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December 11, 2009

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

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

**Re: Terasen Gas Inc. – Revelstoke Service Area  
Revised 2009 Fourth Quarter Gas Cost Report**

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Terasen Gas Inc. ("Terasen Gas" or the "Company") hereby submits to the British Columbia Utilities Commission (the "Commission") the Revised 2009 Fourth Quarter Gas Cost Report for the Revelstoke Service Area (the "Revised Fourth Quarter Report") which replaces the 2009 Fourth Quarter Gas Cost Report for the Revelstoke Service Area (the "Fourth Quarter Report"), dated December 3, 2009, in its entirety. A correction to the reference of the propane commodity futures pricing utilized in developing the forecast cost of gas was required. The Fourth Quarter Report incorrectly referenced the NYMEX Mt. Belvieu Propane futures as the indices used for the propane forward prices. The NYMEX Mt. Belvieu Propane futures indices, as has previously been utilized by the Company, was discontinued by NYMEX in September 2009; the propane forward prices utilized within the Fourth Quarter Report, and within the attached Revised Fourth Quarter Report, are based on the NYMEX PT – Mt. Belvieu Propane (OPIS) Swap prices. The NYMEX PT – Mt. Belvieu Propane (OPIS) Swap prices are based on NYMEX OTC (Over The Counter) Settlement Data and may be found on the NYMEX website located at [www.nymex.com/settle\\_fut\\_otc.aspx](http://www.nymex.com/settle_fut_otc.aspx). The attached schedules provide a summary of the forecast monthly Propane Cost Deferral Account balances based on the forward prices as at November 18, 2009.

Terasen Gas, consistent with previous quarterly gas cost filings, has calculated the forecast cost of propane utilizing three sets of forward prices. One forecast is based on an average of 50% NYMEX West Texas Intermediate ("WTI") Light Sweet Crude Oil futures and 50% NYMEX Mt. Belvieu Propane (OPIS) Swap prices, a second forecast is based on the NYMEX WTI Light Sweet Crude Oil futures, and a third forecast is based on the NYMEX Mt. Belvieu Propane (OPIS) Swap prices. The results based on each of these three forecasts are attached under Revised Tab 1, Revised Tab 2, and Revised Tab 3, respectively.

As shown at Revised Tab 1, Page 1, based on the November 18, 2009 forward prices, using an average of 50% NYMEX WTI Light Sweet Crude Oil futures and 50% NYMEX PT – Mt. Belvieu Propane (OPIS) Swap prices, and based on the current rates, the projected deferral account balance at December 31, 2009 is \$103,164 surplus (pre-tax), and the forecast balance at December 31, 2010 is \$651,657 deficit (pre-tax). The rate change trigger mechanism is calculated to be 76.3%.

As shown at Revised Tab 2, Page 1, based on the November 18, 2009 forward prices, using NYMEX WTI Light Sweet Crude Oil futures, and based on the current rates, the projected deferral account balance at December 31, 2009 is \$98,126 surplus (pre-tax), and the forecast balance at December 31, 2010 is \$828,203 deficit (pre-tax). The rate change trigger mechanism is calculated to be 71.7%.

As shown at Revised Tab 3, Page 1, based on the November 18, 2009 forward prices, using NYMEX PT – Mt. Belvieu Propane (OPIS) Swap prices, and based on the current rates, the projected deferral account balance at December 31, 2009 is \$108,202 surplus (pre-tax), and the forecast balance at December 31, 2010 is \$474,914 deficit (pre-tax). The rate change trigger mechanism is calculated to be 81.5%.

Based on the November 18, 2009 forward prices, using an average of 50% NYMEX WTI Light Sweet Crude Oil futures and 50% NYMEX PT – Mt. Belvieu Propane (OPIS) Swap prices, and the 12-month amortization of the projected December 31, 2009 deferral account surplus balance an increase in the reference price to \$0.3576/litre (Revised Tab 1, Page 4, Column 2, Line 10) has been calculated, which corresponds to a customer rate increase of \$3.473/GJ (Revised Tab 1, Page 4, Column 3, Line 20) and equates to a burner tip increase of approximately \$174 per year or 19.6% for a typical residential customer with an average annual consumption of 50 GJ.

While the forecast based the November 18, 2009 forward prices, using the NYMEX PT – Mt. Belvieu Propane (OPIS) Swap prices, and the 12-month amortization of the projected December 31, 2009 deferral account surplus balance calculates an increase in the reference price to \$0.3346/litre (Revised Tab 3, Page 4, Column 2, Line 10), which corresponds to a customer rate increase of \$2.532/GJ (Revised Tab 3, Page 4, Column 3, Line 20) and equates to a burner tip increase of approximately \$127 per year or 14.3% for a typical residential customer with an average annual consumption of 50 GJ.

The Company acknowledges the commodity futures markets continue to experience a large degree of price volatility and that the forecast based on the NYMEX PT – Mt. Belvieu Propane (OPIS) Swap prices may provide a more conservative outlook. Further, the Revelstoke Propane Cost Deferral Account balance is currently in a small surplus position. Terasen Gas proposes a rate increase, effective January 1, 2010, based on the NYMEX PT – Mt. Belvieu Propane (OPIS) Swap prices. Thus, Terasen Gas hereby requests Commission approval for an increase in the propane reference price (based on the NYMEX PT – Mt. Belvieu Propane (OPIS) Swap prices) for use in the Revelstoke Propane Cost Deferral Account from \$0.2728/litre to \$0.3346/litre which corresponds to a rate increase of \$2.532/GJ to be effective January 1, 2010.

For information purposes, Terasen Gas provides at Revised Tab 4, Page 1, a summary of the three sets of forward prices as at November 18, 2009. One set is based on the NYMEX WTI Light Sweet Crude Oil futures, a second set based on the NYMEX PT – Mt. Belvieu Propane (OPIS) Swap prices, and a third set based on an average of 50% NYMEX WTI Light Sweet Crude Oil futures and 50% NYMEX PT – Mt. Belvieu Propane (OPIS) Swap prices.

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

## **CONFIDENTIALITY**

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

In this regard, Terasen Gas further believes that the Core Market could be disadvantaged and may well shoulder incremental costs if utility gas supply procurement strategies as well as contracts are treated in a different manner than those of other gas purchasers, and believes that since it continues to operate within a competitive environment, there is no necessity for public disclosure and risk prejudice or influence in the negotiations or renegotiation of subsequent contracts.

In summary, Terasen Gas requests Commission approval for an increase in the propane reference price (based on the NYMEX PT – Mt. Belvieu Propane (OPIS) Swap prices) for use in the Revelstoke Propane Cost Deferral Account from \$0.2728/litre to \$0.3346/litre which corresponds to a rate increase of \$2.532/GJ, effective January 1, 2010. Terasen Gas will continue to monitor the forward prices and will report these results in the 2010 First Quarter Gas Cost Report.

We trust the Commission will find the attached to be in order. However, should any further information be required, please contact Brian Noel at 604-592-7467.

All of which is respectfully submitted.

