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March 7, 2008

Regulatory Affairs Correspondence
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British Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, B.C. V6Z 2N3

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

**Re: Terasen Gas Inc. – Revelstoke Service Area Quarterly Gas Costs
2008 First Quarter Report**

Terasen Gas Inc. ("Terasen Gas") hereby submits to the British Columbia Utilities Commission (the "Commission") the 2008 First Quarter Gas Cost Report for the Revelstoke Service Area ("Revelstoke"). The attached schedules provide a summary of the forecast monthly deferral account balances based on the forward prices as at February 27, 2008.

Terasen Gas, consistent with previous gas cost filings has utilized a propane price forecast based on an average of 50% NYMEX West Texas Intermediate ("WTI") Light Sweet Crude Oil futures and 50% NYMEX Mt. Belvieu Propane futures to determine the forecast over or under recovery of existing recovery rates to forecast costs. Based on the February 27, 2008 forward prices, average of 50% NYMEX WTI Light Sweet Crude Oil prices and 50% NYMEX Mt. Belvieu Propane futures, and based on the current rates, the projected deferral account balance at March 31, 2008 is \$580 deficit (pre-tax) (Tab 1, Page 1, Column 7, Line 6), and the forecast balance at March 31, 2009 is \$305,729 deficit (pre-tax) (Tab 1, Page 1, Column 7, Line 21). The rate change trigger mechanism is calculated to be 91.7% (Tab 1, Page 1, Column 4, Line 24/25), which falls outside the deadband range of 95% and 105%.

Therefore, an increase in the propane reference price and customer rates is indicated. The 12-month amortization of the projected March 31, 2008 deferral account deficit balance increases the forecast average propane cost of \$0.4646/litre (Tab 1, Page 2, Column 9, Line 15) by \$0.0001/litre, for a total revised reference price of \$0.4647/litre (Tab 1, Page 3, Line 10). The reference price increase of \$0.0387/litre corresponds to a rate increase of \$1.578/GJ (Tab 1, Page 3, Line 20). The proposed rate increase of \$1.578/GJ, effective April 1, 2008, equates to a burner tip increase of approximately \$126 or 7.2% for a typical residential customer (Tab 1, Page 5, Line 16) with an average annual consumption of 80 GJ.

Terasen Gas hereby requests Commission approval for an increase in the propane reference price for use in the Revelstoke Propane Cost Deferral Account from \$0.4260/litre to \$0.4647/litre which corresponds to a rate increase of \$1.578/GJ to be effective April 1, 2008.

For comparison purpose, Terasen Gas provides the rate change trigger mechanism calculations based on the NYMEX WTI Light Sweet Crude Oil futures in Tab 2, and based on



the NYMEX Mt. Belvieu Propane futures in Tab 3. Based on the February 27, 2008, forward prices for the NYMEX WTI Light Sweet Crude Oil futures and for the NYMEX Mt. Belvieu Propane futures, the rate change trigger ratio is approximately 88.7% and 94.8%, respectively.

For information purpose, Terasen Gas provides in Tab 4, Page 1, three sets of forward prices as at February 27, 2008. One set is based on the NYMEX WTI Light Sweet Crude Oil futures, a second set based on the NYMEX Mt. Belvieu Propane futures, and a third set based on an average of 50% NYMEX WTI Light Sweet Crude Oil futures and 50% NYMEX Mt. Belvieu Propane futures.

Provided in Tab 5 are the details of the forecast gas costs for Revelstoke. Terasen Gas requests the information contained in Tab 5 be treated as CONFIDENTIAL.

CONFIDENTIALITY

Consistent with past practice and previous discussions and positions on the confidentiality of selected filings (and further emphasized in Terasen Gas' January 31, 1994 submission to the Commission, Terasen Gas is requesting that this information be filed on a confidential basis pursuant to Section 71(5) of the *Utilities Commission Act* and requests that the Commission exercise its discretion under Section 6.0 of the Rules for Natural Gas Energy Supply Contracts and allow these documents to remain confidential. Terasen Gas believes this will ensure that market sensitive information is protected, and Terasen Gas ability to obtain favourable commercial terms for future propane and natural gas contracting is not impaired.

Terasen Gas will continue to monitor the forward prices and will report these results in the 2008 Second Quarter Gas Cost Report.

We trust 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.

