

LETTER No. L-41-08

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VIA E-MAIL

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September 11, 2008

Mr. Tom Loski Chief Regulatory Officer Terasen Gas (Vancouver Island) Inc. 16705 Fraser Highway Surrey, B.C. V4N 0E8

Dear Mr. Loski:

Re: Terasen Gas (Vancouver Island) Inc.

Third Quarter 2008 Gas Cost Report

On September 4, 2008 Terasen Gas (Vancouver Island) Inc. ("TGVI") filed its Third Quarter 2008 Gas Cost Report for information and proposed no changes to current levels. By this letter, the Commission acknowledges receipt of the Report, and accepts TGVI's recommendation that customer rates remain unchanged for the period October 1 to December 31, 2008 for the Vancouver Island and the Sunshine Coast service areas.

Yours truly,

Original signed by

for: Constance M. Smith For: Erica M. Hamilton

RB/cms