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September 3, 2010

Regulatory Affairs Correspondence
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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 Third Quarter Gas Cost Report**

Terasen Gas Inc. (“Terasen Gas” or the “Company”) hereby submits to the British Columbia Utilities Commission (the “Commission”) the 2010 Third 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 August 24, 2010.

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 August 24, 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 September 30, 2010 is \$102,942 surplus (pre-tax), and the forecast balance at September 30, 2011 is \$122,149 surplus (pre-tax). The rate change trigger mechanism is calculated to be 104.8%.

As shown at Tab 2, Page 1, based on the August 24, 2010 forward prices, using NYMEX WTI Light Sweet Crude Oil futures, and based on the current rates, the projected deferral account balance at September 30, 2010 is \$112,191 surplus (pre-tax), and the forecast balance at September 30, 2011 is \$71,834 surplus (pre-tax). The rate change trigger mechanism is calculated to be 102.8%.

As shown at Tab 3, Page 1, based on the August 24, 2010 forward prices, using NYMEX B0 – Mt. Belvieu Propane Swap prices, and based on the current rates, the projected deferral

account balance at September 30, 2010 is \$93,693 surplus (pre-tax), and the forecast balance at September 30, 2011 is \$172,276 surplus (pre-tax). The rate change trigger mechanism is calculated to be 107.0%.

Although the forecast based fully on the NYMEX Mt. Belvieu Propane Swap prices produces a rate change trigger ratio which falls outside the 95% to 105% deadband range, the other two forecasts based either fully on the NYMEX WTI Light Sweet Crude Oil futures or on an average of 50% NYMEX WTI Light Sweet Crude Oil futures and 50% NYMEX B0 – Mt. Belvieu Propane Swap prices provide rate change trigger ratios which fall within the acceptable deadband range, indicating that a rate change is not required.

Terasen Gas notes that while the Revelstoke Propane Cost Deferral Account balance is currently in a modest surplus position, under each of the three forecasts presented the deferral account is projected to remain relatively unchanged over the next quarter. Further, the Company acknowledges the commodity futures markets, in particular crude oil futures, continue to experience a large degree of price volatility. Terasen Gas proposes no change be made to the propane reference price at this time.

For information purposes, Terasen Gas provides at Tab 4, Page 1, a summary of the three sets of forward prices as at August 24, 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 proposes that the propane reference price for use in the Revelstoke Propane Cost Deferral Account and customer rates remain unchanged at

October 1, 2010. Terasen Gas will continue to monitor the forward prices and will report these results in the 2010 Fourth 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:

Tom A. Loski

Attachments

TERASEN GAS INC. - REVELSTOKE SERVICE AREA

PROPANE COST DEFERRAL ACCOUNT

FOR THE PERIOD ENDING SEPTEMBER 30, 2011

WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-101-10)

(AUGUST 24, 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	June 30, 2010						(\$42,896)
2	July (Projected)	663,985	\$0.2611	\$0.3466	(\$0.0856)	(\$56,812)	(\$99,708)
3	August (Projected)	214,221	\$0.3270	\$0.3342	(\$0.0072)	(\$1,538)	(\$101,246)
4	September (Projected)	293,555	\$0.3284	\$0.3342	(\$0.0058)	(\$1,696)	(\$102,942)
5	Current Quarter Total	<u>1,171,760</u>				<u>(\$60,046)</u>	
6							
7	<u>Forecast Volumes and Forecast Prices</u>						
8	October 2010 (Forecast)	673,730	\$0.3327	\$0.3342	(\$0.0015)	(\$1,011)	(\$103,953)
9	November (Forecast)	922,697	\$0.3231	\$0.3342	(\$0.0111)	(\$10,242)	(\$114,195)
10	December (Forecast)	1,241,786	\$0.3415	\$0.3342	\$0.0073	\$9,065	(\$105,130)
11	January 2011 (Forecast)	1,227,848	\$0.3535	\$0.3342	\$0.0193	\$23,697	(\$81,433)
12	February (Forecast)	959,183	\$0.3391	\$0.3342	\$0.0049	\$4,700	(\$76,733)
13	March (Forecast)	933,150	\$0.3241	\$0.3342	(\$0.0101)	(\$9,425)	(\$86,158)
14	April (Forecast)	523,647	\$0.3260	\$0.3342	(\$0.0082)	(\$4,294)	(\$90,452)
15	May (Forecast)	408,458	\$0.3129	\$0.3342	(\$0.0213)	(\$8,700)	(\$99,152)
16	June (Forecast)	251,115	\$0.3053	\$0.3342	(\$0.0289)	(\$7,257)	(\$106,409)
17	July (Forecast)	253,939	\$0.3016	\$0.3342	(\$0.0326)	(\$8,278)	(\$114,687)
18	August (Forecast)	221,696	\$0.3120	\$0.3342	(\$0.0222)	(\$4,922)	(\$119,609)
19	September (Forecast)	<u>302,346</u>	<u>\$0.3258</u>	<u>\$0.3342</u>	<u>(\$0.0084)</u>	<u>(\$2,540)</u>	<u>(\$122,149)</u>
20	Total October 2010 to September 2011	<u>7,919,594</u>				<u>(\$19,207)</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]					\$2,646,728	
25	September 30, 2010 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)					\$2,524,586	104.8%

TERASEN GAS INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT

Tab 1

Page 2

FOR THE PERIOD ENDING SEPTEMBER 30, 2012

WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-101-10)

(AUGUST 24, 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	September 2011 Balance (Forecast)						(\$122,149)
2	October (Forecast)	689,669	\$0.3350	\$0.3342	\$0.0008	\$552	(\$121,597)
3	November (Forecast)	943,926	\$0.3472	\$0.3342	\$0.0130	\$12,271	(\$109,326)
4	December (Forecast)	1,268,596	\$0.3606	\$0.3342	\$0.0264	\$33,491	(\$75,835)
5	January 2012 (Forecast)	1,264,090	\$0.3678	\$0.3342	\$0.0336	\$42,473	(\$33,362)
6	February (Forecast)	987,555	\$0.3594	\$0.3342	\$0.0252	\$24,886	(\$8,476)
7	March (Forecast)	961,944	\$0.3467	\$0.3342	\$0.0125	\$12,024	\$3,548
8	April (Forecast)	541,268	\$0.3329	\$0.3342	(\$0.0013)	(\$704)	\$2,844
9	May (Forecast)	422,436	\$0.3202	\$0.3342	(\$0.0140)	(\$5,914)	(\$3,070)
10	June (Forecast)	261,189	\$0.3118	\$0.3342	(\$0.0224)	(\$5,851)	(\$8,921)
11	July (Forecast)	263,593	\$0.3069	\$0.3342	(\$0.0273)	(\$7,196)	(\$16,117)
12	August (Forecast)	230,077	\$0.3175	\$0.3342	(\$0.0167)	(\$3,842)	(\$19,959)
13	September (Forecast)	312,826	\$0.3309	\$0.3342	(\$0.0033)	(\$1,032)	(\$20,991)
14	Total October 2011 to September 2012	<u>8,147,169</u>				<u>\$101,158</u>	

