

LETTER NO. L-43-07

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

Log No. 20131

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

VIA E-MAIL regulatory.affairs@terasengas.com

June 14, 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 Second Quarter Gas Cost Report Commodity Cost Reconciliation Account and Midstream Cost Reconciliation Account

On June 7, 2007 Terasen Gas Inc. filed the 2007 Second Quarter Gas Cost Report. The Commission acknowledges receipt of the 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

JBW/cms