



LETTER No. L-50-02

ROBERT J. PELLATT
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VIA FACSIMILE

December 16, 2002

Log No. 2041, 2042, 2043

Mr. Dietz Kellman
Director
Financial Development Services
BC Gas Utility Ltd.
16705 Fraser Highway
Surrey, B.C. V3S2X7

Dear Mr. Kellmann:

Re: BC Gas Utility Ltd.
Fourth Quarter 2002 Reports
Gas Cost Flow-Through and Gas Cost Reconciliation Account Guidelines

Further to your December 9, 2002 filings of the above noted reports for the Lower Mainland, Inland, Columbia, Revelstoke and Fort Nelson service areas recommending that Gas Cost Recovery Charges and Gas Cost Reconciliation Account ("GCRA") riders not change as of January 1, 2003, the Commission accepts your recommendation.

We note your statement that BC Gas will file its comments shortly on the functioning of the GCRA management and gas cost flow-through guidelines and suggestions for streamlining and improving the process, pursuant to Letter No. L-37-02.

Yours truly,

Original signed by:

Robert J. Pellatt

JBW/ac