Terasen Gas

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January 30, 2008

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" or the "Company")

2008 Revenue Requirements and Rates

Revised Application and Response to the British Columbia Utilities Commission (the "Commission") Staff Information Request ("IR") No. 1

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

On December 14, 2007, the Commission issued Order No. G-158-07, ordering Terasen Gas to increase its RSAM rider from $0.073/GJ to $0.114/GJ, as per the Company's Application, effective January 1, 2008. In addition, Order No. G-158-07 established the Regulatory Timetable directing TG Fort Nelson to file detailed Application materials in support of its 2008 Revenue Requirements, on December 21, 2007 and responses to Commission Staff IR No. 1 on January 30, 2008.

The Company filed detailed support material for its Application for changes to the RSAM and delivery rates on December 21, 2007, amending the Application to reflect the most up-to-date information available and reducing the TG Fort Nelson revenue deficiency from $371,000 to $348,000. In accordance with Order No. G-158-07, the Commission issued Commission Staff IR No. 1 on January 16, 2008.

The Company hereby submits its revised Application ("January 30 Revised Application") and includes the responses to Commission Staff IR No. 1. This submission is comprised of the following:

- Attachment 1 – Summary of Changes
- Attachment 2 – RSAM Calculation
- Attachment 3 – Rate Continuity Schedules (Rates 1, 2.1, 2.2, 25)
- Attachment 4 – Rate Continuity Schedules (Rates 2.3, 3.1, 3.2, 3.3)
- Attachment 5 – Financial Schedules
- Attachment 6 – Response to Commission Staff IR No. 1

In the course of preparing the responses to Commission Staff IR No. 1, three items have resulted in revisions to the 2008 Revenue Requirement and Rates for TG Fort Nelson if incorporated:

1. Actual Customer Additions for 2007 are now known;
2. Contributions in aid of construction were recorded incorrectly in prior years and;
3. Canfor announced the closure of the two mills in Fort Nelson

1. Actual Customer Additions for 2007

In November, 2007 when the Application details were prepared the count of year-end customers was estimated based on projections that were reasonable at the time. TG Fort Nelson customer additions have historically been heavily weighted towards the fourth quarter. In the case of 2007, customer account additions did not exhibit the usual pattern. The lack of net customer additions in the final months of 2007 resulted in net customer additions of 14 rather than the projection of 54 new customers as detailed in the response to Commission Staff IR No. 1, Question 1.1. If incorporated, the revision to the customer additions would increase the 2008 Revenue Requirement by $12,000.

2. Contributions in Aid of Construction ("CIAC")

In preparing the response to Commission Staff IR No. 1, Question 17.1, the Company reviewed the CIAC accounts and discovered an error. For the period 2004 to 2008, the CIAC annual additions (as shown in the Detailed Application Support Materials [Exhibit B-1-1], line item 6 of Schedule 1.1 – 2008 Revenue Requirement, page 33), are understated by approximately $40,000 for each of the years noted. Contributions received for excess footage, billable alterations, mains extension and service line work were inadvertently not included in the preparation of the schedule.

Based on historical contributions received from 2004 to 2007, the forecast contributions in aid of construction for 2008, while taking into consideration the recently approved changes to System Extension and Customer Connection Policies, should be revised from zero to $10,000 for anticipated recoveries. The error in recording of CIAC, if incorporated, reduces rate base as detailed in the response to Commission Staff IR No. 1, Question 17.1 and would have the effect of reducing the 2008 Revenue Requirement by $16,000.

3. Announcement of Mill Closures

On January 18, 2008, Canfor announced the indefinite closure of the two facilities served under Rate Schedule 25. As detailed in the response to Commission Staff IR No. 1, Question 4.1 and 4.2, the announced closures are expected to reduce 2008 annual demand by 177 TJ resulting in a reduction in forecast margin of $166,000, from $320,000 to $154,000, based on the rates proposed in the Revised Application (Exhibit B-1-1), submitted on December 21, 2007. The result of incorporating the reduced volumes and revenue from Rate Schedule 25 customers would be a 2008 Revenue Requirement increase of $137,400. If the mills remain closed for 2009, a further increase in delivery margin requirement for all residential and commercial customers would be required in

2009, this would be equal to the part-year 2008 industrial margin of $154,000. The reduction in Rate Schedule 25 volume will also cause the RSAM Rate Rider 5 to increase from $0.114/GJ to $0.144/GJ as calculated in Attachment 2.

Table 1 below provides a summary of the 2008 Revenue Requirement Impacts of the three items described above. Further detail is provided in Attachments 1-4 to this letter.

	Dec 21, 2007 Filing	Change due to CIAOC Correction	Change due to Reduced Customer Counts	Subtotal	Change due to Reduced T-Service	Total
Customer Counts:	2,392	-	(51)	2,341	-	2,341
Sales Volumes in Terajoules (TJ):	873	-	(8)	866	(177)	688
Rate Base:	$ 5,302	$ (148)	$ 1	$ 5,155	$ (5)	$ 5,150
Cost of Service:	$ 5,585	$ (16)	$ (54)	$ 5,516	$ (5)	$ 5,511
Sales Revenue:	$ 5,237	$ -	$ (66)	$ 5,171	$ (142)	$ 5,029
Revenue Deficiency/(Surplus)	**$ 348**	**$ (16)**	**$ 12**	**$ 345**	**$ 137**	**$ 482**
% increase on Delivery Margin	**30.8%**			**30.9%**		**49.2%**
% Increase on Sales Revenue	**5.5%**			**5.5%**		**8.8%**

Given the indefinite length of time the Canfor Mills will be closed, Terasen Gas believes that the impact of all three items should be taken into account for the 2008 test year. The January 31 Revised Application results in a total 2008 Revenue Requirement of $482,000, corresponding to a delivery margin increase of 49.2% or 8.8% of the sales rate and an increase to the RSAM Rate Rider 5 from $0.114/GJ to $0.144/GJ.

As an alternative, the Company considered not revising its Application to reflect the 2008 mill closures. By virtue of the fact that the RSAM includes margin related to the two industrial customers of TG Fort Nelson, if the revised demand forecasts are not taken into consideration for the setting of rates for 2008, the RSAM account will increase by approximately $166,000 on a before-tax basis, than it otherwise would have by the end of 2008. Therefore in 2009, an increase in the RSAM rider would be required to recover this deficit in addition to the loss of the entire industrial margin, totalling $320,000 based on the 2008 proposed rates. The Company is of the view that it is preferable to revise the proposed rates for 2008 to reflect this change, rather than delay a significant rate increase to take effect in 2009.

Terasen Gas believes that including the most up-to-date information, as presented, is in the customers' best interest long term. Future consideration to regulatory consolidation of the Fort Nelson Service area with the remainder of Terasen Gas Inc. could mitigate the wide variability in rates that can occur due to the Fort Nelson Service Area's small relative size.

The Company is of the view that consideration of consolidation would be appropriate upon the expiry of the Terasen Gas Inc. Multi-Year Performance Based Ratemaking Plan, currently set to expire at the end of 2009.

The Company has considered, as an alternative, requesting an increase in the Rate 25 minimum bill such that the entire shortfall in 2008 revenue due to the mill closures would be recovered in 2008 from Rate 25 customers. TG Fort Nelson however proposes that all rate classes share responsibility for the revenue deficiency due to the lower Rate 25 volumes.

The January 31 Revised Application results in a total 2008 revenue deficiency of $482,000, corresponding to a requirement for full year delivery margin increase of 49.2%, or 8.8% of the sales rate. TG Fort Nelson requests approval of permanent rates effective January 1, 2008 that will allow the Company to recover in its rates those increases and an increase to the RSAM Rate Rider 5 from $0.114/GJ to $0.144/GJ.

Based on the limitations of the current customer billing system, the Company recognizes that there could be billing issues relating to an adjustment of the accounts for consumption in the early part of 2008. To avoid complex billing issues or a one-time bill adjustment the Company proposes for residential and commercial customers, effective April 1, 2008, a rate rider or permanent rate change. This proposed rate rider or rate change would be implemented to recover, over the April through December 2008 period, the 2008 revenue deficiency remaining after the recovery of the portion in the interim rates in effect during the January 1, 2008 through March 30, 2008 period. The Company is of the view that this proposal would serve to mitigate the possible financial burden some customers would otherwise experience. Rate schedules are included in Attachments 3 and 4.

Adjusting bills for the Rate 25 customers is not complex. For the two Rate 25 customers TG Fort Nelson proposes that the accounts relating to the January through March 2008 period be adjusted, with the Company billing the two Rate 25 customers for the adjusted amount.

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: Guy Leroux

For: Scott A. Thomson

Attachments

Attachment 1

TG Fort Nelson

Attachment 1: Detailed Summary of Changes

	Dec 21, 2007 Filing	Change due to CIAOC Correction	Change due to Reduced Customer Counts	Subtotal	Change due to Reduced T-Service	Total
Customer Counts (average)						
Residential	1,944	-	(43)	1,901	-	1,901
General Service - Small Commercial	417	-	(9)	408	-	408
General Service - Large Commercial	29	-	1	30	-	30
General Firm T-Service	2	-	-	2	-	2
Total Customer Counts:	**2,392**	**-**	**(51)**	**2,341**	**-**	**2,341**
* 2008 Revised customer counts are based on revised 2007 year-end counts						
Sales Volumes						
Residential	291.2	-	(6)	284.9	-	284.9
General Service - Small Commercial	209.9	-	(5)	205.1	-	205.1
General Service - Large Commercial	96.0	-	3	99.4	-	99.4
General Firm T-Service	276.1	-	-	276.1	(177.5)	98.6
Total Sales Volumes:	**873.2**	**-**	**(8)**	**865.5**	**(177.5)**	**688.0**
Rate Base						
Net Plant in Service, Mid-year	$ 5,421	$ (148)	$ -	$ 5,272	$ (0.4)	$ 5,272
Adjustment to 13-Month Average	-	-	-	-	-	-
Work in Progress (not attracting AFUDC)	-	-	-	-	-	-
Construction Advances	-	-	-	-	-	-
Unamortized Deferred Charges	85	0	-	85	(0.0)	85
Cash Working Capital	(221)	(0)	1	(220)	(4.9)	(225)
Other Working Capital	18	-	-	18	-	18
Total Rate Base:	**$ 5,302**	**$ (148)**	**$ 1**	**$ 5,155**	**$ (5.4)**	**$ 5,150**
Revenue Requirement [Deficiency/(Surplus)]						
Cost of Gas	$ 4,109	$ -	$ (54)	$ 4,055	$ (4.9)	$ 4,050
Operating & Maintenance Expenses	739	-	0	739	(0.0)	739
Property Tax Expense	125	-	-	125	-	125
Depreciation Expense	173	(3)	-	170	-	170
Amortization Expense	28	0	-	28	-	28
Income Tax Expense	53	(3)	0	49	0.0	49
Interest Expense	238	(5)	0	233	0.0	233
Other Operating Revenue	(38)	-	-	(38)	-	(38)
Earned Return	160	(4)	0	156	0.0	156
Total Cost of Service:	**$ 5,585**	**$ (16)**	**$ (54)**	**$ 5,516**	**$ (4.8)**	**$ 5,511**
Sales Revenue						
Residential	$ 2,416	$ -	$ (52)	$ 2,364	$ -	$ 2,364
General Service - Small Commercial	1,784	-	(41)	1,743	-	1,743
General Service - Large Commercial	791	-	27	819	-	819
General Firm T-Service	247	-	-	247	(142.2)	104
Total Sales Revenue:	**$ 5,237**	**$ -**	**$ (66)**	**$ 5,171**	**$ (142.2)**	**$ 5,029**
Revenue Deficiency/(Surplus)	**$ 348**	**$ (16)**	**$ 12**	**$ 345**	**$ 137.4**	**$ 482**
% increase on Delivery Margin	**30.8%**			**30.9%**		**49.2%**
% Increase on Sales Revenue	**5.5%**			**5.5%**		**8.8%**
RSAM	**$ 0.114**					**$ 0.144**

Attachment 2

	Annual Volumes (TJ)	Amortization	Amortization of RSAM Unit Rider ($/GJ)
Rate 1 - Residential	284.9		$ 0.144
Rate 2.1 - Small Commercial	205.1		$ 0.144
Rate 2.2 - Large Commercial	99.4		$ 0.144
Rate 3.1 - Industrial Service	-		$ 0.144
Rate 3.2 - Industrial Service	-		$ 0.144
Rate 3.3 - Industrial Service	-		$ 0.144
Rate 25 - Large Commercial Transportation	98.6		$ 0.144
	688.0	$ 99,359 (1)	

Jan 30 Revised Application - Proposed Rider for 2008:	$ 0.144
RSAM Rider 5 effective Jan 1, 2008:	$ 0.114
Rider 5 Increase/(Decrease):	$ 0.030

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 $0.144/GJ, which is a $0.03/GJ increase from the existing level of $0.114/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

Attachment 3

TG Fort Nelson

Attachment 3: Rate Continuity Schedule (Rates 1, 2.1, 2.2, 25)

