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December 3, 2009

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

Regulatory Affairs Correspondence  
Email: [regulatory.affairs@terasengas.com](mailto:regulatory.affairs@terasengas.com)

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

**Re: Terasen Gas Inc. – Lower Mainland, Inland, and Columbia Service Areas  
Commodity Cost Reconciliation Account (“CCRA”) and Midstream Cost  
Reconciliation Account (“MCRA”) Deferral Accounts, including Customer  
Choice Deferral Cost Recovery Effective January 1, 2010 and  
2009 Fourth Quarter Gas Cost Report**

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The attached materials provide the Terasen Gas Inc. (“Terasen Gas” or the “Company”) 2009 Fourth Quarter Gas Cost Report for the CCRA and MCRA deferral accounts and the updates to the Terasen Gas Customer Choice Program Deferral Cost Recoveries, comprising the Residential Commodity Unbundling and the Commercial Commodity unbundling deferral accounts, to the British Columbia Utilities Commission (the “Commission”) under Tabs 1 to 6.

### **CCRA and MCRA Deferral Accounts**

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 December 31, 2009, based on the November 18, 2009 forward prices, is projected to be approximately \$46 million surplus (after tax). Further, based on the November 18, 2009 forward prices, the gas purchase cost assumptions, and the forecast commodity cost recoveries at present rates for the 12-month period ending December 31, 2010, and accounting for the projected December 31, 2009 deferral balance, the CCRA ratio is calculated to be 93.9% (Tab 1, Page 1, Column 10, Lines 36/37). The ratio falls outside the deadband range of 95% to 105%, indicating a rate change is required at this time.

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 December 31, 2009, based on the November 18, 2009 forward prices, is projected to be approximately \$24 million deficit (after tax). Further, based on the forward prices at November 18, 2009, the midstream gas supply cost assumptions, the forecast midstream cost recoveries at present rates, and the projected December 31, 2009 deferral balance, the MCRA balance at December 31, 2010 is forecast to be approximately \$50 million deficit (after-tax). The MCRA deficits indicate that midstream rates are currently under-recovering costs and that midstream rates should be increased effective January 1, 2010 in order to eliminate the forecast 2010 deficit accumulation in the MCRA.

Tab 2 provides the information related to the allocation of the forecast CCRA and MCRA gas supply costs based on the November 18, 2009 forward prices to the Sales rate classes. The schedules within this section indicate increases required to the commodity and midstream rates, effective January 1, 2010, to eliminate the forecast under-recovery of the 12-month forward gas purchase costs and to amortize the projected December 31, 2009 deferral balances. The proposed rates, based on the flow-through calculations, for the Sales rate classes within the Lower Mainland, Inland, and Columbia Service Areas are shown in Tab 2, Page 1 for the CCRA and in Tab 2, Pages 2 to 4 for MCRA. The commodity rate would increase by \$0.342/GJ, from \$4.953/GJ to \$5.295/GJ, effective January 1, 2010. The midstream rate for Lower Mainland Residential customers would increase by \$0.673/GJ, from \$0.942/GJ to \$1.615/GJ, effective January 1, 2010.

Tab 3, Pages 1 to 4, provide the monthly CCRA and MCRA deferral balances with the proposed January 1, 2010 commodity and midstream rates. Terasen Gas will continue to monitor the forward prices, and will report CCRA and MCRA balances in its 2010 First Quarter Gas Cost Report. The Company's position remains that midstream revenues and costs be reported on a quarterly basis and, under normal circumstances, midstream rates be adjusted on an annual basis with a January 1 effective date.

### **Customer Choice Deferred Cost Recovery**

Pursuant to Commission Order No. G-187-08 dated December 11, 2008, the Residential Commodity Unbundling Deferred Cost Recovery Rate Rider was set at \$0.073/GJ and the Commercial Commodity Unbundling Deferred Cost Recovery Rate Rider was set at a credit of \$0.021/GJ, effective January 1, 2009.

Terasen Gas has reviewed the actual and forecast costs and recoveries related to the Residential and Commercial Commodity Unbundling deferral accounts and Terasen Gas proposes the following changes effective January 1, 2010.

### **Residential Commodity Unbundling Capital and O&M Deferral Accounts**

Pursuant to Commission Order No. C-6-06, dated August 14, 2006, and the accompanying Commission Decision regarding the Residential Commodity Unbundling Project for Residential Customers Certificate of Public Convenience and Necessity Application, the Residential Commodity Unbundling Capital expenditures, including Allowance for Funds Utilized During Construction ("AFUDC"), were afforded deferral account treatment using a three-year amortization, and the Residential Commodity Unbundling O&M expenditures were afforded deferral account treatment using a one-year amortization cycle.

The summary of the Residential Commodity Unbundling Capital and O&M deferral account balances, net of marketer transaction fee recoveries, and amortization of those amounts, including any applicable AFUDC, to the eligible residential customers are shown in the schedules attached as Tab 4, Pages 1 and 2. The Residential Commodity Unbundling Capital deferral account contains capital costs incurred for the initial

implementation of the residential program, as well as costs related to program enhancements. The capital cost portion of the proposed rider amount is based on full amortization of the remaining capital deferral balance during 2010.

Terasen Gas requests the Residential Commodity Unbundling Deferred Cost Recovery Rate Rider be reset from \$0.073/GJ to \$0.083/GJ, effective January 1, 2010, (Tab 4, Page 1, Column 2, Line 13). The per GJ rate rider will be applicable to all residential customers eligible to participate in the program (Rate Schedules 1, 1U, and 1X customers within the Lower Mainland, Inland, and Columbia service areas excluding Revelstoke and Fort Nelson).

#### Commercial Commodity Unbundling Capital and O&M Deferral Accounts

The summary of the Commercial Commodity Unbundling O&M deferral account balances and amortization of those amounts, including any applicable AFUDC, to the eligible commercial customers are shown in the schedule attached as Tab 4, Page 3.

Terasen Gas requests the Commercial Commodity Unbundling Deferred Cost Recovery Rate Rider be reset from credit of \$0.021 to be a credit rider of \$0.008/GJ, effective January 1, 2010, (Tab 4, Page 3, Column 2, Line 13). The per GJ refund rate rider will be applicable to all commercial customers eligible to participate in the program (Rate Schedules 2, 2U, 2X, 3, 3U, and 3X customers within the Lower Mainland, Inland, and Columbia service areas excluding Revelstoke and Fort Nelson).

Tabs 5 and 6 are the tariff continuity and bill impact schedules. These schedules reflect the effect of the proposed January 1, 2010 increases to the Commodity Cost Recovery Charge, the Midstream Cost Recovery Charges, and the Residential and Commercial Commodity Unbundling Deferred Cost Recovery Rate Riders.

In summary, Terasen Gas requests approval of the following changes effective January 1, 2010:

- Approval to increase the Commodity Cost Recovery Charge to the rate proposed for the Sales rate classes as shown in the schedule at Tab 2, Page 1.
- Approval to increase the Midstream Cost Recovery Charge to the rates proposed for the Sales rate classes as shown in the schedules at Tab 2, Pages 2 to 4.
- Approval to reset Rate Rider 8 (Residential Commodity Unbundling Deferred Cost Recovery Rate Rider), applicable to Rate Schedules 1, 1U, and 1X customers within the Lower Mainland, Inland, and Columbia service areas excluding Revelstoke and Fort Nelson, at \$0.083/GJ effective January 1, 2010.
- Approval to reset Rate Rider 8 (Commercial Commodity Unbundling Deferred Cost Recovery Rate Rider), applicable to Rate Schedules 2, 2U, 2X, 3, 3U, and 3X customers within the Lower Mainland, Inland, and Columbia service areas excluding Revelstoke and Fort Nelson, to a credit of \$0.008/GJ effective January 1, 2010.

The proposed aggregate rate changes would increase Lower Mainland Rate Schedule 1 rates by \$1.025/GJ, and result in an increase to a typical Lower Mainland Residential customer's annual bill, with an average consumption of 95 GJ, of approximately \$97 or 10%.

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 MECHANISM**  
**FOR THE FORECAST PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2011**  
**NOVEMBER 18, 2009 FORWARD PRICES**  
\$(Millions)

Tab 1  
Page 1

| Line No. | (1)  | (2)   | (3)                | (4)                | (5)                | (6)                 | (7)                 | (8)                | (9)                | (10)               | (11)               | (12)               | (13)               | (14)                            |
|----------|--|---|--------------------|--------------------|--------------------|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|
|          |  | Recorded<br>Jul-09  | Recorded<br>Aug-09 | Recorded<br>Sep-09 | Recorded<br>Oct-09 | Projected<br>Nov-09 | Projected<br>Dec-09 |                    |                    |                    |                    |                    |                    |                                 |
| 1        |  |   |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 2        |  |   |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 3        | CCRA Balance - Beginning (Pre-tax) <sup>(1*)</sup>       | \$ (62)   | \$ (71)            | \$ (81)            | \$ (91)            | \$ (88)             | \$ (75)             |                    |                    |                    |                    |                    |                    |                                 |
| 4        | Gas Costs Incurred                                       | \$ 38   | \$ 35              | \$ 39              | \$ 39              | \$ 50               | \$ 50               |                    |                    |                    |                    |                    |                    |                                 |
| 5        | Revenue from <b>EXISTING</b> Recovery Rates              | \$ (48)   | \$ (45)            | \$ (49)            | \$ (36)            | \$ (38)             | \$ (39)             |                    |                    |                    |                    |                    |                    |                                 |
| 6        | <b>CCRA Balance - Ending (Pre-tax) <sup>(2*)</sup></b>   | <u>\$ (71)</u>  | <u>\$ (81)</u>     | <u>\$ (91)</u>     | <u>\$ (88)</u>     | <u>\$ (75)</u>      | <u>\$ (65)</u>      |                    |                    |                    |                    |                    |                    |                                 |
| 7        |  |   |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 8        | <b>CCRA Balance - Ending (After-tax) <sup>(3*)</sup></b> | <u>\$ (50)</u>  | <u>\$ (57)</u>     | <u>\$ (64)</u>     | <u>\$ (61)</u>     | <u>\$ (53)</u>      | <u>\$ (46)</u>      |                    |                    |                    |                    |                    |                    |                                 |
| 9        |  |   |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 10       |  |   |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    | Total<br>Jan-10<br>to<br>Dec-10 |
| 11       |  | Forecast<br>Jan-10  | Forecast<br>Feb-10 | Forecast<br>Mar-10 | Forecast<br>Apr-10 | Forecast<br>May-10  | Forecast<br>Jun-10  | Forecast<br>Jul-10 | Forecast<br>Aug-10 | Forecast<br>Sep-10 | Forecast<br>Oct-10 | Forecast<br>Nov-10 | Forecast<br>Dec-10 |                                 |
| 12       |  |   |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 13       |  |   |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 14       | CCRA Balance - Beginning (Pre-tax) <sup>(1*)</sup>       | \$ (64)   | \$ (51)            | \$ (40)            | \$ (27)            | \$ (24)             | \$ (20)             | \$ (16)            | \$ (10)            | \$ (5)             | \$ 0               | \$ 7               | \$ 18              | \$ (64)                         |
| 15       | Gas Costs Incurred                                       | \$ 51   | \$ 47              | \$ 52              | \$ 41              | \$ 43               | \$ 42               | \$ 44              | \$ 44              | \$ 43              | \$ 45              | \$ 49              | \$ 52              | \$ 553                          |
| 16       | Revenue from <b>EXISTING</b> Recovery Rates              | \$ (39)   | \$ (35)            | \$ (39)            | \$ (38)            | \$ (39)             | \$ (38)             | \$ (39)            | \$ (39)            | \$ (38)            | \$ (39)            | \$ (38)            | \$ (39)            | \$ (458)                        |
| 17       | <b>CCRA Balance - Ending (Pre-tax) <sup>(2*)</sup></b>   | <u>\$ (51)</u>  | <u>\$ (40)</u>     | <u>\$ (27)</u>     | <u>\$ (24)</u>     | <u>\$ (20)</u>      | <u>\$ (16)</u>      | <u>\$ (10)</u>     | <u>\$ (5)</u>      | <u>\$ 0</u>        | <u>\$ 7</u>        | <u>\$ 18</u>       | <u>\$ 31</u>       | <u>\$ 31</u>                    |
| 18       |  |   |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 19       | <b>CCRA Balance - Ending (After-tax) <sup>(3*)</sup></b> | <u>\$ (37)</u>  | <u>\$ (29)</u>     | <u>\$ (20)</u>     | <u>\$ (17)</u>     | <u>\$ (14)</u>      | <u>\$ (11)</u>      | <u>\$ (7)</u>      | <u>\$ (4)</u>      | <u>\$ 0</u>        | <u>\$ 5</u>        | <u>\$ 13</u>       | <u>\$ 22</u>       | <u>\$ 22</u>                    |
| 20       |  |   |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 21       |  |   |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    | Total<br>Jan-11<br>to<br>Dec-11 |
| 22       |  | Forecast<br>Jan-11  | Forecast<br>Feb-11 | Forecast<br>Mar-11 | Forecast<br>Apr-11 | Forecast<br>May-11  | Forecast<br>Jun-11  | Forecast<br>Jul-11 | Forecast<br>Aug-11 | Forecast<br>Sep-11 | Forecast<br>Oct-11 | Forecast<br>Nov-11 | Forecast<br>Dec-11 |                                 |
| 23       |  |   |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 24       |  |   |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 25       | CCRA Balance - Beginning (Pre-tax) <sup>(1*)</sup>       | \$ 30   | \$ 44              | \$ 57              | \$ 71              | \$ 76               | \$ 82               | \$ 87              | \$ 93              | \$ 100             | \$ 107             | \$ 115             | \$ 125             | \$ 30                           |
| 26       | Gas Costs Incurred                                       | \$ 52   | \$ 48              | \$ 52              | \$ 42              | \$ 44               | \$ 43               | \$ 45              | \$ 45              | \$ 44              | \$ 46              | \$ 47              | \$ 51              | \$ 559                          |
| 27       | Revenue from <b>EXISTING</b> Recovery Rates              | \$ (38)   | \$ (35)            | \$ (38)            | \$ (37)            | \$ (38)             | \$ (37)             | \$ (38)            | \$ (38)            | \$ (37)            | \$ (38)            | \$ (37)            | \$ (38)            | \$ (452)                        |
| 28       | <b>CCRA Balance - Ending (Pre-tax) <sup>(2*)</sup></b>   | <u>\$ 44</u>  | <u>\$ 57</u>       | <u>\$ 71</u>       | <u>\$ 76</u>       | <u>\$ 82</u>        | <u>\$ 87</u>        | <u>\$ 93</u>       | <u>\$ 100</u>      | <u>\$ 107</u>      | <u>\$ 115</u>      | <u>\$ 125</u>      | <u>\$ 137</u>      | <u>\$ 137</u>                   |
| 29       |  |   |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 30       | <b>CCRA Balance - Ending (After-tax) <sup>(3*)</sup></b> | <u>\$ 33</u>  | <u>\$ 42</u>       | <u>\$ 52</u>       | <u>\$ 56</u>       | <u>\$ 60</u>        | <u>\$ 64</u>        | <u>\$ 69</u>       | <u>\$ 73</u>       | <u>\$ 78</u>       | <u>\$ 84</u>       | <u>\$ 92</u>       | <u>\$ 101</u>      | <u>\$ 101</u>                   |
| 31       |  |   |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 32       |  |   |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 33       |  |   |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 34       | <b><u>CCRA RATE CHANGE TRIGGER MECHANISM</u></b>         |   |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 35       |  |   |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 36       | CCRA   | Forecast Recovered Gas Costs (Jan 2010 - Dec 2010)  |                    |                    |                    |                     |                     | \$ 458             |                    |                    |                    |                    |                    |                                 |
| 37       | Ratio  | Forecast Incurred Gas Costs (Jan 2010 - Dec 2010) + Projected CCRA Pre-tax Balance (Dec 2009) |                    |                    |                    |                     |                     | \$ 488             | =                  |                    | <b>93.9%</b>       |                    |                    |                                 |

Notes: Slight differences in totals due to rounding.

(1\*) 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%).

(2\*) For rate setting purpose CCRA pre-tax balances include grossed up projected deferred interest as at December 31, 2009.

(3\*) 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 JANUARY 1, 2010 TO DECEMBER 31, 2011**  
**NOVEMBER 18, 2009 FORWARD PRICES**  
\$(Millions)

Tab 1  
Page 2

| Line No. | (1)  | (2)             | (3)             | (4)             | (5)             | (6)             | (7)             | (8)             | (9)             | (10)            | (11)            | (12)             | (13)             | (14)              |
|----------|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-------------------|
|          |  | Recorded Jan-09 | Recorded Feb-09 | Recorded Mar-09 | Recorded Apr-09 | Recorded May-09 | Recorded Jun-09 | Recorded Jul-09 | Recorded Aug-09 | Recorded Sep-09 | Recorded Oct-09 | Projected Nov-09 | Projected Dec-09 | <b>Total 2009</b> |
| 1        | MCRA Balance - Beginning (Pre-tax) <sup>(17)</sup>       | \$ (34)         | \$ (27)         | \$ (25)         | \$ (55)         | \$ (35)         | \$ (40)         | \$ (11)         | \$ 11           | \$ 23           | \$ 38           | \$ 44            | \$ 44            | \$ (34)           |
| 2        | Gas Costs Incurred                                       | \$ 122          | \$ 92           | \$ 207          | \$ 27           | \$ 2            | \$ (5)          | \$ 16           | \$ 11           | \$ 1            | \$ 30           | \$ 60            | \$ 73            | \$ 636            |
| 3        | Revenue from <b>EXISTING</b> Recovery Rates              | \$ (115)        | \$ (89)         | \$ (238)        | \$ (7)          | \$ (6)          | \$ 34           | \$ 6            | \$ 2            | \$ 13           | \$ (24)         | \$ (60)          | \$ (79)          | \$ (565)          |
| 4        | <b>MCRA Balance - Ending (Pre-tax) <sup>(21)</sup></b>   | <u>\$ (27)</u>  | <u>\$ (25)</u>  | <u>\$ (55)</u>  | <u>\$ (35)</u>  | <u>\$ (40)</u>  | <u>\$ (11)</u>  | <u>\$ 11</u>    | <u>\$ 23</u>    | <u>\$ 38</u>    | <u>\$ 44</u>    | <u>\$ 44</u>     | <u>\$ 35</u>     | <u>\$ 35</u>      |
| 5        |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                   |
| 6        | <b>MCRA Balance - Ending (After-tax) <sup>(31)</sup></b> | <u>\$ (19)</u>  | <u>\$ (17)</u>  | <u>\$ (39)</u>  | <u>\$ (25)</u>  | <u>\$ (28)</u>  | <u>\$ (8)</u>   | <u>\$ 8</u>     | <u>\$ 16</u>    | <u>\$ 26</u>    | <u>\$ 31</u>    | <u>\$ 31</u>     | <u>\$ 24</u>     | <u>\$ 24</u>      |
| 7        |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                   |
| 8        |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                   |
| 9        |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                   |
| 10       |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                   |
| 11       |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                   |
| 12       |  | Forecast Jan-10 | Forecast Feb-10 | Forecast Mar-10 | Forecast Apr-10 | Forecast May-10 | Forecast Jun-10 | Forecast Jul-10 | Forecast Aug-10 | Forecast Sep-10 | Forecast Oct-10 | Forecast Nov-10  | Forecast Dec-10  | <b>Total 2010</b> |
| 13       |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                   |
| 14       | MCRA Balance - Beginning (Pre-tax) <sup>(17)</sup>       | \$ 34           | \$ 23           | \$ 17           | \$ 12           | \$ 14           | \$ 25           | \$ 40           | \$ 58           | \$ 76           | \$ 92           | \$ 96            | \$ 87            | \$ 34             |
| 15       | Gas Costs Incurred                                       | \$ 77           | \$ 68           | \$ 53           | \$ 12           | \$ (0)          | \$ (6)          | \$ (10)         | \$ (13)         | \$ (6)          | \$ 21           | \$ 63            | \$ 76            | \$ 334            |
| 16       | Revenue from <b>EXISTING</b> Recovery Rates              | \$ (87)         | \$ (75)         | \$ (57)         | \$ (11)         | \$ 11           | \$ 21           | \$ 28           | \$ 31           | \$ 21           | \$ (17)         | \$ (72)          | \$ (93)          | \$ (298)          |
| 17       | <b>MCRA Balance - Ending (Pre-tax) <sup>(21)</sup></b>   | <u>\$ 23</u>    | <u>\$ 17</u>    | <u>\$ 12</u>    | <u>\$ 14</u>    | <u>\$ 25</u>    | <u>\$ 40</u>    | <u>\$ 58</u>    | <u>\$ 76</u>    | <u>\$ 92</u>    | <u>\$ 96</u>    | <u>\$ 87</u>     | <u>\$ 70</u>     | <u>\$ 70</u>      |
| 18       |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                   |
| 19       | <b>MCRA Balance - Ending (After-tax) <sup>(31)</sup></b> | <u>\$ 17</u>    | <u>\$ 12</u>    | <u>\$ 9</u>     | <u>\$ 10</u>    | <u>\$ 18</u>    | <u>\$ 29</u>    | <u>\$ 41</u>    | <u>\$ 54</u>    | <u>\$ 66</u>    | <u>\$ 69</u>    | <u>\$ 62</u>     | <u>\$ 50</u>     | <u>\$ 50</u>      |
| 20       |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                   |
| 21       |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                   |
| 22       |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                   |
| 23       |  | Forecast Jan-11 | Forecast Feb-11 | Forecast Mar-11 | Forecast Apr-11 | Forecast May-11 | Forecast Jun-11 | Forecast Jul-11 | Forecast Aug-11 | Forecast Sep-11 | Forecast Oct-11 | Forecast Nov-11  | Forecast Dec-11  | <b>Total 2011</b> |
| 24       |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                   |
| 25       | MCRA Balance - Beginning (Pre-tax) <sup>(17)</sup>       | \$ 68           | \$ 52           | \$ 41           | \$ 31           | \$ 34           | \$ 45           | \$ 59           | \$ 76           | \$ 94           | \$ 109          | \$ 115           | \$ 109           | \$ 68             |
| 26       | Gas Costs Incurred                                       | \$ 81           | \$ 73           | \$ 59           | \$ 14           | \$ 0            | \$ (6)          | \$ (9)          | \$ (14)         | \$ (7)          | \$ 26           | \$ 71            | \$ 86            | \$ 373            |
| 27       | Revenue from <b>EXISTING</b> Recovery Rates              | \$ (97)         | \$ (84)         | \$ (68)         | \$ (11)         | \$ 11           | \$ 21           | \$ 26           | \$ 32           | \$ 22           | \$ (20)         | \$ (76)          | \$ (99)          | \$ (344)          |
| 28       | <b>MCRA Balance - Ending (Pre-tax) <sup>(21)</sup></b>   | <u>\$ 52</u>    | <u>\$ 41</u>    | <u>\$ 31</u>    | <u>\$ 34</u>    | <u>\$ 45</u>    | <u>\$ 59</u>    | <u>\$ 76</u>    | <u>\$ 94</u>    | <u>\$ 109</u>   | <u>\$ 115</u>   | <u>\$ 109</u>    | <u>\$ 97</u>     | <u>\$ 97</u>      |
| 29       |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                   |
| 30       | <b>MCRA Balance - Ending (After-tax) <sup>(31)</sup></b> | <u>\$ 38</u>    | <u>\$ 30</u>    | <u>\$ 23</u>    | <u>\$ 25</u>    | <u>\$ 33</u>    | <u>\$ 44</u>    | <u>\$ 56</u>    | <u>\$ 69</u>    | <u>\$ 80</u>    | <u>\$ 84</u>    | <u>\$ 80</u>     | <u>\$ 71</u>     | <u>\$ 71</u>      |

TERASEN GAS INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS  
**SUMAS INDEX FORECAST FOR THE PERIOD ENDING DECEMBER 31, 2011**  
AND US DOLLAR EXCHANGE RATE FORECAST UPDATE

Tab 1  
Page 3

| Line No | Particulars                                     | Nov 18, 2009 Forward Prices<br>2009 Q4 Gas Cost Report | Aug 24, 2009 Forward Prices<br>2009 Q3 Gas Cost Report | Nov 18, 2009 Forward Prices<br>Less<br>Aug 24, 2009 Forward Prices<br>(4) = (2) - (3) |
|---------|---|--|--|---|
|         | (1)   | (2)  | (3)  |   |
| 1       | <b>Sumas Index Prices - \$US/MMBtu</b>          |  |  |   |
| 2       | <b>2009</b>                                     |  |  |   |
| 3       | January   | \$ 6.89  | \$ 6.89  | \$ -  |
| 4       | February  | \$ 4.80  | \$ 4.80  | \$ -  |
| 5       | March   | \$ 3.83  | \$ 3.83  | \$ -  |
| 6       | April   | \$ 3.59  | \$ 3.59  | \$ -  |
| 7       | May   | \$ 2.74  | \$ 2.74  | \$ -  |
| 8       | June  | \$ 2.88  | \$ 2.88  | \$ -  |
| 9       | July  | \$ 2.69  | \$ 2.69  | \$ -  |
| 10      | August  | \$ 3.01  | \$ 3.01  | \$ -  |
| 11      | September                                       | \$ 2.46  | \$ 2.93  | \$ (0.47)   |
| 12      | October   | \$ 3.87  | \$ 2.83  | \$ 1.04   |
| 13      | November  | \$ 5.22  | \$ 4.31  | \$ 0.91   |
| 14      | December  | \$ 4.81  | \$ 5.14  | \$ (0.33)   |
| 15      | Simple Average (Jan, 2009 - Dec, 2009)          | \$ 3.90  | \$ 3.80  | 2.6% \$ 0.10  |
| 16      | Simple Average (Apr, 2009 - Mar, 2010)          | \$ 3.93  | \$ 3.87  | 1.6% \$ 0.06  |
| 17      | Simple Average (Jul, 2009 - Jun, 2010)          | \$ 4.32  | \$ 4.32  | 0.0% \$ -   |
| 18      | Simple Average (Oct, 2009 - Sep, 2010)          | \$ 4.88  | \$ 4.88  | 0.0% \$ -   |
| 19      | <b>2010</b>                                     |  |  |   |
| 20      | January   | \$ 5.21  | \$ 5.43  | \$ (0.22)   |
| 21      | February  | \$ 5.31  | \$ 5.48  | \$ (0.17)   |
| 22      | March   | \$ 5.35  | \$ 5.48  | \$ (0.13)   |
| 23      | April   | \$ 4.58  | \$ 4.76  | \$ (0.18)   |
| 24      | May   | \$ 4.64  | \$ 4.82  | \$ (0.18)   |
| 25      | June  | \$ 4.74  | \$ 4.92  | \$ (0.18)   |
| 26      | July  | \$ 4.85  | \$ 5.04  | \$ (0.19)   |
| 27      | August  | \$ 4.93  | \$ 5.14  | \$ (0.21)   |
| 28      | September                                       | \$ 4.99  | \$ 5.21  | \$ (0.22)   |
| 29      | October   | \$ 5.12  | \$ 5.33  | \$ (0.21)   |
| 30      | November  | \$ 6.28  | \$ 6.42  | \$ (0.14)   |
| 31      | December  | \$ 6.67  | \$ 6.80  | \$ (0.13)   |
| 32      | Simple Average (Jan, 2010 - Dec, 2010)          | \$ 5.22  | \$ 5.40  | -3.3% \$ (0.18)   |
| 33      | Simple Average (Apr, 2010 - Mar, 2011)          | \$ 5.61  | \$ 5.78  | -2.9% \$ (0.17)   |
| 34      | Simple Average (Jul, 2010 - Jun, 2011)          | \$ 5.84  | \$ 6.00  | -2.7% \$ (0.16)   |
| 35      | Simple Average (Oct, 2010 - Sep, 2011)          | \$ 6.04  | \$ 6.20  | -2.6% \$ (0.16)   |
| 36      | <b>2011</b>                                     |  |  |   |
| 37      | January   | \$ 6.90  | \$ 7.03  | \$ (0.13)   |
| 38      | February  | \$ 6.89  | \$ 7.03  | \$ (0.13)   |
| 39      | March   | \$ 6.73  | \$ 6.85  | \$ (0.13)   |
| 40      | April   | \$ 5.57  | \$ 5.71  | \$ (0.14)   |
| 41      | May   | \$ 5.54  | \$ 5.68  | \$ (0.14)   |
| 42      | June  | \$ 5.60  | \$ 5.76  | \$ (0.16)   |
| 43      | July  | \$ 5.66  | \$ 5.85  | \$ (0.19)   |
| 44      | August  | \$ 5.73  | \$ 5.92  | \$ (0.19)   |
| 45      | September                                       | \$ 5.76  | \$ 5.95  | \$ (0.19)   |
| 46      | October   | \$ 5.87  | \$ 6.03  | \$ (0.16)   |
| 47      | November  | \$ 6.84  | \$ 6.53  | \$ 0.31   |
| 48      | December  | \$ 7.40  | \$ 7.62  | \$ (0.22)   |
| 49      | Simple Average (Jan, 2011 - Dec, 2011)          | \$ 6.21  | \$ 6.33  | -1.9% \$ (0.12)   |
| 50      | <u>Conversation Factors</u>                     |  |  |   |
| 51      | 1 MMBtu = 1.055056 GJ                           |  |  |   |
| 52      | Nov 18, 2009 vs Aug 24, 2009 (\$1US=\$x.xxxCDN) | Forecast Jan 2010-Dec 2010                             | Forecast Oct 2009-Sep 2010                             |   |
| 53      | Barclays Bank Average Exchange Rate             | \$ 1.0555  | \$ 1.0634  | -0.7% \$ (0.008)  |
| 54      | Bank of Canada Daily Exchange Rate              | \$ 1.0500  | \$ 1.0742  | -2.3% \$ (0.024)  |

