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

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

**Re: Terasen Gas Inc. – Fort Nelson Service Area (“TG Fort Nelson”)
Gas Cost Reconciliation Account (“GCRA”) Quarterly Gas Costs and Delivery
Rate Amendment
2010 Fourth Quarter Gas Cost Report**

The attached materials provide the TG Fort Nelson 2010 Fourth Quarter Gas Cost Report as required under British Columbia Utilities Commission (the “Commission”) guidelines.

Consistent with the natural gas price forecast utilized in the Terasen Gas Inc. (“Terasen Gas”) 2010 Fourth Quarter Gas Cost Report, the gas cost forecast used within the attached report is based on the five-day average of the November 17, 18, 19, 22, and 23, 2010 forward prices for natural gas (“five-day average forward prices ending November 23, 2010”).

Based on the five-day average forward prices ending November 23, 2010, the December 31, 2010 GCRA deferral balance is projected to be approximately \$66,400 surplus after tax (Tab 1, Page 2, Column 2, Line 31). Further, based on the five-day average forward prices ending November 23, 2010, the gas purchase cost assumptions, the forecast gas cost recoveries at present rates for the 12-month period ending December 31, 2011, and accounting for the projected December 31, 2010 deferral balance, the GCRA ratio is calculated to be 115.3% (Tab 1, Page 1, Column 3, Line 10). The ratio falls outside the dead band range of 95% to 105%, indicating that a rate change is necessary at this time.

The forecast cost of gas, based on the five-day average forward prices ending November 23, 2010, indicates a gas cost flow through decrease, effective January 1, 2011, of \$0.769/GJ would be required to eliminate the forecast over-recovery of the 12-month forward gas purchase costs and to amortize the projected December 31, 2010 surplus deferral balance. A summary, including a component breakdown of the \$0.769/GJ decrease is provided under the heading “PROPOSED RATES” in the section titled “BALANCING REQUIREMENT” in Tab 1, Page 1.

The schedules within Tab 2 provide a summary of the forecast monthly GCRA activity and deferral balances with the proposed gas cost flow through, effective January 1, 2011.

Further, on September 8, 2010, TG Fort Nelson submitted its 2011 Revenue Requirements Application seeking approval to recover a revenue deficiency through an increase in its delivery rates and to decrease the Revenue Stabilization Adjustment Mechanism ("RSAM") rate rider, effective January 1, 2011. The Commission, via Commission Order No. G-173-10 dated November 26, 2010, has approved, on an interim basis and effective January 1, 2011, an increase in the TG Fort Nelson delivery rates and a decrease in the RSAM rate rider. Therefore, the tariff continuity and bill impact schedules within the TG Fort Nelson 2010 Fourth Quarter Gas Cost Report have been prepared showing the combined effects of the approved delivery related rate changes effective January 1, 2011, and the proposed gas cost rate changes effective January 1, 2011.

Tabs 3 and 4 provide the tariff continuity and the bill impact schedules. The proposed January 1, 2011 decrease of \$0.769/GJ to the gas cost recovery charge component of rates, combined with the approved interim delivery related rate changes effective January 1, 2011, would decrease the annual bill by approximately \$39 or 3.4%, for a Fort Nelson residential customer with an average annual consumption of 140 GJ.

Provided in Tab 5 are the details of the forecast gas costs for TG Fort Nelson. 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 hereby requests Commission approval to flow through in customers' rates, effective January 1, 2011, a TG Fort Nelson gas cost recovery charge rate decrease of \$0.769/GJ. The gas cost recovery charge component of rates would decrease from \$5.784/GJ to \$5.015/GJ, effective January 1, 2011. Terasen Gas will continue to monitor the forward prices and will report these results in the TG Fort Nelson 2011 First Quarter Gas Cost Report.

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

All of which is respectfully submitted.

Yours very truly,

TERASEN GAS INC.

Original signed by:

Diane Roy

Attachments

TERASEN GAS INC. - FORT NELSON SERVICE AREA
GAS COST RECONCILIATION ACCOUNT ("GCRA") RATE CHANGE TRIGGER MECHANISM
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2011
WITH EXISTING JULY 1, 2010 GAS COST RECOVERY RATES
FIVE-DAY AVERAGE FORWARD PRICES - NOVEMBER 17,18,19,22 & 23, 2010

Tab 1
Page 1

Line No.	Particulars	Annual (\$000)	Percentage	Volume (TJ)	Unit Cost (\$/GJ)
	(1)	(2)	(3)	(4)	(5)
1	<u>RATE CHANGE TRIGGER MECHANISM</u>				
2	Projected Grossed-up GCRA Balance as at December 31, 2010	\$ (90.4)			
3	(Tab 1, Page 2, Col 2, Line 24)				
4					
5	Forecast Incurred Gas Costs - January 2011 to December 2011	\$ 2,785.9			
6	(Tab 1, Page 2, Col 14, Line 19)				
7	Forecast Recovered Gas Costs - January 2011 to December 2011	\$ 3,108.3			
8	(Tab 1, Page 2, Col 14, Line 10)				
9					
10	Ratio = $\frac{\text{Forecast Recovered Gas Costs}}{\text{Forecast Incurred Gas Costs} + \text{Projected GCRA Balance}}$	\$ 3,108.3	=		<u>115.3%</u>
11		\$ 2,695.6	=		
12					
13					
14					
15					
16	<u>BALANCING REQUIREMENT</u>				
17	(applicable when Rate Change Trigger Mechanism Ratio falls outside 95% to 105% deadband)				
18					
19					
20	<u>PROPOSED RATES</u>				
21					
22	Forecast 12 Month Sales Recovery Volumes January 2011 to December 2011			536.6	
23	(Tab 1, Page 2, Col 14, Line 2)				
24					
25	Projected GCRA Balance at December 31, 2010 (Line 2)	\$ (90.4)			\$ (0.1684)
26	Forecast GCRA Activities - January 2011 to December 2011 (Line 5 minus Line 7)	<u>(322.3)</u>			\$ (0.6007)
27	(Over) / Under Recovery at Existing Rates	<u>\$ (412.7)</u>			
28					
29					
30	Proposed Rates (Decrease) / Increase				<u>\$ (0.7690)</u>

TERASEN GAS INC. - FORT NELSON SERVICE AREA
RECOVERED AND INCURRED COSTS SUMMARY
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2011
WITH EXISTING JULY 1, 2010 GAS COST RECOVERY RATES
FIVE-DAY AVERAGE FORWARD PRICES - NOVEMBER 17,18,19,22 & 23, 2010

