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October 8, 2009

British Columbia Utilities Commission  
6<sup>th</sup> Floor, 900 Howe Street  
Vancouver, BC  
V6Z 2N3

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

**Re: Terasen Gas Inc. - Fort Nelson Service Area (TGI Fort Nelson)**  
**Application for Deferral Account Treatment for 2010 and changes to the Revenue Stabilization Adjustment Mechanism ("RSAM") Rate Rider effective January 1, 2010**

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Pursuant to Sections 58, 60 and 61 of the *Utilities Commission Act* (the "Act"), attached please find the TGI Fort Nelson application (the "Application") for the approval of deferral account treatment for 2010, changes to the RSAM rate rider effective January 1, 2010 and continuation of rates in 2010 on an interim basis.

These rates would then become permanent pursuant to the British Columbia Utilities Commission ultimate determination on the Return on Equity and Capital Structure Application (the "ROE Application") filed by the Terasen Utilities on May 15, 2009. The impact of the decisions regarding both the ROE Application and the depreciation and overhead components of the Terasen Gas Inc. Revenue Requirement Application for 2010 would be captured by new rate base deferral accounts (i.e. ROE and Capital Structure Deferral Account and IFRS Transitional Deferral Account) as proposed in this Application.

If you have any questions related to this filing, please contact the undersigned.

Yours very truly,

**TERASEN GAS INC.**

***Original signed by: Diane Roy***

**For:** Tom A. Loski

Attachments



**TERASEN GAS INC.**  
**FORT NELSON SERVICE AREA**

**2010 REVENUE REQUIREMENTS**

**October 8, 2009**

## 1 Purpose of the Application

Terasen Gas Inc. (“TGI” or the “Company”) is applying for the following for the Fort Nelson Service Area (sometimes referred to as “TGI Fort Nelson”).

1. The continuation of current rates for 2010.
2. The RSAM rider to be set to \$0.037/GJ (a decrease of \$0.199/GJ from the current approved RSAM rate of \$0.236/GJ) as per Table 5.3, effective January 1, 2010.
3. The approval of two new deferral accounts, as well as continuation of existing deferral accounts.

TGI has reviewed the forecast revenue requirements for the Fort Nelson Service Area for 2010 and determined there to be a revenue deficiency of \$132,000 for 2010, compared to the 2009 rates approved by Order No. G-172-08, dated November 20, 2008 (the “2009 Decision”).<sup>1</sup> The 2010 revenue deficiency is driven primarily by the adoption of depreciation expenses and an overheads capitalized rate that are compliant with International Financial Reporting Standards (“IFRS”). The depreciation rates and overheads capitalized rates are issues currently before the Commission in TGI’s 2010 and 2011 Revenue Requirements Application. The determinations made in that proceeding will also be applicable to rates for the Fort Nelson Service Area.

The 2010 revenue requirements for the Fort Nelson Service Area, which are summarized in Section 2, with financial schedules provided as Attachment 1, have been calculated using the currently approved equity thickness of 35.01% (Commission Order No. G-172-08) and approved Return on Equity (ROE) of 8.47% (Commission Letter No. L-55-08). Both the equity thickness and ROE are dependent on the outcome of the Return on Equity and Capital Structure Application filed by the Terasen Utilities on May 15, 2009 (the “ROE Application”). Adjustments to the equity thickness and ROE will result in changes to the revenue requirement in 2010 that are different than those included in Appendix 1. Additionally, any ROE adjustment that is effective July 1, 2009 would have an impact on 2009.

After reviewing the options with respect to the 2010 revenue requirements, the Company believes that the most appropriate approach, taking into consideration the time and resource costs necessary for a full revenue requirement proceeding, would be to roll over the 2009 rates for 2010, with the addition of specific deferral accounts to capture both the impact of

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<sup>1</sup> TGI applied to the Commission for approval of its forecast 2009 Revenue Requirements on September 4, 2008, followed by an Amended Application on October 30, 2008. Subsequent to a written hearing process, the Commission issued Order No. G-172-08, dated November 20, 2008, approving the revenue requirements and associated rate changes, subject to a recalculation to reflect the 2009 allowed ROE as determined by the Generic Mechanism.

the transition to IFRS for 2010 (the “IFRS Transitional Deferral Account”) and the outcome of the ROE Application (the “ROE and Capital Structure Deferral Account”).

A benefit of the proposed IFRS Transitional Deferral Account is that the Commission will not have to determine the proper depreciation and overheads capitalized rates in this Application. The IFRS Deferral account will cover the impact of the difference between current depreciation rates and overheads capitalized rates and those approved by the Commission with respect to TGI's 2010 and 2011 Revenue Requirement Application.

With the proposed deferral accounts, TGI is forecasting a revenue surplus of \$2,000 for the Fort Nelson Service Area. The surplus is calculated as the projected deficit of \$132,000 less the impacts of increased depreciation expense (\$95,000 grossed up for tax to \$133,000) and reduced overheads capitalized (\$63,000) which would both be captured in the IFRS Transitional Deferral Account. Of the remaining surplus of \$64,000, \$62,000 is expected to be captured in the RSAM account, leaving a projected surplus of \$2,000 after removing all deferral account impacts. TGI therefore believes that a full Revenue Requirement Application for the Fort Nelson Service Area is not in the best interests of customers or the Company at this time.

The following sections outline the revenue deficiency summary, the three major drivers of the revenue deficiency, and the requested approvals.

## 2 Revenue Deficiency Summary

Based on the financial schedules prepared by TGI and included as Attachment 1 to this Application, TGI forecasts an overall revenue deficiency of \$132,000 in 2010 for the Fort Nelson Service Area, based on the current allowed ROE and capital structure, a summary of which is provided in Table 2.1 below.

Table 2.1 Fort Nelson Revenue Deficiency Details (\$ thousands)

Revenue Deficiency Details			
Description	2009 Decision	2010 Forecast @ Existing Rates	Difference
<b>Revenue</b>			
Residential/Commercial	5,854	4,733	(1,121)
Transportation Service	41	144	102
<b>Total Revenue:</b>	<b>5,895</b>	<b>4,877</b>	<b>(1,018)</b>
Less:			
Cost of Gas	4,476	3,351	(1,125)
<b>Gross Margin:</b>	<b>1,419</b>	<b>1,526</b>	<b>107</b>
<b>Cost of Service (excl. COG)</b>			
O&M	664	749	85
Property Tax	158	153	(5)
Depreciation	185	290	105
Amortization	6	12	7
Income Tax	59	109	50
Interest Expense	232	222	(9)
Other Revenue	(45)	(35)	10
Return on Equity	160	158	(3)
<b>Total Cost of Service:</b>	<b>1,419</b>	<b>1,658</b>	<b>239</b>
<b>Surplus/(Deficiency):</b>	<b>0</b>	<b>(132)</b>	<b>(132)</b>

The table above shows that the major drivers of the projected revenue deficiency for 2010 are the accounting changes associated with the adoption of new accounting standards applicable to TGI, the main impacts of which are:

1. An increase in the depreciation expense as TGI adopts IFRS compliant depreciation rates; and
2. A decrease in the overheads capitalized rate from 16 per cent to 8 per cent, resulting in increased net O&M costs, also due to IFRS requirements.

These accounting changes are partly offset by an increase in the projected gross margin due to an increase in the forecasted demand.

Each of these three changes is described more fully in the following Sections 3 to 5.

### 3 Depreciation Expense

The Company recently retained Gannett Fleming to conduct a depreciation study of its utility rate base assets. The recommended rates would increase the average composite depreciation rate for the Fort Nelson Service Area plant from approximately 3.0 per cent to 4.2 per cent, and increase depreciation expense by approximately \$95,000.

The study has been prepared based on gas plant-in service as of December 31, 2007 for TGI's utility assets, including those for the Fort Nelson Service Area. The recommended rates were developed using the Average Service Life ("ASL") depreciation methodology and are expected to be compliant with IFRS requirements.

TGI considers that the study results continue to be applicable for the 2010 forecast period as Gannett Fleming estimates the rates calculated in the depreciation study are reasonable for a period of three to five years. TGI has internally updated the Fort Nelson Service Area plant balances in the depreciation study and recalculated the revenue requirement impacts of implementing the study.

The practice of periodically reviewing and updating depreciation lives ensures that the depreciation rates are appropriate and TGI believes that the increase in the depreciation rate will be required for TGI to be in compliance with IFRS. Reviewing depreciation rates on a regular basis is a requirement of IFRS.

TGI believes the adoption of the depreciation rates as recommended by Gannett Fleming's most recent depreciation study is necessary, and that adoption of depreciation rates that reflect current useful lives will be required for TGI to be in compliance with IFRS requirements.

Therefore, in this Application, TGI is proposing an IFRS Transitional Deferral Account to capture (amongst other things) the difference between the impact of the depreciation rates as determined in the TGI Revenue Requirement Application for 2010 and the current depreciation rates. A benefit of this approach is that the Company does not need the Commission to determine the appropriate depreciation rates for the purpose of this Application.

## 4 Overheads Capitalized

TGI completed a review of its overhead capitalized activities and has concluded that an overhead capitalization rate of 8 per cent (as compared to the current overhead capitalization rate of 16 per cent) is necessary, resulting in an increase to revenue requirements of approximately \$63,000. TGI believes that the decrease in the rate is appropriate, representative of the activities and related overhead costs that should be capitalized for the Fort Nelson Service Area, and necessary to comply with IFRS.

The current study and results are consistent with prior study results and highlight the ongoing difference between the Company's current overhead capitalization rate and the activities and related overhead costs that should be capitalized pursuant to IFRS accounting principles. For validation, the recommended capitalization approach has been reviewed independently by KPMG to evaluate the suitability of the Company's approach. KPMG is a major audit, tax and advisory services firm with significant experience in conducting overhead capitalization studies for utility clients. KPMG states in its review that it considers the overhead capitalization results of TGI's study to be fair and reasonable.

In summary, TGI Fort Nelson believes that an overhead capitalization rate of 8 per cent is appropriate, representative of the activities and related overhead costs that should be capitalized effective January 1, 2010, and will enable the Company to comply with new IFRS requirements.

Therefore, in this Application, TGI is proposing an IFRS Transitional Deferral Account to capture (amongst other things) the impact of the difference between the overheads capitalized rate as determined in the TGI Revenue Requirement Application for 2010 and the current rate. A benefit of this approach is that the Company does not need the Commission to determine the appropriate overheads capitalized rates for the purpose of this Application.

