

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-126-05**

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

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

and

**An Application by Terasen Gas (Vancouver Island) Inc.
for Approval of
Forecast Rates and Revenue Requirements for years 2006 and 2007
and Revenue Deficiency Deferral Account balance as at December 31, 2004**

BEFORE: R.H. Hobbs, Chair November 30, 2005

O R D E R

WHEREAS:

- A. On July 20, 2005, Terasen Gas (Vancouver Island) Inc. ("TGVI") filed pursuant to Sections 60 and 23 of the Utilities Commission Act ("the Act") and Order in Council 1510, dated December 13, 1995, for approval of TGVI's forecast rates and Cost of Service for the years 2006 and 2007 and its Revenue Deficiency Deferral Account balance as at December 31, 2004 ("the Application"); and
- B. The Commission issued Letter No. L-63-05 requesting comments from TGVI, Intervenor from the 2003 – 2005 Negotiated Settlement Process, and 2004 Annual Review Registered Intervenor. The Letter requested comments by August 10, 2005 on 1) whether to review the Application through a negotiated settlement process ("NSP"); 2) any concerns with the Draft Regulatory Agenda and Timetable; and 3) any concerns in not holding a Commission Pre-Hearing Conference; and
- C. The Commission received comments from TGVI, British Columbia Old Age Pensioners' Organization et al. ("BCOAPO"), Ministry of Energy, Mines and Petroleum Resources ("the Ministry"), Vancouver Island Joint Venture ("VIGJV"), British Columbia Hydro and Power Authority ("BC Hydro"), and Rental Owners and Managers Association of BC; and
- D. After reviewing the comments received, the Commission issued Order No. G-77-05 which established the Regulatory Timetable. The timetable included a Workshop on the Application in Vancouver on August 31, 2005 and a Procedural Conference on September 30, 2005. The Procedural Conference was established to address the further regulatory process for the review of the Application; and
- E. Following the Procedural Conference, the Commission established by Letter No. L-79-05 an NSP and set out the remaining Regulatory Timetable pertaining to the Application including another Procedural Conference on November 21, 2005; and

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-126-05**

- F. On October 26, 27 and 28, 2005, a Settlement Conference was held in Vancouver, B.C. In attendance were representatives from Commission staff, BC Hydro, BCOAPO, VIGJV, and the Ministry; and
- G. On November 15, 2005 by Letter No. L-98-05 the Commission cancelled the Procedural Conference to be held on November 21, 2005. At that time the Negotiated Settlement Agreement was not yet made public to Registered Intervenor who did not participate in settlement discussions. It was anticipated that there would be insufficient time for these Registered Intervenor to review the document prior to the Procedural Conference; and
- H. A Negotiated Settlement was reached among the participants and circulated to all Registered Intervenor, Interested Parties and the Commission on November 22, 2005. Intervenor who did not participate in the settlement negotiations were requested to provide to the Commission their comments on the settlement package by November 29, 2005; and
- I. The Commission received letters on the Negotiated Settlement from TGV, BC Hydro, BCOAPO, and VIGJV. TGV, BC Hydro and BCOAPO accepted the Negotiated Settlement Agreement. VIGJV in its letter of November 18, 2005 determined that it would not make a submission regarding any aspect of the proposed settlement agreement. Also, the VIGJV gave notice of its withdrawal and would not participate further in the NSP; and
- J. The Commission did not receive any submissions from Registered Intervenor opposing the Negotiated Settlement Agreement; and
- K. The Commission finds that no further Procedural Conference is required; and
- L. The Commission has reviewed the Negotiated Settlement for TGV's 2004 Actual Revenue Surplus and the 2006 and 2007 Forecast Revenue Requirements and finds that it should be approved.

NOW THEREFORE pursuant to Sections 23 and 60 of the Act the Commission orders as follows:

1. The Commission approves for TGV the Negotiated Settlement as issued on November 22, 2005 and attached as Appendix A to this Order.
2. The Commission approves the 2004 revenue surplus of \$14,243,422 with a cumulative balance in the Revenue Deficiency Deferral Account of \$61,044,330 at the end of 2004.
3. The Commission approves interim rates effective January 1, 2006 for RGS, AGS, SCS-1, SC2-2, LCS-1, LCS-2, LCS-3, HLF, and ILF rate classes as proposed in the Negotiated Settlement. The Commission also approves interim rates effective January 1, 2006 for Firm Transportation, summer Interruptible Transportation, and winter Interruptible Transportation rates as proposed in the Negotiated Settlement.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-126-05

3

4. TGVI is to inform all affected customers of the interim rates by way of a bill insert or customer notice, to be submitted to the Commission in draft form prior to its release.
5. The Commission will accept, subject to timely filing, amended Gas Tariff rate schedules in accordance with the terms of this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 30th day of November 2005.

BY ORDER

Original signed by:

Robert H. Hobbs
Chair

Attachment



WILLIAM J. GRANT
TRANSITION ADVISOR,
REGULATORY AFFAIRS & PLANNING
bill.grant@bcuc.com
web site: <http://www.bcuc.com>

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. CANADA V6Z 2N3
TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

Log No. 10705

VIA E-MAIL

November 22, 2005

Dear Registered Intervenors:

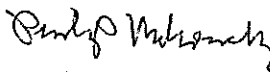
Re: Terasen Gas (Vancouver Island) Inc. ("TGVI")
2006-2007 Revenue Requirements Application
Negotiated Settlement

Enclosed with this letter is the proposed settlement package for the TGVI 2006-2007 Revenue Requirements Application.

This settlement package is now public and is being submitted to the Commission and all Intervenors. Also enclosed are Letters of Comment from the Participants in the negotiated settlement process.

Prior to consideration by the Commission, Intervenors who did not participate in the settlement negotiations are requested to provide to the Commission their comments on the settlement package by Tuesday, November 29, 2005. Thereafter, the Commission will consider the settlement package. A public hearing may not be required unless there is significant opposition to the proposed settlement.

Yours truly,


for William J. Grant

DC/rt
Enclosures

cc: Mr. Scott Thomson
Vice President, Finance and Regulatory Affairs
Terasen Gas (Vancouver Island) Inc.

WILLIAM J. GRANT
TRANSITION ADVISOR,
REGULATORY AFFAIRS & PLANNING
bill.grant@bcuc.com
web site: <http://www.bcuc.com>



SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. CANADA V6Z 2N3
TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

Log No. 10705

~~CONFIDENTIAL~~

VIA E-MAIL

November 15, 2005

Dear Participants:

Re: Terasen Gas (Vancouver Island) Inc. ("TGVI")
2006-2007 Revenue Requirements Application
Negotiated Settlement

Enclosed is the Negotiated Settlement Agreement on the Terasen Gas (Vancouver Island) Inc. 2006-2007 Revenue Requirements Application. Thank you for your edits to the draft Settlement document which has been incorporated in this final Agreement.

Please review the Negotiated Settlement Agreement and provide written correspondence confirming your acceptance of this settlement by Friday, November 18, 2005. By Tuesday, November 22, 2005 the Negotiated Settlement and Letters of Comment from the participants will be made public and forwarded to the Commission for its review.

Prior to consideration by the Commission, intervenors who did not participate in the settlement negotiations will be requested to provide to the Commission their comments on the settlement package by Tuesday, November 29, 2005. Thereafter, the Commission will consider the settlement package. A public hearing may not be required unless there is significant opposition to the proposed settlement.

Yours truly,

A handwritten signature in black ink, appearing to be "WJ Grant".

William J. Grant

DC/rt

Enclosures

cc: Mr. Scott Thomson
Vice President Finance and Regulatory Affairs
Terasen Gas (Vancouver Island) Inc.

CONFIDENTIAL

**Terasen Gas (Vancouver Island) Inc. ("TGVI" or "Company")
Application for Approval of Forecast Rates and Revenue Requirements for 2006-2007
& Revenue Deficiency Deferral Account Balance as at December 31, 2004
("the Application")**

NEGOTIATED SETTLEMENT AGREEMENT

The following sets out the agreement reached among the parties that participated in the negotiated settlement process.

1. Items at-risk for TGVI
2. Core Sales Forecast
3. Cost of Gas and GCVA
4. Gross OM&A
5. Plant Additions Actual 2004, Projected 2005 & Forecast 2006 and 2007
6. Deferred Charges and Amortization
7. Financing Costs
8. Return on Equity and Capital Structure
9. Actual 2004 Revenue Surplus
10. RDDA
11. Overhead Capitalization
12. Mains Extension Test
13. Re-amortization of Repayable Grant
14. System Outages
15. Settlement Update Meeting
16. Departure from Uniform System of Accounts for O&M
17. Rate Design
18. BC Hydro Agreements
19. TGVI Wheeling Agreement with TGI

1. Items at-risk for TGV

Centra in its 2003/2005 Revenue Requirements Application interprets the Special Direction as meaning “the BCUC will continue to approve variations (as they have since 1995), in other words “true-up to actual”, between forecast test year cost of service and actual costs (other than O&M) unless reasonable evidence exists to conclude variations not be approved.”

Gross OM&A will be fixed (and not trued-up). The rate of return on common equity will not be trued-up. The equity component in the capital structure and the return on common equity is addressed in item 8 below.

2. Core Sales Forecast

The Application indicates forecast Residential sales volumes of 4,605,415 GJ in 2006 and 4,772,274 GJ in 2007. Forecast Commercial sales volumes are 7,525,327 GJ in 2006 and 7,564,407 GJ in 2007, for total Core energy sales in 2006 and 2007 of 12,130,743 GJ and 12,336,681 GJ, respectively.

The forecasts are based on forecast customer use rates, and total expected customer additions of roughly 3,800 in 2006 and 3,500 in 2007, for year-end total customers of 88,336 and 91,822 in 2006 and 2007, respectively. TGV underscores its assumptions with supporting information on the economic outlook for BC, housing starts, and predicted conversions.

Customer additions appear reasonable on the basis of the supporting information and historical data. Forecast use rates are reasonable against the historical trend in usage.

The forecast sales are accepted. Variances in revenue as a result of the differences between the actual and forecast sales forecasts will flow to the Revenue Deficiency Deferral Account (“RDDA”). Forecast sales volumes will be ‘trued-up’ to actual.

3. Cost of Gas and GCVA

- Gas Cost Variance Account (“GCVA”)

TGV will provide a reconciliation report similar to the reports provided by Terasen Gas Inc. (“TGI”) to verify the December 31, 2004 GCVA balance and 2005 (when available), plus reports for 2006 and 2007. TGV will work with Commission staff to define the specific reporting requirements.

- Calculation of the Royalty Payment

TGV will provide a detailed reconciliation report that verifies the royalty payments for 2004 and 2005 (when available), plus reports for 2006 and 2007. TGV will work with Commission staff to define the specific reporting requirements.

4. Gross OM&A

- The Company proposed to calculate Forecast 2006 Gross Operating & Maintenance (O&M) expense based on the Allowed 2005 Gross O&M adjusted for deductions for 2005 Utilities Strategies Project (“USP”) and other changes; deductions for 2006 pension & insurance variances, and CIS conversion savings; and additions for other costs (BC 1 Call and pipeline inspection), customer growth, and inflation. This process is repeated for 2007 Gross O&M. (Application, Section 7, pp. 38-40).

- Other Savings
 - Other Savings (other than USP savings in 2005) will be assumed to be \$500,000.
- Inflation
 - TGVI will use inflation of 2.2% for each of 2006 and 2007. The 2.2% is TGI's inflation forecast for 2006 in its November 2006 Annual Review.
- Productivity
 - In 2007, a productivity improvement factor of 1/3 of the assumed inflation rate will apply.
- Incremental O&M from New Customers
 - A factor for incremental O&M for customer additions of \$400,000 for each of 2006 and 2007 will be included.
- Incremental costs of BC 1 Call of \$28,000 commencing in 2006 will be included. On a unit cost basis this is approximately \$0.32/customer (\$28,000 / 86,421).
- TGVI will exclude the proposed marketing administration costs of \$50,000 that was proposed for 2007.
- Incremental pipeline operation and maintenance costs of \$200,000 will be added in 2007 for internal geometry and metal loss inspection of the 12" Coquitlam Watershed segment on the high pressure transmission system. This portion of the pipeline system was last internally inspected in 1998. This cost represents the first stage of the 5-year pipeline inspection process that will involve all high pressure transmission pipeline segments in the TGVI system. TGVI confirms that the cost is to be used for inspection of approximately 32 kms of pipeline from station 0.0 (Coquitlam Compressor Station) to station 31.57 in the Coquitlam Watershed area. This work will be completed in 2007.
- TGVI proposed CIS Savings of \$400,000 in 2006 and \$200,000 in 2007. TGVI corrected an error in the proposal that should not have included incremental costs totalling \$135,000 related to translation services and extended call centre hours. The revised CIS Savings are \$265,000 in 2006 and \$200,000 in 2007.
- TGVI will continue to include the variance from O&M adjustment in the income tax calculation for the RDDA (BCUC 36.3.2). This is consistent with past practice for TGVI.
- Summary of O&M proposal: See attached Schedule 30A that outlines the settlement formula based Gross O&M.
 - Use 2.2% inflation for 2006 and 2007;
 - A productivity improvement factor (PIF) of 1/3 inflation for 2007;
 - CIS Savings of \$265,000 in 2006 and \$200,000 in 2007;
 - Incremental O&M related to customer additions of \$400,000 for each of 2006 and 2007;
 - Adjust the 2005 base to reflect \$500,000 of other savings;
 - Remove the \$50,000 of Marketing; and
 - Include \$200,000 of pipeline inspections costs in 2007.

The resulting Gross OM&A of \$29,346,000 for 2006 and of \$30,241,000 for 2007 are accepted. These amounts are the TGVI cost of service that is approved by the Commission on a forecast test year basis for the years 2006 and 2007.

5. Plant Additions Actual 2004, Projected 2005 & Forecast 2006 and 2007

• Capital Expenditures

TGVI requests approval of forecast capital expenditures for 2006 and 2007 other than CPCN's.

“Pursuant to Section 2.10(a)(i) of the Special Direction, the Company requests approval of its allowable capital expenditures forecast for 2006 and 2007, other than those expenditures that will require a Certificate of Public Convenience and Necessity (“CPCN”), which will be reviewed and approved in a separate regulatory processes, as set out in Section 5.8 of this Application.”

i. Capital Expenditures in 2004

2004 Forecast capital expenditures were \$11,950,000 (excluding CPCNs). The actual expenditures of \$14,884,000 are accepted.

ii. Capital Expenditures After 2004 (2005, 2006 and 2007)

1. Population Encroachment – Nanaimo/Ladysmith (Application, Table 5.5, p. 26)

\$2,800,000 – 2005
\$3,060,000 – 2006

Total for Population Encroachment - \$5,860,000
--

TGVI will provide correspondence to and from the office of the Oil and Gas Commission supporting the requirement to perform these upgrades.

TGVI is to provide an evaluation report on each of the upgrade projects 2 months after completion by identifying the location, materials used, pipe installed, estimated cost compared to actual cost and an explanation of the cost variance on each project.

2. Secondary Containment – 29 Line Heaters to be retrofitted for secondary containment over a two year program in 2006 and 2007. Total cost \$4,062,500. (BCUC 20.2).

Application, Table 5.5, p. 26

Transmission Plant – Secondary Containment

2006 -	\$1,836,000
2007 -	<u>\$1,891,080</u>
	\$3,727,080

Distribution Plant

2006 -	\$204,000
2007 -	<u>\$208,080</u>
	\$412,080

Total for Secondary Containment - \$4,139,160
--

The Secondary Containment forecast costs are accepted.

- **Sooke CPCN: Extension of Natural Gas Service to Sooke**

Commission Order C-15-02 was issued in December 2002 approving Centra's CPCN application for extension of natural gas service to Sooke. The project was completed in September 2003 for a final cost of \$4,970,000. Of these costs \$78,500 was disallowed (Order G-113-04).

Commission staff has expressed concern that the customer and load additions since the completion of the project are significantly lower than the forecast provided as justification for the project during the CPCN review process. TGVI is required to continue to report on the customer additions and associated gas loads over the next two years. The Commission will consider conducting a prudence review regarding the capital cost of the project in relationship to actual and forecast volumes as determined in 2008.

6. Deferred Charges and Amortization

The rate base deferred charges from 2004 to 2007 are summarized in Section 11, Schedules 12 to 15 of the Application plus non-rate base costs in Schedules 16-19. Revised schedules are in Exhibit B-6.

The deferred charges fall into three broad categories, of 1) expenditures that were approved for deferral account treatment in previous negotiated settlements 2) requested recovery of expenditures on cogeneration projects and 3) cost of gas pass throughs.

Listing of Deferral Accounts (Application, Section 8)

- Regulatory Costs: \$250,000 to be amortized in 2006 and 2007 is accepted.
- Deferred Incentive Programs (Grants/Incentives Marketing) amount to \$650,000 in 2006 and 2007; amortized in year following. These amounts are accepted recognizing that forecast costs will be trued up to actual.

TGVI agrees to eliminate the hot water heater incentives for propane and oil. In addition TGVI will recalculate furnace conversion grants based on current margin revenue and will demonstrate the economics of appliance grants.

- Compressor Fired Hours: accepted
- Pension Expense Variance: accepted
- Insurance Expense Variance: accepted
- Gas Cost Variance Account: A year-end reconciliation report similar to the reporting by TGI will be implemented. TGVI will work with Commission staff to define the specific reporting requirements.
- OSC-Compliance Certification Costs
 - o TGVI originally proposed that costs of \$12,254 in 2004 (Schedule 12, line 15) and \$79,750 in 2005 (Schedule 13, line 15) be allowed into a deferral account and amortized in the same year. TGVI cited Commission Order G-112-04 which was directed to TGI. Forecast OSC costs for 2006 and 2007 were \$40,000 for each year.
 - o In TGVI's update (Exhibit B-6, p. 3) OSC costs were revised upward: \$126,850 in 2005; \$150,000 in 2006; and \$175,000 in 2007. In TGVI's information response (Exhibit B-10, BCUC 32.7.6.2) OSC costs were further revised: to \$92,250 in 2006; and \$112,250 in 2007.

OSC Compliance Certification costs of \$92,250 in 2006 and \$112,250 in 2007 are accepted and deferred accounting treatment of these compliance costs is accepted.

- Long Term Debt Issue Cost – 2005
 - o TGVI had proposed to include long term debt issue costs as a deferral item and amortized over 10 years.
 - o An alternate method is to use effective embedded cost of debt similar to TGI.

Either approach is acceptable. After consideration, TGVI has decided to include long-term debt costs as a deferral item, and amortize, which is accepted.

- LNG Storage Facility Costs
 - o TGVI proposes that the LNG development costs be included in a deferral account on an after-tax basis, attracting AFUDC. The costs are proposed to be amortized over a five year period commencing January 2006 (Application, Section 8, p. 46).
 - o After further review TGVI proposes to include the VIGP (Duke Point) costs of \$37,216 into the LNG costs. TGVI states the LNG costs of \$2,095,002 should then be \$2,132,218 (BCUC 33.0).
 - o Exhibit B-6, Schedule 14, line 19 indicates that the January 1, 2006 opening cost is \$2,103,694. This is slightly different from the \$2,132,218 in the information request response to BCUC 33.0.

Accept the revised LNG costs in the deferral account and amortize over 5 years commencing January 1, 2006, after confirmation of the total LNG cost balance at December 31, 2005.

- Rate Design Appeal Cost – There is no amortization for this account (BCUC 32.2). In Exhibit B-6, Schedule 14, line 14 the January 1, 2006 cost for this account was revised to \$66,240.

It is agreed that the Rate Design Appeal Cost should be amortized over a one year period in 2006.

7. Financing Costs

- Short-term Debt Costs (BCUC 26.2)
\$150 million revolving bank facility @ 4.25% (90-day Banker's Acceptance rate of 3.5% + 75 bp stamping fee).

- Long-term Debt Costs (Revised Schedule 23-25)
New Issues – principal amount \$250 million at end of 2005 at a 10 year term.

New Issues – interest rate @ 6.13%.

When TGVI's long-term debt is due for renewal, it will apply to the Commission for approval of the new financing arrangement and the cost as required under the Utilities Commission Act.

- \$20 million subordinated revolving facility @ 6% to fund 65% of any required repayment of Government Contributions (BCUC 26.3).

Forecast financing costs are accepted recognizing that forecast costs will be trued-up to actual.

8. Return on Equity and Capital Structure

TGVI and TGI submitted an Application on June 30, 2005 to determine the return on equity ("ROE") and capital structure for the companies, and to revise the automatic ROE adjustment mechanism (the "ROE Application"). The Commission established a regulatory proceeding to review the ROE Application, with an oral public hearing scheduled to begin November 14, 2005.

As part of the ROE Application, TGVI applied for an increase in its equity thickness from 35 to 40 percent and an increase in its ROE risk premium from 50 to 75 basis points. TGVI had incorporated its applied for changes in ROE and capital structure into the determination of its 2006 and 2007 revenue requirements. TGVI had not incorporated the applied for revision to the Commission's automatic ROE adjustment mechanism in its determinations of revenue requirements.

It is agreed TGVI's cost of service will be determined on the basis of its currently approved ROE and capital structure until the Commission's Decision on the ROE Application. It is also agreed that any changes in the capital structure and return on equity resulting from the Commission Decision on the ROE Application will be reflected in TGVI's cost of service subsequent to the Commission's Decision on the ROE Application. Return on equity will remain as an at-risk item for TGVI and will not be trued-up.

9. Actual 2004 Revenue Surplus

TGVI has shown the actual revenue surplus in the attached Schedule 2. The actual 2004 revenue surplus was reviewed and accepted.

10. RDDA

TGVI has shown in the attached Schedule 1 the recording of Annual Revenue Deficiencies and Surpluses in the RDDA, the financing of those deficiencies, and the drawdown of the RDDA from the surpluses. The attached Schedules 1A to 1K provide the supporting schedules for the RDDA. The TGVI recording of the activity in the RDDA appears to be consistent with the Special Direction.

The December 31, 2004 RDDA balance is accepted.

11. Overhead Capitalization

On pages 50-51 of the Application TGVI proposes to change its overhead capitalization policy to save the time and effort of calculating overheads capitalized. The Company proposes to include 16% of Forecast Gross O&M in overheads capitalized. TGVI submits this is appropriate since "the 'greenfield' phase of growth" has run its course.

The TGVI proposal for capitalization of 16% of Gross O&M is accepted.

12. Mains Extension Test

- **Low Volume Customers in TGVI**

- There were 994 customers in 2004 that paid \$59,640 for Option A, the \$5 per month rider charge for using less than 53 GJ (BCUC 21.16.2). The \$472 is the present value at 15 years for the \$5 per month (BCUC 21.16.4).

- o In BCUC 21.10 TGV I states that:
“Another factor providing partial mitigation of the impact of the low actual attachments and load in the example is TGV I’s policy for customers consuming less than 53 GJ per year. The 10 customers that did attach at an annual load of 30 GJ per customer would have been required to pay a short load rate rider of \$5 per month or make a contribution to the service line that would have contributed partially to the mains cost.”
 - o In 2004 22% (~17,600 customers) of TGV I customers used less than 20 GJ while in TGI it is only 2% (VIGJV 11.1). However, only 994 customers utilized \$5 Option A.
 - o It appears that for most low volume customers the Option A Rider does not apply. This is possibly because the \$5 Option A is a financing vehicle for those customers that do not wish to pay the \$472 of required Contribution in Aid of Construction (“CIAC”). It is unclear of the link between the \$5/month and 53 GJ per year.
- **Use of the TGI Mains Extension Test by TGV I**
Use of the TGI MX Test by TGV I would provide further integration and standardization of the overall Terasen Gas operation (streamline MX administration and promote consistency in treatment of new customer attachments) (BCUC 21.6).

The TGV I model is a 15 year discounted revenue requirement calculation. This relies on depreciation rates in the asset categories of 2% to 3%. This results in a 30% to 40% capital recovery in the 15 year analysis which corresponds to 40% to 60% capital recovery rate if the TGV I test used the TGI 20 year timeframe. Therefore the capital recovery in the TGI model is more stringent. (BCUC 21.6)

It is agreed that TGV I will adopt the TGI MX test, with appropriate revisions to the inputs, commencing January 1, 2006.

TGV I also proposed to adopt TGI customer connection policies commencing in 2006. This proposal is accepted.

It is recognized that a more generic review of system extension policies and customer connection policies may be required.

13. Re-amortization of Repayable Grant

On Section 6, page 35 of the Application TGV I explains the repayment of federal/provincial contributions using subordinated debt at 6%. Schedules 6 to 9 show the CIAC contributions activity and balances from 2004 to 2007. BCUC 26.1.3 states that approximately 65% of the funding of the repayment will come from the subordinated debt.

The re-amortization of repayable grant is accepted.

14. System Outages

In response to BCUC 53.3 TGVI indicates that the system outages are increasing over time. Outages caused by Third parties are increasing as well. TGVI agrees to submit a brief report to the Commission regarding system outages by December 31, 2005.

15. Settlement Update Meeting

The parties agree that in the particular circumstances of the negotiation respecting revenue requirements and rates for 2006 and 2007 that a Settlement Update Meeting will be held in November 2006, rather than the customary Annual Review. The purpose of the Settlement Update Meeting will be for the Company to provide an update on the operations of the Company through 2006 and the outlook for 2007, with customers being provided the opportunity to make submissions regarding these matters. TGVI will provide a minimum 3 weeks written notice of the meeting, and will include with that notice updated information set out in Schedules 1 to 34B and in the tables provided by TGVI in response to BC Hydro's IR 4 from the 2006-2007 Revenue Requirements Application.

TGVI will advise participants in this process of any significant applications it makes to the Commission.

16. Departure from Uniform System of Accounts for O&M

TGVI proposes to depart from using a portion of the Uniform System of Accounts for recording its O&M in Accounts 600 to 999, commencing in Jan 1, 2006 (Application, p. 50). TGVI in the 2004 Annual Review stated that with the USP Integration (including \$8 million capital cost to TGVI) it would still be able to report using the BCUC System of Accounts when switching to SAP (2004 Annual Review, BCUC 9.14, 9.14.1). However, TGVI now claims it would be time consuming and onerous to do this any further (though these reporting costs are already embedded in the 2004 and 2005 O&M costs). TGVI switched to SAP in January 1, 2004 and has been providing BCUC O&M reporting for 2004 and 2005 (BCUC 39.3.5).

Commission Order G-39-98 approved for BC Gas Utility Ltd. a departure from recording and reporting O&M for BCUC Accounts 600 to 999. TGVI maintains that since TGI has approval for departure that TGVI should have an approval for departure (BCUC 39.0, 39.2.2.1).

As an example, in Appendix 39.1.1 it shows the TGI Annual Report O&M page 26.1 for the years 1998, 1999, and 2004. In 1998 for page 26.1 TGI had full O&M reporting by BCUC Account. In 1999 the first year of SAP it had a summary O&M of costs on 2 pages by Vice-President ("VP"). In 2004 the information was reduced to one page. This illustrates TGI's reduced reporting away from the standardized reporting used throughout North America: BCUC, Ontario Energy Board ("OEB"), National Energy Board ("NEB") and Federal Energy Regulatory Commission. These other jurisdictions use similar reporting structures to the BCUC Uniform System of Accounts and in the case of OEB and NEB the same account numbering and descriptions. Standardized reporting allows for historical comparisons across years without the need to re-state the figures by VP. Over the years it appears that the VP costs at TGI have moved and changed which makes the comparison of costs difficult. Standardized reporting provides assurance that costs have been spent prudently. Also, standardized reporting of costs allows for intra and inter-jurisdictional comparisons. The BCUC Uniform System of Accounts provides compliance reporting that is beneficial to the Commission and ratepayers.

A TGVI and Commission staff working group will be established to review appropriate reporting requirements and submit its findings for review at the 2006 Settlement Update Meeting.

17. Rate Design

It is desirable that the RDDA be reduced by \$18 million over the years 2006 and 2007, being mindful of rate shock implications.

Rate increases to core market customer classes should continue to be limited by the alternate fuel prices in the soft cap methodology.

Rate increases to core market customer classes should be no more than 10% in 2006. Rate increases to core market customer classes in 2007 should be no more than 5% if the revenue to cost ratio of the class (based on the 2006 effective rate) is greater than 1.0, and no more than 10% if the revenue to cost ratio of the class (based on the 2006 effective rate) is less than 1.0.

18. BC Hydro Agreements

The BC Hydro Agreements filed on October 20, 2005 consist of the Transportation Service Agreement, Peaking Agreement, and Compressor Facility Amending Agreement between TGVI and BC Hydro, and the Capacity Assignment Agreement between TGVI, BC Hydro, and Terasen Gas Inc.

The BC Hydro Agreements are accepted as being prudent for and in the interests of TGVI. Nothing in this Settlement Agreement will be deemed to imply that the parties have agreed that the BC Hydro Agreements are prudent or necessary for BC Hydro and nothing in this Settlement Agreement will preclude, restrict, or otherwise prejudice the right of any person, including a party to this Settlement Agreement, from taking the position in any other proceeding that the BC Hydro Agreements are not prudent or desirable for BC Hydro.

In accepting that the BC Hydro Agreements are in the interests of TGVI, the Vancouver Island Gas Joint Venture ("VIGJV") is relying on the confirmation from TGVI that the proposed BC Hydro tolls are determined as required by article 11.01(b) of the VIGJV Transportation Service Agreement.

19. TGVI Wheeling Agreement with TGI

TGVI is to review the Wheeling Agreement to determine what is required to ensure that core customers are protected in the event of emergency curtailment on the TGI system and that TGVI industrial customers will not be disadvantaged compared to TGI industrial customers.

