

June 8, 2009

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

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

Terasen Gas Inc. - Lower Mainland, Inland, and Columbia Service Areas Re:

Commodity Cost Reconciliation Account ("CCRA") and Midstream Cost

Reconciliation Account ("MCRA") Quarterly Gas Costs

2009 Second Quarter Gas Cost Report

The attached materials provide the Terasen Gas Inc. ("Terasen Gas" or the "Company") 2009 Second Quarter Gas Cost Report for the CCRA and MCRA deferral accounts as required under British Columbia Utilities Commission (the "Commission") guidelines.

The monthly deferral account balance for the CCRA is shown on the schedule provided in Tab 1, Page 1, for the existing rates. The CCRA balance at June 30, 2009, based on the June 1, 2009 forward prices, is projected to be approximately \$40 million surplus (after tax). Further, based on the June 1, 2009 forward prices, the gas purchase cost assumptions, and the forecast commodity cost recoveries at present rates for the 12month period ending June 30, 2010, and accounting for the projected June 30, 2009 deferral balance, the CCRA ratio is calculated to be 107.5% (Tab 1, Page 1, Column 10, Lines 36/37). The ratio does not fall inside the deadband range of 95% to 105%, indicating that current rates are over recovering costs at this time.

The forecast cost of gas, based on the June 1, 2009 forward prices indicate that a rate decrease of \$0.413/GJ effective July 1, 2009 would eliminate the surplus over the next 12 months. However, the natural gas futures for the periods beyond the 12-month forecast period are contango. The forecast cost of gas beyond the next 12 months. based on the June 1, 2009 forward prices and due to the contango market, indicate that should a mechanistic rate decrease be flowed through rates effective July 1, 2009 the revenue-to-cost ratio for the October 1, 2009 to September 30, 2010 period (which relates to the 2009 third quarter reporting period) would be approximately 97%, just within the deadband but now under recovering costs. And, the revenue-to-cost ratio for the January 1, 2010 to December 31, 2010 period (which relates to the 2009 fourth quarter reporting period) would be approximately 91%, well outside the deadband and under recovering costs to approximately the same extent that current rates are over recovering costs for the July 1, 2009 to June 30, 2010 period.

Further, the forecast cost of gas beyond the next 12 months, based on the June 1, 2009 forward prices and due to the contango market, indicate that should no change be made to rates effective July 1, 2009 the revenue-to-cost ratio for the October 1, 2009 to

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September 30, 2010 period (which relates to the 2009 third quarter reporting period) would be approximately 106%, just outside the deadband though still over recovering costs. And, the revenue-to-cost ratio for the January 1, 2010 to December 31, 2010 period (which relates to the 2009 fourth quarter reporting period) would be approximately 102%, within the deadband and only slightly over recovering costs.

Terasen Gas acknowledges that the commodity futures markets continue to experience a large degree of price volatility and is mindful that, should a rate decrease be flowed through effective July 1, 2009, even a slight increase in the natural gas futures prices from the June 1, 2009 forward prices could trigger a rate increase October 1, 2009.

Terasen Gas proposes that no change be made in the commodity cost recovery rate effective July 1, 2009. The Company continues to support the commodity revenue-to-cost ratio mechanism and recognizes that the request to not decrease rates July 1, 2009 is out of the ordinary, but believes that under the current circumstances it is not inappropriate to leave rates unchanged at this time. Terasen Gas will continue to monitor the forward prices and will report the results in its 2009 Third Quarter Gas Cost Report, recognizing that at that time should the existing rates produce a recovery-to-cost ratio outside the 95% to 105% deadband range then a rate change will be required effective October 1, 2009.

The monthly deferral account balance for the MCRA is shown on the schedule provided in Tab 1, Page 2, for the existing rates. The MCRA balance at June 30, 2009, based on the June 1, 2009 forward prices, is projected to be approximately \$13 million surplus (after tax). Further, the MCRA balance at December 31, 2009, based on the June 1, 2009 forward prices, is projected to be approximately \$28 million deficit (after-tax). Terasen Gas will continue to monitor and report MCRA balances consistent with the Company's position that midstream rates be reported on a quarterly basis and, under normal circumstances, midstream rates be adjusted on an annual basis with a January 1 effective date.

In summary, Terasen Gas proposes that no change be made to either the commodity rates or the midstream rates at this time.

We trust that the Commission will find this filing in order. If there are any questions regarding this filing, please contact Brian Noel at 604-592-7467.

All of which is respectfully submitted.

Sincerely,

TERASEN GAS INC.

Original signed:

Tom A. Loski

Attachments

#### TERASEN GAS INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS

### CCRA MONTHLY BALANCES AT EXISTING RATES (AFTER VOLUME ADJUSTMENTS) AND RATE CHANGE TRIGGER MECHANISI FOR THE FORECAST PERIOD JULY 1, 2009 TO JUNE 30, 2011

#### **JUNE 1, 2009 FORWARD PRICES**

\$(Millions)

Line No.	(1)		(2)	(	3)	(4	4)	(	(5)		(6)		(7)	(8	)	(9	9)	(1	0)	(	11)	(1	2)	(	13)	(	(14)
1 2			corded an-09		orded o-09		orded r-09		orded or-09		jected ay-09		jected in-09														
3	CCRA Balance - Beginning (Pre-tax) (1*)	\$	(33)	\$	(29)	\$	(31)	\$	(37)	\$	(40)	\$	(47)														
4	Gas Costs Incurred	\$	63	\$	54	\$	55	\$	39	\$	42	\$	38														
5	Revenue from EXISTING Recovery Rates	\$	(60)	\$	(56)	\$	(61)	\$	(42)	\$	(49)	\$	(47)														
6 7	CCRA Balance - Ending (Pre-tax) (2°)	\$	(29)	\$	(31)	\$	(37)	\$	(40)	\$	(47)	\$	(57)														
8	CCRA Balance - Ending (After-tax) (3*)	\$	(21)	\$	(22)	\$	(26)	\$	(28)	\$	(33)	\$	(40)														
9 10																											otal
11 12 13			recast ul-09		ecast g-09		ecast o-09		ecast ct-09		ecast v-09		recast ec-09	Fore		Fore Feb		Fore Mar			ecast or-10		ecast y-10		ecast n-10		ul-09 to ın-10
14	CCRA Balance - Beginning (Pre-tax) (1*)	\$	(57)	\$	(63)	\$	(69)	\$	(74)	\$	(78)	\$	(72)	\$	(63)	\$	(54)	\$	(45)	\$	(36)	\$	(36)	\$	(35)	\$	(57)
15	Gas Costs Incurred	\$	37	\$	38	\$	. ,	\$		\$		\$	52		53		47		52		42		44		43		532
16	Revenue from <b>EXISTING</b> Recovery Rates	\$	(43)	\$	(43)	\$	(42)	\$	(43)	\$	(42)	\$	(43)	\$	(43)	\$	(39)	\$	(43)	\$	(42)	\$	(43)	\$	(42)	\$	(510)
17	CCRA Balance - Ending (Pre-tax) (2*)	\$	(63)		(69)		(74)		(78)		(72)		(64)		(54)		(45)		(36)		(36)		(35)		(34)		(34)
18											• •																
19	CCRA Balance - Ending (After-tax) (3*)	\$	(44)	\$	(48)	\$	(52)	\$	(55)	\$	(51)	\$	(45)	\$	(38)	\$	(32)	\$	(26)	\$	(26)	\$	(25)	\$	(24)	\$	(24)
20 21 22		_		_		_		_		_		_		_		_		_		_		_		_		Ju	otal ul-10
23 24			recast ul-10		ecast g-10	Fore Sep	ecast o-10		ecast ct-10		ecast v-10		recast ec-10	Fored Jan-		Fore Feb		Fore Mar			ecast or-11		ecast y-11		ecast n-11		to ın-11
25	CCRA Balance - Beginning (Pre-tax) (1*)	\$	(34)	\$	(32)	\$	(30)	\$	(28)	\$	(25)	\$	(17)	\$	(7)	\$	4	\$	15	\$	25	\$	27	\$	30	\$	(34)
26	Gas Costs Incurred	\$	44	\$	45	\$	43	\$	45	\$	48	\$	53	\$	54	\$	49	\$	52	\$	44	\$	45	\$	44	\$	565
27	Revenue from <b>EXISTING</b> Recovery Rates	\$	(42)	\$	(42)	\$	(41)	\$	(42)	\$	(41)	\$	(42)	\$	(42)	\$	(38)	\$	(42)	\$	(41)	\$	(42)	\$	(41)	\$	(498)
28 29	CCRA Balance - Ending (Pre-tax) (2")	\$	(32)	\$	(30)	\$	(28)	\$	(25)	\$	(17)	\$	(7)	\$	4	\$	15	\$	25	\$	27	\$	30	\$	33	\$	33
30 31	CCRA Balance - Ending (After-tax) (3")	\$	(23)	\$	(22)	\$	(20)	\$	(18)	\$	(12)	\$	(5)	\$	3	\$	11	\$	18	\$	20	\$	22	\$	24	\$	24
35	CCRA RATE CHANGE TRIGGER MECHANISM  CCRA Forecast Reco	overed Ga	s Costs	(Jul 2	009 - 、	Jun 20	)10)							\$	510												
37	Ratio Forecast Incurred Gas Costs (Jul 20			_				Balan	nce (Jur	n 200	9)		= -	\$	475	=	= _	107	.5%								

