



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 2003 Revenue Requirements

BEFORE: P. Ostergaard, Chair)
R.H. Hobbs, Commissioner) April 17, 2003

O R D E R

WHEREAS:

- A. On December 10, 2002, Centra Gas Whistler Inc. ("Centra Whistler") applied to the British Columbia Utilities Commission ("the Commission") to increase its propane commodity charge from \$11.613/GJ to \$12.782/GJ, and to decrease Rider A from \$0.987 per gigajoule to \$0.569 per gigajoule, both effective January 1, 2003 on an interim basis ("the Application"); and
- B. Commission Order No. G-94-02 approved the Application for interim rates, subject to refund after review; and
- C. Commission Order No. G-5-03 established a Negotiated Settlement Process; and
- D. The Negotiated Settlement Process was held on March 25, 2003 and a proposed Settlement Agreement regarding the Application was agreed to by Centra Whistler, Intervenor and Commission staff; and
- E. The Commission has reviewed the proposed Settlement Agreement and considers that approval is in the public interest.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for Centra Whistler the Settlement Agreement, attached as Appendix A, which decreases the interim energy charge for all customers to \$12.522 per gigajoule, and increases the Gas Cost Deferral Account Rider to \$0.610 per gigajoule, effective January 1, 2003.

BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-26-03

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2. Centra Whistler is to inform all customers of the final rates by way of a customer notice.
3. Centra Whistler 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 29th day of April 2003.

BY ORDER

Original signed by:

Peter Ostergaard
Chair

Attachment

**Centra Gas Whistler Inc.
2003 Revenue Requirements Application
Negotiated Settlement Agreement**

Centra Gas Whistler Inc. (Centra Gas or the Company) filed its 2003 Revenue Requirement and Rate Application (the Application) on December 10, 2002 with the British Columbia Utilities Commission (the Commission or the BCUC). The Application sought approval to amend its schedule of rates on an interim basis effective January 1, 2003, until such time as a review of the Application was complete, and final rates could be established effective as of the same date. Commission Order G-94-02 approved the application for a 5.96% rate increase, effective January 1, 2003 subject to refund after review of the Application should final rates be different from interim rates.

Commission Order G-5-03 established a regulatory timetable with which to deal with the review of the Application, establishing an Information Request and negotiated settlement process. Commission Order G-11-03 superceded G-5-03, moving the date of the negotiated settlement process from March 18, 2003 to March 25, 2003. Notices of the negotiated settlement process were published in the Whistler Pique and the Question on February 21, 2003 and February 20, 2003 respectively. On February 14, 2003, the Commission issued its information request SR1. Centra Gas responded to SR1 on March 14, providing responses to the BCUC and Intervenor. No other information requests were received. On March 21, 2003 Centra updated its Application, requesting a 7.56% rate increase to reflect 2002 actual results and revised forecasts.

A settlement conference was held in Whistler on March 25, 2003 at the Coast Whistler Hotel, commencing at 10:00 AM. In attendance were Commission staff, representatives of the Regional Municipality of Whistler, Intrawest Corporation, and Centra Gas, all of whom participated in the settlement discussions. At the conference a Negotiated Settlement was reached by all parties, establishing proposed final rates for Whistler rate payers being served from the propane distribution grid of \$7.50 per month fixed monthly charge plus a commodity rate of \$13.132/GJ, consisting of a commodity sales rate of \$12.522/GJ and Rider A of \$0.610/GJ. Proposed final rates will be effective January 1, 2003, resulting in a retroactive credit adjustment to all customers of \$0.219/GJ for gas consumed from January 1, 2003 to March 31, 2003 that was billed at interim rates. The agreed proposed final rates result in a 4.22% increase to customers over existing 2002 approved rates as shown on the attached schedules that form part of this negotiated settlement package.

Subsequent to the Negotiated Settlement, Centra Gas determined that there was an error in the model used to determine the proposed final rates. Within the model, the revenues for January and February 2003 were based on interim rates approved by Order G-94-02, and not based on approved existing 2002 rates, effectively understating the revenue deficiency used to calculate proposed 2003 rates. Corrected, the agreed to adjustments set out below would result in a proposed commodity rate of approximately \$13.39/GJ. However, in order to respect the expectation of the parties to the negotiated settlement that the commodity

rate would be \$13.132/GJ, Centra Gas has reduced the forecast commodity cost of propane in the attached schedules to \$8.665/GJ from the \$8.911/GJ discussed in the settlement conference.

This settlement agreement includes the following adjustments to the Application:

Issue 1 – Updated 2002 Actual Results

Centra Gas has provided updated 2002 Actual results in the attached Schedules that form part of this Negotiated Settlement.

