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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-19-94

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

and

An Application by Centra Gas British Columbia Inc.

BEFORE: M.K. Jaccard, Chairperson; and)
H.J. Page, Commissioner) March 4, 1994

O R D E R

WHEREAS:

- A. On November 30, 1993 Centra Gas British Columbia Inc. - Fort St. John District ("Centra-FSJ") filed with the Commission, an application to increase rates on an interim and permanent basis to customers effective January 1, 1994 ("the Application") pursuant to Sections 64 and 104 of the Utilities Commission Act ("the Act"); and
- B. Centra-FSJ stated in the Application that, in order to avoid the erosion of earnings in 1994, an interim and permanent increase of 14.5 percent on general revenue was required effective January 1, 1994 to all customer rate schedules excluding Balfour Forest Products Inc. and Canadian Forest Products Ltd.; and
- C. Centra-FSJ calculated its 1994 Application on a proposed 32 percent common equity component of its capital structure and a 12.75 percent return on common equity. Centra-FSJ proposed, in order to avoid the cost of expert testimony on rate of return, that the 1994 rate of return on common equity for Centra-FSJ be based on the simple average of the approved rates for BC Gas Utility Ltd. and that for Pacific Northern Gas Ltd.; and
- D. The Commission reviewed the Application and by Order No. G-122-93 approved an interim rate increase of 7.52 percent to customer rate schedules, consistent with the methodology proposed in the Application, effective January 1, 1994 subject to refund with interest calculated at the average prime rate of the principal bank with which Centra-FSJ conducts its business. The interim rate increase did not apply to Balfour Forest Products Inc. and Canadian Forest Products Ltd. A public hearing was ordered to commence February 8, 1994 in Fort St. John, B.C.; and
- E. The public hearing commenced February 8, 1994 and concluded on February 10, 1994 with final written argument submitted during the week of February 15 to 18, 1994; and
- F. The Commission has considered the Application and the evidence adduced thereon all as set forth in the Decision issued concurrently with this Order.

NOW THEREFORE the Commission orders Centra Gas as follows:

- 1. The Rate Base and Revenue Requirements for Centra-FSJ for the year ending December 31, 1994 are as set out in the schedules contained in the Decision.

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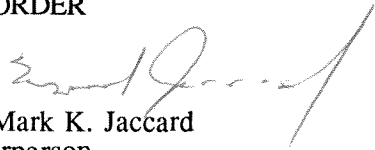
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2. The interim rates approved by Order No. G-122-93 are considered to be excessive and are required to be partially refunded with appropriate interest to customers from January 1, 1994 to the date upon which the new Gas Tariff Rate Schedules come into effect.
3. Centra-FSJ will comply with the several directions contained in the Commission Decision issued concurrently with the Order.

DATED at the City of Vancouver, in the Province of British Columbia, this *11th* day of March, 1994.

BY ORDER


Dr. Mark K. Jaccard
Chairperson