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December 2, 2005

British Columbia Utilities Commission  
6<sup>th</sup> floor, 900 Howe Street  
Vancouver, B.C.  
V6Z 2N3

Attention: Mr. R.J. Pellatt, Commission Secretary

Dear Sir:

**RE: Terasen Gas Inc. - Status of Revelstoke Propane Cost Deferral Account  
Fourth Quarter 2005 Status Report per BCUC Letter No. L-5-01**

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The present Revelstoke propane reference price of \$0.3624/litre was approved by Commission Order No. G-87-05, dated September 15, 2005. The enclosed materials indicate that propane costs at Revelstoke are forecast to average \$0.3355/litre for the January 1, 2006 to December 31, 2006 period (Page 3, Line 15, Column 9). The ratio arising from the forecast propane cost recoveries at present rates compared to the forecast propane purchase costs based on November 22, 2005 forward prices plus the projected December 31, 2005 deferral accumulation is 100.4% (Page 2, Lines 24 & 25), which is within the 95% to 105% deadband.

Terasen Gas Inc. ("Terasen Gas") is not requesting, at this time, a rate change to the propane reference price. Terasen Gas intends to monitor closely the market conditions and the prices being paid at Revelstoke. Terasen Gas will apply for rate changes, as appropriate, should circumstances change materially.

We trust that the Commission will find the enclosed to be in order. Terasen Gas is anticipating Commission approval of this filing by December 9, 2005. Should further information be required, please contact Brian Noel at 604-592-7467.

Yours very truly,

**TERASEN GAS INC.**

*Original signed by Tom Loski*

For: Scott A. Thomson

Enclosures

TERASEN GAS INC.  
 REVELSTOKE PROPANE DEFERRAL  
 FORECAST BALANCE AS AT DECEMBER 31, 2006  
 WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-87-05)

Line No.	Particulars	Litres Purchased	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Deferral Balance
	(1)	(2)	(3)	(4)	Column (3)-(4)	Column (2)x(5)	Total
					(5)	(6)	(7)
1	September 30, 2005 Balance						\$ 275,767
2	Adjustment to prior months' transactions	453,838	\$0.3410	\$0.3063	\$0.0347	\$15,748	291,515
3	October (Projected)	797,802	\$0.3776	\$0.3624	\$0.0152	\$12,127	303,642
4	November (Projected)	994,664	\$0.3471	\$0.3624	(\$0.0153)	(\$15,218)	288,424
5	December (Projected)	1,404,231	\$0.3352	\$0.3624	(\$0.0272)	(\$38,195)	250,229
6	Current Quarter Total	<u>3,650,535</u>				<u>(\$25,538)</u>	
7							
8	<u>Forecast Volumes and Forecast Prices</u>						
9	January 2006 (Forecast)	1,610,965	\$0.3408	\$0.3624	(\$0.0216)	(\$34,797)	215,432
10	February (Forecast)	1,361,324	\$0.3408	\$0.3624	(\$0.0216)	(\$29,405)	186,027
11	March (Forecast)	1,084,379	\$0.3373	\$0.3624	(\$0.0251)	(\$27,218)	158,809
12	April (Forecast)	643,606	\$0.3193	\$0.3624	(\$0.0431)	(\$27,739)	131,070
13	May (Forecast)	421,269	\$0.3153	\$0.3624	(\$0.0471)	(\$19,842)	111,228
14	June (Forecast)	358,859	\$0.3161	\$0.3624	(\$0.0463)	(\$16,615)	94,613
15	July (Forecast)	288,648	\$0.3165	\$0.3624	(\$0.0459)	(\$13,249)	81,364
16	August (Forecast)	292,548	\$0.3169	\$0.3624	(\$0.0455)	(\$13,311)	68,053
17	September (Forecast)	390,064	\$0.3172	\$0.3624	(\$0.0452)	(\$17,631)	50,422
18	October (Forecast)	830,837	\$0.3204	\$0.3624	(\$0.0420)	(\$34,895)	15,527
19	November (Forecast)	1,064,875	\$0.3561	\$0.3624	(\$0.0063)	(\$6,709)	8,818
20	December (Forecast)	1,474,443	\$0.3470	\$0.3624	(\$0.0154)	(\$22,706)	\$ (13,888)
21	Total January - December 2006	<u>9,821,819</u>				<u>(\$264,117)</u>	
22							
23							
24	Recovered Costs (Line 21 Col.2 x Line 20 Col.4)		<u>\$3,559,427</u>				
25	Forecast + Deferral Balance (Page 3 Line 13 Col.9 + Page 2 Line 5 Col. 7)		<u>\$3,545,475</u>		<b>100.4%</b>		

