



LETTER No. L-80-07

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VIA E-MAIL

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October 5, 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.
2007–2010 Price Risk Management Plan
Modification of Hedging Trigger Prices within Order L-38-07

By letter dated September 25, 2007 Terasen Gas proposed to modify the hedging trigger prices as outlined in the 2007-2010 Price Risk Management Plan ("Plan"). The Plan stated on page 18 that:

"Should prices fall significantly below the current CCRA rate, Terasen Gas would consider a strategy of increasing hedging volumes to capture such a discount to the CCRA rate and further enhance the success of meeting the Plan's objectives."

The Commission accepts this modification set out in the September 25, 2007 letter as being consistent with the Plan.

Yours truly,

Constance M. Smith
for: Erica M. Hamilton

RB/cms