



**ORDER NUMBER  
G-201-21**

IN THE MATTER OF  
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Hemlock Utility Services Ltd.  
Investigation into the Safety and Reliability of Hemlock Utility Services

**BEFORE:**

D. M. Morton, Commissioner

on June 30, 2021

**ORDER**

**WHEREAS:**

- A. On December 14, 2020, Hemlock Utility Services Ltd. (Hemlock) filed with the British Columbia Utilities Commission (BCUC) an application to revise Section 19 (Liability of the Company re: Service) of its Electric Tariff Terms and Conditions. Hemlock proposed to include further liability provisions with respect to its supply of electricity to customers (Application);
- B. Hemlock Utility Services Ltd. is served by a single radial line providing service to approximately 250 residential customers at the Sasquatch Mountain Resort;
- C. By Order G-20-21 dated January 20, 2021, the BCUC issued a regulatory timetable for review of the Application and established a public written comment process;
- D. By February 10, 2021, the BCUC received fifteen letters of comment and seven interested party registrations;
- E. By Order G-56-21 dated March 1, 2021, the BCUC issued a further regulatory timetable, which included one round of information requests (IR). On April 7, 2021, Hemlock submitted public and confidential responses to BCUC IR No. 1;
- F. By Order G-153-21 dated May 21, 2021, the BCUC approved, among other things, Hemlock's Application to include further liability provisions with respect to its supply of electricity to its customers;
- G. In the accompanying reasons for decision to Order G-153-21, the Panel identified a number of operational concerns including, but not limited to, issues related to the safety and reliability of the Hemlock system. The Panel recommended that the BCUC initiate a separate proceeding to conduct a fulsome review of the safety and reliability of Hemlock's electrical distribution system; and

- H. Upon further review of the recommendations made under Order G-153-21, the BCUC determines that a hearing to further investigate the safety and reliability of Hemlock's electrical distribution system and system assets and customer service related issues is warranted.

**NOW THEREFORE** pursuant to section 82 of the *Utilities Commission Act*, the BCUC orders as follows:

1. A hearing to review the safety and reliability of Hemlock's electrical distribution system and system assets, and customer service related issues is hereby established in accordance with the regulatory timetable attached as Appendix A to this order.
2. Hemlock must provide notice of this order on its website and all of its available social media platforms (if applicable) by Friday, July 9, 2021.
3. Hemlock is directed to provide the public notice, attached as Appendix C to this order, and a copy of this order and regulatory timetable, electronically where possible, to all of the utility's customers, the Hemlock Valley Homeowners Association, and all band offices for First Nations communities located fully or partially within Hemlock's service area, as soon as possible, but no later than Friday, July 16, 2021.
4. Parties who wish to actively participate in the proceeding are to register with the BCUC by completing a [Request to Intervene Form](#), available on the BCUC's website under Get Involved, by the date established in the regulatory timetable and in accordance with the BCUC's [Rules of Practice and Procedure](#) attached to Order G-15-19.
5. Hemlock is to provide written submissions to address the questions set out in Appendix B to this order by the date established in the regulatory timetable, attached as Appendix A to this order and in accordance with the BCUC's Rules of Practice and Procedure.
6. Members of the public are invited to provide letters of comment for the BCUC's consideration. Letters of comment must be in the [Letter of Comment Form](#) and be submitted on the BCUC's website, or submitted by email to [commission.secretary@bcuc.com](mailto:commission.secretary@bcuc.com) by the date established in the regulatory timetable, attached as Appendix A to this order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 30<sup>th</sup> day of June 2021.

BY ORDER

*Original signed by:*

D.M. Morton  
Commissioner

Attachment

Hemlock Utility Services Ltd.  
Investigation into the Safety and Reliability of Hemlock Utility Services

**REGULATORY TIMETABLE**

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Action	Date (2021)
Hemlock to publish notice on its website and all of its available social media platforms	Friday, July 9
Hemlock to provide Public Notice	Friday, July 16
Hemlock written response to BCUC Scoping questions	Friday, July 30
Letter of Comment submission deadline	Wednesday, August 4
Intervener registration	Wednesday, August 4
Hemlock responses to Letters of Comment	Friday, August 13
Further process	To be determined

## **1.0 INTRODUCTION AND BACKGROUND**

On June 20, 1980, the British Columbia Utilities Commission (BCUC) issued a decision granting Hemlock Valley Electrical Services Ltd. (Hemlock) a Certificate of Public Convenience and Necessity, including the approval of its rates, terms and conditions for service. Hemlock is served by a single radial line, currently providing electricity to approximately 250 residential customers at the Sasquatch Mountain Resort.