All of which is respectfully submitted.

Sincerely,

TERASEN GAS INC.

Original signed by: Tom Loski

For: Scott A. Thomson

Attachment

TERASEN GAS INC.
REVELSTOKE PROPANE DEFERRAL
FOR THE PERIOD ENDING MARCH 31, 2009

Tab 1
Page 1

WITH EXISTING PROPANE REFERENCE PRICE (COMMISSION ORDER NO. G-155-07)

(FEB 27, 2008 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL AND 50% MT. BELVIEU PROPANE FUTURES)

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	December 31, 2007 Balance						\$44,025
2	January 2008 (Projection)	1,315,395	\$0.4202	\$0.4260	(\$0.0058)	(\$7,629)	\$36,396
3	February (Recorded-Storage and Hedge) ⁽¹⁾					(\$30,460)	\$5,936
4	February (Recorded-Storage Demand Fee) ⁽²⁾					\$22,500	\$28,436
5	February (Projection- Commodity)	1,023,677	\$0.4129	\$0.4260	(\$0.0131)	(\$13,410)	\$15,026
6	March (Projection)	925,998	\$0.4104	\$0.4260	(\$0.0156)	(\$14,446)	\$580
7	Current Quarter Total	<u>3,265,071</u>				<u>(\$43,445)</u>	
8							
9	<u>Forecast Volumes and Forecast Prices</u>						
10	April (Forecast)	523,560	\$0.4314	\$0.4260	\$0.0054	\$2,827	\$3,407
11	May (Forecast)	441,510	\$0.4399	\$0.4260	\$0.0139	\$6,137	\$9,544
12	June (Forecast)	285,223	\$0.4418	\$0.4260	\$0.0158	\$4,507	\$14,051
13	July (Forecast)	242,244	\$0.4400	\$0.4260	\$0.0140	\$3,391	\$17,442
14	August (Forecast)	218,801	\$0.4479	\$0.4260	\$0.0219	\$4,792	\$22,234
15	September (Forecast)	339,923	\$0.4550	\$0.4260	\$0.0290	\$9,858	\$32,092
16	October (Forecast)	589,982	\$0.4656	\$0.4260	\$0.0396	\$23,363	\$55,455
17	November (Forecast)	918,184	\$0.4741	\$0.4260	\$0.0481	\$44,165	\$99,620
18	December (Forecast)	1,176,057	\$0.4764	\$0.4260	\$0.0504	\$59,273	\$158,893
19	January 2009 (Forecast)	1,242,479	\$0.4743	\$0.4260	\$0.0483	\$60,012	\$218,905
20	February (Forecast)	1,008,049	\$0.4744	\$0.4260	\$0.0484	\$48,790	\$267,695
21	March (Forecast)	914,277	\$0.4676	\$0.4260	\$0.0416	\$38,034	\$305,729
22	Total April 2008 to March 2009	<u>7,900,289</u>				<u>\$305,149</u>	
23							
24	Recovered Costs (Line 22 Col.2 x Line 22 Col.4)		<u>\$3,365,523</u>				
25	Forecast + Deferral Balance (Page 2 Line 13 Col. 9 + Page 1 Line 6 Col. 7)		<u>\$3,671,293</u>	91.7%			

Note (1) Recorded \$5.6K hedging gain and \$24.9K credit in storage withdrawal price variance adjustment for Nov to Dec 2007.

Note (2) Recorded \$22.5K storage demand fee for 2007/08 contract year.

TERASEN GAS INC.
REVELSTOKE PROPANE
CALCULATION OF PROPANE COST INCREASE FLOWTHROUGH
FOR THE PERIOD APRIL 1, 2008 TO MARCH 31, 2009

(FEB 27, 2008 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL AND 50% MT. BELVIEU PROPANE FUTURES)

