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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-8-03

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

and

An Application by Central Heat Distribution Limited
for Approval of 2003 Revenue Requirements

BEFORE: P. Ostergaard, Chair)
K.L. Hall, Commissioner) February 3, 2003

O R D E R

WHEREAS:

- A. On October 31, 2002, Central Heat Distribution Limited ("CHDL") filed with the Commission, pursuant to Sections 58 and 61 of the Utilities Commission Act ("the Act"), an application to increase its Steam Tariff Schedule of Charges by 6.4 percent effective January 1, 2003, on a permanent basis ("the Application"). The Application also included housekeeping changes to the Tariff; and
- B. Commission Order No. G-82-02 required CHDL to provide its current and prospective customers with a copy of the Order and an Executive Summary of the Application and set an intervenor registration deadline of November 29, 2002. No customers intervened by the registration deadline; and
- C. CHDL responded to Commission staff information requests and undertook to revise its Application as a result of the information responses. Commission Order No. G-101-02 set the current CHDL rates as interim effective January 1, 2003 and established a Negotiated Settlement Process for the review of the revised CHDL Application; and
- D. On January 6, 2003, CHDL filed revisions to its Application and on January 13, 2003 a Negotiated Settlement was reached between CHDL and Commission staff. Commission Order No. G-4-03 approved the Negotiated Settlement and an average permanent rate increase in the Steam Tariff Schedule of Charges of 4.362 percent effective January 1, 2003 to recover a 2003 revenue deficiency of \$243,929 and the housekeeping changes to the Tariff; and

- E. On January 31, 2003, CHDL applied under Section 61(4) of the Act for an amendment to the approved 2003 rates to reflect an updated actuarial assessment of CHDL's pension plan. CHDL had based its 2003 pension forecast on a 1999 actuarial assessment and recently received a 2002 actuarial assessment which increased the 2003 pension forecast by \$59,900. The amendment would increase the 2003 revenue deficiency to \$303,829 for an average rate increase of 5.432 percent; and
- F. The Commission has reviewed the requested amendment and finds that it should be approved.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for CHDL, pursuant to Section 61(4) of the Act, an amendment of \$59,900 to the pension expense forecast in the 2003 Negotiated Settlement, subject to review on complaint within 60 days of this Order. The amendment increases the CHDL 2003 Revenue Deficiency approved by Commission Order No. G-4-03 from \$243,929 to \$303,829 resulting in an average permanent rate increase in the Steam Tariff Schedule of Charges of 5.432 percent effective January 1, 2003.
2. CHDL is to inform all customers about the Negotiated Settlement, the amendment to the 2003 pension expense and the average permanent rate increase by way of a customer notice.
3. CHDL is to file a permanent Steam Tariff Schedule of Charges that is in accordance with the terms of Order No. G-4-03, the Negotiated Settlement and this Order.

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

BY ORDER

Original signed by:

Peter Ostergaard
Chair