Notes: Slight differences in totals due to rounding.

<sup>(1\*)</sup> Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts (Jan 1, 2009, 30.0%, Jan 1, 2010, 28.5%, and Jan 1, 2011, 26.5%).

<sup>(2\*)</sup> For rate setting purpose CCRA pre tax balances include grossed up projected deferred interest as at June 30, 2009.

<sup>(3\*)</sup> For rate setting purpose CCRA after tax balances are independently grossed-up to reflect pre-tax amounts.

#### TERASEN GAS INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS

### MCRA MONTHLY BALANCES AT EXISTING RATES (AFTER VOLUME ADJUSTMENTS FOR THE FORECAST PERIOD JULY 1, 2009 TO JUNE 30, 2011 JUNE 1, 2009 FORWARD PRICES

\$(Millions)

Line No.	(1)		2)	(:	3)	(4)		(5)	(6	6)	(	(7)		(8)	(	9)	(1	0)	(	11)	(	(12)	(1	3)	(*	14)
					-/	(-/		(-)		-,		(- /		(-)		-/		-/		,		/		-/		,
1		Rec	orded	Reco	orded	Recorde	d R	Recorded	Proje	ected	Proj	ected	Fo	recast	Fore	ecast	Fore	ecast	For	ecast	For	recast	Fore	cast	To	otal
2		Ja	า-09	Feb	o-09	Mar-09		Apr-09	May	y-09	Ju	n-09	Jı	ul-09	Auç	g-09	Sep	o-09	O	ct-09	No	ov-09	Dec	-09	20	009
3	MCRA Balance - Beginning (Pre-tax) (1*)	\$	(34)	\$	(27)	\$ (2	5) \$	(55)	\$	(35)	\$	(40)	\$	(19)	\$	7	\$	35	\$	58	\$	68	\$	61	\$	(34)
4	Gas Costs Incurred	\$	122	\$	92	\$ 20	7 \$	27	\$	2	\$	(2)	\$	1	\$	1	\$	5	\$	20	\$	50	\$	57	\$	582
5	Revenue from EXISTING Recovery Rates	\$	(115)	\$	(89)	\$ (23	3) \$	(7)	\$	(6)	\$	26	\$	25	\$	26	\$	19	\$	(11)	\$	(56)	\$	(79)	\$	(506)
6	MCRA Balance - Ending (Pre-tax) (2*)	\$	(27)	\$	(25)	\$ (5	5) \$	(35)	\$	(40)	\$	(19)	\$	7	\$	35	\$	58	\$	68	\$	61	\$	39	\$	39
7																										
8	MCRA Balance - Ending (After-tax) (3*)	\$	(19)	\$	(17)	\$ (3	9) \$	(25)	\$	(28)	\$	(13)	\$	5	\$	24	\$	41	\$	47	\$	43	\$	28	\$	28
9																										
10																										
11 12		For	ecast	Fore	ecast	Forecas		orecast	Fore	ooot.	For	ecast	Eo	recast	For	ecast	Fore	ecast	For	ecast	For	recast	Fore	ooot	т.	otal
13			า-10		)-10	Mar-10		Apr-10		y-10		n-10		ul-10		g-10		o-10		ct-10		ov-10		:casi :-10		)10
14	MCRA Balance - Beginning (Pre-tax) (1*)	\$	39	\$	13		5) \$			(19)		(9)			\$		\$	41	\$		\$	61	\$		\$	39
15	Gas Costs Incurred	\$	70	\$	58	\$ 4		14	\$	(4)		(2)		(1)	\$	(11)	\$	(5)	\$	22	\$	64	\$	73	\$	326
16	Revenue from <b>EXISTING</b> Recovery Rates	\$	(96)	\$		*	3) \$			13		16		19		, ,	\$	20	\$	(18)		(70)		(92)		(329)
17	MCRA Balance - Ending (Pre-tax) (2°)	\$	13		(5)		7) \$			(9)		5		22		41		57		61		55		36		36
18		Ψ	10	Ψ	(0)	Ψ (1	, ψ	, (13)	Ψ	(0)	Ψ		Ψ		Ψ	T1	Ψ	- 51	Ψ	- 01	Ψ	- 00	Ψ	- 30	Ψ	
19	MCRA Balance - Ending (After-tax) (3*)	\$	10	\$	(4)	\$ (1:	2) \$	(13)	\$	(7)	\$	3	\$	16	\$	29	\$	40	\$	43	\$	39	\$	25	\$	25

Notes: Slight differences in totals due to rounding.

<sup>(1\*)</sup> Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts (Jan 1, 2009, 30.0%, Jan 1, 2010, 28.5%).

<sup>(2\*)</sup> For rate setting purpose MCRA pre tax balances include grossed up projected deferred interest as at June 30, 2009.

<sup>(3\*)</sup> For rate setting purpose MCRA after tax balances are independently grossed-up to reflect pre-tax amounts.

