



IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

A Filing by Terasen Gas Inc. and Terasen Gas (Vancouver Island) Inc.
of Natural Gas Storage Agreements

BEFORE: P. Ostergaard, Chair)
K.L. Hall, Commissioner) May 22, 2003
R.H. Hobbs, Commissioner)

O R D E R

WHEREAS:

- A. On May 14, 2003 Terasen Gas Inc. ("Terasen Gas"), on behalf of Terasen Gas (Vancouver Island) Inc. ("Terasen VI"), filed with the Commission draft copies of three natural gas storage related agreements with respect to the contracting of incremental Mist Storage Facility ("Mist") capacity and the subleasing of a portion of the incremental capacity to Terasen VI for the period May 1, 2003 to May 31, 2004, with the option to further extend the agreements to May 31, 2005 upon notification by Terasen Gas and acceptance by the Commission; and
- B. The agreements for natural gas storage that set pricing and deliverability terms are structured as follows:
- Interstate Storage Service – Assignment Agreement between Terasen Gas, Calpine Corporation ("Calpine") and Northwest Natural Gas Company ("NWN") for incremental Mist capacity commencing May 1, 2003.
 - Service Agreement for Firm Interstate Storage Service for incremental Mist capacity between Terasen Gas and NWN for the period from May 1, 2003 to May 31, 2004, which may be extended to May 31, 2005.
 - Agreement between Terasen Gas and Terasen VI to sublease up to one quarter of the incremental Mist capacity to Terasen VI; and
- C. The Commission has reviewed the Terasen Gas and Terasen VI filing and finds that the draft agreements for natural gas storage at Mist is in the public interest.

NOW THEREFORE the Commission orders as follows:

1. The Commission, pursuant to Section 71 of the Utilities Commission Act and the Rules for Energy Supply Contracts, accepts for filing for Terasen Gas and Terasen VI the May 14, 2003 filing of three natural gas storage agreements with respect to the contracting of incremental Mist capacity and the subleasing of a portion of the capacity to Terasen VI for the period May 1, 2003 to May 31, 2004, with the option to further extend the agreements to May 31, 2005.
2. The Commission will accept, subject to timely filing by Terasen Gas, fully executed copies of the storage agreements.
3. The Commission accepts Terasen Gas' request to maintain the agreements and filed documents as confidential.

DATED at the City of Vancouver, in the Province of British Columbia, this 2nd day of June 2003.

BY ORDER

Original signed by:

Peter Ostergaard
Chair