



**LETTER NO. L-18-05**

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**VIA E-MAIL**

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March 17, 2005

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")  
2005 First Quarter Gas Cost Report  
Lower Mainland, Inland, Columbia and Fort Nelson Service Areas

This is in response to Terasen Gas' 2005 First Quarter Reports for the Lower Mainland, Inland and Columbia service areas dated March 7, 2005, and for the Fort Nelson service area also dated March 7, 2005. The Commission accepts Terasen Gas' recommendation that no changes be made to natural gas rates for these service areas effective April 1, 2005

Terasen Gas' March 3, 2005 application for a rate increase effective April 1, 2005 for Revelstoke propane grid system customers is under review, and will be responded to separately.

Yours truly,

*Original signed by:*

Robert J. Pellatt

JBW/yl