



**LETTER NO. L-113-09**

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**VIA E-MAIL**

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December 18, 2009

**TGW 2010 - 2011 REVENUE REQUIREMENTS**

**AND RATES APPLICATION**

**EXHIBIT A-6**

Mr. Tom Loski  
Chief Regulatory Officer  
Terasen Gas Inc.  
16705 Fraser Highway  
Surrey, BC V4N 0E8

Dear Mr. Loski:

Re: Terasen Gas (Whistler) Inc.  
2010-2011 Revenue Requirements and Rate Application

Regarding B.C. Utilities Commission (the "Commission") Order G-136-09A, the Commission Panel has reviewed submissions to the Commission from registered interveners ("Intervenors") regarding the regulatory process of the Terasen Gas (Whistler) Inc. ("TGW") 2010-2011 Revenue Requirements and Rate Application ("Application").

Further to Order G-136-09A, the Commission Panel would like to obtain comments from TGW and the Intervenors regarding the suggested regulatory process:

The Application would follow a negotiated settlement process ("NSP") with the following two items excluded from the NSP process:

- a. The matter of costs in excess of a limit determined by the mechanism to limit customer exposure to capital cost overruns, as imposed by the Certificate of Public Convenience and Necessity contained in Order C-3-06 and further explained in Section 6 of the Decision that accompanies Order G-53-06 [as amended] (collectively "Order C-3-06"), related to the Whistler Conversion Project proposed for inclusion in rate base for recovery from customers ("Whistler Conversion Cost Overruns"); and
- b. The matter of proposed changes to the Commission approved mechanism to limit customer exposure to capital cost overruns including but not limited to Aerial Crossings for the natural gas pipeline lateral, and Base Incentives amounts, as imposed by Order C-3-06, and recalculate the amount of the Capital Contribution (collectively "Pipeline Construction Calculations").

The suggested process for review of the Whistler Conversion Cost overruns and the Pipeline Construction Calculations would be a written hearing process.

The Commission Panel requests submissions from Intervenors and TGW by December 31, 2009. Upon review of these submissions, the Commission Panel will determine the regulatory process for the Application.

Yours truly,

*Original signed by:*

KB/cms

cc: Registered Intervenors

PF/TGW\_2010RRA/A-6\_Comments re Process

for: Erica M. Hamilton