Issue 2 – Load Forecasts

Centra Gas recognizes that the load forecast provided in the March 21 Submission may be conservative, but that the potential for low volumes in 2003 is high. However, all parties agree to a volume forecast for 2003 of 720,000 GJ based on 170,000 GJ for Residential, 290,000 GJ for Commercial, and 260,000 GJ for Large Commercial.

Issue 3 – Sales Margin Differential Account

All parties agree to the continuation of the Sales Margin Differential Account in 2003. The account will record the impact on sales margin resulting from the difference between normalized actual energy sales, and forecast energy sales.

This mechanism has resulted in a decrease to Centra Gas's allowed risk premium of 15 basis points to 60 basis points over the benchmark utility allowed ROE, from 75 basis points over the benchmark utility allowed ROE, as calculated under the Commission's automated adjustment mechanism.

Issue 4 – Cost of Gas

All parties agreed to a forecast cost of propane for 2003 of \$8.911/GJ. However, to rectify the modeling error identified above, the revised cost of propane will be \$8.665/GJ for 2003. The Cost of Gas Deferral Account will continue to record the difference between actual cost of propane and forecast cost of propane. Cost of propane will be subject to quarterly reviews.

Issue 5 – Bad Debt Expense

All parties agree that Centra will reduce its 2003 forecast of bad debt expense to 2002 actual bad debt experience of \$11,700. If a single bad debt over \$5,000 occurs in 2003, that amount will be deferred. The disposition of that account will be determined in the next revenue requirements application.

Issue 6 – Mains Lowering Costs

All parties agree that Centra will remove the \$20,000 of mains lowering from the 2003 forecast of capital expenditures in the calculation of Rate Base.

In addition to the above, the parties agreed to the following:

Issue 7 – Gas Purchasing Costs

Centra Gas commits to investigate potential synergies with BC Gas, both in the commodity cost of propane, and in the administrative costs for purchasing propane.

Issue 8 – UAF

Centra Gas commits to further review of the UAF factor within cost of propane. Centra will canvas other propane utilities to determine what their UAF factors are to determine the reasonableness of the Centra Gas proposal.

Issue 9 – DSM

Centra Gas agrees to develop a Terms of Reference for DSM programs, and to submit an RFP seeking qualified consultants to assist in the development of those DSM programs. Cost effective DSM measures will form part of the Centra Gas CPCN Application for capacity upgrades needed to meet customer peak day demand growth.

The Company and the participants agree to hold confidential the discussions held on March 25, 2003, 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.

CENTRA GAS WHISTLER INC.
2003 REVENUE REQUIREMENT APPLICATION

S 7.1

REVENUE DEFICIENCY AND POTENTIAL RATE INCREASE

<u>LINE</u>		<u>2003 Forecast</u>	<u>Reference</u>	<u>Comment</u>
1	Rate Base	\$ 16,794,048	S 9.1	
2	Earned Return @ Existing Rates	\$ 657,777	S 8.1	
3	Existing Rate of Return on Rate Base	3.92%	S 8.1	
4	Proposed Rate of Return on Rate Base	6.56%	S 14.1	
5	Proposed Earned Return after Tax	<u>\$ 1,102,025</u>	S 14.1	
6	Revenue Deficiency/(Surplus) Before Tax	<u>\$ 654,518</u>	S 7.2	
7	PROPOSED RECOVERY OF REVENUE DEFICIENCY			
8	Revenue Deficiency/(Surplus) Before Tax	\$ 654,518		
9	Total Energy Sales - GJ	720,000	S 15.3	
10	Rate Increase/(Decrease) - \$ / GJ	<u>\$ 0.909</u>		
11	Existing Commodity Sales Rate - \$/GJ	<u>\$ 11.613</u>		
12	Proposed Commodity Sales Rate - \$/GJ	<u>\$ 12.522</u>		
13	% Cost of Service Increase/(Decrease) over Existing Sales Rate - \$/GJ	<u>7.83%</u>		
14	Incremental RateRider Increase/(Decrease) - \$ / GJ	\$ (0.377)		
15	Existing Rider A to Recover Gas Cost Deferral Account - \$/GJ	<u>\$ 0.987</u>		
16	Proposed Rider 'A' to Recover Gas Cost Deferral Account - \$/GJ	<u>\$ 0.610</u>		
17	% Rate Rider 'A' Increase/(Decrease) over Existing Rate Rider 'A' - \$/GJ	<u>-38.20%</u>		
18	Incremental Fixed Charge Increase - \$/Month	\$ -		
19	Existing Fixed Charge - \$/Month	<u>\$ 7.50</u>		
20	Proposed Fixed Charge - \$/Month	<u>\$ 7.50</u>		
21	% Fixed Charge Increase over Existing Fixed Charge - \$/Month	<u>0.00%</u>		
22	Incremental Combined Commodity Rate Increase/(Decrease) - \$/GJ	<u>\$ 0.532</u>		
23	Existing Combined Commodity Rate - \$/GJ	<u>\$ 12.600</u>		
24	Proposed Final Combined Commodity Rate - \$/GJ	<u>\$ 13.132</u>		
25	% Increase/(Decrease) Over Existing Combined Commodity Rate - \$/GJ	<u>4.22%</u>		

