



SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, B.C. V6Z 2N3  
CANADA

BRITISH COLUMBIA  
UTILITIES COMMISSION

ORDER  
NUMBER G-3-94

TELEPHONE: (604) 660-4700  
BC TOLL FREE: 1-800-663-1385  
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IN THE MATTER OF the Utilities Commission  
Act, S.B.C. 1980, c. 60, as amended

and

IN THE MATTER OF an Application by  
Squamish Gas Co. Ltd.

BEFORE: M.K. Jaccard, Chairperson; and )  
L.R. Barr, Deputy Chairperson ) January 14, 1994

**ORDER**

**WHEREAS:**

- A. On January 4, 1994 Squamish Gas Co. Ltd. ("Squamish Gas") filed with the Commission for approval, amendments to Gas Tariff Rate Schedules and rates for natural gas distribution service to retail customers located in the District of Squamish and served by the Pacific Coast Energy Corporation natural gas transmission pipeline; and
- B. On December 20, 1993, the Ministry of Energy, Mines and Petroleum Resources advised the Commission and Squamish Gas of the current retail price for fuel oil which forms the basis for natural gas rates to be charged to distribution grid system customers, in accordance with the Consolidated Rate Stabilization Agreement, effective with consumption January 1, 1994; and
- C. The Commission has reviewed the Application and finds that approval to amend rates for natural gas service is necessary and in the public interest.

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

1. The Commission approves and accepts for filing for Squamish Gas, rates for natural gas service effective January 1, 1994 as follows:

Fourteenth Revision of Sheet No. 10	-	Small General Service Rate No. 1 (SGS-1)
Sixth Revision of Sheet No. 11	-	Small General Service Rate No. 2 (SGS-2)
Fourth Revision of Sheet No. 12	-	Large General Service Rate No. 1 (LGS-1)
Fourth Revision of Sheet No. 13	-	Large General Service Rate No. 2 (LGS-2)

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Fourth Revision of Sheet No. 14 - Large General Service Rate No. 3 (LGS-3)  
Fifth Revision of Sheet No. 6 - Apartment/Multi-Family Dwelling Conversion

2. Squamish Gas is to inform customers of the changes to natural gas rates effective January 1, 1994 by way of a Customer Notice.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of January, 1994.

BY ORDER

  
Dr. Mark K. Jaccard  
Chairperson



ROBERT J. PELLATT  
COMMISSION SECRETARY

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January 21, 1994

Dear Interested Party:

By Order No. G-4-94, the Commission has set down a public hearing to determine the appropriate rate of return on common equity ("ROE") and capital structure for BC Gas Utility Ltd., Pacific Northern Gas Ltd., and West Kootenay Power Ltd. This marks the first time the Commission has held a joint hearing into these issues and the Commission wishes to use this opportunity to explore whether future joint hearings should occur and, if so, their scope and form.

In order to aid the Commission in its decision making, the Commission has identified the following areas on which it wishes to hear evidence:

- i) what is the appropriate rate of return on common equity to be awarded each utility?
- ii) what is the appropriate capital structure for each utility?
- iii) should future joint hearings set the capital structure and rate of return on equity for individual utilities or should it be set for a phantom "low risk" utility only?
- iv) if the rate of return for the individual utilities are to be set, for what time period should the premium awarded each utility apply? i.e. should the premiums be determined annually or for a longer period of time?
- v) if the premiums are to last for more than one year, how should the rate of return on the phantom utility be adjusted to reflect changes in the financial climate? i.e. changes to the long term bond rate?
- vi) when should the joint hearing on ROE and capital structures be held, e.g. late fall of the preceding year?
- vii) other.

As indicated in the Commission Order (copy attached), utilities are asked to provide their written evidence no later than Wednesday, February 9, 1994. Intervenor and other Interested Parties are asked to provide their written evidence no later than Monday, February 28, 1994.

Yours truly

A handwritten signature in dark ink, appearing to read "R. Pellatt", is written over a horizontal line.

Robert J. Pellatt

DWE/cms  
Attachment

ROE/Notice to IntParties