## 5 Energy Demand and Margin Forecast

### 5.1 Energy Demand

#### 5.1.1 Residential/Commercial

Consistent with prior years, the residential and commercial energy forecast is developed by multiplying the average use per customer rate by the total number of customers, for each customer class. Compared with the 2009 forecast relied upon in the 2009 Decision, the total residential (Rate 1) energy consumption is expected to decrease marginally from 271 terajoules (TJs) to 263 TJs in 2010, and is attributed to continued overall conservation efforts consistent with what the Terasen Utilities have experienced generally. Commercial (Rates 2.1 and 2.2) consumption is also projected to decrease marginally from 283 TJs as per the 2009 Decision to 277 TJs in 2010. An analysis of historical consumption has indicated this decline is due to a few customers, which, given the relatively small number of commercial customers, impacts the overall average use per customer rates. These figures are illustrated in Table 5.1 below.

#### 5.1.2 Industrial

There are two industrial customers served under Rate Schedule 25 in the Fort Nelson Service Area, but ongoing challenges in the U.S. housing markets and also foreign exchange rates have caused difficulties within the forestry industry. A number of closures and curtailments have been announced by forestry companies, which included the closure of the two Fort Nelson Rate Schedule 25 customers, Canfor's Polarboard (OSB) and Tackama (Plywood) plants. Those two customers are still consuming natural gas for space heating as part of maintenance plans designed to preserve their value, and have been consuming more gas than anticipated (as seen when compared to the forecast relied upon by the 2009 Decision). Table 5.1 below illustrates the total demand over the period 2006 to 2008, the 2009 Decision, and also the forecast for 2010.

*Table 5.1 - TGI Fort Nelson Energy Demand Forecast (in TJ/annum)*

	2006 Actuals	2007 Actuals	2008 Actuals	2009 Decision	2010 Forecast
Rate 1	271	272	268	271	263
Rate 2.1	191	190	185	195	182
Rate 2.2	95	90	88	88	95
Rate 25	349	264	210	14	72
<b>Total</b>	<b>906</b>	<b>816</b>	<b>751</b>	<b>568</b>	<b>611</b>



## 5.2 Margin Forecast

### 5.2.1 Margin Forecast

Table 5.2 below illustrates the margins over the period 2006 to 2008, the 2009 Decision, and also the forecast for 2010.

*Table 5.2 - TGI Fort Nelson Margin Forecast (\$ thousands)*

	2006	2007	2008	2009	2010
	Actuals	Actuals	Actuals	Decision	Forecast
<b>Rate 1</b>	\$ 426	\$ 428	\$ 455	\$ 656	\$ 659
<b>Rate 2.1</b>	\$ 335	\$ 330	\$ 353	\$ 527	\$ 514
<b>Rate 2.2</b>	\$ 134	\$ 130	\$ 161	\$ 196	\$ 216
<b>Rate 25</b>	\$ 304	\$ 239	\$ 211	\$ 40	\$ 137
<b>Total</b>	<b>\$ 1,199</b>	<b>\$ 1,127</b>	<b>\$ 1,180</b>	<b>\$ 1,419</b>	<b>\$ 1,526</b>

The above table indicates that the forecast margins for 2010, calculated at existing rates, will increase slightly from 2009 Decision levels, which is attributed to a combination of customer growth and increased forecast demand for the two industrial (Rate 25) customers discussed in the previous section.

Although TGI Fort Nelson is projecting an overall increase in demand for 2010 as compared to the 2009 Decision levels, any variances between the actual volumes realized and the volumes that were projected for 2009 resulting from changes in use rates as compared to the approved is captured in the Revenue Stabilization Adjustment Mechanism (“RSAM”) deferral account. Of the total projected margin increase of \$107,000, approximately \$62,000 is due to increases in use rates, and is captured by the RSAM account absent any changes in rates.

## 5.3 RSAM Rate Rider Calculation

The RSAM rate rider for 2010 is estimated to be \$0.037/GJ, a decrease of \$0.199/GJ from the current approved RSAM rider of \$0.236/GJ as set out in Table 5.3 below.

Table 5.3 – Calculation of Rider 5 RSAM for 2010

Line No.	Particulars (1)	2010 Annual Volumes (TJ) (2)	Amortization (3)	Amortization of RSAM Unit Rider (\$/GJ) (4)
1	<b><u>RSAM (Rider 5) Calculation</u></b>			
2				
3	Rate 1 - Residential	263.0		\$0.037
4	Rate 2.1 - Small Commercial	181.6		\$0.037
5	Rate 2.2 - Large Commercial	94.8		\$0.037
6	Rate 3.1 - Industrial Service	0.0		\$0.037
7	Rate 3.2 - Industrial Service	0.0		\$0.037
8	Rate 3.3 - Industrial Service	0.0		\$0.037
9	Rate 25 - Large Commercial Transportation	71.6		\$0.037
10		<u>611.0</u>	<u>\$ 22,408</u> <sup>(1)</sup>	
11				
12				
13	"Would be" Rider for 2010 (revised Rate 25 volumes & recorded 2009 balances)			\$0.037
14	Approved Rider for 2009 (BCUC Order G-172-08)			\$0.236
15	Rider 5 Increase/(Decrease)			<u>(\$0.199)</u>
16				
21				
22	<b><u>Note 1: RSAM Rider Change (Assumptions)</u></b>			
23				
24	1) Recorded 2009 RSAM and RSAM interest balance			
25	2) Rate 25 Annual Volume Forecast 71.6 TJ			
26				
27	<b><u>Note 2: RSAM Rider Change (To be Approved)</u></b>			
28				
29	After offsetting the 2009 RSAM rider recovery, the RSAM account including interest is now projected to be		\$48,065	
30	Pursuant to the Commission Order No.G-17-04, Fort Nelson would amortize the RSAM balance over the subsequent			
31	three-years for recovery. Accordingly the net-of-tax RSAM balance to be amortized in 2010 is		\$16,022	
32	On a pre-tax basis, this amounts to \$22,408 or \$0.037/GJ, which is a \$0.199/GJ			
33	decrease from the existing level of \$0.236/GJ.			
34				
35	Amortization = 1/3 of Projected December 31, 2009 RSAM Balance			
36	= 1/3 * (\$43,605 RSAM + \$4,460 RSAM Interest)			
37	= \$16,022 Net-of-tax amortization			
38				
39	Gross Amortization = Net-of-tax amortization / (1 - tax rate)			
40	= \$16,022 / (1 - 28.5%)			
41	= <u>\$22,408</u>			

## 6 Summary and Approvals Sought

In summary, TGI Fort Nelson is forecasting a revenue deficiency in 2010 of \$132,000. Of this total, the Company is proposing an IFRS Transitional Deferral Account to capture:

- The impact on Fort Nelson revenue requirements of the change in depreciation rates as determined in the TGI Revenue Requirement Application for 2010 (which is estimated to be \$133,000 when grossed up for income taxes);
- The impact on Fort Nelson revenue requirements of the change in the overheads capitalized rate as determined in the TGI Revenue Requirement Application for 2010 (which is estimated to be \$63,000);
- Any unanticipated IFRS impacts (currently estimated at \$0).

The deferral of these amounts results in a forecast revenue surplus of \$64,000. Of this amount, it is estimated that \$62,000 will be captured by the RSAM deferral account, leaving a revenue surplus that will not be captured by deferral accounts of approximately \$2,000.

Assuming the approval of the IFRS Transitional Deferral Account, the Company believes that a full Revenue Requirement Application is not in the best interests of customers or the Company at this time.

Accordingly, the Company respectfully requests the following:

1. Approval for the continuation in 2010 of the current 2009 rates for TGI Fort Nelson, effective January 1, 2010. The 2009 rates are currently interim pursuant to Order No. G-78-09 issued in the ROE Application proceedings. If they are still interim on December 31, 2009, TGI proposes that the rates be continued on an interim basis on January 1, 2010. The Company proposes that the TGI Fort Nelson rates be set on a permanent basis effective July 1, 2009, pursuant to the Commission's ultimate determination on the ROE Application. However, for both 2009 and 2010, TGI is proposing that the permanent rates remain unchanged from the current interim rates, with the impacts of the Return on Equity and Capital Structure decision captured in a deferral account as described further under Item 4 below.
2. The RSAM Rider 5 for the Fort Nelson Service Area to be set to \$0.037/GJ (a decrease of \$0.199/GJ from current approved RSAM rate of \$0.236/GJ), effective January 1, 2010.
3. Approval of the continuation of deferral accounts, specifically:
  - Deferred Interest;

- Property Tax Deferral;
  - the RSAM, which will capture the forecasted use-rate driven demand differences described in Section 5 above; and
  - the Gas Cost Reconciliation Account (“GCRA”);
4. Approval for the creation of the following rate base deferral accounts:
- IFRS Transitional Deferral Account to capture (1) the impact of the change in depreciation rates as determined in the TGI Revenue Requirement Application for 2010, (2) the impact of the change in overheads capitalized rate as determined in the TGI Revenue Requirement Application for 2010, and (3) any unanticipated IFRS impacts; and
  - ROE & Capital Structure Deferral Account to capture the impacts of the ROE and Capital Structure decision on TGI Fort Nelson. This account would capture the impact of the change in ROE and capital structure based on the actual rate base for TG Fort Nelson for each of 2009 and 2010. An example of the calculation is provided in Attachment 2.

The Company is not making a proposal in this Application regarding how to dispose of the balance in these deferral accounts, but will make such a proposal when the nature and quantity of the amounts are known.

