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Reply Attention of: George K. Macintosh, Q.C.
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 Email Address: gmacintosh@farris.com

Our File No.: 05497-0148

March 28, 2007

BY EMAIL

**FORTIS INC. 2007 ACQUISITION OF
 TERASEN INC. SHARES – Exhibit**

B-4

British Columbia Utilities Commission
 6th Floor, 900 Howe Street
 Vancouver, BC
 V6Z 2N3

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

Dear Sir:

**Re: Fortis Inc. ("Fortis")
 Application for Approval of the Acquisition of the Issued and Outstanding Shares
 of Terasen Inc. - Project No. 3698454**

Update on Stakeholder Consultation

On March 1, 2007, Fortis applied to the British Columbia Utilities Commission (the "Commission") pursuant to Section 54 of the Utilities Commission Act (the "Act") for an Order approving the acquisition of all the issued and outstanding shares of Terasen Inc. (the "Application") which would cause Fortis to have indirect control of certain public utilities regulated by the Commission, which are wholly-owned subsidiaries of Terasen Inc. The public utilities are Terasen Gas Inc. ("TGI"), Terasen Gas (Vancouver Island) Inc. ("TGVI"), Terasen Gas (Whistler) Inc., and Terasen Energy Services Inc. (collectively the "Terasen Utilities").

On March 2, 2007, the Commission issued Order No. G-22-07 (the "Order") establishing a Regulatory Timetable for the review of the Application by a written public hearing process.

As noted in the Application, Section F - Proposed Stakeholder Consultation and Approval Process, Paragraph 44, updates on the consultation process and feedback received from key stakeholders will be provided to the Commission. This letter provides an update on stakeholder consultation efforts.

Pursuant to Item 3 of the Order, Fortis and the Terasen Utilities jointly, were directed to publish a Notice of Procedural Conference (the "Notice") in display-ad format in local news publications to provide adequate notice to customers served in the service areas of the Terasen

Utilities. Appendix A attached to this letter provides details of the process of notification through the media undertaken by Fortis and the Terasen Utilities to publish the Notice in daily and weekly news publications throughout the service areas of the Terasen Utilities. Publication insertion dates are identified in Appendix A for each individual news publication. In summary, notification through the media commenced on March 7, 2007 and concluded on March 16, 2007. The Notice was published in 13 daily news publications (which included the Vancouver Sun and the Province with province-wide circulation) and 46 community news publications.

Pursuant to the Directives under Items 4 and 5 of the Order, and as noted in the Application, Section F - Proposed Stakeholder Consultation and Approval Process, the Application together with any supporting materials were made available on the Fortis and TGI websites. As well, Fortis and the Terasen Utilities have jointly provided electronic notification of the Order and the Application including links to each of the websites where all the documents reside, to all parties who were contacted as part of the stakeholder communications and consultation efforts as noted in Schedule "B" to the Application. A further electronic notification was distributed which included electronic attachments of the Order and the Application to those recipients whose e-mail facilitated their receipt. In addition, the Application together with any supporting materials were made available for inspection at the TGI Office, 16705 Fraser Highway, Surrey, BC, V4N OE8.

On March 1, 2007, the Commission issued letters requesting comments from Intervenors participating in the TGI and TGVI settlement extension proceedings which were before the Commission at that time. Four stakeholders in total submitted letters confirming they each had no concerns regarding the proposed acquisition.

Letters have been received from the Canadian Office and Professional Employees Union ("COPE") Local 378 and the Rental Owners and Managers Society of BC ("ROMS"). The ROMS letter, submitted to the Commission and marked as Exhibit E-1 to this proceeding, notes that ROMS is encouraged by the return to Canadian ownership.

Pursuant to the Order, Intervenors and Interested Parties wishing to register to participate in the Application were to do so by Monday, March 26, 2007. In addition to the Terasen Utilities, five stakeholders registered as Intervenors and two registered as Interested Parties. As part of their registration, Parties were requested to identify any issues that they may intend to pursue during the proceeding. The submissions of the registered participants received thus far have identified no issues related to the Application.

March 28, 2007

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All of which is respectfully submitted.

Yours truly,

FARRIS, VAUGHAN, WILLS & MURPHY
LLP

A handwritten signature in black ink that reads "George Macintosh". The signature is written in a cursive style with a large initial "G".

Per:

George K. Macintosh, Q.C.

