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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 the Special Direction  
to the British Columbia Utilities Commission by the  
Lieutenant Governor in Council through  
Order in Council 1510, dated December 13, 1995

and

An Application by Centra Gas British Columbia Inc.  
for Approval of its 1996 and 1997 Revenue Requirements

**BEFORE:** M.K. Jaccard, Chairperson; and )  
L.R. Barr, Deputy Chairperson ) February 14, 1997

## O R D E R

### WHEREAS:

- A. On September 27, 1996 Centra Gas British Columbia Inc. ("Centra Gas") applied to the Commission pursuant to Section 28 of the Utilities Commission Act ("the Act"), and the Special Direction issued by the Lieutenant Governor in Council through Order In Council No. 1510 dated December 13, 1995 ("the Special Direction"), which provides the regulatory framework under which Centra Gas will operate until 2003, for approval of its 1996 and 1997 Revenue Requirements and deficiencies ("the Application"); and
- B. The Application covers a review of Centra Gas' cost of service for 1996 and 1997 that will not impact on customer rates until after December 31, 2002 and will apply to all customers located on Vancouver Island and the Sunshine Coast that resulted from the 1995 restructuring of utility assets approved by Commission Orders No. G-105-95 and G-108-95; and
- C. The Commission, by Order No. G-99-96, held a Pre-Hearing Conference on December 11, 1996 which allowed participants to discuss potential issues in the Application; timing of the Alternate Dispute Resolution ("ADR") or public hearing process; and to clarify and have questions answered regarding the Application; and
- D. Following input from the Pre-hearing Conference, the Commission by Order No. G-117-96, scheduled an ADR process to commence on February 3, 1997 and, if required, a hearing to commence of February 18, 1997. Order No. G-117-96 added additional issues to the hearing process to address recent Centra Gas' applications for a Certificate of Public Convenience and Necessity to construct and operate a third compressor at the Coquitlam Compressor Station, for a deferral account for costs associated with a gas management services review and to increase rates for New Customers effective January 1, 1997; and

- E. Commission Order No. G-118-96 approved the requested rate increases to New Customers on an interim basis effective January 1, 1997; and
- F. The ADR process was rescheduled and held on February 5 and 6, 1997. The Commission was informed by Centra Gas, registered intervenors and Commission staff that a settlement agreement had been reached to the 1996 and 1997 Centra Gas revenue requirements and revenue deficiency; and
- G. The Commission has reviewed the settlement agreement and considers that approval of the settlement agreement is in the public interest.

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

- 1. The Commission approves for Centra Gas the settlement agreement which includes the following forecasted revenue requirement and revenue deficiency for 1996 and 1997:

	1996	1997
Revenue Requirement	\$88,889,241	\$92,994,904
Revenue Deficiency	\$9,183,241	\$11,330,168

- 2. The approved forecasted 1996 and 1997 revenue deficiency is to be added to the revenue deficiency deferral account which was established by the Special Direction.
- 3. Centra Gas is to inform all customers of the ADR process and the settlement agreement's effect on rates for Pioneer Customers and New Customers.
- 4. Centra Gas is to file permanent Gas Tariff Rate Schedules for New Customers that are in accordance with the terms of the ADR settlement and this Order.
- 5. The public hearing into the Application that was tentatively scheduled for February 18, 1997 is cancelled.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 14th day of February, 1997.

BY ORDER

*Original signed by:*

M.K. Jaccard  
Chairperson