



LETTER NO. L-29-06

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VIA E-MAIL
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June 16, 2006

Mr. Scott Thomson
Vice President, Finance and Regulatory Affairs and CFO
Terasen Gas (Vancouver Island) Inc.
16705 Fraser Highway
Surrey, BC V3S 2X7

Dear Mr. Thomson:

Re: Terasen Gas (Vancouver Island) Inc.
Second Quarter 2006 Gas Cost Report

On June 12, 2006 Terasen Gas (Vancouver Island) Inc. ("TGVI") filed its 2006 Second Quarter Gas Cost Report for information. By this letter, the Commission acknowledges receipt of the 2006 Second Quarter Gas Cost Report, and accepts TGVI's recommendation that customer rates remain unchanged for the period July 1 to September 30, 2006 for the Vancouver Island and the Sunshine Coast service areas.

Yours truly,

Robert J. Pellatt

RB/yl