



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 2000 Revenue Requirements

BEFORE: P. Ostergaard, Chair)
L.R. Barr, Deputy Chair)
B.L. Clemenhagen, Commissioner) March 30, 2000
K.L. Hall, Commissioner)

O R D E R

WHEREAS:

- A. On December 21, 1999, Centra Gas Whistler Inc. ("Centra Gas") applied to the British Columbia Utilities Commission ("the Commission") for approval of its 2000 Revenue Requirements to recover a projected revenue deficiency of \$1,009,879 by a rate increase of \$1.502 per gigajoule effective January 1, 2000 ("the Application") pursuant to Section 60 of the Utilities Commission Act ("the Act"); and
- B. The Commission, by Order No. G-4-00, approved the requested interim rate increase effective January 1, 2000 and held a pre-hearing conference on January 27, 2000; and
- C. The Commission, by Order No. G-15-00, approved an Alternative Dispute Resolution process and set down a timetable for public review of the Application; and
- D. On March 21, 2000 a settlement agreement was reached between Centra Gas and Commission staff regarding Centra Gas' 2000 revenue requirements and the 1999 Propane System Expansion Plan; and
- E. On March 29, 2000, the Commission was informed by Centra Gas and Commission staff that a settlement agreement had been reached; and
- F The Commission has reviewed the settlement proposal and considers that approval of the settlement is in the public interest.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for Centra Gas the Settlement Agreement attached as Appendix A, which includes a 2000 revenue deficiency of \$996,585 resulting in an increased energy charge for all customers of \$1.42 per gigajoule, approximately 16.28 percent, effective January 1, 2000.
2. Centra Gas is to refund any overpayment resulting from the interim rates, with interest calculated at the prime rate of the principal bank with which it conducts its business. Centra Gas is to inform all customers of the rate increase and refund by way of a customer notice. Centra Gas is to report to the Commission on the results of the refund by June 30, 2000.
3. Centra Gas 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 31st day of March 2000.

BY ORDER

Original signed by:

Lorna R. Barr
Deputy Chair

Attachment



WILLIAM J. GRANT
EXECUTIVE DIRECTOR,
REGULATORY AFFAIRS & PLANNING
bill.grant@bcuc.com
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~~CONFIDENTIAL AND WITHOUT PREJUDICE~~

VIA FACSIMILE

March 21, 2000

Mr. Geoffrey Higgins
Manager, Regulatory Affairs
Centra Gas Whistler Inc.
1675 Douglas Street
P.O. Box 3777
Victoria, B.C. V8W 3V3

Dear Mr. Higgins:

Re: Proposed Settlement of Issues
Centra Gas Whistler Inc. ("Centra Gas")
2000 Revenue Requirements Application
1999 Propane System Expansion Plan

Enclosed with this letter you will find the proposed settlement package achieved with respect to the Centra Gas December 21, 1999 Revenue Requirements Application and the January 25, 2000 report on the 1999 Propane System Expansion Plan and safety improvements implementation ("the Application").

This settlement package is confidential and Centra Gas is to provide its letter of support or comment by March 28, 2000. As there are no registered intervenors or interested parties involved in the Application, the settlement package will be made public on March 29, 2000 and submitted to the Commission. Thereafter, the Commission will determine the appropriate mechanism to establish an approved revenue requirement for Centra Gas and disposition of the 1999 Propane System Expansion Plan and safety improvements implementation.

Yours truly,

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

W.J. Grant

PWN/mmc
Enclosure

~~CONFIDENTIAL AND WITHOUT PREJUDICE~~

**Centra Gas Whistler Inc. ("Centra Gas")
2000 Revenue Requirements Application
1999 Propane System Expansion Plan
Settlement Agreement**

This settlement agreement includes the following adjustments to the Centra Gas' Application.

