



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 2002/03 Revenue Requirements

BEFORE: P. Ostergaard, Chair)
P.G. Bradley, Commissioner)
R.D. Deane, Commissioner) February 21, 2002
K.L. Hall, Commissioner)
N.F. Nicholls, Commissioner)

O R D E R

WHEREAS:

- A. On November 15, 2001, Centra Gas Whistler Inc. ("Centra Whistler") applied to the British Columbia Utilities Commission ("the Commission") to decrease its commodity charge on a permanent basis, effective January 1, 2002, and to further decrease the commodity charge, effective January 1, 2003 ("the Application"); and
- B. Centra Whistler requested that the Application be dealt with through the Commission's Negotiated Settlement Process; and
- C. The Commission approved an interim rate decrease by Order No. G-145-01; and
- D. By Commission Order, a Negotiated Settlement Process was held on February 6, 2002; and
- F. On February 18, 2002 a proposed settlement agreement regarding the Application was agreed to by Centra Whistler, Intervenors and Commission staff; and
- G. The Commission has reviewed the proposed settlement agreement and considers that approval is in the public interest.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for Centra Whistler the Settlement Agreement, attached as Appendix A, which confirms the interim energy charge for all customers of \$11.613 per gigajoule, and a Gas Cost Deferral Account Rider of \$0.987 per gigajoule, effective January 1, 2002.
2. Centra Whistler is to inform all customers of the confirmed rates 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 Settlement Agreement and this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 27th day of February 2002.

BY ORDER

Original signed by:

Peter Ostergaard
Chair

Attachment

WILLIAM J. GRANT
EXECUTIVE DIRECTOR,
REGULATORY AFFAIRS & PLANNING
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~~CONFIDENTIAL~~

VIA FACSIMILE

February 12, 2002

TO: Registered Participants:

Re: Proposed Settlement of Issues
Centra Gas Whistler Inc.
2002/03 Revenue Requirements Application

The purpose of this letter is to record the proposed settlements achieved with respect to the 2002/03 Revenue Requirements Application dated December 18, 2001. This letter remains confidential until it is submitted to the British Columbia Utilities Commission for consideration. I, therefore ask that you provide to me a communication of endorsement for the proposal by Tuesday, February 19, 2002. At that time, the Settlement Agreement will be made public and provided to the Commission and all Intervenors.

It is recognized by all the parties that the agreement represents a package proposal within which there has been give and take by all parties. No issue is to be severed from the proposed settlement without allowing signatories the opportunity to address other related issues in the package.

In accordance with the Negotiated Settlement Process Guidelines, the right of parties to dissent from a proposed agreement is explicitly recognized by the Commission. If a party dissents, it can submit a written argument to the Commission panel. If the Commission panel is of the view that the dissent is reasonable and material, it may request written rebuttal argument or, where the settlement review process is to occur at an oral hearing, request argument at the oral hearing. If the dissent is determined to be reasonable and material, the dissenting party retains the right to present evidence and to cross-examine, or to rebut the evidence of others if there is a written hearing.

Yours truly,

A handwritten signature in black ink, appearing to be "WJG", written over a horizontal line.

W.J. Grant

/bm
Enclosure

Centra Gas Whistler Inc.
2002/03 Revenue Requirements Application
Settlement Agreement

This settlement agreement includes the following adjustments to the Centra Gas Application:

- Forecast energy sales volumes for 2002 approved in rates are 722,575 GJ. To the extent 2002 normalized energy sales volumes are different from those approved in rates, the after-tax margin impact will be recorded in a deferral account, the disposition of which will be determined in a future revenue requirement application.
- Centra Gas, Registered Intervenors, and the Commission agree to a one-year Application period. Centra Gas will endeavor to file a reduced filing for the 2003 test period to assist in resource management.
- Interim rates approved by Commission Order G-145-01 are approved as final. The commodity rate and Rider A are \$11.613/GJ and \$0.987/GJ (before-tax) respectively. The final combined commodity rate of \$12.600/GJ represents a 20.8% decrease from 2001 approved commodity rates, and are supported by the attached schedules resulting from the Negotiated Settlement among participants to the 2002 Revenue Requirement and Rate Application. The final rates including the fixed monthly charge of \$7.50 per month are effective January 1, 2002.
- Forecast annual cost of propane of \$7.678/GJ is accepted as the approved cost of propane. Centra Gas will continue to use a deferral account to record the difference between forecast cost of propane recovered in rates and actual results. Centra Gas will have only one Gas Cost Deferral Account against which recovery through Rider A is applicable. Balances resulting from actual cost of propane that is different from the approved forecast cost of propane in 2002 are to be added to the Gas Cost Deferral Account. The after-tax credit balance of \$185,588 accumulated from July to December 2001 will be amortized over 2002. Centra Gas will monitor the cost of propane quarterly, and if costs change more than 5%, Centra Gas may apply to passthrough rate changes.
- Gross direct Operating, Maintenance and Administrative (OM&A) expenses are reduced from \$682,636 included in the application for interim rates, to \$635,900. Included in this reduction are

\$18,747 for lower propane costs in account 633 (response to SR1-18.5) partially offset by an increase in vapourizer fuel usage of \$3,500 to account for the higher agreed sales volumes, and a reduction of \$31,489 to reflect a general decrease to OM&A for efficiencies achieved in 2001.

- Capitalization of direct OM&A is to be determined in accordance with Centra Gas's policies and procedures and is forecast to be \$93,881 in 2002.
- The risk premium for Centra Gas applied to the benchmark utility rate of return on common equity in the Commission's ROE automated adjustment mechanism calculation is reduced from 75 basis points to 60 basis points for 2002 only, as a result of reduced volume risk in 2002. Therefore, Centra Gas's allowed ROE approved in rates for 2002 is 9.73%. The parties to the ADR agree that the risk premium of Centra Gas requires review, and this review may form part of the 2003 revenue requirement application. Centra Gas submits that the views of an independent expert will be required to establish an appropriate risk premium for Centra Gas in future test period revenue requirement and rate applications.
- The deferral account for Regulatory Costs records the actual cost of this Application. Centra Gas forecasts that this account will be \$20,000 (before tax) and will be fully amortized in 2002. 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.
- UAF of 2.674% based on the rolling three-year average, to be applied to approved forecast sales volumes is accepted as filed. As part of the 2003 revenue requirement and rate application, Centra Gas will provide a report on UAF results for 2001, and how Centra Gas is managing UAF.

In addition to the above, the parties agreed to the following:

- Intervenor and the Commission accept Centra Gas's Customer Additions Management Plan in the Mains Extension Report filed with the Commission January 9, 2002. Centra Gas is to provide a report on customer additions and main extension/capacity availability report outlining demand additions expected and how Centra Gas intends to meet the forecast demand. The report will form the basis of an application for a natural gas pipeline or for peak delivery additions to the propane system, and is to be filed with the Commission by July 31, 2002.

The Company and the participants agree to hold confidential the discussions held on February 6, 2002, 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 discussions, by the participants or the Company, will not be made public or restrict in any way, positions taken in future proceedings concerning other applications.