Tab 1
Page 2

Line No.	Particulars													1-12 month
		Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Forecast Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	RECOVERED GAS COSTS													
2	Total Sales - TJ	96.5	69.7	66.4	39.1	21.6	13.8	9.3	12.3	23.0	39.3	64.4	81.2	536.6
3	T-Service UAF - TJ	0.3	0.2	0.2	0.0	0.0	-	-	-	-	0.0	0.1	0.1	0.8
4														
5	Recovery Unit Cost on Sales - \$/GJ	\$ 5.784	\$ 5.784	\$ 5.784	\$ 5.784	\$ 5.784	\$ 5.784	\$ 5.784	\$ 5.784	\$ 5.784	\$ 5.784	\$ 5.784	\$ 5.784	
6	Recovery Unit Cost on T-Service UAF - \$/GJ	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	
7														
8	Recovery on Sales - \$000	\$ 558.2	\$ 403.1	\$ 384.1	\$ 226.2	\$ 124.9	\$ 79.8	\$ 53.8	\$ 71.1	\$ 133.0	\$ 227.3	\$ 372.5	\$ 469.7	\$ 3,103.7
9	Recovery on T-Service UAF @ \$8.078 - \$000	1.4	1.1	1.0	0.3	0.0	-	-	-	-	0.1	0.3	0.4	4.6
10	Total Forecast Recovered Gas Costs - \$000	<u>\$ 559.6</u>	<u>\$ 404.2</u>	<u>\$ 385.0</u>	<u>\$ 226.4</u>	<u>\$ 125.0</u>	<u>\$ 79.8</u>	<u>\$ 53.8</u>	<u>\$ 71.1</u>	<u>\$ 133.0</u>	<u>\$ 227.5</u>	<u>\$ 372.8</u>	<u>\$ 470.1</u>	<u>\$ 3,108.3</u>
11														
12														
13														
14	INCURRED GAS COSTS													
15	Total Purchases Incl. UAF - TJ	98.1	70.9	67.5	39.7	21.9	14.0	9.4	12.5	23.3	39.9	65.4	82.4	544.9
16														
17	Incurred Cost - \$/GJ	5.7106	5.7135	5.7031	4.3289	4.3684	4.4175	4.4757	4.4811	4.4640	4.4944	4.8304	4.9680	
18														
19	Forecast Incurred Gas Costs - \$000	<u>\$ 560.2</u>	<u>\$ 404.9</u>	<u>\$ 385.0</u>	<u>\$ 171.8</u>	<u>\$ 95.7</u>	<u>\$ 61.8</u>	<u>\$ 42.2</u>	<u>\$ 55.9</u>	<u>\$ 104.1</u>	<u>\$ 179.2</u>	<u>\$ 315.7</u>	<u>\$ 409.4</u>	<u>\$ 2,785.9</u>
20														
21														
22														
23	GCRA BALANCE													
24	Opening Balances (Pre-Tax) - \$000 ^(1*)	\$ (90.4)	\$ (89.7)	\$ (89.0)	\$ (89.1)	\$ (143.7)	\$ (172.9)	\$ (190.9)	\$ (202.5)	\$ (217.8)	\$ (246.7)	\$ (294.9)	\$ (352.0)	
25	Forecast Activity - \$000	0.7	0.7	(0.1)	(54.6)	(29.3)	(18.0)	(11.6)	(15.3)	(28.9)	(48.2)	(57.1)	(60.7)	\$ (322.3)
26	Closing Balances (Pre-tax) - \$000	<u>\$ (89.7)</u>	<u>\$ (89.0)</u>	<u>\$ (89.1)</u>	<u>\$ (143.7)</u>	<u>\$ (172.9)</u>	<u>\$ (190.9)</u>	<u>\$ (202.5)</u>	<u>\$ (217.8)</u>	<u>\$ (246.7)</u>	<u>\$ (294.9)</u>	<u>\$ (352.0)</u>	<u>\$ (412.7)</u>	
27														
28														
29	Tax Rate	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	
30														
31	Opening Balances (After-Tax) - \$000	\$ (66.4)	\$ (65.9)	\$ (65.4)	\$ (65.5)	\$ (105.6)	\$ (127.1)	\$ (140.3)	\$ (148.9)	\$ (160.1)	\$ (181.3)	\$ (216.8)	\$ (258.8)	
32	Closing Balances (After Tax) - \$000	<u>\$ (65.9)</u>	<u>\$ (65.4)</u>	<u>\$ (65.5)</u>	<u>\$ (105.6)</u>	<u>\$ (127.1)</u>	<u>\$ (140.3)</u>	<u>\$ (148.9)</u>	<u>\$ (160.1)</u>	<u>\$ (181.3)</u>	<u>\$ (216.8)</u>	<u>\$ (258.8)</u>	<u>\$ (303.3)</u>	

Slight differences in totals due to rounding.

Note (1*) Pre-tax opening balances are restated based on current income taxes, to reflect grossed-up after tax amounts.

TERASEN GAS INC. - FORT NELSON SERVICE AREA
RECOVERED AND INCURRED COSTS SUMMARY
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2012
WITH EXISTING JULY 1, 2010 GAS COST RECOVERY RATES
FIVE-DAY AVERAGE FORWARD PRICES - NOVEMBER 17,18,19,22 & 23, 2010

Line No.	Particulars	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	13-24 month Forecast Total
	(1)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
1	RECOVERED GAS COSTS													
2	Total Sales - TJ	96.8	70.0	66.7	39.2	21.6	13.8	9.3	12.4	23.1	39.4	64.6	81.4	538.3
3	T-Service UAF - TJ	0.3	0.2	0.2	0.0	0.0	-	-	-	-	0.0	0.1	0.1	0.8
4														
5	Recovery Unit Cost on Sales - \$/GJ	\$ 5.784	\$ 5.784	\$ 5.784	\$ 5.784	\$ 5.784	\$ 5.784	\$ 5.784	\$ 5.784	\$ 5.784	\$ 5.784	\$ 5.784	\$ 5.784	
6	Recovery Unit Cost on T-Service UAF - \$/GJ	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	
7														
8	Recovery on Sales - \$000	\$ 559.9	\$ 404.9	\$ 385.8	\$ 226.7	\$ 124.9	\$ 79.8	\$ 53.8	\$ 71.7	\$ 133.6	\$ 227.9	\$ 373.6	\$ 470.8	\$ 3,113.5
9	Recovery on T-Service UAF @ \$8.078 - \$000	1.4	1.1	1.0	0.3	0.0	-	-	-	-	0.1	0.3	0.4	4.6
10	Total Forecast Recovered Gas Costs - \$000	<u>\$ 561.3</u>	<u>\$ 405.9</u>	<u>\$ 386.8</u>	<u>\$ 227.0</u>	<u>\$ 125.0</u>	<u>\$ 79.8</u>	<u>\$ 53.8</u>	<u>\$ 71.7</u>	<u>\$ 133.6</u>	<u>\$ 228.0</u>	<u>\$ 373.9</u>	<u>\$ 471.2</u>	<u>\$ 3,118.1</u>
11														
12														
13														
14	INCURRED GAS COSTS													
15	Total Purchases Incl. UAF - TJ	98.4	71.2	67.8	39.8	21.9	14.0	9.4	12.6	23.4	40.0	65.6	82.6	546.7
16														
17	Incurred Cost - \$/GJ	5.0503	5.0375	4.9879	4.1945	4.2155	4.2615	4.3179	4.3264	4.3126	4.3523	5.0609	5.1717	
18														
19	Forecast Incurred Gas Costs - \$000	<u>\$ 497.0</u>	<u>\$ 358.5</u>	<u>\$ 338.2</u>	<u>\$ 166.9</u>	<u>\$ 92.4</u>	<u>\$ 59.6</u>	<u>\$ 40.7</u>	<u>\$ 54.4</u>	<u>\$ 101.0</u>	<u>\$ 174.0</u>	<u>\$ 331.8</u>	<u>\$ 427.2</u>	<u>\$ 2,641.8</u>
20														
21														
22														
23	GCRA BALANCE													
24	Opening Balances (Pre-Tax) - \$000 ^(1*)	\$ (364.2)	\$ (428.5)	\$ (475.9)	\$ (524.5)	\$ (584.5)	\$ (617.2)	\$ (637.3)	\$ (650.4)	\$ (667.7)	\$ (700.3)	\$ (754.4)	\$ (796.5)	
25	Forecast Activity - \$000	(64.3)	(47.4)	(48.5)	(60.1)	(32.6)	(20.2)	(13.1)	(17.3)	(32.6)	(54.0)	(42.2)	(44.0)	(476.3)
26	Closing Balances (Pre-tax) - \$000	<u>\$ (428.5)</u>	<u>\$ (475.9)</u>	<u>\$ (524.5)</u>	<u>\$ (584.5)</u>	<u>\$ (617.2)</u>	<u>\$ (637.3)</u>	<u>\$ (650.4)</u>	<u>\$ (667.7)</u>	<u>\$ (700.3)</u>	<u>\$ (754.4)</u>	<u>\$ (796.5)</u>	<u>\$ (840.5)</u>	
27														
28														
29	Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	
30														
31	Opening Balances (After-Tax) - \$000	\$ (303.3)	\$ (351.6)	\$ (387.1)	\$ (423.6)	\$ (468.6)	\$ (493.1)	\$ (508.2)	\$ (518.0)	\$ (531.0)	\$ (555.5)	\$ (596.0)	\$ (627.6)	
32	Closing Balances (After Tax) - \$000	<u>\$ (351.6)</u>	<u>\$ (387.1)</u>	<u>\$ (423.6)</u>	<u>\$ (468.6)</u>	<u>\$ (493.1)</u>	<u>\$ (508.2)</u>	<u>\$ (518.0)</u>	<u>\$ (531.0)</u>	<u>\$ (555.5)</u>	<u>\$ (596.0)</u>	<u>\$ (627.6)</u>	<u>\$ (660.6)</u>	

Slight differences in totals due to rounding.

Note (1*) Pre-tax opening balances are restated based on cur reflect grossed-up after tax amounts.

