

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-224-13

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 Utility Services Ltd.
Compliance with Commission directives made in
Orders G-159-13 and G-173-13**

BEFORE:

L.F. Kelsey, Commissioner
C.A. Brown, Commissioner
N.E. MacMurchy, Commissioner December 19, 2013
B.A. Magnan, Commissioner
D.M. Morton, Commissioner
R.D. Revel, Commissioner
C. van Wermeskerken, Commissioner

O R D E R

WHEREAS:

A. On October 1, 2013, by Order G-159-13 and in its Decision on the Reconsideration Revenue Requirements Application, the British Columbia Utilities Commission (Commission) determined the following, among other things:

- "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.*
 - 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."*

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- B. On October 24, 2013, the Commission further clarified direction given in Order G-159-13 through Order G-173-13 which directed the following:
- "1. Hemlock 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.*
 - 2. Hemlock Utility Services must:*
 - i. include a copy of the Commission approved Notice of the permanent rates established by Order G-159-13; and*
 - ii. 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."*
- C. On October 31, 2013, Hemlock's legal counsel confirmed by email that Hemlock would use the form of Notice provided by the Commission (Appendix A to Order G-173-13) to notify customers of permanent rates established by G-159-13 and disclose their total bill credit. The Commission acknowledged by letter dated November 5, 2013, receipt of the email from Hemlock;
- D. The Commission received correspondence on November 12, 18, 19 and 21, 2013, from Hemlock customers alleging that Hemlock was not in compliance with certain directives made in Commission Orders G-159-13 and/or G-173-13;
- E. The Commission followed up with Hemlock on November 15, 2013, by letter L-66-13 indicating the Commission required confirmation that Hemlock had complied with each directive of Order G-173-13. In the event that Hemlock was not compliant with each directive of Order G-173-13 it must provide a full explanation including a clear plan to remedy non-compliance. The response must provide an explanation for each directive of the Order on a stand-alone basis. A written response was required by Tuesday, November 19, 2013 and 4:00 pm;
- F. Hemlock did not respond to the Commission in writing by the stated time;
- G. The Commission then issued letter L-68-13 on November 21, 2013 informing Hemlock that the failure of Hemlock, its directors or officers to respond with the information requested in letter L-66-13 by 12:00 noon on Friday, November 22, 2013 may result in the Commission establishing a hearing and other actions in accordance with the administrative penalty provisions in section 109.2 of the *Utilities Commission Act*;
- H. In an email dated Friday, November 22, 2013, Hemlock responded indicating its intent to comply with Commission Orders G-159-13 and G-173-13. In a second email dated November 22, 2013, Hemlock staff provided a draft of the letter, dated November 21, 2013, to be mailed to Hemlock customers by the end of the week notifying them of new rates effective September 1, 2012 and indicating any credit would show on the December 1, 2013 electrical invoice. The letter does not appear consistent with the Notice Hemlock's legal counsel indicated would go to Hemlock customers or the draft Notice provided by the Commission as Appendix A to Order G-173-13;

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- I. The Commission requires further information to determine whether or not Hemlock is in compliance with directives 3 and 4 of Order G-159-13 and directives 2 and 3 of Order G-173-13.

NOW THEREFORE pursuant to section 43 of the *Utilities Commission Act*, the Commission orders the following:

1. Hemlock Utility Services Ltd. must provide the following information:
 - a. a statement as to whether Hemlock is or is not in full compliance with directives 3 and 4 of Order G-159-13 and directives 2 and 3 of Order G-173-13;
 - b. one copy of the actual Notice of permanent rates sent to Hemlock customers; and
 - c. a spreadsheet or other document showing:
 - i. a list of all customers that were customers on September 1, 2012;
 - ii. the amount of each customers' refund;
 - iii. if the refund has been made, the billing period the refund was first applied or mailed; and
 - iv. the remaining balance, if any, of the refund and when it will be applied or mailed.
2. The required documentation, outlined in directive 1 of this Order, must be submitted to the Commission by no later than December 30, 2013, at 4:00 pm.

DATED at the City of Vancouver, in the Province of British Columbia, this 19th day of December 2013.

BY ORDER

Original signed by:

D.M. Morton
Commissioner