



LETTER NO. L-25-07

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Log No. 18271

VIA E-MAIL

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March 22, 2007

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

Dear Mr. Thomson:

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

On March 15, 2007 Terasen Gas (Vancouver Island) Inc. ("TGVI") filed its First Quarter 2007 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 April 1 to June 30, 2007 for the Vancouver Island and the Sunshine Coast service areas.

Yours truly,

Original signed by

Robert J. Pellatt

RB/df