



SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, B.C. V6Z 2N3  
CANADA

BRITISH COLUMBIA  
UTILITIES COMMISSION

ORDER  
NUMBER G-38-93

TELEPHONE: (604) 660-4700  
BC TOLL FREE: 1-800-663-1385  
FACSIMILE: (604) 660-1102

AN ORDER IN THE MATTER OF the Utilities Commission  
Act, S.B.C. 1980, c. 60, as amended

and

An Application by BC Gas Inc. and  
Commission Orders No. G-92-91, No. G-15-93 and No. G-32-93

**BEFORE:** M.K. Jaccard, Chairperson; )  
F.C. Leighton, Commissioner; and ) May 25, 1993  
E.C. Sleath, Commissioner )

**WHEREAS:**

- A. Commission Order No. G-92-91 set down BC Gas Inc.'s ("BC Gas") Application for Gas Cost Methodology for public hearing and provided a schedule for future filings of Revenue Requirements and Rate Design for the Lower Mainland, Inland, Columbia and Fort Nelson Divisions; and
- B. On August 5, 1992 the Commission issued Order No. G-63-92 and its Decision covering BC Gas' 1992 Revenue Requirements. The Commission Decision required BC Gas to review certain proposals in its next Rate Design Application; and
- C. On November 9, 1992 B.C. Health Services Ltd. ("BCHS") and Inland Natural Gas Marketing Ltd. ("INGM") complained to the Commission about fixed charges contained in the Interruptible and Transportation Rate Schedules of BC Gas and asked for a waiver of certain basic fixed charges that the utility was recovering from customers; and
- D. On February 26, 1993 BC Gas provided the Commission with an update on its Phase B Rate Design Application; and
- E. Commission Order No. G-15-93 directed BC Gas to file its Phase B Rate Design Application ("the Application") by April 15, 1993 and set down a public hearing into the Application to commence at 8:30 a.m. on Monday, July 5, 1993 in the Commission Hearing Room, 6th Floor, 900 Howe Street, Vancouver, B.C.; and
- F. Commission Order No. G-32-93 set a pre-hearing conference into the Application for May 19, 1993. The scope of issues to be addressed in the public hearing, specific timing deadlines and the holding of regional hearings were discussed.

**NOW THEREFORE** the Commission orders BC Gas as follows:

- 1. BC Gas is to provide all outstanding evidence no later than June 7, 1993 in order that Intervenor Information Requests can be facilitated.
- 2. Intervenor Information Requests received by BC Gas prior to June 7, 1993 are to be responded to no later than June 14, 1993. Information Requests received after June 7, 1993 are to be responded to by BC Gas as soon as possible, but in any case within one week of receipt of such request.

3. Intervenors intending to file evidence should do so as soon as possible.
4. A workshop to discuss the BC Gas Management Information Systems is set for 9:00 a.m. Monday, June 7, 1993 in the Commission Hearing Room, 6th Floor, 900 Howe Street, Vancouver, B.C. The hearing of this matter will follow the items detailed in item 7 of this Order.
5. The public hearing into the proposed BC Gas reorganization is set to commence at 8:30 a.m. Friday, June 11, 1993 in the Commission Hearing Room, 6th Floor, 900 Howe Street, Vancouver, B.C.
6. A workshop to discuss the Fully Distributed Cost of Service studies and the Long Run Incremental Cost studies is set for 9:00 a.m. Thursday, June 24, 1993 in the Commission Hearing Room, 6th Floor, 900 Howe Street, Vancouver, B.C.
7. Regional hearings pertaining to the proposed Consolidation and local concerns will commence at 2:00 p.m. Monday, June 28, 1993 in The Coast Canadian Inn at 339 St. Paul Street, Kamloops, B.C. and will continue at 2:00 p.m. Tuesday, June 29, 1993 in Best Western Coach House Motor Inn at 1417 Cranbrook Street, Cranbrook, B.C. The hearing will then adjourn until 8:30 a.m. Monday July 5, 1993 when it will recommence in Vancouver, B.C. to deal with rate design matters.
8. No later than Friday, June 4, 1993, BC Gas will arrange for the publication of Notice of Public Hearing, in the form attached in display-ad format, in one issue in the business section of the Vancouver Sun and Province and the appropriate local community newspaper publications so as to provide adequate notice to the public in the service area of the utility. Radio announcements of the Regional Hearings should be made to provide adequate notice to the public in the Inland and Columbia service areas.
9. The Application and supporting material will be made available for inspection at the Head Office of BC Gas, 1111 West Georgia Street, Vancouver, B.C., V6E 4M4, at the Office of the British Columbia Utilities Commission, 6th Floor, 900 Howe Street, Vancouver, B.C., V6Z 2N3, and the local District Offices of the utility throughout its service territory.
10. An Executive Summary of the Application will be prepared by BC Gas and distributed to all Intervenors and Interested Parties as they become registered with the Commission.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 28<sup>th</sup> day of May, 1993.

BY ORDER



Dr. Mark K. Jaccard  
Chairperson



SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, B.C. V6Z 2N3  
CANADA

TELEPHONE: (604) 660-4700  
BC TOLL FREE: 1-800-663-1385  
FACSIMILE: (604) 660-1102

**BC GAS INC.  
APPLICATION FOR RATE DESIGN CHANGES  
PHASE—B**

**NOTICE OF PUBLIC HEARING**

**VANCOUVER HEARINGS**

**Subject:** Proposed Reorganization of Utility  
**Date:** Friday, June 11, 1993  
**Time:** 8:30 a.m.  
**Location:** British Columbia Utilities Commission  
Hearing Room  
6th Floor, 900 Howe Street  
Vancouver, B.C.