TERASEN GAS INC. - FORT NELSON SERVICE AREA
STATION NO. 2 INDEX FORECAST
FOR THE PERIOD ENDING DECEMBER 31, 2012

Line No	Particulars	Five-day Average Forward Prices - November 17,18,19,22 & 23, 2010 2010 Q4 Gas Cost Report	Five-day Average Forward Prices - August 18,19,20,23 & 24, 2010 2010 Q3 Gas Cost Report	Change in Forward Prices (4) = (2) - (3)
	(1)	(2)	(3)	(4) = (2) - (3)
1	Station No. 2 Index Prices - \$CDN/GJ			
2	2010			
3	January	\$ 5.08	\$ 5.08	\$ -
4	February	\$ 4.77	\$ 4.77	\$ -
5	March	\$ 3.73	\$ 3.73	\$ -
6	April	\$ 3.29	\$ 3.29	\$ -
7	May	\$ 3.36	\$ 3.36	\$ -
8	June	\$ 3.77	\$ 3.77	\$ -
9	July	\$ 3.39	\$ 3.39	\$ -
10	August	\$ 2.98	Recorded \$ 3.03	\$ (0.05)
11	September	\$ 3.12	Projected \$ 2.77	\$ 0.35
12	October	Recorded \$ 2.89	\$ 2.89	\$ 0.00
13	November	Projected \$ 3.12	\$ 3.52	\$ (0.40)
14	December	Forecast \$ 3.45	\$ 3.78	\$ (0.33)
15	<i>Simple Average (Jan, 2010 - Dec, 2010)</i>	<u>\$ 3.58</u>	<u>\$ 3.62</u>	-1.0% <u>\$ (0.04)</u>
16	<i>Simple Average (Apr, 2010 - Mar, 2011)</i>	<u>\$ 3.35</u>	<u>\$ 3.46</u>	-3.0% <u>\$ (0.11)</u>
17	<i>Simple Average (Jul, 2010 - Jun, 2011)</i>	<u>\$ 3.34</u>	<u>\$ 3.49</u>	-4.2% <u>\$ (0.15)</u>
18	<i>Simple Average (Oct, 2010 - Sep, 2011)</i>	<u>\$ 3.44</u>	<u>\$ 3.66</u>	-6.0% <u>\$ (0.22)</u>
19	2011			
20	January	\$ 3.63	\$ 3.92	\$ (0.29)
21	February	\$ 3.63	\$ 3.92	\$ (0.29)
22	March	\$ 3.60	\$ 3.85	\$ (0.25)
23	April	\$ 3.38	\$ 3.55	\$ (0.18)
24	May	\$ 3.42	\$ 3.58	\$ (0.16)
25	June	\$ 3.47	\$ 3.63	\$ (0.16)
26	July	\$ 3.53	\$ 3.69	\$ (0.17)
27	August	\$ 3.57	\$ 3.76	\$ (0.19)
28	September	\$ 3.58	\$ 3.78	\$ (0.20)
29	October	\$ 3.66	\$ 3.86	\$ (0.20)
30	November	\$ 4.02	\$ 4.21	\$ (0.19)
31	December	\$ 4.31	\$ 4.49	\$ (0.18)
32	<i>Simple Average (Jan, 2011 - Dec, 2011)</i>	<u>\$ 3.65</u>	<u>\$ 3.85</u>	-5.3% <u>\$ (0.21)</u>
33	<i>Simple Average (Apr, 2011 - Mar, 2012)</i>	<u>\$ 3.85</u>	<u>\$ 4.02</u>	-4.3% <u>\$ (0.17)</u>
34	<i>Simple Average (Jul, 2011 - Jun, 2012)</i>	<u>\$ 3.99</u>	<u>\$ 4.15</u>	-3.8% <u>\$ (0.16)</u>
35	<i>Simple Average (Oct, 2011 - Sep, 2012)</i>	<u>\$ 4.12</u>	<u>\$ 4.27</u>	
36	2012			
37	January	\$ 4.48	\$ 4.66	\$ (0.18)
38	February	\$ 4.45	\$ 4.62	\$ (0.16)
39	March	\$ 4.35	\$ 4.47	\$ (0.13)
40	April	\$ 3.96	\$ 4.07	\$ (0.11)
41	May	\$ 3.97	\$ 4.08	\$ (0.11)
42	June	\$ 4.01	\$ 4.11	\$ (0.11)
43	July	\$ 4.05	\$ 4.16	\$ (0.11)
44	August	\$ 4.09	\$ 4.24	\$ (0.15)
45	September	\$ 4.10	\$ 4.27	\$ (0.16)
46	October	\$ 4.18		
47	November	\$ 4.54		
48	December	\$ 4.77		
49	<i>Simple Average (Jan, 2012 - Dec, 2012)</i>	<u>\$ 4.25</u>		

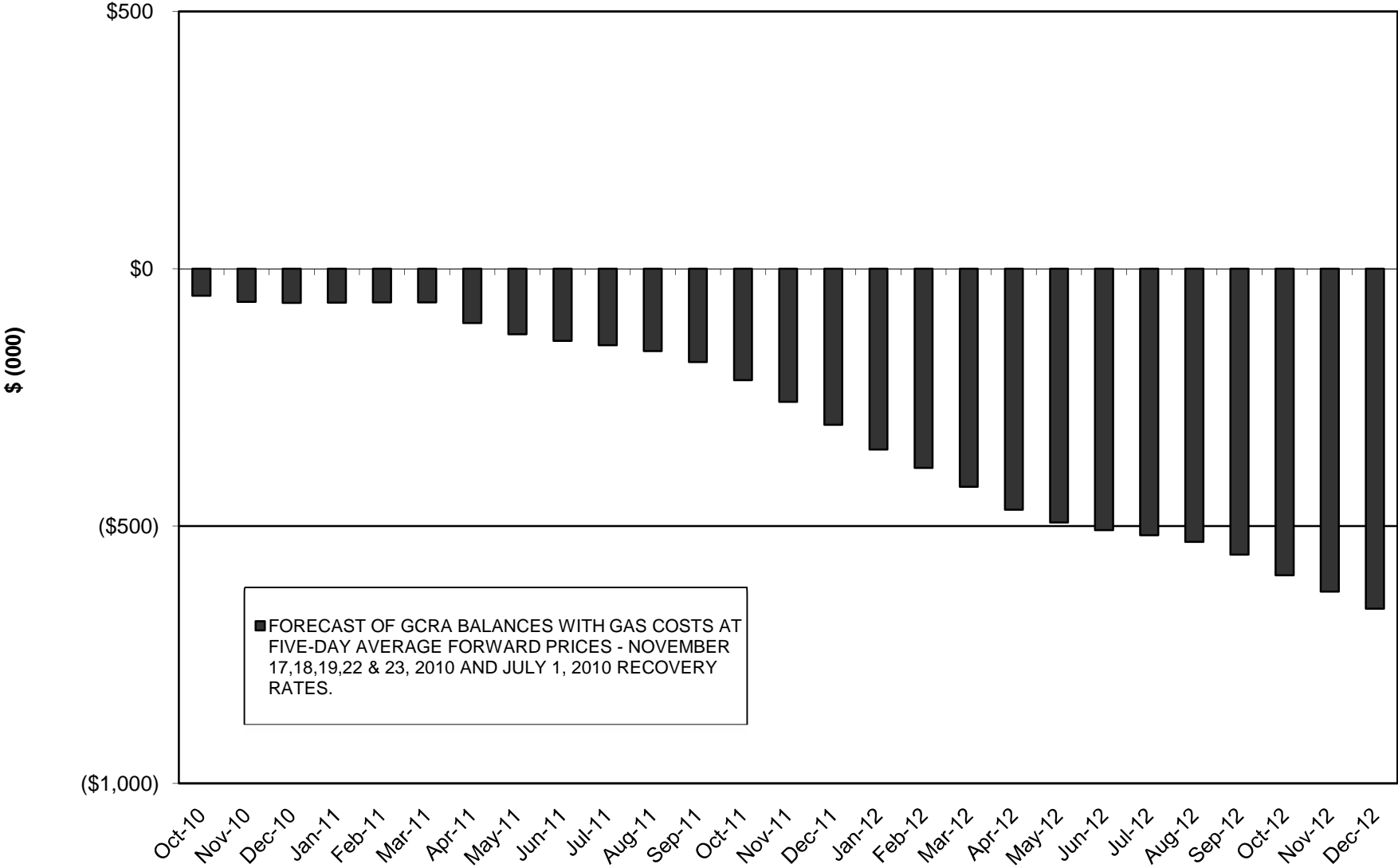
TERASEN GAS INC. - FORT NELSON SERVICE AREA
GCRA AFTER TAX BALANCES (\$000)
FOR THE PERIOD ENDING DECEMBER 31, 2012
WITH EXISTING JULY 1, 2010 GAS COST RECOVERY RATES

