



LETTER No. L-41-02

ROBERT J. PELLATT
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September 26, 2002

Mr. Geoff Higgins
Manager, Regulatory Affairs
Centra Gas British Columbia Inc.
1675 Douglas Street
P.O. Box 3777
Victoria, B.C. V8W 3V3

Dear Mr. Higgins:

Re: Centra Gas British Columbia Inc.
Third Quarter 2002 Report
Gas Cost Flow-Through and Gas Cost Reconciliation Account Guidelines
New Customer Rate Balancing Account – Rider C Calculation

Further to your September 23, 2002 filing of the above noted report recommending that the existing Rate Rider C of \$1.705/GJ not change as of October 1, 2002, the Commission accepts your recommendation.

In early December 2002, Centra Gas will file its Fourth Quarter 2002 Report regarding gas commodity rates as of January 2003. In that filing, based on experience gathered over 2001 and 2002, Centra is invited to include an assessment of the effectiveness of the quarterly reporting Guidelines that were established by Commission Letter No. L-5-01, and any suggestions to improve and streamline the setting of gas commodity rates and management of the gas cost variance account balances. For example, what changes, if any, should be made to the content or the timing of the filings? Would formal reviews at six month intervals (e.g. for January and July rates) be sufficient? The Commission looks forward to receiving your views on this matter.

Yours truly,

Original signed by:

Robert J. Pellatt

JBW/cms