



IN THE MATTER OF  
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by Centra Gas Whistler Inc.  
for Approval of its 1999 Revenue Requirements,  
1998 Actual Results and 1999 Propane System Expansion Plan

**BEFORE:** P. Ostergaard, Chair )  
L.R. Barr, Deputy Chair ) March 18, 1999  
F.C. Leighton, Commissioner )

**O R D E R**

**WHEREAS:**

- A. On December 23, 1998, Centra Gas Whistler Inc. ("Centra Whistler") applied to the Commission for approval of its 1999 Revenue Requirements ("the Application") pursuant to Sections 58 and 89 of the Utilities Commission Act ("the Act"); and
- B. The Application forecasted a 1999 revenue surplus and proposed that current rates become interim effective January 1, 1999, and following an Alternative Dispute Resolution ("ADR") process, proposed to decrease the commodity charge per gigajoule by 14.5 percent, from \$10.769 to \$9.2077, effective April 1, 1999; and
- C. The Commission, by Order No. G-2-99, set the current Centra Whistler rates as interim effective January 1, 1999, and held a pre-hearing conference on January 21, 1999; and
- D. The Commission, by Order No. G-13-99, approved an ADR process and set down a timetable for public review of the Application; and
- E. On February 26, 1999, Centra Whistler applied for approval of a 1999 Propane System Expansion Plan which involved the lease and installation of four propane storage tanks and looping of 2.7 kilometers of distribution main; and

- F. On March 3, 1999, a settlement agreement was reached between Centra Whistler and the registered Intervenor regarding Centra Whistler's 1999 Revenue Requirements, 1998 Actual Results and 1999 Propane System Expansion Plan; and
- G. On March 9, 1999, the Commission was informed by Centra Whistler, the registered Intervenor and Commission staff that a settlement agreement had been reached; and
- H. The Commission has reviewed the settlement proposal and considers that approval of the settlement is in the public interest.

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

1. The Commission approves for Centra Whistler the Negotiated Settlement attached as Appendix A, which includes a 1999 revenue surplus of \$1,247,095 resulting in a reduction of the energy charge for all customers of \$2.044 per gigajoule, approximately 19%, effective January 1, 1999.
2. Centra Whistler is to refund any overpayment in rates with interest calculated at the prime rate of the principal bank with which it conducts its business. Centra Whistler is to inform all customers of the rate decrease and refund by way of a customer notice.
3. Centra Whistler is to file a permanent Gas Tariff Rate Schedule that is in accordance with the terms of the Negotiated Settlement and this Order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 23<sup>rd</sup> day of March 1999.

BY ORDER

*Original signed by:*

Peter Ostergaard  
Chair

Attachment



IN THE MATTER of the Utilities Commission Act, RSBC 1996, c. 473, Section 23

- and -

IN THE MATTER OF an Application by Centra Gas Whistler Inc.  
for approval of it's Forecast 1999 Revenue Requirement, 1998 Actual Results,  
and 1999 Rates

- and -

IN THE MATTER of an Application by Centra Gas Whistler Inc. for approval of  
it's 1999 Propane System Expansion Plan.

### **NEGOTIATED SETTLEMENT**

March 3, 1999

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

Attention: Mr. W. J. Grant  
Executive Director, Regulatory Affairs & Planning

On December 23, 1998, Centra Gas Whistler Inc. ("Centra Gas" or the "Company") filed a Revenue Requirements Application (the "Application") with the British Columbia Utilities Commission (the "Commission"). The Application was for approval of Centra Gas' actual revenue requirement for 1998 and forecast revenue requirement for the test period 1999.

Customers were advised of the Application through public notices published in local community newspapers The Pique Newsmagazine and the Whistler Question. Copies of the Application were made available for viewing in the Company's local office and at the Utilities Commission office.

A publicly advertised Pre-Hearing Conference and Public Information meeting to discuss the Application was held in Whistler at the Coast Whistler Hotel on January 21, 1999.

