



British Columbia Utilities Commission
1998 Annual Report

British Columbia Utilities Commission
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*Vancouver, B.C.
June 1, 1999*

To the Lieutenant Governor in Council

MAY IT PLEASE YOUR HONOUR:

Pursuant to Section 13 of the Utilities Commission Act, we respectfully submit this report on the activities of the British Columbia Utilities Commission for the calendar year 1998.

Original signed by:

PETER OSTERGAARD
Chair

Original signed by:

LORNA R. BARR
Deputy Chair

INTRODUCTION

The British Columbia Utilities Commission is an independent regulatory agency of the Provincial Government operating under and administering the *Utilities Commission Act*. The Commission's primary responsibility is the regulation of the energy utilities under its jurisdiction to ensure that the rates charged for energy are fair, just and reasonable, and that utility operations provide safe, adequate and secure service to their customers. It approves the construction of new facilities planned by utilities and their issuance of securities. The Commission's function is quasi-judicial and its Decisions and Orders may be appealed to the Court of Appeal on questions of law or jurisdiction.

The Commission participates in the review of utility and energy projects under the Environmental Assessment Act ("EAA"). Most utility projects reviewable under the EAA also require the issuance of Certificates of Public Convenience and Necessity ("CPCN") by the Commission. The Commission also reviews, evaluates, and reports on energy related matters referred to it by Cabinet: this review process usually involves public hearings followed by a decision or a report and recommendations to the Lieutenant Governor in Council.

1998 REGULATORY HIGHLIGHTS

Regulatory Proceedings

Regulatory proceedings before the Commission included:

- West Kootenay Power's 1998 Revenue Requirements Application (Reasons for Decision appended to Order No. G-5-98).
- West Kootenay Power's Rate Design and New Service Options Application and Green Power Tariff (Reasons for Decision appended to Order No. G-15-98).
- West Kootenay Power's Certificate of Public Convenience and Necessity Applications to Relocate its No. 49 Transmission Line from Penticton to Summerland (Reasons for Decision appended to Order No. G-17-98) and to rebuild its No. 44 Line from Oliver to Osoyoos (August 5, 1998 Decision and Order No. C-13-98).
- BC Gas' 1997 Certificate of Public Convenience and Necessity Application for the Southern Crossing Pipeline Project (April 3, 1998 Decision and Order No. G-31-98).
- B.C. Hydro's 1997 Wholesale Transmission Services Application (April 23, 1998 Decision and Order No. G-43-98).
- Pacific Northern Gas' 1998 Revenue Requirements Application and 1998 Cost of Service Allocation and Rate Design Study (June 18, 1998 Decision and Order No. G-53-98).
- West Kootenay Power's 1998 Annual Review and 1999 Revenue Requirement and Incentive Mechanism Review (Negotiated Settlement Order No. G-123-98).
- BC Gas' 1999 Revenue Requirements Application (Negotiated Settlement Order No. G-115-98).
- Princeton Light and Power's Trans-X Rate Design Application Modified Version 2 (Order No. G-81-98).

Many of the applications to the Commission during 1998 were managed through an Alternative Dispute Resolution Process.

Electricity Market Developments

The Commission has been implementing competitive options into the electricity markets over the past several years to provide opportunities for some customers to reduce their electricity costs and to respond to requirements for electricity trade with United States customers. B.C. Hydro provides wholesale transmission access, real time pricing tariffs and an opportunity for industrial customers to participate in curtailment programs to take advantage of high electricity market prices elsewhere. In 1998 the Commission reviewed applications by West Kootenay Power on transmission access and access principles.

Alternative Dispute Resolution/Negotiated Settlement Process

The Commission continues its commitment to improve the quality and efficiency of the regulatory process in British Columbia. The Alternative Dispute Resolution ("ADR")/Negotiated Settlement Process is one tool used to review utility applications. Not all applications brought to the Commission are suited to the ADR process, although a pre-hearing negotiation process may be used to reach agreement on issues that traditionally would be examined at a public hearing. As a result, the settlement of certain issues can significantly reduce hearing time and costs.

In 1998 nearly all utility rate applications were resolved using an ADR process. BC Gas' 1997 Southern Crossing Pipeline Project application and the rebuilding of West Kootenay Power's Transmission Line No. 44 were reviewed by Public Hearing.

Participant Assistance

The Commission provides the opportunity for financial assistance under Section 118 of the *Utilities Commission Act*. Amendments to the Guidelines for Participant Assistance/Cost Awards were approved on November 18, 1998 by Order No. G-97-98.

Return on Common Equity ("ROE") Mechanism

The formula-driven method of determining the ROE for regulated utilities was established by the Commission in 1994 and updated in 1997. The mechanism provides for an annual recalculation to reflect changes in market circumstances. The rates were recalculated in December 1998 to implement appropriate rates of return for 1999. While this generic approach provides both an effective and efficient approach to ROE determination, the Commission is establishing a public hearing in 1999 to review the mechanism to determine if it can be improved.

Incentive Regulation

In past Decisions the Commission has instituted direct utility and shareholder incentives for cost efficiencies that do not negatively affect the quality of service. Incentives allow for longer periods between reviews and align the interests of shareholders and ratepayers. An example of incentive-based rates is West Kootenay Power's 1996 three-year settlement with performance factors and utility/customer risk-sharing for each major cost and revenue

category. The West Kootenay Power settlement has been extended to a fourth year. More recently, BC Gas' 1998-2002 Performance-Based Rate Application was reviewed in a Negotiated Settlement Process. It anticipates even broader proposals for performance factors and sharing mechanisms.

British Columbia Hydro and Power Authority Wholesale Transmission Services

A hearing into B.C. Hydro's Wholesale Transmission Services ("WTS") Application began on January 19, 1998. The Application, to which interim approval had been granted effective August 1, 1997, revised earlier applications and decisions dealing with the structure of wholesale transmission tariffs, the allocation of costs to generation or transmission, and ancillary services.

The Application also conformed with the Federal Energy Regulatory Commission Order 888-A pro forma tariffs, in order to support the British Columbia Power Exchange Corporation's ("Powerex") application for a Power Marketing Authorization. Powerex received a PMA in September 1997. The evidentiary portion of the hearing lasted nine days. The Commission's Decision, issued on April 23, 1998, confirmed most aspects of B.C. Hydro's Application, ruled on the functionalization of certain costs, and directed B.C. Hydro to undertake more work regarding discounting, Codes of Conduct, and point to point rates.

British Columbia Hydro and Power Authority Rate Freeze and Profit Sharing Act

The B.C. Hydro Rate Freeze and Profit Sharing Act, 1998, amended section 2 of the Tax and Consumer Rate Freeze Act, freezing the utility's rates from December 10, 1997 to March 31, 2000. The Commission, therefore, has no plans to review B.C. Hydro's 1999/00 revenue requirements and rates.

The Rate Freeze and Profit Sharing Regulation (Order in Council 695/98) states that the "rates" and "fixed charge" portions of B.C. Hydro's rate schedules are frozen. Other terms and conditions of the tariffs can be amended, and new rates for new services not covered under tariffs in existence on December 10, 1997 can be set, in accordance with established ratemaking principles. Examples include changes to the terms and conditions of the Real Time Pricing tariff, B.C. Hydro's Price Dispatched Curtailment Program, and Bypass Rate Guidelines application.

Electricity Supply Contract Exemptions

Section 22 of the *Utilities Commission Act* was amended in July of 1998 to allow the Minister to exempt from the provisions of Section 71, by order, persons entering into energy supply contracts for the provision of electricity. Two Ministerial Orders have subsequently been issued:

M-22-9801 exempts from Commission review, contracts entered into by B.C. Hydro or Powerex for electricity before March 31, 2000. It also exempts the projects supplying the electricity from regulation as public utilities (Part 3).

M-22-9803 exempts from Commission review, various contracts and projects in the Columbia Basin, including the Waneta upgrade, the Purcell project and the Keenleyside project, Cominco, the Columbia Power Corporation ("CPC"), the Columbia Basin Trust ("CBT") and joint ventures with CPC and CBT.

Participants' Guide to the B.C. Utilities Commission

In March 1999 the Commission completed revisions to its "Participants' Guide to the B.C. Utilities Commission". The Guide provides individuals with information about utility regulation in British Columbia and identifies opportunities to participate in the process. The Guide is a key part of the Commission's commitment to improving its public participation procedures, communications and education functions.

Southern Crossing Pipeline Project

In its April 3, 1998 Decision on BC Gas' application to build a 24-inch southern crossing pipeline from Yahk in the Kootenay region, to Oliver, B.C., the Commission denied the application and asked BC Gas to expedite negotiations with B.C. Hydro to explore the benefits of peak shaving the Lower Mainland load in cold winter periods. BC Gas filed a new application in December 1998 which includes the construction of a slightly modified southern crossing pipeline, peaking agreements, and transportation agreements. The hearing into this application commenced March 29, 1999.

Assistance to Yukon Utilities Board

Under a contract with the Yukon Utilities Board the Commission provided professional and technical services, assisting the Yukon Utilities Board with its regulatory proceedings.

JANUARY 1, 1999 COST OF GAS PASS-THROUGH APPROVALS

The Commission approved for most natural gas utilities a cost of gas pass-through ranging from 6% to 15% effective January 1, 1999. The Commission reduced the rate increases that were applied for by adopting a forecast of gas prices that was more modest than that proposed by some utilities. The Commission committed to review commodity prices mid-year to determine if competitive market circumstances would require an additional gas cost increase.

1999 ANTICIPATED EVENTS

- BC Gas' revised Southern Crossing Pipeline Project Application Review
- Pacific Northern Gas' Rates and Merger Proposal
- B.C. Hydro's Bypass Rate Guidelines Application
- B.C. Hydro's Price Dispatched Curtailment Pilot Program Review
- B.C. Hydro's Real Time Pricing Tariff
- Rate of Return on Common Equity Review
- Negotiated Settlement Guidelines Review
- West Kootenay Power's Long-Term Resource Plan
- West Kootenay Power's Rates for 2000

APPENDIX 1

STANDARD ABBREVIATIONS

Agents/Brokers/Marketers	ABM
Allowance for Funds Used During Construction	AFUDC
Alternative Dispute Resolution	ADR
Apartment Customer Rates	ACR
BC Gas Utility Ltd. (subsidiary of BC Gas Inc.)	BC Gas
British Columbia Hydro and Power Authority	B.C. Hydro
Centra Gas British Columbia Inc.	Centra Gas BC
Centra Gas Fort St. John Inc.	Centra Gas FSJ
[operations taken over by PNG (N.E.) January 1, 1997]	
Centra Gas Whistler Inc.	Centra Whistler
Central Heat Distribution Limited	CHDL
Certificate of Public Convenience and Necessity	CPCN
Competitive Range Rate	CRR
Customer Baseline Load	CBL
Demand-Side Management	DSM
Fully Allocated Cost of Service	FACOS
Federated Pipelines (Western) Ltd.	Federated
Gas Cost Reconciliation Account	GCRA
Generation-Related Transmission Assets	GRTA
Hemlock Valley Electrical Services Limited	HVES
Kanelk Transmission Company Limited	Kanelk
Large General Service	LGS
Morrison Petroleum Ltd.	Morrison
Operating and Maintenance	O&M
Pacific Northern Gas Ltd.	PNG
Pacific Northern Gas (N.E.) Ltd.	PNG (N.E.)
Princeton Light and Power Company, Limited	PLP
Rate Stabilization Adjustment Mechanism	RSAM
Real Time Pricing	RTP
Retail Markets Downstream of the Utility Meter	RMDM
Return on Common Equity	ROE
Small General Service	SGS
Southern Crossing Pipeline	SCP
Squamish Gas Co. Ltd.	Squamish Gas
Silversmith Light & Power Corporation	Silversmith
Sun Peaks Utilities Co., Ltd.	Sun Peaks
The Corporation of the City of Nelson	City of Nelson
Trans Mountain Enterprises of British Columbia Limited	TME
Utilities Commission Act	the Act
Westcoast Energy Inc.	WEI
Westcoast Gas Services Inc.	WGS
The Yukon Electrical Company Limited	YECL

APPENDIX 2 **REGULATED UTILITIES**

CROWN-OWNED ELECTRIC UTILITY

British Columbia Hydro and Power Authority
333 Dunsmuir Street
Vancouver, B.C. V6B 5R3

SERVICE AREA

Lower Mainland, Vancouver Island,
Central and Northern, B.C. and
East Kootenay Regions

INVESTOR-OWNED ELECTRIC UTILITIES

Hemlock Valley Electrical Services Limited
Box 7, Site 2, R.R. #1
Agassiz, B.C. V0M 1A0

SERVICE AREA

Hemlock Valley

Kanelk Transmission Company Limited
Box 1900
#110 - 12th Avenue S.W.
Calgary, Alberta T2P 2M1

Wholesale to B.C. Hydro in Elk Valley

Princeton Light and Power Company, Limited
Box 700
Princeton, B.C. V0X 1W0

Princeton, Osprey Lake and
Missezula Lake Areas

Silversmith Light & Power Corporation
Box 369
New Denver, B.C. V0G 1S0

Sandon, B.C.

West Kootenay Power Ltd.
P.O. Box 130
Trail, B.C. V1R 4L4

West Kootenay and Okanagan
Regions of B.C.

The Yukon Electrical Company Limited
Box 4190
Whitehorse, Yukon Territory Y1A 3T4

Lower Post

MUNICIPALLY-OWNED ELECTRIC UTILITIES*

SERVICE AREA

City of Grand Forks
Box 220
Grand Forks, B.C. V0H 1H0

Grand Forks

City of Kelowna
1435 Water Street
Kelowna, B.C. V1Y 1J4

Kelowna

City of Nelson
502 Vernon Street
Nelson, B.C. V1L 4E8

Nelson Area

City of New Westminster
511 Royal Avenue
New Westminster, B.C. V3L 1H9

New Westminster

City of Penticton
616 Okanagan Avenue East
Penticton, B.C. V2A 3K6

Penticton

MUNICIPALLY-OWNED ELECTRIC UTILITIES*

District of Summerland
 Box 159
 Summerland, B.C. V0H 1Z

SERVICE AREA

Summerland

INVESTOR-OWNED NATURAL GAS OR PROPANE UTILITIES

BC Gas Utility Ltd.
 1111 West Georgia Street
 Vancouver, B.C. V6E 4M4

SERVICE AREA

Lower Mainland, Fort Nelson, Central and Northern Interior, the Kootenays and the Okanagan

Centra Gas British Columbia Inc.
 1675 Douglas Street, P.O. Box 3777
 Victoria, B.C. V8W 3V3

Sunshine Coast, Powell River, and Vancouver Island north to Campbell River, west to Port Alberni, and south to Victoria

Centra Gas Whistler Inc.
 1675 Douglas Street, P.O. Box 3777
 Victoria, B.C. V8W 3V3

Whistler (Propane Grid System)
 (Port Alice propane grid system sold, April 1998)

Centra Gas Fort St. John Inc.
 1675 Douglas Street, P.O. Box 3777
 Victoria, B.C. V8W 3V3

Fort St. John
 (effective January 1, 1997 utility operations were taken over by Pacific Northern Gas and operated as Centra Gas)

Pacific Northern Gas Ltd.
 1400, 1185 West Georgia Street
 Vancouver, B.C. V6E 4E6

Summit Lake to Prince Rupert and Kitimat

Pacific Northern Gas (N.E.) Ltd.
 1400, 1185 West Georgia Street
 Vancouver, B.C. V6E 4E6

Dawson Creek, Rolla, Pouce Coupe and Tumbler Ridge

Pacific Northern Gas Ltd.
 1400, 1185 West Georgia Street
 Vancouver, B.C. V6E 4E6

Granisle (Propane Grid System)
 (acquired from Squamish Gas, June 1997)

Port Alice Gas Inc.
 201 - 3855 Henning Drive
 Burnaby, B.C. V5C 6N3

Port Alice (Propane Grid System)

Squamish Gas Co. Ltd.
 1111 West Georgia Street
 Vancouver, B.C. V6E 4M4

Squamish (Natural Gas)
 Granisle (Propane Grid System) (acquired by Pacific Northern Gas, June 1997)

Sun Peaks Utilities Co., Ltd.
 1280 Alpine Road
 Sun Peaks, B.C. V0E 1Z1

Resort area north of Kamloops

INVESTOR-OWNED STEAM HEAT UTILITY

Central Heat Distribution Limited
 720 Beatty Street
 Vancouver, B.C. V6B 2M

SERVICE AREA

Downtown Vancouver

* Only service outside of Municipal boundaries is subject to regulation by the British Columbia Utilities Commission.

WEST KOOTENAY POWER LTD.

1998 Revenue Requirements Negotiated Settlement

Reasons for Decision appended to Order No. G-5-98, dated January 8, 1998

On November 7, 1997, WKP filed its Preliminary 1998 Revenue Requirements material for the Annual Review, pursuant to the 1996 Settlement Agreement. The Annual Review was held in Kelowna, B.C. on December 3, 1997, and WKP made its final application for rates, which included a 1.2% general rate increase for all customers, on December 9, 1997. Submissions were received from WKP and participants to the Annual Review.

