



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

and

a Generic Hearing into the Rate of Return on Common Equity

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair)
K.L. Hall, Commissioner) April 7, 1999
F.C. Leighton, Commissioner)

O R D E R

WHEREAS:

- A. On March 11, 1999, the Commission issued Order No. G-26-99 setting down an oral public hearing into the appropriate Rate of Return on Common Equity ("ROE") and Capital Structures for BC Gas Utility Ltd. ("BC Gas"), Pacific Northern Gas Ltd. ("PNG"), West Kootenay Power Ltd. ("WKP"), Centra Gas Fort St. John Inc. ("Centra FSJ") and Centra Gas Whistler Inc. ("Centra Whistler"), collectively referred to as "the Utilities", to commence May 31, 1999; and
- B. By way of letters dated March 22, 1999 and March 23, 1999, BC Gas, PNG and WKP asked the Commission to reconsider the scope of the hearing and limit the items for consideration to the ROE for a low-risk benchmark utility and to the automatic adjustment formula; and
- C. The Utilities also asked that the Commission delay the date for the filing of all evidence to May 17, 1999, and to make such further adjustments to the Regulatory Timetable as necessary to allow for this delay; and
- D. The Utilities also asked that the hearing proceed on a written rather than on an oral basis; and
- E. Commission Staff circulated these letters to the Consumers Association of Canada (BC Branch) et al. ("CACBC") and the Joint Industry Electrical Steering Committee ("JIES") for their comments; and

- F. By way of letters dated March 31, 1999 and April 6, 1999, the CACBC and the JIES supported the restriction in the scope of the hearing but opposed the request for a written hearing; and
- G. The CACBC and the JIES also opposed the proposal to have all parties file evidence on the same date; and
- H. The Commission has considered all the submissions.

NOW THEREFORE the Commission orders as follows:

1. Commission Order No. G-26-99 is rescinded.
2. An oral public hearing will be held into the appropriate ROE for a low-risk benchmark utility and into future processes or mechanisms that may be employed to improve the determination of ROE for the Utilities in future years, commencing at 9:00 a.m., Monday, June 21, 1999 in the Commission's Hearing Room, Sixth Floor, 900 Howe Street, Vancouver, B.C.
3. The Utilities will arrange for publication in display-ad format, not later than Friday, April 16, 1999, the attached Appendix A, Notice of Public Hearing, in The Vancouver Sun, The Province and such other appropriate local news publications in the service areas of each Utility so as to provide adequate notice to the public.
4. The Regulatory Timetable, attached as Appendix B, is to be followed. Parties who have already registered pursuant to Order No. G-26-99 need not re-register for the proceeding.

DATED at the City of Vancouver, in the Province of British Columbia, this 7th day of April 1999.

BY ORDER

Original signed by:

Peter Ostergaard
Chair

Attachments

ROBERT J. PELLATT
COMMISSION SECRETARY
Commission.Secretary@bcuc.com
web site: <http://www.bcuc.com>



APPENDIX A
to Order No. G-38-99
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SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. CANADA V6Z 2N3
TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

NOTICE OF PUBLIC HEARING

RATE OF RETURN ON COMMON EQUITY

BC Gas Utility Ltd.
West Kootenay Power Ltd.
Pacific Northern Gas Ltd.
Centra Gas Fort St. John Inc.
Centra Gas Whistler Inc.

Date: Monday, June 21, 1999
Time: 9:00 a.m.
Location: B.C. Utilities Commission - Hearing Room
6th Floor, 900 Howe Street, Vancouver, B.C.

THE REGULATORY PROCESS

In 1994 the British Columbia Utilities Commission held a public hearing into the rate of return on common equity ("ROE") for four investor-owned utilities, namely BC Gas Utility Ltd., Pacific Northern Gas Ltd., Centra Gas Fort St. John Inc., and West Kootenay Power Ltd. For each of the subsequent years from 1995 through 1999, the Commission approved revised ROEs for the Utilities based on forecast financial market criteria. The Commission, by Order No. G-49-97, amended the mechanism to correct for certain problems and to make the approved ROE more consistent with the practices of other regulatory bodies. The Commission in 1998, by Letter No. L-73-98, advised the Utilities and interested parties that it would establish a comprehensive review in 1999 of all issues surrounding the setting of ROE. The Commission issued Order No. G-38-99 and amended Regulatory Agenda and Timetable, setting the matter down for public hearing and rescinding the previous hearing Order No. G-26-99.