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 Jan 1/08	Tariff @ Revised Rates Apr 1/08
1	**Residential**									
2	1st Blk ≤ 2 GJ $ / Month	$ 18.00	$ (0.15)	$ (13.74)	$ 4.11	$ 2.51	$ 13.74	$ 0.29	$ 20.65	$ 21.21
3	2nd Blk Next 28 GJ $ / GJ	$ 8.143	$ (0.073)	$ (6.868)	$ 1.202	$ 0.591	$ 6.868	$ 0.144	$ 8.805	$ 9.109
4	3rd Blk Excess of 30 GJ $ / GJ	$ 8.108	$ (0.073)	$ (6.868)	$ 1.167	$ 0.574	$ 6.868	$ 0.144	$ 8.753	$ 9.291
5										
6	**General Service - Small Commercial**									
7	1st Blk ≤ 2 GJ $ / Month	$ 26.72	$ (0.15)	$ (13.74)	$ 12.83	$ 7.07	$ 13.74	$ 0.29	$ 33.93	$ 35.35
8	2nd Blk Next 298 GJ $ / GJ	$ 8.284	$ (0.073)	$ (6.868)	$ 1.343	$ 0.660	$ 6.868	$ 0.144	$ 9.015	$ 9.342
9	3rd Blk Excess of 300 GJ $ / GJ	$ 8.242	$ (0.073)	$ (6.868)	$ 1.301	$ 0.640	$ 6.868	$ 0.144	$ 8.953	$ 9.521
10										
11	**General Service - Large Commercial**									
12	1st Blk ≤ 2 GJ $ / Month	$ 26.72	$ (0.15)	$ (13.74)	$ 12.83	$ 7.07	$ 13.74	$ 0.29	$ 33.93	$ 35.35
13	2nd Blk Next 298 GJ $ / GJ	$ 8.284	$ (0.073)	$ (6.868)	$ 1.343	$ 0.660	$ 6.868	$ 0.144	$ 9.015	$ 9.342
14	3rd Blk Excess of 300 GJ $ / GJ	$ 8.242	$ (0.073)	$ (6.868)	$ 1.301	$ 0.640	$ 6.868	$ 0.144	$ 8.953	$ 9.521
15										
16	**Transportation Service**									
17	1st Blk ≤ 20 GJ $ / GJ	$ 1.131	$ -	$ (0.027)	$ 1.104	$ 0.671	$ 0.027		$ 1.802	
18	2nd Blk Next 260 GJ $ / GJ	$ 1.049	$ -	$ (0.027)	$ 1.022	$ 0.621	$ 0.027		$ 1.670	
19	3rd Blk Excess of 280 GJ $ / GJ	$ 0.856	$ -	$ (0.027)	$ 0.829	$ 0.504	$ 0.027		$ 1.360	
20	Minimum Delivery Charge per Month	$ 869.00			$ 869.00	$ 427.00			$ 1,296.00	
21										
22	Administration Charge	$ 202.00	$ -		$ 202.00	$ -			$ 202.00	
23	RSAM Recovery Charge	$ 0.073	$ (0.073)	$ -	$ -		$ -	$ 0.144	$ 0.144	

Attachment 4

TG Fort Nelson

Attachment 4: Rate Continuity Schedule (Rates 2.3, 3.1, 3.2, 3.3)

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 Jan 1/08
						49.18%			
1	**Rate Class 2.3 - Natural Gas Vehicle Fuel Service**								
2	1st Blk ≤ 2 GJ $ / Month	$ 27.09	$ -	$ (13.74)	$ 13.35	$ 6.57	$ 13.74	$ -	$ 33.66
3	2nd Blk Next 298 GJ $ / GJ	$ 8.509	$ -	$ (6.868)	$ 1.641	$ 0.807	$ 6.868	$ -	$ 9.316
4	3rd Blk Excess of 300 GJ $ / GJ	$ 8.467	$ -	$ (6.868)	$ 1.599	$ 0.786	$ 6.868	$ -	$ 9.253
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	$ 0.556	$ -		$ 1.687
9	2nd Blk Next 260 GJ $ / GJ	$ 1.049	$ -	$ -	$ 1.049	$ 0.516	$ -		$ 1.565
10	3rd Blk Excess of 280 GJ $ / GJ	$ 0.856	$ -	$ -	$ 0.856	$ 0.421	$ -		$ 1.277
11	Minimum Month Delivery Charge	$ 869.00			$ 869.00	$ 427.00			$ 1,296.00
12									
13	Gas Cost Recovery Charge	$ 6.868		$ (6.868)	$ -	$ -	$ 6.868		$ 6.868
14	RSAM Rate Rider	$ 0.073	$ (0.073)		$ -	$ -	$ -	$ 0.144	$ 0.144
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	$ 0.555	$ -		$ 1.687
19	2nd Blk Next 260 GJ $ / GJ	$ 1.051	$ -	$ -	$ 1.051	$ 0.514	$ -		$ 1.565
20	3rd Blk Excess of 280 GJ $ / GJ	$ 0.858	$ -	$ -	$ 0.858	$ 0.419	$ -		$ 1.277
21	Minimum Month Delivery Charge	$ 869.00			$ 869.00	$ 427.00			$ 1,296.00
22									
23	Gas Cost Recovery Charge	$ 6.868		$ (6.868)	$ -		$ 6.868		$ 6.868
24	RSAM Rate Rider	$ 0.073	$ (0.073)		$ -		$ -	$ 0.144	$ 0.144

Note: There are currently no customers in these rate classes.

Attachment 5

Schedule 1 – Summary of Rate Change Required *(revised January 30, 2008)*

Line No.	Particulars	2004 Decision	2008 Forecast
1	**Rate Change Required**		
2	Gas Sales and Transportation Revenue at Existing Rates	$ 4,601	$ 5,029
3			
4	Less: Cost of Gas	(3,357)	(4,050)
5			
6	Gross Margin	$ 1,244	$ 979
7			
8	Revenue Deficiency (Surplus)	$ 49	$ 482
9			
10	Revenue Deficiency (Surplus) as a % of Gross Margin	3.94%	49.18%
11			
12	Revenue Deficiency (Surplus) as a % of Total Revenue	1.06%	9.58%

Schedule 1.1 – 2008 Revenue Requirement *(revised January 30, 2008)*

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)	(1,120)	(1,165)	(1,190)
6	Contribution in Aid of Construction, Ending	(992)	(1,041)	(1,041)	(1,165)	(1,190)	(1,200)
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	511	550
12	Contribution in Aid of Construction, Ending	478	435	472	511	550	591
13							
14	Net Plant in Service, Mid-Year	4,689	4,419	4,643	4,952	5,175	5,272
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)	(225)
21	Other Working Capital	8	9	12	18	18	18
22							
23	**Total Rate Base**	**$ 4,387**	**$ 4,220**	**$ 4,307**	**$ 4,707**	**$ 4,960**	**$ 5,150**
24							
25	**Revenue Requirement / Deficiency (Surplus)**						
26	Cost of Gas	$ 3,357	$ 3,526	$ 4,064	$ 4,251	$ 4,024	$ 4,050
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	115	197	170
30	Amortization Expense	1	-	-	-	-	28
31	Other Operating Revenue	(28)	(29)	(31)	(33)	(43)	(38)
32	Income Tax Expense	76	124	80	55	14	49
33	Earned Return						
34	Short Term Debt Interest	11	15	10	14	20	21
35	Long Term Debt Interest	192	192	192	192	192	212
36	Return on Equity	132	218	169	169	43	155
37							
38	**Total Cost of Service at proposed rates**	**$ 4,601**	**$ 4,880**	**$ 5,348**	**$ 5,549**	**$ 5,260**	**$ 5,511**
39							
40	Sales Revenue @ **Existing Rates**	4,237	4,496	4,959	5,141	4,903	4,925
41	T-Service Revenue @ **Existing Rates**	364	337	322	309	242	104
42	RSAM		47	67	114	115	
43	**Revenue Deficiency / (Surplus)**	**$ 0**	**$ -**	**$ (0)**	**$ (15)**	**$ (0)**	**$ 482**
44							
45	**Revenue Deficiency / (Surplus) Applied to Sales Customers**						**$ 432**
46	**% Increase on Sales Revenue**						**8.8%**
47							
48	Total Revenue @ Existing Rates						$ 5,029
49	Gross Margin (Revenue - Cost of Gas) @ Existing Rates						$ 979
50							
51	% Increase on Gross Margin						49.2%

Schedule 2 – Utility Rate Base *(revised January 30, 2008)*

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)	(1,079)	(1,120)	(1,165)	(1,190)	-	(1,190)
8	CIAOC End of Year	(992)	(1,079)	(1,120)	(1,165)	(1,190)	(1,200)	-	(1,200)
9	CIAOC Average Mid-Year Balance	(990)	(1,060)	(1,100)	(1,142)	(1,177)	(1,195)	-	(1,195)
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)	(1,785)	(1,801)	(1,910)	-	(1,910)
16									
17	CIAOC Beginning of Year	439	398	435	472	511	550	-	550
18	CIAOC End of Year	478	435	472	511	550	591	-	591
19	CIAOC Average Mid-Year Balance	459	416	454	491	530	571	-	571
20									
21	**Net Plant in Service, Mid-Year**	**$ 4,689**	**$ 4,457**	**$ 4,664**	**$ 4,910**	**$ 5,172**	**$ 5,272**	**$ -**	**$ 5,272**
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)	(235)	9	(225)
28	Other Working Capital	8	9	12	18	18	18	-	18
29									
30	**Utility Rate Base**	**$ 4,387**	**$ 4,259**	**$ 4,329**	**$ 4,665**	**$ 4,957**	**$ 5,140**	**$ 9**	**$ 5,150**

Schedule 3 – Utility Income & Earned Return *(revised January 30, 2008)*

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	2,340	2,341		2,341
2									
3	**Energy Volumes (TJ)**								
4	Sales	571	588	586	557	587	589		589
5	Transportation Service	412	387	365	349	272	99		99
6	**Total Energy Volumes (TJ)**	**983**	**975**	**951**	**906**	**859**	**688**	**-**	**688**
7									
8	**Utility Revenue**								
9	Sales - Existing Rates	$ 4,203	$ 4,496	$ 4,959	$ 5,141	$ 4,903	$ 4,925		4,925
10	- Increase	34			-			432	432
11	Transportation - Existing Rates	349	337	322	309	242	104		104
12	- Increase	15			-			50	50
13	**Total Revenue**	**4,601**	**4,833**	**5,281**	**5,450**	**5,145**	**5,029**	**482**	**5,511**
14	Cost of Gas Sold (including Gas Lost)	3,357	3,526	4,064	4,251	4,024	4,050		4,050
15	Gross Margin	1,244	1,307	1,218	1,199	1,121	979	482	1,461
16	RSAM Revenue	-	47	67	114	115	-		-
17	**Adjusted Gross Margin**	**1,244**	**1,354**	**1,285**	**1,313**	**1,236**	**979**	**482**	**1,461**
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	118	115	197	198		198
22	Other Operating Revenue	(28)	(29)	(31)	(33)	(43)	(38)		(38)
23	**Total Utility Expenses**	**833**	**808**	**831**	**868**	**967**	**1,024**	**-**	**1,024**
24									
25	Utility Income Before Income Tax	411	545	453	445	269	(44)	482	437
26	Income Tax Expense	76	128	69	55	14	(102)	151	49
27									
28	**Earned Return**	**$ 335**	**$ 417**	**$ 384**	**$ 390**	**$ 255**	**$ 58**	**$ 330**	**$ 388**
29									
30	**Utility Rate Base**	**$ 4,387**	**$ 4,259**	**$ 4,329**	**$ 4,665**	**$ 4,957**	**$ 5,140**	**$ 9**	**$ 5,150**
31									
32	**Return on Rate Base**	**7.637%**	**9.798%**	**8.877%**	**8.364%**	**5.139%**	**1.119%**		**7.534%**

Schedule 4.1 – 2004, 2005, 2006 Revenue & Margin *(revised January 30, 2008)*

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**	**2,240.0**	**588.0**				**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**	**2,242.0**	**975.0**			**$**	**4,833**			**$**	**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	$	8.813		1,701.0	$	6.951		1,341.6	$	1.862		359.4
16	General Service Rate 2.2	28.0	102.0	$	7.971		813.0	$	6.881		701.9	$	1.089		111.1
17	**Total**	**2,298.0**	**586.0**				**4,959.0**				**4,073.4**				**885.6**
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**			**$**	**5,281.0**			**$**	**4,063.5**			**$**	**1,217.5**
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, 2008 Revenue & Margin *(revised January 30, 2008)*

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
1	**2007 Projected**												
2	**Sales**												
3	Residential	1,909.0	287.1	$ 8.301	2,383.2	$ 6.868	1,971.8	$ 1.433	$ 411.4				
4	General Service Rate 2.1	400.0	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**	**2,338.0**	**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**	**2,340.0**	**858.6**		**$ 5,145.1**		**$ 4,024.5**		**$ 1,120.6**				
11													
12	**2008 Forecast**												
13	**Sales**												
14	Residential	1,901.0	284.9	$ 8.296	2,363.5	$ 6.867	1,956.4	$ 1.429	$ 407.1	$ 0.703	200.2	$ 8.999	2,563.7
15	General Service Rate 2.1	408.0	205.1	$ 8.496	1,742.6	$ 6.866	1,408.3	$ 1.630	334.3	$ 0.802	164.4	$ 9.298	1,907.0
16	General Service Rate 2.2	30.0	99.4	$ 8.236	818.6	$ 6.865	682.4	$ 1.371	136.2	$ 0.674	67.0	$ 8.910	885.6
17	**Total**	**2,339.0**	**589.4**		**4,924.8**		**4,047.1**		**877.7**		**431.6**		**5,356.4**
18													
19	General Firm T-Service	2.0	98.6	$ 1.058	104.3	$ 0.027	2.7	$ 1.030	101.6	$ 0.507	50.0	$ 1.565	154.3
20													
21	**Total**	**2,341.0**	**688.0**		**$ 5,029.1**		**$ 4,049.8**		**$ 979.3**		**$ 481.6**		**$ 5,510.7**
22													
23	**Total Deficiency / (Surplus)**										**$ 481.6**		
24													
25	**% Increase / (Decrease)**										**9.58%**		

