



June 16, 2023

Sent via email

Letter L-32-23

[REDACTED]
Robson Valley Power Corporation
[REDACTED]

**Re: British Columbia Hydro and Power Authority – Complaint filed by Robson Valley Power Corporation
British Columbia Utilities Commission Decision**

Dear [REDACTED]

The British Columbia Utilities Commission (BCUC) writes regarding your complaint, submitted on March 11, 2022, concerning British Columbia Hydro and Power Authority (BC Hydro)'s assessment of the rate schedule that Robson Valley Power Corporation (RVPC) had been placed on and associated changes in billing and charges (Complaint). In the Complaint you stated concerns about RVPC being moved from Independent Power Producer (IPP) Station Service Rate Schedule (RS) 1253 to Large General Service RS 1611.

When the BCUC reviews complaints, it uses the criteria of whether the utility reasonably responded to the customer's concern(s) and whether the utility followed its approved Tariff and the *Utilities Commission Act* (UCA). As an administrative tribunal, the BCUC follows its own process for complaints. The BCUC is not a mediator of disputes; rather, it is an independent regulatory agency of the Provincial Government that operates under and administers the UCA. Based on our review of the Complaint and related correspondence provided in this matter, the BCUC is satisfied that BC Hydro has not breached the UCA or the terms of the Tariff over which the BCUC has jurisdiction.

This letter outlines the BCUC's review process, and then provides a summary of the Complaint, the issues raised, the BCUC's review of each issue, and potential next steps you can take.

Review Process

In reviewing BC Hydro's responses, under the BCUC Customer Complaints Guide¹, the BCUC has, amongst other things, referred to the UCA and BC Hydro's approved Tariff which contains the terms and conditions of service between BC Hydro and its customers to ensure that its actions were in accordance with the approved Tariff.

With regard to the terms of the Electricity Service Agreement (ESA) and Electricity Purchase Agreement (EPA) (collectively agreements) to which both BC Hydro and RVPC made reference in their submissions, the BCUC has limited jurisdiction over such agreements between utilities and their customers. Accordingly, the terms of the ESA and EPA are not addressed in this Complaint determination.

The current version of BC Hydro's Tariff was approved by Order G-5-17², which came into effect March 16, 2017. In the Tariff, rates for each class or type of customer (residential, commercial, industrial) and the applicable terms and conditions are designed through a public consultation process to cover the cost of supplying customers in that class.

¹ [BCUC Customer Complaints Guide](#)

² [British Columbia Hydro and Power Authority ~ 2015 Rate Design Application ~ Final Order](#)

Complaint

RVPC's position

Within the Complaint you explain that RVPC's Rate Schedule with BC Hydro was changed from IPP Station Service RS 1253 to Large General Service 1611 when it integrated a Bitcoin mining operation into its facility. You disagree that RS 1611 is the appropriate rate schedule for RVPC, and highlight, as reason for your objection, that RS 1611 includes additional charges such as a Basic Charge and Demand Charge.

In addition, you also object to Demand and Minimum Charges incurred under the ESA during an interruption in service caused by a technical fault suffered by BC Hydro's transmission infrastructure and failure of your reclosure equipment to prevent demand spikes. In your submission, having completed the installation of the reclosure device at your own cost and it being approved by BC Hydro on July 9, 2021, and with the cause of the demand spike being interruptions in the operation of BC Hydro's transmission infrastructure, the fault lies with BC Hydro, which should absolve RVPC of any financial responsibilities.

The Complaint requests two things of the BCUC; first, to determine the correct Rate Schedule, and second, to assess the fairness of the demand and minimum charges billed to RVPC as a result of demand spikes incurred during service interruptions on BC Hydro's transmission infrastructure.

BC Hydro's position

In response to the Complaint, BC Hydro maintains that the change in RVPC's Rate Schedule from IPP Station Service RS 1253 to Large General Service RS 1611 is the only appropriate option under its Tariff. BC Hydro elaborates that use of RS 1253 is limited to black-start and maintenance, and the volume of consumption is capped at 100kW.

With regards to the charges that RVPC incurred for electricity consumed during service interruptions caused by outages on BC Hydro's system, BC Hydro states that it cannot be held liable for any costs incurred due to service interruptions as per the Section 9.5 of its Electric Tariff. Moreover, BC Hydro states that it cannot waive or remove charges from RVPC's billing without BCUC approval.

BC Hydro acknowledges that it did not send RVPC its first invoice under Large General Service RS 1611 for a period of six billing cycles between February 16, 2020, and August 16, 2020. As a result, BC Hydro offers a solution and requests that, pursuant to Section 63 of the UCA, the BCUC consent to a waiver of Demand and Minimum Charges as invoiced between the abovementioned dates. This request is limited to this time frame, as BC Hydro believes that after August 15, 2020, RVPC was aware that it was incurring Demand Charges and was capable of avoiding them.

Determination

Upon review of this matter, the BCUC has reached a determination on your file. In your Complaint, you state that Large General Service RS 1611 is not the correct rate schedule for RVPC, and that RVPC should have remained on Rate Schedule RS 1253. The jurisdiction of the BCUC over Rate Schedules extends only to the application for approval submitted by a utility prior to implementation and does not extend to the assignment of rate schedules within counterparty agreements such as EPAs or ESAs. As a result, the BCUC does not have jurisdiction over which rate schedule is appropriate for RVPC.

With regards to the Demand and Minimum Charges incurred by RVPC during service interruptions in BC Hydro's power transmission network, the BCUC refers to BC Hydro's approved Tariff. Under Section 9.5 of the Tariff, BC Hydro is not liable for loss, injury, damage, or expense incurred as a result of any interruption in the provision of electricity.

Based on the above, the BCUC finds that BC Hydro's actions have been consistent with its duties and responsibilities as set out in its Tariff and the UCA.

After deliberation on BC Hydro's request for consent to waive Demand and Minimum Charges as invoiced from February 16, 2020 to August 15, 2020, pursuant to Section 63 of the UCA, the BCUC determines that this request is reasonable. Therefore, by separate letter, the BCUC consents to BC Hydro's request to waive \$13,933.86 in Demand Costs and \$4,084.54 in Minimum Charges, totalling \$18,018.40.

Accordingly, your file is now closed.

Office of the Ombudsperson

If you have concerns about how the BCUC handled your complaint, you may wish to contact the Office of the Ombudsperson. The Office of the Ombudsperson receives enquiries and complaints about the practices and services of public agencies within its jurisdiction. Their role is to impartially investigate complaints to determine whether public agencies have acted fairly and reasonably, and whether their actions and decisions were consistent with relevant legislation, policies and procedures.

If you decide to file a complaint with the Ombudsperson, they will review the BCUC's process to ensure it was fair. Though this may not result in a different outcome for you, the office could request that the BCUC reopen its investigation.

Provided is a link to the Office of the Ombudsperson's website: <https://www.bcombudsperson.ca>.

You can also call their office toll-free at: 1-800-567-3247. An employee at the office will be able to assist you and inform you of your options.

Thank you again for contacting the BCUC.

Sincerely,

Original signed by Sara Hardgrave for:

Patrick Wruck
Commission Secretary

PH/jm

cc: British Columbia Hydro and Power Authority