GKM/lcb
Enclosure
c.c.: Registered Intervenors

Appendix A

SUMMARY OF NOTIFICATION THROUGH MEDIA

News Publication Information

<u>Region / Publication</u>	<u>Insert Day</u>
Daily Publications:	
Cranbrook Daily Townsman	Wed March 7
Kamloops Daily News	Wed March 7
Kelowna Daily Courier	Wed March 7
Kimberly Daily Bulletin	Wed March 7
Nanaimo Daily News	Wed March 7
Nelson Daily News	Thr March 8
Penticton Herald	Wed March 7
Port Alberni Valley Times	Wed March 7
Prince George Citizen	Wed March 7
Trail Daily Times	Wed March 7
Vancouver Province	Wed March 7
Vancouver Sun	Wed March 7
Victoria Times Colonist	Wed March 7
Community Publications (weekly)	
<i>Lower Mainland</i>	
Hope Standard	Thr March 8
Squamish Chief	Fri March 9
<i>Vancouver Island, Sunshine Coast and Whistler</i>	
Nanaimo Harbour City & Oceanside Star	Fri March 9
Nanaimo News Bulletin	Thr March 8
Campbell River Courier Islander	Wed March 7
Comox Valley Echo	Fri March 9
Duncan Cowichan Valley Citizen	Wed March 7
Parksville Qualicum News	Fri March 9
Powell River Peak	Wed March 7
Port Alberni Valley Times	Wed March 7
Victoria News	Fri March 9
Whistler Question	Thr March 8
<i>Interior</i>	
100 Mile House Free Press	Wed March 14
Armstrong Advertiser	Wed March 14
Ashcroft Cache Creek Journal	Tue March 13
Castlegar News	Wed March 14
Chetwynd Echo	Fri March 9
Cranbrook East Kootenay Extra	Wed March 7
Creston Valley Advance	Thr March 8
Fernie Free Press	Wed March 14
Fort Nelson News	Wed March 7
Grand Forks Gazette	Wed March 14
Invermere Columbia Valley Pioneer	Fri March 9
Kamloops This Week	Fri March 9
Kelowna Capital News	Wed March 7

Region / Publication	Insert Day
Keremeos Review	Thr March 8
Lumby Valley Times	Wed March 14
Mackenzie Times	Tue March 13
Merritt Valley Express	Fri March 9
Nelson West Kootenay Weekender	Fri March 16
North Valley Echo	Tue March 13
Okanagan Falls Review	Thr March 8
Oliver Chronicle	Wed March 14
Osoyoos Times	Wed March 14
Peachland View	Thr March 8
Penticton Western News	Wed March 14
Prince George Free Press	Sun March 11
Princeton Spotlight	Wed March 14
Quesnel Cariboo Observer	Wed March 7
Revelstoke Times Review	Wed March 7
Salmon Arm Observer	Wed March 7
Summerland Bulletin	Sun March 11
Vernon Morning Star	Wed March 7
Williams Lake Tribune	Thr March 8
Williams Lake Cariboo Advisor	Wed March 7
Winfield View in Lake Country	Thr March 15

Appendix B

STAKEHOLDER LETTERS



Canadian Office and Professional Employees Union Local 378
2nd Floor, 4595 Canada Way, Burnaby, BC V5G 1J9
TEL 604-299-0378 TOLL FREE IN BC 1-800-665-6838 FAX 604-299-8211 www.cope378.ca

Our File No. FORTIS/GENC/07-0000

February 27, 2007

Mr. H. Stanley Marshall
President & CEO
Fortis Inc.
PO Box 8837
Suite 1201, Fortis Building
139 Water Street
St. John's, NL A1B 3T2

Dear Mr. Marshall:

Congratulations on Fortis Inc.'s acquisition of Terasen Gas.

As one of the unions at Terasen, we look forward to a productive working relationship in the upcoming years.

As you are aware we have a long and mature history with Terasen Gas and its predecessor companies. In addition we have inherited a similar positive working climate with FortisBC.

I hope and anticipate the future will be mutually beneficial to all of us in making Terasen and Fortis a successful company and an exemplary employer.

Yours truly,

A handwritten signature in black ink, appearing to read "Andy Ross".

Andy Ross
President

AR:kc

c: Randy Jespersion, President, Terasen Gas ✓



March 1, 2007

Mr. R. J. Pellatt
Secretary
BC Utilities Commission
6 Floor, 900 Howe St.
Vancouver BC V6Z 2N3

Dear Mr. Pellatt:

Re: Application by Fortis Inc. to Purchase Terasen Gas Inc. (TGI)

As both a stakeholder relative to Terasen Gas Vancouver Island (TGVI), and a representative of BC's residential rental industry, ROMS BC is fully in support of the application by Fortis Inc. to acquire the issued and outstanding shares of TGI.

We are encouraged by the return of ownership of this company to Canadian hands. While Terasen has in our view operated its business with its customers' interests in mind, one cannot help but be more concerned about the direction a foreign owner may provide that would not necessarily be best suited to either TGI or its customers in British Columbia.

Should anything further be required from our association in support of this application, please contact me.

Yours truly,

A. G. Kemp,
Chief Executive Officer

pc: Mr. Scott Thomson
Vice President of Finance and Regulatory Affairs
Terasen Gas Inc.