Schedule 5 – Income Tax Expense *(revised January 30, 2008)*

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	$ 417	$ 384	$ 390	$ 255	$ 58	$ 330	$ 388
2	Less: Interest on Debt	(203)	(198)	(201)	(206)	(212)	(232)	(0)	(233)
3	Add: Non-Tax Deductible Expense (Net)	6	2	2	1	0	0	-	0
4	Less: Timing Differences	(20)	(7)	(77)	(74)	(17)	(49)	-	(49)
5	Less: Large Corporation Tax	7	(6)	7	(2)	-	-	-	-
6	**Taxable Income after Tax**	**$ 125**	**$ 208**	**$ 116**	**$ 109**	**$ 26**	**$ (223)**	**$ 330**	**$ 107**
7									
8	**Taxable Income**	**$ 194**	**$ 342**	**$ 178**	**$ 166**	**$ 40**	**$ (325)**	**$ 481**	**$ 156**
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	$ 122	$ 62	$ 57	$ 14	$ (102)	$ 151	$ 49
17	Deferred Income Tax (Fort Nelson)	-			-				
18	Large Corporation Tax	7	6	7	(2)	-	-		-
19									
20	**Total Income Taxes**	**$ 76**	**$ 128**	**$ 69**	**$ 55**	**$ 14**	**$ (102)**	**$ 151**	**$ 49**

Schedule 6 – 2008 Capital Structure & Return on Capital *(revised January 30, 2008)*

Line No.	Particulars		Amount	Capitalization %	Embedded Cost %	Cost Component
1	**2008 at Existing Rates**					
2	Unfunded Debt	$	406	7.89%	5.000%	0.395%
3	Long Term Debt		2,935	57.10%	7.223%	4.124%
4	Common Equity		1,800	35.01%	-9.710%	-3.400%
5	**Total**	**$**	**5,140**	**100.00%**		**1.119%**
6						
7	**2008 Revised Rates**					
8	Unfunded Debt Adjusted	$	412	8.00%	5.000%	0.400%
9	Long Term Debt		2,935	56.99%	7.223%	4.117%
10	Common Equity		1,803	35.01%	8.620%	3.018%
11	**Total**	**$**	**5,150**	**100.00%**		**7.534%**

Schedule 7 – Operating & Maintenance Expenses *(revised January 30, 2008)*

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 & Sundry Taxes *(revised January 30, 2008)*

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 & Amortization Expense *(revised January 30, 2008)*

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)	(38)	(38)	(39)	(41)
9						
10	**Total Depreciation Expense**	**123**	**118**	**115**	**197**	**170**
11						
12	Amortization Expense	-	-	-	-	28
13						
14	**Total Depreciation & Amortization Expense**	**$ 123**	**$ 118**	**$ 115**	**$ 197**	**$ 198**

Schedule 10 – Other Revenue *(revised January 30, 2008)*

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 *(revised January 30, 2008)*

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	$ 4,259	$ 4,329	$ 4,665	$ 4,957	$ 5,140	$ 9	$ 5,150
2								
3	Weighted average embedded cost of debt in the capital structure							
4	Long-term debt	4.312%	4.397%	4.114%	3.872%	4.124%	-0.008%	4.117%
5	Unfunded debt	0.340%	0.240%	0.299%	0.406%	0.395%	0.005%	0.400%
6	**Total**	**4.653%**	**4.636%**	**4.413%**	**4.277%**	**4.519%**	**-0.002%**	**4.517%**
7								
8	**Utility Interest Expense**	**$ 198**	**$ 201**	**$ 206**	**$ 212**	**$ 232**	**$ (0)**	**$ 233**

Schedule 12 – Permanent & Timing Differences *(revised January 30, 2008)*

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	$ 118	$ 115	$ 197	$ 170
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)	(147)	(165)	(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**	**$ (7)**	**$ (77)**	**$ (74)**	**$ (17)**	**$ (49)**

Schedule 13.1 – 2004 Capital Cost Allowance *(revised January 30, 2008)*

Line No.	Class	CCA Rate %	UCC Opening Balance	Opening Adjustments	Adjusted UCC Opening	Additions w/o OH	Overhead	Net Additions	1/2 Year Adjustment	Adjusted UCC	CCA	UCC Closing Balance
1	**2004 Actual Normalized**											
2	1	4.0%	$ 2,324	$ -	$ 2,324	$ 38		$ 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**	**$ 38**	**$ -**	**$ 201**	**$ (101)**	**$ 2,978**	**$ (140)**	**$ 2,938**

Schedule 13.2 – 2005 Capital Cost Allowance *(revised January 30, 2008)*

Line No.	Class	CCA Rate %	UCC Opening Balance	Opening Adjustments	Adjusted UCC Opening	Additions w/o OH	Overhead	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	42		$ 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**	**$ 42**	**$ -**	**$ 444**	**$ (222)**	**$ 3,172**	**$ (144)**	**$ 3,250**

Schedule 13.3 – 2006, 2007 Capital Cost Allowance *(revised January 30, 2008)*

Line No.	Class	CCA Rate %	UCC Opening Balance	Opening Adjustments	Adjusted UCC Opening	Additions w/o OH	Overhead	Net Additions	1/2 Year Adjustment	Adjusted UCC	CCA	UCC Closing Balance
1	**2006 Actual Normalized**											
2	1	4%	$ 2,778	$ (9)	$ 2,769	$ 113		$ 113	$ (57)	$ 2,826	$ (113)	$ 2,770
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**	**$ 113**	**$ -**	**$ 113**	**$ (57)**	**$ 3,298**	**$ (147)**	**$ 3,207**
10												
11	**2007 Projected**											
12	1	4%	$ 2,770	$ 368	$ 3,137	$ 269	$ 85	$ 354	$ (177)	$ 3,314	$ (133)	$ 3,358
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**		**$ 3,207**	**$ 368**	**$ 3,575**	**$ 269**	**$ 85**	**$ 354**	**$ (177)**	**$ 3,752**	**$ (165)**	**$ 3,764**

Schedule 13.4 – 2008 Capital Cost Allowance *(revised January 30, 2008)*

Line No.	Class	CCA Rate %	UCC Opening Balance	Opening Adjustments	Adjusted UCC Opening	Additions w/o OH	Overhead	Net Additions	1/2 Year Adjustment	Adjusted UCC	CCA	UCC Closing Balance
1	**2008 Forecast**											
2	1	4%	$ 3,358		$ 3,358	$ 73	$ 72	$ 145	$ (73)	$ 3,430	$ (137)	$ 3,366
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	16	16	32	(16)	22	(4)	34
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**		**$ 3,764**	**$ -**	**$ 3,764**	**$ 89**	**$ 88**	**$ 177**	**$ (88)**	**$ 3,852**	**$ (167)**	**$ 3,774**

Schedule 14.1 – 2004 Gas Plant in Service *(revised January 30, 2008)*

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 *(revised January 30, 2008)*

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 *(revised January 30, 2008)*

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 *(revised January 30, 2008)*

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 *(revised January 30, 2008)*

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 *(revised January 30, 2008)*

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 *(revised January 30, 2008)*

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 *(revised January 30, 2008)*

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 *(revised January 30, 2008)*

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 *(revised January 30, 2008*

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 *(revised January 30, 2008*

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	38		675
6	Total Gross Contributions	1,041	38	-	1,079
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**	**$ 1**	**$ -**	**$ 644**
14					
15	**2005 Actual**				
16	Gross Contributions				
17	DSEP / GEAP	$ 248			$ 248
18	Computer Software Tax Credit	156			156
19	Other	675	42		716
20	Total Gross Contributions	1,079	42	-	1,120
21					
22	Accumulated Amortization				
23	Computer Software Tax Savings	(87)	(20)		(107)
24	Other	(348)	(18)		(365)
25	Total Accumulated Amortization	(435)	(38)	-	(472)
26					
27	**Total 2005 Actual Net CIAOC**	**$ 644**	**$ 4**	**$ -**	**$ 648**

Schedule 16.2 – 2006, 2007 Contributions in Aid of Construction *(revised January 30, 2008*

Line No.	Particulars	Opening Balance	Additions	Retirements	Ending Balance
1	**2006 Actual**				
2	Gross Contributions				
3	DSEP / GEAP	$ 248			$ 248
4	Computer Software Tax Credit	156			156
5	Other	716	44		761
6	Total Gross Contributions	1,120	44	-	1,165
7					
8	Accumulated Amortization				
9	Computer Software Tax Savings	(107)	(20)		(127)
10	Other	(365)	(18)		(384)
11	Total Accumulated Amortization	(472)	(38)	-	(511)
12					
13	**Total 2006 Actual Net CIAOC**	**$ 648**	**$ 6**	**$ -**	**$ 654**
14					
15	**2007 Projected**				
16	Gross Contributions				
17	DSEP / GEAP	$ 248			$ 248
18	Computer Software Tax Credit	156	-		156
19	Other	761	25		786
20	Total Gross Contributions	1,165	25	-	1,190
21					
22	Accumulated Amortization				
23	Computer Software Tax Savings	(127)	(20)		(147)
24	Other	(384)	(19)		(403)
25	Total Accumulated Amortization	(511)	(39)	-	(550)
26					
27	**Total 2007 Projected Net CIAOC**	**$ 654**	**$ (14)**	**$ -**	**$ 640**

Schedule 16.3 – 2008 Contributions in Aid of Construction *(revised January 30, 2008)*

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	786	10		796
6	Total Gross Contributions	1,190	10	-	1,200
7					
8	Accumulated Amortization				
9	Computer Software Tax Savings	(147)	(21)		(168)
10	Other	(403)	(20)		(423)
11	Total Accumulated Amortization	(550)	(41)	-	(591)
12					
13	**Total 2008 Forecast Net CIAOC**	**$ 640**	**$ (31)**	**$ -**	**$ 609**

Schedule 17.1 – 2004, 2005 Unamortized Deferred Charges *(revised January 30, 2008)*

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 *(revised January 30, 2008*

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 *(revised January 30, 2008)*

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 *(revised January 30, 2008)*

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	34.9	0.1	34.9
3	Expense Lag Days	(36.7)	(36.9)	(37.1)	(37.3)	(37.5)	0.6	(36.8)
4	**Net (Lead) / Lag Days**	**(1.2)**	**(1.5)**	**(1.8)**	**(2.1)**	**(2.6)**	**0.7**	**(1.9)**
5								
6	Cash Required for Operating Expenses	$ (16)	$ (21)	$ (26)	$ (31)	$ (38)	$ 9	$ (28)
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)**	**$ (235)**	**$ 9**	**(225)**

Schedule 18.2a – 2004, 2005 Lead Time from Date of Payment to Receipt of Cash *(revised January 30, 2008)*

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 *(revised January 30, 2008)*

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 *(revised January 30, 2008)*

Line No.	Particulars	Revenue	Lead Days	Dollar Days
1	**2008 Forecast at Existing Rates**			
2	Residential & Commercial	$ 4,925	34.6	$ 170,397
3	Small Industrial	104	47.2	4,923
4	**Total Sales / T-Service**	5,029	34.9	**175,320**
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**	**$ 5,067**	**34.9**	**$ 176,612**
11				
12	**2008 Forecast at Revised Rates**			
13	Residential & Commercial	$ 5,356	34.6	$ 185,331
14	Small Industrial	154	47.2	7,281
15	**Total Sales / T-Service**	**5,511**	**35.0**	**192,612**
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**	**$ 5,549**	**34.9**	**$ 193,904**

Schedule 18.3a – 2004, 2005 Lag Time in Payment of Expenses *(revised January 30, 2008)*

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 *(revised January 30, 2008)*

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	55	15.2	836
10	**Total Expense**	**$ 5,308**	**37.1**	**$ 196,885**
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	14	15.2	213
21	**Total Expense**	**$ 5,359**	**37.3**	**$ 199,779**

Schedule 18.3c – 2008 Lag Time in Payment of Expenses *(revised January 30, 2008)*

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	4,050	40.7	164,827
4				
5	Taxes other than income			
6	Property Taxes	125	4.0	500
7	Goods & Service Tax	253	41.7	10,566
8	S. S. Tax	189	43.8	8,290
9	Income Tax	(102)	15.2	(1,550)
10	**Total Expense**	**$ 5,255**	**37.5**	**$ 196,902**
11				
12	Adjustment for Revised Rates			
13	Income Tax Expense	151	15.2	2,297
14	**Total Expense at Revised Rates**	**$ 5,406**	**36.8**	**$ 199,198**

Schedule 18.4 – Other Working Capital *(revised January 30, 2008)*

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 *(revised January 30, 2008)*

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 *(revised January 30, 2008)*

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 *(revised January 30, 2008)*

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 *(revised January 30, 2008)*

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 *(revised January 30, 2008)*

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	**2008 Forecast**										
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%**

Attachment 6

1.0 Reference: Customers Counts and Use Rates, Exhibit B-1-1, Application, Attachment 1, p. 3

The three tables on page 3 of Attachment 1 show projections for customer counts, use rates, and energy demand for 2007.

1.1 Please provide tables for 2007 year-to-date (to the most recent month for which data are available), using the same layout as the tables cited. If practicable, please present as normalised data.

<u>Response:</u>

The requested tables are provided below. The values are based on 11 months of actual data and an estimate for December. Normalized data is not yet available for 2007 so actual data is provided in lieu. Normalized results are expected to be available in March 2008.

