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Utilities Commission

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March 16, 2021

Sent via email/eFile

HEMLOCK APPLICATION TO CHANGE TERMS AND CONDITIONS EXHIBIT A-4

Ms. Angela Roy
Hemlock Utility Services Ltd.
Suite 210 – 8399 200th Street
Langley, BC V2Y 3C2
aroy@berezan.ca; rberezan@berezan.ca

Re: Hemlock Valley Electrical Services Limited – Application to Change the Terms and Conditions of Electric Tariff B.C.U.C. No. 1 – Project No. 1599172 – Information Request No. 1

Dear Ms. Roy:

Further to your December 9, 2020 filing of the Application to Change the Terms and Conditions of Electric Tariff BCUC No. 1, enclosed please find British Columbia Utilities Commission Information Request No. 1. In accordance with the regulatory timetable, please file your responses on or before **Wednesday, April 7, 2021**.

Sincerely,

Original signed by:

Patrick Wruck
Commission Secretary

DC/dg
Enclosure



Hemlock Utility Services Ltd.
Application to Change the Terms and Conditions of Electric Tariff BCUC No. 1

INFORMATION REQUEST NO. 1 TO HEMLOCK UTILITY SERVICES LTD.

**1.0 Reference: PROPOSED CHANGES TO THE ELECTRIC TARIFF
Exhibit B-1 (Application), p. 1
Liability Coverage & Insurance**

On page 1 of the Application, Hemlock Utility Services Ltd. (Hemlock) states:

Hemlock Utility Services Ltd. (the Company) is applying to revise the Terms and Conditions Section 19 – LIABILITY OF THE COMPANY RE SERVICE...The requested change will give the Company improved legal protection against claims that may be detrimental to its ability to provide Electricity to the Hemlock Valley Area.

The impact of this change is minimal to the customers in Hemlock Valley. The Current tariff already addresses the failure to supply events out of its control, and as such, the customers of hemlock valley are already responsible to ensure they have proper protection to mitigate damages in the event of a power outage.

The revised changes will not affect The Company's dedication to provide safe and constant supply of electricity to the Hemlock Valley Area.

- 1.1 Please provide a summary of all liability claims issued against Hemlock, if any, for the last ten years. In your response, please include claim amount(s) and whether the claim(s) were covered by Hemlock's insurance provider(s).
- 1.2 Please explain the general structure of Hemlock's current insurance policy, including the length of the policy period and the cost of insurance premiums. In your response, please provide any relevant liability coverages, exclusions and/or conditions specific to Hemlock's residential operations.
 - 1.2.1 Please explain if the proposed changes to the Electric Tariff allow Hemlock to obtain enhanced insurance coverage for the resort.
 - 1.2.1.1 If confirmed, please provide a comparison of the insurance policies and the associated costs, liability coverages, exclusions and/or conditions specific to Hemlock's residential operations.
- 1.3 Please provide the annual projected intake of residential customers for fiscal years 2021 and 2022, respectively. In your response, please include the number of new residential customers over the last five fiscal years.

**2.0 Reference: MAINTENANCE
Exhibit B-3, p. 1; Exhibit D-4-1, p. 1; Exhibit D-6-1, p. 1
Interruption of Service**

On page 1 of Exhibit B-3, Hemlock provides outage metrics for the period May 2019 to April 2020:

Date	Time Off	Time On	Duration (h:m)	Duration (h)	Company	Reason for Outage
July 9 2019	12:56	14:50	0 Days 1h 54m	1.90	BC Hydro	BC Hydro Substation Fault
July 10 2019	21:26					
July 11 2019		2:00	0 Days 4h 34m	4.57	BC Hydro	Bc Hydro - Tree on line Hemlock Valley Rd
August 7 2019	10:00	13:35	0 Days 3h 35m	3.58	Hemlock Valley Utilities	HVU - New Home Connections
October 25 2019	11:15	16:00	0 Days 4h 45m	4.75	Hemlock Valley Utilities	HVU - New Home Connections, wire replacement
October 28 2019	11:00	16:25	0 Days 5h 25m	5.42	Hemlock Valley Utilities	HVU - Replace bare neutral wires found in system
December 5 2019	9:48	12:54	0 Days 3h 06m	3.10	Hemlock Valley Utilities	HVU - planned outage for pole replacement
December 14 2019	12:34	13:24	0 Days 0h 50m	0.83	BC Hydro	Bc Hydro - Snow on lines
January 3 2020	21:26					
January 4 2020		1:30	0 Days 4h 04m	4.07	BC Hydro	Bc Hydro - Tree on line Hemlock Valley Rd
January 12 2020	17:58					
January 13 2020		14:30	0 Days 20h 32m	20.53	BC Hydro	BC Hydro - Tree on line Morris Valley
January 31 2020	20:28					
February 2 2020		14:45	1 Days 18h 17m	42.28	BC Hydro	Bc Hydro - Landslide
February 4 2020	18:55	22:35	0 Days 3h 40m	3.67	BC Hydro	BC Hydro - Pole Replacement
February 10 2020	14:26	20:29	0 Days 6h 03m	6.05	BC Hydro	BC Hydro - motor vehical accident highway 7
March 13 2020	21:58					
March 14 2020		16:12	0 Days 18h 14m	18.23	BC Hydro	BC Hydro - Tree on line, high winds
March 23 2020	7:47	9:35	0 Days 1h 48m	1.80	BC Hydro	BC Hydro Outage - Trees on lines Hemlock Valley Rd
March 28 2020	22:15					
March 29 2020		1:25	0 Days 3h 10m	3.17	BC Hydro	BC Hydro Outage

