



LETTER NO. L-39-02

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September 24, 2002

Mr. David M. Masuhara
Vice President, Regulatory, Environment
& Safety, Supply Chain & Logistics
BC Gas Utility Ltd.
16705 Fraser Highway
Surrey, B.C. V3S 2X7

Dear Mr. Masuhara:

Re: BC Gas Utility Ltd.
Customer Complaints – Lower Mainland Bill Estimates

The Commission has received several customer complaints concerning high bill estimates since mid-July, following BC Gas' acquisition of the accounts from B.C. Hydro. The change to monthly billing, where the bill for every second month is based on estimated consumption, has resulted in erratic billing to some customers. The Commission is concerned about the accuracy of the Utility's estimated bills. In the summer, the impact of estimating customer consumption is not great because the space heating load is negligible. However, during the heating season, customer bills can be greatly affected if estimates are high.

Further to my E-mail message sent to you on August 28, 2002 (copy attached), please provide the Commission with the following information:

1. Provide a detailed description of the information and calculations that BC Gas uses to estimate meter readings and customer consumption. Are estimated customer volumes adjusted for factors such as temperature, appliances connected, and the number of days in the estimating period? What other factors does the billing program take into account? A detailed example of the calculations would be helpful.
2. Provide a report comparing customer bill estimates to actual meter readings (e.g. comparing actual readings for a 2-month period to an estimate for the same 2-month period). In how many cases has the estimated consumption for one month exceeded the actual consumption for that month and the following month?

Please respond to this information request by November 15, 2002.

Yours truly,

Original signed by:

Robert J. Pellatt

RJP/lm