



LETTER NO. L-63-10

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VIA EMAIL

Regulatory.Affairs@terasengas.com

August 26, 2010

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

Dear Mr. Loski:

Re: Terasen Gas (Vancouver Island) Inc.
2010/11 Annual Gas Contracting Plan (November 2010 – October 2011)

On July 7, 2010, Terasen Gas (Vancouver Island) Inc. (TGVI) filed on a confidential basis its 2010/11 Annual Contracting Plan (2010/11 ACP). The Commission generally accepts the TGVI 2010/11 ACP and items as set out on pages 62 and 63. The major portfolio changes affecting the 2010/11 ACP are as follows:

1. TGVI recommends an increase of 2.6 TJ/day in the peak day demand, or an increase of 2.3% to 114.2 TJ/day from 111.6 TJ/day; and
2. TGVI recommends an increase of 2.5 TJ/day in Huntingdon peaking gas purchases; and
3. Storage and transportation contracts remain unchanged from 2009/10.

Nothing in this letter is to be construed as negating or superseding Commission directives related to the TGVI Price Risk Management Plan pursuant to Orders E-24-10 and E-27-10.

The information contained in the 2010/2011 ACP, exclusive of the Executive Summary will be treated as confidential for reasons of commercial sensitivity.

A copy of TGVI's non-confidential Executive Summary for 2010/11 Annual Gas Contracting Plan is attached which is available for public dissemination.

Yours truly,

Erica M. Hamilton

MT/dg
Attachment