Yours very truly,

**TERASEN GAS INC.**

***Original Signed by: Brian Noel***

**For:** Tom A. Loski

Attachments

TERASEN GAS INC.  
REVELSTOKE PROPANE DEFERRAL

Revised Tab 1  
Page 1

**FOR THE PERIOD ENDING DECEMBER 31, 2010**

WITH EXISTING PROPANE REFERENCE PRICE (COMMISSION ORDER NO. G-74-09)

**(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE (OPIS) SWAP PRICES)**

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	September 30, 2009 Balance						(\$216,766)
2	October (Projected)	648,590	\$0.3130	\$0.2728	\$0.0402	\$26,073	(\$190,693)
3	November (Forecast)	886,927	\$0.3022	\$0.2728	\$0.0294	\$26,076	(\$164,617)
4	December (Forecast)	1,195,593	\$0.3242	\$0.2728	\$0.0514	\$61,453	(\$103,164)
5	Current Quarter Total	<u>2,731,109</u>				<u>\$113,602</u>	
6							
7	<u>Forecast Volumes and Forecast Prices</u>						
8	January 2010 (Forecast)	1,183,871	\$0.3433	\$0.2728	\$0.0705	\$83,463	(\$19,701)
9	February (Forecast)	925,998	\$0.3348	\$0.2728	\$0.0620	\$57,412	\$37,711
10	March (Forecast)	894,741	\$0.3247	\$0.2728	\$0.0519	\$46,437	\$84,148
11	April (Forecast)	507,932	\$0.3708	\$0.2728	\$0.0980	\$49,777	\$133,925
12	May (Forecast)	390,717	\$0.3632	\$0.2728	\$0.0904	\$35,321	\$169,246
13	June (Forecast)	242,244	\$0.3591	\$0.2728	\$0.0863	\$20,906	\$190,152
14	July (Forecast)	242,244	\$0.3594	\$0.2728	\$0.0866	\$20,978	\$211,130
15	August (Forecast)	214,894	\$0.3660	\$0.2728	\$0.0932	\$20,028	\$231,158
16	September (Forecast)	289,130	\$0.3778	\$0.2728	\$0.1050	\$30,359	\$261,517
17	October (Forecast)	660,311	\$0.3990	\$0.2728	\$0.1262	\$83,331	\$344,848
18	November (Forecast)	906,462	\$0.4115	\$0.2728	\$0.1387	\$125,726	\$470,574
19	December (Forecast)	<u>1,226,850</u>	<u>\$0.4204</u>	<u>\$0.2728</u>	<u>\$0.1476</u>	<u>\$181,083</u>	<u>\$651,657</u>
20	Total - Jan 2010 to Dec 2010	<u>7,685,395</u>				<u>\$754,821</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]			=	\$2,096,576		
25	Dec 31, 2009 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)				\$2,748,238	=	76.3%

TERASEN GAS INC.  
REVELSTOKE PROPANE DEFERRAL

Revised Tab 1  
Page 2

**FOR THE PERIOD ENDING DECEMBER 31, 2011**

WITH EXISTING PROPANE REFERENCE PRICE (COMMISSION ORDER NO. G-74-09)

**(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE (OPIS) SWAP PRICES)**

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	December 2010 Balance (Forecast)						\$651,657
2	January 2011 (Forecast)	1,211,221	\$0.4324	\$0.2728	\$0.1596	\$193,311	\$844,968
3	February (Forecast)	945,534	\$0.4276	\$0.2728	\$0.1548	\$146,369	\$991,337
4	March (Forecast)	922,091	\$0.4190	\$0.2728	\$0.1462	\$134,810	\$1,126,147
5	April (Forecast)	519,653	\$0.3953	\$0.2728	\$0.1225	\$63,657	\$1,189,804
6	May (Forecast)	402,438	\$0.3872	\$0.2728	\$0.1144	\$46,039	\$1,235,843
7	June (Forecast)	246,151	\$0.3832	\$0.2728	\$0.1104	\$27,175	\$1,263,018
8	July (Forecast)	250,059	\$0.3828	\$0.2728	\$0.1100	\$27,506	\$1,290,524
9	August (Forecast)	218,801	\$0.3865	\$0.2728	\$0.1137	\$24,878	\$1,315,402
10	September (Forecast)	300,852	\$0.3985	\$0.2728	\$0.1257	\$37,817	\$1,353,219
11	October (Forecast)	683,754	\$0.4186	\$0.2728	\$0.1458	\$99,691	\$1,452,910
12	November (Forecast)	925,998	\$0.4315	\$0.2728	\$0.1587	\$146,956	\$1,599,866
13	December (Forecast)	1,246,386	\$0.4392	\$0.2728	\$0.1664	\$207,399	\$1,807,265
14	Total - Jan 2011 to Dec 2011	<u>7,872,939</u>				<u>\$1,155,608</u>	

TERASEN GAS INC.  
REVELSTOKE FORECAST AVERAGE COST OF PROPANE  
FOR THE PERIOD ENDING DECEMBER 31, 2010

Revised Tab 1

Page 3

(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE (OPIS) SWAP PRICES)

Line No.	Particulars	Sales Volume (Litres) (2)	Fixed Price Volume (Litres) (3)	Variable Volume (Litres) (4)	Fixed Price (\$/litre) (5)	Variable Price (\$/litre) (6)	Fixed Charges (\$) (7)	Variable Charges (\$) (8)	Total (\$) (9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	January 2010	1,183,871	550,000	633,871	\$ 0.2881	\$ 0.3912	\$ 158,460	\$ 247,943	\$ 406,403
2	February	925,998	550,000	375,998	\$ 0.2881	\$ 0.4030	\$ 158,460	\$ 151,538	\$ 309,998
3	March	894,741	550,000	344,741	\$ 0.2881	\$ 0.3831	\$ 158,460	\$ 132,065	\$ 290,525
4	April	507,932	-	507,932	\$ -	\$ 0.3708	\$ -	\$ 188,337	\$ 188,337
5	May	390,717	-	390,717	\$ -	\$ 0.3632	\$ -	\$ 141,925	\$ 141,925
6	June	242,244	-	242,244	\$ -	\$ 0.3591	\$ -	\$ 86,996	\$ 86,996
7	July	242,244	-	242,244	\$ -	\$ 0.3594	\$ -	\$ 87,068	\$ 87,068
8	August	214,894	-	214,894	\$ -	\$ 0.3660	\$ -	\$ 78,651	\$ 78,651
9	September	289,130	-	289,130	\$ -	\$ 0.3778	\$ -	\$ 109,244	\$ 109,244
10	October	660,311	-	660,311	\$ -	\$ 0.3990	\$ -	\$ 263,450	\$ 263,450
11	November	906,462	550,000	356,462	\$ 0.4177	\$ 0.4019	\$ 229,754	\$ 143,254	\$ 373,009
12	December	1,226,850	550,000	676,850	\$ 0.4177	\$ 0.4226	\$ 229,754	\$ 286,042	\$ 515,796
13	Total - Jan 2010 to Dec 2010	<u>7,685,395</u>	<u>2,750,000</u>	<u>4,935,395</u>			<u>\$ 934,888</u>	<u>\$ 1,916,514</u>	<u>\$ 2,851,402</u>
14									
15	Forecast Average Cost of Propane - (\$/Litre) <sup>(A)</sup>								<u>\$ 0.3710</u>
16									
17	Forecast Average Cost of Propane - (\$/GJ) <sup>(A)</sup>								<u>\$ 14.496</u>
18	(Conversion factor 1 Litre = 0.025594 GJ)								

Note (A) Forecast average cost of propane excludes company use, vaporizer use, and unaccounted for gas.