When the Application was filed, the count of year-end customers for 2007 was not available. As a proxy, the forecast of account additions from the 2007 year-end forecast was used to estimate the opening balance of customer for 2008. At the time, the projection was reasonable given that Fort Nelson customer additions have historically been heavily weighted towards the fourth quarter of the year. In the case of 2007, customer account additions did not exhibit the usual pattern. The lack of net customer additions in the final months of 2007 resulted in net customer additions of 14 rather than the projection of 54 new customers.

The use per customer data provided below is not on a normalized basis, as noted above. An analysis of weather data for Fort Nelson reveals that the weather was approximately 2.5% colder in 2007 (on a heating degree day basis) as compared to the average of the ten previous years. Although the ratio of heating degree days cannot be applied directly to use per customer rates for normalization purposes, it does suggest that that the actual 2007 use per customer rates are likely to decrease when normalized. The projected values for 2007 were developed for the 2007 Year-End forecast based on partial year actual data combined with the forecasted values for the remaining months that were developed in 2006 using 2005 data. Incorporating the actual 2007 customer additions would increase 2008 Revenue Requirement by $12,000.

Year-End Customers

	Projected 2007	Actual 2007*
Rate 1	1,961	1,928
Rate 2.1	416	408
Rate 2.2	29	30
Rate 25	2	2
Total	**2,408**	**2,368**

*2007 Actuals are for 12 months with Dec. based on estimate

Use per Customer Rates (GJ/yr)

	Projected 2007	Actual 2007*
Rate 1	148.8	142.6
Rate 2.1	503	474
Rate 2.2	3,312	3,080
Rate 25	135,533	132,068

*Normalized data not yet available for 2007

Energy Demand (TJ/yr)

	Projected 2007	Actual 2007*
Rate 1	287.1	275.0
Rate 2.1	203.4	193.4
Rate 2.2	96.0	92.4
Rate 25	271.1	264.1
Total	**857.6**	**824.9**

*Normalized data not yet available for 2007

2.0 Reference: Customers Additions, Exhibit B-1-2, Application, Table C.1, Section C, pp. 8-9

Table C.1 shows year-end net customer additions of 85 for 2004 actual, 45 for 2005 actual, 13 for 2006 actual, 54 for 2007 projected and 17 for 2008 projected.

2.1 Please provide a table that breaks out the net additions by year from 2004 to 2008 into the categories of New Customers, Reconnections, and Disconnections.

Response:

The requested table is provided below. Both the projection from the 2007 year-end forecast as well as the actual results are provided. Please refer to the response to Question 1.1 for a discussion of the variance.

	2004	2005	2006	2007P	2007A	2008F
Disconnections	155	197	186	196	206	193
Reconnections	152	198	180	196	206	191
Net Reconnects	-3	1	-6	0	0	-2
Gross Customer Additions	88	44	19	54	14	19
Net Customer Additions	85	45	13	54	14	17

2.2 Page 9 explains the 2004 additions are due to a construction boom with construction moderating since that time but overall the region continues to grow. Please explain the significant decrease in 2006 net additions, the rebound in 2007 net additions and the decrease in 2008 net additions.

Response:

The higher level of customer additions experienced in 2004 and 2005 was the result of strong growth in the energy sector during that period. Housing developments were created to accommodate new residents moving to Fort Nelson for work in the natural gas drilling industry. Also, the municipal government was successful in convincing natural gas drilling companies to locate smaller businesses that support the drilling activities in the town of Fort Nelson which explains the growth in Rate 2.1 customers. With lower natural gas prices in 2006, drilling activity slowed which was also reflected in lower net customer additions for that year. The projection of 54 customer additions in 2007 was based on the forecast developed in the summer of 2006 - at that time, the most recent data for a complete year was 2005. Actual results for 2007 have come in lower than forecast at 14 net customer additions. This past year has seen the continuation of lower natural gas prices that began in 2006 and produced customer additions at roughly the same level. The 2008 account additions were developed prior to the announced closures of the two Rate 25 customers by Canfor. The forecast of 17 net customer additions for 2008 is consistent with actual results experienced in 2006 and 2007. Given recent events in Fort Nelson with regards to the forestry firms, the impact on net customer additions for 2008 is unclear. Clearly, the loss of employment in the region will dampen the economy, but there is already evidence that some people are finding employment in the natural gas industry. There is also further exploration for natural gas occurring in the region which could bolster Fort Nelson's economic prospects.

2.3 Please provide the total residential building permits that have been issued for the TG Fort Nelson service area in the years of 2005, 2006 and 2007.

Response:

The municipality of Fort Nelson was contacted with regards to building permits for 2005 to 2007. At the time of writing, the municipality had only compiled data up to 2005. They intend to compile the data from 2006 and 2007, but no specific timeline was available for the completion of this work.

The table below is an extract of building permits obtained from the municipality's website. Years prior to 2005 are included for comparison purposes.

TOWN OF FORT NELSON Building Permit Statistics							
			Value				
Year	**Renos**	**New**	**Residential**	**Commercial**	**Industrial**	**Institution**	**Total**
2003	24	62	$9,084,210	$1,632,000	$5,373,000	$33,000	$16,122,210
2004	37	47	$6,950,800	$5,560,630	$5,637,864	$38,000	$18,187,294
2005	36	11	$1,956,349	$2,359,700	$4,215,300	$32,500	$8,563,849

3.0 Reference: Residential Use Rate, Exhibit B-1-1, Application, Attachment 1, p. 3

The "Use per Customer" table on page 3 of Attachment 1 shows that use rates for all rate classes decreased in 2006 versus 2005.

3.1 What are the reasons for the across-the-board reductions in use rates that occurred in 2006?

Response:

TG Fort Nelson is not aware of any specific reasons that would account for an "across-the-board" reduction of use rates in 2006. However, the Company is of the view that it is reasonable to expect that the significant number of new homes built in the two years prior to 2006 would be better insulated and use higher-efficiency natural gas appliances than the average existing home in the area. Also, the Company expects that the replacement of lower-efficiency natural gas heating appliances with newer higher-efficiency models is occurring in Fort Nelson as it is throughout the province. This would also contribute to a decline in average residential use rates.

Customers served under Rate Schedule 2.1 saw a small average change in 2006 in comparison with 2005. The average change was larger for customers served under Rate Schedule 2.2, but given the small number of customers in this rate class, year-over-year changes of a handful of customers can significantly impact the overall rate class average. Finally, the reason for decrease in the average consumption of customers served under Rate Schedule 25 is the result of changes in production levels of those facilities.

4.0 Reference: Rate Class 25 Use Rate, Exhibit B-1-1, Application, Attachment 1, p. 3

Page 3 of Attachment 1 shows a decrease in the projected 2007 "Use per Customer" for Rate 25 of roughly 22 percent as compared to 2006. The application states that both of the Rate 25 customers are forestry firms.

4.1 Please explain how the presented Rate 25 Use Rate was arrived at.

Response:

The average use rate for Rate Schedule 25 was determined using demand forecast data that was collected from the customer through customer surveys during the summer of 2007. Total demand for this rate class was determined in this manner and then simply divided by the number of customers to derive an average use-rate for the class. Immediately prior to the filing of the Application on November 30, 2007, the Company confirmed the 2008 demand forecast for these facilities with representatives of Canfor.

Subsequent to the filing of the Application, Canfor has announced the indefinite closure of the two facilities served under Rate Schedule 25. Please refer to Attachment 4.1, which is a copy of the Canfor new release. The Tackama facility is expected to shut down in April of this year while the Polarboard OSB facility is slated for closure sometime this summer. The filing is based on 248 TJs for Tackama and 28 TJs for PolarBoard in 2008. Given Canfor's announcement, the revised expected volumes are 82 TJs for Tackama and 17 TJs for PolarBoard based on the timing laid out in Canfor's press release. Based on these planned closures, a revised average use per customer for Rate Schedule 25 is estimated at 49,314 GJs for 2008.

The table below details the expected changes to use per customer rates as well as revenues for that rate class. Revenues have been calculated based on the rates that were in effect in 2007, as well as the rates proposed in the December 21, 2007 Revised Application.

Rate 25 Closure - Impact for 2008

	Original Demand - (Prior to Closures)	Revised Demand - (Reflecting Closures)	Variance
# of Accounts	2	2	-
Energy Demand (TJ)	276	99	(177)
Use per Customer Rate (TJ)	138	49	(89)
Revenue ('000s) - 2007 Rates	247	104	(142)
Revenue ('000s) -at Dec 21 Proposed Rates for 2008	$ 320	$ 154	$ (166)
Revenue ('000s) -at Jan. 30, 2008 Proposed Rates for 2008	N/A*	$ 161	N/A

*Jan. 30, 2008 Proposed Rates apply only to decreased Rate 25 Demand.

Both customers served under Rate Schedule 25 will technically remain as customers until at least the end of 2008 due to contractual obligations, which means they will continue to pay administrative charges throughout the year.

As can be seen in the table, anticipated reduction in the 2008 annual demand due to the announced closures is 177 TJ, resulting in a reduction in forecast revenues of approximately $166,000, from $320,000 to $154,000, based on the rates proposed in the Revised Application dated December 21, 2007. If the mills remain closed during 2009 the remaining residential and commercial customers will see significant upward pressure on rates for 2009 to offset the lost margin from the mills. The Company is of the view that its 2008 Application be revised to consider the 2008 reduction in demand, although it will cause 2008 revenue requirement to increase by $137,000. If the Application is not revised to take into account the reduced demand in 2008, it will result in greater delivery margin increases in 2009 and a higher RSAM rider than otherwise would have been the case.

4.2 What is the worst-case scenario that TG Fort Nelson expects concerning natural gas demand by the two Rate 25 customers for 2008? What revenue impact would result from that eventuality?

Response:

Presumably, the worst case scenario would be that the two mills could shut down even earlier than what has been announced, which would increase the revenue impacts in 2008. However, the Company has no information as to whether this is a plausible scenario.

Please also refer to the response to Question 4.1.

4.3 How many people are employed by the two forestry firms in Fort Nelson?

Response:

The Company has not been able to confirm with Canfor the exact number of people it employs at the two facilities in Fort Nelson, however, in its January 18, 2008 news release, Canfor set out that approximately 435 employees are affected by the announced indefinite closures of the PolarBoard OSB and Tackama plywood mills.

4.4 What is the relationship between the business activity of the two forestry firms, and the demand for natural gas by residential customers in Fort Nelson?

Response:

Given that the news of the closures of the Canfor mills is so recent and that the facilities have yet to close, it is too early for the Company to assess the likely outcome on residential demand and customer additions for 2008. However, it is expected that any changes to residential demand will be minor in 2008, resulting from the announced closure of the Canfor mills. As natural gas is used primarily for heating loads, it is not anticipated that customers will significantly curtail the heating of their homes in the near future. Also, it is not anticipated that a significant number of people will leave the area immediately. However, there could be a decrease in population in subsequent years if those affected are not successful in finding employment in other fields. A significant downturn in Fort Nelson's forestry industry certainly impacts the residents in some way. What is unclear though is to what extent local residents will be able to find other employment in industries such as energy which would allow them to remain in the area.

As stated above, the Company is of the view that it is too early to appropriately assess the impact of the announced mill closures on the residential demand and customer additions for 2008. The Company did a high level analysis of the revenue requirement impact of potential forecast error related to the forecast 2008 customer additions of 17 customers. If the customer additions for 2008 were changed from 17 to zero, revenue requirement is estimated to increase by only $3,000. Given the marginal impact that the customer additions has on the 2008 revenue requirement forecast and the uncertainty surrounding local industries, the economy, and how they relate to new customers for TG Fort Nelson, the Company is of the view that leaving the forecast additions for 2008 at 17 is the reasonable and appropriate course of action.

4.5 What is the relationship between the demand for natural gas of the forestry firms, and the demand by residential customers in Fort Nelson?

Response:

Please refer to the response to Question 4.4.

5.0 Reference: Revenue/Cost Ratios, Exhibit B-1-1, Application

5.1 When was the most recent cost of service study for TG Fort Nelson conducted?

Response:

TG Fort Nelson has not performed, in the past decade, a detailed cost of service study for the Fort Nelson Service Area. However TG Fort Nelson has prepared a preliminary high-level cost of service review and calculated revenue to cost ratios as provided in the responses to Questions 5.2 below.

5.2 What are the revenue/cost ratios for each rate class using normalised 2006 data?

Response:

Please refer to Attachment 5.2, which is the high-level cost of service review for 2006 and 2008. The revenue to cost ratios resulting from the preliminary high level cost of service review prepared using normalized 2006 customers and demand, and the 2008 proposed rates, based on the December 21 filing, are included below. The cost of service review assumes the two Rate Schedule 25 customers consume gas for the full year and have been assigned a proxy commodity cost of gas consistent with that included in Rate Schedule 3 in order to form a reasonable basis for a determination of revenue to cost. The cost of service review shows the revenue to cost ratios, even after consideration of the December 21, 2007 proposed rate changes for 2008, are within a + or – 10% zone of reasonableness. The Company considers this zone of reasonableness for revenue to cost ratios is appropriate at this time for TG Fort Nelson. Based on the results of this preliminary high-level review, and in consideration of other rate design principles, it is the Company's view that rate rebalancing for Fort Nelson is not needed at this time. Although TG Fort Nelson has not completed a cost of service analysis of the scenario reflecting the closure of the mills as part of its preliminary high-level review, the Company would expect that the revenue to cost ratios for the remaining classes would increase as a result. The Company does not expect that the resulting revenue to cost ratios of such an analysis would cause the Company to revise its conclusion with respect to rate rebalancing.

