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

## Re: Terasen Gas Inc. - Fort Nelson Service Area ("Fort Nelson") Gas Cost Reconciliation Account ("GCRA") Guidelines 2005 Third Quarter Report

The attached material provides the GCRA report covering the October 1, 2005 to September 30, 2006 period as specified in the Commission Guidelines (Commission Letter No. L-5-01) with regards to Fort Nelson.

In accordance with Commission GCRA guidelines, using forward prices as at August 31, 2005, forecast gas cost recoveries at current rates, and the projected September 30, 2005 GCRA surplus after tax balance of $\$ 66.4 \mathrm{~K}$ (Page 4, Col. 2, Line 10), the rate change trigger mechanism ratio is determined to be $74.7 \%$ (Page 2, Col. 4, Line 8). The ratio falls outside the deadband range of $95 \%$ to $105 \%$, indicating that a rate change would be required. The result suggests a gas cost flow-through increase of $\$ 2.114 / \mathrm{GJ}$, which corresponds to approximately $27.97 \%$ increase on the burnertip for residential customers using an average consumption of 160 GJ/year.

Terasen Gas Inc. requests Commission approval to flow-through in customers' rates, effective October 1, 2005, a gas cost recovery charge increase of $\$ 2.114 / \mathrm{GJ}$. With this increase, the GCRA imbalance is forecast to be eliminated by September 30, 2006 (Page 5, Col.2, Line 22). The $\$ 2.114 / \mathrm{GJ}$ increase is comprise of two components: $\$ 1.987 / \mathrm{GJ}$ directly related to the increased gas purchase costs, and $\$ 0.127 / G J$ related to an adjustment to the GCRA balance to correct a prior period error of $\$ 74.2 \mathrm{~K}$ (before tax).

The summary of the forward prices is shown on Page 3, and the summary and the graph of the GCRA balances is shown on Pages 4 and 4.1 (with existing rates), and Pages 5 and 5.1 (with proposed rates increase), respectively. Tariff continuity tables are found under Tab 1 that reflects the gas commodity increase for sales customers. The bill impact calculations at typical annual consumption levels for the affected rate classes are provided in Tab 2.

We trust that the Commission will find this filing to be in order. Should further information be required, please contact Brian Noel at 604-592-7467.

Yours very truly,
TERASEN GAS INC.
Original signed by Tom Loski
for: Scott A. Thomson


TERASEN GAS INC.
FORT NELSON SERVICE AREA
FORT NELSON INDEX PRICES COMPARISON OF FORWARD CURVES
FOR THE MONTHS OCTOBER 31, 2005 TO SEPTEMBER 30, 2006

Fort Nelson Forward Prices - \$/GJ


Note: (1) The index prices for January to April 2005 were reported in US dollars in the 2005 Q2 Gas Cost Report. The index prices for all periods are reported in Canadian dollars in this report.

TERASEN GAS INC. - FORT NELSON SERVICE AREA


Fort Nelson GCRA Month-end Balances (After-Tax)
For the months December 31, 2004 to September 30, 2006

$\begin{array}{r}\text { Line } \\ \text { No. } \\ \hline\end{array}$ $\qquad$ Particulars (1)

Oct 1, 2005 Report Proposed October 1, 2005 Jul 1, 2005 Report Oct 1, 2004 Rates (August 31, 2005 Forward Prices) (Jun 2, 2005 Forward Prices) (2)
(3)

