



ROBERT J. PELLATT  
COMMISSION SECRETARY

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**VIA FACSIMILE**

June 7, 1996

Mr. Irvine J. Koop  
Westcoast Gas Services Inc.  
1100 - 421 7th Avenue SW  
Calgary, Alberta  
T2P 4K9

Mr. Don Klisowsky  
Novagas Clearinghouse Ltd.  
800 - 707 Eighth Avenue SW  
Calgary, Alberta  
T2P 3V3

Ms. Jane L. Peverett  
Vice President, Regulatory Affairs  
Westcoast Energy Inc.  
Pipeline Division  
1333 West Georgia Street  
Vancouver, B.C.  
V6E 3K9

Dear Sirs/Madam:

**Re: Transportation and Processing of Gas for Others  
Complaint Regulation under the Utilities Commission Act (the "Act")**

Commission staff have been in touch with each of your organizations earlier this year to inquire about custom transportation and/or processing facilities operated by your companies (by 3181782 Canada Inc. in the case of Westcoast Energy Inc.) which appear to fall under the jurisdiction of the Act.

The Commission has been advised by staff of the views of the parties expressed in meetings and has reviewed the individual written responses to staff inquiries. As a result, the Commission now believes that the subject facilities are under its jurisdiction and contemplates that it would be appropriate to regulate these facilities on a complaint basis. The Commission expects that this regulation would be limited to minimal annual reporting except in the case of a complaint by one of the contracted parties. This method has been successfully used by the Commission since 1988 to regulate five intraprovincial oil pipeline companies under Part 7 of the Pipelines Act.

However, before proceeding with this approach, the Commission would like to know the views of all of the directly affected parties. Therefore, the Commission requests that recipients of this letter provide a copy to any party currently contracting for transportation or processing service on the subject facilities. All parties are requested to reply to the Commission in writing, preferably prior to June 30, 1996, expressing their views about the proposed method of regulation.

Yours truly,

A handwritten signature in dark ink, appearing to read "R. Pellatt", is written over a horizontal line.

Robert J. Pellatt

PHG/cms

Misc Corr/ T & P Regulation