Scott A. Thomson
Vice President,
Finance & Regulatory Affairs

16705 Fraser Highway
Surrey, B.C. V3S 2X7
Tel: (604) 592-7784
Fax: (604) 592-7890
Email: scott.thomson@terasengas.com
www.terasengas.com

November 26, 2004

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

Attention: Mr. R.J. Pellatt, Commission Secretary

Dear Sir:

**Re: Terasen Gas Inc. ("Terasen Gas" or "the Company")
Application for 2005 Revenue Requirement and Delivery Rates pursuant to the Terms of 2004-2007 PBR Settlement Agreement approved by BCUC Order No. G-51-03**

The British Columbia Utilities Commission ("the Commission") in its Order No. G-95-04, dated October 21, 2004, laid the Regulatory Timetable to review and approve the Terasen Gas revenue requirements and rate proposals for 2005. The Regulatory Timetable included an Annual Review, which is required under the Company's 2004-2007 PBR Settlement Agreement ("the Settlement"). The Settlement was approved by BCUC Order No. G-51-03 dated July 29, 2003. Terasen Gas submitted its Annual Review Advance Materials ("Advance Materials") to the Commission and Interested Parties on Friday, November 5, 2004, as per the Regulatory Timetable.

Terasen Gas received Information Requests from the Commission, Ministry of Energy & Mines, BC Old Age Pensioners Organization, and the Lower Mainland Large Gas Users Association. The Company responded to the requests in part on Friday, November 12, 2004 and the remainder on Thursday, November 18, 2004, in accordance with the regulatory timetable.

On November 19, 2004, at 8:30 pm at 1111 West Georgia Street in Vancouver, Terasen Gas held its 2004 Annual Review session. In attendance were representatives from the Commission staff and several Interested Parties and Intervenors. A list of parties present is included in Tab 4. During the session several issues were raised by participants, some of which were followed by informal information requests. These issues will be discussed in the body of this letter.

This submission represents Terasen Gas' Application for proposed rates for 2005 and various other items, and its response to the issues raised during and subsequent to the Annual Review session. The detailed Terasen Gas Application is incorporated into this letter.

This submission is structured as follows;

This letter, which includes a review of issues raised at and subsequent to the Annual Review session. Also included in this letter is Terasen Gas' detailed Application.

Additionally there are a number of tables that have been revised as a result of the changes described below, which have been ordered as follows:

Tab 1 Summary of 2005 Revenue Requirement

Tab 2 Summary of delivery-related rate changes including 2005 revenue requirement decrease, 2005 RSAM rider changes, and 2005 ESM rider changes.

Tab 3 Rate impact tables for all applicable rate classes of the delivery-related rate changes Included in Tab 2

Tab 4 List of people who attended the Annual Review session

Issues raised during Annual Review Session and Subsequent Information Requests

2003 Customer additions included in 2004

As discussed in the Annual Review session, Terasen Gas noted that there were approximately 1,500 customer additions that were physically connected to its distribution system in late 2003, but were effectively considered customer additions in 2004. This occurred due to delays in processing time at the end of 2003. Typically there are a number of customer additions added in one month that are not processed until the following month, due to processing backlogs, which Terasen Gas considers reasonable. However, the magnitude of the customers affected in this instance is considered unusual, and is expected to be a one-time event. Terasen Gas is confident it has addressed the process issues that were the cause of the extraordinary backlog that occurred, thus preventing this kind of event happening in the future.

Amortization of OSC compliance costs

During the Annual Reviews session several participants questioned why the expected 2005 costs were deferred and amortized in 2005, rather than assuming a one-year lag, although there was no contention with treatment as an exogenous factor. Terasen Gas submits that its proposal as included in the Advance Materials is the most appropriate method to recover the OSC related costs. Any differences at the end of each year will be included in the deferral account balance which will be amortized in the following. As a result, there is a more fair matching of costs and revenues within the appropriate year.

Customer Security Deposits

During the Annual Review session, a participant questioned the treatment that the Company was proposing for Customer Security Deposits. Terasen Gas committed to providing a better description of its proposed treatment. Under the negotiated settlement, Terasen Gas is allowed to add $171.477 million as 2005 plant additions in accordance with the capital expenditures formula. On a mid-year basis, this has the effect of increasing the Company's 2005 rate base by $85.739 million. The corresponding returns necessary to fund the increased rate base, based on sample embedded costs, are as follows:

	Base Capitalization	%	Embedded Cost	Earned Return	Revenue Requirement
Debt - Blended	$ 57.445	67%	4.00%	$ 2.298	$ 2.298
Equity	28.294	33%	9.00%	2.546	3.888
	$ 85.739	100%		$ 4.844	$ 6.186

Before taking into consideration the forecast $23 million customer security deposits, Terasen Gas is allowed to collect $6.186 million from customers to service the interest and provide a return on equity in accordance with the terms of the negotiated settlement.

Terasen Gas is proposing to utilize the $23 million customer security deposits as debt financing to replace short term debt borrowing. By accessing customer security deposits funding rather than the traditional source of short term debt has the effect of lowering revenue requirement from $6.186 million to $5.956 million or a $0.230 million reduction in revenue requirement in this example. Actual interest savings will be dependent on actual interest rate spreads.

Interest savings due to customer security deposits will be returned to customers via the interest deferral account. To keep the capital structure simple to understand, Terasen Gas also proposes to group customer security deposits under debt. The calculation of the interest will be as though customer security deposits were on a separate line.

	Base Capitalization	Customer Security Deposits	Adjusted Capitalization	%	Embedded Cost	Earned Return	Revenue Requirement
Debt - Blended	$ 57.445	$ (23.000)	$ 34.445	40%	4.00%	$ 1.378	$ 1.378
Customer Security Deposits	-	23.000	23.000	27%	3.00%	$ 0.690	0.690
Equity	28.294	-	28.294	33%	9.00%	2.546	3.888
	$ 85.739	$ -	$ 85.739	100%		$ 4.614	$ 5.956

Energy Management Services ("EMS") Revenue/Core Market Administration Allocation

This issue was not discussed to any extent during the Annual Review session, however, during the Terasen Gas (Vancouver Island) Inc. ("TGVI") Annual Review session, Commission staff commented that the basis used to allocate EMS revenue and Core market administration expenses, was different than that used for the Shared Services Agreement. It was suggested that it may be more appropriate to use a different basis such as number of customers. The basis used by Terasen Gas in its Advance Materials resulted in approximately 19% of the total costs being allocated to TGVI, with approximately 1% to Terasen Gas (Whistler) inc. and the remaining 80% allocated to Terasen Gas. Although Terasen Gas did consider previously consider that historical allocation percentages were the preferred basis for allocation, rather than alternatives such as throughput or number of employees, it has revised its position for this filing, using customers as the basis for the allocation. As a result, Terasen Gas proposes that 10% of the total core market administration costs be allocated to TGVI, with 1% to Terasen Gas (Whistler) Inc. and the remaining 89% allocated to Terasen Gas. This revision to the TGI proposed allocation does not result in a change to the core market administration Revenue Sharing approach as described in the Advance Materials. The revised proposal is reflected in table below.

Gas Supply Net Core Administration Costs	TGI	TGVI	TGW	Total
Allocation as originally submitted (80%-19%-1%)	$1,892,408	$449,474	$24,100	$2,365,982
Revised Proposal Nov 26/04 (89%-10%-1%)	**$2,105,724**	**$236,598**	**$23,660**	**$2,365,982**

Subsequent to the Annual Review Session, Commission staff requested an explanation of the $135,000 described as EMS costs. As described under Section B, Tab 8 of its advance Materials, Terasen Gas created a single department to manage all of its Gas Supply activities, including EMS. As a result, the EMS costs are not readily identifiable as such. The $135,00 represents Terasen Gas' estimate of the EMS portion of the total costs and furthermore, Terasen Gas is of the opinion that if it was required to stop all EMS activities, the company would likely be able to drop one headcount (EMS Manager), which would result in a reduction in overall department costs of $135,000.

Gas Costs

This issue was not discussed to any extent during the Annual Review session; however, during the Annual Review session for TGVI it was agreed by participants that both TGVI and Terasen Gas would use the November 19, 2004 forward market prices in its gas cost submissions. Terasen Gas will submit its quarterly gas cost flow-through report to the Commission by December 3, 2004.

Detailed Application

1. 2005 Revenue Requirement Decrease

The 2005 revenue requirement calculations determined according to the provisions of the 2004-2007 PBR Settlement result in a revenue requirement decrease of $2.108 million. This revenue surplus corresponds to an overall 0.42% decrease in gross margin or a 0.15% decrease in revenue. After excluding bypass and special rate revenues, the decrease in delivery rates for customers subject to general revenue requirement decrease is 0.45%. A table summarizing the factors contributing to the revenue surplus can be found in Tab 1, Page 6.

The rate decrease calculations noted above reflects two changes from the financial calculations provided in the advance materials. The first change pertains to the 2005 allowed return on equity ("ROE") of 9.03% as set by the Commission's generic mechanism. This is 0.12% lower than the ROE of 9.15% used in the advance materials. The second change relates to the treatment on the 10% SAP asset leasing income from TGVI. In the advance materials, Terasen Gas erroneously included the operating lease income of $406,000 as other revenue. However, in order to preserve the intent of negotiated settlement and sharing of the efficiency gains, this leasing income has been excluded from other revenue. Both of these changes were identified in the presentation materials provided at the Annual Review meeting. The materials included in Tab 1 reflects the approved ROE of 9.03% in the calculation of the 2005 revenue requirement and excludes the SAP asset leasing income from the other revenue. No other adjustments have been made other than those identified under Tab 4 since participants did not take issue with the financial calculations as provided in the October 29th, 2004 advance materials presented at the Annual Review meeting on November 19, 2004.

Terasen Gas requests Commission approval to decrease, effective January 1, 2005, the applicable charges in its rate schedules by 0.45% to return the revenue surplus.