The Commission Staff issued information requests in writing on January 25, 1999. In addition to these, Centra Gas also received an information request from Squamish Gas Company Ltd. on February 8, 1999. Centra Gas responded to these information requests between February 15, 1999 and February 19, 1999.

Settlement negotiations were held in Whistler on March 1, 1999. In attendance were Commission Staff, a residential advocate (for part of negotiations only), and Centra Gas, all of whom participated in the settlement discussions.

The following is a negotiated settlement arrived at between Centra Gas and the participants attending the settlement conference. This settlement was achieved with the participation of the Commission Staff.

Now therefore,

1. 1998 Revenue Requirement

- Centra Gas' actual revenue requirement for 1998 is accepted as filed.

2. 1999 Propane System Expansion

- Centra Gas' application for the 1999 Propane System Expansion Plan is approved as filed except for the leasing of the storage tanks. Once Centra Gas files the final plan for Whistler's future energy requirements on March 31, 1999, the determination of whether or not to purchase or lease the tanks will be made.
- Tank lease costs have been added to direct OM&A, commencing August 1, 1999. A deferral account will record differences in actual lease or purchase costs in 1999. Non-tank capital costs at the plant site and for pipeline additions will be carried forward to enter rate base in 2000.

3. 1999 Revenue Requirement

Centra Gas and the above mentioned participants agree to the 1999 forecast revenue requirement as shown on the Negotiated Settlement schedules attached to and forming a part of this agreement. This agreed settlement includes the following adjustments to Centra Gas' Application:

- Forecast sales volumes for 1999 are to be increased from 606,774 GJ to 610,000 GJ.
- Forecast cost of propane of \$4.865 per GJ is accepted as filed, with a deferral account to record the difference between forecast cost of gas recovered in rates and actual results. The gas supply Operating Expenses included in cost of gas of \$38,890 is fixed for 1999.

- Gross Operating, Maintenance and Administrative (OM&A) expense is to be reduced from \$583,197 to \$575,000 including direct charges from shared service departments of \$23,914. Lease costs associated with four additional propane storage tanks are not included within the \$575,000 amount. Capitalization of OM&A remains unchanged at \$114,004.
- Shared service expenses provided by Centra Gas British Columbia Inc. are to be reduced from \$287,865 to \$200,000 in 1999.
- Cost of debt for 1999 is to be set at 5.69%, down from 8% previously allowed in rates.
- The deferral account 1998/1999 Regulatory Costs records the actual cost of this Application, excluding consulting fees (forecast to be \$25,000), transcripts (forecast to be \$5,000), and overtime (forecast to be \$11,000). Centra Gas forecasts that this account will be \$17,250 (before tax) and will be amortized fully in 1999. The actual costs will not be known until all costs are final, and Centra Gas will adjust this forecast balance and amortization to actual when all costs are known.
- The deferral account South Plant Trucking is to be fully amortized in 1999. This account will be consolidated with the Gas Cost Reconciliation deferral account for future years.
- The balance in the deferral account Gas Cost Reconciliation is to be carried forward, in full, to be used in future years to offset volatility in propane commodity prices.
- The deferral account Interest Rate Differential will continue to record actual interest charges that are different from forecast in the Application.
- The balance in the deferral account Freight/Start-up is to be fully amortized in 1999. This account will then be closed.
- The deferral account 1995/96 Property Taxes is to be closed
- The balance in the deferral account Integrated Resource Planning, as at December 31, 1998, is to be fully amortized in 1999.

The participants also agreed to the following items:

4. Demand Side Management Programs

- Centra Gas will engage members of the IRP Consultative Group, including the municipal government, in a review of the DSM programs identified in the 1997 IRP Update. The review will identify appropriate DSM Programs for implementation in 1999 that are consistent with RMOW environmental initiatives. The review will also explore the potential for partnering with businesses and other interested parties in the local area.

