



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-83-11**

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC V6Z 2N3 CANADA
web site: <http://www.bcuc.com>

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**a Customer Complaint filed by M.H.
against
British Columbia Hydro and Power Authority**

BEFORE: L.F. Kelsey, Commissioner
C.A. Brown, Commissioner
N.E. MacMurchy, Commissioner
D. Morton, Commissioner

May 9, 2011

O R D E R

WHEREAS:

- A. On February 23, 2010, a customer (M.H.) of the British Columbia Hydro and Power Authority (BC Hydro) filed a complaint with the British Columbia Utilities Commission (the Commission) concerning adjusted billing received for a period through 2008 and 2009 where actual meter readings were not obtained by BC Hydro and as a result, under-billing occurred;
- B. The nature of the complaint, in part, was that the customer's last actual meter reading occurred on October 10, 2008 and the following scheduled meter readings (December 2008, February 2009, April 2009, June 2009, and August 2009) did not occur; through those months, the account was coded "meter cannot be located." In addition, the customer service issues raised throughout the review of the matter form the additional concerns raised by the customer;
- C. On September 5, 2009, eleven months after the last actual meter reading occurred, M.H.'s account was escalated by BC Hydro's billing system for investigation as five non-routine estimated readings were generated. Since the reading subsequent to the escalation was scheduled to be a standard estimated reading, no action was taken. The account was escalated again in October 2009, and on October 14, twelve months after the last actual reading occurred, a meter reader obtained an actual reading and an adjusted invoice was issued to the customer;
- D. On November 9, 2009 after receiving the adjusted invoice in October, M.H. contacted BC Hydro expressing concern over the adjustment that was reflected; the adjustment represented \$3,672.72 for consumption – approximately 150 percent higher than consumption in the previous year;

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- E. Through the review of the complaint, BC Hydro, in an effort to resolve the matter, offered to apply section 5.8 of its back-billing tariff (Appendix 1 to the Reasons for Decision) in this case, although it suggested that the circumstances did not necessarily warrant this. M.H. declined the original offer made by BC Hydro stating that he remained "...convinced that [he] did not knowingly or accidentally use the electrical power that BC Hydro claims and will not pay the disputed amount unless ordered to do so by a court." M.H. further stated that it was not his "fault that BC Hydro could not find the meter and did not read it for 12 months" and that "...BC Hydro should not expect [him] to pay for the error of their meter-reading contractor";
- F. Commission staff requested that BC Hydro submit the meter to Measurement Canada for an independent test of accuracy at BC Hydro's expense; the certificate from Measurement Canada states that "The unexpectedly high consumption cannot be attributed to measurement error";
- G. The Commission has reviewed the information provided by both parties in this matter.

NOW THEREFORE, pursuant to sections 23, 63, and 83 of the *Utilities Commission Act*, and in accordance with BC Hydro's Electric Tariff, the Commission orders the following:

1. BC Hydro is to apply section 5.8 of its Electric Tariff and reinstate the offer to M.H. accordingly. M.H. must be provided a reasonable amount of time to consider the offer and, if accepted, terms of repayment must be reasonable.
2. BC Hydro is required to file a report with the Commission within 90 days from the date of this Order to outline what reviews and action, if any, are taken on the processes identified as contributing to the matter between BC Hydro and M.H. If no reviews or action are taken, the report must outline BC Hydro's views on the appropriateness of the policies.

DATED at the City of Vancouver, in the Province of British Columbia, this 9th day of May 2011.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner

Attachments



IN THE MATTER OF

**a Customer Complaint filed by M.H.
against
British Columbia Hydro and Power Authority**

REASONS FOR DECISION

May 9, 2011

Before:

**L.F. Kelsey, Commissioner
C.A. Brown, Commissioner
N.E. MacMurchy, Commissioner
D. Morton, Commissioner**

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APPENDIX 1	(In part) Sections 23, 63, and 83 of the <i>Utilities Commission Act</i>
APPENDIX 2	(In part) Section 5.8 of BC Hydro's Electric Tariff

1.0 SUMMARY

The British Columbia Utilities Commission received a complaint from M.H., a customer of the British Columbia Hydro and Power Authority (BC Hydro) on February 23, 2010. M.H.'s complaint was concerning adjusted billing received for a period through 2008 to 2009 where actual meter readings were not obtained by BC Hydro and as a result, under-billing occurred. An adjusted invoice correcting the under-billing was said to represent an increase in consumption of approximately 150 percent between the previous and current year's usage. The customer disputes the number of estimated readings allowed and the alleged increase in consumption as a result.

