

LETTER NO. L-37-07

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VIA E-MAIL

regulatory.affairs@terasengas.com

May 18, 2007

Mr. Scott Thomson Vice President, Finance and Regulatory Affairs and Chief Financial Officer Terasen Gas Inc. 16705 Fraser Highway Surrey, BC V4N 0E8

Dear Mr. Thomson:

Re: Terasen Gas Inc. Revelstoke Propane Service Area Price Risk Management Plan 2007 - 2008

On May 4, 2007 Terasen Gas filed the Revelstoke Service Area Price Risk Management Plan 2007 – 2008 ("2007 PRMP"). The Commission accepts the Revelstoke Service Area 2007 PRMP but directs Terasen Gas Inc. to provide a report by May 1, 2008 that identifies the financial outcome of the plan and an analysis of results compared to the objectives of the 2007 PRMP.

Yours truly,

Original signed by:

Robert J. Pellatt

RB/yl