

SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, B.C. V6Z 2N3  
CANADA



TELEPHONE: (604) 660-4700  
BC TOLL FREE: 1-800-663-1385  
FACSIMILE: (604) 660-1102

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.  
for Approval to Defer Natural Gas Rate Increase

BEFORE: M.K. Jaccard, Chairperson; and )  
L.R. Barr, Deputy Chairperson ) February 26, 1997

**O R D E R**

**WHEREAS:**

- A. On February 20, 1997 Centra Gas British Columbia Inc. ("Centra Gas"), pursuant to the Special Direction and under the terms of the Vancouver Island Natural Gas Pipeline Act, filed for Commission approval an application to amend its schedule of rates to natural gas customers located on Vancouver Island and the Sunshine Coast; and
- B. Pursuant to the Special Direction Centra Gas surveyed competitive fuel oil markets on Vancouver Island and reported that a change in rates charged to Pioneer Customers under its Closed Rate Schedules is required to be increased effective March 1, 1997; and
- C. Centra Gas advised the Commission that it believed that Light Fuel Oil prices would decline in 1997 and that the resultant increased natural gas rate changes would send confusing price signals to Pioneer Customers. Centra Gas proposes that the current required increase be deferred until July 1997 and that the price differential be placed into a deferral account and recovered if necessary over the last half of 1997; and
- D. The Commission has reviewed the Application and finds that approval of a deferral account for the March 1, 1997 rate adjustment for natural gas service to Centra Gas' Pioneer Customers (except ACR-1 customers), is necessary and in the public interest.

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

1. The Commission approves Centra Gas' application for a change to rate levels for natural gas service to Pioneer Customers (SGS-1, SGS-2, LGS-1, LGS-2, LGS-3 and CRR) effective March 1, 1997.
2. The differential between the current rates to Centra Gas' Pioneer Customers and the required increase effective March 1, 1997 is to be placed into a deferral account.
3. The mid-month balance in the deferral account is to have the approved short-term interest rate applied.
4. On June 1, 1997 Centra Gas is to report to the Commission on the balance accumulated in the deferral account and the forecast for fuel oil prices over the remainder of the year.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 12th day of March, 1997.

BY ORDER

*Original signed by:*

Dr. Mark K. Jaccard  
Chairperson