



Tom A. Loski
Chief Regulatory Officer

16705 Fraser Highway
Surrey, B.C. V4N 0E8
Tel: (604) 592-7464
Cell: (604) 250-2722
Fax: (604) 576-7074
Email: tom.loski@terasengas.com
www.terasengas.com

March 5, 2010

Regulatory Affairs Correspondence
Email: regulatory.affairs@terasengas.com

British Columbia Utilities Commission
6th 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
2010 First Quarter Gas Cost Report**

Terasen Gas Inc. (“Terasen Gas” or the “Company”) hereby submits to the British Columbia Utilities Commission (the “Commission”) the 2010 First Quarter Gas Cost Report for the Revelstoke Service Area (“Revelstoke”). The attached schedules provide a summary of the forecast monthly Propane Cost Deferral Account balances based on the forward prices as at February 23, 2010.

The NYMEX Mt. Belvieu Propane futures index, as previously utilized by the Company, was discontinued by NYMEX in September 2009. For the 2009 fourth quarter gas cost reporting cycle, the propane forecast commodity prices for Revelstoke utilized the NYMEX PT – Mt. Belvieu Propane (OPIS) Swap prices based on NYMEX OTC (Over The Counter) Settlement Data. Terasen Gas has since reviewed the availability of NYMEX Mt. Belvieu Propane futures indexes and determined that the NYMEX product symbol B0 – Mont Belvieu LDH Propane 5 Decimals (OPIS) Swap Futures is an appropriate index for use in the Revelstoke propane cost forecasts. The NYMEX B0 – Mont Belvieu LDH Propane 5 Decimals (OPIS) Swap Futures (“NYMEX B0 – Mt. Belvieu Propane Swap”) is the largest most liquid trading category on NYMEX at Mt. Belvieu providing futures information out 48 months. The reporting service Terasen Gas uses (DTN ProphetX) also currently lists Mont Belvieu 5 Decimal Swap – B0 as the source for Mt. Belvieu futures.

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 B0 – Mt. Belvieu Propane 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 B0 – Mt. Belvieu Propane Swap prices. The results based on each of these three forecasts are attached under Tab 1, Tab 2, and Tab 3, respectively.

As shown at Tab 1, Page 1, based on the February 23, 2010 forward prices, using an average of 50% NYMEX WTI Light Sweet Crude Oil futures and 50% NYMEX B0 – Mt. Belvieu Propane Swap prices, and based on the current rates, the projected deferral account balance at March 31, 2010 is \$9,645 surplus (pre-tax), and the forecast balance at March 31, 2011 is \$476,166 deficit (pre-tax). The rate change trigger mechanism is calculated to be 84.7%.

As shown at Tab 2, Page 1, based on the February 23, 2010 forward prices, using NYMEX WTI Light Sweet Crude Oil futures, and based on the current rates, the projected deferral account balance at March 31, 2010 is \$26,421 deficit (pre-tax), and the forecast balance at March 31, 2011 is \$610,323 deficit (pre-tax). The rate change trigger mechanism is calculated to be 81.2%.

As shown at Tab 3, Page 1, based on the February 23, 2010 forward prices, using NYMEX B0 – Mt. Belvieu Propane Swap prices, and based on the current rates, the projected deferral account balance at March 31, 2010 is \$45,922 surplus (pre-tax), and the forecast balance at March 31, 2011 is \$341,457 deficit (pre-tax). The rate change trigger mechanism is calculated to be 88.5%.

The Company acknowledges the commodity futures markets continue to experience a large degree of price volatility and that the Revelstoke Propane Cost Deferral Account balance is currently in a small surplus position. However, the forecasts based on all three sets of the forward prices at February 23, 2010 produce rate change trigger ratios which fall well outside the 95% to 105% deadband range, indicating a gas cost flow through is required effective April 1, 2010. The forecast based fully on the NYMEX B0 – Mt. Belvieu Propane Swap prices may provide a more conservative outlook; based on the February 23, 2010 forward prices, using the NYMEX B0 – Mt. Belvieu Propane Swap prices, and the 12-month amortization of the projected March 31, 2010 deferral account surplus balance, an increase in the reference price to \$0.3781/litre (Tab 3, Page 4, Column 2, Line 10) is calculated. Thus, Terasen Gas hereby requests Commission approval for an increase in the propane reference price (based on the NYMEX B0 – Mt. Belvieu Propane Swap prices) for use in the Revelstoke Propane Cost Deferral Account from \$0.3346/litre to \$0.3781/litre which corresponds to a customer rate increase of \$1.786/GJ to be effective April 1, 2010, and equates to a burner tip increase of approximately \$89 per year or 8.7% for a typical residential customer with an average annual consumption of 50 GJ.

For information purposes, Terasen Gas provides at Tab 4, Page 1, a summary of the three sets of forward prices as at February 23, 2010. One set is based on the NYMEX WTI Light Sweet Crude Oil futures, a second set based on the NYMEX B0 – Mt. Belvieu Propane Swap prices, and a third set based on an average of 50% NYMEX WTI Light Sweet Crude Oil futures and 50% NYMEX B0 – Mt. Belvieu Propane Swap prices.

Provided in 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 B0 – Mt. Belvieu Propane Swap prices) for use in the Revelstoke Propane Cost Deferral Account from \$0.3346/litre to \$0.3781/litre which corresponds to a rate increase of \$1.786/GJ, effective April 1, 2010. Terasen Gas will continue to monitor the forward prices and will report these results in the 2010 Second 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

FOR THE PERIOD ENDING MARCH 31, 2011

WITH EXISTING PROPANE REFERENCE PRICE (COMMISSION ORDER NO. G-157-09)