The nature of the complaint, in part, was that M.H.'s last actual meter reading occurred on October 10, 2008 and the following scheduled meter readings (December 2008, February 2009, April 2009, June 2009, and August 2009) did not occur; through those months, the account was coded "meter cannot be located." In addition, the customer service issues raised throughout the review of the matter form the additional concerns raised by the customer.

Through these Reasons, the Commission provides an outline of events leading to the customer's complaint and the Commission's conclusion that BC Hydro must apply section 5.8 of its Electric Tariff and re-offer the customer reduced billing accordingly. In addition, we explore the customer service mishandlings that contributed to the filing of the complaint with the Commission and address certain procedural errors where BC Hydro did not meet the standards of the customer, nor its own. It is recommended that BC Hydro consider a review of the processes contributing to the errors and mishandlings of this complaint. A report must be filed which addresses BC Hydro's views on this matter and outlines process reviews and action (if any) taken.

2.0 BACKGROUND

One of four meters on the property belonging to M.H. is the subject of the complaint; that meter is identified as number 2790073 and is the meter referred to throughout these Reasons. M.H. has been responsible for the meter since 2001 and it is scheduled for bi-monthly readings each year in February, April, June, August, October, and December. Because M.H. participates in BC Hydro's Equal Payment Plan program (EPP), during the months not listed above, BC Hydro's system triggers an estimated meter reading and issues an invoice accordingly.

Therefore, M.H., like other EPP customers, receives an invoice from BC Hydro every month. (BC Hydro, March 26, 2010 letter)

On October 10, 2008 an actual meter reading was obtained from the meter; the scheduled meter readings following October (December 2008, February 2009, April 2009, June 2009, and August 2009) did not occur; through those months, M.H.'s account was coded "meter cannot be located."

On September 5, 2009, eleven months after the last actual meter reading occurred, M.H.'s account was escalated by BC Hydro's billing system for investigation as five non-routine estimated readings were generated. Since the reading subsequent to the escalation was scheduled to be a standard estimated reading, no action was taken. The account was escalated again in October 2009, and on October 14, twelve months after the last actual reading occurred, a meter reader obtained an actual reading and an adjusted invoice was issued to the customer. (BC Hydro, March 26, 2010 letter)

On November 9, 2009 after receiving the adjusted invoice in October, M.H. contacted BC Hydro expressing concern over the adjustment that was reflected; the adjustment represented \$3,672.72 for consumption – approximately 150 percent higher than consumption in the previous year. It was during this communication with BC Hydro that M.H. requested certain historical account information for which he was advised to submit Customer Account Information Request (CAIR) forms. M.H. submitted the CAIR forms and followed up with BC Hydro several times through January and February 2010 because he did not receive a response. (BC Hydro, March 26, 2010 letter)

It was at this point that M.H. filed a complaint on February 23, 2010 and advised that "In Oct 2009 I received a hydro bill for \$4,042.74 after being on an equal payment plan with \$186.00 per month payments. As this was an extraordinary increase I arranged with Hydro customer service to withhold payment until I could get an explanation for the large bill. Hydro had not read the meter between Oct 2008 and Oct 2009 and had sent bills for the whole period with estimates. After reading the meter in Oct 2009 they reestimated [sic] the meter readings for each of the previous 12 months to justify the Oct 2009 bill." M.H. also stated that in light of the adjustment he checked his electrical system for leaks and consumption rates of all major appliances but everything appeared normal. (M.H., February 23, 2010 email)

BC Hydro provided its formal response to the complaint on March 26, 2010 in which it outlines certain information about M.H.'s property, referred to as a "...large rural land parcel." BC Hydro further described the property as follows:

"There are two residential premises on the property: The first, a single residence, is a moderate distance from 232nd Street and is accessed by a driveway in direct line from 232nd Street; the second, which BC Hydro understands may be two buildings but is coded as a 'duplex' in BC Hydro's records, is much farther away near the back of the property, and is accessed by following the driveway (past the first residence) as it curves up a steep hill through a treed area and descends down the other side to eventually reach the second residence. While the second residence is in an open area, it is not visible from the first residence and in fact is not visible until one descends out of the trees and on the back side of the steep hill."

