



LETTER NO. L-61-07

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VIA E-MAIL
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July 13, 2007

Mr. Scott Thomson
Vice President, Finance and Regulatory Affairs
Terasen Gas Inc.
16705 Fraser Highway
Surrey, BC V4N 0E8

Dear Mr. Thomson:

Re: Terasen Gas Inc.
System Extension and Customer Connection Policies Comprehensive Review

On June 29, 2007, pursuant to the Utilities Commission Act (the "Act"), Terasen Gas Inc. ("TGI") filed an application ("Application") for approval to delay submission of its "System Extension and Customer Connection Policies Comprehensive Review Report".

In Order No. G-160-06, Reasons for Decision, the Commission directed TGI to "... conduct a comprehensive review of its system extension and customer connection policies, including the MX test by the end of the second quarter of 2007, for implementation in 2008."

In the Application, TGI proposed that preparing a single consolidated Report, encompassing information, analyses, recommendations and an implementation plan for TGI, Terasen Gas (Vancouver Island) Inc., and Terasen Gas (Whistler) Inc. (collectively, the Terasen Utilities), would result in the most efficient review process for Terasen, stakeholders, and the Commission. Further, TGI proposed that, to conduct the necessary stakeholder consultation, incorporate the necessary detailed information for the Terasen Utilities, and to balance requirements with staffing resource constraints, delaying submission of the Report to July 31, 2007 would be necessary.

The Commission considered the matters proposed by TGI and agrees that submission of a consolidated Report is desirable.

Regarding the date for submission, Order No. G-160-06 was specific that the Report be received by the Commission not later than June 30, 2007. TGI's request for an extension of the due date was received on June 29, one day prior to the deadline.

Order No. G-160-06 informed TGI of the submission deadline well in advance. The described basis for extending the deadline is primarily related to TGI resource constraints. The Commission is of the view that TGI had ample time to propose amending the due date. TGI is expected to submit the Report after the stated deadline, and no later than July 31, 2007.

Yours truly,

Original signed by:

Robert J. Pellatt

TR/cms