Scott A. Thomson
Vice President, Regulatory Affairs and
Chief Financial Officer

16705 Fraser Highway
Surrey, B.C. V4N 0E8
Tel: (604) 592-7784
Fax: (604) 576-7074
Email: scott.thomson@terasengas.com
www.terasengas.com

Regulatory Affairs Correspondence
Email: regulatory.affairs@terasengas.com

December 21, 2007

British Columbia Utilities Commission
Sixth Floor
900 Howe Street
Vancouver, B.C. V6Z 2N3

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

Re: Terasen Gas Inc. - Fort Nelson Service Area (TG Fort Nelson) Detailed Support Material for Application for Changes to Revenue Stabilization Adjustment Mechanism ("RSAM") Rider and Delivery Rates

The natural gas distribution system in Fort Nelson ("TG Fort Nelson") was acquired in 1985 through the acquisition of Fort Nelson Gas Ltd. by Inland Natural Gas Co. Ltd., a predecessor company that is now part of Terasen Gas Inc. Fort Nelson Gas Ltd. was amalgamated in 1989 with Inland Natural Gas Co. Ltd., Columbia Natural Gas Ltd., and B.C. Gas Inc. (the Lower Mainland Gas Division, formerly of BC Hydro) to form BC Gas Inc. (later BC Gas Utility Ltd.) and ceased to be a separate legal entity at that time. BC Gas Utility Ltd. later changed its name to Terasen Gas Inc.

Rates have been set separately for TG Fort Nelson from the date of acquisition to the present. Terasen Gas Inc. ("Terasen Gas" or the "Company"), formerly BC Gas Utility Ltd., sought regulatory consolidation of the Fort Nelson Service Area ("TG Fort Nelson") with the remainder of the Company in its 1992 Revenue Requirement Application, but was denied by the British Columbia Utilities Commission (the "Commission") in its Decision dated August 5, 1992. Since then, TG Fort Nelson has been excluded from the Company's general revenue requirement applications and Performance Based Ratemaking ("PBR") plans.

On November 30, 2007, Terasen Gas filed its application with the Commission for approval, for an increase in rates for TG Fort Nelson, effective January 1, 2008, on a permanent and interim basis, pursuant to Section 89 of the *Utilities Commission Act*, and for an increase on a permanent basis of the RSAM rate rider for TG Fort Nelson (the "Application").

As discussed in the Application, the most recent revenue requirement change (2004 Test Year) affecting the rates for delivery service, other than gas costs and rate riders, in TG Fort Nelson was an increase of $49,000 approved by Commission Order No. G-17-04. The Decision resulted in a 1.08% rate increase effective January 1, 2004. Prior to the 2004 rate increase, revenue as a percentage of gross margin was decreased by 15.51% in 1995. Since 1985, other rate changes have been limited to those approved from time to time for flow-through cost of gas changes, either increases or decreases.

Subsequent to November 30, 2007, the Company updated information related to property taxes, and plant additions for projected 2007 and forecasted for 2008 in addition to a change to the income tax rate as a result of a Commission directive to Terasen Gas.

This filing includes updated information regarding property taxes, capital additions and income taxes and income tax timing differences that has reduced the TG Fort Nelson revenue deficiency from $371,000 to $348,000 for 2008. Attachment A summarizes the Rate Base and Revenue Requirement deficiency changes from the November 30th filing to the revised filing. The detailed financial schedules supporting the revised deficiency can be found in Section J.

On December 12, 2007, Terasen Gas received a letter from Chris Morey, the Mayor for Fort Nelson & the Northern Rockies that raised the concerns of the community and how rate increases being sought could affect the local forest industry. On December 17, 2007 the Company met with the Regional Council, making presentations to further detail the rate increases being sought and to provide a forum to answer questions. In addition to the Regional Council consultation Terasen Gas has had discussions with Canfor, the owner of the two mills under rate 25 (transportation customers) subsequent to the Application.

In the Application, the Company committed to filing detailed application support materials. This filing represents the Company's detailed application support materials and also constitutes the Company's Revised Application. The detailed support materials included herein reflect this Revised Application.

In this Revised Application, the Company applies for Commission approval to amend the TG Fort Nelson Rate Schedules on the basis that the existing rates will be insufficient to allow the Company the opportunity to recover its cost of service and earn a fair and reasonable return on its invested capital in TG Fort Nelson.

The permanent rates will be determined pursuant to the Commission's decision on this Revised Application. The Company is applying for permanent rates effective January 1, 2008. Order No. G-158-07 established interim rates effective February 1, 2008. A refund will be made for any differences between interim and permanent rates, as approved by the Commission.

If you have any questions related to this filing, please contact Tom Loski, Director of Regulatory Affairs at (604) 592-7464.

Yours very truly,

TERASEN GAS INC.

Original signed by Tom Loski

For: Scott A. Thomson
Attachment

Attachment A

Summary of Changes
from November 30, 2007 Filing to Revised Detail Schedules - December 21, 2007
$'000s

	Amount	2008 Impact
Rate Base		
2007 Gas Plant in Service net additions decrease	$ (44)	$ (44)
2008 Gas Plant in Service net additions decrease	(77)	(38)
Prior 2007 Accumulated Depreciation adjustment	(3)	(3)
2007 Accumulated Depreciation opening adjustment	5	5
2007 Accumulated Depreciation net change increase	(15)	(15)
2008 Accumulated Depreciation net change increase	(9)	(5)
2007 CIAOC net change increase	2	2
2008 CIAOC net change increase	2	1
All other Rate Base Changes		(3)
Total Rate Base Impact:		$ (100)
Revenue Requirement Deficiency - November 30, 2007		$ 371
Property Tax Expense Reduction	(12)	
Depreciation & Amortization Expense Reduction	(4)	
Income Tax Rate Change Reduction	(2)	
Timing Difference Change Impact on Income Tax Expense	2	
Earned Return Reduction from reduced Rate Base	(6)	
Rounding	(1)	
		(23)
Revenue Requirement Deficiency - December 21, 2007:		$ 348

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SECTION A – EXECUTIVE SUMMARY

Terasen Gas Inc. ("Terasen Gas or the Company") is seeking an increase in its rates for delivery service to customers on the natural gas distribution system in the Fort Nelson service area ("TG Fort Nelson") of 6.6 percent of total revenues, effective January 1, 2008. This increase is required to ensure that the Company's rates recover the costs of serving customers. This Application includes a detailed discussion of the components influencing the need for a revenue requirement increase for 2008.

In support of this application, Terasen Gas has provided discussion of the business drivers, capital expenditures and operating and maintenance requirements of TG Fort Nelson for 2008. Terasen Gas has maintained a high standard of providing safe, reliable and efficient service to TG Fort Nelson customers during its term of ownership.

New Deferral Account

Commission Order No. G-158-07 dated December 14, 2007 approved the creation of a new income tax change deferral account. The purpose of this account was to record the value of costs incurred or avoided due to recent changes in corporate income tax rates from 32.5% to 31.5% that had been announced by the Government of Canada but not yet been enacted. The rate for the 2008 test year has been reduced from 32.5% as filed in the November 30, 2007 Application to 31.5% in this Revised Application to reflect the income tax rate changes that have now been enacted.

Customer Bill Impacts

The requested rate increase will increase the residential rate by $0.441 per GJ on average. The annual effect of this increase is about $66 per residential customer at the average forecast annual consumption of 150 GJ. For commercial customers, the rate increase will be about $0.477 per GJ on average. While the consumption levels of commercial customers vary quite widely, using the average annual forecast consumption of 686 GJ per customer, the annual increase for a commercial customer will be about $327.

Conclusion

Terasen Gas Inc. has performed efficiently and effectively over many years in delivering value to its TG Fort Nelson customers. The increase in rates being sought by the Company are reasonable and just and are necessary to cover the cost of service to the customers in the TG Fort Nelson area.

SECTION B – HISTORY AND OVERVIEW

Terasen Gas Inc. Background

Terasen Gas Inc. is one of the largest natural gas distribution companies in Canada, based on the number of customers and service area. Terasen Gas Inc., through its parent company Terasen Inc., is a wholly owned subsidiary of Fortis Inc., the largest investor-owned distribution utility in Canada.

Terasen Gas Inc. is responsible for the procurement and supply of natural gas to the majority of its customers. For customers in all of its service areas, the Company purchases its supply of gas from a number of producers, aggregators and marketers. Terasen Gas Inc. also contracts with various providers for service on upstream pipelines, capacity in underground storage facilities and various types of peaking and gas supply cost mitigation arrangements.

The gas supply, transmission and distribution functions of Terasen Gas Inc. are underpinned by activities that are integral to the safe, reliable and efficient running of its utility operations. Beyond the front line activities such as responding to emergencies, constructing, installing and operating the transmission and distribution system, there are a number of key support functions. They include planning and designing facilities, corrosion control, metering, meter reading, leak surveying, right of way management and materials management and distribution.

Also important are the systems and services that allow Terasen Gas Inc. to meet its responsibilities effectively in today's dynamic business environment. These supporting systems include customer billing and customer care, marketing, information technology, municipal, community and aboriginal relations, legal, risk management, environment, health and safety, regulatory, human resources and finance/accounting.

TG Fort Nelson Background

The natural gas distribution system in the Fort Nelson area was acquired in 1985 through the acquisition of Fort Nelson Gas Ltd. by Inland Natural Gas Co. Ltd. Fort Nelson Gas Ltd. was amalgamated in 1989 with Inland Natural Gas and other companies and continued as BC Gas Inc., later BC Gas Utility Ltd. and now Terasen Gas Inc.

Rates have been set separately for TG Fort Nelson from the date the company was acquired to the present. Terasen Gas Inc. (as BC Gas) sought regulatory consolidation of TG Fort Nelson with the remainder of the Company in its 1992 Revenue Requirement Application, but the Commission did not agree. Since then, TG Fort Nelson has been excluded from the Company's general revenue requirement applications and Performance Based Ratemaking ("PBR") plans.

Operations in Fort Nelson consist of a transmission lateral from the nearby Westcoast Energy Inc., (formerly owned by Duke Energy – BC Pipeline Division and now Spectra Energy) processing plant to the town of Fort Nelson together with a gas distribution system. Also included in the service area is the distribution system in Prophet River. Customers' rates in the service areas other than TG Fort Nelson are not affected by this Application.

For TG Fort Nelson, the gas supply has been obtained typically from one contract. In recent years, the Company has used a small portion of its contracted gas storage capacity at Aitken Creek to improve the load factor of the Fort Nelson load and to mitigate the impact of gas volatility for Fort Nelson customers. The diversity of Terasen Gas Inc.'s overall gas supply portfolio has assisted over the years in providing favourable gas supply arrangements for TG Fort Nelson.

The most recent revenue requirement change affecting the rates for delivery service in Fort Nelson was an increase of $49,000 approved by Order No. G-17-04 leading to a 1.08 percent increase in delivery rates effective January 1, 2004. Prior to the 2004 rate increase, rates, as a percentage of gross margin, were decreased by 15.51 percent in 1995. Since 1985, other rate changes have been limited to those approved from time to time for flow-through cost of gas increases or decreases

Gas cost recoveries within rates are based on forecast costs. Potential rate changes for the cost of gas are reviewed by the Commission on a quarterly basis and are passed on to customers without mark-up. The actual costs invariably differ from the forecasted costs. Terasen Gas, consistent with past practice, will continue to defer any difference for TG Fort Nelson between the costs incurred to purchase the gas commodity and the gas cost recoveries collected through rates in the Gas Cost Reconciliation Account ("GCRA").

Customers in TG Fort Nelson have benefited and continue to benefit in various ways from being part of a much larger gas distribution company. Some of these benefits include:

- Access to the necessary resources, expertise and training in all areas affecting gas distribution utilities;
- Access to low cost capital funding;
- Access to the buying power of a larger company, reducing the costs of pipe and other materials and supplies;
- Access to the commodity-related benefits of being in a company that is a large regional buyer of natural gas and a significant holder of various natural gas storage, transportation, peaking and other gas supply arrangements designed to mitigate and optimize gas supply costs.

SECTION C – DEMAND AND REVENUE FORECAST

This section addresses the forecast of customer additions, energy demand and the resulting revenues and margins for 2008. Included is a review of the energy forecast methodology, as well as factors influencing customer additions and customer use-rates.

The forecast of industrial volumes reflect the industrial survey conducted during the summer of 2007. This survey information was confirmed with the industrial customer in November prior to the November 30th filing. Similarly, revenue and margin forecasts reflect the most recently approved rates.

Forecast Methodology

Consistent with the forecasting process followed by the other three service areas of TGI the forecasting process is comprised of three main components:

- Customer additions forecast;
- Average use per customer; and
- Industrial forecast.

The residential and commercial energy forecast, consisting of rate classes 1, 2.1, and 2.2, is driven by the respective account and use-per-customer forecasts, while the industrial energy forecast incorporates customer survey data received from the two Rate 25 customers.

The customer additions forecast reflects prevailing macroeconomic circumstances affecting residential and commercial customers. The forecast for industrial customers assumes no net change in the number of customers over the forecast period.

Consistent with the methodology used across the service areas for TGI, the average use-per-customer is estimated for Rate Classes 1, 2.1, and 2.2 and then is multiplied by the corresponding forecast of customers in each rate class to derive energy consumption. The industrial forecast continues to rely on historical data, sector analyses and customer-specific survey results.

Current rates are applied against the energy forecast to calculate the revenue forecast. The underlying assumptions and components of that forecast are discussed below.

Underlying Assumptions

The following assumptions were made about external influences when developing this forecast:

- Population growth continues in the region, supported by the natural resource sectors and a developing tourism industry;
- Natural gas commodity prices will remain relatively stable, but may experience mild upward pressure;

The latest population projection from BC Stats (PEOPLE 32) shows an expected 3% increase in population for the TG Fort Nelson region from 2007 to 2008. Although BC Stats does not provide details on the basis for the specific increase, a review of the population growth over the past twenty years (1986 to 2006) shows an overall increase of 20% in Fort Nelson's population. As such, an expectation of population growth from 2007 to 2008 is reasonable.

Natural gas prices have been moderate in the past year with forecast into 2008 showing that prices should remain relatively low and stable, especially when expressed in Canadian dollars. This demand forecast is based on the assumption that at worst, commodity prices for natural gas would increase only moderately should a supply disruption occur or unseasonably cold weather occurs during the winter months.

With respect to industrial firms that use natural gas in Fort Nelson, there are only two Rate 25 customers in the region that account for over 30% of the TG Fort Nelson demand. Both customers are in the forestry sector and have a common owner. Events throughout 2007 have created difficulties for all in the provincial forestry sector with several companies announcing reduced production levels or, in some cases, the closure of facilities. For the purpose of determining rates in 2008, the assumption is that both Rate 25 customers will continue to operate their facilities. Although the situation for forestry companies is quite dynamic, the available information does not suggest any imminent closures of these facilities. It is the Company's understanding, based on discussions with Canfor, that both facilities are relatively modern and are thought to be more efficient than others within the company.

Customer Additions

The forecast of residential account additions is based on household formation data which is statistically linked with actual account additions to model annual account growth on a service area basis. The forecast of household formations is then applied to obtain the expected number of additions and adjusted for actual customer counts.. In addition to the BC Statistics 2007 Household Formation forecast, the local municipal website is reviewed as well as overall trends in key industries that affect the region such as forestry, energy and tourism.

Table C.1 below provides a summary of the residential, commercial and industrial year-end net customer additions since 2004, projections for year-end 2007, and a forecast for 2008.

Table C.1
TG Fort Nelson Customer Additions
Year-End Net

	2004 Actual	**2005** Actual	**2006** Actual	**2007** Projected	**2008** Forecast
Rate 1	52	26	3	40	12
Rate 2.1	33	19	9	14	5
Rate 2.2	0	0	1	0	0
Rate 25	0	0	0	0	0
Total Additions	85	45	13	54	17

Fort Nelson has experienced variation in the rate of customer additions due to the dynamics of the energy and forestry industries. Also, new housing tends to be added by sub-division which can add a significant number of new customers in a given year, but may then impact the subsequent year. For 2008, customer additions are expected to moderate as the uncertainty associated with the forestry industry may cause a delay in home purchasing decisions.

The average number of customers has been growing within the residential and commercial rate classes as seen below in Table C.2. There were many new homes built in 2003 and in 2004 in Fort Nelson, with triple the rate of new home construction compared with the previous two-year period. This boom in construction accounts for the increase in the average number of customers in 2004 over the 2004 Decision. Since that time, construction has moderated, but overall, the region continues to grow.

Table C.2
TG Fort Nelson Customers
Average

	2004 Decision	**2004** Actual	**2005** Actual	**2006** Actual	**2007** Projected	**2008** Forecast
Rate 1	1,761	1,857	1,886	1,905	1,915	1,944
Rate 2.1	335	355	384	389	401	417
Rate 2.2	27	28	28	29	29	29
Rate 25	2	2	2	2	2	2
Total Customers	2,125	2,242	2,300	2,325	2,347	2,392

Use per Customer

Individual use-per-customer projections are developed for each rate class by considering the following factors:

- Recent historical normalized use per account;
- Efficiency improvements – appliance and insulation upgrades; and

The decline in residential use rates experienced over the last several years throughout the province is also evident in Fort Nelson. The projection for 2007 does show an increase over 2006 use rates which may suggest a levelling-off for the time being. Given this reversal in the use rate decline, Rates 1, 2.1 and 2.2 have been held constant in 2008 with respect to what is projected for 2007. In the longer term, it is expected that residential use-per-customer rates will likely follow a pattern of decline. Driven by efficiency gains from newer homes and appliances, this scenario is similar to what has been experienced in other TGI regions. Rate 25 forecasted use-per-customer rates are based on customer survey results.

A summary of historic and forecasted use-per-customer rates are set out below in Table C.3 and have been used in the preparation of the 2008 forecast.

Table C.3
TG Fort Nelson Use per Customer Rates
GJ per annum

	2004 Decision	**2004** Normal	**2005** Normal	**2006** Normal	**2007** Projected	**2008** Forecast
Rate 1	157.9	155.2	153.7	141.5	148.8	148.8
Rate 2.1	603	537	502	487	503	503
Rate 2.2	3,359	3,815	3,635	3,303	3,312	3,312
Rate 25	206,000	193,366	182,397	174,302	135,533	138,031

Energy Forecast

Residential/Commercial

The residential and commercial energy forecast is calculated by multiplying the use-per-customer rate by the total number of customers. Compared with the projection for 2007, the total residential energy consumption is expected to increase marginally from 287 terajoules (TJ) to 291 TJ in 2008, while commercial consumption is forecasted to remain relatively stable at 306 TJ in 2008 as compared to 299 TJ in 2007. The slight increase in consumption is the result of the increase in total customers. The forecast for each year is provided in Table C.4. Overall, residential and commercial energy consumption has been holding relatively stable since 2004, with decreases in use rates being off-set by growth in customer additions.

Industrial

There are currently two Rate 25 industrial customers in the TG Fort Nelson region, both owned by the same company. One facility produces plywood, while the other manufactures oriented strand board (ODB). Recent developments in the U.S. housing markets and foreign exchange rates are causing difficulties within the forestry industry. A number of closures and curtailments have been announced by forestry companies and 2008 will likely be a challenging year depending on whether the housing market and currencies stabilize. Though there is little certainty that can be held, the two facilities in Fort Nelson are considered to be more modern and efficient than others owned by the company which lessens the likelihood of a significant curtailment of their operations. The effect of some of the modernization work that was done earlier in the decade is evident in the decrease in use rate in 2004 and 2005.