CENTRA GAS WHISTLER INC.
2002/2003 REVENUE REQUIREMENT APPLICATION

S 7.1
Revised

REVENUE DEFICIENCY AND POTENTIAL RATE INCREASE

LINE		2002 Forecast	Reference	Comment
1	Rate Base	\$ 17,131,319	S 9.1	
2	Earned Return @ Existing Rates	\$ 2,961,877	S 8.1	
3	Existing Rate of Return on Rate Base	17.29%	S 8.1	
4	Proposed Rate of Return on Rate Base	7.69%	S 14.1	
5	Proposed Earned Return after Tax	<u>\$ 1,317,227</u>	S 14.1	
6	Revenue Deficiency/(Surplus) Before Tax	<u>\$ (2,674,227)</u>	S 7.2	
7	PROPOSED RECOVERY OF REVENUE DEFICIENCY			
8	Revenue Deficiency/(Surplus) Before Tax	\$ (2,674,227)		
9	Total Energy Sales - GJ	722,575	S 15.3	
10	Incremental Rate Increase/(Decrease) - \$ / GJ	\$ (3.701)		
11	Existing Sales Rate - \$/GJ	<u>\$ 15.314</u>		
12	Proposed Commodity Sales Rate - \$/GJ	\$ 11.613		
13	% Cost of Service Increase/(Decrease) over Existing Sales Rate - \$/GJ	<u>-24.17%</u>		
14	Incremental Rate Rider Increase/(Decrease) - \$ / GJ	\$ 0.392		
15	Existing Rider A to Recover Gas Cost Deferral Account - \$/GJ	<u>\$ 0.595</u>		
16	Proposed Rider A to Recover Gas Cost Deferral Account - \$/GJ	\$ 0.987		
17	% Rate Rider "A" Increase over Existing Rate Rider "A" - \$/GJ	<u>65.88%</u>		
18	Incremental Fixed Charge Increase - \$/Month	\$ -		
19	Existing Fixed Charge - \$/Month	<u>\$ 7.50</u>		
20	Proposed Fixed Charge - \$/Month	\$ 7.50		
21	% Fixed Charge Increase over Existing Fixed Charge - \$/Month	<u>0.00%</u>		
22	Incremental Combined Commodity Rate Increase/(Decrease) - \$/GJ	\$ (3.309)		
23	Existing Combined Commodity Rate - \$/GJ	<u>\$ 15.909</u>		
24	Proposed Final Combined Commodity Rate - \$/GJ	\$ 12.600		
25	% Increase/(Decrease) Over Existing Combined Commodity Rate - \$/GJ	<u>-20.80%</u>		

**CENTRA GAS WHISTLER INC.
2002/2003 REVENUE REQUIREMENT APPLICATION**

**S 7.2
Revised**

REVENUE REQUIREMENT

<u>LINE</u>		2001 Outlook	2002 Forecast	Reference
1	Cost of Sales	7,349,864	5,738,067	S 16.1
2	Total Operating Expenses	767,674	754,573	S 17.1
3	Total Depreciation	373,415	438,293	S 10.4 - S 10.5
4	Total Amortization	14,991	(177,032)	S 13.1 / S 13.2
5	Total Municipal Taxes	196,227	271,517	S 19.5
6	Total Taxes Payable @ Proposed Rates	331,210	258,914	S 19.3/ S 19.4
7	Allowed / Proposed Return on Rate Base	1,252,701	1,317,227	S 14.1
8	Total Revenue Requirement	<u>10,286,081</u>	<u>8,601,559</u>	
Reconciliation of Revenue Requirement				
9	Total Propane Sales Revenue @ Existing Rates	10,134,569	11,249,025	S 15.4
10	Total Other Revenue	<u>37,483</u>	<u>26,761</u>	S 15.7
11	Total Revenue @ Existing Rates	10,172,052	11,275,786	
12	Revenue Deficiency / (Surplus)	<u>114,029</u>	<u>(2,674,227)</u>	
13	Total Revenue Requirement	<u>10,286,081</u>	<u>8,601,559</u>	

