



LETTER NO. L-88-09

ERICA M. HAMILTON
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VIA E-MAIL

Regulatory.Affairs@terasengas.com

October 2, 2009

Mr. Tom Loski
Chief Regulatory Officer
Terasen Gas Inc.
16705 Fraser Highway
Surrey, BC V4N 0E8

Dear Mr. Loski:

Re: Terasen Gas Inc.
2009–2012 Price Risk Management Plan
Modification of Hedging Trigger Price

By letter dated September 28, 2009, Terasen Gas Inc. ("Terasen Gas") provided hedging trigger prices for incremental triggers and accelerated triggers for the period beginning the winter 2009/2010 to the summer 2012 as outlined in Table 1. These triggers were developed based on the April 1, 2009 Commodity Cost Recovery Charge for Residential Customers ("CCRA") rate and are proposed to remain unchanged except for the first incremental trigger for winter 2010/2011.

The Commission accepts Terasen Gas' proposal to maintain the existing CCRA hedging trigger prices (with the exception of a slight downward adjustment to the winter 2010/2011 first incremental trigger) as presented in Table 1. This will ensure incremental or accelerated hedging is below the August 24, 2009 AECO forward curve, recent historical prices, and continues to meet the objectives of the 2009-2012 Price Risk Management Plan.

The Commission will maintain this information as confidential.

Yours truly,

Original signed by:

Erica Hamilton

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