



**LETTER NO. L-32-00**

ROBERT J. PELLATT  
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**VIA FACSIMILE**

July 5, 2000

Mr. David M. Masuhara  
Vice President  
Legal, Regulatory & Logistics  
BC Gas Utility Ltd.  
24th Floor, 1111 West Georgia Street  
Vancouver, B.C. V6E 4M4

Dear Mr. Masuhara:

Re: BC Gas Utility Ltd.  
2000/01 Gas Supply Annual Contracting Plan

On June 13, 2000, BC Gas filed its 2000/01 Gas Supply Annual Contracting Plan ("2000/01 Plan"), which sets out a strategy for acquiring the gas supplies that are needed for the 2000/01 contract year. It outlines the actions necessary to deal with events which may impact the natural gas industry over the next contracting period.

The Commission accepts the 2000/01 Plan subject to the following comments and on the understanding that all individual gas supply contracts and amendments will continue to be filed in a timely fashion pursuant to Section 71 of the Utilities Commission Act. The Plan supports the future filing of gas supply contracts and amendments that are consistent with it, but does not supersede the need to demonstrate that each new contract is in the public interest.

1. The Commission accepts the new methodology for determining the peak day based on a 20-year return period instead of the coldest day in the past 20 years. This results in a peak day demand of 1,309 TJ/day.
2. The Commission accepts the contracting decisions that support the proposed amounts of baseload, seasonal, peaking, spot and storage gas for 2000/01.

At the request of BC Gas, the Commission accepts the 2000/01 Plan on a "confidential" basis on the understanding that it contains commercially sensitive information related to energy supply contracts.

Yours truly,

*Original signed by:*

Robert J. Pellatt

RB/lm