



LETTER No. L-35-03

ROBERT J. PELLATT
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July 14, 2003

Mr. Geoff Higgins
Manager, Regulatory Affairs
Terasen Gas (Vancouver Island) Inc.
1675 Douglas Street
P.O. Box 3777
Victoria, B.C. V8W 3V3

Dear Mr. Higgins:

Re: Terasen Gas (Vancouver Island) Inc.
Second Quarter 2003 Cost of Gas Report

The Commission accepts the recommendation from Terasen Gas (Vancouver Island) Inc. in its July 4, 2003 report that no rate changes should be applied at this time. Commission staff is currently reviewing the information provided in the quarterly report to determine whether it is sufficient to meet the requirements under Commission Order No. G-42-03.

Yours truly,

Original signed by:

Robert J. Pellatt

RB/cms