

LETTER NO. L-76-05

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September 16, 2005

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 (Vancouver Island) Inc. 2005 Third Quarter Report on Gas Costs and RDDA

On September 13, 2005, Terasen Gas (Vancouver Island) Inc. filed its 2005 Third Quarter Report and recommended no changes to the natural gas rates for this service area. By this letter, the Commission acknowledges receipt of the 2005 Third Quarter Report, and accepts TGVI's recommendation that customer rates remain unchanged for the Vancouver Island and the Sunshine Coast service areas.

Yours truly,

Original signed by:

Robert J. Pellatt

cms Enclosure