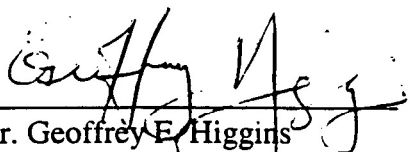
5. Customer Information System (CIS)

- Customer Information System costs associated with the new CIS system being investigated by Centra Gas British Columbia and expected to be implemented in 1999 should be recorded separately from those costs currently being charged to Centra Gas Whistler through the shared service allocation.

The Company and the participants agree to hold confidential the discussions held on March 1, 1999, until agreed to by the participants and released publicly by Commission Staff. Agreement to this settlement is on a without prejudice basis. Any position taken or statement made during the discussions, by the participants or the Company, will not be made public or restrict in any way, positions taken in future proceedings should this settlement not be approved by the Commission, or in future proceedings concerning other applications.

All of which is respectfully submitted.

Dated at Victoria, this 3rd day of March 1999.

  
Mr. Geoffrey E. Higgins  
Manager, Regulatory Affairs  
Centra Gas British Columbia Inc.

**CENTRA GAS WHISTLER INC.**  
**1999 REVENUE REQUIREMENT APPLICATION**

**S 7.1**

**REVENUE SURPLUS AND RATE DECREASE REQUESTED**

<u>LINE</u>	<u>1999 Forecast</u>	<u>Reference</u>
1 Rate Base	10,702,459	S 9.1
2 Earned Return @ Existing Rates	1,534,065	S 8.1
3 Existing Rate of Return on Rate Base	14.33%	S 8.1
4 Proposed Rate of Return on Rate Base	7.20%	S 14.1
5 Proposed Earned Return after Tax	<u>770,417</u>	S 14.1
6 Revenue Surplus Before Tax	<u><u>1,247,095</u></u>	S 7.2
7 Total Energy Sales - GJ	610,000	S 15.3
8 Incremental Rate Decrease - \$ / GJ	\$ 2.044	
9 Percentage Decrease from Existing Rates	19.0%	

**CENTRA GAS WHISTLER INC.**  
**1999 REVENUE REQUIREMENT APPLICATION**

**S 7.2**

**REVENUE REQUIREMENT**

<u>LINE</u>		<u>1996 Actual</u>	<u>1997 Actual</u>	<u>1998 Actual</u>	<u>1999 Forecast</u>	<u>Reference</u>
1	Cost of Sales	2,177,450	3,007,726	3,400,075	3,044,525	S 16.1
2	Total Operating Expenses	494,893	511,561	559,861	721,829	S 17.1
3	Total Depreciation	257,200	273,271	292,997	309,499	S 10.7
4	Total Amortization	(88,623)	33,368	163,188	128,045	S 13.3 / S 11.1
5	Total Municipal Taxes	103,771	146,490	167,919	194,121	S 19.5
6	Total Taxes Payable @ Proposed Rates	248,655	389,320	478,074	291,104	S 19.3 / S 19.4
7	Allowed / Proposed Return on Rate Base	1,049,783	950,970	962,633	770,417	S 14.1
8	Total Revenue Requirement	<u>4,243,129</u>	<u>5,312,706</u>	<u>6,024,746</u>	<u>5,459,540</u>	

**Reconciliation of Revenue Requirement**

9	Total Propane Sales Revenue @ Existing Rates	4,221,023	5,279,545	5,998,393	6,667,435	S 15.6
10	Total Other Revenue	<u>22,714</u>	<u>32,057</u>	<u>26,504</u>	<u>39,200</u>	S 15.7
11	Total Revenue @ Existing Rates	4,243,737	5,311,602	6,024,897	6,706,635	
12	Revenue Deficiency / (Surplus)	<u>(608)</u>	<u>1,104</u>	<u>(151)</u>	<u>(1,247,095)</u>	
13	Total Revenue Requirement	<u>4,243,129</u>	<u>5,312,706</u>	<u>6,024,746</u>	<u>5,459,540</u>	