(BC Hydro, March 26, 2010 letter)

M.H. responded to BC Hydro's implications of this complex description of his property by confirming that, regardless of the layout, the meter has not been moved and the driveway has not been changed since the meter was originally installed in 2001. M.H. also states that the high voltage overhead wire feeding the meter is visible from the driveway to where the meter is located (M.H., March 27, 2010 letter). No historical issues of obtaining actual meter readings were identified by either party.

Through the review of the complaint, BC Hydro, in an effort to resolve the matter, offered to apply section 5.8 of its back-billing tariff (Appendix 1 to these Reasons) in this case, although it suggested that the circumstances did not necessarily warrant this. M.H. declined the original offer made by BC Hydro stating that he remained "...convinced that [he] did not knowingly or accidentally use the electrical power that BC Hydro claims and will not pay the disputed amount unless ordered to do so by a court." M.H. further stated that it was not his "fault that BC Hydro could not find the meter and did not read it for 12 months" and that "...BC Hydro should not expect [him] to pay for the error of their meter-reading contractor." (M.H., July 30, 2010 email)

In light of the continued debate over the consumption and the resulting billing, Commission staff requested that BC Hydro submit the meter to Measurement Canada for an independent test of accuracy, at BC Hydro's expense (Commission staff email, August 24, 2010). On September 3, 2010 BC Hydro complied with this request. After following up, Commission staff learned that the certificate from Measurement Canada (dated October 6, 2010) had been received; upon request, the Commission was finally provided the certificate on November 30, 2010. The cause of the delay or neglect to promptly provide the certificate to the Commission is unknown.

The certificate from Measurement Canada states that “The unexpectedly high consumption cannot be attributed to measurement error.” (Certificate of Measurement, Measurement Canada, October 6, 2010)

3.0 DETERMINATIONS and REASONS

Pursuant to sections 23, 63, and 83 of the *Utilities Commission Act*, and in accordance with BC Hydro’s Electric Tariff, the Commission makes the following determinations.

3.1 Apply Section 5.8 of the Electric Tariff

The Commission directs BC Hydro to apply section 5.8 of its Electric Tariff and reinstate the offer to M.H. accordingly. M.H. must be provided a reasonable amount of time to consider the offer and, if accepted, terms of repayment must be reasonable.

M.H. declined the original offer of back-billing in accordance with section 5.8 of the Tariff made by BC Hydro on the basis that it was not his “fault that BC Hydro could not find the meter and did not read it for 12 months.” M.H.’s considerations were also that as the meter has not been moved, nor has the driveway changed since the meter was originally installed in 2001. In addition, M.H. states that the high voltage overhead wire feeding the meter is visible from the driveway to where the meter is located, implying that visual wires should have assisted the meter reader in locating the meter. (M.H. March 27, 2010 letter)

We consider M.H.’s remarks valid regarding the nature of the property and that there were no issues prior to or after the matter was escalated in obtaining actual readings. In addition, the lack of contact by BC Hydro indicates no serious attempts were made to locate the meter or communicate the challenges with the customer. However, to address the financial responsibility of the registered consumption, we cannot reasonably establish the actual cause of the increase in consumption identified, thus, the Commission is relying on the accuracy of the meter as tested and confirmed by Measurement Canada which states that the meter is working properly.

M.H. stated that he “checked his electrical system for leaks and consumption rates of all major appliances but everything is normal” (M.H. February 23, 2010 email); however, as no professional report was provided, the Commission has put little weight on this evidence. Based on the October 6, 2010 Certificate of Measurement

from Measurement Canada, the Commission finds that the registered consumption was consumed on M.H.'s property.

Section 63 of the *Utilities Commission Act* states that the utility must charge to a customer compensation that is the amount specified in rate schedules for the regulated service. Section 5.8 of BC Hydro's Electric Tariff provides consent to the utility to waive a portion of those charges in certain situations where back-billing has occurred due to under-billing of the account. This adjustment represents consistency with section 5.8 of BC Hydro's Electric Tariff which states that in the case of a missing meter now found, BC Hydro will back-bill for the shorter of either the duration of the error or six months for residential customers.

