

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

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Log No. 9380

VIA E-MAIL

regulatory.affairs@terasengas.com

March 22, 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 (Vancouver Island) Inc. ("TGVI")

2005 First Quarter Gas Cost Report

On March 8, 2005 Terasen Gas (Vancouver Island) Inc. filed its 2005 First Quarter Report and recommended no changes to Natural Gas Rates for this service area. By this letter, the Commission acknowledges receipt of the 2005 First Quarter Report, and accepts TGVI's recommendation that customer rates remain unchanged for the Vancouver Island and Sunshine Coast service areas.

Yours truly,

Original signed by:

Robert J. Pellatt

RB/dlf