**CENTRA GAS WHISTLER INC.**  
**1999 REVENUE REQUIREMENT APPLICATION**

S 8.1

**UTILITY INCOME**

<u>LINE</u>		<u>1996</u> <u>Actual</u>	<u>1997</u> <u>Actual</u>	<u>1998</u> <u>Actual</u>	<u>1999</u> <u>Forecast</u>	<u>Reference</u>
1	Energy Sales - GJ	424,953	483,556	548,959	610,000	S 15.3
2	Propane Sales Revenue @ Existing Rates	4,221,023	5,279,545	5,998,393	6,667,435	S 15.6
4	Cost of Sales	2,177,450	3,007,726	3,400,075	3,044,525	S 16.1
5	Gross Margin	2,043,573	2,271,819	2,598,318	3,622,910	
6	Other Revenue @ Existing Rates	22,714	32,057	26,504	39,200	S 15.7
7	Net Utility Revenue	2,066,287	2,303,876	2,624,822	3,662,110	
<b>Expenses</b>						
8	Direct Operating and Maintenance	324,893	338,161	384,861	521,829	S 17.1
9	Shared Service Cost Allocation	170,000	173,400	175,000	200,000	S 18.1
10	Municipal Taxes	103,771	146,490	167,919	194,121	S 19.1
11	Depreciation	257,223	273,271	292,997	309,499	S 10.7
12	Amortization - CIAC	(28)	-	(38)	(48)	S 11.1
13	Amortization - Regulatory Costs	13,487	-	-	9,381	S 13.1 - S 13.3
14	Amortization - South Plant Trucking	-	(6,197)	-	(3,178)	S 13.1 - S 13.3
15	Amortization - Interest Rate Differential	(142,250)	(334,649)	(90,022)	-	S 13.1 - S 13.3
16	Amortization - Freight/Start Up	21,244	14,644	14,644	87,867	S 13.1 - S 13.3
17	Amortization - Gas Cost Reconciliation	6,424	325,923	238,604	-	S 13.1 - S 13.3
18	Amortization - Shared Service Cost Allo	12,500	-	-	-	S 13.1 - S 13.3
19	Amortization - 1995/1996 Municipal Tax	-	33,647	-	-	S 13.1 - S 13.3
20	Amortization - Integrated Resource Plan	-	-	-	34,023	S 13.1 - S 13.3
21	Total Expenses	767,264	964,690	1,183,965	1,353,494	
22	Utility Income Before Income Taxes	1,299,023	1,339,186	1,440,857	2,308,616	
23	Total Taxes Payable	248,655	388,816	478,074	774,551	S 19.1
24	Net Utility Income	1,050,368	950,370	962,784	1,534,065	
25	Mid - Year Rate Base	9,569,584	10,507,957	10,740,675	10,702,459	S 9.1
26	Earned Return Percentage on Mid-Year Rate E	10.98%	9.04%	8.96%	14.33%	

CENTRA GAS WHISTLER INC.  
1999 REVENUE REQUIREMENT APPLICATION

S 9.1

RATE BASE

Line		<u>1996 Settlement</u>	<u>1996 Actual</u>	<u>1997 Actual</u>	<u>1998 Actual</u>	<u>1999 Forecast</u>	<u>Reference</u>
	GROSS PLANT IN SERVICE						
1	Beginning of Year	9,180,120	9,263,598	9,915,759	10,675,161	11,396,054	S 10.2 - S 10.4
2	End of Year	<u>9,747,464</u>	<u>9,915,759</u>	<u>10,675,161</u>	<u>11,396,054</u>	<u>12,031,458</u>	S 10.2 - S 10.4
3	Average Mid-Year Balance	9,463,792	9,589,679	10,295,460	11,035,608	11,713,756	
	ACCUMULATED DEPRECIATION						
4	Beginning of Year	(323,207)	(360,902)	(588,978)	(823,583)	(1,078,948)	S 10.5 - S 10.7
5	End of Year	<u>(538,941)</u>	<u>(588,978)</u>	<u>(823,583)</u>	<u>(1,078,948)</u>	<u>(1,351,157)</u>	S 10.5 - S 10.7
6	Average Mid-Year Balance	(431,074)	(474,940)	(706,280)	(951,265)	(1,215,052)	
7	NET MID-YEAR PLANT IN SERVICE	9,032,718	9,114,739	9,589,180	10,084,342	10,498,704	
8	MID-YEAR ALLOCATED COMMON PLANT	128,046	128,047	128,046	128,047	95,771	S 10.8
9	MID-YEAR CONTRIBUTIONS	(5,549)	(1,768)	(1,521)	(1,993)	(2,451)	S 11.1
10	WORKING CAPITAL	<u>334,788</u>	<u>328,567</u>	<u>792,253</u>	<u>530,279</u>	<u>110,435</u>	S 12.1
11	MID-YEAR RATE BASE	<u>9,490,003</u>	<u>9,569,584</u>	<u>10,507,957</u>	<u>10,740,675</u>	<u>10,702,459</u>	