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
SECTION 11 - SCHEDULE INDEX

<u>Schedule</u>		<u>Tab</u>
1	REVENUE DEFICIENCY CONTINUITY SCHEDULE	RevDef
2	REVENUE REQUIREMENT	RevReq
3	RATE BASE	Rbase
4	PLANT IN SERVICE	Plant
5	PLANT CONTINUITY SCHEDULE	PlantCont
6 - 9	CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	CIAC
10	WORKING CAPITAL SUMMARY	Wcap
11	CASH WORKING CAPITAL REQUIREMENTS	CashWC
12 - 15	DEFERRED EXPENSES - RATE BASE	DefExp-RBASE
16 - 19	DEFERRED EXPENSES - NON RATE BASE	Def Exp-Non RB
20	INCOME TAXES	IncomeTax
21	LARGE CORPORATIONS TAX	LCTax
22 - 25	CAPITAL STRUCTURE AND COST OF CAPITAL	COC
26	REVENUE, COST OF GAS, TRANSMISSION SUMMARY	Rev Sum
27	ANNUAL REVENUE SUMMARY BY CLASS	RevClass
28	REVENUE PROOF	RevProof
29	OTHER REVENUE	Other Rev
30	OPERATING & MAINTENANCE EXPENSES - SUMMARY	O&Msum
31	KEY COST RATIOS	Ratios
32	SYSTEM CAPACITY	Capacity
33	COSA MODEL	COSA
34	REVENUE SURPLUS / (DEFICIENCY) PROOF	RevSurplusProof

TERASEN GAS (VANCOUVER ISLAND) INC.
2005 - 2007 Revenue Requirement Extension
Revenue Deficiency Continuity Schedule

Schedule 1
NSP New-OT rev

LINE	1995 Actual	1996 Actual	1997 Actual	1998 Actual	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Projection	2006 Forecast	2007 Forecast	Year of Deficiency/ (Surplus)
1	Annual Revenue Deficiency(Surplus)													
2	0	1,195,503	1,195,503	1,195,503	1,195,503	1,195,503	1,022,449	1,018,074	644,315					1995
3	0	0	620,485	620,485	620,485	620,485	620,485	593,945	352,478					1996
4	0	0	0	500,774	513,863	513,863	513,863	513,863	316,462					1997
5	0	0	0	0	862,761	862,761	862,761	862,761	965,921					1998
6	0	0	0	0	0	865,921	865,921	865,921	612,145					1999
7	0	0	0	0	0	0	344,702	337,503	211,145					2000
8	0	0	0	0	0	0	0	664,272	420,703					2001
9	0	0	0	0	0	0	0	0	0					2002
10	0	0	0	0	0	0	0	0	516,614	1,536,550	1,536,550	1,536,550	1,536,550	1995
11	0	0	0	0	0	0	0	0	275,199	788,951	788,951	788,951	681,332	1996
12	0	0	0	0	0	0	0	0	204,477	276,197	0	0	0	1997
13	0	0	0	0	0	0	0	0	437,459	941,167	745,357	745,357	745,357	1998
14	0	0	0	0	0	0	0	0	1,359,677	728,623	728,623	72,890	72,890	1999
15	0	0	0	0	0	0	0	0	499,169	462,157	462,157	229,179	0	2000
16	0	0	0	0	0	0	0	0	189,668	907,145	907,145	781,819	688,536	2001
17	0	0	0	0	0	0	0	0	331,734	181,037	181,037	181,037	181,037	2002
18	0	0	0	0	0	0	0	0	184,674	0	0	0	0	2003
19	0	0	0	0	0	0	0	0	0	Surplus	Surplus	Surplus	Surplus	2004
20	0	0	0	0	0	0	0	0	0	Surplus	Surplus	Surplus	Surplus	2005
21	0	0	0	0	0	0	0	0	0	Surplus	Surplus	Surplus	Surplus	2006
22	0	1,195,503	1,815,988	2,316,762	3,179,523	4,156,802	4,328,450	4,954,608	3,102,595	0	0	0	0	0
23	0	0	0	0	0	0	0	0	2,618,994	6,452,882	5,349,820	4,335,783	3,875,703	0
24	16,904,100	10,331,310	8,597,987	14,292,018	14,999,483	5,515,556	11,854,421	2,841,801	(12,622,751)	(14,243,422)	(9,028,128)	(2,877,113)	(1,447,032)	(1,447,032)
25	6.83%	5.83%	5.812%	5.853%	6.253%	5.876%	5.459%	4.809%	5.111%	4.006%	4.925%	4.867%	5.070%	5.070%
26	576,565	301,447	243,218	418,900	469,974	162,053	371,253	31,808	0	0	0	0	0	0
27	17,480,665	10,632,757	8,840,815	14,710,918	15,468,457	5,677,609	12,225,674	2,873,609	(12,622,751)	(14,243,422)	(9,028,128)	(2,877,113)	(1,447,032)	(1,447,032)
28	17,480,665	28,113,422	36,954,237	51,665,155	67,133,612	72,811,221	85,036,894	87,910,503	75,287,752	61,044,330	52,016,202	49,139,089	34,672,057	34,672,057
29	17,480,665	10,632,757	8,840,815	14,710,918	15,468,457	5,677,609	12,225,674	2,873,609	0	0	0	0	0	Total Outstanding 87,910,503
30	LESS:													
31	2003 Projected Repayment of Subordinated Debts													Total Outstanding
32	17,480,665	10,632,757	8,840,815	14,710,918	15,468,457	5,677,609	12,225,674	2,873,609	0	0	0	0	0	75,287,752
33	2004 Forecast Repayment of Subordinated Debts													Total Outstanding
34	17,480,665	10,632,757	8,840,815	14,710,918	15,468,457	5,677,609	12,225,674	2,873,609	0	0	0	0	0	61,044,330
35	LESS:													
36	2005 Forecast Repayment of Subordinated Debts													Total Outstanding
37	17,480,665	10,632,757	8,840,815	14,710,918	15,468,457	5,677,609	12,225,674	2,873,609	0	0	0	0	0	52,016,202
38	LESS:													Total Outstanding
39	2006 Forecast Repayment of Subordinated Debts													49,139,089
40	17,480,665	7,755,644	0	(10,928,982)	(664,441)	0	8,875,154	(2,873,609)	0	0	0	0	0	Total Outstanding 34,672,057
41	Note 1: Calculation of Rate:													
42	5 Year Canada Bond Rate at June 30 of Following													
43	Year Published by Bank of Canada Review													
44	Multiply by	7.05%	5.32%	5.28%	5.35%	6.04%	5.39%	4.67%	3.55%	4.07%	3.20%	3.75%	3.65%	4.00%
45	Add	4.05%	3.05%	3.05%	3.10%	3.20%	3.20%	2.70%	2.05%	2.38%	1.85%	2.11%	2.11%	2.32%
46	Preferred Share and Interim Revenue Deficiency Financing R	2.750%	2.750%	2.750%	2.750%	2.750%	2.750%	2.750%	2.750%	2.750%	2.750%	2.750%	2.750%	2.750%
47	Subordinated Debt Financing Rate 2005	6.83%	5.83%	5.812%	5.853%	6.253%	5.876%	5.459%	5.111%	4.006%	4.925%	4.867%	5.070%	5.070%
48	Subordinated Debt Financing Rate 2006	8.050%	7.050%	7.050%	6.500%	7.500%	8.140%	7.420%	6.300%	6.300%	6.300%	6.300%	6.300%	6.300%
49	Subordinated Debt Financing Rate 2007	8.050%	7.050%	7.050%	6.500%	7.500%	8.140%	7.420%	6.300%	6.300%	6.300%	6.300%	6.300%	6.300%
50	Note 2: Repayments of Subordinated Debt & Repayable Loan and Reamortization of Repayable Loan													
51	Final Adjusted Annual Revenue Deficiency(Surplus)													
52	Adjusted Accumulated RDOA Balance for re-amortization	17,480,665	28,113,422	36,954,237	51,665,155	67,133,612	72,811,221	85,036,894	87,910,503	(12,622,751)	(14,243,422)	(9,028,128)	(2,877,113)	(1,447,032)
53	Original Balance of Repayable Loan													
54	Unamortized Balance as at Jan. 1, 2000													
55	Accumulated Amortization - Jan 1st Opening Balance													
56	Ratio of Line 52 and Line 55													
57	Prorated Amount avail. for Reamortization of Loan													
58	50% Adjusted Surplus Available for Repayment of \$75mil Government Loans													

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Prorated Amount avail. for Reamortization of Loan
50% Adjusted Surplus Available for Repayment of \$75mil Government Loans

Terasen Gas (Vancouver Island) Inc
Revenue Requirement 2006-07
Class B Subordinated Debt Interest - 2004

Schedule 1A
NSP New-07 rev

Series	Issue Date	Jan 1, 2004 \$ Value	2003 Rev Surplus	Dec 31, 2004 \$ Value	5-yr Canada Bond Series	5-yr Canada Bond Rate	Risk Premium	Interest Rate	Annual Interest \$	Jan Interest \$	Feb Interest \$	Mar Interest \$	Apr Interest \$	May Interest \$	Jun Interest \$	Jul Interest \$	Aug Interest \$	Sep Interest \$	Oct Interest \$	Nov Interest \$	Dec Interest \$	Total Interest \$	Remark
1	August 20, 2003	\$17,480,665		\$17,480,665	Jun-00	6.04%	2.75%	8.790%	\$1,536,550	\$130,502	\$117,872	\$130,502	\$126,292	\$130,502	\$126,292	\$130,502	\$130,502	\$126,292	\$126,292	\$126,292	\$130,502	\$1,536,550	
2	August 20, 2003	\$10,632,757		\$10,632,757	Jun-02	4.67%	2.75%	7.420%	\$788,951	\$67,007	\$60,522	\$67,007	\$64,845	\$67,007	\$64,845	\$67,007	\$67,007	\$64,845	\$64,845	\$64,845	\$67,007	\$788,951	
3	August 20, 2003	\$8,840,815	(\$8,840,815)	\$0	Jun-03	3.55%	2.75%	6.300%	\$276,197	\$47,304	\$42,727	\$47,304	\$45,778	\$47,304	\$45,778	\$47,304						\$276,197	
4	August 20, 2003	\$14,710,918		\$14,710,918	Jun-99	5.35%	2.75%	8.100%	\$434,194													\$434,194	
	May 14, 2004	\$14,710,918			Jun-04	4.07%	2.75%	6.820%	\$129,190													\$129,190	
	June 30, 2004		(\$3,781,936)	\$10,928,982	Jun-04	4.07%	2.75%	6.820%	\$377,783													\$377,783	June 30/04 Paid in full
5	August 20, 2003	\$15,468,457		\$15,468,457	Jun-00	6.04%	2.75%	8.790%	\$1,359,677	\$115,479	\$104,304	\$115,479	\$111,754	\$115,479	\$111,754	\$115,479	\$115,479	\$111,754	\$111,754	\$111,754	\$115,479	\$1,359,677	
6	August 20, 2003	\$5,677,009		\$5,677,009	Jun-01	5.39%	2.75%	8.140%	\$462,157	\$39,252	\$35,453	\$39,252	\$37,986	\$39,252	\$37,986	\$39,252	\$39,252	\$37,986	\$37,986	\$37,986	\$39,252	\$462,157	
7	August 20, 2003	\$12,225,674		\$12,225,674	Jun-02	4.67%	2.75%	7.420%	\$907,145	\$77,045	\$69,589	\$77,045	\$74,560	\$77,045	\$74,560	\$77,045	\$77,045	\$74,560	\$74,560	\$74,560	\$77,045	\$907,145	
8	July 31, 2003	\$2,873,609		\$2,873,609	Jun-03	3.55%	2.75%	6.300%	\$181,037	\$15,376	\$13,888	\$15,376	\$14,880	\$15,376	\$14,880	\$15,376	\$15,376	\$14,880	\$14,880	\$14,880	\$15,376	\$181,037	
Total Sub Debt		\$67,910,503	(\$12,622,751)	\$75,287,752					\$6,452,882	\$593,167	\$535,764	\$593,168	\$574,033	\$593,881	\$557,851	\$507,864	\$507,964	\$481,580	\$507,965	\$481,579	\$507,965	\$6,452,882	

Terasen Gas (VI) Inc
Revenue Requirement 2006-07
Class B Subordinated Debt Interest - 2005

Schedule 1B
NSP Nov 07 rev

Series	Issue Date	Jan 1, 2005 \$ Value	2004 Rev Surplus	Dec 31, 2005 \$ Value	5-yr Canada Bond Series	5-yr Canada Bond Rate	Risk Premium	Interest Rate	Annual Interest \$	Jun-05 Interest \$	May-05 Interest \$	Jun-05 Interest \$	Jul-05 Interest \$	Aug-05 Interest \$	Sep-05 Interest \$	Oct-05 Interest \$	Nov-05 Interest \$	Dec-05 Interest \$	Annual Interest \$	Reset Date
1	August 20, 2003	\$17,480,665		\$17,480,665	Jun-00	6.04%	2.75%	8.790%	\$1,536,550	\$130,502	\$130,502	\$126,292	\$130,502	\$130,502	\$126,292	\$130,502	\$126,292	\$130,502	\$1,536,550	2006-01-09
2	August 20, 2003	\$10,632,757		\$10,632,757	Jun-02	4.67%	2.75%	7.420%	\$788,951	\$67,007	\$67,007	\$64,845	\$67,007	\$67,007	\$64,845	\$67,007	\$64,845	\$67,007	\$788,951	2007-07-31
4	June 30, 2004	\$10,928,982		\$10,928,982	Jun-04	4.07%	2.75%	6.820%	\$745,357	\$63,304	\$63,304	\$61,262	\$63,304	\$63,304	\$61,262	\$63,304	\$61,262	\$63,304	\$745,357	2008-05-14
5	August 20, 2003 July 06, 2005	\$15,468,457		\$15,468,457	Jun-00 Jun-05	6.04% 3.20%	2.75% 2.75%	8.790% 5.950%	\$692,877 \$35,746	\$115,479	\$115,479	\$111,754	\$115,479	\$115,479	\$111,754	\$115,479	\$111,754	\$115,479	\$692,877 \$35,746	2005-07-06 2010-07-06
6	August 20, 2003	\$5,677,609		\$5,677,609	Jun-01	5.39%	2.75%	8.140%	\$462,157	\$39,252	\$39,252	\$37,986	\$39,252	\$39,252	\$37,986	\$39,252	\$37,986	\$39,252	\$462,157	2006-09-20
7	August 20, 2003	\$12,225,674		\$12,225,674	Jun-02	4.67%	2.75%	7.420%	\$907,145	\$77,045	\$77,045	\$74,560	\$77,045	\$77,045	\$74,560	\$77,045	\$74,560	\$77,045	\$907,145	2007-06-26
8	July 31, 2003	\$2,873,609		\$2,873,609	Jun-03	3.55%	2.75%	6.300%	\$181,037	\$15,376	\$15,376	\$14,880	\$15,376	\$15,376	\$14,880	\$15,376	\$14,880	\$15,376	\$181,037	2008-07-31
Total Sub Debt									\$5,349,820	\$507,965	\$507,965	\$491,579	\$491,579	\$491,579	\$485,815	\$507,965	\$485,815	\$491,579	\$5,349,820	

Terasen Gas (VI) Inc
Revenue Requirement 2006-07
Class B Subordinated Debt Interest - 2006

Schedule 1C
NSP Nov-07 Rev

Series	Issue Date	Jan 1, 2006 \$ Value	2005 Rev Surplus	Dec 31, 2006 \$ Value	5-yr Canada Bond Series	5-yr Canada Bond Rate	Risk Premium	Interest Rate	Annual Interest \$	Jan-06 Interest \$	Feb-06 Interest \$	Mar-06 Interest \$	Apr-06 Interest \$	May-06 Interest \$	Jun-06 Interest \$	Jul-06 Interest \$	Aug-06 Interest \$	Sep-06 Interest \$	Oct-06 Interest \$	Nov-06 Interest \$	Dec-06 Interest \$	Annual Interest \$	Reset Date
1	August 20, 2003	\$17,480,665		\$17,480,665	Jun-00	6.04%	2.75%	8.790%	\$37,888	\$37,888	\$11,872	\$130,502	\$126,292	\$130,502	\$126,292	\$130,502	\$130,502	\$126,292	\$130,502	\$126,292	\$130,502	\$37,888	2006-01-09
	January 9, 2006				Jun-00	6.04%	2.75%	8.790%	\$92,614	\$92,614	\$11,872	\$130,502	\$126,292	\$130,502	\$126,292	\$130,502	\$130,502	\$126,292	\$130,502	\$126,292	\$130,502	\$1,498,663	2011-01-09
2	August 20, 2003	\$10,632,757		\$10,632,757	Jun-02	4.67%	2.75%	7.420%	\$788,951	\$67,007	\$60,522	\$67,007	\$64,845	\$67,007	\$64,845	\$67,007	\$67,007	\$64,845	\$67,007	\$64,845	\$67,007	\$788,951	2007-07-31
4	June 30, 2004	\$10,928,982		\$10,928,982	Jun-04	4.07%	2.75%	6.820%	\$745,357	\$63,304	\$57,178	\$63,304	\$61,262	\$63,304	\$61,262	\$63,304	\$63,304	\$61,262	\$63,304	\$61,262	\$63,304	\$745,357	2009-06-14
5	July 06, 2005	\$1,225,035		\$1,225,035	Jun-05	3.20%	2.75%	5.950%	\$72,890	\$6,191	\$5,592	\$6,191	\$5,991	\$6,191	\$5,991	\$6,191	\$6,191	\$5,991	\$6,191	\$5,991	\$6,191	\$72,890	2010-07-06
6	August 20, 2003	\$5,677,609	(\$5,677,609)	\$0	Jun-01	5.39%	2.75%	8.140%	\$229,179	\$39,252	\$35,463	\$39,252	\$37,986	\$39,252	\$37,986	\$39,252	\$37,986	\$39,252	\$37,986	\$39,252	\$37,986	\$229,179	2006-09-20
7	August 20, 2003	\$12,225,674		\$8,875,154	Jun-02	4.67%	2.75%	7.420%	\$449,844	\$77,045	\$69,589	\$77,045	\$74,560	\$77,045	\$74,560	\$77,045	\$74,560	\$77,045	\$74,560	\$77,045	\$74,560	\$449,844	2007-06-26
	July 1, 2006		(\$3,350,519)		Jun-02	4.67%	2.75%	7.420%	\$331,975	\$77,045	\$69,589	\$77,045	\$74,560	\$77,045	\$74,560	\$77,045	\$74,560	\$77,045	\$74,560	\$77,045	\$74,560	\$331,975	2007-06-26
8	July 31, 2003	\$2,873,609		\$2,873,609	Jun-03	3.55%	2.75%	6.300%	\$181,037	\$15,376	\$13,888	\$15,376	\$14,880	\$15,376	\$14,880	\$15,376	\$15,376	\$14,880	\$15,376	\$14,880	\$15,376	\$181,037	2008-07-31
Total Sub Debt		\$61,044,330	(\$5,028,128)	\$52,016,202					\$4,335,763	\$398,676	\$360,094	\$398,676	\$385,815	\$398,676	\$385,815	\$398,676	\$398,676	\$385,815	\$398,676	\$385,815	\$398,676	\$4,335,763	

Terasen Gas (VI) Inc
Revenue Requirement 2006-07
Class B Subordinated Debt Interest - 2007

Schedule 1D
NSP Nov-07 rev

Series	Issue Date	Jan 1, 2007 \$ Value	2006 Rev Surplus	Dec 31, 2007 \$ Value	5-yr Canada Bond Series	5-yr Canada Bond Rate	Risk Premium	Interest Rate	Annual Interest \$	Jan-07 Interest \$	Feb-07 Interest \$	Mar-07 Interest \$	Apr-07 Interest \$	May-07 Interest \$	Jun-07 Interest \$	Jul-07 Interest \$	Aug-07 Interest \$	Sep-07 Interest \$	Oct-07 Interest \$	Nov-07 Interest \$	Dec-07 Interest \$	Annual Interest \$	Reset Date	
1	January 9, 2006	\$17,480,665		\$17,480,665	Jun-00	6.04%	2.75%	8.790%	\$1,536,550	\$130,502	\$117,872	\$130,502	\$126,292	\$130,502	\$126,292	\$126,292	\$130,502	\$126,292	\$130,502	\$126,292	\$130,502	\$1,536,550	2011-01-09	
2	August 20, 2003 July 1, 2007	\$10,632,757	(\$2,877,113)	\$7,755,644	Jun-02 Jun-02	4.67% 4.67%	2.75% 2.75%	7.420% 7.420%	\$391,233 \$290,099	\$67,007	\$60,522	\$67,007	\$64,845	\$67,007	\$64,845	\$64,845	\$48,875	\$48,875	\$47,299	\$48,875	\$47,299	\$48,875	\$391,233 \$290,099	2007-07-31 2012-07-31
4	June 30, 2004	\$10,928,982		\$10,928,982	Jun-04	4.07%	2.75%	6.820%	\$745,357	\$63,304	\$57,178	\$63,304	\$61,262	\$63,304	\$61,262	\$61,262	\$63,304	\$61,262	\$63,304	\$61,262	\$63,304	\$745,357	2009-05-14	
5	July 06, 2005	\$1,225,035		\$1,225,035	Jun-05	3.20%	2.75%	5.950%	\$72,890	\$6,191	\$5,592	\$6,191	\$5,991	\$6,191	\$5,991	\$6,191	\$6,191	\$5,991	\$6,191	\$5,991	\$6,191	\$72,890	2010-07-06	
7	August 20, 2003 June 26, 2007	\$8,875,154		\$8,875,154	Jun-02 Jun-02	4.67% 4.67%	2.75% 2.75%	7.420% 7.420%	\$319,345 \$339,191	\$55,930	\$50,518	\$55,930	\$54,126	\$55,930	\$46,909	\$55,930	\$55,930	\$54,126	\$55,930	\$54,126	\$55,930	\$319,345 \$339,191	2007-06-26 2012-06-26	
8	July 31, 2003	\$2,873,609		\$2,873,609	Jun-03	3.55%	2.75%	6.300%	\$181,037	\$15,376	\$13,888	\$15,376	\$14,880	\$15,376	\$14,880	\$14,880	\$15,376	\$14,880	\$15,376	\$14,880	\$15,376	\$181,037	2008-07-31	
Total Sub Debt		\$52,016,202	(\$2,877,113)	\$49,139,089					\$3,875,703	\$338,309	\$305,570	\$338,309	\$327,396	\$338,309	\$327,396	\$327,396	\$320,178	\$320,178	\$309,850	\$320,178	\$309,850	\$320,178	\$3,875,703	

Schedule 1E
NSP Nov-07 rev

Terasen Gas (Vancouver Island) Inc.
Revenue Requirement 2006-07
RDDA vs. Sub Debt - Jul 2003

Year	(a) Jul 1, 2002 RDDA Balance	(b) Interest Adjustment	(c=a-b) Before Interest Adj.	(d) Sub Debt Series	(e) Jul 1, 2003 Sub Debt Balance	(f=c-e) Variance
1995	\$17,480,665		\$17,480,665	Series 1	\$17,480,675	(Note 1) (\$10)
1996	\$10,632,757		\$10,632,757	Series 2	\$10,632,750	\$7
1997	\$8,840,815		\$8,840,815	Series 3	\$8,840,800	\$15
1998	\$14,710,918		\$14,710,918	Series 4	\$14,710,925	(\$7)
1999	\$15,468,457		\$15,468,457	Series 5	\$15,468,450	\$7
2000	\$5,677,609		\$5,677,609	Series 6	\$5,677,600	\$9
2001	\$12,225,674	\$47,710	\$12,177,964	Series 7	\$12,177,950	\$14
Total	\$85,036,894	\$47,710	\$84,989,184		\$84,989,150	\$34

Note

1. Preferred Shares in \$25 Increment.

Schedule 1F
NSP Nov-07 rev

Terasen Gas (Vancouver Island) Inc.
Revenue Requirement 2006-07
RDDA vs. Sub Debt - Dec 2003

Year	(a) Dec 31, 2002 RDDA Balance	(b) Interest Adjustment	(c=a-b) Before Interest Adj.	(d) Sub Debt Series	(e) Dec 31, 2003 Sub Debt Balance	(f=c-e) Variance
1995	\$17,480,665		\$17,480,665	Series 1	\$17,480,675	(Note 1) (\$10)
1996	\$10,632,757		\$10,632,757	Series 2	\$10,632,750	\$7
1997	\$8,840,815		\$8,840,815	Series 3	\$8,840,800	\$15
1998	\$14,710,918		\$14,710,918	Series 4	\$14,710,925	(\$7)
1999	\$15,468,457		\$15,468,457	Series 5	\$15,468,450	\$7
2000	\$5,677,609		\$5,677,609	Series 6	\$5,677,600	\$9
2001	\$12,225,674	\$47,710	\$12,177,964	Series 7	\$12,177,950	\$14
2002	\$2,873,609	(\$57,708)	\$2,931,317	Series 8	\$2,931,300	\$17
Total	\$87,910,503	(\$9,998)	\$87,920,501		\$87,920,450	\$51

Note

1. Preferred Shares in \$25 Increment.

Terasen Gas (Vancouver Island) Inc.

Revenue Requirement 2006-07

RDDA vs. Sub Debt - 2004

Schedule 1G

NSP Nov-07 rev

Year	(a) Jan 1, 2003 RDDA Balance	(b) 2003 Rev Surplus	(c=a+b) Dec 31, 2003 RDDA Balance	(d) Sub Debt Series	(e) Jan 1, 2004 Sub Debt Balance	(f=a-e) Match with RDDA Adjustment	(g) 2003 Rev Surplus	(h=e+f+g) Dec 31, 2004 Sub Debt Balance
1995	\$17,480,665		\$17,480,665	Series 1	\$17,480,675	(\$10)		\$17,480,665
1996	\$10,632,757		\$10,632,757	Series 2	\$10,632,750	\$7		\$10,632,757
1997	\$8,840,815	(8,840,815)	\$0	Series 3	\$8,840,800	\$15	(8,840,815)	\$0
1998	\$14,710,918	(3,781,936)	\$10,928,982	Series 4	\$14,710,925	(\$7)	(3,781,936)	\$10,928,982
1999	\$15,468,457		\$15,468,457	Series 5	\$15,468,450	\$7		\$15,468,457
2000	\$5,677,609		\$5,677,609	Series 6	\$5,677,600	\$9		\$5,677,609
2001	\$12,225,674		\$12,225,674	Series 7	\$12,177,950	\$47,724		\$12,225,674
2002	\$2,873,609		\$2,873,609	Series 8	\$2,931,300	(\$57,691)		\$2,873,609
Total	\$87,910,503	(\$12,622,751)	\$75,287,752		\$87,920,450	(\$9,947)	(\$12,622,751)	\$75,287,752

Schedule 1H
NSP Nov-07 rev

Terasen Gas (Vancouver Island) Inc.
Revenue Requirement 2006-07
RDDA vs. Sub Debt - 2005

Year	(a) Jan 1, 2004 RDDA Balance	(b) 2004 Rev Surplus	(c=a+b) Dec 31, 2004 RDDA Balance	(d) Sub Debt Series	(e) Jan 1, 2005 Sub Debt Balance	(f) 2004 Rev Surplus	(g=e+f) Dec 31, 2005 Sub Debt Balance
1995	\$17,480,665		\$17,480,665	Series 1	\$17,480,665		\$17,480,665
1996	\$10,632,757		\$10,632,757	Series 2	\$10,632,757		\$10,632,757
1997	\$0		\$0	Series 3	\$0		\$0
1998	\$10,928,982		\$10,928,982	Series 4	\$10,928,982		\$10,928,982
1999	\$15,468,457	(\$14,243,422)	\$1,225,035	Series 5	\$15,468,457	(14,243,422)	\$1,225,035
2000	\$5,677,609		\$5,677,609	Series 6	\$5,677,609		\$5,677,609
2001	\$12,225,674		\$12,225,674	Series 7	\$12,225,674		\$12,225,674
2002	\$2,873,609		\$2,873,609	Series 8	\$2,873,609		\$2,873,609
Total	\$75,287,752	(\$14,243,422)	\$61,044,330		\$75,287,752	(\$14,243,422)	\$61,044,330
		(Note 1)				(Note 1)	

Note

1. Revenue Surplus Projection.

Schedule 11
NSP Nov-07 rev

Terasen Gas (Vancouver Island) Inc.
Revenue Requirement 2006-07
RDDA vs. Sub Debt - 2006

Year	(a) Jan 1, 2005 RDDA Balance	(b) 2005 Rev Surplus	(c=a+b) Dec 31, 2005 RDDA Balance	(d) Sub Debt Series	(e) Jan 1, 2006 Sub Debt Balance	(f) 2005 Rev Surplus	(g=e+f) Dec 31, 2006 Sub Debt Balance
1995	\$17,480,665		\$17,480,665	Series 1	\$17,480,665		\$17,480,665
1996	\$10,632,757		\$10,632,757	Series 2	\$10,632,757		\$10,632,757
1997	\$0		\$0	Series 3	\$0		\$0
1998	\$10,928,982		\$10,928,982	Series 4	\$10,928,982		\$10,928,982
1999	\$1,225,035		\$1,225,035	Series 5	\$1,225,035		\$1,225,035
2000	\$5,677,609	(\$5,677,609)	\$0	Series 6	\$5,677,609	(\$5,677,609)	\$0
2001	\$12,225,674	(\$3,350,519)	\$8,875,154	Series 7	\$12,225,674	(\$3,350,519)	\$8,875,154
2002	\$2,873,609		\$2,873,609	Series 8	\$2,873,609		\$2,873,609
Total	\$61,044,330	(\$9,028,128)	\$52,016,202		\$61,044,330	(\$9,028,128)	\$52,016,202