(FEB 23, 2010 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE 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 31, 2009 Balance						(\$46,629)
2	January 2010 (Projected)	1,183,871	\$0.3433	\$0.3346	\$0.0087	\$10,300	(\$36,329)
3	February (Forecast)	937,447	\$0.3550	\$0.3346	\$0.0204	\$19,124	(\$17,205)
4	March (Forecast)	910,807	\$0.3429	\$0.3346	\$0.0083	\$7,560	(\$9,645)
5	Current Quarter Total	<u>3,032,126</u>				<u>\$36,984</u>	
6							
7	<u>Forecast Volumes and Forecast Prices</u>						
8	April 2010 (Forecast)	509,059	\$0.3920	\$0.3346	\$0.0574	\$29,220	\$19,575
9	May (Forecast)	397,277	\$0.3518	\$0.3346	\$0.0172	\$6,833	\$26,408
10	June (Forecast)	242,127	\$0.3539	\$0.3346	\$0.0193	\$4,673	\$31,081
11	July (Forecast)	245,236	\$0.3564	\$0.3346	\$0.0218	\$5,346	\$36,427
12	August (Forecast)	214,221	\$0.3660	\$0.3346	\$0.0314	\$6,727	\$43,154
13	September (Forecast)	293,555	\$0.3834	\$0.3346	\$0.0488	\$14,325	\$57,479
14	October (Forecast)	673,730	\$0.3922	\$0.3346	\$0.0576	\$38,807	\$96,286
15	November (Forecast)	922,697	\$0.3999	\$0.3346	\$0.0653	\$60,252	\$156,538
16	December (Forecast)	1,241,786	\$0.4145	\$0.3346	\$0.0799	\$99,219	\$255,757
17	January 2011 (Forecast)	1,227,848	\$0.4180	\$0.3346	\$0.0834	\$102,403	\$358,160
18	February (Forecast)	959,183	\$0.4013	\$0.3346	\$0.0667	\$63,977	\$422,137
19	March (Forecast)	<u>933,150</u>	<u>\$0.3925</u>	<u>\$0.3346</u>	<u>\$0.0579</u>	<u>\$54,029</u>	<u>\$476,166</u>
20	Total - Apr 2010 to Mar 2011	<u>7,859,866</u>				<u>\$485,811</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]					\$2,629,911	
25	Mar 31, 2010 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)					\$3,106,008	84.7%

TERASEN GAS INC.

REVELSTOKE PROPANE DEFERRAL

FOR THE PERIOD ENDING MARCH 31, 2012

WITH EXISTING PROPANE REFERENCE PRICE (COMMISSION ORDER NO. G-157-09)

(FEB 23, 2010 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE 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	March 2011 Balance (Forecast)						\$476,166
2	April (Forecast)	523,647	\$0.3695	\$0.3346	\$0.0349	\$18,275	\$494,441
3	May (Forecast)	408,458	\$0.3522	\$0.3346	\$0.0176	\$7,189	\$501,630
4	June (Forecast)	251,115	\$0.3540	\$0.3346	\$0.0194	\$4,872	\$506,502
5	July (Forecast)	253,939	\$0.3564	\$0.3346	\$0.0218	\$5,536	\$512,038
6	August (Forecast)	221,696	\$0.3653	\$0.3346	\$0.0307	\$6,806	\$518,844
7	September (Forecast)	302,346	\$0.3828	\$0.3346	\$0.0482	\$14,573	\$533,417
8	October (Forecast)	689,669	\$0.3912	\$0.3346	\$0.0566	\$39,035	\$572,452
9	November (Forecast)	943,926	\$0.4036	\$0.3346	\$0.0690	\$65,131	\$637,583
10	December (Forecast)	1,268,596	\$0.4172	\$0.3346	\$0.0826	\$104,786	\$742,369
11	January 2012 (Forecast)	1,264,090	\$0.4264	\$0.3346	\$0.0918	\$116,043	\$858,412
12	February (Forecast)	987,555	\$0.4115	\$0.3346	\$0.0769	\$75,943	\$934,355
13	March (Forecast)	961,944	\$0.4043	\$0.3346	\$0.0697	\$67,047	\$1,001,402
14	Total - Apr 2011 to Mar 2012	<u>8,076,982</u>				<u>\$525,236</u>	

TERASEN GAS INC.
REVELSTOKE FORECAST AVERAGE COST OF PROPANE
FOR THE PERIOD ENDING MARCH 31, 2011

Tab 1
Page 3

(FEB 23, 2010 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE SWAP PRICES)

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	April 2010	509,059	-	509,059	\$ -	\$ 0.3920	\$ -	\$ 199,561	\$ 199,561
2	May	397,277	-	397,277	\$ -	\$ 0.3518	\$ -	\$ 139,775	\$ 139,775
3	June	242,127	-	242,127	\$ -	\$ 0.3539	\$ -	\$ 85,680	\$ 85,680
4	July	245,236	-	245,236	\$ -	\$ 0.3564	\$ -	\$ 87,404	\$ 87,404
5	August	214,221	-	214,221	\$ -	\$ 0.3660	\$ -	\$ 78,397	\$ 78,397
6	September	293,555	-	293,555	\$ -	\$ 0.3834	\$ -	\$ 112,557	\$ 112,557
7	October	673,730	-	673,730	\$ -	\$ 0.3922	\$ -	\$ 264,218	\$ 264,218
8	November	922,697	550,000	372,697	\$ 0.3950	\$ 0.4070	\$ 217,269	\$ 151,683	\$ 368,952
9	December	1,241,786	550,000	691,786	\$ 0.3950	\$ 0.4301	\$ 217,269	\$ 297,509	\$ 514,778
10	January 2011	1,227,848	550,000	677,848	\$ 0.3955	\$ 0.4362	\$ 217,544	\$ 295,682	\$ 513,227
11	February	959,183	550,000	409,183	\$ 0.3955	\$ 0.4090	\$ 217,544	\$ 167,336	\$ 384,880
12	March	933,150	550,000	383,150	\$ 0.3955	\$ 0.3880	\$ 217,544	\$ 148,679	\$ 366,223
13	Total - Apr 2010 to Mar 2011	7,859,866	2,750,000	5,109,866			\$ 1,087,171	\$ 2,028,481	\$ 3,115,653
14									
15	Forecast Average Cost of Propane - (\$/Litre)^(A)								\$ 0.3964
16									
17	Forecast Average Cost of Propane - (\$/GJ)^(A)								\$ 15.488
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 APRIL 1, 2010 TO MARCH 31, 2011

(FEB 23, 2010 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE 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	April 1, 2010 to March 31, 2010	\$0.3964	\$15.488	
5				
6	ii. Twelve months amortization of projected Deferral Account balance	(0.0012)	(\$0.047)	
7				
8				
9				
10	New Reference Price	\$0.3952	\$15.441	
11				
12	Existing Propane Reference Price (BCUC Order No. G-157-09)	\$0.3346	\$13.073	
13	(Conversion factor 1 Litre = 0.025594 GJ)			
14				
15				
16	Increase in Propane Reference Price to be flowed through in customers' rates	\$0.0606	\$2.368	
17				
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.95% ⁽¹⁾	0.0030	\$0.117	
19				
20	Total Propane Cost Flowthrough ⁽²⁾	\$0.0636	\$2.485	
21	(Conversion factor 1 Litre = 0.025594 GJ)			
22				
23				
24				
25				
26	Note: (1) The Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.95% is based on 2007, 2008, and 2009 data.			
27		Litres	%	
28	Sales	23,472,939		
29				
30	Less: Company Use	5,871	0.03%	
31	Propane Used for Vaporizer	308,561	1.31%	
32	Unaccounted For	847,918	3.61%	
33	Total	1,162,350	4.95%	
34				
35	Note: (2)			
36	Projected Deferral Balance at March 31, 2010	(\$0.0012)	(\$0.047)	
37	Total Propane Cost - Apr 1, 2010 to Mar 31, 2011	\$0.0648	\$2.532	
38	Total Propane Cost Flowthrough	\$0.0636	\$2.485	

