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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER G-173-13**

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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 24, 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 the interim rates established under Order G-128-12 be made permanent (Reconsideration RRA);
- K. On October 1, 2013, by Order G-159-13, and related Decision on the Reconsideration RRA, the Commission, among other things:
- directed Hemlock Utility Services to provide Notice to its customers of the permanent rates by way of written notice in its next invoice;
  - directed Hemlock Utility Services 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; and
  - directed that, for ease of administration, refunds are to be provided by way of bill credits for all customers of Hemlock Utility Services that were customers on the date of the Order.
- L. The Commission finds it necessary to provide clarification of these directives.

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

1. Hemlock Utility Services is to provide a draft of the Notice to its customers of the permanent rates established by Order G-159-13 for the Commission's approval within 5 business days of the date of this Order. The Commission has provided a sample Notice attached as Appendix A to this Order.

**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER**      **G-173-13**

3

2. Hemlock Utility Services must:
  - a. include a copy of the Commission approved Notice of the permanent rates established by Order G-159-13; and
  - b. disclose the amount of the customer's total bill credit,  
with its mailing of customer invoices for October, 2013 electricity services.
3. Where a bill credit is to be provided, the customer's bill credit must be applied to electricity service charges commencing on October 1, 2013.

**DATED** at the City of Vancouver, in the Province of British Columbia, this      24<sup>th</sup>      day of October, 2013.

BY ORDER

*Original Signed by:*

A.A. Rhodes  
Panel Chair/Commissioner

Attachment

## **NOTICE TO CUSTOMERS**

For all residential, commercial, and industrial customers, effective September 1, 2012, the BC Utilities Commission has set the permanent Energy Charge Rate at \$0.13 per kilowatt hour and the Minimum Charge at \$20. This is lower than the interim rate of \$24 for usage between 0 and 124 kilowatt hours per month, and \$0.23 per kilowatt hour for usage in excess of 124 kilowatt hours per month in effect. Customers are entitled to a bill credit equal to the difference between the interim rate and the permanent rate with interest at the short term debt rate of Hemlock Utility Services' principal bank. The bill credit will apply against electricity service charges commencing October 1, 2013.

Your total bill credit had been calculated as \$XXXX. If you have any questions regarding the calculation of the credit please call XXXX at XXX.