As Table C.4 below demonstrates, industrial volumes have been declining for the past several years with the projection for 2007 showing the steepest decline. This most recent decline is being driven by a slowdown in the U.S. housing market and the strengthening of the Canadian currency. Based on survey results from both industrial customers, their expectation is that in 2008, consumption will stabilize at levels similar to what is being experienced in 2007.

Table C.4
TG Fort Nelson Energy Demand Forecast
TJ per annum

	2004 Decision	**2004** Normal	**2005** Normal	**2006** Normal	**2007** Projected	**2008** Forecast
Rate 1	278	288	260	266	287	291
Rate 2.1	202	167	194	184	203	210
Rate 2.2	91	111	96	94	96	96
Rate 25	412	387	370	346	271	276
Total Demand	983	953	920	889	858	873

Revenue and Margin Forecast

Revenue Forecast

Revenue forecasts for each customer class are developed from the total energy forecasts and the applicable rates currently in effect for December 2007. The increase in revenue for 2008 is attributable to customer additions for Rate Classes 1 and 2.1, as well as to a slight increase in forecasted demand for the industrial customers.

Table C.5 below summarizes historical and forecast revenues for 2004 to 2008 by rate class.

Table C.5
TG Fort Nelson Revenue Forecast
$'000s

	2004 Decision	**2004** Normal	**2005** Normal	**2006** Normal	**2007** Projected	**2008** Forecast
Rate 1	2,014	2,235	2,445	2,484	2,383	2,416
Rate 2.1	1,533	1,452	1,701	1,794	1,728	1,783
Rate 2.2	690	809	813	863	791	791
Rate 25	364	337	322	309	242	247
Total Revenue	$4,601	$4,833	$5,281	$5,450	$5,145	$5,237

Margin Forecast

In 2008, total margin at existing rates, excluding riders, is expected to increase slightly from 2007 due to customer additions. Table C.6 below summarizes historical and forecasted margins for 2004 to 2008 by rate class.

Table C.6
TG Fort Nelson Margin Forecast
$'000s

	2004 Decision	**2004** Normal	**2005** Normal	**2006** Normal	**2007** Projected	**2008** Forecast
Rate 1	374	503	415	426	411	416
Rate 2.1	341	301	359	335	332	342
Rate 2.2	155	170	111	134	132	132
Rate 25	374	332	332	304	246	239
Total Margin	$1,244	$1,307	$1,217	$1,199	$1,121	$1,129

RSAM

In the 2004 Application Terasen Gas sought approval from the Commission to implement a Revenue Stabilization Adjustment Mechanism ("RSAM") account for TG Fort Nelson to capture variations in the delivery margin for residential, commercial and industrial rate classes. Commission Order No. G-17-04, dated February 5, 2004, granted approval for the implementation of the RSAM account. A deferral account accumulates the annual RSAM debits and credits with one third of the net balance being refunded or recovered in the following year via a positive or negative rate rider.

The RSAM for TG Fort Nelson differs from the RSAM of the other regions of Terasen Gas in that it includes the Rate 25 customers. The RSAM for TG Fort Nelson Rate 25 customers is based on forecast delivery minus actual delivery times the delivery rate. The rationale for requesting the inclusion of Rate 25 customers in the TG Fort Nelson RSAM pertains to the specific local circumstances in TG Fort Nelson relative to the rest of the Terasen Gas system. The Rate 25 margins comprise about 20% (based on the 2008 forecast) of the total forecast delivery margin in TG Fort Nelson. A second factor pertains to the TG Fort Nelson rate structure where the margin collection from Rate 25 is entirely volumetric except for the monthly Administrative fee. In the other service areas of the Company, a considerable percentage of the charges for delivery service in the industrial classes are on a fixed basis making use of demand charges and other fixed rate tariffs. A third factor in TG Fort Nelson is that the lack of diversity in the Rate 25 energy demand (both customers are in the forestry sector) makes margin collection more volatile as it is subject to the variations of a single industry that is cyclical. In the rest of the Terasen Gas system, there are various industries and services represented as well as a large number of customers.

The RSAM rate rider for 2008 that was included in the November 30, 2007, Application has been recalculated to reflect the change in the income tax rate from 32.50% to 31.50%. The effect of the tax rate change is to reduce the 2008 rate rider from $0.115 to $0.114 per GJ. Table C.7 below sets out the determination of the RSAM rate rider of $0.114 per GJ that was approved by the Commission in its Order No. G-158-07 for 2008 with this Application.

Table C.7
TG Fort Nelson Calculation of Amortization of RSAM (Rider 5)

	Annual Volumes (TJ)	Amortization	Amortization of RSAM Unit Rider ($/GJ)
Rate 1 - Residential	291.2		$ 0.114
Rate 2.1 - Small Commercial	209.9		$ 0.114
Rate 2.2 - Large Commercial	96.0		$ 0.114
Rate 3.1 - Industrial Service	-		$ 0.114
Rate 3.2 - Industrial Service	-		$ 0.114
Rate 3.3 - Industrial Service	-		$ 0.114
Rate 25 - Large Commercial Transportation	276.1		$ 0.114
	873.2	$ 99,359 (1)	
	Propose Rider for 2008		$ 0.114
	RSAM Rider 5 for 2007		$ 0.073
	Rider 5 Increase/(Decrease)		$ 0.041

Note 1: RSAM Rider Change

Terasen Gas forecasts that there will be approximately $77,104 (net-of-tax) of new RSAM additions by the end of 2007. After offsetting the 2007 RSAM rider recovery, the RSAM account including interest is now projected to be $204,184. Pursuant to the Commission Order No. G-17-04 the RSAM balance is to be amortized over the subsequent three years. Accordingly the net-of-tax RSAM balance to be amortized in 2008 is $68,061. On a grossed-up for tax basis, this amounts to $99,359 or $0.114/GJ, which is a $0.041/GJ increase from the existing level of $0.073/GJ.

Amortization = 1/3 of Projected December 31, 2007 RSAM Balance
= 1/3 * ($198,268 RSAM + $5,916 RSAM Interest)
= $68,061 Net-of-tax amortization

Gross Amortization = Net-of-tax amortization / (1 - tax rate)
= $68,061 / (1 - 31.5%)
= $99,359

Summary

The forecast supporting the 2008 Revenue Requirement Application reflects a consistency in forecasting methodology across the TGI service areas and incorporates the following:

- Revenues at current rates for 2007;
- Customer counts and use per customer rates adjusted to reflect actual results consistent with the Terasen Gas Annual Review material preparations; and
- Industrial demand and revenues reflect current customer survey responses.

SECTION D – COST OF GAS

The cost of gas sold is determined by multiplying forecast sales volumes by the approved forecast unit gas costs for each rate schedule. In TG Fort Nelson, the gas cost is the same for all sales rate classes. The current approved unit cost of gas is $6.868 per GJ, approved by Commission Order No. G-64-06, dated June 9, 2006 and effective July 1, 2006.

Year	Embedded Cost of Gas	Total Cost of Gas ($000)
2008	$ 6.868 per GJ	$ 4,109.0

Gas cost recoveries within rates are based on forecasted costs. Potential rate changes for the cost of gas are reviewed by the Commission on a quarterly basis. The actual costs invariably differ from the forecasted costs. Terasen Gas, consistent with past practice, will continue to defer any difference for TG Fort Nelson between the costs incurred to purchase the gas commodity and the gas cost recoveries collected through rates in the Gas Cost Reconciliation Account ("GCRA").

Consistent with established Commission practice, Terasen Gas will continue to review and report on gas costs and gas cost recovery rates for TG Fort Nelson on a quarterly basis and, as necessary, will make application for any rate changes to recover the cost of gas. (The document entitled, "The Commission Guidelines for Setting Gas Recovery Rates and Managing the Gas Cost Reconciliation Account Balance", issued as Appendix 1 to Commission Letter No. L-5-01, dated February 5, 2001, outlines the quarterly reporting process.)

Terasen Gas filed the 2007 Fourth Quarter Gas Cost Report for TG Fort Nelson on November 30, 2007. The GCRA ratio in that report, based on the November 26, 2007 natural gas commodity forward prices, was determined to be 95.3%, indicating that on January 1, 2008, no change to the rates was required for gas cost recovery. The Commission letter No. L-98-07, dated December 6, 2007, accepted the recommendation that the rates for TG Fort Nelson remain unchanged for gas cost recovery.

SECTION E – OPERATING AND MAINTENANCE EXPENSES

Calculation Methodology

For financial reporting purposes, the operating and maintenance (O&M) costs for TG Fort Nelson are included in overall operating and maintenance expenses of Terasen Gas Inc.

To determine the TG Fort Nelson-related total operating and maintenance costs, both actual and forecasted, the following process is used:

- Determine the TG Fort Nelson direct operating and maintenance costs. These costs consist of labour, vehicle usage, materials and services used in direct system operations and customer billing related costs, determined on a per customer basis.
- Allocate O&M costs from those Terasen Gas business units that provide functional support to TG Fort Nelson. These shared services costs would include charges related to Marketing, Information Technology, Gas Supply and Transmission, Finance and Regulatory, Facilities and Logistics, Legal and Government Affairs, Human Resources and the office of the President. The allocation basis used is TG Fort Nelson's sales volumes as a percentage of Terasen Gas Inc.'s sales volumes. The allocation factor is 0.4% to determine the TG Fort Nelson portion of the O&M Expense.
- An overhead capitalization rate of 16% is applied to gross O&M for TG Fort Nelson to arrive at the net O&M costs.

Table E.1 below provides combined resource view of the direct and allocated O&M costs for recent years' spending, along with the forecast budget for 2008. Gross O&M spending for 2008 was developed, taking into consideration both 2006 actual spending levels and the 2007 projection. 2004 O&M as per the Decision has not been provided in Table E.1 as the Decision did not include that level of detail.

Table E.1
TG Fort Nelson Operating & Maintenance Expenses
Resource View ($'000s)

	2004 Actual	**2005** Actual	**2006** Actual	**2007** Projected	**2008** Forecast
Labour Costs					
M&E Costs	194	158	172	179	180
COPE Costs	73	77	74	63	71
IBEW Costs	101	191	203	245	250
Total Labour Costs:	368	426	449	487	501
Non-Labour Costs					
Vehicle Costs	32	24	39	54	53
Employee Expenses	23	24	31	35	35
Materials	14	26	25	24	24
Computer Costs	49	29	33	30	32
Fees and Administration Costs	90	65	108	77	83
Contractor Costs	174	189	159	161	175
Facilities	4	33	34	38	39
Recoveries and Other Revenue	(26)	(47)	(58)	(55)	(63)
Total Non-Labour Costs:	360	343	371	364	379
Total Gross O & M Expenses	728	769	820	851	880
Less Capitalized Overhead	(117)	(123)	(132)	(136)	(141)
Total Net O & M Expenses	$ 611	$ 646	$ 688	$ 715	$ 739

Table E.2 below separates the gross O&M expenses into the following categories: Direct, CustomerWorks and Allocated, with Allocation representing a portion of the O&M costs incurred by Terasen Gas outside of the TG Fort Nelson area and allocated to TG Fort Nelson. These costs would include common costs such as Finance, Regulatory, Human Resources etc. The expenses under these three categories are shown in total and on a per-customer basis. In general, the primary drive of O&M costs is the number of customers served. When converted to 2004 dollars, it can be seen that overall gross O&M per customer has increased only marginally from $338 as per the 2004 Decision to $340 for the 2008 forecast as included in this Application. This $2 difference ($340 less $338) per customer represents an increase of less than 1% over the four-year period. The majority of the increase can be found in Direct Gross O&M per customer, which shows, on an adjusted cost basis from 2004 to 2008, a 6 percent rise. Actual wage increases of approximately 3 percent per year, higher vehicle costs and employee expenses contribute to the higher forecasted O&M cost per customer. It should be noted that the 2008 CustomerWorks costs and the Allocated costs on a per customer basis have declined in real terms since 2004, as demonstrated in Table E.2.

Table E.2
TG Fort Nelson Operating & Maintenance Expenses
Per Customer

	2004 Decision	2004 Actual	2005 Actual	2006 Actual	2007 Projected	2008 Forecast
Direct Gross O & M Expenses	$ 247,000	$ 268,000	$ 268,000	$ 302,000	$ 332,000	$ 329,000
CustomerWorks Expenses	118,000	140,000	130,000	130,000	130,000	134,000
Allocated Gross O & M Expenses	354,000	320,000	370,000	388,000	389,000	417,000
Total Gross O & M Expenses	$ 719,000	$ 728,000	$ 768,000	$ 820,000	$ 851,000	$ 880,000
Average Number of Customers	2,125	2,242	2,300	2,325	2,347	2,392
Direct Gross O & M per Customer	$ 116.2	$ 119.5	$ 116.5	$ 129.9	$ 141.5	$ 137.5
CustomerWorks Expenses per Customer	$ 55.5	$ 62.4	$ 56.5	$ 55.9	$ 55.4	$ 56.0
Allocated Gross O & M per Customer	$ 166.6	$ 142.7	$ 160.9	$ 166.9	$ 165.7	$ 174.3
Vancouver CPI 1992 = 100		123.4	125.7	128.1	130.7	133.4
Annual Inflation Rate - CPI					2.0%	2.1%
2004 Dollars						
Direct Gross O & M per Customer	$ 116.2	$ 119.5	114.4	125.1	133.6	127.2
CustomerWorks Expenses per Customer	$ 55.5	$ 62.4	55.5	53.9	52.3	51.8
Allocated Gross O & M per Customer	$ 166.6	$ 142.7	157.9	160.8	156.5	161.3
Total Gross O & M Expenses	$ 338.4	$ 324.7	$ 327.8	$ 339.7	$ 342.4	$ 340.3

Other Revenue

There are three components of Other Revenue:

- Late Payment Charges;
- Revenue from Service Work; and
- Other

Late Payment Charges

Late payment charges are 0.5% of the forecast accounts receivables overdue balance. The 2008 forecast is based on the 2006 accounts receivables as a percentage of the 2006 billed revenue, resulting in approximately 0.4% of the residential and commercial revenue forecast for 2008.

Revenue from Service Work

This revenue is generated primarily from connections charges and transfer fees. Customer additions are levied an $85 charge per service. As well, account transfers are assessed a $25 fee.

Other

Revenue from Other sources is comprised mostly of NSF (non-sufficient funds) Cheque administration fees. Each returned cheque is levied a $20 fee. It is estimated that twenty cheques will be returned during the year, resulting in $400 of revenue.

SECTION F – TAXES, DEFERRED CHARGES, DEPRECIATION AND AMORTIZATION EXPENSE

Property Taxes

Property taxes were levied against the Company by Provincial, Municipal and other local governments. The Property Tax deferral account collects all variances from the 2004 Decision Test Year amount (2004 - 2007). Future deferred property tax will based on the variance of actual payments less approved 2008 forecast expense to be included in determining the rates for 2008 and following years until the next revenue requirement application.

<u>Property Tax Expense</u>

- 1% Tax

  The 1% tax in lieu of general municipal taxes ("1% Tax) is calculated by multiplying the amount of revenues collected within municipal boundaries by 1%. Payments of the 1% Tax to Fort Nelson are lagged relative to increases and decreases in revenues as required in the provisions of the Local Government Act.

- General, School and Other

  Property taxes include general, school and other property taxes. For 2008, assessed valued are estimated using 2007 actual assessments. The assessments for land and improvements, including pipeline, are anticipated to present a general market increase of 3% and 5 % respectively. These increases are primarily related to market value increases in land as well as increased costs in construction materials (i.e. steel) and increased labour costs.

  Mill rates are expected to decline slightly as an offset to the increasing assessment values.

  For prior years, a variety of factors affected not only the level of assessment, but also the taxation:

  For 2004:
  - An increase in office land market value: $48,700.
  - An increase in transmission pipeline rates. This increase is part of a negotiation with the pipeline industry. The rate increase will

occur over three years. 2004 is the first year in the 3-year phase-in. Discussions with BC Assessment regarding an error in the implementation of the new rates resulted in a further annual savings of $2,628 in foregone annual taxation for a minimum of 5 years when rates were expected to undergo a more detailed review.

- An increase in distribution pipeline rates of 3%.

For 2005:

- An increase in office land market value: $48,700. This was offset somewhat by a decrease of 16% in the tax rate.
- Additions to distribution pipeline and services: $67,000.
- An increase in transmission pipeline rates. This is the second year of the 3-year phase-in.

For 2006:

- An increase in office land market value: $17,700.
- Additions to distribution pipeline and services: $267,000
- An increase in transmission pipeline rates. This is the third and final year of the 3-year phase-in.
- A reduction in the Provincial school tax rate from $15/$1000 to $14.9/$1000. This is notable because it is the first decline in the school tax rate since 1995. For Fort Nelson, this resulted in savings of approximately $275.

For 2007:

- Additions to distribution pipeline and services: $327,000.
- An increase in transmission and distribution pipeline rates of 5% caused by the rising costs of materials (steel) and labour.
- Reduction in the Provincial school tax rate from $14.9/$1000 to $14.7/$1000, resulting in a savings of $550.

Deferred Charges, Depreciation and Amortization

Deferred Charges

Unamortized Deferred Charges are carried in the regulatory schedules on a net-of-tax basis. Schedule 17.3 shows the 2008 Forecast for Unamortized Deferred Charges and Amortization. As explained in the Executive Summary and Income Tax Expense sections, Terasen Gas is requesting approval of one new deferral account for TG Fort Nelson; an Income Tax Change Deferral Account.

Depreciation and Amortization

Accumulated Depreciation for 2008 has been updated for the 2007 projected closing balance. Commission approved depreciation rates and amortization periods are used for all accounts. Depreciation rates affecting measurement and computer software accounts reflect the approved changes in Section 5.2 of Commission Order G-17-04, dated February 5, 2004. Non-infrastructure software is depreciated over 5 years at 20% per year, rather than 8 years at 12.5% per year. Meters are depreciated at 3.57% per year.

Income Tax

Income tax expense is determined based on taxable earnings calculated on the basis of revenues and costs in accordance with the applicable provisions of the *Income Tax Act*, multiplied by the combined provincial and federal income tax rates. For regulatory purposes, income tax expense is calculated following the taxes payable method of accounting for income taxes.

In the November 30, 2007 filing, for 2008 the combined corporate income tax rate was forecast to be 32.5%. The rate has now been reduced to 31.5% taking into consideration Commission Order No. G-158-07 dated December 14, 2007. The rate for the 2008 test year has been reduced to reflect the income tax rate changes that were recently enacted by the Federal Government. The historical combined corporate income tax rates from 2004 to 2007 are shown below.

2004	35.62%
2005	34.87%
2006	34.12%
2007	34.12%

SECTION G – CAPITAL REQUIREMENTS AND RATE BASE

Capital Expenditures

Capital expenditures are required annually to ensure the company can provide safe and reliable natural gas service to both its existing and new customers. Table G.1 below summarizes TG Fort Nelson's capital additions during the years 2004 to 2008.