The Commission approved WKP's 1998 Revenue Requirements with adjustments to remove \$100,000 from 1998 power purchase costs. An \$88,000 incentive sharing payment to the shareholders was denied as the Commission identified about \$550,000 of expected savings due to other market energy purchases. The Commission also recognized an expected value of approximately \$450,000 for the asymmetry surrounding WKP's power purchase cost in high load versus low load weather conditions.

KANELK TRANSMISSION COMPANY LIMITED

Terms and Conditions of Service with B.C. Hydro

Reasons for Decision appended to Order No. G-6-98, dated January 8, 1998

On October 4, 1996, Kanelk advised the Commission that it had failed to reach an agreement with B.C. Hydro regarding the Terms and Conditions of Service as directed in the Commission's October 17, 1995 Decision. The 1995 Decision set out the electricity rates charged by Kanelk to B.C. Hydro for transmission and other services and Kanelk's rate base. The Commission set the matter down for a written hearing and submissions were received from Kanelk and B.C. Hydro.

The Commission approved the Terms and Conditions of Service in the Wholesale Transmission Service and System Support Services Agreement as filed. The Commission directed that in the event that B.C. Hydro abandons its use of the Kanelk system and is required to make a payment to Kanelk under Clause 6.2 of the Agreement, and should Kanelk subsequently find a useful purpose for the system or assets, Kanelk will be required to refund a portion of the unrecovered investment payment to B.C. Hydro.

WEST KOOTENAY POWER LTD.

Certificate of Public Convenience and Necessity Application for Transmission Line No. 49 - Inquiry

Reasons for Decision appended to Order No. G-12-98, dated January 14, 1998

Reasons for Decision appended to Order No. G-17-98, dated February 12, 1998

In response to complaints received following the November 12, 1997 CPCN, the Commission appointed an Inquiry Officer to conduct an inquiry into the route selection for a 10.6-km section of the line near Penticton. On January 8, 1998, the Inquiry Officer submitted his Inquiry Report to the Commission. Further submissions and comments were received from the affected property owners and the public on the options proposed by WKP for the section of the line in the West Bench and Sage Mesa areas.

The Commission reviewed and accepted the Inquiry Officer's Report and authorized its release. Following review of the submissions and comments received, the Commission approved the rebuilding of WKP's No. 49 Line in the West Bench and Sage Mesa areas using one of several options as the preferred route and removed the stop-work order imposed by Order No. G-130-97.

WEST KOOTENAY POWER LTD.

**Rate Design and New Service Options Application/Green Power Tariff
Negotiated Settlement - Alternative Dispute Resolution Process
Reasons for Decision appended to Order No. G-15-98, dated January 29, 1998**

On September 2, 1997, WKP applied for approval to amend its Rate Schedules in accordance with its Rate Design and New Service Options Application. The Application requested approval of certain shifts in the collection of the revenue requirement among customer classes, changes to the structure of the rates of some customer classes and the introduction of optional Time of Use and Green Power rates. WKP requested that the adjustments to existing rates be accomplished over three years, effective the first day of the years 1998, 1999 and 2000. Participants reviewed the Application through an ADR process held December 10-12, 1997, and a Proposed Settlement Agreement was reached. Additional comments were received from participants on several aspects of the Settlement Agreement.

The Commission reviewed and approved WKP's Rate Design and New Service Options Application as varied by the amended Settlement Agreement. In reaching this determination, the Commission noted that the Green Power and Time of Use rate proposals were optional so that those parties who do not wish to participate in the programs are not compelled to participate and that the rules which would govern the programs contained adequate protection for both participants and non-participants so that neither group would be exposed to undue risks. The Commission also recognized that the Time of Use program resulted in a possible negative impact on non-participants in the short-term, but accepted that the program has the potential to generate offsetting long-term benefits for all customers.

WEST KOOTENAY POWER LTD.

**Certificate of Public Convenience and Necessity Application to Relocate its
No. 49 Transmission Line from Penticton to Summerland -
Request for Reconsideration of Order No. G-17-98
Reasons for Decision appended to Order No. G-34-98, dated April 1, 1998**

On February 19, 1998, Mr. Richard Chapman requested that the Commission reconsider the route approved for WKP's No. 49 Transmission Line and submitted a further option for Commission consideration. Additional information regarding the reliability considerations for the proposed new route option was received from WKP.

The Commission denied the request for a reconsideration of Order No. G-17-98.

BC GAS UTILITY LTD.

**Southern Crossing Pipeline Certificate of Public Convenience and Necessity Application
Order No. G-31-98, dated April 3, 1998**

On May 30, 1997, BC Gas applied to the Commission for a CPCN to build the Southern Crossing Pipeline project ("the SCP") which consisted of a 310 km (193-mile), 24-inch diameter pipeline and compressor facilities, extending from near Yahk to Oliver, B.C. The cost estimate of \$348 million for the project was expected to have a variance range of approximately 10%. BC Gas indicated that the SCP is required to meet incremental peak day and seasonal gas demand by BC Gas customers over the next 30 years.

A public hearing into the Application was held over a total of 24 hearing days, with final argument completed on December 19, 1997. Several alternatives to the SCP, dealing with new or expanded pipeline systems or the construction of Liquefied Natural Gas ("LNG") storage facilities, were also examined during the hearing process.

In its April 3, 1998 Decision, the Commission stated it was satisfied that BC Gas required a new supply resource addition within the next five years to serve the growth in peak and seasonal demand, particularly in the Lower Mainland. However, the model used by BC Gas to evaluate different options, with adjustments made by the Commission, showed an LNG option to be the preferred resource option. Consequently, the Commission denied the application for a CPCN for the SCP.

The Commission recognized that investigation of potential peak shaving from thermal generation was incomplete. Planned cogeneration plants on Vancouver Island and the Burrard Thermal Plant might provide a low cost peaking option for the customers of BC Gas and the demand for baseload gas for these plants could make a pipeline proposal such as SCP more attractive. The Commission therefore established a timetable for BC Gas to explore with B.C. Hydro potential synergies between the proposed thermal generation projects and the peaking demands on the BC Gas system to determine if they could together provide a lower cost option for gas and electric utility customers.

On December 11, 1998, in response to the April 3, 1998 Decision, BC Gas again applied for a CPCN for the SCP project. On January 8, 1999, BC Gas filed copies of the Peaking Gas Purchase Agreements and Firm Tendered Transportation Service Agreements with B.C. Hydro and PG&E Energy Trading, Canada Corporation. Following a Workshop and written submissions, the Commission, by Order No. G-21-99, established an oral hearing which commenced March 29, 1999. The scope of the hearing was limited to material changes to the net benefits of the SCP since the April 3, 1998 Decision and the alternative proposals that were considered in the Decision.

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

**1997 Wholesale Transmission Services Application
Order No. G-43-98, dated April 23, 1998**

The Commission's June 25, 1996 Decision into B.C. Hydro's November 10, 1995 Wholesale Transmission Services ("WTS") Application approved a set of WTS tariffs for B.C. Hydro. In its 1996 Decision, the Commission stated that the approved tariffs required further analysis and that it required B.C. Hydro to undertake further analyses to more precisely identify its Transmission Revenue Requirement. Further, the Commission directed B.C. Hydro to apply for new rates that reflected long-run marginal costs and locational considerations. On February 17, 1997, B.C. Hydro filed a new WTS Application with the Commission that contained B.C. Hydro's response to the Commission's directions. Substantial revisions were made to the February 17, 1997 filing on June 20, 1997, to bring B.C. Hydro's proposed tariff into conformity with the Federal Energy Regulatory Commission's ("FERC") Order No. 888-A pro forma tariffs which required postage-stamp rates.

The Application was reviewed through a public hearing that commenced on January 19, 1998 and lasted nine days, with written final argument received thereafter. On April 23, 1998, the Commission issued its Decision into B.C. Hydro's Wholesale Transmission Services Application. The following is a summary of the Decision:

- B.C. Hydro was directed to file an adjusted transmission revenue requirement and associated tariffs which reflect functionalizing 100% of the GRTAs to generation. The Decision directed that the treatment of the GRTAs is to be similar to that found in the 1993/1994 FACOS study.
- The Commission directed that 100% of 69 kV and 138 kV assets should be functionalized to transmission. That is, these assets should be treated in a manner consistent with the interim transmission revenue requirement and interim rates then in effect.
- B.C. Hydro was directed to file an adjusted transmission revenue requirement and associated tariffs which reflect the Commission's judgment that it is appropriate to allocate 10% of the annual capitalized DSM costs to the transmission revenue requirement. B.C. Hydro was also ordered to file its adjusted revenue requirement and associated tariffs, reflecting the Commission's directions on both the GRTAs and DSM, no later than May 31, 1998.
- The Commission did not approve the discount policy as put forward in the Application. Nonetheless, the Commission indicated that it believed that, if the concerns discussed in section 3.3.1 of the Decision could be resolved, discounting may provide benefits that would accrue to all customer classes. Accordingly, the Commission directed B.C. Hydro to consult with its customers in an effort to establish a discount policy, or some other policy, which will encourage the efficient use of the transmission system. This policy should distinguish between the benefits to be gained from discounts from those to be gained from site credits. B.C. Hydro was directed to file this new policy with the Commission no later than October 31, 1998.
- B.C. Hydro was directed to work with Industrial customers to bring forward a proposal, by October 31, 1998, for separating local and bulk facilities for billing purposes and for the possible future identification of GRTAs.
- B.C. Hydro's proposal with respect to Short-Term Point-to-Point Service was accepted.
- The Commission accepted that the B.C. Hydro Power Supply is being treated on the same basis as other wholesale transmission customers.
- B.C. Hydro's proposals with respect to energy imbalances and loss compensation were accepted.
- B.C. Hydro was directed to comply with the current Standards and Communication Protocols for Open Access Same Time Information Systems ("OASIS") as may be issued by FERC except where to do so is patently unreasonable. If B.C. Hydro believed such compliance to be unnecessary or unreasonable, B.C. Hydro was directed to apply to the Commission for relief. The application should state, with reasons, which Standards and Communications Protocols should not apply.
- B.C. Hydro was directed to file with the Commission an updated Code of Conduct for Grid Operations and Inter-Utility Affairs, which addressed the concerns identified by the Intervenor. Accompanying the Code should be a report that identifies exactly how the proposed Code of Conduct addresses each of the concerns identified by the Intervenor.
- The Commission approved the auction process proposed by B.C. Hydro with the following change: Attachment J to Tariff Supplement No. 30 should include a provision that limits the ability of one party to reserve more than 50% of the Total Transfer Capability available under the first-come first-served process.

PACIFIC NORTHERN GAS LTD.

**1998 Revenue Requirements and 1998 Cost of Service Allocation and Rate Design Study
Order No. G-53-98, dated June 18, 1998**

On November 28, 1997, PNG filed its 1998-2002 Performance-Based Rates Revenue Requirements Application seeking approval to increase its gas rates on an interim and final basis, effective January 1, 1998, and to implement a Performance-Based Rates proposal for the 1999-2002 fiscal periods. On the same date, PNG also filed a 1998 Cost of Service Allocation/Rate Design Study. On March 16, 1998, PNG filed a revision that withdrew the Performance-Based Rates section of the Application and reduced it to a single year (1998) Application.

The Application was reviewed through a public hearing that began on March 30, 1998. On June 18, 1998, the Commission issued its Decision. A summary of the directives is as follows:

- The interim rates approved as of January 1, 1998, by Order No. G-124-97, were cancelled subject to the timely filing by PNG, and acceptance by the Commission of amended Gas Tariff Rate Schedules conforming to the terms of the Commission's Decision.
- PNG is to refund with interest any overpayment in rates from its customers. PNG is to provide the Commission with a detailed Summary of Rates and a reconciliation schedule verifying any refund. PNG will provide all customers with an information notice and summary of the Commission's Decision.
- PNG is to file amended Rate Schedules 1-5, as found in the revised Application of March 16, 1998, conforming to the terms of the Commission's Decision.
- The rate design changes required by the Decision are to be implemented effective July 1, 1998.
- The gas cost changes required by the Decision are to be implemented effective January 1, 1998.

WEST KOOTENAY POWER LTD.

**Transmission Line No. 44 Certificate of Public Convenience and Necessity Application
Order No. C-13-98, dated August 5, 1998**

On November 19, 1997, WKP applied for a CPCN to rebuild its No. 44 Transmission Line from Oliver to Osoyoos, B.C. WKP stated that the present line had reached its thermal capacity, the end of its useful life, and a new line would increase the capacity and improve reliability. The Application was reviewed through a two-day public hearing process which consisted of a Town Hall Meeting, the public hearing and subsequent written argument.

The Commission's August 5, 1998 Decision granted WKP a CPCN to rebuild and operate the No. 44 Transmission Line at 63 kV, but denied WKP's proposal to install insulators that would accommodate an upgrade to 138 kV. The CPCN was granted subject to WKP obtaining all necessary permits, licenses and approvals from those agencies having jurisdiction. Further, WKP was directed to consult with stakeholders along the Highway 97 section south of Deadmans Lake, to advise adjacent property owners and residents along the route of the nature and timing of the work to be done, and to resolve, to the extent possible, any pole placement issues that may be raised by the owners and residents.

WEST KOOTENAY POWER LTD.

**Application for Reconsideration by Mr. Hans Karow, Coalition to Reduce Electropollution of the Commission's Decision Approving the Application to Rebuild the No. 44 Transmission Line from Oliver to Osoyoos
Reasons for Decision appended to Orders No. G-84-98, G-93-98**

On September 11, 1998, the Coalition to Reduce Electropollution ("CORE") applied for a reconsideration of the Commission's August 5, 1998 Decision. On September 23, 1998, the Commission issued Order No. G-84-98 requesting Intervenors to comment on CORE's application for reconsideration.

On October 29, 1998, the Commission issued Order No. G-93-98 and its Reasons for Decision denying CORE's Application for Reconsideration because it failed to meet the Commission's guiding principles for reconsideration. In essence, CORE failed to demonstrate the existence of one or more of the following:

- An error in fact or law;
- A fundamental change in circumstances or facts since the decision in question;
- A basic principle that had not been raised in the original proceeding; or
- A new principle had arisen as a result of the decision in question.

WEST KOOTENAY POWER LTD.

**1998 Annual Review and Preliminary 1999 Revenue Requirement and Incentive Mechanism Review—Negotiated Settlement
Orders No. G-123-98, G-124-98**

On October 26, 1998, WKP filed a Preliminary 1999 Revenue Requirements and Incentive Mechanism Application that requested an Order setting rates for a period beginning on January 1, 1999 and ending on any anniversary date of January 1, 1999, following the filing of adequate justification for termination, in accordance with the Incentive Mechanism approved by Order No. G-73-96. The Application was dealt with through a negotiated settlement process and a proposed negotiated settlement was reached and circulated to all parties involved. No letters of objection to the proposed negotiated settlement were received.

The 1998 Annual Review was required to assess WKP's performance and to make adjustments against the 1997 and 1998 Revenue Requirements. The Annual Review was held on December 1, 1998 and resulted in a consensus supporting WKP's final 1997 incentive adjustments and preliminary 1998 adjustments.

On December 22, 1998, the Commission issued Order No. G-123-98 approving the Negotiated Settlement into WKP's 1999 Revenue Requirement and Incentive Mechanism. The final rates for 1999 were subsequently filed and approved by Order No. G-124-98. The Commission also approved the 1997 and 1998 financial incentive adjustments arising from the 1998 Annual Review.

APPENDIX 4
PROCEEDING DAYS SUMMARY

APPLICANT	APPLICATION	PRE-HEARING CONFERENCE	WORKSHOP	ADR	PUBLIC HEARING	TOTAL DAYS
B.C. Hydro	1997 Wholesale Transmission Services				9	9
PNG	1998-2002 Performance Based Rates/1998 Rate Design Study	1	1	2	6	10
Centra Gas BC	Squamish to Whistler CPCN (Application withdrawn)	1				1
WKP	Transmission Access	.5	1		3	4.5
WKP	Access Principles	.5	1	4		5.5
WKP	Transmission Line 44 CPCN				1	1
B.C. Hydro	Real Time Pricing Tariff	1				1
BC Gas	1998 Annual Review			1		1
WKP	1998 Annual Review and 1999 Revenue Requirements and Incentive Mechanism	1		2.5		3.5
TOTAL DAYS		5	3	9.5	19	36.5

APPENDIX

CUSTOMER COMPLAINTS AND INQUIRIES

Inquiries from Utility Customers concerning Terms and Conditions, Quality of Service, Billing, Payment Requirements, Disconnections, etc.

An important aspect of the Commission's mandate is to apply regulation in a manner that reflects fair, consistent and clearly enunciated standards. Commission staff are available to assist members of the public in dealing with regulated utilities so that problems and inquiries are handled in a prompt, helpful and efficient manner.

Most complaints and inquiries are resolved through discussions between the customer and the utility concerned. Unresolved issues are referred to the Commission. To facilitate communication between the Commission and the customers of regulated utilities wishing to file complaints or have points clarified, toll-free calling from anywhere in the Province is available. The number of complaints and inquiries in 1998 increased to 415 from 271 in 1997. Most of the increase was attributable to 196 complaints associated with BC Gas' office closures in the Interior.