- Forecast sales volumes for 2000 are increased from 672,343 GJs to 701,803 GJs.
- Forecast cost of propane of \$6.665/GJ is accepted as filed, with a deferral account to record the difference between forecast cost of gas recovered in rates and actual results. If propane cost increases continue, Centra Gas may apply for a pass-through rate increase prior to the next heating season. The gas supply operating expenses of \$39,629 is fixed for 2000.
- Gross Operating, Maintenance and Administrative (OM&A) expenses are to be reduced from \$619,059 to \$585,000. Centra Gas is concerned that the utility is vulnerable to bad debts and the issue will be reviewed in the 2001 rate application. Capitalized OM&A remains unchanged at \$77,908.
- Shared service expenses provided by Centra Gas British Columbia Inc. of \$203,800 for 2000 are accepted as filed.
- The deferral account for 1999/00 Regulatory Costs records the actual cost of this Application, excluding legal (forecast to be \$40,000) and overtime (forecast to be \$11,000). Centra Gas forecasts that this account will be \$15,000 (before tax) and will be fully amortized in 2000. 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.
- The pipeline study deferral account established by Commission Letter No. L-94-98 is to record interest on an after-tax basis. No additional costs, other than after-tax interest, are to be added to the pipeline study deferral account in 2000. Recovery of this account will be through amortization of the deferral at a later date as a result of an application or a Certificate of Public Convenience and Necessity process, which involves a prudence review.
- Centra Gas' proposal to amortize in 2000 the \$39,697 credit in the interest deferral account, the \$33,081 credit in the propane tank lease and the \$7,049 property tax differential credit is accepted as filed.
- The propane cost deferral account has an actual after-tax debit balance of \$33,662 at the end of 1999. Additional truck freight for 1999/2000 was incurred due to the BC Rail strike at a before-tax cost of \$32,972. The after-tax total of the propane deferral account and additional truck freight will be amortized over three years. The 1999 south plant trucking deferral account activity will be reviewed at a later date with the after-tax balance amortized over three years starting in 2001.
- The report on the 1999 Propane System Expansion Plan and implementation of safety improvements filed on January 25, 2000 is accepted as filed. For work that was completed prior to 2000, the amounts are recorded in rate base on January 1, 2000 whereas work completed in 2000 will be a mid-year 2000 addition.
- The propane inventory component of working capital is reduced from \$309,716 to \$90,231.

- Centra Gas is to provide a main extension report for significant customers that are likely to be added to the system in 2000 to 2003. The report is to be filed by September 2000 and will identify how they expect to serve all customers from 2000 to 2003, what are the expected plant additions and the rate impact under alternative main extension tests on an average and incremental basis.
- The Banner CIS development cost allocation of \$28,270 is to be recorded in a non-rate base, after-tax interest bearing deferral account with amortization over seven years. The incremental Banner CIS operating costs, when approved, will be included in a deferral account.
- The 2000 rate of return on equity for Centra Gas has been reduced from 10.5% to 10.25% to provide Centra Gas with a 75 basis point premium over the benchmark, low risk utility in the Commission's Automatic Adjustment Mechanism.

The Company and the participants agree to hold confidential, the discussions held on March 14, 2000 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.



March 27, 2000

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

Attention: Mr. W. J. Grant
Executive Director, Regulatory Affairs & Planning

Dear Mr. Grant,

Re: Centra Gas Whistler Inc. 2000 Revenue Requirement Application
Negotiated Settlement Proposal

Centra Gas has reviewed the proposed Negotiated Settlement document arising from the ADR proceeding held March 14, 2000 in Whistler, for the above noted Application. Centra Gas believes that the proposed Settlement Document is a fair and accurate representation of the ADR proceeding, and supports this proposal as written.

Yours truly,

Centra Gas British Columbia Inc.



Ian Anderson
Vice President, Finance

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CENTRA GAS WHISTLER INC.
2000 REVENUE REQUIREMENT APPLICATION

REVENUE DEFICIENCY AND POTENTIAL RATE INCREASE

S 7.1

LINE	2000 Forecast	Comment
1 Rate Base	\$ 12,609,931	1999 Propane System Expansion costs added as at January 1,2000
2 Earned Return @ Existing Rates	184,503	
3 Existing Rate of Return on Rate Base	1.46%	
4 Proposed Rate of Return on Rate Base	7.44%	
5 Proposed Earned Return after Tax	<u>938,534</u>	
6 Revenue Deficiency Before Tax	<u>\$ 996,585</u>	
7 Total Energy Sales - GJ	701,803	
8 Incremental Rate Increase - \$ / GJ	\$ 1.4200	Mostly due to increase in forecast Cost of Propane and 1999 Sys. Exp.
9 Existing Sales Rate - \$/GJ	<u>\$ 8.7250</u>	
10 Proposed Sales Rate - \$/GJ	<u>\$ 10.1450</u>	
11 % Increase over Existing Sales Rate - \$/GJ	<u>16.28%</u>	

