



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

and

Centra Gas British Columbia Inc.
Application for Approval of Rate Design and Proposed 2003 Rates

BEFORE: P. Ostergaard, Chair)
P.G. Bradley, Commissioner) December 5, 2002

O R D E R

WHEREAS:

- A. On July 31, 2002, Centra Gas British Columbia Inc. ("Centra Gas") applied, pursuant to Section 23 of the Utilities Commission Act ("the Act") and the Special Direction (Order in Council 1510, 1995), for approval of its 1999 to 2001 actual revenue deficiencies and its forecast 2003 to 2005 revenue requirements as Phase 1 of a two phase process ("the Phase 1 Application") for its Vancouver Island and Sunshine Coast service areas. The Phase 1 Application requests that the Commission's review process involve the implementation of a Negotiated Settlement Process; and
- B. On September 30, 2002, Centra Gas filed its Phase 2 Rate Design Application, pursuant to Sections 60 and 61 of the Act, to determine rates effective January 1, 2003 that are appropriate for the recovery of both current cost of service and amortization of accumulated revenue deficiencies. The Phase 2 Application was also made pursuant to Sections 2.8 and 2.10(j) of the Special Direction. Centra Gas proposed that the Phase 2 Application be reviewed through a Negotiated Settlement Process; and
- C. Forecasted changes in gas supply costs for 2003 to 2005 were reflected in the Phase 1 Application but are separately determined by the Commission; and

- D. On October 22, 2002, participants at the Pre-hearing Conference, established by Order No. G-71-02, were advised of the regulatory review options and did not oppose the establishment of Negotiated Settlement Processes for both the Phase 1 and Phase 2 Applications; and
- E. By Order No. G-76-02, the Commission determined that the Applications should proceed to Negotiated Settlement Processes and established a regulatory timetable for those processes; and
- F. Participants in the Negotiated Settlement Process with respect to the Phase 1 Application met on November 25 and 26, 2002 and reached a tentative settlement agreement; and
- G. Participants in the Negotiated Settlement Process with respect to the Phase 2 Application met on December 3, 2002, but were unable to reach a settlement agreement; and
- H. The Commission requires a regulatory process to review the Phase 2 Application and to determine interim and permanent rates effective January 1, 2003.

NOW THEREFORE the Commission orders as follows:

1. In order to establish permanent rates effective January 1, 2003, the Commission refers the Phase 2 Rate Design Application to an oral public hearing process pursuant to the Regulatory Timetable that is attached as Appendix A to this Order. The public hearing will commence at 9:00 a.m. on Wednesday, February 12, 2003 in the Commission's Hearing Room, Sixth Floor, 900 Howe Street, Vancouver, B.C.
2. Centra Gas is directed to file an application for Interim Rates effective January 1, 2003 until such time as the Commission has made a determination as to permanent rates.
3. Should the tentative settlement agreement for Phase 1 not be approved, the Commission will issue a subsequent order establishing a hearing to review the Phase 1 Revenue Requirements Application.

BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-86-02

3

DATED at the City of Vancouver, in the Province of British Columbia, this *fifth* day of December 2002.

BY ORDER

Original signed by:

Peter Ostergaard
Chair

Attachment

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

REGULATORY AGENDA AND TIMETABLE

Centra Gas British Columbia Inc.
Application for Approval of Rate Design and Proposed 2003 Rates (Phase 2)

ACTION

DATES

Updates to Centra Gas Evidence	Wednesday, December 11, 2002
Filing of any Intervenor Information Requests on the Centra Gas Updates	Monday December 16, 2002
Centra Gas Responses to Information Requests	Monday, December 23, 2002
Filing of Intervenor Evidence	Friday, January 3, 2003
Information Requests to Intervenors	Friday, January 10, 2003
Intervenor Responses to Information Requests	Friday, January 17, 2003
Filing of Centra Gas Rebuttal Evidence	Friday, January 24, 2003
Information Requests to Centra Gas on its Rebuttal Evidence	Friday, January 31, 2003
Centra Gas Responses to Information Requests	Friday, February 7, 2003
Phase 2 Rate Design Hearing commences in Vancouver	Wednesday, February 12, 2003

TIME AND LOCATION OF PHASE 2 RATE DESIGN ORAL PUBLIC HEARING:

Time: 9:00 a.m.

B.C. Utilities Commission Hearing Room
Sixth Floor, 900 Howe Street,

Vancouver, B.C. V6Z 2N3
Telephone: (604) 660-4740
Toll Free: 1-800-663-1385