TERASEN GAS INC.  
REVELSTOKE PROPANE  
CALCULATION OF PROPANE COST INCREASE FLOWTHROUGH  
FOR THE PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2010

Revised Tab 1  
Page 4

(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE (OPIS) SWAP PRICES)

Line No.	Particulars	\$/Litre	\$/GJ
	(1)	(2)	(3)
1	Calculation of New Propane Reference Price		
2			
3	i. Forecast average Cost of Propane (Tab 1, Page 3, Line 15, Col.9)		
4	January 1, 2010 to December 31, 2010	\$0.3710	\$14.496
5			
6	ii. Twelve months amortization of projected Deferral Account balance	(0.0134)	(\$0.524)
7			
8			
9			
10	New Reference Price	\$0.3576	\$13.972
11			
12	Existing Propane Reference Price (BCUC Order No. G-74-09)	\$0.2728	\$10.659
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Increase in Propane Reference Price to be flowed through in customers' rates	\$0.0848	\$3.313
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.78% <sup>(1)</sup>	0.0041	\$0.160
19			
20	Total Propane Cost Flowthrough <sup>(2)</sup>	\$0.0889	\$3.473
21	(Conversion factor 1 Litre = 0.025594 GJ)		
22			
23			
24			
25			
26	Note: (1) The Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.78% is based on 2006, 2007 and 2008 data.		
27		Litres	%
28	Sales	23,433,166	
29			
30	Less: Company Use	6,821	0.03%
31	Propane Used for Vaporizer	270,947	1.16%
32	Unaccounted For	840,210	3.59%
33	Total	1,117,978	4.78%
34			
35	Note: (2)		
36	Projected Deferral Balance at December 31, 2009	(\$0.0134)	(\$0.524)
37	Total Propane Cost - Jan 1, 2010 to Dec 31, 2010	\$0.1023	\$3.997
38	Total Propane Cost Flowthrough	\$0.0889	\$3.473

TERASEN GAS INC.  
REVELSTOKE PROPANE DEFERRAL  
FOR THE PERIOD ENDING DECEMBER 31, 2010

Revised Tab 1  
Page 5

**WITH PROPOSED REFERENCE PRICE EFFECTIVE JANUARY 1, 2010**

**(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE (OPIS) SWAP PRICES)**

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	September 30, 2009 Balance						(\$216,766)
2	October (Projected)	648,590	\$0.3130	\$0.2728	\$0.0402	\$26,073	(\$190,693)
3	November (Forecast)	886,927	\$0.3022	\$0.2728	\$0.0294	\$26,076	(\$164,617)
4	December (Forecast)	1,195,593	\$0.3242	\$0.2728	\$0.0514	\$61,453	(\$103,164)
5	Current Quarter Total	<u>2,731,109</u>				<u>\$113,602</u>	
6							
7				<b>Proposed</b>			
8				Reference			
9				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	January 2010 (Forecast)	1,183,871	\$0.3433	<b>\$0.3576</b>	(\$0.0143)	(\$16,929)	(\$120,093)
12	February (Forecast)	925,998	\$0.3348	\$0.3576	(\$0.0228)	(\$21,113)	(\$141,206)
13	March (Forecast)	894,741	\$0.3247	\$0.3576	(\$0.0329)	(\$29,437)	(\$170,643)
14	April (Forecast)	507,932	\$0.3708	\$0.3576	\$0.0132	\$6,705	(\$163,938)
15	May (Forecast)	390,717	\$0.3632	\$0.3576	\$0.0056	\$2,188	(\$161,750)
16	June (Forecast)	242,244	\$0.3591	\$0.3576	\$0.0015	\$363	(\$161,387)
17	July (Forecast)	242,244	\$0.3594	\$0.3576	\$0.0018	\$436	(\$160,951)
18	August (Forecast)	214,894	\$0.3660	\$0.3576	\$0.0084	\$1,805	(\$159,146)
19	September (Forecast)	289,130	\$0.3778	\$0.3576	\$0.0202	\$5,840	(\$153,306)
20	October (Forecast)	660,311	\$0.3990	\$0.3576	\$0.0414	\$27,337	(\$125,969)
21	November (Forecast)	906,462	\$0.4115	\$0.3576	\$0.0539	\$48,858	(\$77,111)
22	December (Forecast)	1,226,850	\$0.4204	\$0.3576	\$0.0628	\$77,046	(\$65)
23	Total - Jan 2010 to Dec 2010	<u>7,685,395</u>				<u>\$103,099</u>	



TERASEN GAS INC.  
REVELSTOKE PROPANE DEFERRAL  
FOR THE PERIOD ENDING DECEMBER 31, 2011

Revised Tab 1  
Page 6

**WITH PROPOSED REFERENCE PRICE EFFECTIVE JANUARY 1, 2010**

**(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE (OPIS) SWAP PRICES)**

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Proposed Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
	December 2010 Balance (Forecast)						(\$65)
	January 2011 (Forecast)	1,211,221	\$0.4324	\$0.3576	\$0.0748	\$90,599	\$90,534
	February (Forecast)	945,534	\$0.4276	\$0.3576	\$0.0700	\$66,187	\$156,721
	March (Forecast)	922,091	\$0.4190	\$0.3576	\$0.0614	\$56,616	\$213,337
	April (Forecast)	519,653	\$0.3953	\$0.3576	\$0.0377	\$19,591	\$232,928
	May (Forecast)	402,438	\$0.3872	\$0.3576	\$0.0296	\$11,912	\$244,840
	June (Forecast)	246,151	\$0.3832	\$0.3576	\$0.0256	\$6,301	\$251,141
	July (Forecast)	250,059	\$0.3828	\$0.3576	\$0.0252	\$6,301	\$257,442
	August (Forecast)	218,801	\$0.3865	\$0.3576	\$0.0289	\$6,323	\$263,765
	September (Forecast)	300,852	\$0.3985	\$0.3576	\$0.0409	\$12,305	\$276,070
	October (Forecast)	683,754	\$0.4186	\$0.3576	\$0.0610	\$41,709	\$317,779
	November (Forecast)	925,998	\$0.4315	\$0.3576	\$0.0739	\$68,431	\$386,210
	December (Forecast)	1,246,386	\$0.4392	\$0.3576	\$0.0816	\$101,705	\$487,915
	Total - Jan 2011 to Dec 2011	<u>7,872,939</u>				<u>\$487,980</u>	

**PROPOSED JANUARY 1, 2010 PROPANE COST INCREASE**

TYPICAL ANNUAL CONSUMPTION

**(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE (OPIS) SWAP PRICES)**

Line No.	Particulars	Rate 1 - Residential				Rate 2 - Small Commercial				Rate 3 - Large Commercial			
		Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase
1	REVELSTOKE PROPANE												
2	- INLAND SERVICE AREA												
3													
4	Delivery Margin Related Charges												
5	Basic Charge		\$11.84	\$142.08			\$24.84	\$298.08			\$132.52	\$1,590.24	
6	Delivery Margin Related Charge	50.0	\$2.795	139.75		250.0	\$2.351	587.75		4,500.0	\$2.037	9,166.50	
7													
8	Cost of Gas (Commodity Related Charges)												
9	Cost of Gas Recovery Related Charges	50.0	\$12.096	<u>604.80</u>		250.0	\$11.005	<u>2,751.25</u>		4,500.0	\$11.005	<u>49,522.50</u>	
10													
11	Typical Annual Bill at current rates (excluding												
12	any applicable PST, GST, or Carbon Tax)	<u>50.0</u>		<u>886.63</u>		<u>250.0</u>		<u>3,637.08</u>		<u>4,500.0</u>		<u>60,279.24</u>	
13													
14													
15	Jan 1, 2010 Propane Cost Flowthrough												
16	Propane Price Increase		\$3.473	<u>173.65</u>	19.6%		\$3.473	<u>868.25</u>	23.9%		\$3.473	<u>15,628.50</u>	25.9%
17	Typical Annual Bill after Propane Price Change			<u>\$1,060.28</u>				<u>\$4,505.33</u>				<u>\$75,907.74</u>	

TERASEN GAS INC.  
 REVELSTOKE PROPANE DEFERRAL  
**FOR THE PERIOD ENDING DECEMBER 31, 2010**  
 WITH EXISTING PROPANE REFERENCE PRICE (COMMISSION ORDER NO. G-74-09)  
**(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)**