**CENTRA GAS WHISTLER INC.
2002/2003 REVENUE REQUIREMENT APPLICATION**

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UTILITY INCOME

<u>LINE</u>	<u>2001 Outlook</u>	<u>2002 Forecast</u>	<u>Reference</u>
1 Energy Sales - GJ	687,165	722,575	S 15.1
2 Propane Sales Revenue @ Existing Rates	10,134,569	11,249,025	S 15.4
3 Cost of Sales	7,349,864	5,738,067	S 16.1
4 Gross Margin	2,784,706	5,510,957	
5 Other Revenue @ Existing Rates	37,483	26,761	S 15.7
6 Net Utility Revenue	2,822,189	5,537,718	
Expenses			
7 Direct Operating and Maintenance	559,288	542,019	S 17.1
8 Shared Service Cost Allocation	208,386	212,554	
9 Municipal Taxes	196,227	271,517	S 19.5
10 Depreciation	373,415	438,293	S 10.4 - S 10.5
11 Amortization - Regulatory Costs	11,294	12,300	S 13.1 - S 13.2
12 Amortization - Property Tax Differential	(22,440)	-	S 13.1 - S 13.2
13 Amortization - Interest Rate Differential	11,020	(8,362)	S 13.1 - S 13.2
14 Amortization - South Plant Freight	4,180	-	S 13.1 - S 13.2
15 Amortization - Rider "A"	-	-	S 13.1 - S 13.2
16 Amortization - BC Capital Tax Differential	-	(4,581)	S 13.1 - S 13.3
17 Amortization - Gas Cost Reconciliation	-	(185,588)	S 13.1 - S 13.3
18 Amortization - BC Rail Strike	6,846	5,108	S 13.1 - S 13.2
19 Amortization - CIS Development Costs	4,091	4,091	S 13.3
20 Total Expenses	1,352,306	1,287,351	
21 Operating Income	1,469,882	4,250,367	
23 Utility Income Before Income Taxes	1,469,882	4,250,367	
24 Total Taxes Payable	331,210	1,288,491	S 19.1
25 Net Utility Income	1,138,673	2,961,877	
26 Mid - Year Rate Base	16,101,044	17,131,319	S 9.1
27 Earned Return Percentage on Mid-Year Rate Base	7.07%	17.29%	

**CENTRA GAS WHISTLER INC.
2002/2003 REVENUE REQUIREMENT APPLICATION**

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RATE BASE

<u>Line</u>		<u>2001 Outlook</u>	<u>2002 Forecast</u>	<u>Reference</u>
	GROSS PLANT IN SERVICE			
1	Beginning of Year	\$ 13,736,604	\$ 16,691,147	S 10.2 - S 10.3
2	End of Year	16,691,147	17,705,369	S 10.2 - S 10.3
3	Average Mid-Year Balance	15,213,875	17,198,258	
4	Adjustment for deferred balances added to GPIS as at January 1	\$ 991,892	\$ 306,825	
5	Adjusted Average Balance	16,205,768	17,505,082	
	ACCUMULATED DEPRECIATION			
6	Beginning of Year	\$ (1,526,537)	\$ (1,821,651)	S 10.4 - S 10.5
7	End of Year	(1,821,651)	(2,222,154)	S 10.4 - S 10.5
8	Average Mid-Year Balance	(1,674,094)	(2,021,903)	
9	NET MID-YEAR PLANT IN SERVICE	14,531,674	15,483,180	
10	MID-YEAR ALLOCATED COMMON PLANT	104,335	104,335	
11	WORKING CAPITAL	1,465,036	1,543,804	S 12.1
12	MID-YEAR RATE BASE	\$ 16,101,044	\$ 17,131,319	
		2000 Approved System Expansion Capital Expend.	2001 Approved System Expansion Capital Expend.	
13	Total Actual Expenditures:	\$ 1,983,784	\$ 613,649	
14	Included in Mid Year Gross Plant in Service	991,892	306,825	
15	Adjustment to Rate Base for January 1 inclusion in GPIS	\$ 991,892	\$ 306,825	

CENTRA GAS WHISTLER INC.
2002/2003 REVENUE REQUIREMENT APPLICATION

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WORKING CAPITAL

<u>LINE</u>	<u>2001 Outlook</u>	<u>2002 Forecast</u>	<u>Reference</u>
1 Cash Working Capital	94,485	93,207	S 12.2
2 Inventory - Materials & Services	26,418	24,615	S 12.3
3 Propane Inventory	251,112	253,423	S 12.3
4 Fort Saskatchewan Storage	610,268	804,023	S 12.3
5 Refundable Contributions	(1,708)	(1,700)	S 12.3
6 Customer Security Deposits	(33,192)	(31,200)	S 12.3
7 Employee Withholdings	(2,218)	(2,218)	S 12.3
8 Sub-Total	<u>945,166</u>	<u>1,140,150</u>	
Mid-Year Deferred Items (After Tax)			
9 Regulatory Costs	145	-	S 13.1 - S 13.3
10 Property Tax Differential	(11,220)	-	S 13.1 - S 13.3
11 Interest Rate Differential	1,329	(4,181)	S 13.1 - S 13.3
12 South Plant Freight	2,090	-	S 13.1 - S 13.3
13 Rider "A"	614,080	500,365	S 13.1 - S 13.3
14 Gas Cost Reconciliation Account	(92,794)	(92,794)	S 13.1 - S 13.3
15 BC Rail Strike - Freight	8,531	2,554	S 13.1 - S 13.3
16 BC Capital Tax	(2,291)	(2,291)	S 13.1 - S 13.3
17 Total Deferred Items	<u>519,870</u>	<u>403,654</u>	S 13.1 - S 13.3
18 Total Working Capital Requirements	<u><u>1,465,036</u></u>	<u><u>1,543,804</u></u>	