CENTRA GAS WHISTLER INC.
2003 REVENUE REQUIREMENT APPLICATION

S 7.2

REVENUE REQUIREMENT

<u>LINE</u>		<u>2003 Forecast</u>	<u>Reference</u>
1	Cost of Sales	6,468,142	S 16.1
2	Total Operating Expenses	823,245	S 17.1
3	Total Depreciation	468,516	S 10.4
4	Total Amortization	(161,470)	S 13.1 / S 13.2
5	Total Municipal Taxes	288,526	S 19.5
6	Total Taxes Payable @ Proposed Rates	248,026	S 19.2 / S 19.4
7	Projected / Proposed Return on Rate Base	<u>1,102,025</u>	S 14.1
8	Total Revenue Requirement	<u><u>9,237,011</u></u>	

Reconciliation of Revenue Requirement

9	Total Propane Sales Revenue @ Existing Rates	8,560,508	S 15.4
10	Total Other Revenue	<u>21,986</u>	S 15.7
11	Total Revenue @ Existing Rates	8,582,493	
12	Revenue Deficiency / (Surplus)	<u>654,518</u>	
13	Total Revenue Requirement	<u><u>9,237,011</u></u>	

CENTRA GAS WHISTLER INC.
2003 REVENUE REQUIREMENT APPLICATION

S 8.1

UTILITY INCOME

<u>LINE</u>	<u>2002 Actual</u>	<u>2003 Forecast</u>	<u>Reference</u>
1 Energy Sales - GJ - Normalized Actuals	690,866	<u>720,000</u>	S 15.1
True up to Negotiated Settlement	31,709		
Energy Sales - GJ - Negotiated Settlement	<u>722,575</u>		
2 Propane Sales Revenue @ Existing Rates	8,210,592	8,560,508	S 15.4
3 Cost of Sales	<u>5,487,637</u>	<u>6,468,142</u>	S 16.1
4 Gross Margin	2,722,956	2,092,365	
Margin Deferral - per Negotiated Settlement	124,798		
5 Other Revenue @ Existing Rates	<u>20,711</u>	<u>21,986</u>	S 15.7
6 Net Utility Revenue	<u>2,868,465</u>	<u>2,114,351</u>	
7 Expenses			
8 Direct Operating and Maintenance	540,035	607,078	S 17.1
9 Shared Service Cost Allocation	212,554	216,167	S 17.1
10 Municipal Taxes	271,517	288,526	S 19.5
11 Depreciation	438,254	468,516	S 10.4
12 Amortization - Regulatory Costs	11,697	12,700	S 13.1
13 Amortization - Property Tax Differential	-	(15,545)	S 13.1
14 Amortization - Interest Rate Differential	(8,362)	(239,467)	S 13.1
15 Amortization - Gas Cost Differential (July 1-Dec. 31/01 Bal.)	(185,588)	-	S 13.1
16 Amortization - BC Capital Tax Differential	(5,075)	-	S 13.1
17 Amortization - Gas Cost Differential	-	-	S 13.1
18 Amortization - Margin Differential	-	76,751	S 13.1
19 Amortization - BC Rail Strike	5,108	-	S 13.1
20 Amortization - CIS Development Costs	4,091	4,091	S 13.3
21 Total Expenses	<u>1,284,231</u>	<u>1,418,817</u>	
22 Operating Income	1,584,233	695,534	
23 Utility Income Before Income Taxes	1,584,233	695,534	
24 Total Taxes Payable	<u>269,217</u>	<u>37,757</u>	S 19.1 & S 19.4
25 Net Utility Income	<u>1,315,017</u>	<u>657,777</u>	
26 Mid - Year Rate Base	16,785,317	16,794,048	S 9.1
27 Earned Return Percentage on Mid-Year Rate Base	7.83%	3.92%	