Line No.	Particulars	\$/Litre	\$/GJ	
1	Calculation of New Propane Reference Price			
2				
3	i. Forecast average Cost of Propane (Tab 1, Page 2, Line 15, Col.9)			
4	April 1, 2008 to March 31, 2009	\$0.4646	\$18.153	
5				
6	ii. Twelve months amortization of Deferral Account	<u>0.0001</u>	<u>\$0.004</u>	
7				
8				
9				
10	New Reference Price	<u>\$0.4647</u>	<u>\$18.157</u>	
11				
12	Existing Propane Reference Price (BCUC Order No. G-155-07)	<u>\$0.4260</u>	<u>\$16.645</u>	
13	(Conversion factor 1 Litre = 0.025594 GJ)			
14				
15				
16	Increase in Propane Reference Price to be flowed through in customers' rates	\$0.0387	\$1.512	
17				
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment (4.27%) ⁽¹⁾	<u>0.0017</u>	<u>\$0.066</u>	
19				
20	Total Propane Cost Flowthrough ⁽²⁾	<u>\$0.0404</u>	<u>\$1.578</u>	
21	(Conversion factor 1 Litre = 0.025594 GJ)			
22				
23				
24				
25				
26	Note: (1) The Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.27% is based on 2005, 2006 and 2007 data.			
27		Litres	%	
28	Sales	25,085,127		
29				
30	Less: Company Use	7,582	0.03%	
31	Propane Used for Vaporizer	273,006	1.09%	
32	Unaccounted For	790,840	3.15%	
33	Total	<u>1,071,428</u>	<u>4.27%</u>	
34				
35	Note: (2)			
36	Projected Deferral Balance at March 31, 2008	\$0.0001	\$0.004	
37	Total Propane Cost - April 1, 2008 to March 31, 2009	<u>\$0.0403</u>	<u>\$1.574</u>	
38	Total Propane Cost Flowthrough	<u>\$0.0404</u>	<u>\$1.578</u>	

TERASEN GAS INC.

Tab 1

REVELSTOKE PROPANE DEFERRAL

Page 4

FOR THE PERIOD ENDING MARCH 31, 2009

WITH PROPOSED REFERENCE PRICE EFFECTIVE APRIL 1, 2008

(FEB 27, 2008 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL AND 50% MT. BELVIEU PROPANE FUTURES)

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	December 31, 2007 Balance						\$44,025
2	January 2008 (Projection)	1,315,395	\$0.4202	\$0.4260	(\$0.0058)	(\$7,629)	\$36,396
3	February (Recorded-Storage and Hedge)					(\$30,460)	\$5,936
4	February (Recorded-Storage Demand Fee)					\$22,500	\$28,436
5	February (Projection- Commodity)	1,023,677	\$0.4129	\$0.4260	(\$0.0131)	(\$13,410)	\$15,026
6	March (Projection)	925,998	\$0.4104	\$0.4260	(\$0.0156)	(\$14,446)	\$580
7	Current Quarter Total	<u>3,265,071</u>				<u>(\$43,445)</u>	
8							
9							
10							
11							
12	Forecast Volumes and Forecast Prices						
13	April (Forecast)	523,560	\$0.4314	\$0.4647	(\$0.0333)	(\$17,435)	(\$16,855)
14	May (Forecast)	441,510	\$0.4399	\$0.4647	(\$0.0248)	(\$10,949)	(\$27,804)
15	June (Forecast)	285,223	\$0.4418	\$0.4647	(\$0.0229)	(\$6,532)	(\$34,336)
16	July (Forecast)	242,244	\$0.4400	\$0.4647	(\$0.0247)	(\$5,983)	(\$40,319)
17	August (Forecast)	218,801	\$0.4479	\$0.4647	(\$0.0168)	(\$3,676)	(\$43,995)
18	September (Forecast)	339,923	\$0.4550	\$0.4647	(\$0.0097)	(\$3,297)	(\$47,292)
19	October (Forecast)	589,982	\$0.4656	\$0.4647	\$0.0009	\$531	(\$46,761)
20	November (Forecast)	918,184	\$0.4741	\$0.4647	\$0.0094	\$8,631	(\$38,130)
21	December (Forecast)	1,176,057	\$0.4764	\$0.4647	\$0.0117	\$13,760	(\$24,370)
22	January 2009 (Forecast)	1,242,479	\$0.4743	\$0.4647	\$0.0096	\$11,928	(\$12,442)
23	February (Forecast)	1,008,049	\$0.4744	\$0.4647	\$0.0097	\$9,778	(\$2,664)
24	March (Forecast)	914,277	\$0.4676	\$0.4647	\$0.0029	\$2,651	(\$13)
25	Total April 2008 to March 2009	<u>7,900,289</u>				<u>(\$593)</u>	