- 2.1 Please provide a summary of all planned and unplanned outages for the Hemlock service area over the last five years.
- 2.1.1 Please outline Hemlock’s customer notification policy regarding outages, whether planned or unplanned.
- 2.2 Please discuss if Hemlock has addressed the reliability issues of its electrical power distribution system with its residential customers, and include the outcome of any discussions.
- 2.2.1 Please discuss if Hemlock has investigated the cause of any service interruption related complaints in the last three years and include the outcome of the investigation(s).
- 2.3 Please confirm, or otherwise explain, whether Hemlock has engaged with the British Columbia Hydro and Power Authority (BC Hydro), or any other parties, to provide the resort with redundant power supply in the event of outages.
- 2.3.1 If confirmed, please provide the length and scope of the agreement(s) in place. In your response, please discuss whether the contracted supply of electricity can sufficiently meet the current demand of the resort’s residential operations.
- 2.3.1.1 Please discuss whether Hemlock assessed previous residential customer intake analysis when negotiating the final contracted volumes of the resort’s redundant power supply. In your response, please indicate when these contracted volumes were last revised.
- 2.3.2 If not confirmed, please explain why not.
- 2.4 Please provide a list of complaints received by Hemlock over the last ten years.
- 2.4.1 In your response, please indicate the percentage of customer complaints with respect to the interruption of service of Hemlock’s residential operations and how such complaints were resolved.

On page 1 of Exhibit D-4-1 and Exhibit D-6-1, respectively, Hemlock customers state the following:

...Hemlock Valley has had frequent power outages over the last few years. BCUC can learn the extent of these outages by review of the annual report that the company is required to submit...Why has the company not entered into an agreement with Sakwi Power to help alleviate power outages that are caused by interruptions in service from BC Hydro?

[...]

When the Sakwi Creek Power project came into existence in 2014 we as customers of Hemlock Utilities we were lead to believe that 'islanding' (the condition is which a distributed generator continues to power a location even though electrical grid power is no longer present) would be a process that would be to our benefit. It appears that the infrastructure was put into place for this plan, but in the intervening years islanding has never appeared as a benefit to the utility's customers, nor has an explanation as to 'why not' ever been offered.

2.5 Please provide a brief history, if any, of Hemlock's association with the Sakwi Creek Hydro Project.

**3.0 Reference: MAINTENANCE
Exhibit B-1
System Assets**

- 3.1 Please confirm if Hemlock prepares and executes an annual preventative maintenance plan for its electrical power distribution system. In your response, please indicate whether Hemlock maintains separate preventative maintenance plans for its commercial and residential operations.
- 3.2 Please confirm if Hemlock retains on-site engineering staff to maintain the its system assets. In your response, please indicate whether Hemlock has an internal complement of engineering staff or has engaged with a third-party firm. If the latter applies, please provide the name of the company contracted by Hemlock.
- 3.2.1 Please provide the total number of contracted hours on a per year basis for the last three years. In your response, please specify the total number of contracted hours in maintaining Hemlock's power distribution system.
- 3.2.1.1 Please provide the total number of contracted hours on a per year basis for the maintenance of Hemlock's residential system assets and/or power distribution system.
- 3.3 Please indicate if Hemlock maintains a disaster management plan.
- 3.3.1 If confirmed, please provide further detail with respect to the resort's mitigation, preparation, response, and recovery measures.
- 3.3.1.1 Please discuss if Hemlock currently has sufficient resources to manage short and long-term blackouts in the event of an emergency.
- 3.3.1.2 Please explain if Hemlock consulted with its residential customers before finalizing the disaster management plan.
- 3.3.2 If not confirmed, please explain why not.
- 3.4 Please confirm if Hemlock holds backup generation assets to supply its residential operations in the event of any regional service interruptions.

- 3.4.1 If not confirmed, please explain why not.
- 3.5 Please confirm if Hemlock has engaged with a third party to provide an estimate in upgrading its electrical power distribution system. In your response, please indicate when this estimate was provided and the total costs of the system upgrade.
- 3.5.1 If not confirmed, please explain Hemlock's rationale in not obtaining an estimate given the volume and frequency of planned and unplanned power outages.
- 3.6 Please discuss the potential impacts, if any, should the British Columbia Utilities Commission adjourn the current proceeding to assess the reliability issues of Hemlock's electrical power distribution system and system assets.