TERASEN GAS INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS  
**AECO INDEX FORECAST FOR THE PERIOD ENDING DECEMBER 31, 2011**

Tab 1  
Page 4

| Line No | Particulars                            | Nov 18, 2009 Forward Prices<br>2009 Q4 Gas Cost Report | Aug 24, 2009 Forward Prices<br>2009 Q3 Gas Cost Report | Nov 18, 2009 Forward Prices<br>Less<br>Aug 24, 2009 Forward Prices<br>(4) = (2) - (3) |
|---------|--|--|--|---|
|         | (1)                                    | (2)  | (3)  |   |
| 1       | <b>AECO Index Prices - \$CDN/GJ</b>    |  |  |   |
| 2       | <b>2009</b>                            |  |  |   |
| 3       | January                                | \$ 6.22  | \$ 6.22  | \$ -  |
| 4       | February                               | \$ 5.33  | \$ 5.33  | \$ -  |
| 5       | March                                  | \$ 4.48  | \$ 4.48  | \$ -  |
| 6       | April                                  | \$ 3.82  | \$ 3.82  | \$ -  |
| 7       | May                                    | \$ 3.24  | \$ 3.24  | \$ -  |
| 8       | June                                   | \$ 3.35  | \$ 3.35  | \$ -  |
| 9       | July                                   | \$ 3.14  | \$ 3.14  | \$ -  |
| 10      | August                                 | \$ 2.90  | \$ 2.90  | \$ -  |
| 11      | September                              | \$ 2.56  | \$ 2.78  | \$ (0.22)   |
| 12      | October                                | \$ 2.87  | \$ 2.63  | \$ 0.24   |
| 13      | November                               | \$ 4.64  | \$ 3.66  | \$ 0.98   |
| 14      | December                               | \$ 4.08  | \$ 4.50  | \$ (0.42)   |
| 15      | Simple Average (Jan, 2009 - Dec, 2009) | \$ 3.88  | \$ 3.84  | 1.0% \$ 0.04  |
| 16      | Simple Average (Apr, 2009 - Mar, 2010) | \$ 3.69  | \$ 3.71  | -0.5% \$ (0.02)   |
| 17      | Simple Average (Jul, 2009 - Jun, 2010) | \$ 3.94  | \$ 4.03  | -2.2% \$ (0.09)   |
| 18      | Simple Average (Oct, 2009 - Sep, 2010) | \$ 4.41  | \$ 4.56  | -3.3% \$ (0.15)   |
| 19      | <b>2010</b>                            |  |  |   |
| 20      | January                                | \$ 4.49  | \$ 4.79  | \$ (0.31)   |
| 21      | February                               | \$ 4.58  | \$ 4.85  | \$ (0.26)   |
| 22      | March                                  | \$ 4.62  | \$ 4.85  | \$ (0.22)   |
| 23      | April                                  | \$ 4.40  | \$ 4.69  | \$ (0.29)   |
| 24      | May                                    | \$ 4.46  | \$ 4.75  | \$ (0.29)   |
| 25      | June                                   | \$ 4.56  | \$ 4.85  | \$ (0.29)   |
| 26      | July                                   | \$ 4.68  | \$ 4.98  | \$ (0.30)   |
| 27      | August                                 | \$ 4.75  | \$ 5.07  | \$ (0.32)   |
| 28      | September                              | \$ 4.81  | \$ 5.15  | \$ (0.33)   |
| 29      | October                                | \$ 4.95  | \$ 5.27  | \$ (0.32)   |
| 30      | November                               | \$ 5.38  | \$ 5.77  | \$ (0.39)   |
| 31      | December                               | \$ 5.77  | \$ 6.16  | \$ (0.39)   |
| 32      | Simple Average (Jan, 2010 - Dec, 2010) | \$ 4.79  | \$ 5.10  | -6.1% \$ (0.31)   |
| 33      | Simple Average (Apr, 2010 - Mar, 2011) | \$ 5.13  | \$ 5.47  | -6.2% \$ (0.34)   |
| 34      | Simple Average (Jul, 2010 - Jun, 2011) | \$ 5.35  | \$ 5.71  | -6.3% \$ (0.36)   |
| 35      | Simple Average (Oct, 2010 - Sep, 2011) | \$ 5.54  | \$ 5.92  | -6.4% \$ (0.38)   |
| 36      | <b>2011</b>                            |  |  |   |
| 37      | January                                | \$ 6.00  | \$ 6.39  | \$ (0.39)   |
| 38      | February                               | \$ 5.99  | \$ 6.39  | \$ (0.40)   |
| 39      | March                                  | \$ 5.83  | \$ 6.21  | \$ (0.39)   |
| 40      | April                                  | \$ 5.36  | \$ 5.71  | \$ (0.35)   |
| 41      | May                                    | \$ 5.33  | \$ 5.67  | \$ (0.35)   |
| 42      | June                                   | \$ 5.38  | \$ 5.76  | \$ (0.37)   |
| 43      | July                                   | \$ 5.45  | \$ 5.85  | \$ (0.40)   |
| 44      | August                                 | \$ 5.51  | \$ 5.91  | \$ (0.40)   |
| 45      | September                              | \$ 5.58  | \$ 5.94  | \$ (0.37)   |
| 46      | October                                | \$ 5.69  | \$ 6.03  | \$ (0.34)   |
| 47      | November                               | \$ 5.93  | \$ 6.31  | \$ (0.38)   |
| 48      | December                               | \$ 6.21  | \$ 6.61  | \$ (0.39)   |
| 49      | Simple Average (Jan, 2011 - Dec, 2011) | \$ 5.69  | \$ 6.06  | -6.1% \$ (0.37)   |



TERASEN GAS INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS  
STATION NO. 2 INDEX FORECAST FOR THE PERIOD ENDING DECEMBER 31, 2011

Tab 1  
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| Line No | Particulars                                   | Nov 18, 2009 Forward Prices<br>2009 Q4 Gas Cost Report | Aug 24, 2009 Forward Prices<br>2009 Q3 Gas Cost Report | Nov 18, 2009 Forward Prices<br>Less<br>Aug 24, 2009 Forward Prices<br>(4) = (2) - (3) |
|---------|---|--|--|---|
|         | (1)   | (2)  | (3)  |   |
| 1       | <b>Station No. 2 Index Prices - \$CDN/GJ</b>  |  |  |   |
| 2       | <b>2009</b>                                   |  |  |   |
| 3       | January                                       | \$ 6.52  | \$ 6.52  | \$ -  |
| 4       | February                                      | \$ 4.79  | \$ 4.79  | \$ -  |
| 5       | March   | \$ 4.08  | \$ 4.08  | \$ -  |
| 6       | April   | \$ 3.71  | \$ 3.71  | \$ -  |
| 7       | May   | \$ 2.92  | \$ 2.92  | \$ -  |
| 8       | June  | \$ 3.30  | \$ 3.30  | \$ -  |
| 9       | July  | \$ 3.04  | \$ 3.04  | \$ -  |
| 10      | August  | \$ 2.87  | \$ 2.87  | \$ -  |
| 11      | September                                     | \$ 2.30  | \$ 2.63  | \$ (0.33)   |
| 12      | October                                       | \$ 3.12  | \$ 2.51  | \$ 0.61   |
| 13      | November                                      | \$ 4.84  | \$ 3.72  | \$ 1.12   |
| 14      | December                                      | \$ 4.31  | \$ 4.56  | \$ (0.25)   |
| 15      | <i>Simple Average (Jan, 2009 - Dec, 2009)</i> | <u>\$ 3.82</u>   | <u>\$ 3.72</u>   | 2.7% <u>\$ 0.10</u>   |
| 16      | <i>Simple Average (Apr, 2009 - Mar, 2010)</i> | <u>\$ 3.69</u>   | <u>\$ 3.66</u>   | 0.8% <u>\$ 0.03</u>   |
| 17      | <i>Simple Average (Jul, 2009 - Jun, 2010)</i> | <u>\$ 3.96</u>   | <u>\$ 3.98</u>   | -0.5% <u>\$ (0.02)</u>  |
| 18      | <i>Simple Average (Oct, 2009 - Sep, 2010)</i> | <u>\$ 4.44</u>   | <u>\$ 4.50</u>   | -1.3% <u>\$ (0.06)</u>  |
| 19      | <b>2010</b>                                   |  |  |   |
| 20      | January                                       | \$ 4.67  | \$ 4.85  | \$ (0.19)   |
| 21      | February                                      | \$ 4.69  | \$ 4.91  | \$ (0.21)   |
| 22      | March   | \$ 4.52  | \$ 4.91  | \$ (0.38)   |
| 23      | April   | \$ 4.30  | \$ 4.53  | \$ (0.23)   |
| 24      | May   | \$ 4.36  | \$ 4.60  | \$ (0.23)   |
| 25      | June  | \$ 4.46  | \$ 4.70  | \$ (0.24)   |
| 26      | July  | \$ 4.58  | \$ 4.82  | \$ (0.25)   |
| 27      | August  | \$ 4.65  | \$ 4.92  | \$ (0.26)   |
| 28      | September                                     | \$ 4.71  | \$ 4.99  | \$ (0.28)   |
| 29      | October                                       | \$ 4.85  | \$ 5.11  | \$ (0.27)   |
| 30      | November                                      | \$ 5.50  | \$ 5.82  | \$ (0.32)   |
| 31      | December                                      | \$ 5.89  | \$ 6.21  | \$ (0.32)   |
| 32      | <i>Simple Average (Jan, 2010 - Dec, 2010)</i> | <u>\$ 4.77</u>   | <u>\$ 5.03</u>   | -5.2% <u>\$ (0.26)</u>  |
| 33      | <i>Simple Average (Apr, 2010 - Mar, 2011)</i> | <u>\$ 5.12</u>   | <u>\$ 5.40</u>   | -5.2% <u>\$ (0.28)</u>  |
| 34      | <i>Simple Average (Jul, 2010 - Jun, 2011)</i> | <u>\$ 5.34</u>   | <u>\$ 5.63</u>   | -5.2% <u>\$ (0.29)</u>  |
| 35      | <i>Simple Average (Oct, 2010 - Sep, 2011)</i> | <u>\$ 5.53</u>   | <u>\$ 5.83</u>   | -5.1% <u>\$ (0.30)</u>  |
| 36      | <b>2011</b>                                   |  |  |   |
| 37      | January                                       | \$ 6.12  | \$ 6.44  | \$ (0.32)   |
| 38      | February                                      | \$ 6.11  | \$ 6.44  | \$ (0.33)   |
| 39      | March   | \$ 5.95  | \$ 6.26  | \$ (0.32)   |
| 40      | April   | \$ 5.24  | \$ 5.51  | \$ (0.27)   |
| 41      | May   | \$ 5.21  | \$ 5.47  | \$ (0.27)   |
| 42      | June  | \$ 5.26  | \$ 5.56  | \$ (0.29)   |
| 43      | July  | \$ 5.33  | \$ 5.65  | \$ (0.32)   |
| 44      | August  | \$ 5.39  | \$ 5.71  | \$ (0.32)   |
| 45      | September                                     | \$ 5.46  | \$ 5.74  | \$ (0.29)   |
| 46      | October                                       | \$ 5.57  | \$ 5.83  | \$ (0.26)   |
| 47      | November                                      | \$ 6.06  | \$ 6.32  | \$ (0.26)   |
| 48      | December                                      | \$ 6.34  | \$ 6.62  | \$ (0.27)   |
| 49      | <i>Simple Average (Jan, 2011 - Dec, 2011)</i> | <u>\$ 5.67</u>   | <u>\$ 5.96</u>   | -4.9% <u>\$ (0.29)</u>  |

## GAS BUDGET COST SUMMARY

FOR THE FORECAST PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2010

NOVEMBER 18, 2009 FORWARD PRICES

| Line No. | Particulars                                | Delivered Volumes (TJ) | Costs (\$ 000) | Unit Cost (\$/GJ) | Comments   |
|----------|--|------------------------|----------------|-------------------|--|
|          | (1)  | (2)                    | (3)            | (4)               | (5)  |
| 1        | <b>CCRA</b>                                |                        |                |                   |  |
| 2        | <b>TERM PURCHASES</b>                      |                        |                |                   |  |
| 3        | Hunt                                       | 0.0                    | \$ 0           | \$ -              |  |
| 4        | Station #2                                 | 20,087.0               | 95,865         | 4.773             |  |
| 5        | AECO                                       | 0.0                    | 0              | 4.792             |  |
| 6        | TOTAL TERM PURCHASES                       | 20,087.0               | \$ 95,865      | \$ 4.773          |  |
| 7        | <b>SEASONAL</b>                            |                        |                |                   |  |
| 8        | Hunt                                       | 13,852.0               | \$ 71,166      | \$ 5.138          |  |
| 9        | Station #2                                 | 22,082.8               | 116,603        | 5.280             |  |
| 10       | AECO                                       | 8,839.6                | 43,560         | 4.928             |  |
| 11       | TOTAL SEASONAL PURCHASES                   | 44,774.4               | \$ 231,328     | \$ 5.167          |  |
| 12       | <b>SPOT</b>                                |                        |                |                   |  |
| 13       | Hunt                                       | 0.0                    | \$ 0           | \$ -              |  |
| 14       | Station #2                                 | 22,472.9               | 102,523        | 4.562             |  |
| 15       | AECO                                       | 5,012.4                | 23,334         | 4.655             |  |
| 16       | TOTAL SPOT PURCHASES                       | 27,485.3               | \$ 125,858     | \$ 4.579          |  |
| 17       |  |                        |                |                   |  |
| 18       | TOTAL CCRA COMMODITY                       | 92,346.7               | \$ 453,051     | \$ 4.906          |  |
| 19       | HEDGING (GAIN)/LOSS                        |                        | 99,057         |                   |  |
| 20       | CCRA ADMINISTRATION COSTS                  |                        | 1,083          |                   |  |
| 21       | FUEL-IN-KIND VOLUMES                       | 1,448                  |                |                   | Fuel-in-kind gas costs included in CCRA commodity purchase costs |
| 22       | TOTAL CCRA - MARKETABLE GAS                | 92,346.7               | \$ 553,192     | \$ 5.990          | Fuel-in-kind gas volumes are not part of total marketable gas    |
| 23       | <b>MCRA</b>                                |                        |                |                   |  |
| 24       | <b>MCRA COMMODITY</b>                      |                        |                |                   |  |
| 25       | TOTAL MCRA COMMODITY                       | 34,176.4               | \$ 164,925     | \$ 4.826          |  |
| 26       |  |                        |                |                   |  |
| 27       | PEAKING                                    | 3,573.3                | \$ 21,078      | \$ 5.899          | Daily priced - forecast at 1.5 x month price                     |
| 28       | <b>TRANSPORTATION</b>                      |                        |                |                   |  |
| 29       | WEI  |                        | \$ 81,577      |                   |  |
| 30       | BC Hydro - SCP                             |                        | 3,600          |                   |  |
| 31       | Terasen Huntingdon                         |                        | 289            |                   |  |
| 32       | NOVA                                       |                        | 9,853          |                   |  |
| 33       | ANG  |                        | 3,444          |                   |  |
| 34       | NWP  |                        | 5,395          |                   |  |
| 35       | TOTAL TRANSPORTATION                       |                        | \$ 104,157     |                   |  |
| 36       | <b>STORAGE GAS</b>                         |                        |                |                   |  |
| 37       | <b>Injection</b>                           |                        |                |                   |  |
| 38       | BC (Aitken)                                | (20,667.1)             | \$ (108,957)   | \$ 5.272          | Includes LNG   |
| 39       | Alberta (Carbon)                           | (2,965.2)              | (15,151)       | 5.110             |  |
| 40       | Downstream (JP/Mist)                       | (5,220.2)              | (29,803)       | 5.709             |  |
| 41       | TOTAL INJECTION                            | (28,852.5)             | \$ (153,912)   | \$ 5.334          |  |
| 42       | <b>Withdrawal</b>                          |                        |                |                   |  |
| 43       | BC (Aitken)                                | 19,550.1               | \$ 120,103     | \$ 6.143          | Includes LNG   |
| 44       | Alberta (Carbon)                           | 2,935.9                | 15,881         | 5.409             |  |
| 45       | Downstream (JP/Mist)                       | 5,179.7                | 30,590         | 5.906             |  |
| 46       | TOTAL WITHDRAWAL                           | 27,665.7               | \$ 166,574     | \$ 6.021          |  |
| 47       | <b>Storage Demand Charges (fixed only)</b> |                        |                |                   |  |
| 48       | BC (Aitken)                                |                        | \$ 19,467      |                   |  |
| 49       | Alberta (Carbon)                           |                        | 3,750          |                   |  |
| 50       | Downstream (JP/Mist)                       |                        | 17,159         |                   |  |
| 51       | TOTAL DEMAND CHARGE                        |                        | \$ 40,375      |                   |  |
| 52       | NET STORAGE                                |                        | \$ 53,038      |                   |  |
| 53       | <b>MITIGATION</b>                          |                        |                |                   |  |
| 54       | Resale Commodity                           |                        | \$ (193,829)   |                   | Both On / Off System sales of surplus term & storage gas         |
| 55       | Mitigation of Assets                       |                        | (11,765)       |                   | Includes transportation & storage mitigation                     |
| 56       | TOTAL MITIGATION                           |                        | \$ (205,593)   |                   |  |
| 57       | <b>OTHER</b>                               |                        |                |                   |  |
| 58       | COMPANY USE GAS                            | (254.2)                | \$ (863)       | \$ 3.394          | Company Use, Heater Fuel, Compressor Fuel                        |
| 59       | GSMIP                                      |                        | 1,000          |                   |  |
| 60       | MCRA ADMINISTRATION COSTS                  |                        | 2,528          |                   |  |
| 61       | HEDGING (GAIN)/LOSS                        |                        | 242            |                   |  |
| 62       | TOTAL MCRA - CORE                          |                        | \$ 140,512     | \$ 1.244          | Average unit cost based on Core sales volume                     |
| 63       | Core Sales Volume                          | 112,951.5              |                |                   | Total Core sales volume per Gas Sales Forecast (TGI + TGW)       |
| 64       | TOTAL BUDGET                               |                        | \$ 693,704     |                   |  |

Note: Gas Budget Cost Summary reflects the amalgamation to the Terasen Gas (Whistler) Inc. ("TGW") and TGI gas supply portfolios.

TERASEN GAS INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS  
**RECONCILIATION OF GAS COST INCURRED**  
**FOR THE FORECAST PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2010**  
**NOVEMBER 18, 2009 FORWARD PRICES**  
\$(Millions)

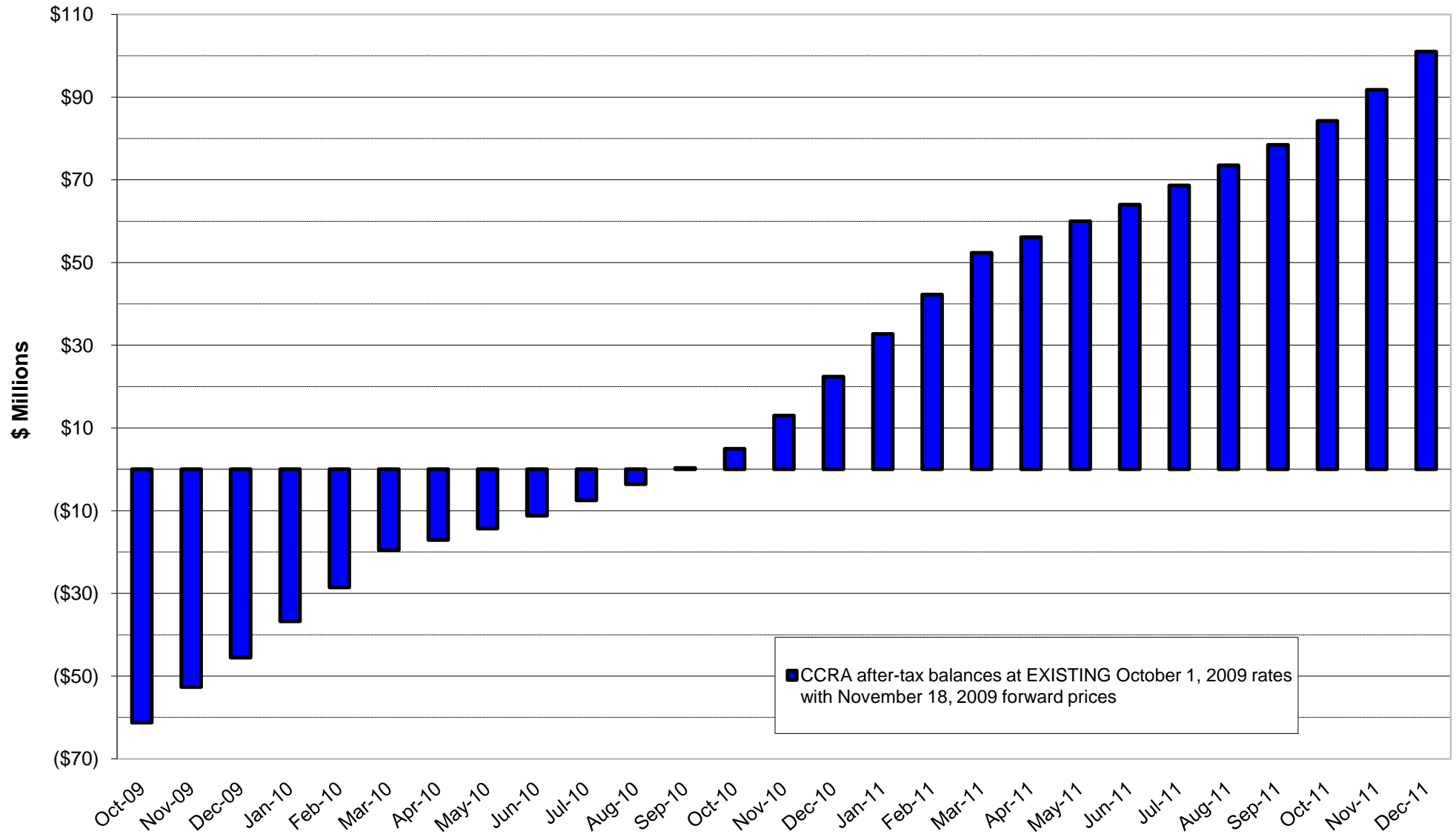
| Line No. | Particulars                            | CCRA/MCRA<br>Deferral Account<br>Forecast | Gas Budget<br>Cost<br>Summary |
|----------|--|---|-------------------------------|
|          | (1)                                    | (2)                                       | (3)                           |
| 1        | <b>Gas Cost Incurred</b>               |   |                               |
| 2        | CCRA (Tab 1, Page 1, Col. 14, Line 15) | \$ 553                                    |                               |
| 3        | MCRA (Tab 1, Page 2, Col. 14, Line 15) | 334                                       |                               |
| 4        |  |   |                               |
| 5        |  |   |                               |
| 6        | <b>Gas Budget Cost Summary</b>         |   |                               |
| 7        | CCRA (Tab 1, Page 6, Col. 3, Line 22)  |   | \$ 553                        |
| 8        | MCRA (Tab 1, Page 6, Col. 3, Line 62)  |   | 141                           |
| 9        | Total Net Costs for Firm Customers     |   | <u>\$ 694</u>                 |
| 10       |  |   |                               |
| 11       | Add back Off-System Sales              |   |                               |
| 12       | Cost                                   |   | 198                           |
| 13       | Margin                                 |   | (8)                           |
| 14       |  |   |                               |
| 15       | Add back On-System Sales               |   |                               |
| 16       | Cost                                   |   | 5                             |
| 17       | Margin                                 |   | -                             |
| 18       |  |   |                               |
| 19       |  |   |                               |
| 20       | <b>Totals Reconciled</b>               | <u><u>\$ 888</u></u>                      | <u><u>\$ 888</u></u>          |

Note:

Slight differences in totals due to rounding

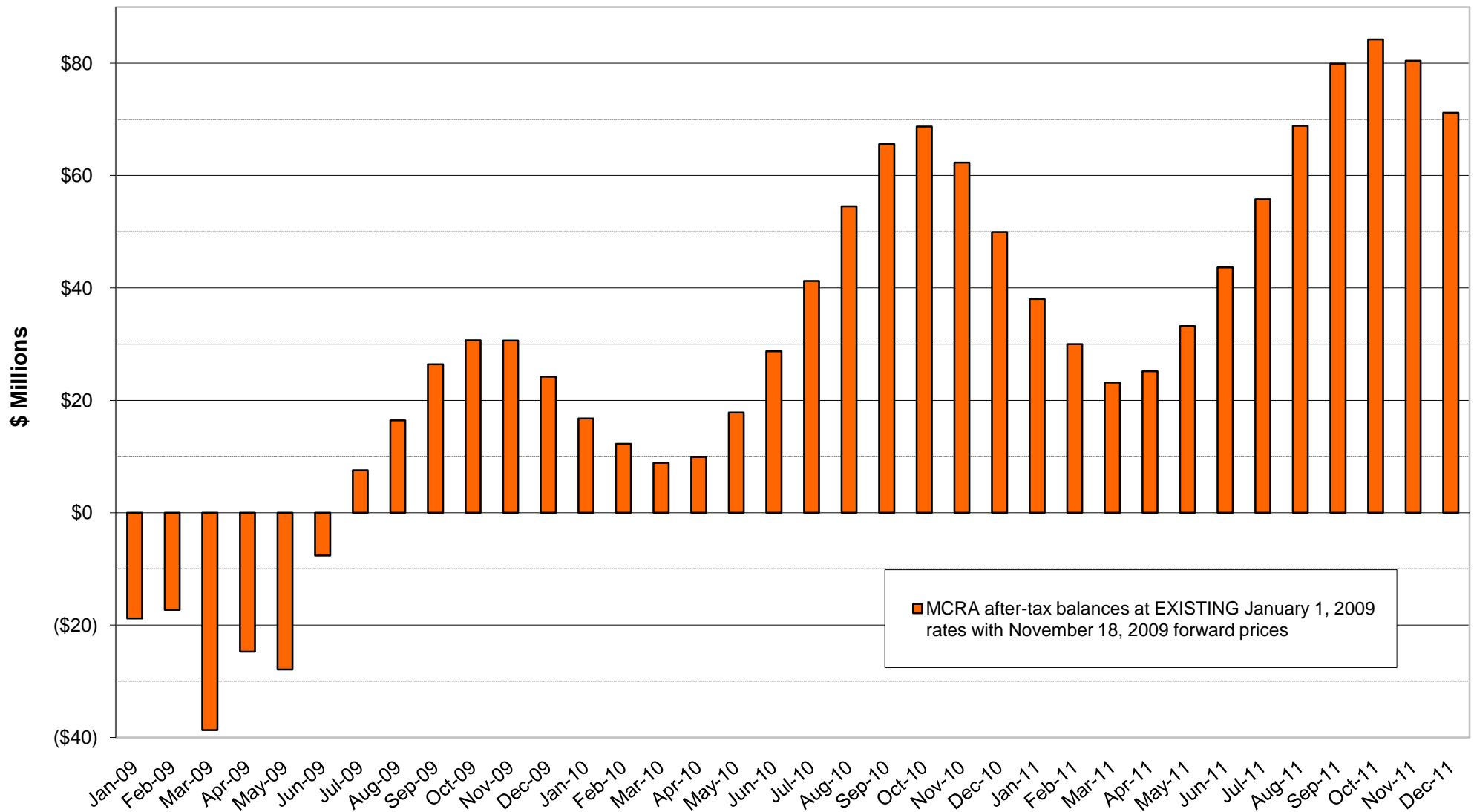
Terasen Gas Inc.  
Lower Mainland, Inland and Columbia CCRA After-Tax Monthly Balances  
Recorded to October 2009 and Projected to December 2011