CENTRA GAS WHISTLER INC.
2003 REVENUE REQUIREMENT APPLICATION

S 9.1

RATE BASE

<u>Line</u>		<u>2002 Actual</u>	<u>2003 Forecast</u>	<u>Reference</u>
	GROSS PLANT IN SERVICE			
1	Beginning of Year	\$ 16,708,402	\$ 17,879,081	S 10.2 - S 10.3
2	End of Year	<u>17,879,081</u>	<u>18,291,196</u>	S 10.2 - S 10.3
3	Average Mid-Year Balance	17,293,741	18,085,138	
4	Adjustment for deferred balances added to GPIS as at January 1	<u>\$ 314,115</u>	<u>\$ -</u>	
5	Adjusted Average Balance	17,607,856	18,085,138	
	ACCUMULATED DEPRECIATION			
6	Beginning of Year	\$ (1,810,954)	\$ (2,217,158)	S 10.4
7	End of Year	<u>(2,217,158)</u>	<u>(2,655,384)</u>	S 10.4
8	Average Mid-Year Balance	(2,014,056)	(2,436,271)	
9	NET MID-YEAR PLANT IN SERVICE	15,593,800	15,648,867	
10	MID-YEAR ALLOCATED COMMON PLANT	104,335	104,335	
11	WORKING CAPITAL	<u>1,087,182</u>	<u>1,040,846</u>	S 12.1
12	MID-YEAR RATE BASE	<u><u>\$ 16,785,317</u></u>	<u><u>\$ 16,794,048</u></u>	
		Approved System Expansion Capital Expend.		
13	Total Actual Expenditures:	\$ 628,229	\$ -	
14	Included in Mid Year Gross Plant in Service	<u>314,115</u>	<u>-</u>	
15	Adjustment to Rate Base for January 1 inclusion in GPIS	<u><u>\$ 314,115</u></u>	<u><u>\$ -</u></u>	

CENTRA GAS WHISTLER INC.
2003 REVENUE REQUIREMENT APPLICATION

S 12.1

WORKING CAPITAL

<u>LINE</u>	<u>2002 Actual</u>	<u>2003 Forecast</u>	<u>Reference</u>
1 Cash Working Capital	97,392	114,189	S 12.2
2 Inventory - Materials & Services	37,105	25,975	S 12.3
3 Propane Inventory & Fort Saskatchewan Storage	690,148	924,790	S 12.3
4 Refundable Contributions	(20,039)	(56,226)	S 12.3
5 Customer Security Deposits	(18,919)	(14,812)	S 12.3
6 Employee Withholdings	(3,388)	(3,388)	S 12.3
7 Sub-Total	<u>782,299</u>	<u>990,528</u>	
8 Mid-Year Deferred Items (After Tax)			
9 Regulatory Costs	4,773	(0)	S 13.1
10 Property Tax Differential	(7,773)	(7,773)	S 13.1
11 Interest Rate Differential	(134,377)	(119,733)	S 13.1
12 Settlement Margin Differential	38,375	38,375	S 13.1
13 Rider "A"	504,618	139,448	S 13.1
14 Cost of Gas Differential (July 1- Dec. 31/01)	(89,115)	-	S 13.1
15 Gas Cost Differential (Outlook 2002)	(14,173)	-	S 13.1
16 BC Rail Strike - Freight	2,554	-	S 13.1
17 BC Capital Tax	0	0	S 13.1
18 Total Deferred Items	<u>304,883</u>	<u>50,317</u>	S 13.1
19 Total Working Capital Requirements	<u>1,087,182</u>	<u>1,040,846</u>	

CENTRA GAS WHISTLER INC.
2003 REVENUE REQUIREMENT APPLICATION

S 12.2

CASH WORKING CAPITAL

<u>LINE</u>	<u>Net Lag</u>	<u>2002 Actual</u>	<u>2003 Forecast</u>	<u>Reference</u>
AMOUNT PAID / ACCRUED				
1 Cost of Gas	1.5	5,487,637	6,468,142	S 16.1
2 OM&A	29.1	752,589	823,245	S 17.1
3 Municipal Taxes	41.5	246,240	288,526	S 19.5
4 Provincial Sales Tax (PST)	(20.3)	437,554	449,207	
5 Income Tax and Large Corporation Tax	20.1	236,403	248,026	S 19.1,2 & 4
6 BC Capital Tax	(31.6)	26,732	-	S 19.3
7 Goods and Services Tax (GST)	0.3	576,191	600,775	
AMOUNT REQUIRED (Total adjusted for lead/lag days)				
8 Cost of Gas		22,552	26,581	
9 OM&A		60,001	65,634	
10 Municipal Taxes		27,997	32,805	
11 Provincial Sales Tax (PST)		(24,335)	(24,983)	
12 Income Taxes		13,018	13,658	
13 BC Capital Tax		(2,314)	-	
14 Goods and Services Tax (GST)		474	494	
15 Total Cash Working Capital		97,392	114,189	

CENTRA GAS WHISTLER INC.
2003 REVENUE REQUIREMENT APPLICATION
RATE BASE
DEFERRED COSTS - SUMMARY
(After Tax)

