



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

and

An Application by West Kootenay Power Ltd.
for Approval of its 1996 Revenue Requirements

BEFORE: M.K. Jaccard, Chairperson; and)
K.L. Hall, Commissioner) December 15, 1995

O R D E R

WHEREAS:

- A. On November 28, 1995 West Kootenay Power Ltd. ("WKP") filed with the Commission, pursuant to Sections 64 and 67 of the Utilities Commission Act, a Draft 1996 Revenue Requirements Application ("the Application") for approval of rates effective January 1, 1996; and
- B. In the Application WKP also applied for approval of an interim increase in rates of 4.9 percent effective January 1, 1996 pursuant to Section 106 of the Act; and
- C. The applied for interim increase allows the utility to recover its expected 1996 revenue deficiency and also incorporates a proposed new capitalization structure of 40 percent equity and 60 percent debt that is different from the levels previously approved in prior Commission Decisions; and
- D. The Commission has reviewed the WKP rate application and is satisfied that approval of an interim rate increase, for an amount less than that requested by the utility, is appropriate.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for WKP an average interim rate increase of 3.85 percent, that reflects a revenue deficiency recovery and a capital structure at previously approved levels, effective January 1, 1996, subject to refund with interest calculated at the average prime rate of the principal bank with which WKP conducts its business.
2. The average interim increase has been adjusted downward by the Commission to reflect the existing approved capital structure allowed in the June 17, 1994 WKP decision. This lower interim rate increase does not prejudice WKP's application or the Commission's decision on the capital structure that will be determined by way of future Commission Decision and Order.
3. Actual changes to customer rates are to be made in accordance with the rate restructuring directions given in the Commission's June 17, 1994 Decision.
4. WKP is to inform all affected customers of the interim increase in rates effective January 1, 1996 by way of a customer notice. An appropriate notice and copy of this Order is to be faxed to all wholesale and large industrial customers as soon as possible.

5. The matter of how to deal with the Application, by way of an oral public hearing, written public hearing or Negotiated Settlement/Alternative Dispute Resolution process, will be decided by the Commission in a future Commission Order.
6. 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 20th day of December, 1995.

BY ORDER



Dr. Mark K. Jaccard
Chairperson