**TG FORT NELSON**

Attachment 1

**Schedule 1 - SUMMARY OF REVENUE DEFICIENCY**

October 8, 2009 filing

Line No.	Particulars	<u>2009</u>	<u>2010</u>
		Decision	Forecast
1	<b>Revenue Deficiency as a % of Gross Margin and Total Revenue</b>		
2	Gas Sales and Transportation Revenue at Existing Rates	\$ 5,895	\$ 4,877
3			
4	Less: Cost of Gas	<u>(4,476)</u>	<u>(3,351)</u>
5			
6	Gross/Delivery Margin	<u>\$ 1,419</u>	<u>\$ 1,526</u>
7			
8	Revenue Deficiency (Surplus)	<u>\$ -</u>	<u>\$ 132</u>
9			
10	Revenue Deficiency (Surplus) as a % of Gross Margin		8.66%
11			
12	Revenue Deficiency (Surplus) as a % of Total Revenue		2.71%

**TG FORT NELSON**

Attachment 1

**Schedule 1.1 - 2010 REVENUE REQUIREMENT**

October 8, 2009 filing

Line No.	Particulars	2008	2009	2009	2010
		Actual Normalized	Decision	Projected	@ Proposed Rates
1	<b>Rate Base</b>				
2	Gas Plant in Service, Beginning	\$ 7,672	\$ 7,965	\$ 7,865	\$ 8,202
3	Gas Plant in Service, Ending	7,865	8,300	8,202	9,110
4					
5	Contribution in Aid of Construction, Beginning	(1,159)	(1,159)	(1,179)	(1,179)
6	Contribution in Aid of Construction, Ending	(1,179)	(1,159)	(1,179)	(1,179)
7					
8	Accumulated Depreciation, Beginning	(1,865)	(2,064)	(2,021)	(2,314)
9	Accumulated Depreciation, Ending	(2,021)	(2,271)	(2,314)	(2,632)
10					
11	Accumulated Amortization of Contribution in Aid of Construction, Beginning	543	554	429	455
12	Accumulated Amortization of Contribution in Aid of Construction, Ending	429	576	455	483
13					
14	Net Plant in Service, Mid-Year	5,142	5,371	5,129	5,473
15					
16	Adjustment to 13-Month Average	(18)	-	-	-
17	Work in Progress, Not Attracting AFUDC	55	-	56	56
18	Construction Advances	-	-	-	-
19	Unamortized Deferred Charges	156	307	51	(13)
20	Cash Working Capital	(252)	(277)	(198)	(207)
21	Other Working Capital	9	3	4	3
22					
23	<b>Total Rate Base</b>	<b>\$ 5,093</b>	<b>\$ 5,405</b>	<b>\$ 5,042</b>	<b>\$ 5,311</b>
24					
25	<b>Revenue Requirement / Deficiency (Surplus)</b>				
26	Cost of Gas	\$ 4,234	\$ 4,476	\$ 3,888	\$ 3,351
27	Operating & Maintenance Expense	599	664	664	749
28	Property Tax	125	158	158	153
29	Depreciation Expense	124	185	268	290
30	Amortization Expense	30	6	15	12
31	Other Operating Revenue	(35)	(45)	(39)	(35)
32	Income Tax Expense	61	59	56	109
33	Earned Return				
34	Short Term Debt Interest	19	20	10	7
35	Long Term Debt Interest	212	211	211	215
36	Return on Equity	219	160	61	158
37					
38	<b>Total Cost of Service at proposed rates</b>	<b>\$ 5,588</b>	<b>\$ 5,895</b>	<b>\$ 5,291</b>	<b>\$ 5,009</b>
39					
40	Sales Revenue @ Existing Rates	5,183	5,492	5,267	4,733
41	T-Service Revenue @ Existing Rates	231	31	148	144
42	RSAM	174		(123)	
43	Revenue Requirement approved		372		
44	<b>Revenue Deficiency / (Surplus)</b>	<b>\$ 0</b>	<b>\$ -</b>	<b>\$ (0)</b>	<b>\$ 132</b>
45					
46	<b>Revenue Deficiency / (Surplus) Applied to Sales Customers</b>				<b>\$ 120</b>
47	<b>% Increase on Sales Revenue</b>				<b>2.5%</b>
48					
49	Total Revenue @ Existing Rates				\$ 4,877
50	Gross Margin (Revenue - Cost of Gas) @ Existing Rates				\$ 1,526
51					
52	% Increase on Gross Margin				8.7%

**TG FORT NELSON**

Attachment 1

**Schedule 1.2 - 2010 REVENUE REQUIREMENT DETAILS**

October 8, 2009 filing

**Revenue Deficiency Details**

<b>Description</b>	<b>2009 Decision</b>	<b>2010 Forecast @ Existing Rates</b>	<b>Difference</b>
<b>Revenue</b>			
Residential/Commercial	5,854	4,733	(1,121)
Transportation Service	41	144	102
<b>Total Revenue:</b>	<b>5,895</b>	<b>4,877</b>	<b>(1,018)</b>
<b>Less:</b>			
Cost of Gas	4,476	3,351	(1,125)
<b>Gross Margin:</b>	<b>1,419</b>	<b>1,526</b>	<b>107</b>
<b>Cost of Service (excl. COG)</b>			
O&M	664	749	85
Property Tax	158	153	(5)
Depreciation	185	290	105
Amortization	6	12	7
Income Tax	59	109	50
Interest Expense	232	222	(9)
Other Revenue	(45)	(35)	10
Return on Equity	160	158	(3)
<b>Total Cost of Service:</b>	<b>1,419</b>	<b>1,658</b>	<b>239</b>
<b>Surplus/(Deficiency):</b>	<b>0</b>	<b>(132)</b>	<b>(132)</b>

**TG FORT NELSON**

**Schedule 2 - UTILITY RATE BASE**

October 8, 2009 filing

Line No.	Particulars	2008	2009	2009	2010		
		Actual	Decision	Projected	At Existing Rates	Adjustment	At Revised Rates
1	<b>Gross Plant in Service</b>						
2	GPIS Beginning of Year	\$ 7,672	\$ 7,965	\$ 7,865	\$ 8,202	\$ -	\$ 8,202
4	GPIS End of Year	7,865	8,300	8,202	9,110	-	9,110
5	GPIS Average Mid-Year Balance	7,768	8,132	8,034	8,656	-	8,656
6							
7	CIAOC Beginning of Year	(1,159)	(1,159)	(1,179)	(1,179)	-	(1,179)
8	CIAOC End of Year	(1,179)	(1,159)	(1,179)	(1,179)	-	(1,179)
9	CIAOC Average Mid-Year Balance	(1,169)	(1,159)	(1,179)	(1,179)	-	(1,179)
10							
11	<b>Accumulated Depreciation</b>						
12	GPIS Beginning of Year	(1,865)	(2,064)	(2,021)	(2,314)	-	(2,314)
14	GPIS End of Year	(2,021)	(2,271)	(2,314)	(2,632)	-	(2,632)
15	GPIS Average Mid-Year Balance	(1,943)	(2,167)	(2,168)	(2,473)	-	(2,473)
16							
17	CIAOC Beginning of Year	543	554	429	455	-	455
18	CIAOC End of Year	429	576	455	483	-	483
19	CIAOC Average Mid-Year Balance	486	565	442	469	-	469
20							
21	<b>Net Plant in Service, Mid-Year</b>	<b>\$ 5,142</b>	<b>\$ 5,371</b>	<b>\$ 5,129</b>	<b>\$ 5,473</b>	<b>\$ -</b>	<b>\$ 5,473</b>
22							
23	Adjustment to 13 - Month Average	(18)	-	-	-	-	-
24	Work In Progress, Not Attracting AFUDC	55	-	56	56	-	56
26	Unamortized Deferred Charges	156	307	51	(13)	-	(13)
27	Cash Working Capital	(252)	(277)	(198)	(210)	3	(207)
28	Other Working Capital	9	3	4	3	-	3
29							
30	<b>Utility Rate Base</b>	<b>\$ 5,093</b>	<b>\$ 5,405</b>	<b>\$ 5,042</b>	<b>\$ 5,309</b>	<b>\$ 3</b>	<b>\$ 5,311</b>



**TG FORT NELSON**

Attachment 1

**Schedule 3 - UTILITY INCOME and EARNED RETURN**

October 8, 2009 filing

Line No.	Particulars	2008 Actual Normalized	2009 Decision	2009 Projected	2010 @ Existing Rates	Adjustment	2010 @ Revised Rates
1	<b>Average No. of Customers</b>	2,355	2,356	2,366	2,379		2,379
2							
3	<b>Energy Volumes (TJ)</b>						
4	Sales	541	554	567	539		539
5	Transportation Service	210	14	73	72		72
6	<b>Total Energy Volumes (TJ)</b>	<b>751</b>	<b>568</b>	<b>640</b>	<b>611</b>	-	<b>611</b>
7							
8	<b>Utility Revenue</b>						
9	Sales - Existing Rates	\$ 5,183	\$ 5,492	\$ 5,267	\$ 4,733		4,733
10	- Increase	-	361			120	120
11	Transportation - Existing Rates	231	31	148	144		144
12	- Increase	-	10			12	12
13	<b>Total Revenue</b>	<b>5,414</b>	<b>5,895</b>	<b>5,414</b>	<b>4,877</b>	<b>132</b>	<b>5,009</b>
14	Cost of Gas Sold (including Gas Lost)	4,234	4,476	3,888	3,351		3,351
15	Gross Margin	1,180	1,419	1,526	1,526	132	1,658
16	RSAM Revenue	174	-	(123)	-		-
17	<b>Adjusted Gross Margin</b>	<b>1,354</b>	<b>1,419</b>	<b>1,403</b>	<b>1,526</b>	<b>132</b>	<b>1,658</b>
18							
19	Operating & Maintenance Expense	599	664	664	749		749
20	Property Tax	125	158	158	153		153
21	Depreciation & Amortization Expense	154	191	283	302		302
22	Other Operating Revenue	(35)	(45)	(39)	(35)		(35)
23	<b>Total Utility Expenses</b>	<b>843</b>	<b>968</b>	<b>1,065</b>	<b>1,169</b>	-	<b>1,169</b>
24							
25	Utility Income Before Income Tax	511	451	338	357	132	489
26	Income Tax Expense	61	59	56	71	38	109
27							
28	<b>Earned Return</b>	<b>\$ 450</b>	<b>\$ 392</b>	<b>\$ 282</b>	<b>\$ 286</b>	<b>\$ 94</b>	<b>\$ 380</b>
29							
30	<b>Utility Rate Base</b>	<b>\$ 5,093</b>	<b>\$ 5,405</b>	<b>\$ 5,042</b>	<b>\$ 5,309</b>	<b>\$ 3</b>	<b>\$ 5,311</b>
31							
32	<b>Return on Rate Base</b>	<b>8.835%</b>	<b>7.250%</b>	<b>5.593%</b>	<b>5.384%</b>		<b>7.152%</b>