**CENTRA GAS WHISTLER INC.
2000 REVENUE REQUIREMENT APPLICATION**

REVENUE REQUIREMENT

<u>LINE</u>		<u>1999 Outlook</u>	<u>2000 Forecast</u>	<u>Reference</u>
1	Cost of Sales	3,040,766	4,802,005	S 16.1
2	Total Operating Expenses	669,091	710,892	S 17.1
3	Total Depreciation	309,456	322,173	S 10.4 - S 10.5
4	Total Amortization	134,703	(50,382)	S 13.1 / S 13.2
5	Total Municipal Taxes	181,159	226,750	S 19.5
6	Total Taxes Payable @ Proposed Rates	360,726	310,891	S 19.3/ S 19.4
7	Allowed / Proposed Return on Rate Base	836,593	938,534	S 14.1
8	Total Revenue Requirement	<u>5,532,492</u>	<u>7,260,863</u>	

Reconciliation of Revenue Requirement

9	Total Propane Sales Revenue @ Existing Rates	5,413,456	6,233,376	S 15.4
10	Total Other Revenue	39,200	30,901	S 15.7
11	Total Revenue @ Existing Rates	5,452,656	6,264,277	
12	Revenue Deficiency / (Surplus)	<u>79,836</u>	<u>996,585</u>	
13	Total Revenue Requirement	<u>5,532,492</u>	<u>7,260,863</u>	

CENTRA GAS WHISTLER INC.
2000 REVENUE REQUIREMENT APPLICATION

APPENDIX A
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RATE BASE

S 9.1

Line		1999 Outlook	2000 Forecast	Reference
	GROSS PLANT IN SERVICE			
1	Beginning of Year	\$ 11,393,985	\$ 11,901,500	S 10.2 - S 10.3
2	End of Year	11,901,500	14,307,356	S 10.2 - S 10.3
3	Average Mid-Year Balance	11,647,743	13,104,428	
	ACCUMULATED DEPRECIATION			
4	Beginning of Year	\$ (1,078,462)	\$ (1,349,127)	S 10.4 - S 10.5
5	End of Year	(1,349,127)	(1,616,043)	S 10.4 - S 10.5
6	Average Mid-Year Balance	(1,213,795)	(1,482,585)	
7	NET MID-YEAR PLANT IN SERVICE	10,433,948	11,621,843	
8	ADJUSTMENT FOR APPROVED SYSTEM REINFORCEMENTS IN SERVICE JANUARY 1/2000	0	723,242	
9	MID-YEAR ALLOCATED COMMON PLANT	104,335	86,475	S 10.6
10	WORKING CAPITAL	120,635	178,371	S 12.1
11	MID-YEAR RATE BASE	10,658,919	12,609,931	

** 1999 Approved System Expansion Capital Expenditures:

Total Projected Expenditures:	\$ 1,832,150
Included in Mid Year Gross Plant in Service	\$ 1,108,908
Adjustment to Rate Base for January 1/2000	\$ 723,242

**CENTRA GAS WHISTLER INC.
2000 REVENUE REQUIREMENT APPLICATION**

S 8.1

UTILITY INCOME

<u>LINE</u>	<u>1999 Outlook</u>	<u>2000 Forecast</u>	<u>Reference</u>
1 Energy Sales - GJ	609,298	701,803	S 15.1
2 Propane Sales Revenue @ Existing Rates	5,413,456	6,233,376	S 15.4
3 Cost of Sales	3,040,766	4,802,005	S 16.1
4 Gross Margin	2,372,691	1,431,371	
5 Other Revenue @ Existing Rates	39,200	30,901	S 15.7
6 Net Utility Revenue	2,411,891	1,462,272	
Expenses			
7 Direct Operating and Maintenance	469,091	507,092	S 17.1
8 Shared Service Cost Allocation	200,000	203,800	
9 Municipal Taxes	181,159	226,750	S 19.5
10 Depreciation	309,456	322,173	S 10.4 - S 10.5
11 Amortization - Regulatory Costs	11,526	8,157	S 13.1 - S 13.2
12 Amortization - Property Tax Differential	-	(7,049)	S 13.1 - S 13.2
13 Amortization - Interest Rate Differential	-	(39,697)	S 13.1 - S 13.2
14 Amortization - Freight/Start Up	87,866	-	S 13.1 - S 13.2
15 Amortization - Gas Cost Reconciliation	-	11,221	S 13.1 - S 13.2
16 Amortization - BC Rail Strike	-	5,977	S 13.1 - S 13.2
17 Amortization - Propane Tank Lease	-	(33,081)	S 13.1 - S 13.2
18 Amortization - CIS Development Costs	-	4,091	S 13.1 - S 13.2
19 Amortization - Integrated Resource Plan	35,311	-	S 13.1 - S 13.2
20 Total Expenses	1,294,408	1,209,433	
21 Utility Income Before Income Taxes	1,117,482	252,839	
22 Total Taxes Payable	280,890	68,336	S 19.1
23 Net Utility Income	836,593	184,503	
24 Mid - Year Rate Base	10,658,919	12,609,931	S 9.1
25 Earned Return Percentage on Mid-Year Rate B	7.85%	1.46%	

