



ORDER NUMBER
G-32-18

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

and

FortisBC Energy Inc.
Complaint filed by C.C.

BEFORE:

B. A. Magnan, Commissioner

on February 6, 2018

ORDER

WHEREAS:

- A. On June 12, 2017, a customer (C.C.) of FortisBC Energy Inc. (FEI) filed a complaint with the British Columbia Utilities Commission (Commission) concerning a high utility bill dated March 21, 2017 (Complaint);
- B. On July 24, 2017, FEI provided a response to the Complaint;
- C. On July 25, 2017, C.C. submitted a response to FEI through the Commission complaints process;
- D. On July 26, 2017, FEI submitted C.C.'s invoices and identified which months were estimates and which were actual reads;
- E. On August 1, 2017, Commission staff requested FEI to explain its rationale for using an estimated meter reading when an actual meter reading was obtained for February 2017, and if FEI viewed this action to be in accordance with section 16.4 of the FEI Gas Tariff General Terms and Conditions (FEI Gas Tariff);
- F. On August 8, 2017, FEI provided a response to the Commission; and
- G. The Commission reviewed the Complaint and the additional information provided by C.C. and FEI and considers that the application of FEI's Gas Tariff with respect to back-billing (section 19) is appropriate.

NOW THEREFORE as cited in the reasons for decision attached as Appendix A to this order, the Commission makes the following determinations:

1. Pursuant to sections 63 and 83 of the *Utilities Commission Act* and in accordance with section 19 of the FEI Gas Tariff, the Commission directs FEI to apply back-billing provisions to the customer's account.

2. Back-billing must begin with registered consumption for the period February 20, 2017 to March 20, 2017.
The Commission directs FEI to provide credit for 50 percent of the usage above C.C.'s average energy usage.

DATED at the City of Vancouver, in the Province of British Columbia, this 6th day of February 2018.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner

Attachment

FortisBC Energy Inc.
Complaint filed by C.C.

REASONS FOR DECISION

1.0 Complaint overview

On June 12, 2017, the British Columbia Utilities Commission (Commission) received a complaint (Complaint) from C.C., a FortisBC Energy Inc. (FEI) customer (the Complainant). The Complaint was about a high bill C.C. received on March 21, 2017 in the amount of \$1,009.12.

C.C. had been billed on estimated meter readings from November 2016 to February 2017. During this period, the Complainant's bills ranged from \$37 to \$204. In March 2017, after an actual meter reading, C.C. was informed of the upcoming bill for \$1,009.12. During the period when the meter readings were estimated (November 2016 to February 2017), C.C. had a faulty water tank, which went undiscovered and increased the Complainant's gas consumption. An actual meter reading did occur in February 2017, with the gas consumption being noted as 88.5 GJs. FEI identified this reading as being higher than average consumption for the premise during that period (20 GJ is the average), and as such FEI overrode the actual reading and instead billed using an estimate of 30.5 GJs.

C.C. complained to FEI upon receipt of the high billing, however, due to lack of resolution, C.C. filed the Complaint with the Commission because she felt that it was unreasonable that she was not told what her actual gas consumption was for such a long period of time.¹

FEI responded to the Complaint on July 24, 2017, stating that estimated readings in December and January were due to the weather conditions, and that a reading had been taken in February, identifying 88.5 GJs of gas consumption. FEI stated that "This was identified as being higher than average consumption for the premise during that period (20 GJ is the average), and as such the read was changed to an estimate of 30.5 GJs. When the March read was obtained, identifying 109.6 GJs of consumption, it was determined that the previous actual read was in fact correct."²

Based on the above, FEI released a bill in March 2017 taking the high read in February 2017 into account.

Due to the significant billing variations, on August 1, 2017, Commission staff requested FEI to explain its rationale for billing using an estimated meter reading in February 2017 when an actual meter reading was obtained in that month, and if FEI viewed this action to be in accordance with section 16.4 of the FEI Gas Tariff General Terms and Conditions (FEI Gas Tariff).³ Further, FEI noted that in the historical data, the customer's average consumption for the premise during the period in question was 20 GJ. When February's read came in indicating usage of 88.5 GJ it registered at four times the average consumption. This level of variance led FEI to believe that section 16.6 of the Gas Tariff may apply and accordingly, FEI determined that an estimated read should be used in this circumstance.

¹ C.C., Email, June 12, 2017.

² FEI, Email, July 24, 2017.

³ FEI Gas Tariff, https://www.fortisbc.com/About/RegulatoryAffairs/GasUtility/NatGasTariffs/Documents/FortisBC_GeneralTermsAndConditions.pdf

2.0 FEI Gas Tariff

The FEI Gas Tariff sets out the terms and conditions of service between FEI and its customers. Sections 16 and 19 of the Gas Tariff focus on billing – the subsections applicable to the Complaint are estimates, incorrect register and back-billing. Section 16.4 allows FEI to estimate the meter reading if readings are not obtained, while section 16.6 allows FEI to estimate a meter reading if the meter fails to provide a correct reading. Section 19.8 outlines the criteria for when back-billing is appropriate, including under billing.

3.0 Commission determination

Pursuant to sections 63 and 83 of the *Utilities Commission Act* and in accordance with section 19 of the FEI Gas Tariff, the Commission directs FEI to apply the back-billing provisions to the customer's account. Back-billing must begin with registered consumption for the period February 20, 2017 to March 20, 2017. The Commission directs FEI to provide credit for 50 percent of the usage above C.C.'s average energy usage for the back-billed period.

The Commission considers that when FEI used an estimated reading instead of the actual meter reading taken on February 20, 2017, it did not act in accordance with section 16.4 of the FEI Gas Tariff. As a result, FEI did not provide the customer with pertinent information that would have helped them address the problem of the faulty water tank. While the gas bill to C.C. was ultimately an accurate reflection of actual consumption, regular and accurate billing is an important price signal used by customers to measure the effects of their own energy consumption decisions and to understand energy usage so that customers can promptly address issues like faulty equipment.

Further, the Commission finds that section 16.6 of the FEI Gas Tariff does not apply as the utility did not know if the meter had in fact failed to provide accurate information. FEI made an assumption that the actual meter reading was inaccurate because it was inconsistent with the customer's average energy consumption. Reasonable, timely action was not taken by FEI to determine if in fact the reading was accurate. Rather, FEI overrode this information with an estimate and decided to wait for a future billing period before addressing the matter.

Section 63 of the *Utilities Commission Act* states that a utility must not charge a customer compensation that is greater, less than or other than the amount specified in rate schedules for the regulated service. Section 19.1 of FEI's Gas Tariff allows the utility to waive a portion of those charges in certain situations where back-billing has occurred due to under-billing of the account. This adjustment represents consistency with section 19.2(j) and section 19.8 of FEI's Gas Tariff which states that in the case of incorrect reading of meters or data processing, FEI will back-bill for the shorter of either the duration of the error or six months for Residential customers. Given that FEI did not provide pertinent information to the customer, the Commission determines that billing relief pursuant to section 19 of the Gas Tariff for this customer is warranted.