2. Rate Stabilization Adjustment Mechanism ("RSAM") Rider Change

As indicated in the November 19, 2004 Annual Review session, for the ten months ended October 31, 2004, weather in the Terasen Gas service territory has been 7% warmer than normal. As a result, Terasen Gas forecast that there will be about $9.8 million (net-of-tax) new RSAM additions by the year end 2004. After offsetting 2004 RSAM Rider recovery, the RSAM account, including interest, is now projected to be $33.523 million on a net-of-tax basis by the end of 2004. In accordance with the 2004-2007 PBR Settlement, the RSAM balance is to be amortized over three years. Accordingly, the net-of-tax RSAM balance to be amortized in 2005 is $11,174,000 ($33,523,000/3). On a pre-tax basis, this amounts to $17.060 million or $0.143/GJ, which is a $0.052/GJ decrease from the existing level of $0.195/GJ.

Terasen Gas requests Commission approval to decrease the RSAM rider by $0.052/GJ from the currently approved level of $0.195/GJ to $0.143/GJ effective January 1, 2005.

3. Earnings Sharing Mechanism ("ESM") Rider Change

After taking into consideration the restructuring cost, Terasen Gas is projecting a 2004 return on equity of 9.115%, which is 0.035% lower than the allowed ROE of 9.15%. Under the earnings sharing mechanism, Terasen Gas is to share equally with its customers, earnings variances between authorized level of earnings as determined annually under the settlement and the actual earnings of the utility. Accordingly, customer's portion of the 2004 earnings shortfall is $204,000.

Terasen Gas requests Commission approval to set the ESM rider to $0.002/GJ for customers served under Rate Schedules 1 and 1S, and $0.001/GJ for customers served under Rate Schedules 2, 2U, 3, 3U, 23, 5, 25, 7, 27 customers effective January 1, 2005. For Rate Schedules 22, 22A and 22B, Terasen Gas is proposing no ESM rate rider as the resulting impact is less than one-half of one-tenth of a cent, therefore it is not significant as rates are calculated to the nearest tenth of a cent.

4. New Deferral Accounts

Terasen Gas seeks approval from the Commission with regard to following deferral treatments:

- Deferral treatment on the costs associated with the Ontario Securities Commission (OSC) Certification compliance. Terasen Gas estimates that the project costs associated with compliance of M152-109 are $433,000 for 2004 and $421,000 for 2005. Terasen Gas proposes to defer both the 2004 and 2005 costs and amortize them fully in 2005.

- A deferral account to collect the variances between the actual BCUC levies and the amount embedded in the approved rates as calculated in accordance with the O&M formula. The deferred amount will be amortized fully in the following year. The estimated 2004 actual BCUC levies exceeded the amount provided for in 2004 rates by $196,000. Terasen Gas proposes to defer this amount in 2004 and amortize it fully as a cost of service item in 2005.

5. Core Market Administration Costs and EMS Revenue Sharing Mechanism

Terasen Gas seeks approval from the Commission for the 2005 net Core Market administration expense of $2.106 million and approval of the Core Market Administration revenue Sharing approach as described in the advance Materials under section B, Tab 8, pages 2 through 7.

6. Coastal facilities Lease – Variable Interest Entity

Terasen Gas requests approval for the inclusion in rate base of the Coastal Facilities assets with a conventional mix of 67% debt and 33% equity, as described in the advance Materials under Section B, Tab 7, pages 1 through 7, and consistent with Commission Order C-14-98.

Terasen Gas also notes that under Tabs 2 and 3 of this submission include rate continuity schedules and rate impact tables for all Rate Classes. Unfortunately at the time of this filing, information related to the Transportation Rate Schedules is not complete. As a result, Terasen Gas will submit the appropriate information related to the Transportation Rate Schedules on Monday, November 29, 2004.

Terasen Gas will submit 20 copies of this submission to the Commission on Monday, November 29, 2004.

All of which is respectfully submitted. If you have any questions related to this submission please contact Tom Loski at (604) 592-7464.

Yours very truly,

TERASEN GAS INC.

Original signed by Tom Loski

For: Scott A. Thomson

TERASEN GAS INC.

TAB 1

SUMMARY OF 2005 REVENUE REQUIREMENT

TERASEN GAS INC.

SUMMARY OF RATE CHANGE REQUIRED
FOR THE YEAR ENDING DECEMBER 31, 2005
($000)

Line No.	Particulars	2005 Advance Materials	2005 Core	2005 Non-Core	2005 Bypass and Special Rates	2005 Total	Change
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	RATE CHANGE REQUIRED						
2							
3	Gas Sales and Transportation Revenue,						
4	At Prior Year's Rates	$1,389,037	$1,319,679	$56,590	$12,768	$1,389,037	$0
5							
6	Add - Other Revenue Related to SCP Third Party						
7	Revenue / Terasen Gas (Vancouver Island)	15,991	0	0	15,991	15,991	0
8							
9	Total Revenue	1,405,028	1,319,679	56,590	28,759	1,405,028	0
10							
11	Less - Cost of Gas	(908,924)	(907,040)	(1,521)	(363)	(908,924)	0
12							
13	Gross Margin	$496,104	$415,696	$55,069	$28,396	$496,104	$0
14							
15	Revenue Deficiency (Surplus)	($1,051)	($1,860)	($248)	$0	($2,108)	
16							
17	Revenue Deficiency (Surplus) as a % of Gross Margin	-0.21%	-0.45%	-0.45%	0.00%	-0.42%	
18							
19	Revenue Deficiency (Surplus) as a % of Total Revenue	-0.07%	-0.14%	-0.44%	0.00%	-0.15%	

TERASEN GAS INC.

UTILITY RATE BASE
FOR THE YEAR ENDING DECEMBER 31, 2005
($000)

Line No.	Particulars	2005 Advance Materials	2005 Existing Rates	Adjustments	Revised Rates	Change	November 19, 2004 Annual Review Advance Mateial Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Plant in Service, Beginning	$2,922,348	$2,922,348	$0	$2,922,348	($0)	- Tab A - 3, Page 7.1
2	CPCNs	53,749	53,749	0	53,749	0	- Tab A - 3, Page 7.1
3							
4	Additions	117,728	117,728	0	117,728	0	- Tab A - 3, Page 7.1
5	Disposals	(20,340)	(20,340)	0	(20,340)	0	- Tab A - 3, Page 7.1
6							
7	Plant in Service, Ending	3,073,485	3,073,485	0	3,073,485	0	
8							
9	Add - Intangible Plant	837	837	0	837	0	
10							
11		3,074,322	3,074,322	0	3,074,322	0	
12							
13	Contributions In Aid of Construction	(153,989)	(153,989)	0	(153,989)	0	- Tab A - 3, Page 8
14							
15	Less - Accumulated Depreciation	(625,051)	(625,051)	0	(625,051)	0	- Tab A - 3, Page 13
16							
17							
18	Net Plant in Service, Ending	$2,295,282	$2,295,282	$0	$2,295,282	$0	
19							
20							
21	Net Plant in Service, Beginning	$2,266,265	$2,266,265	$0	$2,266,265	$0	- Tab A - 3, Page 9
22							
23							
24	Net Plant in Service, Mid-Year	$2,280,774	$2,280,774	$0	$2,280,774	$0	
25	Adjustment to 13-Month Average	0	0	0	0	0	
26	Construction Advances	(2)	(2)	0	(2)	0	
27	Work in Progress, No AFUDC	12,358	12,358	0	12,358	0	
28	Unamortized Deferred Charges	6,724	6,724	0	6,724	0	- Tab A - 3, Page 11.1
29	Cash Working Capital	(22,883)	(22,885)	9	(22,876)	7	
30	Other Working Capital	121,715	121,715	0	121,715	0	- Tab A - 3, Page 12
31	Deferred Income Tax, Mid-Year	(364)	(364)	0	(364)	0	
32	Capital Efficiency Mechanism	0	0	0	0	0	
33	LILO Benefit	(2,564)	(2,564)	0	(2,564)	0	
34	Utility Rate Base	$2,395,758	$2,395,756	$9	$2,395,765	$7	

TERASEN GAS INC.

UTILITY INCOME AND EARNED RETURN
FOR THE YEAR ENDING DECEMBER 31, 2005
($000)

Line No.	Particulars	2005 Advance Materials	2005 Existing Rates	2005 ----Revised Rates----- Revised Revenue	2005 ----Revised Rates----- Total	Change	November 19, 2004 Annual Review Advance Mateial Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	ENERGY VOLUMES (TJ)						
2	Sales	119,302	119,302	0	119,302	0	- Tab A - 4, Page 12
3	Transportation	105,684	105,684	0	105,684	0	- Tab A - 4, Page 12
4		224,986	224,986	0	224,986	0	- Tab A - 4, Page 12
5							
6	Average Rate per GJ						
7	Sales	$11.059	$11.067	$0.000	$11.051	($0.008)	
8	Transportation	$0.649	$0.650	$0.000	$0.648	($0.001)	
9	Average	$6.169	$6.174	$0.000	$6.165	($0.004)	
10							
11	UTILITY REVENUE						
12	Sales - Existing Rates	$1,320,326	$1,320,326	$0	$1,320,326	$0	- Tab A - 4, Page 13
13	- Increase	(926)	0	(1,861)	(1,861)	(935)	
14							
15	Transportation - Existing Rates	68,711	68,711	0	68,711	0	- Tab A - 4, Page 13
16	- Increase	(125)		(247)	(247)	(122)	
17	**Total**	1,387,986	1,389,037	(2,108)	1,386,929	(1,057)	
18							
19	Cost of Gas Sold (Including Gas Lost)	908,924	908,924	0	908,924	0	- Tab A - 4, Page 14.1
20							
21	**Gross Margin**	479,062	480,113	(2,108)	478,005	(1,057)	
22							
23	Operation and Maintenance	161,729	161,729	0	161,729	0	- Tab A - 5, Page 2
24	Vehicle / Coastal Facilities Lease	1,915	1,915	0	1,915	0	- Section B, Tab 7
25	Property and Sundry Taxes	39,573	39,573	0	39,573	0	- Tab A - 6, Page 4
26	Depreciation and Amortization	79,777	79,777	0	79,777	0	- Tab A - 6, Page 7
27	Other Operating Revenue	(26,375)	(25,969)	0	(25,969)	406	
28		256,619	257,025	0	257,025	406	
29	Utility Income Before Income Taxes	222,443	223,088	(2,108)	220,980	(1,463)	
30							
31	Income Taxes	38,856	39,078	(727)	38,351	(505)	- Current Application Tab 1, Page 4
32							
33	**EARNED RETURN**	$183,587	$184,010	($1,381)	$182,629	($958)	- Current Application Tab 1, Page 5
34							
35	**UTILITY RATE BASE**	$2,395,758	$2,395,756	$9	$2,395,765	$7	- Current Application Tab 1, Page 2
36							
37	**RATE OF RETURN ON UTILITY RATE BASE**	7.663%	7.680%		7.623%	-0.04%	

TERASEN GAS INC.