Summary of 1998 Customer Complaints and Inquiries

BC Gas Utility Ltd.	296
British Columbia Hydro and Power Authority	53
Centra Gas British Columbia Inc.	20
West Kootenay Power Ltd.	35
Squamish Gas Co. Ltd.	1
Pacific Northern Gas Ltd.	8
Centra Gas Fort St. John Inc.	1
Silversmith Light and Power Corporation	<u>1</u>
TOTAL 1998 COMPLAINTS/INQUIRIES	<u>415</u>

Authority for Cost Recovery

Beginning in 1988, the Commission was authorized to recover its costs from regulated utilities and pipeline companies by fixing levies according to Section 125 of the *Utilities Commission Act* and parameters set out in the Levy Regulation (B.C. Reg. 283/88). The Commission recovers most of its costs from a “per gigajoule” levy assessed on each utility, based on the amount of energy it sold in the previous calendar year. The Commission also bills utilities for its hearings costs that are attributed directly to those utilities. Direct recoveries have varied significantly from year to year, depending on the number and duration of regulatory hearings and inquiries. Minor revenues are also collected from intraprovincial petroleum pipeline companies and from other utility regulatory agencies that contract with the Commission for advice and assistance.

Forecast Levy 1998/99

The Commission’s fiscal year runs from April 1 to March 31. The voted expenditure for the 1998/99 fiscal year was \$3,807,000. Of this, \$813,000 was forecasted to be recovered directly from utilities for Commission expenditures directly attributable to their public hearings and other proceedings. This left a net annual budget of \$2,994,000 to be recovered from the levy, as identified in the formula below.

$$\frac{\text{Total Expenditure minus Direct Recoveries (\$)}}{\text{Total Utility Energy Volumes sold in previous calendar year (GJ)}} \quad \text{or} \quad \frac{\$3,807,000 - \$813,000}{425,263,000 \text{ GJ}} = \$0.0070404/\text{GJ}$$

The Commission’s costs were therefore expected to be recovered from a levy of \$0.0070404/GJ for the fiscal year beginning April 1, 1998, payable in four quarterly instalments. The levy for the last quarter of fiscal year 1997/98 (i.e., January 1 through March 31, 1998) was \$0.0060434/GJ.

Levy Billing Adjustments

Lower than forecasted Commission expenditures in the 1997/98 fiscal year resulted in a year-end credit from 1997/98 levy payments of \$1,474,863. These amounts were credited to the first, and part of the second, quarter billings for 1998/99. The third quarter billings were at the full levy rate of \$0.0070404/GJ. The 1998/99 fourth quarter billings were zero as a substantial end-of-year surplus was projected if the full quarterly levy instalment was collected. An estimated end of fiscal year surplus of \$407,149 will be credited to first quarter levy invoices in 1999/00.

The levy amounts recovered from utilities and other revenue sources are shown below for the 1998 Calendar Year and the 1998/99 Fiscal Year.

	<u>Amounts Recovered</u>	
	<u>1998 Calendar Year (Actual)</u>	<u>1988/99 Fiscal Year (Actual)</u>
Levy		
British Columbia Hydro and Power Authority	\$ 520,276	\$ 281,740
BC Gas Utility Ltd.	659,743	351,137
Central Heat Distribution Limited	3,398	1,764
Corporation of the City of Nelson	678	797
Hemlock Valley Electrical Services Limited	18	18
Centra Gas British Columbia Inc.	83,680	45,750
Centra Gas Whistler Inc.	1,565	861
Centra Gas Fort St. John Inc.	9,685	5,152
Pacific Northern Gas Ltd.	125,132	68,340
Pacific Northern Gas (N.E.) Ltd.	6,001	3,159
Port Alice Gas Inc.	34	34
Princeton Light and Power Company, Limited	632	704
Silversmith Light & Power Corporation	3	4
Squamish Gas Co. Ltd.	672	631
West Kootenay Power Ltd.	21,090	11,361
The Yukon Electrical Company Limited	<u>9</u>	<u>11</u>
	<u>1,432,616</u>	<u>771,463</u>
Intra-Provincial Oil Pipeline and Other Companies		
Federated Pipe Lines (Western) Ltd.	1,750	1,000
Morrison Petroleums Ltd.	3,500	3,000
Newcal Energy Inc.	1,250	1,000
Novagas Canada Inc.	750	1,000
Trans Mountain Enterprises of British Columbia Limited	1,750	1,000
Westcoast Gas Services Inc.	<u>750</u>	<u>1,000</u>
	<u>9,750</u>	<u>8,000</u>
Miscellaneous Revenues		
ABM Licence Fees		300
Previous year levy recoveries from Utilities		52,985
Commission Contract with Yukon Utilities Board		13,909
Other Revenue		<u>1,188</u>
TOTAL*	<u>\$1,442,366</u>	<u>\$ 847,845</u>
(*excludes direct recoveries and carry forward credit)		

1998/99 Revenues and Expenditures

Actual revenues and expenditures for the 1998/99 fiscal year are summarized below.

Levy Payments and Misc. revenues	\$ 847,845
Carry forward credit from 1997/98	1,474,863
Recovery of proceeding costs from Utilities	<u>359,813</u>
	2,682,521
Less: Expenditures (unaudited)	2,274,372
Vote	<u>1,000</u>
Carry forward credit to 1999/00 First Quarter Levy Payment	<u>\$ 407,149</u>

APPENDIX 7
DOMESTIC ELECTRICITY SALES - 1998

	Customers #	Revenue (\$000)	Sales (GW.h)
CROWN-OWNED ELECTRIC UTILITY			
British Columbia Hydro and Power Authority	<u>1,553,599</u>	<u>2,248,000</u>	<u>44,231.30</u>
MUNICIPALLY-OWNED ELECTRIC UTILITIES			
City of Grand Forks	1,975	1,874	31.19
City of Kelowna	12,088	14,931	276.67
City of Nelson	8,716	8,323	130.27
City of New Westminster	28,473	20,841	360.71
City of Penticton	14,787	15,514	293.70
District of Summerland	<u>4,973</u>	<u>4,369</u>	<u>76.44</u>
Total Municipally-Owned	<u>71,012</u>	<u>65,852</u>	<u>1,168.98</u>
INVESTOR-OWNED ELECTRIC UTILITIES			
Hemlock Valley Electrical Services Limited	207	204	1.39
Princeton Light and Power Company, Limited	2,923	3,483	54.68
Silversmith Light & Power Corporation	11	32	0.41
West Kootenay Power Ltd.	85,630	92,385	1,743.45
The Yukon Electrical Company Limited	<u>85</u>	<u>103</u>	<u>0.77</u>
Total Investor-Owned	<u>88,856</u>	<u>96,207</u>	<u>1,800.70</u>
TOTAL ALL ELECTRICAL UTILITIES	<u>1,713,467</u>	<u>2,410,059</u>	<u>47,200.98</u>

NOTES TO APPENDIX 7

1. 1 gigawatt hour (GW.h) = 1 million kilowatt hours.
2. Figures reported are for the 1998 calendar year. Customers reported are as at December 31, 1998.
3. Revenues and sales for B.C. Hydro and West Kootenay Power are net of sales to other reporting electrical utilities in this Appendix.

APPENDIX 8
DOMESTIC GAS SALES - 1998

	Customers #	Revenue (\$000)	Sales (GJ)(000)
INVESTOR-OWNED NATURAL GAS UTILITIES			
BC Gas Utility Ltd.			
Lower Mainland Division	515,564	533,564	120,367
Inland Division	201,013	163,829	57,792
Columbia Division	20,279	18,539	7,857
Fort Nelson Division	2,112	2,331	975
Squamish Gas Co. Ltd.	1,812	2,303	319
Centra Gas British Columbia Inc.			
Vancouver Island, Powell River and Sunshine Coast areas	61,154	80,662	24,223
Centra Gas Fort St. John Inc.	8,655	9,601	3,051
Pacific Northern Gas (N.E.) Ltd.	6,803	6,386	1,781
Pacific Northern Gas Ltd.	<u>23,164</u>	<u>55,523</u>	<u>34,408</u>
Total Investor-Owned	<u>840,556</u>	<u>872,738</u>	<u>250,773</u>
 INVESTOR-OWNED PROPANE GRID SYSTEM UTILITIES			
BC Gas Utility Ltd.			
Squamish Gas	99	75	7
Revelstoke	1,414	1,911	210
Centra Gas Whistler Inc.	1,577	5,998	549
Pacific Northern Gas Ltd.			
Granisle Grid	186	182	19
Port Alice Gas Inc.	<u>267</u>	<u>280</u>	<u>20</u>
Total Propane Grid Systems	<u>3,543</u>	<u>8,446</u>	<u>805</u>
 TOTAL ALL GAS UTILITIES	 <u>844,099</u>	 <u>881,184</u>	 <u>251,578</u>

NOTES TO APPENDIX 8

1. 1 gigajoule (GJ) is approximately equivalent to 0.910 mcf (mcf = one thousand cubic feet) or 0.0258 10³m³ of natural gas or 0.376 mcf of propane vapour in propane grid systems.
2. Figures reported are for the 1998 calendar year. Customers reported are as at December 31, 1998.
3. Sales of GJs shown include sales to end-use customers plus gas owned by customers and transported to their industrial operations by utilities.
4. Revenues reported for natural gas utilities include only transportation margins for large industrial customers who have purchased gas supplies directly from producers or aggregators.

APPENDIX
PERFORMANCE INDICATORS

Since the 1980s Commission staffing levels have decreased while the number of Orders issued continues to rise. The regulatory workload is difficult to quantify as much of the work relates to complaints and smaller day-to-day oversight.

CHART 1 STAFFING LEVEL

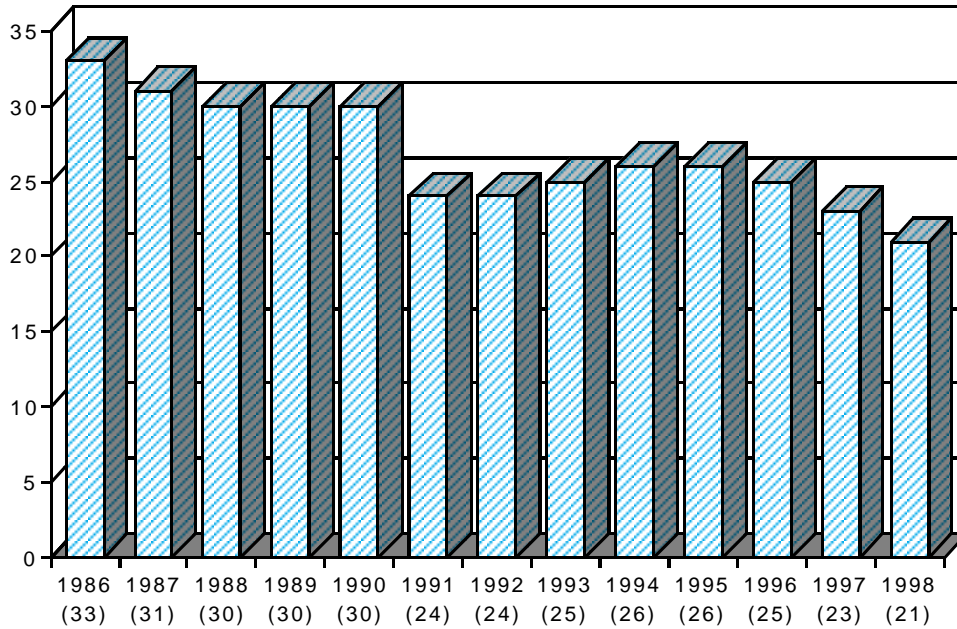
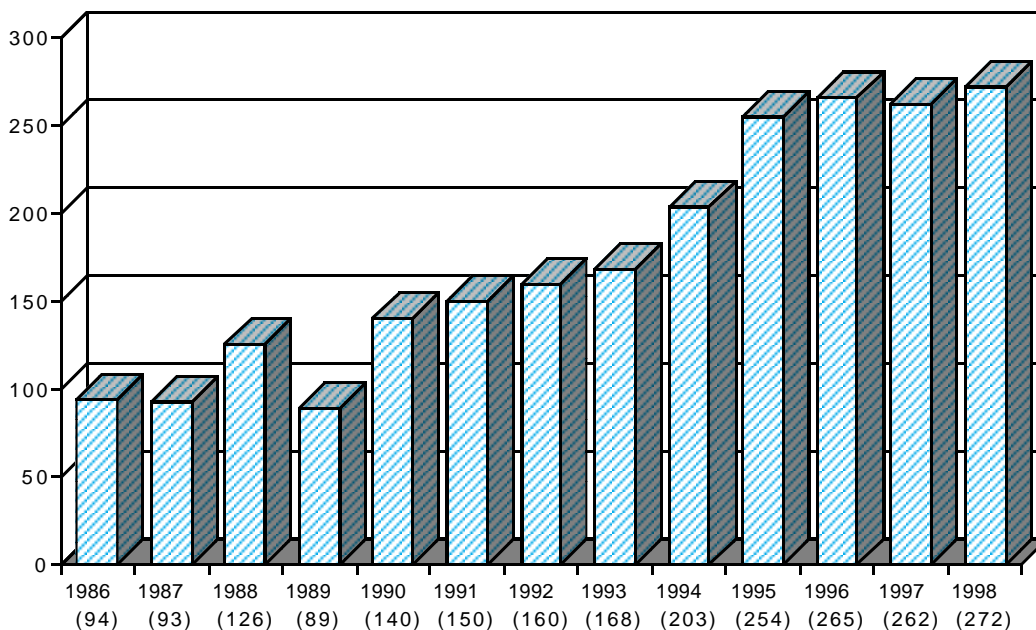


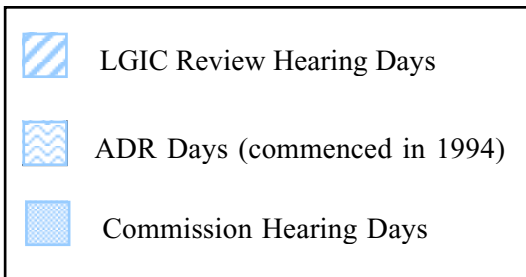
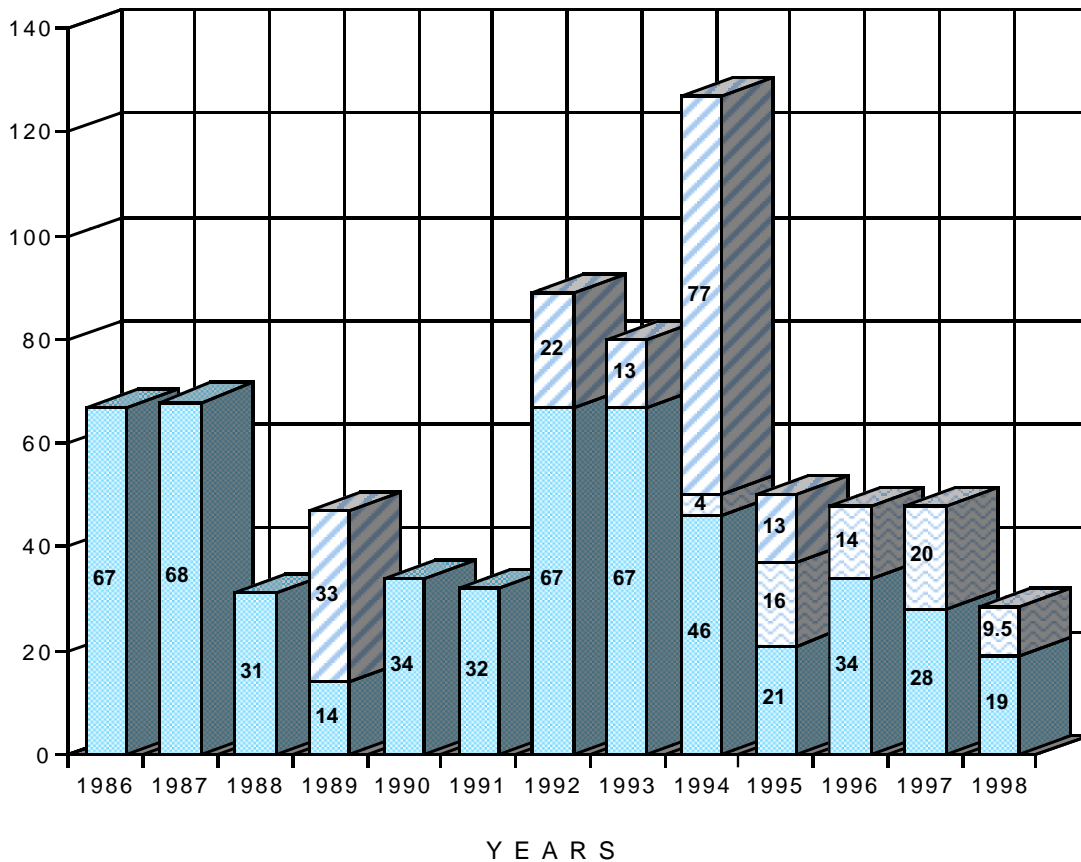
CHART 2 ORDERS ISSUED



The Commission plans to review its Negotiated Settlement Process Guidelines that were first issued in 1996. The Negotiated Settlement Process ("NSP") is part of the Commission's efforts to improve the quality and efficiency of its regulatory process. Use of the NSP, which is also referred to as Alternative Dispute Resolution ("ADR"), still requires considerable staff work before, during and after the negotiations.