S 13.1

2002 Actual

Line	Deferred Item	Actual 2001 Ending Balance	Adjustment	Actual 2002 Gross Additions/ (Deductions)	Less Taxes	2002 Net Additions	2002 Amortization	2002 Ending Balance	2002 Mid-Year Balance
1	2002 Regulatory Costs	9,545	0	3,498	(1,347)	2,151	11,697	(0)	4,773
2	Interest Rate Differential	(29,287)	0	(355,352)	136,811	(218,541)	(8,362)	(239,467)	(134,377)
3	Rider "A" (to June 30, 2001)	705,674	9,809	(669,790)	257,869	(411,921)	0	303,562	504,618
4	Cost of Gas Diff. (July to December 31,2001)	(181,909)					(185,588)	3,679	(89,115)
5	Gas Cost Differential (2002 Outlook Period)	0		(46,090)	17,745	(28,345)	0	(28,345)	(14,173)
6	BC Rail Strike	5,108		0	0	0	5,108	0	2,554
7	B.C. Capital Tax Differential	0	(5,075)	0	0	0	(5,075)	0	0
8	Property Tax Differential	0		(25,277)	9,732	(15,545)	0	(15,545)	(7,773)
9	Sales Margin Differential	0		124,798	(48,047)	76,751	0	76,751	38,375
10	Total Deferred Items	509,131	4,734	(968,212)	372,762	(595,451)	(182,220)	100,635	304,883

2003 FORECAST

Line	Deferred Item	2002 Ending Balance	Adjustment	Forecast 2003 Gross Additions/ (Deductions)	Less Taxes	2003 Net Additions	2003 Amortization	2003 Ending Balance	2003 Mid-Year Balance
1	2003 Regulatory Costs	(0)		20,000	(7,300)	12,700	12,700	(0)	(0)
2	Interest Rate Differential	(239,467)			0	0	(239,467)	0	(119,733)
3	Property Tax Differential	(15,545)			0	0	(15,545)	0	(7,773)
4	Sales Margin Differential	76,751			0	0	76,751	0	38,375
5	Rider "A"	278,896	\$	(439,206)	160,310	(278,896)		0	139,448
	Total Deferred Items	100,635		(419,206)	153,010	(266,196)	(165,561)	(0)	50,317

CENTRA GAS WHISTLER INC.
2003 REVENUE REQUIREMENT APPLICATION
NON-RATE BASE
DEFERRED COSTS - SUMMARY
(After Tax)

S 1

2002 Actual

Line	Deferred Item	2001 Ending Balance	Adjustment	2002 Gross Additions(Deductions)	Interest	Less Taxes	2002 Net Additions	2002 Amortization	2002 Ending Balance
6	Banner CIS Development Costs	25,256		-	747	(288)	459	4,091	21,6
7	Whistler Pipeline Investigation	1,743,875	(709,489)	32,022	57,654	(34,525)	55,151	-	1,089,5
8	Function Junction Tank Upgrade	628,229	(628,229)				-	-	.
9	Total Deferred Items	2,397,361	(1,337,718)	32,022	58,401	(34,813)	55,610	4,091	1,111,1

2003 FORECAST

Line	Deferred Item	2002 Ending Balance	Adjustment	2003 Gross Additions(Deductions)	Interest	Less Taxes	2003 Net Additions	2003 Amortization	2003 Ending Balance
10	Banner CIS Development Costs	21,624		-	750	(274)	476	4,091	18,0
11	Whistler Pipeline Investigation	1,089,538		2,460	39,679	(14,483)	27,656	-	1,117,1
12	Total Deferred Items	1,111,162		2,460		(14,757)	28,132	4,091	1,135,2

**CENTRA GAS WHISTLER INC.
2003 REVENUE REQUIREMENT APPLICATION**

S 14.1

COST OF CAPITAL

<u>Line</u>							
2003 Forecast @ Proposed		Capitalization		Embedded Cost	Cost Component	Earned Return	Annual Annual Interest Cost
1	Debt	10,916,131	65.00%	4.70%	3.06%	513,058	513,058
2	Equity	5,877,917	35.00%	10.02%	3.51%	588,967	
3	Mid-Year Rate Base	16,794,048	100.00%		6.56%	1,102,025	513,058
2003 Forecast @ Existing		Capitalization		Embedded Cost	Cost Component	Earned Return	Annual Annual Interest Cost
4	Debt	10,916,131	65.00%	4.70%	3.06%	513,058	513,058
5	Equity	5,877,917	35.00%	2.46%	0.86%	144,719	
6	Mid-Year Rate Base	16,794,048	100.00%		3.92%	657,777	513,058
2002 Actual		Capitalization		Embedded Cost	Cost Component	Earned Return	Annual Annual Interest Cost
7	Debt	10,910,456	65.00%	6.52%	4.24%	711,144	711,144
8	Equity	5,874,861	35.00%	10.28%	3.60%	603,873	
9	Mid-Year Rate Base	16,785,317	100.00%		7.83%	1,315,017	711,144
2002 Allowed		Capitalization		Embedded Cost	Cost Component	Earned Return	Annual Annual Interest Cost
10	Debt	10,910,456	65.00%	6.59%	4.28%	718,999	718,999
11	Equity	5,874,861	35.00%	9.73%	3.41%	571,624	
12	Mid-Year Rate Base	16,785,317	100.00%		7.69%	1,290,623	718,999