TERASEN GAS INC.
 PROPOSED APRIL 1, 2008 PROPANE COST INCREASE
 TYPICAL ANNUAL CONSUMPTION

(FEB 27, 2008 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL AND 50% MT. BELVIEU PROPANE FUTURES)

Line No.	Particulars	Rate 1 - Residential				Rate 2 - Small Commercial				Rate 3 - Large Commercial			
		Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase
1	REVELSTOKE PROPANE												
2	- INLAND SERVICE AREA												
3													
4	Delivery Margin Related Charges												
5	Basic Charge		\$11.13	\$133.56			\$23.35	\$280.20			\$124.58	\$1,494.96	
6	Delivery Margin Related Charge	80.0	\$2.750	220.00		350.0	\$2.309	808.15		5,700.0	\$2.014	11,479.80	
7													
8	Commodity Related Charges												
9	Cost of Gas Recovery Related Charges	80.0	\$17.657	<u>1,412.56</u>		350.0	\$16.566	<u>5,798.10</u>		5,700.0	\$16.566	<u>94,426.20</u>	
10													
11	Typical Annual Bill at current rates (excluding												
12	any applicable PST or GST)	<u>80.0</u>		<u>1,766.12</u>		<u>350.0</u>		<u>6,886.45</u>		<u>5,700.0</u>		<u>107,400.96</u>	
13													
14													
15	April 1, 2008 Propane Cost Flowthrough												
16	Propane Price Increase		\$1.578	<u>126.24</u>	7.2%		\$1.578	<u>552.30</u>	8.0%		\$1.578	<u>8,994.60</u>	8.4%
17	Typical Annual Bill after Propane Price Change			<u><u>\$1,892.36</u></u>				<u><u>\$7,438.75</u></u>				<u><u>\$116,395.56</u></u>	

TERASEN GAS INC.
 REVELSTOKE PROPANE DEFERRAL
 FOR THE PERIOD ENDING MARCH 31, 2009
 WITH EXISTING PROPANE REFERENCE PRICE (COMMISSION ORDER NO. G-155-07)
(FEB 27, 2008 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	December 31, 2007 Balance						\$44,025
2	January 2008 (Projection)	1,315,395	\$0.4202	\$0.4260	(\$0.0058)	(\$7,629)	\$36,396
3	February (Recorded-Storage and Hedge) ⁽¹⁾					(\$30,460)	\$5,936
4	February (Recorded-Storage Demand Fee) ⁽²⁾					\$22,500	\$28,436
5	February (Projection- Commodity)	1,023,677	\$0.4129	\$0.4260	(\$0.0131)	(\$13,410)	\$15,026
6	March (Projection)	925,998	\$0.4085	\$0.4260	(\$0.0175)	(\$16,205)	(\$1,179)
7	Current Quarter Total	<u>3,265,071</u>				<u>(\$45,204)</u>	
8							
9	<u>Forecast Volumes and Forecast Prices</u>						
10	April (Forecast)	523,560	\$0.4384	\$0.4260	\$0.0124	\$6,492	\$5,313
11	May (Forecast)	441,510	\$0.4593	\$0.4260	\$0.0333	\$14,702	\$20,015
12	June (Forecast)	285,223	\$0.4643	\$0.4260	\$0.0383	\$10,924	\$30,939
13	July (Forecast)	242,244	\$0.4603	\$0.4260	\$0.0343	\$8,309	\$39,248
14	August (Forecast)	218,801	\$0.4774	\$0.4260	\$0.0514	\$11,246	\$50,494
15	September (Forecast)	339,923	\$0.4841	\$0.4260	\$0.0581	\$19,750	\$70,244
16	October (Forecast)	589,982	\$0.5025	\$0.4260	\$0.0765	\$45,134	\$115,378
17	November (Forecast)	918,184	\$0.4877	\$0.4260	\$0.0617	\$56,652	\$172,030
18	December (Forecast)	1,176,057	\$0.4969	\$0.4260	\$0.0709	\$83,382	\$255,412
19	January 2009 (Forecast)	1,242,479	\$0.4857	\$0.4260	\$0.0597	\$74,176	\$329,588
20	February (Forecast)	1,008,049	\$0.4816	\$0.4260	\$0.0556	\$56,048	\$385,636
21	March (Forecast)	914,277	\$0.4712	\$0.4260	\$0.0452	\$41,325	\$426,961
22	Total April 2008 to March 2009	<u>7,900,289</u>				<u>\$428,140</u>	
23							
24	Recovered Costs (Line 22 Col.2 x Line 22 Col.4)		<u>\$3,365,523</u>				
25	Forecast + Deferral Balance (Page 2 Line 13 Col. 9 + Page 1 Line 6 Col. 7)		<u>\$3,792,541</u>	88.7%			

Note (1) Recorded \$5.6K hedging gain and \$24.9K credit in storage withdrawal price variance adjustment for Nov to Dec 2007.