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

Tab 1
Page 5

**WITH PROPOSED REFERENCE PRICE EFFECTIVE APRIL 1, 2010
(FEB 23, 2010 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE 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 31, 2009 Balance						(\$46,629)
2	January 2010 (Projected)	1,183,871	\$0.3433	\$0.3346	\$0.0087	\$10,300	(\$36,329)
3	February (Forecast)	937,447	\$0.3550	\$0.3346	\$0.0204	\$19,124	(\$17,205)
4	March (Forecast)	910,807	\$0.3429	\$0.3346	\$0.0083	\$7,560	(\$9,645)
5	Current Quarter Total	<u>3,032,126</u>				<u>\$36,984</u>	
6							
7				Proposed			
8				Reference			
9				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	April 2010 (Forecast)	509,059	\$0.3920	\$0.3952	(\$0.0032)	(\$1,629)	(\$11,274)
12	May (Forecast)	397,277	\$0.3518	\$0.3952	(\$0.0434)	(\$17,242)	(\$28,516)
13	June (Forecast)	242,127	\$0.3539	\$0.3952	(\$0.0413)	(\$10,000)	(\$38,516)
14	July (Forecast)	245,236	\$0.3564	\$0.3952	(\$0.0388)	(\$9,515)	(\$48,031)
15	August (Forecast)	214,221	\$0.3660	\$0.3952	(\$0.0292)	(\$6,255)	(\$54,286)
16	September (Forecast)	293,555	\$0.3834	\$0.3952	(\$0.0118)	(\$3,464)	(\$57,750)
17	October (Forecast)	673,730	\$0.3922	\$0.3952	(\$0.0030)	(\$2,021)	(\$59,771)
18	November (Forecast)	922,697	\$0.3999	\$0.3952	\$0.0047	\$4,337	(\$55,434)
19	December (Forecast)	1,241,786	\$0.4145	\$0.3952	\$0.0193	\$23,966	(\$31,468)
20	January 2011 (Forecast)	1,227,848	\$0.4180	\$0.3952	\$0.0228	\$27,995	(\$3,473)
21	February (Forecast)	959,183	\$0.4013	\$0.3952	\$0.0061	\$5,851	\$2,378
22	March (Forecast)	933,150	\$0.3925	\$0.3952	(\$0.0027)	(\$2,520)	(\$142)
23	Total - Apr 2010 to Mar 2011	<u>7,859,866</u>				<u>\$9,503</u>	

TERASEN GAS INC.
 REVELSTOKE PROPANE DEFERRAL
 FOR THE PERIOD ENDING MARCH 31, 2012

Tab 1
 Page 6

WITH PROPOSED REFERENCE PRICE EFFECTIVE APRIL 1, 2010
(FEB 23, 2010 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Proposed Reference Price	Amount Deferrec Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
	March 2011 Balance (Forecast)						(\$142)
	April (Forecast)	523,647	\$0.3695	\$0.3952	(\$0.0257)	(\$13,458)	(\$13,600)
	May (Forecast)	408,458	\$0.3522	\$0.3952	(\$0.0430)	(\$17,564)	(\$31,164)
	June (Forecast)	251,115	\$0.3540	\$0.3952	(\$0.0412)	(\$10,346)	(\$41,510)
	July (Forecast)	253,939	\$0.3564	\$0.3952	(\$0.0388)	(\$9,853)	(\$51,363)
	August (Forecast)	221,696	\$0.3653	\$0.3952	(\$0.0299)	(\$6,629)	(\$57,992)
	September (Forecast)	302,346	\$0.3828	\$0.3952	(\$0.0124)	(\$3,749)	(\$61,741)
	October (Forecast)	689,669	\$0.3912	\$0.3952	(\$0.0040)	(\$2,759)	(\$64,500)
	November (Forecast)	943,926	\$0.4036	\$0.3952	\$0.0084	\$7,929	(\$56,571)
	December (Forecast)	1,268,596	\$0.4172	\$0.3952	\$0.0220	\$27,909	(\$28,662)
	January 2012 (Forecast)	1,264,090	\$0.4264	\$0.3952	\$0.0312	\$39,440	\$10,778
	February (Forecast)	987,555	\$0.4115	\$0.3952	\$0.0163	\$16,097	\$26,875
	March (Forecast)	961,944	\$0.4043	\$0.3952	\$0.0091	\$8,754	\$35,629
	Total - Apr 2011 to Mar 2012	<u>8,076,982</u>				<u>\$35,771</u>	

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

(FEB 23, 2010 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE 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	\$3.145	157.25		250.0	\$2.604	651.00		4,500.0	\$2.219	9,985.50	
7													
8	Cost of Gas (Commodity Related Charges)												
9	Cost of Gas Recovery Related Charges	50.0	\$14.628	<u>731.40</u>		250.0	\$13.537	<u>3,384.25</u>		4,500.0	\$13.537	<u>60,916.50</u>	
10													
11	Typical Annual Bill at current rates (excluding any applicable PST, GST, or Carbon Tax)	<u>50.0</u>		<u>1,030.73</u>		<u>250.0</u>		<u>4,333.33</u>		<u>4,500.0</u>		<u>72,492.24</u>	
12													
13													
14													
15	April 1, 2010 Propane Cost Flowthrough												
16	Propane Price Increase		\$2.485	<u>124.25</u>	12.1%		\$2.485	<u>621.25</u>	14.3%		\$2.485	<u>11,182.50</u>	15.4%
17	Typical Annual Bill after Propane Price Change			<u>\$1,154.98</u>				<u>\$4,954.58</u>				<u>\$83,674.74</u>	

TERASEN GAS INC.