ENERGY SALES - GJ

2003

Forecast

LINE		Forecast											TOTAL	
		JAN	FEB.	MAR	APR	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.		DEC
		Actual Normalized	Actual Normalized											
1	RESIDENTIAL													
	No. of Customers	1,830	1,838	1,843	1,853	1,862	1,875	1,880	1,882	1,895	1,912	1,927	1,944	1,877
2	Use per Customer - GJ	12.54	11.24	11.28	8.16	5.17	3.52	2.70	2.70	3.65	6.30	9.74	13.57	90.56
3	TOTAL RESIDENTIAL - GJ	22,941	20,658	20,782	15,117	9,633	6,601	5,071	5,086	6,912	12,046	18,778	26,374	170,000
	COMMERCIAL													
4	No. of Customers	311	313	313	313	313	313	313	313	314	318	323	324	316
5	Use per Customer - GJ	111.05	104.12	108.92	84.07	58.82	44.71	45.93	45.90	45.19	63.16	88.81	118.39	919.08
6	TOTAL COMMERCIAL -GJ	34,538	32,589	34,093	26,313	18,412	13,994	14,375	14,367	14,190	20,086	28,686	38,357	290,000
	LARGE COMMERCIAL													
7	No. of Customers	19	19	19	19	19	19	19	19	19	20	20	20	19
8	Use per Customer - GJ	2,073.3	1,465.63	1,516.27	1,156.12	795.61	594.45	680.91	680.54	601.37	850.35	1,295.74	1,767.95	13,478.21
9	TOTAL LARGE COMMERCIAL - GJ	39,392	27,847	28,809	21,966	15,117	11,295	12,937	12,930	11,426	17,007	25,915	35,359	260,000
10	TOTAL ENERGY SALES - GJ	96,871	81,094	83,684	63,396	43,161	31,889	32,384	32,384	32,528	49,140	73,378	100,090	720,000

CENTRA GAS WHISTLER INC.
2003 REVENUE REQUIREMENT APPLICATION

S 1:

SALES REVENUE - \$			2003	Forecast	Forecast												TOTAL
LINE					JAN	FEB.	MAR	APR	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC	
1	RESIDENTIAL	Fixed Monthly			\$ 13,725	\$ 13,785	\$ 13,823	\$ 13,898	\$ 13,965	\$ 14,063	\$ 14,100	\$ 14,115	\$ 14,213	\$ 14,340	\$ 14,453	\$ 14,580	\$ 169,0
2		Commodity			\$ 266,414	\$ 239,901	\$ 241,338	\$ 175,558	\$ 111,871	\$ 76,653	\$ 58,892	\$ 59,068	\$ 80,274	\$ 139,894	\$ 218,064	\$ 306,284	\$ 1,974,2
3	TOTAL RESIDENTIAL				\$ 280,139	\$ 253,686	\$ 255,161	\$ 189,456	\$ 125,836	\$ 90,716	\$ 72,992	\$ 73,183	\$ 94,486	\$ 154,234	\$ 232,516	\$ 320,864	\$ 2,143,2
4	COMMERCIAL	Fixed Monthly			\$ 2,333	\$ 2,348	\$ 2,348	\$ 2,348	\$ 2,348	\$ 2,348	\$ 2,348	\$ 2,348	\$ 2,355	\$ 2,385	\$ 2,423	\$ 2,430	\$ 28,3
5		Commodity			\$ 401,090	\$ 378,456	\$ 395,925	\$ 305,569	\$ 213,814	\$ 162,515	\$ 166,940	\$ 166,843	\$ 164,789	\$ 233,264	\$ 333,127	\$ 445,437	\$ 3,367,7
6	TOTAL COMMERCIAL				\$ 403,422	\$ 380,804	\$ 398,273	\$ 307,916	\$ 216,162	\$ 164,863	\$ 169,288	\$ 169,190	\$ 167,144	\$ 235,649	\$ 335,549	\$ 447,867	\$ 3,396,1
7	LARGE COMMERCIAL	Fixed Monthly			\$ 143	\$ 143	\$ 143	\$ 143	\$ 143	\$ 143	\$ 143	\$ 143	\$ 143	\$ 150	\$ 150	\$ 150	\$ 1,7
8		Commodity			\$ 457,459	\$ 323,387	\$ 334,560	\$ 255,095	\$ 175,549	\$ 131,164	\$ 150,241	\$ 150,160	\$ 132,690	\$ 197,503	\$ 300,948	\$ 410,624	\$ 3,019,3
9	TOTAL LARGE COMMERCIAL				\$ 457,602	\$ 323,530	\$ 334,703	\$ 255,238	\$ 175,692	\$ 131,306	\$ 150,384	\$ 150,302	\$ 132,832	\$ 197,653	\$ 301,098	\$ 410,774	\$ 3,021,1
10	TOTAL SALES REVENUE				\$ 1,141,163	\$ 958,020	\$ 988,136	\$ 752,610	\$ 517,689	\$ 386,885	\$ 392,663	\$ 392,675	\$ 394,462	\$ 587,536	\$ 869,163	\$ 1,179,505	\$ 8,560,5
11	Forecast RATE RIDER "A" Pre Tax Revenue				\$ 59,092	\$ 49,468	\$ 51,048	\$ 38,672	\$ 26,329	\$ 19,453	\$ 19,754	\$ 19,754	\$ 19,843	\$ 29,976	\$ 44,761	\$ 61,056	\$ 439,2