| 1 | Dec 2004 - Recorded $\$$ | $(17.0) \$$ | $(17.0)$ |
| :---: | ---: | ---: | ---: |
| 2 | Jan 2005 - Recorded | $(87.4)$ | $(87.4)$ |
| 3 | Feb - Recorded | $(67.8)$ | $(67.8)$ |
| 4 | Mar - Recorded | $(204.5)$ | $(204.5)$ |
| 5 | Apr - Recorded | $(278.9)$ | $(266.7)$ |
| 6 | May - Recorded | $(182.6)$ | $(245.9)$ |
| 7 | Jun - Recorded | $(97.5)$ | $(245.7)$ |
| 8 | Jul - Recorded | $(83.4)$ | $(242.5)$ |
| 9 | Aug - Projected | $(77.3)$ | $(237.8)$ |
| 10 | Sep | $(66.4)$ | $(229.2)$ |
| 11 | Oct | $(75.5)$ | $(211.9)$ |
| 12 | Nov | $(62.1)$ | $(153.3)$ |
| 13 | Dec | 2005 | $(39.0)$ |
| $140.6)$ |  |  |  |
| 14 | Jan | 2006 | $(9.3)$ |
| 11.9 | 16.6 |  |  |
| 15 | Feb | 25.3 | 230.9 |
| 16 | Mar | 21.6 | 264.3 |
| 17 | Apr | 12.6 | 283.5 |
| 18 | May | 9.3 | 291.1 |
| 19 | Jun | 6.8 | 297.1 |
| 20 | Jul | 4.2 | 303.6 |
| 21 | Aug | 0.1 | 315.1 |

Terasen Gas Inc.
Fort Nelson GCRA Month-end Balances (After Tax)
For the months Dec 31, 2004 to Sept 30, 2006


| Line |
| :--- |
| No. |$\frac{$|  Tariff  |
| :---: |
|  Schedule  |}{$(1)$}$\frac{$|  Particulars  |
| :---: |}{$(3)$}$\xrightarrow{(3)}$


| Existing |  |  |
| :---: | :---: | :---: |
| October 2004 Rates | October 1, 2005 <br> Proposed <br> Gas Cost Increase | October 1, 2005 <br> Proposed |
|  | $\frac{\text { Permanent Rates }}{(5)}$ |  |
| $(6)$ |  |  |

```
Rate 1 No. 1 Option A
Minimum Monthly Charge
plus \(\$ 1.19\) times
the amount of the promotional
incentive divided by \(\$ 100\).
(includes the first 2 Gigajoules)
Delivery Charge per Month
Gas Cost Recovery Charge per Month
Minimum Monthly Charge (includes first 2 gigajoules)
Delivery Charge per GJ
Gas Cost Recovery Charge per GJ
Next 28 Gigajoules in any month
Delivery Charge per GJ
Gas Cost Recovery Charge per GJ
Excess of \(\mathbf{3 0}\) Gigajoules in any month
Rate 1
No. 1.1
Option B
Delivery Charge per Month
Gas Cost Recovery Charge per Month
Minimum Monthly Charge (includes first 2 gigajoules)
Delivery Charge per GJ
Gas Cost Recovery Charge per GJ
Next 28 Gigajoules in any month
Delivery Charge per GJ
Gas Cost Recovery Charge per GJ
Excess of \(\mathbf{3 0}\) Gigajoules in any month
```

| \$4.110 |  | \$4.110 |
| :---: | :---: | :---: |
| \$12.460 | \$4.230 | 16.690 |
| \$16.570 | \$4.230 | \$20.800 |
| \$1.202 |  | \$1.202 |
| 6.228 | \$2.114 | 8.342 |
| \$7.430 | \$2.114 | \$9.544 |
| \$1.167 |  | \$1.167 |
| 6.228 | \$2.114 | 8.342 |
| \$7.395 | \$2.114 | \$9.509 |
| \$4.110 |  | \$4.110 |
| \$12.460 | \$4.230 | 16.690 |
| \$16.570 | \$4.230 | \$20.800 |
| \$1.202 |  | \$1.202 |
| 6.228 | \$2.114 | 8.342 |
| \$7.430 | \$2.114 | \$9.544 |
| \$1.167 |  | \$1.167 |
| 6.228 | \$2.114 | 8.342 |
| \$7.395 | \$2.114 | \$9.509 |