**TG FORT NELSON**

**Schedule 5 - INCOME TAX EXPENSE**

October 8, 2009 filing

Line No.	Particulars	2008 Actual Normalized	2009 Decision	2009 Projected	2010 @ Existing Rates	Adjustment	2010 @ Revised Rates
1	Earned Return	\$ 450	\$ 392	\$ 282	\$ 286	\$ 94	\$ 380
2	Less: Interest on Debt	(231)	(232)	(221)	(222)	(0)	(222)
3	Add: Non-Tax Deductible Expense (Net)	32	6	15	12	-	12
4	Less: Timing Differences	(118)	(27)	54	103	-	103
5		-	-	-	-	-	-
6	<b>Taxable Income after Tax</b>	<b>\$ 134</b>	<b>\$ 139</b>	<b>\$ 129</b>	<b>\$ 178</b>	<b>\$ 94</b>	<b>\$ 272</b>
7							
8	<b>Taxable Income</b>	<b>\$ 195</b>	<b>\$ 198</b>	<b>\$ 185</b>	<b>\$ 249</b>	<b>\$ 132</b>	<b>\$ 381</b>
9							
10	Permanent Current Tax Rate	31.500%	30.000%	30.000%	28.500%		28.500%
11	Surtax	0.000%	0.000%	0.000%	0.000%		0.000%
12	Income Tax Rate	31.500%	30.000%	30.000%	28.500%		28.500%
13	1 - Current Tax Rate	68.500%	70.000%	70.000%	71.500%		71.500%
14							
15	Income Tax						
16	Current	\$ 61	\$ 59	\$ 56	\$ 71	\$ 38	\$ 109
17	Deferred Income Tax (Fort Nelson)	-	-	-	-	-	-
18		-	-	-	-	-	-
19							
20	<b>Total Income Taxes</b>	<b>\$ 61</b>	<b>\$ 59</b>	<b>\$ 56</b>	<b>\$ 71</b>	<b>\$ 38</b>	<b>\$ 109</b>

**TG FORT NELSON**

Attachment 1

**Schedule 6 - CAPITAL STRUCTURE & RETURN ON CAPITAL**

October 8, 2009 filing

Line No.	Particulars	Amount	Capitalization %	Embedded Cost %	Cost Component
1	<b><u>2008 Actual Normalized</u></b>				
2	Unfunded Debt	\$ 375	7.36%	5.000%	0.368%
3	Long Term Debt	2,935	57.63%	7.223%	4.162%
4	Common Equity	1,783	35.01%	12.296%	4.305%
5	<b>Total</b>	<b>\$ 5,093</b>	<b>100.00%</b>		<b>8.835%</b>
6					
7	<b><u>2009 Decision</u></b>				
8	Unfunded Debt	\$ 478	8.84%	4.250%	0.376%
9	Long Term Debt	3,035	56.15%	6.962%	3.909%
10	Common Equity	1,892	35.01%	8.470%	2.965%
11	<b>Total</b>	<b>\$ 5,405</b>	<b>100.00%</b>		<b>7.250%</b>
12					
13	<b><u>2009 Projected</u></b>				
14	Unfunded Debt	\$ 242	4.79%	4.250%	0.204%
15	Long Term Debt	3,035	60.20%	6.959%	4.189%
16	Common Equity	1,765	35.01%	3.429%	1.200%
17	<b>Total</b>	<b>\$ 5,042</b>	<b>100.00%</b>		<b>5.593%</b>
18					
19	<b><u>2010 @ Existing Rates</u></b>				
20	Unfunded Debt	\$ 316	5.96%	2.250%	0.134%
21	Long Term Debt	3,134	59.03%	6.868%	4.054%
22	Common Equity	1,859	35.01%	3.414%	1.195%
23	<b>Total</b>	<b>\$ 5,309</b>	<b>100.00%</b>		<b>5.384%</b>
24					
25	<b><u>2010 @ Revised Rates</u></b>				
26	Unfunded Debt Adjusted	\$ 318	5.99%	2.250%	0.135%
27	Long Term Debt	3,134	59.00%	6.868%	4.052%
28	Common Equity	1,860	35.01%	8.470%	2.965%
29	<b>Total</b>	<b>\$ 5,311</b>	<b>100.00%</b>		<b>7.152%</b>

**TG FORT NELSON**

**Schedule 7 - OPERATION & MAINTENANCE EXPENSES**

October 8, 2009 filing

Line No.	Particulars	2008 Actual	2009 Decision	2009 Projected	2010 Forecast
1	<b>ACTIVITY VIEW</b>				
2	Distribution Supervision	\$ 195	\$ 182	\$ 182	\$ 188
3	<b>Distribution Supervision Total</b>	<b>195</b>	<b>182</b>	<b>182</b>	<b>188</b>
4					
5	Operation Centre - Distribution	133	124	124	128
6	Asset Management - Distribution	21	20	20	20
7	Preventative Maintenance - Distribution	32	30	30	31
8	Distribution Operations - General	95	88	88	91
9	Emergency Management	163	152	152	157
10	<b>Distribution Operations Total</b>	<b>444</b>	<b>413</b>	<b>413</b>	<b>427</b>
11					
12	Distribution Corrective - Meters	24	22	22	23
13	Distribution Corrective - Propane	-	-	-	-
14	Distribution Corrective - Leak Repair	22	21	20	21
15	Distribution Corrective - Stations	12	11	11	12
16	Distribution Corrective - General	8	7	7	8
17	<b>Distribution Maintenance Total</b>	<b>66</b>	<b>61</b>	<b>61</b>	<b>63</b>
18					
19	<b>Distribution Total</b>	<b>705</b>	<b>656</b>	<b>656</b>	<b>678</b>
20					
21	Customer Contact - ABSU Contract	130	134	134	136
22	<b>Customer Care Total</b>	<b>130</b>	<b>134</b>	<b>134</b>	<b>136</b>
23					
24	<b>Total Gross O&amp;M Expense</b>	<b>835</b>	<b>790</b>	<b>790</b>	<b>814</b>
25					
26	Less: Capitalized Overhead	(132)	(126)	(126)	(65)
27					
28	<b>Total O&amp;M Expenses</b>	<b>\$ 599</b>	<b>\$ 664</b>	<b>\$ 664</b>	<b>\$ 749</b>

# TG FORT NELSON

Attachment 1

## Schedule 7 - OPERATION & MAINTENANCE EXPENSES

October 8, 2009 filing

Line No.	Particulars	2008 Actual	2009 Decision	2009 Projected	2010 Forecast
1	<b>RESOURCE VIEW</b>				
2	M&E Costs	\$ 172	\$ 145	\$ 145	\$ 138
3	COPE Costs	61	53	53	63
4	IBEW Costs	242	247	247	255
5	<b>Total Labour Costs</b>	<b>475</b>	<b>444</b>	<b>444</b>	<b>456</b>
6					
7	Vehicle Costs	52	59	59	54
8	Employee Expenses	32	33	33	37
9	Materials	23	23	23	27
10	Computer Costs	30	24	24	34
11	Fees & Administration Costs	78	62	62	58
12	Contractor Costs	161	166	166	173
13	Facilities	37	29	29	36
14	Recoveries & Revenue	(53)	(49)	(49)	(61)
15	<b>Total Non-Labour Costs</b>	<b>360</b>	<b>346</b>	<b>346</b>	<b>358</b>
16					
17	<b>Total Gross O&amp;M Expenses</b>	<b>835</b>	<b>790</b>	<b>790</b>	<b>814</b>
18					
19	Less Capitalized Overhead	(134)	(126)	(126)	(65)
20					
21	<b>Total Net O&amp;M Expenses</b>	<b>\$ 599</b>	<b>\$ 664</b>	<b>\$ 664</b>	<b>\$ 749</b>

**TG FORT NELSON**

Attachment 1

**Schedule 8 - PROPERTY and SUNDRY TAXES**

October 8, 2009 filing

Line No.	Particulars	2008 Actual	2009 Decision	2009 Projected	2010 Forecast
1	General, School & Other	\$ 88	\$ 104	\$ 104	\$ 108
2	1% in Lieu of General	37	54	54	45
3					
4	<b>Total Property Tax</b>	<b>\$ 125</b>	<b>\$ 158</b>	<b>\$ 158</b>	<b>\$ 153</b>



**TG FORT NELSON**

Attachment 1

**Schedule 9 - DEPRECIATION and AMORTIZATION EXPENSE**

October 8, 2009 filing

Line No.	Particulars	2008 Actual	2009 Decision	2009 Projected	2010 Forecast
1	<b>Depreciation Provision</b>				
2	Transmission	\$ 23	\$ 26	\$ 42	\$ 48
3	Distribution	129	146	218	235
4	General	14	35	34	35
5	Unclassified Plant				
6	<b>Total Depreciation Provision</b>	<b>166</b>	<b>207</b>	<b>294</b>	<b>318</b>
7					
8	Less: Amortization of CIAOC	(42)	(22)	(26)	(28)
9					
10	<b>Total Depreciation Expense</b>	<b>124</b>	<b>185</b>	<b>268</b>	<b>290</b>
11					
12	Amortization Expense	30	6	15	12
13					
14	<b>Total Depreciation &amp; Amortization Expense</b>	<b>\$ 154</b>	<b>\$ 191</b>	<b>\$ 283</b>	<b>\$ 302</b>

**TG FORT NELSON**

**Schedule 10 - OTHER REVENUE**

October 8, 2009 filing

Line No.	Particulars	<b>2008 Actual</b>	<b>2009 Decision</b>	<b>2009 Projected</b>	<b>2010 Forecast</b>
1	Late Payment Charge	\$ 25	\$ 27	\$ 26	\$ 22
2					
3	Revenue form Service Work	10	17	13	12
4					
5	All Other	0	0	0	0
6					
7	<b>Total Other Revenue</b>	<b>\$ 35</b>	<b>\$ 45</b>	<b>\$ 39</b>	<b>\$ 35</b>

**TG FORT NELSON**

**Schedule 11 - UTILITY INTEREST EXPENSE**

October 8, 2009 filing

Line No.	Particulars	2008 Actual Normalized	2009 Decision	2009 Projected	2010 @ Existing Rates	Adjustment	2010 @ Revised Rates
1	Utility Rate Base	\$ 5,093	\$ 5,405	\$ 5,042	\$ 5,309	\$ 3	\$ 5,311
2							
3	Weighted average embedded cost of debt in the capital structure						
4	Long-term debt	4.162%	3.909%	4.189%	4.054%	-0.002%	4.052%
5	Unfunded debt	0.368%	0.376%	0.204%	0.134%	0.001%	0.135%
6	<b>Total</b>	<b>4.531%</b>	<b>4.285%</b>	<b>4.393%</b>	<b>4.188%</b>	<b>-0.001%</b>	<b>4.187%</b>
7							
8	<b>Utility Interest Expense</b>	<b>\$ 231</b>	<b>\$ 232</b>	<b>\$ 221</b>	<b>\$ 222</b>	<b>\$ (0)</b>	<b>\$ 222</b>

