



LETTER NO. L-15-04

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VIA E-MAIL / FACSIMILE

March 8, 2004

To: Registered Intervenors

Re: Terasen Gas (Vancouver Island) Inc. ("TGVI")
Application for Reconsideration of the Decision of the
British Columbia Utilities Commission ("BCUC") dated June 5, 2003

On October 14, 2003, Terasen Gas (Vancouver Island) Inc. (formerly Centra Gas British Columbia Inc.) applied to the Commission pursuant to Section 99 of the *Utilities Commission Act* for reconsideration and variance of one part of the Commission's decision dated June 5, 2003 on TGVI's 2002 Rate Design Application. The impugned portion of the decision, made at pages 41 and 42, relates to the effective date of the new tolls.

By way of Letter No. L-51-03 dated October 20, 2003, the BCUC invited intervenors to comment on TGVI's application by October 31, 2003 and for TGVI to respond by November 7, 2003. British Columbia Hydro and Power Authority ("BC Hydro") provided comments on October 31 and, in its submission, stated that "... since the Court of Appeal for British Columbia is being asked by BC Hydro to make a finding that recovery of RDDA should not be included in the transmission tolls charged by TGVI to BC Hydro, if the Commission decides to proceed with reconsideration arising from the Application, the reconsideration should be delayed until after the Court of Appeal decision."

The Commission, in Order No. G-88-03, allowed the TGVI Application for reconsideration and established a schedule for argument and reply by TGVI and Intervenors. TGVI filed its argument on January 9, 2004; BC Hydro filed its argument on February 2, and TGVI filed its reply argument on February 9, 2004.

In its reply argument TGVI recommended that the Commission's review of TGVI's Application be adjourned until after the judgment of the Court of Appeal is available, and requested that parties be granted the opportunity to modify or augment their submissions if required, to take into account the Court of Appeal's interpretation of the Special Direction.

The Commission has reviewed the submissions of the parties and is prepared to accept the TGVI recommendation, noting that it is also consistent with the earlier request of BC Hydro that the Commission review of the TGVI Application for reconsideration be delayed until after the Court of Appeal's judgment.

Therefore, at the request of the parties including the applicant, the Commission is adjourning its review of the TGVI Application for reconsideration until after the judgment of the Court of Appeal has been issued. Following the issuance of the Court's judgment, the Commission will resume its review of the TGVI Application for reconsideration, including the issue of whether the parties should be permitted to modify or augment their submissions.

Yours truly,

Original signed by:

Robert J. Pellatt

JWF/cms

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