



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

and

BC Gas Utility Ltd.
2002 Revenue Requirements Application

BEFORE: P. Ostergaard, Chair)
B.L. Clemenhagen, Commissioner)
K.L. Hall, Commissioner) September 6, 2001
N.F. Nicholls, Commissioner)

O R D E R

WHEREAS:

- A. On August 24, 2001, BC Gas Utility Ltd. ("BC Gas") applied to the British Columbia Utilities Commission ("the Commission") for approval to increase rates for customers in the Lower Mainland, Inland and Columbia service areas, effective January 1, 2002, pursuant to Sections 58 and 61 of the Utilities Commission Act; and
- B. The Application seeks to recover increased revenue requirements associated with delivering gas. An increase of about 7 percent would apply to rates for transportation service and to the distribution portion (excluding the commodity cost of gas) of rates for customers to whom BC Gas supplies the natural gas commodity. Expressed on a burnertip basis (including the current commodity cost of gas) the increase being sought is about 2 percent; and
- C. This Application does not deal with the gas commodity cost component of BC Gas' rates, which may be adjusted quarterly by the Commission based on BC Gas' forecasts of its 12-month gas commodity costs and revenues; and
- D. The Application requests that the Commission determine the 2002 rates by way of the Commission's Negotiated Settlement Process; and
- E. BC Gas held meetings with its key stakeholders regarding the development of a multi-year regulatory framework. The Application requests that the Commission sponsor a workshop to identify the issues and interests relating to a comprehensive multi-year regulatory framework for BC Gas; and
- F. The Commission requires that an initial timetable and a process for dealing with the issues be established.

NOW THEREFORE the Commission orders as follows:

- 1. The Commission will hold a Workshop and Pre-hearing Conference on Tuesday, September 25, 2001, commencing at 9:00 a.m. at the BC Gas meeting facilities, Georgia Room, 1111 West Georgia Street, Vancouver, B.C.
- 2. BC Gas will arrange for publication, by September 14, 2001, 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 local news publications in the service areas of the utility so as to provide adequate notice to the public.

3. At the Workshop and Pre-hearing Conference BC Gas is to provide participants with a detailed review of the Application. The Workshop will identify the issues and interests in a longer-term regulatory framework for BC Gas. The Pre-hearing Conference will discuss procedural matters related to the Application, including:
 - scheduling
 - completeness of the Application
 - identification of principal issues
 - process (workshops, information requests, settlement negotiations and/or oral public hearing)
 - location(s) of the hearing(s), if held
 - other matters that will enable the effective review of all aspects of the Application.
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 and to those parties registered in the 2000 Annual Review.
5. Intervenors and Interested Parties should inform the Commission in writing, by Thursday, September 20, 2001 of their intention to become Intervenors or Interested Parties, and/or attend the Pre-hearing Conference.
6. 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 6th day of September 2001.

BY ORDER

Original signed by:

Peter Ostergaard
Chair

Attachment



**NOTICE OF WORKSHOP AND
PRE-HEARING CONFERENCE**

**BC GAS UTILITY LTD.
2002 Revenue Requirements Application**

Date: Tuesday, September 25, 2001
Time: 9:00 a.m.
Location: BC Gas Meeting Facilities
Georgia Room
1111 West Georgia Street
Vancouver, B.C.

THE APPLICATION

BC Gas Utility Ltd. ("BC Gas") has applied to the British Columbia Utilities Commission ("the Commission") for approval to increase rates for customers in the Lower Mainland, Inland and Columbia service areas, effective January 1, 2002. This Application seeks to recover increased revenue requirements associated with delivering natural gas. An increase of about 7 percent would apply to rates for transportation service and to the distribution portion (excluding the commodity cost of gas) of rates for customers to whom BC Gas supplies the natural gas commodity. Expressed on a burnertip basis (including the current commodity cost of gas) the increase being sought is about 2 percent.

This Application does not deal with the gas commodity cost component of BC Gas' rates, which may be adjusted quarterly by the Commission based on BC Gas' forecasts of its 12-month gas commodity costs and revenues.

The Application requests that the Commission determine the 2002 rates by way of the Commission's Negotiated Settlement Process. The Application also requests that the Commission sponsor a workshop to identify the issues and interests relating to a comprehensive multi-year regulatory framework for BC Gas.

The Commission wishes to ensure that affected parties have an opportunity to 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.

THE REGULATORY PROCESS

The Commission will hold a Workshop and Pre-hearing Conference in Vancouver on Tuesday, September 25, 2001. The Workshop will identify the issues and interests in a longer-term regulatory framework for BC Gas. The Pre-hearing Conference will discuss procedural matters related to the Application, including:

- scheduling
- completeness of the Application
- identification of principal issues
- process (workshops, information requests, settlement negotiations and/or oral public hearing)
- location(s) of the hearing(s), if held
- other matters that will enable the effective review of all aspects 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
Telephone: (604) 660-4700

The Application is also available for viewing on the following web sites:

<http://www.bcgas.com>

<http://www.bcuc.com>

REGISTERING TO PARTICIPATE

Persons who expect to actively participate in the review process, Workshop and Pre-hearing Conference should register as Intervenor with the Commission. Intervenor will receive copies of the Application, all correspondence and filed documents. Persons not expecting to actively participate should register with the Commission as Interested Parties and will receive a copy of the Application's summary, all Orders issued, as well as the Commission's Decision.

Intervenor and Interested Parties should inform the Commission Secretary, in writing, by Thursday, September 20, 2001 of their intention to become Intervenor or Interested Parties, and/or attend the Pre-hearing Conference.

PARTICIPANT ASSISTANCE

Intervenor intending to apply for Participant Assistance must submit a budget estimate consistent with the Commission's Participant Assistance/Cost Award Guidelines. Copies are available upon request or on the Commission's web site: www.bcuc.com/paca.html

FURTHER INFORMATION

If you intend to participate in the Workshop and Pre-hearing Conference and are uncertain how to proceed, please contact Mr. Robert J. Pellatt, Commission Secretary or Mr. Barry McKinlay, Manager, Rates and Finance, 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