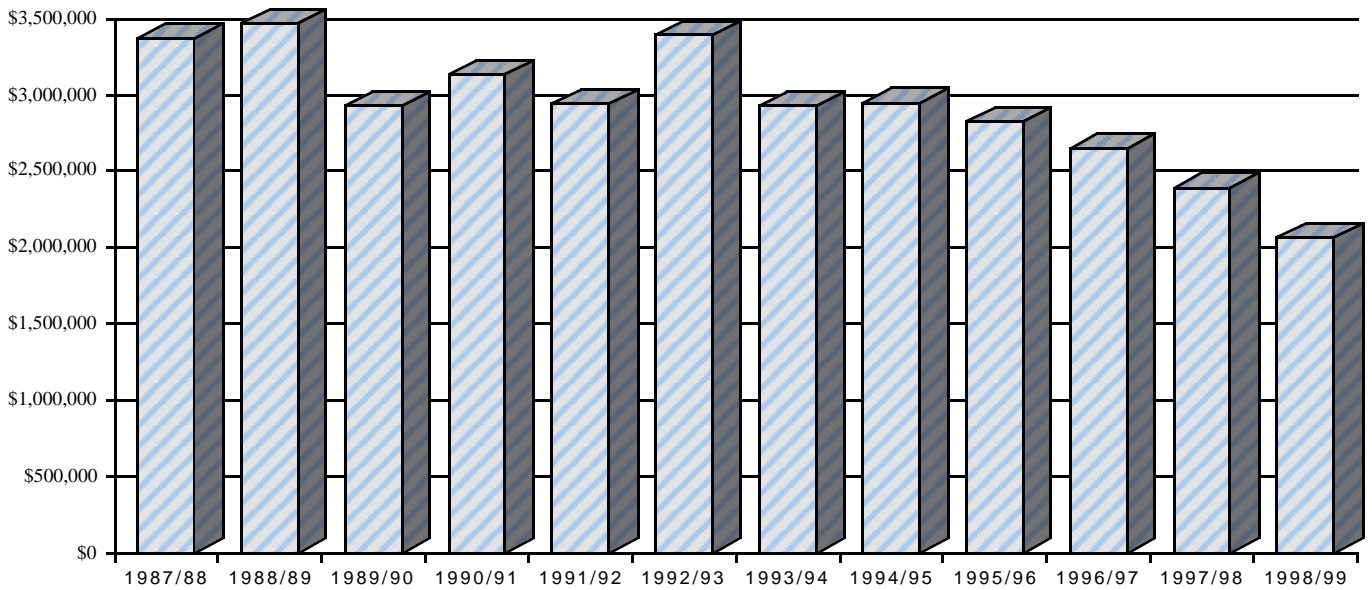
Chart 3 shows that the number of public hearing days has decreased over the last several years, primarily due to the use of ADR. Matters referred to the Commission by the Lieutenant Governor in Council can have a dramatic affect on the number of hearing days; for example, in 1994 the Kemano Completion Project was reviewed over 77 hearing days.

CHART 3 HEARING DAYS AND ALTERNATIVE DISPUTE RESOLUTION DAYS



Over the last eight years the Commission's budget has been increased only to the extent necessary to cover the general salary increases received by government employees. Other categories have decreased due to the Commission's cost saving efforts, meaning that the total budget has declined in real terms once inflation is taken into account (Chart 4). The most notable expenditure reductions are associated with reduced fees for legal counsel, consultants, part-time commissioners, and court reporters. The Commission's actual expenditures (unaudited) in 1998/99 were \$2,274,372.

CHART 4 **COMMISSION EXPENDITURES**
(1992 \$)



Over the last several years the B.C. economy and population have grown significantly, leading to increasing numbers of electric and natural gas customers. The cost of regulation per customer has fallen (Chart 5) as has the cost of regulation per Gigajoule of energy sold (Chart 6).

CHART 5 **COMMISSION COST PER CUSTOMER**
(1992 \$)

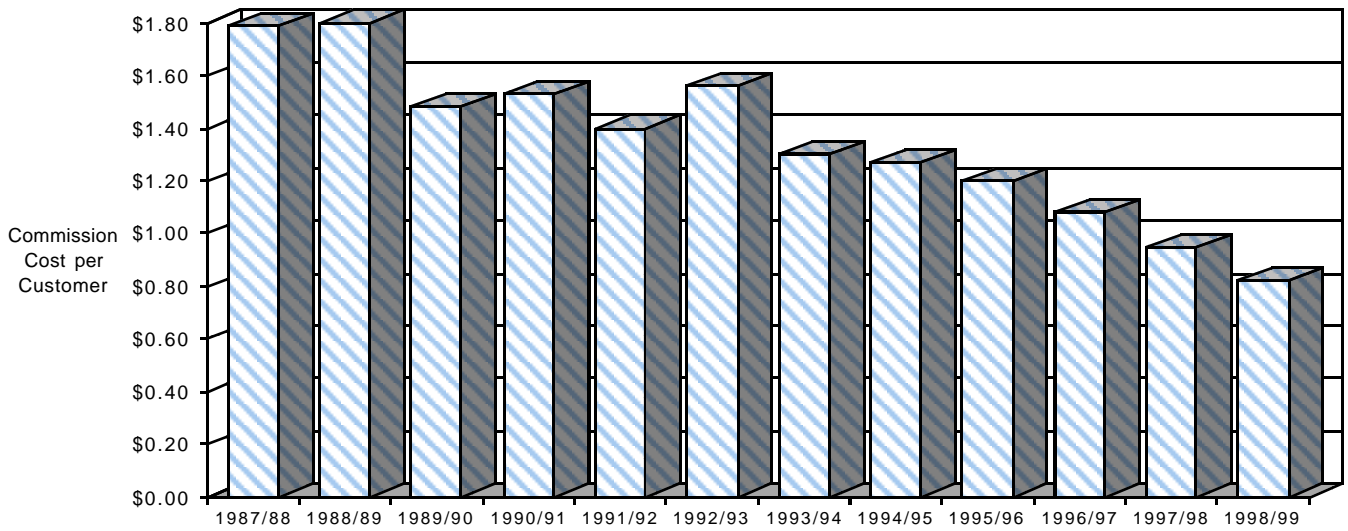
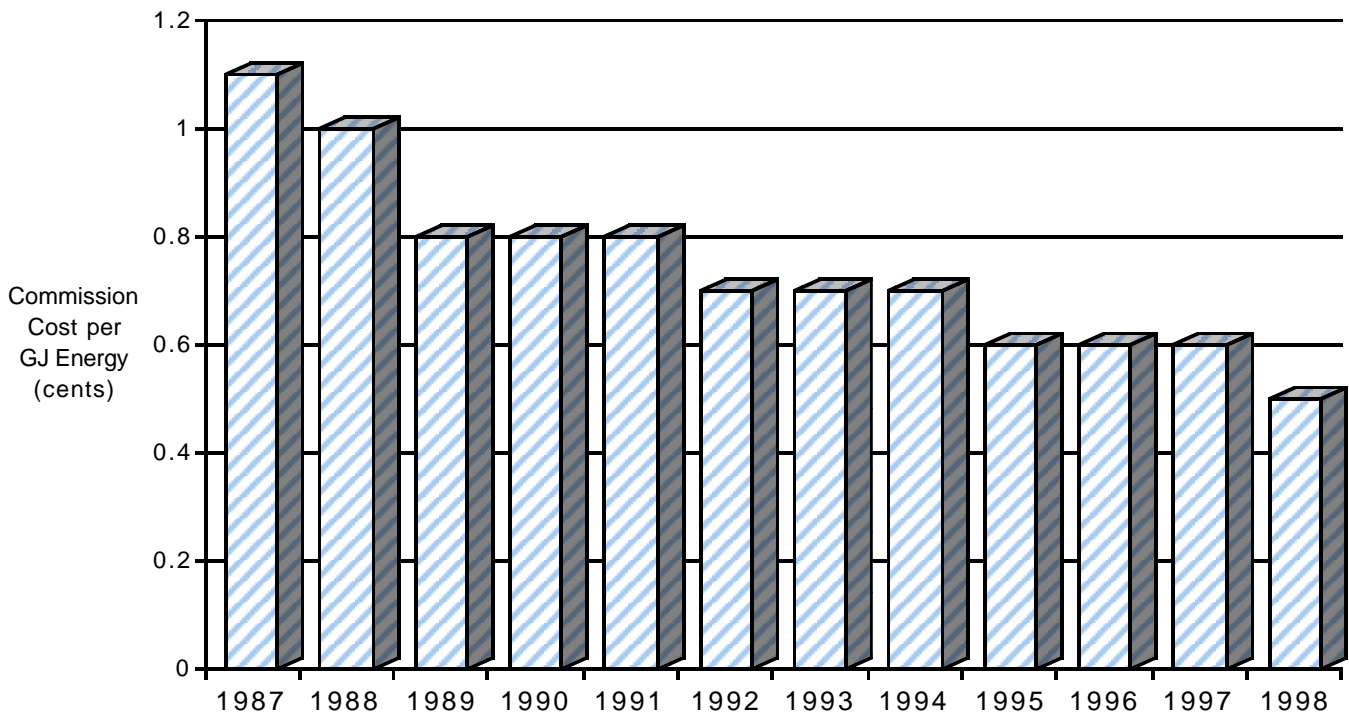


CHART 6 **COMMISSION COST PER GJ OF ENERGY SOLD**
(1992 CENTS)



ORDER **UTILITY OR APPLICANT(S)**

G-1-98 **B.C. HYDRO**

Extended the abeyance relating to the CPCN Application for Unit No. 4 at the Seven Mile Hydroelectric Project, granted under Order No. G-4-97, from December 31, 1997 to September 1, 1998.

G-2-98 **SQUAMISH GAS**

Approved the Settlement Agreement with the Ministry of Employment and Investment relating to the review of Squamish Gas operating results for the fiscal periods from August 6, 1991 to December 31, 1995.

G-3-98 **CENTRA WHISTLER**

Approved the new Gas Tariff BCUC No. 2 for customers connected to the underground distribution grid system located in the Resort Municipality of Whistler, effective January 1, 1998.

G-4-98 **BC GAS**

Directed BC Gas to collect franchise fees for the sale and delivery of gas within municipal boundaries, and not for other services, from its customers in Prince George, effective February 1, 1998.

G-5-98 **WKP**

Approved the 1998 Revenue Requirements Application with adjustments to remove \$100,000 from 1998 power purchase costs and to deny the \$88,000 incentive sharing payment to the shareholders. Commission's Reasons for Decision were attached.

G-6-98 **KANELK**

Approved the Wholesale Transmission Service and System Support Services Agreement as filed, inclusive of Clause 6.2 on Unrecovered Investment.

The Commission directed that if B.C. Hydro abandons its use of the Kanelk system and is required to make payment to Kanelk under Clause 6.2 and, should Kanelk subsequently find a useful purpose for the system or assets,

ORDER **UTILITY OR APPLICANT(S)**

Kanelk will be required to refund a portion of the unrecovered investment payment to B.C. Hydro. The Commission's Reasons for Decision were attached.

G-7-98 **PNG**

Established a Workshop to discuss PNG's 1998 Rate Increase, Performance-Based Rate Plan to determine Revenue Requirements for the Years 1999-2002 and the 1998 Rate Design Study Application and Study as well as a possible ADR process, should Workshop participants agree.

A public hearing into the Application and Study is set to commence March 30, 1998 should Workshop participants decline to proceed to the ADR process.

G-8-98 **CENTRA GAS BC and CENTRA WHISTLER**

Set down a pre-hearing conference to commence February 10, 1998, to discuss (1) the Centra Gas BC CPCN Application - Squamish to Whistler Natural Gas Pipeline Project and (2) the Centra Whistler CPCN Application to Convert Customers from Propane to Natural Gas Service and to retire the Propane Facilities in Whistler.

G-9-98 **PNG (N.E.)**

Approved on an interim basis, effective January 1, 1998, rate changes to PNG (N.E.)'s Gas Tariff Rate Schedules for the Dawson Creek Division.

G-10-98 **PNG (N.E.)**

Approved on a permanent basis, effective January 1, 1998, rate changes to PNG (N.E.)'s Gas Tariff Rate Schedules for the Tumbler Ridge Division.

G-11-98 **CENTRA GAS FSJ**

Approved on an interim basis, effective January 1, 1998, rate changes to Centra Gas FSJ's Gas Tariff Rate Schedules.

ORDER **UTILITY OR
APPLICANT(S)**

G-12-98 **WKP**

Accepted and authorized the release of the Inquiry Officer's Report on the WKP CPCN Application to relocate the No. 49 Transmission Line from Penticton to Summerland and the complaints arising from Commission Order No. C-9-97.

The Commission adopted the Inquiry Report's Option No. 3, releasing the stop-construction condition for that portion of the line from the Huth Avenue substation to the West Bench substation. Option No. 3 retained the stop-construction order in the West Bench and Sage Mesa areas. Property owners and the public were requested to file with the Commission, no later than January 28, 1998, further submissions and comments on the options proposed by WKP.

WKP was directed to provide information to the Commission concerning soil stability and construction techniques for routing options in the West Bench-Sage Mesa area.

Following receipt of all information and submissions, the Commission is to make its decision on the realignment of the No. 49 Line that meets the broadest public interest.

G-13-98 **B.C. HYDRO**

Approved, effective April 1, 1998, B.C. Hydro's September 11, 1997 Distribution Extension Policy Application except for the magnitude of the Refund Administration Fee which is set at \$75.

G-14-98 **CENTRA GAS BC**

Approved an increase in rates arising from Order No. G-135-97 for the Pioneer Customers in the Vancouver Island and Sunshine Coast service areas, effective February 1, 1988.

Rate Rider B for the SGS-2 customer class was approved for termination, effective February 1, 1998, as the recovery of the deferred revenue attributable to this class of customer had substantially occurred.

ORDER **UTILITY OR
APPLICANT(S)**

G-15-98 **WKP**

Approved changes proposed in the WKP Rate Design and New Service Options Application, as varied by the amended Settlement Agreement. Reasons for Decision were attached.

G-16-98 **CENTRA GAS BC and CENTRA WHISTLER**

Established a Regulatory Timetable summarizing the key dates for the public review process of the Centra Gas CPCN Applications.

G-17-98 **WKP**

Approved Option 5 of the Inquiry Officer's Report for the rebuilding of WKP's Transmission Line No. 49 in the West Bench and Sage Mesa areas. Directed WKP to either expropriate the required lands, pursuant to the West Kootenay Power and Light Company, Limited, Act, 1897, as amended, and the Expropriation Act, or to build along the Option 1 route, should negotiations fail between the utility and the golf course.

Removed the stop-work order for Line No. 49 imposed by Order No. G-130-97. The Commission's Reasons for Decision were attached.

G-18-98 **PNG**

Established a public hearing for the PNG 1998 Rate Increase and a Performance-Based Rate Plan to determine Revenue Requirements for the Years 1999-2002.

Established a public hearing for the Cost of Service Allocation/Rate Design Study.

G-19-98 **BC GAS**

Approved for BC Gas the November 1, 1997 Agreement with Shell Canada Products Limited for Rate Schedule 22 Firm Transportation Service effective January 1, 1998.

BC Gas is to make the Delivery Charges in Appendix A of the Tariff Supplement equal to the corresponding charges in Rate Schedule 25, including appropriate rate riders, both for 1998, and as Rate Schedule 25 rates may change over the duration of the Tariff Supplement.

ORDER	UTILITY OR APPLICANT(S)
G-20-98	CENTRA GAS BC
	Terminated Rate Rider B for Pioneer Customers in the Small General Service - SGS-1, Large General Service - LGS-1 and LGS-2 rate classes, effective March 1, 1998.
	Approved a decrease in rates for Apartment Customer Rates ACR-1 of between 3.9% and 4.5% effective March 1, 1998.
G-21-98	SQUAMISH GAS
	Approved changes to Squamish Gas' natural gas rates effective March 1, 1998, to be consistent with the rates approved by Orders No. G-14-98 and G-20-98 for Centra Gas BC.
G-22-98	CENTRA GAS BC
	Approved the sale of up to \$3.4 million of Centra Gas' finance receivables to Westcoast Capital Corporation, effective March 3, 1998.
G-23-98	CITY OF NELSON
	Approved and accepted for filing Electrical Utility Amendment By-Law No. 2819, 1998 to restructure and lower rates to all customers, effective February 1, 1998.
G-24-98	B.C. HYDRO
	Approved the revision to the Rate Schedule 1848 Supplementary Agreement, with Fibreco Pulp Joint Venture for the period November 22, 1997 to May 22, 1998, that allows the CBL to be reduced to 35%.
G-25-98	CENTRA GAS BC and CENTRA WHISTLER
	Order cancelling the Regulatory Timetable, Workshop and Public Hearing for the review of the Centra Gas BC and Centra Whistler CPCN Applications.
	Directed Centra Gas to file its Propane Management Plan for the Whistler Grid system.
G-26-98	WKP
	Approved WKP's request to vary Order No. G-15-98 to allow for a customer charge to Large General Service customers of \$500 per month, effective February 1, 1998.

