

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-159-13



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

and

**Hemlock Utility Services Ltd.
Revenue Requirements Application**

BEFORE: A.A. Rhodes, Panel Chair/Commissioner October 1, 2013

O R D E R

WHEREAS:

- A. On November 30, 2010, Hemlock Utility Services Ltd. (Hemlock Utility Services, 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 (the Original RRA);
- B. In particular, the Original RRA sought, among other things, 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 usage in excess of 124 kilowatt hours (kWh) per month from \$0.16[0]5 per kWh to \$0.18 per kWh, increased to \$0.2644 per kWh in August 2011;
- C. The Original RRA 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 Utility Services to provide, public notice of the Original RRA; therefore, Hemlock Utility Services' customers did not receive notice of the request 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 usage between 0 and 124 kWh per month, and a rate increase from \$0.16[0]5 to \$0.23 per kWh for usage in excess of 124 kWh per month. The Order did not specify an effective date for the rate increase;
- E. Following the approvals granted in Order G-66-12, the Commission received approximately 30 letters from Hemlock Utility Services customers complaining about the rate increase and the process the Commission followed in hearing the Original RRA. Many of the letters requested that a new public hearing be held on the basis that no public notice had been provided for the Original RRA and also requested that the approved rate increase be deferred until such time as the Commission conducted a public hearing;
- F. On September 24, 2012, the Commission issued Letter L-54-12 seeking submissions from Hemlock Utility Services and any interested customer or party regarding a potential Reconsideration;

- G. On September 25, 2012, the Commission issued Order G-128-12 which set rates approved under Order G-66-12 as interim, effective September 1, 2012, pending determination of the potential Reconsideration;
- H. On November 30, 2012, the Commission issued Order G-184-12 ordering a Reconsideration of the rate increase portion of the Original Application pursuant to section 99 of the Act and directing Hemlock Utility Services to file a new Revenue Requirements Application;
- I. Order G-184-12 also established that the Reconsideration would proceed by way of a new written hearing;
- J. On March 8, 2013, Hemlock filed the new Revenue Requirements Application requesting that interim rates established under Order G-128-12 be made permanent (Reconsideration RRA);
- K. On March 13, 2013, by Order G-35-13, the Commission issued a Regulatory Timetable for the review of the Reconsideration RRA which provided for, among other things, two rounds of Commission and Intervener Information Requests (IRs);
- L. On May 2, 2013, by Order G-69-13, the Commission amended the Regulatory Timetable established by Order G-35-13 to allow additional time for the Utility to respond to the Intervener's first round of IRs.

NOW THEREFORE the Commission, for the reasons stated in the Decision issued concurrently with this order, makes the following determinations:

- 1. For all residential, commercial, and industrial customers, effective September 1, 2012, the permanent Energy Charge Rate is \$0.13 per kilowatt hour and the Minimum Charge is \$20.
- 2. Hemlock Utility Services is to file amended Tariff Rate Schedules on or before October 21, 2013 which conform to determinations made in the Decision.
- 3. Hemlock Utility Services is to inform all customers of the permanent rates by way of written notice included with the next customer invoice.
- 4. Hemlock Utility Services is directed to refund the difference between the permanent rates and the previously approved interim rates, with interest at the short term debt rate of Hemlock Utility Services' principal bank. This refund is due to all Hemlock Utility Services' customers that were customers during any time in the interim period which commenced on September 1, 2012.
 - a. The Panel directs that, for ease of administration, refunds are to be provided by way of bill credits for all customers of Hemlock Utility Services that are customers on the date of this Order.

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- b. For any customers who were customers of Hemlock Utility Services during the interim period, but who are no longer customers on the date of this Order, Hemlock Utility Services is to provide the refund by way of a mailed cheque, within 60 days of the date of this Order, subject to forwarding information being available. Hemlock Utility Services is to report to the Commission identifying any customers whose forwarding information was unknown where the amount of the refund owed and outstanding exceeds \$20, within 75 days of the date of this Order.
 - c. For any customers who were customers of Hemlock Utility Services during the interim period from September 1, 2012 to the date of this Order, but who cease to be a Hemlock Utility Services' customer prior to receiving the full benefit of the credit to his or her account, Hemlock Utility Services is to provide a refund by way of cheque for the amount of refund still owing within 30 days of closing the account.
5. An "Automatic Rate Adjustment" mechanism is approved for Hemlock Utility Services on the basis of 50 percent of any change, equal to or greater than 2 percent, in BC Hydro's Rate Schedule 1611 (Large General Service) or Schedule 1901 (Deferral Account Rate Rider). The effective date for Hemlock Utility Services' rate change will be the same effective date as for BC Hydro.
 6. If Hemlock Utility Services wishes to utilize the "Automatic Rate Adjustment" and automatically change the Energy Charge Rate, it must file an amended Tariff Sheet with the Commission within 21 days of the effective date of the BC Hydro rate change, subject to complaint and subject to review by the Commission to verify the arithmetic accuracy of the rate.
 7. Hemlock Utility Services is directed to install meters for all unmetered operations as soon as reasonably possible and must report on the status of the meter installation on or before November 1, 2013.
 8. Hemlock Utility Services is directed to comply with all other directives in the Decision issued concurrently with this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 1st day of October, 2013.

BY ORDER

Original Signed By:

A.A. Rhodes
Panel Chair/Commissioner