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LETTER NO. L-61-03

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December 16, 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.
Fourth Quarter 2003 Gas and Propane Commodity Cost Reports
Revelstoke and Fort Nelson Service Areas

This is in response to your December 4, 2003 letter regarding the Revelstoke Propane Cost Deferral Account and your December 5, 2003 letter regarding the Fort Nelson Gas Cost Reconciliation Account.

The Commission accepts the recommendations of Terasen Gas for no changes effective January 1, 2004 to propane commodity rates and the propane reference price for Revelstoke, or to the commodity component of interim gas rates for Fort Nelson. Pursuant to Order No. G-68-03, Fort Nelson gas rates are interim effective January 1, 2004.

Yours truly,

Original signed by:

Robert J. Pellatt

JBW/cms