



LETTER NO. L-30-05

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VIA E-MAIL

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April 18, 2005

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 Inc. ("Terasen Gas")
2004 Resource Plan

The Commission is in receipt of the Terasen Gas 2004 Resource Plan ("Resource Plan"), filed April 6, 2005.

The Commission has evaluated the Resource Plan and is satisfied that the plan has been prepared in accordance with its Resource Planning Guidelines. Terasen Gas has appropriately consulted with stakeholders in preparation of its Resource Plan. The Commission is of the view that the proposed four-year Action Plan is reasonable under the current planning circumstances of Terasen Gas. Accordingly, the Commission accepts the Resource Plan and determines that a formal public review is not required at this time.

Commission acceptance of the Resource Plan is based in part on the understanding that Terasen Gas will file an annual gas contracting plan and price risk management plan for 2005/06 in a timely fashion. The Commission also notes that the Resource Plan does not appear to be intended to and does not fulfill the requirements of Section 45(6) for an annual statement of the extensions to its facilities that Terasen Gas intends to construct. The Commission expects Terasen Gas to submit these respective plans and statement in 2005.

The Commission encourages Terasen Gas to continue to consult with stakeholders and directs Terasen Gas to file an updated 2006 Resource Plan and associated Action Plan by the end of the first quarter of 2006. The Commission requests that the 2006 annual statement of extensions under Section 45(6) be submitted together with the 2006 Resource Plan.

Yours truly,

Original signed by:

Robert J. Pellatt

RG/rt