



Tom A. Loski  
Chief Regulatory Officer

16705 Fraser Highway  
Surrey, B.C. V4N 0E8  
Tel: (604) 592-7464  
Cell: (604) 250-2722  
Fax: (604) 576-7074  
Email: [tom.loski@terasengas.com](mailto:tom.loski@terasengas.com)  
[www.terasengas.com](http://www.terasengas.com)

December 24, 2008

Regulatory Affairs Correspondence  
Email: [regulatory.affairs@terasengas.com](mailto:regulatory.affairs@terasengas.com)

British Columbia Public Interest Advocacy Centre  
Suite 209 – 1090 West Pender Street  
Vancouver, BC  
V6E 2N7

Attention: Mr. James L. Quail, Executive Director

Dear Mr. Quail:

**Re: Terasen Gas Inc. ("Terasen Gas")  
Application for a Certificate of Public Convenience and Necessity ("CPCN") for  
the Fraser River South Arm Crossing Upgrade (the "Application")  
Correction to Response to the British Columbia Public Interest Advocacy  
Centre on behalf of the British Columbia Old Age Pensioners Organization et al  
("BCOAPO") Information Request ("IR") No. 1, Question 2.3**

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On December 19, 2008, Terasen Gas filed the response to BCOAPO IR No. 1 and BCUC IR No. 1 referenced above, in advance of the December 24, 2008 deadline for IR responses as established in Commission Order No. G-173-08.

Terasen Gas has discovered errors in its response to BCUC IR 1.18.1, the results of which are referenced in BCOAPO IR 1.2.3. The Company has revised the attached response to BCOAPO IR 1.2.3 to be consistent with BCUC IR 1.18.1.

We regret any inconvenience this may have caused the Intervenors and the Commission. If there are any questions regarding the attached, please contact the undersigned.

Yours very truly,

**TERASEN GAS INC.**

*Original signed by Diane Roy:*

**For:** Tom A. Loski

Attachment

cc (e-mail only): Registered Participants



Terasen Gas Inc. ("TGI", "Terasen Gas" or the "Company") Application for a Certificate of Public Convenience and Necessity ("CPCN") for the Fraser River South Arm Crossing Upgrade (the "Application" or the "Project")	Submission Date: December 24, 2008
CORRECTION to Response to British Columbia Public Interest Advocacy Centre on behalf of the British Columbia Old Age Pensioners Organization <i>et al</i> ("BCOAPO") Information Request ("IR") No. 1, Question 2.3	Page 1

2.3 Was the \$6 million in efficiencies associated with Alternative 1, (constructing both crossings at once, compared to replacing one now and the other later) mentioned on page 16 calculated by comparing the estimated cost of Alternative 1 with the sum of the expected costs of Alternatives 2 and 3? If so, did the Company consider the present value of the costs of pursuing Alternative 2 now and Alternative 3 later as compared with the cost of Alternative 1?

**Response:**

The determination of the \$6 million of efficiencies was described in the response to BCUC IR 1.5.4.

In its response to BCUC IR 1.18.1, the Company set out an analysis, similar to that requested in this question. In the economic analysis set out the Company has assumed that the NPS 24 pipeline is replaced now and the NPS 20 pipeline is replaced in 2018. The PV of this scenario is \$34.4 million, as compared to \$26.8 million set out in the Company's proposal to replace both pipelines at once.