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Regulatory Affairs Correspondence
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British Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, B.C. V6Z 2N3

Attention: Mr. R.J. Pellatt, Commission Secretary

Dear Sir:

**Re: Terasen Gas Inc. ("Terasen Gas")
Certificate of Public of Convenience and Necessity ("CPCN")
Application for Commodity Unbundling for Residential Customers
Project # 3698421**

**Request by Direct Energy Marketing Limited ("DEML") for Leave of the
Commission to file Additional Evidence – letter dated June 22, 2006**

On June 22, 2006 DEML filed a letter (Exhibit C3-7) requesting leave of the British Columbia Utilities Commission (the "Commission") to file additional evidence pertaining to voice contracting, prior to the commencement of the oral hearing on June 27, 2006. Terasen Gas is not opposed to this request.

As noted in the letter, DEML endorses the proposed post implementation review process by Terasen Gas as set out on page 46 of the Residential Unbundling Application with a review of the Residential Unbundling program to occur by mid 2008, about 6 months after the projected gas flow date of November 1, 2007. DEML also proposes that there be "*regular ongoing meetings between stakeholders and Terasen Gas*" to allow for the discussion of emerging market issues. Terasen Gas proposes that the need for ongoing meetings, and what form and process will be required, would be most appropriately discussed and evaluated at the post implementation review of the Residential Unbundling program in mid 2008, and that no meetings are required prior to the post implementation review.

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

Yours very truly,

TERASEN GAS INC.

Original signed by: Tom Loski

For: Scott A. Thomson