ORDER	UTILITY OR APPLICANT(S)
	Approved Electric Tariff Rate Schedules for the General Service, Large General Service and Wholesale customer classes effective February 1, 1998, and approved the Residential and Outdoor Lighting Rate Schedules effective March 1, 1998.
G-27-98	CENTRA GAS BC
	Approved termination of Rate Rider B for Pioneer customers in the LGS-3 rate class effective April 1, 1998 as the recovery of the deferred revenue attributable to this class had substantially occurred.
G-28-98	BC GAS
	Approved Fort Nelson Rate Schedule 3.1 Industrial Service Agreement and Fort Nelson Rate Schedule 3.1 supplemental amending Industrial Service Agreement with B.C. Hydro, for the delivery and gas cost recovery charges for firm gas sales for the Fort Nelson Division, both dated November 1, 1996, effective the date of the Agreements.
G-29-98	WKP
	Interim approval of Tariff Supplement No. 7 (Terms and Conditions) and of rates set out in Rate Schedules 100 through 108 for use by eligible customers seeking wholesale transmission access.
G-30-98	B.C. HYDRO
	Approved a Special Contract with Heiltsuk Band Council as Tariff Supplement No. 20. Also approved the use of a standard rate that will apply to all new Special Contract customers and those covered under Tariff Supplements No. 9, 12, 13, 15, 18, 19, 24 and 29 commencing June 1, 1998.
G-31-98	BC GAS
	Denied the May 30, 1997 application for a CPCN for the Southern Crossing Pipeline project and the WGSJ application for an exemption under the Act for its proposed LNG project.
G-32-98	CENTRA GAS PORT ALICE
	Approved the acquisition by Link Petroleum and/or its nominee Haywood Energy, of all of the issued and outstanding shares of Centra Gas Port Alice Inc. from Centra Gas Inc., effective October 31, 1997.

ORDER	UTILITY OR APPLICANT(S)	ORDER	UTILITY OR APPLICANT(S)
G-33-98	WKP	G-40-98	BC GAS
Established a public hearing and Regulatory Timetable to review the CPCN application to rebuild the No. 44 Transmission Line from Oliver to Osoyoos.		Approved the Rate Schedule 14 Sales Agreement and associated Appendix A with FMC of Canada Limited commencing April 1, 1998.	
G-34-98	WKP	G-41-98	CENTRA GAS BC
Denied Mr. Chapman's (Sage Mesa Golf Centre) request for reconsideration of Order No. G-17-98 and the Reasons for Decision.		Approved a decrease in rates, between 2.6% and 2.75% for Pioneer General Service customers, and between 5.12% and 5.92% for ACR-1 customers, effective May 1, 1998.	
G-35-98	B.C. HYDRO	G-42-98	SQUAMISH GAS
Approved the January 1, 1998 Supplementary Agreement with Slocan Forest Products Limited for RTP service under Rate Schedule 1848, with an adjusted 100% CBL effective for the one-year period commencing February 22, 1998.		Approved a decrease in natural gas rates for all Squamish Gas customers, effective May 1, 1998.	
G-36-98	B.C. HYDRO	G-43-98	B.C. HYDRO
Approved the March 1, 1998 Supplementary Agreement with MacMillan Bloedel Limited for RTP service under Rate Schedule 1848 with a 100% CBL effective for the one-year period commencing March 1, 1998.		Directed B.C. Hydro to comply with the Commission's Decision into the WTS Application.	
G-37-98	B.C. HYDRO	G-44-98	WKP
Approved the March 1, 1998 Supplementary Agreement with Northwood Inc. for RTP service under Rate Schedule 1848, with a 100% CBL effective for the one-year period commencing March 1, 1998.		Directed WKP to refile, by July 31, 1998, its Transmission Access Application with any changes it considers appropriate after reviewing the Commission's Decision on B.C. Hydro's WTS Application.	
G-38-98	B.C. HYDRO	G-45-98	BC GAS
Approved the March 6, 1998 Supplementary Agreement with Weyerhaeuser Canada Ltd. for RTP service under Rate Schedule 1848, with a 100% CBL effective for the one-year period commencing April 8, 1998.		Approved the Rate Schedule 14 Sales Agreement and associated Appendix A with Rustad Bros. & Co. Ltd. commencing May 15, 1998.	
G-39-98	BC GAS	G-46-98	B.C. HYDRO
Approved a departure from the Uniform System of Accounts for purposes of accounting for O&M expenses (Accounts 600 through 999), and for regulatory reporting in its Annual Reports to the Commission commencing with 1999, and in Revenue Requirement Applications beyond the 1998 to 2000 ADR settlement period.		Approved and accepted for filing the following Special Contracts for Special Contract Customers in Rate Zone II.	
		<ul style="list-style-type: none"> • B.C. Buildings Corporation Tariff Supplement 21 dated September 3, 1997 • Ulkatcho Band Council Tariff Supplement 22 dated September 8, 1997 • Skidegate Band Council Tariff Supplement 35 dated October 7, 1997 	

- | ORDER | UTILITY OR APPLICANT(S) |
|--------------|---------------------------------------------------------------------------|
| • | Q.C.I. General Hospital Masset Tariff Supplement 36 dated October 1, 1997 |
| • | Gwaii Wood Products Ltd. Tariff Supplement 38 dated November 14, 1997 |

Approved the cancellation of Special Contract Tariff Supplement No. 13 with B.C. Buildings Corporation, which was replaced by Tariff Supplement No. 21.

G-47-98 B.C. HYDRO

Approved a one-month extension to the expiry date of the RTP Supplementary Agreements for CBL reduction customers from May 18, 1998 to June 18, 1998.

G-48-98 CENTRA GAS BC

Approved a decrease in rates of between 6.93% and 7.12% for Pioneer General Service customers, for Rate Schedules SGS-1, SGS-2, LGS-1, LGS-2, LGS-3 and CCR, effective June 1, 1998.

G-49-98 B.C. HYDRO

Approved the May 8, 1998 Supplementary Agreement with Elkview Coal Corporation for RTP service under Rate Schedule 1848, with a 100% CBL, for a one-year period commencing May 8, 1998.

G-50-98 SQUAMISH GAS

Approved a decrease in natural gas rates effective June 1, 1998.

G-51-98 WKP

Approved a one-year extension to the revolving Loan Facility with the Bank of Montreal to June 30, 2000.

G-52-98 R334 Enterprise Ltd.

Approved an exemption from Section 71 and the application of Part 3 of the Act, other than Section 22, for the underground propane distribution grid system as defined by CPCN Order No. C-19-97. The Commission will review this exemption should R334 expand its grid system development plans so that the total number of commercial service customers and/or residential customers increases to 15 or more.

- | ORDER | UTILITY OR APPLICANT(S) |
|----------------|--------------------------------|
| G-53-98 | PNG |

Commission Decision on PNG's 1998 Rate Increase and 1998 Rate Design Study, which directed the following:

- Cancellation of interim rates approved under Order No. G-124-97.
- Refund any overpayment in rates to customers with interested calculated at the prime rate of the utility's principal bank.
- Rate design changes to be implemented effective July 1, 1998.
- Gas cost changes to be implemented by January 1, 1998.

G-54-98 CENTRA WHISTLER

Approved the registration of the transfer of Centra Whistler shares from Centra Gas Inc. to Centra Gas Utilities Inc. effective June 29, 1998. Reorganization costs will not be passed on to Centra Gas British Columbia Inc. or to Centra Whistler, or recovered in the cost of service.

G-55-98 B.C. HYDRO

- Declared energy rate under Rate Schedule 1848 to be interim effective June 1, 1998.
- Denied B.C. Hydro's request to tie the energy rate directly to the Dow Jones Mid-C Firm Electricity Index.
- Restructured consultative process and established a Workshop for July 7, 1998 to discuss the most appropriate index for pricing RTP energy.

G-56-98 SQUAMISH GAS

Approved termination of Rate Rider 1 effective July 1, 1998 and the recording of the residual deferral account balance, as of June 30, 1998, to the July 1998 cost of service.

G-57-98 CENTRA GAS BC

Approved a decrease in rates for ACR-1 effective July 1, 1998.

ORDER	UTILITY OR APPLICANT(S)	ORDER	UTILITY OR APPLICANT(S)
G-58-98	ALBERTA POWER LIMITED	G-66-98	B.C. HYDRO
	Approved exemption from Part 3 of the Act, other than Section 22, for the sale of power to Pioneer's Chinchaga Gas Plant, effective June 30, 1998.		Approved permanent rates for Rate Schedules 1848 and 1288 to permit customers to choose one of three indices to be used in determining their daily RTP prices, effective August 1, 1998. The Dow Jones Mid-C Non-Firm Electricity Price Index specified in the Electric Tariff is changed to the Dow Jones Mid-C Firm Electricity Price Index. The interim rates charged for the months of June and July 1998 are declared to be permanent. Customers who have not elected to have their energy price tied to the mid-point of the Dow Jones Mid-C One-Day Preschedule Price range will continue to be charged using the Dow Jones Mid-C Non-Firm Electricity Price Index.
G-59-98	B.C. HYDRO	G-67-98	WKP
	Extended the expiry date of RTP Supplementary Agreements with CBL reduction customers to December 18, 1998. Denied B.C. Hydro's application to revise the definitions of CBL Demand and CBL Energy contained in Clause (1)(d) of the RTP Supplementary Agreements.		Approved amendments to Rate Schedule 90 - Energy Management Service effective July 1, 1998, to allow WKP to provide demand-side management and energy management services on approved programs and to provide for optional energy efficiency services and to recover its costs.
G-60-98	B.C. HYDRO	G-68-98	BC GAS
	Approved the Real Time Pricing Supplementary Agreement with Howe Sound Pulp and Paper Ltd. under Rate Schedule 1848, with a 100% CBL for a one-year period commencing May 1, 1998.		Approved the Bypass Transportation Agreement for West Fraser Mills Ltd.'s WestPine MDF Plant in Quesnel, B.C., effective with consumption on and after November 1, 1996.
G-61-98	BC GAS	G-69-98	CENTRA WHISTLER
	Approved the Rate Schedule 3, Large Commercial Service Agreement with Pacific Regeneration Technologies Inc. for its Harrop Nursery in Nelson, B.C.		Approved the 1997 deferral account balances and accepted the 1998 forecasts on the basis that the current rates will remain unchanged for Whistler's propane grid system customers.
G-62-98	WKP	G-70-98	BC GAS
	Approved an increase, from \$10 million to \$20 million, to its Operating Loan Facility with the Bank of Montreal.		Approved six Rate Schedule 14 Sales Agreements and Appendix A to each agreement for Term and Spot Gas Sales for the period August 1, 1998 through October 31, 1998, with the following:
G-63-98	PLP		
	Approved a deferral account in the amount of \$37,717 to be amortized over a 36-month period, relating to the utility's participation in the 'Time-of-Use' Technology Research and Development test site.		
G-64-98	BCUC		
	Order approving the levy and recovery of Commission costs from all regulated utilities, upstream natural gas processors and intraprovincial oil pipelines.		
G-65-98	CENTRA GAS BC		
	Approved and accepted for filing, effective August 1, 1998, the consolidated Gas Tariff that encompasses the Terms and Conditions of Service and Rate Schedules from Centra Gas' existing Gas Tariff and that of Pacific Coast Energy Corporation.		
			<ol style="list-style-type: none"> 1. Century Pacific Greenhouse Ltd. 2. Rogers Sugar Ltd. 3. Louisiana-Pacific Canada Ltd. 4. Highland Valley Copper 5. MOLY-COP Canada 6. Tolko Industries Ltd. (Heffley Creek)

ORDER **UTILITY OR
APPLICANT(S)**

G-71-98 **MB PAPER LIMITED**

Approved an exemption to sell steam and to resell electricity to MacMillan Bloedel Limited.

G-73-98 **WKP**

Rescinded Order No. G-72-98 and established a public hearing for WKP's 1998 Transmission Access and the Access Principles Applications. A revised Regulatory Agenda and Timetable and Notice of Public Hearing, Workshops and Negotiated Settlement process were attached.

G-74-98 **PNG**

Accepted for filing the Letter Agreement dated July 31, 1998, for the delivery of interruptible gas to B.C. Hydro's Prince Rupert generating station under Tariff Supplement No. 10, for the period July 28 to October 31, 1998.

PNG is to establish a deferral account for the transportation margin earned on deliveries to B.C. Hydro that are in excess of the 10,000 GJ which PNG included in its 1998 Revenue Requirements Application. Disposition of the monies accumulated in the deferral account will be determined by the Commission.

G-75-98 **BC GAS**

Approved a decrease in customer rates and in the reference price of the Revelstoke Propane Cost Deferral Account effective September 1, 1998.

G-76-98 **WGSJ**

Approved an exemption from Part 3, other than Sections 24 and 25, for the Jedney II and Highway facilities which WGSJ uses to transport or process natural gas for others as set out in the revised Appendix I.

G-77-98 **NOVAGAS**

Approved an exemption from Part 3, other than Sections 24 and 25, of the West Stoddart facilities which Novagas uses to transport or process natural gas for others as set out in the revised Appendix I.

ORDER **UTILITY OR
APPLICANT(S)**

G-78-98 **PNG**

Established a deferral account to record the net loss of margin if gas deliveries to Skeena, over the period June 19 to December 31, 1998, are less than the 1,814,960 GJ used for rate-making purposes. Disposition of the deferral account will be determined by the Commission. Any credit in the deferral account as at December 31, 1998 will be credited to the ratepayers.

G-79-98 **B.C. HYDRO**

Extended the abeyance granted under Order No. G-1-98, from September 1 to December 31, 1998, for B.C. Hydro's CPCN Application for Unit 4 at its Seven Mile Hydroelectric Project.

G-80-98 **CENTRA GAS BC**

Approved the ten-year lease agreement with Westcoast Capital Corporation for the Coquitlam compressor. Approved a deferral account to record the lease payments with 100% amortization of the payments in the current year. Centra Gas is to file a report within six months of the end of the initial ten-year lease period, which justifies the decision to either purchase the compressor, renew the lease, purchase or lease a different compressor, or have the leased compressor removed.

G-81-98 **PLP**

Approved the modified Revised Version 2 Trans-X Rate Design Application effective November 1, 1998.

G-82-98 **BC GAS**

Approved market-based commodity pricing for Interruptible Service, Rate Schedules 7 and 10, commencing November 1, 1998. Approved BC Gas' proposal to recalculate and publish revised Rate Schedule 7 fixed prices for 1998/1999 weekly through October 13, 1998, based on market price information for the previous five business days.

G-83-98 **BC GAS**

Approved the conversion of the Anderson Exploration Ltd. Baseload Contract GS-2008 to a Seasonal Supply Agreement for the period November 1999 to March 31, 2000.

