



ROBERT J. PELLATT
COMMISSION SECRETARY

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January 30, 1995

Mr. Patrick Lloyd
Executive Vice President
Finance and Administration
BC Gas Utility Ltd.
1111 West Georgia Street
Vancouver, B.C.
V6E 4M4

Dear Mr. Lloyd:

Re: BC Gas Utility Ltd.
NRB Designated Subsidiaries

With reference to your letter of January 16, 1995 to Mr. W.J. Grant regarding the creation of Designated Subsidiaries and related charge-out rates, the Commission agrees to the revision in the Code of Business Conduct to accommodate the above requests and the inclusion of BC Gas International Inc. as a Designated Subsidiary effective January 1, 1995. However, BC Gas in addition to the reporting requirements for the Designated Subsidiaries as proposed in your letter must:

1. Apply for Commission approval for each NRB to be included as a Designated Subsidiary.
2. File a detailed accounting for each utility employee for his/her time and activities involved in each project.
3. Justify the benefits of each project to the Province and the utility customers.
4. Justify the availability of each such utility employee "as required" by the Designated Subsidiary and that his/her absence from the utility would not cause inconvenience, lower standard of service or additional costs to the utility and its customers.

The Commission will review the above approvals and reporting requirements at the end of two years time to ensure consistency with the intent of the Code of Business Conduct.

Yours truly,

Robert J. Pellatt

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BCG/Cor/NRB Designated Subsidiaries