Tab 1  
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Terasen Gas Inc.  
Lower Mainland, Inland and Columbia MCRA After-Tax Monthly Balances  
Recorded to October 2009 and Projected to December 2011

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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 JANUARY 1, 2010 TO DECEMBER 31, 2010**  
**(NOVEMBER 18, 2009 FORWARD PRICING)**

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| Line No. | Particulars  | Unit       | RS-1, RS-2, RS-3,<br>RS-5 and RS-6 | Whistler   | RS-4                       | RS-7                                      | RS-1 to RS-7<br>incl Whistler<br>Total |
|----------|--|------------|------------------------------------|------------|----------------------------|---|--|
|          | (1)  |            | (2)                                | (3)        | (4)                        | (5)                                       | (6)                                    |
| 1        | <b>CCRA Sales Volumes <sup>(1*)</sup></b>                      | TJ         | 91,422.7                           | 725.2      | 184.5                      | 14.3                                      | 92,346.7                               |
| 2        |  |            |                                    |            |                            |   |  |
| 3        |  |            |                                    |            |                            |   |  |
| 4        | <b>CCRA Incurred Costs</b>                                     |            |                                    |            |                            |   |  |
| 5        | Station #2   | \$000      | \$ 311,716.9                       | \$ 2,472.6 | \$ 718.3                   | \$ 83.4                                   | \$ 314,991.3                           |
| 6        | AECO   | \$000      | 66,366.7                           | 526.4      | 1.0                        | 0.1                                       | 66,894.2                               |
| 7        | Huntingdon   | \$000      | 70,435.8                           | 558.7      | 171.3                      | -   | 71,165.8                               |
| 8        | CCRA Commodity Costs before Hedging                            | \$000      | \$ 448,519.4                       | \$ 3,557.7 | \$ 890.6                   | \$ 83.5                                   | \$ 453,051.2                           |
| 9        | Mark to Market Hedges Loss / (Gain)                            | \$000      | 98,084.7                           | 778.0      | 194.8                      | -   | 99,057.4                               |
| 10       | Core Market Administration Costs                               | \$000      | 1,072.6                            | 8.5        | 2.1                        | -   | 1,083.2                                |
| 11       | <b>Total Incurred Costs before CCRA deferral amortization</b>  | \$000      | \$ 547,676.6                       | \$ 4,344.3 | \$ 1,087.5                 | \$ 83.5                                   | \$ 553,191.9                           |
| 12       |  |            |                                    |            |                            |   |  |
| 13       | Pre-tax Amortization CCRA Deficit/(Surplus) as of Jan 1, 2010  | (1*) \$000 | (63,552.3)                         | -          | (126.2)                    | -   | (63,678.5)                             |
| 14       | <b>Total CCRA Incurred Costs</b>                               | \$000      | \$ 484,124.3                       | \$ 4,344.3 | \$ 961.3                   | \$ 83.5                                   | \$ 489,513.4                           |
| 15       |  |            |                                    |            |                            |   |  |
| 16       |  |            |                                    |            |                            |   |  |
| 17       | <b>CCRA Incurred Unit Costs</b>                                |            |                                    |            |                            |   |  |
| 18       | CCRA Commodity Costs before Hedging                            | \$/GJ      | \$ 4.9060                          | \$ 4.9060  |                            |   |  |
| 19       | Mark to Market Hedges Loss / (Gain)                            | \$/GJ      | 1.0729                             | 1.0729     |                            |   |  |
| 20       | Core Market Administration Costs                               | \$/GJ      | 0.0117                             | 0.0117     |                            |   |  |
| 21       | CCRA Incurred Costs (excl. CCRA deferral amortization)         | \$/GJ      | \$ 5.9906                          | \$ 5.9906  |                            |   |  |
| 22       | Pre-tax Amortization CCRA Deficit/(Surplus) as of Jan 1, 2010  | \$/GJ      | (0.6951)                           | -          |                            |   |  |
| 23       | <b>CCRA Gas Costs Incurred -- Flow-Through</b>                 | \$/GJ      | \$ 5.2955                          | \$ 5.9906  |                            |   |  |
| 24       |  |            |                                    |            |                            |   |  |
| 25       |  |            |                                    |            |                            |   |  |
| 26       |  |            |                                    |            |                            |   |  |
| 27       |  |            |                                    |            |                            |   |  |
| 28       |  |            |                                    |            |                            |   |  |
| 29       |  |            | RS-1, RS-2, RS-3,<br>RS-5 and RS-6 | Whistler   | Tariff<br>Equal To<br>RS-5 | Fixed Price<br>Option<br>Equal To<br>RS-5 |  |
| 30       | <b>Cost of Gas (Commodity Cost Recovery Charge)</b>            |            |                                    |            |                            |   |  |
| 31       |  |            |                                    |            |                            |   |  |
| 32       | <b>Proposed Flow-Through Cost of Gas effective Jan 1, 2010</b> | \$/GJ      | \$ 5.295                           | \$ 5.991   | \$ 5.295                   | \$ 5.295                                  |  |
| 33       |  |            |                                    |            |                            |   |  |
| 34       | Existing Cost of Gas (effective since Oct 1, 2009)             | \$/GJ      | 4.953                              | -          | 4.953                      | 4.953                                     |  |
| 35       |  |            |                                    |            |                            |   |  |
| 36       | Cost of Gas Increase / (Decrease)                              | \$/GJ      | \$ 0.342                           | -          | \$ 0.342                   | \$ 0.342                                  |  |
| 37       |  |            |                                    |            |                            |   |  |
| 38       | Cost of Gas Percentage Increase / (Decrease)                   |            | 6.90%                              |            | 6.90%                      | 6.90%                                     |  |

Note (1\*) CCRA pre-tax amortization deficit as of January 1, 2010 does not apply to Terasen Gas (Whistler) Inc.

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 JANUARY 1, 2010 to DECEMBER 31, 2010  
(NOVEMBER 18, 2009 FORWARD PRICING)

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|          |   |                             |                    |                    |                      |                    |                    |                       |  |                             |                                      |  |                                   | Lower Mainland                          |                     | All Service Areas |  |
|----------|---|-----------------------------|--------------------|--------------------|----------------------|--------------------|--------------------|-----------------------|--|-----------------------------|--------------------------------------|--|-----------------------------------|---|---------------------|-------------------|--|
| Line No. | Particulars   | Residential                 | Commercial         |                    | General Firm Service | NGV                | Seasonal           | General Interruptible | Lower Mainland RS-1 to RS-7 and Whistler Total | Term & Spot Gas Sales RS-14 | Off-System Interruptible Sales RS-30 | RS-1 to RS-7, RS-14 & RS-30 and Whistler Total | RS-1 to RS-7 and Whistler Summary | All Rate Schedules and Whistler Summary |                     |                   |  |
|          |   | RS-1                        | RS-2               | RS-3               | Whistler             | RS-5               | RS-6               | RS-4                  | RS-7   |                             |                                      |  |                                   |   |                     |                   |  |
|          | (1)   | (2)                         | (3)                | (4)                | (5)                  | (6)                | (7)                | (8)                   | (9)  | (10)                        | (11)                                 | (12)   | (13)                              | (14)                                    | (15)                |                   |  |
| 1        | LOWER MAINLAND SERVICE AREA                                     |                             |                    |                    |                      |                    |                    |                       |  |                             |                                      |  |                                   |   |                     |                   |  |
| 2        |   |                             |                    |                    |                      |                    |                    |                       |  |                             |                                      |  |                                   |   |                     |                   |  |
| 3        | Midstream (MCRA) Sales Volumes (TJ)                             | 50,837.9                    | 17,866.8           | 13,802.0           | 725.2                | 2,658.1            | 92.2               | 87.8                  | 9.8  | 86,079.8                    | 541.9                                | 33,456.3                                       | 120,078.0                         | 112,951.5                               | 147,175.8           |                   |  |
| 4        |   |                             |                    |                    |                      |                    |                    |                       |  |                             |                                      |  |                                   |   |                     |                   |  |
| 5        | MCRA Gas Costs Incurred (\$000)                                 |                             |                    |                    |                      |                    |                    |                       |  |                             |                                      |  |                                   |   |                     |                   |  |
| 6        |   |                             |                    |                    |                      |                    |                    |                       |  |                             |                                      |  |                                   |   |                     |                   |  |
| 7        | Midstream Commodity Costs                                       | \$ 1,139.3                  | \$ 400.4           | \$ 309.3           | \$ 16.3              | \$ 59.6            | \$ 2.1             | \$ 0.4                | \$ 0.0   | \$ 1,927.4                  | \$ 3,184.8                           | \$ 189,603.7                                   | \$ 194,716.0                      | \$ 2,765.6                              | \$ 196,884.1        |                   |  |
| 8        | Midstream Tolls and Fees  | (2,007.5)                   | (705.5)            | (545.0)            | (28.6)               | (105.0)            | (3.6)              | (2.7)                 | (0.3)  | (3,398.3)                   | 116.4                                | 8,092.4  | 4,810.4                           | (4,460.1)                               | 3,797.5             |                   |  |
| 9        | Midstream Mark to Market- Hedges Loss / (Gain)                  | 99.8                        | 35.1               | 27.1               | 1.4                  | 5.2                | 0.2                | 0.0                   | -  | 168.8                       | -                                    | -  | 168.8                             | 242.2                                   | 242.2               |                   |  |
| 10       | Subtotal Midstream Variable Costs                               | <u>\$ (768.4)</u>           | <u>\$ (270.1)</u>  | <u>\$ (208.6)</u>  | <u>\$ (11.0)</u>     | <u>\$ (40.2)</u>   | <u>\$ (1.4)</u>    | <u>\$ (2.3)</u>       | <u>\$ (0.3)</u>                                | <u>\$ (1,302.1)</u>         | <u>\$ 3,301.2</u>                    | <u>\$ 197,696.1</u>                            | <u>\$ 199,695.2</u>               | <u>\$ (1,452.3)</u>                     | <u>\$ 200,923.7</u> |                   |  |
| 11       | Midstream Storage - Fixed                                       | \$ 19,060.8                 | \$ 6,676.0         | \$ 4,082.4         | \$ 214.5             | \$ 589.7           | \$ 10.2            | \$ -                  | \$ -   | \$ 30,633.6                 | \$ -                                 | \$ -   | \$ 30,633.6                       | \$ 40,375.5                             | \$ 40,375.5         |                   |  |
| 12       | On/Off System Sales (RS-14 & RS-30)                             | 3,993.9                     | 1,398.9            | 855.4              | 44.9                 | 123.6              | 2.1                | -                     | -  | 6,418.8                     | -                                    | -  | 6,418.8                           | 8,460.1                                 | 8,460.1             |                   |  |
| 13       | GSMIP Incentive Sharing   | 472.1                       | 165.3              | 101.1              | 5.3                  | 14.6               | 0.3                | -                     | -  | 758.7                       | -                                    | -  | 758.7                             | 1,000.0                                 | 1,000.0             |                   |  |
| 14       | Pipeline Demand Charges   | 42,176.8                    | 14,772.4           | 9,033.4            | 474.6                | 1,304.8            | 22.6               | -                     | -  | 67,784.7                    | -                                    | -  | 67,784.7                          | 88,595.3                                | 88,595.3            |                   |  |
| 15       | Core Administration Costs - 70%                                 | 1,193.2                     | 417.9              | 255.6              | 13.4                 | 36.9               | 0.6                | -                     | -  | 1,917.7                     | -                                    | -  | 1,917.7                           | 2,527.6                                 | 2,527.6             |                   |  |
| 16       | Subtotal Midstream Fixed Costs                                  | <u>\$ 66,896.7</u>          | <u>\$ 23,430.6</u> | <u>\$ 14,327.9</u> | <u>\$ 752.8</u>      | <u>\$ 2,069.6</u>  | <u>\$ 35.9</u>     | <u>\$ -</u>           | <u>\$ -</u>                                    | <u>\$ 107,513.6</u>         | <u>\$ -</u>                          | <u>\$ -</u>                                    | <u>\$ 107,513.6</u>               | <u>\$ 140,958.4</u>                     | <u>\$ 140,958.4</u> |                   |  |
| 17       | Total Incurred Costs before MCRA deferral amortization          | <u>\$ 66,128.3</u>          | <u>\$ 23,160.6</u> | <u>\$ 14,119.3</u> | <u>\$ 741.9</u>      | <u>\$ 2,029.4</u>  | <u>\$ 34.5</u>     | <u>\$ (2.3)</u>       | <u>\$ (0.3)</u>                                | <u>\$ 106,211.5</u>         | <u>\$ 3,301.2</u>                    | <u>\$ 197,696.1</u>                            | <u>\$ 307,208.8</u>               | <u>\$ 139,506.1</u>                     | <u>\$ 341,882.1</u> |                   |  |
| 18       |   |                             |                    |                    |                      |                    |                    |                       |  |                             |                                      |  |                                   |   |                     |                   |  |
| 19       | Pre-tax Amort. MCRA Deficit(Surplus) as of Jan 1, 2010          | <sup>(1*)</sup> \$ 15,993.4 | \$ 5,601.7         | \$ 3,425.5         | \$ -                 | \$ 494.8           | \$ 8.6             | \$ -                  | \$ -   | \$ 25,523.9                 | \$ -                                 | \$ -   | \$ 25,523.9                       | \$ 33,698.0                             |                     |                   |  |
| 20       |   |                             |                    |                    |                      |                    |                    |                       |  |                             |                                      |  |                                   |   |                     |                   |  |
| 21       | Total MCRA Incurred Costs                                       | <u>\$ 82,121.7</u>          | <u>\$ 28,762.3</u> | <u>\$ 17,544.8</u> | <u>\$ 741.9</u>      | <u>\$ 2,524.2</u>  | <u>\$ 43.1</u>     | <u>\$ (2.3)</u>       | <u>\$ (0.3)</u>                                | <u>\$ 131,735.4</u>         | <u>\$ 3,301.2</u>                    | <u>\$ 197,696.1</u>                            | <u>\$ 332,732.6</u>               | <u>\$ 173,204.0</u>                     |                     |                   |  |
| 22       |   |                             |                    |                    |                      |                    |                    |                       |  |                             |                                      |  |                                   | Average Costs                           |                     |                   |  |
| 23       |   |                             |                    |                    |                      |                    |                    |                       |  |                             |                                      |  |                                   |   |                     |                   |  |
| 24       | MCRA Incurred Unit Costs (\$/GJ)                                |                             |                    |                    |                      |                    |                    |                       |  |                             |                                      |  |                                   |   |                     |                   |  |
| 25       | Midstream Commodity Costs                                       | \$ 0.0224                   | \$ 0.0224          | \$ 0.0224          | \$ 0.0224            | \$ 0.0224          | \$ 0.0224          |                       |  |                             |                                      |  |                                   | \$ 0.0245                               |                     |                   |  |
| 26       | Midstream Tolls and Fees  | (0.0395)                    | (0.0395)           | (0.0395)           | (0.0395)             | (0.0395)           | (0.0395)           |                       |  |                             |                                      |  |                                   | (0.0395)                                |                     |                   |  |
| 27       | Midstream Mark to Market- Hedges Loss / (Gain)                  | 0.0020                      | 0.0020             | 0.0020             | 0.0020               | 0.0020             | 0.0020             |                       |  |                             |                                      |  |                                   | 0.0021                                  |                     |                   |  |
| 28       | Subtotal Midstream Variable Costs                               | <u>\$ (0.0151)</u>          | <u>\$ (0.0151)</u> | <u>\$ (0.0151)</u> | <u>\$ (0.0151)</u>   | <u>\$ (0.0151)</u> | <u>\$ (0.0151)</u> |                       |  |                             |                                      |  |                                   | <u>\$ (0.0129)</u>                      |                     |                   |  |
| 29       | Midstream Storage - Fixed                                       | \$ 0.3749                   | \$ 0.3737          | \$ 0.2958          | \$ 0.2958            | \$ 0.2218          | \$ 0.1109          |                       |  |                             |                                      |  |                                   | \$ 0.3575                               |                     |                   |  |
| 30       | On/Off System Sales (RS-14 & RS-30)                             | 0.0786                      | 0.0783             | 0.0620             | 0.0620               | 0.0465             | 0.0232             |                       |  |                             |                                      |  |                                   | 0.0749                                  |                     |                   |  |
| 31       | GSMIP Incentive Sharing   | 0.0093                      | 0.0093             | 0.0073             | 0.0073               | 0.0055             | 0.0027             |                       |  |                             |                                      |  |                                   | 0.0089                                  |                     |                   |  |
| 32       | Pipeline Demand Charges   | 0.8296                      | 0.8268             | 0.6545             | 0.6545               | 0.4909             | 0.2454             |                       |  |                             |                                      |  |                                   | 0.7844                                  |                     |                   |  |
| 33       | Core Administration Costs - 70%                                 | 0.0235                      | 0.0234             | 0.0185             | 0.0185               | 0.0139             | 0.0069             |                       |  |                             |                                      |  |                                   | 0.0224                                  |                     |                   |  |
| 34       | Subtotal Midstream Fixed Costs                                  | <u>\$ 1.3159</u>            | <u>\$ 1.3114</u>   | <u>\$ 1.0381</u>   | <u>\$ 1.0381</u>     | <u>\$ 0.7786</u>   | <u>\$ 0.3893</u>   |                       |  |                             |                                      |  |                                   | <u>\$ 1.2480</u>                        |                     |                   |  |
| 35       | Total Incurred Costs before MCRA deferral amortization          | <u>\$ 1.3008</u>            | <u>\$ 1.2963</u>   | <u>\$ 1.0230</u>   | <u>\$ 1.0230</u>     | <u>\$ 0.7635</u>   | <u>\$ 0.3742</u>   |                       |  |                             |                                      |  |                                   | <u>\$ 1.2351</u>                        |                     |                   |  |
| 36       | Pre-tax Amort. MCRA Deficit(Surplus) as of Jan 1, 2010          | 0.3146                      | 0.3135             | 0.2482             | -                    | 0.1861             | 0.0931             |                       |  |                             |                                      |  |                                   | 0.3003                                  | <sup>(1*)</sup>     |                   |  |
| 37       | MCRA Gas Cost Incurred – Flow-Through (\$/GJ)                   | <u>\$ 1.6154</u>            | <u>\$ 1.6098</u>   | <u>\$ 1.2712</u>   | <u>\$ 1.0230</u>     | <u>\$ 0.9496</u>   | <u>\$ 0.4672</u>   |                       |  |                             |                                      |  |                                   | <u>\$ 1.5354</u>                        |                     |                   |  |
| 38       |   |                             |                    |                    |                      |                    |                    |                       |  |                             |                                      |  |                                   |   |                     |                   |  |
| 39       |   |                             |                    |                    |                      |                    |                    |                       |  |                             |                                      |  |                                   |   |                     |                   |  |
| 40       |   |                             |                    |                    |                      |                    |                    |                       |  |                             |                                      |  |                                   |   |                     |                   |  |
| 41       |   |                             |                    |                    |                      |                    |                    |                       |  |                             |                                      |  |                                   |   |                     |                   |  |
| 42       | Midstream Cost Recovery Charge (\$/GJ)                          |                             |                    |                    |                      |                    |                    |                       |  |                             |                                      |  |                                   |   |                     |                   |  |
| 43       | Proposed Flow-Through   |                             |                    |                    |                      |                    |                    |                       |  |                             |                                      |  |                                   |   |                     |                   |  |
| 44       | Midstream Cost Recovery Charge effective Jan 1, 2010            | \$ 1.615                    | \$ 1.610           | \$ 1.271           | \$ 1.023             | \$ 0.950           | \$ 0.467           | \$ 0.950              | \$ 0.950                                       |                             |                                      |  |                                   |   |                     |                   |  |
| 45       | Existing Midstream Cost Recovery Charge (effective Jan 1, 2009) | 0.942                       | 0.947              | 0.830              | -                    | 0.670              | 0.471              | 0.670                 | 0.670  |                             |                                      |  |                                   |   |                     |                   |  |
| 46       | Midstream Cost Recovery Charge Increase / (Decrease)            | <u>\$ 0.673</u>             | <u>\$ 0.663</u>    | <u>\$ 0.441</u>    | <u>\$ -</u>          | <u>\$ 0.280</u>    | <u>\$ (0.004)</u>  | <u>\$ 0.280</u>       | <u>\$ 0.280</u>                                |                             |                                      |  |                                   |   |                     |                   |  |
| 47       | Midstream Cost Recovery Charge % Increase / (Decrease)          | 71.44%                      | 70.01%             | 53.13%             |                      | 41.79%             | -0.85%             | 41.79%                | 41.79%   |                             |                                      |  |                                   |   |                     |                   |  |

Note (1\*) MCRA pre-tax amortization deficit as of January 1, 2010 does not apply to Terasen Gas (Whistler) Inc.

TERASEN GAS INC. - INLAND SERVICE AREA  
MIDSTREAM COST RECONCILIATION ACCOUNT ("MCRA")  
MIDSTREAM COST RECOVERY CHARGE FLOW-THROUGH BY RATE SCHEDULE  
FOR THE FORECAST PERIOD JANUARY 1, 2010 to DECEMBER 31, 2010

Tab 2  
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| Line No. | Particulars   | Residential RS-1 | Commercial RS-2 | Commercial RS-3 | General Firm Service RS-5 | NGV RS-6    | Subtotal    | Seasonal RS-4          | General Interruptible RS-7         | Inland RS-1 to RS-7 Total | Term & Spot Gas Sales RS-14 | Off-System Interruptible Sales RS-30 | Inland RS-1 to RS-7, & RS-14 Total |
|----------|---|------------------|-----------------|-----------------|---------------------------|-------------|-------------|------------------------|------------------------------------|---------------------------|-----------------------------|--------------------------------------|------------------------------------|
|          | (1)   | (2)              | (3)             | (4)             | (5)                       | (6)         | (7)         | (8)                    | (9)                                | (10)                      | (11)                        | (12)                                 | (13)                               |
| 1        | INLAND SERVICE AREA   |                  |                 |                 |                           |             |             |                        |                                    |                           |                             |                                      |                                    |
| 2        |   |                  |                 |                 |                           |             |             |                        |                                    |                           |                             |                                      |                                    |
| 3        | Midstream (MCRA) Sales Volumes (TJ)                             | 15,284.8         | 5,716.3         | 2,645.4         | 402.5                     | 11.7        | 24,060.6    | 96.7                   | 4.5                                | 24,161.8                  | 226.1                       | -                                    | 24,387.9                           |
| 4        |   |                  |                 |                 |                           |             |             |                        |                                    |                           |                             |                                      |                                    |
| 5        | MCRA Gas Costs Incurred (\$000)                                 |                  |                 |                 |                           |             |             |                        |                                    |                           |                             |                                      |                                    |
| 6        |   |                  |                 |                 |                           |             |             |                        |                                    |                           |                             |                                      |                                    |
| 7        | Midstream Commodity Costs                                       | \$ 417.4         | \$ 156.1        | \$ 72.2         | \$ 11.0                   | \$ 0.3      | \$ 657.0    | \$ 0.9                 | \$ 0.0                             | \$ 658.0                  | \$ 1,329.9                  | \$ -                                 | \$ 1,988.0                         |
| 8        | Midstream Tolls and Fees  | (604.0)          | (225.9)         | (104.5)         | (15.9)                    | (0.5)       | (950.9)     | (3.0)                  | (0.1)                              | (954.0)                   | 48.8                        | -                                    | (905.2)                            |
| 9        | Midstream Mark to Market- Hedges Loss / (Gain)                  | 36.5             | 13.7            | 6.3             | 1.0                       | 0.0         | 57.5        | 0.1                    | -                                  | 57.6                      | -                           | -                                    | 57.6                               |
| 10       | Subtotal Midstream Variable Costs                               | \$ (150.1)       | \$ (56.1)       | \$ (26.0)       | \$ (4.0)                  | \$ (0.1)    | \$ (236.3)  | \$ (2.0)               | \$ (0.1)                           | \$ (238.4)                | \$ 1,378.7                  | \$ -                                 | \$ 1,140.4                         |
| 11       | Midstream Storage - Fixed                                       | \$ 5,736.5       | \$ 2,138.1      | \$ 783.3        | \$ 89.4                   | \$ 1.3      | \$ 8,748.5  | \$ -                   | \$ -                               | \$ 8,748.5                | \$ -                        | \$ -                                 | \$ 8,748.5                         |
| 12       | On/Off System Sales (RS-14 & RS-30)                             | 1,202.0          | 448.0           | 164.1           | 18.7                      | 0.3         | 1,833.1     | -                      | -                                  | 1,833.1                   | -                           | -                                    | 1,833.1                            |
| 13       | GSMIP Incentive Sharing   | 142.1            | 53.0            | 19.4            | 2.2                       | 0.0         | 216.7       | -                      | -                                  | 216.7                     | -                           | -                                    | 216.7                              |
| 14       | Pipeline Demand Charges   | 12,254.4         | 4,567.3         | 1,673.2         | 190.9                     | 2.8         | 18,688.6    | -                      | -                                  | 18,688.6                  | -                           | -                                    | 18,688.6                           |
| 15       | Core Administration Costs - 70%                                 | 359.1            | 133.8           | 49.0            | 5.6                       | 0.1         | 547.7       | -                      | -                                  | 547.7                     | -                           | -                                    | 547.7                              |
| 16       | Subtotal Midstream Fixed Costs                                  | \$ 19,694.0      | \$ 7,340.2      | \$ 2,689.0      | \$ 306.8                  | \$ 4.4      | \$ 30,034.5 | \$ -                   | \$ -                               | \$ 30,034.5               | \$ -                        | \$ -                                 | \$ 30,034.5                        |
| 17       | Total Incurred Costs before MCRA deferral amortization          | \$ 19,543.9      | \$ 7,284.0      | \$ 2,663.0      | \$ 302.9                  | \$ 4.3      | \$ 29,798.2 | \$ (2.0)               | \$ (0.1)                           | \$ 29,796.1               | \$ 1,378.7                  | \$ -                                 | \$ 31,174.9                        |
| 18       |   |                  |                 |                 |                           |             |             |                        |                                    |                           |                             |                                      |                                    |
| 19       | Pre-tax Amort. MCRA Deficit/(Surplus) as of Jan 1, 2010         | \$ 4,813.3       | \$ 1,794.0      | \$ 657.2        | \$ 75.0                   | \$ 1.1      | \$ 7,340.6  | \$ -                   | \$ -                               | \$ 7,340.6                | \$ -                        | \$ -                                 | \$ 7,340.6                         |
| 20       |   |                  |                 |                 |                           |             |             |                        |                                    |                           |                             |                                      |                                    |
| 21       | Total MCRA Incurred Costs                                       | \$ 24,357.3      | \$ 9,078.0      | \$ 3,320.2      | \$ 377.9                  | \$ 5.4      | \$ 37,138.8 | \$ (2.0)               | \$ (0.1)                           | \$ 37,136.7               | \$ 1,378.7                  | \$ -                                 | \$ 38,515.5                        |
| 22       |   |                  |                 |                 |                           |             |             |                        |                                    |                           |                             |                                      |                                    |
| 23       |   |                  |                 |                 |                           |             |             |                        |                                    |                           |                             |                                      |                                    |
| 24       | Midstream Cost Recovery Charge (\$/GJ)                          |                  |                 |                 |                           |             |             |                        |                                    |                           |                             |                                      |                                    |
| 25       | Midstream Commodity Costs                                       | \$ 0.0273        | \$ 0.0273       | \$ 0.0273       | \$ 0.0273                 | \$ 0.0273   | \$ 0.0273   |                        |                                    |                           |                             |                                      |                                    |
| 26       | Midstream Tolls and Fees  | (0.0395)         | (0.0395)        | (0.0395)        | (0.0395)                  | (0.0395)    | (0.0395)    |                        |                                    |                           |                             |                                      |                                    |
| 27       | Midstream Mark to Market- Hedges Loss / (Gain)                  | 0.0024           | 0.0024          | 0.0024          | 0.0024                    | 0.0024      | 0.0024      |                        |                                    |                           |                             |                                      |                                    |
| 28       | Subtotal Midstream Variable Costs                               | \$ (0.0098)      | \$ (0.0098)     | \$ (0.0098)     | \$ (0.0098)               | \$ (0.0098) | \$ (0.0098) |                        |                                    |                           |                             |                                      |                                    |
| 29       | Midstream Storage - Fixed                                       | \$ 0.3753        | \$ 0.3740       | \$ 0.2961       | \$ 0.2221                 | \$ 0.1110   | \$ 0.3636   |                        |                                    |                           |                             |                                      |                                    |
| 30       | On/Off System Sales (RS-14 & RS-30)                             | 0.0786           | 0.0784          | 0.0620          | 0.0465                    | 0.0233      | 0.0762      |                        |                                    |                           |                             |                                      |                                    |
| 31       | GSMIP Incentive Sharing   | 0.0093           | 0.0093          | 0.0073          | 0.0055                    | 0.0027      | 0.0090      |                        |                                    |                           |                             |                                      |                                    |
| 32       | Pipeline Demand Charges   | 0.8017           | 0.7990          | 0.6325          | 0.4744                    | 0.2372      | 0.7767      |                        |                                    |                           |                             |                                      |                                    |
| 33       | Core Administration Costs - 70%                                 | 0.0235           | 0.0234          | 0.0185          | 0.0139                    | 0.0070      | 0.0228      |                        |                                    |                           |                             |                                      |                                    |
| 34       | Subtotal Midstream Fixed Costs                                  | \$ 1.2885        | \$ 1.2841       | \$ 1.0165       | \$ 0.7624                 | \$ 0.3812   | \$ 1.2483   |                        |                                    |                           |                             |                                      |                                    |
| 35       | Total Incurred Costs before MCRA deferral amortization          | \$ 1.2787        | \$ 1.2743       | \$ 1.0067       | \$ 0.7525                 | \$ 0.3714   | \$ 1.2385   |                        |                                    |                           |                             |                                      |                                    |
| 36       | Pre-tax Amort. MCRA Deficit/(Surplus) as of Jan 1, 2010         | \$ 0.3149        | \$ 0.3138       | \$ 0.2484       | \$ 0.1863                 | \$ 0.0932   | \$ 0.3051   |                        |                                    |                           |                             |                                      |                                    |
| 37       | MCRA Gas Cost Incurred -- Flow-Through (\$/GJ)                  | \$ 1.5936        | \$ 1.5881       | \$ 1.2551       | \$ 0.9389                 | \$ 0.4645   | \$ 1.5436   |                        |                                    |                           |                             |                                      |                                    |
| 38       |   |                  |                 |                 |                           |             |             |                        |                                    |                           |                             |                                      |                                    |
| 39       |   |                  |                 |                 |                           |             |             |                        |                                    |                           |                             |                                      |                                    |
| 40       |   |                  |                 |                 |                           |             |             |                        |                                    |                           |                             |                                      |                                    |
| 41       |   |                  |                 |                 |                           |             |             |                        |                                    |                           |                             |                                      |                                    |
| 42       | Midstream Cost Recovery Charge (\$/GJ)                          |                  |                 |                 |                           |             |             | Tariff Equal To Rate 5 | Fixed Price Option Equal To Rate 5 |                           |                             |                                      |                                    |
| 43       | Proposed Flow-Through   |                  |                 |                 |                           |             |             |                        |                                    |                           |                             |                                      |                                    |
| 44       | Midstream Cost Recovery Charge effective Jan 1, 2010            | \$ 1.594         | \$ 1.588        | \$ 1.255        | \$ 0.939                  | \$ 0.465    | \$ 1.544    | \$ 0.939               | \$ 0.939                           |                           |                             |                                      |                                    |
| 45       | Existing Midstream Cost Recovery Charge (effective Jan 1, 2009) | 0.903            | 0.907           | 0.796           | 0.644                     | 0.446       | 0.889       | 0.644                  | 0.644                              |                           |                             |                                      |                                    |
| 46       | Midstream Cost Recovery Charge Increase / (Decrease)            | \$ 0.691         | \$ 0.681        | \$ 0.459        | \$ 0.295                  | \$ 0.019    | \$ 0.655    | \$ 0.295               | \$ 0.295                           |                           |                             |                                      |                                    |
| 47       | Midstream Cost Recovery Charge % Increase / (Decrease)          | 76.52%           | 75.08%          | 57.66%          | 45.81%                    | 4.26%       | 73.68%      | 45.81%                 | 45.81%                             |                           |                             |                                      |                                    |



