



Letter L-66-11

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VIA EMAIL

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August 26, 2011

Ms. Janet Fraser
Chief Regulatory Officer
British Columbia Hydro and Power Authority
17th Floor, 333 Dunsmuir Street
Vancouver, BC V6B 5R3

Dear Ms. Fraser:

Re: British Columbia Hydro and Power Authority
Customer Complaint filed by K Centre (Centre)

This letter is in response to BC Hydro's letter dated June 24, 2011 requesting permission from the British Columbia Utilities Commission (Commission) to reduce a back-billing amount invoiced to the Centre. Investigation into the Centre's complaint found that errors in BC Hydro's process and an incorrect billing multiplier led to the under-billing of the Centre from September 2009 until February 1, 2011.

Section 5.8.7 of BC Hydro's *Electric Tariff* states that in every case of under-billing, BC Hydro will back-bill the customer for the shorter of: (a) the duration of the error; or (b) six months for residential, small General Service (commercial) or irrigation; and (c) one year for all other Customers or as set out in a special or individually negotiated contract with BC Hydro.

Since the Centre is charged under Rate Schedule 1500 - Medium General Service BC Hydro originally back-billed the Centre for the 12 month period from February 1, 2011 to February 1, 2010 in the amount of \$20,015.87.

Pursuant to Section 63 of the *Utilities Commission Act*, BC Hydro is unable to waive charges for registered consumption without consent of the Commission.

The Commission has reviewed the matter and is of the view that because of the breakdown in BC Hydro processes and the constrained operating budget of the Centre, it is reasonable to reduce the back-billed amount in this case. Further, if the Centre had received its actual billing from September 2009, measures may have been taken to reduce energy consumption at the premises as the Centre might have been subject to the conservation rate. This situation may represent a missed opportunity for the Centre to alter its consumption habits.

By this letter, the Commission gives consent to BC Hydro to revise the back-billed amount to \$9,689.49 for the shorter period of six months from August 1, 2010 to February 1, 2011. This amount is payable by an installment plan extended over 24 months.

In addition, the process breakdowns which led to the error and resulting back-billing of the customer are of concern to the Commission. The impact of back-billing on customers due to BC Hydro error should not be

understated: it places a potentially significant financial burden on customers, who must settle the back-billed amount in addition to their regular consumption charges. As well, all customers bear the cost of the unbilled amount.

The Commission recommends that BC Hydro work with the Centre to come up with ways to reduce energy consumption at the premises. The Commission also recommends that BC Hydro undertake a review of its metering, billing and training procedures to avoid similar instances from arising.

Yours truly,

Alanna Gillis

cc: K Centre