TERASEN GAS INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FORECAST AVERAGE COST OF PROPANE
FOR THE PERIOD ENDING SEPTEMBER 30, 2011

(AUGUST 24,2010 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	October 2010 (Forecast)	673,730	-	673,730	\$ -	\$ 0.3327	\$ -	\$ 224,149	\$ 224,149
2	November (Forecast)	922,697	560,000	362,697	\$ 0.3125	\$ 0.3395	\$ 174,995	\$ 123,152	\$ 298,147
3	December (Forecast)	1,241,786	560,000	681,786	\$ 0.3125	\$ 0.3653	\$ 174,995	\$ 249,057	\$ 424,052
4	January 2011 (Forecast)	1,227,848	560,000	667,848	\$ 0.3135	\$ 0.3870	\$ 175,555	\$ 258,483	\$ 434,038
5	February (Forecast)	959,183	560,000	399,183	\$ 0.3135	\$ 0.3751	\$ 175,555	\$ 149,719	\$ 325,274
6	March (Forecast)	933,150	560,000	373,150	\$ 0.3135	\$ 0.3399	\$ 175,555	\$ 126,843	\$ 302,398
7	April (Forecast)	523,647	-	523,647	\$ -	\$ 0.3260	\$ -	\$ 170,721	\$ 170,721
8	May (Forecast)	408,458	-	408,458	\$ -	\$ 0.3129	\$ -	\$ 127,823	\$ 127,823
9	June (Forecast)	251,115	-	251,115	\$ -	\$ 0.3053	\$ -	\$ 76,670	\$ 76,670
10	July (Forecast)	253,939	-	253,939	\$ -	\$ 0.3016	\$ -	\$ 76,591	\$ 76,591
11	August (Forecast)	221,696	-	221,696	\$ -	\$ 0.3120	\$ -	\$ 69,169	\$ 69,169
12	September (Forecast)	302,346	-	302,346	\$ -	\$ 0.3258	\$ -	\$ 98,495	\$ 98,495
13	Total October 2010 to September 2011	<u>7,919,594</u>	<u>2,800,000</u>	<u>5,119,594</u>			<u>\$ 876,655</u>	<u>\$ 1,750,873</u>	<u>\$ 2,627,528</u>
14									
15	Forecast Average Cost of Propane - (\$/Litre)^(A)								<u>\$ 0.3318</u>
16									
17	Forecast Average Cost of Propane - (\$/GJ)^(A)								<u>\$ 12.964</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 SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
CALCULATION OF PROPANE COST DECREASE FLOWTHROUGH
FOR THE PERIOD ENDING SEPTEMBER 30, 2011

Tab 1
Page 4

AUGUST 24,2010 FORWARD PRICES BASED ON NYMEX 50% WTI LIGHT SWEET CRUDE OIL FUTURES & 50% MT. BELVIEU PROPANE SWAP PRICE:

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	October 1 2010 to September 30 2011	\$0.3318	\$12.964
5			
6	ii. Twelve months amortization of projected Deferral Account balance	(0.0130)	(\$0.508)
7			
8			
9			
10	Tested Reference Price	\$0.3188	\$12.456
11			
12	Existing Propane Reference Price	<u>\$0.3342</u>	<u>\$13.058</u>
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Decrease in Propane Reference Price to be flowed through in customers' rates	(\$0.0154)	(\$0.602)
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.95% ⁽¹⁾	(0.0008)	(\$0.031)
19			
20	Total Propane Cost Flowthrough ⁽²⁾	<u>(\$0.0162)</u>	<u>(\$0.633)</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		<u>Litres</u>	<u>%</u>
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	<u>847,918</u>	<u>3.61%</u>
33	Total	<u>1,162,350</u>	<u>4.95%</u>
34			
35	Note: (2)		
36	Projected Deferral Balance at Sep 30,2010	(\$0.0130)	(\$0.508)
37	Total Propane Cost Oct 1 2010 to Sep 30 2011	<u>(\$0.0032)</u>	<u>(\$0.125)</u>
38	Total Propane Cost Flowthrough	<u>(\$0.0162)</u>	<u>(\$0.633)</u>

**TERASEN GAS INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT**

FOR THE PERIOD ENDING SEPTEMBER 30, 2011

WITH TESTED REFERENCE PRICE EFFECTIVE OCTOBER 1, 2010

(AUGUST 24,2010 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	June 30, 2010						(\$42,896)
2	July (Projected)	663,985	\$0.2611	\$0.3466	(\$0.0856)	(\$56,812)	(\$99,708)
3	August (Projected)	214,221	\$0.3270	\$0.3342	(\$0.0072)	(\$1,538)	(\$101,246)
4	September (Projected)	293,555	\$0.3284	\$0.3342	(\$0.0058)	(\$1,696)	(\$102,942)
5	Current Quarter Total	<u>1,171,760</u>				<u>(\$60,046)</u>	
6							
7				TESTED			
8				Reference			
9				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	October 2010 (Forecast)	673,730	\$0.3327	\$0.3188	\$0.0139	\$9,365	(\$93,577)
12	November (Forecast)	922,697	\$0.3231	\$0.3188	\$0.0043	\$3,968	(\$89,609)
13	December (Forecast)	1,241,786	\$0.3415	\$0.3188	\$0.0227	\$28,189	(\$61,420)
14	January 2011 (Forecast)	1,227,848	\$0.3535	\$0.3188	\$0.0347	\$42,606	(\$18,814)
15	February (Forecast)	959,183	\$0.3391	\$0.3188	\$0.0203	\$19,471	\$657
16	March (Forecast)	933,150	\$0.3241	\$0.3188	\$0.0053	\$4,946	\$5,603
17	April (Forecast)	523,647	\$0.3260	\$0.3188	\$0.0072	\$3,770	\$9,373
18	May (Forecast)	408,458	\$0.3129	\$0.3188	(\$0.0059)	(\$2,410)	\$6,963
19	June (Forecast)	251,115	\$0.3053	\$0.3188	(\$0.0135)	(\$3,390)	\$3,573
20	July (Forecast)	253,939	\$0.3016	\$0.3188	(\$0.0172)	(\$4,368)	(\$795)
21	August (Forecast)	221,696	\$0.3120	\$0.3188	(\$0.0068)	(\$1,508)	(\$2,303)
22	September (Forecast)	302,346	\$0.3258	\$0.3188	\$0.0070	\$2,116	(\$187)
23	Total October 2010 to September 2011	<u>7,919,594</u>				<u>\$102,755</u>	