Table G.1
TG Fort Nelson Capital Additions Summary
$'000s

	2004 Approved	2004 Actual	2005 Actual	2006 Actual	2007 Projected	2008 Forecast
Customer Additions		85	45	13	54	17
Transmission						
Mains	$ 60	$ 57	$ -	$ -	$ -	$ -
Total Transmission:	60	57	-	-	-	-
Distribution						
Structures & Improvements	3	1	30	55	-	-
Services	30	61	47	44	89	28
House Regulator & Meter Installation	5	21	18	12	21	7
Mains	96	29	196	71	44	24
Measuring & Regulating Equipment	151	31	69	224	75	-
Meters	2	-	-	-	14	4
Small Tools & Equipment	-	-	-	-	-	16
Total Distribution:	287	143	360	405	243	79
Total Capital Additions	$ 347	$ 200	$ 360	$ 405	$ 243	$ 79

2004 actual expenditures were lower than approved as a result of timing differences in the Measuring and Regulating Equipment category, with planned work completed in subsequent years. From 2004 to 2007, average capital expenditures were approximately $300,000 per year, with over half of the expenditures attributed to Mains, Meters and Services required to service customers. In 2005, the majority of the $196,000 spent in Mains was used to extend service to new developments within the First Nations Reserve and along the Old Alaska Highway. In comparison, for 2008, the forecast is $63,000 for this category, with the remaining $16,000 planned for the purchase of Small Tools and Equipment, needed to support field operations.

The remainder of the capital expenditures during the 2004 to 2007 period were for Transmission Pipeline, Gate Station, Station Line Heater upgrades and hazardous liquids containment. In 2004, approximately $57,000 was spent on upgrading the existing 168mm transmission pipeline loop at the Kennay-yah road crossing and installing a barrier to protect the pipeline. These expenditures were required for the Company to remain compliant with BC pipeline regulations.

To remain compliant with the Company's environmental standards, during the 2004 to 2006 period, the Company upgraded its station line heater facilities with secondary containment at the gate stations at Muskwa ($23,000), Fort Nelson #1 ($57,000) and Tackama ($27,000) for a total cost of $107,000. Terasen Gas' policy requires that design and installation of pressurized piping and process equipment containing hazardous materials be specifically engineered to consider environmental standards and regulations and operational safety requirements. Of the $107,000 spent, $85,000 was recorded in the Structures category, with the remaining $22,000 spent in Measuring & Regulating Equipment.

For the Measuring & Regulating Equipment category, from 2004 to 2006, a significant portion of the company's capital expenditures (over $250,000) was spent to replace the existing odorizer. With the odorizer in use at the time, the odorant was subject to contamination from compressor oil contained in the natural gas supply which resulted in poor odorization performance. In addition the single wall tank made from pipe did not comply with the Company's policy, driven by Provincial regulation, regarding the containment of hazardous liquids. The new odorizer is comprised of a pair of double-walled underground tanks. The double wall characteristic provides greater assurance that hazardous liquids will be confined and leakage prevented from contaminating the environment. The first of the two tanks is used to separate the oil from the natural gas supply, while the second contains the odorant to be absorbed by the gas flowing into the TG Fort Nelson system. In 2007, projections indicate that $75,000 will be spent in the Measuring & Regulating category, primarily related to station upgrades, including approximately $50,000 for filter upgrades at Fort Nelson #1 and Muskwa gate stations. No capital expenditures are planned in this category for 2008.

As can be seen in table G2 below the rate base per customer has increased less than the rate of inflation of approximately 2% per year. In 2004 dollars the 2008 rate base per customer has gone down by 0.8% to $2,047 per customer.

Table G.2
TG Fort Nelson Rate Base per Customer

	2004 Decision		2008 Application		Difference	% change
Rate Base in ($000)	$	4,387	$	5,301	$ 914	20.8%
Avg. # of Customers		2,125		2,392	267	12.6%
Rate Base/Customer	**$**	**2,064**	**$**	**2,216**	152	7.3%
$2004 Rate Base/Cust.		2,064		2,047	(17)	-0.8%

Working Capital

The major components of the working capital allowance have been divided into two categories: Cash Required for Operating Expenses and Other Working Capital.

Cash Required for Operating Expenses

Cash Required for Operating Expenses will continue to be determined using the lead/lag methodology established in 1992 with BC Gas' 1992 Revenue Requirement Application. The revenue lead days for TG Fort Nelson customers reflect the billing service provided by CustomerWorks.

Other Working Capital

Other working capital items include:

- Minimum cash balances;
- Customer deposits;
- Reserve for bad debts;
- Employee withholdings; and
- Inventories.

The forecast 2008 costs for these items have been calculated based on historical levels for inventories and employee withholdings. Customer deposits and reserve for bad debts have been projected for 2007 and forecast for 2008 based on customer additions and customer deposit requirements. Reserve for bad debts has been forecast based on forecast revenue and historical bad debt experience.

SECTION H – FINANCING AND CAPITAL STRUCTURE

TG Fort Nelson and the other three service areas (Lower Mainland, Inland and Columbia) share the same debt and equity percentages for its capital structure: 64.99% debt and 35.01% equity.

Long Term Debt

The average embedded cost of long term debt for TG Fort Nelson average is 7.223% and represents approximately 55% of the capital structure funding rate base.

Unfunded Debt

The cost of Unfunded Debt for TG Fort Nelson is 5%. Unfunded debt represents approximately 10% of the capital structure funding rate base.

Common Equity

The calculations in this Revised Application have made use of the recently approved Return on Equity ("ROE") of 8.62% for 2008 (BCUC Letter L-93-07, dated November 22, 2007). The common equity component of the capital structure is 35.01%.

SECTION I – REVENUE REQUIREMENT AND CUSTOMER RATES

Table I.1 below shows the progression from the bundled sales and Transportation Service rates approved for 2004 to the applied for rates effective January 1, 2008 for Rate Schedules 1, 2.1, 2.2 and 25. TG Fort Nelson provides service to all its customers under these rate schedules. The rate increases proposed for residential and commercial customers represent an increase of 5.5% on a total bill basis (refer to Section J, Schedule 1.1). The proposed increase for Rate Schedule 25 is 30.82%.

Table I.1

Proposed Tariff Rate Change & Rate Class Revenue Recovery

Line No.	Particulars	Tariff @ 2004 Rates	Less: RSAM Recovery Charge	Less: Average Cost of Gas	Delivery Margin	Margin Rate Increase	Add: Average Cost of Gas	Add: Revised RSAM Recovery Charge	Tariff @ Revised Rates 1/1/08
1	**Residential**								
2	1st Blk ≤ 2 GJ $ / Month	$ 18.00	$ (0.15)	$ (13.74)	$ 4.11	$ 1.57	$ 13.74	$ 0.23	$ 19.65
3	2nd Blk Next 28 GJ $ / GJ	$ 8.143	$ (0.073)	$ (6.868)	$ 1.202	$ 0.371	$ 6.868	$ 0.114	$ 8.555
4	3rd Blk Excess of 30 GJ $ / GJ	$ 8.108	$ (0.073)	$ (6.868)	$ 1.167	$ 0.360	$ 6.868	$ 0.114	$ 8.509
5									
6	**General Service - Small Commercial**								
7	1st Blk ≤ 2 GJ $ / Month	$ 26.72	$ (0.15)	$ (13.74)	$ 12.83	$ 4.43	$ 13.74	$ 0.23	$ 31.23
8	2nd Blk Next 298 GJ $ / GJ	$ 8.284	$ (0.073)	$ (6.868)	$ 1.343	$ 0.414	$ 6.868	$ 0.114	$ 8.739
9	3rd Blk Excess of 300 GJ $ / GJ	$ 8.242	$ (0.073)	$ (6.868)	$ 1.301	$ 0.401	$ 6.868	$ 0.114	$ 8.684
10									
11	**General Service - Large Commercial**								
12	1st Blk ≤ 2 GJ $ / Month	$ 26.72	$ (0.15)	$ (13.74)	$ 12.83	$ 4.43	$ 13.74	$ 0.23	$ 31.23
13	2nd Blk Next 298 GJ $ / GJ	$ 8.284	$ (0.073)	$ (6.868)	$ 1.343	$ 0.414	$ 6.868	$ 0.114	$ 8.739
14	3rd Blk Excess of 300 GJ $ / GJ	$ 8.242	$ (0.073)	$ (6.868)	$ 1.301	$ 0.401	$ 6.868	$ 0.114	$ 8.684
15									
16	**Transportation Service**								
17	1st Blk ≤ 20 GJ $ / GJ	$ 1.131	$ -	$ (0.028)	$ 1.103	$ 0.353	$ 0.028		$ 1.484
18	2nd Blk Next 260 GJ $ / GJ	$ 1.049	$ -	$ (0.028)	$ 1.021	$ 0.327	$ 0.028		$ 1.376
19	3rd Blk Excess of 280 GJ $ / GJ	$ 0.856	$ -	$ (0.028)	$ 0.828	$ 0.265	$ 0.028		$ 1.121
20	Minimum Delivery Charge per Month	$ 869.00			$ 869.00	$ 267.79			$ 1,136.79
21									
22	Administration Charge	$ 202.00	$ -		$ 202.00	$ -			$ 202.00
23	RSAM Recovery Charge	$ 0.073	$ (0.073)	$ -	$ -		$ -	$ 0.114	$ 0.114

TG Fort Nelson does not have any customers in Rate Classes 2.3, 2.4, 3.1, 3.2 and 3.3. The Utility proposes to increase the delivery component of the rates by the general margin percentage increase of 30.82%, except for Rate Class 2.4 which has no specified rate for NGV compression/dispensing service. The permanent proposed rate changes and rates effective January 1, 2008 based on the Revised Application material for these rate classes are shown below on Table I.2:

Table I.2

Proposed Tariff Rate Change & Rate Class Revenue Recovery

Line No.	Particulars	Tariff @ 2004 Rates	Less: RSAM Recovery Charge	Less: Average Cost of Gas	Delivery Margin	Margin Rate Increase	Add: Average Cost of Gas	Add: Revised RSAM Recovery Charge	Tariff @ Revised Rates 1/1/08
						30.82%			
1	**Rate Class 2.3 - Natural Gas Vehicle Fuel Service**								
2	1st Blk ≤ 2 GJ $ / Month	$ 27.09	$ -	$ (13.74)	$ 13.35	$ 4.12	$ 13.74	$ -	$ 31.21
3	2nd Blk Next 298 GJ $ / GJ	$ 8.509	$ -	$ (6.868)	$ 1.641	$ 0.506	$ 6.868	$ -	$ 9.015
4	3rd Blk Excess of 300 GJ $ / GJ	$ 8.467	$ -	$ (6.868)	$ 1.599	$ 0.493	$ 6.868	$ -	$ 8.960
5									
6	**Rate Class 3.1 / 3.2 - Industrial Service < 360,000 GJ per Year**								
7	Delivery Charge								
8	1st Blk ≤ 20 GJ $ / GJ	$ 1.131	$ -	$ -	$ 1.131	$ 0.349	$ -		$ 1.480
9	2nd Blk Next 260 GJ $ / GJ	$ 1.049	$ -	$ -	$ 1.049	$ 0.323	$ -		$ 1.372
10	3rd Blk Excess of 280 GJ $ / GJ	$ 0.856	$ -	$ -	$ 0.856	$ 0.264	$ -		$ 1.120
11	Minimum Month Delivery Charge	$ 869.00			$ 869.00	$ 267.79			$ 1,136.79
12									
13	Gas Cost Recovery Charge	$ 6.868		$ (6.868)	$ -	$ -	$ 6.868		$ 6.868
14	RSAM Rate Rider	$ 0.073	$ (0.073)		$ -	$ -	$ -	$ 0.114	$ 0.114
15									
16	**Rate Class 3.3 - Industrial Service ≥ 360,000 GJ per Year**								
17	Delivery Charge								
18	1st Blk ≤ 20 GJ $ / GJ	$ 1.132	$ -	$ -	$ 1.132	$ 0.348	$ -		$ 1.480
19	2nd Blk Next 260 GJ $ / GJ	$ 1.051	$ -	$ -	$ 1.051	$ 0.321	$ -		$ 1.372
20	3rd Blk Excess of 280 GJ $ / GJ	$ 0.858	$ -	$ -	$ 0.858	$ 0.262	$ -		$ 1.120
21	Minimum Month Delivery Charge	$ 869.00			$ 869.00	$ 267.79			$ 1,136.79
22									
23	Gas Cost Recovery Charge	$ 6.868		$ (6.868)	$ -		$ 6.868		$ 6.868
24	RSAM Rate Rider	$ 0.073	$ (0.073)		$ -		$ -	$ 0.114	$ 0.114

Figure I.1 below compares TG Fort Nelson bundled sales rate for residential customers to other utilities in British Columbia and Alberta. The average rate in TG Fort Nelson is the lowest even after the interim increase effective February 1, 2008. Residential customers in the TG Fort Nelson still have the lowest delivery margin and average bundled sales rate as shown below.

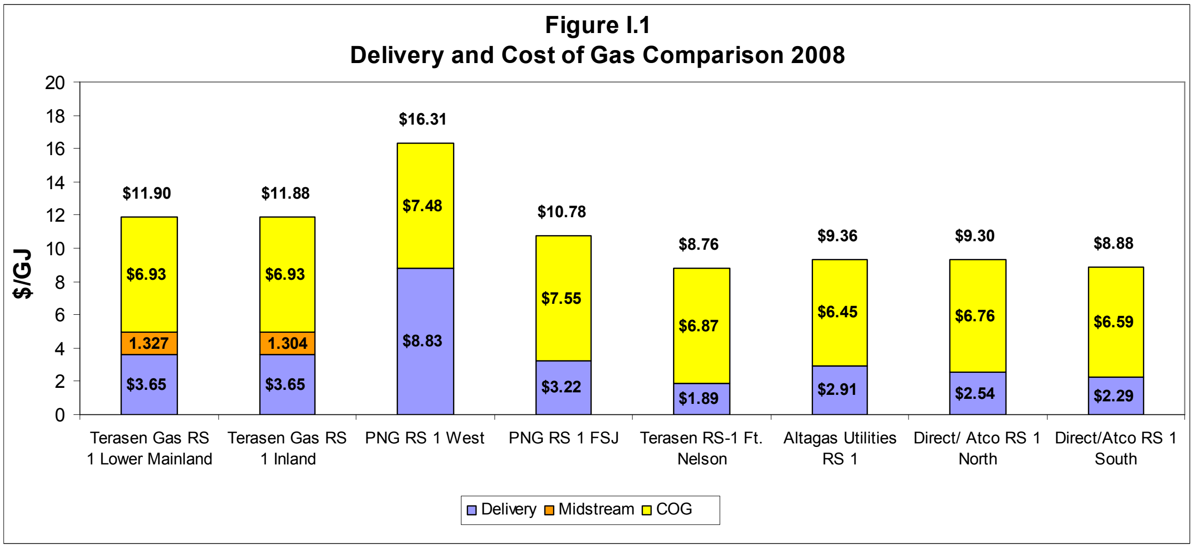
Figure I.1
Delivery and Cost of Gas Comparison 2008
$/GJ
20
18
16
14
12
10
8
6
4
2
0
$11.90
$6.93
1.327
$3.65
$11.88
$6.93
1.304
$3.65
$16.31
$7.48
$8.83
$10.78
$7.55
$3.22
$8.76
$6.87
$1.89
$9.36
$6.45
$2.91
$9.30
$6.76
$2.54
$8.88
$6.59
$2.29
Terasen Gas RS 1 Lower Mainland
Terasen Gas RS 1 Inland
PNG RS 1 West
PNG RS 1 FSJ
Terasen RS-1 Ft. Nelson
Altagas Utilities RS 1
Direct/ Atco RS 1 North
Direct/Atco RS 1 South
Delivery
Midstream
COG

SECTION J – FINANCIAL SCHEDULES

Schedule 1 – Summary of Rate Change Required

Line No.	Particulars	2004 Decision	2008 Forecast
1	**Rate Change Required**		
2	Gas Sales and Transportation Revenue at Existing Rates	$ 4,601	$ 5,237
3			
4	Less: Cost of Gas	(3,357)	(4,109)
5			
6	Gross Margin	$ 1,244	$ 1,129
7			
8	Revenue Deficiency (Surplus)	$ 49	$ 348
9			
10	Revenue Deficiency (Surplus) as a % of Gross Margin	3.94%	30.82%
11			
12	Revenue Deficiency (Surplus) as a % of Total Revenue	1.06%	6.64%

Schedule 1.1 – 2008 Revenue Requirement

Line No.	Particulars	2004 Decision	2004 Actual Normalized	2005 Actual Normalized	2006 Actual Normalized	2007 Projected	2008 @ Proposed Rates
1	**Rate Base**						
2	Gas Plant in Service, Beginning	$ 6,763	$ 6,908	$ 7,047	$ 7,143	$ 7,539	$ 7,701
3	Gas Plant in Service, Ending	7,084	7,164	7,143	7,539	7,701	7,913
4							
5	Contribution in Aid of Construction, Beginning	(988)	(1,041)	(1,041)	(1,041)	(1,041)	(1,041)
6	Contribution in Aid of Construction, Ending	(992)	(1,041)	(1,041)	(1,041)	(1,041)	(1,041)
7							
8	Accumulated Depreciation, Beginning	(1,618)	(1,945)	(2,042)	(1,690)	(1,787)	(1,810)
9	Accumulated Depreciation, Ending	(1,789)	(2,041)	(1,688)	(1,787)	(1,810)	(2,010)
10							
11	Contribution in Aid of Construction, Beginning	439	398	435	472	509	546
12	Contribution in Aid of Construction, Ending	478	435	472	509	546	584
13							
14	Net Plant in Service, Mid-Year	4,689	4,419	4,643	5,052	5,308	5,421
15							
16	Adjustment to 13-Month Average		(74)	(278)	(25)	-	
17	Work in Progress, Not Attracting AFUDC	63	98	76	6	-	-
18	Construction Advances	(80)	-	-	-	-	-
19	Unamortized Deferred Charges	(117)	(72)	37	(29)	(10)	85
20	Cash Working Capital	(176)	(160)	(183)	(215)	(223)	(221)
21	Other Working Capital	8	9	12	18	18	18
22							
23	**Total Rate Base**	**$ 4,387**	**$ 4,220**	**$ 4,307**	**$ 4,807**	**$ 5,093**	**$ 5,302**
24							
25	**Revenue Requirement / Deficiency (Surplus)**						
26	Cost of Gas	$ 3,357	$ 3,526	$ 4,064	$ 4,251	$ 4,024	$ 4,109
27	Operating & Maintenance Expense	604	611	646	688	715	739
28	Property Tax	98	103	98	98	98	125
29	Depreciation Expense	158	120	119	116	200	173
30	Amortization Expense	1	-	-	-	-	28
31	Other Operating Revenue	(28)	(29)	(31)	(33)	(43)	(38)
32	Income Tax Expense	76	124	80	54	13	53
33	Earned Return						
34	Short Term Debt Interest	11	15	10	18	23	26
35	Long Term Debt Interest	192	192	192	192	192	212
36	Return on Equity	132	218	169	176	38	160
37							
38	**Total Cost of Service at proposed rates**	**$ 4,601**	**$ 4,880**	**$ 5,348**	**$ 5,561**	**$ 5,260**	**$ 5,585**
39							
40	Sales Revenue @ **Existing Rates**	4,237	4,496	4,959	5,141	4,903	4,991
41	T-Service Revenue @ **Existing Rates**	364	337	322	309	242	247
42	RSAM		47	67	114	115	
43	**Revenue Deficiency / (Surplus)**	**$ 0**	**$ -**	**$ (0)**	**$ (3)**	**$ 0**	**$ 348**
44							
45	**Revenue Deficiency / (Surplus) Applied to Sales Customers**						**$ 274**
46	**% Increase on Sales Revenue**						**5.5%**
47							
48	Total Revenue @ Existing Rates						$ 5,237
49	Gross Margin (Revenue - Cost of Gas) @ Existing Rates						$ 1,129
50							
51	% Increase on Gross Margin						30.82%