(Note 1)

(Note 1)

Note

1. Revenue Surplus Projection.

Schedule 1J
NSP Nov-07 rev

Terasen Gas (Vancouver Island) Inc.
Revenue Requirement 2006-07
RDDA vs. Sub Debt - 2007

Year	(a) Jan 1, 2006 RDDA Balance	(b) 2006 Rev Surplus	(c=a+b) Dec 31, 2006 RDDA Balance	(d) Sub Debt Series	(e) Jan 1, 2007 Sub Debt Balance	(f) 2006 Rev Surplus	(g=e+f) Dec 31, 2007 Sub Debt Balance
1995	\$17,480,665		\$17,480,665	Series 1	\$17,480,665		\$17,480,665
1996	\$10,632,757	(\$2,877,113)	\$7,755,644	Series 2	\$10,632,757	(\$2,877,113)	\$7,755,644
1997	\$0		\$0	Series 3	\$0		\$0
1998	\$10,928,982		\$10,928,982	Series 4	\$10,928,982		\$10,928,982
1999	\$1,225,035		\$1,225,035	Series 5	\$1,225,035		\$1,225,035
2000	\$0		\$0	Series 6	\$0		\$0
2001	\$8,875,154		\$8,875,154	Series 7	\$8,875,154		\$8,875,154
2002	\$2,873,609		\$2,873,609	Series 8	\$2,873,609		\$2,873,609
Total	\$52,016,202	(\$2,877,113)	\$49,139,089		\$52,016,202	(\$2,877,113)	\$49,139,089

(Note 1)

Note

1. Revenue Surplus Projection.

Terasen Gas (Vancouver Island) Inc.
Revenue Requirement 2006-07
Revenue Deficiency Financing Continuity Schedule

Schedule 1K
NSP Nov-07 rev

Class A Preferred Shares

Series	Issue/Redemption Date	# Shares	\$ shares (\$25/share)	Cumulative # O/S Shares	Cumulative \$ O/S Shares	Dividend Rate
1	January 9, 1996 August 26, 1996 February 12, 1998 July 1, 2003	761,140 (84,976) 23,063 (699,227)	19,028,500 (2,124,400) 576,575 (17,480,675)	761,140 676,164 699,227 -	19,028,500 16,904,100 17,480,675 -	5.824%
2	July 31, 1997 February 12, 1998 July 1, 2003	440,824 (15,514) (425,310)	11,020,600 (387,850) (10,632,750)	440,824 425,310 -	11,020,600 10,632,750 -	5.244%
3	July 15, 1998 September 24, 1998 December 29, 2000 July 1, 2003	344,591 33 9,008 (353,632)	8,614,775 825 225,200 (8,840,800)	344,591 344,624 353,632 -	8,614,775 8,615,600 8,840,800 -	5.812%
4	May 14, 1999 December 29, 2000 July 1, 2003	589,880 (1,443) (588,437)	14,747,000 (36,075) (14,710,925)	589,880 588,437 -	14,747,000 14,710,925 -	5.853%
5	July 6, 2000 December 29, 2000 February 28, 2003 July 1, 2003	616,876 996 866 (618,738)	15,421,900 24,900 21,650 (15,468,450)	616,876 617,872 618,738 -	15,421,900 15,446,800 15,468,450 -	6.253%
6	September 20, 2001 September 21, 2001 October 4, 2002 February 28, 2003 July 1, 2003	230,276 (399) (1,36) (2,637) (227,104)	5,756,900 (9,975) (3,400) (65,925) (5,677,600)	230,276 229,877 229,741 227,104 -	5,756,900 5,746,925 5,743,525 5,677,600 -	5.876%
7	June 26, 2002 October 4, 2002 February 28, 2003 July 1, 2003	488,503 (1,733) 348 (487,118)	12,212,575 (43,325) 8,700 (12,177,950)	488,503 486,770 487,118 -	12,212,575 12,169,250 12,177,950 -	5.459%
Total Preferred Shares at June 30, 2003					\$ 84,989,150	
Total Preferred Shares at July 1, 2003					\$ -	

Class B Subordinated Debts (SAP co. 6000, a/c 22002)

Issue Date	# Units	Total \$ Value	Interest Rate	Reset Date
July 1, 2003	699,227	17,480,675	8.050%	January 9, 2006
January 9, 2006		17,480,665	8.050%	To match with RDDA Balance January 9, 2011 <- Forecast
July 1, 2003	425,310	10,632,750	7.050%	July 31, 2007
July 1, 2007		10,632,757	7.050%	To match with RDDA Balance July 31, 2012 <- Forecast
July 1, 2003	353,632	8,840,800	8.030%	July 15, 2003
June 30, 2004	Repaid in Full		6.300%	July 15, 2008
July 1, 2003	588,437	14,710,925	8.100%	May 14, 2004
May 14, 2004		14,710,925	6.820%	May 14, 2009
June 30, 2004		10,954,725	6.820%	To match with RDDA Balance
		10,928,982	6.820%	
July 1, 2003	618,738	15,468,450	8.790%	July 6, 2005
July 6, 2005		15,468,457	5.950%	To match with RDDA Balance July 6, 2010 <- Forecast
		1,225,035	5.950%	
July 1, 2003	227,104	5,677,600	8.140%	September 20, 2006
July 1, 2005		5,677,609	8.140%	To match with RDDA Balance
July 1, 2006	Repaid in Full			
July 1, 2003	487,118	12,177,950	7.420%	June 26, 2007
July 1, 2005		12,225,674	7.420%	To match with RDDA Balance June 26, 2012 <- Forecast
July 1, 2006		8,875,154	7.420%	
July 31, 2003		2,931,300	6.300%	July 31, 2008
July 1, 2005		2,873,609	6.300%	To match with RDDA Balance

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
REVENUE REQUIREMENT

Schedule 2
NSP Nov-07 rev

LINE	2002 Actual	2003 Actual	2004 Actual	2005 Projection	2006 Forecast	2007 Forecast	Reference
1 Gross Operating and Maintenance Expenses	\$ 32,480,760	\$ 31,772,000	\$ 32,522,000	\$ 32,622,000	\$ 29,346,000	\$ 30,241,000	Schedule 30
2 Operating and Maintenance Capitalization	(4,912,300)	(5,208,310)	(5,028,115)	(4,626,000)	(4,695,360)	(4,838,560)	Schedule 30
3 Direct Charges and Allocations to Affiliates	(212,554)	(216,167)	(220,500)	(224,700)	(228,310)	(233,333)	Schedule 30
4 B.C. Gas Wheeling Charge	4,067,467	4,168,263	4,296,621	4,389,000	4,090,144	4,133,280	
5 Lease Payments for Equipment	1,747,900	1,747,923	1,747,923	1,748,400	1,747,923	1,747,923	
6 Depreciation	13,492,432	14,136,777	14,334,268	14,985,194	16,786,810	17,648,118	
7 Reamortization/(Amortization) - CIAC	0	1,137,000	1,370,515	990,000	247,433	1,244,171	Schedules 6-9
8 Municipal Taxes	6,146,076	6,207,949	6,585,307	6,755,100	7,211,341	7,419,941	
9 Amortization of Deferreds	895,638	90,781	(2,844,303)	1,671,497	5,286,725	1,492,443	Schedules 12-15
Financing Costs	254,175	204,175	204,175	204,175	89,421	0	Schedules 12-15
Unamortized Manufactured Gas Plant	347,588	354,262	354,261	354,261	354,261	177,131	Schedules 12-15
CIS Implementation	115,799	115,799	115,799	115,799	414,947	0	Schedules 12-15
Regulatory Expense 2003-2005	0	65,616	65,616	65,617	66,240	0	Schedules 12-15
Customer Grants and Incentives	113,605	201,150	124,284	190,871	329,925	435,500	Schedules 12-15
PCEC Start Up Costs	43,900	43,900	43,900	43,900	43,900	43,900	Schedules 12-15
Cost Allocation & Rate Design	0	241,747	241,747	258,003	0	0	Schedules 12-15
Texada Compressor Operating Costs	0	46,031	45,990	46,071	0	0	Schedules 12-15
Compressor Fired Hours	0	0	0	0	0	0	Schedules 12-15
Pension Expense Variance	0	(52,705)	(388,168)	(452,846)	0	0	Schedules 12-15
Insurance Expense Variance	0	59,105	47,005	(39,127)	0	0	Schedules 12-15
Gas Cost Variance Account	0	(1,207,297)	(3,706,939)	769,439	3,165,226	0	Schedules 12-15
OSC-Compliance Certification Costs	0	0	8,026	52,834	61,808	74,915	Schedules 12-15
2005 Long Term Debt Issue Cost	0	0	0	62,500	250,000	250,000	Schedules 12-15
Regulatory Expense (06/07 Extension)	0	0	0	0	82,813	82,813	
Dep'n & Overheads Capitalized Study	0	0	0	0	0	0	
LNG	0	0	0	0	420,739	420,739	
VIGP	0	0	0	0	7,446	7,446	
NGV Conversion Expense	1,603	1,599	0	0	0	0	Schedules 12-15
2000-2002 Regulatory Expenses	18,968	0	0	0	0	0	Schedules 12-15
Integrated Resource Plan Expenses	0	0	0	0	0	0	Schedules 12-15
Incremental CIS Operating Costs	0	0	0	0	0	0	Schedules 12-15
Generic Utility Systems Extension Hearing Cos	0	0	0	0	0	0	Schedules 12-15
ICP Cogen Project Commissioning	0	17,399	0	0	0	0	Schedules 12-15
T-Service for ICP	0	0	0	0	0	0	Schedules 12-15
10 Large Corporations Tax	1,158,299	1,156,031	1,076,477	917,593	680,967	339,519	Schedule 21
11 British Columbia Capital Tax	861,069	50,199	0	0	0	0	
12 Motor Fuel Tax	563,635	528,763	576,309	581,289	605,065	608,873	
13 Provincial Sales Tax on Meter Station Fuel	56,065	53,671	71,169	81,163	90,427	86,102	
14 Proposed Return on Rate Base	32,694,784	32,398,385	27,441,958	33,780,598	34,283,003	34,648,750	Schedules 22-25
15 Less Special Direction Provision	(1,867,000)	(1,867,000)	(1,867,000)	(1,867,000)	(1,867,000)	(1,867,000)	Schedule 20
16 Equity Portion of AFUDC	5,393	33,338	0	0	0	0	Schedule 20
17 Income Tax Expense	0	6,826,974	11,216,239	10,651,068	7,252,132	13,142,504	Schedule 20
18 Cost of Service	87,177,664	93,016,577	91,278,868	102,455,202	100,837,299	105,813,732	
19 Cost of Sales	52,794,369	78,656,017	75,145,220	95,614,900	137,669,997	119,073,137	Schedule 26
20 Total Revenue Requirement	\$ 139,972,033	\$ 171,672,594	\$ 166,424,088	\$ 198,070,105	\$ 238,507,296	\$ 224,886,867	
Reconciliation of Revenue Requirement							
21 T-Service and Sales Revenue	\$ 123,524,770	\$ 155,640,260	\$ 150,796,020	\$ 165,638,063	\$ 174,558,878	\$ 182,753,135	Schedule 26
22 Royalty Revenue	18,188,652	34,058,747	36,125,648	46,421,400	70,865,504	60,179,226	Schedule 29
23 Other Revenue	365,814	317,927	198,723	388,590	295,809	297,241	Schedule 29
24 Total Revenue	142,079,236	190,016,934	187,120,391	212,448,053	245,720,191	243,229,602	
25 Revenue (Surplus) / Deficiency before Sub Debt Interest	(2,107,203)	(18,344,340)	(20,696,304)	(14,377,948)	(7,212,896)	(18,342,735)	
26 Total Revenue Requirement	\$ 139,972,033	\$ 171,672,594	\$ 166,424,088	\$ 198,070,105	\$ 238,507,296	\$ 224,886,867	
Revenue (Surplus) / Deficiency	(2,107,203)	(18,344,340)	(20,696,304)	(13,561,709)	(7,365,215)	(19,110,749)	
Royalty Adjusted Margin Increase / (Decrease) \$		111,043	111,776	116,445	107,754	123,859	
Increase / (Decrease) %			733	4,668	(8,690)	16,105	
			0.7%	4.2%	-7.5%	14.9%	
Royalty Adjusted Cost of Gas	34,606	44,597	39,020	49,194	66,804	58,894	
Net OM&A	27,356	26,348	27,273	27,771	24,422	25,169	
Depreciation	13,492	14,137	14,334	14,985	16,787	17,648	
Municipal and Other Taxes	8,785	7,997	8,309	8,335	8,588	8,454	
Income Taxes	0	6,827	11,216	10,651	7,252	13,143	
Wheeling Charges	4,067	4,168	4,297	4,389	4,090	4,133	
Return on Rate Base	30,833	30,565	25,575	31,914	32,416	32,782	
Other	2,644	2,976	274	4,408	7,280	4,483	
Total Revenue Requirement	121,783	137,615	130,298	151,647	167,639	164,706	
Sales Revenue	101,840	127,384	121,683	141,861	155,504	162,062	
T-Service	21,684	28,256	29,113	23,777	19,055	20,691	
Other Revenue	366	318	199	389	296	297	
Total Revenue	123,890	155,958	150,995	166,027	174,855	183,050	
Annual Revenue Deficiency / (Surplus) 1000	(2,107)	(18,343)	(20,697)	(14,380)	(7,216)	(18,344)	

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 -2007 Revenue Requirement Extension
REVENUE REQUIREMENT

Schedule 2A
NSP Nov-07 rev

	2006 Transmission (\$000)	2006 Distribution (\$000)	2006 Total (\$000)	2007 Transmission (\$000)	2007 Distribution (\$000)	2007 Total (\$000)
Gross Operating and Maintenance Expenses	\$8,252	\$21,094	\$29,346	\$8,498	\$21,743	\$30,241
Operating and Maintenance Capitalization	(\$1,320)	(\$3,375)	(\$4,695)	(\$1,360)	(\$3,479)	(\$4,839)
Direct Charges and Allocations to Affiliates	(\$87)	(\$142)	(\$228)	(\$89)	(\$144)	(\$233)
B.C. Gas Wheeling Charge	\$4,090	\$0	\$4,090	\$4,133	\$0	\$4,133
Lease Payments for Equipment	\$1,748	\$0	\$1,748	\$1,748	\$0	\$1,748
Depreciation	\$7,477	\$9,310	\$16,787	\$7,896	\$9,752	\$17,648
Reamortization/(Amortization) - CIAC	\$247	\$0	\$247	\$1,244	\$0	\$1,244
Municipal Taxes	\$2,741	\$4,470	\$7,211	\$2,839	\$4,581	\$7,420
Amortization of Deferreds	\$1,022	\$4,264	\$5,287	\$880	\$613	\$1,492
Large Corporations Tax	\$259	\$422	\$681	\$130	\$210	\$340
British Columbia Capital Tax	\$0	\$0	\$0	\$0	\$0	\$0
Motor Fuel Tax	\$230	\$375	\$605	\$233	\$376	\$609
Provincial Sales Tax on Meter Station Fuel	\$34	\$56	\$90	\$33	\$53	\$86
Proposed Return on Rate Base	\$13,032	\$21,251	\$34,283	\$13,258	\$21,390	\$34,649
Less Special Direction Provision	(\$1,867)	\$0	(\$1,867)	(\$1,867)	\$0	(\$1,867)
Equity Portion of AFUDC	\$0	\$0	\$0	\$0	\$0	\$0
Income Tax Expense	\$2,757	\$4,495	\$7,252	\$5,029	\$8,114	\$13,143
Cost of Service	\$38,615	\$62,222	\$100,837	\$42,606	\$63,208	\$105,814
Cost of Sales	\$0	\$137,670	\$137,670	\$0	\$119,073	\$119,073
Total Revenue Requirement	\$38,615	\$199,892	\$238,507	\$42,606	\$182,281	\$224,887
Reconciliation of Revenue Requirement						
T-Service and Sales Revenue	\$42,764	\$131,795	\$174,559	\$48,211	\$134,542	\$182,753
Royalty Revenue	\$0	\$70,866	\$70,866	\$0	\$60,179	\$60,179
Other Revenue	\$296	\$0	\$296	\$297	\$0	\$297
Total Revenue	\$43,059	\$202,661	\$245,720	\$48,508	\$194,721	\$243,230
Revenue (Surplus) / Deficiency	(\$4,444)	(\$2,769)	(\$7,213)	(\$5,902)	(\$12,440)	(\$18,343)
Total Revenue Requirement	\$38,615	\$199,892	\$238,507	\$42,606	\$182,281	\$224,887

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
RATE BASE

Schedule 3
NSP Nov-07 rev

LINE	2003 Actual	2004 Actual	2005 Projection	2006 Forecast	2007 Forecast	Reference

GROSS PLANT IN SERVICE						
1 Beginning of Year	\$590,159,358	\$603,235,759	\$619,960,256	\$643,193,000	\$674,117,000	
2 Add: Previous Year Closing WIP adj. & Jan 1 Addns	163,970	83,794	3,254,031	-	-	
3 Adjusted Beginning of Year	590,323,328	603,319,553	623,214,288	643,193,000	674,117,000	
4 End of Year	603,235,759	619,960,256	643,193,000	674,117,000	692,159,000	Schedule 4
13 Month Average Adjustment - Banner	0	0	0	1,212,204	0	
5 Average Balance - Mid-Year	596,779,544	611,639,905	633,203,644	659,867,204	683,138,000	

ACCUMULATED DEPRECIATION						
6 Beginning of Year	(102,201,137)	(109,684,984)	(123,670,542)	(136,943,000)	(152,010,000)	
7 End of Year	(109,684,984)	(123,670,542)	(136,943,000)	(152,010,000)	(167,807,000)	Schedule 4
8 Average Balance - Mid-Year	(105,943,061)	(116,677,763)	(130,306,771)	(144,476,500)	(159,908,500)	

9 NET MID-YEAR PLANT IN SERVICE	490,836,483	494,962,142	502,896,873	515,390,704	523,229,500	
MID-YEAR ALLOCATED NET COMMON PLANT						
10 Centra Gas Whistler Inc.	(104,335)	(104,335)	(104,335)	(104,335)	(104,335)	
11	(104,335)	(104,335)	(104,335)	(104,335)	(104,335)	
12 MID-YEAR CONTRIBUTIONS	(66,847,567)	(68,101,324)	(65,689,916)	(60,457,235)	(58,221,229)	Schedules 6-9
13 WORKING CAPITAL	13,319,393	14,009,010	18,193,378	22,770,896	18,982,957	Schedule 10

14 MID-YEAR RATE BASE	\$437,203,975	\$440,554,577	\$455,296,000	\$477,600,030	\$483,886,893	
=====						

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
SUMMARY OF PLANT IN SERVICE

Schedule 4
NSP Nov-07 rev

Line No.	Particulars	2003 Actual	2004 Actual	2005 Projection	2006 Forecast	2007 Forecast
GROSS PLANT IN SERVICE						
1	Intangible Plant	\$1,383,813	\$1,383,813	\$1,384,000	\$1,384,000	\$1,384,000
2	Manufactured Gas Plant	0	0	0	0	0
3	Local Storage	0	0	0	0	0
4	Transmission - Intermediate	0	0	0	0	0
5	Transmission - High Pressure	272,250,391	273,461,545	279,827,000	291,888,000	296,442,000
6	Distribution	305,321,028	318,326,344	330,010,000	341,407,000	353,873,000
7	General Plant	24,280,527	26,788,554	31,972,000	39,438,000	40,460,000
8	TOTAL GROSS PLANT IN SERVICE	<u>\$603,235,759</u>	<u>\$619,960,256</u>	<u>\$643,193,000</u>	<u>\$674,117,000</u>	<u>\$692,159,000</u>
ACCUMULATED DEPRECIATION						
9	Intangible Plant	\$146,529	\$226,448	\$306,000	\$386,000	\$466,000
10	Manufactured Gas Plant	0	0	0	0	0
11	Local Storage	0	0	0	0	0
12	Transmission - Intermediate	0	0	0	0	0
13	Transmission - High Pressure	47,348,777	53,453,504	59,006,000	64,690,000	70,667,000
14	Distribution	51,966,162	58,715,998	65,477,000	72,513,000	79,820,000
15	General Plant	10,223,516	11,274,592	12,154,000	14,421,000	16,854,000
16	TOTAL ACCUMULATED DEPRECIATION	<u>\$109,684,984</u>	<u>\$123,670,542</u>	<u>\$136,943,000</u>	<u>\$152,010,000</u>	<u>\$167,807,000</u>
PLANT ADDS						
17	Intangible Plant	\$500,000	\$0	\$0	\$0	\$0
18	Manufactured Gas Plant	0	0	0	0	0
19	Local Storage	0	0	0	0	0
20	Transmission - Intermediate	0	0	0	0	0
21	Transmission - High Pressure	1,581,039	1,367,116	6,948,000	12,657,000	5,163,000
22	Distribution	10,266,079	8,700,106	7,374,000	7,024,000	7,958,000
23	General Plant	1,288,723	4,816,910	6,090,000	8,365,000	2,035,000
24	TOTAL PLANT ADDS	<u>\$13,635,841</u>	<u>\$14,884,131</u>	<u>\$20,412,000</u>	<u>\$28,046,000</u>	<u>\$15,156,000</u>

APPENDIX A
to Order No. G-126-05
Page 30 of 97

TERASEN GAS (VANCOUVER ISLAND) INC.
ASSET CONTINUITY SCHEDULE
ESTIMATED 2005 GROSS PLANT IN SERVICE

Schedule 5A
NSP Nov-07 rev

Line No.	Account No.	Particulars	balance (Net of WIP) @ Dec 31/2004	2005 CPCN	2005 Additions	2005 Retirements	2005 Overhead Allocation	Gross Plant @ Dec 31/2005
1	401	Franchise & Consents	189,776.68	0.00	0.00	0.00	0.00	189,776.68
2	402	Other Intangible Plant	1,194,036.53	0.00	0.00	0.00	0.00	1,194,036.53
Total Intangible Plant			1,383,813.21	0.00	0.00	0.00	0.00	1,383,813.21
3	430	Land	0.00	0.00	0.00	0.00	0.00	0.00
4	431	Land Rights	0.00	0.00	0.00	0.00	0.00	0.00
5	432	Structure & Improvements	0.00	0.00	0.00	0.00	0.00	0.00
6	433	Manufacturing Equipment	0.00	0.00	0.00	0.00	0.00	0.00
7	434	Gas Holders	0.00	0.00	0.00	0.00	0.00	0.00
8	436	Compressor Equipment	0.00	0.00	0.00	0.00	0.00	0.00
9	437	Meas & Reg Equipment	0.00	0.00	0.00	0.00	0.00	0.00
10	438	Purification Equipment	0.00	0.00	0.00	0.00	0.00	0.00
Total Manufactured Gas Plant			0.00	0.00	0.00	0.00	0.00	0.00
11	440	Land	0.00	0.00	0.00	0.00	0.00	0.00
12	442	Structure & Improvements	0.00	0.00	0.00	0.00	0.00	0.00
13	443	Gas Holders Storage	0.00	0.00	0.00	0.00	0.00	0.00
14	444	Vaporizing Equipment	0.00	0.00	0.00	0.00	0.00	0.00
Total Local Storage Plant			0.00	0.00	0.00	0.00	0.00	0.00
15	460	Land	0.00	0.00	0.00	0.00	0.00	0.00
16	461	Land Rights	0.00	0.00	0.00	0.00	0.00	0.00
17	462	Compressor Structure & Improv.	0.00	0.00	0.00	0.00	0.00	0.00
18	463	Measuring & Reg. Structure	0.00	0.00	0.00	0.00	0.00	0.00
19	465	Mains	0.00	0.00	0.00	0.00	0.00	0.00
20	466	Compressor Equipment	0.00	0.00	0.00	0.00	0.00	0.00
21	467	Measuring & Reg. Equipment	0.00	0.00	0.00	0.00	0.00	0.00
22	468	Communications Struct. & Equip.	0.00	0.00	0.00	0.00	0.00	0.00
Total Intermediate Transmission Plant			0.00	0.00	0.00	0.00	0.00	0.00
23	460	Land	2,306,357.78	0.00	0.00	0.00	0.00	2,306,357.78
24	461	Land Rights	6,601,223.79	0.00	15,000.00	0.00	0.00	6,616,223.79
25	462	Compressor Structure & Improv.	8,727,615.82	0.00	0.00	0.00	0.00	8,727,615.82
26	463	Measuring & Reg. Structure	2,935,585.87	0.00	0.00	0.00	0.00	2,935,585.87
27	464	Other Structures	33,804.63	0.00	0.00	0.00	0.00	33,804.63
28	465	Mains	214,086,840.78	0.00	3,980,000.00	(212,000.00)	1,286,902.78	219,141,743.56
29	466	Compressor Equipment	27,270,353.93	0.00	1,250,000.00	(371,000.00)	404,178.01	28,553,531.94
30	467	Measuring & Reg. Equipment	9,153,318.39	0.00	10,000.00	0.00	3,233.42	9,166,551.81
31	468	Communications Struct. & Equip.	2,346,444.35	0.00	0.00	0.00	0.00	2,346,444.35
Total High Pressure Transmission Plant			273,461,545.34	0.00	5,255,000.00	(583,000.00)	1,694,314.21	279,827,859.55
32	470	Land	798,965.13	0.00	0.00	0.00	0.00	798,965.13
33	471	Land Rights	1,709,609.87	0.00	0.00	0.00	0.00	1,709,609.87
34	472	Structure & Improvements	1,438,177.78	0.00	0.00	0.00	0.00	1,438,177.78
35	473	Services	103,770,444.43	0.00	4,808,679.00	(104,300.00)	1,554,849.85	110,029,673.28
36	474	Regulators	10,663,242.10	0.00	76,500.00	(10,700.00)	24,735.69	10,753,777.79
37	474	Meter & Regulator Installations	1,916,121.38	0.00	1,111,331.00	(1,900.00)	359,340.44	3,384,892.82
38	475	Mains	183,684,868.13	0.00	2,990,305.00	(184,600.00)	966,892.42	187,457,465.55
39	476	Compressor Equipment	0.00	0.00	0.00	0.00	0.00	0.00
40	477	Measuring & Reg. Equipment	4,728,577.63	0.00	80,000.00	(4,800.00)	25,867.39	4,829,645.02
41	478	Meters	9,616,337.79	0.00	0.00	(9,700.00)	0.00	9,606,637.79
42	478	Meter Set Installations	0.00	0.00	0.00	0.00	0.00	0.00
Total Distribution Plant			318,326,344.24	0.00	9,066,815.00	(316,000.00)	2,931,685.79	330,008,845.03
43	480	Land	1,065,398.19	0.00	0.00	0.00	0.00	1,065,398.19
44	481	Land Rights	0.00	0.00	0.00	0.00	0.00	0.00
45	482	Structure & Improvements	5,177,242.97	0.00	120,300.00	0.00	0.00	5,297,542.97
46	483	Office Furniture & Equipment	2,149,580.18	0.00	7,700.00	(144,900.00)	0.00	2,012,380.18
47	483	Computer Software	779,257.01	0.00	0.00	(52,500.00)	0.00	726,757.01
48	483	Computer Software	1,973,427.34	0.00	4,417,000.00	0.00	0.00	6,390,427.34
49	483	Computer Software	24,127.63	0.00	0.00	0.00	0.00	24,127.63
50	483	Computer Equipment	713,797.46	0.00	0.00	(48,100.00)	0.00	665,697.46
51	483	Computer Equipment	174,620.59	0.00	404,200.00	0.00	0.00	578,820.59
52	484	Transportation Equipment	3,515,765.61	0.00	438,000.00	(237,000.00)	0.00	3,716,765.61
53	485	Heavy Work Equipment	647,583.24	0.00	137,000.00	(43,600.00)	0.00	740,983.24
54	486	Tools & Equipment	4,539,358.91	0.00	453,700.00	(305,900.00)	0.00	4,687,158.91
55	487	Equip. on Customer Premises	4,928,049.66	0.00	0.00	0.00	0.00	4,928,049.66
56	488	Communications Equipment	1,100,344.82	0.00	111,900.00	(74,200.00)	0.00	1,138,044.82
Total General Plant			26,788,553.61	0.00	6,089,800.00	(906,200.00)	0.00	31,972,153.61
TOTAL PLANT			619,960,256.40	0.00	20,411,615.00	(1,805,200.00)	4,626,000.00	643,192,671.40