ORDER	UTILITY OR APPLICANT(S)	ORDER	UTILITY OR APPLICANT(S)
G-84-98	WKP	G-89-98	B.C. HYDRO
<p>Order requesting submissions from Registered Inter-venors in the WKP CPCN Application to rebuild its No. 44 Transmission Line or any other affected party who wishes to comment on the Coalition to Reduce Electro-pollution's Reconsideration Application.</p>		<p>Directed B.C. Hydro to remove the 5,000 kVA minimum requirement from Rate Schedules 1821 and 1848. Rate Schedule 1211 customers, currently taking service at dis-tribution voltage, will have all requests to move to Rate Schedule 1821 held in abeyance until after the filing and review of B.C. Hydro's Transmission Extension Policy.</p>	
G-85-98	SQUAMISH GAS		
<p>Order setting the ROE for Squamish Gas for 1996 and the remaining years of the Squamish Rate Stabilization Agreement, as the ROE for a low-risk utility, as deter-mined by the Commission's Automatic ROE Adjustment Formula, plus 50 basis points.</p>		<p>Directed B.C. Hydro to file its Transmission Extension Policy by November 30, 1998.</p>	
G-86-98	B.C. HYDRO	G-90-98	BC GAS
<p>Approved and accepted for filing Electric Tariff Rate Zone II Special Contract Tariff Supplement No. 40 with Health Canada.</p> <p>The Commission approved the cancellation of Special Contract Tariff Supplement No. 22 with the Ulkatcho Band Council, which was replaced by Tariff Supplement No. 40.</p>		<p>Approved BC Gas' September 18, 1998 application to pro-vide Market-Based Commodity Pricing for Rate Schedule 14 for the gas contract year commencing November 1, 1998, subject to review in the event of a complaint. Approval is conditional upon BC Gas recovering the cost of the gas that is sold under Rate Schedule 14 and the full out-of-pocket cost of its gas management services.</p>	
G-87-98	BC GAS	G-91-98	BC GAS
<p>Established a deferral account to record up to \$5.7 mil-lion (plus AFUDC) of reasonable and prudent expendi-tures, starting in 1994, that relate to the Integrated Resource Planning activities with respect to the analy-sis of supply resource options and the SCP Project.</p> <p>The Commission will review the prudence of the actual expenditures and the associated AFUDC. Disposal of the deferral account balance will be determined at that time.</p>		<p>BC Gas is to submit, on a quarterly basis, a report of all Rate Schedule 14 transactions.</p> <p>Approved the issuance of three million common equity shares to BC Gas Inc. for the total net proceeds of \$64,890,000.</p>	
G-88-98	BC GAS	G-92-98	BC GAS
<p>Order setting down the 1999 Revenue Requirements for Annual Review. BC Gas is to provide interested parties and the Commission with advance information regard-ing the projections and forecasts to be presented, no later than three weeks prior to the Review.</p>		<p>Approved the Gas Supply Mitigation Incentive Program for the 1998/1999 gas contract year commencing Novem-ber 1, 1998 through October 31, 1999.</p>	
		G-93-98	WKP
		<p>Denied CORE's application for reconsideration of the Com-mission's August 5, 1998 Decision and CPCN Order No. C-13-98, regarding WKP's No. 44 Transmission Line - Oliver to Osoyoos.</p>	
		G-94-98	BC GAS
		<p>Approved the interim interruptible transportation rate of \$0.25/GJ for deliveries to B.C. Hydro's Burrard Thermal Generating Station from September 30, 1998 to January 1, 1999. BC Gas' request that the provi-</p>	

ORDER	UTILITY OR APPLICANT(S)
	sions of a "bypass" agreement, which may result from its negotiations with B.C. Hydro, will automatically supercede the interim rate was denied.
G-95-98	BC GAS
	Directed BC Gas to obtain full reimbursement from (in case of a retroactive gas price increase), or to make full reimbursement to (in case of a retroactive gas price decrease), the customers of BC Gas of any variance, during the period from November 1, 1998 to the date of the Arbitrator's Award, in the gas cost between the current gas price in the Gas Purchase Contract between BC Gas and Summit Resources Limited and the gas price determined by the Arbitrators.
G-96-98	WKP
	Established a Pre-hearing Conference for WKP's 1998 Annual Review and Preliminary 1999 Revenue Requirement and Incentive Mechanism Application.
G-97-98	
	Approved amendments to the Participant Assistance/ Cost Award Guidelines.
G-98-98	CENTRA GAS BC
	Approved changes to the New Customer rates effective January 1, 1999.
G-99-98	SQUAMISH GAS
	Approved an increase in propane rates of \$0.215/CCF to all propane customers effective December 1, 1998. The reference price of the Propane Cost Deferral Account is to be set at \$0.1795/litre effective December 1, 1998. The difference between the actual cost of propane and the cost recovered in rates is to be recorded in the Propane Cost Deferral Account.
G-100-98	BC GAS
	Approved, effective August 21, 1998, a Rate Schedule 22 Service Agreement with KPMG Inc. for service to the Celgar pulp mill for the period ending December 31, 2000.

ORDER	UTILITY OR APPLICANT(S)
G-101-98	PNG MARKETING LTD.
	Approved an exemption from regulation under the Act, other than Part 2 and Sections 22 and 99, for the Wonowon Pipeline.
G-102-98	B.C. HYDRO
	Approved a variance to Rate Schedule 1848 that will provide customers with reduced CBLs taking service under Rate Schedule 1848, with the option to retroactively change their accounts to Rate Schedule 1821 - Transmission Service to any date of their choosing on or after August 1, 1998.
	Approved the amendment to Rate Schedules 1288 and 1848 that requires all RTP customers who terminate RTP service to be subject to a one-year waiting period, from the date of termination, before they can reapply for RTP service.
G-103-98	WKP
	Approved the issuance of 100,000 authorized and unissued \$100 par value common shares to UtiliCorp British Columbia Ltd. for a total consideration of \$10,000,000.
G-104-98	WKP
	Approved a short-term loan facility from UtiliCorp British Columbia Ltd. in the amount of \$30 million.
G-105-98	WKP, UTILICORP UNITED INC. and UTILICORP BRITISH COLUMBIA LTD.
	Approved the transfer of shares of WKP, held directly by UtiliCorp British Columbia Ltd., to a newly created Canadian holding company, UtiliCorp Canada Corp., to hold all of the issued shares of UtiliCorp British Columbia Ltd.
	Amended Condition No. 10 of Order No. G-31-87 to read as follows:
	"UtiliCorp United Inc. will not sell all or part of its shares in UtiliCorp Canada Corp., UtiliCorp Canada Corp. will not sell all or part of its shares in UtiliCorp British Columbia Ltd., and UtiliCorp British Columbia Ltd. will not issue securities in such a way to directly or indirectly convey a reviewable interest, as defined in Section 54 of the Act, in UtiliCorp Canada Corp. to any other person without the prior approval of the Commission."

**ORDER UTILITY OR
APPLICANT(S)**

G-106-98 WKP

Issued a Regulatory Timetable summarizing the key dates for the written review of the WKP Street Lighting and Outdoor Lighting Application.

G-107-98 B.C. HYDRO

Accepted for filing Rate Schedule 1849 - Price Dispatched Curtailment Pilot Program for the period December 14, 1998 through February 28, 1999. The terms and conditions of Rate Schedule 1849 are approved only until February 28, 1999, and are not to be used as an indication of future terms and conditions for Price Dispatched Curtailment tariffs, if approved or extended into the future.

G-108-98 B.C. HYDRO

Approved and accepted for filing Electric Tariff Rate Zone II Tariff Supplement No. 43, Special Contract with School District No. 50 - Skidegate, effective September 25, 1998.

G-109-98 CENTRA GAS BC

Approved an increase of between 5.9% and 6.9% for ACR-1 Rates effective December 1, 1998.

G-110-98 CENTRA GAS BC

Approved the June 3, 1998 Sales Agreement with CFB Comox, which provides a current interruptible rate of \$4.654/GJ for the Central Heating Plant and charges the remainder of the consumption at the LGS-12 rate.

G-111-98 B.C. HYDRO

Directed B.C. Hydro to file a Rate Bypass Application addressing the issue of potential impacts created by customer rate-switching.

Rescinded Directive No. 2 of Order No. G-89-98 regarding Rate Schedule 1211 customers.

G-112-98 B.C. HYDRO

Established a Workshop for January 27, 1999 at which B.C. Hydro will present its proposed Transmission Extension Policy.

**ORDER UTILITY OR
APPLICANT(S)**

G-113-98 WKP

Established an oral public hearing for February 10, 1999 in Kelowna, B.C., and issued a Regulatory Timetable for the review of the Proposed Settlement Agreement.

G-114-98 BC GAS

Approved an increase in customer rates of \$0.458/GJ effective January 1, 1999 for the Fort Nelson Division. The difference between the rate recovered from customers and the actual commodity rate of purchased gas from the CanWest contract is to be charged to the GCRA deferral account.

Approved a procedure to offset the accumulated debit balance in the GCRA deferral account, as at December 31, 1999, against the deferred income tax account credit balance, in the year 2000. A detailed breakdown, by rate class, of the amounts that were recovered and deferred in 1999 is to be filed by BCG when it files its GCRA Status Report as of the end of 1999.

G-115-98 BC GAS

Approved changes to Gas Tariff Rate Schedules to reflect the following rate changes, effective January 1, 1999, for the Lower Mainland, Inland and Columbia service areas:

- The 1999 Revenue Requirements Application resulting from the 1998 Annual Review;
- Gas cost recovery charges that are calculated using the "Low Case" gas cost forecast scenario, as set out in the Cost of Gas Application; and
- Refund of the entire end-of-1998 credit balances in the GCRA and GCRA interest accounts in 1999 rates.

BC Gas is to provide a detailed breakdown of the rate changes by each customer class rate schedule, on a cost per gigajoule basis, and show the bill impacts for the average consumption for each class.

G-116-98 B.C. HYDRO

Approved amendments to Rate Schedules 3001 and 3002 reflecting Long-Term Point-to-Point Rates on its transmission system, effective February 1, 1999.

ORDER **UTILITY OR
APPLICANT(S)**

G-117-98 **PNG**

Approved an interim rate increase, effective January 1, 1999, inclusive of gas cost changes based upon the December 7, 1998 forward market prices for natural gas as provided by PNG. A Pre-hearing Conference to discuss the Application was held January 15, 1999, and video-conferenced between Vancouver, Terrace and Dawson Creek, B.C.

G-118-98 **CENTRA GAS FSJ**

Approved an interim rate increase effective January 1, 1999, inclusive of gas cost changes based upon the December 7, 1998 forward market prices for natural gas as provided by PNG. A Pre-hearing Conference to discuss the 1999 Revenue Requirements Application and 1998 Cost of Service Allocation/Rate Design Study was held January 15, 1999 and video-conferenced between Vancouver, Terrace and Dawson Creek, B.C.

G-119-98 **PNG (N.E.) DAWSON CREEK DIVISION**

Approved an interim rate increase effective January 1, 1999, inclusive of gas cost changes based upon the December 7, 1998 forward market prices for natural gas as provided by PNG. A Pre-hearing Conference to discuss the 1999 Revenue Requirements Application and 1998 Cost of Service Allocation/Rate Design Study was held January 15, 1999 and video-conferenced between Vancouver, Terrace and Dawson Creek, B.C.

G-120-98 **PNG (N.E.) TUMBLER RIDGE DIVISION**

Approved an interim rate increase of no more than 15% effective January 1, 1999, calculated as the increase in the annual bill based on average consumption for the rate class, over the current rates previously approved for the Tumbler Ridge Division. A Pre-hearing Conference to discuss the 1999 Revenue Requirements Application was held January 15, 1999 and video-conferenced between Vancouver, Terrace and Dawson Creek, B.C.

ORDER **UTILITY OR
APPLICANT(S)**

G-121-98 **BC GAS**

Established a Workshop to discuss BC Gas' December 11, 1998 SCP CPCN Application, the Peaking Supply Agreements and the Transportation Service Agreements to be held January 14, 1999 in Vancouver, B.C. A Regulatory Process and Timetable was issued.

Established a separate review for the Bypass Agreement between BC Gas and B.C. Hydro for transportation service from Huntingdon, B.C. on BC Gas' Coastal Transmission System.

G-122-98 **B.C. HYDRO**

Approved the extension of the RTP Supplementary Agreement with BC Rail Ltd. to January 18, 1999.

G-123-98 **WKP**

Approved the Negotiated Settlement and the 1997 and 1998 financial incentive adjustments for WKP. Directed WKP to file a Final Rate Application reflecting the terms of the Negotiated Settlement effective January 1, 1999.

G-124-98 **WKP**

Pursuant to the Negotiated Settlement document the Commission approved a general rate increase of 0.64% for all customer classes effective January 1, 1999.

CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

ORDER	UTILITY OR APPLICANT(S)	ORDER	UTILITY OR APPLICANT(S)
C-1-98	B.C. Hydro	C-7-98	BC GAS
	CPCN for a 3 km section of a double circuit 138 kV transmission line built to 230 kV standards, from the Jingle Pot Substation to the Northfield Substation near Nanaimo, B.C.		CPCN for the Standard Form Franchise Agreement with the City of Kamloops covering the ten-year Primary Term to February 14, 2008, and continuing from year-to-year thereafter (but not longer than 21 years) until terminated by either party upon 12-months written notice of termination.
C-2-98	ALBERTA POWER LIMITED	C-8-98	BC GAS
	CPCN for a 17.3 km, 25 kV transmission line from Hamburg Substation in Alberta to Pioneer's Chinchaga Gas Plant, north of Fort St. John, B.C.		CPCN for the Integrated Business Information System "IBIS Project" for the estimated total project costs of \$21.7 million.
C-3-98	CENTRA GAS BC	C-9-98	WKP
	CPCN for a 5.2 MW (7,000 HP) natural gas turbine driven centrifugal compressor at Port Mellon.		CPCN for WKP's 1998 Dam Rehabilitation projects at the South Slokan Dam, Rover Creek Dam, Lower Bonnington Dam and Upper Bonnington Dam for the total estimated amount of \$2,868,000. WKP is to file accounting or project summaries for each project by September 30, 1998 and a final report upon completion of the projects.
C-4-98	CENTRA GAS FSJ	C-10-98	BC GAS
	CPCN for the June 11, 1997, 21-year Franchise Agreement with the City of Fort St. John and the disbursement of the 3% Franchise Fee, with interest, in accordance with the Franchise Agreement.		CPCN for the Standard Form Franchise Agreement with the City of Enderby for a ten-year Primary Term ending September 5, 2008, and continuing on a year-to-year basis thereafter, but not longer than 21 years.
C-5-98	BC GAS	C-11-98	SUN PEAKS
	CPCN for the December 17, 1997 Franchise Agreement with the Township of Spallumcheen covering the ten-year Primary Term to May 15, 2008, and continuing from year-to-year thereafter (but not longer than 21 years) until terminated by either party upon 12-months written notice of termination.		CPCN to serve the Sun Peaks resort community and surrounding area by way of an underground propane grid distribution system, including related propane storage and vaporizer equipment.
C-6-98	BC GAS	C-12-98	BC GAS
	CPCN for the Franchise Agreement with the City of Armstrong covering the ten-year Primary Term to October 11, 2008, and continuing from year-to-year thereafter (but not longer than 21 years) until terminated by either party upon 12-months written notice of termination.		CPCN for the Standard Form Franchise Agreement with the Village of Fruitvale covering the ten-year Primary Term commencing April 21, 1996 and expiring April 20, 2006, and continuing on a year to year basis, but not longer than 21 years.

ORDER **UTILITY OR
APPLICANT(S)**

C-13-98 WKP

CPCN to rebuild and operate the No. 44 Transmission Line (Oliver to Osoyoos) to 63 kV standards and directed WKP not to install insulators that could accommodate an upgrade to 138 kV. A revised detailed cost estimate is to be filed by September 15, 1998 and a report on the stakeholders' consultations is to be filed by September 30, 1998. Construction and environmental progress reports for the project are to be filed every two months, commencing September 30, 1998, until the completion of the project. A final report is due at that time.

C-14-98 BC GAS

CPCN for the construction of new buildings for BC Gas' Coastal Operations. BC Gas is to file monthly progress reports on the Project's schedule and costs and a Final Report upon completion. Net proceeds from the sale of surplus land at Lochburn will be used for the benefit of utility ratepayers. BC Gas is to apply for Commission approval should less than 100% of the net proceeds be used for the benefit of ratepayers. Approved the use of a "synthetic" lease arrangement to finance the Project and to include the costs of the lease in the utility's cost of service as a line item that includes other leases.

C-15-98 BC GAS

CPCN for the Standard Form Franchise Agreement with the Village of Warfield covering the ten-year Primary Term commencing January 27, 1998 and expiring January 26, 2008, and continuing on a year to year basis, but not longer than 21 years.

ORDER **UTILITY OR
APPLICANT(S)**

C-16-98 BC GAS

CPCN for the Standard Form Franchise Agreement with the City of Williams Lake covering the ten-year Primary Term commencing September 6, 1998 and expiring September 5, 2008, and continuing on a year-to-year basis, but not longer than 21 years.

C-17-98 BC GAS

CPCN for the Standard Form Franchise Agreement with the City of Castlegar covering the ten-year Primary Term commencing August 30, 1998 and expiring August 29, 2008, and continuing on a year-to-year basis, but not longer than 21-years.

C-18-98 WKP

CPCN for the 1998 costs associated with Phase 3 of the Ohio Brass Insulator Replacement Project, in the amount of \$1,165,000. The remaining part of the Replacement Project - Phase 3, will be examined as part of the 1999 Revenue Requirements Application. WKP is to file a final report on the 1998 component of the Replacement Project within three months of its completion.

