



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

and

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

Applications by Centra Gas British Columbia Inc.  
for Approval of Changes to New Customer Rates effective January 1, 2000

**BEFORE:** P. Ostergaard, Chair )  
L.R. Barr, Deputy Chair )  
P.G. Bradley, Commissioner )  
B.L. Clemenhagen, Commissioner ) December 16, 1999  
K.L. Hall, Commissioner )  
F.C. Leighton, Commissioner )

**O R D E R**

**WHEREAS:**

- A. On November 4, 1999, Centra Gas British Columbia Inc. ("Centra Gas") applied to increase rates for New Customers, ("the New Customer Rate Application") and to recover the increased cost of gas ("the Passthrough Application") effective January 1, 2000, pursuant to Sections 60 and 61 of the Utilities Commission Act ("the Act") and the Special Direction issued by the Lieutenant Governor in Council through Order No. 1510 dated December 13, 1995; and
- B. The Special Direction directs the Commission on the fixing of New Customer rates up to the year 2002 and allows an annual increase in New Customer rates equivalent to the Consumer Price Index ("CPI") for Victoria, B.C., plus one percent, and any unused rate increases from prior years, effective January 1, 2000; and
- C. The New Customer Rate Application requested average increases in the rates of SGS-11, SGS-12 and LGS-11 classes of approximately 2.9 percent representing CPI plus one percent, and average rate increases to the LGS-12 class of 5.84 percent and the LGS-13 class of 10.56 percent, which included unused rate increases from prior years; and

- D. The Special Direction provides that the Commission may, in accordance with Section 61(4) of the Act, allow the passthrough to New Customers of a change in Centra Gas' cost of service due to a change in Federal, Provincial or Municipal taxes; a material and uncontrollable change in costs due to a program established by a governmental or regulatory authority; and a difference in the cost of gas relative to the Designated Royalty Adjusted Cost of Gas as set out in the Special Direction (collectively referred to as "Passthrough Costs"); and
- E. The Special Direction provides that Passthrough Costs shall be recorded in a New Customer Rate Balancing Account ("NCRBA"), which is a notional account for the purpose of determining adjustments to New Customer rates; and
- F. The Passthrough Application requested the establishment of a NCRBA as an interest-bearing deferral account for the purpose of recording increases in gas costs forecasted to total approximately \$2.9 million by December 31, 1999, and requested approval of a cost of gas passthrough Rider C of \$0.715/GJ on sales to all New Customers, effective January 1, 2000; and
- G. The proposed amount of Rider C is calculated to recover the balance in the NCRBA at the end of 1999 from sales to New Customers in 2000; and
- H. Centra Gas informed New Customers about the proposed rate increases by a bill message in their November or December bills; and
- I. The Commission has reviewed the New Customer Rate Application and the Passthrough Application and is satisfied that approval of the rate increases is appropriate.

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

1. The Commission approves for Centra Gas the proposed New Customer Rates as set out in its November 4, 1999 New Customer Rate Application and Passthrough Application, including a cost of gas passthrough Rider C of \$0.715/GJ on sales to all New Customers, effective January 1, 2000. The average increases to New Customer rates are as follows:

					<u>Average Annual Rate Increase From New Customer Rate Application</u>	<u>Average Annual Rate Increase From New Customer Rate Application and Passthrough Application</u>
Small General Service Rate No. 11					2.91%	9.8%
(SGS-11)						
Small General Service Rate No. 12					2.88%	10.6%
(SGS-12)						
Large General Service Rate No. 11					2.92%	12.6%
(LGS-11)						
Large General Service Rate No. 12					5.84%	18.2%
(LGS-12)						
Large General Service Rate No. 13					10.56%	25.3%
(LGS-13)						

- The Commission approves a New Customer Rate Balancing Account as a notional account pursuant to the Special Direction, for the purpose of establishing and tracking New Customer Passthrough Costs that relate to cost of gas and the revenue generated by Rider C. No financing charges are to be recorded in the New Customer Rate Balancing Account. Centra Gas is directed to also track Passthrough Costs that do not relate to gas costs, such as School Board taxes, in the New Customer Rate Balancing Account.
- Centra Gas is to file by August 1, 2000, the actual gas Passthrough Cost balance in the New Customer Rate Balancing Account at the end of 1999, and to confirm with Commission staff that the detailed calculation of the balance conforms to the Special Direction.
- Centra Gas is to notify all affected customers of the approved rate changes by way of a customer notice. Centra Gas is to provide the Commission with a copy of the draft customer notice in advance of publication.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 21<sup>st</sup> day of December 1999.

BY ORDER

*Original signed by:*

Peter Ostergaard  
Chair