REVELSTOKE PROPANE DEFERRAL

FOR THE PERIOD ENDING MARCH 31, 2011

WITH EXISTING PROPANE REFERENCE PRICE (COMMISSION ORDER NO. G-157-09)

(FEB 23, 2010 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

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 31, 2009 Balance						(\$46,629)
2	January 2010 (Projected)	1,183,871	\$0.3548	\$0.3346	\$0.0202	\$23,914	(\$22,715)
3	February (Forecast)	937,447	\$0.3636	\$0.3346	\$0.0290	\$27,186	\$4,471
4	March (Forecast)	910,807	\$0.3587	\$0.3346	\$0.0241	\$21,950	\$26,421
5	Current Quarter Total	<u>3,032,126</u>				<u>\$73,050</u>	
6							
7	<u>Forecast Volumes and Forecast Prices</u>						
8	April 2010 (Forecast)	509,059	\$0.4204	\$0.3346	\$0.0858	\$43,677	\$70,098
9	May (Forecast)	397,277	\$0.3591	\$0.3346	\$0.0245	\$9,733	\$79,831
10	June (Forecast)	242,127	\$0.3558	\$0.3346	\$0.0212	\$5,133	\$84,964
11	July (Forecast)	245,236	\$0.3523	\$0.3346	\$0.0177	\$4,341	\$89,305
12	August (Forecast)	214,221	\$0.3591	\$0.3346	\$0.0245	\$5,248	\$94,553
13	September (Forecast)	293,555	\$0.3927	\$0.3346	\$0.0581	\$17,056	\$111,609
14	October (Forecast)	673,730	\$0.4075	\$0.3346	\$0.0729	\$49,115	\$160,724
15	November (Forecast)	922,697	\$0.4083	\$0.3346	\$0.0737	\$68,003	\$228,727
16	December (Forecast)	1,241,786	\$0.4337	\$0.3346	\$0.0991	\$123,061	\$351,788
17	January 2011 (Forecast)	1,227,848	\$0.4345	\$0.3346	\$0.0999	\$122,662	\$474,450
18	February (Forecast)	959,183	\$0.4137	\$0.3346	\$0.0791	\$75,871	\$550,321
19	March (Forecast)	<u>933,150</u>	<u>\$0.3989</u>	<u>\$0.3346</u>	<u>\$0.0643</u>	<u>\$60,002</u>	<u>\$610,323</u>
20	Total - Apr 2010 to Mar 2011	<u>7,859,866</u>				<u>\$583,902</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]					\$2,629,911	
25	Mar 31, 2010 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)					\$3,240,312	81.2%

TERASEN GAS INC.
REVELSTOKE PROPANE DEFERRAL
FOR THE PERIOD ENDING MARCH 31, 2012
WITH EXISTING PROPANE REFERENCE PRICE (COMMISSION ORDER NO. G-157-09)
(FEB 23, 2010 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

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	March 2011 Balance (Forecast)						\$610,323
2	April (Forecast)	523,647	\$0.3907	\$0.3346	\$0.0561	\$29,377	\$639,700
3	May (Forecast)	408,458	\$0.3748	\$0.3346	\$0.0402	\$16,420	\$656,120
4	June (Forecast)	251,115	\$0.3700	\$0.3346	\$0.0354	\$8,889	\$665,009
5	July (Forecast)	253,939	\$0.3652	\$0.3346	\$0.0306	\$7,771	\$672,780
6	August (Forecast)	221,696	\$0.3712	\$0.3346	\$0.0366	\$8,114	\$680,894
7	September (Forecast)	302,346	\$0.4048	\$0.3346	\$0.0702	\$21,225	\$702,119
8	October (Forecast)	689,669	\$0.4192	\$0.3346	\$0.0846	\$58,346	\$760,465
9	November (Forecast)	943,926	\$0.4177	\$0.3346	\$0.0831	\$78,440	\$838,905
10	December (Forecast)	1,268,596	\$0.4440	\$0.3346	\$0.1094	\$138,784	\$977,689
11	January 2012 (Forecast)	1,264,090	\$0.4507	\$0.3346	\$0.1161	\$146,761	\$1,124,450
12	February (Forecast)	987,555	\$0.4291	\$0.3346	\$0.0945	\$93,324	\$1,217,774
13	March (Forecast)	961,944	\$0.4131	\$0.3346	\$0.0785	\$75,513	\$1,293,287
14	Total - Apr 2011 to Mar 2012	<u>8,076,982</u>				<u>\$682,964</u>	

TERASEN GAS INC.
REVELSTOKE FORECAST AVERAGE COST OF PROPANE
FOR THE PERIOD ENDING MARCH 31, 2011

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(FEB 23, 2010 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

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	April 2010	509,059	-	509,059	\$ -	\$ 0.4204	\$ -	\$ 213,987	\$ 213,987
2	May	397,277	-	397,277	\$ -	\$ 0.3591	\$ -	\$ 142,681	\$ 142,681
3	June	242,127	-	242,127	\$ -	\$ 0.3558	\$ -	\$ 86,144	\$ 86,144
4	July	245,236	-	245,236	\$ -	\$ 0.3523	\$ -	\$ 86,391	\$ 86,391
5	August	214,221	-	214,221	\$ -	\$ 0.3591	\$ -	\$ 76,924	\$ 76,924
6	September	293,555	-	293,555	\$ -	\$ 0.3927	\$ -	\$ 115,292	\$ 115,292
7	October	673,730	-	673,730	\$ -	\$ 0.4075	\$ -	\$ 274,578	\$ 274,578
8	November	922,697	550,000	372,697	\$ 0.3950	\$ 0.4279	\$ 217,269	\$ 159,475	\$ 376,744
9	December	1,241,786	550,000	691,786	\$ 0.3950	\$ 0.4645	\$ 217,269	\$ 321,318	\$ 538,587
10	January 2011	1,227,848	550,000	677,848	\$ 0.3955	\$ 0.4662	\$ 217,544	\$ 316,013	\$ 533,557
11	February	959,183	550,000	409,183	\$ 0.3955	\$ 0.4381	\$ 217,544	\$ 179,245	\$ 396,789
12	March	933,150	550,000	383,150	\$ 0.3955	\$ 0.4037	\$ 217,544	\$ 154,672	\$ 372,216
13	Total - Apr 2010 to Mar 2011	<u>7,859,866</u>	<u>2,750,000</u>	<u>5,109,866</u>			<u>\$ 1,087,171</u>	<u>\$ 2,126,720</u>	<u>\$ 3,213,891</u>
14									
15	Forecast Average Cost of Propane - (\$/Litre) ^(A)								<u>\$ 0.4089</u>
16									
17	Forecast Average Cost of Propane - (\$/GJ) ^(A)								<u>\$ 15.976</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 APRIL 1, 2010 TO MARCH 31, 2011
(FEB 23, 2010 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	April 1, 2010 to March 31, 2011	\$0.4089	\$15.976
5			
6	ii. Twelve months amortization of projected Deferral Account balance	<u>0.0034</u>	<u>\$0.133</u>
7			
8			
9			
10	New Reference Price	\$0.4123	\$16.109
11			
12	Existing Propane Reference Price (BCUC Order No. G-157-09)	<u>\$0.3346</u>	<u>\$13.073</u>
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Increase in Propane Reference Price to be flowed through in customers' rates	\$0.0777	\$3.036
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.78% ⁽¹⁾	0.0038	\$0.148
19			
20	Total Propane Cost Flowthrough ⁽²⁾	<u>\$0.0815</u>	<u>\$3.184</u>
21	(Conversion factor 1 Litre = 0.025594 GJ)		
22			
23			
24			
25			
26	Note: (1) The Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.95% is based on 2007, 2008, and 2009 data.		
27		Litres	%
28	Sales	<u>23,472,939</u>	
29			
30	Less: Company Use	5,871	0.03%
31	Propane Used for Vaporizer	308,561	1.31%
32	Unaccounted For	<u>847,918</u>	<u>3.61%</u>
33	Total	<u><u>1,162,350</u></u>	<u><u>4.95%</u></u>
34			
35	Note: (2)		
36	Projected Deferral Balance at March 31, 2010	\$0.0034	\$0.133
37	Total Propane Cost - Apr 1, 2010 to Mar 31, 2011	<u>\$0.0781</u>	<u>\$3.051</u>
38	Total Propane Cost Flowthrough	<u><u>\$0.0815</u></u>	<u><u>\$3.184</u></u>