In its early review of the matter, BC Hydro argued that the "back-billing policy does not apply in this situation as it does not comply with any of the causes of billing errors noted in Item 1 of section 5.8. The meter had not been read during the five bi-monthly billing periods and estimated invoices had been issued. This allows for a correction of those estimations when actual readings are obtained." (BC Hydro, May 26, 2010 letter)

It would appear that the basis of BC Hydro's argument not to apply section 5.8 of the Tariff is due to the statement in the Tariff: "In the case of a minor adjustment to a Customer's bill, such as an estimated bill or a Monthly Equal Payment billing, such adjustments do not require back-billing treatment to be applied."

The Commission Panel fundamentally disagrees with BC Hydro's position on this matter. As BC Hydro noted throughout its correspondence in this matter that the meter readers could not locate the meter, and that the message on the account indicated the meter in question could not be located; we apply (c) "missing meter now found" of Item 1 of section 5.8 of the Electric Tariff.

While BC Hydro's focus is that an estimated bill or a Monthly Equal Payment billing does not require back-billing to be applied, we find that the spirit and intent of the statement in the Tariff is to address regular or standard estimated billings, or monthly equal payment billings. These instances may be deemed minor as the adjustments are made within no more than a two-month timeframe. In the case of M.H., regardless of the estimated invoices being produced as well as the equal payments being applied, the adjustment over the 12 month period was neither minor in duration nor in dollar amount and BC Hydro's customer service efforts to promptly resolve the issues are less than satisfactory by the standards of the customer, and the Commission.

3.2 Review and Report on Customer Communication and Internal Processes

A number of factors contributed to the issues faced by the customer in dealing with this matter, mainly and most notably: the lack of communication concerning BC Hydro's inability to locate his meter; the de-escalation of M.H.'s account due to it being a scheduled estimated reading; the duration of allowed estimated invoices for five consecutive billing periods; and the misplacement and lack of prompt follow up regarding M.H.'s CAIR forms requesting historical data.

The Commission finds BC Hydro's handling of this matter fails to meet a standard that is reasonable. A small amount of outward and proactive communication could have eliminated the complaint of the customer to BC Hydro, as well as the need for the escalated complaint to the Commission. The opportunity for communication with the customer when the matter was escalated in September 2009 was dismissed by a staff person due to it being a regularly scheduled estimated reading month; whether or not BC Hydro considers this a reasonable practice is unknown, nonetheless, it represents another missed opportunity to bring the matter to the attention of the customer.

The Commission's view is that it would be prudent for BC Hydro to evaluate and consider many of the customer service policies that contributed to M.H.'s situation, but more specifically the two noted below which should be reviewed in consideration of industry best practices. As these are policies that affect BC Hydro's billing and that BC Hydro is most familiar with, the Commission is not ordering any specific mandatory review; however, pursuant to section 23 of the *Utilities Commission Act*, **BC Hydro is required to file a report with the Commission within 90 days from the date of Order G-83-11 to outline what reviews and action, if any, are taken on the processes identified as contributing to the matter between BC Hydro and M.H. If no reviews or actions are taken, the report must outline BC Hydro's views on the appropriateness of the policies.**

3.2.1 Meter cannot be located

BC Hydro's process is, when a meter cannot be located or access to a meter is unavailable, meter readers are instructed to make every attempt to contact customers to obtain access or to get direction on the location of the meter. Telephone calls should be made to the customer or a note should be left at the premises requesting the customer contact BC Hydro to discuss the location of the meter.

While estimated invoices were issued, no contact was made by BC Hydro to advise the customer that the meter could not be located, or to ask for assistance in locating it. The invoices provided to M.H. monthly include a statement “Your bill shows an estimate” as well as the status of his EPP costs versus payments made. As no actual readings were occurring, the cost comparison portion of the invoices was not providing accurate information for M.H. to monitor the potential adjustment that would occur.

BC Hydro states that it is reviewing the insertion of a “can’t locate meter” code into its billing system so that a message would be produced on a customer’s invoice to request the customer contact BC Hydro to provide a meter location (BC Hydro, May 26, 2010 letter). While this appears to be a necessary initiative, the Commission encourages BC Hydro to consider policy actions that would require outbound communication to customers when an actual reading cannot be obtained for a period of time.

