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IN THE MATTER OF
the Utilities Commission Act, S.B.C. 1980, c. 60, as amended

and

An Application by Centra Gas Fort St. John Inc.
for Approval of Various Rate Changes effective January 1, 1997

BEFORE: M.K. Jaccard, Chairperson; and)
L.R. Barr, Deputy Chairperson) January 16, 1997

O R D E R

WHEREAS:

- A. On December 19, 1996 Centra Gas Fort St. John Inc. ("Centra Gas") applied to the Commission for approval to pass-through certain costs to customers effective January 1, 1997 ("the Application"), pursuant to Section 67(4) of the Utilities Commission Act (the "Act"); and
- B. The Application requests approval to pass-through costs, effective January 1, 1997, as follows:
- On December 12, 1996 the Commission, by Order No. E-19-96, approved Centra Gas' 1996/97 gas supply portfolio. As a result, the forecast average cost of gas for 1997 is \$.598/GJ higher than the currently approved cost of gas.
 - On December 2, 1996, by Letter No. L-61-96, the Commission approved for Centra Gas a decreased Return on Equity ("ROE") from 11.5 percent in 1996 to 10.75 percent in 1997,
 - Centra Gas requests that the accumulated debit balance of \$473,029 in the 1996 deferred gas cost reconciliation account be recovered over the 1997 12-month period,
 - Pass-through of the accumulated credit balances in the Revenue Stabilization Adjustment Mechanism ("RSAM"), off-line service revenue account, interest rate differential deferral account, and new industrial customers sales margin, to be amortized and recovered from customer rates over the 1997 12-month period; and

C. The Commission has reviewed the Application and is satisfied that approval of the above noted rate changes are necessary and in the public interest.

NOW THEREFORE the Commission orders Centra Gas as follows:

1. Changes to Gas Tariff Rate Schedules to reflect the following cost changes contained in the Application are approved effective January 1, 1997 for customers in the Centra Gas Fort St. John Service area:
 - 1996/97 Cost of Gas pass-through.
 - 1997 ROE adjustment.
 - amortize the debit balance in the 1996 deferred gas cost reconciliation accrual.
 - amortization of credit balances in the RSAM account off-line service revenue account, interest differential deferral account, and new industrial customers sales margin.
2. Centra Gas, by way of customer notice, is to provide all affected customers with an explanation of the January 1, 1997 rate changes. A draft copy of the customer notice is to be provided to the Commission in advance of distribution. Centra Gas is to provide the Commission with a detailed breakdown of the rate changes on a cost per GJ basis for each customer class rate schedule.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of January, 1997.

BY ORDER

Original signed by:

Dr. Mark K. Jaccard
Chairperson