On December 14, 2020, Hemlock filed with the BCUC an application to revise Section 19 (Liability of the Company re: Service) of its Electric Tariff Terms and Conditions (2020 Application). In the 2020 Application, Hemlock sought approval to include additional liability provisions relating to its supply of electricity to customers.

By Order G-20-21 dated January 20, 2021, the BCUC issued a regulatory timetable for the review of the 2020 Application and established a public written comment process. The BCUC received fifteen letters of comment and seven interested party registrations. During the letter of comment period, Hemlock customers expressed concern with respect to matters involving the safety and reliability of the utility's operations, as well as Hemlock's customer service related issues.

By Order G-56-21 dated March 1, 2021, the BCUC issued a further regulatory timetable, which included one round of information requests (IR). On April 7, 2021, Hemlock submitted public and confidential responses to BCUC IR No. 1.

By Order G-153-21 and the accompanying reasons for decision, the BCUC approved, among other things, the proposed additions to the liability provisions of Hemlock's Electric Tariff. However, given the scope and purpose of the 2020 Application, the Panel recommended that the BCUC initiate a separate proceeding to investigate the operational concerns identified through the initial review of the 2020 Application.

Accordingly, the BCUC considers that the operational concerns raised under Order G-153-21 warrants further investigation in a subsequent hearing to fully assess the safety and reliability of Hemlock's electrical distribution system and system assets, as well as its customer service related issues. As a preliminary matter, the BCUC issues below a series of questions regarding these concerns. The BCUC directs Hemlock to address the following scoping questions and provide written submissions by **Friday, July 30, 2021**.

## **2.0 BCUC SCOPING QUESTIONS**

### **2.1 Safety and Reliability**

In the 2020 Application, Hemlock provided a summary of its unplanned and planned outage metrics for its service area over the last five years.<sup>1</sup> With respect to the safety and reliability of Hemlock's utility operations, the BCUC requests Hemlock provide written responses to the following:

1. Exclusive of the concerns identified in the 2020 Application, please provide a detailed report clearly outlining all challenges identified by Hemlock with respect to its day-to-day utility operations. In the

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<sup>1</sup> Hemlock Utility Services Ltd., Application to Change the Terms and Conditions of Electric Tariff BCUC No. 1, Exhibit B-4, BCUC IR 2.1, pp. 3–4.

response, please categorize these challenges in terms of their potential impacts on the day-to-day operation of the utility.

2. Please indicate whether Hemlock has discussed with BC Hydro the reasons for the frequency of BC Hydro-related outages noted in the outage metrics provided in the 2020 Application. In the response, please discuss if Hemlock is aware of BC Hydro's current maintenance scheduling on the resort's radial line and indicate whether Hemlock considers BC Hydro's current maintenance scheduling on the resort's radial line to be adequate.
3. Please describe Hemlock's ability to isolate sections of the distribution system when maintenance or repair is required and the resulting effect on customer reliability.
4. Please discuss the process for re-energizing Hemlock's electrical system following an outage, including an explanation of who is responsible for assessing whether the line can be safely re-energized.
5. Please explain whether Hemlock has discussed its anticipated peak load forecast with BC Hydro and the outcomes of any such discussions. If these discussions have not occurred, please explain why not.

## **2.2 System Maintenance Plan**

In the 2020 Application, Hemlock confirmed that an annual preventative maintenance plan (Maintenance Plan) is currently being developed to track all system assets and that in-depth maintenance of Hemlock's commercial electrical assets was conducted in 2019.<sup>2</sup> In response to BCUC Staff Questions in Hemlock's 2019 Annual Report, Hemlock stated it was developing a maintenance tracking system to predict and plan for equipment replacement.

6. Please provide Hemlock's Maintenance Plan or if not complete, please provide an update on the development of Hemlock's Maintenance Plan. Please also provide an update on the maintenance tracking system and a summary of findings, as applicable.
7. Please provide submissions on whether Hemlock intends to implement any changes, operational or infrastructural, to its utility services in the near-term (i.e. 1–2 years) or mid-term (i.e. 3–5 years). In the response, please provide the schedule of works, indicate any potential issues or conditions that may affect these changes and provide the anticipated impact to Hemlock's customers, including, but not limited to, potential outages, estimated costs and proposed cost recovery associated with these changes.
8. Please provide submissions on who is responsible for undertaking routine inspections and maintenance on Hemlock's electrical systems, including their relevant qualifications and how frequently these inspections occur.
9. With respect to Hemlock's utility operations, please provide a list of all safety incidents, if any, over the last five years and whether these incidents were reported and investigated by a regulatory body. In your response, please include a summary of all reported incidents and any relevant correspondence related to these incidents, if applicable.
10. Please discuss Hemlock's current vegetation management and snow/ice removal plan. Please provide a summary of Hemlock's annual vegetation management and snow/ice removal activities and discuss whether Hemlock considers its current plan as adequate and/or identify areas that require further modification.
11. Please confirm, or explain otherwise, whether Hemlock has any utility infrastructure located within Indigenous reserve lands. If applicable, please discuss if Hemlock has a working relationship with an Indigenous Nation(s) and whether they are affiliated with Hemlock's day-to-day utility operations.