TERASEN GAS INC. - COLUMBIA SERVICE AREA  
MIDSTREAM COST RECONCILIATION ACCOUNT ("MCRA")  
MIDSTREAM COST RECOVERY CHARGE FLOW-THROUGH BY RATE SCHEDULE  
FOR THE FORECAST PERIOD JANUARY 1, 2010 to DECEMBER 31, 2010  
(NOVEMBER 18, 2009 FORWARD PRICING)

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| Line No. | Particulars   | Residential RS-1 | Commercial RS-2 | Commercial RS-3 | General Firm Service RS-5 | NGV RS-6    | Subtotal   | Seasonal RS-4          | General Interruptible RS-7         | Columbia RS-1 to RS-7 Total | Term & Spot Gas Sales RS-14 | Off-System Interruptible Sales RS-30 | Columbia RS-1 to RS-7 Total |
|----------|---|------------------|-----------------|-----------------|---------------------------|-------------|------------|------------------------|------------------------------------|-----------------------------|-----------------------------|--------------------------------------|-----------------------------|
|          | (1)   | (2)              | (3)             | (4)             | (5)                       | (6)         | (7)        | (8)                    | (9)                                | (10)                        | (11)                        | (12)                                 | (13)                        |
| 1        | COLUMBIA SERVICE AREA   |                  |                 |                 |                           |             |            |                        |                                    |                             |                             |                                      |                             |
| 2        |   |                  |                 |                 |                           |             |            |                        |                                    |                             |                             |                                      |                             |
| 3        | Midstream (MCRA) Sales Volumes (TJ)                             | 1,642.2          | 716.3           | 313.6           | 37.8                      | -           | 2,709.9    | -                      | -                                  | 2,709.9                     | -                           | -                                    | 2,709.9                     |
| 4        |   |                  |                 |                 |                           |             |            |                        |                                    |                             |                             |                                      |                             |
| 5        | MCRA Gas Costs Incurred (\$000)                                 |                  |                 |                 |                           |             |            |                        |                                    |                             |                             |                                      |                             |
| 6        |   |                  |                 |                 |                           |             |            |                        |                                    |                             |                             |                                      |                             |
| 7        | Midstream Commodity Costs                                       | \$ 109.2         | \$ 47.6         | \$ 20.8         | \$ 2.5                    | \$ -        | \$ 180.2   | \$ -                   | \$ -                               | \$ 180.2                    | \$ -                        | \$ -                                 | \$ 180.2                    |
| 8        | Midstream Tolls and Fees  | (65.3)           | (28.5)          | (12.5)          | (1.5)                     | -           | (107.8)    | -                      | -                                  | (107.8)                     | -                           | -                                    | (107.8)                     |
| 9        | Midstream Mark to Market- Hedges Loss / (Gain)                  | 9.6              | 4.2             | 1.8             | 0.2                       | -           | 15.8       | -                      | -                                  | 15.8                        | -                           | -                                    | 15.8                        |
| 10       | Subtotal Midstream Variable Costs                               | \$ 53.4          | \$ 23.3         | \$ 10.2         | \$ 1.2                    | \$ -        | \$ 88.2    | \$ -                   | \$ -                               | \$ 88.2                     | \$ -                        | \$ -                                 | \$ 88.2                     |
| 11       | Midstream Storage - Fixed                                       | \$ 621.2         | \$ 270.1        | \$ 93.6         | \$ 8.5                    | \$ -        | \$ 993.3   | \$ -                   | \$ -                               | \$ 993.3                    | \$ -                        | \$ -                                 | \$ 993.3                    |
| 12       | On/Off System Sales (RS-14 & RS-30)                             | 130.2            | 56.6            | 19.6            | 1.8                       | -           | 208.1      | -                      | -                                  | 208.1                       | -                           | -                                    | 208.1                       |
| 13       | GSMIP Incentive Sharing   | 15.4             | 6.7             | 2.3             | 0.2                       | -           | 24.6       | -                      | -                                  | 24.6                        | -                           | -                                    | 24.6                        |
| 14       | Pipeline Demand Charges   | 1,327.1          | 576.9           | 199.9           | 18.1                      | -           | 2,122.0    | -                      | -                                  | 2,122.0                     | -                           | -                                    | 2,122.0                     |
| 15       | Core Administration Costs - 70%                                 | 38.9             | 16.9            | 5.9             | 0.5                       | -           | 62.2       | -                      | -                                  | 62.2                        | -                           | -                                    | 62.2                        |
| 16       | Subtotal Midstream Fixed Costs                                  | \$ 2,132.8       | \$ 927.2        | \$ 321.3        | \$ 29.1                   | \$ -        | \$ 3,410.3 | \$ -                   | \$ -                               | \$ 3,410.3                  | \$ -                        | \$ -                                 | \$ 3,410.3                  |
| 17       | Total Incurred Costs before MCRA deferral amortization          | \$ 2,186.2       | \$ 950.5        | \$ 331.5        | \$ 30.3                   | \$ -        | \$ 3,498.4 | \$ -                   | \$ -                               | \$ 3,498.4                  | \$ -                        | \$ -                                 | \$ 3,498.4                  |
| 18       |   |                  |                 |                 |                           |             |            |                        |                                    |                             |                             |                                      |                             |
| 19       | Pre-tax Amort. MCRA Deficit/(Surplus) as of Jan 1, 2010         | \$ 521.3         | \$ 226.6        | \$ 78.5         | \$ 7.1                    | \$ -        | \$ 833.5   | \$ -                   | \$ -                               | \$ 833.5                    | \$ -                        | \$ -                                 | \$ 833.5                    |
| 20       |   |                  |                 |                 |                           |             |            |                        |                                    |                             |                             |                                      |                             |
| 21       | Total MCRA Incurred Costs                                       | \$ 2,707.5       | \$ 1,177.1      | \$ 410.0        | \$ 37.4                   | \$ -        | \$ 4,331.9 | \$ -                   | \$ -                               | \$ 4,331.9                  | \$ -                        | \$ -                                 | \$ 4,331.9                  |
| 22       |   |                  |                 |                 |                           |             |            |                        |                                    |                             |                             |                                      |                             |
| 23       |   |                  |                 |                 |                           |             |            |                        |                                    |                             |                             |                                      |                             |
| 24       | Midstream Cost Recovery Charge (\$/GJ)                          |                  |                 |                 |                           |             |            |                        |                                    |                             |                             |                                      |                             |
| 25       | Midstream Commodity Costs                                       | \$ 0.0665        | \$ 0.0665       | \$ 0.0665       | \$ 0.0665                 | \$ 0.0273   | \$ 0.0665  |                        |                                    |                             |                             |                                      |                             |
| 26       | Midstream Tolls and Fees  | (0.0398)         | (0.0398)        | (0.0398)        | (0.0398)                  | (0.0395)    | (0.0398)   |                        |                                    |                             |                             |                                      |                             |
| 27       | Midstream Mark to Market- Hedges Loss / (Gain)                  | 0.0058           | 0.0058          | 0.0058          | 0.0058                    | 0.0024      | 0.0058     |                        |                                    |                             |                             |                                      |                             |
| 28       | Subtotal Midstream Variable Costs                               | \$ 0.0325        | \$ 0.0325       | \$ 0.0325       | \$ 0.0325                 | \$ (0.0098) | \$ 0.0325  |                        |                                    |                             |                             |                                      |                             |
| 29       | Midstream Storage - Fixed                                       | \$ 0.3783        | \$ 0.3770       | \$ 0.2984       | \$ 0.2238                 | \$ 0.1110   | \$ 0.3666  |                        |                                    |                             |                             |                                      |                             |
| 30       | On/Off System Sales (RS-14 & RS-30)                             | 0.0793           | 0.0790          | 0.0625          | 0.0469                    | 0.0233      | 0.0768     |                        |                                    |                             |                             |                                      |                             |
| 31       | GSMIP Incentive Sharing   | 0.0094           | 0.0093          | 0.0074          | 0.0055                    | 0.0027      | 0.0091     |                        |                                    |                             |                             |                                      |                             |
| 32       | Pipeline Demand Charges   | 0.8081           | 0.8054          | 0.6375          | 0.4782                    | 0.2372      | 0.7831     |                        |                                    |                             |                             |                                      |                             |
| 33       | Core Administration Costs - 70%                                 | 0.0237           | 0.0236          | 0.0187          | 0.0140                    | 0.0070      | 0.0229     |                        |                                    |                             |                             |                                      |                             |
| 34       | Subtotal Midstream Fixed Costs                                  | \$ 1.2988        | \$ 1.2943       | \$ 1.0246       | \$ 0.7685                 | \$ 0.3812   | \$ 1.2585  |                        |                                    |                             |                             |                                      |                             |
| 35       | Total Incurred Costs before MCRA deferral amortization          | \$ 1.3313        | \$ 1.3269       | \$ 1.0571       | \$ 0.8010                 | \$ 0.3714   | \$ 1.2910  |                        |                                    |                             |                             |                                      |                             |
| 36       | Pre-tax Amort. MCRA Deficit/(Surplus) as of Jan 1, 2010         | 0.3174           | 0.3163          | 0.2504          | 0.1878                    | 0.0932      | 0.3076     |                        |                                    |                             |                             |                                      |                             |
| 37       | MCRA Incurred Costs (\$/GJ) (line 28+line 34+line 35)           | \$ 1.6487        | \$ 1.6432       | \$ 1.3075       | \$ 0.9888                 | \$ 0.4645   | \$ 1.5986  |                        |                                    |                             |                             |                                      |                             |
| 38       |   |                  |                 |                 |                           |             |            |                        |                                    |                             |                             |                                      |                             |
| 39       |   |                  |                 |                 |                           |             |            |                        |                                    |                             |                             |                                      |                             |
| 40       |   |                  |                 |                 |                           |             |            |                        |                                    |                             |                             |                                      |                             |
| 41       |   |                  |                 |                 |                           |             |            |                        |                                    |                             |                             |                                      |                             |
| 42       | Midstream Cost Recovery Charge (\$/GJ)                          |                  |                 |                 |                           |             |            | Tariff Equal To Rate 5 | Fixed Price Option Equal To Rate 5 |                             |                             |                                      |                             |
| 43       | Proposed Flow-Through   |                  |                 |                 |                           |             |            |                        |                                    |                             |                             |                                      |                             |
| 44       | Midstream Cost Recovery Charge effective Jan 1, 2010            | \$ 1.649         | \$ 1.643        | \$ 1.308        | \$ 0.989                  | \$ 0.465    | \$ 1.599   | \$ 0.989               | \$ 0.989                           |                             |                             |                                      |                             |
| 45       | Existing Midstream Cost Recovery Charge (effective Jan 1, 2009) | 0.981            | 0.986           | 0.873           | 0.720                     | 0.446       | 0.969      | 0.720                  | 0.720                              |                             |                             |                                      |                             |
| 46       | Midstream Cost Recovery Charge Increase / (Decrease)            | \$ 0.668         | \$ 0.657        | \$ 0.435        | \$ 0.269                  | \$ 0.019    | \$ 0.630   | \$ 0.269               | \$ 0.269                           |                             |                             |                                      |                             |
| 47       | Midstream Cost Recovery Charge % Increase / (Decrease)          | 68.09%           | 66.63%          | 49.83%          | 37.36%                    | 4.26%       | 65.02%     | 37.36%                 | 37.36%                             |                             |                             |                                      |                             |

TERASEN GAS INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS  
**CCRA MONTHLY BALANCES WITH PROPOSED RATES (AFTER VOLUME ADJUSTMENTS)**  
**FOR THE FORECAST PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2011**  
**NOVEMBER 18, 2009 FORWARD PRICES**  
\$(Millions)

Tab 3  
Page 1

| Line No. | (1)  | (2)                | (3)                | (4)                | (5)                | (6)                 | (7)                 | (8)                | (9)                | (10)               | (11)               | (12)               | (13)               | (14)                            |
|----------|--|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|
|          |  | Recorded<br>Jul-09 | Recorded<br>Aug-09 | Recorded<br>Sep-09 | Recorded<br>Oct-09 | Projected<br>Nov-09 | Projected<br>Dec-09 |                    |                    |                    |                    |                    |                    |                                 |
| 1        |  |                    |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 2        |  |                    |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 3        | CCRA Balance - Beginning (Pre-tax) <sup>(1*)</sup>       | \$ (62)            | \$ (71)            | \$ (81)            | \$ (91)            | \$ (88)             | \$ (75)             |                    |                    |                    |                    |                    |                    |                                 |
| 4        | Gas Costs Incurred                                       | \$ 38              | \$ 35              | \$ 39              | \$ 39              | \$ 50               | \$ 50               |                    |                    |                    |                    |                    |                    |                                 |
| 5        | Revenue from <b>EXISTING</b> Recovery Rates              | \$ (48)            | \$ (45)            | \$ (49)            | \$ (36)            | \$ (38)             | \$ (39)             |                    |                    |                    |                    |                    |                    |                                 |
| 6        | <b>CCRA Balance - Ending (Pre-tax) <sup>(2*)</sup></b>   | <u>\$ (71)</u>     | <u>\$ (81)</u>     | <u>\$ (91)</u>     | <u>\$ (88)</u>     | <u>\$ (75)</u>      | <u>\$ (65)</u>      |                    |                    |                    |                    |                    |                    |                                 |
| 7        |  |                    |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 8        | <b>CCRA Balance - Ending (After-tax) <sup>(3*)</sup></b> | <u>\$ (50)</u>     | <u>\$ (57)</u>     | <u>\$ (64)</u>     | <u>\$ (61)</u>     | <u>\$ (53)</u>      | <u>\$ (46)</u>      |                    |                    |                    |                    |                    |                    |                                 |
| 9        |  |                    |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 10       |  |                    |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    | Total<br>Jan-10<br>to<br>Dec-10 |
| 11       |  |                    |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 12       |  | Forecast<br>Jan-10 | Forecast<br>Feb-10 | Forecast<br>Mar-10 | Forecast<br>Apr-10 | Forecast<br>May-10  | Forecast<br>Jun-10  | Forecast<br>Jul-10 | Forecast<br>Aug-10 | Forecast<br>Sep-10 | Forecast<br>Oct-10 | Forecast<br>Nov-10 | Forecast<br>Dec-10 |                                 |
| 13       |  |                    |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 14       | CCRA Balance - Beginning (Pre-tax) <sup>(1*)</sup>       | \$ (64)            | \$ (54)            | \$ (45)            | \$ (35)            | \$ (34)             | \$ (33)             | \$ (31)            | \$ (29)            | \$ (26)            | \$ (23)            | \$ (19)            | \$ (11)            | \$ (64)                         |
| 15       | Gas Costs Incurred                                       | \$ 51              | \$ 47              | \$ 52              | \$ 41              | \$ 43               | \$ 42               | \$ 44              | \$ 44              | \$ 43              | \$ 45              | \$ 49              | \$ 52              | \$ 553                          |
| 16       | Revenue from <b>PROPOSED</b> Recovery Rates              | \$ (42)            | \$ (38)            | \$ (42)            | \$ (40)            | \$ (42)             | \$ (40)             | \$ (42)            | \$ (42)            | \$ (40)            | \$ (42)            | \$ (40)            | \$ (42)            | \$ (489)                        |
| 17       | <b>CCRA Balance - Ending (Pre-tax) <sup>(2*)</sup></b>   | <u>\$ (54)</u>     | <u>\$ (45)</u>     | <u>\$ (35)</u>     | <u>\$ (34)</u>     | <u>\$ (33)</u>      | <u>\$ (31)</u>      | <u>\$ (29)</u>     | <u>\$ (26)</u>     | <u>\$ (23)</u>     | <u>\$ (19)</u>     | <u>\$ (11)</u>     | <u>\$ 0</u>        | <u>\$ 0</u>                     |
| 18       |  |                    |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 19       | <b>CCRA Balance - Ending (After-tax) <sup>(3*)</sup></b> | <u>\$ (39)</u>     | <u>\$ (32)</u>     | <u>\$ (25)</u>     | <u>\$ (24)</u>     | <u>\$ (24)</u>      | <u>\$ (22)</u>      | <u>\$ (20)</u>     | <u>\$ (19)</u>     | <u>\$ (16)</u>     | <u>\$ (14)</u>     | <u>\$ (8)</u>      | <u>\$ 0</u>        | <u>\$ 0</u>                     |
| 20       |  |                    |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 21       |  |                    |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    | Total<br>Jan-11<br>to<br>Dec-11 |
| 22       |  |                    |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 23       |  | Forecast<br>Jan-11 | Forecast<br>Feb-11 | Forecast<br>Mar-11 | Forecast<br>Apr-11 | Forecast<br>May-11  | Forecast<br>Jun-11  | Forecast<br>Jul-11 | Forecast<br>Aug-11 | Forecast<br>Sep-11 | Forecast<br>Oct-11 | Forecast<br>Nov-11 | Forecast<br>Dec-11 |                                 |
| 24       |  |                    |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 25       | CCRA Balance - Beginning (Pre-tax) <sup>(1*)</sup>       | \$ 0               | \$ 11              | \$ 22              | \$ 33              | \$ 36               | \$ 38               | \$ 41              | \$ 45              | \$ 49              | \$ 53              | \$ 58              | \$ 66              | \$ 0                            |
| 26       | Gas Costs Incurred                                       | \$ 52              | \$ 48              | \$ 52              | \$ 42              | \$ 44               | \$ 43               | \$ 45              | \$ 45              | \$ 44              | \$ 46              | \$ 47              | \$ 51              | \$ 559                          |
| 27       | Revenue from <b>PROPOSED</b> Recovery Rates              | \$ (41)            | \$ (37)            | \$ (41)            | \$ (40)            | \$ (41)             | \$ (40)             | \$ (41)            | \$ (41)            | \$ (40)            | \$ (41)            | \$ (40)            | \$ (41)            | \$ (483)                        |
| 28       | <b>CCRA Balance - Ending (Pre-tax) <sup>(2*)</sup></b>   | <u>\$ 11</u>       | <u>\$ 22</u>       | <u>\$ 33</u>       | <u>\$ 36</u>       | <u>\$ 38</u>        | <u>\$ 41</u>        | <u>\$ 45</u>       | <u>\$ 49</u>       | <u>\$ 53</u>       | <u>\$ 58</u>       | <u>\$ 66</u>       | <u>\$ 76</u>       | <u>\$ 76</u>                    |
| 29       |  |                    |                    |                    |                    |                     |                     |                    |                    |                    |                    |                    |                    |                                 |
| 30       | <b>CCRA Balance - Ending (After-tax) <sup>(3*)</sup></b> | <u>\$ 8</u>        | <u>\$ 16</u>       | <u>\$ 24</u>       | <u>\$ 26</u>       | <u>\$ 28</u>        | <u>\$ 30</u>        | <u>\$ 33</u>       | <u>\$ 36</u>       | <u>\$ 39</u>       | <u>\$ 43</u>       | <u>\$ 48</u>       | <u>\$ 56</u>       | <u>\$ 56</u>                    |

Notes: Slight differences in totals due to rounding.

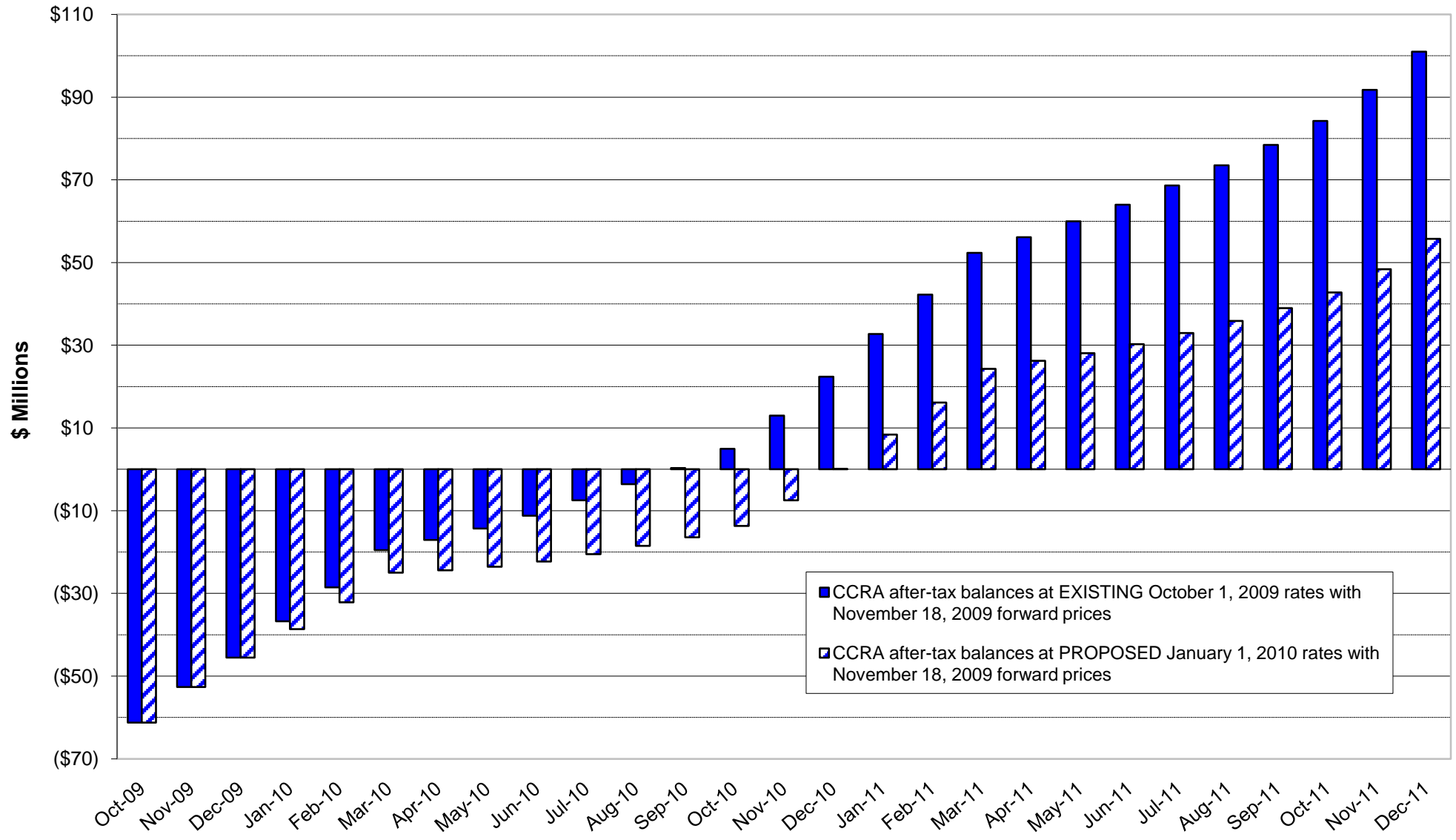
(1\*) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts (Jan 1, 2009, 30.0%, Jan 1, 2010, 28.5%, and Jan 1, 2011, 26.5%).

(2\*) For rate setting purpose CCRA pre-tax balances include grossed up projected deferred interest as at December 31, 2009.