Revised Tab 2  
 Page 1

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	September 30, 2009 Balance						(\$216,766)
2	October (Projected)	648,590	\$0.3030	\$0.2728	\$0.0302	\$19,587	(\$197,179)
3	November (Forecast)	886,927	\$0.3036	\$0.2728	\$0.0308	\$27,317	(\$169,862)
4	December (Forecast)	1,195,593	\$0.3328	\$0.2728	\$0.0600	\$71,736	(\$98,126)
5	Current Quarter Total	<u>2,731,109</u>				<u>\$118,640</u>	
6							
7	<u>Forecast Volumes and Forecast Prices</u>						
8	January 2010 (Forecast)	1,183,871	\$0.3548	\$0.2728	\$0.0820	\$97,077	(\$1,049)
9	February (Forecast)	925,998	\$0.3476	\$0.2728	\$0.0748	\$69,265	\$68,216
10	March (Forecast)	894,741	\$0.3323	\$0.2728	\$0.0595	\$53,237	\$121,453
11	April (Forecast)	507,932	\$0.3972	\$0.2728	\$0.1244	\$63,187	\$184,640
12	May (Forecast)	390,717	\$0.3916	\$0.2728	\$0.1188	\$46,417	\$231,057
13	June (Forecast)	242,244	\$0.3856	\$0.2728	\$0.1128	\$27,325	\$258,382
14	July (Forecast)	242,244	\$0.3818	\$0.2728	\$0.1090	\$26,405	\$284,787
15	August (Forecast)	214,894	\$0.3890	\$0.2728	\$0.1162	\$24,971	\$309,758
16	September (Forecast)	289,130	\$0.4103	\$0.2728	\$0.1375	\$39,755	\$349,513
17	October (Forecast)	660,311	\$0.4459	\$0.2728	\$0.1731	\$114,300	\$463,813
18	November (Forecast)	906,462	\$0.4309	\$0.2728	\$0.1581	\$143,312	\$607,125
19	December (Forecast)	<u>1,226,850</u>	<u>\$0.4530</u>	<u>\$0.2728</u>	<u>\$0.1802</u>	<u>\$221,078</u>	<u>\$828,203</u>
20	Total - Jan 2010 to Dec 2010	<u>7,685,395</u>				<u>\$926,329</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]			=	\$2,096,576		
25	Dec 31, 2009 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)				\$2,924,957	=	71.7%

TERASEN GAS INC.  
REVELSTOKE PROPANE DEFERRAL  
**FOR THE PERIOD ENDING DECEMBER 31, 2011**  
WITH EXISTING PROPANE REFERENCE PRICE (COMMISSION ORDER NO. G-74-09)  
**(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)**

Revised Tab 2  
Page 2

Line No.	Particulars (1)	Volumes In Litre (2)	Average Price Per Litre (3)	Approved Reference Price (4)	Amount Deferred Per Litre (5)=(3)-(4)	Amount Deferred (6)=(2)*(5)	Pre-Tax Deferral Balance (7)
1	December 2010 Balance (Forecast)						\$828,203
2	January 2011 (Forecast)	1,211,221	\$0.4618	\$0.2728	\$0.1890	\$228,921	\$1,057,124
3	February (Forecast)	945,534	\$0.4471	\$0.2728	\$0.1743	\$164,807	\$1,221,931
4	March (Forecast)	922,091	\$0.4307	\$0.2728	\$0.1579	\$145,598	\$1,367,529
5	April (Forecast)	519,653	\$0.4277	\$0.2728	\$0.1549	\$80,494	\$1,448,023
6	May (Forecast)	402,438	\$0.4201	\$0.2728	\$0.1473	\$59,279	\$1,507,302
7	June (Forecast)	246,151	\$0.4123	\$0.2728	\$0.1395	\$34,338	\$1,541,640
8	July (Forecast)	250,059	\$0.4072	\$0.2728	\$0.1344	\$33,608	\$1,575,248
9	August (Forecast)	218,801	\$0.4137	\$0.2728	\$0.1409	\$30,829	\$1,606,077
10	September (Forecast)	300,852	\$0.4369	\$0.2728	\$0.1641	\$49,370	\$1,655,447
11	October (Forecast)	683,754	\$0.4724	\$0.2728	\$0.1996	\$136,477	\$1,791,924
12	November (Forecast)	925,998	\$0.4546	\$0.2728	\$0.1818	\$168,346	\$1,960,270
13	December (Forecast)	1,246,386	\$0.4768	\$0.2728	\$0.2040	\$254,263	\$2,214,533
14	Total - Jan 2011 to Dec 2011	<u>7,872,939</u>				<u>\$1,386,330</u>	

TERASEN GAS INC.  
REVELSTOKE FORECAST AVERAGE COST OF PROPANE  
**FOR THE PERIOD ENDING DECEMBER 31, 2010**  
**(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)**

Revised Tab 2  
Page 3

Line No.	Particulars	Sales Volume (Litres)	Fixed Price Volume (Litres)	Variable Volume (Litres)	Fixed Price (\$/litre)	Variable Price (\$/litre)	Fixed Charges (\$)	Variable Charges (\$)	Total (\$)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	January 2010	1,183,871	550,000	633,871	\$ 0.2881	\$ 0.4127	\$ 158,460	\$ 261,624	\$ 420,084
2	February	925,998	550,000	375,998	\$ 0.2881	\$ 0.4347	\$ 158,460	\$ 163,457	\$ 321,917
3	March	894,741	550,000	344,741	\$ 0.2881	\$ 0.4028	\$ 158,460	\$ 138,875	\$ 297,335
4	April	507,932	-	507,932	\$ -	\$ 0.3972	\$ -	\$ 201,772	\$ 201,772
5	May	390,717	-	390,717	\$ -	\$ 0.3916	\$ -	\$ 153,001	\$ 153,001
6	June	242,244	-	242,244	\$ -	\$ 0.3856	\$ -	\$ 93,400	\$ 93,400
7	July	242,244	-	242,244	\$ -	\$ 0.3818	\$ -	\$ 92,490	\$ 92,490
8	August	214,894	-	214,894	\$ -	\$ 0.3890	\$ -	\$ 83,598	\$ 83,598
9	September	289,130	-	289,130	\$ -	\$ 0.4103	\$ -	\$ 118,636	\$ 118,636
10	October	660,311	-	660,311	\$ -	\$ 0.4459	\$ -	\$ 294,425	\$ 294,425
11	November	906,462	550,000	356,462	\$ 0.4177	\$ 0.4513	\$ 229,754	\$ 160,866	\$ 390,620
12	December	1,226,850	550,000	676,850	\$ 0.4177	\$ 0.4817	\$ 229,754	\$ 326,050	\$ 555,804
13	Total - Jan 2010 to Dec 2010	<b>7,685,395</b>	<b>2,750,000</b>	<b>4,935,395</b>			<b>\$ 934,888</b>	<b>\$ 2,088,194</b>	<b>\$ 3,023,083</b>
14									
15	<b>Forecast Average Cost of Propane - (\$/Litre) <sup>(A)</sup></b>								<b>\$ 0.3934</b>
16									
17	<b>Forecast Average Cost of Propane - (\$/GJ) <sup>(A)</sup></b>								<b>\$ 15.371</b>
18	(Conversion factor 1 Litre = 0.025594 GJ)								

Note (A) Forecast average cost of propane excludes company use, vaporizer use, and unaccounted for gas.