**TG FORT NELSON**

**Schedule 12 - PERMANENT AND TIMING DIFFERENCES**

October 8, 2009 filing

Line No.	Particulars	2008 Actual	2009 Decision	2009 Projected	2010 Forecast
1	<b>Permanent Differences</b>				
2	Non-tax Deductible Expenses	2	-	-	-
3	Deferred Amortization Expenses	30	6	15	12
4	<b>Total Permanent Differences</b>	<b>\$ 32</b>	<b>\$ 6</b>	<b>\$ 15</b>	<b>\$ 12</b>
5					
6	<b>Timing Differences</b>				
7	Depreciation Expense	\$ 124	\$ 185	\$ 268	\$ 290
8	Amortization of Debt Issue Expenses for Accounting	2	1	1	1
9	Debt Issue Costs / Discounts for Tax Purposes	(13)	-	-	-
10	Capital Cost Allowance (CCA)	(158)	(166)	(152)	(188)
11	Cumulative Eligible Capital Allowance	(18)	-	(0)	(0)
12	Overheads Capitalized for Tax Purposes	(37)	(47)	(63)	-
13	Pension Reserve	(18)	-	-	-
14	<b>Total Timing Differences</b>	<b>\$ (118)</b>	<b>\$ (27)</b>	<b>\$ 54</b>	<b>\$ 103</b>

**TG FORT NELSON**

**Schedule 13 - CAPITAL COST ALLOWANCE - CONTINUITY SCHEDULE**

October 8, 2009 filing

Line No.	Class	CCA Rate %	UCC Opening Balance	Opening Adjustments	Adjusted UCC Opening Balance	Additions w/o OH	Overhead	Net Additions	1/2 Year Adjustment	Adjusted UCC	CCA	UCC Closing Balance
1	<b><u>2008 Actual</u></b>											
2	1	4%	\$ 3,184	\$ (33)	\$ 3,151	\$ 97	\$ 88	\$ 185	\$ (93)	\$ 3,244	\$ (130)	\$ 3,206
3	2	6%	369	-	369	-	-	-	-	369	(22)	347
4	8	20%	6	-	6	-	-	-	-	6	(1)	5
5	10	30%	8	-	8	-	-	-	-	8	(2)	6
6	13	manual	3	-	3	-	-	-	-	3	(1)	3
7	3	5%	18	-	18	-	-	-	-	18	(1)	17
8	6	10%	1	-	1	-	-	-	-	1	-	1
9	1.3	6%	-	-	-	-	-	-	-	-	-	-
10	47	8%	-	-	-	-	-	-	-	-	-	-
11	51	6%	-	-	-	-	-	-	-	-	-	-
12	50	55%	-	-	-	-	-	-	-	-	-	-
13	7	15%	-	-	-	-	-	-	-	-	-	-
14	49	8%	0	8	8	-	-	-	-	8	(1)	7
15	12	100%	-	-	-	-	-	-	-	-	-	-
16	<b>Total</b>		<b>\$ 3,591</b>	<b>\$ (25)</b>	<b>\$ 3,566</b>	<b>\$ 97</b>	<b>\$ 88</b>	<b>\$ 185</b>	<b>\$ (93)</b>	<b>\$ 3,659</b>	<b>\$ (158)</b>	<b>\$ 3,593</b>
17												
18	<b><u>2009 Decision</u></b>											
19	1	4%	\$ 3,219	\$ -	\$ 3,219	\$ 201	\$ 76	\$ 277	\$ (139)	\$ 3,358	\$ (134)	\$ 3,362
20	2	6%	347	-	347	-	-	-	-	347	(21)	326
21	3	5%	17	-	17	-	-	-	-	17	(1)	16
22	6	10%	1	-	1	-	-	-	-	1	-	1
23	8	20%	29	-	29	8	3	11	(6)	34	(7)	33
24	10	30%	8	-	8	-	-	-	-	8	(2)	6
25	12	100%	-	-	-	-	-	-	-	-	-	-
26	13	manual	1	-	1	-	-	-	-	1	(1)	(0)
27	45	45%	1	-	1	-	-	-	-	1	-	1
28	49	8%	6	-	6	-	-	-	-	6	-	6
29	<b>Total</b>		<b>\$ 3,629</b>	<b>\$ -</b>	<b>\$ 3,629</b>	<b>\$ 209</b>	<b>\$ 79</b>	<b>\$ 288</b>	<b>\$ (144)</b>	<b>\$ 3,774</b>	<b>\$ (166)</b>	<b>\$ 3,752</b>

**TG FORT NELSON**

**Schedule 13 - CAPITAL COST ALLOWANCE - CONTINUITY SCHEDULE**

October 8, 2009 filing

Line No.	Class	CCA Rate %	UCC Opening Balance	Opening Adjustments	Adjusted UCC Opening Balance	Additions w/o OH	Overhead	Net Additions	1/2 Year Adjustment	Adjusted UCC	CCA	UCC Closing Balance
30												
31	<b>2009 Projected</b>											
32	1	4%	\$ 3,206	\$ (310)	\$ 2,897	\$ -	\$ -	\$ -	\$ -	\$ 2,897	\$ (116)	\$ 2,781
33	2	6%	347	0	348	-	-	-	-	348	(21)	327
34	8	20%	5	0	5	8	2	10	(5)	11	(2)	14
35	10	30%	6	0	6	-	-	-	-	6	(2)	4
36	13	manual	3	0	3	-	-	-	-	3	(1)	2
37	3	5%	17	0	17	-	-	-	-	17	(1)	16
38	6	10%	1	0	1	-	-	-	-	1	-	1
39	1.3	6%	-	11	11	20	6	26	(13)	24	(1)	36
40	47	8%	-	-	-	-	-	-	-	-	-	-
41	51	6%	-	-	-	173	52	225	(112)	112	(7)	218
42	50	55%	-	-	-	-	-	-	-	-	-	-
43	7	15%	-	-	-	-	-	-	-	-	-	-
44	49	8%	7	4	11	10	3	13	(6)	18	(1)	23
45	12	100%	-	-	-	-	-	-	-	-	-	-
46	<b>Total</b>		<b>\$ 3,593</b>	<b>\$ (294)</b>	<b>\$ 3,299</b>	<b>\$ 211</b>	<b>\$ 63</b>	<b>\$ 274</b>	<b>\$ (137)</b>	<b>\$ 3,436</b>	<b>\$ (152)</b>	<b>\$ 3,421</b>
47												
48	<b>2010 Forecast</b>											
49	1	4%	\$ 2,781	\$ -	\$ 2,781	\$ -	\$ -	\$ -	\$ -	\$ 2,781	\$ (111)	\$ 2,670
50	2	6%	327	-	327	-	-	-	-	327	(20)	307
51	8	20%	14	-	14	8	1	9	(4)	18	(4)	19
52	10	30%	4	-	4	-	-	-	-	4	(1)	3
53	13	manual	2	-	2	-	-	-	-	2	(1)	1
54	3	5%	16	-	16	-	-	-	-	16	(1)	15
55	6	10%	1	-	1	-	-	-	-	1	-	1
56	1.3	6%	36	-	36	-	-	-	-	36	(2)	34
57	47	8%	-	-	-	-	-	-	-	-	-	-
58	51	6%	218	-	218	225	17	242	(121)	339	(20)	440
59	50	55%	-	-	-	-	-	-	-	-	-	-
60	7	15%	-	-	-	-	-	-	-	-	-	-
61	49	8%	23	-	23	610	47	657	(329)	352	(28)	652
62	12	100%	-	-	-	-	-	-	-	-	-	-
63	<b>Total</b>		<b>\$ 3,421</b>	<b>\$ -</b>	<b>\$ 3,421</b>	<b>\$ 843</b>	<b>\$ 65</b>	<b>\$ 908</b>	<b>\$ (454)</b>	<b>\$ 3,875</b>	<b>\$ (188)</b>	<b>\$ 4,141</b>

**TG FORT NELSON**

**Schedule 14 - GAS PLANT IN SERVICE CONTINUITY SCHEDULES**

October 8, 2009 filing

Line No.	Particulars	CCA Class	Account No.	Opening Balance	Adjustments	Additions	Overhead Capitalized	Retirements	Closing Balance
1	<b>2008 ACTUAL</b>								
2	<b>Transmission</b>								
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	1	-	-	-	-	1
6	Mains	49	465-00	715	-	-	-	-	715
7	Measuring & Regulating Equipment	49	467-10	365	-	6	8	-	379
8	Telemetry	49	467-20	4	-	-	-	-	4
9	Communication Equipment	49	468-00	-	-	-	-	-	-
10	<b>Total Transmission</b>			<b>1,098</b>	<b>-</b>	<b>6</b>	<b>8</b>	<b>-</b>	<b>1,111</b>
11									
12	<b>Distribution</b>								
13	Land / Land Rights	land/rights	470-00/471-00	24	-	-	-	-	24
14	Structures & Improvements	1	472-00	245	-	-	-	-	245
15	Services	1	473-00	2,103	-	36	53	(8)	2,183
16	House Regulators & Meter Installation	1	474-00	640	-	9	14	(25)	638
17	Mains	1	475-00	1,875	-	21	30	(0)	1,926
18	Compressed Natural Gas	8	476-00	-	-	-	-	-	-
19	Measuring & Regulating Equipment	1	477-10/477-30	930	-	25	37	(2)	990
20	Telemetry	1	477-20	-	-	-	-	-	-
21	Meters	1	478-00	37	-	-	-	(8)	28
22	<b>Total Distribution</b>			<b>5,853</b>	<b>-</b>	<b>92</b>	<b>133</b>	<b>(43)</b>	<b>6,034</b>
23									
24	<b>General Plant</b>								
25	Land	land	480-00	1	-	-	-	-	1
26	Frame Structures & Improvements	1	482-00	236	-	-	-	-	236
27	Office Furniture & Equipment		483-00						
28	Computers - Hardware	45	483-10	182	-	-	-	-	182
29	Computers - Software (non-infrastructure)	12	483-20	136	-	-	-	(1)	135
30	Computers - Software (infrastructure/custom)	12	483-20	-	-	-	-	-	-
31	Office Equipment	8	483-30	16	-	-	-	-	16
32	Furniture	8	483-40	25	-	-	-	-	25
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	85	-	-	-	(1)	84
36	Communication Equipment								
37	Telephone	8	488-10	25	-	-	-	-	25
38	Radios	8	488-20	2	-	-	-	-	2
39	<b>Total General Plant</b>			<b>722</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>720</b>
40									
41	<b>Total</b>			<b>\$ 7,672</b>	<b>\$ -</b>	<b>\$ 97</b>	<b>\$ 141</b>	<b>\$ (45)</b>	<b>\$ 7,865</b>