**TERASEN GAS INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT**

FOR THE PERIOD ENDING SEPTEMBER 30, 2012

WITH TESTED REFERENCE PRICE EFFECTIVE OCTOBER 1, 2010

(AUGUST 24,2010 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	TESTED 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 2011 Balance (Forecast)						(\$187)
2	October (Forecast)	689,669	\$0.3350	\$0.3188	\$0.0162	\$11,173	\$10,986
3	November (Forecast)	943,926	\$0.3472	\$0.3188	\$0.0284	\$26,807	\$37,793
4	December (Forecast)	1,268,596	\$0.3606	\$0.3188	\$0.0418	\$53,027	\$90,820
5	January 2012 (Forecast)	1,264,090	\$0.3678	\$0.3188	\$0.0490	\$61,940	\$152,760
6	February (Forecast)	987,555	\$0.3594	\$0.3188	\$0.0406	\$40,095	\$192,855
7	March (Forecast)	961,944	\$0.3467	\$0.3188	\$0.0279	\$26,838	\$219,693
8	April (Forecast)	541,268	\$0.3329	\$0.3188	\$0.0141	\$7,632	\$227,325
9	May (Forecast)	422,436	\$0.3202	\$0.3188	\$0.0014	\$591	\$227,916
10	June (Forecast)	261,189	\$0.3118	\$0.3188	(\$0.0070)	(\$1,828)	\$226,088
11	July (Forecast)	263,593	\$0.3069	\$0.3188	(\$0.0119)	(\$3,137)	\$222,951
12	August (Forecast)	230,077	\$0.3175	\$0.3188	(\$0.0013)	(\$299)	\$222,652
13	September (Forecast)	312,826	\$0.3309	\$0.3188	\$0.0121	\$3,785	\$226,437
14	Total October 2011 to September 2012	<u>8,147,169</u>				<u>\$226,624</u>	

**TERASEN GAS INC. - REVELSTOKE SERVICE AREA
OCTOBER 1, 2010 TESTED PROPANE COST DECREASE
TYPICAL ANNUAL CONSUMPTION**

(AUGUST 24, 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 (\$)	% Decrease	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Decrease	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Decrease
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	\$14.613	<u>\$730.65</u>		250.0	\$13.522	<u>\$3,380.50</u>		4,500.0	\$13.522	<u>\$60,849.00</u>	
10													
11	Typical Annual Bill at current rates (excluding any applicable PST, GST, or Carbon Tax)	<u>50.0</u>		<u>\$1,029.98</u>		<u>250.0</u>		<u>\$4,329.58</u>		<u>4,500.0</u>		<u>\$72,424.74</u>	
12													
13													
14										5,946.0			
15	October 1, 2010 Propane Cost Flowthrough												
16	Propane Price Decrease		(\$0.633)	<u>(\$31.65)</u>	(3.1%)		(\$0.633)	<u>(\$158.25)</u>	(3.7%)		(\$0.633)	<u>(\$2,848.50)</u>	(3.9%)
17	Typical Annual Bill after Propane Price Change			<u>\$998.33</u>				<u>\$4,171.33</u>				<u>\$69,576.24</u>	

TERASEN GAS INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING SEPTEMBER 30, 2011
WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-101-10)
(AUGUST 24,2010 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	June 30, 2010						(\$42,896)
2	July (Projected)	663,985	\$0.2611	\$0.3466	(\$0.0856)	(\$56,812)	(\$99,708)
3	August (Projected)	214,221	\$0.2931	\$0.3342	(\$0.0411)	(\$8,811)	(\$108,519)
4	September (Projected)	293,555	\$0.3217	\$0.3342	(\$0.0125)	(\$3,672)	(\$112,191)
5	Current Quarter Total	<u>1,171,760</u>				<u>(\$69,295)</u>	
6							
7	Forecast Volumes and Forecast Prices						
8	October 2010 (Forecast)	673,730	\$0.3256	\$0.3342	(\$0.0086)	(\$5,794)	(\$117,985)
9	November (Forecast)	922,697	\$0.3229	\$0.3342	(\$0.0113)	(\$10,426)	(\$128,411)
10	December (Forecast)	1,241,786	\$0.3548	\$0.3342	\$0.0206	\$25,581	(\$102,830)
11	January 2011 (Forecast)	1,227,848	\$0.3661	\$0.3342	\$0.0319	\$39,168	(\$63,662)
12	February (Forecast)	959,183	\$0.3514	\$0.3342	\$0.0172	\$16,498	(\$47,164)
13	March (Forecast)	933,150	\$0.3277	\$0.3342	(\$0.0065)	(\$6,065)	(\$53,229)
14	April (Forecast)	523,647	\$0.3404	\$0.3342	\$0.0062	\$3,247	(\$49,982)
15	May (Forecast)	408,458	\$0.3292	\$0.3342	(\$0.0050)	(\$2,042)	(\$52,024)
16	June (Forecast)	251,115	\$0.3120	\$0.3342	(\$0.0222)	(\$5,575)	(\$57,599)
17	July (Forecast)	253,939	\$0.2965	\$0.3342	(\$0.0377)	(\$9,573)	(\$67,172)
18	August (Forecast)	221,696	\$0.3054	\$0.3342	(\$0.0288)	(\$6,385)	(\$73,557)
19	September (Forecast)	302,346	\$0.3399	\$0.3342	\$0.0057	\$1,723	(\$71,834)
20	Total October 2010 to September 2011	<u>7,919,594</u>				<u>\$40,357</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]					\$2,646,728	
25	September 30, 2010 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)					\$2,574,750	102.8%