Tab 1
Page 5

Line No.	Particulars	2010 Q4 Gas Cost Report Jul 1, 2010 Existing Rates Five-day Average Forward Prices - November 17,18,19,22 & 23, 2010		2010 Q3 Gas Cost Report Jul 1, 2010 Existing Rates Five-day Average Forward Prices - August 18,19,20,23 & 24, 2010	
		(1)	(2)	(3)	(3)
1	2010 Jan		\$ 0.3		\$ 0.3
2	Feb		\$ 41.0		\$ 41.0
3	Mar		\$ (6.6)		\$ (6.6)
4	Apr		\$ 54.8		\$ 54.8
5	May		\$ (15.7)		\$ (15.7)
6	Jun		\$ (80.9)		\$ (80.9)
7	Jul		Recorded \$ (67.0)		Recorded \$ (67.0)
8	Aug		Adjusted \$ (11.1) ^(A)		Projected \$ (67.0) ^(A)
9	Sep		Adjusted \$ (31.0) ^(A)		\$ (19.3)
10	Oct		Adjusted \$ (52.4) ^(A)		\$ (34.9)
11	Nov		Projected \$ (64.6)		\$ (56.9)
12	Dec		\$ (66.4)		\$ (62.6)
13	2011 Jan		\$ (65.9)		\$ (65.4)
14	Feb		\$ (65.4)		\$ (66.3)
15	Mar		\$ (65.5)		\$ (66.8)
16	Apr		\$ (105.6)		\$ (68.3)
17	May		\$ (127.1)		\$ (105.5)
18	Jun		\$ (140.3)		\$ (125.5)
19	Jul		\$ (148.9)		\$ (137.8)
20	Aug		\$ (160.1)		\$ (145.6)
21	Sep		\$ (181.3)		\$ (155.8)
22	Oct		\$ (216.8)		\$ (175.1)
23	Nov		\$ (258.8)		\$ (215.2)
24	Dec		\$ (303.3)		\$ (251.5)
25	2012 Jan		\$ (351.6)		\$ (289.3)
26	Feb		\$ (387.1)		\$ (329.7)
27	Mar		\$ (423.6)		\$ (359.9)
28	Apr		\$ (468.6)		\$ (392.1)
29	May		\$ (493.1)		\$ (437.6)
30	Jun		\$ (508.2)		\$ (462.3)
31	Jul		\$ (518.0)		\$ (477.6)
32	Aug		\$ (531.0)		\$ (487.4)
33	Sep		\$ (555.5)		\$ (500.1)
34	Oct		\$ (596.0)		
35	Nov		\$ (627.6)		
36	Dec		\$ (660.6)		

Note (A) includes volume reconciliation adjustment for prior months

TERASEN GAS INC. - FORT NELSON SERVICE AREA
 GCRA AFTER TAX BALANCES BY MONTH
 FOR THE PERIOD ENDING DECEMBER 2012



**TERASEN GAS INC. - FORT NELSON SERVICE AREA
RECOVERED AND INCURRED COSTS SUMMARY
FOR THE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2011
WITH PROPOSED JAN 1, 2011 GAS COST RECOVERY RATES
FIVE-DAY AVERAGE FORWARD PRICES - NOVEMBER 17,18,19,22 & 23, 2010**

Line No.	Particulars	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	1-12 month Forecast Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	RECOVERED GAS COSTS													
2	Total Sales - TJ	96.5	69.7	66.4	39.1	21.6	13.8	9.3	12.3	23.0	39.3	64.4	81.2	536.6
3	T-Service UAF - TJ	0.3	0.2	0.2	0.0	0.0	-	-	-	-	0.0	0.1	0.1	0.8
4														
5	Recovery Unit Cost on Sales - \$/GJ	\$ 5.015	\$ 5.015	\$ 5.015	\$ 5.015	\$ 5.015	\$ 5.015	\$ 5.015	\$ 5.015	\$ 5.015	\$ 5.015	\$ 5.015	\$ 5.015	
6	Recovery Unit Cost on T-Service UAF - \$/GJ	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	
7														
8	Recovery on Sales - \$000	\$ 483.9	\$ 349.5	\$ 333.0	\$ 196.1	\$ 108.3	\$ 69.2	\$ 46.6	\$ 61.7	\$ 115.3	\$ 197.1	\$ 323.0	\$ 407.2	\$ 2,691.0
9	Recovery on T-Service UAF @ \$8.078 - \$000	1.4	1.1	1.0	0.3	0.0	-	-	-	-	0.1	0.3	0.4	4.6
10	Total Forecast Recovered Gas Costs - \$000	<u>\$ 485.4</u>	<u>\$ 350.6</u>	<u>\$ 334.0</u>	<u>\$ 196.3</u>	<u>\$ 108.4</u>	<u>\$ 69.2</u>	<u>\$ 46.6</u>	<u>\$ 61.7</u>	<u>\$ 115.3</u>	<u>\$ 197.2</u>	<u>\$ 323.3</u>	<u>\$ 407.6</u>	<u>\$ 2,695.6</u>
11														
12														
13														
14	INCURRED GAS COSTS													
15	Total Purchases Incl. UAF - TJ	98.1	70.9	67.5	39.7	21.9	14.0	9.4	12.5	23.3	39.9	65.4	82.4	544.9
16														
17	Incurred Cost - \$/GJ	5.711	5.713	5.703	4.329	4.368	4.417	4.476	4.481	4.464	4.494	4.830	4.968	
18														
19	Forecast Incurred Gas Costs - \$000	<u>\$ 560.2</u>	<u>\$ 404.9</u>	<u>\$ 385.0</u>	<u>\$ 171.8</u>	<u>\$ 95.7</u>	<u>\$ 61.8</u>	<u>\$ 42.2</u>	<u>\$ 55.9</u>	<u>\$ 104.1</u>	<u>\$ 179.2</u>	<u>\$ 315.7</u>	<u>\$ 409.4</u>	<u>\$ 2,785.9</u>
20														
21														
22														
23	GCRA BALANCE													
24	Opening Balances (Pre-Tax) - \$000 ^(1*)	\$ (90.4)	\$ (15.5)	\$ 38.8	\$ 89.8	\$ 65.3	\$ 52.6	\$ 45.2	\$ 40.8	\$ 35.0	\$ 23.7	\$ 5.7	\$ (1.8)	
25	Forecast Activity - \$000	74.9	54.3	51.0	(24.5)	(12.7)	(7.4)	(4.4)	(5.8)	(11.2)	(18.0)	(7.6)	1.8	\$ 90.3
26	Closing Balances (Pre-tax) - \$000	<u>\$ (15.5)</u>	<u>\$ 38.8</u>	<u>\$ 89.8</u>	<u>\$ 65.3</u>	<u>\$ 52.6</u>	<u>\$ 45.2</u>	<u>\$ 40.8</u>	<u>\$ 35.0</u>	<u>\$ 23.7</u>	<u>\$ 5.7</u>	<u>\$ (1.8)</u>	<u>\$ (0.1)</u>	
27														
28														
29	Tax Rate	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	
30														
31	Opening Balances (After-Tax) - \$000	\$ (66.4)	\$ (11.4)	\$ 28.5	\$ 66.0	\$ 48.0	\$ 38.7	\$ 33.2	\$ 30.0	\$ 25.7	\$ 17.5	\$ 4.2	\$ (1.4)	
32	Closing Balances (After Tax) - \$000	<u>\$ (11.4)</u>	<u>\$ 28.5</u>	<u>\$ 66.0</u>	<u>\$ 48.0</u>	<u>\$ 38.7</u>	<u>\$ 33.2</u>	<u>\$ 30.0</u>	<u>\$ 25.7</u>	<u>\$ 17.5</u>	<u>\$ 4.2</u>	<u>\$ (1.4)</u>	<u>\$ (0.0)</u>	

Slight differences in totals due to rounding.

Note (1*) Pre-tax opening balances are restated based on current income taxes, to reflect grossed-up after tax amounts.