TERASEN GAS INC.  
REVELSTOKE PROPANE  
CALCULATION OF PROPANE COST INCREASE FLOWTHROUGH  
FOR THE PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2010

Revised Tab 2  
Page 4

(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

Line No.	Particulars	\$/Litre	\$/GJ
	(1)	(2)	(3)
1	Calculation of New Propane Reference Price		
2			
3	i. Forecast average Cost of Propane (Tab 1, Page 3, Line 15, Col.9)		
4	January 1, 2010 to December 31, 2010	\$0.3934	\$15.371
5			
6	ii. Twelve months amortization of projected Deferral Account balance	(0.0128)	(\$0.500)
7			
8			
9			
10	New Reference Price	\$0.3806	\$14.871
11			
12	Existing Propane Reference Price (BCUC Order No. G-74-09)	\$0.2728	\$10.659
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Increase in Propane Reference Price to be flowed through in customers' rates	\$0.1078	\$4.212
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.78% <sup>(1)</sup>	0.0052	\$0.203
19			
20	Total Propane Cost Flowthrough <sup>(2)</sup>	\$0.1130	\$4.415
21	(Conversion factor 1 Litre = 0.025594 GJ)		
22			
23			
24			
25			
26	Note: (1) The Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.78% is based on 2006, 2007 and 2008 data.		
27		Litres	%
28	Sales	23,433,166	
29			
30	Less: Company Use	6,821	0.03%
31	Propane Used for Vaporizer	270,947	1.16%
32	Unaccounted For	840,210	3.59%
33	Total	1,117,978	4.78%
34			
35	Note: (2)		
36	Projected Deferral Balance at December 31, 2009	(\$0.0128)	(\$0.500)
37	Total Propane Cost - Jan 1, 2010 to Dec 31, 2010	\$0.1258	\$4.915
38	Total Propane Cost Flowthrough	\$0.1130	\$4.415

TERASEN GAS INC.  
REVELSTOKE PROPANE DEFERRAL  
FOR THE PERIOD ENDING DECEMBER 31, 2010  
**WITH PROPOSED REFERENCE PRICE EFFECTIVE JANUARY 1, 2010**  
**(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)**

Revised Tab 2  
Page 5

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	September 30, 2009 Balance						(\$216,766)
2	October (Projected)	648,590	\$0.3030	\$0.2728	\$0.0302	\$19,587	(\$197,179)
3	November (Forecast)	886,927	\$0.3036	\$0.2728	\$0.0308	\$27,317	(\$169,862)
4	December (Forecast)	1,195,593	\$0.3328	\$0.2728	\$0.0600	\$71,736	(\$98,126)
5	Current Quarter Total	<u>2,731,109</u>				<u>\$118,640</u>	
6							
7				<b>Proposed</b>			
8				Reference			
9				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	January 2010 (Forecast)	1,183,871	\$0.3548	<b>\$0.3806</b>	(\$0.0258)	(\$30,544)	(\$128,670)
12	February (Forecast)	925,998	\$0.3476	\$0.3806	(\$0.0330)	(\$30,558)	(\$159,228)
13	March (Forecast)	894,741	\$0.3323	\$0.3806	(\$0.0483)	(\$43,216)	(\$202,444)
14	April (Forecast)	507,932	\$0.3972	\$0.3806	\$0.0166	\$8,432	(\$194,012)
15	May (Forecast)	390,717	\$0.3916	\$0.3806	\$0.0110	\$4,298	(\$189,714)
16	June (Forecast)	242,244	\$0.3856	\$0.3806	\$0.0050	\$1,211	(\$188,503)
17	July (Forecast)	242,244	\$0.3818	\$0.3806	\$0.0012	\$291	(\$188,212)
18	August (Forecast)	214,894	\$0.3890	\$0.3806	\$0.0084	\$1,805	(\$186,407)
19	September (Forecast)	289,130	\$0.4103	\$0.3806	\$0.0297	\$8,587	(\$177,820)
20	October (Forecast)	660,311	\$0.4459	\$0.3806	\$0.0653	\$43,118	(\$134,702)
21	November (Forecast)	906,462	\$0.4309	\$0.3806	\$0.0503	\$45,595	(\$89,107)
22	December (Forecast)	1,226,850	\$0.4530	\$0.3806	\$0.0724	\$88,824	(\$283)
23	Total - Jan 2010 to Dec 2010	<u>7,685,395</u>				<u>\$97,843</u>	

TERASEN GAS INC.  
 REVELSTOKE PROPANE DEFERRAL  
 FOR THE PERIOD ENDING DECEMBER 31, 2011  
**WITH PROPOSED REFERENCE PRICE EFFECTIVE JANUARY 1, 2010**  
**(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)**

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Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Proposed Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
	December 2010 Balance (Forecast)						(\$283)
	January 2011 (Forecast)	1,211,221	\$0.4618	\$0.3806	\$0.0812	\$98,351	\$98,068
	February (Forecast)	945,534	\$0.4471	\$0.3806	\$0.0665	\$62,878	\$160,946
	March (Forecast)	922,091	\$0.4307	\$0.3806	\$0.0501	\$46,197	\$207,143
	April (Forecast)	519,653	\$0.4277	\$0.3806	\$0.0471	\$24,476	\$231,619
	May (Forecast)	402,438	\$0.4201	\$0.3806	\$0.0395	\$15,896	\$247,515
	June (Forecast)	246,151	\$0.4123	\$0.3806	\$0.0317	\$7,803	\$255,318
	July (Forecast)	250,059	\$0.4072	\$0.3806	\$0.0266	\$6,652	\$261,970
	August (Forecast)	218,801	\$0.4137	\$0.3806	\$0.0331	\$7,242	\$269,212
	September (Forecast)	300,852	\$0.4369	\$0.3806	\$0.0563	\$16,938	\$286,150
	October (Forecast)	683,754	\$0.4724	\$0.3806	\$0.0918	\$62,769	\$348,919
	November (Forecast)	925,998	\$0.4546	\$0.3806	\$0.0740	\$68,524	\$417,443
	December (Forecast)	1,246,386	\$0.4768	\$0.3806	\$0.0962	\$119,902	\$537,345
	Total - Jan 2011 to Dec 2011	<u>7,872,939</u>				<u>\$537,628</u>	



TERASEN GAS INC.  
**PROPOSED JANUARY 1, 2010 PROPANE COST INCREASE**  
TYPICAL ANNUAL CONSUMPTION

Revised Tab 2  
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**(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)**

Line No.	Particulars	Rate 1 - Residential				Rate 2 - Small Commercial				Rate 3 - Large Commercial			
		Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase
1	REVELSTOKE PROPANE												
2	- INLAND SERVICE AREA												
3													
4	Delivery Margin Related Charges												
5	Basic Charge		\$11.84	\$142.08			\$24.84	\$298.08			\$132.52	\$1,590.24	
6	Delivery Margin Related Charge	50.0	\$2.795	139.75		250.0	\$2.351	587.75		4,500.0	\$2.037	9,166.50	
7													
8	Cost of Gas (Commodity Related Charges)												
9	Cost of Gas Recovery Related Charges	50.0	\$12.096	<u>604.80</u>		250.0	\$11.005	<u>2,751.25</u>		4,500.0	\$11.005	<u>49,522.50</u>	
10													
11	Typical Annual Bill at current rates (excluding												
12	any applicable PST, GST, or Carbon Tax)	<u>50.0</u>		<u>886.63</u>		<u>250.0</u>		<u>3,637.08</u>		<u>4,500.0</u>		<u>60,279.24</u>	
13													
14													
15	Jan 1, 2010 Propane Cost Flowthrough												
16	Propane Price Increase		\$4.415	<u>220.75</u>	24.9%		\$4.415	<u>1,103.75</u>	30.4%		\$4.415	<u>19,867.50</u>	33.0%
17	Typical Annual Bill after Propane Price Change			<u>\$1,107.38</u>				<u>\$4,740.83</u>				<u>\$80,146.74</u>	

TERASEN GAS INC.  
REVELSTOKE PROPANE DEFERRAL  
**FOR THE PERIOD ENDING DECEMBER 31, 2010**  
WITH EXISTING PROPANE REFERENCE PRICE (COMMISSION ORDER NO. G-74-09)  
**(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE (OPIS) SWAP PRICES)**