TERASEN GAS INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING SEPTEMBER 30, 2012
WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-101-10)
(AUGUST 24,2010 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

Tab 2

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	September 2011 Balance (Forecast)						(\$71,834)
2	October (Forecast)	689,669	\$0.3535	\$0.3342	\$0.0193	\$13,311	(\$58,523)
3	November (Forecast)	943,926	\$0.3571	\$0.3342	\$0.0229	\$21,616	(\$36,907)
4	December (Forecast)	1,268,596	\$0.3882	\$0.3342	\$0.0540	\$68,504	\$31,597
5	January 2012 (Forecast)	1,264,090	\$0.3978	\$0.3342	\$0.0636	\$80,396	\$111,993
6	February (Forecast)	987,555	\$0.3836	\$0.3342	\$0.0494	\$48,785	\$160,778
7	March (Forecast)	961,944	\$0.3575	\$0.3342	\$0.0233	\$22,413	\$183,191
8	April (Forecast)	541,268	\$0.3562	\$0.3342	\$0.0220	\$11,908	\$195,099
9	May (Forecast)	422,436	\$0.3440	\$0.3342	\$0.0098	\$4,140	\$199,239
10	June (Forecast)	261,189	\$0.3252	\$0.3342	(\$0.0090)	(\$2,351)	\$196,888
11	July (Forecast)	263,593	\$0.3082	\$0.3342	(\$0.0260)	(\$6,853)	\$190,035
12	August (Forecast)	230,077	\$0.3179	\$0.3342	(\$0.0163)	(\$3,750)	\$186,285
13	September (Forecast)	312,826	\$0.3531	\$0.3342	\$0.0189	\$5,912	\$192,197
14	Total October 2011 to September 2012	<u>8,147,169</u>				<u>\$264,031</u>	

TERASEN GAS INC. - REVELSTOKE SERVICE AREA

PROPANE COST DEFERRAL ACCOUNT

FORECAST AVERAGE COST OF PROPANE

FOR THE PERIOD ENDING SEPTEMBER 30, 2011

(AUGUST 24,2010 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	October 2010 (Forecast)	673,730	-	673,730	\$ -	\$ 0.3256	\$ -	\$ 219,348	\$ 219,348
2	November (Forecast)	922,697	560,000	362,697	\$ 0.3125	\$ 0.3389	\$ 174,995	\$ 122,925	\$ 297,920
3	December (Forecast)	1,241,786	560,000	681,786	\$ 0.3125	\$ 0.3895	\$ 174,995	\$ 265,567	\$ 440,562
4	January 2011 (Forecast)	1,227,848	560,000	667,848	\$ 0.3135	\$ 0.4101	\$ 175,555	\$ 273,903	\$ 449,458
5	February (Forecast)	959,183	560,000	399,183	\$ 0.3135	\$ 0.4045	\$ 175,555	\$ 161,459	\$ 337,014
6	March (Forecast)	933,150	560,000	373,150	\$ 0.3135	\$ 0.3491	\$ 175,555	\$ 130,259	\$ 305,814
7	April (Forecast)	523,647	-	523,647	\$ -	\$ 0.3404	\$ -	\$ 178,242	\$ 178,242
8	May (Forecast)	408,458	-	408,458	\$ -	\$ 0.3292	\$ -	\$ 134,460	\$ 134,460
9	June (Forecast)	251,115	-	251,115	\$ -	\$ 0.3120	\$ -	\$ 78,344	\$ 78,344
10	July (Forecast)	253,939	-	253,939	\$ -	\$ 0.2965	\$ -	\$ 75,302	\$ 75,302
11	August (Forecast)	221,696	-	221,696	\$ -	\$ 0.3054	\$ -	\$ 67,697	\$ 67,697
12	September (Forecast)	302,346	-	302,346	\$ -	\$ 0.3399	\$ -	\$ 102,779	\$ 102,779
13	Total October 2010 to September 2011	<u>7,919,594</u>	<u>2,800,000</u>	<u>5,119,594</u>			<u>\$ 876,655</u>	<u>\$ 1,810,286</u>	<u>\$ 2,686,941</u>
14									
15	Forecast Average Cost of Propane - (\$/Litre) ^(A)								<u>\$ 0.3393</u>
16									
17	Forecast Average Cost of Propane - (\$/GJ) ^(A)								<u>\$ 13.257</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 SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
CALCULATION OF PROPANE COST DECREASE FLOWTHROUGH
FOR THE PERIOD ENDING SEPTEMBER 30, 2011
(AUGUST 24,2010 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 2, Page 3, Line 15, Col.9)		
4	October 1 2010 to September 30 2011	\$0.3393	\$13.257
5			
6	ii. Twelve months amortization of projected Deferral Account balance	(0.0142)	(\$0.555)
7			
8			
9			
10	Tested Reference Price	\$0.3251	\$12.702
11			
12	Existing Propane Reference Price	\$0.3342	\$13.058
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Decrease in Propane Reference Price to be flowed through in customers' rates	(\$0.0091)	(\$0.356)
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.95% ⁽¹⁾	(0.0005)	(\$0.020)
19			
20	Total Propane Cost Flowthrough ⁽²⁾	(\$0.0096)	(\$0.376)
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		<u>Litres</u>	<u>%</u>
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	<u>847,918</u>	<u>3.61%</u>
33	Total	<u>1,162,350</u>	<u>4.95%</u>
34			
35	Note: (2)		
36	Projected Deferral Balance at June 30, 2010	(\$0.0142)	(\$0.555)
37	Total Propane Cost - July 1, 2010 to June 30, 2011	<u>\$0.0046</u>	<u>\$0.179</u>
38	Total Propane Cost Flowthrough	<u>(\$0.0096)</u>	<u>(\$0.376)</u>