INCOME TAXES / REVENUE DEFICIENCY
FOR THE YEAR ENDING DECEMBER 31, 2005
($000)

Line No.	Particulars	2005 Advance Materials	2005 Existing Rates	2005 ----Revised Rates----- Revised Revenue	Total	Change	Advance Mateial Reference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	CALCULATION OF INCOME TAXES						
2	Earned Return	$183,587	$184,010	($1,381)	$182,629	($958)	- Current Application, Tab 1, Page 5
3	Deduct - Interest on Debt	(111,230)	(111,230)	0	(111,230)	0	
4	Add- Non-Tax Ded. Expense (Net)	(367)	(367)	0	(367)	0	- Tab A - 6, Page 6
5							
6	Accounting Income After Tax	71,990	72,413	(1,381)	71,032	(958)	
7	Add (Deduct) - Timing Differences	(10,273)	(10,273)	0	(10,273)	0	- Tab A - 6, Page 6
8	Add - Large Corporation Tax	3,032	3,024	24	3,048	16	
9							
10	Taxable Income After Tax	$64,749	$65,164	($1,357)	$63,807	($942)	
11							
12	Income Tax Rate (Current Tax)	35.620%	35.620%	35.620%	35.620%	0.000%	
13	1 - Current Income Tax Rate	64.380%	64.380%	64.380%	64.380%	0.000%	
14							
15	Taxable Income (L10 : L13)	$100,573	$101,218	($2,108)	$99,110	($1,463)	
16							
17	Income Tax - Current (L12 x L15)	$35,824	$36,054	($751)	$35,303	($521)	
18							
19	- Large Corporation Tax	3,032	3,024	24	3,048	16	
20							
21	Total	$38,856	$39,078	($727)	$38,351	($505)	- Current Application, Tab 1, Page 3
22							
23							
24	REVENUE DEFICIENCY						
25	Earned Return	$183,587		($1,381)	$182,629	($958)	- Current Application, Tab 1, Page 3
26	Add - Income Taxes	38,856		(727)	38,351	(505)	- Current Application, Tab 1, Page 3
27	Deduct - Utility Income Before Taxes,						
28	Existing Rates	(223,494)		0	(223,088)	406	- Current Application, Tab 1, Page 3
29	Corporate Capital Tax	0		0	0	0	
30							
31	Deficiency After Corporate Capital Tax	($1,051)		($2,108)	($2,108)	($1,057)	

TERASEN GAS INC.

RETURN ON CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2005
($000)

Line No.	Particulars	Reference	-------- Capitalization -------- Amount		%	Embedded Cost	Cost Component	Earned Return
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	2005 AT 2004 RATES							
2	Long-Term Debt			$1,444,684	60.30%	7.255%	4.375%	
3	Unfunded Debt			160,473	6.70%	4.000%	0.268%	
4	Preference Shares			0	0.00%	0.000%	0.000%	
5	Common Equity			790,599	33.00%	9.203%	3.037%	
6								
7				$2,395,756	100.00%		7.680%	
8								
9	2005 REVISED RATES							
10	Long-Term Debt			$1,444,684	60.30%	7.255%	4.375%	$104,812
11	Unfunded Debt		$160,473					
12	Adjustment, Revised Rates		6	160,479	6.70%	4.000%	0.268%	6,418
13	Preference Shares			0	0.00%	0.000%	0.000%	0
14	Common Equity			790,602	33.00%	9.030%	2.980%	71,399
15								
16				$2,395,765	100.00%		7.623%	$182,629
17								
18	2005 ADVANCE MATERIALS							
19	Long-Term Debt			$1,444,684	60.30%	7.255%	4.375%	$104,812
20	Unfunded Debt		$160,471					
21	Adjustment, Revised Rates		3	160,474	6.70%	4.000%	0.268%	6,418
22	Preference Shares			0	0.00%	0.000%	0.000%	0
23	Common Equity			790,600	33.00%	9.150%	3.020%	72,357
24								
25				$2,395,758	100.00%		7.663%	$183,587
26								
27	2005 CHANGE FROM ADVANCE MATERIALS							
28	Long-Term Debt			$0	0.00%	0.000%	0.000%	$0
29	Unfunded Debt		$2					
30	Adjustment, Revised Rates		3	5	0.00%	0.000%	0.000%	0
31	Preference Shares			0	0.00%	0.000%	0.000%	0
32	Common Equity			2	0.00%	-0.120%	-0.040%	(958)
33								
34				$7	0.00%		-0.040%	($958)

SUMMARY OF 2005 REVENUE REQUIREMENT DECREASE

		($ Millions)
Volumes/Revenue Related		
• Change in Use rates for Rates 1/2/3/23	($0.5)	
• Customer growth and Industrial revenue changes	(4.2)	($4.7)
O & M Related		
• Higher O&M per formula	4.1	
• Change in Pension and Insurance forecast	(1.8)	2.3
Other Items		
• Higher Property Taxes	0.2	
• Lower Depreciation and Amortization	(0.8)	
• Higher Interest Expense	1.9	
• Large Corporations Tax Rate Reduction	(0.9)	
• Higher Other Revenues (primarily SCP related)	(3.7)	
• Lower Income Taxes and Others	(1.8)	
• Higher Rate Base due to Plant Additions	4.4	(0.7)
Revenue Decrease before Coastal Facilities Lease and Exogenous Items		(3.1)
Accounting Change – Coastal Facilities Lease		1.1
Exogenous Items – OSC Certification and BCUC Levies		1.0
Total Revenue Decrease (Advance Materials, Section A Tab 1, Page 5, Column 6, Line 15)		($1.0)
Additional Revenue Decrease due to Lower Approved ROE (9.15% to 9.03%)		(1.5)
Change of SAP Asset Leasing Treatment		0.4
Total Revenue Decrease at ROE of 9.03% (Tab 1, Page1)		($2.1)

TERASEN GAS INC.

TAB 2

SUMMARY OF DELIVERY-RELATED RATE CHANGES

INCLUDING

2005 REVENUE REQUIREMENT DECREASE,

2005 RSAM RIDER CHANGES

AND

2005 ESM RIDER CHANGES

TERASEN GAS INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
EFFECTIVE JANUARY 1, 2005
BCUC ORDER NO. G-xx-04

Line No.	RATE SCHEDULE 1: RESIDENTIAL SERVICE	Existing 2004 Rates			2005 Revenue Requirement, Gas Cost and Rider Changes			January 1, 2005 Proposed Rates		
	Particulars	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Delivery Margin Related Charges									
2	Basic Charge per Month	$10.75	$10.75	$10.75	($0.05)	($0.05)	($0.05)	$10.70	$10.70	$10.70
3										
4	Delivery Charge per gigajoule	$2.690	$2.690	$2.690	($0.012)	($0.012)	($0.012)	$2.678	$2.678	$2.678
5										
6	Riders: 2 ESM	$0.000	$0.000	$0.000	$0.002	$0.002	$0.002	$0.002	$0.002	$0.002
7	3 Reserved for Future Use	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
8	5 RSAM	$0.195	$0.195	$0.195	($0.052)	($0.052)	($0.052)	$0.143	$0.143	$0.143
9	Subtotal Delivery Margin Related Charges per GJ	$2.885	$2.885	$2.885	($0.062)	($0.062)	($0.062)	$2.823	$2.823	$2.823
10										
11	Commodity Related Charges									
12	Commodity Gas Cost Recovery Charge per GJ	$7.005	$7.005	$7.005	$0.000	$0.000	$0.000	$7.005	$7.005	$7.005
13	Midstream Gas Cost Recovery Charge per GJ	0.649	0.542	0.678				0.649	0.542	0.678
14	Riders: 1 Propane Surcharge (Revelstoke only)		$4.214			$0.000			$4.214	
15	6 MCRA				$0.000	$0.000	$0.000			
16	Subtotal Commodity Related Charges per GJ	$7.654	$7.547	$7.683	$0.000	$0.000	$0.000	$7.654	$7.547	$7.683
17										
18	Total Variable Cost per GJ	$10.539	$10.432	$10.568	($0.062)	($0.062)	($0.062)	$10.477	$10.370	$10.506
19										
20	Revelstoke Variable Cost per GJ									
21	(Includes Rider 1)		$14.646			($0.062)			$14.584	
22										
23										
24										

TERASEN GAS INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
EFFECTIVE JANUARY 1, 2005
BCUC ORDER NO. G-xx-04

Line No.	RATE SCHEDULE 2: SMALL COMMERCIAL SERVICE	Existing 2004 Rates			2005 Revenue Requirement, Gas Cost and Rider Changes			January 1, 2005 Proposed Rates		
	Particulars	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Delivery Margin Related Charges									
2	Basic Charge per Month	$22.57	$22.57	$22.57	($0.10)	($0.10)	($0.10)	$22.47	$22.47	$22.47
3										
4	Delivery Charge per gigajoule	$2.252	$2.252	$2.252	($0.010)	($0.010)	($0.010)	$2.242	$2.242	$2.242
5										
6	Riders: 2 ESM	$0.000	$0.000	$0.000	$0.001	$0.001	$0.001	$0.001	$0.001	$0.001
7	3 Reserved for Future Use	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
8	5 RSAM	$0.195	$0.195	$0.195	($0.052)	($0.052)	($0.052)	$0.143	$0.143	$0.143
9	Subtotal Delivery Margin Related Charges per GJ	$2.447	$2.447	$2.447	($0.061)	($0.061)	($0.061)	$2.386	$2.386	$2.386
10										
11	Commodity Related Charges									
12	Commodity Gas Cost Recovery Charge per GJ	$7.038	$7.038	$7.038	$0.000	$0.000	$0.000	$7.038	$7.038	$7.038
13	Midstream Gas Cost Recovery Charge per GJ	$0.704	$0.593	$0.731				$0.704	$0.593	$0.731
14	Riders: 1 Propane Surcharge (Revelstoke only)		$3.039			$0.000			$3.039	
15	6 MCRA	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
16	Subtotal Commodity Related Charges per GJ	$7.742	$7.631	$7.769	$0.000	$0.000	$0.000	$7.742	$7.631	$7.769
17										
18										
19	Total Variable Cost per GJ	$9.485	$9.485	$9.485	($0.061)	($0.061)	($0.061)	$9.424	$9.424	$9.424
20										
21	Revelstoke Variable Cost per GJ									
22	(Includes Rider 1)		$12.524			($0.061)			$12.463	
23										
24										
25										