Revised Tab 3  
Page 1

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	September 30, 2009 Balance						(\$216,766)
2	October (Projected)	648,590	\$0.3230	\$0.2728	\$0.0502	\$32,559	(\$184,207)
3	November (Forecast)	886,927	\$0.3008	\$0.2728	\$0.0280	\$24,834	(\$159,373)
4	December (Forecast)	1,195,593	\$0.3156	\$0.2728	\$0.0428	\$51,171	(\$108,202)
5	Current Quarter Total	<u>2,731,109</u>				<u>\$108,564</u>	
6							
7	<u>Forecast Volumes and Forecast Prices</u>						
8	January 2010 (Forecast)	1,183,871	\$0.3317	\$0.2728	\$0.0589	\$69,730	(\$38,472)
9	February (Forecast)	925,998	\$0.3219	\$0.2728	\$0.0491	\$45,467	\$6,995
10	March (Forecast)	894,741	\$0.3171	\$0.2728	\$0.0443	\$39,637	\$46,632
11	April (Forecast)	507,932	\$0.3443	\$0.2728	\$0.0715	\$36,317	\$82,949
12	May (Forecast)	390,717	\$0.3349	\$0.2728	\$0.0621	\$24,263	\$107,212
13	June (Forecast)	242,244	\$0.3327	\$0.2728	\$0.0599	\$14,510	\$121,722
14	July (Forecast)	242,244	\$0.3370	\$0.2728	\$0.0642	\$15,552	\$137,274
15	August (Forecast)	214,894	\$0.3430	\$0.2728	\$0.0702	\$15,086	\$152,360
16	September (Forecast)	289,130	\$0.3453	\$0.2728	\$0.0725	\$20,962	\$173,322
17	October (Forecast)	660,311	\$0.3521	\$0.2728	\$0.0793	\$52,363	\$225,685
18	November (Forecast)	906,462	\$0.3921	\$0.2728	\$0.1193	\$108,141	\$333,826
19	December (Forecast)	<u>1,226,850</u>	<u>\$0.3878</u>	<u>\$0.2728</u>	<u>\$0.1150</u>	<u>\$141,088</u>	<u>\$474,914</u>
20	Total - Jan 2010 to Dec 2010	<u>7,685,395</u>				<u>\$583,116</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]			=	\$2,096,576		
25	Dec 31, 2009 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)				\$2,571,519	=	81.5%

TERASEN GAS INC.  
REVELSTOKE PROPANE DEFERRAL  
**FOR THE PERIOD ENDING DECEMBER 31, 2011**  
WITH EXISTING PROPANE REFERENCE PRICE (COMMISSION ORDER NO. G-74-09)  
**(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE (OPIS) SWAP PRICES)**

Revised Tab 3  
Page 2

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	December 2010 Balance (Forecast)						\$474,914
2	January 2011 (Forecast)	1,211,221	\$0.4030	\$0.2728	\$0.1302	\$157,701	\$632,615
3	February (Forecast)	945,534	\$0.4081	\$0.2728	\$0.1353	\$127,931	\$760,546
4	March (Forecast)	922,091	\$0.4074	\$0.2728	\$0.1346	\$124,113	\$884,659
5	April (Forecast)	519,653	\$0.3628	\$0.2728	\$0.0900	\$46,769	\$931,428
6	May (Forecast)	402,438	\$0.3542	\$0.2728	\$0.0814	\$32,758	\$964,186
7	June (Forecast)	246,151	\$0.3542	\$0.2728	\$0.0814	\$20,037	\$984,223
8	July (Forecast)	250,059	\$0.3584	\$0.2728	\$0.0856	\$21,405	\$1,005,628
9	August (Forecast)	218,801	\$0.3592	\$0.2728	\$0.0864	\$18,904	\$1,024,532
10	September (Forecast)	300,852	\$0.3602	\$0.2728	\$0.0874	\$26,294	\$1,050,826
11	October (Forecast)	683,754	\$0.3647	\$0.2728	\$0.0919	\$62,837	\$1,113,663
12	November (Forecast)	925,998	\$0.4085	\$0.2728	\$0.1357	\$125,658	\$1,239,321
13	December (Forecast)	1,246,386	\$0.4017	\$0.2728	\$0.1289	\$160,659	\$1,399,980
14	Total - Jan 2011 to Dec 2011	<u>7,872,939</u>				<u>\$925,066</u>	

TERASEN GAS INC.  
REVELSTOKE FORECAST AVERAGE COST OF PROPANE  
**FOR THE PERIOD ENDING DECEMBER 31, 2010**  
**(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE (OPIS) SWAP PRICES)**

Revised Tab 3  
Page 3

Line No.	Particulars	Sales Volume (Litres)	Fixed Price Volume (Litres)	Variable Volume (Litres)	Fixed Price (\$/litre)	Variable Price (\$/litre)	Fixed Charges (\$)	Variable Charges (\$)	Total (\$)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	January 2010	1,183,871	550,000	633,871	\$ 0.2881	\$ 0.3696	\$ 158,460	\$ 234,262	\$ 392,722
2	February	925,998	550,000	375,998	\$ 0.2881	\$ 0.3713	\$ 158,460	\$ 139,619	\$ 298,079
3	March	894,741	550,000	344,741	\$ 0.2881	\$ 0.3633	\$ 158,460	\$ 125,254	\$ 283,714
4	April	507,932	-	507,932	\$ -	\$ 0.3443	\$ -	\$ 174,903	\$ 174,903
5	May	390,717	-	390,717	\$ -	\$ 0.3349	\$ -	\$ 130,849	\$ 130,849
6	June	242,244	-	242,244	\$ -	\$ 0.3327	\$ -	\$ 80,593	\$ 80,593
7	July	242,244	-	242,244	\$ -	\$ 0.3370	\$ -	\$ 81,646	\$ 81,646
8	August	214,894	-	214,894	\$ -	\$ 0.3430	\$ -	\$ 73,704	\$ 73,704
9	September	289,130	-	289,130	\$ -	\$ 0.3453	\$ -	\$ 99,851	\$ 99,851
10	October	660,311	-	660,311	\$ -	\$ 0.3521	\$ -	\$ 232,475	\$ 232,475
11	November	906,462	550,000	356,462	\$ 0.4177	\$ 0.3525	\$ 229,754	\$ 125,643	\$ 355,397
12	December	1,226,850	550,000	676,850	\$ 0.4177	\$ 0.3635	\$ 229,754	\$ 246,034	\$ 475,789
13	Total - Jan 2010 to Dec 2010	<b>7,685,395</b>	<b>2,750,000</b>	<b>4,935,395</b>			<b>\$ 934,888</b>	<b>\$ 1,744,833</b>	<b>\$ 2,679,721</b>
14									
15	<b>Forecast Average Cost of Propane - (\$/Litre) <sup>(A)</sup></b>								<b>\$ 0.3487</b>
16									
17	<b>Forecast Average Cost of Propane - (\$/GJ) <sup>(A)</sup></b>								<b>\$ 13.624</b>
18	(Conversion factor 1 Litre = 0.025594 GJ)								

Note (A) Forecast average cost of propane excludes company use, vaporizer use, and unaccounted for gas.