#### Tab 1 Page 3

Jun 1, 2009 Forward Prices

## TERASEN GAS INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS **SUMAS INDEX FORECAST FOR THE PERIOD ENDING JUNE 30, 2011**AND US DOLLAR EXCHANGE RATE FORECAST UPDATE

Line No	Particulars	Feb 24, 2009 Forw 2009 Q1 Gas Co		Jun 1, 2009 For 2009 Q2 Gas			Le Feb 24, 2009 F	ss	
	(1)	(2)			(3)		(4) = (3	3) - (2)	)
1	Sumas Index Prices - \$US/MMBTU								
2	2009 January	Recorded \$	6.89	Λ	\$	6.89		\$	-
3	February	Projected \$	4.80		\$	4.80		\$	-
4	March	Forecast \$	3.88		\$	3.83		\$	(0.05)
5	April	Γ \$	3.63	Recorded	\$	3.59		\$	(0.04)
6	May	\$	3.72	Projected	\$	2.74		\$	(0.98)
7	June	∜ \$	3.85	Forecast	\$	2.88		\$	(0.97)
8	July	\$	3.99		\$	3.53		\$	(0.46)
9	August	\$	4.07		\$	3.66		\$	(0.41)
10	September	\$	4.11	Ÿ.	\$	3.76		\$	(0.35)
11	October	\$	4.21		\$	3.91		\$	(0.30)
12	November	\$	4.88		\$	4.73		\$	(0.15)
13	December (1, 2000 P. 2000)	\$	6.19		\$	6.23	0.004	\$	0.04
14	Simple Average (Jan, 2009 - Dec, 2009)	\$	4.52		\$	4.21	-6.9%	_	(0.31)
15	Simple Average (Apr, 2009 - Mar, 2010)	\$	4.77		\$	4.48	-6.1%		(0.29)
16	Simple Average (Jul, 2009 - Jun, 2010)	\$	5.11		\$	5.06	-1.0%	_	(0.05)
17	Simple Average (Oct, 2009 - Sep, 2010)	<u>\$</u>	5.43		\$	5.57	2.6%		0.14
18	2010 January	\$	6.46		\$	6.53		\$	0.07
19	February	\$	6.47		\$	6.56		\$	0.10
20	March	\$	5.60		\$	5.68		\$	0.08
21	April	\$	5.06		\$	5.33		\$	0.27
22	May	\$	5.09		\$	5.37		\$	0.29
23	June	\$	5.18		\$	5.48		\$	0.30
24 25	July	\$ \$	5.30 5.38		\$ \$	5.60 5.69		\$ \$	0.30 0.31
26 26	August	\$	5.36 5.41		Ф \$	5.74		э \$	0.33
27	September October	\$	5.50		\$	5.83		\$	0.33
28	November	\$	6.06		\$	6.43		\$	0.33
29	December	\$	7.19		\$	7.62		\$	0.43
30	Simple Average (Jan, 2010 - Dec, 2010)	\$	5.72		\$	5.99	4.7%		0.27
31	Simple Average (Apr. 2010 - Mar. 2011)	\$	5.95		\$	6.30		\$	0.35
32	Simple Average (Jul, 2010 - Jun, 2011)	<u>v</u>	0.00		\$	6.50	0.070	Ψ	0.00
33	<b>2011</b> January	\$	7.41		\$	7.84		\$	0.42
34	February	\$	7.41		\$	7.83		\$	0.42
35	March	\$	6.46		\$	6.86		\$	0.39
36	April	Ψ	0.10		\$	6.17		Ψ	0.00
37	May				\$	6.15			
38	June				\$	6.24			
38					*				
39	Conversation Factors	Forecast Apr 2009	-Mar 2010	Forecast Jul 200	09-Jur	n 2010			
40	GJ/MMBTU	1.055056		1.055056					
41	Average Barclays Bank Exchange Rate (\$1 US = \$x.xxxx C		1.2406		\$	1.0896	-12.2%	\$	(0.151)
42	Bank of Canada Daily Exchange Rate (\$1 US = \$x.xxxx CD	,							
43	February 24, 2009 vs June 1, 2009	\$	1.2470		\$	1.0872	-12.8%	\$	(0.160)

### TERASEN GAS INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS AECO INDEX FORECAST FOR THE PERIOD ENDING JUNE 30, 2011

	AECO INDEX FORE	CAST FOR THE PERIOD	ENDING JUN	IE 30, 2011			Jun 1, 2009 Fo	arwarc	Drices
Line No	Particulars	Feb 24, 2009 Forw 2009 Q1 Gas Co		Jun 1, 2009 Fo 2009 Q2 Gas			Le: Feb 24, 2009 F	SS	
	(1)	(2)			(3)		(4) = (3)	3) - (2)	
1	AECO Index Prices - \$CDN/GJ								
2	2009 January	Recorded \$	6.22	$\bigcap$	\$	6.22		\$	-
3	February	Projected \$	5.33		\$	5.33		\$	-
4	March	Forecast \$	4.59	U	\$	4.48		\$	(0.11)
5	April	Γ \$	4.16	Recorded		3.82		\$	(0.34)
6	May	\$	4.26	Projected		3.24		\$	(1.03)
7	June	∜ \$	4.42	Forecast		3.35		\$	(1.07)
8	July	\$	4.58		\$	3.63		\$	(0.95)
9	August	\$	4.67		\$	3.76		\$	(0.90)
10	September	\$	4.71	Ÿ	\$	3.86		\$	(0.85)
11	October	\$	4.83		\$	4.03		\$	(0.81)
12	November	\$	5.39		\$	4.73		\$	(0.66)
13	December	\$	6.06		\$	5.43		\$	(0.62)
14	Simple Average (Jan, 2009 - Dec, 2009)	<u>\$</u>	4.93		\$	4.32	-12.4%	\$	(0.61)
15	Simple Average (Apr, 2009 - Mar, 2010)	\$	5.17		\$	4.42	-14.5%	\$	(0.75)
16	Simple Average (Jul, 2009 - Jun, 2010)	\$	5.57		\$	4.93	-11.5%	\$	(0.64)
17	Simple Average (Oct, 2009 - Sep, 2010)	\$	5.95		\$	5.43	-8.7%	\$	(0.52)
18	2010 January	\$	6.37		\$	5.74		\$	(0.63)
19	February	\$	6.37		\$	5.78		\$	(0.59)
20	March	\$	6.23		\$	5.71		\$	(0.52)
21	April	\$	5.82		\$	5.43		\$	(0.39)
22	May	\$	5.85		\$	5.47		\$	(0.38)
23	June	\$	5.96		\$	5.57		\$	(0.39)
24	July	\$	6.10		\$	5.69		\$	(0.40)
25	August	\$	6.19		\$	5.79		\$	(0.41)
26	September	\$	6.23		\$	5.84		\$	(0.39)
27	October	\$	6.34		\$	5.93		\$	(0.41)
28	November	\$	6.74		\$	6.33		\$	(0.41)
29	December	\$	7.19		\$	6.74		\$	(0.45)
30	Simple Average (Jan, 2010 - Dec, 2010)	<u>\$</u>	6.28		\$	5.83	-7.2%	-	(0.45)
31	Simple Average (Apr, 2010 - Mar, 2011)	\$	6.54		\$	6.12	-6.4%	\$	(0.42)
32	Simple Average (Jul, 2010 - Jun, 2011)				\$	6.32			
33	2011 January	\$	7.45		\$	6.96		\$	(0.50)
34	February	\$	7.44		\$	6.95		\$	(0.48)
35	March	\$	7.20		\$	6.77		\$	(0.43)
36	April				\$	6.26			
37	May				\$	6.25			
38	June				\$	6.33			