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

Tab 2
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**WITH PROPOSED REFERENCE PRICE EFFECTIVE APRIL 1, 2010
(FEB 23, 2010 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)**

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 31, 2009 Balance						(\$46,629)
2	January 2010 (Projected)	1,183,871	\$0.3548	\$0.3346	\$0.0202	\$23,914	(\$22,715)
3	February (Forecast)	937,447	\$0.3636	\$0.3346	\$0.0290	\$27,186	\$4,471
4	March (Forecast)	910,807	\$0.3587	\$0.3346	\$0.0241	\$21,950	\$26,421
5	Current Quarter Total	<u>3,032,126</u>				<u>\$73,050</u>	
6							
7				Proposed			
8				Reference			
9				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	April 2010 (Forecast)	509,059	\$0.4204	\$0.4123	\$0.0081	\$4,123	\$30,544
12	May (Forecast)	397,277	\$0.3591	\$0.4123	(\$0.0532)	(\$21,135)	\$9,409
13	June (Forecast)	242,127	\$0.3558	\$0.4123	(\$0.0565)	(\$13,680)	(\$4,271)
14	July (Forecast)	245,236	\$0.3523	\$0.4123	(\$0.0600)	(\$14,714)	(\$18,985)
15	August (Forecast)	214,221	\$0.3591	\$0.4123	(\$0.0532)	(\$11,397)	(\$30,382)
16	September (Forecast)	293,555	\$0.3927	\$0.4123	(\$0.0196)	(\$5,754)	(\$36,136)
17	October (Forecast)	673,730	\$0.4075	\$0.4123	(\$0.0048)	(\$3,234)	(\$39,370)
18	November (Forecast)	922,697	\$0.4083	\$0.4123	(\$0.0040)	(\$3,691)	(\$43,061)
19	December (Forecast)	1,241,786	\$0.4337	\$0.4123	\$0.0214	\$26,574	(\$16,487)
20	January 2011 (Forecast)	1,227,848	\$0.4345	\$0.4123	\$0.0222	\$27,258	\$10,771
21	February (Forecast)	959,183	\$0.4137	\$0.4123	\$0.0014	\$1,343	\$12,114
22	March (Forecast)	933,150	\$0.3989	\$0.4123	(\$0.0134)	(\$12,504)	(\$390)
23	Total - Apr 2010 to Mar 2011	<u>7,859,866</u>				<u>(\$26,811)</u>	

TERASEN GAS INC.
 REVELSTOKE PROPANE DEFERRAL
 FOR THE PERIOD ENDING MARCH 31, 2012
WITH PROPOSED REFERENCE PRICE EFFECTIVE APRIL 1, 2010
(FEB 23, 2010 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Proposed Reference Price	Amount Deferrec Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
	March 2011 Balance (Forecast)						(\$390)
	April (Forecast)	523,647	\$0.3907	\$0.4123	(\$0.0216)	(\$11,311)	(\$11,701)
	May (Forecast)	408,458	\$0.3748	\$0.4123	(\$0.0375)	(\$15,317)	(\$27,018)
	June (Forecast)	251,115	\$0.3700	\$0.4123	(\$0.0423)	(\$10,622)	(\$37,640)
	July (Forecast)	253,939	\$0.3652	\$0.4123	(\$0.0471)	(\$11,961)	(\$49,601)
	August (Forecast)	221,696	\$0.3712	\$0.4123	(\$0.0411)	(\$9,112)	(\$58,713)
	September (Forecast)	302,346	\$0.4048	\$0.4123	(\$0.0075)	(\$2,268)	(\$60,981)
	October (Forecast)	689,669	\$0.4192	\$0.4123	\$0.0069	\$4,759	(\$56,222)
	November (Forecast)	943,926	\$0.4177	\$0.4123	\$0.0054	\$5,097	(\$51,125)
	December (Forecast)	1,268,596	\$0.4440	\$0.4123	\$0.0317	\$40,214	(\$10,911)
	January 2012 (Forecast)	1,264,090	\$0.4507	\$0.4123	\$0.0384	\$48,541	\$37,630
	February (Forecast)	987,555	\$0.4291	\$0.4123	\$0.0168	\$16,591	\$54,221
	March (Forecast)	961,944	\$0.4131	\$0.4123	\$0.0008	\$770	\$54,991
	Total - Apr 2011 to Mar 2012	<u>8,076,982</u>				<u>\$55,381</u>	

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

(FEB 23, 2010 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 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>	
12													
13													
14													
15	Apr 1, 2010 Propane Cost Flowthrough												
16	Propane Price Increase		\$3.184	<u>159.20</u>	18.0%		\$3.184	<u>796.00</u>	21.9%		\$3.184	<u>14,328.00</u>	23.8%
17	Typical Annual Bill after Propane Price Change			<u>\$1,045.83</u>				<u>\$4,433.08</u>				<u>\$74,607.24</u>	

TERASEN GAS INC.