Schedule 2 – Utility Rate Base

Line No.	Particulars	2004 Decision	2004 Actual Normalized	2005 Actual Normalized	2006 Actual Normalized	2007 Projected	2008 At Existing Rates	2008 Adjustment	2008 At Revised Rates
1	**Gross Plant in Service**								
2	GPIS Beginning of Year	$ 6,763	$ 6,998	$ 7,164	$ 7,143	$ 7,539	$ 7,701	$ -	$ 7,701
3	Opening Adjustment	-	27	5	$ 9	$ -	$ -		$ -
4	GPIS End of Year	7,084	7,164	7,143	7,539	7,701	7,913	-	7,913
5	GPIS Average Mid-Year Balance	6,924	7,094	7,156	7,346	7,620	7,807	-	7,807
6									
7	CIAOC Beginning of Year	(988)	(1,041)	(1,041)	(1,041)	(1,041)	(1,041)	-	(1,041)
8	CIAOC End of Year	(992)	(1,041)	(1,041)	(1,041)	(1,041)	(1,041)	-	(1,041)
9	CIAOC Average Mid-Year Balance	(990)	(1,041)	(1,041)	(1,041)	(1,041)	(1,041)	-	(1,041)
10									
11	**Accumulated Depreciation**								
12	GPIS Beginning of Year	(1,618)	(1,879)	(2,043)	(1,690)	(1,787)	(1,810)	-	(1,810)
13	Opening Adjustment	-	(66)	41	92	5	-	-	-
14	GPIS End of Year	(1,789)	(2,043)	(1,690)	(1,787)	(1,810)	(2,010)	-	(2,010)
15	GPIS Average Mid-Year Balance	(1,704)	(1,994)	(1,846)	(1,693)	(1,796)	(1,910)	-	(1,910)
16									
17	CIAOC Beginning of Year	439	398	435	472	509	546	-	546
18	CIAOC End of Year	478	435	472	509	546	584	-	584
19	CIAOC Average Mid-Year Balance	459	417	454	491	528	565	-	565
20									
21	**Net Plant in Service, Mid-Year**	**$ 4,689**	**$ 4,476**	**$ 4,722**	**$ 5,103**	**$ 5,310**	**$ 5,421**	**$ -**	**$ 5,421**
22									
23	Adjustment to 13 - Month Average	-	(74)	(278)	(25)	-	-	-	-
24	Work In Progress, Not Attracting AFUDC	63	98	76	6	-	-	-	-
25	Construction Advances	(80)	-	-	-	-	-	-	-
26	Unamortized Deferred Charges	(117)	(71)	39	(29)	(10)	85	-	85
27	Cash Working Capital	(176)	(160)	(183)	(215)	(223)	(229)	8	(221)
28	Other Working Capital	8	9	12	18	18	18	-	18
29									
30	**Utility Rate Base**	**$ 4,387**	**$ 4,278**	**$ 4,388**	**$ 4,858**	**$ 5,095**	**$ 5,294**	**$ 8**	**$ 5,302**

Schedule 3 – Utility Income & Earned Return

Line No.	Particulars	2004 Decision	2004 Actual (Normalized)	2005 Actual (Normalized)	2006 Actual (Normalized)	2007 Projected	2008 @ Existing Rates	Adjustment	2008 @ Revised Rates
1	Average # of Customers	2,125	2,242	2,300	2,325	2,347	2,392		2,392
2									
3	**Energy Volumes (TJ)**								
4	Sales	571	588	586	557	587	597		597
5	Transportation Service	412	387	365	349	272	276		276
6	**Total Energy Volumes (TJ)**	**983**	**975**	**951**	**906**	**859**	**873**	**-**	**873**
7									
8	**Utility Revenue**								
9	Sales - Existing Rates	$ 4,203	$ 4,496	$ 4,958	$ 5,141	$ 4,903	$ 4,991		4,991
10	- Increase	34			-			274	274
11	Transportation - Existing Rates	349	337	322	309	242	247		247
12	- Increase	15			-			74	74
13	**Total Revenue**	**4,601**	**4,833**	**5,280**	**5,450**	**5,145**	**5,237**	**348**	**5,585**
14	Cost of Gas Sold (including Gas Lost)	3,357	3,526	4,064	4,251	4,024	4,109		4,109
15	Gross Margin	1,244	1,307	1,217	1,199	1,121	1,129	348	1,477
16	RSAM Revenue	-	47	67	114	115	-		-
17	**Adjusted Gross Margin**	**1,244**	**1,354**	**1,284**	**1,313**	**1,236**	**1,129**	**348**	**1,477**
18									
19	Operating & Maintenance Expense	604	611	646	688	715	739		739
20	Property Tax	98	103	98	98	98	125		125
21	Depreciation & Amortization Expense	159	123	119	116	200	201		201
22	Other Operating Revenue	(28)	(29)	(31)	(33)	(43)	(38)		(38)
23	**Total Utility Expenses**	**833**	**808**	**832**	**869**	**969**	**1,027**	**-**	**1,027**
24									
25	Utility Income Before Income Tax	411	546	452	444	266	102	348	450
26	Income Tax Expense	76	94	50	54	13	(57)	110	53
27									
28	**Earned Return**	**$ 335**	**$ 452**	**$ 402**	**$ 390**	**$ 253**	**$ 159**	**$ 238**	**$ 398**
29									
30	**Utility Rate Base**	**$ 4,387**	**$ 4,278**	**$ 4,388**	**$ 4,858**	**$ 5,095**	**$ 5,294**	**$ 8**	**$ 5,302**
31									
32	**Return on Rate Base**	**7.637%**	**10.557%**	**9.166%**	**8.024%**	**4.971%**	**3.008%**		**7.498%**

Schedule 4.1 – 2004, 2005, 2006 Existing Revenue, Margin

Line No.	Particulars	Average # of Customers	Volume (TJ)	Ave. Bundled Rate	Revenue	Ave. Cost of Gas	Cost of Gas	Ave. Margin	Margin
1	**2004 Actual Normalized**								
2	**Sales**								
3	Residential	1,857.0	289.0	$ 7.734	$ 2,235.0	$ 5.993	$ 1,731.9	$ 1.741	$ 503.1
4	General Service Rate 2.1	355.0	192.0	$ 7.562	1,451.9	$ 5.995	1,151.1	$ 1.567	300.8
5	General Service Rate 2.2	28.0	107.0	$ 7.562	809.1	$ 5.969	638.7	$ 1.593	170.4
6	**Total**	**2,240**	**588**		**4,496**		**3,522**		**974**
7									
8	General Firm T-Service	2.0	387.0	$ 0.871	337.0	$ 0.012	4.6	$ 0.859	332.4
9									
10	**Total**	**$ 2,242**	**$ 975**		**$ 4,833**		**$ 3,526**		**$ 1,307**
11									
12	**2005 Actual Normalized**								
13	**Sales**								
14	Residential	1,886.0	291.0	$ 8.402	$ 2,445.0	$ 6.976	$ 2,029.9	$ 1.426	$ 415.1
15	General Service Rate 2.1	384.0	193.0	$ 8.520	1,644.4	$ 6.951	1,341.6	$ 1.569	302.8
16	General Service Rate 2.2	28.0	102.0	$ 8.520	869.0	$ 6.881	701.9	$ 1.639	167.1
17	**Total**	**2,298.0**	**586.0**		**4,958.4**		**4,073.4**		**885.0**
18									
19	General Firm T-Service	2.0	365.0	$ 0.882	322.0	$ (0.027)	(9.9)	$ 0.909	331.9
20									
21	**Total**	**$ 2,300.0**	**$ 951.0**		**$ 5,280.4**		**$ 4,063.5**		**$ 1,216.9**
22									
23	**2006 Actual Normalized**								
24	**Sales**								
25	Residential	1,905.0	271.0	$ 9.166	$ 2,484.0	$ 7.596	$ 2,058.4	$ 1.570	$ 425.6
26	General Service Rate 2.1	389.0	191.0	$ 9.393	1,794.0	$ 7.641	1,459.4	$ 1.752	334.6
27	General Service Rate 2.2	29.0	95.0	$ 9.084	863.0	$ 7.669	728.6	$ 1.415	134.4
28	**Total**	**2,323.0**	**557.0**		**5,141.0**		**4,246.4**		**894.6**
29									
30	General Firm T-Service	2.0	349.0	$ 0.885	309.0	$ 0.014	4.8	$ 0.872	304.2
31									
32	**Total**	**$ 2,325.0**	**$ 906.0**		**$ 5,450.0**		**$ 4,251.2**		**$ 1,198.8**

Schedule 4.2 – 2007, Existing Revenue, Margin

Line No.	Particulars	Average # of Customers	Volume (TJ)	Ave. Bundled Rate	Revenue	Ave. Cost of Gas	Cost of Gas	Ave. Margin	Margin
1	**2007 Projected**								
2	**Sales**								
3	Residential	1,915.0	287.1	$ 8.301	2,383.2	$ 6.868	1,971.8	$ 1.433	$ 411.4
4	General Service Rate 2.1	401.0	203.4	$ 8.497	1,728.4	$ 6.867	1,396.8	$ 1.630	331.6
5	General Service Rate 2.2	29.0	96.0	$ 8.244	791.4	$ 6.871	659.6	$ 1.373	131.8
6	**Total**	**2,345.0**	**586.5**		**4,903.0**		**4,028.2**		**874.8**
7									
8	General Firm T-Service	2.0	272.1	$ 0.890	242.1	$ (0.014)	(3.7)	$ 0.903	245.8
9									
10	**Total**	**$ 2,347.0**	**$ 858.6**		**$ 5,145.1**		**$ 4,024.5**		**$ 1,120.6**

Schedule 4.3 – 2008, Existing Revenue, Margin [increase/(decrease)], Revised Revenues

Line No.	Particulars	Average # of Customers	Volume (TJ)	Ave. Bundled Rate	Revenue	Ave. Cost of Gas	Cost of Gas	Ave. Margin	Margin	Ave. Increase	Increase / (Decrease)	Ave. Revised Sales Rate	Revised Revenue
12	**2008 Forecast**												
13	**Sales**												
14	Residential	1,944.0	291.2	$ 8.297	2,415.8	$ 6.868	1,999.6	$ 1.429	$ 416.2	$ 0.440	128.3	$ 8.738	2,544.0
15	General Service Rate 2.1	417.0	209.9	$ 8.498	1,783.8	$ 6.868	1,441.7	$ 1.630	342.1	$ 0.502	105.4	$ 9.000	1,889.2
16	General Service Rate 2.2	29.0	96.0	$ 8.240	791.3	$ 6.868	659.6	$ 1.372	131.7	$ 0.423	40.6	$ 8.662	831.9
17	**Total**	**2,390.0**	**597.1**		**4,990.9**		**4,100.9**		**890.0**		**274.3**		**5,265.2**
18													
19	General Firm T-Service	2.0	276.1	$ 0.893	246.5	$ 0.028	7.6	$ 0.865	238.9	$ 0.267	73.6	$ 1.160	320.2
20													
21	**Total**	**$ 2,392.0**	**$ 873.2**		**$ 5,237.5**		**$ 4,108.5**		**$ 1,129.0**		**$ 347.9**		**$ 5,585.4**
22													
23	**Total Deficiency / (Surplus)**										**$ 347.9**		
24													
25	**% Increase / (Decrease)**										**6.64%**		

Schedule 5 – Income Tax Expense

Line No.	Particulars	2004 Decision	2004 Actual (Normalized)	2005 Actual (Normalized)	2006 Actual (Normalized)	2007 Projected	2008 @ Existing Rates	Adjustment	2008 @ Revised Rates
1	Earned Return	$ 335	$ 452	$ 402	$ 390	$ 253	$ 159	$ 238	$ 398
2	Less: Interest on Debt	(203)	(199)	(203)	(210)	(215)	(237)	(0)	(238)
3	Add: Non-Tax Deductible Expense (Net)	6	2	2	1	0	0	-	0
4	Less: Timing Differences	(20)	(8)	(76)	(72)	(14)	(46)	-	(46)
5	Less: Large Corporation Tax	7	(6)	7	(2)	-	-	-	-
6	**Taxable Income after Tax**	**$ 125**	**$ 241**	**$ 132**	**$ 107**	**$ 25**	**$ (124)**	**$ 238**	**$ 114**
7									
8	**Taxable Income**	**$ 118**	**$ 247**	**$ 125**	**$ 163**	**$ 38**	**$ (181)**	**$ 348**	**$ 167**
9									
10	Permanent Current Tax Rate				33.000%	33.000%	31.500%		31.500%
11	Surtax				1.120%	1.120%	0.000%		0.000%
12	Income Tax Rate	35.620%	35.620%	34.870%	34.120%	34.120%	31.500%		31.500%
13	1 - Current Tax Rate	64.380%	64.380%	65.130%	65.880%	65.880%	68.500%		68.500%
14									
15	Income Tax								
16	Current	$ 69	$ 88	$ 43	$ 56	$ 13	$ (57)	$ 110	$ 53
17	Deferred Income Tax (Fort Nelson)	-			-				
18	Large Corporation Tax	7	6	7	(2)	-	-		-
19									
20	**Total Income Taxes**	**$ 76**	**$ 94**	**$ 50**	**$ 54**	**$ 13**	**$ (57)**	**$ 110**	**$ 53**

Schedule 6 – 2008 Capital Structure & Return on Capital

Line No.	Particulars	Amount	Capitalization %	Embedded Cost %	Cost Component
1	**2008 at Existing Rates**				
2	Unfunded Debt	$ 506	9.55%	5.000%	0.478%
3	Long Term Debt	2,935	55.44%	7.223%	4.004%
4	Common Equity	1,854	35.01%	-4.210%	-1.474%
5	**Total**	**$ 5,294**	**100.00%**		**3.008%**
6					
7	**2008 Revised Rates**				
8	Unfunded Debt Adjusted	$ 511	9.64%	5.000%	0.482%
9	Long Term Debt	2,935	55.35%	7.223%	3.998%
10	Common Equity	1,856	35.01%	8.620%	3.018%
11	**Total**	**$ 5,302**	**100.00%**		**7.498%**

Schedule 7 – Operating and Maintenance Expense

Line No.	Particulars	2004 Actual	2005 Actual	2006 Actual	2007 Projected	2008 Forecast
1	**RESOURCE VIEW**					
2	M&E Costs	$ 194	$ 158	$ 172	$ 179	$ 180
3	COPE Costs	73	77	74	63	71
4	IBEW Costs	101	191	203	245	250
5	**Total Labour Costs**	**368**	**426**	**449**	**487**	**501**
6						
7	Vehicle Costs	32	24	39	54	53
8	Employee Expenses	23	24	31	35	35
9	Materials	14	25	25	24	24
10	Computer Costs	49	29	33	30	32
11	Fees & Administration Costs	90	66	108	77	83
12	Contractor Costs	174	189	159	161	175
13	Facilities	4	33	34	38	39
14	Recoveries & Revenue	(26)	(47)	(58)	(55)	(63)
15	**Total Non-Labour Costs**	**360**	**343**	**371**	**364**	**379**
16						
17	**Total Gross O&M Expenses**	**$ 728**	**$ 769**	**820**	**851**	**880**
18						
19	Less Capitalized Overhead	(117)	(123)	(132)	(136)	(141)
20						
21	**Total Net O&M Expenses**	**$ 611**	**$ 646**	**$ 688**	**$ 715**	**$ 739**

Schedule 8 – Property and Sundry Taxes

Line No.	Particulars	2004 Actual	2005 Actual	2006 Actual	2007 Projected	2008 Forecast
1	General, School & Other	$ 70	$ 67	$ 67	$ 67	$ 88
2	1% in Lieu of General	33	31	31	31	37
3						
4	**Total Property Tax**	**$ 103**	**$ 98**	**$ 98**	**$ 98**	**$ 125**

Schedule 9 – Depreciation and Amortization Expense

Line No.	Particulars	2004 Actual	2005 Actual	2006 Actual	2007 Projected	2008 Forecast
1	**Depreciation Provision**					
2	Transmission	$ 26	$ 35	$ 17	$ 17	$ 17
3	Distribution	106	138	116	140	152
4	General	28	26	20	80	42
5	Unclassified Plant	-	(43)			
6	**Total Depreciation Provision**	**160**	**156**	**153**	**237**	**211**
7						
8	Less: Amortization of CIAOC	(37)	(37)	(37)	(37)	(38)
9						
10	**Total Depreciation Expense**	**123**	**119**	**116**	**200**	**173**
11						
12	Amortization Expense	-	-	-	-	28
13						
14	**Total Depreciation & Amortization Expense**	**$ 123**	**$ 119**	**$ 116**	**$ 200**	**$ 201**

Schedule 10 – Other Revenue

Line No.	Particulars	2004 Actual	2005 Actual	2006 Actual	2007 Projected	2008 Forecast
1	Late Payment Charge	$ 16	$ 18	$ 21	$ 22	$ 21
2						
3	Revenue form Service Work	13	13	11	21	17
4						
5	All Other	-	-	1	1	0
6						
7	**Total Other Revenue**	**$ 29**	**$ 31**	**$ 33**	**$ 43**	**$ 38**

Schedule 11 – Utility Interest Expense

Line No.	Particulars	2004 Actual (Normalized)	2005 Actual (Normalized)	2006 Actual (Normalized)	2007 Projected	2008 @ Existing Rates	Adjustment	2008 @ Revised Rates
1	Utility Rate Base	$ 4,278	$ 4,388	$ 4,858	$ 5,095	$ 5,294	$ 8	$ 5,302
2								
3	Weighted average embedded cost of debt in the capital structure							
4	Long-term debt	4.312%	4.397%	3.951%	3.767%	4.004%	-0.006%	3.998%
5	Unfunded debt	0.340%	0.240%	0.371%	0.452%	0.478%	0.004%	0.482%
6	**Total**	**4.653%**	**4.636%**	**4.322%**	**4.218%**	**4.482%**	**-0.002%**	**4.480%**
7								
8	**Utility Interest Expense**	**$ 199**	**$ 203**	**$ 210**	**$ 215**	**$ 237**	**$ (0)**	**$ 238**