Note (2) Recorded \$22.5K storage demand fee for 2007/08 contract year.

TERASEN GAS INC.
 REVELSTOKE PROPANE DEFERRAL
 FOR THE PERIOD ENDING MARCH 31, 2009
 WITH EXISTING PROPANE REFERENCE PRICE (COMMISSION ORDER NO. G-155-07)
(FEB 27, 2008 FORWARD PRICES BASED ON MT. BELVIEU PROPANE FUTURES)

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	December 31, 2007 Balance						\$44,025
2	January 2008 (Projection)	1,315,395	\$0.4202	\$0.4260	(\$0.0058)	(\$7,629)	\$36,396
3	February (Recorded-Storage and Hedge) ⁽¹⁾					(\$30,460)	\$5,936
4	February (Recorded-Storage Demand Fee) ⁽²⁾					\$22,500	\$28,436
5	February (Projection- Commodity)	1,023,677	\$0.4129	\$0.4260	(\$0.0131)	(\$13,410)	\$15,026
6	March (Projection)	925,998	\$0.4123	\$0.4260	(\$0.0137)	(\$12,686)	\$2,340
7	Current Quarter Total	<u>3,265,071</u>				<u>(\$41,685)</u>	
8							
9	<u>Forecast Volumes and Forecast Prices</u>						
10	April (Forecast)	523,560	\$0.4244	\$0.4260	(\$0.0016)	(\$838)	\$1,502
11	May (Forecast)	441,510	\$0.4206	\$0.4260	(\$0.0054)	(\$2,384)	(\$882)
12	June (Forecast)	285,223	\$0.4193	\$0.4260	(\$0.0067)	(\$1,911)	(\$2,793)
13	July (Forecast)	242,244	\$0.4196	\$0.4260	(\$0.0064)	(\$1,550)	(\$4,343)
14	August (Forecast)	218,801	\$0.4183	\$0.4260	(\$0.0077)	(\$1,685)	(\$6,028)
15	September (Forecast)	339,923	\$0.4259	\$0.4260	(\$0.0001)	(\$34)	(\$6,062)
16	October (Forecast)	589,982	\$0.4288	\$0.4260	\$0.0028	\$1,652	(\$4,410)
17	November (Forecast)	918,184	\$0.4605	\$0.4260	\$0.0345	\$31,677	\$27,267
18	December (Forecast)	1,176,057	\$0.4560	\$0.4260	\$0.0300	\$35,282	\$62,549
19	January 2009 (Forecast)	1,242,479	\$0.4628	\$0.4260	\$0.0368	\$45,723	\$108,272
20	February (Forecast)	1,008,049	\$0.4673	\$0.4260	\$0.0413	\$41,632	\$149,904
21	March (Forecast)	914,277	\$0.4640	\$0.4260	\$0.0380	\$34,743	\$184,647
22	Total April 2008 to March 2009	<u>7,900,289</u>				<u>\$182,307</u>	
23							
24	Recovered Costs (Line 22 Col.2 x Line 22 Col.4)		<u>\$3,365,523</u>				
25	Forecast + Deferral Balance (Page 2 Line 13 Col. 9 + Page 1 Line 6 Col. 7)		<u>\$3,550,047</u>	94.8%			

Note (1) Recorded \$5.6K hedging gain and \$24.9K credit in storage withdrawal price variance adjustment for Nov to Dec 2007.

Note (2) Recorded \$22.5K storage demand fee for 2007/08 contract year.

