



LETTER NO. L-44-06

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Log No. 13855

VIA E-MAIL

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August 11, 2006

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")
Equal Payment Plan and High Bill Estimates

Thank you for your June 7, 2006 Report on Terasen Gas' Equal Payment Plan ("EPP") and High Bill Estimates that resulted from a number of customer complaints.

The Commission has reviewed the Report and provides the following comments:

- The Commission accepts that Terasen Gas will be reviewing the rebranding and customer communication strategy of the EPP in 2006.
- When the EPP is reviewed, the Commission concurs that the word "equal" is not accurately reflective of the actual customer payments that occur over the Plan year since the EPP accounts are reviewed quarterly. The Commission encourages Terasen Gas to consider changing the word "equal" which often is confusing to customers.
- The Commission agrees with Terasen Gas to provide its Call Centre personnel with additional educational training related to EPP complaints and inquiries, especially following significant rate changes that would affect future customer monthly payments.
- The Commission notes Terasen Gas' intention to provide more timely rate impact updates to customers participating in the plan. Hopefully this change will result in more effective communication with customers.

Yours truly,
Original signed by Y. LaPierre for

Robert J. Pellatt

RJP/yl

cc: Ms. Nadine Nicholls
5220 Gulf Place
West Vancouver, BC V7W 2V9