





Terasen Gas (Vancouver Island) Inc. ("TGVI") Application for a Certificate of Public Convenience and Necessity ("CPCN") for the Mt. Hayes LNG Storage Project and TGVI and Terasen Gas Inc. ("TGI") (collectively the "Companies") Approval of a Storage and Delivery Services Agreement (collectively the "Project") Project No. 3698465	Submission Date: August 13, 2007
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## 1.0 Reference Canada.com news story dated July 31, 2007

"Texada Island was proposed today as the site of an ambitious \$2 billion energy project incorporating an import terminal for liquid natural gas and a 600-megawatt electricity generating station. WestPac LNG Corporation made the announcement in Vancouver, saying the project would meet future energy needs of residents of coastal B.C. communities as well as Vancouver Island residents. WestPac president Mark Butler said there would be enough surplus gas to help supply Terasen's Vancouver Island natural gas pipeline, which already runs down Texada."

- 1.1 Has Terasen had discussions with WestPac regarding the Texada Island project proposal? Has Terasen been able to analyze what impact the proposed LNG plant on Texada Island would have on the proposed Terasen LNG plant at Mt. Hayes?

**Response:**

TGVI and TGI have had preliminary discussions with WestPac regarding the Texada Island project proposal. These discussions have generally been limited to the ability of the TGVI and TGI systems to move imported LNG from Texada Island back to the market hub at Huntingdon/Sumas as a firm base load or a seasonal gas supply.

Please see the responses to BCUC IR#2, Questions 79.1, 79.2, 79.3, 79.4 and 79.5 for discussion on the potential impact on the Mt Hayes facility. As discussed in those responses, TGVI does not believe that the potential for a LNG Import Facility and gas fired generation project located on Texada Island at some uncertain point in the future should any impact on the decision to proceed with the proposed peak shaving facility at Mt Hayes.

- 1.2 If Terasen has been able to analyze the impact of the Texada LNG proposal what were the results of the analysis and impact to the proposed Terasen LNG plant at Mt. Hayes?

**Response:**

Please see the response to Question 1.1.



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- 1.3 If Terasen has not been able to analyze the impact in question 1.1, will Terasen require some time to perform an evaluation of what the WestPac LNG project proposal announcement means to the Mt. Hayes LNG proposal?

**Response:**

Please see the response to Question 1.1.