



LETTER NO. L-29-02

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

Log No. 1248, 1291

VIA FACSIMILE

July 4, 2002

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

Dear Mr. Masuhara:

Re: BC Gas Utility Ltd.
Purchase of Fixed-Price Winter Propane Volumes
Status of Revelstoke Propane Rates for July 1, 2002

Pursuant to your June 18, 2002 letter proposing that the Utility should continue with the supply of liquid propane from MP Energy and the continuation of a winter-fixed / summer-variable with price cap pricing structure, the Commission agrees with the recommendation.

BC Gas has justified the secured propane price for the winter period (November 2002 to March 2003), evaluated the impact on rates, and provided a statement of justification for this strategy in its letters of June 5 and June 18, 2002. The Commission considers the fixed propane pricing level to be acceptable and that it conforms to the propane supply strategy approved in Order No. E-8-01.

BC Gas' recommendation in its June 5, 2002 letter that there be no change to rates as at July 1, 2002 is accepted by the Commission.

Yours truly,

Original signed by:

Constance M. Smith
for: Robert J. Pellatt

RJP/lm