PUBLIC INSPECTION OF THE DOCUMENTS

Documents and evidence filed with this proceeding will be available for review at the following locations:

BC Gas Utility Ltd.

Head Office: 1111 West Georgia Street, Vancouver, B.C. V6E 4M4
District Offices: Kelowna, Penticton, Kamloops, Prince George and Cranbrook

**Pacific Northern Gas Ltd.
Centra Gas Fort St. John Inc.**

Head Office: Suite 1400, 1185 West Georgia Street, Vancouver, B.C. V6E 4G6
District Offices: Vanderhoof, Burns Lake, Houston, Smithers, Terrace, Kitimat, Prince Rupert,
Dawson Creek, Tumbler Ridge and Fort St. John

West Kootenay Power Ltd.

Head Office: 1290 Esplanade, PO Box 130, Trail, B.C. V1R 4L4
District Offices: Castlegar, Crawford Bay, Creston, Grand Forks, Greenwood, Kaslo, Kelowna,
Keremeos, Oliver, Osoyoos, Penticton, Salmo and South Slocan

Centra Gas Whistler Inc.

Head Office: 1675 Douglas Street, Victoria, B.C., V8W 3V3
District Office: 8021 Mons Road, Whistler, B.C.

Copies of the filed documents will also be available for inspection at the office of the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, B.C.

PARTICIPATION IN THE PUBLIC HEARING

Persons who expect to actively participate in the public hearing process should register as Intervenor with the Commission. Intervenor will receive copies of all correspondence and filed documentation. Persons not expecting to actively participate should register with the Commission as Interested Parties and will receive a copy of all Orders issued as well as the Commission's Decision.

Intervenor and Interested Parties should inform the Commission, in writing, by Friday, April 30, 1999 of their intention to become Intervenor or Interested Parties in the ROE hearing and indicate the nature of their interest.

SUBMISSIONS BY ALL PARTIES

All parties must file copies of their written submissions or evidence concerning the ROE hearing with the Commission Secretary and all other Registered Intervenor, no later than Monday, May 17, 1999.

INFORMATION REQUESTS

All parties requesting additional information as a result of the filed evidence must do so by Monday, May 31, 1999. Responses to Information Requests are required to be filed with the Commission by Monday, June 14, 1999.

PARTICIPANT ASSISTANCE

All those intending to apply for Participant Assistance must submit a budget estimate by Friday, April 30, 1999, consistent with the Commission's Participant Assistance/Cost Award Guidelines as outlined in Order No. G-97-98. Copies of these Guidelines are available upon request or from the Commission's web site: www.bcuc.com/paca.html.

FURTHER INFORMATION

Persons intending to participate in the ROE public hearing and who are uncertain as to the manner in which to proceed may contact Mr. Robert Pellatt, Commission Secretary or Ms. Deborah Emes, Manager Strategic Services as follows:

Telephone: (604) 660-4700
B.C. Toll Free: 1-800-663-1385

Facsimile: (604) 660-1102
E-mail: Commission.Secretary@bcuc.com

BY ORDER

Original signed by:

Robert J. Pellatt

REGULATORY AGENDA AND TIMETABLE

RATE OF RETURN ON COMMON EQUITY

BC Gas Utility Ltd.
West Kootenay Power Ltd.
Pacific Northern Gas Ltd.
Centra Gas Fort St. John Inc.
Centra Gas Whistler Inc.

<u>ACTION</u>	<u>DATES (1999)</u>
Deadline for Intervenor Registration	Friday, April 30
Deadline for Filing Participant Assistance/Cost Award Budgets	Friday, April 30
Filing of Evidence from All Parties	Monday, May 17
Filing of Information Requests	Monday, May 31
Responses to Information Requests	Monday, June 14
Public Hearing commences	Monday, June 21