**CENTRA GAS WHISTLER INC.
2000 REVENUE REQUIREMENT APPLICATION**

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WORKING CAPITAL

S 12.1

<u>LINE</u>		<u>1999 Outlook</u>	<u>2000 Forecast</u>	<u>Reference</u>
1	Cash Working Capital	79,300	95,230	S 12.2
2	Inventory - Materials & Services	33,679	33,679	S 12.3
3	Propane Inventory	90,231	90,231	S 12.3
4	Refundable Contributions	(1,250)	(1,250)	S 12.3
5	Customer Security Deposits	(36,736)	(36,736)	S 12.3
6	Employee Withholdings	(4,060)	(4,060)	S 12.3
7	Sub-Total	<u>161,164</u>	<u>177,094</u>	
8	Mid-Year Deferred Items (After Tax)			
9	2000 Regulatory Costs	(0)	(0)	S 13.1 - S 13.2
10	Property Tax Differential	(3,524)	(3,524)	S 13.1 - S 13.2
11	Interest Rate Differential	(19,849)	(19,849)	S 13.1 - S 13.2
12	Freight	43,933	-	S 13.1 - S 13.2
13	Gas Cost Reconciliation Account	(64,642)	32,231	S 13.1 - S 13.2
14	BC Rail Strike	2,983	8,960	S 13.1 - S 13.2
15	Propane Tank Lease	(16,540)	(16,540)	S 13.1 - S 13.2
16	Banner CIS Development Costs (Non Rate Base)	-	-	S 13.1 - S 13.2
16	Integrated Resource Planning	<u>17,111</u>	<u>(0)</u>	S 13.1 - S 13.2
17	Total Deferred Items	<u>(40,528)</u>	<u>1,277</u>	S 13.1 - S 13.2
18	Total Working Capital Requirements	<u><u>120,635</u></u>	<u><u>178,371</u></u>	

**CENTRA GAS WHISTLER INC.
2000 REVENUE REQUIREMENT APPLICATION**

S 12.2

CASH WORKING CAPITAL

<u>LINE</u>		<u>Net Lag</u>	<u>1999 Outlook</u>	<u>2000 Forecast</u>	<u>Reference</u>
AMOUNT PAID / ACCRUED					
1	Cost of Gas	1.5	3,040,766	4,802,005	S 16.2
2	OM&A	29.1	646,513	710,892	S 17.1
3	Municipal Taxes	41.5	181,159	226,750	S 19.5
4	Provincial Sales Tax (PST)	(20.3)	297,301	340,040	
5	Income Tax and Large Corporation Tax	20.1	248,186	271,842	S 19.1 / S 19.4
8	BC Capital Tax	(31.6)	32,703	39,049	S 19.3
9	Goods and Services Tax (GST)	0.3	439,135	438,499	
AMOUNT REQUIRED (Total adjusted for lead/lag days)					
10	Cost of Gas		12,496	19,734	
11	OM&A		51,544	56,677	
12	Municipal Taxes		20,598	25,781	
13	Provincial Sales Tax (PST)		(16,535)	(18,912)	
14	Income Taxes		13,667	14,970	
17	BC Capital Tax		(2,831)	(3,381)	
18	Goods and Services Tax (GST)		<u>361</u>	<u>360</u>	
19	Total Cash Working Capital		<u>79,300</u>	<u>95,230</u>	

(1) Adjustment for Income Tax Expense inclusion in working capital found on review.

CENTRA GAS WHISTLER INC.
2000 REVENUE REQUIREMENT APPLICATION

DEFERRED COSTS - SUMMARY
(After Tax)

