



**ORDER NUMBER**  
**G-174-24**

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

and

FortisBC Energy Inc.  
Complaint filed by L.K.

**BEFORE:**  
B. A. Magnan, Commissioner

on June 25, 2024

**ORDER**

**WHEREAS:**

- A. On September 7, 2023, the British Columbia Utilities Commission (BCUC) received a complaint (Complaint) from a residential FortisBC Energy Inc. (FEI) customer, L.K., concerning, amongst other things, an adjusted bill in the amount of \$7,995.68 due to consumption catch-up billing from estimated meter readings at the customer's premises from the period of January to August 2023;
- B. In the Complaint, L.K. states that FEI did not accurately report or notify the customer regarding the increase in consumption. Further, L.K. submits that they should not be responsible for the adjusted bill because they were not afforded the opportunity to assess and adjust usage accordingly;
- C. On September 27, 2023 and October 23, 2023, FEI provided responses to the Complaint, explaining that due to the unusually high consumption patterns at the premises, adjustments to the customer's meter reading values for billing purposes were warranted until the meter readings could be verified;
- D. From November 3, 2023 to January 20, 2024, L.K. and FEI submitted to the BCUC additional information and correspondence regarding the Complaint; and
- E. The BCUC has reviewed the Complaint and the subsequent submissions and finds the following determination is warranted.

**NOW THEREFORE** for the reasons outlined in the decision accompanying this order, the BCUC orders as follows:

- 1. FEI is required to apply Section 19.8 of the General Terms and Conditions of FEI's Tariff to L.K.'s account with respect to consumption prior to August 15, 2023.
- 2. Back-billing must begin with registered consumption from the period inclusive of August 15, 2023, for a six-month duration.

3. The Complaint is closed.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 25<sup>th</sup> day of June 2024.

BY ORDER

*Original signed by:*

B. A. Magnan  
Commissioner

## DECISION

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### 1.0 Complaint Background

On September 7, 2023, the British Columbia Utilities Commission (BCUC) received a complaint (Complaint) from a residential FortisBC Energy Inc. (FEI) customer, L.K., concerning an adjusted bill due to consumption catch-up billing from estimated meter readings from the period of January to August 2023.

In the Complaint, L.K. states that FEI conducted on-site meter readings in January and February 2023, following which FEI issued bills on the basis of estimated consumption due to the failure of FEI to contact L.K.'s household to arrange a time for a meter reading. Following the next meter reading in August 2023, L.K. states that FEI emailed them on August 28, 2023 to inform them about an error in the meter readings, resulting in an adjusted bill in the amount of \$7,995.68. L.K. states they were not afforded the opportunity to assess and adjust their consumption accordingly due to FEI's inaccurate billing or lack of notification regarding the increase in gas usage. Consequently, L.K. submits that the adjusted bill is not justified and they should not be obligated to pay the balance of the adjusted bill. In response to FEI's submissions regarding the applicability of back-billing (described below), L.K. also submits that FEI was aware of the high consumption patterns at L.K.'s premises since January 2023.

Between September 27, 2023 and January 15, 2024, FEI responded to the Complaint, submitting that, since the January and February 2023 meter readings were unusually high for L.K.'s premises, an FEI billing analyst determined that a keying input error likely occurred. As such, the billing analyst determined that, for billing purposes, adjustments to the meter reading values based on estimated consumption were warranted until they could be verified by subsequent actual meter reading values. FEI notes that when adjustments to actual meter readings are determined to be necessary (i.e., in cases of unusually high consumption), the adjusted estimated meter readings prevent customers from being billed for greater consumption in one period, which will be due and payable, yet later need to be adjusted based on a verified meter reading. FEI states ongoing access issues at the customer's premises in March, April, and May 2023 contributed to the delay in obtaining an actual verified meter reading. FEI notes that it obtained actual meter reads in January, February, and August 2023. Further, FEI submits that it considers the discovery of the under-billing is June 2023, as that is when FEI issued a letter to L.K. to discuss the ongoing access issues at the premises. Therefore, in accordance with Section 19.8 of the Tariff, FEI states that, if back-billing is applicable, the provision of back-billing for the previous six months from June 2023 allows for back-billing back to January 2023.

FEI also further describes its internal processes for reviewing cases of high meter readings. FEI submits that when it is the first occurrence of a high meter reading, the customer is not contacted regarding FEI's initial review and conclusion, as was the case in L.K.'s January 2023 consumption review. However, FEI states there was a subsequent high meter reading in February 2023, which was again adjusted for being inconsistent with historical consumption. FEI acknowledges that if the appropriate process had been followed, FEI should have contacted L.K. regarding the increase in consumption following the second high meter reading. FEI notes L.K. was not contacted and indicates that FEI provided appropriate coaching to the FEI representatives to prevent a similar circumstance from occurring in the future.

With respect to the application of the General Terms and Conditions of FEI's Tariff, FEI submits that it applied Section 16.4<sup>1</sup> as the obtained meter reads were thought to be erroneous. On this basis, FEI concluded that L.K.'s consumption should be adjusted to align with historical consumption at the premises, and therefore the billing was based on estimates. Additionally, FEI submits that it billed L.K. in accordance with Section 16.1<sup>2</sup> for the gas service and associated gas consumption at the premises once a verified meter reading was confirmed.