Schedule 12 – Permanent and Timing Differences

Line No.	Particulars	2004 Actual	2005 Actual	2006 Actual	2007 Projected	2008 Forecast
1	**Permanent Differences**					
2	Non-tax Deductible Expenses	2	2	1	0	0
3	**Total Permanent Differences**	**$ 2**	**$ 2**	**$ 1**	**$ 0**	**$ 0**
4						
5	**Timing Differences**					
6	Depreciation Expense	$ 123	$ 119	$ 116	$ 200	$ 173
7	Amortization of Debt Issue Expenses for Accounting	6	6	5	1	1
8	Debt Issue Costs / Discounts for Tax Purposes	(4)	(11)	(3)	-	-
9	Capital Cost Allowance	(140)	(144)	(146)	(164)	(167)
10	Cumulative Eligible Capital Allowance	-	(1)	-	-	-
11	Overheads Capitalized for Tax Purposes	-	(46)	(41)	(51)	(53)
12	Pension Reserve	7	1	(3)	-	-
13	**Total Timing Differences**	**$ (8)**	**$ (76)**	**$ (72)**	**$ (14)**	**$ (46)**

Schedule 13.1 – 2004 Capital Cost Allowance

Line No.	Class	CCA Rate %	UCC Opening Balance	Opening Adjustments	Adjusted UCC Opening Balance	Net Additions	1/2 Year Adjustment	Adjusted UCC	CCA	UCC Closing Balance
1	**2004 Actual Normalized**									
2	1	4.0%	$ 2,324	$ -	$ 2,324	$ 201	(101)	$ 2,425	$ (97)	$ 2,428
3	2	6.0%	473	-	473	-	-	473	(28)	445
4	3	5.0%	22	-	22	-	-	22	(1)	21
5	6	10.0%	2	-	2	-	-	2	-	2
6	8	20.0%	15	-	15	-	-	15	(3)	12
7	9	25.0%	0	-	0	-	-	0	-	0
8	10	30.0%	34	-	34	-	-	34	(10)	24
9	10	100.0%	-	-	-	-	-	-	-	-
10	12	100.0%	-	-	-	-	-	-	-	-
11	13	Manual	7	-	7	-	-	7	(1)	6
12	14	Manual	-	-	-	-	-	-	-	-
13	22	50.0%	-	-	-	-	-	-	-	-
14	29	100.0%	-	-	-	-	-	-	-	-
15	38	30.0%	-	-	-	-	-	-	-	-
16	39	25.0%	-	-	-	-	-	-	-	-
17	**Total**		**$ 2,877**	**$ -**	**$ 2,877**	**$ 201**	**$ (101)**	**$ 2,978**	**$ (140)**	**$ 2,938**

Schedule 13.2 – 2005 Capital Cost Allowance

Line No.	Class	CCA Rate %	UCC Opening Balance	Opening Adjustments	Adjusted UCC Opening Balance	Net Additions	1/2 Year Adjustment	Adjusted UCC	CCA	UCC Closing Balance
1	**2005 Actual Normalized**									
2	1	4.0%	$ 2,428	$ 12	$ 2,440	$ 444	(222)	$ 2,662	$ (106)	$ 2,778
3	2	6.0%	445	-	445	-	-	445	(27)	418
4	3	5.0%	21	-	21	-	-	21	(1)	20
5	6	10.0%	2	-	2	-	-	2	-	2
6	8	20.0%	12	-	12	-	-	12	(2)	10
7	9	25.0%	0	-	0	-	-	0	-	0
8	10	30.0%	24	-	24	-	-	24	(7)	17
9	10	100.0%	-	-	-	-	-	-	-	-
10	12	100.0%	-	-	-	-	-	-	-	-
11	13	Manual	6	-	6	-	-	6	(1)	5
12	14	Manual	-	-	-	-	-	-	-	-
13	22	50.0%	-	-	-	-	-	-	-	-
14	29	100.0%	-	-	-	-	-	-	-	-
15	38	30.0%	-	-	-	-	-	-	-	-
16	39	25.0%	-	-	-	-	-	-	-	-
17	**Total**		**$ 2,938**	**12**	**$ 2,950**	**$ 444**	**$ (222)**	**$ 3,172**	**$ (144)**	**$ 3,250**

Schedule 13.3 – 2006, 2007 Capital Cost Allowance

Line No.	Class	CCA Rate %	UCC Opening Balance	Opening Adjustments	Adjusted UCC Opening Balance	Net Additions	1/2 Year Adjustment	Adjusted UCC	CCA	UCC Closing Balance
1	**2006 Actual Normalized**									
2	1	4%	$ 2,778	$ (9)	$ 2,769	$ 69	$ (35)	$ 2,804	$ (112)	$ 2,726
3	2	6%	418	(0)	418	-	-	418	(25)	393
4	3	5%	20	(0)	20	-	-	20	(1)	19
5	6	10%	2	(0)	2	-	-	2	-	2
6	8	20%	10	(0)	10	-	-	10	(2)	8
7	10	30%	17	(0)	17	-	-	17	(5)	12
8	13	Manual	5	-	5	-	-	5	(1)	4
9	**Total**		**$ 3,250**	**$ (9)**	**$ 3,241**	**$ 69**	**$ (35)**	**$ 3,276**	**$ (146)**	**$ 3,164**
10										
11	**2007 Projected**									
12	1	4%	$ 2,726	$ 411	$ 3,137	$ 328	$ (164)	$ 3,301	$ (132)	$ 3,334
13	2	6%	393	-	393	-	-	393	(24)	369
14	3	5%	19	-	19	-	-	19	(1)	18
15	6	10%	2	-	2	-	-	2	-	2
16	8	20%	8	-	8	-	-	8	(2)	6
17	10	30%	12	-	12	-	-	12	(4)	8
18	12	100%								-
19	13	Manual	4	-	4	-	-	4	(1)	3
20	45	45%	-	-	-	-	-	-	-	-
21	49	8%	-	-	-	-	-	-	-	-
22	**Total**		**$ 3,164**	**$ 411**	**$ 3,575**	**$ 328**	**$ (164)**	**$ 3,739**	**$ (164)**	**$ 3,740**

Schedule 13.4 – 2008 Capital Cost Allowance

Line No.	Class	CCA Rate %	UCC Opening Balance	Opening Adjustments	Adjusted UCC Opening Balance	Net Additions	1/2 Year Adjustment	Adjusted UCC	CCA	UCC Closing Balance
1	**2008 Forecast**									
2	1	4%	$ 3,334		$ 3,334	$ 133	$ (67)	$ 3,400	$ (136)	$ 3,331
3	2	6%	369		369	-	-	369	(22)	347
4	3	5%	18		18	-	-	18	(1)	17
5	6	10%	2		2	-	-	2	-	2
6	8	20%	6		6	34	(17)	23	(5)	35
7	10	30%	8		8	-	-	8	(2)	6
8	12	100%								-
9	13	Manual	3		3	-	-	3	(1)	2
10	45	45%	-		-	-	-	-	-	-
11	49	8%	-		-	-	-	-	-	-
12	**Total**		**$ 3,740**	**$ -**	**$ 3,740**	**$ 167**	**$ (83)**	**$ 3,823**	**$ (167)**	**$ 3,740**

Schedule 14.1 – 2004 Gas Plant in Service

Line No.	Particulars	CCA Class	Account No.	Opening Balance	Adjustments	Additions	Overhead Capitalized	Retirements	Closing Balance
1	**2004 ACTUAL**								
2	**Transmission**								
3	Land / Land Rights	land/rights	460-00/461-00	$ 8	$ 1	$ -	$ -	$ -	$ 9
4	Measuring & Regulating Structures	49	463-00	-	-	-	-	-	-
5	Other Structures & Improvements	7	464-00	9	(2)	-	-	-	7
6	Mains	49	465-00	1,279	20	57	-	-	1,356
7	Measuring & Regulating Equipment	49	467-10	75		-	-	-	75
8	Telemetering	49	467-20	5	(1)	-		-	4
9	Communication Equipment	49	468-00	-	-	-	-	-	-
10	**Total Transmission**			**1,377**	**18**	**57**	**-**	**-**	**1,452**
11									
12	**Distribution**								
13	Land / Land Rights	land/rights	470-00/471-00	23	-	-	-	-	23
14	Structures & Improvements	1	472-00	118	-	1	-	-	119
15	Services	1	473-00	1,920	(13)	61	-	(8)	1,960
16	House Regulators & Meter Installation	1	474-00	542	(4)	21	-	(3)	556
17	Mains	1	475-00	1,408	(30)	29	-	(1)	1,406
18	Compressed Natural Gas	8	476-00	-	-	-	-	-	-
19	Measuring & Regulating Equipment	1	477-10/477-30	754	6	31	-	-	791
20	Telemetering	1	477-20	15	(1)		-	-	14
21	Meters	1	478-00	53	-	-	-	(3)	50
22	**Total Distribution**			**4,833**	**(42)**	**143**	**-**	**(15)**	**4,919**
23									
24	**General Plant**								
25	Land	land	480-00	1	-	-	-	-	1
26	Structures & Improvements	1	482-00	233	1	-	-	-	234
27	Office Furniture & Equipment		483-00						
28	Computers - Hardware	45	483-10	184	17	-	-	(19)	182
29	Computers - Software (non-infrastructure)	12	483-20	187	17	-	-	(12)	192
30	Computers - Software (infrastructure/custom)	12	483-20	-	-	-	-	-	-
31	Office Equipment	8	483-30	38	3	-	-	-	41
32	Furniture	8	483-40	-	-	-	-	-	-
33	Transportation Equipment	10	484-00	10	1	-	-	-	11
34	Heavy Work Equipment	38	485-10/485-20	3	-	-	-	-	3
35	Small Tools & Equipment	8	486-00	105	9	-	-	(15)	99
36	Communication Equipment								
37	Telephone	8	488-10	27	3	-	-		30
38	Radios	8	488-20	-	-	-	-		-
39	**Total General Plant**			**788**	**51**	**-**	**-**	**(46)**	**793**
40									
41	**Total**			**$ 6,998**	**$ 27**	**$ 200**	**$ -**	**$ (61)**	**$ 7,164**

Schedule 14.2 – 2005 Gas Plant in Service

Line No.	Particulars	CCA Class	Account No.	Opening Balance	Adjustments	Additions	Overhead Capitalized	Retirements	Closing Balance
1	**2005 ACTUAL**								
2	**Transmission**								
3	Land / Land Rights	land/rights	460-00/461-00	$ 9	$ -	$ -	$ -	$ -	$ 9
4	Measuring & Regulating Structures	49	463-00	-	-	-	-	-	-
5	Other Structures & Improvements	7	464-00	7	-	-	-	-	7
6	Mains	49	465-00	1,356	(1)	-	-	(473)	882
7	Measuring & Regulating Equipment	49	467-10	75	-	-	-	-	75
8	Telemetering	49	467-20	4	-	-	-	-	4
9	Communication Equipment	49	468-00	-	-	-	-	-	-
10	**Total Transmission**			**1,452**	**(1)**	**-**	**-**	**(473)**	**978**
11									
12	**Distribution**								
13	Land / Land Rights	land/rights	470-00/471-00	23	0	-	-	-	23
14	Structures & Improvements	1	472-00	119	1	30	10	-	161
15	Services	1	473-00	1,960	1	47	16	(12)	2,012
16	House Regulators & Meter Installation	1	474-00	556	0	18	6	(8)	572
17	Mains	1	475-00	1,406	3	196	67	-	1,672
18	Compressed Natural Gas	8	476-00	-	-	-	-	-	-
19	Measuring & Regulating Equipment	1	477-10/477-30	791	0	69	24	-	884
20	Telemetering	1	477-20	14	-	-	-	-	14
21	Meters	1	478-00	50	-	-	-	(6)	44
22	**Total Distribution**			**4,919**	**6**	**360**	**123**	**(26)**	**5,382**
23									
24	**General Plant**								
25	Land	land	480-00	1	-	-	-	-	1
26	Structures & Improvements	1	482-00	234	-	-	-	-	234
27	Office Furniture & Equipment		483-00						
28	Computers - Hardware	45	483-10	182	-	-	-	(1)	181
29	Computers - Software (non-infrastructure)	12	483-20	192	(35)	-	-	(3)	154
30	Computers - Software (infrastructure/custom)	12	483-20	-	35	-	-	-	35
31	Office Equipment	8	483-30	41	-	-	-	-	41
32	Furniture	8	483-40	-	-	-	-	-	-
33	Transportation Equipment	10	484-00	11	-	-	-	-	11
34	Heavy Work Equipment	38	485-10/485-20	3	-	-	-	-	3
35	Small Tools & Equipment	8	486-00	99	-	-	-	(6)	93
36	Communication Equipment								
37	Telephone	8	488-10	30	(5)	-	-		25
38	Radios	8	488-20	-	5	-	-		5
39	**Total General Plant**			**793**	**-**	**-**	**-**	**(10)**	**783**
40									
41	**Total**			**$ 7,164**	**$ 5**	**$ 360**	**$ 123**	**$ (509)**	**$ 7,143**

Schedule 14.3 – 2006 Gas Plant in Service

Line No.	Particulars	CCA Class	Account No.	Opening Balance	Adjustments	Additions	Overhead Capitalized	Retirements	Closing Balance
1	**2006 ACTUAL**								
2	**Transmission**								
3	Land / Land Rights	land/rights	460-00/461-00	$ 9	$ -	$ -		$ -	$ 9
4	Measuring & Regulating Structures	49	463-00	-	3	-		-	3
5	Other Structures & Improvements	7	464-00	7	-	-		-	7
6	Mains	49	465-00	882	(36)	-		(130)	715
7	Measuring & Regulating Equipment	49	467-10	75	-	-		-	75
8	Telemetering	49	467-20	4	-	-		-	4
9	Communication Equipment	49	468-00	-	-	-		-	-
10	**Total Transmission**			**978**	**(33)**	**-**	**-**	**(130)**	**814**
11									
12	**Distribution**								
13	Land / Land Rights	land/rights	470-00/471-00	23	1	-	-	-	24
14	Structures & Improvements	1	472-00	161	(3)	55	18	-	230
15	Services	1	473-00	2,012	3	44	14	(3)	2,070
16	House Regulators & Meter Installation	1	474-00	572	-	12	4	(3)	586
17	Mains	1	475-00	1,672	41	71	23	-	1,807
18	Compressed Natural Gas	8	476-00	-	-	-	-	-	-
19	Measuring & Regulating Equipment	1	477-10/477-30	884	-	224	73	(7)	1,173
20	Telemetering	1	477-20	14	-		-		14
21	Meters	1	478-00	44	-	-	-	(6)	38
22	**Total Distribution**			**5,382**	**42**	**405**	**132**	**(19)**	**5,941**
23									
24	**General Plant**								
25	Land	land	480-00	1	-	-		-	1
26	Frame Structures & Improvements	1	482-10	234	-	-		-	234
27	Office Furniture & Equipment								
28	Computers - Hardware	45	483-10	181	1	-		-	182
29	Computers - Software (non-infrastructure)	12	483-20	154	-	-		-	154
30	Computers - Software (infrastructure/custom)	12	483-20	35					35
31	Office Equipment	8	483-30	41	-	-		-	41
32	Furniture	8	483-40	-	-	-		-	-
33	Transportation Equipment	10	484-00	11	-	-		-	11
34	Heavy Work Equipment	38	485-10/485-20	3	-	-		-	3
35	Small Tools & Equipment	8	486-00	93	-	-		-	93
36	Communication Equipment								
37	Telephone	8	488-10	25	-	-			25
38	Radios	8	488-20	5	-	-	-		5
39	**Total General Plant**			**783**	**1**	**-**	**-**	**-**	**784**
40									
41	**Total**			**$ 7,143**	**$ 9**	**$ 405**	**$ 132**	**$ (150)**	**$ 7,539**

Schedule 14.4 – 2007 Gas Plant in Service

Line No.	Particulars	CCA Class	Account No.	Opening Balance	Adjustments	Additions	Overhead Capitalized	Retirements	Closing Balance
1	**2007 PROJECTED**								
2	**Transmission**								
3	Land / Land Rights	land/rights	460-00/461-00	$ 9	$ -	$ -	$ -	$ -	$ 9
4	Measuring & Regulating Structures	49	463-00	3	-	-	-	-	3
5	Other Structures & Improvements	7	464-00	7	-	-	-	-	7
6	Mains	49	465-00	715	-	-	-	-	715
7	Measuring & Regulating Equipment	49	467-10	75	-	-	-	-	75
8	Telemetering	49	467-20	4	-	-	-	-	4
9	Communication Equipment	49	468-00	-	-	-	-	-	-
10	**Total Transmission**			**814**	**-**	**-**	**-**	**-**	**814**
11									
12	**Distribution**								
13	Land / Land Rights	land/rights	470-00/471-00	24	-	-	-	-	24
14	Structures & Improvements	1	472-00	230	-	-	-	-	230
15	Services	1	473-00	2,070	-	89	53	(13)	2,198
16	House Regulators & Meter Installation	1	474-00	586	-	21	12	(1)	618
17	Mains	1	475-00	1,807	-	44	26	(4)	1,873
18	Compressed Natural Gas	8	476-00	-	-	-	-		-
19	Measuring & Regulating Equipment	1	477-10/477-30	1,173	-	75	44	(4)	1,288
20	Telemetering	1	477-20	14	-	-	-	-	14
21	Meters	1	478-00	38	-	14	-	(1)	51
22	**Total Distribution**			**5,941**	**-**	**243**	**136**	**(23)**	**6,297**
23									
24	**General Plant**								
25	Land	land	480-00	1	-	-	-	-	1
26	Frame Structures & Improvements	1	482-00	234	-	-	-	-	234
27	Office Furniture & Equipment		483-00			-	-		
28	Computers - Hardware	45	483-10	182	-	-	-	(189)	(7)
29	Computers - Software (non-infrastructure)	12	483-20	154	-	-	-	-	154
30	Computers - Software (infrastructure/custom)	12	483-20	35	-	-	-	-	35
31	Office Equipment	8	483-30	41	-	-	-	-	41
32	Furniture	8	483-40	-	-	-	-	-	-
33	Transportation Equipment	10	484-00	11	-	-	-	-	11
34	Heavy Work Equipment	38	485-10/485-20	3	-	-	-	-	3
35	Small Tools & Equipment	8	486-00	93	-	-	-	-	93
36	Communication Equipment						-		
37	Telephone	8	488-10	25	-	-	-	-	25
38	Radios	8	488-20	5	-	-	-	(6)	(1)
39	**Total General Plant**			**784**		**-**	**-**	**(195)**	**589**
40									
41	**Total**			**$ 7,539**	**$ -**	**$ 243**	**$ 136**	**$ (218)**	**$ 7,701**

