



ROBERT J. PELLATT
COMMISSION SECRETARY

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VIA FACSIMILE

May 2, 1997

Mr. David 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.
Off-System Incentive Program

In its review of BC Gas' Off-System Incentive Program, Commission staff did not observe anything that would cause an adjustment to the incentive calculations and amount for 1995/96 or for the "net revenue benchmark" for 1996/97.

Yours truly,

A handwritten signature in black ink, appearing to read "R. Pellatt", written over a horizontal line.

Robert J. Pellatt

RJP/cms

cc: Mr. Henry L. Dinter
Manager, Transportation and Industrial Services
BC Gas Utility Ltd.
Registered Intervenors to:
BCG 1996-98 Revenue Requirements Proceeding
BCG 1998-2002 Performance Based Rate Plan Proceeding