**TERASEN GAS INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT**

**FOR THE PERIOD ENDING SEPTEMBER 30, 2011
WITH TESTED REFERENCE PRICE EFFECTIVE OCTOBER 1, 2010**

(AUGUST 24,2010 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	June 30, 2010						(\$42,896)
2	July (Projected)	663,985	\$0.2611	\$0.3466	(\$0.0856)	(\$56,812)	(\$99,708)
3	August (Projected)	214,221	\$0.2931	\$0.3342	(\$0.0411)	(\$8,811)	(\$108,519)
4	September (Projected)	293,555	\$0.3217	\$0.3342	(\$0.0125)	(\$3,672)	(\$112,191)
5	Current Quarter Total	<u>1,171,760</u>				<u>(\$69,295)</u>	
6							
7				TESTED			
8				Reference			
9				Price			
10	<u>Forecast Volumes and Forecast Prices</u>						
11	October 2010 (Forecast)	673,730	\$0.3256	\$0.3251	\$0.0005	\$337	(\$111,854)
12	November (Forecast)	922,697	\$0.3229	\$0.3251	(\$0.0022)	(\$2,030)	(\$113,884)
13	December (Forecast)	1,241,786	\$0.3548	\$0.3251	\$0.0297	\$36,881	(\$77,003)
14	January 2011 (Forecast)	1,227,848	\$0.3661	\$0.3251	\$0.0410	\$50,342	(\$26,661)
15	February (Forecast)	959,183	\$0.3514	\$0.3251	\$0.0263	\$25,227	(\$1,434)
16	March (Forecast)	933,150	\$0.3277	\$0.3251	\$0.0026	\$2,426	\$992
17	April (Forecast)	523,647	\$0.3404	\$0.3251	\$0.0153	\$8,012	\$9,004
18	May (Forecast)	408,458	\$0.3292	\$0.3251	\$0.0041	\$1,675	\$10,679
19	June (Forecast)	251,115	\$0.3120	\$0.3251	(\$0.0131)	(\$3,290)	\$7,389
20	July (Forecast)	253,939	\$0.2965	\$0.3251	(\$0.0286)	(\$7,263)	\$126
21	August (Forecast)	221,696	\$0.3054	\$0.3251	(\$0.0197)	(\$4,367)	(\$4,241)
22	September (Forecast)	302,346	\$0.3399	\$0.3251	\$0.0148	\$4,475	\$234
23	Total October 2010 to September 2011	<u>7,919,594</u>				<u>\$112,425</u>	

TERASEN GAS INC. - REVELSTOKE SERVICE AREA
 PROPANE COST DEFERRAL ACCOUNT

FOR THE PERIOD ENDING SEPTEMBER 30, 2012
 WITH TESTED REFERENCE PRICE EFFECTIVE OCTOBER 1, 2010
 (AUGUST 24,2010 FORWARD PRICES BASED ON NYMEX WTI LIGHT SWEET CRUDE OIL FUTURES)

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	TESTED 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 2011 Balance (Forecast)						\$234
2	October (Forecast)	689,669	\$0.3535	\$0.3251	\$0.0284	\$19,587	\$19,821
3	November (Forecast)	943,926	\$0.3571	\$0.3251	\$0.0320	\$30,206	\$50,027
4	December (Forecast)	1,268,596	\$0.3882	\$0.3251	\$0.0631	\$80,048	\$130,075
5	January 2012 (Forecast)	1,264,090	\$0.3978	\$0.3251	\$0.0727	\$91,899	\$221,974
6	February (Forecast)	987,555	\$0.3836	\$0.3251	\$0.0585	\$57,772	\$279,746
7	March (Forecast)	961,944	\$0.3575	\$0.3251	\$0.0324	\$31,167	\$310,913
8	April (Forecast)	541,268	\$0.3562	\$0.3251	\$0.0311	\$16,833	\$327,746
9	May (Forecast)	422,436	\$0.3440	\$0.3251	\$0.0189	\$7,984	\$335,730
10	June (Forecast)	261,189	\$0.3252	\$0.3251	\$0.0001	\$26	\$335,756
11	July (Forecast)	263,593	\$0.3082	\$0.3251	(\$0.0169)	(\$4,455)	\$331,301
12	August (Forecast)	230,077	\$0.3179	\$0.3251	(\$0.0072)	(\$1,657)	\$329,644
13	September (Forecast)	312,826	\$0.3531	\$0.3251	\$0.0280	\$8,759	\$338,403
14	Total October 2011 to September 2012	<u>8,147,169</u>				<u>\$338,169</u>	

TERASEN GAS INC. - REVELSTOKE SERVICE AREA
OCTOBER 1, 2010 TESTED PROPANE COST DECREASE
TYPICAL ANNUAL CONSUMPTION
(AUGUST 24,2010 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 (\$)	% Decrease	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Decrease	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Decrease
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	\$14.613	<u>\$730.65</u>		250.0	\$13.522	<u>\$3,380.50</u>		4,500.0	\$13.522	<u>\$60,849.00</u>	
10													
11	Typical Annual Bill at current rates (excluding any applicable PST, GST, or Carbon Tax)	<u>50.0</u>		<u>\$1,029.98</u>		<u>250.0</u>		<u>\$4,329.58</u>		<u>4,500.0</u>		<u>\$72,424.74</u>	
12													
13													
14										5,946.0			
15	October 1, 2010 Propane Cost Flowthrough												
16	Propane Price Decrease		(\$0.376)	<u>(\$18.80)</u>	(1.8%)		(\$0.376)	<u>(\$94.00)</u>	(2.2%)		(\$0.376)	<u>(\$1,692.00)</u>	(2.3%)
17	Typical Annual Bill after Propane Price Change			<u>\$1,011.18</u>				<u>\$4,235.58</u>				<u>\$70,732.74</u>	

