



**LETTER L-12-12**

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**VIA EMAIL**

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March 7, 2012

Ms. Janet Fraser  
Chief Regulatory Officer  
British Columbia Hydro and Power Authority  
16<sup>th</sup> Floor, 333 Dunsmuir Street  
Vancouver, BC V6B 5R3

Dear Ms. Fraser:

Re: British Columbia Hydro and Power Authority  
Customer Complaint – Monte Lake Forest Products Inc. – Billing

This letter is in response to British Columbia Hydro and Power Authority's (BC Hydro) letter dated February 20, 2012, requesting permission from the British Columbia Utilities Commission (Commission) to revise the back-billing charges for Monte Lake Forest Products Inc.'s (Complainant) account. BC Hydro requested permission to waive consumption of 71,400 kWh (approximately \$3,442.64).

BC Hydro back-billed the Complainant \$24,847.49 on May 24, 2011, for the period June 23, 2010 to April 26, 2011. BC Hydro provides the following summary of the actions taken on the account:

- June 23, 2010: The Complainant's meter is read.
- December 7, 2010: A BC Hydro meter technician discovers one phase of the Complainant's three-phase meter has failed. The technician estimates the meter is recording approximately 50 percent of actual consumption. A review of the account shows decreased consumption beginning shortly after the June 23, 2010 meter read. BC Hydro stops issuing bills to the customer until the primary metering kit can be replaced.
- April 7, 2010: The primary metering kit is replaced.
- May 24, 2011: The Complainant is issued a bill for \$24,847.49.

In correspondence to the Commission dated August 30, 2011, the Complainant disputes the back-billing charges, stating the reduced consumption in June 2010 was the result of reduced operations from five days per week to two days per week. In further correspondence to the Commission dated October 7, 2011, the Complainant also argues BC Hydro cannot state for certain when the meter failure occurred between June 23, 2010 and December 7, 2010.

In its response dated October 7, 2011, BC Hydro states it observed a noticeable drop in consumption beginning after the June 23, 2010 meter reading. At the time, the utility attributed this drop to meter failure and subsequently set June 23, 2010, as the beginning of the back-billing period.

In the same response, BC Hydro states that because the meter was still registering consumption at approximately 50 percent the reduced operations were recorded. If the decreased consumption following the June 23, 2010 meter reading was entirely the result of the company's reduced operations, there would have been another noticeable drop in consumption when the meter began to fail.

However, in its response dated February 20, 2012, BC Hydro states, "BC Hydro has now re-examined its position and has reached the conclusion that a convergence of circumstances occurred in this case which has made it impossible to determine with certainty when the old meter began malfunctioning and what the effect was. All that can be said with certainty is that the meter was defective when BC Hydro's meter technician examined it on December 7, 2010. In the interim between June 2010 and December 2010 it may be that the decrease in consumption recorded in BC Hydro's records was due to the reduced level of operations of the MLFP plant or due to the malfunctioning meter, or both."

Pursuant to section 63 of the *Utilities Commission Act*, BC Hydro is unable to waive charges for registered consumption without Commission consent.

The Commission reviewed the matter and is of the view it is reasonable to reduce the back-billed amount in this case, as neither BC Hydro nor the Complainant can state with certainty when the meter failed between June 23, 2010 and December 7, 2010.

By this letter, the Commission gives consent to BC Hydro to revise the back-billed amount and waive consumption of 71,400 kWh on the Complainant's account.

At this time, it is also important to note the Complainant's concerns regarding the notification the company received regarding the back-billing charges. In correspondence to the Commission dated August 30, 2011, the Complainant expresses concern with the information the company received from BC Hydro prior to the back-billing on May 24, 2011, stating the company was unaware of the amount of the charges until the sum was debited from the company's bank account.

The Complainant states the company contacted BC Hydro on several occasions to request an estimate of the charges ahead of the billing in order to prepare for the large amount. However, no estimate was provided.

The Commission is concerned with the measures taken by BC Hydro to inform the Complainant of the back-billing charges and the impact those charges would have on the company's account.

Section 5.8.8 of BC Hydro's Electric Tariff (Tariff) states, "in every case of under-billing, BC Hydro will offer the Customer reasonable terms of repayment. If requested by the Customer, the repayment term will be equivalent in length to the back-billing period. The repayment will be interest free and in equal instalments corresponding to the normal billing cycle."

As the Complainant was on a pre-authorized payment plan, the total amount owing was debited from the company's bank account at the time the May 24, 2011 bill was issued. It does not appear that payment arrangements were offered.

Section 5.8.9 of the Tariff states, "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."

The Complainant requested information about the back-billing charges prior to the May 24, 2011 bill in order to prepare financially for the large sum. However, the Complainant was not notified of the impact of the back-billing charges prior to receiving the bill.

The Commission recommends BC Hydro undertake a review of its process of informing customers of back-billing charges and payment options to ensure its actions comply with back-billing procedures set out in sections 5.8.8 and 5.8.9 of the Tariff.

Yours truly,

Alanna Gillis

LS/cms

cc: Mr. David Tearoe  
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Monte Lake Forest Products Inc.  
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