(3\*) 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 CCRA After-Tax Monthly Balances  
Recorded to October 2009 and Projected to December 2011

Tab 3  
Page 2



TERASEN GAS INC. - LOWER MAINLAND, INLAND AND COLUMBIA SERVICE AREAS  
**MCRA MONTHLY BALANCES AT PROPOSED RATES (AFTER VOLUME ADJUSTMENTS)**  
**FOR THE FORECAST PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2011**  
**NOVEMBER 18, 2009 FORWARD PRICES**  
\$(Millions)

Tab 3  
Page 3

| Line No. | (1)  | (2)             | (3)             | (4)             | (5)             | (6)             | (7)             | (8)             | (9)             | (10)            | (11)            | (12)             | (13)             | (14)           |
|----------|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|----------------|
|          |  | Recorded Jan-09 | Recorded Feb-09 | Recorded Mar-09 | Recorded Apr-09 | Recorded May-09 | Recorded Jun-09 | Recorded Jul-09 | Recorded Aug-09 | Recorded Sep-09 | Recorded Oct-09 | Projected Nov-09 | Projected Dec-09 | Total 2009     |
| 1        |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                |
| 2        |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                |
| 3        | MCCRA Balance - Beginning (Pre-tax) <sup>(1*)</sup>      | \$ (34)         | \$ (27)         | \$ (25)         | \$ (55)         | \$ (35)         | \$ (40)         | \$ (11)         | \$ 11           | \$ 23           | \$ 38           | \$ 44            | \$ 44            | \$ (34)        |
| 4        | Gas Costs Incurred                                       | \$ 122          | \$ 92           | \$ 207          | \$ 27           | \$ 2            | \$ (5)          | \$ 16           | \$ 11           | \$ 1            | \$ 30           | \$ 60            | \$ 73            | \$ 636         |
| 5        | Revenue from <b>EXISTING</b> Recovery Rates              | \$ (115)        | \$ (89)         | \$ (238)        | \$ (7)          | \$ (6)          | \$ 34           | \$ 6            | \$ 2            | \$ 13           | \$ (24)         | \$ (60)          | \$ (79)          | \$ (565)       |
| 6        | <b>MCRA Balance - Ending (Pre-tax) <sup>(2*)</sup></b>   | <b>\$ (27)</b>  | <b>\$ (25)</b>  | <b>\$ (55)</b>  | <b>\$ (35)</b>  | <b>\$ (40)</b>  | <b>\$ (11)</b>  | <b>\$ 11</b>    | <b>\$ 23</b>    | <b>\$ 38</b>    | <b>\$ 44</b>    | <b>\$ 44</b>     | <b>\$ 35</b>     | <b>\$ 35</b>   |
| 7        |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                |
| 8        | <b>MCRA Balance - Ending (After-tax) <sup>(3*)</sup></b> | <b>\$ (19)</b>  | <b>\$ (17)</b>  | <b>\$ (39)</b>  | <b>\$ (25)</b>  | <b>\$ (28)</b>  | <b>\$ (8)</b>   | <b>\$ 8</b>     | <b>\$ 16</b>    | <b>\$ 26</b>    | <b>\$ 31</b>    | <b>\$ 31</b>     | <b>\$ 24</b>     | <b>\$ 24</b>   |
| 9        |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                |
| 10       |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                |
| 11       |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                |
| 12       |  | Forecast Jan-10 | Forecast Feb-10 | Forecast Mar-10 | Forecast Apr-10 | Forecast May-10 | Forecast Jun-10 | Forecast Jul-10 | Forecast Aug-10 | Forecast Sep-10 | Forecast Oct-10 | Forecast Nov-10  | Forecast Dec-10  | Total 2010     |
| 13       |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                |
| 14       | MCRA Balance - Beginning (Pre-tax) <sup>(1*)</sup>       | \$ 34           | \$ 11           | \$ (6)          | \$ (21)         | \$ (25)         | \$ (17)         | \$ (3)          | \$ 14           | \$ 32           | \$ 47           | \$ 46            | \$ 29            | \$ 34          |
| 15       | Gas Costs Incurred                                       | \$ 77           | \$ 68           | \$ 53           | \$ 12           | \$ (0)          | \$ (6)          | \$ (10)         | \$ (13)         | \$ (6)          | \$ 21           | \$ 63            | \$ 76            | \$ 334         |
| 16       | Revenue from <b>PROPOSED</b> Recovery Rates              | \$ (100)        | \$ (85)         | \$ (67)         | \$ (16)         | \$ 9            | \$ 20           | \$ 27           | \$ 31           | \$ 20           | \$ (22)         | \$ (80)          | \$ (105)         | \$ (369)       |
| 17       | <b>MCRA Balance - Ending (Pre-tax) <sup>(2*)</sup></b>   | <b>\$ 11</b>    | <b>\$ (6)</b>   | <b>\$ (21)</b>  | <b>\$ (25)</b>  | <b>\$ (17)</b>  | <b>\$ (3)</b>   | <b>\$ 14</b>    | <b>\$ 32</b>    | <b>\$ 47</b>    | <b>\$ 46</b>    | <b>\$ 29</b>     | <b>\$ (1)</b>    | <b>\$ (1)</b>  |
| 18       |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                |
| 19       | <b>MCRA Balance - Ending (After-tax) <sup>(3*)</sup></b> | <b>\$ 8</b>     | <b>\$ (5)</b>   | <b>\$ (15)</b>  | <b>\$ (18)</b>  | <b>\$ (12)</b>  | <b>\$ (2)</b>   | <b>\$ 10</b>    | <b>\$ 23</b>    | <b>\$ 33</b>    | <b>\$ 33</b>    | <b>\$ 20</b>     | <b>\$ (0)</b>    | <b>\$ (0)</b>  |
| 20       |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                |
| 21       |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                |
| 22       |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                |
| 23       |  | Forecast Jan-11 | Forecast Feb-11 | Forecast Mar-11 | Forecast Apr-11 | Forecast May-11 | Forecast Jun-11 | Forecast Jul-11 | Forecast Aug-11 | Forecast Sep-11 | Forecast Oct-11 | Forecast Nov-11  | Forecast Dec-11  | Total 2011     |
| 24       |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                |
| 25       | MCRA Balance - Beginning (Pre-tax) <sup>(1*)</sup>       | \$ (1)          | \$ (30)         | \$ (51)         | \$ (70)         | \$ (73)         | \$ (65)         | \$ (52)         | \$ (36)         | \$ (19)         | \$ (5)          | \$ (4)           | \$ (18)          | \$ (1)         |
| 26       | Gas Costs Incurred                                       | \$ 81           | \$ 73           | \$ 59           | \$ 14           | \$ 0            | \$ (6)          | \$ (9)          | \$ (14)         | \$ (7)          | \$ 26           | \$ 71            | \$ 86            | \$ 373         |
| 27       | Revenue from <b>PROPOSED</b> Recovery Rates              | \$ (110)        | \$ (95)         | \$ (78)         | \$ (17)         | \$ 8            | \$ 19           | \$ 25           | \$ 32           | \$ 21           | \$ (25)         | \$ (85)          | \$ (110)         | \$ (414)       |
| 28       | <b>MCRA Balance - Ending (Pre-tax) <sup>(2*)</sup></b>   | <b>\$ (30)</b>  | <b>\$ (51)</b>  | <b>\$ (70)</b>  | <b>\$ (73)</b>  | <b>\$ (65)</b>  | <b>\$ (52)</b>  | <b>\$ (36)</b>  | <b>\$ (19)</b>  | <b>\$ (5)</b>   | <b>\$ (4)</b>   | <b>\$ (18)</b>   | <b>\$ (42)</b>   | <b>\$ (42)</b> |
| 29       |  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                |
| 30       | <b>MCRA Balance - Ending (After-tax) <sup>(3*)</sup></b> | <b>\$ (22)</b>  | <b>\$ (38)</b>  | <b>\$ (52)</b>  | <b>\$ (54)</b>  | <b>\$ (48)</b>  | <b>\$ (38)</b>  | <b>\$ (27)</b>  | <b>\$ (14)</b>  | <b>\$ (4)</b>   | <b>\$ (3)</b>   | <b>\$ (13)</b>   | <b>\$ (31)</b>   | <b>\$ (31)</b> |

Notes: Slight differences in totals due to rounding.

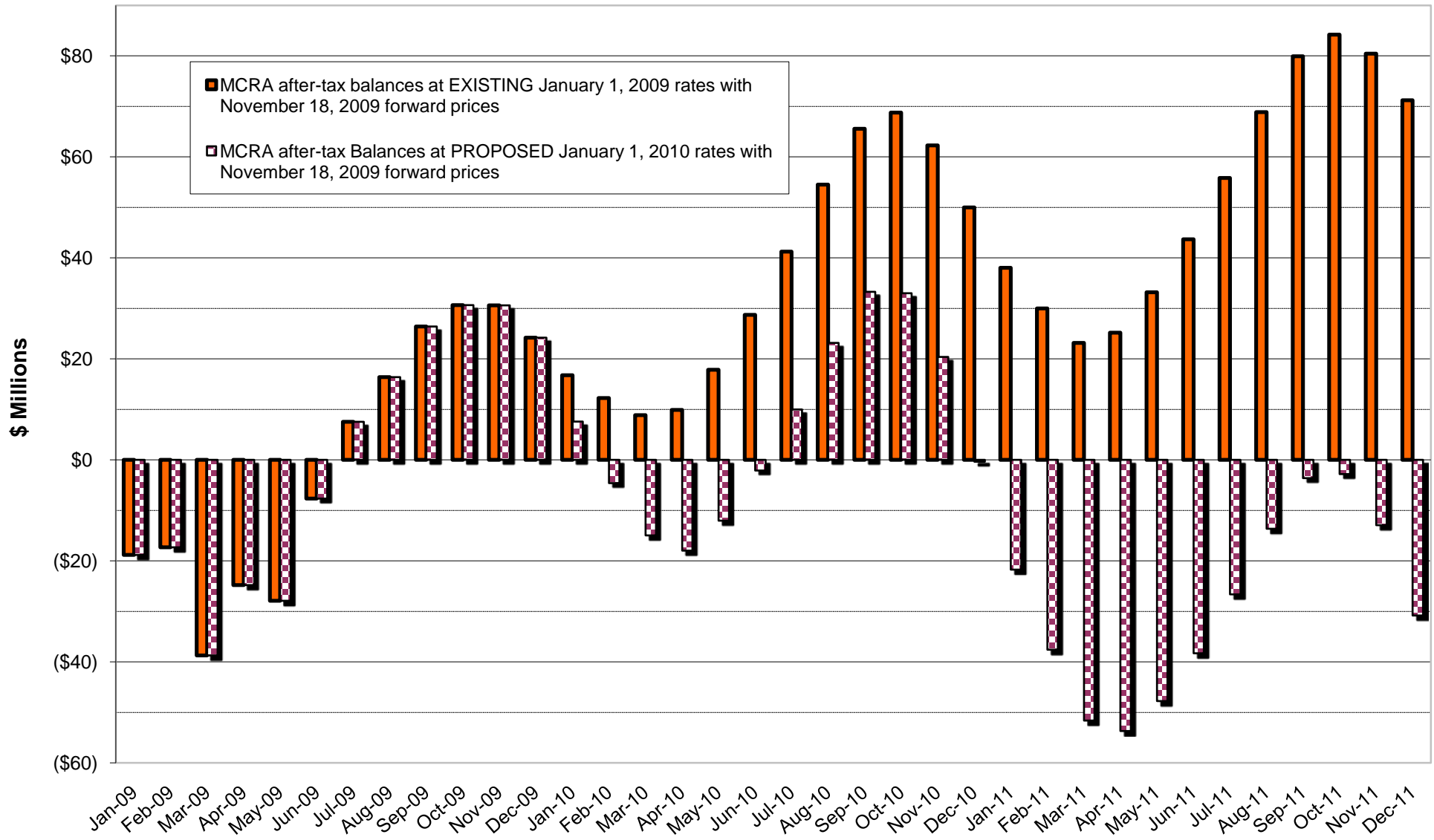
(1\*) Pre-tax opening balances are restated based on current income tax rates, to reflect grossed-up after tax amounts (Jan 1, 2009, 30.0%, Jan 1, 2010, 28.5%).

(2\*) For rate setting purpose MCRA pre-tax balances include grossed up projected deferred interest as at December 31, 2009.

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

Terasen Gas Inc.  
Lower Mainland, Inland and Columbia MCRA After-Tax Monthly Balances  
Recorded to October 2009 and Projected to December 2011

Tab 3  
Page 4



**TERASEN GAS INC.**  
**RESIDENTIAL COMMODITY UNBUNDLING PROGRAM COST AMORTIZATION SCHEDULE - Capital & O&M**  
**(Rider 8 - Residential)**

**Tab 4**  
**Page 1**

| Line No. | Particulars   | (A)                              |                     | (B)            |                         | (C)                   |                    | (D)                             |  |
|----------|---|----------------------------------|---------------------|----------------|-------------------------|-----------------------|--------------------|---------------------------------|--|
|          |   | FY 2010                          |                     |                |                         |                       |                    |                                 |  |
|          |   | (1)                              |                     | (2)            |                         |                       |                    |                                 |  |
| 1        | Projected Dec. 31, 2009 Deferred Account Balance - Capital <sup>(B)</sup>   |                                  |                     | \$3,333,538.72 |                         |                       |                    |                                 |  |
| 2        |   |                                  |                     |                |                         |                       |                    |                                 |  |
| 3        | Deferral Amortization   |                                  |                     | \$3,333,538.72 |                         |                       |                    |                                 |  |
| 4        | AFUDC on pre-tax balances @ 6.04% p.a.  |                                  |                     | \$153,900.29   |                         |                       |                    |                                 |  |
| 5        | Sub-total   |                                  |                     | \$3,487,439.01 |                         |                       |                    |                                 |  |
| 6        |   |                                  |                     |                |                         |                       |                    |                                 |  |
| 7        | Forecast Annual Volume (GJ) <sup>(C)</sup>  |                                  |                     | 67,764,700     |                         |                       |                    |                                 |  |
| 8        |   |                                  |                     |                |                         |                       |                    |                                 |  |
| 9        |   |                                  |                     |                |                         |                       |                    |                                 |  |
| 10       |   |                                  |                     |                |                         |                       |                    |                                 |  |
| 11       | Unit Cost / GJ - Capital Cost   |                                  |                     | \$0.0515       |                         | \$0.0720              |                    |                                 |  |
| 12       | Unit Cost / GJ - O&M Cost (page 2, col. 2, line 13)   |                                  |                     | \$0.0078       |                         | \$0.0109              |                    |                                 |  |
| 13       | <b>Unit Cost / GJ - Total Residential Capital and O&amp;M Costs</b>   |                                  |                     | <b>\$0.059</b> |                         | <b>\$0.083</b>        |                    |                                 |  |
| 14       |   |                                  |                     |                |                         |                       |                    |                                 |  |
| 15       |   |                                  |                     |                |                         |                       |                    |                                 |  |
| 16       | Notes:  |                                  |                     |                |                         |                       |                    |                                 |  |
| 17       | (A) All amounts are net of tax unless otherwise indicated.  |                                  |                     |                |                         |                       |                    |                                 |  |
| 18       | (B) Projected Dec 31, 2009 CUSTOMER CHOICE (Initial and Enhancements program) balance includes AFUDC to that date.          |                                  |                     |                |                         |                       |                    |                                 |  |
| 19       | (C) Forecast sale volumes for eligible residential customers (including Lower Mainland, Inland, and Columbia Rate Schedules |                                  |                     |                |                         |                       |                    |                                 |  |
| 20       | 1, 1U and 1X, excluding Revelstoke and Fort Nelson).  |                                  |                     |                |                         |                       |                    |                                 |  |
| 21       | (D) Gross Amortization = Net-Of-Tax Amortization / (1 - 28.5% Tax Rate)   |                                  |                     |                |                         |                       |                    |                                 |  |
| 22       |   |                                  |                     |                |                         |                       |                    |                                 |  |
| 23       |   |                                  |                     |                |                         |                       |                    |                                 |  |
| 24       | AFUDC rate  |                                  |                     | 6.04%          |                         |                       |                    |                                 |  |
| 25       | AFUDC rate / month  |                                  |                     | 0.50%          |                         |                       |                    |                                 |  |
| 26       | Amortization periods  |                                  |                     | 12             |                         |                       |                    |                                 |  |
| 27       |   |                                  |                     |                |                         |                       |                    |                                 |  |
| 28       |   | Opening Deferral Account Balance | AFUDC               | Sub-total      | Amortization - Deferral | Amortization - AFUDC  | Total Amortization | Ending Deferral Account Balance |  |
| 29       | Jan-10  | \$3,333,538.72                   | \$23,461.17         | \$3,356,999.89 | (\$270,193.24)          | (\$23,461.17)         | (\$293,654.41)     | \$3,063,345.48                  |  |
| 30       | Feb-10  | \$3,063,345.48                   | \$21,559.57         | \$3,084,905.06 | (\$271,552.31)          | (\$21,559.57)         | (\$293,111.88)     | \$2,791,793.17                  |  |
| 31       | Mar-10  | \$2,791,793.17                   | \$19,648.41         | \$2,811,441.58 | (\$272,918.22)          | (\$19,648.41)         | (\$292,566.63)     | \$2,518,874.95                  |  |
| 32       | Apr-10  | \$2,518,874.95                   | \$17,727.64         | \$2,536,602.59 | (\$274,291.00)          | (\$17,727.64)         | (\$292,018.63)     | \$2,244,583.96                  |  |
| 33       | May-10  | \$2,244,583.96                   | \$15,797.20         | \$2,260,381.15 | (\$275,670.68)          | (\$15,797.20)         | (\$291,467.88)     | \$1,968,913.28                  |  |
| 34       | Jun-10  | \$1,968,913.28                   | \$13,857.05         | \$1,982,770.33 | (\$277,057.30)          | (\$13,857.05)         | (\$290,914.35)     | \$1,691,855.97                  |  |
| 35       | Jul-10  | \$1,691,855.97                   | \$11,907.14         | \$1,703,763.11 | (\$278,450.90)          | (\$11,907.14)         | (\$290,358.05)     | \$1,413,405.07                  |  |
| 36       | Aug-10  | \$1,413,405.07                   | \$9,947.43          | \$1,423,352.50 | (\$279,851.51)          | (\$9,947.43)          | (\$289,798.94)     | \$1,133,553.56                  |  |
| 37       | Sep-10  | \$1,133,553.56                   | \$7,977.86          | \$1,141,531.41 | (\$281,259.16)          | (\$7,977.86)          | (\$289,237.02)     | \$852,294.39                    |  |
| 38       | Oct-10  | \$852,294.39                     | \$5,998.38          | \$858,292.77   | (\$282,673.90)          | (\$5,998.38)          | (\$288,672.28)     | \$569,620.50                    |  |
| 39       | Nov-10  | \$569,620.50                     | \$4,008.94          | \$573,629.44   | (\$284,095.75)          | (\$4,008.94)          | (\$288,104.69)     | \$285,524.75                    |  |
| 40       | Dec-10  | \$285,524.75                     | \$2,009.50          | \$287,534.25   | (\$285,524.75)          | (\$2,009.50)          | (\$287,534.25)     | \$0.00                          |  |
| 41       | <b>TOTAL</b>  | <b>\$3,333,538.72</b>            | <b>\$153,900.29</b> |                | <b>(\$3,333,538.72)</b> | <b>(\$153,900.29)</b> |                    | <b>\$0.00</b>                   |  |

Tab 4  
Page 2

|          |   |              |              |
|----------|---|--------------|--------------|
| Line No. | Particulars   | (A)          |              |
|          |   | FY 2010      |              |
|          | (1)   | (2)          |              |
| 1        | Projected Dec. 31, 2009 Deferred Account Balance - O&M <sup>(B)</sup>   | \$490,028.06 |              |
| 2        | Projected 2010 Additions (excluding 2010 Cst Education Funding)   | 15,824.00    |              |
| 3        | Subtotal Deferral Costs   | \$505,852.06 |              |
| 4        |   |              |              |
| 5        | Deferral Amortization   | \$505,852.06 |              |
| 6        | AFUDC on pre-tax balances @ 6.04% p.a.  | \$23,353.79  |              |
| 7        | Sub-total   | \$529,205.85 |              |
| 8        |   |              |              |
| 9        | Forecast Annual Volume (GJ) <sup>(C)</sup>  | 67,764,700   |              |
| 10       |   |              |              |
| 11       |   | Net of Tax   | Gross        |
| 12       |   | Amortization | Amortization |
| 13       | Unit Cost / GJ - Residential O&M Cost   | \$0.0078     | \$0.0109     |
| 14       |   |              |              |
| 15       |   |              |              |
| 16       | Notes:  |              |              |
| 17       | (A) All amounts are net of tax unless otherwise indicated.  |              |              |
| 18       | (B) Projected Dec 31, 2009 balance includes AFUDC to that date.   |              |              |
| 19       | (C) Forecast sale volumes for eligible residential customers (including Lower Mainland, Inland, and Columbia Rate Schedules |              |              |
| 20       | 1, 1U and 1X, excluding Revelstoke and Fort Nelson).  |              |              |
| 21       | (D) Gross Amortization = Net-Of-Tax Amortization / (1 - 28.5% Tax Rate)   |              |              |
| 22       |   |              |              |
| 23       |   |              |              |
| 24       | AFUDC rate  | 6.04%        |              |
| 25       | AFUDC rate / month  | 0.50%        |              |
| 26       | Amortization periods  | 12           |              |
| 27       |   |              |              |
| 28       | Opening Deferral Account Balance  | AFUDC        | Sub-total    |
| 29       | Jan-10  | \$505,852.06 | \$3,560.15   |
| 30       | Feb-10  | \$464,851.24 | \$3,271.58   |
| 31       | Mar-10  | \$423,644.19 | \$2,981.57   |
| 32       | Apr-10  | \$382,229.87 | \$2,690.10   |
| 33       | May-10  | \$340,607.24 | \$2,397.17   |
| 34       | Jun-10  | \$298,775.24 | \$2,102.76   |
| 35       | Jul-10  | \$256,732.83 | \$1,806.86   |
| 36       | Aug-10  | \$214,478.94 | \$1,509.49   |
| 37       | Sep-10  | \$172,012.52 | \$1,210.61   |
| 38       | Oct-10  | \$129,332.49 | \$910.23     |
| 39       | Nov-10  | \$86,437.78  | \$608.34     |
| 40       | Dec-10  | \$43,327.31  | \$304.93     |
| 41       | TOTAL   | \$505,852.06 | \$23,353.79  |
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**TERASEN GAS INC.**  
**COMMERCIAL COMMODITY UNBUNDLING PROGRAM COST AMORTIZATION SCHEDULE - O & M**  
**(Rider 8 - Commercial)**

**Tab 4**  
**Page 3**

| Line No. | Particulars   | (A)              |                                 |
|----------|---|------------------|---------------------------------|
|          | (1)   | FY 2010          |                                 |
|          |   | (2)              |                                 |
| 1        | Projected Dec. 31, 2009 Deferred Account Balance - O&M <sup>(B)</sup>                                       | (\$82,798.40)    |                                 |
| 2        | Projected 2010 Additions  | (\$154,164.00)   |                                 |
| 3        | Subtotal Deferral Costs   | (\$236,962.40)   |                                 |
| 4        |   |                  |                                 |
| 5        | Deferral Amortization   | (\$236,962.40)   |                                 |
| 6        | AFUDC on pre-tax balances @ 6.04% p.a.  | (\$10,939.90)    |                                 |
| 7        | Sub-total   | (\$247,902.30)   |                                 |
| 8        |   |                  |                                 |
| 9        | Forecast Annual Volume (GJ) <sup>(C)</sup>  | 41,060,700       |                                 |
| 10       |   |                  |                                 |
|          |   | Net of Tax       | Gross                           |
|          |   | Amortization     | Amortization                    |
| 11       |   |                  |                                 |
| 12       |   |                  |                                 |
| 13       | <b>Unit Cost / GJ - Commercial O&amp;M Cost</b>   | <b>(\$0.006)</b> | <b>(\$0.008)</b>                |
| 14       |   |                  |                                 |
| 15       |   |                  |                                 |
| 16       | Notes:  |                  |                                 |
| 17       | (A) All amounts are net of tax unless otherwise indicated.  |                  |                                 |
| 18       | (B) Projected Dec 31, 2009 balance includes AFUDC to that date.   |                  |                                 |
| 19       | (C) Forecast sale volumes for eligible commercial customers (including Lower Mainland, Inland, and Columbia |                  |                                 |
| 20       | Rate Schedules 2, 2U, 2X, 3, 3U, and 3X, excluding Revelstoke and Fort Nelson).                             |                  |                                 |
| 21       | (D) Gross Amortization = Net-Of-Tax Amortization / (1 - 28.5% Tax Rate)                                     |                  |                                 |
| 22       |   |                  |                                 |
| 23       |   |                  |                                 |
| 24       | AFUDC rate  | 6.04%            |                                 |
| 25       | AFUDC rate / month  | 0.50%            |                                 |
| 26       | Amortization periods  | 12               |                                 |
| 27       |   |                  |                                 |
| 28       | Opening Deferral Account Balance  | AFUDC            | Sub-total                       |
|          |   |                  | Amortization - Deferral         |
|          |   |                  | Amortization - AFUDC            |
|          |   |                  | Total Amortization              |
|          |   |                  | Ending Deferral Account Balance |
| 29       | Jan-10  | (\$236,962.40)   | (\$1,667.72)                    |
| 30       | Feb-10  | (\$217,755.89)   | (\$1,532.55)                    |
| 31       | Mar-10  | (\$198,452.78)   | (\$1,396.69)                    |
| 32       | Apr-10  | (\$179,052.56)   | (\$1,260.16)                    |
| 33       | May-10  | (\$159,554.77)   | (\$1,122.93)                    |
| 34       | Jun-10  | (\$139,958.90)   | (\$985.02)                      |
| 35       | Jul-10  | (\$120,264.47)   | (\$846.41)                      |
| 36       | Aug-10  | (\$100,470.97)   | (\$707.11)                      |
| 37       | Sep-10  | (\$80,577.91)    | (\$567.10)                      |
| 38       | Oct-10  | (\$60,584.78)    | (\$426.39)                      |
| 39       | Nov-10  | (\$40,491.10)    | (\$284.97)                      |
| 40       | Dec-10  | (\$20,296.34)    | (\$142.84)                      |
| 41       | TOTAL   | (\$236,962.40)   | (\$10,939.90)                   |



TAB 5  
PAGE 1  
SCHEDULE 1

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TAB 5  
PAGE 2  
SCHEDULE 2

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TAB 5  
PAGE 3  
SCHEDULE 3

SCHEDULE 3

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TERASEN GAS INC.  
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY  
PROPOSED JANUARY 1, 2010 RATES  
**BCUC ORDER NO. G-xx-09**

TAB 5  
PAGE 4  
SCHEDULE 4

| RATE SCHEDULE 4:<br>SEASONAL SERVICE |   | EXISTING OCTOBER 1, 2009 RATES                                  |           |           | COMMODITY<br>RELATED CHARGES CHANGES |         |          | PROPOSED JANUARY 1, 2010 RATES                                  |           |           |
|--------------------------------------|---|---|-----------|-----------|--------------------------------------|---------|----------|---|-----------|-----------|
| Line No.                             | Particulars   | Lower Mainland  | Inland    | Columbia  | Lower Mainland                       | Inland  | Columbia | Lower Mainland  | Inland    | Columbia  |
|                                      | (1)   | (2)   | (3)       | (4)       | (5)                                  | (6)     | (7)      | (8)   | (9)       | (10)      |
| 1                                    | <u>Delivery Margin Related Charges</u>              |   |           |           |                                      |         |          |   |           |           |
| 2                                    | <b>Basic Charge per month</b>                       | \$439.00  | \$439.00  | \$439.00  | \$0.00                               | \$0.00  | \$0.00   | \$439.00  | \$439.00  | \$439.00  |
| 3                                    |   |   |           |           |                                      |         |          |   |           |           |
| 4                                    | <b>Delivery Charge per GJ</b>                       |   |           |           |                                      |         |          |   |           |           |
| 5                                    | (a) Off-Peak Period                                 | \$0.762   | \$0.762   | \$0.762   | \$0.000                              | \$0.000 | \$0.000  | \$0.762   | \$0.762   | \$0.762   |
| 6                                    | (b) Extension Period                                | \$1.539   | \$1.539   | \$1.539   | \$0.000                              | \$0.000 | \$0.000  | \$1.539   | \$1.539   | \$1.539   |
| 7                                    |   |   |           |           |                                      |         |          |   |           |           |
| 8                                    | <b>Rider 3 ESM</b>                                  | (\$0.061)   | (\$0.061) | (\$0.061) | \$0.000                              | \$0.000 | \$0.000  | (\$0.061)   | (\$0.061) | (\$0.061) |
| 9                                    | <b>Rider 4 Delivery Rate Refund</b>                 | (\$0.001)   | (\$0.001) | (\$0.001) | \$0.000                              | \$0.000 | \$0.000  | (\$0.001)   | (\$0.001) | (\$0.001) |
| 10                                   |   |   |           |           |                                      |         |          |   |           |           |
| 11                                   | <u>Commodity Related Charges</u>                    |   |           |           |                                      |         |          |   |           |           |
| 12                                   | <b>Commodity Cost Recovery Charge</b>               |   |           |           |                                      |         |          |   |           |           |
| 13                                   | (a) Off-Peak Period                                 | \$4.953   | \$4.953   | \$4.953   | \$0.342                              | \$0.342 | \$0.342  | \$5.295   | \$5.295   | \$5.295   |
| 14                                   | (b) Extension Period                                | \$4.953   | \$4.953   | \$4.953   | \$0.342                              | \$0.342 | \$0.342  | \$5.295   | \$5.295   | \$5.295   |
| 15                                   |   |   |           |           |                                      |         |          |   |           |           |
| 16                                   | <b>Midstream Cost Recovery Charge per GJ</b>        |   |           |           |                                      |         |          |   |           |           |
| 17                                   | (a) Off-Peak Period                                 | \$0.670   | \$0.644   | \$0.720   | \$0.280                              | \$0.295 | \$0.269  | \$0.950   | \$0.939   | \$0.989   |
| 18                                   | (b) Extension Period                                | \$0.670   | \$0.644   | \$0.720   | \$0.280                              | \$0.295 | \$0.269  | \$0.950   | \$0.939   | \$0.989   |
| 19                                   |   |   |           |           |                                      |         |          |   |           |           |
| 20                                   |   |   |           |           |                                      |         |          |   |           |           |
| 21                                   | Subtotal Off -Peak Commodity Related Charges per GJ |   |           |           |                                      |         |          |   |           |           |
| 22                                   | (a) Off-Peak Period                                 | \$5.623   | \$5.597   | \$5.673   | \$0.622                              | \$0.637 | \$0.611  | \$6.245   | \$6.234   | \$6.284   |
| 23                                   | (b) Extension Period                                | \$5.623   | \$5.597   | \$5.673   | \$0.622                              | \$0.637 | \$0.611  | \$6.245   | \$6.234   | \$6.284   |
| 24                                   |   |   |           |           |                                      |         |          |   |           |           |
| 25                                   |   |   |           |           |                                      |         |          |   |           |           |
| 26                                   |   |   |           |           |                                      |         |          |   |           |           |
| 27                                   | Unauthorized Gas Charge per gigajoule               | Balancing, Backstopping and UOR per BCUC<br>Order No. G-110-00. |           |           |                                      |         |          | Balancing, Backstopping and UOR per BCUC<br>Order No. G-110-00. |           |           |
| 28                                   | during peak period                                  |   |           |           |                                      |         |          |   |           |           |
| 29                                   |   |   |           |           |                                      |         |          |   |           |           |
| 30                                   |   |   |           |           |                                      |         |          |   |           |           |
| 31                                   | Total Variable Cost per gigajoule between           |   |           |           |                                      |         |          |   |           |           |
| 32                                   | (a) Off-Peak Period                                 | \$6.323   | \$6.297   | \$6.373   | \$0.622                              | \$0.637 | \$0.611  | \$6.945   | \$6.934   | \$6.984   |
| 33                                   | (b) Extension Period                                | \$7.100   | \$7.074   | \$7.150   | \$0.622                              | \$0.637 | \$0.611  | \$7.722   | \$7.711   | \$7.761   |

