



LETTER NO. L-10-04

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VIA FACSIMILE

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February 16, 2004

Mr. Richard Stout
Chief Regulatory Officer
British Columbia Hydro and Power Authority
17th Floor, 333 Dunsmuir Street
Vancouver, B.C. V6B 5R3

Dear Mr. Stout:

**Re: British Columbia Hydro and Power Authority
Customer Complaints – Security Deposit Policy**

The Commission has received many recent telephone, written, faxed and E-mailed complaints from customers who have been issued final disconnection notices if they do not pay an assessed security deposit, while their account is active and current.

On January 26, 2004, the Commission received BC Hydro's confidential security deposit policy review. That review indicated that customers on the Pay as You Go Billing Plan were converted to regular billing, even though no application has been received to remove this Billing Plan from BC Hydro's Electric Tariff. The Commission considers that current paying customers should be issued a warning notice that a security deposit may be required if their accounts continued to be paid late, were disconnected, or placed on the Pay As You Go Billing Plan.

Please provide the Commission with a comprehensive report on the background to the changes, including the numbers of customers who have been issued letters requiring payment of a security deposit, the numbers of customers disconnected as a result of not paying the requested security deposit, the numbers of accounts that have paid the deposit, and the numbers of accounts that have paid both a reconnection fee and security deposit.

In the meantime, the Commission has determined that BC Hydro should not further disconnect active customer accounts for non-payment of security deposits on the basis of the changes until such time as the matter is reviewed and the Report from BC Hydro has been received and considered by the Commission.

We ask that BC Hydro and/or Accenture Business Services meet with Commission staff to fully explain the Utility's new billing system and its capabilities and limitations.

Yours truly,

Original signed by:

Robert J. Pellatt

RJP/yl