



LETTER NO. L-82-05

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Log No. 10687

VIA E-MAIL

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October 7, 2005

TGI_Chetwynd Document A-1

Mr. Scott Thomson
Vice President, Finance and Regulatory Affairs
Terasen Gas Inc.
16705 Fraser Highway
Surrey, B.C. V3S 2X7

Dear Mr. Thomson:

Re: Terasen Gas Inc.
Application for Approval of Operating Terms for the Supply and Distribution of
Natural Gas within the District of Chetwynd ("Chetwynd")

On July 19, 2005, Terasen Gas Inc. ("Terasen Gas") applied pursuant to Section 32 of the Utilities Commission Act ("the Act") for approval of Operating Terms for the supply and distribution of natural gas service within the boundaries of Chetwynd. Terasen Gas described the Operating Terms as substantially similar to the terms in the Operating Agreements between Terasen Gas and the Corporation of the City of Penticton and Terasen Gas and the Corporation of the City of Salmon Arm, approved by Commission Orders No. C-8-03 and C-7-03 except that the Operating Terms proposed for Chetwynd do not contain a provision for the payment of Franchise Fees.

Pursuant to Section 32 of the Act, the Commission will be conducting a written inquiry into the Terasen Gas Application. The inquiry will consider the Terasen Gas Application, the Chetwynd Reply dated September 2, 2005, the previous correspondence on file with the Commission regarding the Chetwynd Operating Agreement and natural gas rates charged in Chetwynd.

The Commission has established a timetable for further submissions on the Terasen Gas Application with a deadline for a Terasen Gas response of October 14, 2005 and a Chetwynd reply of October 19, 2005.

Yours truly,

Original signed by:

Robert J. Pellatt

PWN/cms

cc: Mr. Colin Stewart
Staples McDannold Stewart
Mr. Mike Redfearn, Chief Administrative Officer
District of Chetwynd