



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

and

An Application by BC Gas Utility Ltd.  
2003 Revenue Requirements and Multi-Year Performance-Based Ratemaking

**BEFORE:** P. Ostergaard, Chair )  
K.L. Hall, Commissioner ) June 20, 2002  
N.F. Nicholls, Commissioner )

**O R D E R**

**WHEREAS:**

- A. On June 17, 2002, BC Gas Utility Ltd. ("BC Gas") filed a 2003 Revenue Requirements and a Multi-Year Performance-Based Ratemaking Application ("the Application"), pursuant to Sections 58 and 61 of the Utilities Commission Act ("the Act"), for approval to establish a revised Schedule of Rates on a permanent basis effective January 1, 2003; and
- B. The Application proposed to establish an approved revenue requirement for the year ending December 31, 2003. The Application also contains a Multi-Year Performance-Based Ratemaking proposal using 2003 Revenue Requirements as the base year for the five years 2003 to 2007; and
- C. BC Gas seeks approval of a 0.95 percent general rate increase on utility margin; and
- D. Because of a decline in the average use per residential and commercial customer, BC Gas seeks approval of a further increase in the delivery margin of 2.85 percent for those classes of customers; and
- E. BC Gas seeks approval of new deferral accounts covering variances from forecast to include a financing cost on Revenue Stabilization Adjustment Mechanism (RSAM) balances as well as direct and indirect taxation by governments and "self-insurance"; and
- F. BC Gas requests that the Commission endorse a Negotiated Settlement Process to deal with its Application; and

G. The Commission finds that a Regulatory Agenda for preliminary matters is required to be established.

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

1. BC Gas shall provide a copy of this Order, by facsimile if possible, to all Intervenor and Interested Parties registered in BC Gas proceedings in 2000 and 2001. BC Gas shall also publish a copy of the Notice of Workshop and Pre-hearing Conference, attached as Appendix B, in local news publications in order to adequately notify its customers.
2. Intervenor and Interested Parties should inform the Commission, in writing, by Friday, July 12, 2002 of their intention to actively intervene in the proceeding, or become Interested Parties. Registered Intervenor will receive from BC Gas copies of the Application, all correspondence and filed documentation. Interested Parties will receive the Application's Executive Summary and copies of all Orders issued.
3. A Workshop and Pre-hearing Conference, to review the Application and to discuss procedural matters, including the desirability of a Negotiated Settlement Process for any or all components of the Application, and the establishment of a multi-year performance-based regulatory mechanism, will be held on Wednesday, July 17, 2002 commencing at 9:00 a.m. at the BC Gas Centre at 1111 West Georgia Street, Vancouver, B.C.
4. Following the Pre-hearing Conference, the Commission will determine the form of public review for the Application and issue a regulatory timetable.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 24<sup>th</sup> day of June 2002.

BY ORDER

*Original signed by:*

Peter Ostergaard  
Chair

Attachment

**An Application by BC Gas Utility Ltd.**  
**2003 Revenue Requirements and Multi-Year Performance-Based Ratemaking**

**REGULATORY AGENDA**

**ACTION**

**DATES**

BC Gas to provide and publish the Notice of Workshop and  
Pre-hearing Conference

As soon as possible

Intervenor Registration

Friday July 12, 2002

Workshop and Pre-hearing Conference

Wednesday, July 17, 2002



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BC GAS UTILITY LTD.  
Application for Approval of  
2003 Revenue Requirements and Multi-Year Performance-Based Ratemaking

**NOTICE OF WORKSHOP AND PRE-HEARING CONFERENCE**

**Date:** Wednesday, July 17, 2002  
**Time:** 9:00 a.m.  
**Location:** BC Gas Centre  
1111 West Georgia Street  
Vancouver, B.C.

**THE APPLICATION**

On June 17, 2002, BC Gas Utility Ltd. ("BC Gas") applied to the B.C. Utilities Commission ("the Commission") to amend its rates, effective January 1, 2003. The Application contains a Multi-Year Performance-Based Ratemaking proposal using 2003 Revenue Requirements as the base year for the five years from 2003 through 2007. BC Gas seeks approval for 2003 of a 0.95 percent general rate increase in delivery charges for all customers and, because of a decline in average use per residential and commercial customer, a further increase in the delivery charge of 2.85 percent for those classes of customers.

BC Gas also requests that the Commission endorse a Negotiated Settlement Process to deal with its Application.

**PUBLIC INSPECTION OF THE APPLICATION**

The Application and supporting material are available for inspection at the Head Office of BC Gas at 1111 West Georgia Street, Vancouver, B.C. and at the B.C. Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, B.C.

The Application is available for viewing or downloading from BC Gas' web site at <http://www.bcgas.com> or from the Commission's web site at <http://www.bcuc.com>.

**PARTICIPATION IN THE WORKSHOP AND PRE-HEARING CONFERENCE**

The purpose of the Workshop and Pre-hearing Conference is to review the Application and to discuss procedural matters, including the desirability of a Negotiated Settlement Process for any or all components of

the Application, and the establishment of a multi-year performance-based regulatory mechanism. The Commission will subsequently determine the form of public review for the Application and a timetable.

Persons who expect to actively participate in the review process should register as Intervenor with the Commission Secretary, in writing, by Friday, July 12, 2002. Intervenor will receive copies of the Application, all correspondence and filed documentation.

Persons not expecting to actively participate, but who have an interest in the BC Gas Application, should register as Interested Parties with the Commission Secretary, in writing, by Friday, July 12, 2002. Interested Parties will receive a copy of the Application's Executive Summary and all Orders issued.

## **COMMENTS**

If you wish to comment on the Application without becoming an Intervenor, you may write to the Commission Secretary stating your views. All letters of comment will be provided to the Applicant and will become part of the public record in the proceeding.

## **FURTHER INFORMATION**

For further information, please contact Mr. Robert J. Pellatt, Commission Secretary, or Mr. Barry McKinlay, Manager, Rates and Finance as follows:

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