## **1.1 Relevant Legislative and Tariff Provisions**

The BCUC has broad jurisdiction to resolve complaints within its jurisdiction. Specifically, section 83 of the *Utilities Commission Act* (UCA) provides that, "[i]f a complaint is made to the commission, the commission has powers to determine whether a hearing or inquiry is to be had, and generally whether any action on its part is or is not to be taken".

In reviewing the Complaint, the BCUC also referred to FEI's approved Tariff, which outlines the terms and conditions of service between FEI and its customers, to ensure FEI's actions were in accordance with the approved Tariff. The current version of the Tariff was approved by Order G-135-18 and came into effect on November 1, 2018. Later amendments were made to Section 16 by Order G-217-20 effective from August 14, 2020.

Section 16.1 of FEI's Tariff states, in part:

### **Basis for Billing**

Subject to Section 17 (Evacuation Relief), FortisBC Energy will bill the Customer in accordance with the Customer's Service Agreement, the Rate Schedule under which the Customer is provided Service, and the fees and charges contained in the General Terms and Conditions.

Section 16.4 of FEI's Tariff states:

### **Estimates**

For billing purposes, FortisBC Energy may estimate the Customer's meter readings if, for any reason, FortisBC Energy does not obtain a meter reading.

Section 19.1 of FEI's Tariff states:

### **When required**

FortisBC Energy may, in the circumstances specified in this Section 19 (Back-Billing), charge, demand, collect or receive from its Customers in respect of a regulated Service rendered to its Customers a greater or lesser compensation than that specified in the Rate Schedules applicable to that Service.

In the case of a minor adjustment to a Customer's bill, such as an estimated bill or an Equal Payment Plan bill, such adjustments do not require back-billing treatment to be applied.

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<sup>1</sup> FortisBC Energy Inc., General Terms and Conditions, Section 16.4, p. 16-1.

<sup>2</sup> Ibid., Section 16.1, p. 16-1.

Section 19.6 of FEI's Tariff states:

#### **Remedying Problem**

In every case of under-billing or over-billing, the cause of the error will be remedied without delay, and the Customer will be promptly notified of the error and of the effect upon the Customer's ongoing bill.

Section 19.8 of FEI's Tariff states:

#### **Under-billing**

Subject to Section 19.5 (Tampering / Fraud), above, in every case of under-billing, FortisBC Energy will back-bill the Customer for the shorter of

- (a) the duration of the error;
- (b) six Months for Residential or Commercial Service; and
- (c) one Year for all other Customers or as set out in a special or individually negotiated agreement for Service with FortisBC Energy.

## **2.0 Panel Determination**

The Panel has reviewed the Complaint and the information provided by the parties and determines that, **for the reasons set out below, FEI has not breached its Tariff by estimating L.K.'s consumption. However, the Panel determines that FEI breached Section 19.6 of its Tariff by not promptly notifying L.K. of the increase in gas consumption following FEI's second meter reading in February 2023.**

With respect to the estimation of L.K.'s consumption and subsequent adjusted bill, the Panel finds that FEI has not breached its Tariff in estimating L.K.'s consumption and subsequently issuing an adjusted bill to account for actual consumption. The Panel notes that the verified meter reading by FEI in August 2023 confirmed the actual gas consumption of L.K. for the period from January to August 2023. Regarding the application of section 16.4 of the Tariff to these circumstances, **the Panel finds that FEI was within its right under the Tariff to issue estimated consumption values for billing purposes in this case.**

However, with regard to the applicability of the back-billing provisions in Section 19.8 to these circumstances, the Panel notes that while FEI issued a letter to L.K. to discuss ongoing access issues in June 2023, L.K. was only formally notified by FEI of the adjusted bill in August 2023. The Panel considers FEI's last actual meter read (i.e., August 15, 2023) to be the discovery of the under-billing in this circumstance. **Therefore, in accordance with Section 19.8, the Panel determines that FEI may only back-bill L.K. six months from the discovery date (i.e., from August 15, 2023) and cannot recover under-billed amounts prior to this period.**

Further, given that FEI was aware of L.K.'s uncharacteristically high consumption patterns for two consecutive billing periods, the Panel notes that FEI ought to have suspected there to be an issue and should have promptly notified L.K. of the increase in consumption as per FEI's internal review policies and Section 19.6 of its Tariff. While L.K.'s adjusted bill was ultimately an accurate reflection of actual consumption, the Panel considers that accurate reporting of billing is an important price signal used by customers to measure the effects of their own energy consumption decisions and to understand energy usage. **In this respect, the Panel finds that FEI breached Section 19.6 of its Tariff by failing to provide the customer with reasonably prompt notice, thereby potentially denying the complainant the opportunity to adjust consumption accordingly.**

### *Panel Discussion*

The Panel notes that as outlined section 63 of the UCA, FEI is required to seek the consent of the BCUC “to directly or indirectly, in any way charge, demand, collect or receive from any person for a regulated service provided by it, or to be provided by it, compensation that is greater than, less than or other than that specified in the subsisting schedules of the utility applicable to that service and filed under this Act”. In this instance, should FEI waive any charges, or reduce L.K.’s bills for the period six months prior to August 15, 2023, it is required to submit any such new amount to the BCUC for approval.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 25<sup>th</sup> day of June 2024.

*Original signed by:*

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B. A. Magnan  
Commissioner