### TERASEN GAS INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS STATION NO. 2 INDEX FORECAST FOR THE PERIOD ENDING JUNE 30, 2011

	STATION NO. 2 INDEX	FORECAST FOR THE PER	IOD ENDING	JUNE 30, 2011		Jun 1, 2009 I	- orward	d Prices
Line		Feb 24, 2009 Forw		Jun 1, 2009 For		s L	ess	
No	Particulars	2009 Q1 Gas Co	st Report	2009 Q2 Gas				d Prices
	(1)	(2)			(3)	(4) =	(3) - (2)	
1	Station No. 2 Index Prices - \$CDN/GJ							
2	2009 January	Recorded \$	6.52	Λ		.52	\$	-
3	February	Projected \$	4.79			.79	\$	-
4	March	Forecast \$	4.05		•	.08	\$	0.03
5	April	Д \$	3.97	Recorded		.71	\$	(0.27)
6	May	\$	4.07	Projected		.92	\$	(1.15)
7	June	∜ \$	4.23	Forecast	•	.30	\$	(0.93)
8	July	\$	4.39	I		.38	\$	(1.01)
9	August	\$	4.48			.51	\$	(0.97)
10	September	\$	4.52	<b>♡</b>		.61	\$	(0.91)
11	October	\$	4.64			.77	\$	(0.87)
12	November	\$	5.40			.71	\$	(0.69)
13	December	<u>\$</u>	6.06		\$ 5.	<u>.41</u>	\$	(0.65)
14	Simple Average (Jan, 2009 - Dec, 2009)	\$	4.76		\$ 4.	<u>.14</u> -13.0%	\$	(0.62)
15	Simple Average (Apr, 2009 - Mar, 2010)	\$	5.06		\$ 4.	.29 -15.2%	\$	(0.77)
16	Simple Average (Jul, 2009 - Jun, 2010)	\$	5.45		\$ 4.	.78 -12.3%	\$	(0.67)
17	Simple Average (Oct, 2009 - Sep, 2010)	\$	5.83		\$ 5.	.29 -9.3%	\$	(0.54)
18	<b>2010</b> January	\$	6.38		\$ 5.	.72	\$	(0.66)
19	February	\$	6.37			.76	\$	(0.61)
20	March	\$	6.23			.69	\$	(0.55)
21	April	\$	5.60			.21	\$	(0.39)
22	May	\$	5.63			.25	\$	(0.38)
23	June	\$	5.74			.35	\$	(0.39)
24	July	\$	5.88			.47	\$	(0.40)
25	August	\$	5.97		\$ 5.	.57	\$	(0.41)
26	September	\$	6.01			.62	\$	(0.39)
27	October	\$	6.12		\$ 5.	.71	\$	(0.41)
28	November	\$	6.75		\$ 6.	.34	\$	(0.42)
29	December	\$	7.20		\$ 6.	.74	\$	(0.46)
30	Simple Average (Jan, 2010 - Dec, 2010)	\$	6.16		\$ 5.	.70 -7.5%	\$	(0.46)
31	Simple Average (Apr, 2010 - Mar, 2011)	\$	6.42		\$ 6.	.00 -6.5%	\$	(0.42)
32	Simple Average (Jul, 2010 - Jun, 2011)				\$ 6.	.20	·	
33	2011 January	\$	7.46		\$ 6.	.96	\$	(0.50)
34	February	\$	7.45		\$ 6.	.96	\$	(0.49)
35	March	\$	7.21		\$ 6.	.77	\$	(0.44)
36	April					.05		, ,
37	May				\$ 6.	.04		
38	June				\$ 6.	.12		

#### TERASEN GAS INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS $\,$

#### GAS BUDGET COST SUMMARY

#### FOR THE FORECAST PERIOD JULY 1, 2009 TO JUNE 30, 2010

JUNE 1, 2009 FORWARD PRICES

Line No.	Particulars	Delivered Volumes (TJ)		Costs (\$ 000)		Unit Cost (\$/GJ)	Comments
	(1)	(2)		(3)		(4)	(5)
1	CCRA						
2	TERM PURCHASES Hunt	0.0	Φ.	0	\$		
4	Station #2	20,999.5	Ψ	102,497	Ψ	4.881	
5	AECO	1,740.3		8,577	l_	4.928	
6	TOTAL TERM PURCHASES	22,739.9	\$	111,073	\$	4.885	
7	<u>SEASONAL</u>						
8	Hunt	12,840.1	\$	65,369	\$		
9	Station #2	22,105.1 6,220.8		116,913 32,831		5.289 5.278	
10 11	AECO TOTAL SEASONAL PURCHASES	41,165.9	\$	215,113	\$		
12	SPOT	41,100.9	Ψ	213,113	Ψ	3.220	
13	Hunt	-	\$	-	\$	-	
14	Station #2	16,816.0		79,271		4.714	
15	AECO	4,879.0		22,341	l _	4.579	
16	TOTAL SPOT PURCHASES	21,695.0	\$	101,612	\$	4.684	
17	TOTAL CCRA COMMODITY	0F COO 0		407 700	,	4.000	
18 19	HEDGING (GAIN)/LOSS	85,600.8	\$	427,799 103,683	\$	4.998	
20	CCRA ADMINISTRATION COSTS			665			
21	FUEL-IN-KIND VOLUMES	1,345		000			Fuel-in-kind gas costs included in CCRA commodity purchase costs
22	TOTAL CCRA - MARKETABLE GAS	85,600.8	\$	532,146	\$	6.217	Fuel-in-kind gas volumes are not part of total marketable gas
23	MCRA	,		•	Ħ		
24	MCRA COMMODITY						
25	TOTAL MCRA COMMODITY	34,121.5	\$	173,268	\$	5.078	
26							
27	PEAKING	372.8	\$	2,188	\$	5.871	Daily priced - forecast at 1.5 x month price
28	TRANSPORTATION		_	=4.000			
29 30	WEI NOVA/ANG		\$	71,609 9,729			
31	NWP			5,572			
32	TOTAL TRANSPORTATION		\$	86,909			
33	STORAGE GAS						
34	Injection						
35	BC (Aitken)	(18,333.7)	\$	(95,672)	\$		Includes LNG
36 37	Alberta (Carbon) Downstream (JP/Mist)	(2,878.2) (6,811.4)		(15,313) (40,066)		5.320 5.882	
38	TOTAL INJECTION	(28,023.3)	\$	(151,051)	\$		
39	Withdrawal	(20,020.0)	Ψ	(101,001)	ľ	0.000	
40	BC (Aitken)	21,802.7	\$	117,316	\$	5.381	Includes LNG
41	Alberta (Carbon)	2,935.9		12,236		4.168	
42	Downstream (JP/Mist)	7,365.7	_	44,386	l-	6.026	
43	TOTAL WITHDRAWAL	32,104.3	\$	173,938	\$	5.418	
44	Storage Demand Charges (fixed only)		œ.	24 267			
45 46	BC (Aitken) Alberta (Carbon)		\$	21,367 1,400	1		
47	Downstream (JP/Mist)			20,509			
48	TOTAL DEMAND CHARGE		\$	43,276	1		
49	NET STORAGE		\$	66,163	1		
50	MITIGATION				1		
51	Resale Commodity	(36,201.6)	\$	(192,615)	1		Both On / Off System sales of surplus term & storage gas
52 53	Mitigation of Assets		-	(12,644)	ı		Includes transportation & storage mitigation
53 54	TOTAL MITIGATION		\$	(205,259)	1		
	<u>OTHER</u> COMPANY USE GAS	(174.6)	\$	(655)	ф.	3.753	Company Use, Heater Fuel, Compressor Fuel
	GSMIP	(17-7.0)	ľ	1,000	۱۳	0.700	
57	MCRA ADMINISTRATION COSTS			1,551	1		
58	HEDGING (GAIN)/LOSS		<b>.</b>	-	L		
59	TOTAL MCRA - CORE		\$	125,166	\$	1.159	Average unit cost based on Core sales volume
60	Core Sales Volume	108,016.7			1		Total Core sales volume per Gas Sales Forecast
61	TOTAL PURCET		¢	657 242	1		
62	TOTAL BUDGET		\$	657,312	L		