REVELSTOKE PROPANE DEFERRAL

FOR THE PERIOD ENDING MARCH 31, 2011

WITH EXISTING PROPANE REFERENCE PRICE (COMMISSION ORDER NO. G-157-09)

(FEB 23, 2010 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE 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 31, 2009 Balance						(\$46,629)
2	January 2010 (Projected)	1,183,871	\$0.3317	\$0.3346	(\$0.0029)	(\$3,433)	(\$50,062)
3	February (Forecast)	937,447	\$0.3464	\$0.3346	\$0.0118	\$11,062	(\$39,000)
4	March (Forecast)	910,807	\$0.3270	\$0.3346	(\$0.0076)	(\$6,922)	(\$45,922)
5	Current Quarter Total	<u>3,032,126</u>				<u>\$707</u>	
6							
7	<u>Forecast Volumes and Forecast Prices</u>						
8	April 2010 (Forecast)	509,059	\$0.3637	\$0.3346	\$0.0291	\$14,814	(\$31,108)
9	May (Forecast)	397,277	\$0.3445	\$0.3346	\$0.0099	\$3,933	(\$27,175)
10	June (Forecast)	242,127	\$0.3519	\$0.3346	\$0.0173	\$4,189	(\$22,986)
11	July (Forecast)	245,236	\$0.3605	\$0.3346	\$0.0259	\$6,352	(\$16,634)
12	August (Forecast)	214,221	\$0.3728	\$0.3346	\$0.0382	\$8,183	(\$8,451)
13	September (Forecast)	293,555	\$0.3741	\$0.3346	\$0.0395	\$11,595	\$3,144
14	October (Forecast)	673,730	\$0.3768	\$0.3346	\$0.0422	\$28,431	\$31,575
15	November (Forecast)	922,697	\$0.3914	\$0.3346	\$0.0568	\$52,409	\$83,984
16	December (Forecast)	1,241,786	\$0.3954	\$0.3346	\$0.0608	\$75,501	\$159,485
17	January 2011 (Forecast)	1,227,848	\$0.4014	\$0.3346	\$0.0668	\$82,020	\$241,505
18	February (Forecast)	959,183	\$0.3888	\$0.3346	\$0.0542	\$51,988	\$293,493
19	March (Forecast)	<u>933,150</u>	<u>\$0.3860</u>	<u>\$0.3346</u>	<u>\$0.0514</u>	<u>\$47,964</u>	<u>\$341,457</u>
20	Total - Apr 2010 to Mar 2011	<u>7,859,866</u>				<u>\$387,379</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]					\$2,629,911	
25	Mar 31, 2010 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)					\$2,971,493	88.5%

TERASEN GAS INC.
REVELSTOKE PROPANE DEFERRAL
FOR THE PERIOD ENDING MARCH 31, 2012
WITH EXISTING PROPANE REFERENCE PRICE (COMMISSION ORDER NO. G-157-09)
(FEB 23, 2010 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE 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	March 2011 Balance (Forecast)						\$341,457
2	April (Forecast)	523,647	\$0.3483	\$0.3346	\$0.0137	\$7,174	\$348,631
3	May (Forecast)	408,458	\$0.3296	\$0.3346	(\$0.0050)	(\$2,042)	\$346,589
4	June (Forecast)	251,115	\$0.3380	\$0.3346	\$0.0034	\$854	\$347,443
5	July (Forecast)	253,939	\$0.3477	\$0.3346	\$0.0131	\$3,327	\$350,770
6	August (Forecast)	221,696	\$0.3593	\$0.3346	\$0.0247	\$5,476	\$356,246
7	September (Forecast)	302,346	\$0.3608	\$0.3346	\$0.0262	\$7,921	\$364,167
8	October (Forecast)	689,669	\$0.3631	\$0.3346	\$0.0285	\$19,656	\$383,823
9	November (Forecast)	943,926	\$0.3896	\$0.3346	\$0.0550	\$51,916	\$435,739
10	December (Forecast)	1,268,596	\$0.3904	\$0.3346	\$0.0558	\$70,788	\$506,527
11	January 2012 (Forecast)	1,264,090	\$0.4021	\$0.3346	\$0.0675	\$85,326	\$591,853
12	February (Forecast)	987,555	\$0.3940	\$0.3346	\$0.0594	\$58,661	\$650,514
13	March (Forecast)	961,944	\$0.3954	\$0.3346	\$0.0608	\$58,486	\$709,000
14	Total - Apr 2011 to Mar 2012	<u>8,076,982</u>				<u>\$367,543</u>	

TERASEN GAS INC.
REVELSTOKE FORECAST AVERAGE COST OF PROPANE
FOR THE PERIOD ENDING MARCH 31, 2011
(FEB 23, 2010 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

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	April 2010	509,059	-	509,059	\$ -	\$ 0.3637	\$ -	\$ 185,135	\$ 185,135
2	May	397,277	-	397,277	\$ -	\$ 0.3445	\$ -	\$ 136,869	\$ 136,869
3	June	242,127	-	242,127	\$ -	\$ 0.3519	\$ -	\$ 85,215	\$ 85,215
4	July	245,236	-	245,236	\$ -	\$ 0.3605	\$ -	\$ 88,418	\$ 88,418
5	August	214,221	-	214,221	\$ -	\$ 0.3728	\$ -	\$ 79,870	\$ 79,870
6	September	293,555	-	293,555	\$ -	\$ 0.3741	\$ -	\$ 109,822	\$ 109,822
7	October	673,730	-	673,730	\$ -	\$ 0.3768	\$ -	\$ 253,858	\$ 253,858
8	November	922,697	550,000	372,697	\$ 0.3950	\$ 0.3861	\$ 217,269	\$ 143,891	\$ 361,161
9	December	1,241,786	550,000	691,786	\$ 0.3950	\$ 0.3956	\$ 217,269	\$ 273,700	\$ 490,969
10	January 2011	1,227,848	550,000	677,848	\$ 0.3955	\$ 0.4062	\$ 217,544	\$ 275,352	\$ 492,897
11	February	959,183	550,000	409,183	\$ 0.3955	\$ 0.3798	\$ 217,544	\$ 155,426	\$ 372,970
12	March	933,150	550,000	383,150	\$ 0.3955	\$ 0.3724	\$ 217,544	\$ 142,686	\$ 360,230
13	Total - Apr 2010 to Mar 2011	<u>7,859,866</u>	<u>2,750,000</u>	<u>5,109,866</u>			<u>\$ 1,087,171</u>	<u>\$ 1,930,243</u>	<u>\$ 3,017,415</u>
14									
15	Forecast Average Cost of Propane - (\$/Litre) ^(A)								<u>\$ 0.3839</u>
16									
17	Forecast Average Cost of Propane - (\$/GJ) ^(A)								<u>\$ 15.000</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 APRIL 1, 2010 TO MARCH 31, 2011
(FEB 23, 2010 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE 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	April 1, 2010 to March 31, 2011	\$0.3839	\$15.000
5			
6	ii. Twelve months amortization of projected Deferral Account balance	(0.0058)	(\$0.227)
7			
8			
9			
10	New Reference Price	\$0.3781	\$14.773
11			
12	Existing Propane Reference Price (BCUC Order No. G-157-09)	\$0.3346	\$13.073
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Increase in Propane Reference Price to be flowed through in customers' rates	\$0.0435	\$1.700
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.95% ⁽¹⁾	0.0022	\$0.086
19			
20	Total Propane Cost Flowthrough ⁽²⁾	\$0.0457	\$1.786
21	(Conversion factor 1 Litre = 0.025594 GJ)		
22			
23			
24			
25			
26	Note: (1) The Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.95% is based on 2007, 2008, and 2009 data.		
27		Litres	%
28	Sales	23,472,939	
29			
30	Less: Company Use	5,871	0.03%
31	Propane Used for Vaporizer	308,561	1.31%
32	Unaccounted For	847,918	3.61%
33	Total	<u>1,162,350</u>	<u>4.95%</u>
34			
35	Note: (2)		
36	Projected Deferral Balance at March 31, 2010	(\$0.0058)	(\$0.227)
37	Total Propane Cost - Apr 1, 2010 to Mar 31, 2011	\$0.0515	\$2.013
38	Total Propane Cost Flowthrough	<u>\$0.0457</u>	<u>\$1.786</u>

