



LETTER NO. L-27-94

ROBERT J. PELLATT
COMMISSION SECRETARY

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September 21, 1994

Mr. Marcel Reghelini
Manager, Regulatory Affairs & Rates
Centra Gas British Columbia Inc.
1675 Douglas Street
P.O. Box 3777
Victoria, B.C.
V8W 3V3

Dear Mr. Reghelini:

Re: Centra Gas British Columbia Inc. - Fort St. John District
Application - Main Extension Test

Further to your August 29, 1994 letter with regard to the Centra Gas - Fort St. John District main extension test and review and with reference to the Commission's March 11, 1994 Decision into the Centra Gas - Fort St. John District 1994 Revenue Requirements, we wish to advise as follows:

The Commission requires Centra Gas - Fort St. John District to file a new main extension test by January 31, 1995 consistent with the Utility's participation in the BC Gas Utility Ltd. examination of its main's extension policy, consistent with the IRP collaborative process.

The Commission will therefore allow Centra Gas - Fort St. John District to continue to use the current main extension test for 1994 construction projects. The Commission also requires Centra Gas to inform customers that estimated contributions for 1995 extensions may change due to the Commission's review of the main extension policy to be filed by January 31, 1995.

Yours truly,

Robert J. Pellatt

RJP/ssc

cc: Mr. D.M. Masuhara
Vice President, Legal and Regulatory
Affairs and Secretary
BC Gas Utility Ltd.



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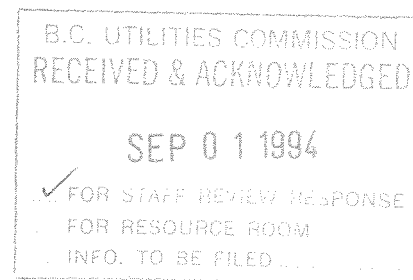
August 29, 1994

British Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, B.C.
V6Z 2N3

Attention: Mr. R.J. Pellatt
Commission Secretary

Dear Sir:

Re: Main Extension Test



In its Decision dated March 11, 1994 the Commission issued the following direction to Centra Gas British Columbia Inc.

"The Commission directs the Applicant to review the determinations made by the Commission in the BCGUL Phase B Rate Design Decision dated October 25, 1993 as well as further determinations which are expected to arise from the 1994 BCGUL Revenue Requirements hearing scheduled for April 25, 1994. Within two months of the issuance of a Decision on the latter proceeding, Centra-FSJ is directed to come forward with a main extension test consistent with the Commission's determinations in the two proceedings noted above and appropriately adjusted to suit the circumstances of Centra-FSJ."

The Commission issued its Decision with respect to BCGUL's 1994 Revenue Requirements in three phases. The third phase, issued August 12, 1994, dealt with integrated resource planning, demand side management and main extension tests.

The Phase 3 Decision continued the use of BCGUL's interim main extension test pending further study. BCGUL was ordered to bring forth a new main extension proposal by January 31, 1995.

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Centra Gas has subsequently been invited by BCGUL to participate in an examination of main extension policy. This examination will be conducted with the participation of BCGUL's IRP stakeholder group, other utilities and interested parties.

The Commission's final determination with respect to main extension policy will not be issued until after January 31, 1995, when BCGUL submits a proposal formulated with the benefit of the above mentioned examination. Therefore, Centra Gas proposes to come forth with a main extension test consistent with the Commission's determinations on BCGUL's forthcoming proposal, two months after the Commission's final decision on the matter. This will allow Centra Gas to benefit from the discussions during the collaborative examination and from the Commission's final findings.

If this proposal does not meet with the Commission's satisfaction please call me at 480-4405 to discuss a time frame for submission of a main extension proposal that is acceptable to the Commission.

Yours truly,

CENTRA GAS BRITISH COLUMBIA INC.



Marcel S. Reghelini
Manager, Regulatory Affairs & Rates

MSR:jcs