

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

and

IN THE MATTER OF an Application by
BC Gas Inc.

BEFORE: J.G. McIntyre,)
Chairman;)
J.D.V. Newlands,)
Deputy Chairman;) December 11, 1991
N. Martin,)
Commissioner; and)
K.L. Hall)
Commissioner)

O R D E R

WHEREAS:

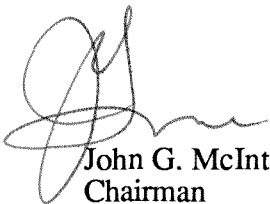
- A. On November 22, 1991 BC Gas Inc. filed with the Commission a preliminary prospectus to issue such number of Common Shares of the Company, to raise \$100 million of new equity capital, pursuant to Section 57(2) of the Utilities Commission Act ("the Act"); and
- B. The Common Shares are intended to provide BC Gas with the equity needed to bring the capital structure to levels outlined in the utility's November 20, 1991 Application for Interim and Permanent rate relief effective January 1, 1992; and
- C. By letter dated November 25, 1991 the Commission approved-in-principle the BC Gas common share issuance recognizing that, although the Commission did not yet accept that the additional equity was required, it would accommodate the utility's desire to go to market at this time, subject to full review of the optimal capital structure at the public hearing into BC Gas' 1992 Revenue Requirements Application.
- D. On December 4, 1991 BC Gas provided the Commission with a Final Prospectus to issue 6,660,000 Common Shares at \$15.65 per share to raise \$100,059,840 after underwriting commissions; and
- E. On December 10, 1991 BC Gas formally applied to issue 6,660,000 common shares pursuant to Section 57(3) of the Act; and
- F. The Commission has reviewed the Application and supporting material and finds that approval of the BC Gas Common Share issue is necessary and in the public interest.

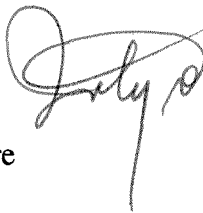
NOW THEREFORE the Commission orders as follows:

1. The Commission approves the issue by BC Gas of 6,660,000 Common Shares at \$15.65 per Common Share to raise \$100,059,840 after underwriting commissions, pursuant to Section 57(3) of the Act.
2. The Commission's approval is conditional upon its review of the common equity capital structure of BC Gas along with full evidence being led at a public hearing into the utility's 1992 Revenue Requirement Application that is expected to take place in the Spring, 1992.

DATED at the City of Vancouver, in the Province of British Columbia, this 12th day of December, 1991.

BY ORDER


John G. McIntyre
Chairman



/mmc