Customer Class	Residential	Small Commercial	Large Commercial	Firm General
Rate Class	Rate 1	Rate 2.1	Rate 2.2	Rate 25
Normalized 2006 Revenue to Cost Ratio	91%	103%	107%	105%
Proposed 2008 Rates as per Dec 21,2007 Revenue to Cost Ratio	91%	103%	108%	107%

5.3 What will be the revenue/cost ratios for each rate class based on the proposed rates and the forecasts of customers and demand?

Response:

Please refer to the response to Question 5.2.

5.4 What R/C ratio bandwidth limits are applicable to the TG Fort Nelson service area?

Response:

Please refer to the response to Question 5.2.

6.0 Reference: Revenue Deficiency Components, Exhibit B-1-2, Application, Section J, p. 32

The Application shows that, using current rates, a revenue deficiency of $348,000 is anticipated.

6.1 What amount of the deficiency is due to cost increases?

Response:

$233,000 of the anticipated $348,000 revenue deficiency is due to cost increases excluding cost of gas. Table 6.1 below provides further detail while responses to Questions 7, 13 and 14 provide an analysis of the difference in rate base and operating and maintenance expenses.

Revenue Deficiency Details

Description	2004 Decision	2008 @ Existing Rates	Difference
Revenue			
Residential/Commercial	4,237	4,991	754
Transportation Service	364	247	(117)
Total Revenue:	**4,601**	**5,237**	**636**
Less:			
Cost of Gas	3,357	4,109	752
Gross Margin:	**1,244**	**1,129**	**(115)**
Cost of Service (excl. Cost of Gas)			
Operations & Maintenance	604	739	135
Property Tax	98	125	27
Depreciation	158	173	15
Amortization	1	28	27
Income Tax	76	53	(23)
Interest	203	238	35
Other Revenue	(28)	(38)	(10)
Return on Equity	132	160	28
Total Cost of Service:	**1,244**	**1,477**	**233**
Deficiency:	**(0)**	**(348)**	**(348)**

6.2 What amount of the deficiency is due to revenue decreases?

Response:

$115,000 of the anticipated $348,000 revenue deficiency is a result of decreases in delivery margins. Table 6.1 above provides further detail.

7.0 Reference: Rate Base vs. Demand, Exhibit B-1-1, Application, Attachment 1, p. 1

The table on page 1 of Attachment 1 includes figures for both rate base and demand. The figures show an increase in rate base, from 2006 to 2008, of 9.2 percent; the figures for demand show a decrease, from 2006 to 2008, of 1.8 percent.

7.1 Please detail the nature of, and reasons for, the rate base additions.

Response:

In any given year, capital expenditures are not driven necessarily by changes in total energy demand but by the number of customer additions and the need to upgrade the system so that TG Fort Nelson can continue to operate its system and provide safe and reliable service to new and existing customers.

Mid-year rate base for the period 2006 to 2008 is forecast to increase from $5.054 million to $5.518 million, an increase of $0.464 million (9.2%). The increase is the result of capital expenditures of $0.7 million offset by an increase in accumulated depreciation (net of CIAC amortization) of $0.2 million.

From 2006 to 2008, TG Fort Nelson forecasts aggregate capital spending of approximately $0.7 million. The following table separates the capital spending between Customer Additions Driven and Other Capital which are required for reliability, safety and compliance with standards. Please also refer to the response to Question 4.4.

	2006	2007	2008	Total 2006 - 2008
Customer Additions Driven				
New Mains	3	44	14	61
New Services	13	89	15	117
New Meters	6	14	4	24
Subtotal	23	147	33	202
Other Capital				
Structures and Improvements	55	-	-	55
Services (i.e. alterations)	31	0	13	44
House Regulator & Meter Installation	6	21	7	34
Mains (i.e. alterations)	68	0	10	78
Measuring and Regulating	224	75	-	299
Meters	-	-	-	-
Small Tools and Equipment	-	-	16	16
Subtotal	383	96	46	525
Total Capital Additions	405	243	79	727

$0.3 million is for Measuring and Regulating Equipment, $0.06 million, for Structures and Improvements with the remaining $0.34 million for Mains, Meters and. Services (i.e. $0.2 million is related to service new customers and $0.14 million for existing customers).

The capital expenditures per year for the period 2006 to 2008 are consistent with that of prior years.

Spending for Measuring and Regulating Equipment was mostly for replacement of the existing odourizer and performing station upgrades (i.e. filter upgrades) at the Fort Nelson #1 and Muskwa gate stations. Structures and Improvements expenditures were related to the upgrading of line heater facilities with secondary containment at three gate stations. These expenditures were required to ensure safe and reliable service to all customers. Further details of the nature and reasons for rate base additions are included in Section G – Capital Requirements and Rate Base (page 24) of TG Fort Nelson's Detailed Application Support Materials (Exhibit B-1-2) filed December 21, 2007.

7.2 Please explain why the rate base additions are needed, given that the forecast indicates reduced demand for some rate classes.

<u>Response:</u>

Please refer to the response to Question 7.1.

8.0 Reference: Revenue Deficiency Components, Exhibit B-1-2, Application, p. 7

"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."

8.1 Given the uncertainty surrounding the forestry customers, why does TG Fort Nelson forecast any increase in consumption for 2008?

Response:

Please refer to the response to Question 4.1.

8.2 Please comment on the anticipated impact on residential demand that TG Fort Nelson would anticipate in the event of each of the following:

8.2.1 Canfor plywood facility ceases operation.

Response:

Please see the response to Question 4.4.

8.2.2 Canfor OSB facility ceases operation.

Response:

Please see the response to Question 4.4.

8.2.3 Both Canfor facilities cease operation.

Response:

Please see the response to Question 4.4.

9.0 Reference: Population vs. Demand, Exhibit B-1-2, Application, p. 7

"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."

9.1 For forecasting purposes, what does TG Fort Nelson assume regarding how a change in forecast population proportionally affects the anticipated demand for natural gas, in the TG Fort Nelson service area?

Response:

Increases in population would be expected to increase residential demand at a slightly slower rate than would be suggested on a population % increase basis. The reason for the lower rate of growth for residential demand is premised on the assumption that the addition of new customers likely suggests an addition of newly built homes which tend to be more efficient and better insulated. In the event of a population decrease, overall residential consumption is expected to decrease marginally in the near-term. For the small percentage that would leave their home, they would almost certainly continue to heat them, although likely at a lower level, to prevent damage from freezing. The majority who would remain in the community would likely continue their consumption at normal levels. The announced closures of the two Rate 25 customers is too recent to assess whether TG Fort Nelson will experience a decrease in residential consumption or not. Until there is a better understanding of the likely outcome, the forecast reflected in the Application remains the best estimate of anticipated demand. Commercial and Industrial demand is not expected to be impacted materially by a change in population.

10.0 Reference: Dwelling Type and Use Rates, Exhibit B-1-2, Application, p. 9

"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."

10.1 Of the additions to housing referred to for the TG Fort Nelson service area, how many 2008 additions are expected to be a) single family dwellings, b) apartments, c) mobile homes?

Response:

TG Fort Nelson does not forecast residential customer additions by housing type, but the expectation is that housing type would reflect recent experience. In 2006, all residential customer additions were single family dwellings while in 2007, single family dwellings were approximately 70% of residential additions with the balance being multi-family dwellings. No mobile homes were recorded as customer additions during these years. These percentages are only meant to be illustrative as the share of multi-family dwellings can vary significantly from year-to-year given that this housing type tends to be added in larger blocks, but more infrequently.

The customer additions reflected in the Application were determined prior to the announcement of the closure of the two Rate 25 customers by Canfor. Given that the closures are not yet in effect and that the impact is still being assessed by the community, it is too early to tell whether an adjustment to customer additions is warranted.

10.2 What customer use rates does TG Fort Nelson currently use to forecast demand for a) single family dwellings, b) apartments, c) mobile homes?

Response:

Residential customer use rates are not forecasted by housing type. An average use rate is determined for all customers in that rate class and applied to all customers to arrive at the forecast of residential demand.

11.0 Reference: Industrial Demand, Exhibit B-1-2, Application, pp. 11, 15

11.1 What is the annual demand for each of the Canfor facilities?

Response:

Please refer to the response to Question 4.1.

11.2 Aside from the survey of the industrial customers, does TG Fort Nelson incorporate other information into the industrial demand forecast? If so, how is it incorporated?

Response:

Typically, results from the industrial survey are reflected in the forecast without adjustments as the customer's input is considered to be the best source of information. Reasonableness checks are conducted by comparing survey data with historical results and industry norms.

With regards to TG Fort Nelson industrial customers in particular, a call was placed prior to submitting the Application and survey volumes were reconfirmed.

11.3 Are the industrial demand forecasts premised on the rates proposed in the Application?

Response:

The two Rate 25 customers completed the industrial surveys in mid-2007 with the knowledge of the rates that were in effect at that time. As discussed in the response to Question 4.1, there has been a substantial change to the industrial demand forecast.

12.0 Reference: Forecast Performance, Exhibit B-1-2, Application, p. 11

12.1 Please show a comparison of actual demand to projected demand using available data for YTD 2007.

Response:

Please refer to the response for Question 1.1

13.0 Reference: Operating and Maintenance Expenses, Exhibit B-1-2, Section E, p. 17

13.1 Shared services costs are allocated from TGI to TG Fort Nelson on the basis of sales volumes. Please explain if transportation volumes at TGI and TG Fort Nelson are also included in the volume totals. Please explain why sales volumes are a better allocation basis rather than rate base or customer count. What would be the 2007 and 2008 allocation if rate base was the allocation base? What would be the 2007 and 2008 allocation if customer count was the allocation base?

Response:

Shared services costs are allocated on the basis of sales volumes (volumes of gas sold), excluding transportation volumes. The current allocation basis was last reviewed and approved (Order No. G-63-92) as part of the Terasen Gas (then BC Gas Inc.) 1992 Revenue Requirement Application. At that time, a number of different allocation basis were reviewed including volumes of gas sold, rate base and number of customers. In the end, it was concluded that using volumes of gas sold was appropriate. This method was discussed as part of the Terasen Gas (then BC Gas Inc.) 1992 Revenue Requirement Application, response to BCUC IR No.1, Question 1.5. Terasen Gas has continued to use the resulting 0.4% factor for the allocation of shared services costs.

The following table provides the % allocation and $ allocation for 2007 and 2008 assuming rate base and customer count were used as the basis. These results are similar to that calculated for 1992 using rate base (0.2%) and customer count (0.3%) as the basis for allocation.

Allocation Base	Division	2007 Forecast	2008 Projection
Rate Base ($000s)	TGI	$ 2,474,218	$ 2,505,483
	Fort Nelson	$ 5,126	$ 5,402
	Total	$ 2,479,344	$ 2,510,885
	Fort Nelson as % of Total	0.2%	0.2%
Average Customers	TGI	817,480	829,970
	Fort Nelson	2,408	2,425
	Total	819,888	832,395
	Fort Nelson as % of Total	0.3%	0.3%

Note: a decrease of 0.1% on the allocation basis used translates into approximately a $100,000 decrease in gross O&M allocated to Fort Nelson.

If reductions were made to the TG Fort Nelson allocation of shared service costs a corresponding increase in costs to the remaining Terasen Gas service areas (i.e. those Terasen Gas service areas other than TG Fort Nelson) would result. It is the view of the

Company that it would not be appropriate to change the allocation basis as Terasen Gas believes that implicit in the current PBR Settlement Agreement for the remaining Terasen Gas service areas is that the method of allocating cost to TG Fort Nelson should continue in the same manner as done prior to the commencement of the PBR Settlement Agreement. Therefore if changes were made to the allocation factors for TG Fort Nelson, Terasen Gas is of the view the change would need to be treated as an "exogenous factor" for the remaining Terasen Gas service areas, and would result in an increase to the allowed costs in the period the allocation change is made.

14.0 Reference: Operating and Maintenance Expenses, Exhibit B-1-2, Section E, p. 18, Table E.1

14.1 What accounts for the projected increase in vehicle costs for 2007 and 2008?

Response:

The projected increase in vehicle expenses for 2007 and 2008 is the result of allocating a higher proportion of field staff's time and vehicle resources to O&M related jobs versus capital work. In recent years, particularly in 2004 with the construction boom in new housing, priority has been placed on assigning internal resources to capital work, specifically to meet demand for new service lines. With a moderation of customer growth expected, the Company will be shifting its internal resources in 2007 and 2008 to catch-up on its outstanding operating and maintenance activities.

14.2 Total labour costs are increasing at a compounded rate of 6.36 percent/year which is well over the inflation rate. Are there steps that can be taken such as scheduling labour or work sharing that will mitigate the projected increase in labour costs?

Response:

Labour costs have been increasing not as a result labour scheduling issues but due to annual wage inflation of approximately 3 percent per year and as described in the response to Question 14.1, increased allocation of a higher proportion of field staff's time to O&M related jobs versus capital work. Contributing to the higher wages observed is the considerable turnover in IBEW personnel with 3 new IBEW staff recruited since 2005 with one of the vacancies resulting from a retirement.

Currently, only two full-time IBEW personnel are stationed at Fort Nelson to operate and service the pipeline system and provide emergency response coverage. With such a small workforce, turnover in employees results in shifting of priorities and resources between O&M and capital work in any given year.

