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VIA EMAIL

regulatory.affairs@terasengas.com

June 10, 2010

Mr. Tom Loski
Chief Regulatory Officer
Terasen Gas Inc.
16705 Fraser Highway
Surrey, BC V3S 2X7

Dear Mr. Loski:

Re: Terasen Gas Inc.
Fort Nelson Service Area
Second Quarter Gas Cost Report and
Gas Cost Reconciliation Account

Further to your June 3, 2010 filing of the 2010 Second Quarter Report on the Gas Cost Reconciliation Account for the Fort Nelson Service Area effective July 1, 2010, enclosed please find Commission Order G-100-10. Terasen is to explain the nature of the changes by way of a bill insert and customer notice, to be submitted to the Commission for review prior to its release.

Yours truly,

Erica M. Hamilton
for: Erica M. Hamilton

ac
Enclosure

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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-100-10**

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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by Terasen Gas Inc.
Regarding 2010 Second Quarter Gas Cost Report
and Rate Changes effective July 1, 2010
for the Fort Nelson Service Area

BEFORE: D.A. Cote, Commissioner June 10, 2010
L.F. Kelsey, Commissioner

WHEREAS:

- A. By Order G-155-09 dated December 10, 2009, the British Columbia Utilities Commission (Commission) approved the Gas Cost Recovery Charge for the Fort Nelson Service Area, effective January 1, 2010; and
- B. On June 3, 2010, pursuant to Commission Letter L-5-01, Terasen Gas Inc. (Terasen Gas) filed its 2010 Second Quarter Report on the Gas Cost Reconciliation Account (GCRA) balance and gas commodity recovery charges for the Fort Nelson Service Area effective July 1, 2010, that were based on May 25, 2010 forward gas prices (the 2010 Second Quarter Report); and
- C. The 2010 Second Quarter Report forecasted that gas commodity charges at current rates would be 109.1 percent of costs for the following 12 months, and requested a decrease of \$0.525/GJ in gas commodity recovery charges for natural gas customers in Fort Nelson Service Area, effective July 1, 2010; and
- D. This equates to a decrease to a typical residential customer's annual bill, based on an annual consumption of 140 GJ, of approximately \$74 or 6.1 percent; and
- E. The Commission has determined that the requested changes, as outlined in the 2010 Second Quarter Report, should be approved.

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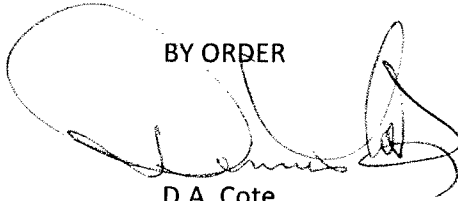
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NOW THEREFORE pursuant to section 61(4) of the *Utilities Commission Act*, the Commission orders as follows:

1. The Commission approves a \$0.525/GJ decrease in the Gas Cost Recovery Charge for Fort Nelson Service Area to \$5.784/GJ effective July 1, 2010, as set out in Terasen Gas' 2010 Second Quarter Report for Fort Nelson Service Area.
2. Terasen Gas is to provide a descriptive explanation of the final rates by way of a bill insert and customer notice to all affected customers with the next monthly gas billing, to be submitted to the Commission in draft prior to its release.

DATED at the City of Vancouver, in the Province of British Columbia, this ^{10th} day of June 2010.

BY ORDER


D.A. Cote
Commissioner