CENTRA GAS WHISTLER INC.
2002/2003 REVENUE REQUIREMENT APPLICATION

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CASH WORKING CAPITAL

<u>LINE</u>	<u>Net Lag</u>	<u>2001 Outlook</u>	<u>2002 Forecast</u>	<u>Reference</u>
AMOUNT PAID / ACCRUED				
1 Cost of Gas	1.5	7,349,864	5,738,067	S 16.2
2 OM&A	29.1	767,674	754,573	S 17.1
3 Municipal Taxes	41.5	196,227	271,517	S 19.5
4 Provincial Sales Tax (PST)	(20.3)	558,669	609,260	
5 Income Tax and Large Corporation Tax	20.1	281,893	241,782	S 19.1 / S 19.4
6 BC Capital Tax	(31.6)	49,317	17,131	S 19.3
7 Goods and Services Tax (GST)	0.3	709,692	789,305	
AMOUNT REQUIRED (Total adjusted for lead/lag days)				
8 Cost of Gas		30,205	23,581	
9 OM&A		61,204	60,159	
10 Municipal Taxes		22,311	30,871	
11 Provincial Sales Tax (PST)		(31,071)	(33,885)	
12 Income Taxes		15,523	13,315	
13 BC Capital Tax		(4,270)	(1,483)	
14 Goods and Services Tax (GST)		583	649	
15 Total Cash Working Capital		<u>94,485</u>	<u>93,207</u>	

CENTRA GAS WHISTLER INC.
2002/2003 REVENUE REQUIREMENT APPLICATION
RATE BASE
DEFERRED COSTS - SUMMARY
(After Tax)

2002 FORECAST

Line	Deferred Item	Forecast				S 13.2		
		2001 Ending Balance	2002 Gross Additions/ (Deductions)	Less Taxes	2002 Net Additions	2002 Amortization	2002 Ending Balance	Revised 2002 Mid-Year Balance
1	2002/3 Regulatory Costs	0	20,000	(7,700)	12,300	12,300	0	0
2	Interest Rate Differential	(8,362)	0	0	0	(8,362)	0	(4,181)
3	Rider "A"	719,669	(713,182)	274,575	(438,607)	0	281,062	500,365
4	Gas Cost Reconciliation Account	(185,588)	0	0	0	(185,588)	0	(92,794)
5	BC Rail Strike	5,108	0	0	0	5,108	0	2,554
6	B.C. Capital Tax Differential	(4,581)	0	0	0	(4,581)	0	(2,291)
7	Total Deferred Items	526,246	(693,182)	266,875	(426,307)	(181,123)	281,062	403,654

CENTRA GAS WHISTLER INC.
2002/2003 REVENUE REQUIREMENT APPLICATION

APPENDIX A
to Order No. G-16-02
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COST OF CAPITAL