TERASEN GAS INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
EFFECTIVE JANUARY 1, 2005
BCUC ORDER NO. G-xx-04

	RATE SCHEDULE 3: LARGE COMMERCIAL SERVICE	**Existing 2004 Rates**			**2005 Revenue Requirement, Gas Cost and Rider Changes**			**January 1, 2005 Proposed Rates**		
Line No.	Particulars	**Lower Mainland**	**Inland**	**Columbia**	**Lower Mainland**	**Inland**	**Columbia**	**Lower Mainland**	**Inland**	**Columbia**
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Delivery Margin Related Charges									
2	Basic Charge per Month	$120.40	$120.40	$120.40	($0.54)	($0.54)	($0.54)	$119.86	$119.86	$119.86
3										
4	Delivery Charge per gigajoule	$1.941	$1.941	$1.941	($0.009)	($0.009)	($0.009)	$1.932	$1.932	$1.932
5										
6	Riders: 2 ESM	$0.000	$0.000	$0.000	$0.001	$0.001	$0.001	$0.001	$0.001	$0.001
7	3 Reserved for Future Use	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
8	5 RSAM	$0.195	$0.195	$0.195	($0.052)	($0.052)	($0.052)	$0.143	$0.143	$0.143
9	Subtotal Delivery Margin Related Charges per GJ	$2.136	$2.136	$2.136	($0.060)	($0.060)	($0.060)	$2.076	$2.076	$2.076
10										
11	Commodity Related Charges									
12	Commodity Cost Recovery	$6.938	$6.938	$6.938	$0.000	$0.000	$0.000	$6.938	$6.938	$6.938
13	Midstream Cost Recovery	$0.537	$0.440	$0.572				$0.537	$0.440	$0.572
14	Riders: 1 Propane Surcharge (Revelstoke only)		$3.292			$0.000			$3.292	
15	6 MCRA		$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
16	Subtotal Commodity Related Charges per GJ	$7.475	$7.378	$7.510	$0.000	$0.000	$0.000	$7.475	$7.378	$7.510
17										
18	Total Variable Cost per GJ	$9.074	$9.074	$9.074	($0.060)	($0.060)	($0.060)	$9.014	$9.014	$9.014
19										
20										
21										
22	Revelstoke Variable Cost per GJ									
23	(Includes Rider 1)		$12.366			($0.060)			$12.306	
24										
25										

TERASEN GAS INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
EFFECTIVE JANUARY 1, 2005
BCUC ORDER NO. G-xx-04

Line No.	RATE SCHEDULE 4: SEASONAL SERVICE Particulars	Existing 2004 Rates Lower Mainland	Inland	Columbia	2005 Revenue Requirement, Gas Cost and Rider Changes Lower Mainland	Inland	Columbia	January 1, 2005 Proposed Rates Lower Mainland	Inland	Columbia
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Basic Charge per Month	$383.00	$383.00	$383.00	($2.00)	($2.00)	($2.00)	$381.00	$381.00	$381.00
2										
3	Delivery Charge per gigajoule									
4	(a) Off-Peak Period	$0.664	$0.664	$0.664	($0.003)	($0.003)	($0.003)	$0.661	$0.661	$0.661
5	(b) Extension Period	$1.341	$1.341	$1.341	($0.006)	($0.006)	($0.006)	$1.335	$1.335	$1.335
6										
7	Gas Cost Recovery Charge per GJ									
8	(a) Off-Peak Period	$6.847	$6.847	$6.847	$0.000	$0.000	$0.000	$6.847	$6.847	$6.847
9	(b) Extension Period	$6.847	$6.847	$6.847	$0.000	$0.000	$0.000	$6.847	$6.847	$6.847
	Commodity Cost Recovery	$6.847	$6.847	$6.847				$6.847	$6.847	$6.847
	Midstream Cost Recovery	$0.382	$0.298	$0.425				$0.382	$0.298	$0.425
10		$7.229	$7.145	$7.272				$7.229	$7.145	$7.272
11	Unauthorized Gas Charge	Balancing, Backstopping and UOR per BCUC Order No. G-110-00.						Balancing, Backstopping and UOR per BCUC Order No. G-110-00.		
12	per GJ during peak period									
13										
14										
15	Riders: 2 ESM	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
16	3 Reserved for Future Use	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
17	6 MCRA	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
18										
19	Total Variable Cost per GJ between									
20	(a) Off-Peak Period	$7.511	$7.511	$7.511	($0.003)	($0.003)	($0.003)	$7.508	$7.508	$7.508
21	(b) Extension Period	$8.188	$8.188	$8.188	($0.006)	($0.006)	($0.006)	$8.182	$8.182	$8.182

Line No.	**RATE SCHEDULE 5** **GENERAL FIRM SERVICE** Particulars	**Existing 2004 Rates** **Lower Mainland**	**Inland**	**Columbia**	**2005 Revenue Requirement, Gas Cost and Rider Changes** **Lower Mainland**	**Inland**	**Columbia**	**January 1, 2005 Proposed Rates** **Lower Mainland**	**Inland**	**Columbia**
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Basic Charge per Month	$532.00	$532.00	$532.00	($2.00)	($2.00)	($2.00)	$530.00	$530.00	$530.00
2										
3										
4	Demand Charge per GJ	$13.312	$13.312	$13.312	($0.060)	($0.060)	($0.060)	$13.252	$13.252	$13.252
5										
6										
7	Delivery Charge per gigajoule	$0.539	$0.539	$0.539	($0.002)	($0.002)	($0.002)	$0.537	$0.537	$0.537
8										
9	Commodity Related Charges									
10	Commodity Cost Recovery	$6.847	$6.847	$6.847	$0.000	$0.000	$0.000	$6.847	$6.847	$6.847
	Midstream Cost Recovery	$0.382	$0.298	$0.425				$0.382	$0.298	$0.425
11		7.229	7.145	7.272				7.229	7.145	7.272
12	Riders: 2 ESM	$0.000	$0.000	$0.000	$0.001	$0.001	$0.001	$0.001	$0.001	$0.001
13	3 Reserved for Future Use	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
14	6 MCRA	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
15										
16	Total Variable Cost per GJ	$7.386	$7.386	$7.386	($0.001)	($0.001)	($0.001)	$7.385	$7.385	$7.385

TERASEN GAS INC.
CALCULATION OF CUSTOMERS' RATES AND TARIFF CONTINUITY
EFFECTIVE JANUARY 1, 2005
BCUC ORDER NO. G-xx-04

Line No.	RATE SCHEDULE 6: NGV - STATIONS Particulars	Existing 2004 Rates Lower Mainland	Inland	Columbia	2005 Revenue Requirement, Gas Cost and Rider Changes Lower Mainland	Inland	Columbia	January 1, 2005 Proposed Rates Lower Mainland	Inland	Columbia
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Basic Charge per Month	$56.10	$56.10	$56.10	($0.30)	($0.30)	($0.30)	$55.80	$55.80	$55.80
2										
3										
4	Delivery Charge per gigajoule	$3.086	$3.086	$3.086	($0.014)	($0.014)	($0.014)	$3.072	$3.072	$3.072
5										
6	Commodity Related Charges									
7	Commodity Cost Recovery	$6.736	$6.736	$6.736	$0.000	$0.000	$0.000	$6.736	$6.736	$6.736
	Midstream Cost Recovery	$0.199	$0.134	$0.134				$0.199	$0.134	$0.134
8		6.935	6.870	6.870				6.935	6.870	6.870
9	Riders: 2 ESM	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
10	3 Reserved for Future Use	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
11	6 MCRA	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
12										
13										
14	Total Variable Cost per GJ	$9.822	$9.822	$9.822	($0.014)	($0.014)	($0.014)	$9.808	$9.808	$9.808

Line No.	RATE SCHEDULE 7: INTERRUPTIBLE SALES	Existing 2004 Rates			2005 Revenue Requirement, Gas Cost and Rider Changes			January 1, 2005 Proposed Rates		
	Particulars	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia	Lower Mainland	Inland	Columbia
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Basic Charge per Month	$799.00	$799.00	$799.00	($4.00)	($4.00)	($4.00)	$795.00	$795.00	$795.00
2										
3	Delivery Charge per gigajoule	$0.899	$0.862	$0.862	($0.004)	($0.004)	($0.004)	$0.895	$0.858	$0.858
4										
5	Commodity Charge per GJ									
6	- Fixed Pricing	$6.847	$6.847	$6.847				$6.847	$6.847	$6.847
	Commodity Cost Recovery	$6.847	$6.847	$6.847	$0.000	$0.000	$0.000	$6.847	$6.847	$6.847
	Midstream Cost Recovery	$0.382	$0.298	$0.425	$0.000	$0.000	$0.000	$0.382	$0.298	$0.425
7		$7.229	$7.145	$7.272	$0.000	$0.000	$0.000	$7.229	$7.145	$7.272
8	- Index Pricing	Sumas Daily	Sumas Daily	Sumas Daily				Sumas Daily	Sumas Daily	Sumas Daily
9		Price + the	Price + the	Price + the				Price + the	Price + the	Price + the
10		greater of	greater of	greater of				greater of	greater of	greater of
11		$0.05/GJ or Cost	$0.05/GJ or Cost	$0.05/GJ or Cost				$0.05/GJ or Cost	$0.05/GJ or Cost	$0.05/GJ or Cost
12										
13	Charges per GJ for UOR Gas	Balancing, Backstopping and UOR per BCUC Order No. G-110-00.						Balancing, Backstopping and UOR per BCUC Order No. G-110-00.		
14										
15										
16										
17	Riders: 2 ESM	$0.000	$0.000	$0.000	$0.001	$0.001	$0.001	$0.001	$0.001	$0.001
18	3 Reserved for Future Use	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
19	6 MCRA	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000
20										
21										
22										
23	Total Variable Cost per GJ - Fixed Pricing Option	$7.746	$7.709	$7.709	($0.003)	($0.003)	($0.003)	$7.743	$7.706	$7.706