$\left.\begin{array}{l}\begin{array}{l}\text { Line } \\ \text { No. }\end{array} \\ \\ (1)\end{array} \begin{array}{c}\text { Tariff } \\ \text { Schedule }\end{array}\right)$ Particulars

| Existing |  |  |
| :---: | :---: | :---: |
| $\frac{\text { October 2004 Rates }}{(4)}$ | October 1, 2005 <br> Proposed <br> Gas Cost Increase | October 1, 2005 <br> Proposed |
|  | $\frac{\text { Permanent Rates }}{(5)}$ |  |

```
Rate 2.1
No. }
Delivery Charge per Month
Gas Cost Recovery Charge per Month
    Minimum Monthly Charge (includes first 2 gigajoules)
Delivery Charge per GJ
Gas Cost Recovery Charge per GJ
    Next 298 Gigajoules in any month
Delivery Charge per GJ
Gas Cost Recovery Charge per GJ
    Excess of 300 Gigajoules in any month
Rate 2.2 No. 2 Delivery Charge per Month
Gas Cost Recovery Charge per Month
        Minimum Monthly Charge (includes first 2 gigajoules)
    Delivery Charge per GJ
    Gas Cost Recovery Charge per GJ
        Next 298 Gigajoules in any month
    Delivery Charge per GJ
    Gas Cost Recovery Charge per GJ
        Excess of 300 Gigajoules in any month
Rate 2.3
No. 2.1 Delivery Charge per Month
Gas Cost Recovery Charge per Month
            Minimum Monthly Charge (includes first 2 gigajoules)
    Delivery Charge per GJ
    Gas Cost Recovery Charge per GJ
        Next 298 Gigajoules in any month
    Delivery Charge per GJ
    Gas Cost Recovery Charge per GJ
        Excess of 300 Gigajoules in any month
```

| \$12.830 |  | \$12.830 |
| :---: | :---: | :---: |
| \$12.460 | \$4.230 | 16.690 |
| \$25.290 | \$4.230 | \$29.520 |
| \$1.343 |  | \$1.343 |
| 6.228 | \$2.114 | 8.342 |
| \$7.571 | \$2.114 | \$9.685 |
| \$1.301 |  | \$1.301 |
| 6.228 | \$2.114 | 8.342 |
| \$7.529 | \$2.114 | \$9.643 |


| \$12.830 |  | \$12.830 |
| :---: | :---: | :---: |
| \$12.460 | \$4.230 | 16.690 |
| \$25.290 | \$4.230 | \$29.520 |
| \$1.343 |  | \$1.343 |
| 6.228 | \$2.114 | 8.342 |
| \$7.571 | \$2.114 | \$9.685 |
| \$1.301 |  | \$1.301 |
| 6.228 | \$2.114 | 8.342 |
| \$7.529 | \$2.114 | \$9.643 |
| \$13.354 |  | \$13.354 |
| \$12.456 | \$4.230 | 16.686 |
| \$25.810 | \$4.230 | \$30.040 |
| \$1.641 |  | \$1.641 |
| 6.228 | \$2.114 | 8.342 |
| \$7.869 | \$2.114 | \$9.983 |
| \$1.599 |  | \$1.599 |
| 6.228 | \$2.114 | 8.342 |
| \$7.827 | \$2.114 | \$9.941 |

RATES $3.1 \& 3.2$ INDUSTRIAL SERVICE Fort Nelson EFFECTIVE OCTOBER 1, 2005

Rates 3.1 \& 3.2 - Industrial Service
Line
No.
$(1)$
Schedule
$(2)$

| Tariff |
| :---: |
| Page |

$(3)$

| Existing |  |  |
| :---: | :---: | :---: |
| $\frac{\text { October 2004 Rates }}{(4)}$ | October 1, 2005 <br> Proposed <br> Gas Cost Increase | October 1, 2005 <br> Proposed |
|  | $\frac{\text { Permanent Rates }}{(5)}$ |  |
| $(6)$ |  |  |