TERASEN GAS (VANCOUVER ISLAND) INC.
ASSET CONTINUITY SCHEDULE
ESTIMATED 2005 GROSS PLANT IN SERVICE

Schedule 5B
NSP Nov-07 rev

Line No.	Account No.	Particulars	Deprec. Rate	Accumulated Depreciation @ Dec 31/2004	2005 Depreciation Expense	2005 Retirements	2005 Proceeds or Removal Costs	Accumulated Depreciation @ Dec 31/2005
1	401	Franchise & Consents	3.04%	(32,755.31)	(5,769.21)	0.00	0.00	(38,524.52)
2	402	Other Intangible Plant	6.21%	(193,692.52)	(74,149.67)	0.00	0.00	(267,842.19)
Total Intangible Plant				(226,447.83)	(79,918.88)	0.00	0.00	(306,366.71)
3	430	Land		0.00	0.00	0.00	0.00	0.00
4	431	Land Rights		0.00	0.00	0.00	0.00	0.00
5	432	Structure & Improvements		0.00	0.00	0.00	0.00	0.00
6	433	Manufacturing Equipment		0.00	0.00	0.00	0.00	0.00
7	434	Gas Holders		0.00	0.00	0.00	0.00	0.00
8	436	Compressor Equipment		0.00	0.00	0.00	0.00	0.00
9	437	Meas & Reg Equipment		0.00	0.00	0.00	0.00	0.00
10	438	Purification Equipment		0.00	0.00	0.00	0.00	0.00
Total Manufactured Gas Plant				0.00	0.00	0.00	0.00	0.00
11	440	Land		0.00	0.00	0.00	0.00	0.00
12	442	Structure & Improvements		0.00	0.00	0.00	0.00	0.00
13	443	Gas Holders Storage		0.00	0.00	0.00	0.00	0.00
14	444	Vaporizing Equipment		0.00	0.00	0.00	0.00	0.00
Total Local Storage Plant				0.00	0.00	0.00	0.00	0.00
15	460	Land		0.00	0.00	0.00	0.00	0.00
16	461	Land Rights		0.00	0.00	0.00	0.00	0.00
17	462	Compressor Structure & Improv.		0.00	0.00	0.00	0.00	0.00
18	463	Measuring & Reg. Structure		0.00	0.00	0.00	0.00	0.00
19	465	Mains		0.00	0.00	0.00	0.00	0.00
20	466	Compressor Equipment		0.00	0.00	0.00	0.00	0.00
21	467	Measuring & Reg. Equipment		0.00	0.00	0.00	0.00	0.00
22	468	Communications Struct. & Equip.		0.00	0.00	0.00	0.00	0.00
Total Intermediate Transmission Plant				0.00	0.00	0.00	0.00	0.00
23	460	Land		0.00	0.00	0.00	0.00	0.00
24	461	Land Rights	1.33%	(747,190.84)	(87,796.28)	0.00	0.00	(834,987.12)
25	462	Compressor Structure & Improv.	3.77%	(1,348,316.22)	(329,031.12)	0.00	0.00	(1,677,347.34)
26	463	Measuring & Reg. Structure	3.75%	(822,987.24)	(110,084.47)	0.00	0.00	(933,071.71)
27	464	Other Structures		0.00	0.00	0.00	0.00	0.00
28	465	Mains	1.97%	(42,233,780.60)	(4,217,510.76)	212,000.00	0.00	(46,239,291.36)
29	466	Compressor Equipment	3.50%	(6,574,575.49)	(954,462.39)	371,000.00	0.00	(7,158,037.88)
30	467	Measuring & Reg. Equipment	3.11%	(1,309,557.71)	(284,668.20)	0.00	0.00	(1,594,225.91)
31	468	Communications Struct. & Equip.	6.45%	(417,095.50)	(151,345.66)	0.00	0.00	(568,441.16)
Total High Pressure Transmission Plant				(53,453,503.60)	(6,134,898.88)	583,000.00	0.00	(59,005,402.48)
32	470	Land		0.00	0.00	0.00	0.00	0.00
33	471	Land Rights	1.36%	(137,913.65)	(23,250.69)	0.00	0.00	(161,164.34)
34	472	Structure & Improvements	2.31%	(482,228.52)	(33,221.91)	0.00	0.00	(515,450.43)
35	473	Services	2.62%	(14,461,498.93)	(2,718,785.64)	104,300.00	0.00	(17,075,984.57)
36	474	Regulators	2.88%	(2,369,315.30)	(307,101.37)	10,700.00	0.00	(2,665,716.67)
37	474	Meter & Regulator Installations	2.79%	(391,753.79)	(53,459.79)	1,900.00	0.00	(443,313.58)
38	475	Mains	1.89%	(37,334,735.57)	(3,471,644.01)	184,600.00	0.00	(40,621,779.58)
39	476	Compressor Equipment		0.00	0.00	0.00	0.00	0.00
40	477	Measuring & Reg. Equipment	3.66%	(1,370,855.68)	(173,065.94)	4,800.00	0.00	(1,539,121.62)
41	478	Meters	3.08%	(2,167,696.93)	(296,183.20)	9,700.00	0.00	(2,454,180.13)
42	478	Meter Set Installations		0.00	0.00	0.00	0.00	0.00
Total Distribution Plant				(58,715,998.37)	(7,076,712.55)	316,000.00	0.00	(65,476,710.92)
43	480	Land		0.00	0.00	0.00	0.00	0.00
44	481	Land Rights		0.00	0.00	0.00	0.00	0.00
45	482	Structure & Improvements	2.44%	(232,890.60)	(126,324.73)	0.00	0.00	(359,215.33)
46	483	Office Furniture & Equipment	5.00%	(1,253,302.25)	(107,479.01)	144,900.00	0.00	(1,215,881.26)
47	483	Computer Software	5.26%	(713,550.31)	(40,988.92)	52,500.00	0.00	(702,039.23)
48	483	Computer Software	12.50%	0.00	(246,678.42)	0.00	0.00	(246,678.42)
49	483	Computer Software	20.00%	(4,825.53)	(4,825.53)	0.00	0.00	(9,651.06)
50	483	Computer Equipment	5.99%	(406,226.92)	(42,756.47)	48,100.00	(9,371.00)	(410,254.39)
51	483	Computer Equipment	20.00%	(28,302.25)	(34,924.12)	0.00	0.00	(63,226.37)
52	484	Transportation Equipment	5.03%	(2,098,619.93)	(176,843.01)	237,000.00	(46,173.11)	(2,084,636.05)
53	485	Heavy Work Equipment	5.34%	(180,403.64)	(34,580.95)	43,600.00	0.00	(171,384.59)
54	486	Tools & Equipment	4.85%	(1,881,479.85)	(220,158.91)	305,900.00	0.00	(1,795,738.76)
55	487	Equip. on Customer Premises	11.97%	(3,873,885.64)	(589,887.54)	0.00	0.00	(4,463,773.18)
56	488	Communications Equipment	8.21%	(601,105.06)	(90,338.31)	74,200.00	(14,455.89)	(631,699.26)
Total General Plant				(11,274,591.98)	(1,715,785.92)	906,200.00	(70,000.00)	(12,154,177.90)
TOTAL PLANT				(123,670,541.78)	(15,007,316.23)	1,805,200.00	(70,000.00)	(136,942,658.01)
57	489	Common Allocation to Whistler			22,290.00			22,290.00
58					(14,985,026.23)			(136,920,368.01)

TERASEN GAS (VANCOUVER ISLAND) INC.
ASSET CONTINUITY SCHEDULE
ESTIMATED 2005 GROSS PLANT IN SERVICE

Schedule 5C
NSP Nov-07 rev

Line No.	Account No.	Particulars	Net Book Value @ Dec 31/2004	Net Book Value @ Dec 31/2005
1	401	Franchise & Consents	157,021.37	151,252.16
2	402	Other Intangible Plant	1,000,344.01	926,194.34
Total Intangible Plant			1,157,365.38	1,077,446.50
3	430	Land	0.00	0.00
4	431	Land Rights	0.00	0.00
5	432	Structure & Improvements	0.00	0.00
6	433	Manufacturing Equipment	0.00	0.00
7	434	Gas Holders	0.00	0.00
8	436	Compressor Equipment	0.00	0.00
9	437	Meas & Reg Equipment	0.00	0.00
10	438	Purification Equipment	0.00	0.00
Total Manufactured Gas Plant			0.00	0.00
11	440	Land	0.00	0.00
12	442	Structure & Improvements	0.00	0.00
13	443	Gas Holders Storage	0.00	0.00
14	444	Vaporizing Equipment	0.00	0.00
Total Local Storage Plant			0.00	0.00
15	460	Land	0.00	0.00
16	461	Land Rights	0.00	0.00
17	462	Compressor Structure & Improv.	0.00	0.00
18	463	Measuring & Reg. Structure	0.00	0.00
19	465	Mains	0.00	0.00
20	466	Compressor Equipment	0.00	0.00
21	467	Measuring & Reg. Equipment	0.00	0.00
22	468	Communications Struct. & Equip.	0.00	0.00
Total Intermediate Transmission Plant			0.00	0.00
23	460	Land	2,306,357.78	2,306,357.78
24	461	Land Rights	5,854,032.95	5,781,236.67
25	462	Compressor Structure & Improv.	7,379,299.60	7,050,268.48
26	463	Measuring & Reg. Structure	2,112,598.63	2,002,514.16
27	464	Other Structures	33,804.63	33,804.63
28	465	Mains	171,853,060.18	172,902,452.20
29	466	Compressor Equipment	20,695,778.44	21,395,494.06
30	467	Measuring & Reg. Equipment	7,843,760.68	7,572,325.90
31	468	Communications Struct. & Equip.	1,929,348.85	1,778,003.19
Total High Pressure Transmission Plant			220,008,041.74	220,822,457.07
32	470	Land	798,965.13	798,965.13
33	471	Land Rights	1,571,696.22	1,548,445.53
34	472	Structure & Improvements	955,949.26	922,727.35
35	473	Services	89,308,945.50	92,953,688.71
36	474	Regulators	8,293,926.80	8,088,061.12
37	474	Meter & Regulator Installations	1,524,367.59	2,941,579.24
38	475	Mains	146,350,132.56	146,835,685.97
39	476	Compressor Equipment	0.00	0.00
40	477	Measuring & Reg. Equipment	3,357,721.95	3,290,523.40
41	478	Meters	7,448,640.86	7,152,457.66
42	478	Meter Set Installations	0.00	0.00
Total Distribution Plant			259,610,345.87	264,532,134.11
43	480	Land	1,065,398.19	1,065,398.19
44	481	Land Rights	0.00	0.00
45	482	Structure & Improvements	4,944,352.37	4,938,327.64
46	483	Office Furniture & Equipment	896,277.93	796,498.92
47	483	Computer Software	65,706.70	24,717.78
48	483	Computer Software	1,973,427.34	6,143,748.92
49	483	Computer Software	19,302.10	14,476.57
50	483	Computer Equipment	307,570.54	255,443.07
51	483	Computer Equipment	146,318.34	515,594.22
52	484	Transportation Equipment	1,417,145.68	1,632,129.56
53	485	Heavy Work Equipment	467,179.60	569,598.65
54	486	Tools & Equipment	2,657,879.06	2,891,420.15
55	487	Equip. on Customer Premises	1,054,164.02	464,276.48
56	488	Communications Equipment	499,239.76	506,345.56
Total General Plant			15,513,961.63	19,817,975.71
TOTAL PLANT			496,289,714.62	506,250,013.39

TERASEN GAS (VANCOUVER ISLAND) INC.

ASSET CONTINUITY SCHEDULE
ESTIMATED 2006 GROSS PLANT IN SERVICE

Schedule 5D
NSP Nov-07 rev

Line No.	Account No.	Particulars	balance (Net of WIP) @ Dec 31/2005	2006 CPCN	2006 Additions	2006 Retirements	2006 Overhead Allocation	Gross Plant @ Dec 31/2006
1	401	Franchise & Consents	189,776.68	0.00	0.00	0.00	0.00	189,776.68
2	402	Other Intangible Plant	1,194,036.53	0.00	0.00	0.00	0.00	1,194,036.53
Total Intangible Plant			1,383,813.21	0.00	0.00	0.00	0.00	1,383,813.21
3	430	Land	0.00	0.00	0.00	0.00	0.00	0.00
4	431	Land Rights	0.00	0.00	0.00	0.00	0.00	0.00
5	432	Structure & Improvements	0.00	0.00	0.00	0.00	0.00	0.00
6	433	Manufacturing Equipment	0.00	0.00	0.00	0.00	0.00	0.00
7	434	Gas Holders	0.00	0.00	0.00	0.00	0.00	0.00
8	436	Compressor Equipment	0.00	0.00	0.00	0.00	0.00	0.00
9	437	Meas & Reg Equipment	0.00	0.00	0.00	0.00	0.00	0.00
10	438	Purification Equipment	0.00	0.00	0.00	0.00	0.00	0.00
Total Manufactured Gas Plant			0.00	0.00	0.00	0.00	0.00	0.00
11	440	Land	0.00	0.00	0.00	0.00	0.00	0.00
12	442	Structure & Improvements	0.00	0.00	0.00	0.00	0.00	0.00
13	443	Gas Holders Storage	0.00	0.00	0.00	0.00	0.00	0.00
14	444	Vaporizing Equipment	0.00	0.00	0.00	0.00	0.00	0.00
Total Local Storage Plant			0.00	0.00	0.00	0.00	0.00	0.00
15	460	Land	0.00	0.00	0.00	0.00	0.00	0.00
16	461	Land Rights	0.00	0.00	0.00	0.00	0.00	0.00
17	462	Compressor Structure & Improv.	0.00	0.00	0.00	0.00	0.00	0.00
18	463	Measuring & Reg. Structure	0.00	0.00	0.00	0.00	0.00	0.00
19	465	Mains	0.00	0.00	0.00	0.00	0.00	0.00
20	466	Compressor Equipment	0.00	0.00	0.00	0.00	0.00	0.00
21	467	Measuring & Reg. Equipment	0.00	0.00	0.00	0.00	0.00	0.00
22	468	Communications Struct. & Equip.	0.00	0.00	0.00	0.00	0.00	0.00
Total Intermediate Transmission Plant			0.00	0.00	0.00	0.00	0.00	0.00
23	460	Land	2,306,357.78	0.00	0.00	0.00	0.00	2,306,357.78
24	461	Land Rights	6,616,223.79	0.00	15,450.00	0.00	0.00	6,631,673.79
25	462	Compressor Structure & Improv.	8,727,615.82	0.00	1,836,000.00	0.00	456,814.47	11,020,430.29
26	463	Measuring & Reg. Structure	2,935,585.87	0.00	0.00	0.00	0.00	2,935,585.87
27	464	Other Structures	33,804.63	0.00	0.00	0.00	0.00	33,804.63
28	465	Mains	219,141,743.56	0.00	6,559,600.00	(218,000.00)	1,632,091.61	227,115,435.17
29	466	Compressor Equipment	28,553,531.94	0.00	1,699,500.00	(382,000.00)	422,851.96	30,293,883.90
30	467	Measuring & Reg. Equipment	9,166,551.81	0.00	10,300.00	0.00	2,562.74	9,179,414.55
31	468	Communications Struct. & Equip.	2,346,444.35	0.00	0.00	0.00	0.00	2,346,444.35
Total High Pressure Transmission Plant			279,827,859.55	0.00	10,120,850.00	(600,000.00)	2,514,320.78	291,863,030.33
32	470	Land	798,965.13	0.00	0.00	0.00	0.00	798,965.13
33	471	Land Rights	1,709,609.87	0.00	0.00	0.00	0.00	1,709,609.87
34	472	Structure & Improvements	1,438,177.78	0.00	204,000.00	0.00	50,757.16	1,692,934.94
35	473	Services	110,029,673.28	0.00	4,963,685.00	(109,700.00)	1,235,012.59	116,118,670.87
36	474	Regulators	10,753,777.79	0.00	78,795.00	(10,700.00)	19,604.95	10,841,477.74
37	474	Meter & Regulator Installations	3,384,892.82	0.00	1,151,100.00	(3,400.00)	286,404.76	4,818,997.58
38	475	Mains	187,457,465.55	0.00	2,943,125.00	(186,800.00)	732,277.83	190,946,068.38
39	476	Compressor Equipment	0.00	0.00	0.00	0.00	0.00	0.00
40	477	Measuring & Reg. Equipment	4,829,645.02	0.00	82,400.00	(4,800.00)	20,501.91	4,927,746.93
41	478	Meters	9,606,637.79	0.00	0.00	(9,600.00)	0.00	9,597,037.79
42	478	Meter Set Installations	0.00	0.00	0.00	0.00	0.00	0.00
Total Distribution Plant			330,008,845.03	0.00	9,423,105.00	(325,000.00)	2,344,559.20	341,451,509.23
43	480	Land	1,065,398.19	0.00	0.00	0.00	0.00	1,065,398.19
44	481	Land Rights	0.00	0.00	0.00	0.00	0.00	0.00
45	482	Structure & Improvements	5,297,542.97	0.00	123,909.00	0.00	0.00	5,421,451.97
46	483	Office Furniture & Equipment	2,012,380.18	0.00	91,800.00	(133,300.00)	0.00	1,970,880.18
47	483	Computer Software	726,757.01	0.00	0.00	(48,100.00)	0.00	678,657.01
48	483	Computer Software	6,390,427.34	0.00	0.00	0.00	0.00	6,390,427.34
49	483	Computer Software	24,127.63	0.00	525,249.00	0.00	0.00	549,376.63
50	483	Computer Equipment	665,697.46	0.00	0.00	(44,100.00)	0.00	621,597.46
51	483	Computer Equipment	578,820.59	0.00	244,596.00	0.00	0.00	823,416.59
52	484	Transportation Equipment	3,716,765.61	0.00	451,140.00	(246,200.00)	0.00	3,921,705.61
53	485	Heavy Work Equipment	740,983.24	0.00	141,110.00	(49,100.00)	0.00	832,993.24
54	486	Tools & Equipment	4,687,158.91	0.00	423,651.00	(310,500.00)	0.00	4,800,309.91
55	487	Equip. on Customer Premises	4,928,049.66	0.00	0.00	0.00	0.00	4,928,049.66
56	488	Communications Equipment	1,138,044.82	0.00	76,500.00	(75,400.00)	0.00	1,139,144.82
48*	483*	CIS CPCN	0.00	6,291,400.75	0.00	0.00	0.00	6,291,400.75
Total General Plant			31,972,153.61	6,291,400.75	2,077,955.00	(906,700.00)	0.00	39,434,809.36
TOTAL PLANT			643,192,671.40	6,291,400.75	21,621,910.00	(1,831,700.00)	4,858,879.98	674,133,162.13

TERASEN GAS (VANCOUVER ISLAND) INC.
ASSET CONTINUITY SCHEDULE
ESTIMATED 2006 GROSS PLANT IN SERVICE

Schedule SE
NSP Nov-07 rev

Line No.	Account No.	Particulars	Deprec. Rate	Accumulated Depreciation @ Dec 31/2005	2006 Depreciation Expense	2006 Retirements	2006 Proceeds or Removal Costs	Accumulated Depreciation @ Dec 31/2006
1	401	Franchise & Consents	3.04%	(38,524.52)	(5,769.21)	0.00	0.00	(44,293.73)
2	402	Other Intangible Plant	6.21%	(267,842.19)	(74,149.67)	0.00	0.00	(341,991.86)
Total Intangible Plant				(306,366.71)	(79,918.88)	0.00	0.00	(386,285.59)
3	430	Land		0.00	0.00	0.00	0.00	0.00
4	431	Land Rights		0.00	0.00	0.00	0.00	0.00
5	432	Structure & Improvements		0.00	0.00	0.00	0.00	0.00
6	433	Manufacturing Equipment		0.00	0.00	0.00	0.00	0.00
7	434	Gas Holders		0.00	0.00	0.00	0.00	0.00
8	436	Compressor Equipment		0.00	0.00	0.00	0.00	0.00
9	437	Meas & Reg Equipment		0.00	0.00	0.00	0.00	0.00
10	438	Purification Equipment		0.00	0.00	0.00	0.00	0.00
Total Manufactured Gas Plant				0.00	0.00	0.00	0.00	0.00
11	440	Land		0.00	0.00	0.00	0.00	0.00
12	442	Structure & Improvements		0.00	0.00	0.00	0.00	0.00
13	443	Gas Holders Storage		0.00	0.00	0.00	0.00	0.00
14	444	Vaporizing Equipment		0.00	0.00	0.00	0.00	0.00
Total Local Storage Plant				0.00	0.00	0.00	0.00	0.00
15	460	Land		0.00	0.00	0.00	0.00	0.00
16	461	Land Rights		0.00	0.00	0.00	0.00	0.00
17	462	Compressor Structure & Improv.		0.00	0.00	0.00	0.00	0.00
18	463	Measuring & Reg. Structure		0.00	0.00	0.00	0.00	0.00
19	465	Mains		0.00	0.00	0.00	0.00	0.00
20	466	Compressor Equipment		0.00	0.00	0.00	0.00	0.00
21	467	Measuring & Reg. Equipment		0.00	0.00	0.00	0.00	0.00
22	468	Communications Struct. & Equip.		0.00	0.00	0.00	0.00	0.00
Total Intermediate Transmission Plant				0.00	0.00	0.00	0.00	0.00
23	460	Land		0.00	0.00	0.00	0.00	0.00
24	461	Land Rights	1.33%	(834,987.12)	(87,995.78)	0.00	0.00	(922,982.90)
25	462	Compressor Structure & Improv.	3.77%	(1,677,347.34)	(329,031.12)	0.00	0.00	(2,006,378.46)
26	463	Measuring & Reg. Structure	3.75%	(933,071.71)	(110,084.47)	0.00	0.00	(1,043,156.18)
27	464	Other Structures		0.00	0.00	0.00	0.00	0.00
28	465	Mains	1.97%	(46,239,291.36)	(4,256,092.35)	218,000.00	0.00	(50,277,383.71)
29	466	Compressor Equipment	3.50%	(7,158,037.88)	(999,373.62)	382,000.00	0.00	(7,775,411.50)
30	467	Measuring & Reg. Equipment	3.11%	(1,594,225.91)	(285,079.76)	0.00	0.00	(1,879,305.67)
31	468	Communications Struct. & Equip.	6.45%	(568,441.16)	(151,345.66)	0.00	0.00	(719,786.82)
Total High Pressure Transmission Plant				(59,005,402.48)	(6,219,002.76)	600,000.00	0.00	(64,624,405.24)
32	470	Land		0.00	0.00	0.00	0.00	0.00
33	471	Land Rights	1.36%	(161,164.34)	(23,250.69)	0.00	0.00	(184,415.03)
34	472	Structure & Improvements	2.31%	(515,450.43)	(33,221.91)	0.00	0.00	(548,672.34)
35	473	Services	2.62%	(17,075,984.57)	(2,882,777.44)	109,700.00	0.00	(19,849,062.01)
36	474	Regulators	2.88%	(2,665,716.67)	(309,708.80)	10,700.00	0.00	(2,964,725.47)
37	474	Meter & Regulator Installations	2.79%	(443,313.58)	(94,438.51)	3,400.00	0.00	(534,352.09)
38	475	Mains	1.89%	(40,621,779.58)	(3,542,946.10)	186,800.00	0.00	(43,977,925.68)
39	476	Compressor Equipment		0.00	0.00	0.00	0.00	0.00
40	477	Measuring & Reg. Equipment	3.66%	(1,539,121.62)	(176,765.01)	4,800.00	0.00	(1,711,086.63)
41	478	Meters	3.08%	(2,454,180.13)	(295,884.44)	9,600.00	0.00	(2,740,464.57)
42	478	Meter Set Installations		0.00	0.00	0.00	0.00	0.00
Total Distribution Plant				(65,476,710.92)	(7,358,992.90)	325,000.00	0.00	(72,510,703.82)
43	480	Land		0.00	0.00	0.00	0.00	0.00
44	481	Land Rights		0.00	0.00	0.00	0.00	0.00
45	482	Structure & Improvements	2.44%	(359,215.33)	(129,260.05)	0.00	0.00	(488,475.38)
46	483	Office Furniture & Equipment	5.00%	(1,215,881.26)	(100,619.01)	133,300.00	0.00	(1,183,200.27)
47	483	Computer Software	5.26%	(702,039.23)	(38,227.42)	48,100.00	0.00	(692,166.65)
48	483	Computer Software	12.50%	(246,678.42)	(798,803.42)	0.00	0.00	(1,045,481.84)
49	483	Computer Software	20.00%	(9,651.06)	(4,825.53)	0.00	1.00	(14,475.59)
50	483	Computer Equipment	5.99%	(410,254.39)	(39,875.28)	44,100.00	2.00	(406,027.67)
51	483	Computer Equipment	20.00%	(63,226.37)	(115,764.12)	0.00	3.00	(178,987.49)
52	484	Transportation Equipment	5.03%	(2,084,636.05)	(186,953.31)	246,200.00	4.00	(2,025,385.36)
53	485	Heavy Work Equipment	5.34%	(171,384.59)	(39,568.51)	49,100.00	0.00	(161,853.10)
54	486	Tools & Equipment	4.85%	(1,795,738.76)	(227,327.21)	310,500.00	0.00	(1,712,565.97)
55	487	Equip. on Customer Premises	11.97%	(4,463,773.18)	(589,887.54)	0.00	0.00	(5,053,660.72)
56	488	Communications Equipment	8.21%	(631,699.26)	(93,433.48)	75,400.00	(15,257.31)	(664,990.05)
48*	483*	CIS CPCN	12.50%	0.00	(786,425.09)	0.00	0.00	(786,425.09)
Total General Plant				(12,154,177.90)	(3,150,969.97)	906,700.00	(15,247.31)	(14,413,695.18)
TOTAL PLANT				(136,942,658.01)	(16,808,884.51)	1,831,700.00	(15,247.31)	(151,935,089.83)
57	489	Common Allocation to Whistler			22,290.00			22,290.00
58					(16,786,594.51)			(151,912,799.83)

TERASEN GAS (VANCOUVER ISLAND) INC.
ASSET CONTINUITY SCHEDULE
ESTIMATED 2006 GROSS PLANT IN SERVICE

Schedule 5F
NSP Nov-07 rev

Line No.	Account No.	Particulars	Net Book Value @ Dec 31/2005	Net Book Value @ Dec 31/2006
1	401	Franchise & Consents	151,252.16	145,482.95
2	402	Other Intangible Plant	926,194.34	852,044.67
Total Intangible Plant			1,077,446.50	997,527.62
3	430	Land	0.00	0.00
4	431	Land Rights	0.00	0.00
5	432	Structure & Improvements	0.00	0.00
6	433	Manufacturing Equipment	0.00	0.00
7	434	Gas Holders	0.00	0.00
8	436	Compressor Equipment	0.00	0.00
9	437	Meas & Reg Equipment	0.00	0.00
10	438	Purification Equipment	0.00	0.00
Total Manufactured Gas Plant			0.00	0.00
11	440	Land	0.00	0.00
12	442	Structure & Improvements	0.00	0.00
13	443	Gas Holders Storage	0.00	0.00
14	444	Vaporizing Equipment	0.00	0.00
Total Local Storage Plant			0.00	0.00
15	460	Land	0.00	0.00
16	461	Land Rights	0.00	0.00
17	462	Compressor Structure & Improv.	0.00	0.00
18	463	Measuring & Reg. Structure	0.00	0.00
19	465	Mains	0.00	0.00
20	466	Compressor Equipment	0.00	0.00
21	467	Measuring & Reg. Equipment	0.00	0.00
22	468	Communications Struct. & Equip.	0.00	0.00
Total Intermediate Transmission Plant			0.00	0.00
23	460	Land	2,306,357.78	2,306,357.78
24	461	Land Rights	5,781,236.67	5,708,690.89
25	462	Compressor Structure & Improv.	7,050,268.48	9,014,051.83
26	463	Measuring & Reg. Structure	2,002,514.16	1,892,429.69
27	464	Other Structures	33,804.63	33,804.63
28	465	Mains	172,902,452.20	176,838,051.46
29	466	Compressor Equipment	21,395,494.06	22,518,472.40
30	467	Measuring & Reg. Equipment	7,572,325.90	7,300,108.88
31	468	Communications Struct. & Equip.	1,778,003.19	1,626,657.53
Total High Pressure Transmission Plant			220,822,457.07	227,238,625.09
32	470	Land	798,965.13	798,965.13
33	471	Land Rights	1,548,445.53	1,525,194.84
34	472	Structure & Improvements	922,727.35	1,144,262.60
35	473	Services	92,953,688.71	96,269,608.86
36	474	Regulators	8,088,061.12	7,876,752.27
37	474	Meter & Regulator Installations	2,941,579.24	4,284,645.49
38	475	Mains	146,835,685.97	146,968,142.70
39	476	Compressor Equipment	0.00	0.00
40	477	Measuring & Reg. Equipment	3,290,523.40	3,216,660.30
41	478	Meters	7,152,457.66	6,856,573.22
42	478	Meter Set Installations	0.00	0.00
Total Distribution Plant			264,532,134.11	268,940,805.41
43	480	Land	1,065,398.19	1,065,398.19
44	481	Land Rights	0.00	0.00
45	482	Structure & Improvements	4,938,327.64	4,932,976.59
46	483	Office Furniture & Equipment	796,498.92	787,679.91
47	483	Computer Software	24,717.78	(13,509.64)
48	483	Computer Software	6,143,748.92	5,344,945.50
49	483	Computer Software	14,476.57	534,901.04
50	483	Computer Equipment	255,443.07	215,569.79
51	483	Computer Equipment	515,594.22	644,429.10
52	484	Transportation Equipment	1,632,129.56	1,896,320.25
53	485	Heavy Work Equipment	569,598.65	671,140.14
54	486	Tools & Equipment	2,891,420.15	3,087,743.94
55	487	Equip. on Customer Premises	464,276.48	(125,611.06)
56	488	Communications Equipment	506,345.56	474,154.77
48*	483*	CIS CPN	0.00	5,504,975.66
Total General Plant			19,817,975.71	25,021,114.18
TOTAL PLANT			506,250,013.39	522,198,072.30