<u>Line</u>						
2002 Forecast @ Proposed						
	Capitalization		Embedded Cost	Cost Component	Earned Return	Annual Interest Cost
1 Debt	11,135,357	65.00%	6.59%	4.28%	733,820	733,820
2 Equity	5,995,961	35.00%	9.73%	3.41%	583,407	
3 Mid-Year Rate Base	<u>17,131,319</u>	<u>100.00%</u>		<u>7.69%</u>	<u>1,317,227</u>	<u>733,820</u>
2002 Forecast @ Existing						
	Capitalization		Embedded Cost	Cost Component	Earned Return	Annual Interest Cost
4 Debt	11,135,357	65.00%	6.59%	4.28%	733,820	733,820
5 Equity	5,995,961	35.00%	37.16%	13.01%	2,228,057	
6 Mid-Year Rate Base	<u>17,131,319</u>	<u>100.00%</u>		<u>17.29%</u>	<u>2,961,877</u>	<u>733,820</u>
2001 Outlook						
	Capitalization		Embedded Cost	Cost Component	Earned Return	Annual Interest Cost
7 Debt	10,465,679	65.00%	6.59%	4.28%	689,688	689,688
8 Equity	5,635,365	35.00%	7.97%	2.79%	448,984	
9 Mid-Year Rate Base	<u>16,101,044</u>	<u>100.00%</u>		<u>7.07%</u>	<u>1,138,673</u>	<u>689,688</u>
2001 Allowed						
	Capitalization		Embedded Cost	Cost Component	Earned Return	Annual Interest Cost
10 Debt	10,465,679	65.00%	6.59%	4.28%	689,165	689,165
11 Equity	5,635,365	35.00%	10.00%	3.50%	563,537	
12 Mid-Year Rate Base	<u>16,101,044</u>	<u>100.00%</u>		<u>7.78%</u>	<u>1,252,701</u>	<u>689,165</u>

2002 Forecast

ENERGY SALES(GJ) -

LINE		Forecast												TOTAL
		JAN	FEB.	MAR	APR	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC	
RESIDENTIAL														
1	No. of Customers	1,694	1,695	1,696	1,697	1,698	1,698	1,699	1,699	1,706	1,713	1,741	1,784	1,716
2	Use per Customer - GJ	13.06	10.62	10.14	7.88	5.70	4.08	1.74	1.74	4.24	7.95	10.78	13.07	91.01
3	TOTAL RESIDENTIAL - GJ	22,130	18,009	17,200	13,371	9,678	6,930	2,952	2,952	7,226	13,626	18,763	23,321	156,159
COMMERCIAL														
4	No. of Customers	311	311	311	311	311	311	311	311	311	312	313	313	312
5	Use per Customer - GJ	124.89	107.86	104.51	88.79	73.61	62.37	46.07	46.07	63.33	89.00	108.52	124.39	1,039.41
6	TOTAL COMMERCIAL	38,841	33,545	32,502	27,615	22,891	19,397	14,329	14,329	19,696	27,768	33,966	38,933	323,811
LARGE COMMERCIAL														
7	No. of Customers	16	16	17	17	17	17	17	17	17	17	18	18	17
8	Use per Customer - GJ	1,800.84	1,545.59	1,425.41	1,197.80	977.64	813.23	694.26	694.26	826.87	1,206.27	1,424.37	1,678.72	14,285.27
9	TOTAL LARGE COMMERCIAL - GJ	28,813	24,729	24,232	20,363	16,620	13,825	11,802	11,802	14,057	20,507	25,639	30,217	242,606
10	TOTAL ENERGY SALES - GJ	89,784	76,283	73,935	61,349	49,189	40,152	29,083	29,083	40,979	61,901	78,368	92,471	722,575

CENTRA GAS WHISTLER INC.
2002 REVENUE REQUIREMENT APPLICATION

S 16.3
Revised

COST OF GAS - 2002 FORECAST

		Forecast												Total
		Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	
1	Sales Volumes (GJ)	89,784	76,283	73,935	61,349	49,189	40,152	29,083	29,083	40,979	61,901	78,368	92,471	722,575
2	UAF	2,401	2,040	1,977	1,640	1,315	1,074	778	778	1,096	1,655	2,096	2,473	19,322
3	Purchase Volumes (GJ)	92,185	78,323	75,912	62,989	50,504	41,226	29,861	29,861	42,075	63,556	80,463	94,943	741,897
4	Forecast Unit Cost of Gas	8.000	8.010	8.020	7.130	7.170	7.170	7.250	7.370	7.660	7.700	7.810	7.790	7.679
5	Forecast Cost of Gas (\$)	737,481	627,369	608,810	449,113	362,114	295,589	216,489	220,072	322,292	489,379	628,418	739,609	5,696,736
6	Gas Supply O&M (\$) (allocated from Centra BC at prev year + CPI)	5,696	4,046	3,890	3,235	2,724	2,256	1,659	1,664	2,619	3,713	4,520	5,310	41,331
7	Total Cost of Gas (\$)	743,177	631,415	612,701	452,349	364,838	297,845	218,148	221,736	324,911	493,092	632,938	744,918	5,738,067

