



LETTER NO. L-60-04

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. CANADA V6Z 2N3
TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

ROBERT J. PELLATT
COMMISSION SECRETARY
Commission.Secretary@bcuc.com
web site: <http://www.bcuc.com>

Log No. 8085

VIA E-MAIL

regulatory.affairs@terasengas.com

December 10, 2004

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

Dear Mr. Thomson:

Re: Terasen Gas Inc. ("Terasen Gas")
2004 Fourth Quarter Gas Cost Report
Lower Mainland, Inland, Columbia,
Revelstoke and Fort Nelson Service Areas

On December 2, 2004, Terasen Gas filed its 2004 Fourth Quarter Report for the Lower Mainland, Inland and Columbia Service Areas and recommended that no changes be made to the current Commodity Cost Recovery Charges or the Midstream Cost Recovery Charges for these service areas.

On December 3, 2004, Terasen Gas filed its 2004 Fourth Quarter Report for the Revelstoke Propane Service Area and recommended no change to the current Commodity Cost Recovery Charge for this service area. On December 3, 2004, Terasen Gas also filed its 2004 Fourth Quarter Report for the Fort Nelson Service Area and recommended no change be made to the current gas commodity component of rates for the Fort Nelson Service Area.

By this letter, the Commission acknowledges receipt of the 2004 Fourth Quarter Reports, and accepts Terasen Gas' recommendation that no changes be made to the commodity portion of rates for these service areas.

Yours truly,

Original signed by:

Robert J. Pellatt

JBW/mmc