**TG FORT NELSON**

**Schedule 14 - GAS PLANT IN SERVICE CONTINUITY SCHEDULES**

October 8, 2009 filing

Line No.	Particulars	CCA Class	Account No.	Opening Balance	Adjustments	Additions	Overhead Capitalized	Retirements	Closing Balance
1	<b>2009 PROJECTED</b>								
2	<b>Transmission</b>								
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	1	-	-	-	-	1
6	Mains	49	465-00	715	-	10	7	-	731
7	Measuring & Regulating Equipment	49	467-10	379	-	-	-	-	379
8	Telemetry	49	467-20	4	-	-	-	-	4
9	Communication Equipment	49	468-00	-	-	-	-	-	-
10	<b>Total Transmission</b>			<b>1,111</b>	<b>-</b>	<b>10</b>	<b>7</b>	<b>-</b>	<b>1,128</b>
11									
12	<b>Distribution</b>								
13	Land / Land Rights	land/rights	470-00/471-00	24	-	-	-	-	24
14	Structures & Improvements	1	472-00	245	-	-	-	-	245
15	Services	1	473-00	2,183	-	37	26	-	2,245
16	House Regulators & Meter Installation	1	474-00	638	-	3	2	-	644
17	Mains	1	475-00	1,926	-	50	35	-	2,011
18	Compressed Natural Gas	8	476-00	-	-	-	-	-	-
19	Measuring & Regulating Equipment	1	477-10/477-30	990	-	80	56	-	1,126
20	Telemetry	1	477-20	-	-	-	-	-	-
21	Meters	1	478-00	28	-	3	-	-	32
22	<b>Total Distribution</b>			<b>6,034</b>	<b>-</b>	<b>173</b>	<b>119</b>	<b>-</b>	<b>6,326</b>
23									
24	<b>General Plant</b>								
25	Land	land	480-00	1	-	-	-	-	1
26	Frame Structures & Improvements	1	482-00	236	-	20	-	-	256
27	Office Furniture & Equipment		483-00						
28	Computers - Hardware	45	483-10	182	-	-	-	-	182
29	Computers - Software (non-infrastructure)	12	483-20	135	-	-	-	-	135
30	Computers - Software (infrastructure/custom)	12	483-20	-	-	-	-	-	-
31	Office Equipment	8	483-30	16	-	-	-	-	16
32	Furniture	8	483-40	25	-	-	-	-	25
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	84	-	8	-	-	92
36	Communication Equipment								
37	Telephone	8	488-10	25	-	-	-	-	25
38	Radios	8	488-20	2	-	-	-	-	2
39	<b>Total General Plant</b>			<b>720</b>	<b>-</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>748</b>
40									
41	<b>Total</b>			<b>\$ 7,865</b>	<b>\$ -</b>	<b>\$ 211</b>	<b>\$ 126</b>	<b>\$ -</b>	<b>\$ 8,202</b>



**TG FORT NELSON**

**Schedule 14 - GAS PLANT IN SERVICE CONTINUITY SCHEDULES**

October 8, 2009 filing

Line No.	Particulars	CCA Class	Account No.	Opening Balance	Adjustments	Additions	Overhead Capitalized	Retirements	Closing Balance
1	<b>2010 FORECAST</b>								
2	<b>Transmission</b>								
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	1	-	-	-	-	1
6	Mains	49	465-00	731	-	610	48	-	1,389
7	Measuring & Regulating Equipment	49	467-10	379	-	-	-	-	379
8	Telemetry	49	467-20	4	-	-	-	-	4
9	Communication Equipment	49	468-00	-	-	-	-	-	-
10	<b>Total Transmission</b>			<b>1,128</b>	<b>-</b>	<b>610</b>	<b>48</b>	<b>-</b>	<b>1,786</b>
11									
12	<b>Distribution</b>								
13	Land / Land Rights	land/rights	470-00/471-00	24	-	-	-	-	24
14	Structures & Improvements	1	472-00	245	-	-	-	-	245
15	Services	1	473-00	2,245	-	50	4	-	2,299
16	House Regulators & Meter Installation	1	474-00	644	-	3	0	-	647
17	Mains	1	475-00	2,011	-	86	7	-	2,104
18	Compressed Natural Gas	8	476-00	-	-	-	-	-	-
19	Measuring & Regulating Equipment	1	477-10/477-30	1,126	-	83	7	-	1,215
20	Telemetry	1	477-20	-	-	-	-	-	-
21	Meters	1	478-00	32	-	3	-	-	35
22	<b>Total Distribution</b>			<b>6,326</b>	<b>-</b>	<b>225</b>	<b>18</b>	<b>-</b>	<b>6,569</b>
23									
24	<b>General Plant</b>								
25	Land	land	480-00	1	-	-	-	-	1
26	Frame Structures & Improvements	1	482-00	256	-	-	-	-	256
27	Office Furniture & Equipment		483-00						
28	Computers - Hardware	45	483-10	182	-	-	-	-	182
29	Computers - Software (non-infrastructure)	12	483-20	135	-	-	-	-	135
30	Computers - Software (infrastructure/custom)	12	483-20	-	-	-	-	-	-
31	Office Equipment	8	483-30	16	-	-	-	-	16
32	Furniture	8	483-40	25	-	-	-	-	25
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	92	-	8	-	-	100
36	Communication Equipment								
37	Telephone	8	488-10	25	-	-	-	-	25
38	Radios	8	488-20	2	-	-	-	-	2
39	<b>Total General Plant</b>			<b>748</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>756</b>
40									
41	<b>Total</b>			<b>\$ 8,202</b>	<b>\$ -</b>	<b>\$ 843</b>	<b>\$ 65</b>	<b>\$ -</b>	<b>\$ 9,110</b>

TG FORT NELSON

Schedule 15 - ACCUMULATED DEPRECIATION CONTINUITY SCHEDULES

October 8, 2009 filing

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	<b>2008 ACTUAL</b>											
2	<b>Transmission</b>											
3	Land / Land Rights	460-00/461-00	N / A	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Measuring & Regulating Structures	463-00	3.00%	3	\$ -	\$ -	\$ 0	-	-	-	-	\$ 0.1
5	Other Structures & Improvements	464-00	3.00%	1	\$ (2)	\$ -	\$ -	-	-	-	-	\$ (1.8)
6	Mains	465-00	2.00%	715	\$ 13	\$ -	\$ 12	-	-	-	-	\$ 24.1
7	Measuring & Regulating Equipment	467-10	3.00%	365	\$ 41	\$ -	\$ 11	-	-	-	-	\$ 52.2
8	Telemetry	467-20	10.00%	4	\$ (3)	\$ -	\$ 1	-	-	-	-	\$ (2.3)
9	Communication Equipment	468-00	10.00%	-	\$ -	\$ -	\$ -	-	-	-	-	\$ -
10	<b>Total Transmission</b>			<b>1,098</b>	<b>49</b>	<b>-</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72.2</b>
11												
12	<b>Distribution</b>											
13	Land / Land Rights	470-00/471-00	N / A	24	-	-	-	-	-	-	-	-
14	Structures & Improvements	472-00	3.00%	245	38	-	7	1	-	-	-	46
15	Services	473-00	2.00%	2,103	682	-	38	7	(8)	-	-	719
16	House Regulators & Meter Installation	474-00	3.57%	640	182	-	21	16	(25)	-	-	195
17	Mains	475-00	2.00%	1,875	375	-	35	3	(0)	-	-	413
18	Compressed Natural Gas	476-00	6.67%	-	(97)	-	-	-	-	-	-	(97)
19	Measuring & Regulating Equipment	477-10/477-30	3.00%	930	195	-	25	5	(2)	-	-	223
20	Telemetry	477-20	10.00%	-	10	-	1	-	-	-	-	11
21	Meters	478-00	3.57%	37	10	-	1	3	(8)	-	-	5
22	<b>Total Distribution</b>			<b>5,853</b>	<b>1,394</b>	<b>-</b>	<b>129</b>	<b>35</b>	<b>(43)</b>	<b>-</b>	<b>-</b>	<b>1,515</b>
23												
24	<b>General Plant</b>											
25	Land	480-00	N / A	1	-	-	-	-	-	-	-	-
26	Frame Structures & Improvements	482-00	3.00%	236	165	-	7	-	-	-	-	172
27	Office Furniture & Equipment	483-00										
28	Computers - Hardware	483-10	20.00%	182	229	-	-	-	-	-	-	229
29	Computers - Software (infrastructure)	483-20	12.50%	136	12	-	1	-	(1)	-	-	12
30	Computers - Software (non-infrastructure)	483-20	20.00%	-	-	-	-	-	-	-	-	-
31	Office Equipment	483-30	5.00%	16	14	-	1	-	-	-	-	15
32	Furniture	483-40	5.00%	25	5	-	0	-	-	-	-	5
33	Transportation Equipment	484-00	15.00%	11	(26)	-	-	-	-	-	-	(26)
34	Heavy Work Equipment	485-10/485-20	5.00%	3	(52)	-	-	-	-	-	-	(52)
35	Small Tools & Equipment	486-00	5.00%	85	45	-	4	-	(1)	-	-	48
36	Communication Equipment											
37	Telephone	488-10	5.00%	25	19	-	1	-	-	-	-	20
38	Radios	488-20	10.00%	2	11	-	0	-	-	-	-	11
39	<b>Total General Plant</b>			<b>722</b>	<b>422</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>434</b>
40												
41	<b>Total</b>			<b>\$ 7,672</b>	<b>\$ 1,865</b>	<b>\$ -</b>	<b>166</b>	<b>\$ 35</b>	<b>\$ (45)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,021</b>