The relatively small size of the community and TG Fort Nelson service area do not allow the typical scale economies enjoyed by the much larger Terasen Gas service areas and employee turnover and training has more significant impact on unit costs. Historically TG Fort Nelson has enjoyed lower service rates than the customers in remaining service areas of Terasen Gas and TG Fort Nelson customers have resisted rate area integration. TG Fort Nelson residential customers, incorporating the changes from the January 30 revised application, will have an average delivery margin rate of $2.132/GJ including rate riders. Residential customers in the other three Terasen Gas service areas have a delivery margin of $3.964/GJ.

14.3 Please break out the M&E, COPE and IBEW labour costs into direct and allocated costs by year from 2004 to 2008.

Response:

	2004			2005			2006			2007			2008		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
Labour Costs															
M&E costs	95	99	194	54	104	158	51	121	172	39	140	179	39	141	180
COPE costs	36	37	73	11	66	77	14	60	74	-	64	64	-	71	71
IBEW costs	88	13	101	165	26	191	173	30	203	213	33	246	211	39	250
Total Labour Costs	**219**	**149**	**368**	**230**	**196**	**426**	**238**	**211**	**449**	**252**	**236**	**488**	**250**	**251**	**501**

14.4 Please provide the average number of COPE and IBEW employees from 2004 to 2008.

Response:

The following table including direct and allocated labour provides the approximate Full-Time Equivalents (FTE) for labour dollars shown on Table E.1 of page 18 of the Detailed Support Materials for Application.

FTE	**2004**	**2005**	**2006**	**2007**	**2008**
M&E	1.7	1.3	1.4	1.4	1.4
COPE	1.2	1.2	1.1	0.9	1.0
IBEW	1.0	1.9	2.0	2.3	2.3
Total	**4.0**	**4.4**	**4.5**	**4.6**	**4.7**

The increase in IBEW labour costs and related FTE equivalents is primarily the result of increased allocation of a higher proportion of field staff's time to O&M related jobs versus capital work and the impact of higher employee turnover in recent years. Please refer to answer to Question 14.5 for more discussion.

14.5 The COPE labour costs have been relatively stable from 2004 to 2008. The IBEW labour costs have increased by 6.3 percent from 2005 to 2006 and by 20.7 percent from 2006 to 2007. Please explain the increase in IBEW labour from 2005 to 2007 in terms of increased wage rates and increased number of staff.

Response:

The increase of 6.3 percent in IBEW labour costs from 2005 to 2006 was primarily the result of a wage rate increase of approximately 3 percent and, as described earlier, an increased allocation of a higher proportion of field staff's time to O&M related jobs versus capital work.

The 2006 to 2007 increase in IBEW labour costs of 20 percent was the result of a 3 percent wage increase, increased allocation of a higher proportion of field staff's time to O&M related jobs versus capital work and filling of an IBEW vacancy from 2006. Turnover in staff leads to incurrence of higher training costs as new staff are trained in operating practices and procedures. In recent years, there has been considerable turnover in IBEW personnel with 3 new IBEW staff recruited since 2005 with one of the vacancies resulting from a retirement. This has contributed to the increase in O&M costs observed.

15.0 Reference: Capital Expenditures, Exhibit B-1-2, Section G, Tab 5, p. 25

15.1 On page 25 it states that: "In 2004, approximately $57,000 was spent on upgrading the existing 168 mm 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."

What specific upgrading was completed on the existing 168 mm transmission pipeline loop at the Kennay-yah road crossing?

What specific BC pipeline regulations required the expenditures?

Response:

The pipeline was excavated, inspected, recoated and bedded and backfilled to meet requirements and qualify the pipeline for a widened road crossing.

The Pipeline Act and Regulations direct the Company to meet the minimum requirements of CSA Standard Z662, Oil and Gas Pipeline Systems. Within this standard, the pertinent requirement is contained in CSA Z662 Clause 10.8.2.1.

Where existing pipelines are to be crossed by roads or railways, the pipelines at such locations shall be either upgraded to meet the applicable design requirements or subjected to:

(a) an engineering assessment in accordance with the applicable requirements specified for class location changes in Clause 10.8.1.1; and

(b) a detailed engineering analysis of all loads expected to be imposed on the pipeline during construction and operation of the crossing, and the resulting combined stresses in the pipeline.

15.2 On page 25 it states that: "To remain compliant with the company's environmental standards during 2004 to 2006 period, the Company upgraded its station line heater facilities with secondary containment at the gate stations at … total cost of $107,000. Terasen Gas' policy requires that design and installation of … operational safety requirements."

Are the environmental standards, regulations and operational safety referred to (above) based on pipeline code requirements? If so, what are the references to the code in this case?

Response:

Terasen Gas standards regarding hazardous liquids containment are based on review of the requirements of numerous pieces of legislation and the recommendations provided by various guidelines. When Terasen Gas standards were reviewed and published in May 2002, (a review is currently scheduled) the following legislation and guidelines were considered:

Legislation:

- B.C. Fire Services Act. The B.C. Fire Code, 1998
- Power Engineers And Boiler And Pressure Vessel Safety Act, 1996, CSA B51-97 (or most current)
- B.C. Waste Management Act, R.S.B.C. 1996, c.482
- B.C. Waste Management Act (Oil and Gas Waste Regulation), B.C. Reg. 2 8/96
- B.C. Waste Management Act (Spill Reporting Regulation), B.C. Reg. 263/90C B.
- B.C. Waste Management Act (Special Waste Regulation), B.C. Reg. 63/88
- B.C. Workers Compensation Act and B.C. Workplace Act, Reg. 296/97
- Canadian Environmental Protection Act (Canada), R.S.C. 1985, c.16 (4th Supp.) as amended
- Canadian Hazardous Products Act amended by Bill C-70 (Chapter 30 [1987]) updated Aug 31, 2001
- Fisheries Act (Canada), R.S.C., 1985, c.F-14

Guidelines:

- B.C. Oil and Gas Handbook (Interim), Section 10, Environmental Protection, Health and Safety, July, 1996
- CCME, Environmental Code of Practice for Underground Storage Tank Systems Containing Petroleum Products and Allied Petroleum Products, PN 1055, Mar 1993
- CCME, Environmental Code of Practice for Aboveground Storage Tank Systems Containing Petroleum Products, CCME-EPC-LST-71E, August 1994

15.3 On page 25 it states that: "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."

What Provincial policy is being referred to?

Response:

The statement referenced above should be revised to include reference to both Federal and Provincial regulation which define hazardous liquids and the control requirements for such fluids. Terasen Gas' current standard methods of containment have been established to meet the various Acts listed in the Response Question 15.2 above. The specific Terasen Gas' standard and Provincial/Federal regulations are:

Corporate Requirement – Standard ENV 03-09

Terasen Gas Standard ENV 03-09 Containment of Hazardous Liquids stipulates the following:

"Hazardous liquid storage containers, which are not part of pressurized operating plant, must be equipped with secondary containment or equivalent level of environmental protection whenever the total volume of a single storage container, or of multiple storage containers in a common area, exceeds 230 liters. This requirement applies whether the container is above or below ground.

Where a spill may impact environmentally sensitive areas as defined below, similar protection must be provided for hazardous liquid storage containers having a total volume equal to or less than 230 liters."

Provincial Legislation

***Hazardous Waste Regulation* of the *BC Environmental Management Act*:**

Definitions:

Short Term Storage - means the storage of hazardous waste for a period exceeding 96 hours (4 days) if the intention is to move the hazardous waste elsewhere for treatment, disposal or long term storage;

Long Term Storage - means the storage, intended to be permanent, of hazardous waste in an above ground indoor facility

Division 1 – Short Term Storage Facilities

16 (1) The owner of a short term storage facility where free liquid hazardous waste is stored in containers or tanks shall provide and maintain an impervious containment system sufficient to hold the larger of:

(i) 110% of the largest volume of free liquid hazardous waste in any given container or tank, or

(ii) 25% of the total volume of free liquid hazardous waste in storage,

Division 8 – Long Term Storage Facility
35 (2) The owner of a long term storage facility shall design, construct, install and maintain an approved liner system
(a) to prevent any migration of leakage from the long term storage facility to any subsurface soil or groundwater during the operating life and closure period,
(b) constructed of impervious materials that prevent wastes from passing into the liner during the life of the facility, and that
  (i) if composed of clay materials, is not less than 0.5 m thick, and
  (ii) if synthetic, is at least 1 mm thick,
(c) constructed of materials having appropriate chemical properties, strength and thickness to prevent failure due to
  (i) pressure gradients,
  (ii) contact with leakage to which it may be exposed, and
  (iii) stress of installation and operations, and
(d) placed on base materials capable of providing support and resistance to pressure gradients above and below the liner system to prevent failure due to compression, uplift or settlement.

BC Fire Services Act* and *BC Fire Code
The *BC Fire Services Act* and the *BC Fire Code 1998* require secondary containment for above ground storage tanks that contain flammable or combustible liquids.

<u>CCME – Canadian Council of Ministers of Environment</u>
CCME Environmental Code of Practice for Aboveground and Underground Storage Tank Systems Containing Petroleum and Allied Petroleum Products:

Definitions:
Storage tank means a closed container for the storage of *petroleum* or *allied petroleum products* with a capacity of more than 230 L that is designed to be installed in a fixed location.

Aboveground storage tank means a *storage tank* with all the *storage tank* volume above grade.

Secondary containment means an i*mpermeable barrier* that prevents *leaks* from the primary *storage tank system* from reaching outside the containment area.

Section 3.9 Secondary Containment Requirements
3.9.1(1) Subject to Sentences (2) and (3), a *secondary containment* system for an *aboveground storage tank* shall:
(1) for a *storage tank system* that consists of a single *storage tank*, have a volumetric capacity of not less than 110% of the capacity of the tank; or
(2) for a *storage tank system* that consists of more than one *storage tank*, have a volumetric capacity of not less than the sum of:
  (a) the capacity of the largest *storage tank* located in the contained space; and
  (b) 10% of the greater of:
    (i) the capacity specified in Clause (a); or
    (ii) the aggregate capacity of all other *storage tanks* located in the contained space.

16.0 Reference: Asset Retirement, Exhibit B-1-2, Section J, pp. 52, 57

16.1 In 2005 a retirement of $473,000 of mains was recorded. In the TG Fort Nelson 2005 Annual Report to the Commission this item is described as the retirement of 39,600 feet of 88 mm transmission pipe along the Nelson River. Please explain why the retirement was required and if replacement mains were installed.

Response:

The retirement noted was for the abandonment of an 88 mm transmission lateral from the Duke (Spectra) system tap to the 168 mm Fort Nelson Lateral Loop.

At the time of the decision to retire the section of the transmission pipeline, the Company was faced with having to repair sections of the pipeline as a result of several washouts and corrosion leaks detected. After reviewing the 20 year hydraulic plan for the Fort Nelson transmission system and determining the section of the pipeline was not required in support of the hydraulic plan and also taking into consideration the likelihood of high repair costs due to soft soil conditions and difficult to access locations, the Company determined it would be more cost effective to retire the main and not replace it. However, if this section of the retired pipeline is required in the future, the Company would review the possibility of reactivating it at that time.

17.0 Reference: Contribution in Aid of Construction, Exhibit B-1-2, Section, C, p. 8, Section J, p. 34

17.1 The Contributions in Aid of Construction has an unchanged credit balance of $1,041,000 per year from 2004 normalized to 2008 test year. Please confirm that all of the customer additions listed on Section C, page 8 from 2004 to 2008 are non-contributory.

<u>Response:</u>

For the period 2004 to 2008, the Contributions in Aid of Construction ending balances as shown in the Detailed Application Support Materials (Exhibit B-1-1) on line item 6 of Schedule 1.1 – 2008 Revenue Requirement, page 33, are understated by approximately $40,000 for each of the years noted. Contributions received for excess footage, billable alterations, mains extension and service line work were inadvertently not included in the preparation of the schedule.

Based on historical contributions received from 2004 to 2007, the forecast contributions in aid of construction for 2008 taking into consideration the recent System Extension and Customer Connection policies should be revised from zero to $10,000 for anticipated recoveries. Implementing these changes would decrease the 2008 Revenue Requirement by $16,000. Schedule 2, Utility Rate Base would also be amended as per the following table.

TG FORT NELSON

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)	(1,079)	(1,120)	(1,165)	(1,190)	-	(1,190)
8	CIAOC End of Year	(992)	(1,079)	(1,120)	(1,165)	(1,190)	(1,200)	-	(1,200)
9	CIAOC Average Mid-Year Balance	(990)	(1,060)	(1,100)	(1,142)	(1,177)	(1,195)	-	(1,195)
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	511	550	-	550
18	CIAOC End of Year	478	435	472	511	550	591	-	591
19	CIAOC Average Mid-Year Balance	459	416	454	491	530	571	-	571
20									
21	**Net Plant in Service, Mid-Year**	**$ 4,689**	**$ 4,457**	**$ 4,664**	**$ 5,002**	**$ 5,177**	**$ 5,272**	**$ -**	**$ 5,272**
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)	(235)	9	(225)
28	Other Working Capital	8	9	12	18	18	18	-	18
29									
30	**Utility Rate Base**	**$ 4,387**	**$ 4,259**	**$ 4,329**	**$ 4,757**	**$ 4,962**	**$ 5,140**	**$ 9**	**$ 5,150**

18.0 Reference: Unaccounted for Gas

18.1 Please provide the unaccounted for gas percentage for the period 2004 to 2008 (projected).

Response:

Consistent with the methodology used for the Terasen Gas Lower Mainland, Inland and Columbia Service Areas, the unaccounted for gas ("UAF") percentage used to forecast the TG Fort Nelson gas purchase volume is based on the historical five-year rolling average of the recorded annual UAF percentages.

The recorded annual UAF percentages for 2004, 2005, and 2006 were 1.48%, 1.77% and 1.60%, respectively.

The recorded annual UAF for 2007 is not yet available, but the five-year rolling average UAF percentage used in forecasting the 2007 annual gas purchase volume was -0.2%. And the five-year rolling average UAF percentage used in forecasting the 2008 annual gas purchase volume was 0.4%.

18.2 Please explain how the unaccounted for gas is equitably charged or credited to both sales and transportation customers.

Response:

The TG Fort Nelson UAF is treated in a manner consistent with that used for the Terasen Gas Lower Mainland, Inland and Columbia Service Areas. The TG Fort Nelson sales customers' commodity recovery calculations include an amount for the UAF attributable to the sales customers.

The UAF in total is an inseparable part of the incurred gas supply cost. Overall, the cost or credit is insignificant and the associated cost ends up in the Gas Cost Reconciliation Account.

There is no separate line item charge for UAF for transport customers, however there are charges for being out of balance on transport customer deliveries versus nominations.

The Company is of the view that the approach followed is reasonable.

19.0 Reference: Gas Cost Reconciliation Account

19.1 Please file the fourth Quarter 2007 Gas Cost Reconciliation Account report for TG Fort Nelson.

Response:

Please refer to Attachment 19.1

Attachment 4.1

News Release

For Immediate Release

Canfor Announces the Indefinite Closure of its PolarBoard and Tackama Mills

January 18, 2008 – Vancouver, B.C. – Canfor Corporation (TSX:CFP) announced today that due to the continued poor wood product markets, a high Canadian dollar and record low oriented strand board (OSB) prices, it will be closing indefinitely its PolarBoard OSB and Tackama plywood mills in Fort Nelson, B.C. once existing log inventories are utilized and finished products shipped. This is expected to occur in April for the Tackama mill and during the summer for the PolarBoard operation.

Approximately 435 employees will be impacted by the decision. The Tackama mill has an annual capacity of 270 million square feet (3/8" basis) of plywood and the PolarBoard mill has an annual capacity of 640 million square feet (3/8" basis) of OSB production.

"As the market slump continues without evidence of a turnaround, Canfor must continue to adjust its production to address the reduced market demands," said Canfor President and CEO Jim Shepard. "While implementing prudent production reductions, we are striving to continue to meet the needs of our key strategic customers," he concluded.

Forward Looking Statements

Certain statements in this press release constitute "forward-looking statements" which involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. Words such as "expects", "anticipates", "intends", "plans", "will", "believes", "seeks", "estimates", "should", "may", "could", and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are based on management's current expectations and beliefs and actual events or results may differ materially. There are many factors that could cause such actual events or results expressed or implied by such forward-looking statements to differ materially from any future results expressed or implied by such statements. Forward-looking statements are based on current expectations and the Company assumes no obligation to update such information to reflect later events or developments, except as required by law.

Canfor is a leading integrated forest products company based in Vancouver, British Columbia (BC) with interests in BC, Alberta, Quebec, Washington state, and North and South Carolina. The company is the largest producer of softwood lumber in Canada while also producing oriented strand board (OSB), plywood, remanufactured lumber products and specialized wood products. Canfor also owns a 50.2% interest in Canfor Pulp Limited Partnership, which is one of the largest producers of northern softwood kraft pulp in Canada and a leading producer of high performance kraft paper. Canfor shares are traded on the Toronto Stock Exchange (TSX: CFP).

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Canadian Forest Products Ltd. *and affiliated companies*
100 - 1700 West 75th Avenue, Vancouver, BC V6P 6G2
Telephone 604-661-5241 Fax 604-661-5235

Attachment 5.2

Revenue, Cost of Service & Revenue to Cost Ratios, Normalized 2006 Data

Particulars	Total	Rate 1	Rate 2.1	Rate 2.2	Rate 25
Revenue					
Sales	$ 8,110.8	$ 2,484.0	$ 1,794.0	$ 863.0	$ 2,969.8
T-Service	-				-
Total Revenue	8,110.8	2,484.0	1,794.0	863.0	2,969.8
Class % of Revenue		31%	22%	11%	37%
Cost of Gas					
Sales	(6,906.8)	(2,058.0)	(1,459.0)	(729.0)	(2,660.8)
T-Service	-				-
Total Cost of Gas	(6,906.8)	(2,058.0)	(1,459.0)	(729.0)	(2,660.8)
Margin					
Sales	1,204.0	426.0	335.0	134.0	309.0
T-Service	-	-	-	-	-
Total Margin	1,204.0	426.0	335.0	134.0	309.0
Allocated Cost of Service	8,110.8	2,736.5	1,748.3	809.0	2,817.0
Revenue to Cost Ratio	100.00%	90.77%	102.61%	106.68%	105.42%

Revenue, Cost of Service & Revenue to Cost Ratios - Forecast 2008 Rates, Dec. 20, 2007 Filing

Particulars	Total	Rate 1	Rate 2.1	Rate 2.2	Rate 25
Revenue					
Sales	$ 7,481.6	$ 2,544.0	$ 1,889.2	$ 831.9	$ 2,216.5
T-Service	-				-
Total Revenue	7,481.6	2,544.0	1,889.2	831.9	2,216.5
Class % of Revenue		34%	25%	11%	30%
Cost of Gas					
Sales	(5,997.7)	(1,999.9)	(1,441.9)	(659.6)	(1,896.3)
T-Service	-				-
Total Cost of Gas	(5,997.7)	(1,999.9)	(1,441.9)	(659.6)	(1,896.3)
Margin					
Sales	1,483.9	544.1	447.3	172.3	320.2
T-Service	-	-	-	-	-
Total Margin	1,483.9	544.1	447.3	172.3	320.2
Allocated Cost of Service	7,481.6	2,796.1	1,837.7	770.6	2,077.1
Revenue to Cost Ratio	100.00%	90.98%	102.80%	107.96%	106.71%

Attachment 19.1

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

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November 30, 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 ("Fort Nelson")
Gas Cost Reconciliation Account ("GCRA") Guidelines
2007 Fourth Quarter Report

The attached material provides the GCRA report covering the January 1, 2008 to December 31, 2008 period as specified in the British Columbia Utilities Commission (the "Commission") GCRA Guidelines (Commission Letter No. L-5-01) with regards to Fort Nelson.

Based on the forward prices as at November 26, 2007, the December 31, 2007 GCRA deferral balance is projected to be approximately $99,100 surplus (after tax) (Tab 1, Page 2.0, Line 34, Column 2). The GCRA ratio arising from the November 26, 2007 forward prices, the gas purchase cost assumptions, the forecast gas cost recoveries at existing rates for the 12 months ending December 31, 2008, and the projected December 31, 2007 deferral balance is calculated to be 95.3% (Tab 1, Page 1, Line 10, Column 5). The GCRA ratio falls within the deadband range of 95% to 105%, indicating that a rate change is not required at this time.

A summary of the forward prices is provided on Tab 1, Page 3, and a summary of the recorded and forecast monthly GCRA after tax balances is provided on Tab 1, Page 4.

Fort Nelson proposes no change to the existing rates at this time. Fort Nelson will continue to monitor the forward prices and will report these results in the 2008 First Quarter Gas Cost Report.

We trust that the Commission will find the attached to be in order. However, should any further information be required, please contact Brian Noel at 604-592-7467.

Yours truly,

TERASEN GAS INC.

Original signed by: Tom Loski

For: Scott A. Thomson

Attachments

TERASEN GAS INC. - FORT NELSON SERVICE AREA
GAS COST RECOVERY ACCOUNT "GCRA" RATE CHANGE TRIGGER MECHANISM
FOR THE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2008
WITH EXISTING JULY 1, 2006 GAS COST RECOVERY RATES
(NOVEMBER 26, 2007 FORWARD PRICES)

Line No.	Particulars	Unit Cost ($/GJ)	Volume (TJ)	Cost ($000)	Percentage
	(1)	(2)	(3)	(4)	(5)
1	**RATE CHANGE TRIGGER MECHANISM**				
2					
3	Total Recovered Gas Costs (Page 2.1, Line 10, Col 14)			$ 4,110.6	
4					
5	Incurred Gas Costs (Page 2.1, Line 20, Col 15)			$ 4,458.9	
6	Projected GCRA Balance as at December 31, 2007 (Page 2.0, Line 34, Col 2 grossed-up)			(146.8)	
7	Total Incurred Gas Costs			$ 4,312.1	
8					
9	Ratio = Total Recovered Gas Costs (Line 3, Col 4)				
10	/ Total Incurred Gas Costs (Line 7, Col 4)				95.3%
11					
12					
13					
14					
15					
16					
17	**BALANCING REQUIREMENT**				
18	(applicable when Rate Change Trigger Mechanism Ratio [Line 10, Col 5] falls outside 95% to 105% deadband)				
19					
20	Gas Costs Recovery Under/(Over) at Existing Rates (Line 7 - Line 3)			$ 201.5	
21					
22	Forecast Annual Sales Volumes - January 2008 to December 2008		598.5		
23	(Page 2.1, Col. 14, Line 2 + Line 3)				
24					
25	Applicable Gas Cost Recovery Rate Increase (Decrease) (Line 20 / Line22)	$ 0.337			

TERASEN GAS INC. - FORT NELSON SERVICE AREA
RECOVERED AND INCURRED COSTS SUMMARY
FOR THE PERIOD JAN 1, 2008 TO DEC 31, 2009

WITH EXISTING JULY 1, 2006 GAS COST RECOVERY RATES
(NOVEMBER 26, 2007 FORWARD PRICES)

Line No.	Particulars	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	**RECOVERED GAS COSTS**												
2	Total Sales - TJ	109.6	82.2	77.4	41.9	23.5	15.3	10.0	12.7	20.2	44.4	70.6	89.5
3	T-Service UAF - TJ	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
4													
5	Recovery Unit Cost on Sales - $/GJ	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680
6	Recovery Unit Cost on T-Service UAF - $/GJ	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680
7													
8	Recovery on Sales - $000	$ 752.7	$ 564.5	$ 531.6	$ 287.8	$ 161.4	$ 105.1	$ 68.7	$ 87.2	$ 138.7	$ 304.9	$ 484.9	$ 614.7
9	Recovery on T-Service UAF - $000	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
10	Total Recovered Gas Costs - $000	$ 753.4	$ 565.2	$ 532.3	$ 288.5	$ 162.1	$ 105.8	$ 69.4	$ 87.9	$ 139.4	$ 305.6	$ 485.6	$ 615.4
11													
12													
13													
14	**INCURRED GAS COSTS**												
15	Total Purchases for Sales - TJ	110.2	82.6	77.8	42.1	23.7	15.4	9.9	12.8	20.3	44.7	71.0	89.9
16	- adjusted for Company Use and UAF												
17													
18	Blended Cost - $/GJ	$ 7.7307	$ 7.7238	$ 7.7178	$ 6.6543	$ 6.6796	$ 6.7170	$ 6.7568	$ 6.7897	$ 6.8015	$ 6.8355	$ 7.5428	$ 7.7184
19													
20	Incurred Gas Costs - $000	$ 851.9	$ 638.0	$ 600.4	$ 280.1	$ 158.3	$ 103.4	$ 66.9	$ 86.9	$ 138.1	$ 305.5	$ 535.5	$ 693.9
21													
22													
23													
24													
25													
26	**GCRA BALANCE**												
27	Opening Balance Before Tax	$ (132.0)	$ (33.5)	$ 39.3	$ 107.4	$ 99.0	$ 95.2	$ 92.8	$ 90.3	$ 89.3	$ 88.0	$ 87.9	$ 137.8
28	Activity	98.5	72.8	68.1	(8.4)	(3.8)	(2.4)	(2.5)	(1.0)	(1.3)	(0.1)	49.9	78.5
29	Closing Balance Before Tax	$ (33.5)	$ 39.3	$ 107.4	$ 99.0	$ 95.2	$ 92.8	$ 90.3	$ 89.3	$ 88.0	$ 87.9	$ 137.8	$ 216.3
30													
31	Tax Rate	32.50%	32.50%	32.50%	32.50%	32.50%	32.50%	32.50%	32.50%	32.50%	32.50%	32.50%	32.50%
32	Tax on Activity	32.0	23.7	22.1	(2.7)	(1.2)	(0.8)	(0.8)	(0.3)	(0.4)	(0.0)	16.2	25.5
33													
34	Opening Balance After Tax	$ (99.1)	$ (32.6)	$ 16.5	$ 62.5	$ 56.8	$ 54.2	$ 52.6	$ 50.9	$ 50.2	$ 49.3	$ 49.2	$ 82.9
35	Activity	66.5	49.1	46.0	(5.7)	(2.6)	(1.6)	(1.7)	(0.7)	(0.9)	(0.1)	33.7	53.0
36	Closing Balance After Tax - $000	$ (32.6)	$ 16.5	$ 62.5	$ 56.8	$ 54.2	$ 52.6	$ 50.9	$ 50.2	$ 49.3	$ 49.2	$ 82.9	$ 135.9
37	(Page 4, Column 2)												

TERASEN GAS INC. - FORT NELSON SERVICE AREA
RECOVERED AND INCURRED COSTS SUMMARY
FOR THE PERIOD JAN 1, 2008 TO DEC 31, 2009

WITH EXISTING JULY 1, 2006 GAS COST RECOVERY RATES
(NOVEMBER 26, 2007 FORWARD PRICES)