Schedule 14.5 – 2008 Gas Plant in Service

Line No.	Particulars	CCA Class	Account No.	Opening Balance	Adjustments	Additions	Overhead Capitalized	Retirements	Closing Balance
1	**2008 FORECAST**								
2	**Transmission**								
3	Land / Land Rights	land/rights	460-00/461-00	$ 9	$ -	$ -	$ -	$ -	$ 9
4	Measuring & Regulating Structures	49	463-00	3	-	-	-	-	3
5	Other Structures & Improvements	7	464-00	7	-	-	-	-	7
6	Mains	49	465-00	715	-	-	-	-	715
7	Measuring & Regulating Equipment	49	467-10	75	-	-	-	-	75
8	Telemetering	49	467-20	4	-	-	-	-	4
9	Communication Equipment	49	468-00	-	-	-	-	-	-
10	**Total Transmission**			**814**	**-**	**-**	**-**	**-**	**814**
11									
12	**Distribution**								
13	Land / Land Rights	land/rights	470-00/471-00	24	-	-	-	-	24
14	Structures & Improvements	1	472-00	230	-	-	-	-	230
15	Services	1	473-00	2,198	-	28	68	(4)	2,290
16	House Regulators & Meter Installation	1	474-00	618	-	7	16	(0)	641
17	Mains	1	475-00	1,873	-	24	57	(2)	1,952
18	Compressed Natural Gas	8	476-00	-	-	-	-	-	-
19	Measuring & Regulating Equipment	1	477-10/477-30	1,288	-	-	-	-	1,288
20	Telemetering	1	477-20	14	-	-	-	-	14
21	Meters	1	478-00	51	-	4	-	(0)	56
22	**Total Distribution**			**6,297**	**-**	**63**	**141**	**(7)**	**6,494**
23									
24	**General Plant**								
25	Land	land	480-00	1	-	-	-	-	1
26	Frame Structures & Improvements	1	482-00	234	-	-	-	-	234
27	Office Furniture & Equipment		483-00						
28	Computers - Hardware	45	483-10	(7)	-	-	-	-	(7)
29	Computers - Software (non-infrastructure)	12	483-20	154	-	-	-	-	154
30	Computers - Software (infrastructure/custom)	12	483-20	35	-	-	-	-	35
31	Office Equipment	8	483-30	41	-	-	-	-	41
32	Furniture	8	483-40	-	-	-	-	-	-
33	Transportation Equipment	10	484-00	11	-	-	-	-	11
34	Heavy Work Equipment	38	485-10/485-20	3	-	-	-	-	3
35	Small Tools & Equipment	8	486-00	93	-	16	-	-	109
36	Communication Equipment								
37	Telephone	8	488-10	25	-	-	-	-	25
38	Radios	8	488-20	(1)	-	-	-	-	(1)
39	**Total General Plant**			**589**		**16**	**-**	**-**	**605**
40									
41	**Total**			**$ 7,701**	**$ -**	**$ 79**	**$ 141**	**$ (7)**	**$ 7,913**

Schedule 15.1 – 2004 Accumulated Depreciation

Line No.	Particulars	Account No.	Annual Depn Rate %	GPIS, Opening Balance	Acc Depn Opening Balance	Opening Adj	Depn Provision	Adjustments	Retirements	Disposal Costs	Proceeds on Disposal	Acc Depn Ending Balance
1	**2004 ACTUAL**											
2	**Transmission**											
3	Land / Land Rights	460-00/461-00	N / A	$ 8	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	Measuring & Regulating Structures	463-00	3%	-	-	-	-	-	-	-	-	-
5	Other Structures & Improvements	464-00	3%	9	2	-	-	-	-	-	-	2
6	Mains	465-00	2%	1,279	466	8	26	(2)	-	-	-	498
7	Measuring & Regulating Equipment	467-10	3%	75	21	1	2	-	-	-	-	24
8	Telemetering	467-20	10%	5	(4)	-	1	(1)	-	-	-	(4)
9	Communication Equipment	468-00	10%	-	-	-	-	-	-	-	-	-
10	**Total Transmission**			**1,377**	**485**	**9**	**29**	**(3)**	**-**	**-**	**-**	**520**
11												
12	**Distribution**											
13	Land / Land Rights	470-00/471-00	N / A	23	-	-	-	-	-	-	-	-
14	Structures & Improvements	472-00	3%	118	21	1	4	-	-	-	-	26
15	Services	473-00	2%	1,920	540	22	38	(4)	(8)	-	-	588
16	House Regulators & Meter Installation	474-00	3%	542	118	5	16	2	(3)	-	-	138
17	Mains	475-00	2%	1,408	240	10	28	(3)	(1)	-	-	274
18	Compressed Natural Gas	476-00	6.67%	-	(97)	-	-	-	-	-	-	(97)
19	Measuring & Regulating Equipment	477-10/477-30	3%	754	109	5	23	(2)	-	-	-	135
20	Telemetering	477-20	10%	15	4	-	2	1	-	-	-	7
21	Meters	478-00	3.57%	53	15	3	2	(1)	(3)	-	-	16
22	**Total Distribution**			**4,833**	**950**	**46**	**113**	**(7)**	**(15)**	**-**	**-**	**1,087**
23												
24	**General Plant**											
25	Land	480-00	N / A	1	-	-	-	-	-	-	-	-
26	Structures & Improvements	482-00	3%	233	139	-	7	-	-	-	-	146
27	Office Furniture & Equipment	483-00										
28	Computers - Hardware	483-10	20%	184	243	1	37	(33)	(19)	-	-	228
29	Computers - Software (non-infrastructure)	483-20	12.5%	187	50	1	23	(14)	(12)			48
30	Computers - Software (infrastructure/custom)	483-20	20.0%	-	-	-	-	-	-	-	-	-
31	Office Equipment	483-30	5.0%	38	6	9	2	(1)	-	-	-	17
32	Furniture	483-40	5%	-	-	-	-	-	-	-	-	-
33	Transportation Equipment	484-00	15%	10	(26)	-	2	(2)	-	-	-	(26)
34	Heavy Work Equipment	485-10/485-20	5%	3	(52)	-	3	(3)	-	-	-	(52)
35	Small Tools & Equipment	486-00	5%	105	57	-	5	-	(15)	-	-	47
36	Communication Equipment											
37	Telephone	488-10	5%	27	14	-	1	-	-	-	-	15
38	Radio	488-20	10%	-	13	-	-	-	-	-	-	13
39	**Total General Plant**			**788**	**444**	**11**	**80**	**(52)**	**(46)**	**-**	**-**	**436**
40												
41	**Total**			**$ 6,998**	**$ 1,879**	**$ 66**	**$ 222**	**$ (62)**	**$ (61)**	**$ -**	**$ -**	**$ 2,043**

Schedule 15.2 – 2005 Accumulated Depreciation

Line No.	Particulars	Account No.	Annual Depn Rate %	GPIS, Opening Balance	Acc Depn Opening Balance	Opening Adj	Depn Provision	Adjustments	Retirements	Disposal Costs	Proceeds on Disposal	Acc Depn Ending Balance
1	**2005 ACTUAL**											
2	**Transmission**											
3	Land / Land Rights	460-00/461-00	N / A	$ 9	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	Measuring & Regulating Structures	463-00	3%	-	-	-	-	-	-	-	-	-
5	Other Structures & Improvements	464-00	3%	7	2	-	-	-	-	-	-	2
6	Mains	465-00	2%	1,356	498	(8)	27	6	(473)	-	-	49
7	Measuring & Regulating Equipment	467-10	3%	75	24	(1)	2	-	-	-	-	25
8	Telemetering	467-20	10%	4	(4)	1	-	-	-	-	-	(3)
9	Communication Equipment	468-00	10%	-	-	-	-	-	-	-	-	-
10	**Total Transmission**			**1,452**	**520**	**(8)**	**29**	**6**	**(473)**	**-**	**-**	**73**
11												
12	**Distribution**											
13	Land / Land Rights	470-00/471-00	N / A	23	-	-	-	-	-	-	-	-
14	Structures & Improvements	472-00	3%	119	26	(1)	4	1	-	-	-	30
15	Services	473-00	2%	1,960	588	(12)	39	9	(12)	-	-	612
16	House Regulators & Meter Installation	474-00	3%	556	138	(4)	17	5	(8)	-	-	148
17	Mains	475-00	2%	1,406	274	(8)	28	6	-	-	-	300
18	Compressed Natural Gas	476-00	6.67%	-	(97)	-	-	-	-	-	-	(97)
19	Measuring & Regulating Equipment	477-10/477-30	3%	791	135	(5)	24	2	-	-	-	156
20	Telemetering	477-20	10%	14	7	-	1	-	-	-	-	8
21	Meters	478-00	3.57%	50	16	-	2	-	(6)	-	-	12
22	**Total Distribution**			**4,919**	**1,087**	**(30)**	**115**	**23**	**(26)**	**-**	**-**	**1,169**
23												
24	**General Plant**											
25	Land	480-00	N / A	1	-	-	-	-	-	-	-	-
26	Structures & Improvements	482-00	3%	234	146	(1)	7	-	-	-	-	152
27	Office Furniture & Equipment	483-00										
28	Computers - Hardware	483-10	20%	182	228	(1)	36	(33)	(1)	-	-	229
29	Computers - Software (non-infrastructure)	483-20	12.5%	192	48	(1)	24	(14)	(3)		-	54
30	Computers - Software (infrastructure/custom)	483-20	20.0%	-	-	-	-	-	-	-	-	-
31	Office Equipment	483-30	5.0%	41	17	-	2	(1)	-	-	-	18
32	Furniture	483-40	5%	-	-	-	-	-	-	-	-	-
33	Transportation Equipment	484-00	15%	11	(26)	-	2	(2)	-	-	-	(26)
34	Heavy Work Equipment	485-10/485-20	5%	3	(52)	-	-	(3)	-	-	-	(55)
35	Small Tools & Equipment	486-00	5%	99	47	(1)	5	-	(6)	-	-	45
36	Communication Equipment											
37	Telephone	488-10	5%	30	15	1	2	(1)	-	-	-	17
38	Radio	488-20	10%	-	13	-	-	1	-	-	-	14
39	**Total General Plant**			**793**	**436**	**(3)**	**78**	**(52)**	**(10)**	**-**	**-**	**448**
40												
41	**Total**			**$ 7,164**	**$ 2,043**	**$ (41)**	**$ 222**	**$ (23)**	**$ (509)**	**$ -**	**$ -**	**$ 1,690**

Schedule 15.3 – 2006 Accumulated Depreciation

Line No.	Particulars	Account No.	Annual Depn Rate %	GPIS, Opening Balance	Acc Depn Opening Balance	Opening Adj	Depn Provision	Adjustments	Retirements	Disposal Costs	Proceeds on Disposal	Acc Depn Ending Balance
1	**2006 ACTUAL**											
2	**Transmission**											
3	Land / Land Rights	460-00/461-00	N / A	$ 9	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	Measuring & Regulating Structures	463-00	3.00%	-	-	1	-	-	-	-	-	1
5	Other Structures & Improvements	464-00	3.00%	7	2	-	-	-	-	-	-	2
6	Mains	465-00	2.00%	882	49	69	18	(3)	(130)	-	-	2
7	Measuring & Regulating Equipment	467-10	3.00%	75	25	(0)	2	-	-	-	-	27
8	Telemetering	467-20	10.00%	4	(3)	(0)	-	-	-	-	-	(3)
9	Communication Equipment	468-00	10.00%	-	-	-	-	-	-	-	-	-
10	**Total Transmission**			**978**	**73**	**68**	**20**	**(3)**	**(130)**	**-**	**-**	**28**
11												
12	**Distribution**											
13	Land / Land Rights	470-00/471-00	N / A	23	-	-	-	-	-	-	-	-
14	Structures & Improvements	472-00	3.00%	161	30	-	5	(1)	-	-	-	34
15	Services	473-00	2.00%	2,012	612	3	40	(4)	(3)	-	-	649
16	House Regulators & Meter Installation	474-00	3.00%	572	148	2	17	2	(3)	-	-	166
17	Mains	475-00	2.00%	1,672	300	13	33	(3)	-	-	-	343
18	Compressed Natural Gas	476-00	6.67%	-	(97)	-	-	-	-	-	-	(97)
19	Measuring & Regulating Equipment	477-10/477-30	3.00%	884	156	5	27	(4)	(7)	-	-	176
20	Telemetering	477-20	10.00%	14	8	-	1	-	-	-	-	9
21	Meters	478-00	3.57%	44	12	2	2	-	(6)	-	-	10
22	**Total Distribution**			**5,382**	**1,169**	**24**	**125**	**(9)**	**(19)**	**-**	**-**	**1,290**
23												
24	**General Plant**											
25	Land	480-00	N / A	1	-	-	-	-	-	-	-	-
26	Structures & Improvements	482-00	3.00%	234	152	-	7	-	-	-	-	159
27	Office Furniture & Equipment	483-00										
28	Computers - Hardware	483-10	20.00%	181	229	-	36	(36)	-	-	-	229
29	Computers - Software (non-infrastructure)	483-20	12.50%	154	54		19	(14)				60
30	Computers - Software (infrastructure/custom)	483-20	20.00%	35	-	-	7	(3)	-	-	-	4
31	Office Equipment	483-30	5.00%	41	18	(0)	2	(1)	-	-	-	19
32	Furniture	483-40	5.00%	-		-	-	-	-	-	-	-
33	Transportation Equipment	484-00	15.00%	11	(26)	-	2	(2)	-	-	-	(26)
34	Heavy Work Equipment	485-10/485-20	5.00%	3	(55)	-	-	(3)	-	-	-	(57)
35	Small Tools & Equipment	486-00	5.00%	93	45	-	5	(1)	-	-	-	50
36	Communication Equipment											
37	Telephone	488-10	5.00%	25	17	-	1	(1)	-	-	-	17
38	Radio	488-20	10.00%	5	14	-	1	-	-	-	-	15
39	**Total General Plant**			**783**	**448**	**(0)**	**80**	**(60)**	**-**	**-**	**-**	**469**
40												
41	**Total**			**$ 7,143**	**$ 1,690**	**$ 92**	**225**	**$ (72)**	**$ (150)**	**$ -**	**$ -**	**$ 1,787**

Schedule 15.4 – 2007 Accumulated Depreciation

Line No.	Particulars	Account No.	Annual Depn Rate %	GPIS, Opening Balance	Acc Depn Opening Balance	Opening Adj	Depn Provision	Adjustments	Retirements	Disposal Costs	Proceeds on Disposal	Acc Depn Ending Balance
1	**2007 PROJECTED**											
2	**Transmission**											
3	Land / Land Rights	460-00/461-00	N / A	$ 9	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	Measuring & Regulating Structures	463-00	3.00%	3	1	-	0	-	-	-	-	1
5	Other Structures & Improvements	464-00	3.00%	7	2	-	0	-	-	-	-	2
6	Mains	465-00	2.00%	715	2	-	14	-	-	-	-	17
7	Measuring & Regulating Equipment	467-10	3.00%	75	27	-	2	-	-	-	-	29
8	Telemetering	467-20	10.00%	4	(3)	-	0	-	-	-	-	(3)
9	Communication Equipment	468-00	10.00%	-	-	-	-		-	-	-	-
10	**Total Transmission**			**814**	**28**	**-**	**17**	**-**	**-**	**-**	**-**	**45**
11												
12	**Distribution**											
13	Land / Land Rights	470-00/471-00	N / A	24	-	-	-	-	-	-	-	-
14	Structures & Improvements	472-00	3.00%	230	34	-	6	-	-	-	-	40
15	Services	473-00	2.00%	2,070	649	-	41	-	(13)	-	-	677
16	House Regulators & Meter Installation	474-00	3.57%	586	166	-	21	-	(1)	-	-	186
17	Mains	475-00	2.00%	1,807	343	-	36	-	(4)	-	-	374
18	Compressed Natural Gas	476-00	6.67%	-	(97)	97	-	-	-	-	-	-
19	Measuring & Regulating Equipment	477-10/477-30	3.00%	1,173	176	-	33	-	(4)	-	-	205
20	Telemetering	477-20	10.00%	14	9	-	1	-	-	-	-	10
21	Meters	478-00	3.57%	38	10	-	1	-	(1)	-	-	11
22	**Total Distribution**			**5,941**	**1,290**	**97**	**140**	**-**	**(23)**	**-**	**-**	**1,503**
23												
24	**General Plant**											
25	Land	480-00	N / A	1	-	-	-	-	-	-	-	-
26	Structures & Improvements	482-00	3.00%	234	159	(7)	7	-	-	-	-	159
27	Office Furniture & Equipment	483-00										
28	Computers - Hardware	483-10	20.00%	182	229	(76)	36	-	(189)	-	-	1
29	Computers - Software (non-infrastructure)	483-20	12.50%	154	60	-	19	-	-	-	-	79
30	Computers - Software (infrastructure/custom)	483-20	20.00%	35	4	-	7	-	-	-	-	11
31	Office Equipment	483-30	5.00%	41	19	-	2	-	-	-	-	21
32	Furniture	483-40	5.00%	-	-	(0)	-	-	-	-	-	(0)
33	Transportation Equipment	484-00	15.00%	11	(26)	-	2	-	-	-	-	(24)
34	Heavy Work Equipment	485-10/485-20	5.00%	3	(57)	(0)	0	-	-	-	-	(57)
35	Small Tools & Equipment	486-00	5.00%	93	50	-	5	-	-	-	-	54
36	Communication Equipment											
37	Telephone	488-10	5.00%	25	17	-	1	-	-	-	-	18
38	Radio	488-20	10.00%	5	15	(9)	1	-	(6)	-	-	1
39	**Total General Plant**			**784**	**469**	**(92)**	**80**	**-**	**(195)**	**-**	**-**	**262**
40												
41	**Total**			**$ 7,539**	**$ 1,787**	**$ 5**	**237**	**$ -**	**$ (218)**	**$ -**	**$ -**	**$ 1,810**

Schedule 15.5 – 2008 Accumulated Depreciation

Line No.	Particulars	Account No.	Annual Depn Rate %	GPIS, Opening Balance	Acc Depn Opening Balance	Opening Adj	Depn Provision	Adjustments	Retirements	Disposal Costs	Proceeds on Disposal	Acc Depn Ending Balance
1	**2008 FORECAST**											
2	**Transmission**											
3	Land / Land Rights	460-00/461-00	N / A	$ 9	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	Measuring & Regulating Structures	463-00	3.00%	3	1	-	0	-	-	-	-	1
5	Other Structures & Improvements	464-00	3.00%	7	2	-	0	-	-	-	-	2
6	Mains	465-00	2.00%	715	17	-	14	-	-	-	-	31
7	Measuring & Regulating Equipment	467-10	3.00%	75	29	-	2	-	-	-	-	31
8	Telemetering	467-20	10.00%	4	(3)	-	0	-	-	-	-	(3)
9	Communication Equipment	468-00	10.00%	-	-	-	-	-	-	-	-	-
10	**Total Transmission**			**814**	**45**	**-**	**17**	**-**	**-**	**-**	**-**	**62**
11												
12	**Distribution**											
13	Land / Land Rights	470-00/471-00	N / A	24	-	-	-	-	-	-	-	-
14	Structures & Improvements	472-00	3.00%	230	40	-	7	-	-	-	-	47
15	Services	473-00	2.00%	2,198	677	-	44	-	(4)	-	(4)	712
16	House Regulators & Meter Installation	474-00	3.57%	618	186	-	22	-	(0)	-	(0)	207
17	Mains	475-00	2.00%	1,873	374	-	37	-	(2)	-	-	409
18	Compressed Natural Gas	476-00	6.67%	-	-	-	-	-	-	-	-	-
19	Measuring & Regulating Equipment	477-10/477-30	3.00%	1,288	205	-	39	-	-	-	-	244
20	Telemetering	477-20	10.00%	14	10	-	1	-	-	-	-	12
21	Meters	478-00	3.57%	51	11	-	2	-	(0)	-	-	12
22	**Total Distribution**			**6,297**	**1,503**	**-**	**152**	**-**	**(7)**	**-**	**(4)**	**1,644**
23												
24	**General Plant**											
25	Land	480-00	N / A	1	-	-	-	-	-	-	-	-
26	Structures & Improvements	482-00	3.00%	234	159	-	7	-	-	-	-	166
27	Office Furniture & Equipment	483-00										
28	Computers - Hardware	483-10	20.00%	(7)	1	-	(1)	-	-	-	-	(1)
29	Computers - Software (non-infrastructure)	483-20	12.50%	154	79	-	19	-	-	-	-	98
30	Computers - Software (infrastructure/custom)	483-20	20.00%	35	11	-	7	-	-	-	-	18
31	Office Equipment	483-30	5.00%	41	21	-	2	-	-	-	-	23
32	Furniture	483-40	5.00%	-	(0)	-	-	-	-	-	-	(0)
33	Transportation Equipment	484-00	15.00%	11	(24)	-	2	-	-	-	-	(23)
34	Heavy Work Equipment	485-10/485-20	5.00%	3	(57)	-	0	-	-	-	-	(57)
35	Small Tools & Equipment	486-00	5.00%	93	54	-	5	-	-	-	-	59
36	Communication Equipment											
37	Telephone	488-10	5.00%	25	18	-	1	-	-	-	-	20
38	Radio	488-20	10.00%	(1)	1	-	(0)	-	-	-	-	1
39	**Total General Plant**			**589**	**262**	**-**	**42**	**-**	**-**	**-**	**-**	**304**
40												
41	**Total**			**$ 7,701**	**$ 1,810**	**$ -**	**$ 211**	**$ -**	**$ (7)**	**$ -**	**$ (4)**	**$ 2,010**

