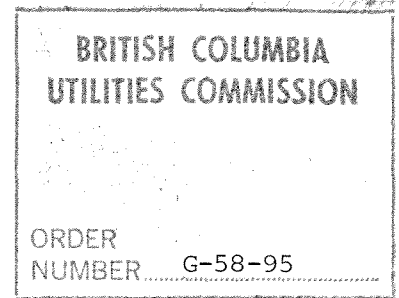


SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3
CANADA



TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

AN ORDER IN THE MATTER OF the Utilities Commission
Act, S.B.C. 1980, c. 60, as amended

and

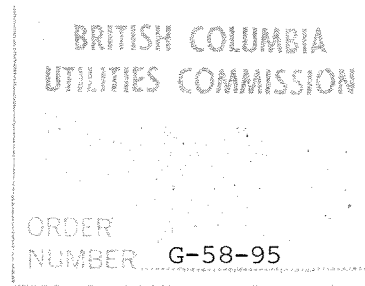
The Commission's Rules Regarding Energy Supply Contracts for Natural Gas

BEFORE: M.K. Jaccard, Chairperson; and)
L.R. Barr, Deputy Chairperson) July 7, 1995

O R D E R

WHEREAS:

- A. The Commission issued Rules Regarding Energy Supply Contracts ("the Rules") in conjunction with its March 11, 1993 Decision on Domestic Natural Gas Supply. The Decision approved the use of buy/sells for delivery of direct sales gas to core market consumers and anticipated that there would be future reviews of matters related to direct sales; and
- B. Order No. G-42-94 dealt with several implementation problems and impediments to direct sales and provided for a further review of matters such as the requirement for a rolling four-year term for all buy/sell and other core market gas supply contracts in late 1994 or early 1995, if required; and
- C. Order No. E-4-95 approved three mid-year buy/sell gas purchase contracts and advised that the Commission would review whether future buy/sell contracts that start at a date other than November 1 should be approved and if so , at what price; and
- D. A number of parties had raised other concerns about current practices and procedures for buy/sell gas purchase contracts; and
- E. Order No. G-17-95 set the matter down for a written public hearing prior to the completion of direct purchase arrangements for the 1995/96 gas contract year and issued a Notice of Written Hearing which included a preliminary list of issues and timing deadlines to be followed; and
- F. Based on comments from Registered Intervenors in the proceeding, the Commission issued a list of issues on March 30, 1995; and



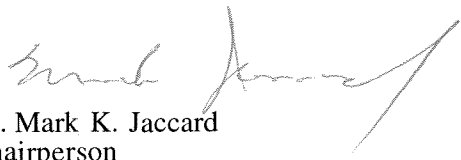
G. The Commission has considered the evidence received during the written hearing, as set forth in the final List of Exhibits in the Decision issued concurrently with this Order, and has determined that certain new and amended directions should be ordered.

NOW THEREFORE the Commission orders as follows:

1. The Rules for Energy Supply Contracts which apply for natural gas are amended as set forth in Appendix A of the Decision, effective the date of this Order.
2. The Commission requires each gas utility to comply with the various directives contained in the Decision.

DATED at the City of Vancouver, in the Province of British Columbia, this 7th day of July, 1995.

BY ORDER


Dr. Mark K. Jaccard
Chairperson