



LETTER NO. L-20-07

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VIA E-MAIL

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March 15, 2007

Mr. Scott Thomson
Vice President, Finance and Regulatory Affairs
Terasen Gas Inc.
16705 Fraser Highway
Surrey, B.C. V4N 0E8

Dear Mr. Thomson:

Re: Terasen Gas Inc.
Lower Mainland, Inland and Columbia Service Areas
2007 First Quarter Gas Cost Report
Commodity Cost Reconciliation Account and Midstream Cost Reconciliation Account

On March 5, 2007 Terasen Gas Inc. filed its 2007 First Quarter Gas Cost Report. The Commission acknowledges receipt of the 2007 First Quarter Gas Cost Report and accepts the recommendation that customer rates remain unchanged for the Lower Mainland, Inland and Columbia service areas.

Yours truly,

Original signed by

Robert J. Pellatt

RB/rt