



LETTER NO. L-51-06

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. 15963

VIA E-MAIL

regulatory.affairs@terasengas.com

September 11, 2006

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.
Lower Mainland, Inland and Columbia Service Areas
2006 Third Quarter Gas Costs Report
Commodity Cost Reconciliation Account and Midstream Cost Reconciliation Account

On September 1, 2006, Terasen Gas Inc. filed its 2006 Third Quarter Report and recommended that no changes be made to the natural gas rates for all rate schedules. The Commission acknowledges receipt of the 2006 Third Quarter Report and accepts the recommendation that customer rates remain unchanged for the Lower Mainland, Inland and Columbia service areas, as of October 1, 2006.

Yours truly,

Original signed by

Robert J. Pellatt

JBW/rt