**TERASEN GAS INC. - FORT NELSON SERVICE AREA
RECOVERED AND INCURRED COSTS SUMMARY
FOR THE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2012
WITH PROPOSED JAN 1, 2011 GAS COST RECOVERY RATES
FIVE-DAY AVERAGE FORWARD PRICES - NOVEMBER 17,18,19,22 & 23, 2010**

Tab 2
Page 2

Line No.	Particulars													13-24 month
		Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Forecast Total
	(1)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
1	RECOVERED GAS COSTS													
2	Total Sales - TJ	96.8	70.0	66.7	39.2	21.6	13.8	9.3	12.4	23.1	39.4	64.6	81.4	538.3
3	T-Service UAF - TJ	0.3	0.2	0.2	0.0	0.0	-	-	-	-	0.0	0.1	0.1	0.8
4														
5	Recovery Unit Cost on Sales - \$/GJ	\$ 5.015	\$ 5.015	\$ 5.015	\$ 5.015	\$ 5.015	\$ 5.015	\$ 5.015	\$ 5.015	\$ 5.015	\$ 5.015	\$ 5.015	\$ 5.015	
6	Recovery Unit Cost on T-Service UAF - \$/GJ	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	\$ 5.604	
7														
8	Recovery on Sales - \$000	\$ 485.5	\$ 351.1	\$ 334.5	\$ 196.6	\$ 108.3	\$ 69.2	\$ 46.6	\$ 62.2	\$ 115.8	\$ 197.6	\$ 324.0	\$ 408.2	\$ 2,699.6
9	Recovery on T-Service UAF @ \$8.078 - \$000	1.4	1.1	1.0	0.3	0.0	-	-	-	-	0.1	0.3	0.4	4.6
10	Total Forecast Recovered Gas Costs - \$000	<u>\$ 486.9</u>	<u>\$ 352.1</u>	<u>\$ 335.5</u>	<u>\$ 196.8</u>	<u>\$ 108.4</u>	<u>\$ 69.2</u>	<u>\$ 46.6</u>	<u>\$ 62.2</u>	<u>\$ 115.8</u>	<u>\$ 197.7</u>	<u>\$ 324.3</u>	<u>\$ 408.6</u>	<u>\$ 2,704.1</u>
11														
12														
13														
14	INCURRED GAS COSTS													
15	Total Purchases Incl. UAF - TJ	98.4	71.2	67.8	39.8	21.9	14.0	9.4	12.6	23.4	40.0	65.6	82.6	546.7
16														
17	Incurred Cost - \$/GJ	5.050	5.038	4.988	4.195	4.216	4.262	4.318	4.326	4.313	4.352	5.061	5.172	
18														
19	Forecast Incurred Gas Costs - \$000	<u>\$ 497.0</u>	<u>\$ 358.5</u>	<u>\$ 338.2</u>	<u>\$ 166.9</u>	<u>\$ 92.4</u>	<u>\$ 59.6</u>	<u>\$ 40.7</u>	<u>\$ 54.4</u>	<u>\$ 101.0</u>	<u>\$ 174.0</u>	<u>\$ 331.8</u>	<u>\$ 427.2</u>	<u>\$ 2,641.8</u>
20														
21														
22														
23	GCRA BALANCE													
24	Opening Balances (Pre-Tax) - \$000 ^(1*)	\$ (0.1)	\$ 10.1	\$ 16.5	\$ 19.2	\$ (10.7)	\$ (26.7)	\$ (36.3)	\$ (42.2)	\$ (50.0)	\$ (64.8)	\$ (88.6)	\$ (81.1)	
25	Forecast Activity - \$000	10.1	6.4	2.7	(29.9)	(16.0)	(9.6)	(5.9)	(7.8)	(14.8)	(23.7)	7.5	18.6	\$ (62.4)
26	Closing Balances (Pre-tax) - \$000	<u>\$ 10.1</u>	<u>\$ 16.5</u>	<u>\$ 19.2</u>	<u>\$ (10.7)</u>	<u>\$ (26.7)</u>	<u>\$ (36.3)</u>	<u>\$ (42.2)</u>	<u>\$ (50.0)</u>	<u>\$ (64.8)</u>	<u>\$ (88.6)</u>	<u>\$ (81.1)</u>	<u>\$ (62.4)</u>	
27														
28														
29	Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	
30														
31	Opening Balances (After-Tax) - \$000	\$ (0.0)	\$ 7.5	\$ 12.4	\$ 14.4	\$ (8.0)	\$ (20.0)	\$ (27.2)	\$ (31.7)	\$ (37.5)	\$ (48.6)	\$ (66.4)	\$ (60.8)	
32	Closing Balances (After Tax) - \$000	<u>\$ 7.5</u>	<u>\$ 12.4</u>	<u>\$ 14.4</u>	<u>\$ (8.0)</u>	<u>\$ (20.0)</u>	<u>\$ (27.2)</u>	<u>\$ (31.7)</u>	<u>\$ (37.5)</u>	<u>\$ (48.6)</u>	<u>\$ (66.4)</u>	<u>\$ (60.8)</u>	<u>\$ (46.8)</u>	

Slight differences in totals due to rounding.

Note (1*) Pre-tax opening balances are restated base taxes, to reflect grossed-up after tax amounts.

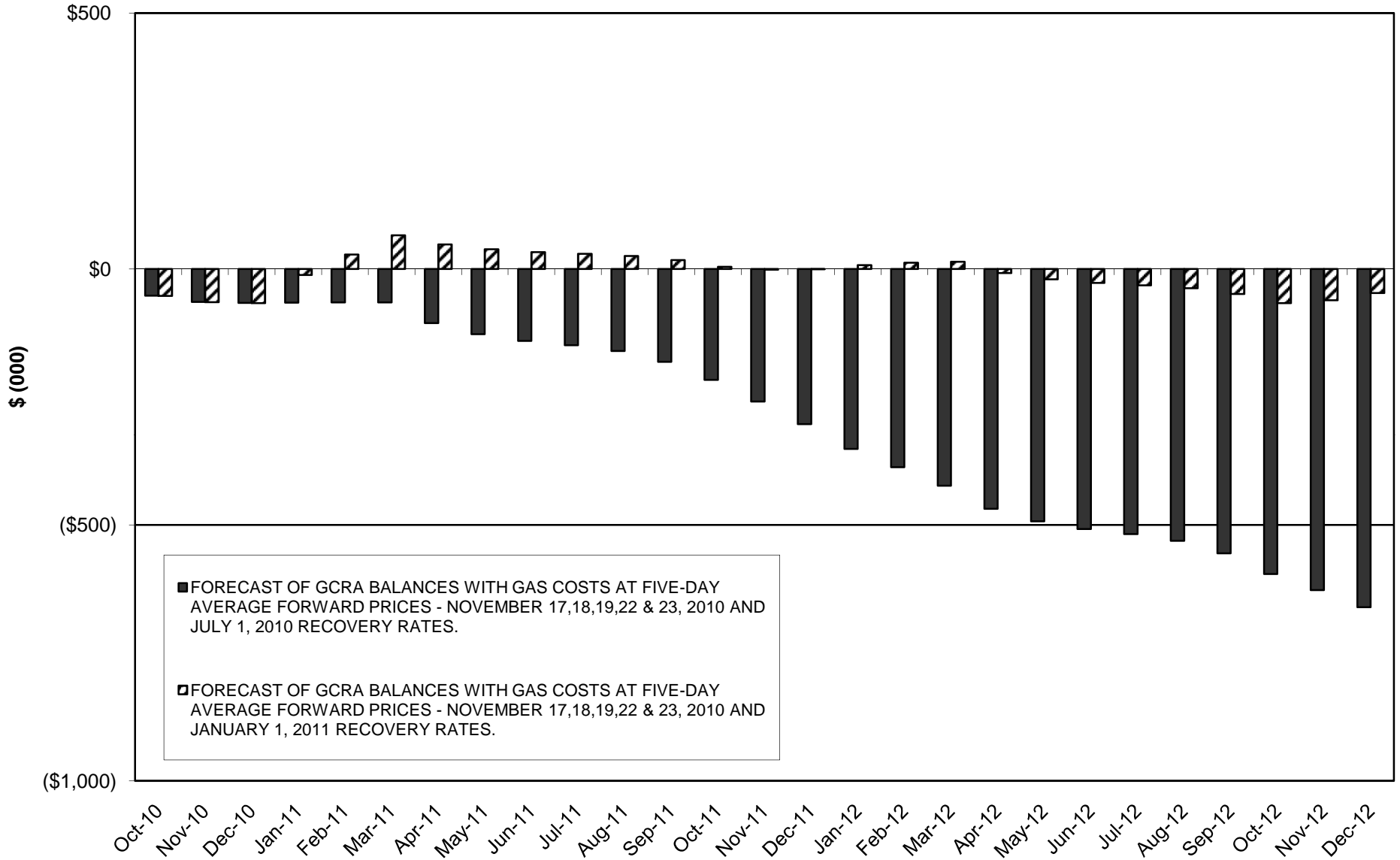
TERASEN GAS INC. - FORT NELSON SERVICE AREA
GCRA AFTER TAX BALANCES (\$000)
FOR THE PERIOD ENDING DECEMBER 31, 2012
WITH PROPOSED JAN 1, 2011 GAS COST RECOVERY RATES