TERASEN GAS (VANCOUVER ISLAND) INC.
ASSET CONTINUITY SCHEDULE
ESTIMATED 2007 GROSS PLANT IN SERVICE

Schedule 5G
NSP Nov-07 rev

Line No.	Account No.	Particulars	balance (Net of WIP) @ Dec 31/2006	2007 CPCN	2007 Additions	2007 Retirements	2007 Overhead Allocation	Gross Plant @ Dec 31/2007
1	401	Franchise & Consents	189,776.68	0.00	0.00	0.00	0.00	189,776.68
2	402	Other Intangible Plant	1,194,036.53	0.00	0.00	0.00	0.00	1,194,036.53
Total Intangible Plant			1,383,813.21	0.00	0.00	0.00	0.00	1,383,813.21
3	430	Land	0.00	0.00	0.00	0.00	0.00	0.00
4	431	Land Rights	0.00	0.00	0.00	0.00	0.00	0.00
5	432	Structure & Improvements	0.00	0.00	0.00	0.00	0.00	0.00
6	433	Manufacturing Equipment	0.00	0.00	0.00	0.00	0.00	0.00
7	434	Gas Holders	0.00	0.00	0.00	0.00	0.00	0.00
8	436	Compressor Equipment	0.00	0.00	0.00	0.00	0.00	0.00
9	437	Meas & Reg Equipment	0.00	0.00	0.00	0.00	0.00	0.00
10	438	Purification Equipment	0.00	0.00	0.00	0.00	0.00	0.00
Total Manufactured Gas Plant			0.00	0.00	0.00	0.00	0.00	0.00
11	440	Land	0.00	0.00	0.00	0.00	0.00	0.00
12	442	Structure & Improvements	0.00	0.00	0.00	0.00	0.00	0.00
13	443	Gas Holders Storage	0.00	0.00	0.00	0.00	0.00	0.00
14	444	Vaporizing Equipment	0.00	0.00	0.00	0.00	0.00	0.00
Total Local Storage Plant			0.00	0.00	0.00	0.00	0.00	0.00
15	460	Land	0.00	0.00	0.00	0.00	0.00	0.00
16	461	Land Rights	0.00	0.00	0.00	0.00	0.00	0.00
17	462	Compressor Structure & Improv.	0.00	0.00	0.00	0.00	0.00	0.00
18	463	Measuring & Reg. Structure	0.00	0.00	0.00	0.00	0.00	0.00
19	465	Mains	0.00	0.00	0.00	0.00	0.00	0.00
20	466	Compressor Equipment	0.00	0.00	0.00	0.00	0.00	0.00
21	467	Measuring & Reg. Equipment	0.00	0.00	0.00	0.00	0.00	0.00
22	468	Communications Struct. & Equip.	0.00	0.00	0.00	0.00	0.00	0.00
Total Intermediate Transmission Plant			0.00	0.00	0.00	0.00	0.00	0.00
23	460	Land	2,306,357.78	0.00	0.00	0.00	0.00	2,306,357.78
24	461	Land Rights	6,631,673.79	0.00	15,914.00	0.00	0.00	6,647,587.79
25	462	Compressor Structure & Improv.	11,020,430.29	0.00	1,891,080.00	0.00	766,483.24	13,677,993.53
26	463	Measuring & Reg. Structure	2,935,585.87	0.00	0.00	0.00	0.00	2,935,585.87
27	464	Other Structures	33,804.63	0.00	0.00	0.00	0.00	33,804.63
28	465	Mains	227,115,435.17	0.00	1,201,060.00	(225,000.00)	486,807.73	228,578,302.90
29	466	Compressor Equipment	30,293,883.90	0.00	573,245.00	(393,000.00)	232,344.84	30,706,473.74
30	467	Measuring & Reg. Equipment	9,179,414.55	0.00	20,808.00	0.00	8,433.80	9,208,656.35
31	468	Communications Struct. & Equip.	2,346,444.35	0.00	0.00	0.00	0.00	2,346,444.35
Total High Pressure Transmission Plant			291,863,030.33	0.00	3,702,107.00	(618,000.00)	1,494,069.61	296,441,206.94
32	470	Land	798,965.13	0.00	0.00	0.00	0.00	798,965.13
33	471	Land Rights	1,709,609.87	0.00	0.00	0.00	0.00	1,709,609.87
34	472	Structure & Improvements	1,692,934.94	0.00	208,080.00	0.00	84,337.96	1,985,352.90
35	473	Services	116,118,670.87	0.00	4,873,914.00	(223,300.00)	1,975,470.82	122,744,755.69
36	474	Regulators	10,841,477.74	0.00	81,159.00	(10,800.00)	32,894.97	10,944,731.71
37	474	Meter & Regulator Installations	4,818,997.58	0.00	1,185,439.00	(4,800.00)	480,476.30	6,480,112.88
38	475	Mains	190,946,068.38	0.00	2,755,265.00	(189,700.00)	1,116,750.45	194,628,383.83
39	476	Compressor Equipment	0.00	0	0.00	0.00	0.00	0.00
40	477	Measuring & Reg. Equipment	4,927,746.93	0.00	84,872.00	(4,900.00)	34,399.90	5,042,118.83
41	478	Meters	9,597,037.79	0.00	0.00	(9,500.00)	0.00	9,587,537.79
42	478	Meter Set Installations	0.00	0.00	0.00	0.00	0.00	0.00
Total Distribution Plant			341,451,509.23	0.00	9,188,729.00	(443,000.00)	3,724,330.40	353,921,568.63
43	480	Land	1,065,398.19	0.00	0.00	0.00	0.00	1,065,398.19
44	481	Land Rights	0.00	0.00	0.00	0.00	0.00	0.00
45	482	Structure & Improvements	5,421,451.97	0.00	127,626.00	0.00	0.00	5,549,077.97
46	483	Office Furniture & Equipment	1,970,880.18	0.00	67,626.00	(129,800.00)	0.00	1,908,706.18
47	483	Computer Software	678,657.01	0.00	0.00	(44,700.00)	0.00	633,957.01
48	483	Computer Software	6,390,427.34	0.00	0.00	0.00	0.00	6,390,427.34
49	483	Computer Software	549,376.63	0.00	185,191.00	0.00	0.00	734,567.63
50	483	Computer Equipment	621,597.46	0.00	0.00	(40,900.00)	0.00	580,697.46
51	483	Computer Equipment	823,416.59	0.00	249,488.00	0.00	0.00	1,072,904.59
52	484	Transportation Equipment	3,921,705.61	0.00	464,674.00	(258,300.00)	0.00	4,128,079.61
53	485	Heavy Work Equipment	832,993.24	0.00	145,343.00	(54,900.00)	0.00	923,436.24
54	486	Tools & Equipment	4,800,309.91	0.00	618,431.00	(316,200.00)	0.00	5,102,540.91
55	487	Equip. on Customer Premises	4,928,049.66	0.00	0.00	0.00	0.00	4,928,049.66
56	488	Communications Equipment	1,139,144.82	0.00	78,795.00	(75,000.00)	0.00	1,142,939.82
48*	483*	CIS CPCN	6,291,400.75	0.00	0.00	0.00	0.00	6,291,400.75
Total General Plant			39,434,809.36	0.00	1,937,174.00	(919,800.00)	0.00	40,452,183.36
TOTAL PLANT			674,133,162.13	0.00	14,828,010.00	(1,980,800.00)	5,218,400.01	692,198,772.14

TERASEN GAS (VANCOUVER ISLAND) INC.
ASSET CONTINUITY SCHEDULE
ESTIMATED 2007 GROSS PLANT IN SERVICE

Schedule 5H
NSP Nov-07 rev

Line No.	Account No.	Particulars	Deprec. Rate	Accumulated Depreciation @ Dec 31/2006	2007 Depreciation Expense	2007 Retirements	2007 Proceeds or Removal Costs	Accumulated Depreciation @ Dec 31/2007
1	401	Franchise & Consents	3.04%	(44,293.73)	(5,769.21)	0.00	0.00	(50,062.94)
2	402	Other Intangible Plant	6.21%	(341,991.86)	(74,149.67)	0.00	0.00	(416,141.53)
Total Intangible Plant				(386,285.59)	(79,918.88)	0.00	0.00	(466,204.47)
3	430	Land		0.00	0.00	0.00	0.00	0.00
4	431	Land Rights		0.00	0.00	0.00	0.00	0.00
5	432	Structure & Improvements		0.00	0.00	0.00	0.00	0.00
6	433	Manufacturing Equipment		0.00	0.00	0.00	0.00	0.00
7	434	Gas Holders		0.00	0.00	0.00	0.00	0.00
8	436	Compressor Equipment		0.00	0.00	0.00	0.00	0.00
9	437	Meas & Reg Equipment		0.00	0.00	0.00	0.00	0.00
10	438	Purification Equipment		0.00	0.00	0.00	0.00	0.00
Total Manufactured Gas Plant				0.00	0.00	0.00	0.00	0.00
11	440	Land		0.00	0.00	0.00	0.00	0.00
12	442	Structure & Improvements		0.00	0.00	0.00	0.00	0.00
13	443	Gas Holders Storage		0.00	0.00	0.00	0.00	0.00
14	444	Vaporizing Equipment		0.00	0.00	0.00	0.00	0.00
Total Local Storage Plant				0.00	0.00	0.00	0.00	0.00
15	460	Land		0.00	0.00	0.00	0.00	0.00
16	461	Land Rights		0.00	0.00	0.00	0.00	0.00
17	462	Compressor Structure & Improv.		0.00	0.00	0.00	0.00	0.00
18	463	Measuring & Reg. Structure		0.00	0.00	0.00	0.00	0.00
19	465	Mains		0.00	0.00	0.00	0.00	0.00
20	466	Compressor Equipment		0.00	0.00	0.00	0.00	0.00
21	467	Measuring & Reg. Equipment		0.00	0.00	0.00	0.00	0.00
22	468	Communications Struct. & Equip.		0.00	0.00	0.00	0.00	0.00
Total Intermediate Transmission Plant				0.00	0.00	0.00	0.00	0.00
23	460	Land		0.00	0.00	0.00	0.00	0.00
24	461	Land Rights	1.33%	(922,982.90)	(88,201.26)	0.00	0.00	(1,011,184.16)
25	462	Compressor Structure & Improv.	3.77%	(2,006,378.46)	(415,470.22)	0.00	0.00	(2,421,848.68)
26	463	Measuring & Reg. Structure	3.75%	(1,043,156.18)	(110,084.47)	0.00	0.00	(1,153,240.65)
27	464	Other Structures		0.00	0.00	0.00	0.00	0.00
28	465	Mains	1.97%	(50,277,383.71)	(4,474,174.07)	225,000.00	0.00	(54,526,557.78)
29	466	Compressor Equipment	3.50%	(7,775,411.50)	(1,108,285.94)	393,000.00	0.00	(8,490,697.44)
30	467	Measuring & Reg. Equipment	3.11%	(1,879,305.67)	(285,479.79)	0.00	0.00	(2,164,785.46)
31	468	Communications Struct. & Equip.	6.45%	(719,786.82)	(151,345.66)	0.00	0.00	(871,132.48)
Total High Pressure Transmission Plant				(64,624,405.24)	(6,633,041.41)	618,000.00	0.00	(70,639,446.65)
32	470	Land		0.00	0.00	0.00	0.00	0.00
33	471	Land Rights	1.36%	(184,415.03)	(23,250.69)	0.00	0.00	(207,665.72)
34	472	Structure & Improvements	2.31%	(548,672.34)	(39,106.80)	0.00	0.00	(587,779.14)
35	473	Services	2.62%	(19,849,062.01)	(3,042,309.18)	223,300.00	0.00	(22,777,071.19)
36	474	Regulators	2.88%	(2,964,725.47)	(312,234.56)	10,800.00	0.00	(3,266,160.03)
37	474	Meter & Regulator Installations	2.79%	(534,352.09)	(134,450.03)	4,800.00	0.00	(664,002.12)
38	475	Mains	1.89%	(43,977,925.68)	(3,608,880.69)	189,700.00	0.00	(47,397,106.37)
39	476	Compressor Equipment	3.50%	0.00	0.00	0.00	0.00	0.00
40	477	Measuring & Reg. Equipment	3.66%	(1,711,086.63)	(180,355.54)	4,900.00	0.00	(1,886,542.17)
41	478	Meters	3.08%	(2,740,464.57)	(295,588.76)	9,500.00	0.00	(3,026,553.33)
42	478	Meter Set Installations		0.00	0.00	0.00	0.00	0.00
Total Distribution Plant				(72,510,703.82)	(7,636,176.25)	443,000.00	0.00	(79,812,880.07)
43	480	Land		0.00	0.00	0.00	0.00	0.00
44	481	Land Rights		0.00	0.00	0.00	0.00	0.00
45	482	Structure & Improvements	2.44%	(488,475.38)	(132,283.43)	0.00	0.00	(620,758.81)
46	483	Office Furniture & Equipment	5.00%	(1,183,200.27)	(98,544.01)	129,800.00	0.00	(1,151,944.28)
47	483	Computer Software	5.26%	(692,166.65)	(35,697.36)	44,700.00	0.00	(683,164.01)
48	483	Computer Software	12.50%	(1,045,481.84)	(798,803.42)	0.00	1.00	(1,844,284.26)
49	483	Computer Software	20.00%	(14,475.59)	(109,875.33)	0.00	2.00	(124,348.92)
50	483	Computer Equipment	5.99%	(406,027.67)	(37,233.69)	40,900.00	3.00	(402,358.36)
51	483	Computer Equipment	20.00%	(178,987.49)	(164,683.32)	0.00	4.00	(343,666.81)
52	484	Transportation Equipment	5.03%	(2,025,385.36)	(197,261.79)	258,300.00	5.00	(1,964,342.15)
53	485	Heavy Work Equipment	5.34%	(161,853.10)	(44,481.84)	54,900.00	0.00	(151,434.94)
54	486	Tools & Equipment	4.85%	(1,712,565.97)	(232,815.03)	316,200.00	0.00	(1,629,181.00)
55	487	Equip. on Customer Premises	11.97%	(5,053,660.72)	(589,887.54)	0.00	0.00	(5,643,548.26)
56	488	Communications Equipment	8.21%	(664,990.05)	(93,523.79)	75,000.00	(15,633.35)	(699,147.19)
48*	483*	CIS CPCN	12.50%	(786,425.09)	(786,425.09)	0.00		(1,572,850.18)
Total General Plant				(14,413,695.18)	(3,321,515.64)	919,800.00	(15,618.35)	(16,831,029.17)
TOTAL PLANT				(151,935,089.83)	(17,670,652.18)	1,980,800.00	(15,618.35)	(167,749,560.36)
57	489	Common Allocation to Whistler			22,290.00			22,290.00
58					(17,648,362.18)			(167,727,270.36)

TERASEN GAS (VANCOUVER ISLAND) INC.
ASSET CONTINUITY SCHEDULE
ESTIMATED 2007 GROSS PLANT IN SERVICE

Schedule 51
NSP Nov-07 rev

Line No.	Account No.	Particulars	Net Book Value @ Dec 31/2006	Net Book Value @ Dec 31/2007
1	401	Franchise & Consents	145,482.95	139,713.74
2	402	Other Intangible Plant	852,044.67	777,895.00
Total Intangible Plant			997,527.62	917,608.74
3	430	Land	0.00	0.00
4	431	Land Rights	0.00	0.00
5	432	Structure & Improvements	0.00	0.00
6	433	Manufacturing Equipment	0.00	0.00
7	434	Gas Holders	0.00	0.00
8	436	Compressor Equipment	0.00	0.00
9	437	Meas & Reg Equipment	0.00	0.00
10	438	Purification Equipment	0.00	0.00
Total Manufactured Gas Plant			0.00	0.00
11	440	Land	0.00	0.00
12	442	Structure & Improvements	0.00	0.00
13	443	Gas Holders Storage	0.00	0.00
14	444	Vaporizing Equipment	0.00	0.00
Total Local Storage Plant			0.00	0.00
15	460	Land	0.00	0.00
16	461	Land Rights	0.00	0.00
17	462	Compressor Structure & Improv.	0.00	0.00
18	463	Measuring & Reg. Structure	0.00	0.00
19	465	Mains	0.00	0.00
20	466	Compressor Equipment	0.00	0.00
21	467	Measuring & Reg. Equipment	0.00	0.00
22	468	Communications Struct. & Equip.	0.00	0.00
Total Intermediate Transmission Plant			0.00	0.00
23	460	Land	2,306,357.78	2,306,357.78
24	461	Land Rights	5,708,690.89	5,636,403.63
25	462	Compressor Structure & Improv.	9,014,051.83	11,256,144.85
26	463	Measuring & Reg. Structure	1,892,429.69	1,782,345.22
27	464	Other Structures	33,804.63	33,804.63
28	465	Mains	176,838,051.46	174,051,745.12
29	466	Compressor Equipment	22,518,472.40	22,215,776.30
30	467	Measuring & Reg. Equipment	7,300,108.88	7,043,870.89
31	468	Communications Struct. & Equip.	1,626,657.53	1,475,311.87
Total High Pressure Transmission Plant			227,238,625.09	225,801,760.29
32	470	Land	798,965.13	798,965.13
33	471	Land Rights	1,525,194.84	1,501,944.15
34	472	Structure & Improvements	1,144,262.60	1,397,573.76
35	473	Services	96,269,608.86	99,967,684.50
36	474	Regulators	7,876,752.27	7,678,571.68
37	474	Meter & Regulator Installations	4,284,645.49	5,816,110.76
38	475	Mains	146,968,142.70	147,231,277.46
39	476	Compressor Equipment	0.00	0.00
40	477	Measuring & Reg. Equipment	3,216,660.30	3,155,576.66
41	478	Meters	6,856,573.22	6,560,984.46
42	478	Meter Set Installations	0.00	0.00
Total Distribution Plant			268,940,805.41	274,108,688.56
43	480	Land	1,065,398.19	1,065,398.19
44	481	Land Rights	0.00	0.00
45	482	Structure & Improvements	4,932,976.59	4,928,319.16
46	483	Office Furniture & Equipment	787,679.91	756,761.90
47	483	Computer Software	(13,509.64)	(49,207.00)
48	483	Computer Software	5,344,945.50	4,546,143.08
49	483	Computer Software	534,901.04	610,218.71
50	483	Computer Equipment	215,569.79	178,339.10
51	483	Computer Equipment	644,429.10	729,237.78
52	484	Transportation Equipment	1,896,320.25	2,163,737.46
53	485	Heavy Work Equipment	671,140.14	772,001.30
54	486	Tools & Equipment	3,087,743.94	3,473,359.91
55	487	Equip. on Customer Premises	(125,611.06)	(715,498.60)
56	488	Communications Equipment	474,154.77	443,792.63
48*	483*	CLS CPCN	5,504,975.66	4,718,550.57
Total General Plant				23,621,154.19
TOTAL PLANT				524,449,211.78

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)

Schedule 6
 NSP Nov-07 rev

2004 Actual

LINE

GROSS CIAC:

- 1 Opening Balance Jan 1, 2004
- 2 Repayment / (Addition)
- 3 Ending Balance Dec 31, 2004

ACCUMULATED AMORTIZATION:

- 4 Opening Balance Jan 1, 2004
- 5 Reamortization %
- 6 Reamortization \$
- 7 Ending Balance Dec 31, 2004

8 NET CIAC (MID-YEAR)

9 NET CIAC (YEAR-END)

Effective January 1, 2003 the Company started reamortization of Refundable Grant.

Federal/Prov Refundable Grant	

(\$75,000,000)	
0	

(75,000,000)	
=====	
7,583,933	
9.03%	
(1,370,515)	

\$6,213,418	
=====	
(\$68,101,324)	
=====	
(\$68,786,582)	
=====	

CIAC

11/13/2005 10:30 PM

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)

2005 Projection

LINE

GROSS CIAC:

- 1 Opening Balance Jan 1, 2005
- 2 Repayment / (Addition)
- 3 Ending Balance Dec 31, 2005

ACCUMULATED AMORTIZATION:

- 4 Opening Balance Jan 1, 2005
- 5 Reamortization %
- 6 Reamortization \$
- 7 Ending Balance Dec 31, 2005

8 NET CIAC (MID-YEAR)

9 NET CIAC (YEAR-END)

Effective January 1, 2003 the Company started reamortization of Refundable Grant.
Effective January 1, 2005 the Company to commence repayment of Refundable Grant.

CIAC

Schedule 7

NSP Nov-07 rev

Federal/Prov	
Refundable	
Grant	

(\$75,000,000)	
7,183,331	

(67,816,669)	
=====	
6,213,418	
8.91%	
(990,000)	

\$5,223,418	
=====	
(\$65,689,916)	
=====	
(\$62,593,251)	
=====	

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)

2006 Forecast

Schedule 8		NSP Nov-07 rev
LINE		

		Federal/Prov
		Refundable
		Grant

		(\$67,816,669)
		4,519,464

		(63,297,205)
		=====
		5,223,418
		8.60%
		(247,433)

		\$4,975,985
		=====
		(\$60,457,235)
		=====
		(\$58,321,219)
		=====

Effective January 1, 2003 the Company started reamortization of Refundable Grant.
Effective January 1, 2005 the Company commenced repayment of Refundable Grant.

CIAC

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)

2007 Forecast

Schedule 9

NSP Nov-07 rev

LINE

GROSS CIAC:

- 1 Opening Balance Jan 1, 2007
- 2 Repayment / (Addition)
- 3 Ending Balance Dec 31, 2007

ACCUMULATED AMORTIZATION:

- 4 Opening Balance Jan 1, 2007
- 5 Reamortization %
- 6 Reamortization \$
- 7 Ending Balance Dec 31, 2007

8 NET CIAC (MID-YEAR)

9 NET CIAC (YEAR-END)

Effective January 1, 2003 the Company started reamortization of Refundable Grant.
Effective January 1, 2005 the Company commenced repayment of Refundable Grant.

Federal/Prov	
Refundable	
Grant	

	(\$63,297,205)
	1,444,151

	(61,853,054)
=====	
	4,975,985
	8.60%
	(1,244,171)

	\$3,731,814
=====	
	(\$58,221,229)
=====	
	(\$58,121,240)
=====	

CIAC

11/13/2005 10:30 PM

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
WORKING CAPITAL SUMMARY

LINE	2003 Actual	2004 Actual	2005 Projection	2006 Forecast	2007 Forecast	Reference
1 Cash Working Capital Requirements	\$3,478,129	\$4,046,578	\$4,243,441	\$4,119,283	\$4,518,616	Schedule 11
2 Inventory - Materials and Supplies	2,952,408	2,230,049	2,238,442	2,238,442	2,238,442	
3 Line Pack/Gas Storage	7,835,844	9,677,375	10,764,128	14,923,987	12,692,536	
4 Employee Housing Loans	141,538	77,308	60,000	60,000	60,000	
5 Finance Contracts Receivable	120,958	149,371	31,769	31,769	31,769	
6 Customer Deposits	(1,218,952)	(1,300,526)	(910,000)	(910,000)	(910,000)	
7 Employee Withholdings	(1,816,776)	(1,733,686)	(2,585,578)	(2,585,578)	(2,585,578)	
8 Refundable Contribution	(686,414)	(827,461)	(1,010,386)	(1,010,386)	(1,010,386)	
9 Total	10,806,735	12,319,006	12,831,816	16,867,517	15,035,399	
Deferred Expenses, Mid-Year:						
10 Financing Costs	599,859	395,684	191,509	44,711	0	Schedules 12-15
11 Unamortized Manufactured Gas Plant	1,417,046	1,062,784	708,523	354,262	88,566	Schedules 12-15
12 CIS Implementation	704,445	588,645	472,846	207,473	0	Schedules 12-15
13 Regulatory Expense 2003-2005	162,259	153,468	108,907	33,120	0	Schedules 12-15
14 Customer Grants and Incentives	162,717	157,578	260,398	382,713	434,653	Schedules 12-15
15 PCEC Start Up Costs	1,424,930	1,381,030	1,337,130	1,293,230	1,249,330	Schedules 12-15
16 Cost Allocation & Rate Design	626,323	370,748	129,001	0	0	Schedules 12-15
17 Texada Compressor Operating Costs	115,048	69,066	23,035	0	0	Schedules 12-15
18 Fired Hours	(847,299)	(1,020,246)	(1,138,683)	(1,289,689)	(1,451,667)	Schedules 12-15
19 Pension Expense	0	(0)	(0)	(0)	(0)	Schedules 12-15
20 Insurance Variance	0	0	0	0	0	Schedules 12-15
21 Gas Cost Variance Account	(1,853,470)	(1,468,750)	1,967,332	1,582,613	0	Schedules 12-15
22 OSC-Compliance Certification Costs	0	(0)	(0)	(0)	(0)	Schedules 12-15
23 2005 Long Term Debt Issue Cost	0	0	1,218,750	2,312,500	2,062,500	Schedules 12-15
24 Regulatory Expense (06/07 Extension)			82,813	124,219	41,406	
25 Depr'n & Overheads Capitalized Study			0	16,750	50,185	
26 LNG			0	841,478	1,472,586	
24 Total Deferred Expenses	2,512,658	1,690,006	5,361,563	5,903,379	3,947,558	
25 Total Working Capital Requirements	\$13,319,393	\$14,009,010	\$18,193,378	\$22,770,896	\$18,982,957	

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
CASH WORKING CAPITAL REQUIREMENTS

LINE	2003 Actual	2004 Actual	2005 Projection	2006 Forecast	2007 Forecast	Reference
AMOUNT PAID/ACCRUED:						
1 Cost of Sales	\$78,656,017	\$78,855,130	\$100,392,600	\$137,669,997	\$119,073,137	Schedule 26
2 Transportation Costs	4,750,697	4,944,099	5,051,452	4,785,636	4,828,255	
3 Lease Payments for Equipment	1,747,923	1,747,923	1,748,400	1,747,923	1,747,923	
4 Total Operating and Maintenance Expenses	26,347,523	27,273,385	27,771,300	24,422,330	25,169,107	Schedule 30
5 BC Capital Tax	50,199	0	0	0	0	
6 Municipal Tax	6,207,949	6,585,307	6,755,100	7,211,341	7,419,941	
7 PST	3,995,769	4,840,342	5,343,269	5,929,631	6,209,115	
8 Large Corporations Tax	1,156,031	1,076,477	917,593	680,967	339,519	Schedule 21
9 Income Taxes	6,826,974	11,216,239	10,651,068	7,252,132	13,142,504	Schedule 20
10 GST	10,572,577	10,555,721	9,936,170	10,891,472	11,350,748	
AMOUNT REQUIRED (ADJUSTED FOR LEAD/LAG DAYS): ⁽¹⁾						
11 Cost of Sales	323,244	712,937	907,659	1,244,688	1,076,552	
12 Transportation Costs	(61,173)	(256,010)	(261,568)	(247,804)	(250,011)	
13 Lease Payments for Equipment and System Asset	191,074	204,962	205,018	204,962	204,962	
14 Operating and Maintenance Expenses:	2,097,424	1,591,570	1,620,627	1,425,194	1,468,773	
15 BC Capital Tax	(4,346)	0	0	0	0	
16 Municipal Tax	705,835	727,090	745,837	796,211	819,243	
17 PST	(222,230)	139,243	153,710	170,578	178,618	
18 Large Corporations Tax	63,661	97,620	83,212	61,753	30,789	
19 Income Taxes	375,951	1,017,144	965,891	657,659	1,191,827	
20 GST	8,690	(187,979)	(176,945)	(193,958)	(202,137)	
21 Total	<u>\$3,478,129</u>	<u>\$4,046,578</u>	<u>\$4,243,441</u>	<u>\$4,119,283</u>	<u>\$4,518,616</u>	

(1) LEAD/LAG DAYS

	Revenue Lag Days	Expense Lag (Lead) Days	Net Lag (Lead) Days
22 Cost of Sales	43.8	40.5	3.3
23 Transportation Costs	43.8	62.7	(18.9)
24 Lease Payments for Equipment and System Asset	43.8	1.0	42.8
25 Operating and Maintenance Expenses:	43.8	23	21.3
26 BC Capital Tax	0.0	0.0	0.0
27 Municipal Tax	43.8	3.5	40.3
28 PST (7% of Total Rev-Res Rev)	43.8	33.3	10.5
29 Large Corporations Tax	43.8	10.7	33.1
30 GST (7% of total revenue)	43.8	50.3	(6.5)
31 Income Taxes	43.8	10.7	33.1

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
DEFERRED EXPENSES - RATE BASE

Schedule 12
NSP Nov-07 rev

Line	Year	Deferred Item	Opening Balance	Gross Additions/ (Deductions)	Adjustments	Less Taxes	Net Additions	Amortization	Ending Balance	Mid-Year Balance
	2004									
	Actual									
1		Financing Costs	\$ 497,771	\$ (0)	-	\$ -	(0)	\$ (204,175)	\$ 293,596	\$ 395,684
2		Unamortized Manufactured Gas Plant	1,239,915	-	-	-	-	(354,261)	885,653	1,062,784
3		CIS Implementation Costs	646,545	-	-	-	-	(115,799)	530,746	588,645
4		2003 Regulatory Expense	131,233	-	-	-	-	(65,616)	65,617	98,425
5		Build Smart Program	25,289	37,200	-	(12,834)	24,366	(25,289)	24,366	24,827
6		Marketing Incentives	98,995	254,207	-	(87,701)	166,506	(98,995)	166,505	132,750
7		PCEC Start Up Costs	1,402,980	-	-	-	-	(43,900)	1,359,080	1,381,030
8		Cost Allocation and Rate Design	483,494	24,818	-	(8,562)	16,256	(241,747)	258,003	370,748
9		Texada Compressor Operating Costs	92,061	-	-	-	-	(45,990)	46,071	69,066
10		Compressor Fired Hours	(915,621)	(319,468)	-	110,216	(209,251)	-	(1,124,872)	(1,020,246)
11		Pension Expense	-	(592,622)	-	204,455	(388,168)	388,168	(0)	(0)
12		Insurance Variance	0	71,764	-	(24,759)	47,005	(47,005)	0	0
13		Gas Cost Variance Account	(3,706,940)	1,174,852	-	(405,413)	769,439	3,706,939	769,439	(1,468,750)
14		Rate Design Appeal Costs	24,127	94,400	-	(32,568)	61,832	-	85,959	55,043
15		OSC-Compliance Certification Costs	-	12,254	-	(4,227)	8,026	(8,026)	(0)	(0)
16		Total Deferred Items	\$ 19,850	\$ 757,405	-	\$ (261,394)	\$ 496,011	\$ 2,844,303	\$ 3,360,163	\$ 1,690,006

