



**LETTER NO. L-79-07**

SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, B.C. CANADA V6Z 2N3  
TELEPHONE: (604) 660-4700  
BC TOLL FREE: 1-800-663-1385  
FACSIMILE: (604) 660-1102

ERICA M. HAMILTON  
COMMISSION SECRETARY  
Commission.Secretary@bcuc.com  
web site: <http://www.bcuc.com>

Log No. 22191

**VIA E-MAIL**

October 2, 2007

To Participants of: TGVI's 2006-2007 Negotiated Settlement and 2006 Settlement Update  
TGVI/TGI Mount Hayes LNG Application

Re: Terasen Gas (Vancouver Island) Inc.  
British Columbia Hydro and Power Authority Long Term Service Agreements

By Letter dated September 28, 2007, Terasen Gas (Vancouver Island) Inc. ("TGVI") filed with the Commission under Section 61 of the Act, a series of long term service agreements with British Columbia Hydro and Power Authority ("BC Hydro") which comprise the Transportation Service Agreement between TGVI and BC Hydro, Peaking Agreement between BC Hydro and TGVI, and the Capacity Assignment Agreement ("CAA") between TGVI, BC Hydro and Terasen Gas Inc. ("the Application"). These agreements would replace the current agreements dated October 20, 2005 that have been approved by the Commission pursuant to Order No. G-113-05.

Please provide your comments on the type of regulatory review process that the Commission should apply to this Application under the following listed options:

1. The Application would be reviewed by a separate written hearing process generally consistent with the proposed timetable as set out on page 6 of the application.
2. The Application would be reviewed as part of the review of TGVI's 2006/07 Negotiated Settlement and 2006 Settlement Update according to the regulatory timetable established by Order No. G-112-07.
3. An alternative review process with an accompanying timetable that Intervenors can support.

Intervenors should provide their comments on the type of review process to the Commission by Thursday, October 4, 2007, with a copy to TGVI and TGVI should provide its reply comments by Monday, October 8, 2007.

Yours truly,

*Original signed by*

Erica M. Hamilton

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Enclosure