Tab 2
Page 3

Line No.	Particulars	2010 Q4 Gas Cost Report Jan 1, 2011 Proposed Rates Five-day Average Forward Prices - November 17,18,19,22 & 23, 2010		2010 Q4 Gas Cost Report Jul 1, 2010 Existing Rates Five-day Average Forward Prices - November 17,18,19,22 & 23, 2010	
		(1)	(2)	(3)	(3)
1	2010 Jan		\$ 0.3		\$ 0.3
2	Feb		\$ 41.0		\$ 41.0
3	Mar		\$ (6.6)		\$ (6.6)
4	Apr		\$ 54.8		\$ 54.8
5	May		\$ (15.7)		\$ (15.7)
6	Jun		\$ (80.9)		\$ (80.9)
7	Jul		Recorded \$ (67.0)		Recorded \$ (67.0)
8	Aug		Adjusted \$ (11.1) ^(A)		Adjusted \$ (11.1) ^(A)
9	Sep		Adjusted \$ (31.0) ^(A)		Adjusted \$ (31.0) ^(A)
10	Oct		Adjusted \$ (52.4) ^(A)		Adjusted \$ (52.4) ^(A)
11	Nov		Projected \$ (64.6)		Projected \$ (64.6)
12	Dec		Projected \$ (66.4)		Projected \$ (66.4)
13	2011 Jan	forecast @ proposed rate	\$ (11.4)	forecast @ existing rate	\$ (65.9)
14	Feb		\$ 28.5		\$ (65.4)
15	Mar		\$ 66.0		\$ (65.5)
16	Apr		\$ 48.0		\$ (105.6)
17	May		\$ 38.7		\$ (127.1)
18	Jun		\$ 33.2		\$ (140.3)
19	Jul		\$ 30.0		\$ (148.9)
20	Aug		\$ 25.7		\$ (160.1)
21	Sep		\$ 17.5		\$ (181.3)
22	Oct		\$ 4.2		\$ (216.8)
23	Nov		\$ (1.4)		\$ (258.8)
24	Dec		\$ (0.0)		\$ (303.3)
25	2012 Jan		\$ 7.5		\$ (351.6)
26	Feb		\$ 12.4		\$ (387.1)
27	Mar		\$ 14.4		\$ (423.6)
28	Apr		\$ (8.0)		\$ (468.6)
29	May		\$ (20.0)		\$ (493.1)
30	Jun		\$ (27.2)		\$ (508.2)
31	Jul		\$ (31.7)		\$ (518.0)
32	Aug		\$ (37.5)		\$ (531.0)
33	Sep		\$ (48.6)		\$ (555.5)
34	Oct		\$ (66.4)		\$ (596.0)
35	Nov		\$ (60.8)		\$ (627.6)
36	Dec		\$ (46.8)		\$ (660.6)

Note (A) includes volume reconciliation adjustment for prior months

TERASEN GAS INC. - FORT NELSON SERVICE AREA
 GCRA AFTER TAX BALANCES BY MONTH
 FOR THE PERIOD ENDING DECEMBER 2012



TERASEN GAS INC. - FORT NELSON SERVICE AREA
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY FOR
RATE 1 DOMESTIC SERVICE
PROPOSED JANUARY 1, 2011 RATES
BCUC ORDER NO. G-173-10 AND G-XXX-10

Line No.	Schedule	Tariff Page	Particulars	JULY 1, 2010 EXISTING RATES	Delivery Related and Gas Cost Changes	JANUARY 1, 2011 APPROVED INTERIM AND PROPOSED RATES
(1)	(1)	(2)	(3)	(4)	(5)	(6)
1	Rate 1	No. 1	Option A			
2						
3			Minimum Monthly Charge			
4			plus \$1.19 times			
5			the amount of the promotional			
6			incentive divided by \$100			
7			(includes the first 2 Gigajoules)			
8						
9			Delivery Charge per Month	\$7.73	\$1.83	\$9.56
10			Revenue Stabilization Adjustment Amount per Month	\$0.07	\$0.00	\$0.07
11			Gas Cost Recovery Charge per Month	\$11.57	(\$1.54)	\$10.03
12			Minimum Monthly Charge (includes first 2 gigajoules)	\$19.37	\$0.29	\$19.66
13						
14			Delivery Charge per GJ	\$2.000	\$0.410	\$2.410
15			Revenue Stabilization Adjustment Amount per GJ	\$0.037	(\$0.004)	\$0.033
16			Gas Cost Recovery Charge per GJ	\$5.784	(\$0.769)	\$5.015
17			Next 28 Gigajoules in any month	\$7.821	(\$0.363)	\$7.458
18						
19			Delivery Charge per GJ	\$1.942	\$0.398	\$2.340
20			Revenue Stabilization Adjustment Amount per GJ	\$0.037	(\$0.004)	\$0.033
21			Gas Cost Recovery Charge per GJ	\$5.784	(\$0.769)	\$5.015
22			Excess of 30 Gigajoules in any month	\$7.763	(\$0.375)	\$7.388
23						
24						
25	Rate 1	No. 1.1	Option B			
26						
27			Delivery Charge per Month	\$7.73	\$1.83	\$9.56
28			Revenue Stabilization Adjustment Amount per Month	\$0.07	\$0.00	\$0.07
29			Gas Cost Recovery Charge per Month	\$11.57	(\$1.54)	\$10.03
30			Minimum Monthly Charge (includes first 2 gigajoules)	\$19.37	\$0.29	\$19.66
31						
32			Delivery Charge per GJ	\$2.000	\$0.410	\$2.410
33			Revenue Stabilization Adjustment Amount per GJ	\$0.037	(\$0.004)	\$0.033
34			Gas Cost Recovery Charge per GJ	\$5.784	(\$0.769)	\$5.015
35			Next 28 Gigajoules in any month	\$7.821	(\$0.363)	\$7.458
36						
37			Delivery Charge per GJ	\$1.942	\$0.398	\$2.340
38			Revenue Stabilization Adjustment Amount per GJ	\$0.037	(\$0.004)	\$0.033
39			Gas Cost Recovery Charge per GJ	\$5.784	(\$0.769)	\$5.015
40			Excess of 30 Gigajoules in any month	\$7.763	(\$0.375)	\$7.388

TERASEN GAS INC. - FORT NELSON SERVICE AREA
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY FOR
RATES 2.1, 2.2 & 2.3 GENERAL SERVICE
PROPOSED JANUARY 1, 2011 RATES
BCUC ORDER NO. G-173-10 AND G-XXX-10