AGENTS/BROKERS/MARKETERS LICENCES

ORDER	APPLICANT	DESCRIPTION
A-1-98	ECNG Inc.	Licence Renewal for the period up to and including October 31, 1998
A-2-98	Enershare and Apollo Gas Inc.	Cancellation of Enershare Licence and issuance of Apollo Licence
A-3-98	Apollo Gas Inc.	Licence Renewal for the period November 1, 1998 to October 31, 1999
A-4-98	El Paso	Licence Renewal for the period November 1, 1998 through October 31, 1999

ENERGY SUPPLY CONTRACTS

ORDER	APPLICANT	DESCRIPTION
E-1-98	WKP	Power Purchase Agreement with Aquila Power Corporation
E-2-98	Centra Gas BC	Propane Supply Contract for Whistler and Port Alice, B.C. with Link Petroleum
E-3-98	Centra Gas BC	Temporary Assignment of Westcoast Energy Inc. Zone 4 Transportation - 1997/1998
E-4-98	Alberta Power	Electric Service Agreement with Pioneer Natural Resources Canada Inc.
E-5-98	Centra Gas BC	Natural Gas Storage and Transportation Agreements with WEI
E-6-98	BC Gas	Propane Gas Supply Agreement with Link Petroleum
E-7-98	BC Gas	Natural Gas Delivery Contract with Duke Energy
E-8-98	Centra Gas BC	Peaking Natural Gas Supply Contract with IGI Resources Inc. for the period August 1, 1998 to March 31, 1999
E-9-98	PNG	Seasonal Gas Supply Contract with Dynegey Canada Inc. for the 1998/1999 gas contract year
E-10-98	BC Gas	Natural Gas Storage Agreements with Unocal Canada Ltd. and Cabot Oil and Gas Marketing Corp.
E-11-98	Centra Gas BC	Seasonal Natural Gas Supply Contracts with IGI Resources and Duke Energy Trading and Marketing, LLC
E-12-98	Centra Gas BC	Amendments to Baseload Natural Gas Supply Contracts with Talisman Energy Inc., POCO Petroleum Ltd., Husky Oil Operations Ltd., and Petro-Canada Oil and Gas
E-13-98	Centra Gas BC	Recallable Resale Natural Gas Supply Contract with El Paso
E-14-98	BC Gas	Natural Gas Supply Contracts and Amendments for the 1998/1999 Gas Contract Year
E-15-98	BC Gas	1998/1999 Gas Supply Contract with CanWest Gas Supply Inc. for the Fort Nelson Division
E-16-98	PNG (N.E.)	1998/1999 Gas Supply Contract with CanWest Gas Supply Inc. for the Tumbler Ridge Division
E-17-98	WKP	Power Purchase Agreements for 1998 and 1999 with Aquila Power Corporation
E-18-98	Squamish Gas	Propane Supply Arrangements with Superior Propane Inc.

PARTICIPANT ASSISTANCE/COST AWARDS

ORDER	UTILITY PAYOR	DESCRIPTION
F-1-98	WKP	1997 Annual Review of 1988 Revenue Requirements - \$418.75
F-2-98	WKP	1997 Annual Review of 1998 Revenue Requirements - \$573.47
F-3-98	BC Gas	1997 Annual Review of 1998-2002 Revenue Requirements Application - \$1,787.73
F-4-98	WKP	1997 Annual Review of the 1998 Revenue Requirements - \$11,628.45
F-5-98	WKP	1997 Annual Review of the 1998 Revenue Requirements - \$673.56
F-6-98	WKP	1998 Rate Design and New Service Options - \$50,806.17
F-7-98	BC Gas	Southern Crossing Pipeline Project - \$202,694.25
F-8-98	B.C. Hydro	Wholesale Transmission Services - \$79,882.67
F-9-98	B.C. Hydro	Wholesale Transmission Services - \$875
F-10-98	PNG	1998 Revenue Requirements, Cost of Service Allocation/Rate Design Study - \$69,598.26
F-11-98	BC Gas	Gas Supply Mitigation Incentive Plan for the 1998/1999 Gas Contract Year - \$2, 882.55

PETROLEUM

ORDER	APPLICANT	DESCRIPTION
P-1-98	Morrison	Refund Shippers balance of Rate Stabilization Account
P-2-98	Federated	1998 Tolls for the Taylor to Prince George and Taylor to Kamloops Crude Oil Pipeline
P-3-98	TME	1998 to 2002 Incentive Tolls on the Jet Fuel Pipeline
P-4-98	Federated	Sunset Prairie Crude Oil Pipeline Tariff No. S-2 (Revised)

ORDER	UTILITY OR APPLICANT(S)
L-1-98	BC GAS
<p>Authorized BC Gas to proceed with the analysis and discussion of the sale of the underground gas distribution system within the Corporation of the City of Nelson's boundaries.</p>	
L-2-98	WKP
<p>Letter responding to Osoyoos customer complaint regarding the cost of the service call to restart furnace due to the electrical outage of December 25, 1996. Customer was advised that the Commission had determined that occasional utility equipment failures were a reasonable expectation of a normal maintenance program, and that to attempt to prevent all failures would create an unacceptable cost to ratepayers.</p>	
L-3-98	B.C. HYDRO
<p>Letter to complainants requesting comments on B.C. Hydro's Revenue Requirements for the 1997/1998 and 1998/1999 fiscal periods, filed in accordance with Order No. G-131-97.</p>	
L-4-98	WKP
<p>Letter advising WKP that the Commission would approve an amended Code of Conduct/Transfer Pricing Policy subject to certain amendments.</p>	
L-6-98	WKP
<p>Letter to WKP advising that the utility had not provided adequate justification to allow the Commission to order B.C. Hydro to waive the reciprocity conditions contained in its Wholesale Transmission Service Tariff on the limited basis requested by WKP.</p>	
<p>The complaint was dismissed and WKP was urged to file its Wholesale Transmission Service application.</p>	

ORDER	UTILITY OR APPLICANT(S)
L-7-98	B.C. HYDRO
<p>Letter requesting B.C. Hydro to file a schedule of its plan to unbundle Rate Schedule 1821 by March 20, 1998.</p>	
L-8-98	B.C. HYDRO
<p>Letter to B.C. Hydro requesting additional information with regard to the 1998 Revenue Requirements Review as directed by Order No. G-131-97, and the complaints by the Industrial Customers and the Consumers Association of Canada (B.C.) et al.</p>	
L-9-98	BC GAS
<p>Approved the 1998/1999 Gas Price Management Strategy covering the summer (April to October) and winter (November 1998 to March 1999) periods.</p>	
L-10-98	B.C. HYDRO
<p>Letter to B.C. Hydro advising the utility of the Commission's concerns regarding its current non-regulated business activities.</p>	
L-11-98	WKP
<p>Letter to Mr. Karow of the Coalition to Reduce Electropollution regarding his correspondence dated February 11 and 16, 1998, on electromagnetic fields.</p>	
L-12-98	WKP
<p>Letter to WKP customer rejecting their complaint with respect to a stop-work Order to WKP and the ownership of Lot 43 on Penticton Indian Band lands.</p>	
L-13-98	SQUAMISH GAS
<p>Request to the Ministry of Energy and Mines for a letter approving the mains extension by Squamish Gas to Brackendale and Garibaldi Highlands.</p>	

ORDER	UTILITY OR APPLICANT(S)	ORDER	UTILITY OR APPLICANT(S)
L-14-98	B.C. HYDRO	L-21-98	CENTRA WHISTLER
	Letter to Silversmith denying its request for intervention in discussions regarding the terms of connection and the purchase and sale of power with B.C. Hydro.		Letter approving the 1998/1999 Whistler Propane Management Plan and the propane supply, storage and distribution system management components that will allow the utility to operate in a safe and reliable manner.
L-15-98	B.C. HYDRO	L-22-98	REGULATED UTILITIES
	Approved the extension of the grace period under which customers have the option to select quotations for distribution extensions beyond 90 days, to June 30, 1998.		Letter to utilities requesting a report by August 31, 1998, on steps the utility has taken to ensure that its financial and customer information systems are Year 2000 compliant.
L-16-98	B.C. HYDRO	L-23-98	BC GAS
	Approved the Industrial customers' request to hold the review of the 1997/1998 Revenue Requirements in abeyance pending the outcome of Bill 6.		Letter to the Town of Osoyoos setting out the criteria for Reconsideration Applications and requesting that they identify those aspects in the Commission's Decision and Order No. G-85-97 which the Town of Osoyoos feels should be reconsidered.
L-17-98		L-24-98	SIERRA LEGAL DEFENCE FUND
	Letter requesting comments on the Commission's cost award guidelines.		Letter to Alcan requesting comment on the February 12, 1998 B.C. Hydro submission and the April 2, 1998 submission by Sierra, on whether the 1997 Long-Term Electricity Purchase Agreement is required to be filed with the Commission for approval pursuant to Section 71 of the Act.
L-18-98	BC GAS - LOWER MAINLAND DIVISION	L-25-98	B.C. HYDRO
	Declined the City of Abbotsford's request to review the November 27, 1956 Operating Agreement as disputes over contract language are more appropriately dealt with by the parties or the courts.		Letter to Aquila Canada providing clarification regarding the implementation and interpretation of B.C. Hydro's RTP schedules.
L-19-98	WKP and B.C. HYDRO	L-26-98	CENTRA GAS BC
	Joint letter to WKP and B.C. Hydro confirming discussions at the pre-hearing conference on the issue of harmonization of transmission service rates, and requesting that submissions by the parties be filed by September 18, 1998.		Letter accepting the 1998/1999 Gas Contracting Plan and Price Management Program subject to the comments contained in this letter and on the understanding that all individual supply contracts would continue to be filed in a timely fashion pursuant to Section 71 of the Act.
L-20-98	MORRISON		
	Denied Morrison's request for amendment of Order No. P-1-98 as all parties contributed to the protracted delay in dealing with the refund. The applicable interest rate of prime plus 3.5% will apply to the full period up to the refund date.		

ORDER	UTILITY OR APPLICANT(S)	ORDER	UTILITY OR APPLICANT(S)
L-27-98	MACMILLAN BLOEDEL LIMITED	L-33-98	B.C. HYDRO
	Letter outlining the Commission's understanding of the proposed transaction structure between MB Paper Limited and Pacifica Power Limited Partnership relating to the ownership of the realty and licenses making up the Powell Lake and Lois Lake hydroelectric facilities.		Letter requesting B.C. Hydro's comments on the May 26, 1998 complaint from the Council of Forest Industries, the Mining Association of British Columbia and Electro-Chemical Producers concerning the 5,000 kVA minimum billing demand contained in Rate Schedule 1821.
L-28-98	CENTRA GAS BC	L-34-98	SIERRA LEGAL DEFENCE FUND
	Letter confirming that Centra Gas should continue to use the existing method in its dealer survey of heating oil prices.		Letter sent to Sierra and B.C. Hydro requesting comments on Alcan's June 8, 1998 response regarding the Long-Term Electricity Purchase Agreement.
L-29-98	BC GAS	L-35-98	B.C. HYDRO
	Letter to BC Gas providing the Commission's comments and directions on Progress Report No. 2 regarding the Salmon Arm Lateral Reinforcement Project.		Approved an extension to the grace period regarding quotations for the distribution extension policy.
L-30-98	MB PAPER LIMITED	L-36-98	B.C. Hydro
	Letter stating that it was the Commission's view that the modified structure would not result in 558656 British Columbia Ltd. being a public utility as defined under the Act provided that the company does not charge MB Paper for any of the production, generation, storage, transmission, sale, delivery or provision of electricity and does not receive any other compensation.		Letter requesting additional information regarding the RMDM to be submitted by July 10, 1998.
L-31-98	MB PAPER LIMITED	L-37-98	CFS ALTERNATIVE FUELS INC.
	Letter to MB Paper confirming that the supply of steam and electricity by MB Paper to MacMillan Bloedel's Mills at Port Alberni, B.C., at no cost, would not cause MB Paper to fall within the definition of "public utility" under the Act.		Letter to CFS Alternative Fuels Inc. ("CAFI") advising that, based on the Commission's understanding of CAFI's proposal, no further involvement by the Commission is required during the demonstration phase of development. A copy of the final report on the demonstration program covering the technical and economic viability of the approach was requested.
L-32-98	WKP	L-38-98	B.C. HYDRO
	Letter to WKP requesting comment on the Independent Contractors and Businesses Association of British Columbia's June 2, 1998 letter of complaint. Additional information regarding Rate Schedule 74 requirements and the criteria for contractor inclusion was requested.		Letter regarding the Unbundling Cost Report and the 1996/1997 draft Proforma Fully Allocated Cost of Service Study and "virtual access" legislation.
			Proposed setting down the aforementioned Unbundling Report and Proforma Fully Allocated Cost of Service Study for public Review with B.C. Hydro to file a final application by September 11, 1998.
		L-39-98	Redwing Homeowners Association
			Denied the Redwing Homeowners Association's request to be included in the electricity price negotiations between WKP and Penticton's Municipal Electrical Utility.

ORDER	UTILITY OR APPLICANT(S)	ORDER	UTILITY OR APPLICANT(S)
L-40-98	BC GAS	L-45-98	WKP
	Accepted for filing BC Gas' 1998/1999 Gas Contract Plan, subject to comments contained in the letter.		Declined the Independent Contractors and Business Association of British Columbia's request to examine and conduct an inquiry regarding WKP Contracting Practices as it pertains to Rate Schedule 74 - Extensions.
L-41-98	CENTRA GAS BC	L-46-98	B.C. HYDRO
	Letter commenting on Alternative No. 5 of the Business Case for the proposed Call Centre/Inquiry consolidation.		Accepted B.C. Hydro's Transfer Pricing Policy and Code of Conduct for non-regulated activities in accordance with the RMDM Guidelines.
L-42-98	SQUAMISH GAS	L-47-98	B.C. HYDRO
	Letter advising Squamish Gas that the Ministry of Energy and Mines has given conditional approval for the extension to Brackendale and Garibaldi Highlands in a letter dated July 15, 1998.		Letter to B.C. Hydro requesting comment on Aquila's July 16, 1998 complaint regarding the Real Time Pricing Index Revision.
	Squamish Gas is to report on the number of utility propane customers that converted to natural gas on the Brackendale and Garibaldi Highlands extension. The report should discuss the propane supply arrangements for the remaining utility customers, the possible effects on the propane sales rate, and if a future extension is planned to connect these utility propane customers.	L-48-98	INTERACTION RESOURCES LTD.
	Squamish Gas is to provide the Commission with its acceptance of the rate floor and any related agreement that is signed with the Ministry, and to file an application establishing new rate schedules for SGS-1 and LGS-1 customers served on the Brackendale and Garibaldi Highlands extension.		Declined Interaction's application to declare Petro-Canada Oil and Gas as a common processor for the Parkland Wabamun A Pool and to establish a rateable take order restricting individual gas production rates for each well in the Parkland Wabamun A Pool.
L-43-98	ENRON CAPITAL & TRADE RESOURCES CANADA CORP.	L-49-98	PNG
	Letter providing Enron with a severed copy of the Agreement between BC Gas Utility Ltd. and Duke Energy Trading and Marketing, LLC. BC Gas identified those sections of the Agreement considered to be harmful to BC Gas' or Duke Energy's business interests if disclosed, and the document was severed by the Commission prior to release.		Denied Methanex's application for participant assistance for the 1998 Revenue Requirements/Cost of Service Allocation and Rate Design Study.
L-44-98	PNG and CENTRA GAS FSJ	L-50-98	B.C. HYDRO
	Extended the filing date of the 1999 Fort St. John, Dawson Creek, and Tumbler Ridge Rate Design Application to November 1, 1998.		Set down for discussion B.C. Hydro's Rate Schedules 1821 and 1848 - 5,000 kVA Minimum requirement for September 15, 1998.
		L-51-98	PNG
			Accepted the 1998/1999 Gas Contracting Plan subject to the specific directions and on the understanding that all individual supply contracts will continue to be filed with the Commission for review.

ORDER	UTILITY OR APPLICANT(S)	ORDER	UTILITY OR APPLICANT(S)
L-52-98	BC GAS		
	Approved the assignment of certain Westcoast Transmission T-North Capacity to suppliers.		Service Line Abandonment and the Insufficient Load Charges Centra Gas should not collect the Service Line Abandonment charge.
L-53-98	B.C. HYDRO	L-60-98	CENTRA GAS FSJ
	Approved the exception to clause (iv) of the RTP Supplementary Agreement regarding the effective termination date of the Agreements.		Accepted Centra Gas FSJ's proposal to (1) construct 5 km of pipeline from the Novagas West Stoddart processing plant to Taylor, B.C., (2) install a custody transfer meter station, and (3) to rebuild its Stoddart regulator station. The Commission determined that a CPCN is not required for this project.
L-54-98	B.C. HYDRO		
	Approved B.C. Hydro's Diesel Generation Costs for the period July 1, 1998 to June 30, 1999 and adjusted rates for Electric Tariff Supplements No. 7 and 8.		Centra Gas FSJ is to confirm, prior to starting construction, the fees that Novagas will charge to backhaul gas from Taylor to the Stoddart interconnection point.
L-55-98	PNG	L-61-98	SIERRA LEGAL DEFENCE FUND
	Accepted PNG's 1998/1999 Gas Supply Risk Management Plan for the gas contract year commencing November 1, 1998.		Letter to the Sierra Legal Defence Fund advising that as a result of the amended legislation (Section 22 and Ministerial Order No. M-22-9801 affecting Section 71), the Commission determined that it has no power to pursue the filing or disclosure of the 1990 Long-Term Electricity Purchase Agreement or the 1997 "Memorandum of Consent".
L-56-98	B.C. HYDRO	L-62-98	
	Approved the extension of the filing date for the Rate Schedule 1821 Unbundling application from September 11, 1998 to October 30, 1998.		Letter requesting comments on whether the existing ROE formula should be applied for 1999 as the forecast Long-Term Canada bond rate for 1999 is expected to fall below the 6.0% threshold used in the ROE adjustment mechanism.
L-57-98	WESTERN PULP LIMITED PARTNERSHIP	L-63-98	B.C. HYDRO
	Denied Western Pulp's application for an Order directing B.C. Hydro to approve its application for access to Rate Schedule 1848. The Commission determined that Western Pulp's stated reason for switching to RTP was outside the intent of the RTP program and would be harmful to other customers.		Directed B.C. Hydro to file, as soon as possible, an application to amend the RTP program in a manner which strengthens the existing prohibitions on inappropriate rate schedule switching and restricts use of the RTP tariffs to those customers seeking access to energy at market-based prices.
L-58-98	B.C. HYDRO	L-64-98	BC GAS
	Letter responding to customer's complaint regarding B.C. Hydro's notice of disconnection for non-payment of account. Based on information provided by the utility, the Commission found no reason for B.C. Hydro to postpone the disconnection of service.		Directed BC Gas to implement the Mains Extension Review process as set out in its August 25, 1998 submission.
L-59-98	CENTRA GAS BC		
	Directed Centra Gas to accept customer's offer to pay the \$300 Insufficient Load Charge. The Commission determined that in the absence of conclusive evidence showing that the customer had been informed of the		

ORDER **UTILITY OR
APPLICANT(S)**

L-65-98 **BC GAS**

Approved the following revisions to the winter 1998/1999 Gas Price Management Strategy approved by Letter No. L-9-98.

