



LETTER NO. L-68-97

ROBERT J. PELLATT  
COMMISSION SECRETARY

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VIA FACSIMILE

November 6, 1997

Mr. David M. Masuhara  
Vice President,  
Legal and Regulatory Affairs  
BC Gas Utility Ltd.  
1111 West Georgia Street  
Vancouver, B.C.  
V6E 4M4

Dear Mr. Masuhara:

Re: BC Gas Utility Ltd.  
Application for a Certificate of Public Convenience and Necessity  
Integrated Business Information System Project

Commission Order No. G-85-97 dated July 23, 1997, approved the terms of a negotiated settlement for the BC Gas Utility Ltd.'s ("BC Gas") 1998-2002 Revenue Requirements application. The settlement terms provided that certain capital projects would require Certificate of Public Convenience and Necessity ("CPCN") applications.

On October 21, 1997, pursuant to Section 45 of the Utilities Commission Act ("the Act"), BC Gas applied to the Commission for a CPCN for approval of its Integrated Business Information System ("IBES") Project. The IBES project is intended to design and implement new computer software for the Finance, Materials Management, and Human Resources functions of the Company.

The IBES project is expected to cost approximately \$21.7 million, to be implemented in two phases and completed by 1999.

The Commission has reviewed the BC Gas application and, pending approval of the CPCN, determines that a deferral account for the recording of reasonable and prudent expenditures that relate to the Project may be set up.

Yours truly,

A handwritten signature in black ink, appearing to read "R. Pellatt", is written over a horizontal line.

Robert J. Pellatt

BMcK/cms  
cc: BCG96-98RR-ADR Intervenors

BCG/Cor/IBES Proj.-CPCN