



**LETTER NO. L-35-06**

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**VIA E-MAIL**

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July 6, 2006

Mr. Scott Thomson  
Vice President, Finance and Regulatory Affairs  
and Chief Financial Officer  
Terasen Gas Inc.  
16705 Fraser Highway  
Surrey, BC V3S 2X7

Dear Mr. Thomson:

Re: Terasen Gas Inc.  
Revelstoke Propane Service Area  
2006/07 Winter Hedge and Storage Plan

On June 16, 2006 Terasen Gas filed the Revelstoke Service Area the 2006/07 Winter Hedge and Storage Plan. The Commission accepts the Revelstoke Service Area the 2006/07 Winter Hedge and Storage Plan but directs Terasen Gas to provide evidence that the storage purchases were consistent with summer spot prices and winter fixed prices at the time of the transaction are consistent with the propane forward prices.

Yours truly,

*Original signed by*

Robert J. Pellatt

RB/dg