TERASEN GAS INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING SEPTEMBER 30, 2011
WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-101-10)
(AUGUST 24,2010 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	June 30, 2010						(\$42,896)
2	July (Projected)	663,985	\$0.2611	\$0.3466	(\$0.0856)	(\$56,812)	(\$99,708)
3	August (Projected)	214,221	\$0.3610	\$0.3342	\$0.0268	\$5,735	(\$93,973)
4	September (Projected)	293,555	\$0.3352	\$0.3342	\$0.0010	\$280	(\$93,693)
5	Current Quarter Total	<u>1,171,760</u>				<u>(\$50,797)</u>	
6							
7	Forecast Volumes and Forecast Prices						
8	October 2010 (Forecast)	673,730	\$0.3398	\$0.3342	\$0.0056	\$3,773	(\$89,920)
9	November (Forecast)	922,697	\$0.3234	\$0.3342	(\$0.0108)	(\$9,965)	(\$99,885)
10	December (Forecast)	1,241,786	\$0.3282	\$0.3342	(\$0.0060)	(\$7,451)	(\$107,336)
11	January 2011 (Forecast)	1,227,848	\$0.3409	\$0.3342	\$0.0067	\$8,227	(\$99,109)
12	February (Forecast)	959,183	\$0.3269	\$0.3342	(\$0.0073)	(\$7,002)	(\$106,111)
13	March (Forecast)	933,150	\$0.3204	\$0.3342	(\$0.0138)	(\$12,877)	(\$118,988)
14	April (Forecast)	523,647	\$0.3117	\$0.3342	(\$0.0225)	(\$11,782)	(\$130,770)
15	May (Forecast)	408,458	\$0.2967	\$0.3342	(\$0.0375)	(\$15,317)	(\$146,087)
16	June (Forecast)	251,115	\$0.2987	\$0.3342	(\$0.0355)	(\$8,915)	(\$155,002)
17	July (Forecast)	253,939	\$0.3067	\$0.3342	(\$0.0275)	(\$6,983)	(\$161,985)
18	August (Forecast)	221,696	\$0.3186	\$0.3342	(\$0.0156)	(\$3,458)	(\$165,443)
19	September (Forecast)	302,346	\$0.3116	\$0.3342	(\$0.0226)	(\$6,833)	(\$172,276)
20	Total October 2010 to September 2011	<u>7,919,594</u>				<u>(\$78,583)</u>	
21							
22							
23							
24	Forecast Recovered Costs [(Line 20 Col. 2) x (Line 19 Col. 4)]				\$2,646,728		
25	September 30, 2010 Deferral Balance (Line 4 Col. 7) + Forecast Costs (Page 3 Line 13 Col. 9)			=	<u>\$2,474,422</u>	=	107.0%

TERASEN GAS INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING SEPTEMBER 30, 2012
WITH EXISTING PROPANE REFERENCE PRICE (BCUC ORDER NO. G-101-10)
(AUGUST 24,2010 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	September 2011 Balance (Forecast)						(\$172,276)
2	October (Forecast)	689,669	\$0.3165	\$0.3342	(\$0.0177)	(\$12,207)	(\$184,483)
3	November (Forecast)	943,926	\$0.3374	\$0.3342	\$0.0032	\$3,021	(\$181,462)
4	December (Forecast)	1,268,596	\$0.3329	\$0.3342	(\$0.0013)	(\$1,649)	(\$183,111)
5	January 2012 (Forecast)	1,264,090	\$0.3378	\$0.3342	\$0.0036	\$4,551	(\$178,560)
6	February (Forecast)	987,555	\$0.3352	\$0.3342	\$0.0010	\$988	(\$177,572)
7	March (Forecast)	961,944	\$0.3360	\$0.3342	\$0.0018	\$1,731	(\$175,841)
8	April (Forecast)	541,268	\$0.3097	\$0.3342	(\$0.0245)	(\$13,261)	(\$189,102)
9	May (Forecast)	422,436	\$0.2965	\$0.3342	(\$0.0377)	(\$15,926)	(\$205,028)
10	June (Forecast)	261,189	\$0.2984	\$0.3342	(\$0.0358)	(\$9,351)	(\$214,379)
11	July (Forecast)	263,593	\$0.3055	\$0.3342	(\$0.0287)	(\$7,565)	(\$221,944)
12	August (Forecast)	230,077	\$0.3171	\$0.3342	(\$0.0171)	(\$3,934)	(\$225,878)
13	September (Forecast)	<u>312,826</u>	\$0.3086	\$0.3342	(\$0.0256)	<u>(\$8,008)</u>	(\$233,886)
14	Total October 2011 to September 2012	<u><u>8,147,169</u></u>				<u><u>(\$61,610)</u></u>	

TERASEN GAS INC. - REVELSTOKE SERVICE AREA

PROPANE COST DEFERRAL ACCOUNT

FORECAST AVERAGE COST OF PROPANE

FOR THE PERIOD ENDING SEPTEMBER 30, 2011

(AUGUST 24,2010 FORWARD PRICES BASED ON NYMEX 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	October 2010 (Forecast)	673,730	-	673,730	\$ -	\$ 0.3398	\$ -	\$ 228,949	\$ 228,949
2	November (Forecast)	922,697	560,000	362,697	\$ 0.3125	\$ 0.3402	\$ 174,995	\$ 123,380	\$ 298,375
3	December (Forecast)	1,241,786	560,000	681,786	\$ 0.3125	\$ 0.3411	\$ 174,995	\$ 232,546	\$ 407,541
4	January 2011 (Forecast)	1,227,848	560,000	667,848	\$ 0.3135	\$ 0.3639	\$ 175,555	\$ 243,063	\$ 418,618
5	February (Forecast)	959,183	560,000	399,183	\$ 0.3135	\$ 0.3457	\$ 175,555	\$ 137,979	\$ 313,534
6	March (Forecast)	933,150	560,000	373,150	\$ 0.3135	\$ 0.3308	\$ 175,555	\$ 123,428	\$ 298,983
7	April (Forecast)	523,647	-	523,647	\$ -	\$ 0.3117	\$ -	\$ 163,201	\$ 163,201
8	May (Forecast)	408,458	-	408,458	\$ -	\$ 0.2967	\$ -	\$ 121,185	\$ 121,185
9	June (Forecast)	251,115	-	251,115	\$ -	\$ 0.2987	\$ -	\$ 74,997	\$ 74,997
10	July (Forecast)	253,939	-	253,939	\$ -	\$ 0.3067	\$ -	\$ 77,879	\$ 77,879
11	August (Forecast)	221,696	-	221,696	\$ -	\$ 0.3186	\$ -	\$ 70,642	\$ 70,642
12	September (Forecast)	302,346	-	302,346	\$ -	\$ 0.3116	\$ -	\$ 94,211	\$ 94,211
13	Total October 2010 to September 2011	<u>7,919,594</u>	<u>2,800,000</u>	<u>5,119,594</u>			<u>\$ 876,655</u>	<u>\$ 1,691,460</u>	<u>\$ 2,568,115</u>
14									
15	Forecast Average Cost of Propane - (\$/Litre) ^(A)								<u>\$ 0.3243</u>
16									
17	Forecast Average Cost of Propane - (\$/GJ) ^(A)								<u>\$ 12.671</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 SERVICE AREA
 PROPANE COST DEFERRAL ACCOUNT
 CALCULATION OF PROPANE COST DECREASE FLOWTHROUGH
 FOR THE PERIOD ENDING SEPTEMBER 30, 2011
 (AUGUST 24,2010 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars (1)	\$/Litre (2)	\$/GJ (3)
1	Calculation of New Propane Reference Price		
2			
3	i. Forecast average Cost of Propane (Tab 3, Page 3, Line 15, Col.9)		
4	October 1 2010 to September 30 2011	\$0.3243	\$12.671
5			
6	ii. Twelve months amortization of projected Deferral Account balance	(0.0118)	(\$0.461)
7			
8			
9			
10	Tested Reference Price	\$0.3125	\$12.210
11			
12	Existing Propane Reference Price	\$0.3342	\$13.058
13	(Conversion factor 1 Litre = 0.025594 GJ)		
14			
15			
16	Decrease in Propane Reference Price to be flowed through in customers' rates	(\$0.0217)	(\$0.848)
17			
18	Add: Unaccounted For/Company Use/Vaporizer Use Adjustment of 4.95% ⁽¹⁾	(0.0011)	(\$0.043)
19			
20	Total Propane Cost Flowthrough ⁽²⁾	(\$0.0228)	(\$0.891)
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		<u>Litres</u>	<u>%</u>
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	<u>847,918</u>	<u>3.61%</u>
33	Total	<u>1,162,350</u>	<u>4.95%</u>
34			
35	Note: (2)		
36	Projected Deferral Balance at June 30, 2010	(\$0.0118)	(\$0.461)
37	Total Propane Cost - July 1, 2010 to June 30, 2011	<u>(\$0.0110)</u>	<u>(\$0.430)</u>
38	Total Propane Cost Flowthrough	<u>(\$0.0228)</u>	<u>(\$0.891)</u>

