BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-101-01

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 No. 1510, dated December 13, 1995

and

An Application by Centra Gas British Columbia Inc.
for Approval of Changes to New Customer Rates effective October 1, 2001

BEFORE:	P. Ostergaard, Chair)	
	R.D. Deane, Commissioner)	
	K.L. Hall, Commissioner)	September 26, 2001
	N.F. Nicholls, Commissioner)	
	E.J. Rowbotham, Commissioner)	

O R D E R

WHEREAS:

A. On September 17, 2001, Centra Gas British Columbia Inc. ("Centra Gas") applied to the Commission for approval to pass-through cost changes relating to the New Customer Rate Balancing Account ("NCRBA") for cost of gas and Corporate Capital Tax decreases effective October 1, 2001, 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 in Council No. 1510 dated December 13, 1995 (the "Application"); and

B. The Special Direction provides that the Commission may, in accordance with Section 61(4) of the Act, allow the pass-through 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; or 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 "Pass-through Costs"); and

C. The Special Direction provides that Pass-through Costs shall be recorded in the NCRBA, which is a notional account for the purpose of determining adjustments to New Customer rates; and

D. Centra Gas forecasted that lower gas market prices and reductions in the B.C. Corporate Capital Tax will cause a credit balance to accumulate in the NCRBA. The Application requested the forecast balance in the NCRBA be passed-through to New Customer rate classes through Rider C over a 15-month period to December 31, 2002, with Rider C reducing from $3.088/GJ to $1.863/GJ effective October 1, 2001; and

E. On September 21, 2001, Centra Gas provided information that a similar calculation over a 12-month period to September 30, 2002 would result in a Rider C of $1.705/GJ; and

F. The Commission has reviewed the Application and finds that a reduction in rates to New Customers is required, but considers that the calculation of Rider C should be based on the next 12 months, consistent with the Guidelines for Setting Gas Recovery Rates and Managing the Gas Cost Reconciliation Account Balance that were set out in Letter No. L-5-01.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for Centra Gas a Rider C of $1.705/GJ for New Customer rate classes, effective October 1, 2001.

2. Centra Gas is to notify all affected customers of the approved rate change by way of a customer notice. Centra Gas is directed to review its communication plan, bill inserts, or bill messages related to the rate decrease with Commission staff prior to release.

3. Centra Gas is directed to file, by December 7, 2001, a report on projected gas costs and revenue for 2001, forecasted 2002 commodity costs and Corporate Capital Taxes compared to revenue, impact on the NCRBA, and any rate changes that are proposed. Centra Gas should make an application for a change in New Customer rates if forecasted costs and revenue differ by more than five percent, in accordance with the Guidelines set out in Letter No. L-5-01.

DATED at the City of Vancouver, in the Province of British Columbia, this   27th   day of September 2001.

BY ORDER

Original signed by:

Peter Ostergaard
Chair