



LETTER No. L-19-00

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

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

Log No. 3210

VIA FACSIMILE

May 11, 2000

Mr. David M. Masuhara
Vice President
Legal, Regulatory & Logistics
BC Gas Utility Ltd.
24th Floor, 1111 West Georgia Street
Vancouver, B.C. V6E 4M4

Dear Mr. Masuhara:

Re: BC Gas Utility Ltd.
Rate Schedule 14 – January 2000 Activities

This is to acknowledge receipt of your letter dated April 20, 2000, which responded to questions from Commission staff. The information provided raises questions about aspects of the administration of Rate Schedule 14, and supports making changes to the Rate Schedule to be effective November 1, 2000.

BC Gas states that it intends to file the form of Rate Schedule 14 for the 2000/01 gas year by August 1, 2000. The Commission considers interested parties should have an opportunity to participate in the review of the Rate Schedule. The Commission requests BC Gas to file the Rate Schedule early enough so that a workshop on the application can be held prior to the end of June 2000. The application should address proposed wording changes, and should identify the full range of pricing options for 2000/01.

With regard to the 35,000 MMBtu/d of firm seasonal supply that BC Gas appears to have purchased to make Rate Schedule 14 sales, BC Gas is requested to file a Report by June 8, 2000 which addresses:

1. The need for this supply, consistent with the 1999/00 Gas Contracting Plan and a peak day supply of 1295 GJ/d that were accepted by Commission Letter No. L-29-99. The filing of these contracts pursuant to Section 71 of the Utilities Commission Act and the Rules for Energy Supply Contracts should also be reviewed.
2. An analysis by month for November 1999 through March 2000, of the quantity and cost of gas purchased under the seasonal contracts, compared to the amount of the gas sold and revenue generated by sales under each variety of pricing option offered under Rate Schedule 14.

3. A summary by month for November 1999 through March 2000, of the quantity of Rate Schedule 14 deliveries that were firm sales, and the percentage that this represented of total Rate Schedule 14 deliveries.
4. BC Gas states that for February 2000 it has changed its approach for documenting the pricing option selected by a customer. Please identify any instances since November 1999 where a customer was permitted to change the option selected for a month after the month started, or where a customer was permitted to select different options for individual days during a month. (This does not include the use of a defined mix of options for every day in the month.)

The Report may be subject to public review, and should be suitable for this purpose.

Lastly, Rate Schedule 14 gas tariff rate schedules in accordance with Order No. G-100-99, do not appear to have been filed as of this date.

Yours truly,

Original signed by:

Robert J. Pellatt

JBW/cms