#### TERASEN GAS INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS

#### RECONCILIATION OF GAS COST INCURRED FOR THE FORECAST PERIOD JULY 1, 2009 TO JUNE 30, 2010 JUNE 1, 2009 FORWARD PRICES

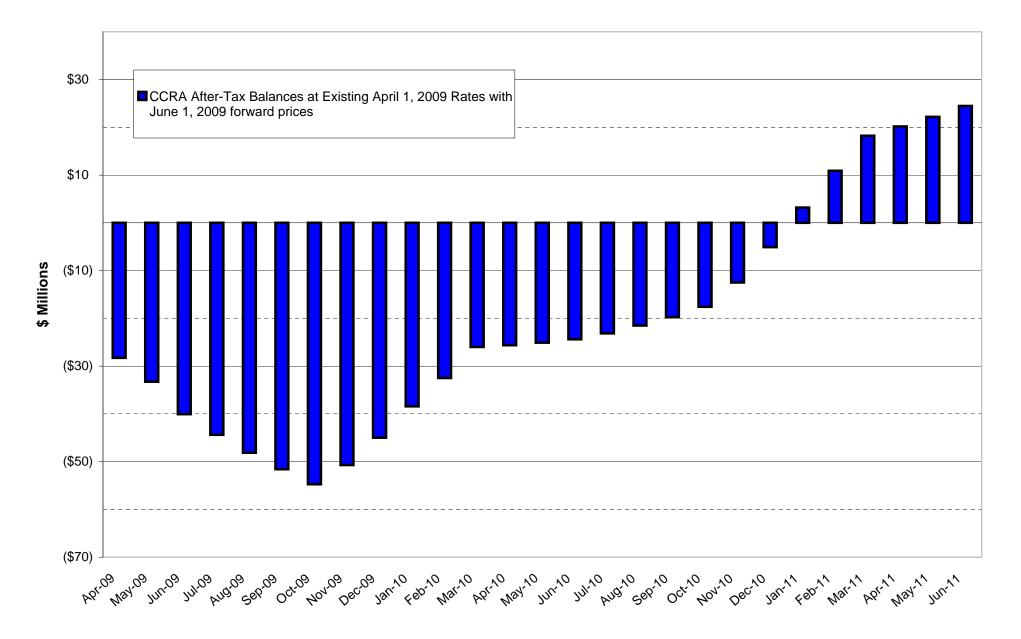
\$(Millions)

Line No.	Particulars	Deferra	A/MCRA al Account recast	С	Budget ost nmary
	(1)		(2)		(3)
1	Gas Cost Incurred				
2	CCRA (Tab 1, Page 1, Column 14, Line 15)	\$	532		
3	MCRA (Tab 1, Page 2, Col. 8 Line 4 to Col. 7, Line 15)		318		
4					
5					
6	Gas Budget Cost Summary				
7	CCRA (Tab 1, Page 6, Column 3, Line 22)			\$	532
8	MCRA (Tab 1, Page 6, Column 3, Line 59)				125
9	Total Net Costs for Firm Customers			\$	657
10					
11	Add back Off-System Sales				
12	Cost				201
13	Margin				(12)
14					
15	Add back On-System Sales				
16	Cost				5
17	Margin				(1)
18					
19					
20	Totals Reconciled	\$	850	\$	850

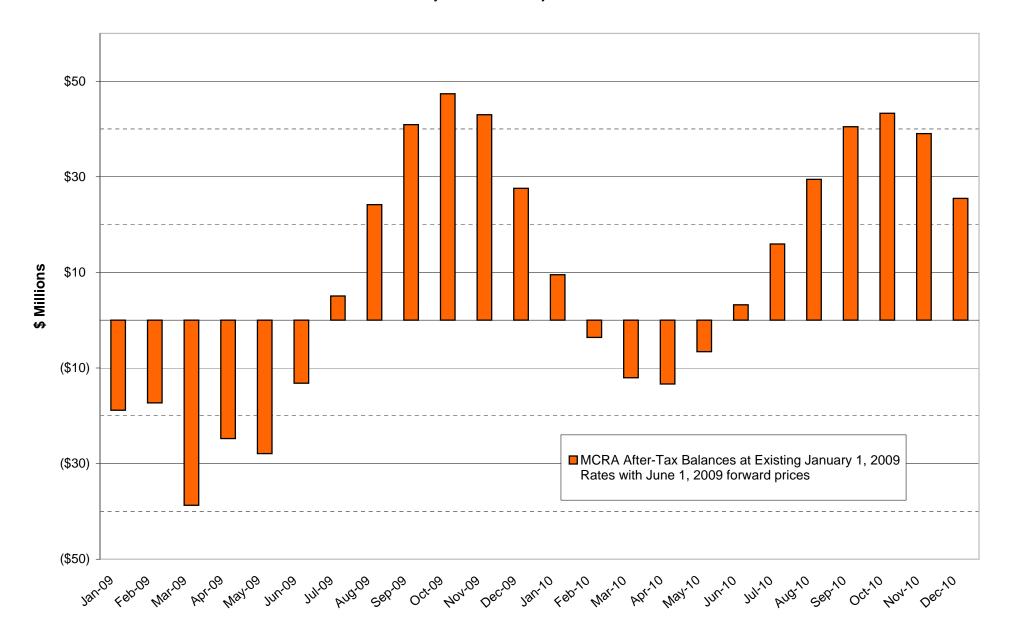
Note:

Slight differences in totals due to rounding

Terasen Gas Inc.
Lower Mainland, Inland and Columbia CCRA After-Tax Monthly Balances
Recorded to Apr 2009 and Projected to June 2011



Terasen Gas Inc.
Lower Mainland, Inland and Columbia MCRA After-Tax Monthly Balances
Recorded to January 2009 and Projected to Decmber 2010



