



**ORDER NUMBER**  
**G-310-24**

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

and

Hemlock Utility Services Ltd.  
Variance to Directives 6 and 9 of Order G-195-22

**BEFORE:**

E. B. Lockhart, Commissioner  
B. A. Magnan, Commissioner  
W. E. Royle, Commissioner

on November 22, 2024

**ORDER**

**WHEREAS:**

- A. By Order G-201-21 dated June 30, 2021, the British Columbia Utilities Commission (BCUC) ordered a hearing to investigate the safety and reliability of Hemlock Utility Service Ltd.'s (Hemlock) electrical distribution system, system assets and customer service-related issues, and established a regulatory timetable for the investigation;
- B. On January 13, 2022, Hemlock provided its plan to address maintenance issues, unplanned outages and its potential future growth over the next 10 years (Future Growth Plan);
- C. On July 18, 2022, the BCUC issued Order G-195-22 and the accompanying Reasons for Decision, resulting from the investigation of Hemlock's system and related issues;
- D. Directives 6 and 9(viii) of Order G-195-22 directed Hemlock to file:

Directive 6:

Within six (6) months of this Order, and every six (6) months thereafter, Hemlock is to file with the BCUC, a report detailing the status of activities set out in the Future Growth Plan, including activities that have been completed, reasons for delay, if any, and general progress in the implementation of the Future Growth Plan; and

Directive 9:

In its annual report to the BCUC, Hemlock is directed to include the following information from the previous fiscal year:

...

(viii) A safety compliance report, which includes the following:

- a. All safety incidents (including near misses), involving staff, contractors or the public as a result of interaction with the Hemlock System;
- b. All hazardous conditions that have been identified and require remediation with the Hemlock System;
- c. Any corrective actions that have been taken in response to a safety-incident or an identified hazardous condition;
- d. Any compliance reporting with respect to safety-related inspections or audits that are conducted following safety-related incidents;
- e. Any employee safety training and certification; and
- f. Confirmation that any electrical contractors retained by Hemlock are properly qualified.

- E. Between August 4, 2023 and February 12, 2024, Hemlock submitted various compliance filings in response to the Directives set out in Order G-195-22;
- F. By Order G-52-24 dated February 28, 2024, the BCUC issued the Public Utility Safety Guidelines, which set out safety reporting requirements for public utilities subject to the BCUC's safety jurisdiction. Public utilities are directed to file a safety declaration form and all supporting documents annually by no later than four months following their fiscal year end;
- G. In view of the BCUC's ongoing pursuit of balance between regulatory efficiency and effective regulatory oversight, the BCUC has, on its own motion, reviewed Hemlock's overall reporting requirements; and
- H. The BCUC has reviewed Hemlock's compliance filings and determines that varying Directives 6 and 9 of Order G-195-22 is warranted.

**NOW THEREFORE** pursuant to section 99(1) of the *Utilities Commission Act*, and for the reasons outlined in the decision accompanying this order, the BCUC orders as follows:

- 1. The Panel varies Directive 6 of Order G-195-22 to read as follows:

Within six (6) months of this Order, and in the event of a substantive change to the Future Growth Plan thereafter, including a change in the year at which a phase is forecast to end or a change in total demand greater than 10% of the initial forecast, Hemlock is to file with the BCUC a report detailing the status of activities set out in the Future Growth Plan, including activities that have been completed, reasons for delay, if any, and general progress in the implementation of the Future Growth Plan.

- 2. The Panel rescinds Directive 9(viii) of Order G-195-22.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 22<sup>nd</sup> day of November 2024.

BY ORDER

*Electronically signed by Bernard Magnan*

B. A. Magnan  
Commissioner

## DECISION

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### Background

By Order G-201-21 dated June 30, 2021, the BCUC ordered a hearing to investigate the safety and reliability of Hemlock's Utility Service Ltd.'s (Hemlock) electrical distribution system, system assets and customer service-related issues. On January 13, 2022, Hemlock provided its plan to address maintenance issues, unplanned outages and its potential future growth over the next 10 years (Future Growth Plan).

As a result of the investigation, the BCUC issued Order G-195-22 containing 12 directives and the accompanying Reasons for Decision on July 18, 2022. Directives 6 and 9(viii) of Order G-195-22 read as follows:

6. Within six (6) months of this Order, and every six (6) months thereafter, Hemlock is to file with the BCUC, a report detailing the status of activities set out in the Future Growth Plan, including activities that have been completed, reasons for delay, if any, and general progress in the implementation of the Future Growth Plan.

...

9. In its annual report to the BCUC, Hemlock is directed include the following information from the previous fiscal year:

...

