



LETTER NO. L-44-01

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VIA FACSIMILE

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November 23, 2001

Mr. Hans Cunningham
President
The Union of British Columbia Municipalities
Suite 60, 10551 Shellbridge Way
Richmond, B.C. V6X 2W9

Dear Mr. Cunningham:

Re: Union of British Columbia Municipalities ("UBCM")
Resolution A4 from September 23, 2001 Annual UBCM Conference
Natural Gas and Electricity Delivery Emergency Response

This is in response to your November 2, 2001 letter regarding Resolution A4 from the September 23, 2001 UBCM Conference, which stated:

"THEREFORE BE IT RESOLVED that the UBCM strongly urge the BC Utilities Commission to direct that natural gas and electrical delivery companies ensure that resources exist so that an emergency response can be provided to the community within 30 minutes."

As noted in the Commission's Performance Plan, maintaining and improving public and worker safety is a prime objective. The Commission considers it is of the highest priority that public utilities provide gas and electricity service in a manner that does not jeopardize the safety of the public or utility employees. Safety is a prime concern when the Commission reviews utility restructuring proposals and other changes which are intended to serve customers more efficiently and at lower cost.

For example, the BC Gas Utility Ltd. ("BC Gas") Performance Based Regulation Settlement for 1998 through 2001 provides for the annual review of five Service Quality Indicators, one of which is "Response Time to Emergency Calls". Enclosed is a report dated October 23, 2001 by BC Gas on recent distribution line breaks in Chetwynd and Hudson's Hope. Section 7.0 of the report describes how BC Gas is evaluating a number of aspects of its emergency response process, including several that relate to the avoidance of future incidents and coordination with fire departments which provide a first response to incidents. Commission staff have asked BC Gas to submit a further report by March 2002 regarding progress on improvements in these areas, particularly with regard to the length of time required to respond to future gas incidents in smaller communities.

The Pacific Northern Gas Ltd. ("PNG") reorganization and centralization at a new Customer Care Centre in Terrace, B.C. was discussed in the oral public hearing on PNG's 2001 Revenue Requirement Application. The Commission's May 25, 2001 Decision (pages 32-34 are enclosed) found that the reorganization has not had a material impact on safety. However, the Commission was concerned about

customers' ability to contact PNG in an emergency, and recommended improved customer communications and education.

In the UtiliCorp Networks Canada (British Columbia) Ltd. Settlement Agreement for 2000-02, the Commission established Performance Standards which are reviewed each year. The report for 2001 from the utility's November 9, 2001 Preliminary 2002 Revenue Requirements filing is enclosed for your information.

The Commission will continue to consider concerns about the safe delivery of gas and electricity on a situation-specific basis. Your letter and this response will be copied to public utilities that are regulated by the Commission so that they are aware of your interest and concern.

Yours truly,

Original signed by:

Robert J. Pellatt

JBW/mmc

Enclosures

cc: The Honourable George Abbott
Minister of Community, Aboriginal & Women's Services
Public Utilities (Gas, Electrical, Steam and Propane)