S 13.1									
Line	Deferred Item	1998 Ending Balance	Outlook 1999 Gross Additions	Less Taxes	1999 Net Additions	1999 Amortization	1999 Ending Balance	1999 Mid-Year Balance	
1	1998/99 Regulatory Costs	0	21,195	(9,669)	11,526	11,526	(0)	(0)	
2	Property Tax Differential	0	(12,962)	5,913	(7,049)	0	(7,049)	(3,524)	
3	Interest Rate Differential	0	(73,000)	33,303	(39,697)	0	(39,697)	(19,849)	
4	Freight/Start Up - Before Tax	87,866	0	0	0	87,866	0	43,933	
5	Gas Cost Reconciliation Account	(167,126)	376,917	(171,949)	204,967	0	37,841	(64,642)	
6	BC Rail Strike	0	10,972	(5,005)	5,967	0	5,967	2,983	
7	Propane Tank Lease Account	0	(60,833)	27,752	(33,081)	0	(33,081)	(16,540)	
8	Banner CIS Development Costs (Non Rate Bas	0	0	0	0	0	0	0	
9	Integrated Resource Planning	34,223	2,000	(912)	1,088	35,311	(0)	17,111	
10	Total Deferred Items	(45,037)	264,289	(120,568)	143,720	134,703	(36,020)	(40,528)	

CENTRA GAS WHISTLER INC.
2000 REVENUE REQUIREMENT APPLICATION

DEFERRED COSTS - SUMMARY
(After Tax)

S 13.2

Line	Deferred Item	1999 Ending Balance	Forecast 2000 Gross Additions	Less Taxes	2000 Net Additions	2000 Amortization	2000 Ending Balance	2000 Mid-Year Balance
1	1999/00 Regulatory Costs	(0)	15,000	(6,843)	8,157	8,157	(0)	(0)
2	Property Tax Differential	(7,049)	0	0	0	(7,049)	0	(3,524)
3	Interest Rate Differential	(39,697)	0	0	0	(39,697)	0	(19,849)
4	Gas Cost Reconciliation Account	37,841	0	0	0	11,221	26,621	32,231
5	BC Rail Strike	5,967	22,000	(10,036)	11,964	5,977	11,953	8,960
6	Propane Tank Lease Account	(33,081)	0	0	0	(33,081)	0	(16,540)
7	Banner CIS Development Costs (Non Rate Bas	0	28,634	0	28,634	4,091	24,544	12,272
8	Integrated Resource Planning	(0)	0	0	0	0	(0)	(0)
9	Total Deferred Items	(36,020)	65,634	(16,879)	48,755	(50,382)	63,117	13,549

COST OF CAPITAL

S 14.1

<u>Line</u>				Embedded	Cost	Earned	Annual
		Capitalization		Cost	Component	Return	Interest
<u>2000 Forecast @ Proposed</u>							Cost
1	Debt	8,196,455	65.00%	5.93%	3.86%	486,152	486,152
2	Equity	4,413,476	35.00%	10.25%	3.59%	452,381	
3	Mid-Year Rate Base	12,609,931	100.00%		7.44%	938,534	486,152
<u>2000 Forecast @ Existing</u>		Capitalization		Embedded	Cost	Earned	Annual
				Cost	Component	Return	Interest
1	Debt	8,196,455	65.00%	5.93%	3.86%	486,152	486,152
2	Equity	4,413,476	35.00%	-6.83%	-2.39%	(301,649)	
3	Mid-Year Rate Base	12,609,931	100.00%		1.46%	184,503	486,152
<u>1999 Projected</u>		Capitalization		Embedded	Cost	Earned	Annual
				Cost	Component	Return	Interest
4	Debt	6,928,297	65.00%	5.69%	3.70%	394,220	394,220
5	Equity	3,730,622	35.00%	11.86%	4.15%	442,373	
6	Mid-Year Rate Base	10,658,919	100.00%		7.85%	836,593	394,220
<u>1999 Allowed</u>		Capitalization		Embedded	Cost	Earned	Annual
				Cost	Component	Return	Interest
1	Debt	6,956,598	65.00%	5.69%	3.70%	395,830	395,830
2	Equity	3,745,861	35.00%	10.00%	3.50%	374,747	
3	Mid-Year Rate Base	10,702,459	100.00%		7.20%	770,577	395,830

CENTRA GAS WHISTLER INC.
2000 REVENUE REQUIREMENT APPLICATION
STAFF INFORMATION REQUEST NO. 2-1.1
NORMALIZED ENERGY SALES(GJ) - 2000 FORECAST

