



LETTER No. L-30-04

ROBERT J. PELLATT
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May 13, 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
Report on Security Deposit Policy

We acknowledge receipt of your April 20, 2004 Report on BC Hydro's Security Deposit Policy that explains the policies and how it applies to the new CCS billing system. The Commission approves your request to resume normal credit and collections activities as it applies to security deposits, including disconnection of customers who meet the criteria as outlined in the dunning activities and correspondence that is issued to customers. As a result of our review we make the following suggestions:

1. The Commission is concerned about the number of customers who have had requests for security deposits for which BC Hydro has withheld disconnection as a result of Letter No. L-10-04. We strongly suggest that a further letter be issued to customers reminding them of the request for a security deposit on the account and that disconnection may occur if payment is not made by a specified date. In that letter we recommend that a sentence be inserted that they should contact BC Hydro's customer call centre whereby agents may offer payment alternatives.
2. With regard to the dunning correspondence issued to customers, the Commission accepts the new tone to the letters. However, we find that it is important to highlight ("**bold**") to customers that service may be disconnected. We would suggest that the second sentence in the first paragraph be modified to read as follows:

If payment has been made, it is your responsibility to report the payment **with a bank reference number at the telephone number listed above. Failure to do so may result in your service being disconnected;** and

3. With respect to the collection of security deposits, customers should be advised that the security deposit may be refunded with interest, upon application to BC Hydro, following one year of prompt payments on account.

Yours truly,

A handwritten signature in black ink, appearing to read 'R. Pellatt', with a stylized flourish at the end.

Robert J. Pellatt

RJP/yl