#### Tab 2 Table A Page 1.0

### TERASEN GAS INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS COMMODITY COST RECONCILIATION ACCOUNT ("CCRA")

#### COST OF GAS (COMMODITY COST RECOVERY CHARGE) FLOW-THROUGH BY RATE SCHEDULE FOR THE FORECAST PERIOD JULY 1, 2009 TO JUNE 30, 2010 (JUNE 1, 2009 FORWARD PRICING)

Line No.	Particulars	Unit		S-1, RS-2, RS-3, RS-5 and RS-6		RS-4	RS-7	RS-1 to RS-7 Total
110.	(1)			(2)		(3)	 (4)	 (5)
1	CCRA Sales Volumes	TJ		85,377.0		211.8	 12.1	85,600.8
2			-	_	-		_	 _
3								
4	CCRA Incurred Costs							
5	Station #2	\$000	\$	297,733.3	\$	868.0	\$ 79.3	\$ 298,680.6
6	AECO	\$000		63,747.7		1.2	0.1	63,749.0
7	Huntingdon	\$000		65,269.3		99.7	 	 65,369.0
8	CCRA Commodity Costs before Hedging	\$000	\$	426,750.4	\$	968.9	\$ 79.3	\$ 427,798.6
9	Mark to Market Hedges Loss / (Gain)	\$000	\$	103,447.6		234.9	-	\$ 103,682.5
10	Core Market Administration Costs	\$000	\$	663.2		1.5		\$ 664.7
11	Total Incurred Costs before CCRA deferral amortization	\$000	\$	530,861.2	\$	1,205.3	\$ 79.3	\$ 532,145.8
12								
13	Pre-tax Amortization CCRA Deficit/(Surplus) as of Jul 1, 2009	\$000	\$	(57,092.9)		(129.6)	 -	\$ (57,222.6)
14	Total CCRA Incurred Costs	\$000	\$	473,768.3	\$	1,075.6	\$ 79.3	\$ 474,923.3
15								
16								
17	CCRA Incurred Unit Costs							
18	CCRA Commodity Costs before Hedging	\$/GJ	\$	4.9984				
19	Mark to Market Hedges Loss / (Gain)	\$/GJ	\$	1.2117				
20	Core Market Administration Costs	\$/GJ	\$	0.0078				
21	CCRA Incurred Costs (excl. CCRA deferral amortization)	\$/GJ	\$	6.2179				
22	Pre-tax Amortization CCRA Deficit/(Surplus) as of Jul 1, 2009	\$/GJ	\$	(0.6687)				
23	CCRA Gas Costs Incurred Flow-Through	\$/GJ	\$	5.5491				

#### Tab 2 Table B Page 1.0

### TERASEN GAS INC. - LOWER MAINLAND SERVICE AREA AND SUMMARY MIDSTREAM COST RECONCILIATION ACCOUNT ("MCRA") MIDSTREAM COST RECOVERY CHARGE FLOW-THROUGH BY RATE SCHEDULE FOR THE FORECAST PERIOD JULY 1, 2009 to JUNE 30,2010 (JUNE 1, 2009 FORWARD PRICING)

Line		Residential	Commer	cial	General Firm Service	NGV		Seasonal	General Interruptible	Lower Mainland RS-1 to RS-7	Term & Spot Gas Sales	Off-System Interruptible Sales	Lower Mainland RS-1 to RS-7, RS-14 & RS-30	All Servic	ce Areas All Rate Schedules
No.	Particulars	RS-1	RS-2	RS-3	RS-5	RS-6	Subtotal	RS-4	RS-7	Total	RS-14	RS-30	Total	Summary	Summary
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)		
1 2	LOWER MAINLAND SERVICE AREA														
	Midstream (MCRA) Sales Volumes (TJ)	51,045.0	16,696.2	11,551.7	2,419.2	88.6	81,800.7	74.8	8.1	81,883.6	541.2	35,445.7	117,870.5	108,016.7	144,230.4
5 6	MCRA Gas Costs Incurred (\$000)														
7 8 9	Midstream Commodity Costs Midstream Tolls and Fees Midstream Mark to Market- Hedges Loss / (Gain)	\$ (121.1) \$ (1,175.1)	(39.6) \$ (384.3)	(265.9)	(5.7) \$ (55.7)	(0.2) (2.0)	\$ (194.0) (1,883.1)	\$ 1.6 (1.8		\$ (192.3) ) (1,885.0)	\$ 3,336.1 147.5 -	\$ 191,699.9 9,172.6	\$ 194,843.7 7,435.1	\$ (263.6) (2,486.7)	\$ 196,169.1 6,895.2
10 11	Total Midstream Variable Costs	<u>\$ (1,296.1)</u> <u>\$</u>	(424.0) \$	(293.3)	(61.4) \$	(2.3)	\$ (2,077.1)	\$ (0.2	) \$ (0.0	) \$ (2,077.3)	\$ 3,483.6	\$ 200,872.5	\$ 202,278.7	\$ (2,750.3)	\$ 203,064.3
12 13 14 15 16	Midstream Storage - Fixed On/Off System Sales Margin (RS-14 & RS-30) GSMIP Incentive Sharing Pipeline Demand Charges Core Administration Costs - 70%	\$ 20,697.2 \$ 6,406.6 488.8 33,770.9 758.2	6,819.0 \$ 2,110.8 161.0 11,126.4 249.8	3,900.1 \$ 1,207.2 92.1 6,363.6 142.9	583.6 \$ 180.7 13.8 952.3 21.4	10.7 3.3 0.3 17.4 0.4	\$ 32,010.6 9,908.6 756.0 52,230.7 1,172.6	\$ - - - -	\$ - - - - -	\$ 32,010.6 9,908.6 756.0 52,230.7 1,172.6	\$ - - - -	\$ - - - - -	\$ 32,010.6 9,908.6 756.0 52,230.7 1,172.6	\$ 42,342.0 13,106.5 1,000.0 68,304.4 1,551.0	\$ 42,342.0 13,106.5 1,000.0 68,304.4 1,551.0
17 18 19	Total Midstream Fixed Costs	<u></u>		11,705.9	,		φ <u>σο,στο.σ</u>	\$ -	<u>\$ -</u>	<u> </u>	\$ -	\$ -	\$ 96,078.5		\$ 126,303.9
20 21	Pre-tax Amort. MCRA Deficit/(Surplus) as of Jul 1, 2009	<u>\$ (9,197.5)</u> <u>\$</u>	(3,030.3) \$	(1,733.1)	\$ (259.4) <u>\$</u>	(4.7)	\$ (14,225.0)	\$ -	<u>\$ -</u>	\$ (14,225.0)	\$ -	\$ -	\$ (14,225.0)	\$ (18,816.1)	<u>\$ (18,816.1)</u>
22 23 24	Total MCRA Incurred Costs (incl. amortization)	<u>\$ 51,628.0</u> <u>\$</u>	17,012.8 \$	9,679.4	\$ 1,431.0 <u>\$</u>	25.1	\$ 79,776.3	\$ (0.2	) \$ (0.0	) \$ 79,776.1	\$ 3,483.6	\$ 200,872.5	\$ 284,132.2	\$ 104,737.6	\$ 310,552.2
25	MCRA Gas Costs Incurred (\$/GJ)														
26 27 28	Midstream Commodity Costs Midstream Tolls and Fees Midstream Mark to Market- Hedges Loss / (Gain)	\$ (0.0024) \$ \$ (0.0230) \$ \$ - \$	(0.0230) \$	(0.0230)	(0.0230) \$ 5 - \$	(0.0230)	\$ (0.0230) \$ -								
29	Total Midstream Variable Costs	\$ (0.0254) \$	<u>, , , , , , , , , , , , , , , , , , , </u>	(0.0000)			\$ (0.0254)								
30 31 32 33 34 35 36	Midstream Storage - Fixed On/Off System Sales Margin (RS-14 & RS-30) GSMIP Incentive Sharing Pipeline Demand Charges Core Administration Costs - 70% Total Midstream Fixed Costs Pre-tax Amort. MCRA Deficit/(Surplus) as of Jul 1, 2009	\$ 0.4055 \$ 0.1255 \$ 0.0096 \$ 0.6616 \$ 0.0149 \$ 1.2170 \$ (0.1802) \$	0.1264 \$ 0.0096 \$ 0.6664 \$ 0.0150 \$ 1.2258 \$	0.1045 9 0.0080 9 0.5509 9 0.0124 9 1.0133 9	0.0747 \$ 0.0057 \$ 0.3937 \$ 0.0088 \$ 0.7241 \$	0.0373 0.0028 0.1968 0.0044 0.3621	\$ 0.1211 \$ 0.0092 \$ 0.6385 \$ 0.0143 \$ 1.1745								
	MCRA Incurred Costs (\$/GJ)	\$ 1.0114 \$	1.0190 \$				\$ 0.9753								
38	,	<u></u> <del>v</del>	<u> </u>		<u> </u>		, 2.2.30								