TERASEN GAS INC.  
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY  
PROPOSED JANUARY 1, 2010 RATES  
BCUC ORDER NO. G-xx-09

TAB 5  
PAGE 5  
SCHEDULE 5

| RATE SCHEDULE 5<br>GENERAL FIRM SERVICE |  | EXISTING OCTOBER 1, 2009 RATES |                |                | COMMODITY<br>RELATED CHARGES CHANGES |                |                | PROPOSED JANUARY 1, 2010 RATES |                |                |
|---|--|--------------------------------|----------------|----------------|--------------------------------------|----------------|----------------|--------------------------------|----------------|----------------|
| Line No.                                | Particulars  | Lower Mainland                 | Inland         | Columbia       | Lower Mainland                       | Inland         | Columbia       | Lower Mainland                 | Inland         | Columbia       |
|   | (1)  | (2)                            | (3)            | (4)            | (5)                                  | (6)            | (7)            | (8)                            | (9)            | (10)           |
| 1                                       | <u>Delivery Margin Related Charges</u>                     |                                |                |                |                                      |                |                |                                |                |                |
| 2                                       | <b>Basic Charge per month</b>                              | \$587.00                       | \$587.00       | \$587.00       | \$0.00                               | \$0.00         | \$0.00         | \$587.00                       | \$587.00       | \$587.00       |
| 3                                       |  |                                |                |                |                                      |                |                |                                |                |                |
| 4                                       | <b>Demand Charge per gigajoule</b>                         | \$14.655                       | \$14.655       | \$14.655       | \$0.000                              | \$0.000        | \$0.000        | \$14.655                       | \$14.655       | \$14.655       |
| 5                                       |  |                                |                |                |                                      |                |                |                                |                |                |
| 6                                       | <b>Delivery Charge per GJ</b>                              | \$0.593                        | \$0.593        | \$0.593        | \$0.000                              | \$0.000        | \$0.000        | \$0.593                        | \$0.593        | \$0.593        |
| 7                                       |  |                                |                |                |                                      |                |                |                                |                |                |
| 8                                       | <b>Rider 3 ESM</b>   | (\$0.060)                      | (\$0.060)      | (\$0.060)      | \$0.000                              | \$0.000        | \$0.000        | (\$0.060)                      | (\$0.060)      | (\$0.060)      |
| 9                                       | <b>Rider 4 Delivery Rate Refund</b>                        | (\$0.018)                      | (\$0.018)      | (\$0.018)      | \$0.000                              | \$0.000        | \$0.000        | (\$0.018)                      | (\$0.018)      | (\$0.018)      |
| 10                                      |  |                                |                |                |                                      |                |                |                                |                |                |
| 11                                      |  |                                |                |                |                                      |                |                |                                |                |                |
| 12                                      | <u>Commodity Related Charges</u>                           |                                |                |                |                                      |                |                |                                |                |                |
| 13                                      | <b>Cost of Gas (Commodity Cost Recovery Charge) per GJ</b> | \$4.953                        | \$4.953        | \$4.953        | \$0.342                              | \$0.342        | \$0.342        | \$5.295                        | \$5.295        | \$5.295        |
| 14                                      | <b>Midstream Cost Recovery Charge per GJ</b>               | \$0.670                        | \$0.644        | \$0.720        | \$0.280                              | \$0.295        | \$0.269        | \$0.950                        | \$0.939        | \$0.989        |
| 15                                      | Subtotal Commodity Related Charges per GJ                  | <b>\$5.623</b>                 | <b>\$5.597</b> | <b>\$5.673</b> | <b>\$0.622</b>                       | <b>\$0.637</b> | <b>\$0.611</b> | <b>\$6.245</b>                 | <b>\$6.234</b> | <b>\$6.284</b> |
| 16                                      |  |                                |                |                |                                      |                |                |                                |                |                |
| 17                                      |  |                                |                |                |                                      |                |                |                                |                |                |
| 18                                      |  |                                |                |                |                                      |                |                |                                |                |                |
| 19                                      | Total Variable Cost per gigajoule                          | <u>\$6.138</u>                 | <u>\$6.112</u> | <u>\$6.188</u> | <u>\$0.622</u>                       | <u>\$0.637</u> | <u>\$0.611</u> | <u>\$6.760</u>                 | <u>\$6.749</u> | <u>\$6.799</u> |

TERASEN GAS INC.  
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY  
PROPOSED JANUARY 1, 2010 RATES  
BCUC ORDER NO. G-xx-09

TAB 5  
PAGE 6  
SCHEDULE 6

| RATE SCHEDULE 6:<br>NGV - STATIONS |  | EXISTING OCTOBER 1, 2009 RATES |                |                | COMMODITY<br>RELATED CHARGES CHANGES |                |                | PROPOSED JANUARY 1, 2010 RATES |                |                |
|------------------------------------|--|--------------------------------|----------------|----------------|--------------------------------------|----------------|----------------|--------------------------------|----------------|----------------|
| Line No.                           | Particulars  | Lower Mainland                 | Inland         | Columbia       | Lower Mainland                       | Inland         | Columbia       | Lower Mainland                 | Inland         | Columbia       |
|                                    | (1)  | (2)                            | (3)            | (4)            | (5)                                  | (6)            | (7)            | (8)                            | (9)            | (10)           |
| 1                                  | <u>Delivery Margin Related Charges</u>                     |                                |                |                |                                      |                |                |                                |                |                |
| 2                                  | <b>Basic Charge per month</b>                              | \$61.00                        | \$61.00        | \$61.00        | \$0.00                               | \$0.00         | \$0.00         | \$61.00                        | \$61.00        | \$61.00        |
| 3                                  |  |                                |                |                |                                      |                |                |                                |                |                |
| 4                                  | <b>Delivery Charge per GJ</b>                              | \$3.398                        | \$3.398        | \$3.398        | \$0.000                              | \$0.000        | \$0.000        | \$3.398                        | \$3.398        | \$3.398        |
| 5                                  |  |                                |                |                |                                      |                |                |                                |                |                |
| 6                                  | <b>Rider 3 ESM</b>   | (\$0.110)                      | (\$0.110)      | (\$0.110)      | \$0.000                              | \$0.000        | \$0.000        | (\$0.110)                      | (\$0.110)      | (\$0.110)      |
| 7                                  | <b>Rider 4 Delivery Rate Refund</b>                        | (\$0.019)                      | (\$0.019)      | (\$0.019)      | \$0.000                              | \$0.000        | \$0.000        | (\$0.019)                      | (\$0.019)      | (\$0.019)      |
| 8                                  |  |                                |                |                |                                      |                |                |                                |                |                |
| 9                                  |  |                                |                |                |                                      |                |                |                                |                |                |
| 10                                 | <u>Commodity Related Charges</u>                           |                                |                |                |                                      |                |                |                                |                |                |
| 11                                 | <b>Cost of Gas (Commodity Cost Recovery Charge) per GJ</b> | \$4.953                        | \$4.953        | \$4.953        | \$0.342                              | \$0.342        | \$0.342        | \$5.295                        | \$5.295        | \$5.295        |
| 12                                 | <b>Midstream Cost Recovery Charge per GJ</b>               | \$0.471                        | \$0.446        | \$0.446        | (\$0.004)                            | \$0.019        | \$0.019        | \$0.467                        | \$0.465        | \$0.465        |
| 13                                 | Subtotal Commodity Related Charges per GJ                  | <b>\$5.424</b>                 | <b>\$5.399</b> | <b>\$5.399</b> | <b>\$0.338</b>                       | <b>\$0.361</b> | <b>\$0.361</b> | <b>\$5.762</b>                 | <b>\$5.760</b> | <b>\$5.760</b> |
| 14                                 |  |                                |                |                |                                      |                |                |                                |                |                |
| 15                                 |  |                                |                |                |                                      |                |                |                                |                |                |
| 16                                 | Total Variable Cost per gigajoule                          | <u>\$8.693</u>                 | <u>\$8.668</u> | <u>\$8.668</u> | <u>\$0.338</u>                       | <u>\$0.361</u> | <u>\$0.361</u> | <u>\$9.031</u>                 | <u>\$9.029</u> | <u>\$9.029</u> |

TERASEN GAS INC.  
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY  
PROPOSED JANUARY 1, 2010 RATES  
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TAB 5  
PAGE 6.1  
SCHEDULE 6A

| RATE SCHEDULE 6A:<br>NGV - VRA's |   |                                |                                      |                                |
|----------------------------------|---|--------------------------------|--------------------------------------|--------------------------------|
| Line No.                         | Particulars   | EXISTING OCTOBER 1, 2009 RATES | COMMODITY<br>RELATED CHARGES CHANGES | PROPOSED JANUARY 1, 2010 RATES |
|                                  | (1)   | (2)                            | (3)                                  | (4)                            |
| 1                                | <b>LOWER MAINLAND SERVICE AREA</b>                  |                                |                                      |                                |
| 2                                |   |                                |                                      |                                |
| 3                                | <b><u>Delivery Margin Related Charges</u></b>       |                                |                                      |                                |
| 4                                | Basic Charge per month                              | \$86.00                        | \$0.00                               | \$86.00                        |
| 5                                |   |                                |                                      |                                |
| 6                                | Delivery Charge per GJ                              | \$3.358                        | \$0.000                              | \$3.358                        |
| 7                                | Rider 3 ESM   | (\$0.110)                      | \$0.000                              | (\$0.110)                      |
| 8                                | Rider 4 Delivery Rate Refund                        | (\$0.019)                      | \$0.000                              | (\$0.019)                      |
| 9                                |   |                                |                                      |                                |
| 10                               |   |                                |                                      |                                |
| 11                               | <b><u>Commodity Related Charges</u></b>             |                                |                                      |                                |
| 12                               | Cost of Gas (Commodity Cost Recovery Charge) per GJ | \$4.953                        | \$0.342                              | \$5.295                        |
| 13                               | Midstream Cost Recovery Charge per GJ               | <u>\$0.471</u>                 | <u>(\$0.004)</u>                     | <u>\$0.467</u>                 |
| 14                               | Subtotal Commodity Related Charges per GJ           | \$5.424                        | \$0.338                              | \$5.762                        |
| 15                               |   |                                |                                      |                                |
| 16                               | Compression Charge per gigajoule                    | \$5.28                         | \$0.00                               | \$5.28                         |
| 17                               |   |                                |                                      |                                |
| 18                               |   |                                |                                      |                                |
| 19                               | <b>Minimum Charges</b>                              | \$125.00                       | \$0.00                               | \$125.00                       |
| 20                               |   |                                |                                      |                                |
| 21                               |   |                                |                                      |                                |
| 22                               |   |                                |                                      |                                |
| 23                               | Total Variable Cost per gigajoule                   | <u>\$13.933</u>                | <u>\$0.338</u>                       | <u>\$14.271</u>                |

TERASEN GAS INC.  
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY  
PROPOSED JANUARY 1, 2010 RATES  
BCUC ORDER NO. G-xx-09

TAB 5  
PAGE 7  
SCHEDULE 7

| RATE SCHEDULE 7:<br>INTERRUPTIBLE SALES |  | EXISTING OCTOBER 1, 2009 RATES                               |                |                | COMMODITY<br>RELATED CHARGES CHANGES |                |                | PROPOSED JANUARY 1, 2010 RATES                               |                |                |
|---|--|--|----------------|----------------|--------------------------------------|----------------|----------------|--|----------------|----------------|
| Line No.                                | Particulars  | Lower Mainland   | Inland         | Columbia       | Lower Mainland                       | Inland         | Columbia       | Lower Mainland   | Inland         | Columbia       |
|   | (1)  | (2)  | (3)            | (4)            | (5)                                  | (6)            | (7)            | (8)  | (9)            | (10)           |
| 1                                       | <u>Delivery Margin Related Charges</u>                     |  |                |                |                                      |                |                |  |                |                |
| 2                                       | <b>Basic Charge per month</b>                              | \$880.00   | \$880.00       | \$880.00       | \$0.00                               | \$0.00         | \$0.00         | \$880.00   | \$880.00       | \$880.00       |
| 3                                       |  |  |                |                |                                      |                |                |  |                |                |
| 4                                       | <b>Delivery Charge per GJ</b>                              | \$0.990  | \$0.990        | \$0.990        | \$0.000                              | \$0.000        | \$0.000        | \$0.990  | \$0.990        | \$0.990        |
| 5                                       |  |  |                |                |                                      |                |                |  |                |                |
| 6                                       | <b>Rider 3 ESM</b>   | (\$0.036)  | (\$0.036)      | (\$0.036)      | \$0.000                              | \$0.000        | \$0.000        | (\$0.036)  | (\$0.036)      | (\$0.036)      |
| 7                                       | <b>Rider 4 Delivery Rate Refund</b>                        | \$0.000  | \$0.000        | \$0.000        | \$0.000                              | \$0.000        | \$0.000        | \$0.000  | \$0.000        | \$0.000        |
| 8                                       |  |  |                |                |                                      |                |                |  |                |                |
| 9                                       | <u>Commodity Related Charges</u>                           |  |                |                |                                      |                |                |  |                |                |
| 10                                      | <b>Cost of Gas (Commodity Cost Recovery Charge) per GJ</b> | \$4.953  | \$4.953        | \$4.953        | \$0.342                              | \$0.342        | \$0.342        | \$5.295  | \$5.295        | \$5.295        |
| 11                                      | <b>Midstream Cost Recovery Charge per GJ</b>               | \$0.670  | \$0.644        | \$0.720        | \$0.280                              | \$0.295        | \$0.269        | \$0.950  | \$0.939        | \$0.989        |
| 12                                      | Subtotal Commodity Related Charges per GJ                  | <b>\$5.623</b>   | <b>\$5.597</b> | <b>\$5.673</b> | <b>\$0.622</b>                       | <b>\$0.637</b> | <b>\$0.611</b> | <b>\$6.245</b>   | <b>\$6.234</b> | <b>\$6.284</b> |
| 13                                      |  |  |                |                |                                      |                |                |  |                |                |
| 14                                      |  |  |                |                |                                      |                |                |  |                |                |
| 15                                      |  |  |                |                |                                      |                |                |  |                |                |
| 16                                      | Charges per gigajoule for UOR Gas                          | Balancing, Backstopping and UOR per BCUC Order No. G-110-00. |                |                |                                      |                |                | Balancing, Backstopping and UOR per BCUC Order No. G-110-00. |                |                |
| 17                                      |  |  |                |                |                                      |                |                |  |                |                |
| 18                                      |  |  |                |                |                                      |                |                |  |                |                |
| 19                                      |  |  |                |                |                                      |                |                |  |                |                |
| 20                                      |  |  |                |                |                                      |                |                |  |                |                |
| 21                                      |  |  |                |                |                                      |                |                |  |                |                |
| 22                                      | <b>Total Variable Cost per gigajoule</b>                   | <b>\$6.577</b>   | <b>\$6.551</b> | <b>\$6.627</b> | <b>\$0.622</b>                       | <b>\$0.637</b> | <b>\$0.611</b> | <b>\$7.199</b>   | <b>\$7.188</b> | <b>\$7.238</b> |



TERASEN GAS INC.  
COMMODITY RELATED CHARGES CHANGES  
BCUC ORDER NO. G-xx-09

TAB 6  
PAGE 1

**RATE SCHEDULE 1 - RESIDENTIAL SERVICE**

| Line No. | Particular                                   | EXISTING OCTOBER 1, 2009 RATES |             |                 | PROPOSED JANUARY 1, 2010 RATES |             |                   | Annual Increase/Decrease |                |                                 |
|----------|--|--------------------------------|-------------|-----------------|--------------------------------|-------------|-------------------|--------------------------|----------------|---------------------------------|
|          |  | Volume                         | Rate        | Annual \$       | Volume                         | Rate        | Annual \$         | Rate                     | Annual \$      | % of Previous Total Annual Bill |
| 1        | <b>LOWER MAINLAND SERVICE AREA</b>           |                                |             |                 |                                |             |                   |                          |                |                                 |
| 2        | <u>Delivery Margin Related Charges</u>       |                                |             |                 |                                |             |                   |                          |                |                                 |
| 3        | Basic Charge                                 | 12 months x                    | \$11.84 =   | \$142.08        | 12 months x                    | \$11.84 =   | \$142.08          | \$0.00                   | \$0.00         | 0.00%                           |
| 4        |  |                                |             |                 |                                |             |                   |                          |                |                                 |
| 5        | Delivery Charge                              | 95.0 GJ x                      | \$2.961 =   | 281.2950        | 95.0 GJ x                      | \$2.961 =   | 281.2950          | \$0.000                  | 0.0000         | 0.00%                           |
| 6        | Rider 3 ESM                                  | 95.0 GJ x                      | (\$0.132) = | (12.5400)       | 95.0 GJ x                      | (\$0.132) = | (12.5400)         | \$0.000                  | 0.0000         | 0.00%                           |
| 7        | Rider 4 Delivery Rate Refund                 | 95.0 GJ x                      | (\$0.035) = | (3.3250)        | 95.0 GJ x                      | (\$0.035) = | (3.3250)          | \$0.000                  | 0.0000         | 0.00%                           |
| 8        | Rider 5 RSAM                                 | 95.0 GJ x                      | \$0.001 =   | 0.0950          | 95.0 GJ x                      | \$0.001 =   | 0.0950            | \$0.000                  | 0.0000         | 0.00%                           |
| 9        | Subtotal Delivery Margin Related Charges     |                                |             | <b>\$407.61</b> |                                |             | <b>\$407.61</b>   |                          | <b>\$0.00</b>  | <b>0.00%</b>                    |
| 10       |  |                                |             |                 |                                |             |                   |                          |                |                                 |
| 11       | <u>Commodity Related Charges</u>             |                                |             |                 |                                |             |                   |                          |                |                                 |
| 12       | Midstream Cost Recovery Charge               | 95.0 GJ x                      | \$0.942 =   | \$89.4900       | 95.0 GJ x                      | \$1.615 =   | \$153.4250        | \$0.673                  | \$63.9350      | 6.56%                           |
| 13       | Rider 8 Unbundling Recovery                  | 95.0 GJ x                      | \$0.073 =   | 6.9350          | 95.0 GJ x                      | \$0.083 =   | 7.8850            | \$0.010                  | 0.9500         | 0.10%                           |
| 14       | Midstream Related Charges Subtotal           |                                |             | \$96.43         |                                |             | \$161.31          |                          | \$64.88        | 6.66%                           |
| 15       |  |                                |             |                 |                                |             |                   |                          |                |                                 |
| 16       | Cost of Gas (Commodity Cost Recovery Charge) | 95.0 GJ x                      | \$4.953 =   | \$470.54        | 95.0 GJ x                      | \$5.295 =   | \$503.03          | \$0.342                  | \$32.49        | 3.33%                           |
| 17       | Subtotal Commodity Related Charges           |                                |             | <b>\$566.97</b> |                                |             | <b>\$664.34</b>   |                          | <b>\$97.37</b> | <b>9.99%</b>                    |
| 18       |  |                                |             |                 |                                |             |                   |                          |                |                                 |
| 19       | Total (with effective \$/GJ rate)            | 95.0                           | \$10.259    | <b>\$974.58</b> | 95.0                           | \$11.284    | <b>\$1,071.95</b> | \$1.025                  | <b>\$97.37</b> | <b>9.99%</b>                    |
| 20       |  |                                |             |                 |                                |             |                   |                          |                |                                 |
| 21       | <b>INLAND SERVICE AREA</b>                   |                                |             |                 |                                |             |                   |                          |                |                                 |
| 22       | <u>Delivery Margin Related Charges</u>       |                                |             |                 |                                |             |                   |                          |                |                                 |
| 23       | Basic Charge                                 | 12 months x                    | \$11.84 =   | \$142.08        | 12 months x                    | \$11.84 =   | \$142.08          | \$0.00                   | \$0.00         | 0.00%                           |
| 24       |  |                                |             |                 |                                |             |                   |                          |                |                                 |
| 25       | Delivery Charge                              | 75.0 GJ x                      | \$2.961 =   | 222.0750        | 75.0 GJ x                      | \$2.961 =   | 222.0750          | \$0.000                  | 0.0000         | 0.00%                           |
| 26       | Rider 3 ESM                                  | 75.0 GJ x                      | (\$0.132) = | (9.9000)        | 75.0 GJ x                      | (\$0.132) = | (9.9000)          | \$0.000                  | 0.0000         | 0.00%                           |
| 27       | Rider 4 Delivery Rate Refund                 | 75.0 GJ x                      | (\$0.035) = | (2.6250)        | 75.0 GJ x                      | (\$0.035) = | (2.6250)          | \$0.000                  | 0.0000         | 0.00%                           |
| 28       | Rider 5 RSAM                                 | 75.0 GJ x                      | \$0.001 =   | 0.0750          | 75.0 GJ x                      | \$0.001 =   | 0.0750            | \$0.000                  | 0.0000         | 0.00%                           |
| 29       | Subtotal Delivery Margin Related Charges     |                                |             | <b>\$351.71</b> |                                |             | <b>\$351.71</b>   |                          | <b>\$0.00</b>  | <b>0.00%</b>                    |
| 30       |  |                                |             |                 |                                |             |                   |                          |                |                                 |
| 31       | <u>Commodity Related Charges</u>             |                                |             |                 |                                |             |                   |                          |                |                                 |
| 32       | Midstream Cost Recovery Charge               | 75.0 GJ x                      | \$0.903 =   | \$67.7250       | 75.0 GJ x                      | \$1.594 =   | \$119.5500        | \$0.691                  | \$51.8250      | 6.51%                           |
| 33       | Rider 8 Unbundling Recovery                  | 75.0 GJ x                      | \$0.073 =   | 5.4750          | 75.0 GJ x                      | \$0.083 =   | 6.2250            | \$0.010                  | 0.7500         | 0.09%                           |
| 34       | Midstream Related Charges Subtotal           |                                |             | \$73.20         |                                |             | \$125.78          |                          | \$52.58        | 6.60%                           |
| 35       |  |                                |             |                 |                                |             |                   |                          |                |                                 |
| 36       | Cost of Gas (Commodity Cost Recovery Charge) | 75.0 GJ x                      | \$4.953 =   | \$371.48        | 75.0 GJ x                      | \$5.295 =   | \$397.13          | \$0.342                  | \$25.65        | 3.22%                           |
| 37       | Subtotal Commodity Related Charges           |                                |             | <b>\$444.68</b> |                                |             | <b>\$522.91</b>   |                          | <b>\$78.23</b> | <b>9.82%</b>                    |
| 38       |  |                                |             |                 |                                |             |                   |                          |                |                                 |
| 39       | Total (with effective \$/GJ rate)            | 75.0                           | \$10.619    | <b>\$796.39</b> | 75.0                           | \$11.662    | <b>\$874.62</b>   | \$1.043                  | <b>\$78.23</b> | <b>9.82%</b>                    |
| 40       |  |                                |             |                 |                                |             |                   |                          |                |                                 |
| 41       | <b>COLUMBIA SERVICE AREA</b>                 |                                |             |                 |                                |             |                   |                          |                |                                 |
| 42       | <u>Delivery Margin Related Charges</u>       |                                |             |                 |                                |             |                   |                          |                |                                 |
| 43       | Basic Charge                                 | 12 months x                    | \$11.84 =   | \$142.08        | 12 months x                    | \$11.84 =   | \$142.08          | \$0.00                   | \$0.00         | 0.00%                           |
| 44       |  |                                |             |                 |                                |             |                   |                          |                |                                 |
| 44       | Delivery Charge                              | 80.0 GJ x                      | \$2.961 =   | 236.8800        | 80.0 GJ x                      | \$2.961 =   | 236.8800          | \$0.000                  | 0.0000         | 0.00%                           |
| 45       | Rider 3 ESM                                  | 80.0 GJ x                      | (\$0.132) = | (10.5600)       | 80.0 GJ x                      | (\$0.132) = | (10.5600)         | \$0.000                  | 0.0000         | 0.00%                           |
| 46       | Rider 4 Delivery Rate Refund                 | 80.0 GJ x                      | (\$0.035) = | (2.8000)        | 80.0 GJ x                      | (\$0.035) = | (2.8000)          | \$0.000                  | 0.0000         | 0.00%                           |
| 47       | Rider 5 RSAM                                 | 80.0 GJ x                      | \$0.001 =   | 0.0800          | 80.0 GJ x                      | \$0.001 =   | 0.0800            | \$0.000                  | 0.0000         | 0.00%                           |
| 48       | Subtotal Delivery Margin Related Charges     |                                |             | <b>\$365.68</b> |                                |             | <b>\$365.68</b>   |                          | <b>\$0.00</b>  | <b>0.00%</b>                    |
| 49       |  |                                |             |                 |                                |             |                   |                          |                |                                 |
| 50       | <u>Commodity Related Charges</u>             |                                |             |                 |                                |             |                   |                          |                |                                 |
| 51       | Midstream Cost Recovery Charge               | 80.0 GJ x                      | \$0.981 =   | \$78.4800       | 80.0 GJ x                      | \$1.649 =   | \$131.9200        | \$0.668                  | \$53.4400      | 6.31%                           |
| 52       | Rider 8 Unbundling Recovery                  | 80.0 GJ x                      | \$0.073 =   | 5.8400          | 80.0 GJ x                      | \$0.083 =   | 6.6400            | \$0.010                  | 0.8000         | 0.09%                           |
| 53       | Midstream Related Charges Subtotal           |                                |             | \$84.32         |                                |             | \$138.56          |                          | \$54.24        | 6.41%                           |
| 54       |  |                                |             |                 |                                |             |                   |                          |                |                                 |
| 55       | Cost of Gas (Commodity Cost Recovery Charge) | 80.0 GJ x                      | \$4.953 =   | \$396.24        | 80.0 GJ x                      | \$5.295 =   | \$423.60          | \$0.342                  | \$27.36        | 3.23%                           |
| 56       | Subtotal Commodity Related Charges           |                                |             | <b>\$480.56</b> |                                |             | <b>\$562.16</b>   |                          | <b>\$81.60</b> | <b>9.64%</b>                    |
| 57       |  |                                |             |                 |                                |             |                   |                          |                |                                 |
| 58       | Total (with effective \$/GJ rate)            | 80.0                           | \$10.578    | <b>\$846.24</b> | 80.0                           | \$11.598    | <b>\$927.84</b>   | \$1.020                  | <b>\$81.60</b> | <b>9.64%</b>                    |