| Rate 3.1 | No. 3 | Delivery Charge |
| :---: | :---: | :---: |
|  |  | First 20 Gigajoules in any month Next 260 Gigajoules in any month Excess over 280 Gigajoules in any month |
|  |  | Gas Cost Recovery Charge per Gigajoule |
|  |  | Minimum Monthly Delivery Charge |
| Rate 3.2 | No. 3 | Delivery Charge |
|  |  | First 20 Gigajoules in any month Next 260 Gigajoules in any month Excess over 280 Gigajoules in any month |
|  |  | Gas Cost Recovery Charge per Gigajoule |
|  |  | Minimum Monthly Delivery Charge |
| Rate 3.3 | No. 3.1 | Delivery Charge |
|  |  | First 20 Gigajoules in any month <br> Next 260 Gigajoules in any month Excess over 280 Gigajoules in any month |
|  |  | Gas Cost Recovery Charge per Gigajoule |
|  |  | Minimum Monthly Delivery Charge |


| $\$ 1.131$ |  | $\$ 1.131$ |
| ---: | ---: | ---: |
| $\$ 1.049$ |  | $\$ 1.049$ |
| $\$ 0.856$ | $\$ .856$ |  |
| $\$ 6.228$ | $\$ 2.114$ | $\$ 8.342$ |
| $\$ 869.000$ | $\$ 0.000$ | $\$ 869.000$ |


| $\$ 1.131$ |  | $\$ 1.131$ |
| ---: | ---: | ---: |
| $\$ 1.049$ |  | $\$ 1.049$ |
| $\$ 0.856$ | $\$ 0.856$ |  |
| $\$ 6.228$ | $\$ 2.114$ | $\$ 8.342$ |
| $\$ 869.000$ | $\$ 0.000$ | $\$ 869.000$ |


| $\$ 1.132$ |  | $\$ 1.132$ |
| ---: | ---: | ---: |
| $\$ 1.051$ |  | $\$ 1.051$ |
| $\$ 0.858$ |  | $\$ 0.858$ |
| $\$ 6.228$ | $\$ 2.114$ | $\$ 8.342$ |
|  |  |  |
| $\$ 869.000$ | $\$ 0.000$ | $\$ 869.000$ |

## Rate 1 Domestic Service Option B

## Monthly Charge

Delivery Charge per month
Gas Cost Recovery Charge per month
Minimum Monthly Charge (includes the first 2 gigajoules)

Next 28 Gigajoules in any month
Delivery Charge per GJ
Gas Cost Recovery Charge per GJ
Total Charges per GJ
Excess of 30 Gigajoules in any month
Delivery Charge per GJ
Gas Cost Recovery Charge per GJ
Total Charges per GJ

Total

Summary of Annual Delivery and Commodity Charges Delivery Charge
Commodity Charge
Total

RATE 1 - DOMESTIC (RESIDENTIAL) SERVICE - OPTION B

## Existing October 2004 Charges

| Volume |  |  | Rate | Annual \$ |
| :---: | :---: | :---: | :---: | :---: |
| 12 months <br> 12 months |  |  | \$4.11 | \$49.32 |
|  |  |  | 12.46 | 149.52 |
|  |  |  | \$16.57 | \$198.84 |
| 136136 | GJ |  | \$1.202 | \$163.47 |
|  | GJ | $x$ | 6.228 | 847.01 |
|  |  |  | \$7.430 | \$1,010.48 |
| 0 | GJ |  | \$1.167 | \$0.00 |
|  | GJ |  | 6.228 | 0.00 |
|  |  |  | \$7.395 | \$0.00 |
| 160 | GJ |  | \$7.558 | \$1,209.32 |
| 160 | GJ |  | \$1.330 | \$212.79 |
| 160 | GJ |  | \$6.228 | 996.53 |
| 160 | GJ |  | \$7.558 | \$1,209.32 |