Line No.	Particulars	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	12 months Jan08-Dec08 Forecast Total	24 months Jan08-Dec09 Forecast Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
1	**RECOVERED GAS COSTS**														
2	Total Sales - TJ	110.4	82.7	78.0	42.2	23.7	15.4	10.0	12.8	20.4	44.7	71.1	90.2	597.3	1,198.9
3	T-Service UAF - TJ	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.2	2.4
4															
5	Recovery Unit Cost on Sales - $/GJ	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680		
6	Recovery Unit Cost on T-Service UAF - $/GJ	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680	$ 6.8680		
7															
8	Recovery on Sales - $000	$ 758.2	$ 568.0	$ 535.7	$ 289.8	$ 162.8	$ 105.8	$ 68.7	$ 87.9	$ 140.1	$ 307.0	$ 488.3	$ 619.5	$ 4,102.2	$ 8,234.0
9	Recovery on T-Service UAF - $000	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	8.4	16.8
10	Total Recovered Gas Costs - $000	$ 758.9	$ 568.7	$ 536.4	$ 290.5	$ 163.5	$ 106.5	$ 69.4	$ 88.6	$ 140.8	$ 307.7	$ 489.0	$ 620.2	$ 4,110.6	$ 8,250.8
11															
12															
13															
14	**INCURRED GAS COSTS**														
15	Total Purchases for Sales - TJ	111.0	83.0	78.4	42.5	23.8	15.5	10.1	12.8	20.4	45.0	71.5	90.6	600.4	1,205.0
16	- adjusted for Company Use and UAF														
17															
18	Blended Cost - $/GJ	$ 7.8266	$ 7.8286	$ 7.7306	$ 6.5956	$ 6.5646	$ 6.6025	$ 6.6486	$ 6.6857	$ 6.7197	$ 6.7612	$ 7.3693	$ 7.5638	$ 7.4265	$ 7.4098
19															
20	Incurred Gas Costs - $000	$ 868.8	$ 649.8	$ 606.1	$ 280.3	$ 156.2	$ 102.3	$ 67.2	$ 85.6	$ 137.1	$ 304.3	$ 526.9	$ 685.3	$ 4,458.9	$ 8,928.8
21															
22															
23															
24															
25															
26	**GCRA BALANCE**														
27	Opening Balance Before Tax	$ 216.3	$ 326.2	$ 407.3	$ 477.0	$ 466.8	$ 459.5	$ 455.3	$ 453.1	$ 450.1	$ 446.4	$ 443.0	$ 480.9		
28	Activity	109.9	81.1	69.7	(10.2)	(7.3)	(4.2)	(2.2)	(3.0)	(3.7)	(3.4)	37.9	65.1		
29	Closing Balance Before Tax	$ 326.2	$ 407.3	$ 477.0	$ 466.8	$ 459.5	$ 455.3	$ 453.1	$ 450.1	$ 446.4	$ 443.0	$ 480.9	$ 546.0		
30															
31	Tax Rate	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%		
32	Tax on Activity	35.2	26.0	22.3	(3.3)	(2.3)	(1.3)	(0.7)	(1.0)	(1.2)	(1.1)	12.1	20.8		
33															
34	Opening Balance After Tax	$ 135.9	$ 210.6	$ 265.7	$ 313.1	$ 306.2	$ 301.2	$ 298.3	$ 296.8	$ 294.8	$ 292.3	$ 290.0	$ 315.8		
35	Activity	74.7	55.1	47.4	(6.9)	(5.0)	(2.9)	(1.5)	(2.0)	(2.5)	(2.3)	25.8	44.3		
36	Closing Balance After Tax - $000	$ 210.6	$ 265.7	$ 313.1	$ 306.2	$ 301.2	$ 298.3	$ 296.8	$ 294.8	$ 292.3	$ 290.0	$ 315.8	$ 360.1		
37	(Page 4, Column 2)														

TERASEN GAS INC. - FORT NELSON SERVICE AREA
FORT NELSON INDEX PRICES COMPARISON OF FORWARD CURVES
FOR THE PERIOD ENDING DECEMBER 2009

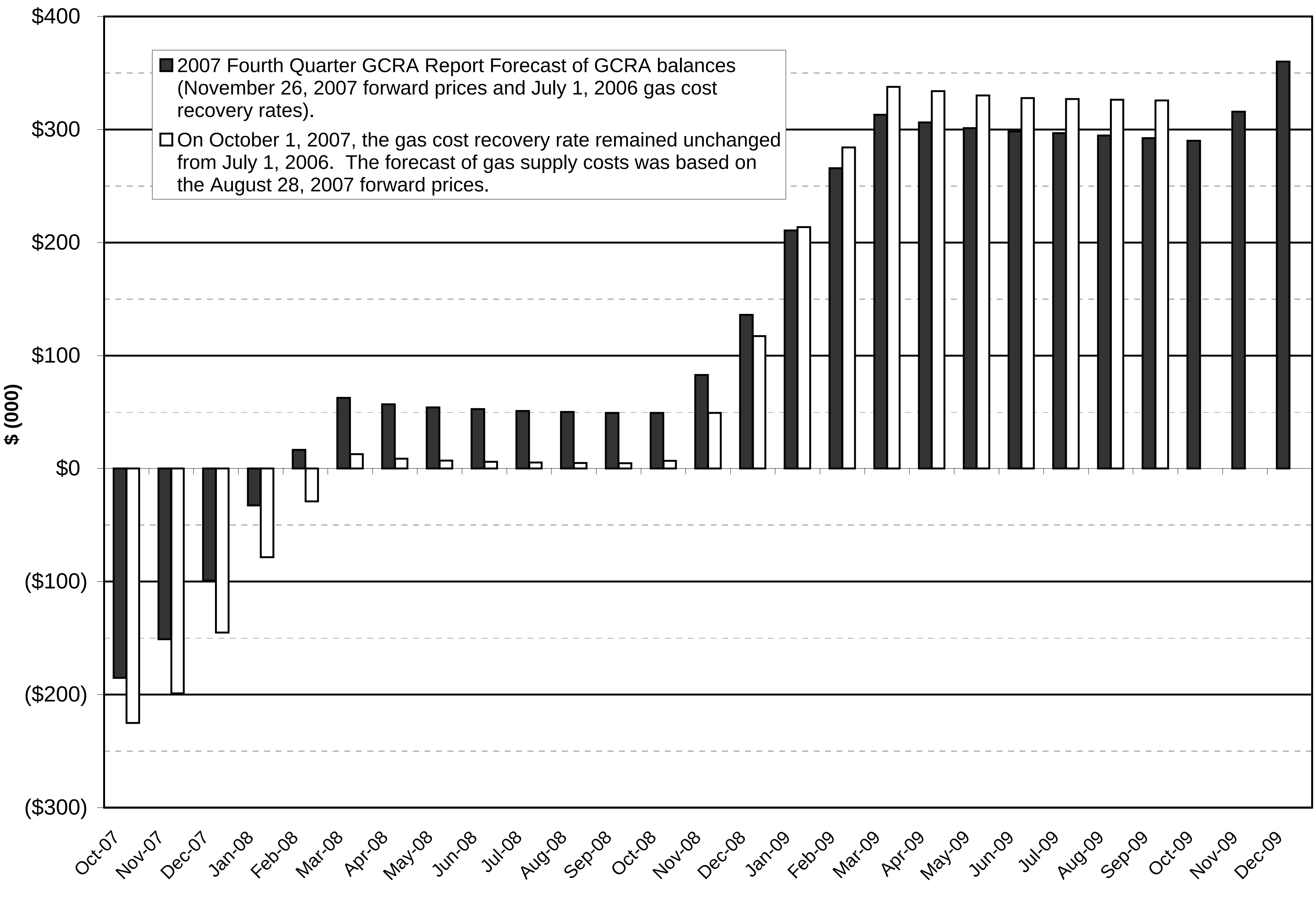
		Fort Nelson Forward Prices - $/GJ				
Line No.	Particulars		2007 Q4 Gas Cost Report (November 26, 2007 Forward Prices)		2007 Q3 Gas Cost Report (August 28, 2007 Forward Prices)	Difference
	(1)		(2)		(3)	(4)=(2)-(3)
1	**2007**		**2007**		**2007**	
2	January	Recorded	$ 7.10	Recorded	$ 7.10	$ -
3	February	Recorded	$ 7.46	Recorded	$ 7.46	$ -
4	March	Recorded	$ 7.25	Recorded	$ 7.25	$ -
5	April	Recorded	$ 7.35	Recorded	$ 7.35	$ -
6	May	Recorded	$ 7.34	Recorded	$ 7.34	$ -
7	June	Recorded	$ 7.04	Recorded	$ 7.04	$ -
8	July	Recorded	$ 6.49	Recorded	$ 6.49	$ -
9	August	Recorded	$ 6.35	Projected	$ 6.22	$ 0.13
10	September	Recorded	$ 6.18		$ 6.44	$ (0.26)
11	October	Recorded	$ 6.90		$ 6.42	$ 0.48
12	November	Projected	$ 7.54		$ 7.38	$ 0.16
13	December		$ 7.67		$ 7.70	$ (0.03)
14	Average - 2007		$ 7.06		$ 7.02	$ 0.04
15						
16	**2008**		**2008**		**2008**	
17	January		$ 7.73		$ 7.72	$ 0.01
18	February		$ 7.72		$ 7.72	$ (0.00)
19	March		$ 7.72		$ 7.72	$ (0.01)
20	April		$ 6.65		$ 6.75	$ (0.10)
21	May		$ 6.68		$ 6.76	$ (0.08)
22	June		$ 6.72		$ 6.80	$ (0.08)
23	July		$ 6.76		$ 6.84	$ (0.09)
24	August		$ 6.79		$ 6.88	$ (0.09)
25	September		$ 6.80		$ 6.90	$ (0.10)
26	October		$ 6.84		$ 6.96	$ (0.13)
27	November		$ 7.54		$ 7.68	$ (0.14)
28	December		$ 7.72		$ 7.90	$ (0.18)
29	Average - 2008		$ 7.14		$ 7.22	$ (0.08)
30						
31	**2009**		**2009**		**2009**	
32	January		$ 7.83		$ 8.04	$ (0.21)
33	February		$ 7.83		$ 8.04	$ (0.21)
34	March		$ 7.73		$ 7.92	$ (0.18)
35	April		$ 6.60		$ 6.76	$ (0.16)
36	May		$ 6.56		$ 6.68	$ (0.12)
37	June		$ 6.60		$ 6.74	$ (0.13)
38	July		$ 6.65		$ 6.80	$ (0.15)
39	August		$ 6.69		$ 6.86	$ (0.17)
40	September		$ 6.72		$ 6.89	$ (0.17)
41	October		$ 6.76			
42	November		$ 7.37			
43	December		$ 7.56			
44	Average - 2009		$ 7.07		$ 7.19	$ (0.12)
45						
46	**Comparison of Reporting Period**		**Jan/08-Dec/08**		**Oct/07-Sep/08**	
47	Average		$ 7.14		$ 7.13	$ 0.01
48	**Comparison of Reporting Period**		**Jan/07-Dec/09**		**Oct/07-Sep/09**	
49	Average		$ 7.11		$ 7.47	$ (0.36)

TERASEN GAS INC. - FORT NELSON SERVICE AREA
GCRA AFTER TAX BALANCES ($000)
FOR THE PERIOD ENDING DECEMBER 2009

Line No.	Particulars		2007 Q4 Gas Cost Report July 1, 2006 Gas Cost Recovery Rates (November 26, 2007 Forward Prices)			2007 Q3 Gas Cost Report July 1, 2006 Gas Cost Recovery Rates (August 28, 2007 Forward Prices)		
	(1)		(2)			(3)		
1	2007	January	Recorded	$	(242.3)	Recorded	$	(242.3)
2		February	Recorded	$	(151.6)	Recorded	$	(151.6)
3		March	Recorded	$	(144.0)	Recorded	$	(144.0)
4		April	Recorded	$	(160.4)	Recorded	$	(160.4)
5		May	Recorded	$	(239.7)	Recorded	$	(239.7)
6		June	Recorded	$	(143.5)	Recorded	$	(143.5)
7		July	Recorded	$	(199.6)	Recorded	$	(199.6)
8		August	Recorded	$	(156.5)	Projected	$	(204.8)
9		September	Recorded	$	(196.6)		$	(210.8)
10		October	Recorded	$	(185.3)		$	(225.1)
11		November	Projected	$	(151.0)		$	(199.0)
12		December		$	(99.1)		$	(145.2)
13	2008	January		$	(32.6)		$	(78.5)
14		February		$	16.5		$	(29.0)
15		March		$	62.5		$	12.8
16		April		$	56.8		$	8.8
17		May		$	54.2		$	7.1
18		June		$	52.6		$	6.0
19		July		$	50.9		$	5.3
20		August		$	50.2		$	4.9
21		September		$	49.3		$	4.8
22		October		$	49.2		$	6.8
23		November		$	82.9		$	49.3
24		December		$	135.9		$	117.2
25	2009	January		$	210.6		$	213.6
26		February		$	265.7		$	284.2
27		March		$	313.1		$	337.7
28		April		$	306.2		$	334.0
29		May		$	301.2		$	330.1
30		June		$	298.3		$	327.9
31		July		$	296.8		$	326.9
32		August		$	294.8		$	326.4
33		September		$	292.3		$	325.7
34		October		$	290.0			
35		November		$	315.8			
36		December		$	360.1			

TERASEN GAS INC. - FORT NELSON SERVICE AREA
GCRA AFTER TAX BALANCES BY MONTH
FOR THE PERIOD ENDING DECEMBER 2009

Tab 1
Page 4.1



Tab 1
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