



LETTER NO. L-44-04

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VIA E-MAIL

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August 27, 2004

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

Dear Mr. Thomson:

Re: Terasen Gas (Vancouver Island) Inc.
2004 – 2006 Price Risk Management Plan

Terasen Gas (Vancouver Island) filed its 2004 to 2006 Price Risk Management Plan ("PRMP") with the Commission on July 22, 2004. The Commission accepts the actions as outlined on page 2 and 3 of the PRMP.

The Commission accepts the PRMP on a confidential basis at the request for TGVI, based on the understanding that it contains commercially sensitive information related to individual energy supply contracts. All individual gas supply contracts and amendments should continue to be filled pursuant to Section 71 of the Utilities Commission Act and TGVI will continue to report all hedging transactions and results in a timely fashion.

Yours truly,

Original signed by:

Robert J. Pellatt

RB/cms
Attachment