



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

ROBERT J. PELLATT  
COMMISSION SECRETARY

VIA FACSIMILE

January 29, 1996

Corporate Secretary  
3181782 Canada Inc.  
Suite 3400  
666 Burrard Street  
Vancouver, BC  
V6C 3M8

Dear Sir:

Re: 3181782 Canada Inc. ("3181782")  
Regulation under the Utilities Commission Act (the "Act")  
(SBC 1980 c 60)

This letter is further to a letter dated January 2, 1996 from Mr. Ostergaard of the Ministry of Energy, Mines and Petroleum Resources to Mr. Richardson of the National Energy Board (the "NEB"). The Commission understands that on October 31, 1995, 3181782 purchased an approximately 95 percent interest in the Helmet pipeline system in northeastern British Columbia from Czar Resources Ltd. and other gas producers in the area, and that it has or will purchase the remaining interests in the system early in 1996. Furthermore, the Commission understands that the Helmet pipeline system is currently being operated by the principal former working interest owner for the transportation of raw natural gas. On January 15, 1996, Westcoast Energy Inc., parent company of 3181782, requested approval from the NEB to acquire the system and a certificate to operate the system.

In the Commission's view, 3181782 would appear to be a public utility as defined in the Act. It would be useful for you to meet with Commission staff regarding the obligations of a utility under the Act. You may contact my office, 660-4727, or Mr. Bill Grant, Executive Director, Regulatory Affairs and Planning, at 660-4728 by February 9, 1996 to propose a convenient date to meet on this matter.

Yours truly,

Robert J. Pellatt

JBW/cms