TERASEN GAS INC.  
REVELSTOKE PROPANE  
CALCULATION OF PROPANE COST INCREASE FLOWTHROUGH  
FOR THE PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2010

Revised Tab 3  
Page 4

(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE (OPIS) SWAP PRICES)

Line No.	Particulars	\$/Litre	\$/GJ
	(1)	(2)	(3)
1	Calculation of New Propane Reference Price		
2			
3	i. Forecast average Cost of Propane (Tab 1, Page 3, Line 15, Col.9)		
4	January 1, 2010 to December 31, 2010	\$0.3487	\$13.624
5			
6	ii. Twelve months amortization of projected Deferral Account balance	(0.0141)	(\$0.551)
7			
8			
9			
10	New Reference Price	\$0.3346	\$13.073
11			
12	Existing Propane Reference Price (BCUC Order No. G-74-09)	\$0.2728	\$10.659
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Increase in Propane Reference Price to be flowed through in customers' rates	\$0.0618	\$2.415
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.78% <sup>(1)</sup>	0.0030	\$0.117
19			
20	Total Propane Cost Flowthrough <sup>(2)</sup>	\$0.0648	\$2.532
21	(Conversion factor 1 Litre = 0.025594 GJ)		
22			
23			
24			
25			
26	Note: (1) The Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.78% is based on 2006, 2007 and 2008 data.		
27		Litres	%
28	Sales	23,433,166	
29			
30	Less: Company Use	6,821	0.03%
31	Propane Used for Vaporizer	270,947	1.16%
32	Unaccounted For	840,210	3.59%
33	Total	1,117,978	4.78%
34			
35	Note: (2)		
36	Projected Deferral Balance at December 31, 2009	(\$0.0141)	(\$0.551)
37	Total Propane Cost - Jan 1, 2010 to Dec 31, 2010	\$0.0789	\$3.083
38	Total Propane Cost Flowthrough	\$0.0648	\$2.532

TERASEN GAS INC.  
 REVELSTOKE PROPANE DEFERRAL  
 FOR THE PERIOD ENDING DECEMBER 31, 2010  
**WITH PROPOSED REFERENCE PRICE EFFECTIVE JANUARY 1, 2010**  
**(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE (OPIS) SWAP PRICES)**

Revised Tab 3  
 Page 5

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Approved Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
1	September 30, 2009 Balance						(\$216,766)
2	October (Projected)	648,590	\$0.3230	\$0.2728	\$0.0502	\$32,559	(\$184,207)
3	November (Forecast)	886,927	\$0.3008	\$0.2728	\$0.0280	\$24,834	(\$159,373)
4	December (Forecast)	1,195,593	\$0.3156	\$0.2728	\$0.0428	\$51,171	(\$108,202)
5	Current Quarter Total	<u>2,731,109</u>				<u>\$108,564</u>	
6							
7				<b>Proposed</b>			
8				Reference			
9				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	January 2010 (Forecast)	1,183,871	\$0.3317	<b>\$0.3346</b>	(\$0.0029)	(\$3,433)	(\$111,635)
12	February (Forecast)	925,998	\$0.3219	\$0.3346	(\$0.0127)	(\$11,760)	(\$123,395)
13	March (Forecast)	894,741	\$0.3171	\$0.3346	(\$0.0175)	(\$15,658)	(\$139,053)
14	April (Forecast)	507,932	\$0.3443	\$0.3346	\$0.0097	\$4,927	(\$134,126)
15	May (Forecast)	390,717	\$0.3349	\$0.3346	\$0.0003	\$117	(\$134,009)
16	June (Forecast)	242,244	\$0.3327	\$0.3346	(\$0.0019)	(\$460)	(\$134,469)
17	July (Forecast)	242,244	\$0.3370	\$0.3346	\$0.0024	\$581	(\$133,888)
18	August (Forecast)	214,894	\$0.3430	\$0.3346	\$0.0084	\$1,805	(\$132,083)
19	September (Forecast)	289,130	\$0.3453	\$0.3346	\$0.0107	\$3,094	(\$128,989)
20	October (Forecast)	660,311	\$0.3521	\$0.3346	\$0.0175	\$11,555	(\$117,434)
21	November (Forecast)	906,462	\$0.3921	\$0.3346	\$0.0575	\$52,122	(\$65,312)
22	December (Forecast)	1,226,850	\$0.3878	\$0.3346	\$0.0532	\$65,268	(\$44)
23	Total - Jan 2010 to Dec 2010	<u>7,685,395</u>				<u>\$108,158</u>	

TERASEN GAS INC.  
 REVELSTOKE PROPANE DEFERRAL  
 FOR THE PERIOD ENDING DECEMBER 31, 2011  
**WITH PROPOSED REFERENCE PRICE EFFECTIVE JANUARY 1, 2010**  
**(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE (OPIS) SWAP PRICES)**

Revised Tab 3  
 Page 6

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Proposed Reference Price	Amount Deferred Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
	December 2010 Balance (Forecast)						(\$44)
	January 2011 (Forecast)	1,211,221	\$0.4030	\$0.3346	\$0.0684	\$82,848	\$82,804
	February (Forecast)	945,534	\$0.4081	\$0.3346	\$0.0735	\$69,497	\$152,301
	March (Forecast)	922,091	\$0.4074	\$0.3346	\$0.0728	\$67,128	\$219,429
	April (Forecast)	519,653	\$0.3628	\$0.3346	\$0.0282	\$14,654	\$234,083
	May (Forecast)	402,438	\$0.3542	\$0.3346	\$0.0196	\$7,888	\$241,971
	June (Forecast)	246,151	\$0.3542	\$0.3346	\$0.0196	\$4,825	\$246,796
	July (Forecast)	250,059	\$0.3584	\$0.3346	\$0.0238	\$5,951	\$252,747
	August (Forecast)	218,801	\$0.3592	\$0.3346	\$0.0246	\$5,383	\$258,130
	September (Forecast)	300,852	\$0.3602	\$0.3346	\$0.0256	\$7,702	\$265,832
	October (Forecast)	683,754	\$0.3647	\$0.3346	\$0.0301	\$20,581	\$286,413
	November (Forecast)	925,998	\$0.4085	\$0.3346	\$0.0739	\$68,431	\$354,844
	December (Forecast)	1,246,386	\$0.4017	\$0.3346	\$0.0671	\$83,632	\$438,476
	Total - Jan 2011 to Dec 2011	<u>7,872,939</u>				<u>\$438,520</u>	

TERASEN GAS INC.  
**PROPOSED JANUARY 1, 2010 PROPANE COST INCREASE**  
TYPICAL ANNUAL CONSUMPTION

Revised Tab 3  
Page 7

**(NOV 18, 2009 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE (OPIS) SWAP PRICES)**

Line No.	Particulars	Rate 1 - Residential				Rate 2 - Small Commercial				Rate 3 - Large Commercial			
		Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Increase
1	REVELSTOKE PROPANE												
2	- INLAND SERVICE AREA												
3													
4	Delivery Margin Related Charges												
5	Basic Charge		\$11.84	\$142.08			\$24.84	\$298.08			\$132.52	\$1,590.24	
6	Delivery Margin Related Charge	50.0	\$2.795	139.75		250.0	\$2.351	587.75		4,500.0	\$2.037	9,166.50	
7													
8	Cost of Gas (Commodity Related Charges)												
9	Cost of Gas Recovery Related Charges	50.0	\$12.096	<u>604.80</u>		250.0	\$11.005	<u>2,751.25</u>		4,500.0	\$11.005	<u>49,522.50</u>	
10													
11	Typical Annual Bill at current rates (excluding												
12	any applicable PST, GST, or Carbon Tax)	<u>50.0</u>		<u>886.63</u>		<u>250.0</u>		<u>3,637.08</u>		<u>4,500.0</u>		<u>60,279.24</u>	
13													
14													
15	Jan 1, 2010 Propane Cost Flowthrough												
16	Propane Price Increase		\$2.532	<u>126.60</u>	14.3%		\$2.532	<u>633.00</u>	17.4%		\$2.532	<u>11,394.00</u>	18.9%
17	Typical Annual Bill after Propane Price Change			<u>\$1,013.23</u>				<u>\$4,270.08</u>				<u>\$71,673.24</u>	



