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VIA E-MAIL

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June 13, 2008

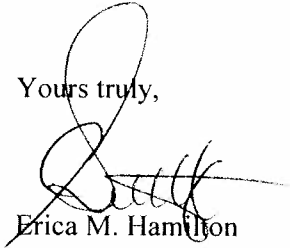
Mr. Tom Loski
Chief Regulatory Officer
Terasen Gas Inc.
16705 Fraser Highway
Surrey, B.C. V4N 0E8

Dear Mr. Loski:

Re: An Application by Terasen Gas Inc.
Regarding 2008 Second Quarter Gas Costs Report
and Rate Changes effective July 1, 2008
for the Fort Nelson Service Area

Further to your June 6, 2008 filing of the 2008 Second Quarter Gas Cost Report for the Fort Nelson Service area, please find enclosed Commission Order No. G-95-08.

Yours truly,


For: Erica M. Hamilton

emh
Enclosure



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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-95-08**

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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

Filings by Terasen Gas Inc. regarding
2008 Second Quarter Gas Costs Report
and Rate Changes effective July 1, 2008
for the Fort Nelson Service Area

BEFORE: L.F. Kelsey, Commissioner
P.E. Vivian, Commissioner June 12, 2008
A.A. Rhodes, Commissioner

O R D E R

WHEREAS:

- A. By Order No. G-39-08 dated March 13, 2008, the Commission approved a Gas Cost Recovery Charge for the Fort Nelson Service Area; and
- B. On June 6, 2008, pursuant to Commission Letter No. L-5-01, Terasen Gas Inc. ("Terasen Gas" or "TGI") filed its 2008 Second Quarter Report on the Gas Cost Reconciliation Account ("GCRA") balance and gas commodity recovery charges for the Fort Nelson Service Area, effective July 1, 2008, that were based on May 28, 2008 forward gas prices (the "2008 Second Quarter Report"); and
- C. The 2008 Second Quarter Report forecasts that gas commodity charges at current rates would be 83.4 percent of costs for the following 12 months; and has requested an increase of \$1.689/GJ in gas commodity recovery charges for natural gas customers in Fort Nelson Service Area, effective July 1, 2008. This equates to an increase to a typical residential customer's annual bill by approximately \$270 or 17 percent; and
- D. The Carbon Tax is effective July 1, 2008 at \$0.49660/GJ; and

**BRITISH COLUMBIA
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E. The Commission concludes that the requested changes as outlined in the 2008 Second Quarter Report should be approved.

NOW THEREFORE pursuant to Section 61(4) of the Utilities Commission Act, the Commission orders as follows:

1. The Commission approves a \$1.689/GJ increase in the Gas Cost Recovery Charge for Fort Nelson Service Area to \$10.151/GJ effective July 1, 2008, as set out in Terasen Gas' 2008 Second Quarter Report for the Fort Nelson Service Area.
2. Terasen Gas will notify all customers that are affected by the rate changes with a bill insert or bill message to be included with the next monthly gas billing.

DATED at the City of Vancouver, In the Province of British Columbia, this 13th day of June 2008.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner