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October 1, 2007

British Columbia Hydro and Power Authority
333 Dunsmuir Street
Vancouver, BC
V6B 5R3

Attention: Ms. Joanna Sofield, Chief Regulatory Officer

Dear Ms. Sofield:

**Re: Terasen Gas Inc. ("TGI") and Terasen Gas (Vancouver Island) Inc. ("TGVI")
Application for System Extension & Customer Connection Changes Review
(the "Application") Project No. 3698472
Response to the British Columbia Hydro and Power Authority ("BC Hydro")
Information Request ("IR") No. 2**

In accordance with Commission Order No. G-114-07 setting out the amended Regulatory Timetable for the Application, TGI and TGVI respectfully submit the attached response to BC Hydro IR No. 2.

If there are any questions regarding the attached, please contact Mr. Tom Loski, Director, Regulatory Affairs at (604) 592-7464.

Yours very truly,

**TERASEN GAS INC. and
TERASEN GAS (VANCOUVER ISLAND) INC.**

Original signed by: Tom Loski

For: Scott A. Thomson

cc: Erica M. Hamilton, Commission Secretary
Registered Parties (e-mail only)

Attachment



Terasen Gas Inc. ("TGI") and Terasen Gas (Vancouver Island) Inc. ("TGVI") Application for System Extension & Customer Connection Changes Review	Submission Date: October 1, 2007
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1.0 Reference: Terasen responses to BC Hydro IR No. 1.7.2, 1.7.3 and 1.7.4

For each of the tables provided in the responses to BC Hydro IRs 1.7.2, 1.7.3 and 1.7.4, please provide for each of TGI and TGVI the total annual customer contributions and the overall average contribution per customer (i.e. the total annual customer contributions divided by the number of new customers).

Response:

The tables provided in response to BC Hydro IR No. 1, Questions 7.2, 7.3, and 7.4 used actual contributions and the expected changes to contributions if credits for efficiency were taken into account. In responding to this question, the Company has redone the tables to show the effect of what would happen if hypothetically the contributions were based upon what customer contributions would have been if customer's contributions were derived using actual rather than forecast cost. This allows for a better comparison between the three tables. However the Company would expect that the actual number of customers attached and the actual contributions for 2006 would be different than this example as customers may choose not to attach due to higher attachment costs.

BC Hydro IR 1 Question 7.2, IR 2 Question 1				
Company	Contribution Type	Average Customer Contribution	# of Customers Impacted	Total Contribution
TGI	\$215 SLIF	\$ 215	11,028	\$ 2,371,020
	Cont. for >\$1,100 Service Line	\$ 1,071	3,130	\$ 3,351,953
	Main Extension Contribution	\$ 5,534	39	215,826
	Total			\$ 5,938,799
	Average Contribution per New Customer			\$ 539
TGVI	\$215 SLIF*	\$ 215	3,003	\$ 645,645
	Cont. for >\$1,100 Service Line	\$ 1,040	1,495	1,554,538
	Main Extension Contribution	\$ 2,877	11	31,647
	Total			\$ 2,231,830
	Average Contribution per New Customer			\$ 743

Note: all customer contributions based upon actual costs from Schedule 3 and 4, and assume customers paid contributions based upon their actual cost. Calculations do not assume the same customers would have attached regardless of connection cost.



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BC Hydro IR 1 Question 7.3, IR 2 Question 1				
Company	Contribution Type	Average Customer Contribution	# of Customers Impacted	Total Contribution
TGI	\$215 SLIF become \$0	\$ -	N/A	-
	Cont. for >\$1,535 Service Line	\$ 1,103	2,048	2,258,290
	Main Extension Contribution	\$ 4,664	39	181,896
	Total			2,440,186
	Average Contribution per New Customer			\$ 221
	Average Contribution per Contributing Customer			\$ 1,191
TGVI	\$215 SLIF become \$0	\$ -	N/A	-
	Cont. for >\$1,535 Service Line	\$ 1,056	971	1,025,445
	Main Extension Contribution	\$ 2,007	11	22,077
	Total			1,047,522
	Average Contribution per New Customer			\$ 349
	Average Contribution per Contributing Customer			\$ 1,079

Note: all customer contributions based upon actual costs from Schedule 3 and 4, and assume customers paid contributions based upon their actual cost. Calculations do not assume the same customers would have attached regardless of connection cost.

BC Hydro IR 1 Question 7.4, IR 2 Question 1				
Company	Contribution Type	Average Customer Contribution	# of Customers Impacted	Total Contribution
TGI	\$215 SLIF become \$0 + High Eff.	\$ -	N/A	-
	Cont. for >\$1,535 Service Line + High Eff.	\$ 1,071	1,941	2,078,191
	Main Extension Contribution* + High Eff.	\$ 4,248	39	165,672
	Total			2,243,863
	Average Contribution per New Customer			\$ 203
	Average Contribution per Contributing Customer			\$ 1,156
TGVI	\$215 SLIF become \$0 + High Eff.	\$ -	N/A	-
	Cont. for >\$1,535 Service Line + High Eff.	\$ 1,024	945	967,747
	Main Extension Contribution* + High Eff.	\$ 1,687	11	18,557
	Total			986,304
	Average Contribution per New Customer			\$ 328
	Average Contribution per Contributing Customer			\$ 1,044

Note: all customer contributions based upon actual costs from Schedule 3 and 4, and assume customers paid contributions based upon their actual cost. Calculations do not assume the same customers would have attached regardless of connection cost.