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LETTER NO. L-45-07

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VIA E-MAIL

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June 14, 2007

Mr. Scott Thomson
Vice President, Finance and Regulatory Affairs
Terasen Gas Inc.
16705 Fraser Highway
Surrey, B.C. V4N 0E8

Dear Mr. Thomson:

Re: Terasen Gas (Vancouver Island) Inc.
2007 Second Quarter Gas Cost Report

On June 7, 2007 Terasen Gas (Vancouver Island) Inc. ("TGVI") filed the 2007 Second Quarter Gas Cost Report for information. By this letter, the Commission acknowledges receipt of the Report, and accepts TGVI's recommendation that customer rates remain unchanged for the period July 1 to September 30, 2007 for the Vancouver Island and the Sunshine Coast service areas.

Yours truly,

Original signed by

Robert J. Pellatt

JBW/cms