Schedule 16.1 – 2004, 2005 Contributions in Aid of Construction

Line No.	Particulars	Opening Balance	Additions	Retirements	Ending Balance
1	**2004 Actual**				
2	Gross Contributions				
3	DSEP / GEAP	$ 248			$ 248
4	Computer Software Tax Credit	156			156
5	Other	637			637
6	Total Gross Contributions	1,041	-	-	1,041
7					
8	Accumulated Amortization				
9	Computer Software Tax Savings	(67)	(20)		(87)
10	Other	(331)	(17)		(348)
11	Total Accumulated Amortization	(398)	(37)	-	(435)
12					
13	**Total 2004 Actual Net CIAOC**	**$ 643**	**$ (37)**	**$ -**	**$ 606**
14					
15	**2005 Actual**				
16	Gross Contributions				
17	DSEP / GEAP	$ 248			$ 248
18	Computer Software Tax Credit	156			156
19	Other	637			637
20	Total Gross Contributions	1,041	-	-	1,041
21					
22	Accumulated Amortization				
23	Computer Software Tax Savings	(87)	(20)		(107)
24	Other	(348)	(17)		(365)
25	Total Accumulated Amortization	(435)	(37)	-	(472)
26					
27	**Total 2005 Actual Net CIAOC**	**$ 606**	**$ (37)**	**$ -**	**$ 569**

Schedule 16.2 – 2006, 2007 Contributions in Aid of Construction

Line No.	Particulars	Opening Balance	Additions	Retirements	Ending Balance
1	**<u>2006 Actual</u>**				
2	Gross Contributions				
3	DSEP / GEAP	$ 248			$ 248
4	Computer Software Tax Credit	156			156
5	Other	637			637
6	Total Gross Contributions	1,041	-	-	1,041
7					
8	Accumulated Amortization				
9	Computer Software Tax Savings	(107)	(20)		(127)
10	Other	(365)	(17)		(382)
11	Total Accumulated Amortization	(472)	(37)	-	(509)
12					
13	**Total 2006 Actual Net CIAOC**	**$ 569**	**$ (37)**	**$ -**	**$ 532**
14					
15	**<u>2007 Projected</u>**				
16	Gross Contributions				
17	DSEP / GEAP	$ 248			$ 248
18	Computer Software Tax Credit	156	-		156
19	Other	637			637
20	Total Gross Contributions	1,041	-	-	1,041
21					
22	Accumulated Amortization				
23	Computer Software Tax Savings	(127)	(20)		(147)
24	Other	(382)	(17)		(399)
25	Total Accumulated Amortization	(509)	(37)	-	(546)
26					
27	**Total 2007 Projected Net CIAOC**	**$ 532**	**$ (37)**	**$ -**	**$ 495**

Schedule 16.3 – 2008 Contributions in Aid of Construction

Line No.	Particulars	Opening Balance	Additions	Retirements	Ending Balance
1	**2008 Forecast**				
2	Gross Contributions				
3	DSEP / GEAP	$ 248			$ 248
4	Computer Software Tax Credit	156	-		156
5	Other	637			637
6	Total Gross Contributions	1,041	-	-	1,041
7					
8	Accumulated Amortization				
9	Computer Software Tax Savings	(147)	(21)		(168)
10	Other	(399)	(17)		(416)
11	Total Accumulated Amortization	(546)	(38)	-	(584)
12					
13	**Total 2008 Forecast Net CIAOC**	**$ 495**	**$ (38)**	**$ -**	**$ 457**

Schedule 17.1 – 2004, 2005 Unamortized Deferred Charges

Line No.	Particulars	Opening Balance	Gross Additions	Less Taxes	Net Additions	Amortization Expense	Closing Balance	Mid-Year Average
1	**2004 Actual**							
2	Deferred Interest	$ -	$ (1)	$ -	$ (1)	$ -	$ (1)	$ (1)
3	Property Tax Deferral	-	-	-	-		-	-
4	RSAM	-	-	-	-		-	-
5	RSAM Rate Rider Recovery	-	-	-	-		-	-
6	RSAM, Net	-	-	-	-	-	-	-
7								
8	RSAM Interest	-	-	-	-	-	-	-
9								
10	GCRA	(124)	163	(56)	107	-	(17)	(71)
11	GCRA Rate Rider Recovery	-	-		-	-		-
12	GCRA, Net	(124)	163	(56)	107	-	(17)	(71)
13								
14	**Total 2004 Actual**	**$ (124)**	**$ 162**	**$ (56)**	**$ 106**	**$ -**	**$ (18)**	**$ (71)**
15								
16	**2005 Actual**							
17	Deferred Interest	$ (1)	$ (10)	$ 3	$ (7)	$ -	$ (8)	$ (5)
18	Property Tax Deferral	-	(5)	2	(3)		(3)	(2)
19	RSAM	-	167	(57)	111		111	56
20	RSAM Rate Rider Recovery	-	-	-	-		-	-
21	RSAM, Net	-	167	(57)	111	-	111	56
22								
23	RSAM Interest	-	2	(1)	1	-	1	1
24								
25	GCRA	(17)	16	(6)	11	-	(6)	(12)
26	GCRA Rate Rider Recovery	-	-		-	-		-
27	GCRA, Net	(17)	16	(6)	11	-	(6)	(12)
28								
29	**Total 2005 Actual**	**$ (18)**	**$ 170**	**$ (59)**	**$ 113**	**$ -**	**$ 94**	**$ 39**

Schedule 17.2 – 2006, 2007 Unamortized Deferred Charges

Line No.	Particulars	Opening Balance	Gross Additions	Less Taxes	Net Additions	Amortization Expense	Closing Balance	Mid-Year Average
1	**2006 Actual**							
2	Deferred Interest	$ (8)	$ 7	$ (2)	$ 5	$ -	$ (3)	$ (6)
3	Property Tax Deferral	(3)	21	(7)	14		11	4
4	RSAM	111	111	(37)	74		185	148
5	RSAM Rate Rider Recovery	-	(33)	11	(22)		(22)	(11)
6	RSAM, Net	111	78	(26)	52	-	163	137
7								
8	RSAM Interest	1	3	(1)	2	-	3	2
9								
10	GCRA	(6)	(479)	158	(321)	-	(327)	(167)
11	GCRA Rate Rider Recovery	-	-		-	-		-
12	GCRA, Net	(6)	(479)	158	(321)	-	(327)	(167)
13								
14	**Total 2006 Actual**	**$ 94**	**$ (370)**	**$ 122**	**$ (248)**	**$ -**	**$ (153)**	**$ (29)**
15								
16	**2007 Projected**							
17	Deferred Interest	$ (3)	$ 2	$ (1)	$ 2		$ (1)	$ (2)
18	Property Tax Deferral	11	27	(9)	18		29	20
19	RSAM	185	115	(38)	77		262	224
20	RSAM Rate Rider Recovery	(22)	(62)	21	(42)		(64)	(43)
21	RSAM, Net	163	53	(17)	35	-	198	181
22								
23	RSAM Interest	3	4	(1)	3		5	4
24								
25	GCRA	(327)	340	(112)	228		(99)	(213)
26	GCRA Rate Rider Recovery	-			-			-
27	GCRA, Net	(327)	340	(112)	228	-	(99)	(213)
28								
29	**Total 2007 Projected**	**$ (153)**	**$ 426**	**$ (141)**	**$ 286**	**$ -**	**$ 132**	**$ (10)**

Schedule 17.3 – 2008 Unamortized Deferred Charges

Line No.	Particulars	Opening Balance	Gross Additions	Less Taxes	Net Additions	Amortization Expense	Closing Balance	Mid-Year Average
1	**2008 Forecast**							
2	Deferred Interest	$ (1)	$ -	$ -	$ -	$ 1	$ -	$ (1)
3	Property Tax Deferral	29	-	-	-	(29)	-	15
4	RSAM	262	-	-	-		262	262
5	RSAM Rate Rider Recovery	(64)	(99)	31	(68)		(132)	(98)
6	RSAM, Net	198	(99)	31	(68)		130	164
7								
8	Income Tax Change Deferral							
9								
10	RSAM Interest	5	-	-	-		5	5
11								
12	GCRA	(99)	-	-	-		(99)	(99)
13	GCRA Rate Rider Recovery	-	-		-			-
14	GCRA, Net	(99)	-	-	-		(99)	(99)
15								
16	**Total 2008 Forecast**	**$ 132**	**$ (99)**	**$ 31**	**$ (68)**	**$ (28)**	**$ 37**	**$ 85**

Schedule 18.1 – Cash Working Capital

Line No.	Particulars	2004 Actual Normalized	2005 Actual Normalized	2006 Actual Normalized	2007 Projected	2008 At Existing Rates	2008 Adjustment	2008 At Revised Rates
1								
2	Revenue Lead Days	35.5	35.4	35.3	35.2	35.2	0.1	35.3
3	Expense Lag Days	(36.7)	(36.9)	(37.1)	(37.3)	(37.3)	0.4	(36.9)
4	**Net (Lead) / Lag Days**	**(1.2)**	**(1.5)**	**(1.8)**	**(2.1)**	**(2.2)**	**0.6**	**(1.6)**
5								
6	Cash Required for Operating Expenses	$ (16)	$ (21)	$ (26)	$ (31)	$ (32)	$ 8	$ (24)
7	Minimum Cash Balance / Customer Deposits	(123)	(144)	(169)	(167)	(170)	-	(170)
8								
9	Less Reserve for Bad Debts	(10)	(14)	(17)	(22)	(24)	-	(24.0)
10	Withholdings from Employees	(11)	(4)	(3)	(3)	(3)	-	(3.0)
11								
12	**Total Cash Working Capital**	**$ (160)**	**$ (183)**	**$ (215)**	**$ (223)**	**$ (229)**	**$ 8**	**(221)**

Schedule 18.2a – 2004, 2005 Lead Time from Date of Payment to Receipt of Cash

Line No.	Particulars	Revenue	Lead Days	Dollar Days
1	**2004 Actual Normalized**			
2	Residential & Commercial	$ 4,496	34.6	$ 155,562
3	Small Industrial	337	47.2	15,906
4	**Total Sales / T-Service**	**4,833**	**35.5**	**171,468**
5				
6	**Other Revenue**			
7	Late Payment Charge	16	26.7	427
8	All Other	1	35.3	35
9	Revenue from Service Work	12	41.9	503
10	**Total**	**$ 4,862**	**35.5**	**$ 172,433**
11				
12	**2005 Actual Normalized**			
13	Residential & Commercial	$ 4,959	34.6	$ 171,581
14	Small Industrial	322	47.2	15,198
15	**Total Sales / T-Service**	**5,281**	**35.4**	**186,779**
16				
17	**Other Revenue**			
18	Late Payment Charge	18	26.7	481
19	All Other	1	35.3	35
20	Revenue from Service Work	12	41.9	503
21	**Total**	**$ 5,312**	**35.4**	**$ 187,798**

Schedule 18.2b – 2006, 2007 Lead Time from Date of Payment to Receipt of Cash

Line No.	Particulars	Revenue	Lead Days	Dollar Days
1	**2006 Actual Normalized**			
2	Residential & Commercial	$ 5,141	34.6	$ 177,879
3	Small Industrial	309	47.2	14,585
4	**Total Sales / T-Service**	**5,450**	**35.3**	**192,464**
5				
6	**Other Revenue**			
7	Late Payment Charge	21	26.7	561
8	All Other	1	35.3	35
9	Revenue from Service Work	11	41.9	461
10	**Total**	**$ 5,483**	**35.3**	**$ 193,521**
11				
12	**2007 Projected**			
13	Residential & Commercial	$ 4,903	34.6	$ 169,643
14	Small Industrial	242	47.2	11,427
15	**Total Sales / T-Service**	**5,145**	**35.2**	**181,070**
16				
17	**Other Revenue**			
18	Late Payment Charge	22	26.7	593
19	All Other	1	35.3	18
20	Revenue from Service Work	21	41.9	863
21	**Total**	**$ 5,188**	**35.2**	**$ 182,544**

Schedule 18.2c – 2008 Lead Time from Date of Payment to Receipt of Cash

Line No.	Particulars	Revenue	Lead Days	Dollar Days
1	**2008 Forecast at Existing Rates**			
2	Residential & Commercial	$ 4,991	34.6	$ 172,686
3	Small Industrial	247	47.2	11,636
4	**Total Sales / T-Service**	5,237	35.2	**184,322**
5				
6	**Other Revenue**			
7	Late Payment Charge	21	26.7	553
8	All Other	0	35.3	14
9	Revenue from Service Work	17	41.9	725
10	**Total**	**$ 5,276**	**35.2**	**$ 185,614**
11				
12	**2008 Forecast at Revised Rates**			
13	Residential & Commercial	$ 5,265	34.6	$ 182,176
14	Small Industrial	320	47.2	15,111
15	**Total Sales / T-Service**	**5,585**	**35.3**	**197,287**
16				
17	**Other Revenue**			
18	Late Payment Charge	21	26.7	553
19	All Other	0	35.3	14
20	Revenue from Service Work	17	41.9	725
21	**Total**	**$ 5,624**	**35.3**	**$ 198,579**

Schedule 18.3a – 2004, 2005 Lag Time in Payment of Expenses

Line No.	Particulars	Expense	Lag Days	Dollar Days
1	**2004 Actual Normalized**			
2	Operating & Maintenance Expense	$ 611	19.3	$ 11,792
3	Cost of Gas	3,526	40.7	143,520
4				
5	Taxes other than income tax			
6	Property Taxes	103	4.0	412
7	Goods & Service Tax (GST)	327	41.7	13,636
8	S. S. Tax	144	43.8	6,307
9	Income Tax	124	15.2	1,885
10	**Total Expense**	**$ 4,835**	**36.7**	**$ 177,553**
11				
12	**2005 Actual Normalized**			
13	Operating & Maintenance Expense	$ 646	19.3	$ 12,468
14	Cost of Gas	4,064	40.7	165,384
15				
16	Taxes other than income tax			
17	Property Taxes	98	4.0	392
18	Goods & Service Tax (GST)	25	41.7	1,043
19	S. S. Tax	144	43.8	6,307
20	Income Tax	80	15.2	1,216
21	**Total Expense**	**$ 5,057**	**36.9**	**$ 186,810**

Schedule 18.3b – 2006, 2007 Lag Time in Payment of Expenses

Line No.	Particulars	Expense	Lag Days	Dollar Days
1	**2006 Actual Normalized**			
2	Operating & Maintenance Expense	$ 688	19.3	$ 13,279
3	Cost of Gas	4,251	40.7	173,024
4				
5	Taxes other than income tax			
6	Property Taxes	98	4.0	392
7	Goods & Service Tax (GST)	51	41.7	2,127
8	S. S. Tax	165	43.8	7,227
9	Income Tax	54	15.2	821
10	**Total Expense**	**$ 5,307**	**37.1**	**$ 196,869**
11				
12	**2007 Projected**			
13	Operating & Maintenance Expense	$ 715	19.3	$ 13,796
14	Cost of Gas	4,024	40.7	163,796
15				
16	Taxes other than income			
17	Property Taxes	98	4.0	392
18	Goods & Service Tax	311	41.7	12,981
19	S. S. Tax	196	43.8	8,601
20	Income Tax	13	15.2	198
21	**Total Expense**	**$ 5,358**	**37.3**	**$ 199,764**

Schedule 18.3c – 2008 Lag Time in Payment of Expenses

Line No.	Particulars	Expense	Lag Days	Dollar Days
1	**2008 Forecast at Existing Rates**			
2	Operating & Maintenance Expense	$ 739	19.3	$ 14,269
3	Cost of Gas	4,109	40.7	167,216
4				
5	Taxes other than income			
6	Property Taxes	125	4.0	500
7	Goods & Service Tax	264	41.7	11,000
8	S. S. Tax	200	43.8	8,769
9	Income Tax	(57)	15.2	(866)
10	**Total Expense**	**$ 5,380**	**37.3**	**$ 200,888**
11				
12	Adjustment for Revised Rates			
13	Income Tax Expense	110	15.2	1,666
14	**Total Expense at Revised Rates**	**$ 5,489**	**36.9**	**$ 202,553**

Schedule 18.4 – Other Working Capital

Line No.	Particulars	2004 Actual	2005 Actual	2006 Actual	2007 Projected	2008 Forecast
1	Pipe	$ 5	$ 6	$ 12	$ 12	$ 12
2	Fittings	4	5	4	4	4
3	Regulators	-	-	-	-	-
4	Supplies & Other	-	1	2	2	2
5						
6	**Total Other Working Capital**	**$ 9**	**$ 12**	**$ 18**	**$ 18**	**$ 18**