DeExp-RBASE

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
DEFERRED EXPENSES - RATE BASE

Schedule 13
NSP Nov-07 rev

Line	Year	Deferred Item	Opening Balance	Gross Additions/ (Deductions)	Adjustments	Less Taxes	Net Additions	Amortization	Ending Balance	Mid-Year Balance
2005 Projection										
1		Financing Costs	\$ 293,596			\$ -	\$ -	(204,175)	\$ 89,421	\$ 191,509
2		Unamortized Manufactured Gas Plant	885,653			-	-	(354,261)	531,392	708,523
3		CIS Implementation Costs	530,746			-	-	(115,799)	414,947	472,846
4		2003 Regulatory Expense	65,617			-	-	(65,617)	-	32,808
5		Build Smart Program	24,366	40,000		(13,500)	26,500	(24,366)	26,500	25,433
6		Marketing Incentives	166,505	458,000		(154,575)	303,425	(166,505)	303,425	234,965
7		PCEC Start Up Costs	1,359,080			-	-	(43,900)	1,315,180	1,337,130
8		Cost Allocation and Rate Design	258,003	-		-	-	(258,003)	-	129,001
9		Texada Compressor Operating Costs	46,071			-	-	(46,071)	-	23,035
10		Compressor Fired Hours	(1,124,872)	(41,694)		14,072	(27,622)	-	(1,152,494)	(1,138,683)
11		Pension Expense	(0)	(683,541)		230,695	(452,846)	452,846	(0)	(0)
12		Insurance Variance	0	(59,060)		19,933	(39,127)	39,127	0	0
13		Gas Cost Variance Account	769,439	4,777,700		(1,612,474)	3,165,226	(769,439)	3,165,226	1,967,332
14		Rate Design Appeal Costs	85,959	(29,765)		10,046	(19,719)	-	66,240	76,099
15		OSC-Compliance Certification Costs	(0)	79,750		(26,916)	52,834	(52,834)	(0)	(0)
16		2005 Long Term Debt Issue Cost	-	2,500,000		-	2,500,000	(62,500)	2,437,500	1,218,750
17		Regulatory Expense (06/07 Extension)	-	250,000		(84,375)	165,625	-	165,625	82,813
18		Dep'n & Overheads Capitalized Study	-	-		-	-	-	-	-
19		LNG								
20		Total Deferred Items	\$ 3,360,163	\$ 7,291,390	\$ -	\$ (1,617,094)	\$ 5,674,296	\$ (1,671,497)	\$ 7,362,962	\$ 5,361,563

DefExp-RBASE

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
DEFERRED EXPENSES - RATE BASE

Schedule 14
NSP Nov-07 rev

Line	Year	Deferred Item	Opening Balance	Gross Additions/ (Deductions)	Adjustments	Less Taxes	Net Additions	Amortization	Ending Balance	Mid-Year Balance
2006 Forecast										
1		Financing Costs	\$ 89,421			\$ -	\$ -	(89,421)	\$ -	\$ 44,711
2		Unamortized Manufactured Gas Plant	531,392			-	-	(354,261)	177,131	354,262
3		CIS Implementation Costs	414,947			-	-	(414,947)	-	207,473
4		2003 Regulatory Expense	-			-	-	-	-	-
5		Build Smart Program	26,500			-	-	(26,500)	-	13,250
6		Marketing Incentives	303,425	650,000		(214,500)	435,500	(303,425)	435,500	369,463
7		PCEC Start Up Costs	1,315,180			-	-	(43,900)	1,271,280	1,293,230
8		Cost Allocation and Rate Design	-			-	-	-	-	-
9		Texada Compressor Operating Costs	-			-	-	-	-	-
10		Compressor Fired Hours	(1,152,494)	(409,535)		135,146	(274,388)	-	(1,426,883)	(1,289,689)
11		Pension Expense	(0)			-	-	-	(0)	(0)
12		Insurance Variance	0			-	-	-	0	0
13		Gas Cost Variance Account	3,165,226			-	-	(3,165,226)	-	1,582,613
14		Rate Design Appeal Costs	66,240			-	-	(66,240)	-	33,120
15		OSC-Compliance Certification Costs	(0)	92,250		(30,443)	61,808	(61,808)	(0)	(0)
16		2005 Long Term Debt Issue Cost	2,437,500			-	-	(250,000)	2,187,500	2,312,500
17		Regulatory Expense (06/07 Extension)	165,625			-	-	(82,813)	82,813	124,219
18		Dep'n & Overheads Capitalized Study		50,000		(16,500)	33,500	-	33,500	16,750
19		LNG		2,103,694		-	2,103,694	(420,739)	1,682,955	841,478
20		VIGP		37,229		-	37,229	(7,446)	29,784	14,892
21		Total Deferred Items	\$ 7,362,962	\$ 2,523,639	\$ -	\$ (126,296)	\$ 2,397,343	\$ (5,286,725)	\$ 4,473,580	\$ 5,918,271

DefExp-RBASE

11/13/2005 10:30 PM

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
DEFERRED EXPENSES - RATE BASE

Schedule 15
NSP Nov-07 rev

Line	Year	Deferred Item	Opening Balance	Gross Additions/ (Deductions)	Adjustments	Less Taxes	Net Additions	Amortization	Ending Balance	Mid-Year Balance
2007 Forecast										
1		Financing Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2		Unamortized Manufactured Gas Plant	177,131			-	-	(177,131)	-	88,566
3		CIS Implementation Costs	-			-	-	-	-	-
4		2003 Regulatory Expense	-			-	-	-	-	-
5		Build Smart Program	-			-	-	-	-	-
6		Marketing Incentives	435,500	650,000		(216,195)	433,805	(435,500)	433,805	434,653
7		PCEC Start Up Costs	1,271,280			-	-	(43,900)	1,227,380	1,249,330
8		Cost Allocation and Rate Design	-			-	-	-	-	-
9		Texada Compressor Operating Costs	-			-	-	-	-	-
10		Compressor Fired Hours	(1,426,883)	(74,273)		24,704	(49,569)	-	(1,476,452)	(1,451,667)
11		Pension Expense	(0)			-	-	-	(0)	(0)
12		Insurance Variance	0			-	-	-	0	0
13		Gas Cost Variance Account	-			-	-	-	-	-
14		Rate Design Appeal Costs	-			-	-	-	-	-
15		OSC-Compliance Certification Costs	(0)	112,250		(37,335)	74,915	(74,915)	(0)	(0)
16		2005 Long Term Debt Issue Cost	2,187,500			-	-	(250,000)	1,937,500	2,062,500
17		Regulatory Expense (06/07 Extension)	82,813			-	-	(82,813)	-	41,406
18		Dep'n & Overheads Capitalized Study	33,500	50,000		(16,630)	33,370	-	66,870	50,185
19		LNG	1,682,955			-	-	(420,739)	1,262,216	1,472,586
20		VIGP	29,784			-	-	(7,446)	22,338	26,061
21		Total Deferred Items	\$ 4,473,580	\$ 737,977	\$ -	\$ (245,457)	\$ 492,520	\$ (1,492,443)	\$ 3,473,657	\$ 3,973,619

DeExp-RBASE

11/13/2005 10:30 PM

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
DEFERRED EXPENSES - NON RATE BASE

Schedule 16
NSP Nov-07 rev

Line	Year	Deferred Item	Opening Balance	Adjustments	Gross Additions/ (Deductions)	Interest	Taxes	Net Additions	Amortization	Ending Balance
	2004									
	Actual									
1		GSX Interconnect	\$ 52,146	\$ -	\$ -	2,517	\$ (866)	\$ 1,651	\$ -	\$ 53,797
2		VIGP (Duke Point)	34,913	-	-	1,686	(582)	1,104	-	36,017
3		Work Management Project	243,005	-	-	11,731	(4,047)	7,684	-	250,689
4		LNG	227,118	-	1,689,985	26,477	(607,656)	1,108,806	-	1,335,924
5		SAP Integration	776,207	-	(786,422)	15,595	(5,380)	(776,207)	-	(0)
6		Goodwill	2,700,000	-	-	-	-	-	-	2,700,000
7		BC Capital Tax Assessment &	6,892,694	-	-	420,505	(202,580)	217,925	-	7,110,619
8		Total Deferred Items	\$ 10,926,082	\$ -	\$ 903,562	\$ 478,511	\$ (821,111)	\$ 560,963	\$ -	\$ 11,487,045

DefExp-NON RB

11/13/2005 10:30 PM

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
DEFERRED EXPENSES - NON RATE BASE

Schedule 17
NSP Nov-07 rev

Line	Year	Deferred Item	Opening Balance	Adjustments	Gross Additions/ (Deductions)	Interest	Taxes	Net Additions	Amortization	Ending Balance
2005										
Projection										
1		GSX Interconnect	\$ 53,797		\$	2,731	\$ (922)	\$ 1,809		\$ 55,606
2		VIGP (Duke Point)	36,017			1,830	(618)	1,212		37,229
3		Work Management Project	250,689			12,729	(4,296)	8,433		259,122
4		LNG	1,335,924	-	1,081,281	77,617	(391,128)	767,770		2,103,694
5		Goodwill	2,700,000					-		2,700,000
6		BC Capital Tax Assessment &	7,110,619			361,060	(121,858)	239,202		7,349,821
7		Total Deferred Items	\$ 11,487,045	\$ -	\$ 1,081,281	\$ 455,967	\$ (518,821)	\$ 1,018,427	\$ -	\$ 12,505,472

DefExp-NON RB

11/13/2005 10:30 PM

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
DEFERRED EXPENSES - NON RATE BASE

Schedule 18
NSP Nov-07 rev

Line	Year	Deferred Item	Opening Balance	Adjustments	Gross Additions/ (Deductions)	Interest	Taxes	Net Additions	Amortization	Ending Balance
Forecast										
1		GSX Interconnect	\$ 55,606		\$	3,251	\$ (1,073)	\$ 2,178		\$ 57,784
2		VIGP (Duke Point)	37,229			2,178	(719)	1,459		38,689
3		Work Management Project	259,122			15,154	(5,001)	10,153		269,275
4		LNG	-			-	-	-		-
5		Goodwill	2,700,000					-		2,700,000
6		BC Capital Tax Assessment &	7,349,821			429,826	(141,843)	287,983		7,637,805
7		Total Deferred Items	\$ 10,401,778	\$ -	\$ -	\$ 450,409	\$ (148,635)	\$ 301,774	\$ -	\$ 10,703,552

DefExp-NON RB

11/13/2005 10:30 PM

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
DEFERRED EXPENSES - NON RATE BASE

Schedule 19
NSP Nov-07 rev

Line	Year	Deferred Item	Opening Balance	Adjustments	Gross Additions/ (Deductions)	Interest	Taxes	Net Additions	Amortization	Ending Balance
Forecast										
1		GSX Interconnect	\$ 57,784		\$	3,376	\$ (1,123)	\$ 2,253		\$ 60,037
2		VIGP (Duke Point)	38,689			2,259	(751)	1,508		40,196
3		Work Management Project	269,275			15,733	(5,233)	10,500		279,775
4		LNG	-			-	-	-		-
5		Goodwill	2,700,000					-		2,700,000
6		BC Capital Tax Assessment &	7,637,805			446,297	(148,442)	297,855		7,935,660
7		Total Deferred Items	\$ 10,703,552	\$ -	\$ -	\$ 467,665	\$ (155,549)	\$ 312,116	\$ -	\$ 11,015,668

DefExp-NON RB

11/13/2005 10:30 PM

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
INCOME TAXES

Schedule 20
NSP Nov-07 rev

Line #	Particulars	2003 Actual	2004 Actual	2005 Projection	2006 Forecast	2007 Forecast	Reference
1	Allowed/Proposed Earned Return After Tax	\$ 32,398,385	\$ 27,441,958	\$ 33,780,598	\$ 34,283,003	\$ 34,648,750	Schedules 22-25
2	Add: Equity Portion of AFUDC	33,338					
3	Less Special Direction Provision	1,867,000	1,867,000	1,867,000	1,867,000	1,867,000	Schedule 2
4	Add Variance in OM&A Expenses	396,110	2,220,357	3,558,000	0	0	
5	Less Financing Expenses	17,218,663	12,562,228	18,594,200	18,352,654	18,508,703	Schedules 22-25
6	Accounting Income After Tax	13,742,170	15,233,088	16,877,398	14,063,349	14,273,047	
ADD:							
7	Annual Revenue Surplus	18,354,357	20,732,054	14,377,948	7,212,896	18,342,735	Schedule 1
8	Depreciation Expense	14,136,777	14,334,268	14,985,194	16,786,810	17,648,118	
9	Re-amortization/(Amortization) of CIAC	1,137,000	1,370,515	990,000	247,433	1,244,171	Schedules 6-9
10	Amortization of Deferreds	90,781	(2,844,303)	1,671,497	5,279,279	1,484,997	Schedules 12-15
	Financing Costs	204,175	204,175	204,175	89,421	0	Schedules 12-15
	Unamortized Manufactured Gas Plant	354,262	354,261	354,261	354,261	177,131	Schedules 12-15
	CIS Implementation	115,799	115,799	115,799	414,947	0	Schedules 12-15
	Regulatory Expense 2003-2005	65,616	65,616	65,617	66,240	0	Schedules 12-15
	Customer Grants and Incentives	201,150	124,284	190,871	329,925	435,500	Schedules 12-15
	PCEC Start Up Costs	43,900	43,900	43,900	43,900	43,900	Schedules 12-15
	Cost Allocation & Rate Design	241,747	241,747	258,003	0	0	Schedules 12-15
	Texada Compressor Operating Costs	46,031	45,990	46,071	0	0	Schedules 12-15
	Compressor Fired Hours	0	0	0	0	0	Schedules 12-15
	Pension Expense Variance	(52,705)	(388,168)	(452,846)	0	0	Schedules 12-15
	Insurance Expense Variance	59,105	47,005	(39,127)	0	0	Schedules 12-15
	Gas Cost Variance Account	(1,207,297)	(3,706,939)	769,439	3,165,226	0	Schedules 12-15
	OSC-Compliance Certification Costs	0	8,026	52,834	61,808	74,915	Schedules 12-15
	2005 Long Term Debt Issue Cost	0	0	62,500	250,000	250,000	Schedules 12-15
	Regulatory Expense (06/07 Extension)	0	0	0	82,813	82,813	
	LNG	0	0	0	420,739	420,739	
	NGV Conversion Expense	1,599	0	0	0	0	Schedules 12-15
	2000-2002 Regulatory Expenses	0	0	0	0	0	Schedules 12-15
	Integrated Resource Plan Expenses	0	0	0	0	0	Schedules 12-15
	Incremental CIS Operating Costs	0	0	0	0	0	Schedules 12-15
	Generic Utility Systems Extension Hearing Costs	0	0	0	0	0	Schedules 12-15
	ICP Cogen Project Commissioning	17,399	0	0	0	0	Schedules 12-15
	T-Service for ICP	0	0	0	0	0	Schedules 12-15
11	Dues and Entertainment and Non Allowable Car Lease	92,585	80,077	100,000	102,200	104,448	
12	Pension / Post Retirement Expensed in Accounts	2,536,773	2,720,781	2,037,000	2,243,000	2,237,000	
13	Charitable Donations	15,250	11,500	2,500	2,500	2,500	
14	Employee Stock Options	58,000	0	0	0	0	
15	Amortization of Debt Issue Expenses for Accounting	0	0	0	0	0	
16	Non Deductible Reserve	0	50,000	0	0	0	
17	Non Deductible Financing Expense - Preferred Dividends	3,102,595	0	0	0	0	Schedule 1
18	Large Corporations Tax	1,156,031	1,076,477	917,593	680,967	339,519	Schedule 21
19	Total Additions	40,680,149	37,531,369	35,081,732	32,555,085	41,403,489	
DEDUCT:							
20	Capital Cost Allowance	21,431,871	20,712,498	21,691,238	23,539,967	21,241,076	
21	Cumulative Eligible Capital (T2S8A)	577,401	515,000	441,777	405,398	374,474	
22	Capitalized OH Deduction for Tax vs. Accounting	1,350,000	1,885,000	1,734,750	1,760,760	1,814,460	
23	AFUDC	73,430	90,197	81,393	0	47,278	
24	Debt Issue Costs for Tax Purposes - Financing Expenses per 20(1)(e)	0	0	500,000	500,000	500,000	
25	Revenue Deficiency Financing Costs	5,721,589	6,452,882	5,349,820	4,335,783	3,875,703	Schedule 1
26	Interim Revenue Deficiency Financing	0	0	0	0	0	Schedule 1
27	Pension Contributions & OPEB	2,799,024	1,802,781	1,250,000	1,350,000	1,450,000	
28	Total Deductions	31,953,315	31,458,358	31,048,978	31,891,908	29,302,991	
29	Income(Loss) for Tax Purposes (After Tax)	22,469,004	21,306,098	20,910,152	14,726,526	26,373,545	
30	Less Charitable Donations Utilized	15,250	11,500	2,500	2,500	2,500	
31	Taxable Income(Loss) (After Tax) before application of Loss Cfwld.	22,453,754	21,294,598	20,907,652	14,724,026	26,371,045	
32	Customer Loss Carryforward Opening	0	0	0	0	0	
33	Additions	0	0	0	0	0	
34	Utilized	10,576,689	0	0	0	0	
35	Customer Loss Carryforward Closing	(10,576,689)	0	0	0	0	
36	Taxable Income (After Tax) after application of Loss Cfwld.	11,877,065	21,294,598	20,907,652	14,724,026	26,371,045	
37	Tax Gross Up	63.50%	65.50%	66.25%	67.00%	66.74%	
38	Taxable Income	\$ 18,704,039	\$ 32,510,837	\$ 31,558,721	\$ 21,976,157	\$ 39,513,549	
Income Tax Calculation							
		2003 Rates	2004 Rates	2005 Rates	2006 Rates	2007 Rates	
39	Federal Tax	38.00%	38.00%	38.00%	38.00%	38.00%	
40	Less Tax Abatement	10.00%	10.00%	10.00%	10.00%	10.00%	
41	Less: General Tax Reduction	5.00%	7.00%	7.00%	7.00%	7.00%	
42	Net Federal Tax	23.00%	21.00%	21.00%	21.00%	21.00%	
43	Federal Surcharge	1.12%	1.12%	1.12%	1.12%	1.12%	
44	Provincial Tax	13.50%	13.50%	12.75%	12.00%	12.00%	
45	Composite Income Tax Rate	37.62%	35.62%	34.87%	34.12%	34.12%	
46	Composite Income Tax Rate Before Surcharge	36.50%	34.50%	33.75%	33.00%	33.26%	
47	Federal Tax	7,107,535	12,354,118	11,992,314	8,350,940	15,015,149	
48	Less Tax Abatement	1,870,404	3,251,084	3,155,872	2,197,616	3,951,355	
49	Less: General Tax Reduction	935,202	2,275,759	2,209,110	1,538,331	2,765,948	
50	Net Federal Tax	4,301,929	6,827,276	6,627,331	4,614,993	8,297,845	
51	Federal Surcharge	209,485	364,121	353,458	246,133	442,552	
52	Federal Surtax Recovered Through LCT	(209,485)	(364,121)	(353,458)	(246,133)	(339,519)	
53	Provincial Tax	2,525,045	4,388,963	4,023,737	2,637,139	4,741,626	
54	Income Tax Expense	\$ 6,826,974	\$ 11,216,239	\$ 10,651,068	\$ 7,252,132	\$ 13,142,504	

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
LARGE CORPORATIONS TAX

LINE	Schedule 21					
	2003 Actual	2004 Actual	2005 Projection	2006 Forecast	2007 Forecast	Reference
1 Year End Plant in Service						Schedule 3
2 Year End Accumulated Depreciation	\$ 603,235,759	\$ 619,960,256	\$ 643,193,000	\$ 674,117,000	\$ 692,159,000	Schedule 3
	(109,684,984)	(124,092,375)	(136,943,000)	(152,010,000)	(167,807,000)	
3	493,550,775	495,867,881	506,250,000	522,107,000	524,352,000	
	(104,335)	(104,335)	(104,335)	(104,335)	(104,335)	Schedule 3
4 Allocated Net Common Plant						
5 Sub-Total Year End Rate Base	493,446,440	495,763,546	506,145,665	522,002,665	524,247,665	
6 Add: Working Capital	13,319,393	14,009,010	18,193,378	22,770,896	18,982,957	Schedule 10
7 Adjusted Year End Rate Base	506,765,833	509,772,556	524,339,043	544,773,561	543,230,622	
	0.225%	0.200%	0.175%	0.125%	0.0625%	
8 Large Corporation Tax Rate						
9 Large Corporation Tax	1,140,223	1,019,545	917,593	680,967	339,519	
10 Adjust to Actual	15,808	56,931	0	0	0	
11 Large Corporation Tax	\$ 1,156,031	\$ 1,076,477	\$ 917,593	\$ 680,967	\$ 339,519	

LCTax

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
CAPITAL STRUCTURE AND COST OF CAPITAL

Schedule 22
 NSP Nov-07 rev

2004 Actual

LINE	CAPITALIZATION		ANNUAL RATE %	COST COMPONENT %	EARNED RETURN \$	ANNUAL DEBT COST \$
	AMOUNT	%				
1 Short Term Debt	\$ 70,232,340	15.94%	2.13%	0.34%	\$ 1,497,850	\$ 1,497,850
2 New Long Term Debt Issue	0	0.00%	0.00%	0.00%	0	0
3 Existing Long Term Debt (1)	216,128,136	49.06%	5.12%	2.51%	11,064,378	11,064,378
4 Common Equity	154,194,102	35.00%	9.65%	3.38%	14,879,731	
5 MID-YEAR RATE BASE	\$440,554,577	100.00%		6.23%	\$27,441,958	\$12,562,228
	=====	=====		=====	=====	=====

(1) Long Term Debt Continuity Schedule

	Balance Opening	Additions	Repayments	Balance Closing	Mid-Year Balance	% of Total	Interest Expense	Annual Effective Rate	Weighted Average %
6 Swap 1				\$ -	\$ -	0.00%	0	0.00%	0.00%
7 Swap 2	95,000,000		(95,000,000)	0	47,500,000	21.98%	2,438,333	5.13%	1.13%
8 Swap 3	15,769,020		(1,073,835)	14,695,185	15,232,103	7.05%	939,613	6.17%	0.43%
9 Swap 4	38,250,000		(4,375,000)	33,875,000	36,062,500	16.69%	2,120,305	5.88%	0.98%
10 Swap 5	33,000,000			33,000,000	33,000,000	15.27%	1,716,000	5.20%	0.79%
11 Swap 6	32,000,000			32,000,000	32,000,000	14.81%	1,673,600	5.23%	0.77%
12 Swap 7	4,744,207	95,178,652		99,922,859	52,333,533	24.21%	2,176,527	4.16%	1.01%
13 Unswapped Total	\$218,763,227	\$95,178,652	(\$100,448,835)	\$213,493,044	\$216,128,136	100.00%	\$11,064,378	5.12%	5.12%
	=====	=====	=====	=====	=====	=====	=====	=====	=====

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
CAPITAL STRUCTURE AND COST OF CAPITAL

Schedule 23
 NSP Nov-07 rev

2005 Projection

LINE	CAPITALIZATION		ANNUAL RATE %	COST COMPONENT %	EARNED RETURN \$	ANNUAL DEBT COST \$
	AMOUNT	%				
1 Short Term Debt	\$ 64,195,878	14.10%	10.25%	1.45%	\$ 6,582,815	\$ 6,582,815
2 New Long Term Debt Issue	125,000,000	27.45%	3.06%	0.84%	3,828,125	3,828,125
3 Existing Long Term Debt (1)	106,746,522	23.45%	7.67%	1.80%	8,183,260	8,183,260
4 Common Equity	159,353,600	35.00%	9.53%	3.34%	15,186,398	
5 MID-YEAR RATE BASE	\$455,296,000	100.00%		7.42%	\$33,780,598	\$18,594,200
	=====	=====		=====	=====	=====

(1) Long Term Debt Continuity Schedule

	Balance Opening	Additions	Repayments	Balance Closing	Mid-Year Balance	% of Total	Interest Expense	Annual Effective Rate	Weighted Average %
6 New Long Term Debt	\$ -	\$ 250,000,000		\$ 250,000,000	\$ 125,000,000	53.94%	3,828,125	3.06%	1.65%
7 Swap 2	0			0	0	0.00%	0	0.00%	0.00%
8 Swap 3	14,695,185		(14,695,185)	0	7,347,593	3.17%	674,163	6.12%	0.19%
9 Swap 4	33,875,000		(33,875,000)	0	16,937,500	7.31%	1,380,487	5.43%	0.40%
10 Swap 5	33,000,000		(33,000,000)	0	16,500,000	7.12%	1,276,422	5.16%	0.37%
11 Swap 6	32,000,000		(32,000,000)	0	16,000,000	6.90%	1,244,883	5.19%	0.36%
12 Swap 7	99,922,859		(99,922,859)	0	49,961,430	21.56%	3,607,305	4.81%	1.04%
13 Unswapped Total	\$213,493,044	\$250,000,000	(\$213,493,044)	\$250,000,000	\$231,746,522	100.00%	\$12,011,385	5.18%	4.01%
	=====	=====	=====	=====	=====	=====	=====	=====	=====

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
CAPITAL STRUCTURE AND COST OF CAPITAL

Schedule 24
 NSP Nov-07 rev

2006 Forecast

LINE	CAPITALIZATION		ANNUAL RATE %	COST COMPONENT %	EARNED RETURN \$	ANNUAL DEBT COST \$
	AMOUNT	%				
1 Short Term Debt	\$ 60,440,020	12.65%	4.25%	0.54%	\$ 3,040,154	\$ 3,040,154
2 New Long Term Debt Issue		0.00%		0.00%	0	0
3 Existing Long Term Debt (1)	250,000,000	52.35%	6.13%	3.21%	15,312,500	15,312,500
4 Common Equity	167,160,011	35.00%	9.53%	3.34%	15,930,349	
5 MID-YEAR RATE BASE	\$477,600,030	100.00%		7.18%	\$34,283,003	\$18,352,654

(1) Long Term Debt Continuity Schedule

	Balance Opening	Additions	Repayments	Balance Closing	Mid-Year Balance	% of Total	Interest Expense	Annual Effective Rate	Weighted Average %
6 2005 Long Term Debt	\$ 250,000,000	\$ -		\$ 250,000,000	\$ 250,000,000	100.00%	15,312,500	6.13%	6.13%
7 Swap 2	0			0	0	0.00%	0	0.00%	0.00%
8 Swap 3	0			0	0	0.00%	0	0.00%	0.00%
9 Swap 4	0			0	0	0.00%	0	0.00%	0.00%
10 Swap 5	0			0	0	0.00%	0	0.00%	0.00%
11 Swap 6	0			0	0	0.00%	0	0.00%	0.00%
12 Swap 7	0			0	0	0.00%	0	0.00%	0.00%
13 Unswapped Total	\$250,000,000	\$0		\$250,000,000	\$250,000,000	100.00%	\$15,312,500	6.13%	6.13%

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
CAPITAL STRUCTURE AND COST OF CAPITAL

Schedule 25
NSP Nov-07 rev

2007 Forecast

LINE	CAPITALIZATION		ANNUAL RATE %	COST COMPONENT %	EARNED RETURN \$	ANNUAL DEBT COST \$
	AMOUNT	%				
1 Short Term Debt	\$ 64,526,480	13.34%	4.25%	0.57%	\$ 3,196,203	\$ 3,196,203
2 New Long Term Debt Issue		0.00%		0.00%	0	0
3 Existing Long Term Debt (1)	250,000,000	51.66%	6.13%	3.16%	15,312,500	15,312,500
4 Common Equity	169,360,412	35.00%	9.53%	3.34%	16,140,047	
5 MID-YEAR RATE BASE	\$483,886,893	100.00%		7.16%	\$34,648,750	\$18,508,703
	=====	=====		=====	=====	=====

(1) Long Term Debt Continuity Schedule

	Balance Opening	Additions	Repayments	Balance Closing	Mid-Year Balance	% of Total	Interest Expense	Annual Effective Rate	Weighted Average %
6 2005 Long Term Debt	\$ 250,000,000	\$ -		\$ 250,000,000	\$ 250,000,000	100.00%	\$ 15,312,500	6.13%	6.13%
7 Swap 2	0			0	0	0.00%	0	0.00%	0.00%
8 Swap 3	0			0	0	0.00%	0	0.00%	0.00%
9 Swap 4	0			0	0	0.00%	0	0.00%	0.00%
10 Swap 5	0			0	0	0.00%	0	0.00%	0.00%
11 Swap 6	0			0	0	0.00%	0	5.19%	0.00%
12 Swap 7	0			0	0	0.00%	0	0.00%	0.00%
13 Unswapped Total	\$250,000,000	\$0		\$250,000,000	\$250,000,000	100.00%	\$15,312,500	6.13%	6.13%
	=====	=====	=====	=====	=====	=====	=====	=====	=====