TG FORT NELSON

Attachment 1

Schedule 15 - ACCUMULATED DEPRECIATION CONTINUITY SCHEDULES

October 8, 2009 filing

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	<b>2009 PROJECTED</b>											
2	<b>Transmission</b>											
3	Land / Land Rights	460-00/461-00	N / A	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Measuring & Regulating Structures	463-00	4.48%	3	0	-	0	-	-	-	-	0
5	Other Structures & Improvements	464-00	3.02%	1	(2)	-	0	-	-	-	-	(2)
6	Mains	465-00	1.79%	715	24	-	13	-	-	-	-	37
7	Measuring & Regulating Equipment	467-10	7.55%	379	52	-	29	-	-	-	-	81
8	Telemetry	467-20	1.33%	4	(2)	-	0	-	-	-	-	(2)
9	Communication Equipment	468-00	5.32%	-	-	-	-	-	-	-	-	-
10	<b>Total Transmission</b>			<b>1,111</b>	<b>72</b>	<b>-</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114</b>
11												
12	<b>Distribution</b>											
13	Land / Land Rights	470-00/471-00	N / A	24	-	-	-	-	-	-	-	-
14	Structures & Improvements	472-00	3.78%	245	46	-	9	-	-	-	-	55
15	Services	473-00	3.38%	2,183	719	-	74	-	-	-	-	792
16	House Regulators & Meter Installation	474-00	5.21%	638	195	-	33	-	-	-	-	228
17	Mains	475-00	2.26%	1,926	413	-	44	-	-	-	-	456
18	Compressed Natural Gas	476-00	25.04%	-	(97)	-	-	-	-	-	-	(97)
19	Measuring & Regulating Equipment	477-10/477-30	5.72%	990	223	-	57	-	-	-	-	279
20	Telemetry	477-20	0.25%	-	11	-	-	-	-	-	-	11
21	Meters	478-00	5.31%	28	5	-	2	-	-	-	-	7
22	<b>Total Distribution</b>			<b>6,034</b>	<b>1,515</b>	<b>-</b>	<b>218</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,733</b>
23												
24	<b>General Plant</b>											
25	Land	480-00	N / A	1	-	-	-	-	-	-	-	-
26	Frame Structures & Improvements	482-00	3.67%	236	172	-	9	-	-	-	-	180
27	Office Furniture & Equipment	483-00										
28	Computers - Hardware	483-10	6.67%	182	229	-	-	-	-	-	-	229
29	Computers - Software (infrastructure)	483-20	12.50%	135	12	-	17	-	-	-	-	29
30	Computers - Software (non-infrastructure)	483-20	20.00%	-	-	-	-	-	-	-	-	-
31	Office Equipment	483-30	6.67%	16	15	-	1	-	-	-	-	16
32	Furniture	483-40	5.00%	25	5	-	1	-	-	-	-	6
33	Transportation Equipment	484-00	6.16%	11	(26)	-	-	-	-	-	-	(26)
34	Heavy Work Equipment	485-10/485-20	5.65%	3	(52)	-	0	-	-	-	-	(52)
35	Small Tools & Equipment	486-00	5.00%	84	48	-	4	-	-	-	-	52
36	Communication Equipment											
37	Telephone	488-10	6.67%	25	20	-	2	-	-	-	-	22
38	Radios	488-20	6.67%	2	11	-	0	-	-	-	-	11
39	<b>Total General Plant</b>			<b>720</b>	<b>434</b>	<b>-</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>468</b>
40												
41	<b>Total</b>			<b>\$ 7,865</b>	<b>\$ 2,021</b>	<b>\$ -</b>	<b>\$ 294</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,314</b>

TG FORT NELSON

Attachment 1

Schedule 15 - ACCUMULATED DEPRECIATION CONTINUITY SCHEDULES

October 8, 2009 filing

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	<b>2010 FORECAST</b>											
2	<b>Transmission</b>											
3	Land / Land Rights	460-00/461-00	N / A	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Measuring & Regulating Structures	463-00	4.48%	3	0	-	0	-	-	-	-	0
5	Other Structures & Improvements	464-00	3.02%	1	(2)	-	0	-	-	-	-	(2)
6	Mains	465-00	1.79%	731	37	-	19	-	-	-	-	56
7	Measuring & Regulating Equipment	467-10	7.55%	379	81	-	29	-	-	-	-	109
8	Telemetry	467-20	1.33%	4	(2)	-	0	-	-	-	-	(2)
9	Communication Equipment	468-00	5.32%	-	-	-	-	-	-	-	-	-
10	<b>Total Transmission</b>			<b>1,128</b>	<b>114</b>	<b>-</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>162</b>
11												
12	<b>Distribution</b>											
13	Land / Land Rights	470-00/471-00	N / A	24	-	-	\$ -	-	-	-	-	-
14	Structures & Improvements	472-00	3.78%	245	55	-	9	-	-	-	-	65
15	Services	473-00	3.38%	2,245	792	-	77	-	-	-	-	869
16	House Regulators & Meter Installation	474-00	5.21%	644	228	-	34	-	-	-	-	262
17	Mains	475-00	2.26%	2,011	456	-	46	-	-	-	-	503
18	Compressed Natural Gas	476-00	25.04%	-	(97)	-	-	-	-	-	-	(97)
19	Measuring & Regulating Equipment	477-10/477-30	5.72%	1,126	279	-	67	-	-	-	-	346
20	Telemetry	477-20	0.25%	-	11	-	-	-	-	-	-	11
21	Meters	478-00	5.31%	32	7	-	2	-	-	-	-	9
22	<b>Total Distribution</b>			<b>6,326</b>	<b>1,733</b>	<b>-</b>	<b>235</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,968</b>
23												
24	<b>General Plant</b>											
25	Land	480-00	N / A	1	-	-	\$ -	-	-	-	-	-
26	Frame Structures & Improvements	482-00	3.67%	256	180	-	9	-	-	-	-	190
27	Office Furniture & Equipment	483-00										
28	Computers - Hardware	483-10	6.67%	182	229	-	-	-	-	-	-	229
29	Computers - Software (infrastructure)	483-20	12.50%	135	29	-	17	-	-	-	-	45
30	Computers - Software (non-infrastructure)	483-20	20.00%	-	-	-	-	-	-	-	-	-
31	Office Equipment	483-30	6.67%	16	16	-	1	-	-	-	-	17
32	Furniture	483-40	5.00%	25	6	-	1	-	-	-	-	8
33	Transportation Equipment	484-00	6.16%	11	(26)	-	-	-	-	-	-	(26)
34	Heavy Work Equipment	485-10/485-20	5.65%	3	(52)	-	-	-	-	-	-	(52)
35	Small Tools & Equipment	486-00	5.00%	92	52	-	5	-	-	-	-	57
36	Communication Equipment											
37	Telephone	488-10	6.67%	25	22	-	2	-	-	-	-	24
38	Radios	488-20	6.67%	2	11	-	0	-	-	-	-	11
39	<b>Total General Plant</b>			<b>748</b>	<b>468</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>503</b>
40												
41	<b>Total</b>			<b>\$ 8,202</b>	<b>\$ 2,314</b>	<b>\$ -</b>	<b>\$ 318</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,632</b>

**TG FORT NELSON**

**Schedule 16 - CONTRIBUTIONS IN AID OF CONSTRUCTION CONTINUITY SCHEDULES**

October 8, 2009 filing

Line No.	Particulars	Opening Balance	Additions	Retirements	Ending Balance
1	<b><u>2008 Actual</u></b>				
2	Gross Contributions				
3	DSEP / GEAP	\$ 248	\$ -	\$ -	\$ 248
4	Computer Software Tax Credit	156	-	(156)	(0)
5	Other	755	176	-	931
6	Total Gross Contributions	<u>1,159</u>	<u>176</u>	<u>(156)</u>	<u>1,179</u>
7					
8	Accumulated Amortization				
9	Computer Software Tax Savings	(146)	(11)	156	0
10	Other	(398)	(31)	-	(429)
11	Total Accumulated Amortization	<u>(543)</u>	<u>(42)</u>	<u>156</u>	<u>(429)</u>
12					
13	<b>Total 2008 Actual Net CIAOC</b>	<b>\$ 616</b>	<b>\$ 135</b>	<b>\$ -</b>	<b>\$ 750</b>
14					
15	<b><u>2009 Decision</u></b>				
16	Gross Contributions				
17	DSEP / GEAP	\$ 248	\$ -	\$ -	\$ 248
18	Computer Software Tax Credit	156	-	-	156
19	Other	755	-	-	755
20	Total Gross Contributions	<u>1,159</u>	<u>-</u>	<u>-</u>	<u>1,159</u>
21					
22	Accumulated Amortization				
23	Computer Software Tax Savings	(156)	-	-	(156)
24	Other	(398)	(22)	-	(420)
25	Total Accumulated Amortization	<u>(554)</u>	<u>(22)</u>	<u>-</u>	<u>(576)</u>
26					
27	<b>Total 2009 Decision Net CIAOC</b>	<b>\$ 605</b>	<b>\$ (22)</b>	<b>\$ -</b>	<b>\$ 583</b>
28					

**TG FORT NELSON**

**Schedule 16 - CONTRIBUTIONS IN AID OF CONSTRUCTION CONTINUITY SCHEDULES**

October 8, 2009 filing

Line No.	Particulars	Opening Balance	Additions	Retirements	Ending Balance
29	<b><u>2009 Projected</u></b>				
30	Gross Contributions				
31	DSEP / GEAP	\$ 248	\$ -	\$ -	\$ 248
32	Computer Software Tax Credit	(0)	-	-	(0)
33	Other	931	-	-	931
34	Total Gross Contributions	<u>1,179</u>	<u>-</u>	<u>-</u>	<u>1,179</u>
35					
36	Accumulated Amortization				
37	Computer Software Tax Savings	0	-	-	0
38	Other	(429)	(26)	-	(455)
39	Total Accumulated Amortization	<u>(429)</u>	<u>(26)</u>	<u>-</u>	<u>(455)</u>
40					
41	<b>Total 2009 Projected Net CIAOC</b>	<b>\$ 750</b>	<b>\$ (26)</b>	<b>\$ -</b>	<b>\$ 724</b>
42					
43	<b><u>2010 Forecast</u></b>				
44	Gross Contributions				
45	DSEP / GEAP	\$ 248	\$ -	\$ -	\$ 248
46	Computer Software Tax Credit	(0)	-	-	(0)
47	Other	931	-	-	931
48	Total Gross Contributions	<u>1,179</u>	<u>-</u>	<u>-</u>	<u>1,179</u>
49					
50	Accumulated Amortization				
51	Computer Software Tax Savings	0	-	-	0
52	Other	(455)	(28)	-	(483)
53	Total Accumulated Amortization	<u>(455)</u>	<u>(28)</u>	<u>-</u>	<u>(483)</u>
54					
55	<b>Total 2010 Forecast Net CIAOC</b>	<b>\$ 724</b>	<b>\$ (28)</b>	<b>\$ -</b>	<b>\$ 696</b>
56					







