



IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by BC Gas Utility Ltd.
for Approval of Cost Allocation for the Southern Crossing Pipeline

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair) April 13, 2000

O R D E R

WHEREAS:

- A. On April 3, 2000, BC Gas Utility Ltd. ("BC Gas") applied to the B.C. Utilities Commission ("the Commission") for approval of the allocation of costs arising from the Southern Crossing Pipeline ("SCP") project in BC Gas' rates. BC Gas seeks the requisite authorization and orders from the Commission to implement rates as proposed in the Application, effective January 1, 2001; and
- B. BC Gas asks that the Application be Phase 1 of a two-phase process, whereby Phase 1 would establish a cost allocation method for the incremental SCP cost of service and would determine the relative amount of SCP delivery margin to be recovered in rates. BC Gas proposes that Phase 2 would be initiated by a second rate design application to be filed in early 2001 and would review issues such as the absolute and relative level of rates and rate structures, revenue to cost ratios and modifications to its terms and conditions of service; and
- C. BC Gas seeks approval of the Application through a public process to facilitate an understanding of the proposals, to receive comments, and to develop a specific list of issues and concerns, including a process to resolve issues through a negotiated settlement process, to allow for rates to be in place by January 1, 2001; and
- D. The Commission wishes to ensure that all parties affected by BC Gas' Application have an opportunity to fully understand the Application and its implications on customer rates. The Commission also wishes to hear from affected parties before determining the level of public process that is necessary for the disposition of the Application; and

E. The Commission requires that a Workshop and Pre-hearing Conference be established.

NOW THEREFORE the Commission orders as follows:

1. The Commission will hold a Workshop and Pre-hearing Conference on Wednesday, May 10, 2000, commencing at 9:00 a.m. at the BC Gas Conference Center, Main Floor – 1111 West Georgia Street, Vancouver, B.C. The Workshop and Pre-hearing Conference will address procedural matters which will include, but not be limited to the following: the scope of the Application, the process for reviewing the Application, and timing of the review.
2. BC Gas will arrange for immediate publication, by April 20, 2000, of the Notice of Workshop and Pre-hearing Conference, attached as Appendix A to this Order, in the Vancouver Sun and Province and, as soon as possible, in the appropriate news publications in the service area of the utility so as to provide adequate notice to the public.
3. At the Workshop and Pre-hearing Conference, BC Gas will provide participants with a detailed review of the Application including alternatives described.
4. A copy of this Order and Notice is to be faxed by BC Gas to all parties who received a copy of the Application from BC Gas.
5. Those persons wishing to participate in the Workshop and Pre-hearing Conference are to advise the Commission Secretary of their intention to do so, in writing, as soon as possible, but no later than May 5, 2000.
6. All parties intending to apply for participant assistance must do so consistent with the Participant Assistance/Cost Award Guidelines as outlined in Order No. G-97-98. Copies of these Guidelines will be sent, upon request, to parties registering with the Commission.
7. Persons intending to participate and who are uncertain how to proceed, may contact Mr. Robert J. Pellatt, Commission Secretary, or Mr. Jim Fraser, Manager Strategic Services as follows:

Telephone:	(604) 660-4700	B.C. Toll Free:	1-800-663-1385
Facsimile:	(604) 660-1102	E-mail:	commission.secretary@bcuc.com
8. Following the results of the Workshop and Pre-hearing Conference, the Commission will establish a Regulatory Agenda and Timetable to deal with the Application.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of April 2000.

BY ORDER

Original signed by:

Lorna R. Barr
Deputy Chair

Attachment

ROBERT J. PELLATT
COMMISSION SECRETARY
Commission.Secretary@bcuc.com
web site: <http://www.bcuc.com>



APPENDIX A
to Order No. G-42-00
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SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. CANADA V6Z 2N3
TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

NOTICE OF WORKSHOP AND PRE-HEARING CONFERENCE

BC GAS UTILITY LTD. Application for Approval of Cost Allocation for the Southern Crossing Pipeline Project

Date: Wednesday, May 10, 2000
Time: 9:00 a.m.
Location: BC Gas Conference Center, Thurlow Room
Main Floor – 1111 West Georgia Street
Vancouver, B.C.

THE APPLICATION

On April 3, 2000, BC Gas Utility Ltd. ("BC Gas") applied to the B.C. Utilities Commission ("the Commission") for approval of the proposed cost allocation and corresponding rate changes related to the integration of the Southern Crossing Pipeline ("SCP") into rates. The SCP will add about \$47 million to the annual cost of delivering natural gas to BC Gas' customers. The proposed cost allocation would affect residential, commercial and industrial customer rates in the Lower Mainland, Inland and Columbia service areas starting in 2001.

The Commission wishes to ensure that all parties affected by BC Gas' Application have an opportunity to fully understand the Application and its implications for customer rates. The Commission also wishes to hear from affected parties before determining the public process necessary for the disposition of the Application.

PUBLIC INSPECTION OF THE APPLICATION

The Application is available for inspection at the following locations:

- **BC Gas Utility Ltd.**
12th Floor, 1111 West Georgia Street
Vancouver, B.C. V6E 4M4
Telephone: (604) 443-6500
- **B.C. Utilities Commission**
Sixth Floor, 900 Howe Street, Vancouver, B.C. V6Z 2N3

PARTICIPATION IN THE WORKSHOP AND PRE-HEARING CONFERENCE

Those customers or persons wishing to participate in the Workshop and Pre-hearing Conference are to advise the Commission Secretary, in writing, by Friday, May 5, 2000.

FURTHER INFORMATION

Persons intending to participate in the Workshop and Pre-hearing Conference and who are uncertain as to the manner in which to proceed, may contact Mr. Robert J. Pellatt, Commission Secretary or Mr. Jim Fraser, Manager Strategic Services, as follows:

Telephone: (604) 660-4700

Facsimile: (604) 660-1102

B.C. Toll Free: 1-800-663-1385

E-mail: commission.secretary@bcuc.com

BY ORDER

Original signed by:

Robert J. Pellatt