



ROBERT J. PELLATT
COMMISSION SECRETARY

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April 3, 1995

Mr. D.M. Masuhara
Vice President
Legal and Regulatory Affairs
BC Gas Utility Ltd.
1111 West Georgia Street
Vancouver, B.C.
V6E 4M4

Dear Mr. Masuhara:

Re: BC Gas Utility Ltd.
Gas Cost Reconciliation Account ("GCRA")
Amortization Mechanism

Further to your letter of January 31, 1995 regarding the GCRA, the Commission accepts that minimum balances need not be retained in deferral accounts as set out in Section 2.5 of the presently approved GCRA mechanism and can be replaced in favour of a review of the end-of-year GCRA and RSAM balances and the impact the amortization has on customers' rates in the following year.

The Commission continues to support the three-year amortization of account balances while also recognizing the advantage acknowledging special circumstances.

Yours truly,

*Original signed
by Author*

Robert J. Pellatt

DWE/mmc