Line No.	Schedule	Tariff Page	Particulars	JULY 1, 2010 EXISTING RATES	Delivery Related and Gas Cost Changes	JANUARY 1, 2011 APPROVED INTERIM AND PROPOSED RATES
(1)	(2)	(3)	(4)	(5)	(6)	
1	Rate 2.1	No. 2	Delivery Charge per Month	\$22.77	\$5.21	\$27.98
2			Revenue Stabilization Adjustment Amount per Month	\$0.07	\$0.00	\$0.07
3			Gas Cost Recovery Charge per Month	\$11.57	(\$1.54)	\$10.03
4			Minimum Monthly Charge (includes first 2 gigajoules)	\$34.41	\$3.67	\$38.08
5						
6			Delivery Charge per GJ	\$2.232	\$0.478	\$2.710
7			Revenue Stabilization Adjustment Amount per GJ	\$0.037	(\$0.004)	\$0.033
8			Gas Cost Recovery Charge per GJ	\$5.784	(\$0.769)	\$5.015
9			Next 28 Gigajoules in any month	\$8.053	(\$0.295)	\$7.758
10						
11			Delivery Charge per GJ	\$2.161	\$0.463	\$2.624
12			Revenue Stabilization Adjustment Amount per GJ	\$0.037	(\$0.004)	\$0.033
13			Gas Cost Recovery Charge per GJ	\$5.784	(\$0.769)	\$5.015
14			Excess of 30 Gigajoules in any month	\$7.982	(\$0.310)	\$7.672
15						
16	Rate 2.2	No. 2	Delivery Charge per Month	\$22.77	\$5.21	\$27.98
17			Revenue Stabilization Adjustment Amount per Month	\$0.07	\$0.00	\$0.07
18			Gas Cost Recovery Charge per Month	\$11.57	(\$1.54)	\$10.03
19			Minimum Monthly Charge (includes first 2 gigajoules)	\$34.41	\$3.67	\$38.08
20						
21			Delivery Charge per GJ	\$2.232	\$0.478	\$2.710
22			Revenue Stabilization Adjustment Amount per GJ	\$0.037	(\$0.004)	\$0.033
23			Gas Cost Recovery Charge per GJ	\$5.784	(\$0.769)	\$5.015
24			Next 28 Gigajoules in any month	\$8.053	(\$0.295)	\$7.758
25						
26			Delivery Charge per GJ	\$2.161	\$0.463	\$2.624
27			Revenue Stabilization Adjustment Amount per GJ	\$0.037	(\$0.004)	\$0.033
28			Gas Cost Recovery Charge per GJ	\$5.784	(\$0.769)	\$5.015
29			Excess of 30 Gigajoules in any month	\$7.982	(\$0.310)	\$7.672
30						
31	Rate 2.3	No. 2.1	Delivery Charge per Month	\$22.42	\$17.23	\$39.65
32			Gas Cost Recovery Charge per Month	\$11.57	(\$1.54)	\$10.03
33			Minimum Monthly Charge (includes first 2 gigajoules)	\$33.99	\$15.69	\$49.68
34						
35			Delivery Charge per Month	\$2.755	\$6.479	\$9.234
36			Gas Cost Recovery Charge per Month	\$5.784	(\$0.769)	\$5.015
37			Next 28 Gigajoules in any month	\$8.539	\$5.710	\$14.249
38						
39			Delivery Charge per Month	\$2.685	\$6.461	\$9.146
40			Gas Cost Recovery Charge per Month	\$5.784	(\$0.769)	\$5.015
41			Excess of 30 Gigajoules in any month	\$8.469	\$5.692	\$14.161

TERASEN GAS INC. - FORT NELSON SERVICE AREA
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY FOR
RATES 3.1, 3.2 & 3.3 INDUSTRIAL SERVICE
PROPOSED JANUARY 1, 2011 RATES
BCUC ORDER NO. G-173-10 AND G-XXX-10

Line No.	Schedule (1)	Tariff Page (2)	Particulars (3)	JULY 1, 2010 EXISTING RATES (4)	Delivery Related and Gas Cost Changes (5)	JANUARY 1, 2011 APPROVED INTERIM AND PROPOSED RATES (6)
1	Rate 3.1	No. 3	Delivery Charge			
2						
3			First 20 Gigajoules in any month	\$2.319	\$0.591	\$2.910
4			Next 260 Gigajoules in any month	\$2.145	\$0.545	\$2.690
5			Excess over 280 Gigajoules in any month	\$1.736	\$0.438	\$2.174
6						
7			Rider 5 - Revenue Stabilization Adjustment Charge per GJ	\$0.037	(\$0.004)	\$0.033
8			Gas Cost Recovery Charge per Gigajoule	\$5.784	(\$0.769)	\$5.015
9						
10			Minimum Monthly Delivery Charge	\$1,458.00	\$368.00	\$1,826.00
11						
12						
13	Rate 3.2	No. 3	Delivery Charge			
14						
15			First 20 Gigajoules in any month	\$2.319	\$0.591	\$2.910
16			Next 260 Gigajoules in any month	\$2.145	\$0.545	\$2.690
17			Excess over 280 Gigajoules in any month	\$1.736	\$0.438	\$2.174
18						
19			Rider 5 - Revenue Stabilization Adjustment Charge per GJ	\$0.037	(\$0.004)	\$0.033
20			Gas Cost Recovery Charge per Gigajoule	\$5.784	(\$0.769)	\$5.015
21						
22			Minimum Monthly Delivery Charge	\$1,458.00	\$368.00	\$1,826.00
23						
24						
25	Rate 3.3	No. 3.1	Delivery Charge			
26						
27			First 20 Gigajoules in any month	\$2.319	\$0.591	\$2.910
28			Next 260 Gigajoules in any month	\$2.145	\$0.545	\$2.690
29			Excess over 280 Gigajoules in any month	\$1.736	\$0.438	\$2.174
30						
31			Rider 5 - Revenue Stabilization Adjustment Charge per GJ	\$0.037	(\$0.004)	\$0.033
32			Gas Cost Recovery Charge per Gigajoule	\$5.784	(\$0.769)	\$5.015
33						
34			Minimum Monthly Delivery Charge	\$1,458.00	\$368.00	\$1,826.00

**TERASEN GAS INC. - FORT NELSON SERVICE AREA
IMPACT ON CUSTOMERS BILLS
BCUC ORDER NO. G-173-10 AND G-XXX-10**

RATE 1 - DOMESTIC (RESIDENTIAL) SERVICE - OPTION B

Line No.	EXISTING JULY 1, 2010 RATES			JANUARY 1, 2011 APPROVED INTERIM AND PROPOSED RATES			Annual Increase/(Decrease)				
	Volume	Rate	Annual \$	Volume	Rate	Annual \$	Rate	Annual \$	% of Previous Annual Bill		
1	Rate 1 Domestic Service Option B										
2											
3	<u>Monthly Charge</u>										
4	12 months x	\$7.73	\$92.76	12 months x	\$9.56	\$114.72	\$1.83	\$21.96	1.93%		
5	12 months x	0.07	0.84	12 months x	0.07	0.84	0.00	0.00	0.00%		
6	12 months x	11.57	138.84	12 months x	10.03	120.36	(1.54)	(18.48)	-1.62%		
7	Minimum Monthly Charge (includes the first 2 gigajoules)		\$19.37	\$232.44			\$19.66	\$235.92	\$0.29	\$3.48	0.31%
8											
9	<u>Next 28 Gigajoules in any month</u>										
10	116 GJ x	\$2.000	\$232.0000	116 GJ x	\$2.410	\$279.5600	\$0.410	\$47.5600	4.17%		
11	116 GJ x	0.037	4.2920	116 GJ x	0.033	3.8280	(0.004)	(0.4640)	-0.04%		
12	116 GJ x	5.784	670.9440	116 GJ x	5.015	581.7400	(0.769)	(89.2040)	-7.83%		
13	Total Charges per GJ		\$7.821	\$907.24			\$7.458	\$865.13	(\$0.363)	(\$42.11)	-3.69%
14											
15	<u>Excess of 30 Gigajoules in any month</u>										
16	0 GJ x	\$1.942	\$0.0000	0 GJ x	\$2.340	\$0.0000	\$0.398	\$0.0000	0.00%		
17	0 GJ x	0.037	0.0000	0 GJ x	0.033	0.0000	(0.004)	0.0000	0.00%		
18	0 GJ x	5.784	0.0000	0 GJ x	5.015	0.0000	(0.769)	0.0000	0.00%		
19	Total Charges per GJ		\$7.763	\$0.00			\$7.388	\$0.00	(\$0.375)	\$0.00	0.00%
20											
21	Total	140 GJ	\$1,139.68	140 GJ	\$1,101.05			(\$38.63)		-3.39%	
22											
23	<u>Summary of Annual Delivery and Commodity Charges</u>										
24	Delivery Charge (including RSAM)		\$329.8920			\$398.9480	\$69.0560		6.06%		
25	Commodity Charge		809.7840			702.1000	(107.6840)		-9.45%		
26	Total		\$1,139.68			\$1,101.05	(\$38.63)		-3.39%		