TERASEN GAS INC.
CALCULATION OF EARNING SHARING MECHANISM (RIDER 2)
FOR THE YEAR ENDED DECEMBER 31, 2005

Particulars	Annual Volumes (TJ)	Gross Margin ($000)	Amortization ($000)	Earnings Sharing Mechansim Unit Rider ($ / GJ)
(1)	(2)	(3)	(4)	(5)
Earnings Sharing Mechanism (ESM) Rider 2 Calculation				
Non-Bypass				
Rate 1 - Residential	73,587.7	$289,825	$126	$0.002
Rate 2 - Small Commercial	22,448.0	69,717	30	$0.001
Rate 3 / 23 - Large Commercial	22,917.0	54,220	24	$0.001
Rate 4 - Seasonal Service	179.5	352	0	$0.000
Rate 5 / 25 - General Firm Service	17,216.2	29,409	13	$0.001
Rate 6 - NGV	327.3	1,038	0	$0.000
Rate 7 / 27 - Interruptible	5,857.2	6,100	3	$0.001
Rate 22 - Large Industrial Transportation	15,365.3	11,408	5	$0.000
Rate 22A - Inland	6,567.2	4,246	2	$0.000
Rate 22B - Elkview Coal	461.9	85	0	$0.000
Rate 22B - All Other	2,342.2	1,309	1	$0.000
Total Non-Bypass	167,269.5	$467,708	$204 (1)	

Note 1: ESM Rider Change

After taking into consideration the restructuring cost, Terasen Gas is projecting a 2004 return on equity of 9.115%, which is 0.035% lower than the allowed ROE of 9.15%. Under the earnings sharing mechanism, Terasen Gas is to share equally with its customers, earnings variances between authorized level of earnings as determined annually under the settlement and the actual earnings of the utility. Accordingly, customer's portion of the 2004 earnings shortfall is $204,000. The detail calculations are as following (in thoudands):

After Tax Deficit Available for Sharing = $765,322 x (9.115%-9.15%) = $268
Customers' 50% Share (Net-of-Tax) = $134
Customers' 50% Share (Pre-Tax) = $134/(1-34.5%)=$204

Line No.	Particulars	Annual Volumes (TJ)	Amortization ($000)	Amortization of RSAM Unit Rider ($ / GJ)
	(1)	(2)	(3)	(4)
1	**RSAM (Rider 5) Calculation**			
2				
3	Rate 1 - Residential	73,587.7		$0.143
4	Rate 2 - Small Commercial	22,448.0		$0.143
5	Rate 3 - Large Commercial	17,879.4		$0.143
6	Rate 23 - Large Commercial Transportation	5,037.6		$0.143
7		118,952.7	$17,060 (1)	

Note 1: RSAM Rider Change

As indicated in the November 19, 2004 Annual Review meeting, for the ten months ended October 31, 2004, weather in the Terasen Gas service territory has been 7% warmer than normal. As a result, Terasen Gas forecast that there will be about $9.8 million (net-of-tax) new RSAM additions by the year end 2004. After offsetting 2004 RSAM Rider recovery, the RSAM account including interest is now projected to be $33.523 million on a net-of-tax basis by the end of 2004. In accordance with the 2004-2007 PBR Settlement, the RSAM balance is to be amortized over three years. Accordingly, the net-of-tax RSAM balance to be amortized in 2005 is $11,174,000 ($33,523,000/3). On a pre-tax basis, this amounts to $17.060 million or $0.143/GJ, which is a $0.052/GJ decrease from existing level of $0.195/GJ. The detail calculations are as follwing:

Amortization = 1/3 of Projected December 31, 2004 RSAM Balance = $33,523 ($33,360 RSAM + $163 RSAM Interest)
$33,523 / 3 = $11,174 Net-of-tax Amortization ; $17,060 ($11,174 / (1-0.345)) Gross Amortization

TERASEN GAS INC.

TAB 3

RATE IMPACT TABLES FOR ALL APPLICABLE RATE CLASSES

OF THE

DELIVERY-RELATED RATE CHANGES INCLUDED IN TAB 2

TERASEN GAS INC.

EFFECT ON CUSTOMERS' RATES OF JANUARY 1, 2005 RATE CHANGES CONSISTING OF
GAS COST CHANGES BASED ON NOVEMBER 5, 2004 FORWARD PRICES
BCUC ORDER NO. G-xx-04

SCHEDULE 1 - RESIDENTIAL SERVICE

Line No.		Existing 2004 Charges			January 1, 2005 Charges			Annual Increase/Decrease		
		Volume	Rate	Annual $	Volume	Rate	Annual $	Rate	Annual $	% of Previous Annual Bill
1	**LOWER MAINLAND SERVICE AREA**									
2	Delivery Margin Related Charges									
3	Basic Charge	12 months x	$10.75	$129.00	12 months x	$10.70	$128.40	($0.05)	($0.60)	-0.05%
4										
5	Delivery Charge	110.0 GJ x	$2.690	295.90	110.0 GJ x	$2.678	294.58	($0.012)	(1.32)	-0.10%
6										
7	Riders : 2 ESM	110.0 GJ x	$0.000	0.00	110.0 GJ x	$0.002	0.22	$0.002	0.22	0.02%
8	3 Reserved for Future Use	110.0 GJ x	$0.000	0.00	110.0 GJ x	$0.000	0.00	$0.000	0.00	0.00%
9	5 RSAM	110.0 GJ x	$0.195	21.45	110.0 GJ x	$0.143	15.73	($0.052)	(5.72)	-0.44%
10	Subtotal Delivery Margin Related Charges			$446.35			$438.93		($7.42)	-0.58%
11										
12	Recovery Charges									
13	Commodity Cost Recovery Charge	110.0 GJ x	$7.005	$770.55	110.0 GJ x	$7.005	$770.55	$0.000	$0.00	0.00%
14	Midstream Cost Recovery Charge	110.0 GJ x	$0.649	71.39	110.0 GJ x	$0.649	71.39	$0.000	0.00	0.00%
15	Rider : 6 MCRA	110.0 GJ x	$0.000	-	110.0 GJ x	$0.000	0.00	$0.000	0.00	0.00%
16	Subtotal Commodity Related Charges			$841.94			$841.94		$0.00	0.00%
17										
18	Total	110.0	$11.712	$1,288.29	110.0	$11.644	$1,280.87	($0.067)	($7.42)	-0.58%
19										
20	**INLAND SERVICE AREA**									
21	Delivery Margin Related Charges									
22	Basic Charge	12 months x	$10.75	$129.00	12 months x	$10.70	$128.40	($0.050)	($0.60)	-0.05%
23										
24	Delivery Charge	95.0 GJ x	$2.690	255.55	95.0 GJ x	$2.678	254.41	($0.012)	(1.14)	-0.10%
25										
26	Riders : 2 ESM	95.0 GJ x	$0.000	0.00	95.0 GJ x	$0.002	0.19	$0.002	0.19	0.02%
27	3 Reserved for Future Use	95.0 GJ x	$0.000	0.00	95.0 GJ x	$0.000	0.00	$0.000	0.00	0.00%
28	5 RSAM	95.0 GJ x	$0.195	18.53	95.0 GJ x	$0.143	13.59	($0.052)	(4.94)	-0.44%
29	Subtotal Delivery Margin Related Charges			$403.08			$396.59		($6.49)	-0.58%
30										
31	Recovery Charges									
32	Commodity Cost Recovery Charge	95.0 GJ x	$7.005	$665.48	95.0 GJ x	$7.005	$665.48	$0.000	$0.00	0.00%
33	Midstream Cost Recovery Charge	95.0 GJ x	$0.542	51.49	95.0 GJ x	$0.542	51.49	$0.000	0.00	0.00%
34	Rider : 6 MCRA	95.0 GJ x	$0.000	-	95.0 GJ x	$0.000	0.00	$0.000	0.00	0.00%
35	Subtotal Commodity Related Charges			$716.97			$716.97		$0.00	0.00%
36										
37	Total	95.0	$11.790	$1,120.05	95.0	$11.722	$1,113.56	($0.068)	($6.49)	-0.58%
38										
39	**COLUMBIA SERVICE AREA**									
40	Delivery Margin Related Charges									
41	Basic Charge	12 months x	$10.75	$129.00	12 months x	$10.70	$128.40	($0.050)	($0.60)	-0.05%
42										
43	Delivery Charge	110.0 GJ x	$2.690	295.90	110.0 GJ x	$2.678	294.58	($0.012)	(1.32)	-0.10%
44										
45	Riders : 2 ESM	110.0 GJ x	$0.000	0.00	110.0 GJ x	$0.002	0.22	$0.002	0.22	0.02%
46	3 Reserved for Future Use	110.0 GJ x	$0.000	0.00	110.0 GJ x	$0.000	0.00	$0.000	0.00	0.00%
47	5 RSAM	110.0 GJ x	$0.195	21.45	110.0 GJ x	$0.143	15.73	($0.052)	(5.72)	-0.44%
48	Subtotal Delivery Margin Related Charges			$446.35			$438.93		($7.42)	-0.57%
49										
50	Recovery Charges									
51	Commodity Cost Recovery Charge	110.0 GJ x	$7.005	$770.55	110.0 GJ x	$7.005	$770.55	$0.000	$0.00	0.00%
52	Midstream Cost Recovery Charge	110.0 GJ x	$0.678	74.58	110.0 GJ x	$0.678	74.58	$0.000	0.00	0.00%
53	Rider : 6 MCRA	110.0 GJ x	$0.000	-	110.0 GJ x	$0.000	0.00	$0.000	0.00	0.00%
54	Subtotal Commodity Related Charges			$845.13			$845.13		$0.00	0.00%
55										
56	Total	110.0	$11.741	$1,291.48	110.0	$11.673	$1,284.06	($0.067)	($7.42)	-0.57%

TERASEN GAS INC.