Proposed October 1, 2005 Charges

| Volume |  |  | Rate | Annual \$ |
| :---: | :---: | :---: | :---: | :---: |
| 12 months <br> 12 months $x$ |  |  | \$4.11 | \$49.32 |
|  |  |  | 16.69 | 200.28 |
|  |  |  | \$20.80 | \$249.60 |
| 136136 | GJ | $x$ | \$1.202 | \$163.47 |
|  | GJ | X | 8.342 | 1,134.51 |
|  |  |  | \$9.544 | \$1,297.98 |
| 0 | GJ | $x$ | \$1.167 | \$0.00 |
|  | GJ | x | 8.342 | 0.00 |
|  |  |  | \$9.509 | \$0.00 |
| 160 | GJ |  | \$9.672 | \$1,547.58 |
| 160160 | GJ |  | \$1.330 | \$212.79 |
|  | GJ | $x$ | \$8.342 | 1,334.79 |
| 160 | GJ |  | \$9.672 | \$1,547.58 |

Annual

| Increase/Decrease |  |  |
| :---: | :---: | :---: |
| Rate | Annual \$ | \% of Previous <br> Annual Bill |
| \$0.00 | \$0.00 | 0.00\% |
| 4.23 | 50.76 | 4.20\% |
| 4.23 | 50.76 | 4.20\% |
| \$0.000 | \$0.00 | 0.00\% |
| 2.114 | 287.50 | 23.77\% |
| \$2.114 | \$287.50 | 23.77\% |
| \$0.000 | \$0.00 | 0.00\% |
| 2.114 | \$0.00 | 0.00\% |
| \$2.114 | \$0.00 | 0.00\% |
| \$2.114 | \$338.26 | 27.97\% |
| \$0.000 | \$0.00 | 0.00\% |
| \$2.114 | 338.26 | 27.97\% |
| \$2.114 | \$338.26 | 27.97\% |

```
Rate 2.1 General Service
Monthly Charge
    Delivery Charge per month
    Gas Cost Recovery Charge per month
    Minimum Monthly Charge (includes the first 2 gigajoules)
Next 298 Gigajoules in any month
    Delivery Charge per GJ
    Gas Cost Recovery Charge per GJ
    Total Charges per GJ
    Excess of 300 Gigajoules in any month
    Delivery Charge per GJ
    Gas Cost Recovery Charge per GJ
    Total Charges per GJ
    Total
    Summary of Annual Delivery and Commodity Charges
    Delivery Charge
    Commodity Charge
    Total
    Rate 2.2 General Service
    Monthly Charge
        Delivery Charge per month
        Gas Cost Recovery Charge per month
        Gas Cost Recovery Charge per month 
    Next 298 Gigajoules in any month
        Delivery Charge per GJ
            Gas Cost Recovery Charge per GJ
            Total Charges per GJ
    Excess of 300 Gigajoules in any month
    Delivery Charge per GJ
    Delivery Charge per GJ 
    Total Charges per GJ
        Total
    Summary of Annual Delivery and Commodity Charges
    Delivery Charge
    Commodity Charge
        Total
```


## ervice

```
Delivery Charge per month
Gas Cost Recovery Charge per month
Next 298 Gigajoules in any month
Delivery Charge per GJ
Gas
Excess of 300 Gigajoules in any month
Delivery Charge per GJ
Gas Cost Recovery Charge per GJ
Total Charges per GJ
Total
Summary of Annual Delivery and Commodity Charges Commodity Charge
Total
```

TERASEN GAS INC. - FORT NELSON SERVICE AREA
俗 RATES 2.1 \& 2.2 - GENERAL 2 BCUC ORDER NO. G- XX -05

## RATES 2.1 \& 2.2-GENERAL (COMMERCIAL) SERVICE

Proposed October 1, 2005 Charges

| Volume |  | Rate | Annual \$ |
| :---: | :---: | :---: | :---: |
| 12 months x <br> 12 months $x$ |  | \$12.83 | \$153.96 |
|  |  | 16.69 | 200.28 |
|  |  | \$29.52 | \$354.24 |
| 526 | GJ x | \$1.343 | \$706.42 |
| 526 | GJ x | 8.342 | 4,387.89 |
|  |  | \$9.685 | \$5,094.31 |
| 0 | GJ x | \$1.301 | \$0.00 |
| 0 | GJ x | 8.342 | 0.00 |
|  |  | \$9.643 | \$0.00 |
| 550 | GJ x | \$9.906 | \$5,448.55 |
| 550 | GJ x | \$1.564 | \$860.38 |
| 550 | GJ x | \$8.342 | 4,588.17 |
| 550 | GJ x | \$9.906 | \$5,448.55 |