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
SALES REVENUE & COST

Schedule 26
NSP Nov-07 rev

Line No.	Particulars	Residential		Commercial		Industrial		Total	
		\$	GJ	\$	GJ	\$	GJ	\$	GJ
1	GAS SALES & REVENUE								
2	Distribution:								
3	2007 Forecast	\$73,360,070	4,772,274	\$88,701,648	7,564,407			\$162,061,717	12,336,681
4	2006 Forecast	\$70,795,096	4,605,415	\$84,709,021	7,525,327			\$155,504,117	12,130,743
5	2005 Projection	\$85,528,365	4,262,800	\$76,332,417	7,418,190			\$141,860,782	11,680,990
6	2004 Actual	\$56,051,208	3,830,413	\$65,631,761	6,971,935			\$121,682,969	10,802,348
7	Transportation:								
8	2007 Forecast					\$20,691,418	21,388,833	\$20,691,418	21,388,833
9	2006 Forecast					\$19,054,761	21,361,237	\$19,054,761	21,361,237
10	2005 Projection					\$23,777,281	24,072,860	\$23,777,281	24,072,860
11	2004 Actual					\$29,113,052	21,536,486	\$29,113,052	21,536,486
12									
13									
14	CUSTOMERS								
15	Distribution:								
16	2007 Forecast	82,889	81,175	8,933	8,904			91,822	90,079
17	2006 Forecast	79,461	77,571	8,875	8,847			88,336	86,418
18	2005 Projection	75,680	73,806	8,792	8,792			84,499	82,598
19	2004 Actual	71,932	69,957	8,764	8,658			80,696	78,615
20	Transportation:								
21	2007 Forecast					3	3	3	3
22	2006 Forecast					3	3	3	3
23	2005 Projection					3	3	3	3
24	2004 Actual					3	3	3	3
25									
26									
27	COST OF GAS								
28	Gas Received (GJ)								
29	Purchases	10,773,504	11,858,830	12,315,313	12,524,385			10,773,504	12,524,385
30	Transportation					21,536,486	24,478,825	21,536,486	24,478,825
31	Total	10,773,504	11,858,830	12,315,313	12,524,385	21,536,486	24,478,825	32,309,990	34,333,933
32	Gas Delivered (GJ)								
33	Sales	10,802,348	11,680,990	12,130,743	12,336,681			10,802,348	12,336,681
34	Own Use							0	0
35	Transportation					21,536,486	24,072,860	21,536,486	24,072,860
36	Total	10,802,348	11,680,990	12,130,743	12,336,681	21,536,486	24,072,860	32,338,834	33,491,980
37	Gas Receipts less Deliveries	(28,844)	177,840	184,571	187,704				
38	UAF as a % of Purchases	-0.27%	1.50%	1.50%	1.50%				
39	Cost of Sales	\$78,855,130	\$100,392,600	\$137,669,997	\$119,073,137				
39	GCUA Addition - Deficit / (Surf)	(3,709,910)	(4,777,700)						
39	Cost of Gas Sold (\$)	\$75,145,220	\$95,614,900	\$137,669,997	\$119,073,137				
40	Unit Cost of Gas Sold (\$/GJ)	\$6.96	\$8.19	\$11.35	\$9.65				

Line No.	Particulars	Distribution		Transportation		Total	
		2004	2005	2004	2005	2004	2005
27	COST OF GAS						
28	Gas Received (GJ)						
29	Purchases	10,773,504	11,858,830	21,774,930	21,809,549	10,773,504	12,315,313
30	Transportation			21,536,486	24,478,825	21,536,486	24,478,825
31	Total	10,773,504	11,858,830	21,774,930	21,809,549	32,309,990	34,090,243
32	Gas Delivered (GJ)						
33	Sales	10,802,348	11,680,990	10,802,348	11,680,990	10,802,348	12,130,743
34	Own Use					0	0
35	Transportation			21,536,486	24,072,860	21,536,486	24,072,860
36	Total	10,802,348	11,680,990	21,536,486	21,361,237	32,338,834	33,491,980
37	Gas Receipts less Deliveries	(28,844)	177,840	21,361,237	21,388,833		
38	UAF as a % of Purchases	-0.27%	1.50%	21,361,237	21,388,833	35,753,850	33,725,514
39	Cost of Sales	\$78,855,130	\$100,392,600				
39	GCUA Addition - Deficit / (Surf)	(3,709,910)	(4,777,700)				
39	Cost of Gas Sold (\$)	\$75,145,220	\$95,614,900				
40	Unit Cost of Gas Sold (\$/GJ)	\$6.96	\$8.19				

Rev Sum

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
ANNUAL REVENUE BY CLASS

Schedule 27
NSP Nov-07 rev

Line No.	Rate Class	2005 Projection	2006 Forecast	2007 Forecast
1	SALES REVENUES (\$/Annum)			
2	RGS	\$ 65,528,365	\$ 70,795,096	\$ 73,360,070
3	AGS	\$ 9,695,431	\$ 12,839,160	\$ 13,568,044
4	SCS1	\$ 4,446,489	\$ 4,507,835	\$ 4,524,968
5	SCS2	\$ 7,821,099	\$ 9,764,903	\$ 9,827,875
6	LCS1	\$ 14,181,728	\$ 15,561,175	\$ 16,438,399
7	LCS2	\$ 13,270,410	\$ 14,249,304	\$ 15,049,141
8	LCS3	\$ 21,915,367	\$ 23,622,686	\$ 24,994,492
9	HLF	\$ 2,206,608	\$ 1,687,576	\$ 1,771,955
10	ILF	\$ 1,134,707	\$ 1,007,850	\$ 1,058,242
11	CRXX	\$ 1,660,577	\$ 1,468,532	\$ 1,468,532
12	Core Sales Revenues	\$ 141,860,782	\$ 155,504,117	\$ 162,061,717
13				
14	SYSTEM REVENUES (\$/Annum)			
15	Core	\$ 141,860,782	\$ 155,504,117	\$ 162,061,717
16	Other Transmission Customers	\$ 16,712,081	\$ 14,532,014	\$ 16,094,263
17	VIGJV	\$ 6,686,300	\$ 4,130,323	\$ 4,175,756
18	Squamish Gas	\$ 378,900	\$ 392,424	\$ 421,399
19	System Revenue Summary	\$ 165,638,063	\$ 174,558,878	\$ 182,753,135

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
REVENUE PROOF - 2006

Schedule 28A
NSP Nov-07 rev

RESIDENTIAL RGS			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	939,508	\$10.50	\$ 9,864,833
Usage Charge	4,605,415	\$13.230	\$ 60,930,263
Total Revenue			\$ 70,795,096
Revenue Required from Rate			\$ 80,598,381
Surplus/(Deficiency)			\$ (9,803,285)

APARTMENT AGS			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	11,080	\$40.00	\$ 443,189
Usage Charge	1,223,645	\$10.130	\$ 12,395,971
Total Revenue			\$ 12,839,160
Revenue Required from Rate			\$ 12,889,603
Surplus/(Deficiency)			\$ (50,443)

SMALL COMMERCIAL SCS-1 (0-200 GJ/YEAR)			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	47,943	\$9.45	\$ 453,057
Usage Charge	263,231	\$15.404	\$ 4,054,778
Total Revenue			\$ 4,507,835
Revenue Required from Rate			\$ 4,811,838
Surplus/(Deficiency)			\$ (304,003)

SMALL COMMERCIAL SCS-2 (200-600 GJ/YEAR)			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	25,995	\$33.53	\$ 871,628
Usage Charge	637,120	\$13.959	\$ 8,893,276
Total Revenue			\$ 9,764,903
Revenue Required from Rate			\$ 8,390,773
Surplus/(Deficiency)			\$ 1,374,131

LARGE COMMERCIAL LCS-1 (600-2,000 GJ/YEAR)			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	17,835	\$61.00	\$ 1,087,948
Usage Charge	1,334,614	\$10.845	\$ 14,473,227
Total Revenue			\$ 15,561,175
Revenue Required from Rate			\$ 16,234,061
Surplus/(Deficiency)			\$ (672,886)

LARGE COMMERCIAL LCS-2 (2,000-6,000 GJ/YEAR)			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	6,643	\$97.82	\$ 649,866
Usage Charge	1,287,917	\$10.559	\$ 13,599,438
Total Revenue			\$ 14,249,304
Revenue Required from Rate			\$ 14,138,114
Surplus/(Deficiency)			\$ 111,191

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
REVENUE PROOF - 2006

Schedule 28B
NSP Nov-07 rev

LARGE COMMERCIAL LCS-3 (OVER 6,000 GJ/YEAR)			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	1,622	\$201.51	\$ 326,935
Usage Charge	2,250,500	\$10.351	\$ 23,295,751
Total Revenue			\$ 23,622,686
Revenue Required from Rate			\$ 23,982,546
Surplus/(Deficiency)			\$ (359,860)

CLASS A - High Load Factor (HLF)			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	84	\$250.00	\$ 21,000
Demand Charge	9,029	\$47.18	\$ 425,973
Usage Charge	173,600	\$7.146	\$ 1,240,603
Total Revenue			\$ 1,687,576
Revenue Required from Rate			\$ 1,344,825
Surplus/(Deficiency)			\$ 342,751

CLASS B - Inverse Load Factor (ILF)			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	108	\$250.00	\$ 27,000
Usage Charge	113,300	\$8.657	\$ 980,850
Total Revenue			\$ 1,007,850
Revenue Required from Rate			\$ 787,208
Surplus/(Deficiency)			\$ 220,641

CRXX			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	38	\$210.15	\$ 8,062
Usage Charge	241,400	\$6.050	\$ 1,460,470
Total Revenue			\$ 1,468,532
Revenue Required from Rate			\$ 1,716,829
Surplus/(Deficiency)			\$ (248,297)

BC Hydro			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	-	-	-
Usage Charge	16,425,000	\$0.885	\$ 14,532,014
Total Revenue			\$ 14,532,014
Revenue Required from Rate			\$ 11,625,612
Surplus/(Deficiency)			\$ 2,906,403

VIGJV			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	-	-	-
Usage Charge	4,562,500	\$0.905	\$ 4,130,323
Total Revenue			\$ 4,130,323
Revenue Required from Rate			\$ 3,162,439
Surplus/(Deficiency)			\$ 967,884

Squamish Gas			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	-	-	-
Usage Charge	373,737	\$1.050	\$ 392,424
Total Revenue			\$ 392,424
Revenue Required from Rate			\$ 999,540
Surplus/(Deficiency)			\$ (607,116)

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
REVENUE PROOF - 2006

Schedule 28C
NSP Nov-07 rev

Rate Class	Volume GJ	Proposed Revenue	Effective Rate	Allocated Cost of Service	Surplus/ (Deficiency)	R/C
RGS	4,605,415	\$ 70,795,096	\$ 15.372	\$ 80,598,381	\$ (9,803,285)	0.88
AGS	1,223,645	\$ 12,839,160	\$ 10.493	\$ 12,889,603	\$ (50,443)	1.00
SCS-1	263,231	\$ 4,507,835	\$ 17.125	\$ 4,811,838	\$ (304,003)	0.94
SCS-2	637,120	\$ 9,764,903	\$ 15.327	\$ 8,390,773	\$ 1,374,131	1.16
LCS-1	1,334,614	\$ 15,561,175	\$ 11.660	\$ 16,234,061	\$ (672,886)	0.96
LCS-2	1,287,917	\$ 14,249,304	\$ 11.064	\$ 14,138,114	\$ 111,191	1.01
LCS-3	2,250,500	\$ 23,622,686	\$ 10.497	\$ 23,982,546	\$ (359,860)	0.98
HLF	173,600	\$ 1,687,576	\$ 9.721	\$ 1,344,825	\$ 342,751	1.25
ILF	113,300	\$ 1,007,850	\$ 8.895	\$ 787,208	\$ 220,641	1.28
CRXX	241,400	\$ 1,468,532	\$ 6.083	\$ 1,716,829	\$ (248,297)	0.86
Total Core	12,130,743	\$ 155,504,117	\$ 12.819	\$ 164,894,176	\$ (9,390,059)	0.94
BC Hydro	16,425,000	\$ 14,532,014	\$ 0.885	\$ 11,625,612	\$ 2,906,403	1.25
Other Trans	4,562,500	\$ 4,130,323	\$ 0.905	\$ 3,162,439	\$ 967,884	1.31
Squamish	373,737	\$ 392,424	\$ 1.050	\$ 999,540	\$ (607,116)	0.39
Firm Service	21,361,237	\$ 19,054,761	\$ 0.892	\$ 15,787,590	\$ 3,267,171	1.21
Winter Interruptible			\$ 1.477			
Summer Interruptible			\$ 0.885			
Interruptible						
Total System	33,491,980	\$ 174,558,878	\$ 5.212	\$ 180,681,766	\$ (6,122,889)	0.97

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
REVENUE PROOF - 2007

Schedule 28D
NSP Nov-07 rev

RESIDENTIAL RGS			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	983,381	\$10.50	\$ 10,325,500
Usage Charge	4,772,274	\$13.208	\$ 63,034,570
Total Revenue			\$ 73,360,070
Revenue Required from Rate			\$ 81,227,723
Surplus/(Deficiency)			\$ (7,867,653)

APARTMENT AGS			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	11,151	\$40.00	\$ 446,047
Usage Charge	1,231,535	\$10.655	\$ 13,121,997
Total Revenue			\$ 13,568,044
Revenue Required from Rate			\$ 11,905,686
Surplus/(Deficiency)			\$ 1,662,358

SMALL COMMERCIAL SCS-1 (0-200 GJ/YEAR)			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	48,259	\$9.45	\$ 456,044
Usage Charge	262,317	\$15.511	\$ 4,068,924
Total Revenue			\$ 4,524,968
Revenue Required from Rate			\$ 4,685,117
Surplus/(Deficiency)			\$ (160,149)

SMALL COMMERCIAL SCS-2 (200-600 GJ/YEAR)			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	26,171	\$33.53	\$ 877,530
Usage Charge	636,303	\$14.066	\$ 8,950,345
Total Revenue			\$ 9,827,875
Revenue Required from Rate			\$ 7,946,745
Surplus/(Deficiency)			\$ 1,881,130

LARGE COMMERCIAL LCS-1 (600-2,000 GJ/YEAR)			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	17,943	\$61.00	\$ 1,094,551
Usage Charge	1,342,714	\$11.427	\$ 15,343,848
Total Revenue			\$ 16,438,399
Revenue Required from Rate			\$ 15,292,218
Surplus/(Deficiency)			\$ 1,146,181

LARGE COMMERCIAL LCS-2 (2,000-6,000 GJ/YEAR)			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	6,682	\$97.82	\$ 653,661
Usage Charge	1,295,438	\$11.112	\$ 14,395,480
Total Revenue			\$ 15,049,141
Revenue Required from Rate			\$ 13,143,281
Surplus/(Deficiency)			\$ 1,905,860

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
REVENUE PROOF - 2007

Schedule 28E
NSP Nov-07 rev

LARGE COMMERCIAL LCS-3 (OVER 6,000 GJ/YEAR)			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	1,635	\$201.51	\$ 329,448
Usage Charge	2,267,800	\$10.876	\$ 24,665,044
Total Revenue			\$ 24,994,492
Revenue Required from Rate			\$ 22,242,997
Surplus/(Deficiency)			\$ 2,751,495

CLASS A - High Load Factor (HLF)			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	84	\$250.00	\$ 21,000
Demand Charge	9,029	\$47.18	\$ 425,973
Usage Charge	173,600	\$7.632	\$ 1,324,982
Total Revenue			\$ 1,771,955
Revenue Required from Rate			\$ 1,169,486
Surplus/(Deficiency)			\$ 602,469

CLASS B - Inverse Load Factor (ILF)			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	108	\$250.00	\$ 27,000
Usage Charge	113,300	\$9.102	\$ 1,031,242
Total Revenue			\$ 1,058,242
Revenue Required from Rate			\$ 664,566
Surplus/(Deficiency)			\$ 393,677

CRXX			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	38	\$210.15	\$ 8,062
Usage Charge	241,400	\$6.050	\$ 1,460,470
Total Revenue			\$ 1,468,532
Revenue Required from Rate			\$ 1,461,200
Surplus/(Deficiency)			\$ 7,332

BC Hydro			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	-	-	-
Usage Charge	16,425,000	\$0.980	\$ 16,094,263
Total Revenue			\$ 16,094,263
Revenue Required from Rate			\$ 12,875,410
Surplus/(Deficiency)			\$ 3,218,853

VIGJV			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	-	-	-
Usage Charge	4,562,500	\$0.915	\$ 4,175,756
Total Revenue			\$ 4,175,756
Revenue Required from Rate			\$ 3,488,664
Surplus/(Deficiency)			\$ 687,092

Squamish Gas			
	Billing Determinant (Bills/GJ)	Proposed Rate	Proposed Revenue
Customer Charge	-	-	-
Usage Charge	401,333	\$1.050	\$ 421,399
Total Revenue			\$ 421,399
Revenue Required from Rate			\$ 1,183,012
Surplus/(Deficiency)			\$ (761,613)

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
REVENUE PROOF - 2007

Schedule 28F
NSP Nov-07 rev

Rate Class	Volume GJ	Proposed Revenue	Effective Rate	Allocated Cost of Service	Surplus/ (Deficiency)	R/C
RGS	4,772,274	\$ 73,360,070	\$ 15.372	\$ 81,227,723	\$ (7,867,653)	0.90
AGS	1,231,535	\$ 13,568,044	\$ 11.017	\$ 11,905,686	\$ 1,662,358	1.14
SCS-1	262,317	\$ 4,524,968	\$ 17.250	\$ 4,685,117	\$ (160,149)	0.97
SCS-2	636,303	\$ 9,827,875	\$ 15.445	\$ 7,946,745	\$ 1,881,130	1.24
LCS-1	1,342,714	\$ 16,438,399	\$ 12.243	\$ 15,292,218	\$ 1,146,181	1.07
LCS-2	1,295,438	\$ 15,049,141	\$ 11.617	\$ 13,143,281	\$ 1,905,860	1.15
LCS-3	2,267,800	\$ 24,994,492	\$ 11.021	\$ 22,242,997	\$ 2,751,495	1.12
HLF	173,600	\$ 1,771,955	\$ 10.207	\$ 1,169,486	\$ 602,469	1.52
ILF	113,300	\$ 1,058,242	\$ 9.340	\$ 664,566	\$ 393,677	1.59
CRXX	241,400	\$ 1,468,532	\$ 6.083	\$ 1,461,200	\$ 7,332	1.01
Total Core	12,336,681	\$ 162,061,717	\$ 13.137	\$ 159,739,018	\$ 2,322,699	1.01
BC Hydro	16,425,000	\$ 16,094,263	\$ 0.980	\$ 12,875,410	\$ 3,218,853	1.25
Other Trans	4,562,500	\$ 4,175,756	\$ 0.915	\$ 3,488,664	\$ 687,092	1.20
Squamish	401,333	\$ 421,399	\$ 1.050	\$ 1,183,012	\$ (761,613)	0.36
Firm Service	21,388,833	\$ 20,691,418	\$ 0.967	\$ 17,547,086	\$ 3,144,332	1.18
Winter Interruptible			\$ 1.625			
Summer Interruptible			\$ 0.980			
Interruptible						
Total System	33,725,514	\$ 182,753,135	\$ 5.419	\$ 177,286,104	\$ 5,467,031	1.03

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
OTHER REVENUE

Schedule 29
NSP Nov-07 rev

LINE	2002 Actual	2003 Actual	2004 Actual	2005 Projection	2006 Forecast	2007 Forecast	Reference
1	Energy Sales (GJ's) per VINGPA	6,255,000	6,300,000	6,330,000	6,375,000	6,405,000	VINGPA
2	Royalty Rate/GJ	\$2,908	\$5,406	\$5,707	\$7,282	\$11,064	\$9,330
3	Total Royalty Revenue	<u>\$18,188,652</u>	<u>\$34,058,747</u>	<u>\$36,125,648</u>	<u>\$46,421,400</u>	<u>\$70,865,504</u>	<u>\$60,179,226</u>
Other Income:							
4	Penalty Revenue	\$ 207,934	\$ 198,709	\$ 192,310	\$ 325,194	\$ 234,825	\$ 239,642
5	Interest Income	85,759	43,279	11,621	10,000	0	0
6	Miscellaneous Income	29,763	48,966	33,293	31,310	29,252	30,438
7	Service Work Revenue	42,358	26,973	(38,501)	22,086	31,732	27,161
8	Total Other Income	<u>\$ 365,814</u>	<u>\$ 317,927</u>	<u>\$ 198,723</u>	<u>\$ 388,590</u>	<u>\$ 295,809</u>	<u>\$ 297,241</u>

Other Rev

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
OPERATING & MAINTENANCE EXPENSES - SUMMARY

LINE	Particulars	2003 Actual	2004 Actual	2005 Projection	2006 Forecast	2007 Forecast
	OPERATING					
1	Manufactured Gas / Local Storage	\$0	\$181	\$0	\$0	\$0
2	Transmission	1,326,824	1,714,971	1,768,308	1,582,213	1,622,803
3	Distribution	6,111,154	7,104,868	6,669,933	6,003,345	6,189,341
4	General Operation	3,519,033	1,163,913	3,686,761	3,298,770	3,383,396
5	TOTAL OPERATING	10,957,011	9,983,932	12,125,002	10,884,328	11,195,539
	ADMINISTRATION & GENERAL					
6	Sales Promotion	2,179,103	1,300,277	2,225,319	1,991,129	2,042,209
7	Customer Accounting	4,145,697	3,906,608	4,476,806	4,111,719	4,313,160
8	Administration & General	12,106,272	12,981,125	10,999,795	9,842,188	10,094,678
9	TOTAL ADMINISTRATION & GENERAL	18,431,072	18,188,010	17,701,921	15,945,036	16,450,047
	MAINTENANCE EXPENSE					
10	Local Storage	0	0	0	0	0
11	Transmission	1,276,332	1,539,731	1,871,912	1,674,914	1,717,882
12	Distribution	711,476	589,969	923,165	841,722	877,532
13	General	0	0			
14	TOTAL MAINTENANCE EXPENSE	1,987,807	2,129,700	2,795,077	2,516,636	2,595,414
15	NEGOTIATED SETTLEMENT ADJUSTMENT	396,110	2,220,357			
16	TOTAL GROSS EXPENSES	31,772,000	32,522,000	32,622,000	29,346,000	30,241,000
	CAPITALIZATION					
17	Gross O & M Capitalization	(5,208,310)	(5,028,115)	(4,626,000)	(4,695,360)	(4,838,560)
18	TOTAL O & M CAPITALIZATION	(5,208,310)	(5,028,115)	(4,626,000)	(4,695,360)	(4,838,560)
19	TOTAL NET EXPENSES	26,563,690	27,493,885	27,996,000	24,650,640	25,402,440
	NET CHARGES TO AFFILIATES					
20	Whistler	(216,167)	(220,500)	(224,700)	(228,310)	(233,333)
21	TOTAL CHARGES TO AFFILIATES	(216,167)	(220,500)	(224,700)	(228,310)	(233,333)
22	TOTAL NET DIRECT O & M EXPENSES	\$26,347,523	\$27,273,385	\$27,771,300	\$24,422,330	\$25,169,107
23	Average Number of Customers	75,255	78,618	82,601	86,421	90,082
24	Average Gross Expenses Per Customer (Line 16/Line 23)	422	414	395	340	336
25	Average Net Direct Cost Per Customer (Line 22/Line 23)	350	347	336	283	279

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
OPERATING & MAINTENANCE EXPENSES - SUMMARY

Gross O&M Expense

	2006	2007
	FORECAST	FORECAST
Previous year allowed O&M	\$ 32,622	\$ 29,346
Deduct forecast USP Savings - 2005	(3,083)	-
Other forecast Savings - 2005	(500)	
sub-total	29,039	29,346
Pension Variance - 2006	(478)	(6)
Insurance Variance - 2006	(9)	66
CIS Conversion Savings - 2006	(265)	(200)
Re-based Gross O&M	\$ 28,287	\$ 29,206
Add BC 1 Call	\$ 28	\$ -
Add Incremental Pipelines O&M		\$ 200
Add Customer Growth	400	400
Add Inflation	631	651
Less productivity	-	(216)
Forecast O&M expense	\$ 29,346	\$ 30,241
Customer Additions	3,837	3,486
Customer Growth Rate	4.54%	3.95%
Inflation Rate	2.20%	2.20%
Productivity improvement Factor	0.00%	-0.73%
Productivity rate - portion of inflation	0%	33%

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
KEY COST RATIOS

Schedule 31
NSP Nov-07 rev

LINE	Particulars	Reference	2002 Actual	2003 Actual	2004 Actual	2005 Projection	2006 Forecast	2007 Forecast	2003 Settlement	2004 Settlement	2005 Settlement
1	Cost of Service	Schedule 2	\$87,220,567	\$93,016,577	\$91,278,868	\$102,455,202	\$100,837,299	\$105,813,732	93,679,443	99,889,487	101,486,924
2	Less: GCVA Amortization	Schedule 2		\$1,207,297	\$3,706,939	(\$769,439)	(\$3,165,226)	\$0	704,483		
3	Cost of Service - excl. GCVA Amortization	Schedule 2	\$87,220,567	\$94,223,874	\$94,985,807	\$101,685,764	\$97,672,073	\$105,813,732	94,383,926	99,889,487	101,486,924
4	Cost of Gas	Schedule 2	\$52,794,369	\$78,656,017	\$75,145,220	\$95,614,900	\$137,669,997	\$119,073,137	72,306,351	75,247,605	78,485,792
5	Less: Royalty Credit	Schedule 2	(\$18,188,652)	(\$34,058,747)	(\$36,125,648)	(\$46,421,400)	(\$70,865,504)	(\$60,179,226)	(25,536,120)	(26,093,904)	(26,804,994)
6	Add: GCVA Amortization	Schedule 2	\$0	(\$1,207,297)	(\$3,706,939)	\$769,439	\$3,165,226	\$0	(\$704,483)	\$0	\$0
7	Royalty Adjusted Cost of Gas ("RACOG") - with GCVA Amortization	Schedule 2	\$34,605,717	\$43,389,973	\$35,312,633	\$49,962,939	\$69,969,720	\$58,893,911	\$46,065,748	\$49,153,701	\$51,680,798
8	Average Customers (Core + Transportation)	Schedule 26	72,596	75,255	78,618	82,601	86,421	90,082	75,327	78,171	81,223
9	Cost of Service per Customer	Line 1 / Line 8	\$1,201.45	\$1,252.06	\$1,208.20	\$1,231.06	\$1,130.20	\$1,174.64	\$1,252.99	\$1,277.83	\$1,249.49
10	RACOG per Customer	Line 7 / Line 8	\$476.69	\$576.57	\$449.17	\$604.87	\$809.64	\$653.78	\$611.54	\$628.80	\$636.28

Ratios

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
Core Peak Day Demand and System Capacity for Allocation Purposes

Peak Day Demand Core	2006 GJ	2007 GJ
RGS	47,572	49,930
AGS	8,149	8,251
SCS-1	3,416	3,460
SCS-2	4,812	4,874
LCS-1	10,907	11,040
LCS-2	10,373	10,512
LCS-3	20,377	20,657
HLF	445	448
ILF	72	73
CRXX	382	384
Total Core	106,506	109,630

System Capacity	2006 GJ	Peak Day Allocation Factor
RGS	40,659	26.5%
AGS	7,096	4.6%
SCS-1	2,909	1.9%
SCS-2	4,161	2.7%
LCS-1	9,487	6.2%
LCS-2	8,981	5.9%
LCS-3	17,594	11.5%
HLF	445	0.3%
ILF	72	0.0%
CRXX	382	0.2%
Total Core	91,786	59.9%
BC Hydro	45,000	29.4%
Other Trans	12,500	8.2%
Squamish	3,914	2.6%
Firm Service	153,200	100.0%

System Capacity	2007 GJ	Peak Day Allocation Factor
RGS	41,254	26.9%
AGS	6,977	4.6%
SCS-1	2,845	1.9%
SCS-2	4,085	2.7%
LCS-1	9,321	6.1%
LCS-2	8,825	5.8%
LCS-3	17,284	11.3%
HLF	448	0.3%
ILF	73	0.0%
CRXX	384	0.3%
Total Core	91,497	59.7%
BC Hydro	45,000	29.4%
Other Trans	12,500	8.2%
Squamish	4,203	2.7%
Firm Service	153,200	100.0%

TERASEN GAS (VANCOUVER ISLAND) INC.						Schedule 33A
2006 - 2007 Revenue Requirement Extension						NSP Nov-07 rev
TABLE 1: SUMMARY OF RESULTS (2006)						
	Total System	Firm		Squamish Gas	Total Core	
		Transportation	VIGJV			
Consumption Characteristics						
Annual Consumption (GJ)	33,491,980	16,425,000	4,562,500	373,737	12,130,743	
Customers	86,421	1	1	1	86,418	
Demand (GJ/Day)	153,200	45,000	12,500	3,914	91,786	
Average Annual Customer Consumption	388	16,425,000	4,562,500	373,737	140	
Peak Day Load Factor	60%	100%	100%	26%	36%	
Allocated Cost of Service (\$,000's)						
Commodity	\$66,804	\$0	\$0	\$0	\$66,804	
Demand	\$85,198	\$10,747	\$3,162	\$1,000	\$70,289	
Customer	\$15,343	\$0	\$0	\$0	\$15,343	
RDDA Financing and Preferred Share Redemption	\$13,336	\$878	\$0	\$0	\$12,457	
Allocated Cost of Service	\$180,682	\$11,626	\$3,162	\$1,000	\$164,894	
Unit Cost of Service						
Commodity \$(/GJ)	\$1.995	\$0.000	\$0.000	\$0.000	\$5.507	
Demand \$(/GJ/Month)	\$46.344	\$19.902	\$21.083	\$21.281	\$63.816	
Customer \$(/Customer/Month)	\$14.795	\$0.000	\$0.000	\$0.000	\$14.796	
RDDA Financing and Preferred Share Redemption	\$0.398	\$0.053	\$0.000	\$0.000	\$1.027	
Total Average Unit Costs: COSA \$(/GJ)	\$5.395	\$0.708	\$0.693	\$2.674	\$13.593	

