



LETTER NO. L-60-06

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Log No. 16124

VIA E-MAIL

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October 2, 2006

Mr. Scott Thomson
Vice President, Finance and Regulatory Affairs and CFO
Terasen Gas (Vancouver Island) Inc.
16705 Fraser Highway
Surrey, BC V4N 0E8

Dear Mr. Thomson:

Re: Terasen Gas (Vancouver Island) Inc.
Third Quarter 2006 Gas Cost Report

On September 18, 2006 Terasen Gas (Vancouver Island) Inc. ("TGVI") filed its 2006 Third Quarter Gas Cost Report for information. By this letter, the Commission acknowledges receipt of the 2006 Third Quarter Gas Cost Report, and accepts TGVI's recommendation that customer rates remain unchanged for the period October 1 to December 31, 2006 for the Vancouver Island and the Sunshine Coast service areas.

Yours truly,

Original signed by

Robert J. Pellatt

RB/yl