Annual Increase/Decrease

| Rate | Annual \$ | \% of Previous Annual Bill |
| :---: | :---: | :---: |
| \$0.00 | \$0.00 | 0.00\% |
| 4.23 | 50.76 | 1.18\% |
| 4.23 | 50.76 | 1.18\% |
| \$0.000 | \$0.00 | 0.00\% |
| 2.114 | 1,111.96 | 25.95\% |
| \$2.114 | \$1,111.96 | 25.95\% |
| \$0.000 | \$0.00 | 0.00\% |
| 2.114 | \$0.00 | 0.00\% |
| \$2.114 | \$0.00 | 0.00\% |
| \$2.114 | \$1,162.72 | 27.13\% |
| \$0.000 | \$0.00 | 0.00\% |
| \$2.114 | 1,162.72 | 27.13\% |
| \$2.114 | \$1,162.72 | 27.13\% |

Existing October 2004 Charges
 Volume $\qquad$ $\xrightarrow{\text { Rate }}$

Annual \$

| 12 months x 12 months x |  | $\begin{array}{r}\$ 12.83 \\ 12.46 \\ \hline\end{array}$ | $\begin{array}{r} \$ 153.96 \\ 149.52 \\ \hline \end{array}$ |
| :---: | :---: | :---: | :---: |
|  |  | \$25.29 | \$303.48 |
| 526 | GJ x | \$1.343 | \$706.42 |
| 526 | GJ | 6.228 | 3,275.93 |
|  |  | \$7.571 | \$3,982.35 |
| 0 | GJ | \$1.301 | \$0.00 |
|  | GJ x | 6.228 | 0.00 |
|  |  | \$7.529 | \$0.00 |
| 550 | GJ x | \$7.792 | \$4,285.83 |
| $\begin{aligned} & 550 \\ & 550 \\ & 550 \end{aligned}$ | GJ x | \$1.564 | \$860.38 |
|  | GJ x | \$6.228 | 3,425.45 |
|  | GJ x | \$7.792 | \$4,285.83 |


| 12 | months $x$ | \$12.83 | \$153.96 | \$0.00 | \$0.00 | 0.00\% |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 12 | months x | $\begin{array}{r} 16.69 \\ \hline \$ 29.52 \end{array}$ | 200.28 | 4.23 | 50.76 | $\frac{0.20 \%}{0.20 \%}$ |
| 2,511 | GJ x | \$1.343 | \$3,372.27 | \$0.000 | \$0.00 | 0.00\% |
| 2,511 | GJ x | 8.342 | 20,946.76 | 2.114 | 5,308.25 | 20.86\% |
|  |  | \$9.685 | \$24,319.03 | \$2.114 | \$5,308.25 | 20.86\% |
| 815 | GJ x | \$1.301 | \$1,060.32 | \$0.000 | \$0.00 | 0.00\% |
| 815 | GJ x | 8.342 | 6,798.73 | 2.114 | \$1,722.91 | 6.77\% |
|  |  | \$9.643 | \$7,859.05 | \$2.114 | \$1,722.91 | 6.77\% |
| 3,350 | GJ x | \$9.711 | \$32,532.32 | \$2.114 | \$7,081.92 | 27.83\% |
| 3,350 | GJ x | \$1.369 | \$4,586.55 | \$0.000 | \$0.00 | 0.00\% |
| 3,350 | GJ x | \$8.342 | 27,945.77 | \$2.114 | 7,081.92 | 27.83\% |
| 3,350 | GJ x | \$9.711 | \$32,532.32 | \$2.114 | \$7,081.92 | 27.83\% |