APPENDIX A
to Order No. G-16-02
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CENTRA GAS WHISTLER INC.
2002/2003 REVENUE REQUIREMENT APPLICATION

S 17.1
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DIRECT & ALLOCATED COMMON OPERATING & MAINTENANCE EXPENSES - SUMMARY

LINE	2001 Outlook	2002 Forecast	Reference
GROSS DIRECT EXPENSES			
Operations			
1 Manufactured Gas Production	186,000	172,653	S17.2
2 Transmission	400	705	S17.2
3 Distribution	306,754	328,525	S17.2
4 General Operation	13,500	8,813	S17.2
5 Total Operations	506,654	510,696	
General and Administration			
6 Sales Promotion	-	-	S17.3
8 Customer Accounting	28,808	31,880	S17.3
9 Administration and General	75,889	80,451	S17.3
10 Total General and Administration	104,697	112,331	
Maintenance			
12 Manufactured Gas Production	23,200	24,874	S17.4
13 Transmission	3,110	5,915	S17.4
14 Distribution	11,010	13,573	S17.4
15 Total Maintenance	37,320	44,362	
16 Gross Direct Expenses	648,671	667,389	
17 Negotiated Settlement Adjustment to Gross OM&A	-	(31,489)	
18 Total Gross Direct Expenses	648,671	635,900	
17 LESS: Direct Capitalization	89,383	93,881	
18 Total Net Direct Expenses	559,288	542,019	
19 Total Net Allocated Common Expenses	208,386	212,554	
20 TOTAL NET O & M	767,674	754,573	
21 Average Number of Customers	1,978	2,044	S15.1
22 Average Direct Cost per Customer	\$ 283	\$ 265	
23 Average Allocated Common Costs per Customer	\$ 105	\$ 104	
24 Average Total O&M Cost per Customer	\$ 388	\$ 369	

CENTRA GAS WHISTLER INC.
2002/2003 REVENUE REQUIREMENT APPLICATION

S 19.4
Revised

INCOME TAXES @ PROPOSED RATES

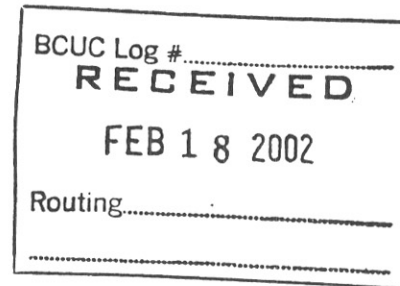
Line		2002 Proposed	Reference
1	Proposed Earned Return After Tax	1,317,227	S 14.1
2	Less Financial Expenses	733,820	S 14.1
3	Accounting Income After Tax	583,407	
	ADD:		
4	Depreciation	438,293	S 10.4 - S 10.5
5	Amortization of Deferreds (Tax Adjusted):		
6	Regulatory Costs	12,300	S 13.2
7	Property Tax Differential	-	S 13.2
8	Interest Rate Differential	(8,362)	S 13.2
9	South Plant Freight	-	S 13.2
10	Rider "A"	-	S 13.2
11	Earnings/Rider Adjustment	-	S 13.2
12	Gas Cost Reconciliation	(185,588)	S 13.2
13	BC Rail Strike - Freight	5,108	S 13.2
	BC Capital Tax Differential	(4,581)	S 13.2
15	Banner CIS Development Costs	4,091	S 13.4
16	Meals and Entertainment	1,750	
17	Large Corporations Tax	38,546	S 19.3
18	Total Additions	301,556	
	DEDUCT:		
19	Capital Cost Allowance	513,625	S 19.2
20	CCA Loss Carryforward Taken	-	
21	Admin. O/H Capitalized - current year	45,000	S 19.2
22	CEC	1,687	S 19.2
23	AFUDC	-	
	Deferred Debits/(Credits):		
24	Regulatory Costs	-	S 13.2
25	South Plant Trucking	-	S 13.2
26	Interest Rate Differential	-	S 13.2
27	Freight Start Up	-	S 13.2
28	Rider "A"	-	S 13.2
29	Earnings/Rider Adjustment	-	
30	Gas Cost Reconciliation	-	
31	Banner CIS Development Costs	-	S 13.2
	Total Deductions	560,313	
32	Taxable Income After Tax	324,651	
33	Tax Gross Up (I minus effective tax rate)	0.6150	
34	Taxable Income	527,887	
	Tax Rates		
35	Gross Federal Tax	28.00%	147,808
36	Reduction to Federal Tax	3.00%	15,837
37	Net Federal Tax	25.00%	131,972
38	Federal Surcharge on Gross Federal Tax	4.00%	5,912
39	Provincial Tax	13.50%	71,265
40	Income Tax Expense		209,149
41	Federal Surcharge Reduced by LCT		(5,912)
42	Income Tax Payable		203,237
43	Effective Tax Rate		38.50%



