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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-64-97

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

and

An Investigation into Complaints regarding the BC Gas Utility Ltd. Seasonal Rates

BEFORE: L.R Barr, Deputy Chair and)
Acting Chair) June 5, 1997
K.L. Hall, Commissioner)

O R D E R

WHEREAS:

- A. In 1993 the Commission issued its Decision on the BC Gas Utility Ltd. ("BC Gas") Phase B Rate Design Application and directed that Residential and Commercial customers be charged different rates for service in the summer and the winter, identified as "Seasonal Rates"; and
- B. Seasonal Rates were implemented in BC Gas' service areas to reflect the higher delivery costs that are incurred during the winter period; and
- C. A number of customers, including the Focus North Society, complained to the Commission that Seasonal Rates unfairly impacted on residents located in the northern area of the province; and
- D. On January 10, 1997 the Commission issued a News Release announcing that Commission staff would conduct an investigation into Seasonal Rates and would be reporting its findings back to the Commission. The Commission requested BC Gas to provide historical information about the impact of Seasonal Rates on all customers in the province; and
- E. On March 18, 1997 Commission staff issued its Report and, based on evidence compiled, found no evidence that Seasonal Rates unfairly impacted customers located in the northern area of the province; and
- F. On March 27, 1997 the Commission issued a News Release on Seasonal Rates to known participants, confirming a public information session to hear from affected customers and requesting comments on the Staff Report to be filed by May 16, 1997; and
- G. On April 8, 1997 the Commission heard from residents and affected consumers at a public information session held in Prince George, B.C.; and
- H. The Commission received comments from residents, affected consumers and the British Columbia Public Interest Advocacy Centre who indicated that Seasonal Rates impact adversely on customers who did not have the ability to improve their energy efficiency; and
- I. On May 15, 1997 BC Gas advised the Commission that it had received complaints regarding seasonal rates from virtually all parts of its service area and recommended that its Residential and Commercial rates be replaced by a flat rate structure, effective January 1, 1998; and

- J. The Commission has reviewed the information and finds that Seasonal Rates for Residential and Commercial customers should be terminated.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for BC Gas the termination of Seasonal Rates for the Residential and Commercial customer classes effective January 1, 1998. Seasonal Rates for these customer classes are to be replaced with a flat rate structure.
2. The Commission orders that the revenue changes resulting from the termination of Seasonal Rates is to be revenue neutral for all divisions.
3. BC Gas is to prepare a Customer Notice prior to the heating season advising that Seasonal Rates for residential and commercial customer classes will be terminated effective January 1, 1998. BC Gas is to explain why the rate structure change takes place on January 1, 1998 and is to provide the Commission with a copy of the Notice prior to distribution.

DATED at the City of Vancouver, in the Province of British Columbia, this 5th day of June, 1997.

BY ORDER

Original signed by:

Lorna R. Barr
Deputy Chair
and Acting Chair