**CENTRA GAS WHISTLER INC.  
1999 REVENUE REQUIREMENT APPLICATION**

**WORKING CAPITAL**

<u>LINE</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>Reference</u>
1 Cash Working Capital	76,195	81,204	83,840	S 12.2
2 Inventory - Materials & Services	30,945	30,945	30,945	S 12.3
3 Refundable Contributions	(837)	(837)	(837)	S 12.3
4 Customer Security Deposits	(15,671)	(15,671)	(15,671)	S 12.3
5 Line Pack	0	0	0	S 12.3
6 Employee Withholdings	(3,962)	(3,962)	(3,962)	S 12.3
7 Propane Inventory	77,907	77,907	61,825	S 12.3
8 Sub-Total	<u>164,578</u>	<u>169,587</u>	<u>156,141</u>	
9 Mid-Year Deferred Items (After Tax)				
10 1997/98 Regulatory Costs	0	0	-	S 13.1 - S 13.3
11 South Plant Trucking	(3,543)	(1,589)	(1,589)	S 13.1 - S 13.3
12 Interest Rate Differential	(79,360)	8,686	0	S 13.1 - S 13.3
13 Freight	109,833	95,189	43,934	S 13.1 - S 13.3
14 Gas Cost Reconciliation Account	583,921	224,763	(105,062)	S 13.1 - S 13.3
15 1995/96 Municipal Taxes	16,823	0	-	S 13.1 - S 13.3
16 Integrated Resource Planning	<u>0</u>	<u>33,642</u>	<u>17,012</u>	S 13.1 - S 13.3
17 Total Deferred Items	<u>627,675</u>	<u>360,692</u>	<u>(45,706)</u>	
18 Total Working Capital Requirements	<u><u>792,253</u></u>	<u><u>530,279</u></u>	<u><u>110,435</u></u>	

**CENTRA GAS WHISTLER INC.  
1999 REVENUE REQUIREMENT APPLICATION**

**DEFERRED COSTS - SUMMARY  
(After Tax)**

S 13.2

Line	Deferred Item	1997 Ending Balance	1998 Gross Additions	Less Taxes	1998 Net Additions	1998 Amortization	1998 Ending Balance	1998 Mid-Year Balance
1	1998/99 Regulatory Costs	0	0	0	0	0	0	0
2	South Plant Trucking (17901)	0	(5,844)	2,666	(3,178)	0	(3,178)	(1,589)
3	Interest Rate Differential	17,372	(197,489)	90,094	(107,395)	(90,022)	(0)	8,686
4	Freight/Start Up -Before Tax	102,511	0	0	0	14,644	87,867	95,189
5	Gas Cost Reconciliation Account	554,589	(774,269)	353,222	(421,048)	238,604	(105,062)	224,763
6	1995/96 Municipal Taxes	0	0	0	0	0	0	0
7	Integrated Resource Planning	33,262	1,400	(639)	761	0	34,023	33,642
8	Total Deferred Items	707,734	(976,202)	445,343	(530,859)	163,226	13,649	360,692