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

**RATE SCHEDULE 2 -SMALL COMMERCIAL SERVICE**

| Line No. | Particular                                   | EXISTING OCTOBER 1, 2009 RATES |             |                   | PROPOSED JANUARY 1, 2010 RATES |             |                   | Annual Increase/Decrease |                 |                                 |
|----------|--|--------------------------------|-------------|-------------------|--------------------------------|-------------|-------------------|--------------------------|-----------------|---------------------------------|
|          |  | Volume                         | Rate        | Annual \$         | Volume                         | Rate        | Annual \$         | Rate                     | Annual \$       | % of Previous Total Annual Bill |
| 1        | <b>LOWER MAINLAND SERVICE AREA</b>           |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 2        | <u>Delivery Margin Related Charges</u>       |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 3        | Basic Charge                                 | 12 months x                    | \$24.84 =   | \$298.08          | 12 months x                    | \$24.84 =   | \$298.08          | \$0.00                   | \$0.00          | 0.00%                           |
| 4        |  |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 5        | Delivery Charge                              | 300.0 GJ x                     | \$2.479 =   | 743.7000          | 300.0 GJ x                     | \$2.479 =   | 743.7000          | \$0.000                  | 0.0000          | 0.00%                           |
| 6        | Rider 3 ESM                                  | 300.0 GJ x                     | (\$0.100) = | (30.0000)         | 300.0 GJ x                     | (\$0.100) = | (30.0000)         | \$0.000                  | 0.0000          | 0.00%                           |
| 7        | Rider 4 Delivery Rate Refund                 | 300.0 GJ x                     | (\$0.029) = | (8.7000)          | 300.0 GJ x                     | (\$0.029) = | (8.7000)          | \$0.000                  | 0.0000          | 0.00%                           |
| 8        | Rider 5 RSAM                                 | 300.0 GJ x                     | \$0.001 =   | 0.3000            | 300.0 GJ x                     | \$0.001 =   | 0.3000            | \$0.000                  | 0.0000          | 0.00%                           |
| 9        | Subtotal Delivery Margin Related Charges     |                                |             | <b>\$1,003.38</b> |                                |             | <b>\$1,003.38</b> |                          | <b>\$0.00</b>   | <b>0.00%</b>                    |
| 10       |  |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 11       | <u>Commodity Related Charges</u>             |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 12       | Midstream Cost Recovery Charge               | 300.0 GJ x                     | \$0.947 =   | \$284.1000        | 300.0 GJ x                     | \$1.610 =   | \$483.0000        | \$0.663                  | \$198.9000      | 7.19%                           |
| 13       | Rider 8 Unbundling Recovery                  | 300.0 GJ x                     | (\$0.021) = | (6.3000)          | 300.0 GJ x                     | (\$0.008) = | (2.4000)          | \$0.013                  | 3.9000          | 0.14%                           |
| 14       | Midstream Related Charges Subtotal           |                                |             | \$277.80          |                                |             | \$480.60          |                          | \$202.80        | 7.33%                           |
| 15       |  |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 16       | Cost of Gas (Commodity Cost Recovery Charge) | 300.0 GJ x                     | \$4.953 =   | \$1,485.90        | 300.0 GJ x                     | \$5.295 =   | \$1,588.50        | \$0.342                  | \$102.60        | 3.71%                           |
| 17       | Subtotal Commodity Related Charges           |                                |             | <b>\$1,763.70</b> |                                |             | <b>\$2,069.10</b> |                          | <b>\$305.40</b> | <b>11.04%</b>                   |
| 18       |  |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 19       | Total (with effective \$/GJ rate)            | 300.0                          | \$9.224     | <b>\$2,767.08</b> | 300.0                          | \$10.242    | <b>\$3,072.48</b> | \$1.018                  | <b>\$305.40</b> | <b>11.04%</b>                   |
| 20       |  |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 21       | <b>INLAND SERVICE AREA</b>                   |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 22       | <u>Delivery Margin Related Charges</u>       |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 23       | Basic Charge                                 | 12 months x                    | \$24.84 =   | \$298.08          | 12 months x                    | \$24.84 =   | \$298.08          | \$0.00                   | \$0.00          | 0.00%                           |
| 24       |  |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 25       | Delivery Charge                              | 250.0 GJ x                     | \$2.479 =   | 619.7500          | 250.0 GJ x                     | \$2.479 =   | 619.7500          | \$0.000                  | 0.0000          | 0.00%                           |
| 26       | Rider 3 ESM                                  | 250.0 GJ x                     | (\$0.100) = | (25.0000)         | 250.0 GJ x                     | (\$0.100) = | (25.0000)         | \$0.000                  | 0.0000          | 0.00%                           |
| 27       | Rider 4 Delivery Rate Refund                 | 250.0 GJ x                     | (\$0.029) = | (7.2500)          | 250.0 GJ x                     | (\$0.029) = | (7.2500)          | \$0.000                  | 0.0000          | 0.00%                           |
| 28       | Rider 5 RSAM                                 | 250.0 GJ x                     | \$0.001 =   | 0.2500            | 250.0 GJ x                     | \$0.001 =   | 0.2500            | \$0.000                  | 0.0000          | 0.00%                           |
| 29       | Subtotal Delivery Margin Related Charges     |                                |             | <b>\$885.83</b>   |                                |             | <b>\$885.83</b>   |                          | <b>\$0.00</b>   | <b>0.00%</b>                    |
| 30       |  |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 31       | <u>Commodity Related Charges</u>             |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 32       | Midstream Cost Recovery Charge               | 250.0 GJ x                     | \$0.907 =   | \$226.7500        | 250.0 GJ x                     | \$1.588 =   | \$397.0000        | \$0.681                  | \$170.2500      | 7.26%                           |
| 33       | Rider 8 Unbundling Recovery                  | 250.0 GJ x                     | (\$0.021) = | (5.2500)          | 250.0 GJ x                     | (\$0.008) = | (2.0000)          | \$0.013                  | 3.2500          | 0.14%                           |
| 34       | Midstream Related Charges Subtotal           |                                |             | \$221.50          |                                |             | \$395.00          |                          | \$173.50        | 7.40%                           |
| 35       |  |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 36       | Cost of Gas (Commodity Cost Recovery Charge) | 250.0 GJ x                     | \$4.953 =   | \$1,238.25        | 250.0 GJ x                     | \$5.295 =   | \$1,323.75        | \$0.342                  | \$85.50         | 3.65%                           |
| 37       | Subtotal Commodity Related Charges           |                                |             | <b>\$1,459.75</b> |                                |             | <b>\$1,718.75</b> |                          | <b>\$259.00</b> | <b>11.04%</b>                   |
| 38       |  |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 39       | Total (with effective \$/GJ rate)            | 250.0                          | \$9.382     | <b>\$2,345.58</b> | 250.0                          | \$10.418    | <b>\$2,604.58</b> | \$1.036                  | <b>\$259.00</b> | <b>11.04%</b>                   |
| 40       |  |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 41       | <b>COLUMBIA SERVICE AREA</b>                 |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 42       | <u>Delivery Margin Related Charges</u>       |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 43       | Basic Charge                                 | 12 months x                    | \$24.84 =   | \$298.08          | 12 months x                    | \$24.84 =   | \$298.08          | \$0.00                   | \$0.00          | 0.00%                           |
| 44       |  |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 45       | Delivery Charge                              | 320.0 GJ x                     | \$2.479 =   | 793.2800          | 320.0 GJ x                     | \$2.479 =   | 793.2800          | \$0.000                  | 0.0000          | 0.00%                           |
| 46       | Rider 3 ESM                                  | 320.0 GJ x                     | (\$0.100) = | (32.0000)         | 320.0 GJ x                     | (\$0.100) = | (32.0000)         | \$0.000                  | 0.0000          | 0.00%                           |
| 47       | Rider 4 Delivery Rate Refund                 | 320.0 GJ x                     | (\$0.029) = | (9.2800)          | 320.0 GJ x                     | (\$0.029) = | (9.2800)          | \$0.000                  | 0.0000          | 0.00%                           |
| 48       | Rider 5 RSAM                                 | 320.0 GJ x                     | \$0.001 =   | 0.3200            | 320.0 GJ x                     | \$0.001 =   | 0.3200            | \$0.000                  | 0.0000          | 0.00%                           |
| 49       | Subtotal Delivery Margin Related Charges     |                                |             | <b>\$1,050.40</b> |                                |             | <b>\$1,050.40</b> |                          | <b>\$0.00</b>   | <b>0.00%</b>                    |
| 50       |  |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 51       | <u>Commodity Related Charges</u>             |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 52       | Midstream Cost Recovery Charge               | 320.0 GJ x                     | \$0.986 =   | \$315.5200        | 320.0 GJ x                     | \$1.643 =   | \$525.7600        | \$0.657                  | \$210.2400      | 7.14%                           |
| 53       | Rider 8 Unbundling Recovery                  | 320.0 GJ x                     | (\$0.021) = | (6.7200)          | 320.0 GJ x                     | (\$0.008) = | (2.5600)          | \$0.013                  | 4.1600          | 0.14%                           |
| 54       | Midstream Related Charges Subtotal           |                                |             | \$308.80          |                                |             | \$523.20          |                          | \$214.40        | 7.28%                           |
| 55       |  |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 56       | Cost of Gas (Commodity Cost Recovery Charge) | 320.0 GJ x                     | \$4.953 =   | \$1,584.96        | 320.0 GJ x                     | \$5.295 =   | \$1,694.40        | \$0.342                  | \$109.44        | 3.72%                           |
| 57       | Subtotal Commodity Related Charges           |                                |             | <b>\$1,893.76</b> |                                |             | <b>\$2,217.60</b> |                          | <b>\$323.84</b> | <b>11.00%</b>                   |
| 58       |  |                                |             |                   |                                |             |                   |                          |                 |                                 |
| 59       | Total (with effective \$/GJ rate)            | 320.0                          | \$9.201     | <b>\$2,944.16</b> | 320.0                          | \$10.213    | <b>\$3,268.00</b> | \$1.012                  | <b>\$323.84</b> | <b>11.00%</b>                   |

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

**RATE SCHEDULE 3 - LARGE COMMERCIAL SERVICE**

| Line No. | Particular                                   | EXISTING OCTOBER 1, 2009 RATES |             |                    | PROPOSED JANUARY 1, 2010 RATES |             |                    | Annual Increase/Decrease |                   |                                 |
|----------|--|--------------------------------|-------------|--------------------|--------------------------------|-------------|--------------------|--------------------------|-------------------|---------------------------------|
|          |  | Volume                         | Rate        | Annual \$          | Volume                         | Rate        | Annual \$          | Rate                     | Annual \$         | % of Previous Total Annual Bill |
| 1        | <b>LOWER MAINLAND SERVICE AREA</b>           |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 2        | <u>Delivery Margin Related Charges</u>       |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 3        | Basic Charge                                 | 12 months x                    | \$132.52 =  | \$1,590.24         | 12 months x                    | \$132.52 =  | \$1,590.24         | \$0.00                   | \$0.00            | 0.00%                           |
| 4        |  |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 5        | Delivery Charge                              | 2,800.0 GJ x                   | \$2.136 =   | 5,980.8000         | 2,800.0 GJ x                   | \$2.136 =   | 5,980.8000         | \$0.000                  | 0.0000            | 0.00%                           |
| 6        | Rider 3 ESM                                  | 2,800.0 GJ x                   | (\$0.079) = | (221.2000)         | 2,800.0 GJ x                   | (\$0.079) = | (221.2000)         | \$0.000                  | 0.0000            | 0.00%                           |
| 7        | Rider 4 Delivery Rate Refund                 | 2,800.0 GJ x                   | (\$0.021) = | (58.8000)          | 2,800.0 GJ x                   | (\$0.021) = | (58.8000)          | \$0.000                  | 0.0000            | 0.00%                           |
| 8        | Rider 5 RSAM                                 | 2,800.0 GJ x                   | \$0.001 =   | 2.8000             | 2,800.0 GJ x                   | \$0.001 =   | 2.8000             | \$0.000                  | 0.0000            | 0.00%                           |
| 9        | Subtotal Delivery Margin Related Charges     |                                |             | <b>\$7,293.84</b>  |                                |             | <b>\$7,293.84</b>  |                          | <b>\$0.00</b>     | <b>0.00%</b>                    |
| 10       |  |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 11       | <u>Commodity Related Charges</u>             |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 12       | Midstream Cost Recovery Charge               | 2,800.0 GJ x                   | \$0.830 =   | \$2,324.0000       | 2,800.0 GJ x                   | \$1.271 =   | \$3,558.8000       | \$0.441                  | \$1,234.8000      | 5.27%                           |
| 13       | Rider 8 Unbundling Recovery                  | 2,800.0 GJ x                   | (\$0.021) = | (58.8000)          | 2,800.0 GJ x                   | (\$0.008) = | (22.4000)          | \$0.013                  | 36.4000           | 0.16%                           |
| 14       | Midstream Related Charges Subtotal           |                                |             | \$2,265.20         |                                |             | \$3,536.40         |                          | \$1,271.20        | 5.43%                           |
| 15       |  |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 16       | Cost of Gas (Commodity Cost Recovery Charge) | 2,800.0 GJ x                   | \$4.953 =   | \$13,868.40        | 2,800.0 GJ x                   | \$5.295 =   | \$14,826.00        | \$0.342                  | \$957.60          | 4.09%                           |
| 17       | Subtotal Commodity Related Charges           |                                |             | <b>\$16,133.60</b> |                                |             | <b>\$18,362.40</b> |                          | <b>\$2,228.80</b> | <b>9.51%</b>                    |
| 18       |  |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 19       | Total (with effective \$/GJ rate)            | 2,800.0                        | \$8.367     | <b>\$23,427.44</b> | 2,800.0                        | \$9.163     | <b>\$25,656.24</b> | \$0.796                  | <b>\$2,228.80</b> | <b>9.51%</b>                    |
| 20       |  |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 21       | <b>INLAND SERVICE AREA</b>                   |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 22       | <u>Delivery Margin Related Charges</u>       |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 23       | Basic Charge                                 | 12 months x                    | \$132.52 =  | \$1,590.24         | 12 months x                    | \$132.52 =  | \$1,590.24         | \$0.00                   | \$0.00            | 0.00%                           |
| 24       |  |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 25       | Delivery Charge                              | 2,600.0 GJ x                   | \$2.136 =   | 5,553.6000         | 2,600.0 GJ x                   | \$2.136 =   | 5,553.6000         | \$0.000                  | 0.0000            | 0.00%                           |
| 26       | Rider 3 ESM                                  | 2,600.0 GJ x                   | (\$0.079) = | (205.4000)         | 2,600.0 GJ x                   | (\$0.079) = | (205.4000)         | \$0.000                  | 0.0000            | 0.00%                           |
| 27       | Rider 4 Delivery Rate Refund                 | 2,600.0 GJ x                   | (\$0.021) = | (54.6000)          | 2,600.0 GJ x                   | (\$0.021) = | (54.6000)          | \$0.000                  | 0.0000            | 0.00%                           |
| 28       | Rider 5 RSAM                                 | 2,600.0 GJ x                   | \$0.001 =   | 2.6000             | 2,600.0 GJ x                   | \$0.001 =   | 2.6000             | \$0.000                  | 0.0000            | 0.00%                           |
| 29       | Subtotal Delivery Margin Related Charges     |                                |             | <b>\$6,886.44</b>  |                                |             | <b>\$6,886.44</b>  |                          | <b>\$0.00</b>     | <b>0.00%</b>                    |
| 30       |  |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 31       | <u>Commodity Related Charges</u>             |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 32       | Midstream Cost Recovery Charge               | 2,600.0 GJ x                   | \$0.796 =   | \$2,069.6000       | 2,600.0 GJ x                   | \$1.255 =   | \$3,263.0000       | \$0.459                  | \$1,193.4000      | 5.48%                           |
| 33       | Rider 8 Unbundling Recovery                  | 2,600.0 GJ x                   | (\$0.021) = | (54.6000)          | 2,600.0 GJ x                   | (\$0.008) = | (20.8000)          | \$0.013                  | 33.8000           | 0.16%                           |
| 34       | Midstream Related Charges Subtotal           |                                |             | \$2,015.00         |                                |             | \$3,242.20         |                          | \$1,227.20        | 5.63%                           |
| 35       |  |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 36       | Cost of Gas (Commodity Cost Recovery Charge) | 2,600.0 GJ x                   | \$4.953 =   | \$12,877.80        | 2,600.0 GJ x                   | \$5.295 =   | \$13,767.00        | \$0.342                  | \$889.20          | 4.08%                           |
| 37       | Subtotal Commodity Related Charges           |                                |             | <b>\$14,892.80</b> |                                |             | <b>\$17,009.20</b> |                          | <b>\$2,116.40</b> | <b>9.72%</b>                    |
| 38       |  |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 39       | Total (with effective \$/GJ rate)            | 2,600.0                        | \$8.377     | <b>\$21,779.24</b> | 2,600.0                        | \$9.191     | <b>\$23,895.64</b> | \$0.814                  | <b>\$2,116.40</b> | <b>9.72%</b>                    |
| 40       |  |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 41       | <b>COLUMBIA SERVICE AREA</b>                 |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 42       | <u>Delivery Margin Related Charges</u>       |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 43       | Basic Charge                                 | 12 months x                    | \$132.52 =  | \$1,590.24         | 12 months x                    | \$132.52 =  | \$1,590.24         | \$0.00                   | \$0.00            | 0.00%                           |
| 44       |  |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 45       | Delivery Charge                              | 3,300.0 GJ x                   | \$2.136 =   | 7,048.8000         | 3,300.0 GJ x                   | \$2.136 =   | 7,048.8000         | \$0.000                  | 0.0000            | 0.00%                           |
| 46       | Rider 3 ESM                                  | 3,300.0 GJ x                   | (\$0.079) = | (260.7000)         | 3,300.0 GJ x                   | (\$0.079) = | (260.7000)         | \$0.000                  | 0.0000            | 0.00%                           |
| 47       | Rider 4 Delivery Rate Refund                 | 3,300.0 GJ x                   | (\$0.021) = | (69.3000)          | 3,300.0 GJ x                   | (\$0.021) = | (69.3000)          | \$0.000                  | 0.0000            | 0.00%                           |
| 48       | Rider 5 RSAM                                 | 3,300.0 GJ x                   | \$0.001 =   | 3.3000             | 3,300.0 GJ x                   | \$0.001 =   | 3.3000             | \$0.000                  | 0.0000            | 0.00%                           |
| 49       | Subtotal Delivery Margin Related Charges     |                                |             | <b>\$8,312.34</b>  |                                |             | <b>\$8,312.34</b>  |                          | <b>\$0.00</b>     | <b>0.00%</b>                    |
| 50       |  |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 51       | <u>Commodity Related Charges</u>             |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 52       | Midstream Cost Recovery Charge               | 3,300.0 GJ x                   | \$0.873 =   | \$2,880.9000       | 3,300.0 GJ x                   | \$1.308 =   | \$4,316.4000       | \$0.435                  | \$1,435.5000      | 5.23%                           |
| 53       | Rider 8 Unbundling Recovery                  | 3,300.0 GJ x                   | (\$0.021) = | (69.3000)          | 3,300.0 GJ x                   | (\$0.008) = | (26.4000)          | \$0.013                  | 42.9000           | 0.16%                           |
| 54       | Midstream Related Charges Subtotal           |                                |             | \$2,811.60         |                                |             | \$4,290.00         |                          | \$1,478.40        | 5.38%                           |
| 55       |  |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 56       | Cost of Gas (Commodity Cost Recovery Charge) | 3,300.0 GJ x                   | \$4.953 =   | \$16,344.90        | 3,300.0 GJ x                   | \$5.295 =   | \$17,473.50        | \$0.342                  | \$1,128.60        | 4.11%                           |
| 57       | Subtotal Commodity Related Charges           |                                |             | <b>\$19,156.50</b> |                                |             | <b>\$21,763.50</b> |                          | <b>\$2,607.00</b> | <b>9.49%</b>                    |
| 58       |  |                                |             |                    |                                |             |                    |                          |                   |                                 |
| 59       | Total (with effective \$/GJ rate)            | 3,300.0                        | \$8.324     | <b>\$27,468.84</b> | 3,300.0                        | \$9.114     | <b>\$30,075.84</b> | \$0.790                  | <b>\$2,607.00</b> | <b>9.49%</b>                    |

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

TERASEN GAS INC.  
COMMODITY RELATED CHARGES CHANGES  
BCUC ORDER NO. G-xx-09

TAB 6  
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**RATE SCHEDULE 4 - SEASONAL SERVICE**

| Line No. | Particular  | EXISTING OCTOBER 1, 2009 RATES |                  |                           | PROPOSED JANUARY 1, 2010 RATES |                  |                           | Annual Increase/Decrease |                          |                                 |
|----------|---|--------------------------------|------------------|---------------------------|--------------------------------|------------------|---------------------------|--------------------------|--------------------------|---------------------------------|
|          |   | Volume                         | Rate             | Annual \$                 | Volume                         | Rate             | Annual \$                 | Rate                     | Annual \$                | % of Previous Total Annual Bill |
| 1        |   |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 2        | <b>LOWER MAINLAND SERVICE AREA</b>                        |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 3        | <u>Delivery Margin Related Charges</u>                    |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 4        | Basic Charge  | 7 months x                     | \$439.00 =       | \$3,073.00                | 7 months x                     | \$439.00 =       | \$3,073.00                | \$0.00                   | \$0.00                   | 0.00%                           |
| 5        |   |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 6        | Delivery Charge   |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 7        | (a) Off-Peak Period                                       | 5,400.0                        | GJ x \$0.762 =   | 4,114.8000                | 5,400.0                        | GJ x \$0.762 =   | 4,114.8000                | \$0.000                  | 0.0000                   | 0.00%                           |
| 8        | (b) Extension Period                                      | 0.0                            | GJ x \$1.539 =   | 0.0000                    | 0.0                            | GJ x \$1.539 =   | 0.0000                    | \$0.000                  | 0.0000                   | 0.00%                           |
| 9        | Rider 3 ESM   | 5,400.0                        | GJ x (\$0.061) = | (329.4000)                | 5,400.0                        | GJ x (\$0.061) = | (329.4000)                | \$0.000                  | 0.0000                   | 0.00%                           |
| 10       | Rider 4 Delivery Rate Refund                              | 5,400.0                        | GJ x (\$0.001) = | (5.4000)                  | 5,400.0                        | GJ x (\$0.001) = | (5.4000)                  | \$0.000                  | 0.0000                   | 0.00%                           |
| 11       | Subtotal Delivery Margin Related Charges                  |                                |                  | <b>\$6,853.00</b>         |                                |                  | <b>\$6,853.00</b>         |                          | <b>\$0.00</b>            | <b>0.00%</b>                    |
| 12       |   |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 13       | <u>Commodity Related Charges</u>                          |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 14       | Midstream Cost Recovery Charge                            |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 15       | (a) Off-Peak Period                                       | 5,400.0                        | GJ x \$0.670 =   | \$3,618.0000              | 5,400.0                        | GJ x \$0.950 =   | \$5,130.0000              | \$0.280                  | \$1,512.0000             | 4.06%                           |
| 16       | (b) Extension Period                                      | 0.0                            | GJ x \$0.670 =   | 0.0000                    | 0.0                            | GJ x \$0.950 =   | 0.0000                    | \$0.280                  | 0.0000                   | 0.00%                           |
| 17       | Commodity Cost Recovery Charge                            |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 18       | (a) Off-Peak Period                                       | 5,400.0                        | GJ x \$4.953 =   | 26,746.2000               | 5,400.0                        | GJ x \$5.295 =   | 28,593.0000               | \$0.342                  | 1,846.8000               | 4.96%                           |
| 19       | (b) Extension Period                                      | 0.0                            | GJ x \$4.953 =   | 0.0000                    | 0.0                            | GJ x \$5.295 =   | 0.0000                    | \$0.342                  | 0.0000                   | 0.00%                           |
| 20       |   |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 21       | Subtotal Cost of Gas (Commodity Related Charges) Off-Peak |                                |                  | <b>\$30,364.20</b>        |                                |                  | <b>\$33,723.00</b>        |                          | <b>\$3,358.80</b>        | <b>9.02%</b>                    |
| 22       |   |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 23       | Unauthorized Gas Charge During Peak Period (not forecast) |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 24       |   |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 25       | Total during Off-Peak Period                              | <u>5,400.0</u>                 |                  | <u><b>\$37,217.20</b></u> | <u>5,400.0</u>                 |                  | <u><b>\$40,576.00</b></u> |                          | <u><b>\$3,358.80</b></u> | <u><b>9.02%</b></u>             |
| 26       |   |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 27       |   |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 28       | <b>INLAND SERVICE AREA</b>                                |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 29       | <u>Delivery Margin Related Charges</u>                    |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 30       | Basic Charge  | 7 months x                     | \$439.00 =       | \$3,073.00                | 7 months x                     | \$439.00 =       | \$3,073.00                | \$0.00                   | \$0.00                   | 0.00%                           |
| 31       |   |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 32       | Delivery Charge   |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 33       | (a) Off-Peak Period                                       | 9,300.0                        | GJ x \$0.762 =   | 7,086.6000                | 9,300.0                        | GJ x \$0.762 =   | 7,086.6000                | \$0.000                  | 0.0000                   | 0.00%                           |
| 34       | (b) Extension Period                                      | 0.0                            | GJ x \$1.539 =   | 0.0000                    | 0.0                            | GJ x \$1.539 =   | 0.0000                    | \$0.000                  | 0.0000                   | 0.00%                           |
| 35       | Rider 3 ESM   | 9,300.0                        | GJ x (\$0.061) = | (567.3000)                | 9,300.0                        | GJ x (\$0.061) = | (567.3000)                | \$0.000                  | 0.0000                   | 0.00%                           |
| 36       | Rider 4 Delivery Rate Refund                              | 9,300.0                        | GJ x (\$0.001) = | (9.3000)                  | 9,300.0                        | GJ x (\$0.001) = | (9.3000)                  | \$0.000                  | 0.0000                   | 0.00%                           |
| 37       | Subtotal Delivery Margin Related Charges                  |                                |                  | <b>\$9,583.00</b>         |                                |                  | <b>\$9,583.00</b>         |                          | <b>\$0.00</b>            | <b>0.00%</b>                    |
| 38       |   |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 39       | <u>Commodity Related Charges</u>                          |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 40       | Midstream Cost Recovery Charge                            |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 41       | (a) Off-Peak Period                                       | 9,300.0                        | GJ x \$0.644 =   | \$5,989.2000              | 9,300.0                        | GJ x \$0.939 =   | \$8,732.7000              | \$0.295                  | \$2,743.5000             | 4.45%                           |
| 42       | (b) Extension Period                                      | 0.0                            | GJ x \$0.644 =   | 0.0000                    | 0.0                            | GJ x \$0.939 =   | 0.0000                    | \$0.295                  | 0.0000                   | 0.00%                           |
| 43       | Commodity Cost Recovery Charge                            |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 44       | (a) Off-Peak Period                                       | 9,300.0                        | GJ x \$4.953 =   | 46,062.9000               | 9,300.0                        | GJ x \$5.295 =   | 49,243.5000               | \$0.342                  | 3,180.6000               | 5.16%                           |
| 45       | (b) Extension Period                                      | 0.0                            | GJ x \$4.953 =   | 0.0000                    | 0.0                            | GJ x \$5.295 =   | 0.0000                    | \$0.342                  | 0.0000                   | 0.00%                           |
| 46       |   |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 47       | Subtotal Cost of Gas (Commodity Related Charges) Off-Peak |                                |                  | <b>\$52,052.10</b>        |                                |                  | <b>\$57,976.20</b>        |                          | <b>\$5,924.10</b>        | <b>9.61%</b>                    |
| 48       |   |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 49       | Unauthorized Gas Charge During Peak Period (not forecast) |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 50       |   |                                |                  |                           |                                |                  |                           |                          |                          |                                 |
| 51       | Total during Off-Peak Period                              | <u>9,300.0</u>                 |                  | <u><b>\$61,635.10</b></u> | <u>9,300.0</u>                 |                  | <u><b>\$67,559.20</b></u> |                          | <u><b>\$5,924.10</b></u> | <u><b>9.61%</b></u>             |