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

TERASEN GAS INC. - FORT NELSON SERVICE AREA
 IMPACT ON CUSTOMERS BILLS
 BCUC ORDER NO. G-173-10 AND G-XXX-10

RATE 2.1 - GENERAL (COMMERCIAL) SERVICE

Line No.		EXISTING JULY 1, 2010 RATES			JANUARY 1, 2011 APPROVED INTERIM AND PROPOSED RATES			Annual Increase/(Decrease)		
		Volume	Rate	Annual \$	Volume	Rate	Annual \$	Rate	Annual \$	% of Previous Annual Bill
1	Rate 2.1 General Service									
2										
3	<u>Monthly Charge</u>									
4	Delivery Charge per month	12 months x	\$22.77	= \$273.24	12 months x	\$27.98	= \$335.76	\$5.21	\$62.52	1.59%
5	Rider 5 - RSAM per month	12 months x	0.07	= 0.84	12 months x	0.07	= 0.84	0.00	0.00	0.00%
6	Gas Cost Recovery Charge per month	12 months x	11.57	= 138.84	12 months x	10.03	= 120.36	(1.54)	(18.48)	-0.47%
7	Minimum Monthly Charge (includes the first 2 gigajoules)		\$34.41	\$412.92		\$38.08	\$456.96	\$3.67	\$44.04	1.12%
8										
9	<u>Next 298 Gigajoules in any month</u>									
10	Delivery Charge per GJ	436 GJ x	\$2.232	= \$973.1520	436 GJ x	\$2.710	= \$1,181.5600	\$0.478	\$208.4080	5.31%
11	Rider 5 - RSAM per GJ	436 GJ x	0.037	= 16.1320	436 GJ x	0.033	= 14.3880	(0.004)	(1.7440)	-0.04%
12	Gas Cost Recovery Charge per GJ	436 GJ x	5.784	= 2,521.8240	436 GJ x	5.015	= 2,186.5400	(0.769)	(335.2840)	-8.54%
13	Total Charges per GJ		\$8.053	\$3,511.11		\$7.758	\$3,382.49	(\$0.295)	(\$128.62)	-3.28%
14										
15	<u>Excess of 300 Gigajoules in any month</u>									
16	Delivery Charge per GJ	0 GJ x	\$2.161	= \$0.0000	0 GJ x	\$2.624	= \$0.0000	\$0.463	\$0.0000	0.00%
17	Rider 5 - RSAM per GJ	0 GJ x	0.037	= 0.0000	0 GJ x	0.033	= 0.0000	(0.004)	0.0000	0.00%
18	Gas Cost Recovery Charge per GJ	0 GJ x	5.784	= 0.0000	0 GJ x	5.015	= 0.0000	(0.769)	0.0000	0.00%
19	Total Charges per GJ		\$7.982	\$0.00		\$7.672	\$0.00	(\$0.310)	\$0.00	0.00%
20										
21	Total	460 GJ		\$3,924.03	460 GJ		\$3,839.45		(\$84.58)	-2.16%
22										
23	<u>Summary of Annual Delivery and Commodity Charges</u>									
24	Delivery Charge (including RSAM)			\$1,263.3640			\$1,532.5480		\$269.1840	6.86%
25	Commodity Charge			2,660.6640			2,306.9000		(353.7640)	-9.02%
26	Total			\$3,924.03			\$3,839.45		(\$84.58)	-2.16%

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

TERASEN GAS INC. - FORT NELSON SERVICE AREA
 IMPACT ON CUSTOMERS BILLS
 BCUC ORDER NO. G-173-10 AND G-XXX-10

RATE 2.2 - GENERAL (COMMERCIAL) SERVICE

Line No.		EXISTING JULY 1, 2010 RATES			JANUARY 1, 2011 APPROVED INTERIM AND PROPOSED RATES			Annual Increase/(Decrease)		
		Volume	Rate	Annual \$	Volume	Rate	Annual \$	Rate	Annual \$	% of Previous Annual Bill
1	Rate 2.2 General Service									
2										
3	<u>Monthly Charge</u>									
4	Delivery Charge per month	12 months x	\$22.77	= \$273.24	12 months x	\$27.98	= \$335.76	\$5.21	\$62.52	0.25%
5	Rider 5 - RSAM per month	12 months x	0.07	= 0.84	12 months x	0.07	= 0.84	0.00	0.00	0.00%
6	Gas Cost Recovery Charge per month	12 months x	11.57	= 138.84	12 months x	10.03	= 120.36	(1.54)	(18.48)	-0.07%
7	Minimum Monthly Charge (includes the first 2 gigajoules)		\$34.41	\$412.92		\$38.08	\$456.96	\$3.67	\$44.04	0.17%
8										
9	<u>Next 298 Gigajoules in any month</u>									
10	Delivery Charge per GJ	3,076 GJ x	\$2.232	= \$6,865.6320	3,076 GJ x	\$2.710	= \$8,335.9600	\$0.478	\$1,470.3280	5.84%
11	Rider 5 - RSAM per GJ	3,076 GJ x	0.037	= 113.8120	3,076 GJ x	0.033	= 101.5080	(0.004)	(12.3040)	-0.05%
12	Gas Cost Recovery Charge per GJ	3,076 GJ x	5.784	= 17,791.5840	3,076 GJ x	5.015	= 15,426.1400	(0.769)	(2,365.4440)	-9.39%
13	Total Charges per GJ		\$8.053	\$24,771.03		\$7.758	\$23,863.61	(\$0.295)	(\$907.42)	-3.60%
14										
15	<u>Excess of 300 Gigajoules in any month</u>									
16	Delivery Charge per GJ	0 GJ x	\$2.161	= \$0.0000	0 GJ x	\$2.624	= \$0.0000	\$0.463	\$0.0000	0.00%
17	Rider 5 - RSAM per GJ	0 GJ x	0.037	= 0.0000	0 GJ x	0.033	= 0.0000	(0.004)	0.0000	0.00%
18	Gas Cost Recovery Charge per GJ	0 GJ x	5.784	= 0.0000	0 GJ x	5.015	= 0.0000	(0.769)	0.0000	0.00%
19	Total Charges per GJ		\$7.982	\$0.00		\$7.672	\$0.00	(\$0.310)	\$0.00	0.00%
20										
21	Total	<u>3,100</u> GJ		<u>\$25,183.95</u>	<u>3,100</u> GJ		<u>\$24,320.57</u>		<u>(\$863.38)</u>	-3.43%
22										
23	<u>Summary of Annual Delivery and Commodity Charges</u>									
24	Delivery Charge (including RSAM)			\$7,253.5240			\$8,774.0680	\$1,520.5440		6.04%
25	Commodity Charge			17,930.4240			15,546.5000	(2,383.9240)		-9.47%
26	Total			<u>\$25,183.95</u>			<u>\$24,320.57</u>	<u>(\$863.38)</u>		-3.43%

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



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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 Fourth Quarter Gas Cost Report and
Rate Changes effective January 1, 2011
for the Fort Nelson Service Area

BEFORE:

[December xx, 2010]

WHEREAS:

- A. By Order No. G-100-10 dated June 10, 2010 the British Columbia Utilities Commission (the "Commission") approved the Gas Cost Recovery Charge for the Fort Nelson Service Area, effective July 1, 2010; and
- B. On September 8, 2010, Terasen Gas Inc. Fort Nelson Service Area submitted its 2011 Revenue Requirements Application seeking approval to recover a revenue deficiency through an increase in its delivery rates and to decrease the Revenue Stabilization Adjustment Mechanism ("RSAM") rate rider effective January 1, 2011; and
- C. By Order No. G-173-10 dated November 26, 2010 the Commission approved, on an interim basis and effective January 1, 2011, for the Fort Nelson Service Area an increase in the delivery rates and a decrease in the RSAM rate rider, and
- D. On December 2, 2010, pursuant to Commission Letter No. L-5-01, Terasen Gas Inc. ("Terasen Gas") filed its 2010 Fourth Quarter Report on the Gas Cost Reconciliation Account ("GCRA") balance and gas cost recovery charges for the Fort Nelson Service Area effective January 1, 2011, that were based on the five-day average of the November 17, 18, 19, 22, and 23, 2010 forward prices (the "2010 Fourth Quarter Report"); and



Order No. G-XX-10
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- E. The 2010 Fourth Quarter Report forecasted that gas cost recoveries at current rates would be 115.3 percent of costs for the following 12 months, and requested approval for a decrease of \$0.769/GJ to the gas cost recovery charges for natural gas customer in Fort Nelson Service Area, effective January 1, 2011; and
- F. On a combined basis, the approved interim delivery related rate changes and the proposed gas cost recovery rate changes, effective January 1, 2011, equate to a decrease to a typical residential customer's annual bill, based on an annual consumption of 140 GJ, of approximately \$39 or 3.4 percent; and
- G. The Commission has determined that the requested changes, as outlined in the 2010 Fourth Quarter Report, should be approved.

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

1. The Commission approves a \$0.769/GJ decrease in the Gas Cost Recovery Charge for Fort Nelson Service Area to \$5.015/GJ effective January 1, 2011, as set out in Terasen Gas' 2010 Fourth Quarter Report for Fort Nelson Service Area.
2. Terasen Gas will notify all customers that are affected by the rate changes with a bill insert or bill message to be included with the next monthly gas billing.

DATED at the City of Vancouver, in the Province of British Columbia, this day of December, 2010.

BY ORDER