**TERASEN GAS INC. - REVELSTOKE SERVICE AREA**
**PROPANE FLOATING PRICES**

 Forward Prices: November 18, 2009

Revised Tab 4

Page 1

CRUDE OIL FUTURES		
Month	Crude Oil Future Prices (US \$ per Barrel)	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Jan-10	\$80.10	\$0.3548
Feb-10	\$80.82	\$0.3476
Mar-10	\$81.57	\$0.3323
Apr-10	\$82.27	\$0.3972
May-10	\$82.91	\$0.3916
Jun-10	\$83.46	\$0.3856
Jul-10	\$83.90	\$0.3818
Aug-10	\$84.30	\$0.3890
Sep-10	\$84.70	\$0.4103
Oct-10	\$85.12	\$0.4459
Nov-10	\$85.58	\$0.4309
Dec-10	\$86.04	\$0.4530
Jan-11	\$86.33	\$0.4618
Feb-11	\$86.59	\$0.4471
Mar-11	\$86.83	\$0.4307
Apr-11	\$87.05	\$0.4277
May-11	\$87.24	\$0.4201
Jun-11	\$87.42	\$0.4123
Jul-11	\$87.59	\$0.4072
Aug-11	\$87.77	\$0.4137
Sep-11	\$87.96	\$0.4369
Oct-11	\$88.14	\$0.4724
Nov-11	\$88.33	\$0.4546
Dec-11	\$88.52	\$0.4768

PROPANE (OPIS) SWAP PRICES		
Month	Propane (OPIS) Swap Prices (US \$ per Gallon)	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Jan-10	\$1.07	\$0.3317
Feb-10	\$1.07	\$0.3219
Mar-10	\$1.05	\$0.3171
Apr-10	\$1.03	\$0.3443
May-10	\$1.03	\$0.3349
Jun-10	\$1.03	\$0.3327
Jul-10	\$1.04	\$0.3370
Aug-10	\$1.04	\$0.3430
Sep-10	\$1.05	\$0.3453
Oct-10	\$1.06	\$0.3521
Nov-10	\$1.07	\$0.3921
Dec-10	\$1.07	\$0.3878
Jan-11	\$1.06	\$0.4030
Feb-11	\$1.06	\$0.4081
Mar-11	\$1.06	\$0.4074
Apr-11	\$1.06	\$0.3628
May-11	\$1.06	\$0.3542
Jun-11	\$1.06	\$0.3542
Jul-11	\$1.06	\$0.3584
Aug-11	\$1.06	\$0.3592
Sep-11	\$1.06	\$0.3602
Oct-11	\$1.06	\$0.3647
Nov-11	\$1.06	\$0.4085
Dec-11	\$1.06	\$0.4017

50% CRUDE OIL FUTURES & 50% PROPANE (OPIS) SWAP PRICES	
Month	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Jan-10	\$0.3433
Feb-10	\$0.3348
Mar-10	\$0.3247
Apr-10	\$0.3708
May-10	\$0.3632
Jun-10	\$0.3591
Jul-10	\$0.3594
Aug-10	\$0.3660
Sep-10	\$0.3778
Oct-10	\$0.3990
Nov-10	\$0.4115
Dec-10	\$0.4204
Jan-11	\$0.4324
Feb-11	\$0.4276
Mar-11	\$0.4190
Apr-11	\$0.3953
May-11	\$0.3872
Jun-11	\$0.3832
Jul-11	\$0.3828
Aug-11	\$0.3865
Sep-11	\$0.3985
Oct-11	\$0.4186
Nov-11	\$0.4315
Dec-11	\$0.4392

Notes: US-Cdn exchange rates source - Barclays Bank dated November 18, 2009.



**DRAFT ORDER**

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

**and**

**An Application by Terasen Gas Inc.**  
**Regarding 2009 Fourth Quarter Gas Cost Report and**  
**Propane Commodity Charges effective January 1, 2010**  
**for the Revelstoke Service Area**

**BEFORE:**

[December \_\_, 2009]

**WHEREAS:**

- A. By Order No. G-74-09 the British Columbia Utilities Commission (the "Commission") increased the propane commodity rates for the Terasen Gas Inc. ("Terasen Gas") Revelstoke service area ("Revelstoke") effective July 1, 2009; and
- B. On December 3, 2009 Terasen Gas filed its 2009 Fourth Quarter Gas Cost Report for Revelstoke (the "2009 Fourth Quarter Report"); and
- C. On December 11, 2009 Terasen Gas filed its Revised 2009 Fourth Quarter Gas Cost Report for Revelstoke (the "Revised 2009 Fourth Quarter Report") to make correction to the source reference of the propane commodity forward pricing utilized in the 2009 Fourth Quarter Report, and also utilized in the Revised 2009 Fourth Quarter Report. The Fourth Quarter Report incorrectly referenced the NYMEX Mt. Belvieu propane futures, which was discontinued by NYMEX in September 2009. The correct source reference is the NYMEX PT – Mt. Belvieu propane (OPIS) swap prices; and
- D. Terasen Gas provided three sets of forward prices for the forecast cost of propane. One forecast based 50 percent on the NYMEX West Texas Intermediate ("WTI") light sweet crude oil futures and 50 percent on the NYMEX PT – Mt. Belvieu propane (OPIS) swap prices, the second based 100 percent on the NYMEX WTI light sweet crude oil futures, and the third based 100 percent on the NYMEX PT – Mt. Belvieu propane (OPIS) swap prices; and
- E. Using a propane price forecast based on an average of 50 percent of the November 18, 2009 NYMEX WTI light sweet crude oil futures and 50 percent of the November 18, 2009 NYMEX PT - Mt. Belvieu propane (OPIS) swap prices, and based on the existing rates, the projected pre-tax deferral balance at December 31,



2009 of \$103,164 surplus is forecast to change to a pre-tax deficit balance of \$651,657 at December 31, 2010. The rate change trigger mechanism is calculated to be 76.3 percent which does not fall within the deadband range of 95 percent to 105 percent set out in Letter No. L-05-01; and

- F. Using a propane price forecast based on November 18, 2009 NYMEX WTI light sweet crude oil futures, and based on the existing rates, the projected pre-tax deferral balance at December 31, 2009 of \$98,126 surplus is forecast to change to a pre-tax deficit balance of \$828,203 at December 31, 2010. The rate change trigger mechanism is calculated to be 71.7 percent which does not fall within the deadband range of 95 percent to 105 percent; and
- G. Using a propane price forecast based on November 18, 2009 NYMEX PT - Mt. Belvieu propane (OPIS) swap prices, and based on the existing rates, the projected pre-tax deferral balance at December 31, 2009 of \$108,202 surplus is forecast to change to a pre-tax deficit balance of \$474,914 at December 31, 2010. The rate change trigger mechanism is calculated to be 81.5 percent which does not fall within the deadband range of 95 percent to 105 percent; and
- H. In the Revised 2009 Fourth Quarter Report, Terasen Gas requests approval of a propane rate that is based on propane forward prices which would increase the propane reference price by \$0.0618 per litre, from \$0.2728 per litre to \$0.3346 per litre, effective January 1, 2010. This corresponds to a rate increase of \$2.532 per gigajoule; and
- I. The rate change will result in an increase of approximately \$127 or 14.3 percent in the annual bill of a typical residential customer, based on consumption of 50 gigajoules annually; and
- J. The Commission has determined that the requested changes to the propane reference price and propane rate for Revelstoke should be approved.

**NOW THEREFORE** pursuant to Section 61(4) of the Utilities Commission Act, the Commission approves a propane reference price increase of \$0.0618 per litre to \$0.3346 per litre, which corresponds to an increase of \$2.532 per gigajoule in customer rates, effective January 1, 2010. Terasen Gas will inform all customers affected by the rate change.

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

BY ORDER