TERASEN GAS INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING SEPTEMBER 30, 2011
WITH TESTED REFERENCE PRICE EFFECTIVE OCTOBER 1, 2010
(AUGUST 24,2010 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	June 30, 2010						(\$42,896)
2	July (Projected)	663,985	\$0.2611	\$0.3466	(\$0.0856)	(\$56,812)	(\$99,708)
3	August (Projected)	214,221	\$0.3610	\$0.3342	\$0.0268	\$5,735	(\$93,973)
4	September (Projected)	293,555	\$0.3352	\$0.3342	\$0.0010	\$280	(\$93,693)
5	Current Quarter Total	<u>1,171,760</u>				<u>(\$50,797)</u>	
6							
7							
8							
9							
10	<u>Forecast Volumes and Forecast Prices</u>			TESTED Reference Price			
11	October 2010 (Forecast)	673,730	\$0.3398	\$0.3125	\$0.0273	\$18,393	(\$75,300)
12	November (Forecast)	922,697	\$0.3234	\$0.3125	\$0.0109	\$10,057	(\$65,243)
13	December (Forecast)	1,241,786	\$0.3282	\$0.3125	\$0.0157	\$19,496	(\$45,747)
14	January 2011 (Forecast)	1,227,848	\$0.3409	\$0.3125	\$0.0284	\$34,871	(\$10,876)
15	February (Forecast)	959,183	\$0.3269	\$0.3125	\$0.0144	\$13,812	\$2,936
16	March (Forecast)	933,150	\$0.3204	\$0.3125	\$0.0079	\$7,372	\$10,308
17	April (Forecast)	523,647	\$0.3117	\$0.3125	(\$0.0008)	(\$419)	\$9,889
18	May (Forecast)	408,458	\$0.2967	\$0.3125	(\$0.0158)	(\$6,454)	\$3,435
19	June (Forecast)	251,115	\$0.2987	\$0.3125	(\$0.0138)	(\$3,465)	(\$30)
20	July (Forecast)	253,939	\$0.3067	\$0.3125	(\$0.0058)	(\$1,473)	(\$1,503)
21	August (Forecast)	221,696	\$0.3186	\$0.3125	\$0.0061	\$1,352	(\$151)
22	September (Forecast)	302,346	\$0.3116	\$0.3125	(\$0.0009)	(\$272)	(\$423)
23	Total October 2010 to September 2011	<u>7,919,594</u>				<u>\$93,270</u>	

TERASEN GAS INC. - REVELSTOKE SERVICE AREA
PROPANE COST DEFERRAL ACCOUNT
FOR THE PERIOD ENDING SEPTEMBER 30, 2012
WITH TESTED REFERENCE PRICE EFFECTIVE OCTOBER 1, 2010
(AUGUST 24,2010 FORWARD PRICES BASED ON NYMEX MT. BELVIEU PROPANE SWAP PRICES)

Line No.	Particulars	Volumes In Litre	Average Price Per Litre	TESTED 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 2011 Balance (Forecast)						(\$423)
2	October (Forecast)	689,669	\$0.3165	\$0.3125	\$0.0040	\$2,759	\$2,336
3	November (Forecast)	943,926	\$0.3374	\$0.3125	\$0.0249	\$23,504	\$25,840
4	December (Forecast)	1,268,596	\$0.3329	\$0.3125	\$0.0204	\$25,879	\$51,719
5	January 2012 (Forecast)	1,264,090	\$0.3378	\$0.3125	\$0.0253	\$31,981	\$83,700
6	February (Forecast)	987,555	\$0.3352	\$0.3125	\$0.0227	\$22,418	\$106,118
7	March (Forecast)	961,944	\$0.3360	\$0.3125	\$0.0235	\$22,606	\$128,724
8	April (Forecast)	541,268	\$0.3097	\$0.3125	(\$0.0028)	(\$1,516)	\$127,208
9	May (Forecast)	422,436	\$0.2965	\$0.3125	(\$0.0160)	(\$6,759)	\$120,449
10	June (Forecast)	261,189	\$0.2984	\$0.3125	(\$0.0141)	(\$3,683)	\$116,766
11	July (Forecast)	263,593	\$0.3055	\$0.3125	(\$0.0070)	(\$1,845)	\$114,921
12	August (Forecast)	230,077	\$0.3171	\$0.3125	\$0.0046	\$1,058	\$115,979
13	September (Forecast)	<u>312,826</u>	\$0.3086	\$0.3125	(\$0.0039)	<u>(\$1,220)</u>	\$114,759
14	Total October 2011 to September 2012	<u><u>8,147,169</u></u>				<u><u>\$115,182</u></u>	