CENTRA GAS WHISTLER INC.
2003 REVENUE REQUIREMENT APPLICATION

S 11

COST OF GAS -		2003	FORECAST												
			Forecast												
			Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Total
1	Sales Volumes (GJ)	2.9987%	96,871	81,094	83,684	63,396	43,161	31,889	32,384	32,384	32,528	49,140	73,378	100,090	720,000
2	UAF		2,905	2,432	2,509	1,901	1,294	956	971	971	975	1,474	2,200	3,001	21,500
3	Purchase Volumes (GJ)		99,776	83,526	86,194	65,297	44,456	32,846	33,355	33,355	33,504	50,613	75,578	103,091	741,500
4	Forecast Unit Cost of Gas		\$ 8.665	\$ 8.665	\$ 8.665	\$ 8.665	\$ 8.665	\$ 8.665	\$ 8.665	\$ 8.665	\$ 8.665	\$ 8.665	\$ 8.665	\$ 8.665	\$ 8.665
5	Forecast Cost of Gas (\$)		\$ 864,578	\$ 723,767	\$ 746,884	\$ 565,816	\$ 385,218	\$ 284,615	\$ 289,027	\$ 289,025	\$ 290,317	\$ 438,575	\$ 654,902	\$ 893,307	\$ 6,426,000
6	Forecast Cost of Gas (\$/GJ)		\$ 8.665	\$ 8.665	\$ 8.665	\$ 8.665	\$ 8.665	\$ 8.665	\$ 8.665	\$ 8.665	\$ 8.665	\$ 8.665	\$ 8.665	\$ 8.665	\$ 8.665
7	Forecast Cost of Gas (\$)		\$ 864,578	\$ 723,767	\$ 746,884	\$ 565,816	\$ 385,218	\$ 284,615	\$ 289,027	\$ 289,025	\$ 290,317	\$ 438,575	\$ 654,902	\$ 893,307	\$ 6,426,000
8	Deferral Account Additions		-	-	-	-	-	-	-	-	-	-	-	-	-
6	Gas Supply O&M (\$) (allocated from Centra BC at prev year + CPI)	1.9%	3,509	3,509	3,509	3,509	3,509	3,509	3,509	3,509	3,509	3,509	3,508	3,508	42,100
7	Total Cost of Gas (\$)		\$ 868,087	\$ 727,277	\$ 750,394	\$ 569,325	\$ 388,727	\$ 288,124	\$ 292,536	\$ 292,534	\$ 293,827	\$ 442,085	\$ 658,410	\$ 896,816	\$ 6,468,100

CENTRA GAS WHISTLER INC.
2003 REVENUE REQUIREMENT APPLICATION

S 17.1

DIRECT & ALLOCATED COMMON OPERATING & MAINTENANCE EXPENSES - SUMMARY

<u>LINE</u>		2002 Actual	2003 Forecast	Reference
	GROSS DIRECT EXPENSES			
	Operations			
1	Manufactured Gas Production	184,606	186,615	S17.2
2	Transmission	-	584	S17.2
3	Distribution	285,520	339,261	S17.2
4	General Operation	7,295	14,149	S17.2
5	Total Operations	477,421	540,609	
6	General and Administration			
7	Sales Promotion	-	-	S17.3
8	Customer Accounting	26,488	25,439	S17.3
9	Administration and General	92,748	109,740	S17.3
10	Total General and Administration	119,236	135,179	
11	Maintenance			
12	Manufactured Gas Production	19,543	20,462	S17.4
13	Transmission	-	5,959	S17.4
14	Distribution	10,095	12,240	S17.4
15	Total Maintenance	29,638	38,661	
16	Total Gross Direct Expenses	626,295	714,449	
17	LESS: Direct Capitalization	86,260	107,371	
18	Total Net Direct Expenses	540,035	607,078	
19	Total Net Allocated Common Expenses	212,554	216,167	
20	TOTAL NET O & M	752,589	823,245	
21	Average Number of Customers	2,076	2,212	S15.1
22	Average Direct Cost per Customer	\$ 260	\$ 274	
23	Average Allocated Common Costs per Customer	\$ 102	\$ 98	
24	Average Total O&M Cost per Customer	\$ 363	\$ 372	