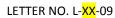
# TERASEN GAS INC. - INLAND SERVICE AREA MIDSTREAM COST RECONCILIATION ACCOUNT ("MCRA") MIDSTREAM COST RECOVERY CHARGE FLOW-THROUGH BY RATE SCHEDULE FOR THE FORECAST PERIOD JULY 1, 2009 to JUNE 30,2010

Line No.	Particulars (1)	R	esidential RS-1		Comme RS-2 (3)	rcial RS-3	3	General Firm Service RS-5		NGV <b>RS-6</b>	s	Subtotal	Seasonal RS-4	Gen Interrup RS	otible 5-7	RS-	Inland 1 to RS-7 Total	Sp S F	erm & oot Gas Sales RS-14	Inter	-System ruptible Sales RS-30	RS	Inland 1 to RS-7, & RS-14 Total
			. ,		` '	,		,		,		. ,	. ,	•	,		,		` ,		` ,		,
1	INLAND SERVICE AREA																						
3	Midstream (MCRA) Sales Volumes (TJ)		15,695.1		5,307.7	1,9	30.0	410.5		11.9		23,355.1	137.0		4.0		23,496.1		226.8		-		23,722.9
5	MCRA Gas Costs Incurred (\$000)																						
7 8 9	Midstream Commodity Costs Midstream Tolls and Fees Midstream Mark to Market- Hedges Loss / (Gain)	\$	(119.4) (360.9)	\$	(40.4) \$ (122.1)		14.7) 44.4)	\$ (3.1) (9.4)		(0.1)	\$	(177.6) \$ (537.1)	(3.3)		0.1 (0.1)	\$	(175.4) (540.4)	\$	1,396.7 61.8	\$	-	\$	1,221.3 (478.7)
10	Total Midstream Variable Costs	\$		\$	(162.4)	6 (	59.1)	\$ (12.6)	\$	(0.4)	\$	(714.7)		\$	(0.0)	\$	(715.9)	\$	1,458.5	\$	-	\$	742.6
11			(					<del></del>	_					-								· <u>-</u>	
12		\$		\$	2,165.6		51.0		\$		\$	9,274.4	-	\$	-	\$	9,274.4	\$	-	\$	-	\$	9,274.4
13	On/Off System Sales Margin (RS-14 & RS-30)		1,967.9		670.3		01.5	30.6		0.4		2,870.8	-		-		2,870.8		-		-		2,870.8
14	GSMIP Incentive Sharing Pipeline Demand Charges		150.1 9,891.2		51.1 3,369.3		15.4 12.8	2.3 153.9		0.0 2.2		219.0 14,429.4	-		-		219.0 14,429.4		-		-		219.0 14,429.4
15 16			232.9		79.3		23.8	3.6		0.1		339.7	-		-		339.7		-		-		339.7
17	Total Midstream Fixed Costs	<u></u>	18,599.6	<u></u>	6,335.7			\$ 289.4	\$		\$	27,133.4	<del></del>	6	<u> </u>	Φ.	27,133.4	\$		Φ.		<u> </u>	27,133.4
18		Φ	10,599.0	Φ	0,333.7	1,9	04.4	Ф 209.4	Φ	4.2	φ	27,133.4	<u> </u>	Φ	<u> </u>	Φ	21,133.4	Φ		Φ		Φ	21,133.4
19																							
20	Pre-tax Amort. MCRA Deficit/(Surplus) as of Jul 1, 2009	\$	(2,825.2)	\$	(962.4) \$	(2)	89.3)	\$ (44.0)	\$	(0.6)	\$	(4,121.4) \$	· -	\$	_	\$	(4,121.4)	\$	_	\$	_	\$	(4,121.4)
21	The tax America months believed (buildings) as of our 1, 2000	Ψ	(2,020.2)	Ψ	(002.1) 4	, (2.	00.0	ψ (11.0)	Ψ	(0.0)	Ψ	(1,121.1)		Ψ		Ψ	(-1, 1211-1)	Ψ		Ψ		Ψ	(1,121.1)
22	MCRA Incurred Costs (\$/GJ)	\$	15,294.2	\$	5,210.9	1.5	56.1	\$ 232.9	\$	3.2	\$	22,297.3	(1.1)	\$	(0.0)	\$	22,296.1	\$	1,458.5	\$	_	\$	23,754.6
23		<u> </u>		<u> </u>		,-			÷		<del>-</del>			<u> </u>		<u> </u>		<u> </u>		<u> </u>		<u> </u>	
24																							
25	Midstream Cost Recovery Charge (\$/GJ)																						
26	Midstream Commodity Costs	\$	(0.0076)	\$	(0.0076) \$	(0.0	076)	\$ (0.0076)	\$	(0.0076)	\$	(0.0076)											
27	Midstream Tolls and Fees	\$	(0.0230)	\$	(0.0230) \$	(0.0	)230)			(0.0230)	\$	(0.0230)											
28	Midstream Mark to Market- Hedges Loss / (Gain)	\$	<u> </u>	\$	<u> </u>	` `		\$ -	\$	<u> </u>	\$	<u> </u>											
29	Total Midstream Variable Costs	\$	(0.0306)	\$	(0.0306) \$	(0.0	306)	\$ (0.0306)	\$	(0.0306)	\$	(0.0306)											
30	Midstream Storage - Fixed	\$	0.4051	\$	0.4080	0.3	373	\$ 0.2410	\$	0.1205	\$	0.3971											
31	On/Off System Sales Margin (RS-14 & RS-30)	\$	0.1254		0.1263		044			0.0373		0.1229											
32		\$	0.0096		0.0096			\$ 0.0057		0.0028		0.0094											
33		\$	0.6302	Ψ.	0.6348			\$ 0.3750		0.1875		0.6178											
34	Core Administration Costs - 70%	\$_	0.01.0	\$	0.0149		124		_		\$	0.0145											
35	Total Midstream Fixed Costs	\$	1.1001	\$	1.1937			\$ 0.7051	\$	0.0020	\$	1.1618											
36	Pre-tax Amort. MCRA Deficit/(Surplus) as of Jul 1, 2009	\$	(0000)	\$	(0.1813)		499)	\$ (0.1071)	_	(0.0000)	\$	(0.1765)											
37	MCRA Incurred Costs (\$/GJ)	\$	0.9745	\$	0.9818	8.0	3063	\$ 0.5674	\$	0.2684	\$	0.9547											
38																							

