



**LETTER No. L-30-03**

ROBERT J. PELLATT  
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June 26, 2003

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

Dear Mr. Thomson:

Re: Terasen Gas Inc. ("Terasen Gas")  
Second Quarter 2003 Report  
Revelstoke Propane Costs Deferral Account

Terasen Gas' Second Quarter 2003 Report dated June 9, 2003 indicates that the Revelstoke Propane Deferral Account is in a credit balance and a rate change is not required. The Commission notes that Terasen Gas intends to implement a propane price risk management plan over the next two months and once a fixed price for winter consumption has been established, the impact on rates will be more certain in the next quarter. Therefore, the Commission accepts Terasen Gas' recommendation that propane rates remain unchanged at this time.

Yours truly,

*Original signed by:*

Robert J. Pellatt

RJP/ssc