TERASEN GAS INC.
 REVELSTOKE FORECAST AVERAGE COST OF PROPANE
 FOR THE PERIOD ENDING MARCH 31, 2009
(FEB 27, 2008 FORWARD PRICES BASED ON MT. BELVIEU PROPANE FUTURES)

Line No.	Particulars (1)	2008/09 Volume (Litres) (2)	Fixed Price Volume (Litres) (3)	Variable Volume (Litres) (4)	Fixed Price (\$/litre) (5)	Variable Price (\$/litre) (6)	Fixed Charges (\$) (7)	Variable Charges (\$) (8)	Total (\$) (9)
1	April	523,560	-	523,560	\$ -	\$ 0.4244	\$ -	\$ 222,224	\$ 222,224
2	May	441,510	-	441,510	\$ -	\$ 0.4206	\$ -	\$ 185,683	\$ 185,683
3	June	285,223	-	285,223	\$ -	\$ 0.4193	\$ -	\$ 119,585	\$ 119,585
4	July	242,244	-	242,244	\$ -	\$ 0.4196	\$ -	\$ 101,653	\$ 101,653
5	August	218,801	-	218,801	\$ -	\$ 0.4183	\$ -	\$ 91,531	\$ 91,531
6	September	339,923	-	339,923	\$ -	\$ 0.4259	\$ -	\$ 144,762	\$ 144,762
7	October	589,982	-	589,982	\$ -	\$ 0.4288	\$ -	\$ 252,973	\$ 252,973
8	November	918,184	450,000	468,184	\$ 0.4848	\$ 0.4371	\$ 218,159	\$ 204,642	\$ 422,801
9	December	1,176,057	450,000	726,057	\$ 0.4848	\$ 0.4381	\$ 218,159	\$ 318,113	\$ 536,272
10	January 2009	1,242,479	450,000	792,479	\$ 0.4848	\$ 0.4503	\$ 218,159	\$ 356,839	\$ 574,998
11	February	1,008,049	450,000	558,049	\$ 0.4848	\$ 0.4532	\$ 218,159	\$ 252,882	\$ 471,041
12	March	914,277	450,000	464,277	\$ 0.4848	\$ 0.4438	\$ 218,159	\$ 206,025	\$ 424,184
13	Total - Apr 2008 to Mar 2009	7,900,289	2,250,000	5,650,289			\$ 1,090,793	\$ 2,456,913	\$ 3,547,706
14									
15	Forecast Average Cost of Propane (\$/Litre)							\$ 0.4491	

TERASEN GAS INC. - REVELSTOKE SERVICE AREA
PROPANE FLOATING PRICES
Forward Prices: February 27, 2008

CRUDE OIL FUTURES		
Month	Crude Oil Future Prices (US \$ per Barrel)	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Apr-08	\$99.6400	\$0.4384
May-08	\$99.3800	\$0.4593
Jun-08	\$99.0600	\$0.4643
Jul-08	\$98.7600	\$0.4603
Aug-08	\$98.5000	\$0.4774
Sep-08	\$98.2600	\$0.4841
Oct-08	\$98.0400	\$0.5025
Nov-08	\$97.8200	\$0.4877
Dec-08	\$97.6000	\$0.4969
Jan-09	\$97.3600	\$0.4857
Feb-09	\$97.1400	\$0.4816
Mar-09	\$96.9300	\$0.4712

PROPANE FUTURES		
Month	Propane Futures Prices (US \$ per Gallon)	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Apr-08	\$1.4700	\$0.4244
May-08	\$1.4700	\$0.4206
Jun-08	\$1.4750	\$0.4193
Jul-08	\$1.4800	\$0.4196
Aug-08	\$1.4850	\$0.4183
Sep-08	\$1.4900	\$0.4259
Oct-08	\$1.4950	\$0.4288
Nov-08	\$1.5000	\$0.4605
Dec-08	\$1.5050	\$0.4560
Jan-09	\$1.5100	\$0.4628
Feb-09	\$1.5150	\$0.4673
Mar-09	\$1.5200	\$0.4640

50% CRUDE OIL & 50% PROPANE FUTURES	
Month	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Apr-08	\$0.4314
May-08	\$0.4399
Jun-08	\$0.4418
Jul-08	\$0.4400
Aug-08	\$0.4479
Sep-08	\$0.4550
Oct-08	\$0.4656
Nov-08	\$0.4741
Dec-08	\$0.4764
Jan-09	\$0.4743
Feb-09	\$0.4744
Mar-09	\$0.4676

Notes: US-Cdn exchange rates source - Barclays Bank dated February 27, 2008