### TERASEN GAS INC. - COLUMBIA SERVICE AREA MIDSTREAM COST RECONCILIATION ACCOUNT ("MCRA") MIDSTREAM COST RECOVERY CHARGE FLOW-THROUGH BY RATE SCHEDULE FOR THE FORECAST PERIOD JULY 1, 2009 to JUNE 30,2010 (JUNE 1, 2009 FORWARD PRICING)

Line No.	Particulars	Re	esidential RS-1		Comm <b>RS-2</b> (3)		al RS-3 (4)	General Firm Service RS-5		NGV <b>RS-6</b> (6)	5	Subtotal	easonal RS-4	Inte	eneral ruptible RS-7	RS	-1 to RS-7 Total	Sp S R	erm & ot Gas Sales (S-14	Inter	System uptible Sales (S-30)		olumbia I to RS-7 Total
	,		(2)		(3)		(4)	(3)		(0)		(1)	(0)		(3)		(10)		(11)		(12)		(13)
1	COLUMBIA SERVICE AREA																						
3	Midstream (MCRA) Sales Volumes (TJ)		1,633.3		719.2		248.1	36.4		-		2,637.0	-		-		2,637.0		-		-		2,637.0
5	MCRA Gas Costs Incurred (\$000)																						
7 8 9	Midstream Commodity Costs Midstream Tolls and Fees Midstream Mark to Market- Hedges Loss / (Gain)	\$	64.5 (37.9)		28.4 (16.7)	\$	9.8 (5.8)	1.4 (0.8)	\$	- - -	\$	104.2 (61.2)	\$ - - -	\$	- - -	\$	104.2 (61.2)	\$	- - -	\$	- - -	\$	104.2 (61.2)
10	Total Midstream Variable Costs	\$	26.6	\$	11.7	\$	4.0	\$ 0.6	\$		\$	42.9	\$ -	\$		\$	42.9	\$	-	\$	-	\$	42.9
11 12 13 14 15 16	Midstream Storage - Fixed On/Off System Sales Margin (RS-14 & RS-30) GSMIP Incentive Sharing Pipeline Demand Charges Core Administration Costs - 70%	\$	667.5 206.6 15.8 1,038.6 24.5	\$	296.1 91.6 7.0 460.7 10.8	\$	84.4 26.1 2.0 131.3 3.1	\$ 8.9 2.7 0.2 13.8 0.3	\$	- - - -	\$	1,056.9 327.2 25.0 1,644.3 38.7	\$ - - - -	\$	- - - -	\$	1,056.9 327.2 25.0 1,644.3 38.7	\$	- - - -	\$	- - - -	\$	1,056.9 327.2 25.0 1,644.3 38.7
17	Total Midstream Fixed Costs	\$	1,953.0	\$	866.2	\$	247.0	\$ 25.9	\$		\$	3,092.1	\$	\$	-	\$	3,092.1	\$	-	\$	-	\$	3,092.1
18 19 20 21 22	Pre-tax Amort. MCRA Deficit/(Surplus) as of Jul 1, 2009  MCRA Incurred Costs (\$/GJ)	<u>\$</u> \$	(296.6) 1,682.9	\$	(131.6) 746.4	\$	(37.5)	\$ 	<u>\$</u> \$	<u>-</u>	<u>\$</u> \$	(469.7) 2,665.4	\$ -	\$	<u>-</u>	<u>\$</u> \$		<u>\$</u> \$	-	<u>\$</u>	-	\$ \$	(469.7) 2,665.4
23														, . <u> </u>									
24 25	Midstream Cost Recovery Charge (\$/GJ)								Inla	and Rate													
26 27 28 29 30 31 32 33 34 35 36	Midstream Commodity Costs Midstream Tolls and Fees Midstream Mark to Market- Hedges Loss / (Gain)  Total Midstream Variable Costs Midstream Storage - Fixed On/Off System Sales Margin (RS-14 & RS-30) GSMIP Incentive Sharing Pipeline Demand Charges Core Administration Costs - 70%  Total Midstream Fixed Costs Pre-tax Amort. MCRA Deficit/(Surplus) as of Jul 1, 2009	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0.0150 1.1957 (0.1816)	\$ \$ \$ \$ \$ \$	(0.0232) - 0.0163 0.4117	\$ \$ \$ \$ \$ \$	0.0395 (0.0232) - 0.0163 0.3403 0.1053 0.0080 0.5295 0.0125 0.9956 (0.1512)	0.0232) - 0.0163 0.2432 0.0753 0.0057 0.3783	\$ \$ \$ \$	(0.0076) (0.0230) - (0.0306) 0.1205 0.0373 0.0028 0.1875 0.0044 0.3526 (0.0536)	\$ \$ \$ \$ \$ \$ \$ \$ \$	0.0395 (0.0232) - 0.0163 0.4008 0.1241 0.0095 0.6236 0.0147 1.1726 (0.1781)											
37	MCRA Incurred Costs (\$/GJ)	\$	1.0304	\$	1.0377	\$	0.8607	\$ 0.6197	\$	0.2684	\$	1.0107											





ERICA M. HAMILTON COMMISSION SECRETARY Commission.Secretary@bcuc.com web site: http://www.bcuc.com SIXTH FLOOR, 900 HOWE STREET, BOX 250 VANCOUVER, B.C. CANADA V6Z 2N3 TELEPHONE: (604) 660-4700 BC TOLL FREE: 1-800-663-1385 FACSIMILE: (604) 660-1102 Log No. xxxx

#### **DRAFT L-Order**

VIA E-MAIL

Regulatory.Affairs@terasengas.com

June <mark>xx</mark>, 2009

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

Dear Mr. Loski:

Re: Terasen Gas Inc.

Lower Mainland, Inland and Columbia Service Areas

2009 Second Quarter Gas Cost Report

Commodity Cost Reconciliation Account and Midstream Cost Reconciliation Account

On June 8, 2009 Terasen Gas filed its 2009 Second Quarter Gas Cost Report (the "Report"). The Commission acknowledges receipt of the Report and accepts the recommendation that customer rates remain unchanged for the Lower Mainland, Inland and Columbia service areas as of July 1, 2009.

Yours truly,

Erica M. Hamilton Commission Secretary