TERASEN GAS INC.
REVELSTOKE PROPANE DEFERRAL
FOR THE PERIOD ENDING MARCH 31, 2011
WITH PROPOSED REFERENCE PRICE EFFECTIVE APRIL 1, 2010
(FEB 23, 2010 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE 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 31, 2009 Balance						(\$46,629)
2	January 2010 (Projected)	1,183,871	\$0.3317	\$0.3346	(\$0.0029)	(\$3,433)	(\$50,062)
3	February (Forecast)	937,447	\$0.3464	\$0.3346	\$0.0118	\$11,062	(\$39,000)
4	March (Forecast)	910,807	\$0.3270	\$0.3346	(\$0.0076)	(\$6,922)	(\$45,922)
5	Current Quarter Total	<u>3,032,126</u>				<u>\$707</u>	
6							
7				Proposed			
8				Reference			
9				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	April 2010 (Forecast)	509,059	\$0.3637	\$0.3781	(\$0.0144)	(\$7,330)	(\$53,252)
12	May (Forecast)	397,277	\$0.3445	\$0.3781	(\$0.0336)	(\$13,348)	(\$66,600)
13	June (Forecast)	242,127	\$0.3519	\$0.3781	(\$0.0262)	(\$6,344)	(\$72,944)
14	July (Forecast)	245,236	\$0.3605	\$0.3781	(\$0.0176)	(\$4,316)	(\$77,260)
15	August (Forecast)	214,221	\$0.3728	\$0.3781	(\$0.0053)	(\$1,135)	(\$78,395)
16	September (Forecast)	293,555	\$0.3741	\$0.3781	(\$0.0040)	(\$1,174)	(\$79,569)
17	October (Forecast)	673,730	\$0.3768	\$0.3781	(\$0.0013)	(\$876)	(\$80,445)
18	November (Forecast)	922,697	\$0.3914	\$0.3781	\$0.0133	\$12,272	(\$68,173)
19	December (Forecast)	1,241,786	\$0.3954	\$0.3781	\$0.0173	\$21,483	(\$46,690)
20	January 2011 (Forecast)	1,227,848	\$0.4014	\$0.3781	\$0.0233	\$28,609	(\$18,081)
21	February (Forecast)	959,183	\$0.3888	\$0.3781	\$0.0107	\$10,263	(\$7,818)
22	March (Forecast)	933,150	\$0.3860	\$0.3781	\$0.0079	\$7,372	(\$446)
23	Total - Apr 2010 to Mar 2011	<u>7,859,866</u>				<u>\$45,476</u>	

TERASEN GAS INC.
 REVELSTOKE PROPANE DEFERRAL
 FOR THE PERIOD ENDING MARCH 31, 2012
WITH PROPOSED REFERENCE PRICE EFFECTIVE APRIL 1, 2010
(FEB 23, 2010 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Tab 3
 Page 6

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	Proposed Reference Price	Amount Deferrec Per Litre	Amount Deferred	Pre-Tax Deferral Balance
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)=(2)*(5)	(7)
	March 2011 Balance (Forecast)						(\$446)
	April (Forecast)	523,647	\$0.3483	\$0.3781	(\$0.0298)	(\$15,605)	(\$16,051)
	May (Forecast)	408,458	\$0.3296	\$0.3781	(\$0.0485)	(\$19,810)	(\$35,861)
	June (Forecast)	251,115	\$0.3380	\$0.3781	(\$0.0401)	(\$10,070)	(\$45,931)
	July (Forecast)	253,939	\$0.3477	\$0.3781	(\$0.0304)	(\$7,720)	(\$53,651)
	August (Forecast)	221,696	\$0.3593	\$0.3781	(\$0.0188)	(\$4,168)	(\$57,819)
	September (Forecast)	302,346	\$0.3608	\$0.3781	(\$0.0173)	(\$5,231)	(\$63,050)
	October (Forecast)	689,669	\$0.3631	\$0.3781	(\$0.0150)	(\$10,345)	(\$73,395)
	November (Forecast)	943,926	\$0.3896	\$0.3781	\$0.0115	\$10,855	(\$62,540)
	December (Forecast)	1,268,596	\$0.3904	\$0.3781	\$0.0123	\$15,604	(\$46,936)
	January 2012 (Forecast)	1,264,090	\$0.4021	\$0.3781	\$0.0240	\$30,338	(\$16,598)
	February (Forecast)	987,555	\$0.3940	\$0.3781	\$0.0159	\$15,702	(\$896)
	March (Forecast)	961,944	\$0.3954	\$0.3781	\$0.0173	\$16,642	\$15,746
	Total - Apr 2011 to Mar 2012	<u>8,076,982</u>				<u>\$16,192</u>	

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

(FEB 23, 2010 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE 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	\$3.145	157.25		250.0	\$2.604	651.00		4,500.0	\$2.219	9,985.50	
7													
8	Cost of Gas (Commodity Related Charges)												
9	Cost of Gas Recovery Related Charges	50.0	\$14.628	<u>731.40</u>		250.0	\$13.537	<u>3,384.25</u>		4,500.0	\$13.537	<u>60,916.50</u>	
10													
11	Typical Annual Bill at current rates (excluding any applicable PST, GST, or Carbon Tax)	<u>50.0</u>		<u>1,030.73</u>		<u>250.0</u>		<u>4,333.33</u>		<u>4,500.0</u>		<u>72,492.24</u>	
12													
13													
14													
15	Apr 1, 2010 Propane Cost Flowthrough												
16	Propane Price Increase		\$1.786	<u>89.30</u>	8.7%		\$1.786	<u>446.50</u>	10.3%		\$1.786	<u>8,037.00</u>	11.1%
17	Typical Annual Bill after Propane Price Change			<u>\$1,120.03</u>				<u>\$4,779.83</u>				<u>\$80,529.24</u>	