TERASEN GAS INC. - REVELSTOKE SERVICE AREA
OCTOBER 1, 2010 TESTED PROPANE COST DECREASE
TYPICAL ANNUAL CONSUMPTION
(AUGUST 24, 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 (\$)	% Decrease	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Decrease	Use per Customer (GJ)	Unit Revenue (\$/GJ) or (\$/mo.)	Revenue (\$)	% Decrease
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	\$14.613	<u>\$730.65</u>		250.0	\$13.522	<u>\$3,380.50</u>		4,500.0	\$13.522	<u>\$60,849.00</u>	
10													
11	Typical Annual Bill at current rates (excluding any applicable PST, GST, or Carbon Tax)	<u>50.0</u>		<u>\$1,029.98</u>		<u>250.0</u>		<u>\$4,329.58</u>		<u>4,500.0</u>		<u>\$72,424.74</u>	
12													
13													
14										5,946.0			
15	October 1, 2010 Propane Cost Flowthrough												
16	Propane Price Decrease		(\$0.891)	<u>(\$44.55)</u>	(4.3%)		(\$0.891)	<u>(\$222.75)</u>	(5.1%)		(\$0.891)	<u>(\$4,009.50)</u>	(5.5%)
17	Typical Annual Bill after Propane Price Change			<u>\$985.43</u>				<u>\$4,106.83</u>				<u>\$68,415.24</u>	

TERASEN GAS INC. - REVELSTOKE SERVICE AREA
PROPANE FLOATING PRICES
 Forward Prices: AUGUST 24, 2010

Tab 4
 Page 1

CRUDE OIL FUTURES		
Month	Crude Oil Future Prices (US \$ per Barrel)	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Oct-10	\$71.63	\$0.3256
Nov-10	\$72.36	\$0.3229
Dec-10	\$73.22	\$0.3548
Jan-11	\$73.97	\$0.3661
Feb-11	\$74.60	\$0.3514
Mar-11	\$75.15	\$0.3277
Apr-11	\$75.64	\$0.3404
May-11	\$76.10	\$0.3292
Jun-11	\$76.53	\$0.3120
Jul-11	\$76.93	\$0.2965
Aug-11	\$77.25	\$0.3054
Sep-11	\$77.56	\$0.3399
Oct-11	\$77.87	\$0.3535
Nov-11	\$78.20	\$0.3571
Dec-11	\$78.54	\$0.3882
Jan-12	\$78.73	\$0.3978
Feb-12	\$78.93	\$0.3836
Mar-12	\$79.14	\$0.3575
Apr-12	\$79.33	\$0.3562
May-12	\$79.53	\$0.3440
Jun-12	\$79.74	\$0.3252
Jul-12	\$79.92	\$0.3082
Aug-12	\$80.09	\$0.3179
Sep-12	\$80.26	\$0.3531

PROPANE SWAP PRICES		
Month	Propane Swap Prices (US \$ per Gallon)	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Oct-10	\$1.05	\$0.3398
Nov-10	\$1.06	\$0.3234
Dec-10	\$1.07	\$0.3282
Jan-11	\$1.07	\$0.3409
Feb-11	\$1.05	\$0.3269
Mar-11	\$1.00	\$0.3204
Apr-11	\$0.95	\$0.3117
May-11	\$0.94	\$0.2967
Jun-11	\$0.94	\$0.2987
Jul-11	\$0.94	\$0.3067
Aug-11	\$0.95	\$0.3186
Sep-11	\$0.95	\$0.3116
Oct-11	\$0.96	\$0.3165
Nov-11	\$0.97	\$0.3374
Dec-11	\$0.98	\$0.3329
Jan-12	\$0.94	\$0.3378
Feb-12	\$0.94	\$0.3352
Mar-12	\$0.94	\$0.3360
Apr-12	\$0.94	\$0.3097
May-12	\$0.94	\$0.2965
Jun-12	\$0.94	\$0.2984
Jul-12	\$0.94	\$0.3055
Aug-12	\$0.94	\$0.3171
Sep-12	\$0.94	\$0.3086

50% CRUDE OIL FUTURES & 50% PROPANE SWAP PRICES	
Month	Weighted Average Unit Cost (including transportation) (Cdn \$ per Litre)
Oct-10	\$0.3327
Nov-10	\$0.3231
Dec-10	\$0.3415
Jan-11	\$0.3535
Feb-11	\$0.3391
Mar-11	\$0.3241
Apr-11	\$0.3260
May-11	\$0.3129
Jun-11	\$0.3053
Jul-11	\$0.3016
Aug-11	\$0.3120
Sep-11	\$0.3258
Oct-11	\$0.3350
Nov-11	\$0.3472
Dec-11	\$0.3606
Jan-12	\$0.3678
Feb-12	\$0.3594
Mar-12	\$0.3467
Apr-12	\$0.3329
May-12	\$0.3202
Jun-12	\$0.3118
Jul-12	\$0.3069
Aug-12	\$0.3175
Sep-12	\$0.3309

Notes: US-Cdn exchange rates source - Barclays Bank dated August 24, 2010.



LETTER NO. L-XX-10

SIXTH FLOOR, 900 HOWE STREET, BOX 250
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ERICA M. HAMILTON
COMMISSION SECRETARY
Commission.Secretary@bcuc.com
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DRAFT ORDER

VIA E-MAIL

Regulatory.Affairs@terasengas.com

September XX, 2010

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

Dear Mr. Loski:

Re: Terasen Gas Inc.
Revelstoke Propane Service Area
2010 Third Quarter Gas Cost Report

Further to your September 3, 2010 filing of the 2010 Third Quarter Gas Cost Report (the "Report") for the Revelstoke Propane Service Area. The Commission acknowledges receipt of the Report and accepts the recommendation that customer rates remain unchanged for the Revelstoke Propane Service Area, as of October 1, 2010.

Yours truly,

Erica M. Hamilton
Commission Secretary