AC/yl  
Enclosure

cc: Ms. Darlene M. Barnett  
Senior Vice-President  
Marketing and Customer Services  
British Columbia Hydro and Power Authority



**Darlene M. Barnett**  
Senior Vice-President  
Marketing and Customer Services  
Phone: (604) 623-3602  
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17 June 1997

Mr. R.J. Pellatt  
Commission Secretary  
British Columbia Utilities Commission  
P.O. Box 250  
600 - 900 Howe Street  
Vancouver, B.C.  
V6Z 2N3

Dear Mr. Pellatt:

**Re: Customer Complaint - Seaboard Advertising Company**

In response to your letter of 27 May 1997 concerning the removal of the basic charge billed by B.C. Hydro to Seaboard Advertising Company's ("Seaboard") unmetered electrical accounts servicing transit shelters, we provide the following information.

Seaboard has approximately 824 unmetered accounts with B.C. Hydro. Approximately 80%-90% of these unmetered accounts service Seaboard's "Ad-cans", i.e., lit billboards, which are located within transit shelters owned and maintained by the Transit Authority; the remaining unmetered accounts service ordinary billboards. Each transit shelter location containing "Ad-cans" is considered to be a separate unmetered account under Rate Schedule 1220 ("RS 1220").

RS 1220 is the appropriate rate for these unmetered accounts (Electric Tariff, pages C-18 to C-20). Seaboard uses the "Ad-cans" for advertising purposes and accordingly falls within our general service rate schedules. Of the general service rate schedules available, RS 1220 is the only such rate schedule which makes specific references to unmetered service for "display signs and signboard lighting". Seaboard's "Ad-cans" fall within this category and, therefore, we believe Seaboard's transit shelter accounts containing the "Ad-cans" are properly being billed under RS 1220.

Seaboard has stated that because these transit shelter accounts are connected to the street lighting system these accounts should be treated similarly to street lighting accounts (i.e., paying a flat rate per street light). This request by Seaboard is not consistent with the Electric Tariff.

The street lighting rate schedules are rates specifically designed and intended for the purpose of providing service for the illumination of public highways, streets, and lanes. Seaboard's transit shelter accounts, established for the purpose of

illuminating their commercial "Ad-cans", do not meet the availability requirements of the street lighting rate schedules. Although the transit shelters are supplied via municipal street lighting systems, this does not affect the application of RS 1220 nor does it entitle Seaboard to the street lighting rate schedules.

This arrangement, whereby Seaboard has been permitted to receive service via municipal street lighting systems, was agreed to by B.C. Hydro and Seaboard as a practical and cost-effective alternative as opposed to normally extending the B.C. Hydro electrical system which would have been more expensive. Furthermore, allowing Seaboard to connect in such a way has considerably reduced the connection fees Seaboard otherwise would have had to pay. It is our understanding that Seaboard also has agreements with various municipalities and the Transit Authority regarding their use of the transit shelters as a location for their lit "Ad-cans". Even though Seaboard does have these special arrangements with respect to how they receive service via the street lighting system, they have consistently been considered to be a B.C. Hydro general service customer.

To treat Seaboard otherwise would be inconsistent with how thousands of other unmetered general service customers, who are connected to the B.C. Hydro system, are treated. Every unmetered general service customer is charged a basic charge for each account. The basic charge is in place to recognize the cost structure of utility operations in that the energy charges are separated from the administrative charges. For B.C. Hydro the basic charge covers the cost of billing, account administration, mailing and collection, fixed distribution costs, meter reading, and other related costs. Meter reading costs represent only a small portion of the total basic charge cost and, thus, unmetered accounts are also subject to a basic charge. Whether a general service customer is connected directly to the B.C. Hydro system or via a municipal street lighting system does not affect the application of the basic charge to an account.

Based on the foregoing, we believe RS 1220 is the correct rate for Seaboard's transit shelter "Ad-cans" accounts and, indeed, given the commercial nature of the service and the fact that they are not considered to be street lights, this is the only rate we can apply under the terms of the Electric Tariff.

I trust that this provides you with sufficient information to make a decision on this matter.

Yours very truly,



Darlene M. Barnett  
Senior Vice-President  
Marketing and Customer Services

c: Mr. V. Kammonen, Director of Operations