



LETTER NO. L-25-00

ROBERT J. PELLATT
COMMISSION SECRETARY
Commission.Secretary@bcuc.com
web site: <http://www.bcuc.com>

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. CANADA V6Z 2N3
TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

VIA FACSIMILE

June 20, 2000

Log No. 3340

Mr. T.W.W. Jennings
Manager Gas Supply
Centra Gas British Columbia Inc.
1675 Douglas Street
P.O. Box 3777
Victoria, B.C. V8W 3V3

Dear Mr. Jennings:

Re: Centra Gas British Columbia Inc. ("Centra Gas", "the Company")
2000/01 Gas Contracting Plan and 2000/01 Gas Supply Price Management Program

Further to your May 30, 2000 filing, the Commission accepts Centra Gas' 2000/01 Gas Contracting Plan ("GCP") and 2000/01 Gas Supply Price Management Program ("PMP") subject to the following comments. All individual supply contracts will continue to be filed in a timely fashion pursuant to Section 71 of the Utilities Commission Act. The GCP is based on a cost comparison of the several alternatives that Centra Gas has available to it, and favours supplies which are flexible and are shaped to customer demand profiles. The PMP is a generally acceptable strategy for the 2000/01 gas contract year.

1. The Commission accepts Centra Gas' proposal to increase its firm peak day supply to 91,875 GJ/d.
2. Portions of baseload and seasonal supply may be substituted with peaking or downstream storage in the event that suppliers offer more favourable terms for these alternate supplies. The Commission accepts this approach in principle. The Company will be expected to justify the cost of the alternative it has selected when individual supply contracts are filed.
3. The Company will need to justify any market premiums in pricing under its seasonal, peaking, storage, and baseload contracts for 2000/01.

The Commission has accepted the GCP and PMP on a "confidential" basis, at the request of Centra Gas, based on the understanding that it contains commercially sensitive information related to individual energy supply contracts.

Yours truly,

Original signed by:

Robert J. Pellatt

RB/mmc