**CENTRA GAS WHISTLER INC.
2003 REVENUE REQUIREMENT APPLICATION**

S 19.2

INCOME TAXES @ PROPOSED RATES

<u>Line</u>	2003 Forecast Proposed	Reference
1 Proposed Earned Return After Tax	1,102,025	S 14.1
2 Less Financial Expenses	<u>513,058</u>	S 14.1
3 Accounting Income After Tax	588,967	
ADD:		
4 Depreciation	468,516	S 10.4
5 Amortization of Deferreds (Tax Adjusted):		
6 Regulatory Costs	12,700	S 13.1
7 Property Tax Differential	(15,545)	S 13.1
8 Interest Rate Differential	(239,467)	S 13.1
9 Settlement Margin Differential	76,751	S 13.1
10 Cost of Gas Differential (July 1 - Dec. 31/01)	-	S 13.1
11 Earnings/Rider Adjustment	-	S 13.1
12 Gas Cost Differential (Outlook 2002)	-	S 13.1
13 BC Rail Strike - Freight	-	S 13.1
14 BC Capital Tax Differential	-	S 13.1
15 Banner CIS Development Costs	4,091	S 13.2
16 Meals and Entertainment	2,140	
17 Large Corporations Tax	<u>37,757</u>	S 19.4
18 Total Additions	<u>346,943</u>	
DEDUCT:		
19 Capital Cost Allowance	523,238	S 19.3
20 CCA Loss Carryforward Taken	-	
21 Admin. O/H Capitalized - current year	45,000	S 19.3
22 CEC	1,862	S 19.3
23 AFUDC	-	
Deferred Debits/(Credits):		
24 Regulatory Costs	-	S 13.1
25 South Plant Trucking	-	S 13.1
26 Interest Rate Differential	-	S 13.1
27 Freight Start Up	-	S 13.1
28 Rider "A"	-	S 13.1
29 Earnings/Rider Adjustment	-	S 13.1
30 Gas Cost Differential	-	S 13.1
31 Banner CIS Development Costs	<u>-</u>	S 13.2
Total Deductions	<u>570,100</u>	
32 Taxable Income After Tax	<u>365,811</u>	
33 Tax Gross Up (I minus effective tax rate)	<u>0.6350</u>	
34 Taxable Income	<u>576,080</u>	
	Forecast 2003	
35 Gross Federal Tax	28.00% 161,302	
36 Reduction to Federal Tax	5.00% <u>28,804</u>	
37 Net Federal Tax	23.00% 132,498	



WHISTLER

BCUC Log # 2817
RECEIVED
APR 7 2003
Routing _____

File No. 4927

April 7, 2003

BY FACSIMILE (604) 660-1102
British Columbia Utilities Commission
900 Howe Street Box 250
Vancouver, BC V6Z 2N3

Attention: Mr. William J. Grant

RE: 2003 Revenue Requirements Application for Centra Gas Whistler Inc.

Dear Mr. Grant:

The Resort Municipality of Whistler offers its endorsement of the proposed settlement as outlined in your letter dated April 2, 2003.

We would like to thank the BC Utilities Commission for the opportunity to contribute to the alternative dispute resolution process.

If you have any questions or concerns, please feel free to contact the writer.

Sincerely,

Lisa M. Landry
(604) 935-8124

cc: Mr. Ken Derpak, Whistler Blackcomb (604) 932-6374
Mr. Geoffrey Higgins, Centra Gas Whistler (250) 480-4454

From: "Ken Derpak (WB)" <kderpak@intrawest.com>
To: "bill.grant@bcuc.com" <bill.grant@bcuc.com>
Cc: "barry.mckinlay@bcuc.com" <barry.mckinlay@bcuc.com>,
"llandry@whistler.ca" <llandry@whistler.ca>
Subject: 2003 revenue settlement
Date: Wed, 9 Apr 2003 16:03:22 -0700
Importance: high
X-Priority: 1

I wish to confirm my acceptance of the settlement of 4.22 % increase as per your letter of April 2, 2003.

I am content with the letter issued and don't need to see another draft prior to issuance. I would like to suggest Lisa as the point person should the press or public want additional comment, trust that is acceptable. I would like to thank all of you, and Brian in addition, for your assistance in this settlement.