Schedule 19.1 – 2004 Long Term Debt

Line No.	Particulars	Issue Date	Maturity Date	Coupon Rate	Principal Amount of Issue	Issue Expense	Net Proceeds of Issue	Effective Interest Cost	Average Principal Outstanding	Annual Cost	Average Embedded Cost
1	**2004 Actual**										
2	Series A Purchase Monry Mortgage	3-Dec-1990	30-Sep-2015	11.800%	$ 58,943	$ 855	$ 58,088	12.054%	$ 58,943	$ 7,105	
3	Series B Purchase Money Mortgage	30-Nov-1991	30-Nov-2016	10.300%	157,274	2,228	155,046	10.461%	157,274	16,452	
4											
5	2003 Long-Term Debt Issue	31-Mar-2003	31-Mar-2013	3.600%	150,000	1,500	148,500	3.767%	150,000	5,651	
6	2004 Long-Term Debt Issue	31-Mar-2003	31-Mar-2013	6.250%	150,000	1,500	148,500	6.387%	37,808	2,415	
7											
8	Medium Term Note - Series 6	9-Feb-1995	9-Feb-2005	9.800%	20,000	380	19,620	10.106%	20,000	2,021	
9	Medium Term Note - Series 6	15-Mar-1995	9-Feb-2005	9.800%	20,000	(387)	20,387	9.494%	20,000	1,899	
10	Medium Term Note - Series 7	29-Jun-1995	29-Jun-2005	8.250%	5,000	100	4,900	8.550%	5,000	428	
11											
12	Medium Term Note - Series 9	21-Oct-1997	2-Jun-2008	6.200%	55,000	454	54,546	6.308%	55,000	3,469	
13	Medium Term Note - Series 9 (re-opened)	19-Nov-1998	2-Jun-2008	6.200%	58,000	681	57,319	6.036%	58,000	3,501	
14	Medium Term Note - Series 9 (re-opening)	21-Sep-1999	2-Jun-2008	6.200%	75,000	2,053	72,947	6.578%	75,000	4,934	
15											
16	Medium Term Note - Series 11	21-Sep-1999	21-Sep-2029	6.950%	150,000	2,137	147,863	7.065%	150,000	10,598	
17	Medium Term Note - Series 12	20-Jul-2000	20-Jul-2005	6.500%	200,000	2,622	197,378	6.814%	200,000	13,628	
18	Medium Term Note - Series 13	16-Oct-2000	16-Oct-2007	6.500%	100,000	728	99,272	6.632%	100,000	6,632	
19											
20	Medium Term Note - Series 16	30-Jul-2001	31-Jul-2006	6.150%	100,000	721	99,279	6.320%	100,000	6,320	
21											
22	LILO Obligations - Kelowna							6.969%	35,043	2,442	
23	LILO Obligations - Vernon							7.155%	15,994	1,144	
24											
25	2004 Adjustment to Forecast								-	-	
26											
27	Debentures - Series D	17-Dec-1986	17-Dec-2006	9.750%	20,000	244	19,756	9.945%	20,000	1,989	
28	Debentures - Series E	8-Jun-1989	7-Jun-2009	10.750%	59,890	637	59,253	10.927%	59,890	6,544	
29											
30	Less - Amortization of Gains on Sinking Funds									-	
31											
32	**Subtotal**								**1,317,952**	**97,171**	
33	Less: Fort Nelson Service Area - Portion of Long-term Debt								(2,603)	(192)	7.373%
34	**Mid-Year Long Term Debt**								**$ 1,315,349**	**$ 96,979**	**7.373%**

Schedule 19.2 – 2005 Long Term Debt

Line No.	Particulars	Issue Date	Maturity Date	Coupon Rate	Principal Amount of Issue	Issue Expense	Net Proceeds of Issue	Effective Interest Cost	Average Principal Outstanding	Annual Cost	Average Embedded Cost
1	**2005 Actual**										
2	Series A Purchase Money Mortgage	3-Dec-1990	30-Sep-2015	11.800%	$ 58,943	$ 855	$ 58,088	12.054%	$ 58,943	$ 7,105	
3	Series B Purchase Money Mortgage	30-Nov-1991	30-Nov-2016	10.300%	157,274	2,228	155,046	10.461%	157,274	16,452	
4											
5	2005 Long Term Debt Issue - Coastal Facilities	1-Jan-2005	1-Jan-2008	6.100%	50,300	82	50,218	6.160%	50,300	3,098	
6											
7	2003 Medium Term Note - Series 17	26-Sep-2003	26-Sep-2005	2.977%	150,000	474	149,526	3.140%	110,548	3,471	
8	2004 Medium Term Note - Series 18	29-Apr-2004	1-May-2034	6.500%	150,000	1,915	148,085	6.598%	150,000	9,897	
9	2005 Medium Term Note - Series 19	25-Feb-2005	26-Feb-2035	5.900%	150,000	1,765	148,235	5.980%	127397	7,618	
10	2005 Medium Term Note - Series 20	24-Oct-2005	24-Oct-2007	3.356%	150,000	474	149,526	3.520%	28,356	998	
11											
12	Medium Term Note - Series 6	9-Feb-1995	9-Feb-2005	9.800%	20,000	380	19,620	10.106%	2,192	222	
13	Medium Term Note - Series 6	15-Mar-1995	9-Feb-2005	9.800%	20,000	(387)	20,387	9.494%	2,192	208	
14	Medium Term Note - Series 7	29-Jun-1995	29-Jun-2005	8.250%	5,000	100	4,900	8.550%	2,466	211	
15											
16	Medium Term Note - Series 9	21-Oct-1997	2-Jun-2008	6.200%	55,000	454	54,546	6.308%	55,000	3,469	
17	Medium Term Note - Series 9 (re-opened)	19-Nov-1998	2-Jun-2008	6.200%	58,000	681	57,319	6.036%	58,000	3,501	
18	Medium Term Note - Series 9 (re-opening)	21-Sep-1999	2-Jun-2008	6.200%	75,000	2,053	72,947	6.578%	75,000	4,934	
19	Medium Term Note - Series 11	21-Sep-1999	21-Sep-2029	6.950%	150,000	2,290	147,710	7.073%	150,000	10,610	
20	Medium Term Note - Series 12	20-Jul-2000	20-Jul-2005	6.500%	200,000	2,622	197,378	6.814%	110,137	7,505	
21	Medium Term Note - Series 13	16-Oct-2000	16-Oct-2007	6.500%	100,000	728	99,272	6.632%	100,000	6,632	
22	Medium Term Note - Series 14	23-Oct-2000	23-Oct-2003	6.000%	50,000	428	49,572	6.317%	-	-	
23	Medium Term Note - Series 15	11-Dec-2000	11-Dec-2002	6.000%	75,000	229	74,771	6.177%	-	-	
24	Medium Term Note - Series 16	30-Jul-2001	31-Jul-2006	6.150%	100,000	887	99,113	6.360%	100,000	6,360	
25											
26	LILO Obligations - Kelowna							6.969%	29,990	2,090	
27	LILO Obligations - Kelowna Addition							5.485%	1,804	99	
28	LILO Opbigations - Nelson							5.924%	5,155	305	
29	LILO Opbigations - Vernon							7.155%	15,516	1,110	
30	LILO Opbigations - Prince George							6.230%	39,434	2,457	
31	LILO Opbigations - Creston							5.200%	607	32	
32											
33	Series D Debentures	17-Dec-1986	17-Dec-2006	9.750%	20,000	244	19,756	9.945%	20,000	1,989	
34	Series E Debentures	8-Jun-1989	7-Jun-2009	10.750%	59,890	637	59,253	10.927%	59,890	6,544	
35	Series F Debentures	26-Aug-1992	26-Aug-2002	8.500%	83,980	984	82,996	8.678%	-	-	
36	Series H Debentures	28-Jul-1993	28-Jul-2003	8.150%	50,000	507	49,493	8.301%	-	-	
37											
38	2005 Adjustment to Forecast								(62,914)	(1,919)	
39											
40	**Subtotal**								**1,447,287**	**104,998**	
41	Less: Fort Nelson Service Area - Portion of Long-term Debt								(2,603)	(192)	7.373%
42	**Mid-Year Long Term Debt**								**$ 1,444,684**	**$ 104,806**	**7.255%**

Schedule 19.3 – 2006 Long Term Debt

Line No.	Particulars	Issue Date	Maturity Date	Coupon Rate	Principal Amount of Issue	Issue Expense	Net Proceeds of Issue	Effective Interest Cost	Average Principal Outstanding	Annual Cost	Average Embedded Cost
1	**2006 Actual**										
2	Series A Purchase Money Mortgage	3-Dec-1990	30-Sep-2015	11.800%	$ 58,943	$ (855)	$ 58,088	12.054%	$ 58,943	$ 7,105	
3	Series B Purchase Money Mortgage	30-Nov-1991	30-Sep-2015	10.300%	157,274	(2,228)	155,046	10.461%	157,274	16,452	
4											
5	2004 Long Term Note - Series 18	29-Apr-2004	1-May-2034	6.500%	150,000	(1,915)	148,085	6.598%	150,000	9,897	
6	2005 Long Term Note - Series 19	25-Feb-2005	26-Feb-2035	5.900%	150,000	(1,663)	148,337	5.980%	150,000	8,970	
7	2005 Long Term Debt Issue - Coastal Facilities	1-Jan-2005	1-Jan-2008	6.100%	50,300	(82)	50,218	6.160%	50,300	3,098	
8	2005 Medium Term Note - Series 20	24-Oct-2005	24-Oct-2007	4.133%	150,000	(568)	149,432	4.332%	150,000	6,498	
9	2006 Medium Term Note - Series 21	25-Sep-2006	25-Sep-2036	5.550%	120,000	(669)	119,331	5.589%	32,219	1,801	
10											
11	Medium Term Note - Series 9	21-Oct-1997	2-Jun-2008	6.200%	55,000	(454)	54,546	6.308%	55,000	3,469	
12	Medium Term Note - Series 9 (Re-opened)	19-Nov-1998	2-Jun-2008	6.200%	58,000	(681)	57,319	6.036%	58,000	3,501	
13	Medium Term Note - Series 9 (Re-opened)	21-Sep-1999	2-Jun-2008	6.200%	75,000	(2,053)	72,947	6.578%	75,000	4,934	
14	Medium Term Note - Series 11	21-Sep-1999	21-Sep-2029	6.950%	150,000	(2,290)	147,710	7.073%	150,000	10,610	
15	Medium Term Note - Series 13	16-Oct-2000	16-Oct-2007	6.500%	100,000	728	100,728	6.632%	100,000	6,632	
16	Medium Term Note - Series 16	30-Jul-2001	31-Jul-2006	6.150%	100,000	(887)	99,113	6.360%	57,808	3,677	
17											
18	LILO Obligations - Kelowna							5.902%	28,166	1,662	
19	LILO Obligations - Kelowna Addition							5.100%	2,604	133	
20	LILO Obligations - Nelson							6.962%	4,853	338	
21	LILO Obligations - Vernon							7.896%	14,588	1,152	
22	LILO Obligations - Prince George							6.871%	37,142	2,552	
23	LILO Obligations - Creston							6.148%	3,507	216	
24											
25	Debentures Series D	17-Dec-1986	17-Dec-2006	9.750%	20,000	(244)	19,756	9.945%	19,178	1,907	
26	Debentures Series E	8-Jun-1989	8-Jun-2009	10.750%	59,890	(637)	59,253	10.927%	59,890	6,544	
27											
28	2006 Adjustment to Forecast								21,182	378	
29											
30	**Subtotal**								**1,435,654**	**101,525**	
31	Less: Fort Nelson Srvce Area Portion of L/T Debt								(2,603)	(192)	7.373%
32	**Mid-Year Long Term Debt**								**$ 1,433,051**	**$ 101,334**	**7.071%**

Schedule 19.4 – 2007 Long Term Debt

Line No.	Particulars	Issue Date	Maturity Date	Coupon Rate	Principal Amount of Issue	Issue Expense	Net Proceeds of Issue	Effective Interest Cost	Average Principal Outstanding	Annual Cost	Average Embedded Cost
1	**2007 Projected**										
2	Series A Purchase Money Mortgage	3-Dec-1990	30-Sep-2015	11.800%	$ 58,943	$ (855)	$ 58,088	12.054%	$ 58,943	$ 7,105	
3	Series B Purchase Money Mortgage	30-Nov-1991	30-Nov-2016	10.300%	157,274	(2,228)	155,046	10.461%	157,274	16,452	
4											
5	2005 Long Term Debt Issue - Coastal Facilities	1-Jan-2005	1-Jan-2008	6.100%	50,300	(50)	50,250	6.113%	50,300	3,075	
6											
7	Medium Term Note - Series 9	21-Oct-1997	2-Jun-2008	6.200%	55,000	(454)	54,546	6.308%	55,000	3,469	
8	Medium Term Note - Series 9 (Re-opened)	19-Nov-1998	2-Jun-2008	6.200%	58,000	(681)	57,319	6.036%	58,000	3,501	
9	Medium Term Note - Series 9 (Re-opened)	21-Sep-1999	2-Jun-2008	6.200%	75,000	(2,053)	72,947	6.578%	75,000	4,934	
10											
11	Medium Term Note - Series 11	21-Sep-1999	21-Sep-2029	6.950%	150,000	(2,137)	147,863	7.065%	150,000	10,598	
12	Medium Term Note - Series 13	16-Oct-2000	16-Oct-2007	6.500%	100,000	(728)	99,272	6.632%	78,904	5,233	
13											
14	2004 Long Term Note - Series 18	29-Apr-2004	1-May-2034	6.500%	150,000	(1,856)	148,144	6.595%	150,000	9,893	
15	2005 Long Term Note - Series 19	25-Feb-2005	26-Feb-2035	5.900%	150,000	(1,663)	148,337	5.980%	150,000	8,970	
16	2005 Medium Term Note - Series 20	31-Oct-2005	31-Oct-2007	3.850%	150,000	(474)	149,526	4.515%	124,521	5,622	
17	2006 Long Term Debt Issue - Series 21	30-Jun-2006	30-Jun-2016	5.050%	100,000	(1,000)	99,000	5.619%	120,000	6,743	
18	2007 Medium Term Debt Issue - Series 22	31-Jul-2007	31-Jul-2017	5.350%	230,000	(2,300)	227,700	5.481%	97,041	5,319	
19											
20	LILO Obligations - Kelowna							5.846%	29,753	1,739	
21	LILO Obligations - Nelson							7.032%	4,704	331	
22	LILO Obligations - Vernon							7.968%	14,124	1,125	
23	LILO Obligations - Prince George							6.936%	36,028	2,499	
24	LILO Obligations - Creston							6.207%	3,405	211	
25											
26	Debentures Series E	8-Jun-1989	7-Jun-2009	10.750%	59,890	(637)	59,253	10.927%	59,890	6,544	
27											
28	**Subtotal**								**1,472,887**	**103,363**	
29	Less: Fort Nelson Srvce Area Portion of L/T Debt								(2,603)	(192)	7.373%
30	**Mid-Year Long Term Debt**								**$ 1,470,284**	**$ 103,171**	**7.017%**

Schedule 19.5 – 2008 Long Term Debt

Line No.	Particulars	Issue Date	Maturity Date	Coupon Rate	Principal Amount of Issue	Issue Expense	Net Proceeds of Issue	Effective Interest Cost	Average Principal Outstanding	Annual Cost	Average Embedded Cost
1	**<u>2008 Forecast</u>**										
2	Series A Purchase Money Mortgage	3-Dec-1990	30-Sep-2015	11.800%	$ 58,943	$ (855)	$ 58,088	12.054%	$ 58,943	$ 7,105	
3	Series B Purchase Money Mortgage	30-Nov-1991	30-Nov-2016	10.300%	157,274	(2,228)	155,046	10.461%	157,274	16,452	
4											
5	2004 Medium Term Note - Series 18	29-Apr-2004	1-May-2034	6.500%	150,000	(1,915)	148,085	6.598%	150,000	9,897	
6	2005 Medium Term Note - Series 19	25-Feb-2005	26-Feb-2035	5.900%	150,000	(1,663)	148,337	5.980%	150,000	8,970	
7	2005 Long Term Debt Issue - Coastal Facilities	1-Jan-2005	1-Jan-2008	6.100%	50,300	(82)	50,218	6.160%		-	
8	2006 Long Term Note - Series 21	25-Sep-2006	25-Sep-2036	5.550%	120,000	(669)	119,331	5.589%	120,000	6,707	
9											
10	Medium Term Note - Series 9	21-Oct-1997	2-Jun-2008	6.200%	55,000	(454)	54,546	6.308%	22,992	1,450	
11	Medium Term Note - Series 9 (Re-opened)	19-Nov-1998	2-Jun-2008	6.200%	58,000	681	58,681	6.036%	24,246	1,463	
12	Medium Term Note - Series 9 (Re-opened)	21-Sep-1999	2-Jun-2008	6.200%	75,000	(2,053)	72,947	6.578%	31,352	2,062	
13	Medium Term Note - Series 11	21-Sep-1999	21-Sep-2029	6.950%	150,000	(2,290)	147,710	7.073%	150,000	10,610	
14	2007 Medium Term Debt Issue - Series 22	2-Oct-2007	3-Oct-2037	6.000%	250,000	(2,148)	247,852	6.062%	250,000	15,155	
15	2008 Medium Term Debt Issue - Series 23	1-Jun-2008	1-Jun-2038	5.950%	200,000	(2,000)	198,000	6.022%	116,940	7,042	
16											
17	LILO Obligations - Kelowna							5.953%	28,747	1,711	
18	LILO Obligations - Nelson							7.093%	4,555	323	
19	LILO Obligations - Vernon							8.108%	13,660	1,108	
20	LILO Obligations - Prince George							7.089%	34,914	2,475	
21	LILO Obligations - Creston							6.348%	3,303	210	
22											
23	Debentures Series E	8-Jun-1989	7-Jun-2009	10.750%	59,890	(637)	59,253	10.927%	59,890	6,544	
24											
25	**Subtotal**								**1,376,816**	**99,285**	
26	Less: Fort Nelson Srvce Area Portion of L/T Debt								(2,935)	(212)	7.223%
27	**Mid-Year Long Term Debt**								**$ 1,373,881**	**$ 99,073**	**7.211%**

SECTION K – GLOSSARY OF TERMS

BCUC

- British Columbia Utilities Commission, the provincial body regulating utilities in British Columbia. Also known as the Commission.

Gas Marketer

- An entity licensed by the Commission to engage in Gas Marketing to Low Volume Consumers under the Commodity Unbundling Service.

GCRA – Gas Cost Reconciliation Accounts

- A deferral account used to record variances between Terasen Gas' forecast and actual gas purchase costs. GCRA balances are either recovered through rates or credited to customers in subsequent years through the GCRA rider.

GJ – Gigajoule

- A measure of energy of natural gas equal to one billion joules, used for billing purposes. One gigajoule (GJ) is equivalent to approximately 278 kilowatt hours of electricity or 28.85 litres of gasoline.

PBR – Performance Based Ratemaking

- A process for determining delivery charges and incentive mechanisms for improved operating efficiencies.

Revenue Requirement

- The total amount of money a utility must collect from customers to pay all operating and capital costs, including a fair return on investment.

Rider

- A temporary adjustment to rates usually reflecting the disposition of deferral account balances.

RSAM

- Rate Stabilization Adjustment Mechanism (RSAM) is a deferral account used to record variances between forecast and actual core market margins resulting from changes in use per customer from factors such as colder or warmer than normal temperature. RSAM balances are either recovered through rates or credited to customers in subsequent years through the RSAM rider.

TJ – Terajoule

- One million million joules (10^{12}).

Transportation Service

- Gas delivery service provided by Terasen Gas to customers who purchase natural gas directly from producers or marketers (Rates 23, 25, 27 and 22).


Rec Center East and West Stations
Terasen TP Pipeline
Takama Station
Mile 292 Station
FORT NELSON DP STATION
Prophet River Indian Band
62.0km South
Westcoast Energy Inc. Fort Nelson Mainline Tie-in
Asphalt Plant
Muskwa Station
Fort Nelson Service Area
Scale: 1:80,000
F. Sedlar
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