3.2.2 Five Consecutive Estimated Billings

BC Hydro sees it reasonable to allow five consecutive monthly billing periods to elapse before a customer’s account is rejected by the billing system to be manually reviewed and investigated by a billing agent. BC Hydro suggests that employees will make every effort during the five bi-monthly billing periods to investigate why a meter cannot be read and to remedy the situation as quickly as possible. (BC Hydro, May 26, 2010)

In M.H.’s case, not only were no measures taken to investigate or remedy the matter during the five bi-monthly billings, when his account was escalated at the fifth estimated invoice, it was de-escalated due to its next reading being scheduled for estimating in accordance with his EPP schedule. It was again escalated for a routine actual reading, which was obtained at that time.

BC Hydro recognized that if greater persistence had been shown in locating the meter in the first part of 2009, the increased consumption would have been brought to M.H.’s attention sooner, with corrective action perhaps being taken at that time. (BC Hydro, August 5, 2010)

The practice of allowing five consecutive (non-routine) estimated billings provides for a potential duration of 10 months, and in M.H.’s case, even longer; while this duration may be acceptable in some cases due to low consumption, in cases where consumption is high, the account holders are unable to rectify potential issues

promptly. It is the Commission's view that BC Hydro's policy of allowing five consecutive estimated readings may not meet reasonable expectations of the consumer.

4.0 SUMMARY OF DETERMINATIONS

- 1. BC Hydro is to apply section 5.8 of its Electric Tariff and reinstate the offer to M.H. accordingly. M.H. must be provided a reasonable amount of time to consider the offer and, if accepted, terms of repayment must be reasonable.**
- 2. BC Hydro is required to file a report with the Commission within 90 days from the date of Order G-83-11 to outline what reviews and action, if any, are taken on the processes identified as contributing to the matter between BC Hydro and M.H. If no reviews or action are taken, the report must outline BC Hydro's views on the appropriateness of the policies.**

Utilities Commission Act

Section 23 (1) (in part): The commission has general supervision of all public utilities and may make orders about

(f) reporting, and

(g) other matters it considers necessary or advisable for

(i) the safety, convenience or service of the public, or

(ii) the proper carrying out of this Act or of a contract, charter or franchise involving use of public property or rights.

Section 63: A public utility must not, without the consent of the commission, directly or indirectly, in any way charge, demand, collect or receive from any person for a regulated service provided by it, or to be provided by it, compensation that is greater than, less than or other than that specified in the subsisting schedules of the utility applicable to that service and filed under this Act.

Section 83: “If a complaint is made to the commission, the commission has powers to determine whether a hearing or inquiry is to be had, and generally whether any action on its part is or is not to be taken.”

BC Hydro's Electric Tariff, Section 5.8 (in part)

Pursuant to the *Utilities Commission Act*, this Tariff constitutes the consent of the Commission to allow BC Hydro, in the circumstances specified herein, to charge, demand, collect or receive from its Customers in respect of a regulated service rendered a greater or lesser compensation than that specified in the subsisting schedules of BC Hydro applicable to that service.

In the case of a minor adjustment to a Customer's bill, such as an estimated bill or a Monthly Equal Payment billing, such adjustments do not require back-billing treatment to be applied.

1. Back-billing means the re-billing by BC Hydro for services rendered to a Customer because the original billings were discovered to be either too high (over-billed) or too low (under-billed). The discovery may be made by either the Customer or BC Hydro, and may result from the conduct of an inspection under provisions of the federal statute, the *Electricity and Gas Inspection Act* ("EGI Act"). The cause of the billing error may include any of the following non-exhaustive reasons or combination thereof:
(...) (c) missing meter now found
5. In every case of under-billing or over-billing, the cause of the error will be remedied without delay, and the Customer will be promptly notified of the error and of the effect upon the Customer's ongoing bill.
7. Subject to item 4 above, in every case of under-billing, BC Hydro will back-bill the Customer for the shorter of:
 - (a) the duration of the error; or
 - (b) six months for residential, small General Service (commercial) or irrigation; and
 - (c) one year for all other Customers or as set out in a special or individually negotiated contract with BC Hydro.
9. Subject to item 4 above, if a Customer disputes a portion of a back-billing due to under-billing based upon either consumption, demand or duration of the error, BC Hydro will not threaten or cause the discontinuance of service for the Customer's failure to pay that portion of the back-billing, unless there are no reasonable grounds for the Customer to dispute that portion of the back-billing. The undisputed portion of the bill shall be paid by the Customer and BC Hydro may threaten or cause the discontinuance of service if such undisputed portion of the bill is not paid.