EFFECT ON CUSTOMERS' RATES OF JANUARY 1, 2005 RATE CHANGES CONSISTING OF
GAS COST CHANGES BASED ON NOVEMBER 5, 2004 FORWARD PRICES
BCUC ORDER NO. G-xx-04

SCHEDULE 2 -SMALL COMMERCIAL SERVICE

Line No.		Existing 2004 Charges					January 1, 2005 Charges					Annual Increase/(Decrease)		
		Volume		Rate		Annual $	Volume		Rate		Annual $	Rate	Annual $	% of Previous Annual Bill
1	**LOWER MAINLAND SERVICE AREA**													
2	Delivery Margin Related Charges													
3	Basic Charge	12	months x	$22.57	=	$270.84	12	months x	$22.47	=	$269.64	($0.10)	($1.20)	-0.04%
4														
5	Delivery Charge	300.0	GJ x	$2.252	=	675.60	300.0	GJ x	$2.242	=	672.60	($0.010)	(3.00)	-0.09%
6														
7	Riders : 2 ESM	300.0	GJ x	$0.000	=	0.00	300.0	GJ x	$0.001	=	0.30	$0.001	0.30	0.01%
8	3 Reserved for Future Use	300.0	GJ x	$0.000	=	0.00	300.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
9	5 RSAM	300.0	GJ x	$0.195	=	58.50	300.0	GJ x	$0.143	=	42.90	($0.052)	(15.60)	-0.47%
10	Subtotal Delivery Margin Related Charges					$1,004.94					$985.44		($19.50)	-0.59%
11														
12	Recovery Charges													
13	Commodity Cost Recovery Charge	300.0	GJ x	$7.038	=	$2,111.25	300.0	GJ x	$7.038	=	$2,111.25	$0.000	$0.00	0.00%
14	Midstream Cost Recovery Charge	300.0	GJ x	$0.704	=	$211.20	300.0	GJ x	$0.704	=	$211.20	$0.000	$0.00	0.00%
15	Rider : 6 MCRA	300.0	GJ x	$0.000	=	0.00		GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
16	Subtotal Commodity Related Charges					$2,322.45					$2,322.45		$0.00	0.00%
17														
18	Total	300.0		$11.091		$3,327.39	300.0		$11.026		$3,307.89	($0.065)	($19.50)	-0.59%
19														
20	**INLAND SERVICE AREA**													
21	Delivery Margin Related Charges													
22	Basic Charge	12	months x	$22.57	=	$270.84	12	months x	$22.47	=	$269.64	($0.10)	($1.20)	-0.04%
23														
24	Delivery Charge	280.0	GJ x	$2.252	=	630.56	280.0	GJ x	$2.242	=	627.76	($0.010)	(2.80)	-0.09%
25														
26	Riders : 2 ESM	280.0	GJ x	$0.000	=	0.00	195.4	GJ x	$0.001	=	0.20	$0.001	0.20	0.01%
27	3 Reserved for Future Use	280.0	GJ x	$0.000	=	0.00	280.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
28	5 RSAM	280.0	GJ x	$0.195	=	54.60	280.0	GJ x	$0.143	=	40.04	($0.052)	(14.56)	-0.47%
29	Subtotal Delivery Margin Related Charges					$956.00					$937.64		($18.36)	-0.59%
30														
31	Recovery Charges													
32	Commodity Cost Recovery Charge	280.0	GJ x	$7.038	=	$1,970.50	280.0	GJ x	$7.038	=	$1,970.50	$0.000	$0.00	0.00%
33	Midstream Cost Recovery Charge	280.0	GJ x	$0.593	=	$166.04	280.0	GJ x	$0.593	=	$166.04	$0.000	$0.00	0.00%
34	Rider : 6 MCRA	280.0	GJ x	$0.000	=	0.00	280.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
35	Subtotal Commodity Related Charges					$2,136.54					$2,136.54		$0.00	0.00%
36														
37	Total	280.0		$11.045		$3,092.54	280.0		$10.979		$3,074.18	($0.066)	($18.36)	-0.59%
38														
39	**COLUMBIA SERVICE AREA**													
40	Delivery Margin Related Charges													
41	Basic Charge	12	months x	$22.57	=	$270.84	12	months x	$22.47	=	$269.64	($0.10)	($1.20)	-0.03%
42														
43	Delivery Charge	360.0	GJ x	$2.252	=	810.72	360.0	GJ x	$2.242	=	807.12	($0.010)	(3.60)	-0.09%
44														
45	Riders : 2 ESM	360.0	GJ x	$0.000	=	0.00	251.3	GJ x	$0.001	=	0.25	$0.001	0.25	0.01%
46	3 Reserved for Future Use	360.0	GJ x	$0.000	=	0.00	360.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
47	5 RSAM	360.0	GJ x	$0.195	=	70.20	360.0	GJ x	$0.143	=	51.48	($0.052)	(18.72)	-0.47%
48	Subtotal Delivery Margin Related Charges					$1,151.76					$1,128.49		($23.27)	-0.59%
49														
50	Recovery Charges													
51	Commodity Cost Recovery Charge	360.0	GJ x	$7.038	=	2,533.50	360.0	GJ x	$7.038	=	2,533.50	$0.000	0.00	0.00%
52	Midstream Cost Recovery Charge	360.0	GJ x	$0.731	=	263.16	360.0	GJ x	$0.731	=	263.16	$0.000	0.00	0.00%
53	Rider : 6 MCRA	360.0	GJ x	$0.000	=	0.00	360.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
54	Subtotal Commodity Related Charges					2,796.66					2,796.66		0.00	
55														
56	Total	360.0		$10.968		$3,948.42	360.0		$10.903		$3,925.15	($0.065)	($23.27)	-0.59%

TERASEN GAS INC.
EFFECT ON CUSTOMERS' RATES OF JANUARY 1, 2005 RATE CHANGES CONSISTING OF
GAS COST CHANGES BASED ON NOVEMBER 5, 2004 FORWARD PRICES
BCUC ORDER NO. G-xx-04

SCHEDULE 3 - LARGE COMMERCIAL SERVICE

Line No.		Existing 2004 Charges					January 1, 2005 Charges					Annual Increase/Decrease		
		Volume		Rate		Annual $	Volume		Rate		Annual $	Rate	Annual $	% of Previous Annual Bill
1	**LOWER MAINLAND SERVICE AREA**													
2	Delivery Margin Related Charges													
3	Basic Charge	12	months x	$120.40	=	$1,444.80	12	months x	$119.86	=	$1,438.32	($0.54)	($6.48)	-0.02%
4														
5	Delivery Charge	3,300.0	GJ x	$1.941	=	6,405.30	3,300.0	GJ x	$1.932	=	6,375.60	($0.009)	(29.70)	-0.09%
6														
7	Riders : 2 ESM	3,300.0	GJ x	$0.000	=	0.00	3,300.0	GJ x	$0.001	=	3.30	$0.001	3.30	0.01%
8	3 Reserved for Future Use	3,300.0	GJ x	$0.000	=	0.00	3,300.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
9	5 RSAM	3,300.0	GJ x	$0.195	=	643.50	3,300.0	GJ x	$0.143	=	471.90	($0.052)	(171.60)	-0.52%
10	Subtotal Delivery Margin Related Charges					$8,493.60					$8,289.12		($204.48)	
11														
12	Commodity Related Charges													
13	Commodity Cost Recovery Charge	3,300.0	GJ x	$6.938	=	$22,896.72	3,300.0	GJ x	$6.938	=	$22,896.72	$0.000	$0.00	0.00%
14	Midstream Cost Recovery Charge	3,300.0	GJ x	$0.537	=	$1,772.10	3,300.0	GJ x	$0.537	=	$1,772.10	$0.000	$0.00	0.00%
15	Rider : 6 MCRA	3,300.0	GJ x	$0.000	=	0.00	3,300.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
16	Subtotal Commodity Related Charges					$24,668.82					$24,668.82		$0.00	0.00%
17														
18	Total	3,300.0		$10.049		$33,162.42	3,300.0		$9.987		$32,957.94	($0.062)	($204.48)	-0.62%
19														
20	**INLAND SERVICE AREA**													
21	Delivery Margin Related Charges													
22	Basic Charge	12	months x	$120.40	=	$1,444.80	12	months x	$119.86	=	$1,438.32	($0.54)	($6.48)	-0.02%
23														
24	Delivery Charge	3,500.0	GJ x	$1.941	=	6,793.50	3,500.0	GJ x	$1.932	=	6,762.00	($0.009)	(31.50)	-0.09%
25														
26	Riders : 2 ESM	3,500.0	GJ x	$0.000	=	0.00	3,500.0	GJ x	$0.001	=	3.50	$0.001	3.50	0.01%
27	3 Reserved for Future Use	3,500.0	GJ x	$0.000	=	0.00	3,500.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
28	5 RSAM	3,500.0	GJ x	$0.195	=	682.50	3,500.0	GJ x	$0.143	=	500.50	($0.052)	(182.00)	-0.52%
29	Subtotal Delivery Margin Related Charges					$8,920.80					$8,704.32		($216.48)	-0.62%
30														
31	Commodity Related Charges													
32	Commodity Cost Recovery Charge	3,500.0	GJ x	$6.938	=	$24,284.40	3,500.0	GJ x	$6.938	=	$24,284.40	$0.000	$0.00	0.00%
33	Midstream Cost Recovery Charge	3,500.0	GJ x	$0.440	=	$1,540.00	3,500.0	GJ x	$0.440	=	$1,540.00	$0.000	$0.00	0.00%
34	Rider : 6 MCRA	3,500.0	GJ x	$0.000	=	0.00	3,500.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
35	Subtotal Commodity Related Charges					$25,824.40					$25,824.40		$0.00	0.00%
36														
37	Total	3,500.0		$9.927		$34,745.20	3,500.0		$9.865		$34,528.72	($0.062)	($216.48)	-0.62%
38														
39	**COLUMBIA SERVICE AREA**													
40	Delivery Margin Related Charges													
41	Basic Charge	12	months x	$120.40	=	$1,444.80	12	months x	$119.86	=	$1,438.32	($0.54)	($6.48)	-0.02%
42														
43	Delivery Charge	3,800.0	GJ x	$1.941	=	7,375.80	3,800.0	GJ x	$1.932	=	7,341.60	($0.009)	(34.20)	-0.09%
44														
45	Riders : 2 ESM	3,800.0	GJ x	$0.000	=	0.00	3,800.0	GJ x	$0.001	=	3.80	$0.001	3.80	0.01%
46	3 Reserved for Future Use	3,800.0	GJ x	$0.000	=	0.00	3,800.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
47	5 RSAM	3,800.0	GJ x	$0.195	=	741.00	3,800.0	GJ x	$0.143	=	543.40	($0.052)	(197.60)	-0.52%
48	Subtotal Delivery Margin Related Charges					$9,561.60					$9,327.12		($234.48)	-0.62%
49														
50	Commodity Related Charges													
51	Commodity Cost Recovery Charge	3,800.0	GJ x	$6.938	=	$26,365.92	3,800.0	GJ x	$6.938	=	26,365.92	$0.000	0.00	0.00%
52	Midstream Cost Recovery Charge	3,800.0	GJ x	$0.572	=	$2,173.60	3,800.0	GJ x	$0.572	=	2,173.60	$0.000	0.00	0.00%
53	Rider : 6 MCRA	3,800.0	GJ x	$0.000	=	0.00	3,800.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
54	Subtotal Commodity Related Charges					$28,539.52					$28,539.52		$0.00	0.00%
55														
56	Total	3,800.0		$10.027		$38,101.12	3,800.0		$9.965		$37,866.64	($0.062)	($234.48)	-0.62%