**TG FORT NELSON**

Attachment 1

**Schedule 18.1 - CASH WORKING CAPITAL**

October 8, 2009 filing

Line No.	Particulars	2008	2009	2009	2010		
		Actual Normalized	Decision	Projected	At Existing Rates	Adjustment	At Revised Rates
1							
2	Revenue Lead Days	35.1	34.7	38.5	38.5	0.0	38.6
3	Expense Lag Days	(37.2)	(37.6)	(36.7)	(36.2)	0.1	(36.0)
4	<b>Net (Lead) / Lag Days</b>	<b>(2.1)</b>	<b>(2.9)</b>	<b>1.8</b>	<b>2.4</b>	<b>0.2</b>	<b>2.5</b>
5							
6	Cash Required for Operating Expenses	\$ (30)	\$ (51)	\$ 27	\$ 34	\$ 3	\$ 37
7	Minimum Cash Balance / Customer Deposits	(190)	(192)	(186)	(207)	-	(207)
8							
9	Less Reserve for Bad Debts	(27)	(20)	(25)	(23)	-	(22.5)
10	Withholdings from Employees	(5)	(15)	(14)	(15)	-	(14.6)
11							
12	<b>Total Cash Working Capital</b>	<b>\$ (252)</b>	<b>\$ (277)</b>	<b>\$ (198)</b>	<b>\$ (210)</b>	<b>3</b>	<b>(207)</b>

**TG FORT NELSON**

Attachment 1

**Schedule 18.2 - LEAD TIME FROM DATE OF PAYMENT TO RECEIPT OF CASH**

October 8, 2009 filing

Line No.	Particulars	Revenue	Lead Days	Dollar Days
1	<b><u>2008 Actual Normalized</u></b>			
2	Residential & Commercial	\$ 5,183	34.6	\$ 179,328
3	Small Industrial	231	47.2	10,903
4	<b>Total Sales / T-Service</b>	<b>5,414</b>	<b>35.1</b>	<b>190,231</b>
5				
6	<b>Other Revenue</b>			
7	Late Payment Charge	25	26.7	659
8	All Other	0	35.1	14
9	Revenue from Service Work	10	41.9	419
10	<b>Total</b>	<b>\$ 5,449</b>	<b>35.1</b>	<b>\$ 191,323</b>
11				
12	<b><u>2009 Decision</u></b>			
13	Residential & Commercial	\$ 5,854	34.6	\$ 202,535
14	Small Industrial	41	47.2	1,941
15	<b>Total Sales / T-Service</b>	<b>5,895</b>	<b>34.7</b>	<b>204,476</b>
16				
17	<b>Other Revenue</b>			
18	Late Payment Charge	27	26.7	724
19	All Other	0	35.3	14
20	Revenue from Service Work	17	41.9	716
21	<b>Total</b>	<b>\$ 5,939</b>	<b>34.7</b>	<b>\$ 205,930</b>
22				
23	<b><u>2009 Projected</u></b>			
24	Residential & Commercial	\$ 5,267	38.3	\$ 201,936
25	Small Industrial	148	45.2	6,685
26	<b>Total Sales / T-Service</b>	<b>5,414</b>	<b>38.5</b>	<b>208,621</b>
27				
28	<b>Other Revenue</b>			
29	Late Payment Charge	26	38.3	980
30	All Other	0	38.3	11
31	Revenue from Service Work	13	38.3	513
32	<b>Total</b>	<b>\$ 5,454</b>	<b>38.5</b>	<b>\$ 210,125</b>

**TG FORT NELSON**

Attachment 1

**Schedule 18.2 - LEAD TIME FROM DATE OF PAYMENT TO RECEIPT OF CASH**

October 8, 2009 filing

Line No.	Particulars	Revenue	Lead Days	Dollar Days
1	<b><u>2010 Forecast at Existing Rates</u></b>			
2	Residential & Commercial	\$ 4,733	38.3	\$ 181,482
3	Small Industrial	144	45.2	6,491
4	<b>Total Sales / T-Service</b>	<b>4,877</b>	<b>38.5</b>	<b>187,973</b>
5				
6	<b>Other Revenue</b>			
7	Late Payment Charge	22	38.3	850
8	All Other	0	38.3	15
9	Revenue from Service Work	12	38.3	467
10	<b>Total</b>	<b>\$ 4,912</b>	<b>38.5</b>	<b>\$ 189,305</b>
11				
12	<b><u>2010 Forecast at Revised Rates</u></b>			
13	Residential & Commercial	\$ 4,853	38.3	\$ 186,092
14	Small Industrial	155	45.2	7,027
15	<b>Total Sales / T-Service</b>	<b>5,009</b>	<b>38.6</b>	<b>193,119</b>
16				
17	<b>Other Revenue</b>			
18	Late Payment Charge	22	38.3	850
19	All Other	0	38.3	15
20	Revenue from Service Work	12	38.3	467
21	<b>Total</b>	<b>\$ 5,044</b>	<b>38.6</b>	<b>\$ 194,451</b>

**TG FORT NELSON**

Attachment 1

**Schedule 18.3 - LAG TIME IN PAYMENT OF EXPENSES**

October 8, 2009 filing

Line No.	Particulars	Expense	Lag Days	Dollar Days
1	<b><u>2008 Actual Normalized</u></b>			
2	Operating & Maintenance Expense	\$ 599	19.3	\$ 11,561
3	Cost of Gas	4,234	40.7	172,320
4				
5	Taxes other than income tax			
6	Property Taxes	125	4.0	500
7	Goods & Service Tax (GST)	28	41.7	1,168
8	S. S. Tax	223	43.8	9,767
9	Income Tax	61	15.2	927
10	<b>Total Expense</b>	<b>\$ 5,270</b>	<b>37.2</b>	<b>\$ 196,243</b>
11				
12	<b><u>2009 Decision</u></b>			
13	Operating & Maintenance Expense	\$ 664	19.3	\$ 12,807
14	Cost of Gas	4,476	40.7	182,171
15				
16	Taxes other than income			
17	Property Taxes	158	4.0	633
18	Goods & Service Tax	278	41.7	11,608
19	S. S. Tax	203	43.8	8,887
20	Carbon Tax	426	43.8	18,648
21	Income Tax	(52)	15.2	(790)
22	<b>Total Expense</b>	<b>\$ 6,153</b>	<b>38.0</b>	<b>\$ 233,963</b>
23				

**TG FORT NELSON**

Attachment 1

**Schedule 18.3 - LAG TIME IN PAYMENT OF EXPENSES**

October 8, 2009 filing

Line No.	Particulars	Expense	Lag Days	Dollar Days
24	<b><u>2009 Projected</u></b>			
25	Operating & Maintenance Expense	\$ 664	25.5	\$ 16,921
26	Cost of Gas	3,888	40.2	156,314
27				
28	Taxes other than income			
29	Property Taxes	158	2.0	316
30	Goods & Service Tax	273	38.8	10,580
31	S. S. Tax	205	37.1	7,606
32	Carbon Tax	198	37.1	7,351
33	Income Tax	56	15.2	851
34	<b>Total Expense</b>	<b>\$ 5,442</b>	<b>36.7</b>	<b>\$ 199,940</b>
1	<b><u>2010 Forecast at Existing Rates</u></b>			
2	Operating & Maintenance Expense	\$ 749	25.5	\$ 19,097
3	Cost of Gas	3,351	40.2	134,718
4				
5	Taxes other than income			
6	Property Taxes	153	2.0	305
7	Goods & Service Tax	246	38.8	9,528
8	S. S. Tax	184	37.1	6,809
9	Carbon Tax	531	37.1	19,700
10	Income Tax	71	15.2	1,079
11	<b>Total Expense</b>	<b>\$ 5,284</b>	<b>36.2</b>	<b>\$ 191,236</b>
12				
13	Adjustment for Revised Rates			
14	Income Tax Expense	38	15.2	578
15	<b>Total Expense at Revised Rates</b>	<b>\$ 5,322</b>	<b>36.0</b>	<b>\$ 191,814</b>

## TG FORT NELSON

### Schedule 18.4 - OTHER WORKING CAPITAL - INVENTORIES

October 8, 2009 filing

Line No.	Particulars	2008 Actual	2009 Decision	2009 Projected	2010 Forecast
1	Pipe	\$ -	\$ 2	\$ 2	\$ 2
2	Fittings	7	1	1	1
3	Regulators	-	-	-	-
4	Supplies & Other	2	0	0	0
5					
6	<b>Total Other Working Capital</b>	<b>\$ 9</b>	<b>\$ 3</b>	<b>\$ 4</b>	<b>\$ 3</b>

EXAMPLE OF CALCULATION OF ROE AND CAPITAL STRUCTURE DEFERRAL ACCOUNT

Line No.	Particulars (1)	2009 (2)	2010 (3)
1	Current Approved ROE	8.47%	8.47%
2	Revised Approved ROE <sup>1</sup>	11.00%	11.00%
3	Variance	<u>2.53%</u>	<u>2.53%</u>
4			
5	Current Approved Equity Percentage	35.01%	35.01%
6	Revised Approved Equity Percentage <sup>1</sup>	35.01%	40.00%
7	Variance	<u>0.00%</u>	<u>4.99%</u>
8			
9	Actual Rate Base (\$ 000's) <sup>2</sup>	<u>\$ 5,042</u>	<u>\$ 5,311</u>
10			
11	Variance due to change in Approved ROE <sup>3</sup>	\$ 44.7	\$ 47.0
12	Variance due to change in Approved Equity Percentage <sup>4</sup>	-	29.2
13			
14	Deferred ROE and Capital Structure Amount (\$ 000's)	<u>\$ 44.7</u>	<u>\$ 76.2</u>

Notes:

<sup>1</sup> As filed in the Terasen Utilities Return on Equity and Capital Structure Application dated May 15, 2009

<sup>2</sup> Actual will be determined based on Annual Reports for Terasen Gas Inc. Fort Nelson Service Area filed with the Commission

<sup>3</sup> Line 3 x Line 5 x Line 9

<sup>4</sup> Line 2 x Line 7 x Line 9

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