1. A 2% DCQ fixed price Station #2 supply transferred to fixed price Sumas that will increase the total fixed price Sumas to 22%.
2. Increase by 5% DCQ the fixed price Sumas which will increase both the maximum fixed price target to 27% and the total fixed price volume.

BC Gas is to fix, at this time, a maximum of 5% DCQ in the April 1998 to October 2000 gas purchases, prior to filing the Gas Purchase Management Strategy for this period. This plan was required to be filed by October 31, 1998.

L-66-98 **WKP**

Letter to the Chamber of Commerce of Grand Forks regarding its complaint advising that WKP has committed to a program of brushing and tree control as well as equipment replacements in an effort to improve the reliability to the Grand Forks area. The Commission will monitor WKP's ability to serve its load reliably and expects that WKP's system plans and capital expenditures for transmission system improvements will be an issue for discussion at the next WKP review workshop.

L-67-98 **WKP**

Letter to the District of Lake Country advising that WKP has switched them to Rate Schedule 21D effective February 1998. WKP refunded, with interest, any over-payments the District made while under Rate Schedule 30.

L-68-98 **B.C. HYDRO and WKP**

Extended the filing date for the joint Rate Harmonization proposal by B.C. Hydro and WKP to October 2, 1998.

L-69-98 **B.C. HYDRO**

Denied B.C. Hydro's application for an exemption from the requirements for a CPCN for the 230 kV Cable Replacement Application - Newell Substation to Hill Avenue Terminal Substation. The Commission determined

ORDER **UTILITY OR
APPLICANT(S)**

that on the basis of the scale and cost of this project an exemption should not be given.

B.C. Hydro is to refile its documentation and apply for a CPCN for the project.

L-70-98 **WKP**

Approved the establishment of a pilot project for electric heat customers that would allow the Utility to make loans of \$2,500 or less directly to customers rather than through loan guarantees with outside financial institutions.

L-71-98 **CENTRA WHISTLER**

Denied Centra's request for a deferral account to record expenditures related to the development and implementation of three DSM programs, namely the Commercial Audit program, the Residential Home Visit program and the Energy Sustainability Education program.

L-72-98 **BC GAS**

Letter responding to the Gas Contractors Association of B.C. that:

- the Commission has reached an agreement with BC Gas that only the parent company of Homeworks, BC Gas Inc., will be used in promotional material. The Commission does not regulate BC Gas Inc.
- the Commission has no jurisdiction under the Act to consider the impacts of the use of utility assets and services, either directly or through an NRB, on the retail market downstream of the meter.
- BC Gas Inc. has agreed that the subsidiary name Homeworks should be given prominence over the use of the BC Gas Inc. parent.

L-73-98

Letter advising Registered Intervenors to the 1994 ROE proceeding that upon review of the comments received in reply to the Commission's September 18, 1998 letter, the adjustment mechanism would be used to set the ROEs for 1999, despite the anticipated low rates on Long-Term Government of Canada bonds.

The Commission will establish a process in 1999 for a comprehensive review of all issues surrounding the setting of ROE.

ORDER	UTILITY OR APPLICANT(S)	ORDER	UTILITY OR APPLICANT(S)
L-74-98	WKP	L-82-98	BC GAS
	Denied WKP's application for pre-approval of a Power Purchase Agreement with an unnamed supplier.		Approved an extension of the filing date to November 30, 1998 and requested BC Gas to either file completed contracts for peaking arrangements by November 30, 1998, or to issue its Request for Proposals for LNG facilities.
L-75-98	PNG	L-83-98	BC GAS and B.C. HYDRO
	Letter requesting comments from PNG's Registered Intervenor on the Utility's application to defer the redemption of its 6.75% cumulative redeemable preferred shares due to potential negative impacts on its overall cost of capital.		Letter to B.C. Hydro advising of the extension of the filing date to November 30, 1998, and conveying the Commission's concern that the utilities have not yet successfully concluded negotiations for an agreement regarding peak shaving supply for BC Gas.
L-76-98	B.C. HYDRO	L-84-98	BC GAS
	Directed B.C. Hydro to file the Long-Term Point-to-Point Rates for Wholesale Transmission Service which reflect long-run marginal costs and locational considerations effective January 1, 1999.		Letter accepting BC Gas' 1999/2000 Gas Price Management Strategy except for the request to include an automatic adjustment extension of price management quantities as identified in item 6. BC Gas was requested to file a report which described the safeguards adopted to maintain the integrity and execution of the gas management strategy as it had been accepted by this letter.
L-77-98	B.C. HYDRO	L-85-98	B.C. HYDRO
	Approved B.C. Hydro's request for an extension to the filing date of the discount policy to April 30, 1999, and of an indefinite extension for the local versus bulk facilities identification information.		Accepted B.C. Hydro's Code of Conduct for Grid Operations and InterUtility Affairs for Wholesale Transmission Services subject to the amendment of Policy 6 to indicate that staff transfers between Grid Operations and entities involved in wholesale merchant functions, will be posted on the OASIS within two weeks of their occurrence.
L-78-98	B.C. HYDRO	L-86-98	PNG
	Approved B.C. Hydro's request to cancel the November 12, 1998 workshop to review the RTP program.		Granted PNG relief from the requirement to redeem its 6.75% cumulative, redeemable, perpetual preferred shares at this time. Should a favourable time for redemption arise, PNG will be required to apply to redeem its 6.75% preferred share capital.
L-79-98	BC GAS	L-87-98	B.C. HYDRO
	Directed BC Gas to file a pro-forma tariff setting out proposed terms, conditions and rates for Agency Billing and Collection Transportation ("ABC-T") service by March 5, 1999.		Letter rescinding the Commission's requirement that B.C. Hydro file unbundled cost information by November 30, 1998 regarding the unbundling of Rate Schedules 1821 and 1848.
L-80-98	HUDSON'S BAY COMPANY		
	Letter advising the Hudson's Bay Company that the Commission does not oppose the resale of electricity pursuant to the terms of the agreement between the Parkwell Parkade and The Bay provided that no additional charges are made.		
L-81-98	WKP		
	Letter authorizing WKP's proposal to rebuild Transmission Line No. 44 along Highway 97, south of Deadmans Lake.		

ORDER **UTILITY OR APPLICANT(S)**

L-88-98 **B.C. HYDRO**

Letter submitting an Information Request to B.C. Hydro regarding the Demand-Side Management Program and Evaluation Update for September 1998.

L-89-98

Letter setting out the 1999 ROE including calculations as follows:

BC Gas	9.25
Centra – FSJ	9.50
PNG	10.00
WKP	9.50

L-90-98 **B.C. HYDRO**

Letter to Aquila Canada Corp. advising that the Commission has ordered the following:

- B.C. Hydro to file a Rate Bypass Application addressing the issue of potential impacts created by customer rate-switching.
- Pursuant to Order No. G-111-98 the Commission directed that Item 2 of Order No. G-89-98 be rescinded, allowing Rate Schedule 1211 customers, currently taking service at distribution voltage to move to Rate Schedule 1821, provided they met the tariff requirements, inclusive of primary voltage.

L-91-98 **REGIONAL DISTRICT OF FRASER-FORT GEORGE**

Letter responding to the Regional District’s November 20, 1998 inquiry regarding the review or audit requirements for BC Gas’ main extension projects.

L-92-98 **WKP**

Letter accepting WKP’s estimates for the reconstruction of Transmission Line No. 44 and advising that the final costs submitted are subject to a prudency review by the Commission before being allowed into rate base.

ORDER **UTILITY OR APPLICANT(S)**

L-93-98 **WKP**

Denied CORE’s second Application for Reconsideration of the Commission’s October 29, 1998 Reasons for Decision, Order No. G-93-98 and Order No. C-13-98 dealing with WKP’s CPCN for Transmission Line No. 44.

L-94-98 **CENTRA WHISTLER**

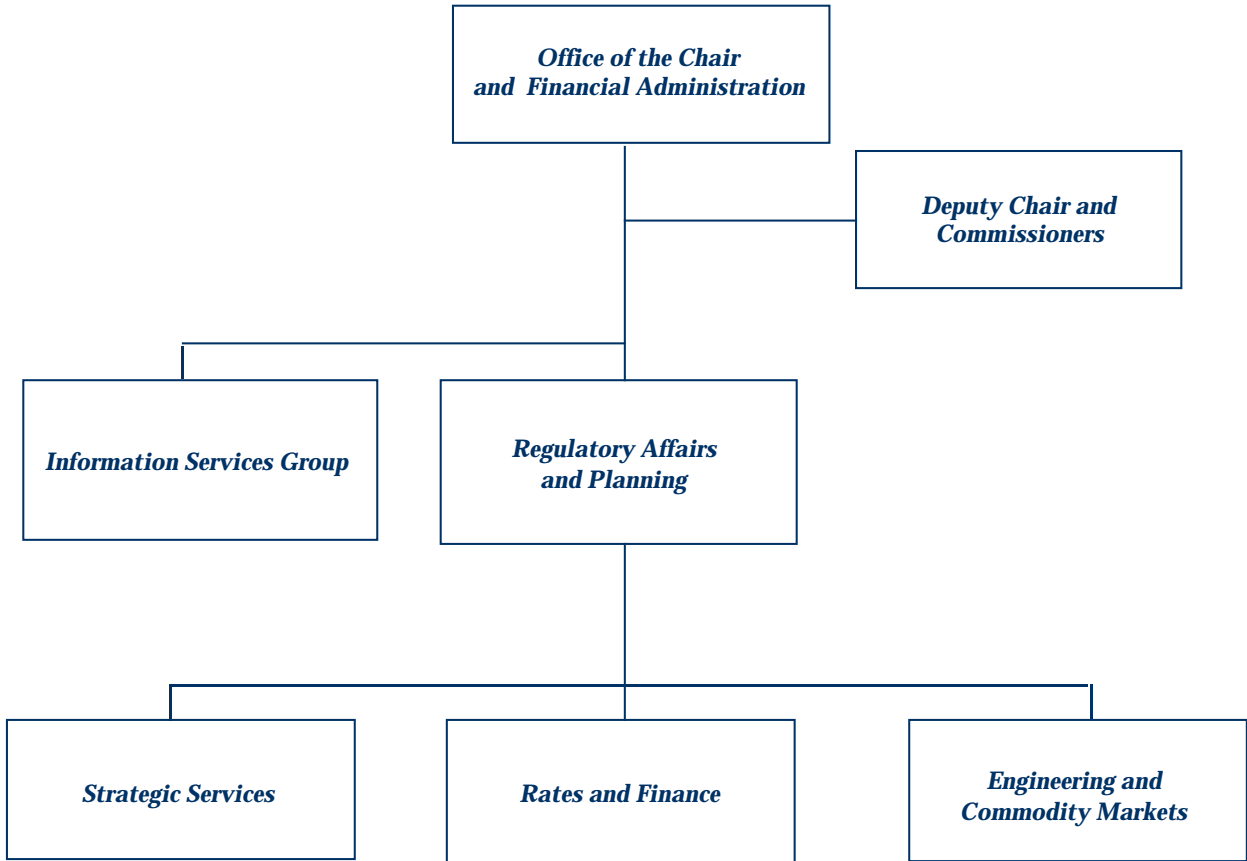
Approved a deferral account in the amount of \$1,358,106 to capture costs associated with the development of the Whistler natural gas pipeline. Expenditures will be subject to a test for prudency and subsequent disposition at a later date, or following application, during the CPCN process.

L-95-98 **BC GAS**

Complaint from High Grade Mill Installations Limited regarding the difference between BC Gas’ estimate to inspect the pipeline and the actual invoice for the inspection. High Grade was informed that the question of whether its cost responsibility was limited to the estimate was a legal and contractual matter, and outside of the Commission’s purview.

APPENDIX **14**
*MAIN ELECTRIC TRANSMISSION AND
POWER GENERATING FACILITIES*

APPENDIX **15**
NATURAL GAS AND GAS LIQUIDS UTILITIES



Commissioners are appointed by the Lieutenant Governor in Council.

COMMISSIONERS

Peter Ostergaard, Chair

Queen's University, 1973 [B.A. (Honours) Geography and Economics]; University of British Columbia, 1976 (M.A.); Member, Canadian Institute of Planners; 1990-96 Assistant Deputy Minister, Energy Resources Division, Ministry of Energy, Mines and Petroleum Resources; 1996-97 Assistant Deputy Minister, Energy and Minerals Division, Ministry of Employment and Investment; January, 1998 appointed Chair of the B.C. Utilities Commission; January 1999 reappointed Chair of the Commission for a three-year term.

Lorna R. Barr, Deputy Chair

University of London (B.Sc. Honours Geography minor, Geology); University of Victoria (M.A. Geography specializing in Resource Management); prior to 1992 positions held encompassed lecturing at colleges and universities, Britain, Australia, Canada (1967-76); planning (1976-80); public consultation and regulation in the energy sector (1981-87); and tribunal work (1987-92). August, 1992 appointed Deputy Chair of the B.C. Utilities Commission.

Frank C. Leighton, Temporary Commissioner

University of London, England (B.Sc. Eng.), Professional Engineer, employed by Swan Wooster Engineering Companies in Vancouver (1951-84) as Project Manager, Vice-President of Planning, President of Swan Wooster International, and Vice-Chairman of Swan Wooster Engineering; private practice; appointed July, 1987.

Kenneth L. Hall, Temporary Commissioner

University of Saskatchewan (B.E.), Professional Engineer, Trans Mountain Pipe Line Company (30 years) retired 1983 as President, C.E.O. and Chairman of the Board, Honorary Life Member Canadian Petroleum Association; appointed December, 1989.

Paul G. Bradley, Temporary Commissioner

Cornell University, 1956 (B. Chemical Engineering); Massachusetts Institute of Technology, 1966 (Ph.D. Economics); Postdoctoral Fellow, Sloan School of Management, MIT (1969-70); Visiting Scholar, Centre for Energy Policy Research, MIT (1978-79); Director, Mineral Revenues Inquiry, State of Western Australia (1984-86); Resident Consultant, Dept. of Energy, Mines & Resources, Ottawa (1987), Professor Emeritus, University of British Columbia (1965-96); appointed September, 1992.

Colin Kinsley, Temporary Commissioner

Mayor, City of Prince George; Director, Regional District of Fraser Fort George; Director, Municipal Finance Authority; retired from BC Gas Inc. (30 years); appointed March, 1997.

OFFICE OF THE CHAIR AND FINANCIAL ADMINISTRATION

<i>Marilyn E. Donn</i>	Assistant to the Chair and Deputy Chair/Manager, Financial Administration
<i>Sandra S. Clark</i>	Financial Assistant/Stenographer

COMMISSION SECRETARY'S OFFICE AND INFORMATION SERVICES GROUP

<i>Robert J. Pellatt</i>	Commission Secretary
<i>Constance M. Smith</i>	Assistant Commission Secretary / Administrator, Computer Services
<i>Alison H. Cormack</i>	Information Services Officer
<i>Debra L. Frank</i>	Stenographer
<i>Lisa D. Morris</i>	Stenographer
<i>Yvonne M. Lapierre</i>	Stenographer/Receptionist

REGULATORY AFFAIRS AND PLANNING

<i>William J. Grant</i>	Executive Director
<i>Margaret M. McDermott</i>	Stenographer

STRATEGIC SERVICES

<i>Deborah W. Emes</i>	Manager
<i>John J. Hague</i>	Senior Utility Conservation Analyst (On Leave)
<i>James W. Fraser</i>	Senior Economist
<i>Cameron B. Lusztig</i>	Energy Utility Economist

RATES AND FINANCE

<i>Barry McKinlay</i>	Manager
<i>Fred S. James</i>	Senior Financial Analyst
<i>Philip W. Nakoneshny</i>	Senior Financial Analyst

ENGINEERING AND COMMODITY MARKETS

<i>J. Brian Williston</i>	Manager
<i>Robert W. Rerie</i>	Senior Electrical Engineer
<i>Robert N. Brownell</i>	Senior Commodities Analyst