TERASEN GAS INC.
EFFECT ON CUSTOMERS' RATES OF JANUARY 1, 2005 RATE CHANGES CONSISTING OF
GAS COST CHANGES BASED ON NOVEMBER 5, 2004 FORWARD PRICES
BCUC ORDER NO. G-xx-04

SCHEDULE 5 -GENERAL FIRM SERVICE

Line No.		Existing 2004 Charges					January 1, 2005 Charges					Annual Increase/Decrease		
1		Volume		Rate		Annual $	Volume		Rate		Annual $	Rate	Annual $	% of Previous Annual Bill
2	**LOWER MAINLAND SERVICE AREA**													
3	Basic Charge	12	months x	$532.00	=	$6,384.00	12	months x	$530.00	=	$6,360.00	($2.00)	($24.00)	-0.02%
4														
5														
6	Demand Charge	73.2	GJ x	$13.312	=	11,693.26	73.2	GJ x	$13.252	=	11,640.56	($0.060)	(52.70)	-0.05%
7														
8														
9	Delivery Charge	11,600.0	GJ x	$0.539	=	6,252.40	11,600.0	GJ x	$0.537	=	6,229.20	($0.002)	(23.20)	-0.02%
10														
11														
12	Commodity Related Charges													
13	Commodity Cost Recovery Charge	11,600.0	GJ x	$6.847	=	79,421.72	11,600.0	GJ x	$6.847	=	79,421.72	$0.000	0.00	0.00%
14	Midstream Cost Recovery Charge	11,600.0	GJ x	$0.382	=	4,431.20	11,600.0	GJ x	$0.382	=	4,431.20	$0.000	0.00	0.00%
15														
16	Riders : 2 ESM	11,600.0	GJ x	$0.000	=	0.00	11,600.0	GJ x	$0.001	=	11.60	$0.001	11.60	0.01%
17	3 Reserved for Future Use	11,600.0	GJ x	$0.000	=	0.00	11,600.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
18	Rider : 6 MCRA	11,600.0	GJ x	$0.000	=	0.00	11,600.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
19	Total	11,600.0		$9.326		$108,182.58	11,600.0		$9.318		$108,094.28	($0.008)	($88.30)	-0.08%
20														
21	**INLAND SERVICE AREA**													
22	Basic Charge	12	months x	$532.00	=	$6,384.00	12	months x	$530.00	=	$6,360.00	($2.00)	($24.00)	-0.02%
23														
24														
25	Demand Charge	106.8	GJ x	$13.312	=	17,060.66	106.8	GJ x	$13.252	=	16,983.76	($0.060)	(76.90)	-0.05%
26														
27														
28	Delivery Charge	15,900.0	GJ x	$0.539	=	8,570.10	15,900.0	GJ x	$0.537	=	8,538.30	($0.002)	(31.80)	-0.02%
29														
30	Commodity Related Charges													
31	Commodity Cost Recovery Charge	15,900.0	GJ x	$6.847	=	108,862.53	15,900.0	GJ x	$6.847	=	108,862.53	$0.000	0.00	0.00%
32	Midstream Cost Recovery Charge	15,900.0	GJ x	$0.298	=	4,738.20	15,900.0	GJ x	$0.298	=	4,738.20	$0.000	0.00	0.00%
33														
34	Riders : 2 ESM	15,900.0	GJ x	$0.000	=	0.00	15,900.0	GJ x	$0.001	=	15.90	$0.001	15.90	0.01%
35	3 Reserved for Future Use	15,900.0	GJ x	$0.000	=	0.00	15,900.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
36	Rider : 6 MCRA	15,900.0	GJ x	$0.000	=	0.00	15,900.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
37	Total	15,900.0		$9.158		$145,615.49	15,900.0		$9.151		$145,498.69	($0.007)	($116.80)	-0.08%
38														
39	**COLUMBIA SERVICE AREA**													
40	Basic Charge	12	months x	$532.00	=	$6,384.00	12	months x	$530.00	=	$6,360.00	($2.00)	($24.00)	-0.02%
41														
42														
43	Demand Charge	63.0	GJ x	$13.312	=	10,063.87	63.0	GJ x	$13.252	=	10,018.51	($0.060)	(45.36)	-0.04%
44														
45														
46	Delivery Charge	14,000.0	GJ x	$0.539	=	7,546.00	14,000.0	GJ x	$0.537	=	7,518.00	($0.002)	(28.00)	-0.02%
47														
48	Commodity Related Charges													
49	Commodity Cost Recovery Charge	14,000.0	GJ x	$6.847	=	95,853.80	14,000.0	GJ x	$6.847	=	95,853.80	$0.000	0.00	0.00%
50	Midstream Cost Recovery Charge	14,000.0	GJ x	$0.425	=	5,950.00	14,000.0	GJ x	$0.425	=	5,950.00	$0.000	0.00	0.00%
51														
52	Riders : 2 ESM	14,000.0	GJ x	$0.000	=	0.00	10,864.0	GJ x	$0.001	=	10.86	$0.001	10.86	0.01%
53	3 Reserved for Future Use	14,000.0	GJ x	$0.000	=	0.00	14,000.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
54	Rider : 6 MCRA	14,000.0	GJ x	$0.000	=	0.00	14,000.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
55	Total	14,000.0		$8.986		$125,797.67	14,000.0		$8.979		$125,711.17	($0.006)	($86.50)	-0.07%

TERASEN GAS INC.

EFFECT ON CUSTOMERS' RATES OF JANUARY 1, 2005 RATE CHANGES CONSISTING OF
GAS COST CHANGES BASED ON NOVEMBER 5, 2004 FORWARD PRICES
BCUC ORDER NO. G-xx-04

SCHEDULE 6 - NGV - STATIONS

Line No.	Particulars	Existing 2004 Charges Volume		Rate		Annual $	January 1, 2005 Charges Volume		Rate		Annual $	Annual Increase/Decrease Rate	Annual $	% of Previous Annual Bill
1	**LOWER MAINLAND SERVICE AREA**													
2														
3	Basic Charge	12	months x	$56.10	=	$673.20	12	months x	$55.80	=	$669.60	($0.30)	($3.60)	-0.01%
4														
5														
6	Delivery Charge	6,300.0	GJ x	$3.086	=	19,441.80	6,300.0	GJ x	$3.072	=	19,353.60	($0.014)	(88.20)	-0.14%
7														
8	Commodity Related Charges													
9	Commodity Cost Recovery Charge	6,300.0	GJ x	$6.736	=	42,433.65	6,300.0	GJ x	$6.736	=	42,433.65	$0.000	0.00	0.00%
	Midstream Cost Recovery Charge	6,300.0	GJ x	$0.199	=	1,253.70	6,300.0	GJ x	$0.199	=	1,253.70	$0.000	0.00	0.00%
10														
11	Riders : 2 ESM	6,300.0	GJ x	$0.000	=	0.00	6,300.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
12	3 Reserved for Future Use	6,300.0	GJ x	$0.000	=	0.00	6,300.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
13	Rider : 6 MCRA	0.0	GJ x	$0.000	=	0.00	6,300.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
14	7 NGV Retrofit	0.0	GJ x	$0.000	=	0.00	6,300.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
15	Total	6,300.0		$10.127		$63,802.35	6,300.0		$10.113		$63,710.55	($0.015)	($91.80)	-0.14%
16														
17	**INLAND SERVICE AREA**													
18	Basic Charge	12	months x	$56.10	=	$673.20	12	months x	$55.80	=	$669.60	($0.30)	($3.60)	-0.01%
19														
20														
21	Delivery Charge	2,500.0	GJ x	$3.086	=	7,715.00	2,500.0	GJ x	$3.072	=	7,680.00	($0.014)	(35.00)	-0.14%
22														
23	Commodity Related Charges													
24	Commodity Cost Recovery Charge	2,500.0	GJ x	$6.736	=	16,838.75	2,500.0	GJ x	$6.736	=	16,838.75	$0.000	0.00	0.00%
	Midstream Cost Recovery Charge	2,500.0	GJ x	$0.134	=	335.00	2,500.0	GJ x	$0.134	=	335.00	$0.000	0.00	0.00%
25														
26	Riders : 2 ESM	2,500.0	GJ x	$0.000	=	0.00	2,500.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
27	3 Reserved for Future Use	2,500.0	GJ x	$0.000	=	0.00	2,500.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
28	Rider : 6 MCRA	0.0	GJ x	$0.000	=	0.00	2,500.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
29	7 NGV Retrofit	0.0	GJ x	$0.000	=	0.00	2,500.0	GJ x	$0.000	=	0.00	$0.000	0.00	0.00%
30	Total	2,500.0		$10.225		$25,561.95	2,500.0		$10.209		$25,523.35	($0.015)	($38.60)	-0.15%

