



LETTER NO. L-60-03

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VIA FACSIMILE
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December 4, 2003

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

Dear Mr. Thomson:

Re: Terasen Gas Inc.
Bad Debt and Balancing Gas Charges
Houweling Nurseries Ltd.

This is in response to your letter dated October 23, 2003 requesting approval to offset bad debts incurred by Houweling Nurseries Ltd. ("Houweling") in 2002 against balancing gas revenue received from Houweling in 2002 and 2003.

The Commission has considered the application based on the information in your October 23, 2003 letter and November 17, 2003 response to a staff Information Request. The Commission considers that the circumstances do not warrant re-opening the rate-setting arrangements that were approved for 2002, and denies your application.

Yours truly,

Robert J. Pellatt

JBW/cms