**Subject:** Rate Design Application  
**Date:** Monday, July 5 - 9, 1993  
**Time:** 8:30 a.m.  
**Location:** Holiday Inn Vancouver Downtown  
1110 Howe Street  
Vancouver, B.C.

**Subject:** Rate Design Application  
**Date:** Monday, July 12 to conclusion,  
**Time:** 8:30 a.m.  
**Location:** British Columbia Utilities Commission  
Hearing Room  
6th Floor, 900 Howe Street  
Vancouver, B.C.

**REGIONAL PUBLIC HEARINGS**

**Subject:** Inland Division—Kamloops  
Proposed Consolidation of Divisions  
including Rate Design  
**Date:** Monday, June 28, 1993  
**Time:** 2:00 p.m.  
**Location:** Coast Canadian Inn  
339 St. Paul Street  
Kamloops, B.C.

**Subject:** Columbia Division - Cranbrook  
Proposed Consolidation of Divisions  
including Rate Design  
**Date:** Tuesday, June 29, 1993  
**Time:** 2:00 p.m.  
**Location:** Best Western Coach House Motor Inn  
1417 Cranbrook Street  
Cranbrook, B.C.

**THE APPLICATION**

On April 15, 1993 BC Gas filed an Application for re-design of its Gas Tariff rate schedules that will affect customers served by the Lower Mainland, Inland, and Columbia Divisions. BC Gas proposes to consolidate the above Divisions for revenue requirement purposes effective January 1, 1994. The utility also proposes to implement common general terms and conditions of service, combining and eliminating certain sales tariffs and rates in each Division to be effective January 1, 1994 for residential and commercial customers, and November 1, 1993 for industrial customers.

The proposal is revenue neutral and not intended to change the overall level of the rates; rather it is to adjust the rate level and structure of BC Gas' various classes of service. The rate changes include standardizing the cost of delivery

and basic monthly charges to various customer classes (e.g., residential), setting a uniform delivery rate structure that does not favour increased consumption, and setting a charge for new gas service installation to \$75 and for gas reconnection to \$25. The cost of natural gas, which BC Gas pays to natural gas producers will continue to reflect differences based on the various service areas.

The impact of the changes will vary depending on where customers are located and how much natural gas they use. In general, residential customers can expect an increase of \$2.80 to \$3.60/month if they live in the Lower Mainland, an increase of \$3.60 to \$4.60/month if they live in the East Kootenays, and a decrease of between \$1.30 and \$0.75/month if they live elsewhere in B.C. For small commercial customers the changes will average an increase of \$9 to \$10/month in the Lower Mainland, an increase of \$6 to \$12/month in the East Kootenays, and a decrease of \$4 to \$36/month elsewhere in B.C. However, impacts on small commercial customers may vary greatly, depending on individual consumption levels.

Most large volume customers, with the exception of those in the East Kootenay service area, will receive rate decreases reflecting the realignment of rates based on the cost of serving those customers.

## **THE PUBLIC HEARING**

- The Application by BC Gas to reorganize into utility and non-utility assets will be heard on June 11, 1993.
- The proposed consolidation of the Divisional accounts, implementation of common general terms and conditions of service and changes to sales tariffs and rate structures will commence June 28, 1993 in Kamloops, June 29, 1993 in Cranbrook and will continue in Vancouver on July 5, 1993.
- The structure of BC Gas' Management Information System will be heard after the conclusion of the above matters.

## **PUBLIC INSPECTION OF THE APPLICATION**

The Application, Executive Summary, supporting material and Commission Orders No. G-92-91, G-15-93 and G-32-93 are available for inspection at the Head Office of BC Gas, 1111 West Georgia Street, Vancouver, B.C., V6E 4M4, and at its local district offices throughout its service territory. The material is also available for inspection at the office of the British Columbia Utilities Commission, 6th Floor, 900 Howe Street, Vancouver, B.C., V6Z 2N3.

A copy of the Executive Summary of the Application will be distributed by the Applicant to Intervenor and Interested Parties as they become registered with the Commission. Questions regarding the content of the Application can be directed to BC Gas at 443-6406 in the Lower Mainland, 1-800-661-1149 elsewhere in British Columbia, and (604) 443-6406 outside of the province.

## **INTERVENTIONS**

Any person intending to make an information request of BC Gas, or to be present at the public hearing and to give evidence or cross-examine witnesses should provide written notice, to be received not later than June 7, 1993, to the Commission Secretary and to the Applicant, attention Mr. David M. Masuhara, Vice-President, Legal and Regulatory Affairs, at the respective addresses shown above. BC Gas will respond to such information requests no later than June 14, 1993. For those Intervenor requests made after June 7, 1993, BC Gas will respond as soon as possible but in any case within one week of such request.

Those who do not wish to intervene in the hearing but wish to comment on the Application or Executive Summary should write or fax the Commission Secretary to express their views.

**SUBMISSIONS BY INTERVENORS/INTERESTED PARTIES**

Written submissions to the hearing are requested to be submitted, one copy to the Commission Secretary and one copy to the Applicant, as soon as possible prior to the commencement of the public hearing.

**CLARIFICATION**

Persons intending to participate in the public hearing and who are uncertain as to the manner in which to proceed, may contact Mr. R.J. Pellatt, Commission Secretary, or Ms. Deborah Emes, Manager, Strategic Services, by telephone 660-4700 or B.C. Toll Free: 1-800-663-1385, in writing to the above address or by fax to 660-1102.

BY ORDER

A handwritten signature in black ink, appearing to read 'R. J. Pellatt', with a stylized flourish at the end.

Robert J. Pellatt  
Commission Secretary