Centra Gas British Columbia Inc
1675 Douglas Street
P.O. Box 3777
Victoria, British Columbia
V8W 3V3
Tel: (250) 480-4300
Fax: (250) 480-4459
www.centragas.com

February 18, 2002

British Columbia Utilities Commission
Sixth Floor
900 Howe Street
Vancouver, B.C.
V6Z 2N3



Attention: Mr. W. J. Grant, Executive Director

Dear Mr. Grant,

Re: Proposed Settlement of Issues for Centra Gas Whistler Inc 2002/03 Revenue Requirement Application

Centra Gas has reviewed the proposed negotiated settlement document to the above referenced proceeding and agrees that the proposed settlement accurately reflects the positions agreed to by all parties in the negotiation. Therefore, Centra Gas accepts the document as final.

Yours truly,
Centra Gas British Columbia Inc

Geoffrey Higgins
Manager, Regulatory Affairs

Cc: Ian Anderson
Grant Bierlmeier
Wayne Cankovic
Jim Murray



WHISTLER

File No. 4927

February 15, 2002

BY FACSIMILE (604) 660-1102
British Columbia Utilities Commission
900 Howe Street Box 250
Vancouver, BC V6Z 2N3

Attention: William J. Grant

RE: 2002 Revenue Requirements Application for Centra Gas Whistler Inc.

Dear Mr. ^{Bill}Grant:

The Resort Municipality of Whistler offers its endorsement of the proposed settlement as outlined in your letter dated February 12, 2002.

We would like to thank the BC Utilities Commission for the opportunity to contribute to the alternative dispute resolution process.

If you have any questions or concerns, please feel free to contact the writer.

Sincerely,

Lisa M. Landry
(604) 935-8124

cc: Mr. Ken Derpak, Whistler Blackcomb (604) 932-6374
Mr. Geoffrey Higgins, Centra Gas Whistler (250) 480-4454

> -----Original Message-----

> From: Ken Derpak (WB)
> Sent: Friday, February 15, 2002 10:46 AM
> To: 'bill.grant@bcucc.com'
> Cc: 'landry_l@rmow.whistler.bc.ca'
> Subject: Centra Proposed settlement
> Importance: High

>
> Bill, please accept this as written confirmation of my endorsement to
> Centra's settlement offer.
> I accept all proposed adjustments with the exception of endorsing the
> 'Mains Extension Report' as I have not had the opportunity to review it.
> I don't feel that my reserving comment on this report should have any
> bearing on this settlement as Centra will be filing an application that
> addresses the peak delivery additions in July 2002 in anycase. Please feel
> free to forward this email to Centra or let me know if you require a more
> formal response.
> Once again I would like to thank you, Barry and your team for facilitating
> another equitable resolution to these complex issues.
> regards,

>
> Ken Derpak
> Director of Finance
> Whistler Blackcomb
> phone 604-905-2105
> e mail kderpak@intrawest.com
>