TERASEN GAS INC.
EFFECT ON CUSTOMERS' RATES OF JANUARY 1, 2005 RATE CHANGES CONSISTING OF
GAS COST CHANGES BASED ON NOVEMBER 5, 2004 FORWARD PRICES
BCUC ORDER NO. G-xx-04

SCHEDULE 4 - SEASONAL SERVICE

Line No.	Particulars	Existing 2004 Charges						January 1, 2005 Charges						Annual Increase/(Decrease)	
		Volume			Rate		Annual $	Volume			Rate		Annual $	Annual $	% of Previous Annual Bill
1															
2	**LOWER MAINLAND SERVICE AREA**														
3	Basic Charge		12 months	x	$383.00	=	$4,596.00		12 months	x	$381.00	=	$4,572.00	($24.00)	-0.05%
4															
5	Delivery Charge														
6	(a) Off-Peak Period	6,100.0	GJ	x	$0.664	=	4,050.40	6,100.0	GJ	x	$0.661	=	4,032.10	(18.30)	-0.03%
7	(b) Extension Period	0.0	GJ	x	$1.341	=	0.00	0.0	GJ	x	$1.335	=	0.00	0.00	0.00%
8															
9	Gas Cost Recovery Charge														
10	(a) Off-Peak Period	0.0	GJ	x	$6.847	=	0.00	0.0	GJ	x	$6.847	=	0.00	0.00	0.00%
11	(b) Extension Period	0.0	GJ	x	$6.847	=	0.00	0.0	GJ	x	$6.847	=	0.00	0.00	0.00%
	Commodity Cost Recovery Charge	6,100.0	GJ	x	$6.847	=	41,764.87	6,100.0	GJ	x	$6.847	=	41,764.87	0.00	0.00%
	Midstream Cost Recovery Charge	6,100.0	GJ	x	$0.382	=	2,330.20	6,100.0	GJ	x	$0.382	=	2,330.20	0.00	0.00%
12															
13	Unauthorized Gas Charge During Peak Period (not forecast)														
14															
15	Riders : 2 ESM	0.0	GJ	x	$0.000	=	0.00	0.0	GJ	x	$0.000	=	0.00	0.00	0.00%
16	3 Earnings Sharing	0.0	GJ	x	$0.000	=	0.00	0.0	GJ	x	$0.000	=	0.00	0.00	0.00%
17	6 MCRA	0.0	GJ	x	$0.000		0.00	0.0	GJ	x	$0.000	=	0.00	0.00	0.00%
18	Total	0.0					$52,741.47	0.0					$52,699.17	($42.30)	-0.08%
19															
20	**INLAND SERVICE AREA**														
21															
22	Basic Charge		12 months	x	$383.00	=	$2,681.00		12 months	x	$381.00	=	$2,667.00	($14.00)	-0.01%
23															
24	Delivery Charge														
25	(a) Off-Peak Period	13,300.0	GJ	x	$0.664	=	8,831.20	13,300.0	GJ	x	$0.661	=	8,791.30	(39.90)	-0.04%
26	(b) Extension Period	0.0	GJ	x	$1.341	=	0.00	0.0	GJ	x	$1.335	=	0.00	0.00	0.00%
27															
28	Gas Cost Recovery Charge														
29	(a) Off-Peak Period	0.0	GJ	x	$6.847	=	0.00	0.0	GJ	x	$6.847	=	0.00	0.00	0.00%
30	(b) Extension Period	0.0	GJ	x	$6.847	=	0.00	0.0	GJ	x	$6.847	=	0.00	0.00	0.00%
	Commodity Cost Recovery Charge	13,300.0	GJ	x	$6.847	=	91,061.11	13,300.0	GJ	x	$6.847	=	91,061.11	0.00	0.00%
	Midstream Cost Recovery Charge	13,300.0	GJ	x	$0.298	=	3,963.40	13,300.0	GJ	x	$0.298	=	3,963.40	0.00	0.00%
31															
32	Unauthorized Gas Charge During Peak Period (not forecast)														
33															
34	Riders : 2 ESM	0.0	GJ	x	$0.000	=	0.00	0.0	GJ	x	$0.000	=	0.00	0.00	0.00%
35	3 Earnings Sharing	0.0	GJ	x	$0.000	=	0.00	0.0	GJ	x	$0.000	=	0.00	0.00	0.00%
36	6 MCRA	0.0	GJ	x	$0.000		0.00	0.0	GJ	x	$0.000	=	0.00	0.00	0.00%
37	Total	0.0					$106,536.71	0.0					$106,482.81	($53.90)	-0.05%

TERASEN GAS INC.
EFFECT ON CUSTOMERS' RATES OF JANUARY 1, 2005 RATE CHANGES CONSISTING OF
GAS COST CHANGES BASED ON NOVEMBER 5, 2004 FORWARD PRICES
BCUC ORDER NO. G-xx-04

SCHEDULE 7 - INTERRUPTIBLE SALES

Line No.	Particulars	Existing 2004 Charges						January 1, 2005 Charges						Annual Increase/(Decrease)	
1		Volume		Rate		Annual $		Volume		Rate		Annual $		Annual $	% of Previous Annual Bill
2	**LOWER MAINLAND SERVICE AREA**														
3	Basic Charge	12 months	x	$799.00	=	$9,588.00		12 months	x	$795.00	=	$9,540.00		($48.00)	-0.02%
4															
5	Delivery Charge	25,000.0	GJ x	$0.899	=	22,475.00		25,000.0	GJ x	$0.895	=	22,375.00		(100.00)	-0.05%
6															
7	Commodity Charge (Fixed Pricing Option)		GJ x	$6.847	=	0.00		0.0	GJ x	$6.847	=	0.00		0.00	0.00%
	Commodity Cost Recovery Charge	25,000.0	GJ x	$6.847	=	171,167.50		25,000.0	GJ x	$6.847	=	171,167.50		0.00	0.00%
8	Midstream Cost Recovery Charge	25,000.0	GJ x	$0.382	=	9,550.00		25,000.0	GJ x	$0.382	=	9,550.00		0.00	0.00%
9															
10	Non-Standard Charges (not forecast)														
11	Index Pricing Option, UOR														
12															
13	Riders : 2 ESM	25,000.0	GJ x	$0.000	=	0.00		25,000.0	GJ x	$0.001	=	25.00		25.00	0.01%
14	3 Reserved for Future Use	25,000.0	GJ x	$0.000	=	0.00		25,000.0	GJ x	$0.000	=	0.00		0.00	0.00%
15	Rider : 6 MCRA	25,000.0	GJ x	$0.000	=	0.00		25,000.0	GJ x	$0.000	=	0.00		0.00	0.00%
16															
17		25,000.0		$8.511		$212,780.50		25,000.0		$8.506		$212,657.50		($123.00)	-0.06%
18	Total														
19															
20	**INLAND SERVICE AREA**														
21															
22	Basic Charge	12 months	x	$799.00	=	$9,588.00		12 months	x	$795.00	=	$9,540.00		($48.00)	-0.05%
23															
24	Delivery Charge	10,700.0	GJ x	$0.862	=	9,223.40		10,700.0	GJ x	$0.858	=	9,180.60		(42.80)	-0.04%
25															
26	Commodity Charge (Fixed Pricing Option)		GJ x	$6.847	=	0.00			GJ x	$6.847	=	0.00		0.00	0.00%
	Commodity Cost Recovery Charge	10,700.0	GJ x	$6.847	=	73,259.69		10,700.0	GJ x	$6.847	=	73,259.69		0.00	0.00%
27	Midstream Cost Recovery Charge	10,700.0	GJ x	$0.298	=	3,188.60		10,700.0	GJ x	$0.298	=	3,188.60		0.00	0.00%
28															
29	Non-Standard Charges (not forecast)														
30	Index Pricing Option, UOR														
31															
32	Riders : 2 ESM	10,700.0	GJ x	$0.000	=	0.00		10,700.0	GJ x	$0.001	=	10.70		10.70	0.01%
33	3 Reserved for Future Use	10,700.0	GJ x	$0.000	=	0.00		10,700.0	GJ x	$0.000	=	0.00		0.00	0.00%
34	Rider : 6 MCRA	10,700.0	GJ x	$0.000	=	0.00		10,700.0	GJ x	$0.000	=	0.00		0.00	0.00%
35															
36	Total	10,700.0		$8.903		$95,259.69		10,700.0		$8.895		$95,179.59		($80.10)	-0.08%

TERASEN GAS INC.

TAB 4

LIST OF ATTENDEES TO ANNUAL REVIEW SESSION

NOVEMBER 19, 2004

TAB 4

LIST OF ATTENDEES

The following is a list of attendees who signed the BCUC attendance sheet at the TGI Annual Review 2004 Workshop held on November 19th, 2004 at 8:30AM.

Name	Company
Bob Brownell	BCUC
Doug Chong	BCUC
Bill Grant	BCUC
Fong Kwok	BCUC
Phil Nakoneshny	BCUC
Mary McCordic	Avista Energy
Jim Quail	BCPIAC
Dave Newlands	Elk Valley Coal
Matt Ghikas	Fasken Martineau
June Elder	ICBC
Kathy Parslow	ICBC
David Bursey	Inland Industries (Representing)
No signature by Representative	Lower Mainland Large Gas Users Assoc.
Grant Bierlmeier	MEM
Chris Weafer	Owen Bird
Dick O’Callaghan	R.T. O’Callaghan & Associates
Gord Heppell	Terasen Gas
Randy Jesperson	Terasen Gas
Ron Jupp	Terasen Gas
Tom Loski	Terasen Gas
Jan Marston	Terasen Gas
Hans Mertins	Terasen Gas
Peter Nasmyth	Terasen Gas
Brian Noel	Terasen Gas
Rick Parnell	Terasen Gas
Dave Perttula	Terasen Gas
Bob Samels	Terasen Gas
Tania Specogna	Terasen Gas
Scott Thomson	Terasen Gas
David Zerr	Terasen Gas
Gordon Barefoot	Terasen Inc.
Steve Swaffield	Terasen Inc.