



LETTER NO. L-31-04

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. CANADA V6Z 2N3
TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

ROBERT J. PELLATT
COMMISSION SECRETARY
Commission.Secretary@bcuc.com
web site: <http://www.bcuc.com>

Log No. 5861, 6181, 6251

VIA E-MAIL

regulatory.affairs@terasengas.com

May 14, 2004

Mr. Scott Thomson
Vice President, Finance and Regulatory Affairs
Terasen Gas Inc.
16705 Fraser Highway
Surrey, B.C. V3S 2X7

Dear Mr. Thomson:

**Re: Terasen Gas (Whistler) Inc. and Terasen Gas Inc. – Revelstoke Grid System
Propane Gas Contracting Plan and Price Risk Management Plan**

On March 26, 2004 Terasen Gas Inc. filed a Gas Contracting Plan ("GCP") and Price Risk Management Plan ("PRMP") that applied to both Terasen Gas (Whistler) Inc. and Terasen Gas Inc.'s Revelstoke Propane Grid System for the period April 1, 2004 to March 31, 2005. The objectives supporting these strategies were further clarified in a subsequent letter dated May 3, 2004 and the Commission notes that the electricity equivalent price is very competitive with propane. The key contracting decisions for the 2004/05 GCP for both the Whistler and Revelstoke grid systems are outlined on page 3 and the PRMP for both locations are outlined on page 4.

The Commission accepts the 2004/05 GCP and PRMP for both the Whistler and Revelstoke propane grid systems and the Commission will hold the information confidential. Once the two proposed contracts; Link Petroleum Services Ltd. and Terasen Gas (Whistler) and MP Energy Partnership and Terasen Gas Inc. Revelstoke Grid System are completed, the Commission will examine them for acceptance in accordance with Section 71 of the Utilities Commission Act.

Yours truly,

Original signed by:

Robert J. Pellatt

RB/mmcc