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

RATE SCHEDULE 5 -GENERAL FIRM SERVICE

| Line No. | Particular   | EXISTING OCTOBER 1, 2009 RATES |           |                      | PROPOSED JANUARY 1, 2010 RATES |           |                      | Annual Increase/Decrease |                   |                                 |
|----------|--|--------------------------------|-----------|----------------------|--------------------------------|-----------|----------------------|--------------------------|-------------------|---------------------------------|
|          |  | Volume                         | Rate      | Annual \$            | Volume                         | Rate      | Annual \$            | Rate                     | Annual \$         | % of Previous Total Annual Bill |
| 1        |  |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 2        | <b>LOWER MAINLAND SERVICE AREA</b>                     |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 3        | <u>Delivery Margin Related Charges</u>                 |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 4        | Basic Charge   | 12 months x                    | \$587.00  | = <b>\$7,044.00</b>  | 12 months x                    | \$587.00  | = <b>\$7,044.00</b>  | \$0.00                   | <b>\$0.00</b>     | <b>0.00%</b>                    |
| 5        |  |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 6        | Demand Charge  | 58.5 GJ x                      | \$14.655  | = <b>\$10,287.81</b> | 58.5 GJ x                      | \$14.655  | = <b>\$10,287.81</b> | \$0.000                  | <b>\$0.00</b>     | <b>0.00%</b>                    |
| 7        |  |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 8        | Delivery Charge  | 9,700.0 GJ x                   | \$0.593   | = \$5,752.1000       | 9,700.0 GJ x                   | \$0.593   | = \$5,752.1000       | \$0.000                  | \$0.0000          | 0.00%                           |
| 9        | Rider 3 ESM  | 9,700.0 GJ x                   | (\$0.060) | = (582.0000)         | 9,700.0 GJ x                   | (\$0.060) | = (582.0000)         | \$0.000                  | 0.0000            | 0.00%                           |
| 10       | Rider 4 Delivery Rate Refund                           | 9,700.0 GJ x                   | (\$0.018) | = (174.6000)         | 9,700.0 GJ x                   | (\$0.018) | = (174.6000)         | \$0.000                  | 0.0000            | 0.00%                           |
| 11       | Subtotal Delivery Margin Related Charges               |                                |           | <b>\$4,995.50</b>    |                                |           | <b>\$4,995.50</b>    |                          | <b>\$0.00</b>     | <b>0.00%</b>                    |
| 12       |  |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 13       | <u>Commodity Related Charges</u>                       |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 14       | Midstream Cost Recovery Charge                         | 9,700.0 GJ x                   | \$0.670   | = \$6,499.0000       | 9,700.0 GJ x                   | \$0.950   | = \$9,215.0000       | \$0.280                  | \$2,716.0000      | 3.53%                           |
| 15       | Commodity Cost Recovery Charge                         | 9,700.0 GJ x                   | \$4.953   | = 48,044.1000        | 9,700.0 GJ x                   | \$5.295   | = 51,361.5000        | \$0.342                  | 3,317.4000        | 4.32%                           |
| 16       | Subtotal Gas Commodity Cost (Commodity Related Charge) |                                |           | <b>\$54,543.10</b>   |                                |           | <b>\$60,576.50</b>   |                          | <b>\$6,033.40</b> | <b>7.85%</b>                    |
| 17       |  |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 18       | Total (with effective \$/GJ rate)                      | 9,700.0                        | \$7.925   | <b>\$76,870.41</b>   | 9,700.0                        | \$8.547   | <b>\$82,903.81</b>   | \$0.622                  | <b>\$6,033.40</b> | <b>7.85%</b>                    |
| 19       |  |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 20       | <b>INLAND SERVICE AREA</b>                             |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 21       | <u>Delivery Margin Related Charges</u>                 |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 22       | Basic Charge   | 12 months x                    | \$587.00  | = <b>\$7,044.00</b>  | 12 months x                    | \$587.00  | = <b>\$7,044.00</b>  | \$0.00                   | <b>\$0.00</b>     | <b>0.00%</b>                    |
| 23       |  |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 24       | Demand Charge  | 82.0 GJ x                      | \$14.655  | = <b>\$14,420.52</b> | 82.0 GJ x                      | \$14.655  | = <b>\$14,420.52</b> | \$0.000                  | <b>\$0.00</b>     | <b>0.00%</b>                    |
| 25       |  |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 26       | Delivery Charge  | 12,800.0 GJ x                  | \$0.593   | = \$7,590.4000       | 12,800.0 GJ x                  | \$0.593   | = \$7,590.4000       | \$0.000                  | \$0.0000          | 0.00%                           |
| 27       | Rider 3 ESM  | 12,800.0 GJ x                  | (\$0.060) | = (768.0000)         | 12,800.0 GJ x                  | (\$0.060) | = (768.0000)         | \$0.000                  | 0.0000            | 0.00%                           |
| 28       | Rider 4 Delivery Rate Refund                           | 12,800.0 GJ x                  | (\$0.018) | = (230.4000)         | 12,800.0 GJ x                  | (\$0.018) | = (230.4000)         | \$0.000                  | 0.0000            | 0.00%                           |
| 29       | Subtotal Delivery Margin Related Charges               |                                |           | <b>\$6,592.00</b>    |                                |           | <b>\$6,592.00</b>    |                          | <b>\$0.00</b>     | <b>0.00%</b>                    |
| 30       |  |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 31       | <u>Commodity Related Charges</u>                       |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 32       | Midstream Cost Recovery Charge                         | 12,800.0 GJ x                  | \$0.644   | = \$8,243.2000       | 12,800.0 GJ x                  | \$0.939   | = \$12,019.2000      | \$0.295                  | \$3,776.0000      | 3.79%                           |
| 33       | Commodity Cost Recovery Charge                         | 12,800.0 GJ x                  | \$4.953   | = 63,398.4000        | 12,800.0 GJ x                  | \$5.295   | = 67,776.0000        | \$0.342                  | 4,377.6000        | 4.39%                           |
| 34       | Subtotal Gas Commodity Cost (Commodity Related Charge) |                                |           | <b>\$71,641.60</b>   |                                |           | <b>\$79,795.20</b>   |                          | <b>\$8,153.60</b> | <b>8.18%</b>                    |
| 35       |  |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 36       | Total (with effective \$/GJ rate)                      | 12,800.0                       | \$7.789   | <b>\$99,698.12</b>   | 12,800.0                       | \$8.426   | <b>\$107,851.72</b>  | \$0.637                  | <b>\$8,153.60</b> | <b>8.18%</b>                    |
| 37       |  |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 38       | <b>COLUMBIA SERVICE AREA</b>                           |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 39       | <u>Delivery Margin Related Charges</u>                 |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 40       | Basic Charge   | 12 months x                    | \$587.00  | = <b>\$7,044.00</b>  | 12 months x                    | \$587.00  | = <b>\$7,044.00</b>  | \$0.00                   | <b>\$0.00</b>     | <b>0.00%</b>                    |
| 41       |  |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 42       | Demand Charge  | 55.4 GJ x                      | \$14.655  | = <b>\$9,742.64</b>  | 55.4 GJ x                      | \$14.655  | = <b>\$9,742.64</b>  | \$0.000                  | <b>\$0.00</b>     | <b>0.00%</b>                    |
| 43       |  |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 44       | Delivery Charge  | 9,100.0 GJ x                   | \$0.593   | = \$5,396.3000       | 9,100.0 GJ x                   | \$0.593   | = \$5,396.3000       | \$0.000                  | \$0.0000          | 0.00%                           |
| 45       | Rider 3 ESM  | 9,100.0 GJ x                   | (\$0.060) | = (546.0000)         | 9,100.0 GJ x                   | (\$0.060) | = (546.0000)         | \$0.000                  | 0.0000            | 0.00%                           |
| 46       | Rider 4 Delivery Rate Refund                           | 9,100.0 GJ x                   | (\$0.018) | = (163.8000)         | 9,100.0 GJ x                   | (\$0.018) | = (163.8000)         | \$0.000                  | 0.0000            | 0.00%                           |
| 47       | Subtotal Delivery Margin Related Charges               |                                |           | <b>\$4,686.50</b>    |                                |           | <b>\$4,686.50</b>    |                          | <b>\$0.00</b>     | <b>0.00%</b>                    |
| 48       |  |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 49       | <u>Commodity Related Charges</u>                       |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 50       | Midstream Cost Recovery Charge                         | 9,100.0 GJ x                   | \$0.720   | = \$6,552.0000       | 9,100.0 GJ x                   | \$0.989   | = \$8,999.9000       | \$0.269                  | \$2,447.9000      | 3.35%                           |
| 51       | Commodity Cost Recovery Charge                         | 9,100.0 GJ x                   | \$4.953   | = 45,072.3000        | 9,100.0 GJ x                   | \$5.295   | = 48,184.5000        | \$0.342                  | 3,112.2000        | 4.26%                           |
| 52       | Subtotal Gas Commodity Cost (Commodity Related Charge) |                                |           | <b>\$51,624.30</b>   |                                |           | <b>\$57,184.40</b>   |                          | <b>\$5,560.10</b> | <b>7.61%</b>                    |
| 53       |  |                                |           |                      |                                |           |                      |                          |                   |                                 |
| 54       | Total (with effective \$/GJ rate)                      | 9,100.0                        | \$8.033   | <b>\$73,097.44</b>   | 9,100.0                        | \$8.644   | <b>\$78,657.54</b>   | \$0.611                  | <b>\$5,560.10</b> | <b>7.61%</b>                    |

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

TERASEN GAS INC.  
COMMODITY RELATED CHARGES CHANGES  
BCUC ORDER NO. G-xx-09

TAB 6  
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**RATE SCHEDULE 6 - NGV - STATIONS**

| Line No. | Particular                                      | EXISTING OCTOBER 1, 2009 RATES |             |                     | PROPOSED JANUARY 1, 2010 RATES |             |                     | Annual Increase/Decrease |                   |                           |
|----------|---|--------------------------------|-------------|---------------------|--------------------------------|-------------|---------------------|--------------------------|-------------------|---------------------------|
|          |   | Volume                         | Rate        | Annual \$           | Volume                         | Rate        | Annual \$           | Rate                     | Annual \$         | % of Previous Annual Bill |
| 1        |   |                                |             |                     |                                |             |                     |                          |                   |                           |
| 2        | <b>LOWER MAINLAND SERVICE AREA</b>              |                                |             |                     |                                |             |                     |                          |                   |                           |
| 3        | <u>Delivery Margin Related Charges</u>          |                                |             |                     |                                |             |                     |                          |                   |                           |
| 4        | Basic Charge                                    | 12 months x                    | \$61.00 =   | \$732.00            | 12 months x                    | \$61.00 =   | \$732.00            | \$0.00                   | \$0.00            | 0.00%                     |
| 5        |   |                                |             |                     |                                |             |                     |                          |                   |                           |
| 6        | Delivery Charge                                 | 2,900.0 GJ x                   | \$3.398 =   | 9,854.2000          | 2,900.0 GJ x                   | \$3.398 =   | 9,854.2000          | \$0.000                  | 0.0000            | 0.00%                     |
| 7        | Rider 3 ESM                                     | 2,900.0 GJ x                   | (\$0.110) = | (319.0000)          | 2,900.0 GJ x                   | (\$0.110) = | (319.0000)          | \$0.000                  | 0.0000            | 0.00%                     |
| 8        | Rider 4 Delivery Rate Refund                    | 2,900.0 GJ x                   | (\$0.019) = | (55.1000)           | 2,900.0 GJ x                   | (\$0.019) = | (55.1000)           | \$0.000                  | 0.0000            | 0.00%                     |
| 9        | Subtotal Delivery Margin Related Charges        |                                |             | <b>\$10,212.10</b>  |                                |             | <b>\$10,212.10</b>  |                          | <b>\$0.00</b>     | <b>0.00%</b>              |
| 10       |   |                                |             |                     |                                |             |                     |                          |                   |                           |
| 11       | <u>Commodity Related Charges</u>                |                                |             |                     |                                |             |                     |                          |                   |                           |
| 12       | Midstream Cost Recovery Charge                  | 2,900.0 GJ x                   | \$0.471 =   | \$1,365.9000        | 2,900.0 GJ x                   | \$0.467 =   | \$1,354.3000        | (\$0.004)                | (\$11.6000)       | -0.04%                    |
| 13       | Commodity Cost Recovery Charge                  | 2,900.0 GJ x                   | \$4.953 =   | 14,363.7000         | 2,900.0 GJ x                   | \$5.295 =   | 15,355.5000         | \$0.342                  | 991.8000          | 3.82%                     |
| 14       | Subtotal Cost of Gas (Commodity Related Charge) |                                |             | <b>\$15,729.60</b>  |                                |             | <b>\$16,709.80</b>  |                          | <b>\$980.20</b>   | <b>3.78%</b>              |
| 15       |   |                                |             |                     |                                |             |                     |                          |                   |                           |
| 16       | Total (with effective \$/GJ rate)               | 2,900.0                        | \$8.945     | <b>\$25,941.70</b>  | 2,900.0                        | \$9.283     | <b>\$26,921.90</b>  | \$0.338                  | <b>\$980.20</b>   | <b>3.78%</b>              |
| 17       |   |                                |             |                     |                                |             |                     |                          |                   |                           |
| 18       |   |                                |             |                     |                                |             |                     |                          |                   |                           |
| 19       | <b>INLAND SERVICE AREA</b>                      |                                |             |                     |                                |             |                     |                          |                   |                           |
| 20       | <u>Delivery Margin Related Charges</u>          |                                |             |                     |                                |             |                     |                          |                   |                           |
| 21       | Basic Charge                                    | 12 months x                    | \$61.00 =   | \$732.00            | 12 months x                    | \$61.00 =   | \$732.00            | \$0.00                   | \$0.00            | 0.00%                     |
| 22       |   |                                |             |                     |                                |             |                     |                          |                   |                           |
| 23       | Delivery Charge                                 | 11,900.0 GJ x                  | \$3.398 =   | 40,436.2000         | 11,900.0 GJ x                  | \$3.398 =   | 40,436.2000         | \$0.000                  | 0.0000            | 0.00%                     |
| 24       | Rider 3 ESM                                     | 11,900.0 GJ x                  | (\$0.110) = | (1,309.0000)        | 11,900.0 GJ x                  | (\$0.110) = | (1,309.0000)        | \$0.000                  | 0.0000            | 0.00%                     |
| 25       | Rider 4 Delivery Rate Refund                    | 11,900.0 GJ x                  | (\$0.019) = | (226.1000)          | 11,900.0 GJ x                  | (\$0.019) = | (226.1000)          | \$0.000                  | 0.0000            | 0.00%                     |
| 26       | Subtotal Delivery Margin Related Charges        |                                |             | <b>\$39,633.10</b>  |                                |             | <b>\$39,633.10</b>  |                          | <b>\$0.00</b>     | <b>0.00%</b>              |
| 27       |   |                                |             |                     |                                |             |                     |                          |                   |                           |
| 28       | <u>Commodity Related Charges</u>                |                                |             |                     |                                |             |                     |                          |                   |                           |
| 29       | Midstream Cost Recovery Charge                  | 11,900.0 GJ x                  | \$0.446 =   | \$5,307.4000        | 11,900.0 GJ x                  | \$0.465 =   | \$5,533.5000        | \$0.019                  | \$226.1000        | 0.22%                     |
| 30       | Commodity Cost Recovery Charge                  | 11,900.0 GJ x                  | \$4.953 =   | 58,940.7000         | 11,900.0 GJ x                  | \$5.295 =   | 63,010.5000         | \$0.342                  | 4,069.8000        | 3.92%                     |
| 31       | Subtotal Cost of Gas (Commodity Related Charge) |                                |             | <b>\$64,248.10</b>  |                                |             | <b>\$68,544.00</b>  |                          | <b>\$4,295.90</b> | <b>4.14%</b>              |
| 32       |   |                                |             |                     |                                |             |                     |                          |                   |                           |
| 33       | Total (with effective \$/GJ rate)               | 11,900.0                       | \$8.730     | <b>\$103,881.20</b> | 11,900.0                       | \$9.091     | <b>\$108,177.10</b> | \$0.361                  | <b>\$4,295.90</b> | <b>4.14%</b>              |

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding

**RATE SCHEDULE 7 - INTERRUPTIBLE SALES**

| Line No. | Particular  | EXISTING OCTOBER 1, 2009 RATES |                |                      | PROPOSED JANUARY 1, 2010 RATES |                |                      | Annual Increase/Decrease |                   |                           |
|----------|---|--------------------------------|----------------|----------------------|--------------------------------|----------------|----------------------|--------------------------|-------------------|---------------------------|
|          |   | Volume                         | Rate           | Annual \$            | Volume                         | Rate           | Annual \$            | Rate                     | Annual \$         | % of Previous Annual Bill |
| 1        |   |                                |                |                      |                                |                |                      |                          |                   |                           |
| 2        | <b>LOWER MAINLAND SERVICE AREA</b>                    |                                |                |                      |                                |                |                      |                          |                   |                           |
| 3        | <u>Delivery Margin Related Charges</u>                |                                |                |                      |                                |                |                      |                          |                   |                           |
| 4        | Basic Charge  | 12 months x                    | \$880.00       | = <b>\$10,560.00</b> | 12 months x                    | \$880.00       | = <b>\$10,560.00</b> | \$0.00                   | <b>\$0.00</b>     | <b>0.00%</b>              |
| 5        |   |                                |                |                      |                                |                |                      |                          |                   |                           |
| 6        | Delivery Charge                                       | 8,100.0                        | GJ x \$0.990   | = \$8,019.0000       | 8,100.0                        | GJ x \$0.990   | = \$8,019.0000       | \$0.000                  | \$0.0000          | 0.00%                     |
| 7        | Rider 3 ESM   | 8,100.0                        | GJ x (\$0.036) | = (291.6000)         | 8,100.0                        | GJ x (\$0.036) | = (291.6000)         | \$0.000                  | 0.0000            | 0.00%                     |
| 8        | Rider 4 Delivery Rate Refund                          | 8,100.0                        | GJ x \$0.000   | = 0.0000             | 8,100.0                        | GJ x \$0.000   | = 0.0000             | \$0.000                  | 0.0000            | 0.00%                     |
| 9        | Subtotal Delivery Margin Related Charges              |                                |                | <b>\$7,727.40</b>    |                                |                | <b>\$7,727.40</b>    |                          | <b>\$0.00</b>     | <b>0.00%</b>              |
| 10       |   |                                |                |                      |                                |                |                      |                          |                   |                           |
| 11       | <u>Commodity Related Charges</u>                      |                                |                |                      |                                |                |                      |                          |                   |                           |
| 12       | Midstream Cost Recovery Charge                        | 8,100.0                        | GJ x \$0.670   | = \$5,427.0000       | 8,100.0                        | GJ x \$0.950   | = \$7,695.0000       | \$0.280                  | \$2,268.0000      | 3.55%                     |
| 13       | Commodity Cost Recovery Charge                        | 8,100.0                        | GJ x \$4.953   | = 40,119.3000        | 8,100.0                        | GJ x \$5.295   | = 42,889.5000        | \$0.342                  | <u>2,770.2000</u> | 4.34%                     |
| 14       | Subtotal Gas Sales - Fixed (Commodity Related Charge) |                                |                | <b>\$45,546.30</b>   |                                |                | <b>\$50,584.50</b>   |                          | <b>\$5,038.20</b> | <b>7.89%</b>              |
| 15       |   |                                |                |                      |                                |                |                      |                          |                   |                           |
| 16       | Non-Standard Charges ( not forecast )                 |                                |                |                      |                                |                |                      |                          |                   |                           |
| 17       | Index Pricing Option, UOR                             |                                |                |                      |                                |                |                      |                          |                   |                           |
| 18       |   |                                |                |                      |                                |                |                      |                          |                   |                           |
| 19       | Total (with effective \$/GJ rate)                     | <u>8,100.0</u>                 | <u>\$7.881</u> | <b>\$63,833.70</b>   | <u>8,100.0</u>                 | <u>\$8.503</u> | <b>\$68,871.90</b>   | <u>\$0.622</u>           | <b>\$5,038.20</b> | <b>7.89%</b>              |
| 20       |   |                                |                |                      |                                |                |                      |                          |                   |                           |
| 21       |   |                                |                |                      |                                |                |                      |                          |                   |                           |
| 22       | <b>INLAND SERVICE AREA</b>                            |                                |                |                      |                                |                |                      |                          |                   |                           |
| 23       | <u>Delivery Margin Related Charges</u>                |                                |                |                      |                                |                |                      |                          |                   |                           |
| 24       | Basic Charge  | 12 months x                    | \$880.00       | = <b>\$10,560.00</b> | 12 months x                    | \$880.00       | = <b>\$10,560.00</b> | \$0.00                   | <b>\$0.00</b>     | <b>0.00%</b>              |
| 25       |   |                                |                |                      |                                |                |                      |                          |                   |                           |
| 26       | Delivery Charge                                       | 4,000.0                        | GJ x \$0.990   | = \$3,960.0000       | 4,000.0                        | GJ x \$0.990   | = \$3,960.0000       | \$0.000                  | \$0.0000          | 0.00%                     |
| 27       | Rider 3 ESM   | 4,000.0                        | GJ x (\$0.036) | = (144.0000)         | 4,000.0                        | GJ x (\$0.036) | = (144.0000)         | \$0.000                  | 0.0000            | 0.00%                     |
| 28       | Rider 4 Delivery Rate Refund                          | 4,000.0                        | GJ x \$0.000   | = 0.0000             | 4,000.0                        | GJ x \$0.000   | = 0.0000             | \$0.000                  | 0.0000            | 0.00%                     |
| 29       | Subtotal Delivery Margin Related Charges              |                                |                | <b>\$3,816.00</b>    |                                |                | <b>\$3,816.00</b>    |                          | <b>\$0.00</b>     | <b>0.00%</b>              |
| 30       |   |                                |                |                      |                                |                |                      |                          |                   |                           |
| 31       | <u>Commodity Related Charges</u>                      |                                |                |                      |                                |                |                      |                          |                   |                           |
| 32       | Midstream Cost Recovery Charge                        | 4,000.0                        | GJ x \$0.644   | = \$2,576.0000       | 4,000.0                        | GJ x \$0.939   | = \$3,756.0000       | \$0.295                  | \$1,180.0000      | 3.21%                     |
| 33       | Commodity Cost Recovery Charge                        | 4,000.0                        | GJ x \$4.953   | = 19,812.0000        | 4,000.0                        | GJ x \$5.295   | = 21,180.0000        | \$0.342                  | <u>1,368.0000</u> | 3.72%                     |
| 34       | Subtotal Gas Sales - Fixed (Commodity Related Charge) |                                |                | <b>\$22,388.00</b>   |                                |                | <b>\$24,936.00</b>   |                          | <b>\$2,548.00</b> | <b>6.93%</b>              |
| 35       |   |                                |                |                      |                                |                |                      |                          |                   |                           |
| 36       | Non-Standard Charges ( not forecast )                 |                                |                |                      |                                |                |                      |                          |                   |                           |
| 37       | Index Pricing Option, UOR                             |                                |                |                      |                                |                |                      |                          |                   |                           |
| 38       |   |                                |                |                      |                                |                |                      |                          |                   |                           |
| 39       | Total (with effective \$/GJ rate)                     | <u>4,000.0</u>                 | <u>\$9.191</u> | <b>\$36,764.00</b>   | <u>4,000.0</u>                 | <u>\$9.828</u> | <b>\$39,312.00</b>   | <u>\$0.637</u>           | <b>\$2,548.00</b> | <b>6.93%</b>              |

Notes: Tariff rate schedule per GJ charges are set at 3 decimals. Individual tariff components are calculated and shown to 4 decimals; subtotal amounts, equivalent to the line items on customer bills, are rounded and shown to 2 decimals, consistent with actual invoice calculations. Slight differences in totals due to rounding



**DRAFT ORDER**

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

and

Filings by Terasen Gas Inc. regarding its  
2009 Fourth Quarter Gas Costs Report  
and Rate Changes effective January 1, 2010  
for the Lower Mainland, Inland, Columbia Service Areas

**BEFORE:**

[Date]

**WHEREAS:**

- A. By Order No. G-105-09 dated September 10, 2009, the British Columbia Utilities Commission (the "Commission") approved a decrease in the Commodity Cost Recovery Charge for the Lower Mainland, Inland, and Columbia Service Areas, effective October 1, 2009; and
- B. On December 3, 2009, pursuant to Commission Letter No. L-5-01, Terasen Gas filed its 2009 Fourth Quarter Report on Commodity Cost Reconciliation Account ("CCRA") and Midstream Cost Reconciliation Account ("MCRA") balances and gas commodity charges for the Lower Mainland, Inland and Columbia Service Areas effective January 1, 2010 that were based on November 18, 2009 forward gas prices (the "2009 Fourth Quarter Report"); and
- C. The 2009 Fourth Quarter Report forecasts a CCRA balance at existing rates of approximately \$46 million surplus after tax at December 31, 2009, and a balance of approximately \$22 million deficit after tax at December 31, 2010; and
- D. The 2009 Fourth Quarter Report forecasts that commodity cost recoveries at existing rates would be 93.9 percent of costs for the following 12 months; and requests an increase of \$0.342/GJ to the Commodity Cost Recovery Charge from \$4.953/GJ to \$5.295/GJ for natural gas sales rate class customers in Lower Mainland, Inland, and Columbia Service Areas effective January 1, 2010; and
- E. The 2009 Fourth Quarter Report forecasts a MCRA balance at existing rates of approximately \$24 million deficit after tax at December 31, 2009; and a balance of approximately \$50 million deficit after tax at December 31, 2010; and





- F. Terasen Gas requests approval of increases to the Midstream Cost Recovery Charges for the sales rate classes within the Lower Mainland, Inland and Columbia service areas that would eliminate the forecast \$50 million deficit balance in the MCRA at the end of 2010, as shown in the 2009 Fourth Quarter Report; and
- G. By Order G-187-08 dated December 11, 2008, the Commission approved changes to Commodity Unbundling Deferral Cost Recovery Rate Rider 8 for Residential and Commercial customers within the Lower Mainland, Inland, and Columbia Service Areas, excluding Revelstoke and Fort Nelson, effective January 1, 2009; and
- H. The 2009 Fourth Quarter Report also requests approval to reset the Residential Commodity Unbundling Deferral Cost Recovery Rate Rider 8 from \$0.073/GJ to \$0.083/GJ for all residential customers in Rate Schedules 1, 1U, and 1X within the Lower Mainland, Inland, and Columbia Service Areas, excluding Revelstoke and Fort Nelson, effective January 1, 2010; and
- I. The 2009 Fourth Quarter Report also requests approval to reset the Commercial Commodity Unbundling Deferral Cost Recovery Rate Rider 8 from a credit rider of \$0.021/GJ to a credit rider of \$0.008/GJ for all commercial customers in Rate Schedules 2, 2U, 2X, 3, 3U, and 3X within the Lower Mainland, Inland, and Columbia Service Areas, excluding Revelstoke and Fort Nelson, effective January 1, 2010; and
- J. The combined effect of the proposed rate changes will increase the unit rate for a residential customer in the Lower Mainland service area by \$1.025/GJ, and will increase the annual bill of a typical residential customer in the Lower Mainland with an average annual consumption of 95 GJ by approximately \$97 or 10.0 percent; and
- K. The Commission concludes that the requested changes as outlined in the 2009 Fourth Quarter Report should be approved.

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

1. The Commission approves the proposed flow-through increase to the Commodity Cost Recovery Charges for sales rate classes within the Lower Mainland, Inland, and Columbia Service Areas, effective January 1, 2010, to a rate of \$5.295/GJ as set out in the 2009 Fourth Quarter Report.
2. The Midstream rates are changed effective January 1, 2010 for the sales rate classes within the Lower Mainland, Inland and Columbia Service Areas to the Midstream Cost Recovery Charges shown in the 2009 Fourth Quarter Report, Tab 2, Pages 2 to 4.
3. Rate Rider 8, applicable to eligible residential customers in Rate Schedules 1, 1U, and 1X within the Lower Mainland, Inland, and Columbia Service Areas, excluding Revelstoke and Fort Nelson, is reset to \$0.083/GJ, effective January 1, 2010.
4. Rate Rider 8, applicable to eligible commercial customers in Rate Schedules 2, 2U, 2X, 3, 3U, and 3X within the Lower Mainland, Inland, and Columbia Service Areas, excluding Revelstoke and Fort Nelson, is reset to a credit rider of \$0.008/GJ, effective January 1, 2010.

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5. Terasen Gas will notify all customers that are affected by the rate changes with a bill insert or bill message to be included with the next monthly gas billing.

**DATED** at the City of Vancouver, in the Province of British Columbia, this            day of December, 2009.

BY ORDER