LINE	Actual		Forecast											TOTAL
	JAN	FEB.	MAR	APR	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC		
Normalized														
Normalized														
RESIDENTIAL														
1	No. of Customers	1,469	1,476	1,458	1,472	1,485	1,490	1,493	1,498	1,517	1,569	1,592	1,601	
2	Use per Customer - GJ	17.93	9.90	10.13	7.89	5.89	4.48	2.36	2.36	4.52	8.19	10.66	12.99	
3	TOTAL RESIDENTIAL - GJ	26,333	14,610	14,770	11,621	8,740	6,673	3,517	3,534	6,857	12,851	16,978	20,801	
COMMERCIAL														
4	No. of Customers	303	308	309	309	309	309	310	311	315	317	319	319	
5	Use per Customer - GJ	134.0	108.1	103.1	86.1	70.8	60.0	43.8	43.9	76.1	103.1	121.1	138.5	
6	TOTAL COMMERCIAL	40,604	33,292	31,866	26,605	21,874	18,551	13,589	13,643	23,970	32,673	38,636	44,191	
LARGE COMMERCIAL														
7	No. of Customers	14	14	14	14	14	14	14	14	14	15	15	15	
8	Use per Customer - GJ	2,126.57	1,485.00	1,387.00	1,193.00	1,117.50	934.36	790.71	790.14	973.86	1,168.33	1,409.80	1,678.53	
9	TOTAL LARGE COMMERCIAL - GJ	29,772	20,790	19,418	16,702	15,645	13,061	11,070	11,062	13,634	17,525	21,147	25,178	
10	TOTAL ENERGY SALES - GJ	96,709	68,692	66,054	54,928	46,259	38,305	28,176	28,239	44,461	63,049	76,761	90,170	
													701,803	

CENTRA GAS WHISTLER INC.
2000 REVENUE REQUIREMENT APPLICATION
SALES REVENUE - 2000 FORECAST

LINE		JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC	TOTAL
1	RESIDENTIAL	7,345	7,380	7,290	7,360	7,425	7,450	7,465	7,490	7,585	7,845	7,960	8,005	90,605
2	Fixed Monthly \$	229,755	127,472	128,868	101,393	76,257	56,222	30,686	30,834	59,827	112,125	148,133	181,459	1,285,070
3	Commodity \$	237,100	134,852	136,158	108,753	83,682	65,672	36,151	36,324	67,412	119,970	156,093	189,494	1,375,662
4	TOTAL RESIDENTIAL													
5	COMMERCIAL	1,515	1,540	1,545	1,545	1,545	1,545	1,550	1,555	1,575	1,585	1,595	1,595	18,665
6	Fixed Monthly \$	354,270	290,473	278,031	232,129	190,851	161,857	118,564	119,035	209,138	285,072	337,099	385,566	2,962,094
7	Commodity \$	355,785	292,013	279,576	233,674	192,396	163,402	120,114	120,590	210,713	286,657	338,694	387,161	2,980,775
8	TOTAL COMMERCIAL													
9	LARGE COMMERCIAL	70	70	70	70	70	70	70	70	70	75	75	75	860
10	Fixed Monthly \$	259,761	181,393	169,422	145,725	136,503	114,132	96,586	96,516	118,957	152,906	184,508	219,678	1,876,093
11	Commodity \$	259,831	181,463	169,492	145,795	136,573	114,202	96,656	96,586	119,027	152,981	184,583	219,753	1,876,939
12	TOTAL LARGE COMMERCIAL													
13	TOTAL SALES REVENUE	852,716	608,328	585,226	489,222	412,650	343,276	254,921	255,500	397,152	559,608	679,370	796,408	6,233,376

CENTRA GAS WHISTLER INC.
2000 REVENUE REQUIREMENT APPLICATION
Response to Staff IR 1-2.1

COST OF GAS

Line		Normalized Actual											Forecast		Total
		Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99		
1	Sales Volumes (GJ)	74336	72852	80061	43519	35629	32907	28426	28425	34395	42394	69892	66461	609297	
2	UAF 1.270%	944	925	1017	553	452	418	361	361	437	538	888	844	7738	
3	Purchase Volumes (GJ)	75280	73777	81078	44072	36081	33325	28787	28786	34832	42932	70780	67305	617035	
4	Unit Cost of Gas (\$/GJ)	4.170	4.066	4.097	4.338	4.716	4.880	5.069	5.500	5.850	6.830	6.820	6.360	5.157	
5	Cost of Gas (\$)	313948	300008	332208	191192	170171	162632	145913	158317	203756	293211	482717	428060	3182133	
	Less to Deferred Gas Cost	(52290)	(58918)	(62235)	(23217)	(5365)	507	5864	18273	34299	84345	138374	100621	180257	
	Allowed Cost of Gas (\$)	366238	358926	394443	214409	175536	162126	140049	140044	169457	208866	344343	327439	3001876	
	Ⓢ \$4.865/GJ														
6	Gas Supply O&M (\$) (allocated from Centra BC)	4745	4650	5110	2778	2274	2100	1814	1814	2195	2706	4461	4242	38890	
7	Total Cost of Gas (\$)	370982	363576	399553	217186	177811	164226	141863	141858	171652	211572	248804	331681	3040786	

