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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-8-07

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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 Two-Year Extension of the 2004-2007
Multi-Year Performance-Based Rate Plan for 2008-2009**

BEFORE: L.F. Kelsey, Commissioner
L.A. Zaozirny, Commissioner January 29, 2007

O R D E R

WHEREAS:

- A. Commission Order No. G-51-03 approved for Terasen Gas Inc. ("Terasen Gas", "the Company"), the Settlement Agreement for a 2004-2007 Multi-Year Performance-Based Rate Plan (the "Settlement"); and
- B. The terms of the Settlement required Terasen Gas to hold a Mid-Term Assessment Review prior to the end of the third year (2006) of the Settlement; and
- C. On November 15, 2006, Terasen Gas held the 2006 Annual Review and Mid-Term Assessment Workshop (the "Workshop"). During the Workshop, the Company discussed the possibility of an application for the extension of the current Settlement; and
- D. Terasen Gas engaged in stakeholder consultation during December 2006 and January 2007; and
- E. In a letter dated December 21, 2006, the Ministry of Energy, Mines and Petroleum Resources stated that it would support a two-year extension period to the Settlement; and
- F. On January 19, 2007, Terasen Gas filed for the approval of a two-year extension of the Settlement for 2008-2009 (the "Application"); and
- G. In a letter dated January 22, 2007, the British Columbia Hydro and Power Authority stated that it was willing support a two-year extension of the Settlement with terms as per the Terasen Gas draft term sheets discussed at the stakeholder meeting; and
- H. The Commission has reviewed the Application and considers that a written public hearing process is required.

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NOW THEREFORE the Commission orders as follows:

1. The Commission establishes a written public hearing process for the review of the Application, and sets down the Regulatory Timetable for the proceeding that is attached as Appendix A to this Order.
2. Terasen Gas is to provide copies of the Application to all Intervenors listed in Commission Order No. G-51-03, Appendix A.

DATED at the City of Vancouver, In the Province of British Columbia, this 30th day of January, 2007.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner

Attachment

**Terasen Gas Inc. (“Terasen Gas”)
Application for Approval of Extension of the Settlement Agreement for 2004-2007 Multi-Year
Performance-Based Rate Plan for 2008-2009**

REGULATORY TIMETABLE

Action

Date 2007

Terasen Gas to provide copies of the Application to all Intervenors

Friday, February 2

Stakeholder, Intervenor and Interested Party Comments

Friday, February 9

Terasen Gas Reply Comments

Friday, February 16