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C & D to Panel & Staff
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August 24, 2004

British Columbia Utilities Commission
Box 250
Sixth Floor, 900 Howe Street
Vancouver, B.C.
V6Z 2N3

Attention: Robert Pellatt, Commission Secretary

Dear Sirs:

Terasen Gas Vancouver Island Inc. ("TGVI") Application dated August 4, 2004 for a Certificate of Public Convenience and Necessity for a Liquefied Natural Gas Storage Project (the "CPCN Application")

Pursuant to Commission Order G-79-04, this will confirm that Vancouver Island Gas Joint Venture (the "**Joint Venture**") wishes to be registered as an Intervenor with respect to the CPCN Application. The Joint Venture will be represented at the Pre-Hearing Conference to be held on September 13, 2004.

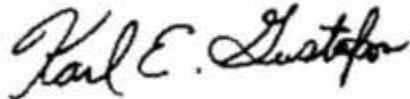
Without prejudice to its right to address other issues that may affect its interests, the Joint Venture may wish to deal with the following issues in the hearing of the CPCN Application:

- (a) the basis on which the costs of the facilities will be allocated to various classes of customer and the effect on peak day cost allocations;
- (b) cost recovery issues related to the cost of gas, cost of transmission and allocation of costs as between distribution and transmission;

- (c) the implications of the proposed storage project for transmission tolls and costs of service allocated to shippers on the TGVI high pressure transmission system ("**HPTS**");
- (d) the implication in the CPCN application that TGVI has the rights to curtail firm service to the Joint Venture in order to respond to capacity shortfalls on the HPTS;
- (e) who will be responsible for the cost of the investment in the facilities if the facilities prove to be surplus to TGVI's actual requirements;
- (f) the implications of the facilities on the option for the Joint Venture to move to cost-based tolls; and
- (g) whether demand-side management opportunities have been adequately evaluated.

The Joint Venture anticipates that it will participate fully as an Intervenor in all proceedings related to the CPCN Application.

Yours truly,

A handwritten signature in black ink, reading "Karl E. Gustafson". The signature is written in a cursive, flowing style.

Karl E. Gustafson, Q.C.
for **Lang Michener LLP**

KEG/

cc. Joint Venture Management Committee
Lloyd Guenther