**CENTRA GAS WHISTLER INC.**  
**1999 REVENUE REQUIREMENT APPLICATION**

**S 12.2**

**CASH WORKING CAPITAL**

<u>LINE</u>		<u>Net Lag</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>Reference</u>
<b>AMOUNT PAID / ACCRUED</b>						
1	Cost of Gas	1.5	3,007,726	3,400,075	3,044,525	S 16.2
2	OM&A	29.1	511,561	559,861	724,526	S 17.1
3	Municipal Taxes	41.5	146,490	167,919	194,121	S 19.5
4	Provincial Sales Tax (PST)	(20.3)	275,689	332,757	364,963	
5	Income Tax and Large Corporation Tax	20.1	353,901	445,154	258,453	S 19.1 / S 19.4
8	BC Capital Tax	(31.6)	34,915	32,920	32,651	S 19.3
9	Goods and Services Tax (GST)	0.3	371,407	421,743	469,584	
<b>AMOUNT REQUIRED (Total adjusted for lead/lag days)</b>						
10	Cost of Gas		12,361	13,973	12,512	
11	OM&A		40,785	44,635	57,764	
12	Municipal Taxes		16,656	19,092	22,071	
13	Provincial Sales Tax (PST)		(15,333)	(18,507)	(20,298)	
14	Income Taxes		19,499	24,514	14,233	
17	BC Capital Tax		1,923	(2,850)	(2,827)	
18	Goods and Services Tax (GST)		<u>305</u>	<u>347</u>	<u>386</u>	
19	Total Cash Working Capital		<u>76,195</u>	<u>81,204</u>	<u>83,840</u>	

(1) Adjustment for Income Tax Expense inclusion in working capital found on review.

**CENTRA GAS WHISTLER INC.  
1999 REVENUE REQUIREMENT APPLICATION**

**DEFERRED COSTS - SUMMARY  
(After Tax)**

**\$ 13.3**

Line	Deferred Item	1998 Ending Balance	1999 Gross Additions	Less Taxes	1999 Net Additions	1999 Amortization	1999 Ending Balance	1999 Mid-Year Balance
1	1998/99 Regulatory Costs	0	17,250	(7,869)	9,381	9,381	0	0
2	South Plant Trucking (17901)	(3,178)	0	0	0	(3,178)	0	(1,589)
3	Interest Rate Differential	(0)	0	0	0	0	(0)	(0)
4	Freight/Start Up - Before Tax	87,867	0	0	0	87,867	0	43,934
5	Gas Cost Reconciliation Account	(105,062)	0	0	0	0	(105,062)	(105,062)
6	1995/96 Municipal Taxes	0	0	0	0	0	0	0
7	Integrated Resource Planning	34,023	0	0	0	34,023	0	17,012
8	Total Deferred Items	13,649	17,250	(7,869)	9,381	128,093	(105,063)	(45,707)

CENTRA GAS WHISTLER INC.  
1999 REVENUE REQUIREMENT APPLICATION

S 14.1

COST OF CAPITAL

<u>Line</u>				Embedded	Cost	Earned	Annual
		Capitalization		Cost	Component	Return	Interest
<b>1999 Existing</b>							Cost
1	Debt	6,956,598	65.00%	8.00%	5.20%	556,528	556,528
2	Equity	3,745,861	35.00%	26.10%	9.13%	977,537	
3	Mid-Year Rate Base	10,702,459	100.00%		14.33%	1,534,065	556,528
<b>1999 Proposed</b>							Annual
		Capitalization		Embedded	Cost	Earned	Interest
4	Debt	6,956,598	65.00%	5.69%	3.70%	395,830	395,830
5	Equity	3,745,861	35.00%	10.00%	3.50%	374,586	
6	Mid-Year Rate Base	10,702,459	100.00%		7.20%	770,417	395,830
<b>1998 Actual</b>							Annual
		Capitalization		Embedded	Cost	Earned	Interest
1	Debt	6,981,438	65.00%	8.00%	5.20%	558,515	558,515
2	Equity	3,759,236	35.00%	10.75%	3.76%	404,269	
3	Mid-Year Rate Base	10,740,675	100.00%		8.96%	962,784	558,515
<b>1998 Proposed</b>							Interest
		Capitalization		Embedded	Cost	Earned	Cost
1	Debt	6,981,438	65.00%	8.00%	5.20%	558,515	558,515
2	Equity	3,759,236	35.00%	10.75%	3.76%	404,118	
3	Mid-Year Rate Base	10,740,675	100.00%		8.96%	962,633	558,515
<b>1997 Actual</b>							Annual
		Capitalization		Embedded	Cost	Earned	Interest
4	Debt	6,830,172	65.00%	8.00%	5.20%	546,414	546,414
5	Equity	3,677,785	35.00%	11.00%	3.85%	404,556	
6	Mid-Year Rate Base	10,507,957	100.00%		9.05%	950,970	546,414
<b>1996 Actual</b>							Annual
		Capitalization		Embedded	Cost	Earned	Interest
7	Debt	6,220,230	65.00%	8.24%	5.36%	512,547	512,547
8	Equity	3,349,354	35.00%	16.04%	5.61%	537,236	
9	Mid-Year Rate Base	9,569,584	100.00%		10.97%	1,049,783	512,547