		Forecast												Total
		Actual Jan-00	Actual Feb-00	Mar-00	Apr-00	May-00	Jun-00	Jul-00	Aug-00	Sep-00	Oct-00	Nov-00	Dec-00	
8	Sales Volumes (GJ)	96,709	68,692	66,054	54,928	46,259	38,305	28,176	28,239	44,461	63,049	76,761	90,170	701,803
9	UAF 1.820%	1,760	1,250	1,202	1,000	842	697	513	514	809	1,147	1,397	1,641	12,773
10	Purchase Volumes (GJ)	98,469	69,942	67,256	55,928	47,101	39,002	28,689	28,753	45,270	64,196	78,158	91,811	714,576
11	Unit Cost of Gas (\$/GJ)	6.487	8.502	6.370	6.480	6.250	6.170	6.250	6.400	6.550	6.710	6.940	6.210	6.665
12	Cost of Gas (\$)	638,740	594,614	428,422	362,411	294,381	240,643	179,305	184,019	296,520	430,758	542,417	570,147	4,762,376
13	Gas Supply O&M (\$) (allocated from Centra BC)	5,461	3,879	3,730	3,102	2,612	2,163	1,591	1,595	2,511	3,560	4,334	5,092	39,629
14	Total Cost of Gas (\$)	644,200	598,492	432,152	365,513	296,993	242,806	180,896	185,613	299,030	434,319	546,751	575,239	4,802,005

January Actual volume had not been weather normalized. January was approximately 0.2% colder than normal.
UAF unaccounted for propane gas has been recalculated using a 3 year average.

CENTRA GAS WHISTLER INC.
2000 REVENUE REQUIREMENT APPLICATION

S 17.1

DIRECT & ALLOCATED COMMON OPERATING & MAINTENANCE EXPENSES - SUMMARY

LINE		1999 Outlook	1999 Actual	2000 Forecast	Reference
	GROSS DIRECT EXPENSES				
	Operations				
1	Manufactured Gas Production	175,384	160,827	179,931	S17.2
2	Transmission	1,888	730	1,906	S17.2
3	Distribution	258,238	260,393	280,184	S17.2
4	General Operation	5,067	12,358	5,469	S17.2
5	Total Operations	440,577	434,308	467,490	
6	General and Administration				
7	Sales Promotion	5,500	-	-	S17.3
8	Customer Accounting	37,199	14,575	37,626	S17.3
9	Administration and General	65,621	61,994	72,591	S17.3
10	Total General and Administration	108,320	76,568	110,217	
11	Maintenance				
12	Manufactured Gas Production	12,824	16,189	19,756	S17.4
13	Transmission	1,244	653	1,317	S17.4
14	Distribution	20,130	8,314	20,279	S17.4
15	Total Maintenance	34,198	25,156	41,352	
16	Total Gross Direct Expenses	583,095	536,033	619,059	
17	Negotiated Settlement Adjustment	-		(34,059)	
18	Restated Direct Expenses	583,095	536,033	585,000	
17	LESS: Direct Capitalization	114,004	108,831	77,908	
18	Total Net Direct Expenses	469,091	427,202	507,092	
19	Total Net Allocated Common Expenses	200,000	200,000	203,800	
20	TOTAL NET O & M	669,091	627,202	710,892	
21	Average Number of Customers	1,678	1,680	1,873	S15.1
22	Average Direct Cost per Customer	280	254	271	
23	Average Allocated Common Costs per Customer	119	119	109	
24	Average Total O&M Cost per Customer	399	373	380	

CENTRA GAS WHISTLER INC.
2000 REVENUE REQUIREMENT APPLICATION

APPENDIX A
to Order No. G-35-00
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INCOME TAXES @ PROPOSED RATES

