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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-35-04**

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

and

**An Application by Terasen Gas Inc.
for Approval of a Further Amended and Restated Bypass Transportation Agreement
with Dunkley Lumber Limited**

BEFORE: L.F. Kelsey, Commissioner) April 7, 2004
K.L. Hall, Commissioner)

O R D E R

WHEREAS:

- A. Commission Order No. G-54-02 dated July 24, 2002 approved a Further Amended and Restated Bypass Transportation Agreement between Terasen Gas Inc. ("Terasen Gas") and Dunkley Lumber Limited ("Dunkley") dated June 1, 2002, which replaced a Bypass Transportation Agreement filed as Tariff Supplement No. E-2 and which expired on November 1, 2002; and
- B. On March 29, 2004, Terasen Gas filed for Commission approval a Further Amended and Restated Bypass Transportation Agreement with Dunkley dated March 11, 2004 ("the Agreement"). The Agreement would replace the current Further Amended and Restated Bypass Transportation Agreement dated June 1, 2002; and
- C. The Agreement has a term of ten years, covering the period November 1, 2004 to November 1, 2014. Dunkley may extend the term of the Agreement by providing written notice to Terasen Gas 12 months before the termination date of the Agreement; and
- D. The Agreement recognizes increases to Dunkley's daily and annual consumption volumes that require looping of the existing transmission lateral in 2004. Dunkley will make a Contribution in Aid of Construction for the cost of the pipeline loop under the terms of a Letter Agreement dated March 16, 2004. The Agreement provides for an increase in the monthly charge for incremental operating, maintenance and administrative expenses due to the new facilities; and

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E. The Commission has reviewed the Agreement and finds that approval is warranted.

NOW THEREFORE the Commission approves the Agreement as a Rate Schedule 25 Tariff Supplement and the cancellation of the Further Amended and Restated Bypass Transportation Agreement dated June 1, 2002 that is currently filed as Tariff Supplement No. E-2, effective November 1, 2004, subject to Dunkley complying with the terms of the Letter Agreement dated March 16, 2004.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of April 2004.

BY ORDER

Original signed by:

Len F. Kelsey
Commissioner