(viii) A safety compliance report, which includes the following:

- a. All safety incidents (including near misses), involving staff, contractors or the public as a result of interaction with the Hemlock System;
- b. All hazardous conditions that have been identified and require remediation with the Hemlock System;
- c. Any corrective actions that have been taken in response to a safety-incident or an identified hazardous condition;
- d. Any compliance reporting with respect to safety-related inspections or audits that are conducted following safety-related incidents;
- e. Any employee safety training and certification; and
- f. Confirmation that any electrical contractors retained by Hemlock are properly qualified.

On October 31, 2023, Hemlock filed its 2023 annual report, which included a safety compliance report.

On February 28, 2024 by Order G-52-24, the BCUC issued the Public Utility Safety Guidelines, which require that all public utilities subject to the BCUC's safety jurisdiction file a safety declaration form annually no later than four months following the utility's fiscal year end. The annual safety declaration form includes reporting of any material safety incidents and investigations undertaken to address safety incidents over the previous fiscal year.

On August 4, 2023, Hemlock filed a compliance report consistent with Directive 6 of Order G-195-22 which included the submission of the document “SPEC Job#: SPEC 22020”. This document constituted a revised version of Hemlock’s Future Growth Plan.

On January 18, 2024, Hemlock filed a compliance report consistent with Directive 6 of Order G-195-22. In response to Directive 6, Hemlock confirmed in its 6-month update that no changes had taken place to the status of activities set out in the Future Growth Plan since its last compliance filing, which was submitted on September 21, 2023.

The BCUC submitted BCUC Staff Questions No. 1 to Hemlock on January 26, 2024 regarding the Future Growth Plan and Hemlock filed its responses on February 12, 2024. Hemlock’s Future Growth Plan is broken down into five implementation phases (Phases 1 to 5) over a span of 60 years.<sup>1</sup> In response to BCUC Staff Question No. 1, Hemlock states that Phase 1 is a large project, which it expects will take more than 20 years to complete<sup>2</sup> and that it has identified the required activities to support the necessary development additions over that timeframe.<sup>3</sup> Also, Hemlock states it has made reasonable plans with BC Hydro to address future capacity growth requirements for the full Phase 1 development.<sup>4</sup>

In alignment with the BCUC’s ongoing efficiency initiatives, and on its own motion, the BCUC has reviewed Hemlock’s overall reporting requirements with an aim to balance the need for regulatory oversight with regulatory efficiency by relieving unnecessary regulatory burden.

### **Panel Determination**

Pursuant to section 99(1) of the *Utilities Commission Act*, the Panel, on its own motion, orders a variance to the reporting requirements set out in Directives 6 and 9(viii) of Order G-195-22, for the following reasons:

#### Directive 6:

Given the 20-year time horizon of Phase 1 and the total 60-year time frame of the Future Growth Plan, the Panel finds that semi-annual reporting on its long-term resource planning activities would pose an unreasonable regulatory burden on Hemlock. Rather, the Panel considers that it would be sufficient for Hemlock to file an updated Future Growth Plan whenever a substantive change such as a change in the year at which a phase is forecast to end or a change in total demand greater than 10% to the Plan occurs.

As such, the Panel orders Directive 6 of Order G-195-22 to be varied as follows:

Within six (6) months of this Order, and in the event of a substantive change to the Future Growth Plan thereafter, including a change in the year at which a phase is forecast to end or a change in total demand greater than 10% of the initial forecast, Hemlock is to file with the BCUC a report detailing the status of activities set out in the Future Growth Plan, including activities that have been completed, reasons for delay, if any, and general progress in the implementation of the Future Growth Plan.

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<sup>1</sup> Hemlock’s Response to Order G-195-22 Directives 3, 4, 9, and 11 (September 21, 2023).

<sup>2</sup> Staff Question 2.1, BCUC Staff Questions No.1 to Hemlock.

<sup>3</sup> Staff Question 2.2.1, BCUC Staff Questions No.1 to Hemlock.

<sup>4</sup> Staff Question 2.3.1, BCUC Staff Questions No.1 to Hemlock.

Directive 9(viii):

With the issuance of the Public Utility Safety Guidelines, Hemlock, as a public utility subject to the BCUC's safety jurisdiction, is required to file an annual safety declaration form. Importantly, the Panel finds that the requirements of this safety declaration form are substantively similar to the content required to be filed further to Directive 9(viii) of Order G-195-22. As such, the Panel considers this annual safety declaration requirement to be an appropriate substitute for the safety compliance reporting requirement included in Directive 9(viii) of Order G-195-22, and that continuing to require both filings would be duplicative. Therefore, the Panel rescinds Directive 9(viii) of Order G-195-22.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 22<sup>nd</sup> day of November 2024.

*Electronically signed by Blair Lockhart*

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E. B. Lockhart  
Commissioner

*Electronically signed by Bernard Magnan*

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B. A. Magnan  
Commissioner

*Electronically signed by Wendy Royle*

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W. E. Royle  
Commissioner