**CENTRA GAS WHISTLER INC.**  
**1999 REVENUE REQUIREMENT APPLICATION**

**S 19.4**

**INCOME TAXES @ PROPOSED RATES**

<u>Line</u>	<u>1998 Proposed</u>	<u>1999 Proposed</u>	<u>Reference</u>
1 Proposed Earned Return After Tax	962,784	770,417	S 14.1
2 Less Financial Expenses	558,515	395,830	S 14.1
3 Accounting Income After Tax	404,269	374,586	
Add:			
4 Depreciation	292,997	309,499	S 10.6 - S 10.7
Amortization of Deferreds (Tax Adjusted):			
5 Non-Refundable Customer Contributions	(38)	(48)	S 11.1
6 Regulatory Costs	-	9,381	S 13.2 - S 13.3
7 Shared Service Cost Allocation	-	-	S 13.2 - S 13.3
8 South Plant Freight	-	(3,178)	S 13.2 - S 13.3
9 Interest Rate Differential	(88,836)	-	S 13.2 - S 13.3
10 Whistler Delayed Plant Start Up (1993)	14,644	87,867	S 13.2 - S 13.3
11 Gas Cost Reconciliation	238,604	-	S 13.2 - S 13.3
12 Property Taxes	-	-	S 13.2 - S 13.3
13 IRP	-	34,023	S 13.2 - S 13.3
14 Meals and Entertainment	1,682	1,726	
15 Large Corporations Tax	24,690	24,489	S 19.3
16 Total Additions	483,743	463,758	
Deduct:			
17 Capital Cost Allowance	361,625	366,326	S 19.2
18 CCA Loss Carryforward Taken	-	-	
19 Admin. O/H Capitalized-1997	-	69,900	S 19.2
20 CEC	1,987	2,321	S 19.2
Admin O/H Capitalized - 1998		59,000	S 19.2
21 Admin O/H Capitalized - 1999	-	49,000	S 19.2
Deferred Debits/(Credits):			
23 Regulatory Costs	-	-	
24 South Plant Trucking	-	-	
25 Interest Rate Differential	-	-	
26 Whistler Delayed Plant Start Up (1993)	-	-	
27 IRP	-	-	
28 Gas Cost Reconciliation	-	-	
29 Property Taxes	-	-	
30 Total Deductions	363,612	546,547	
31 Taxable Income After Tax	524,399	291,798	
32 Tax Gross Up	0.5550	0.5550	
33 Taxable Income	944,864	525,762	
34 Federal Tax 38.00%	359,048	199,789	
35 Less Abatement 10.00%	94,486	52,576	
36 Net Federal Tax	264,562	147,213	
37 Federal Surcharge 4.00%	10,582	5,889	
38 Provincial Tax 16.50%	155,902	86,751	
39 Income Tax Expense 45.62%	431,047	239,853	
40 Federal Surcharge Reduced by LCT	(10,582)	(5,889)	
41 Income Tax Payable	420,464	233,964	