



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

BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-7-03

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

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

and

An Application by BC Gas Utility Ltd.
for Approval of 2003 Revenue Requirements

BEFORE: P. Ostergaard, Chair)
R.D. Deane, Commissioner) February 4, 2003
K.L. Hall, Commissioner)

O R D E R

WHEREAS:

- A. On June 17, 2002, BC Gas Utility Ltd. ("BC Gas") filed a 2003 Revenue Requirements and Multi-Year Performance-Based Ratemaking Application ("the Application"), pursuant to Sections 58 and 61 of the Utilities Commission Act ("the Act"), for approval to establish a revised Schedule of Rates on a permanent basis effective January 1, 2003; and
- B. On September 16, 2002, BC Gas filed a letter summarizing the items it was seeking to have determined in the hearing process under a one-year revenue requirement framework. The letter also revised upward the revenue requirement being applied for as a result of adjustments discussed in that letter; and
- C. Further revisions to the revenue requirement were noted in BC Gas' September 27, 2002 response to the second round of information requests; and
- D. As requested by the Commission, two sets of issues lists were submitted by Intervenor on October 4, and on October 16, 2002 and in Letter No. L-42-02 the Commission emphasized its wish to provide all parties an opportunity to assess all issues that are relevant to establishing a one-year revenue requirement for BC Gas. It also established two working groups, one for load forecasts and the other for transportation tariff changes. Reports from these working groups were filed during the oral public hearing; and
- E. On November 1, 2002, BC Gas submitted further revisions to its Application to include higher pension costs, higher industrial revenue forecasts and additional revenue deficiencies; and
- F. In accordance with Commission Order No. G-63-02, an oral public hearing was conducted during the period November 12 to November 21, 2002; and

G. During the course of the oral public hearing, BC Gas revised its Application further to correct an error on an earlier revision and to make other changes, all as set out in Exhibit 42. The revised revenue deficiency for which BC Gas seeks interim rate relief is \$17.4 million, an increase in overall revenue of 1.42 percent, representing a 3.73 percent increase in delivery rates. BC Gas applied to recover \$11.2 million of the increase by adding 2.85 percent to the delivery rates of its "RSAM Customers", namely, residential and commercial customers. The remaining \$6.2 million would be recovered by a 1.42 percent increase in delivery rates to all captive customers; and

H. By Order No. G-90-02, the Commission made BC Gas' rates interim effective January 1, 2003.

NOW THEREFORE pursuant to Sections 58 and 60 of the Utilities Commission Act, the Commission orders as follows:

1. The Commission confirms a permanent increase in revenue requirements for 2003 of approximately \$12.2 million as detailed in its Decision dated February 4, 2003. BC Gas is directed to comply with all Commission directions contained in the Decision.
2. BC Gas, by way of a bill insert or customer notice, is to provide all affected customers with notification of the permanent rates. BC Gas is to provide the Commission with a draft copy of the customer notice in advance of its distribution to customers.
3. BC Gas is also directed to amend its permanent rates effective March 1, 2003 to reflect the annual revenue requirement approved by this Decision and is further directed to add a ten-month rider to its 2003 billings to recover the difference between its interim rates and permanent rates for the months of January and February 2003.
4. The Commission will accept, subject to timely filing, amended Gas Tariff Rate Schedules in accordance with the terms of this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 4th day of February 2003.

BY ORDER

Original signed by:

Peter Ostergaard
Chair