TERASEN GAS INC. - REVELSTOKE SERVICE AREA

PROPANE FLOATING PRICES

Forward Prices: February 23, 2010

CRUDE OIL FUTURES		
Month	Crude Oil Future Prices (US \$ per Barrel)	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Apr-10	\$78.86	\$0.4204
May-10	\$79.29	\$0.3591
Jun-10	\$79.74	\$0.3558
Jul-10	\$80.17	\$0.3523
Aug-10	\$80.53	\$0.3591
Sep-10	\$80.84	\$0.3927
Oct-10	\$81.13	\$0.4075
Nov-10	\$81.42	\$0.4083
Dec-10	\$81.74	\$0.4337
Jan-11	\$81.96	\$0.4345
Feb-11	\$82.19	\$0.4137
Mar-11	\$82.40	\$0.3989
Apr-11	\$82.59	\$0.3907
May-11	\$82.75	\$0.3748
Jun-11	\$82.91	\$0.3700
Jul-11	\$83.05	\$0.3652
Aug-11	\$83.20	\$0.3712
Sep-11	\$83.35	\$0.4048
Oct-11	\$83.51	\$0.4192
Nov-11	\$83.70	\$0.4177
Dec-11	\$83.90	\$0.4440
Jan-12	\$83.98	\$0.4507
Feb-12	\$84.06	\$0.4291
Mar-12	\$84.14	\$0.4131

PROPANE SWAP PRICES		
Month	Propane Swap Prices (US \$ per Gallon)	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Apr-10	\$1.13	\$0.3637
May-10	\$1.12	\$0.3445
Jun-10	\$1.12	\$0.3519
Jul-10	\$1.12	\$0.3605
Aug-10	\$1.13	\$0.3728
Sep-10	\$1.13	\$0.3741
Oct-10	\$1.14	\$0.3768
Nov-10	\$1.15	\$0.3914
Dec-10	\$1.16	\$0.3954
Jan-11	\$1.16	\$0.4014
Feb-11	\$1.15	\$0.3888
Mar-11	\$1.11	\$0.3860
Apr-11	\$1.07	\$0.3483
May-11	\$1.06	\$0.3296
Jun-11	\$1.06	\$0.3380
Jul-11	\$1.07	\$0.3477
Aug-11	\$1.08	\$0.3593
Sep-11	\$1.08	\$0.3608
Oct-11	\$1.09	\$0.3631
Nov-11	\$1.10	\$0.3896
Dec-11	\$1.10	\$0.3904
Jan-12	\$1.10	\$0.4021
Feb-12	\$1.10	\$0.3940
Mar-12	\$1.10	\$0.3954

50% CRUDE OIL FUTURES & 50% PROPANE SWAP PRICES	
Month	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Apr-10	\$0.3920
May-10	\$0.3518
Jun-10	\$0.3539
Jul-10	\$0.3564
Aug-10	\$0.3660
Sep-10	\$0.3834
Oct-10	\$0.3922
Nov-10	\$0.3999
Dec-10	\$0.4145
Jan-11	\$0.4180
Feb-11	\$0.4013
Mar-11	\$0.3925
Apr-11	\$0.3695
May-11	\$0.3522
Jun-11	\$0.3540
Jul-11	\$0.3564
Aug-11	\$0.3653
Sep-11	\$0.3828
Oct-11	\$0.3912
Nov-11	\$0.4036
Dec-11	\$0.4172
Jan-12	\$0.4264
Feb-12	\$0.4115
Mar-12	\$0.4043

Notes: US-Cdn exchange rates source - Barclays Bank dated February 23, 2010.



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 2010 First Quarter Gas Cost Report and
Propane Commodity Charges effective April 1, 2010
for the Revelstoke Service Area

BEFORE:

[March , 2010]

WHEREAS:

- A. By Order No. G-157-09 the British Columbia Utilities Commission (the "Commission") increased the propane commodity rates for the Terasen Gas Inc. ("Terasen Gas") Revelstoke service area ("Revelstoke") effective January 1, 2010; and
- B. On March 5, 2010 Terasen Gas filed its 2010 First Quarter Gas Cost Report for Revelstoke (the "2010 First Quarter Report"); and
- C. 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 B0 – Mt. Belvieu propane swap prices, the second based 100 percent on the NYMEX WTI light sweet crude oil futures, and the third based 100 percent on the NMYEX B0 – Mt. Belvieu propane swap prices; and
- D. Using a propane price forecast based on an average of 50 percent of the February 23, 2010 NYMEX WTI light sweet crude oil futures and 50 percent of the February 23, 2010 NMYEX B0 - Mt. Belvieu propane swap prices, and based on the existing rates, the projected pre-tax deferral balance at March 31, 2010 of \$9,645 surplus is forecast to change to a pre-tax deficit balance of \$476,166 at March 31, 2011. The rate change trigger mechanism is calculated to be 84.7 percent which does not fall within the deadband range of 95 percent to 105 percent set out in Letter No. L-05-01; and
- E. Using a propane price forecast based on February 23, 2010 NYMEX WTI light sweet crude oil futures, and based on the existing rates, the projected pre-tax deferral balance at March 31, 2010 of \$26,421 deficit is forecast to change to a pre-tax deficit balance of \$610,323 at March 31, 2011. The rate change trigger



SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

mechanism is calculated to be 81.2 percent which does not fall within the deadband range of 95 percent to 105 percent; and

- F. Using a propane price forecast based on February 23, 2010 NMYEX B0 - Mt. Belvieu propane swap prices, and based on the existing rates, the projected pre-tax deferral balance at March 31, 2010 of \$45,922 surplus is forecast to change to a pre-tax deficit balance of \$341,457 at March 31, 2011. The rate change trigger mechanism is calculated to be 88.5 percent which does not fall within the deadband range of 95 percent to 105 percent; and
- G. In the 2010 First 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 \$0.0435 per litre, from \$0.3346 per litre to \$0.3781 per litre, effective April 1, 2010. This corresponds to a rate increase of \$1.786 per gigajoule; and
- H. The rate change will result in an increase of approximately \$89 or 8.7 percent in the annual bill of a typical residential customer, based on consumption of 50 gigajoules annually; and
- I. 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 \$0.0435 per litre to \$0.3781 per litre, which corresponds to an increase of \$1.786 per gigajoule in customer rates, effective April 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 March, 2010.

BY ORDER