



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

and

An Application by BC Gas Utility Ltd.
for Approval of Cost Allocation for the Southern Crossing Pipeline

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair)
P.G. Bradley, Commissioner) May 18, 2000
B.L. Clemenhagen, Commissioner)
K.L. Hall, Commissioner)
N.F. Nicholls, Commissioner)

O R D E R

WHEREAS:

- A. On April 3, 2000, BC Gas Utility Ltd. ("BC Gas") applied to the Commission for approval of the allocation of costs arising from the Southern Crossing Pipeline ("SCP") project ("the Application"). BC Gas seeks the requisite authorization and orders from the Commission to implement rates as proposed in the Application, effective January 1, 2001; and
- B. BC Gas proposes a two-phase process in which Phase 1 would establish a cost allocation method for the incremental SCP cost of service and determine the proportion of SCP costs to be recovered in the delivery margin. BC Gas proposes that broader rate design issues such as the absolute and relative level of rates and rate structures, revenue to cost ratios and modifications to its terms and conditions of service would be addressed in a second rate design application to be filed in early 2001; and
- C. On April 14, 2000, the Commission, by Order No. G-42-00, set down a Workshop and Pre-hearing Conference to address procedural matters including the scope of the Application, the process for reviewing the Application and the timing of the review; and
- D. The Workshop and Pre-hearing Conference was held at the BC Gas Conference Center on May 10, 2000; and
- E. The Commission has reviewed the Application and considered the concerns of affected parties expressed at the Workshop and Pre-hearing Conference.

NOW THEREFORE the Commission orders as follows:

1. The Application will be considered in two parts.
2. Part 1 will deal with third party access to SCP capacity and the related issue of what proportion of SCP costs will be placed into delivery margin versus commodity cost. The parties will attempt to resolve Part 1 issues in a Negotiated Settlement Process ("NSP"), held in accordance with the Commission's NSP Guidelines, commencing at 9:00 AM on Tuesday, June 27, 2000 in the Commission's Hearing Room.
3. Part 2 will deal with the allocation of SCP costs amongst customer classes and the integration of SCP costs into BC Gas' rate schedules. Part 2 will also deal with any Part 1 issues that remain unresolved at the NSP. Part 2 will proceed by Oral Public Hearing commencing at 9:00 AM on Monday, September 18, 2000 in the Commission's Hearing Room.
4. Broader rate design issues including the absolute and relative level of rates and rate structures, revenue to cost ratios and modifications to the terms and conditions of service will be addressed in 2001. BC Gas is directed to file a separate application related to these broader rate design issues in early 2001.
5. The Regulatory Timetable for the Negotiated Settlement Process is attached to this Order as Appendix A. The Regulatory Timetable for the Oral Public Hearing is attached to this Order as Appendix B.
6. All parties intending to apply for participant assistance must do so consistent with the Participant Assistance/Cost Award Guidelines as outlined in Order No. G-97-98. Copies of these Guidelines will be sent, upon request, to parties registering with the Commission or may be viewed on the Commission's web site: www.bcuc.com.

DATED at the City of Vancouver, in the Province of British Columbia, this 19th day of May 2000.

BY ORDER

Original signed by:

Lorna Barr
Deputy Chair

Attachment

REGULATORY TIMETABLE

Negotiated Settlement Process

BC GAS UTILITY LTD.

The Cost Allocation Application for the Southern Crossing Pipeline Project Part 1 (Access to Capacity)

ACTION	DATE 2000
Filing of Information Requests to BC Gas Regarding the SCP Cost Allocation Application	Friday, June 2
Filing of Budget Estimates by Intervenors Seeking Participant Assistance Cost Awards	Friday, June 9
Filing of Responses to Information Requests by BC Gas	Friday, June 16
Negotiated Settlement Process Commences at 9:00 AM in the Commission's Hearing Room	Tuesday, June 27

REGULATORY TIMETABLE

Oral Public Hearing

BC GAS UTILITY LTD.

The Cost Allocation Application for the Southern Crossing Pipeline Project Part 2 (Cost Allocation)

ACTION	DATE 2000
Filing of Budget Estimates by Intervenors Seeking Participant Assistance Cost Awards	Friday, June 9
Filing of Information Requests to BC Gas Regarding the SCP Cost Allocation Application	Friday, July 28
Filing of Responses to Information Requests by BC Gas	Friday, August 11
Filing of written submissions and intervenor evidence for Oral Public Hearing	Friday, August 25
Oral Public Hearing Commences at 9:00 AM in the Commission's Hearing Room	Monday, September 18