

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



**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-128-12

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

Hemlock Customer Complaints with Regards to  
the Review Process and Rates Established by Order G-66-12  
and  
Compliance with Order G-66-12

**BEFORE:** A.A. Rhodes, Commissioner

September 25, 2012

**O R D E R**

**WHEREAS:**

- A. On November 30, 2010, Hemlock Utility Services Ltd. (Hemlock, the Utility) and 0762608 B.C. Ltd. filed an application with the British Columbia Utilities Commission (Commission) pursuant to sections 59 to 61 of the *Utilities Commission Act* (Act) requesting, among other things, approval of a rate increase for the electricity charges to the ratepayers of the Utility and an automatic mechanism for rate increases (the Application);
- B. The Application sought a rate increase for customers who use between 0 and 124 kilowatt hours from \$20 per month to \$24 per month and a rate increase for customers who use in excess of 124 kilowatt hours per month from \$0.1605 per kilowatt hour to \$0.18 per kilowatt hour, updated to \$0.2644 per kilowatt hour in August 2011;
- C. The Application was heard by the Commission through a written hearing process which included one round of Information Requests. The Commission did not provide, nor did it direct Hemlock to provide, public notice of the Application; therefore, the customers did not receive notice of the request by Hemlock for a rate increase;
- D. By Order G-66-12 dated May 24, 2012, the Commission approved, among other things, a rate increase from \$20 per month to \$24 for customers using between 0 and 124 kilowatt hours per month, and a rate increase from \$0.1605 per kilowatt hour to \$0.23 for use in excess of 124 kilowatt hours per month. The Order did not specify an effective date for the rate increase;
- E. Order G-66-12 also deemed rate base to be \$189,939 at April 30, 2011 for the purposes of rate setting and denied the automatic mechanism for rate increases;

- F. Hemlock provided the following notice regarding the rate changes to ratepayers with the July 2012 invoice:  
“With approval of the BC Utilities Commission minimum usage of 0-124 KW will go to \$24.00 above that, the cost per KW will go to .23 as of Sept. 1, 2012”;
- G. Following the approval granted in Order G-66-12, the Commission received approximately 30 letters from Hemlock customers complaining about the rate increase and the process the Commission followed in hearing the Application. Many of the letters requested that a public hearing be held on the basis that no public notice was provided and also requested that the approved rate increase be deferred until such time;
- H. In reviewing a complaint, section 83 of the Act provides the Commission with the power to determine whether any action on its part is or is not to be taken;
- I. Section 83 of the Act, gives the Commission the ability, among other things, to order a Reconsideration and rehear all or part of an Application under section 99 of the Act;
- J. The Commission is considering ordering a Reconsideration of the rate increase portion of the Application, on the basis that the Commission erred in law by not ensuring adequate public notice was provided to the affected parties.
- K. On September 24, 2012, the Commission issued a letter seeking submissions from Hemlock and any interested customer or party on whether there is a sufficient prima facie case to order a Reconsideration;
- L. Subsection 61(1) of the Act requires a public utility to file with the Commission, under the rules the Commission specifies and within the time and in the form required by the Commission, schedules showing all rates established by it and collected, charged or enforced or to be collected or enforced;
- M. Subsection 61(3) of the Act states that the rates in schedules as filed and as amended in accordance with this Act and the regulations are the only lawful, enforceable and collectable rates of the public utility filing them, and no other rate may be collected, charged or enforced;
- N. Directive 9 of Order G-66-12 required Hemlock to file the Utility’s amended and up to date tariff sheets with the Commission within 60 days of May 24, 2012;
- O. Hemlock has not filed with the Commission the required amended tariff sheets to reflect the approved rates pursuant to Order G-66-12.

**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-128-12

3

**NOW THEREFORE** the Commission orders as follows:

1. Pursuant to subsection 61(3) of the Act, rates approved in Order G-66-12 are not enforceable or collectable until such time as Hemlock files the appropriate tariff sheets. The Commission is providing Hemlock with two weeks from the date of this Order to file the appropriate tariff sheets in order for the rates approved under Order G-66-12 to be effective September 1, 2012. If Hemlock does not file the appropriate tariff sheets within two weeks of the date of this Order then the effective date for the rate increase approved in Order G-66-12 will be the date the appropriate tariff sheets are filed with the Commission.
2. Pursuant to section 83 of the Act, rates approved under Order G-66-12 are set as interim pending the determination of the potential Reconsideration. Should lower permanent rates be established, the interim rates are subject to refund with interest at the short term debt rate of Hemlock's principal bank.
3. Hemlock is to provide notice of this Order by sending a copy to each ratepayer in its service area within 5 business days of the date of this Order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 25<sup>th</sup> day of September 2012.

BY ORDER

*Original signed by:*

A.A. Rhodes  
Commissioner