Line	2000		Reference
	Proposed		
1	Proposed Earned Return After Tax	938,534	S 14.1
2	Less Financial Expenses	486,152	S 14.1
3	Accounting Income After Tax	452,381	
Add:			
4	Depreciation	322,173	S 10.4 - S 10.5
5	Amortization of Deferreds (Tax Adjusted):		
6	Regulatory Costs	8,157	S 13.2
7	Property Tax Differential	(7,049)	S 13.2
8	Interest Rate Differential	(39,697)	S 13.2
9	BC Rail Strike	5,977	S 13.2
10	Gas Cost Reconciliation	11,221	S 13.2
11	Propane Tank Lease	(33,081)	S 13.2
12	Banner CIS Development Costs (Non Rate Base)	4,091	S 13.2
13	IRP	-	S 13.2
14	Meals and Entertainment	1,761	
15	Large Corporations Tax	29,287	S 19.3
16	Total Additions	302,838	
Deduct:			
17	Capital Cost Allowance	407,180	S 19.2
18	CCA Loss Carryforward Taken	-	
19	Admin. O/H Capitalized - current year	49,000	S 19.2
20	CEC	2,631	S 19.2
21	Admin O/H Capitalized - 1998		S 19.2
22	Admin O/H Capitalized - 1997		S 19.2
23	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	Gas Cost Reconciliation	-	S 13.2
29	Propane Tank Lease	-	S 13.2
30	Banner CIS Development Costs (Non Rate Base)	-	S 13.2
31	IRP	-	S 13.2
32	Total Deductions	458,811	
33	Taxable Income After Tax	296,408	
34	Tax Gross Up	0.5438	
35	Taxable Income	545,068	
36	Federal Tax	38.00% 207,126	
37	Less Abatement	10.00% 54,507	
38	Net Federal Tax	152,619	
39	Federal Surcharge	4.00% 6,105	
40	Provincial Tax	16.50% 89,936	
41	Income Tax Expense	45.62% 248,660	
42	Federal Surcharge Reduced by LCT	(6,105)	
43	Income Tax Payable	242,555	
44	Effective Tax Rate	44.50%	

CENTRA GAS WHISTLER INC.
2000 REVENUE REQUIREMENT APPLICATION

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INCOME TAXES @ EXISTING RATES

Line		1999 Outlook	2000 Forecast	Reference
1	Utility Income	1,117,482	252,839	S 8.1
2	Less Financial Expenses	486,152	486,152	S 14.1
3	Less BC Capital Tax	32,703	39,049	S 19.3
4	Less Large Corporation Tax	24,527	29,287	S 19.3
5	Accounting Income	574,100	(301,649)	
Add:				
6	Depreciation	309,456	322,173	S 10.4 - S 10.5
	Amortization of Deferreds (Tax Adjusted):			
7	Regulatory Costs	11,526	8,157	S 13.1 - S 13.2
8	Property Tax Differential	-	(7,049)	S 13.1 - S 13.2
9	Interest Rate Differential	-	(39,697)	S 13.1 - S 13.2
10	Freight Start Up	87,866	-	S 13.1 - S 13.2
11	Gas Cost Reconciliation	-	11,221	S 13.1 - S 13.2
12	BC Rail Strike	-	5,977	S 13.1 - S 13.2
13	Propane Tank Lease	-	(33,081)	S 13.1 - S 13.2
16	Banner CIS Development Costs (Non Rate B	-	4,091	S 13.1 - S 13.2
17	IRP	35,311	-	S 13.1 - S 13.2
18	Meals and Entertainment	1,726	1,761	
19	Large Corporations Tax	24,527	29,287	S 19.3
20	Total Additions	470,412	302,838	
Deduct:				
21	Capital Cost Allowance	361,686	407,180	S 19.2
22	CCA Loss Carryforward Taken	-	-	
23	Admin. O/H Capitalized-current year	49,000	49,000	S 19.2
24	CEC	2,321	2,631	S 19.2
25	Admin O/H Capitalized - 1998	59,000	-	S 19.2
26	Admin O/H Capitalized - 1997	69,900	-	S 19.2
27	Deferred Debits/(Credits):			
28	Regulatory Costs	-	-	
29	South Plant Trucking	-	-	
30	Interest Rate Differential	-	-	
31	Freight Start Up	-	-	
32	Gas Cost Reconciliation	-	-	
33	Propane Tank Lease	-	-	
34	Banner CIS Development Costs (Non Rate B	-	-	
32	IRP	-	-	
33	Total Deductions	541,907	458,811	
34	Taxable Income / (Loss)	502,605	(457,622)	
35				
36				
37	Federal Tax	38.00%	190,990	-
38	Less Abatement	10.00%	50,260	-
39	Net Federal Tax	28.00%	140,729	-
40	Federal Surcharge	4.00%	5,629	-
41	Provincial Tax	16.50%	82,930	-
42	Income Tax Expense	45.62%	229,288	-
43	Effective Tax Rate		45.62%	0.00%
44	Federal Surcharge Reduced by LCT		(5,629)	-
45	Net Income Taxes Payable		223,659	-