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<sup>2</sup> Ibid., Exhibit B-4, BCUC IR 3.1, pp. 7–8.

### 2.3 Emergency Response and Disaster Management Plan

In the 2020 Application, Hemlock submitted that it does not currently have a disaster management plan and will work towards creating a plan with its residential and commercial customers. However, Hemlock confirmed that it does maintain an emergency response plan for its water systems and that it added new generators to its water and sewer systems over the last five years.<sup>3</sup>

12. Please provide an update regarding the disaster management plan for Hemlock's electrical utility operations and any developments arising from Hemlock's consultation with its customers.
13. In February 2020, [emergency repairs](#)<sup>4</sup> were conducted on the only road to Sasquatch Mountain Resort due to a landslide. Please confirm if Hemlock prepares and executes an emergency response plan in the event of a similar weather-related incident or natural disaster limiting access to the resort. Additionally, please discuss any lessons learned from the recent washout incident and whether Hemlock has implemented any adjustments, if any, to its current emergency response plan.

### 2.4 Customer Service Related Issues

In response to the delays concerning the receipt of invoices to customers, Hemlock stated it has implemented a new accounting system to address these billing issues. The new proposed system contemplates invoice date clarification, reconsideration of payment terms, and the inclusion of meter read details on its invoices.<sup>5</sup> However, given Hemlock's current staffing challenges, Hemlock states it would require the services of a third-party to accommodate the proposed changes. Consequently, Hemlock requests that all associated costs be recovered through future rate applications to the BCUC.

Further, Hemlock submitted that it is amenable to modify the billing and payment provisions of its Electric Tariff, where applicable, to align with the billing and payment terms established under BC Hydro's respective tariff.

14. Please indicate whether Hemlock is amenable to filing with the BCUC an updated tariff application regarding the proposed accounting system changes and updates to Hemlock's billing and payment terms and conditions as part of the current proceeding.
15. Please provide a high-level cost estimate of employing a third-party firm to accommodate the accounting changes as proposed by Hemlock.
16. Please discuss Hemlock's cybersecurity measures, including how the utility protects the confidential information of its customers.

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<sup>3</sup> Ibid., Exhibit B-4, BCUC IR 3.3, p. 8.

<sup>4</sup> Boynton, Sean. "Washed-out road to Sasquatch Mountain Resort to reopen Friday morning: ministry." *Global News*, February 6, 2020, <https://globalnews.ca/news/6519060/hemlock-road-reopening>. Accessed 15 June, 2021.

<sup>5</sup> Hemlock Utility Services Ltd., Application to Change the Terms and Conditions of Electric Tariff BCUC No. 1, Exhibit B-4, BCUC IR 4.1, p. 11.



# We want to hear from you

## INVESTIGATION INTO THE SAFETY AND RELIABILITY OF HEMLOCK UTILITY SERVICES

The British Columbia Utilities Commission (BCUC) is conducting a hearing to fully assess the safety and reliability of Hemlock Utility Services Ltd.'s (Hemlock) electrical distribution system and system assets, as well as its customer service-related issues.

This hearing is the result of an application Hemlock filed with the BCUC on December 14, 2020, where it requested approval to revise Section 19 (Liability of the Company re: Service) of its Electric Tariff Terms and Conditions (2020 Application). In the 2020 Application, Hemlock sought approval to include additional liability provisions relating to its supply of electricity to customers.

By Order G-153-21 and the accompanying reasons for decision, the BCUC approved, among other things, the proposed additions to the liability provisions of Hemlock's Electric Tariff. Further, the BCUC recommended that it initiate a separate proceeding to investigate the operational concerns identified through the initial review of the 2020 Application.

### HOW TO PARTICIPATE

- **Submit a letter of comment**
- **Register as an interested party**
- **Request intervener status**

### IMPORTANT DATES

1. **Friday, July 16, 2021** – Hemlock to provide Public Notice
2. **Friday, July 30, 2021** – Hemlock response to BCUC Scoping Questions
3. **Wednesday, August 4, 2021** – Intervener Registration Deadline
4. **Wednesday, August 4, 2021** – Letters of Comment Deadline

For more information on getting involved, please visit our website ([www.bcuc.com/get-involved](http://www.bcuc.com/get-involved)) or contact us at the information below.

### GET MORE INFORMATION

#### Hemlock Utility Services Ltd.



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