



LETTER NO. L-33-00

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July 13, 2000

«name1»
«title»
«company»
«address1»
«address2»
«City»«PostalCode»

Dear «name2»:

Re: Regulation of Intraprovincial Oil Pipelines

The Commission is responsible for the economic regulation of intraprovincial pipelines under Part 7 of the Pipeline Act and has been regulating the pipelines on a reporting basis, except in the event of complaint. The Commission will continue with the present method of regulation and provides the following update to the reporting requirements for oil pipelines.

1. Tariffs are to be negotiated between the parties and must be filed with the Commission for approval.
2. When an application for a toll revision is filed, a copy of the application and other filed information is to be distributed to the shippers, and the Commission is to be informed that such documents have been distributed.
3. Each pipeline is to file an updated shipper's list with the Commission whenever the list of shippers changes.
4. Complaints received by the Commission will be investigated in accordance with Sections 46 and 52 of the Pipeline Act. A copy of Part 7 of the Pipeline Act is attached to this letter.
5. A forecast statement should be filed no later than 30 days after the commencement of the fiscal year and should detail all expected costs, including a breakdown of capital expenditures by project, together with revenue and expenses forecast based on expected throughput. A copy of the statement is to be provided to the shippers.
6. A variance statement should be filed within 60 days after the fiscal year-end and will compare the actual costs and revenues to the forecast for the year just ended. A copy of the statement is to be provided to the shippers.
7. Your company is to advise both the Commission and the shippers of any capital expenditure plans which would lead to an increase in tariffs. Concurrence must be sought from the shippers at least 60 days prior to initiating construction.
8. Each pipeline is to provide a copy of this letter to all of its shippers, and any subsequent new shippers, for their information.

9. All intraprovincial oil pipelines should include two sets of tariff sheets for approval with any tariff applications. One copy of the tariff sheet(s) will be returned to you showing the Commission Order Number and effective date. The other copy is retained by the Commission and filed.

The Commission records its approval of the tariff sheet(s) by applying an approval stamp. Some tariff sheet(s) have been received that do not have sufficient "clear" space for the Commission's approval stamp to be applied. The Commission is requesting that all future tariff sheet(s) that are filed contain sufficient clear space in the lower right corner for the approval stamp.

It is also acceptable for the pipeline company to type in the approval stamp layout as part of the tariff sheet(s) in the lower right corner. All areas in the approval stamp to the right of the descriptions must be left blank and a line is required for the Commission Secretary's signature. The approval stamp layout is as follows:

Accepted for filing:	_____
Effective:	_____
Order No.	_____
Secretary B.C. UTILITIES COMMISSION	

The above procedures will assist the Commission in continuing with regulation on a reporting basis at minimal cost to the pipelines. With the present method of regulation, an annual fee is charged by the Commission and complaint resolution costs will only be levied where significant. If a more rigorous form of regulation becomes necessary, all of the Commission costs would have to be levied to the pipeline involved. For clarification of any of the above, please contact Philip Nakoneshny via e-mail philip.nakoneshny@bcuc.com, by telephone at (604) 660-4737 or B.C. Toll Free: 1-800-663-1385.

Yours truly,

Original signed by:

Robert J. Pellatt

RJP/lm

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