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CANADA



BRITISH COLUMBIA  
UTILITIES COMMISSION

ORDER  
NUMBER G-125-93

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AN ORDER IN THE MATTER OF the Utilities Commission  
Act, S.B.C. 1980, c. 60, as amended

and

Applications by West Kootenay Power Ltd.

BEFORE: M.K. Jaccard, Chairperson; and ) December 21, 1993  
L.R. Barr, Deputy Chairperson )

**ORDER**

**WHEREAS:**

- A. On November 30, 1993 West Kootenay Power Ltd. ("WKP") filed with the Commission, pursuant to Sections 67 and 106 of the Utilities Commission Act ("the Act"), an Application requesting a Commission Order granting an interim refundable rate increase of 7.6 percent uniformly to all classes of service effective with consumption on and after January 1, 1994 along with a further increase of 5.6 percent on January 1, 1995 ("the Rate Application"); and
- B. WKP calculated its required January 1, 1994 7.6 percent interim rate increase based on a proposed 44.04 percent common equity component of its capital structure and an 11.5 percent return on common equity; and
- C. The Commission considered that the 1993 Commission Decision approved by Order No. G-41-93, targeted a mid-year 1994 capital structure with 39 percent common equity; and
- D. Since the 1993 Decisions which set the appropriate return on equity at 11.5 percent, interest rates have declined; and
- E. The Commission has reviewed the WKP Rate Application and is satisfied that approval of an interim rate increase, less than that requested by the applicant, is appropriate.

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

1. The Commission approves for WKP an interim rate increase to all customers of 5.7 percent that reflects a return on equity of 11.2 percent and a deemed capital structure of 39 percent, subject to refund with interest calculated at the average prime rate of the principal bank with which WKP conducts its business.
2. The interim increase has been adjusted downward by the Commission to reflect a general decline in interest rates and the reduced yields on the Government of Canada Long Bonds from the date of the 1993 Commission Decision on WKP's 1993 Revenue Requirements and the date of this Order. The lower return on common equity for interim increase purposes does not prejudice WKP's case for a permanent increase.
3. WKP is to inform all affected customers of the interim increase in rates effective January 1, 1994, the public hearing into the Applications, and the availability of Participant Funding approved by Commission Order No. G-117-93, all by way of a customer notice.

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4. The Commission will accept, subject to timely filing, amended Electric Tariff Rate Schedules in accordance with the terms of this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of December, 1993.

BY ORDER

  
Dr. Mark K. Jaccard  
Chairperson