



LETTER NO. L-7-03

ROBERT J. PELLATT
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VIA FACSIMILE

February 14, 2003

Mr. Geoff Higgins
Manager, Regulatory Affairs
Centra Gas British Columbia Inc.
1675 Douglas Street
P.O. Box 3777
Victoria, B.C. V8W 3V3

Dear Mr. Higgins:

Re: Centra Gas British Columbia Inc.
Certificate of Public Convenience and Necessity No. C-15-02
Extension of Natural Gas Distribution System to Sooke, B.C.
Removal of Conditions in CPCN No. C-15-02

This letter is in response to Centra Gas' Application dated February 11, 2003 requesting that the Commission remove the condition in CPCN Order No. C-15-02 that requires that Centra Gas have "the right to use the Galloping Goose right-of-way for the Pipeline over the long term under reasonable terms and conditions and usage fees". Centra Gas made a similar request on January 28, 2003, and Commission Letter No. L-6-03 expressed a concern about the letter agreement dated January 28, 2003 between Centra Gas and the B.C. Transportation Financing Authority ("BCTFA").

The February 11, 2003 letter agreement with the BCTFA amends Article 3 of the January 28, 2003 letter agreement with the BCTFA, removing the words "seeks to" and providing Centra Gas with a clear option to renew the Licence Agreement after the initial term.

The Commission hereby confirms that Centra Gas has satisfied the condition set out in Article 1 of CPCN Order No. C-15-02. The Commission expects that Centra Gas will file the completed Licence Agreement that incorporates the terms of the letter agreement and amending letter agreement by the end of this month.

Yours truly

Original signed by:

Robert J. Pellatt

JBW/rt

cc: Mr. Philip J. Christie
Director, Land Management Partnerships Department
Ministry of Transportation