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CANADA



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-53-96

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

and

An Application by Centra Gas Fort St. John Inc.
for Approval to Fix the Cost of Floating Rate Debt

BEFORE: L.R. Barr, Deputy Chairperson; and)
F.C. Leighton, Commissioner) June 3, 1996

O R D E R

WHEREAS:

- A. On December 20, 1995 Centra Gas Fort St. John Inc. ("Centra Gas") filed with the Commission its 1996/97 Revenue Requirements and Rate Design Application ("the Rate Application") with additional evidence filed on January 8 and February 14, 1996; and
- B. The revenue requirements portion of the Rate Application was reviewed by the Negotiated Settlement Procedures through a settlement conference held on April 15, 1996 which resulted in a negotiated settlement. The negotiated settlement was approved by the Commission at a public hearing in Fort St. John, B.C. on May 6, 1996. The settlement included agreement between Centra Gas, customer representatives and Commission staff to fix the cost of floating rate debt in order to minimize the exposure of the utility to interest rate fluctuations; and
- C. On May 8, 1996 Centra Gas, pursuant to Section 57 of the Utilities Commission Act ("the Act"), applied to the Commission to fix the cost of \$8 million of its existing floating rate debt for eight years through an interest rate swap at a weighted average all-in cost rate not exceeding 9.0 percent, on or before May 15, 1996 ("the Application"); and
- D. As a result of staff information requests, Centra Gas filed a revised Application on May 27, 1996, requesting approval to fix the cost of Floating Rate Debt effective upon receipt of such Commission approval; and
- E. The Commission has reviewed the revised Application and supporting material and finds that approval is necessary and in the public interest.

NOW THEREFORE the Commission orders as follows:

- 1. The Commission approves for Centra Gas, pursuant to Section 57 of the Act, the May 27, 1996 Application to fix \$8 million of its existing floating rate debt for eight years at a weighted average all-in cost not to exceed 8.75 percent, subject to completion on a timely basis.

BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER **G-53-96**

2

2. Centra Gas is to provide the Commission with a copy of the competing bids from each financial institution showing the calculation of the all-in cost of the interest rate swap, including substantiation of the bid selected.
3. Centra Gas is to file with the Commission the final terms of the interest rate swap approved by this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 3rd day of June, 1996.

BY ORDER

Original signed by:

Lorna R. Barr
Deputy Chairperson