**4.0 Reference: BILLING & PAYMENT
Exhibit B-2, Section 4, p. 5
British Columbia Hydro and Power Authority Electric Tariff, Section 5.2.1, 5.3, pp. 36,
37, Exhibit D-6-1, p. 2; Exhibit E-7, p. 3
Billing, Payment and Metering**

On page 5 of Exhibit B-2, Hemlock states:

BILLING AND PAYMENT OF ACCOUNT

Bills are issued monthly and are due and payable when rendered to the Customer. Accounts remaining unpaid on the last day of the month in which they are rendered, are delinquent. Interest will be charged on delinquent accounts at the rate of 1.5% calculated monthly (19.56%/annum).

Per Section 5 of BC Hydro Electric Tariff, BC Hydro states:

5.2.1 Regular Billing

Bills will be rendered on the basis of actual Energy consumed and, where applicable, Demand, as registered by a meter or meters and in accordance with the Rate Schedule under which the Customer takes Service, except:

1. Where the Service is not metered;
2. To the extent that section 6.3 (Late Payment Charge) applies;
3. Where the bill is being rendered in accordance with section 2.6.2 (Pay As You Go Billing), or section 5.6 (Monthly Equal Payments);
4. Where section 5.2.2 (Change in Rate Schedule) applies;
5. Where a Customer Crisis Fund Grant or a COVID Relief Fund for Residential Customers Grant has been issued, or a Customer Crisis Fund Return or a COVID Relief Fund Return has been requested, by BC Hydro; or
6. To the extent that section 5.8 (Evacuation Relief) applies.

If meter readings cannot be obtained for any reason, including where the meter fails to register or registers incorrectly, the Demand or Energy consumption or both may be estimated by BC Hydro for billing purposes and the next bill for which actual meter readings are available will be adjusted for the difference between estimated and actual use over the interval between meter readings. Estimated bills are deemed to have the

same force and effect under the Electric Tariff as bills that are based on actual meter readings.

[...]

5.3 Payment of Bills

Bills will be rendered as often as deemed necessary by BC Hydro. The amount payable as shown on a bill is owed to BC Hydro on the billing date. To avoid a Late Payment Charge under section 6.3 (Late Payment Charge), the amount payable must be paid in full on or before the due date shown on the bill, which will be:

1. The first business day after the 21st calendar day following the billing date; or
2. Such other period as may be defined in an Electric Tariff Supplement or otherwise agreed by the Customer and BC Hydro.

On page 2 of Exhibit D-6-1, Mr. and Ms. Evans states:

Regards page 2, item 4: Billing and Payment of Account: This wording could prove problematic to the customer as meter reading and bill rendering is very erratic. At present electrical invoices that we receive from Hemlock Utilities do not have an invoice production date, they only show an end of the month date in which the electricity units were used. Further customer receipt of these bills wildly fluctuates and according to the calculation in Item 4 the majority of bills are/will be delinquent when the customer receives them. We would suggest a clear cut system of bill production and that there is a certainty that the bill will make its way to the customer in a timely manner. At present Hemlock Utilities invoices state that the terms are Net 45 and we feel that under present conditions anything less is vastly unfair to the customer.

On page 3 of Exhibit E-7, Ms. Kingsbury states:

The meters are read during the first week of the month, usually by the 6th of the month. The readings are then forwarded to head office in Langley. I have to rely on the mail to receive my bill. By the time I receive my bill it is mid-month at the very earliest. Some months in the winter the bills are estimated.

For example, November 2020 bill was estimated for the usage in the amount of \$98.15. On January 4, 2021, I paid \$200 as the December bill would soon be received. I never received a bill for December therefore I am at a loss whether there is money owing or if I have a credit. If there is money owing, under the proposed changes, I would be paying interest even though I have never received a bill for December.

It is now well into February and I have not received a bill for December. It is well into February and I have not received a bill for January 2021. The proposal to charge interest after the last day of the month is misleading, not feasible and unacceptable.

- 4.1 Please discuss Hemlock's billing cycle process when issuing monthly invoices for the supply of electricity. In your response, please address the issues concerning the delay in receipt of invoices expressed by Hemlock customers.
- 4.2 Please confirm the frequency of meter readings for residential customers.
- 4.3 Please confirm if the following items are included on a typical monthly invoice for the supply of electricity:

- i. Invoice issue date;
- ii. Meter reading details;
- iii. Billing calculations;
- iv. Previous billing period(s) and balance(s) carried forward; and
- v. Account charges (if applicable)

4.3.1 If not confirmed, please explain the rationale in excluding any of the above-noted items. In your response, please discuss whether Hemlock is amenable to structure its monthly invoices to include these items.

4.3.1.1 Please discuss whether Hemlock is amenable to modify Section 4 (Billing and Payment) of its Electric Tariff, where applicable, to align with BC Hydro's Electric Tariff.

4.3.2 Please confirm whether customers have the option of receiving invoices electronically.

4.4 In a typical year, please confirm how often estimated readings are used for monthly billing. In your response please outline the reasons for the use of estimated readings.