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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** E-13-07

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**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**An Application by Terasen Gas Inc. and Terasen Gas (Vancouver Island) Inc.
Related to the Exercise of an Option Under the Mist Interstate Storage Agreement**

BEFORE: L.F. Kelsey, Commissioner June 21, 2007

O R D E R

WHEREAS:

- A. On May 23, 2007 Terasen Gas Inc. ("Terasen Gas") and Terasen Gas (Vancouver Island) Inc. ("TGVI") jointly submitted for acceptance a letter under which Terasen Gas is exercising its option under its Mist Intrastate Storage Service Agreement No. D dated July 12, 2004 ("Agreement D") with Northwest Natural Gas Company ("NWN") to maintain its existing capacity, deliverability and injection rights under Agreement D for the period June 1, 2009 until May 31, 2011. This submission also included a letter from TGVI exercising its option with Terasen Gas to maintain its existing capacity, deliverability and injection rights until May 31, 2011 as well as requesting Terasen Gas to contract for 6,400 Dth/d of Mist redelivery with IGI Resources, Inc.; and
- B. The Commission has reviewed the Terasen Gas and TGVI joint filing and is satisfied that the exercise of the option under Agreement D is required and in the customers' interest.

NOW THEREFORE pursuant to Section 71 of the Utilities Commission Act and the Commission's Energy Supply Contract Rules, the Commission accepts the following:

1. Terasen Gas exercising its option under Mist Agreement D to maintain existing deliverability, capacity and injection levels at current rates from June 1, 2009 to May 31, 2011.
2. TGVI exercising its option under its agreement with Terasen Gas to maintain its current deliverability and capacity at 15,000 Dth/d and 390,000 Dth respectively at existing rates and requesting Terasen Gas contract for 6,400 Dth/d of Mist redelivery capacity for the period June 1, 2009 to May 31, 2011.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of June 2007.

BY ORDER

Original signed by

L.F. Kelsey
Commissioner