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
TABLE 1: SUMMARY OF RESULTS (2006)

Schedule 33B
NSP Nov-07 rev

	Total Core	RGS	AGS	SC1	SC2	LC1	LC2	LC3	HLF	ILF	CRXX
Consumption Characteristics											
Annual Consumption (GJ)	12,130,743	4,605,415	1,223,645	263,231	637,120	1,334,614	1,287,917	2,250,500	173,600	113,300	241,400
Customers	86,418	77,571	776	4,073	1,801	1,496	552	132	7	9	3
Demand (GJ/Day)	91,786	40,659	7,096	2,909	4,161	9,487	8,981	17,594	445	72	382
Average Annual Customer Consumption	140	59	1,578	65	354	892	2,335	17,114	24,800	12,589	80,467
Peak Day Load Factor	36%	31%	47%	25%	42%	39%	39%	35%	N/A	N/A	N/A
Allocated Cost of Service (\$'000's)											
Commodity	\$66,804	\$25,362	\$6,739	\$1,450	\$3,509	\$7,350	\$7,093	\$12,394	\$956	\$624	\$1,329
Demand	\$70,289	\$38,288	\$4,571	\$2,381	\$3,606	\$6,678	\$5,316	\$8,849	\$264	\$95	\$242
Customer	\$15,343	\$10,859	\$606	\$618	\$642	\$980	\$661	\$928	\$23	\$9	\$16
RDDA Financing and Preferred Share Redemption	\$12,457	\$6,089	\$974	\$364	\$634	\$1,226	\$1,068	\$1,812	\$102	\$59	\$130
Allocated Cost of Service	\$164,894	\$80,598	\$12,890	\$4,812	\$8,391	\$16,234	\$14,138	\$23,983	\$1,345	\$787	\$1,717
Unit Cost of Service											
Commodity \$(GJ	\$5.507	\$5.507	\$5.507	\$5.507	\$5.507	\$5.507	\$5.507	\$5.507	\$5.507	\$5.507	\$5.507
Demand \$(GJ/Month	\$63.816	\$78.473	\$53.676	\$68.203	\$72.220	\$58.658	\$49.331	\$41.914	\$49.421	\$109.178	\$52.735
Customer \$(Customer/Month	\$14.796	\$11.666	\$65.164	\$12.646	\$29.709	\$54.609	\$99.906	\$588.121	\$275.469	\$83.249	\$450.100
RDDA Financing and Preferred Share Redemption	\$1.027	\$1.322	\$0.796	\$1.381	\$0.995	\$0.919	\$0.829	\$0.805	\$0.585	\$0.525	\$0.537
Total Average Unit Costs: COSA \$(G.J)	\$13.593	\$17.501	\$10.534	\$18.280	\$13.170	\$12.164	\$10.977	\$10.657	\$7.747	\$6.948	\$7.112

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
TABLE 2: PRESENT REVENUE TO COST (2006)

	Total System	Firm Transportation	VIGJV	Squamish Gas	Total Core
Present Rates (\$/GJ)					
Fixed Monthly Charge					
Commodity Charge		\$0.885	\$0.905	\$1.050	
Effective Unit Rate					
Revenues from Present Rates (\$,000's)	\$174,558,878	\$14,532,014	\$4,130,323	\$392,424	\$155,504,117
High Pressure System Revenue Requirement Remaining System Revenue Requirement					
Total Allocated Revenue Requirement (\$,000's)	\$180,681,766	\$11,625,612	\$3,162,439	\$999,540	\$164,894,176
Revenue Surplus / (Deficiency)	(\$6,122,889)	\$2,906,403	\$967,884	(\$607,116)	(\$9,390,059)
Revenue Requirement (%) Difference	-3.51%	20.00%	23.43%	-154.71%	-6.04%
Rate Base					
% Actual Rate of Return					
% Proposed Rate of Return					
Return on Rate Base					
Transmission Return Concession					
Return on Investment					
Revenue to Cost Ratio	97%	125%	131%	39%	94%

Schedule 33C
NSP Nov-07 rev

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
TABLE 2: PRESENT REVENUE TO COST (2006)

	Total Core	RGS	AGS	SC1	SC2	LC1	LC2	LC3	HLF	ILF	CRXX
Present Rates (\$/GJ)											
Fixed Monthly Charge											
Commodity Charge											
Effective Unit Rate		\$15,372	\$10,493	\$17,125	\$15,327	\$11,660	\$11,064	\$10,497	\$9,721	\$8,895	\$6,083
Revenues from Present Rates (\$,000's)	\$155,504,117	\$70,795,096	\$12,839,160	\$4,507,835	\$9,764,903	\$15,561,175	\$14,249,304	\$23,622,686	\$1,687,576	\$1,007,850	\$1,468,532
High Pressure System Revenue Requirement											
Remaining System Revenue Requirement											
Total Allocated Revenue Requirement (\$,000's)	\$164,894,176	\$80,598,381	\$12,889,603	\$4,811,838	\$8,390,773	\$16,234,061	\$14,138,114	\$23,982,546	\$1,344,825	\$787,208	\$1,716,829
Revenue Surplus / (Deficiency)	(\$9,390,059)	(\$9,803,285)	(\$50,443)	(\$304,003)	\$1,374,131	(\$672,886)	\$111,191	(\$359,860)	\$342,751	\$220,641	(\$248,297)
Revenue Requirement (%) Difference	-6.04%	-13.85%	-0.39%	-6.74%	14.07%	-4.32%	0.78%	-1.52%	20.31%	21.89%	-16.91%
Rate Base											
% Actual Rate of Return											
% Proposed Rate of Return											
Return on Rate Base											
Transmission Return Concession											
Return on Investment											
Revenue to Cost Ratio	94%	88%	100%	94%	116%	96%	101%	98%	125%	128%	86%

Schedule 33D
NSP Nov-07 rev

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
TABLE 3: REVENUE REQUIREMENT ITEMS (2006)

Schedule 33E
NSP Nov-07 rev

Line	Total System	Firm Transportation	VIGJV	Squamish Gas	Total Core
1	Gross Operating and Maintenance Expenses	\$29,346	\$673	\$211	\$26,038
2	Operating and Maintenance Capitalization	(\$4,695)	(\$108)	(\$34)	(\$4,166)
3	Direct Charges and Allocations to Affiliates	(\$228)	(\$7)	(\$2)	(\$194)
4	B.C. Gas Wheeling Charge	\$4,090	\$386	\$121	\$2,832
5					
6	Lease Payments for Equipment	\$1,748	\$143	\$45	\$1,047
7					
8	Depreciation	\$16,787	\$610	\$191	\$13,790
9					
10	Reamortization/(Amortization) - CIAC	\$247	\$20	\$6	\$148
11					
12	Municipal Taxes	\$7,211	\$224	\$70	\$6,112
13					
14	Amortization of Deferreds	\$5,287	\$83	\$26	\$4,877
15	Large Corporations Tax	\$681	\$21	\$7	\$577
16	British Columbia Capital Tax	\$0	\$0	\$0	\$0
17	Motor Fuel Tax	\$605	\$19	\$6	\$513
18	Provincial Sales Tax on Meter Station Fuel	\$90	\$3	\$1	\$77
19					
20	Proposed Return on Rate Base	\$34,283	\$1,063	\$333	\$29,059
21	Less Special Direction Provision	(\$1,867)	(\$152)	(\$48)	(\$1,119)
22	Equity Portion of AFUDC	\$0	\$0	\$0	\$0
23	Income Tax Expense	\$7,252	\$225	\$70	\$6,147
24					
25	Cost of Service	\$100,837	\$3,203	\$1,003	\$85,739
26					
27	Cost of Sales	\$137,670	\$0	\$0	\$137,670
28	Royalty Revenue	(\$70,866)	\$0	\$0	(\$70,866)
29	Other Revenue	(\$296)	(\$40)	(\$3)	(\$107)
30	Revenue (Surplus) / Deficiency	\$13,336	\$0	\$0	\$12,457
31					
32	Total Revenue Requirement	\$180,682	\$3,162	\$1,000	\$164,894

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
TABLE 3: REVENUE REQUIREMENT ITEMS (2006)

Schedule 33F
NSP Nov-07 rev

Line	Total Core	RGS	AGS	SC1	SC2	LC1	LC2	LC3	HLF	ILF	CRXX
1	Gross Operating and Maintenance Expenses	\$26,038	\$16,622	\$1,294	\$987	\$1,969	\$1,491	\$2,402	\$60	\$17	\$46
2	Operating and Maintenance Capitalization	(\$4,166)	(\$2,659)	(\$207)	(\$158)	(\$315)	(\$239)	(\$384)	(\$10)	(\$3)	(\$7)
3	Direct Charges and Allocations to Affiliates	(\$194)	(\$111)	(\$12)	(\$7)	(\$18)	(\$13)	(\$21)	(\$1)	(\$0)	(\$0)
4	B.C. Gas Wheeling Charge	\$2,832	\$1,255	\$219	\$90	\$293	\$277	\$543	\$14	\$2	\$12
5											
6	Lease Payments for Equipment	\$1,047	\$464	\$81	\$33	\$108	\$102	\$201	\$5	\$1	\$4
7											
8	Depreciation	\$13,790	\$7,775	\$849	\$709	\$1,283	\$991	\$1,617	\$41	\$12	\$32
9											
10	Reamortization/(Amortization) - CIAC	\$148	\$66	\$11	\$5	\$15	\$15	\$28	\$1	\$0	\$1
11											
12	Municipal Taxes	\$6,112	\$3,508	\$368	\$215	\$564	\$426	\$679	\$17	\$5	\$13
13											
14	Amortization of Deferreds	\$4,877	\$1,890	\$478	\$112	\$532	\$513	\$909	\$64	\$40	\$87
15	Large Corporations Tax	\$577	\$331	\$35	\$20	\$53	\$40	\$64	\$2	\$0	\$1
16	British Columbia Capital Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Motor Fuel Tax	\$513	\$294	\$31	\$18	\$47	\$36	\$57	\$1	\$0	\$1
18	Provincial Sales Tax on Meter Station Fuel	\$77	\$44	\$5	\$3	\$7	\$5	\$9	\$0	\$0	\$0
19											
20	Proposed Return on Rate Base	\$29,059	\$16,677	\$1,752	\$1,021	\$2,679	\$2,026	\$3,227	\$82	\$25	\$62
21	Less Special Direction Provision	(\$1,119)	(\$496)	(\$86)	(\$35)	(\$116)	(\$109)	(\$214)	(\$5)	(\$1)	(\$5)
22	Equity Portion of AFUDC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	Income Tax Expense	\$6,147	\$3,528	\$371	\$216	\$567	\$428	\$683	\$17	\$5	\$13
24											
25	Cost of Service	\$85,739	\$49,188	\$5,188	\$3,001	\$7,670	\$5,989	\$9,797	\$289	\$105	\$260
26											
27	Cost of Sales	\$137,670	\$52,266	\$13,887	\$2,987	\$15,146	\$14,616	\$25,541	\$1,970	\$1,286	\$2,740
28	Royalty Revenue	(\$70,866)	(\$26,904)	(\$7,148)	(\$1,538)	(\$7,797)	(\$7,524)	(\$13,147)	(\$1,014)	(\$662)	(\$1,410)
29	Other Revenue	(\$107)	(\$41)	(\$11)	(\$2)	(\$12)	(\$11)	(\$20)	(\$2)	(\$1)	(\$2)
30	Revenue (Surplus) / Deficiency	\$12,457	\$6,089	\$974	\$364	\$1,226	\$1,068	\$1,812	\$102	\$59	\$130
31											
32	Total Revenue Requirement	\$164,894	\$80,598	\$12,890	\$4,812	\$16,234	\$14,138	\$23,983	\$1,345	\$787	\$1,717

Line	Total System	Firm Transportation	VIGJV	Squamish Gas	Total Core
1 Transmission Plant - High Pressure	\$163,552	\$48,041	\$13,345	\$4,178	\$97,988
2 Transmission Plant - Intermediate Pressure	\$0	\$0	\$0	\$0	\$0
3 Local Storage Plant	\$0	\$0	\$0	\$0	\$0
4 Distribution Plant	\$266,714	\$0	\$0	\$0	\$266,714
5 General Plant	\$47,333	\$5,285	\$1,468	\$460	\$40,121
6 Total	\$477,599	\$53,326	\$14,813	\$4,638	\$404,823

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
TABLE 4: RATE BASE ALLOCATION (2006)

Schedule 33H
NSP Nov-07 rev

Line	Total Core	RGS	AGS	SC1	SC2	LC1	LC2	LC3	HLF	ILF	CRXX
1 Transmission Plant - High Pressure	\$97,988	\$43,407	\$7,576	\$3,105	\$4,442	\$10,128	\$9,587	\$18,783	\$475	\$77	\$407
2 Transmission Plant - Intermediate Pressure	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 Local Storage Plant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Distribution Plant	\$266,714	\$165,895	\$14,409	\$9,715	\$14,492	\$23,499	\$15,834	\$21,714	\$553	\$233	\$370
5 General Plant	\$40,121	\$23,025	\$2,418	\$1,410	\$2,083	\$3,699	\$2,797	\$4,455	\$113	\$34	\$86
6 Total	\$404,823	\$232,327	\$24,403	\$14,231	\$21,017	\$37,326	\$28,217	\$44,952	\$1,142	\$345	\$863

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
TABLE 1: SUMMARY OF RESULTS (2007)

	Total System	Firm Transportation	VIGJV	Squamish Gas	Total Core
Consumption Characteristics					
Annual Consumption (GJ)	33,725,514	16,425,000	4,562,500	401,333	12,336,681
Customers	90,082	1	1	1	90,079
Demand (GJ/Day)	153,200	45,000	12,500	4,203	91,497
Average Annual Customer Consumption	374	16,425,000	4,562,500	401,333	137
Peak Day Load Factor	60%	100%	100%	26%	37%
Allocated Cost of Service (\$,000's)					
Commodity	\$58,894	\$0	\$0	\$0	\$58,894
Demand	\$89,544	\$11,915	\$3,489	\$1,183	\$72,958
Customer	\$15,972	\$0	\$0	\$0	\$15,972
RDDA Financing and Preferred Share Redemption	\$12,876	\$960	\$0	\$0	\$11,915
Allocated Cost of Service	\$177,286	\$12,875	\$3,489	\$1,183	\$159,739
Unit Cost of Service					
Commodity \$/GJ	\$1.746	\$0.000	\$0.000	\$0.000	\$4.774
Demand \$/GJ/Month	\$48.708	\$22.065	\$23.258	\$23.456	\$66.448
Customer \$/Customer/Month	\$14.776	\$0.000	\$0.000	\$0.000	\$14.776
RDDA Financing and Preferred Share Redemption	\$0.382	\$0.058	\$0.000	\$0.000	\$0.966
Total Average Unit Costs: COSA (\$/GJ)	\$5.257	\$0.784	\$0.765	\$2.948	\$12.948

Schedule 33I
NSP Nov-07 rev

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
TABLE 1: SUMMARY OF RESULTS (2007)

Schedule 33J
NSF Nov-07 rev

	Total Core	RGS	AGS	SC1	SC2	LC1	LC2	LC3	HLF	ILF	CRXX
Consumption Characteristics											
Annual Consumption (GJ)	12,336,681	4,772,274	1,231,535	262,317	636,303	1,342,714	1,295,438	2,267,800	173,600	113,300	241,400
Customers	90,079	81,175	781	4,100	1,813	1,505	555	133	7	9	3
Demand (GJ/Day)	91,497	41,254	6,977	2,845	4,085	9,321	8,825	17,284	448	73	384
Average Annual Customer Consumption	137	59	1,578	64	351	892	2,334	17,115	24,800	12,589	80,467
Peak Day Load Factor	37%	32%	48%	25%	43%	39%	40%	36%	N/A	N/A	N/A
Allocated Cost of Service (\$'000's)											
Commodity	\$58,894	\$22,782	\$5,879	\$1,252	\$3,038	\$6,410	\$6,184	\$10,826	\$829	\$541	\$1,152
Demand	\$72,958	\$40,977	\$4,521	\$2,460	\$3,664	\$6,744	\$5,305	\$8,809	\$230	\$65	\$183
Customer	\$15,972	\$11,410	\$618	\$624	\$652	\$997	\$674	\$948	\$23	\$9	\$16
RDDA Financing and Preferred Share Redemption	\$11,915	\$6,059	\$888	\$349	\$593	\$1,141	\$980	\$1,659	\$87	\$50	\$109
Allocated Cost of Service	\$159,739	\$81,228	\$11,906	\$4,685	\$7,947	\$15,292	\$13,143	\$22,243	\$1,169	\$665	\$1,461
Unit Cost of Service											
Commodity \$(GJ	\$4,774	\$4,774	\$4,774	\$4,774	\$4,774	\$4,774	\$4,774	\$4,774	\$4,774	\$4,774	\$4,774
Demand \$(GJ/Month	\$66,448	\$82,772	\$53,995	\$72,037	\$74,738	\$60,296	\$50,091	\$42,473	\$42,791	\$74,417	\$39,791
Customer \$(Customer/Month	\$14,776	\$11,713	\$65,945	\$12,678	\$29,984	\$55,235	\$101,205	\$596,411	\$279,257	\$84,261	\$456,410
RDDA Financing and Preferred Share Redemption	\$0,966	\$1,270	\$0,721	\$1,332	\$0,932	\$0,850	\$0,757	\$0,732	\$0,503	\$0,438	\$0,452
Total Average Unit Costs: COSA \$(G.J)	\$12,948	\$17,021	\$9,667	\$17,861	\$12,489	\$11,389	\$10,146	\$9,808	\$6,737	\$5,866	\$6,053

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
TABLE 2: PRESENT REVENUE TO COST (2007)

	Total System	Firm Transportation	VIGJV	Squamish Gas	Total Core
Present Rates (\$/GJ)					
Fixed Monthly Charge					
Commodity Charge		\$0.980	\$0.915	\$1.050	
Effective Unit Rate					
Revenues from Present Rates (\$,000's)	\$182,753,135	\$ 16,094,263	\$ 4,175,756	\$ 421,399	\$162,061,717
High Pressure System Revenue Requirement Remaining System Revenue Requirement					
Total Allocated Revenue Requirement (\$,000's)	\$177,286,104	\$12,875,410	\$3,488,664	\$1,183,012	\$159,739,018
Revenue Surplus / (Deficiency)	\$5,467,031	\$3,218,853	\$687,092	(\$761,613)	\$2,322,699
Revenue Requirement (%) Difference	2.99%	20.00%	16.45%	-180.73%	1.43%
Rate Base					
% Actual Rate of Return					
% Proposed Rate of Return					
Return on Rate Base					
Transmission Return Concession					
Return on Investment					
Revenue to Cost Ratio	103%	125%	120%	36%	101%

Schedule 33K
NSP Nov-07 rev

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
TABLE 2: PRESENT REVENUE TO COST (2007)

Schedule 33L
NSP Nov-07 rev

	Total Core	RGS	AGS	SC1	SC2	LC1	LC2	LC3	HLF	ILF	CRXX
Present Rates (\$/GJ)											
Fixed Monthly Charge											
Commodity Charge		\$15.372	\$11.017	\$17.250	\$15.445	\$12.243	\$11.617	\$11.021	\$10.207	\$9.340	\$6.083
Effective Unit Rate											
Revenues from Present Rates (\$,000's)	\$ 162,061,717	\$ 73,360,070	\$ 13,568,044	\$ 4,524,968	\$ 9,827,875	\$ 16,438,399	\$ 15,049,141	\$ 24,994,492	\$ 1,771,955	#####	\$ 1,468,532
High Pressure System Revenue Requirement											
Remaining System Revenue Requirement											
Total Allocated Revenue Requirement (\$,000's)	\$ 159,739,018	\$ 81,227,723	\$ 11,905,686	\$ 4,685,117	\$ 7,946,745	\$ 15,292,218	\$ 13,143,281	\$ 22,242,997	\$ 1,169,486	\$ 664,566	\$ 1,461,200
Revenue Surplus / (Deficiency)	\$2,322,699	(\$7,867,653)	\$1,662,358	(\$160,149)	\$1,881,130	\$1,146,181	\$1,905,860	\$2,751,495	\$602,469	\$393,677	\$7,332
Revenue Requirement (%) Difference	1.43%	-10.72%	12.25%	-3.54%	19.14%	6.97%	12.66%	11.01%	34.00%	37.20%	0.50%
Rate Base											
% Actual Rate of Return											
% Proposed Rate of Return											
Return on Rate Base											
Transmission Return Concession											
Return on Investment											
Revenue to Cost Ratio	101%	90%	114%	97%	124%	107%	115%	112%	152%	159%	101%

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
TABLE 3: REVENUE REQUIREMENT ITEMS (2007)

Schedule 33M
NSP Nov-07 rev

Line		Total System	Firm Transportation	VI&JV	Squamish Gas	Total Core
1	Gross Operating and Maintenance Expenses	\$30,241	\$2,496	\$693	\$233	\$26,818
2	Operating and Maintenance Capitalization	(\$4,839)	(\$399)	(\$111)	(\$37)	(\$4,291)
3	Direct Charges and Allocations to Affiliates	(\$233)	(\$26)	(\$7)	(\$2)	(\$197)
4	B.C. Gas Wheeling Charge	\$4,133	\$759	\$390	\$131	\$2,853
5						
6	Lease Payments for Equipment	\$1,748	\$513	\$143	\$48	\$1,044
7						
8	Depreciation	\$17,648	\$2,319	\$644	\$217	\$14,468
9						
10	Reamortization/(Amortization) - CIAC	\$1,244	\$365	\$102	\$34	\$743
11						
12	Municipal Taxes	\$7,420	\$834	\$232	\$78	\$6,276
13						
14	Amortization of Deferreds	\$1,492	\$258	\$72	\$24	\$1,138
15	Large Corporations Tax	\$340	\$38	\$11	\$4	\$287
16	British Columbia Capital Tax	\$0	\$0	\$0	\$0	\$0
17	Motor Fuel Tax	\$609	\$68	\$19	\$6	\$515
18	Provincial Sales Tax on Meter Station Fuel	\$86	\$10	\$3	\$1	\$73
19						
20	Proposed Return on Rate Base	\$34,649	\$3,894	\$1,082	\$364	\$29,309
21	Less Special Direction Provision	(\$1,867)	(\$548)	(\$152)	(\$51)	(\$1,115)
22	Equity Portion of AFUDC	\$0	\$0	\$0	\$0	\$0
23	Income Tax Expense	\$13,143	\$1,477	\$410	\$138	\$11,117
24						
25	Cost of Service	\$105,814	\$12,060	\$3,529	\$1,187	\$89,039
26						
27	Cost of Sales	\$119,073	\$0	\$0	\$0	\$119,073
28	Royalty Revenue	(\$60,179)	\$0	\$0	\$0	(\$60,179)
29	Other Revenue	(\$297)	(\$145)	(\$40)	(\$4)	(\$109)
30	Revenue (Surplus) / Deficiency	\$12,876	\$960	\$0	\$0	\$11,915
31						
32	Total Revenue Requirement	\$177,286	\$12,875	\$3,489	\$1,183	\$159,739

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
TABLE 3: REVENUE REQUIREMENT ITEMS (2007)

Schedule 33N
NSP Nov-07 rev

Line	Total Core	RGS	AGS	SC1	SC2	LC1	LC2	LC3	HLF	ILF	CRXX
1	Gross Operating and Maintenance Expenses	\$26,818	\$17,329	\$1,304	\$989	\$1,983	\$1,504	\$2,427	\$61	\$17	\$47
2	Operating and Maintenance Capitalization	(\$4,291)	(\$2,773)	(\$209)	(\$158)	(\$317)	(\$241)	(\$388)	(\$10)	(\$3)	(\$7)
3	Direct Charges and Allocations to Affiliates	(\$197)	(\$115)	(\$12)	(\$7)	(\$18)	(\$14)	(\$22)	(\$1)	(\$0)	(\$0)
4	B.C. Gas Wheeling Charge	\$2,853	\$1,286	\$218	\$89	\$291	\$275	\$539	\$14	\$2	\$12
5											
6	Lease Payments for Equipment	\$1,044	\$471	\$80	\$32	\$106	\$101	\$197	\$5	\$1	\$4
7											
8	Depreciation	\$14,468	\$8,266	\$876	\$492	\$1,322	\$1,023	\$1,672	\$43	\$12	\$33
9											
10	Reamortization/(Amortization) - CIAC	\$743	\$335	\$57	\$23	\$76	\$72	\$140	\$4	\$1	\$3
11											
12	Municipal Taxes	\$6,276	\$3,649	\$372	\$215	\$568	\$430	\$687	\$18	\$5	\$13
13											
14	Amortization of Deferreds	\$1,138	\$474	\$101	\$29	\$120	\$115	\$212	\$11	\$6	\$14
15	Large Corporations Tax	\$287	\$167	\$17	\$10	\$26	\$20	\$31	\$1	\$0	\$1
16	British Columbia Capital Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Motor Fuel Tax	\$515	\$299	\$31	\$18	\$47	\$35	\$56	\$1	\$0	\$1
18	Provincial Sales Tax on Meter Station Fuel	\$73	\$42	\$4	\$2	\$7	\$5	\$8	\$0	\$0	\$0
19											
20	Proposed Return on Rate Base	\$29,309	\$17,038	\$1,737	\$1,004	\$2,652	\$2,010	\$3,210	\$82	\$25	\$62
21	Less Special Direction Provision	(\$1,115)	(\$503)	(\$85)	(\$35)	(\$114)	(\$108)	(\$211)	(\$5)	(\$1)	(\$5)
22	Equity Portion of AFUDC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	Income Tax Expense	\$11,117	\$6,462	\$659	\$381	\$1,006	\$762	\$1,217	\$31	\$9	\$24
24											
25	Cost of Service	\$89,039	\$52,429	\$5,149	\$3,086	\$7,753	\$5,990	\$9,778	\$255	\$75	\$202
26											
27	Cost of Sales	\$119,073	\$46,062	\$11,887	\$2,532	\$12,960	\$12,504	\$21,889	\$1,676	\$1,094	\$2,330
28	Royalty Revenue	(\$60,179)	(\$23,279)	(\$6,008)	(\$1,280)	(\$6,550)	(\$6,319)	(\$11,062)	(\$847)	(\$553)	(\$1,178)
29	Other Revenue	(\$109)	(\$42)	(\$11)	(\$2)	(\$12)	(\$11)	(\$20)	(\$2)	(\$1)	(\$2)
30	Revenue (Surplus) / Deficiency	\$11,915	\$6,059	\$888	\$349	\$1,141	\$980	\$1,659	\$87	\$50	\$109
31											
32	Total Revenue Requirement	\$159,739	\$81,228	\$11,906	\$4,685	\$15,292	\$13,143	\$22,243	\$1,169	\$665	\$1,461

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 - 2007 Revenue Requirement Extension
TABLE 4: RATE BASE ALLOCATION (2007)

Schedule 330
NSP Nov-07 rev

Line		Total System	Firm Transportation	VIGJV	Squamish Gas	Total Core
1	Transmission Plant - High Pressure	\$168,265	\$49,425	\$13,729	\$4,616	\$100,495
2	Transmission Plant - Intermediate Pressure	\$0	\$0	\$0	\$0	\$0
3	Local Storage Plant	\$0	\$0	\$0	\$0	\$0
4	Distribution Plant	\$271,474	\$0	\$0	\$0	\$271,474
5	General Plant	\$44,147	\$4,962	\$1,378	\$463	\$37,344
6	Total	\$483,887	\$54,387	\$15,108	\$5,080	\$409,312

TERASEN GAS (VANCOUVER ISLAND) INC.

2006 - 2007 Revenue Requirement Extension

TABLE 4: RATE BASE ALLOCATION (2007)

Schedule 33P

NSP Nov-07 rev

Line	Total Core	RGS	AGS	SC1	SC2	LC1	LC2	LC3	HLF	ILF	CRXX
1 Transmission Plant - High Pressure	\$100,495	\$45,311	\$7,663	\$3,125	\$4,487	\$10,238	\$9,693	\$18,984	\$492	\$80	\$422
2 Transmission Plant - Intermediate Pressure	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 Local Storage Plant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Distribution Plant	\$271,474	\$170,918	\$14,377	\$9,621	\$14,428	\$23,419	\$15,812	\$21,751	\$550	\$231	\$368
5 General Plant	\$37,344	\$21,708	\$2,213	\$1,280	\$1,899	\$3,379	\$2,561	\$4,090	\$105	\$31	\$79
6 Total	\$409,312	\$237,937	\$24,253	\$14,026	\$20,814	\$37,036	\$28,065	\$44,824	\$1,146	\$342	\$869

Terasen Gas (Vancouver Island) Inc
Revenue Requirement 2006-07
Cost Allocation to HPTS and Distribution

Line No.	Particulars	2006 System	2006 HPTS	2006 Distribution	2006 HPTS	2006 Distribution	Allocation Basis
1	Gross Operating and Maintenance Expenses						
2	Transmission	\$1,582,213	100.00%	0.00%	\$1,582,213	\$0	Direct
3	Local Storage	\$0	0.00%	0.00%	\$0	\$0	
4	Distribution	\$6,003,345	0.00%	100.00%	\$0	\$6,003,345	Direct
5	General Operation	\$3,298,770	38.01%	61.99%	\$1,253,925	\$2,044,845	Rate Base
6							
7	Sales Promotion	\$1,991,129	0.00%	100.00%	\$0	\$1,991,129	Direct
8	Customer Accounting	\$4,111,719	0.00%	100.00%	\$0	\$4,111,719	Direct
9	Administration & General	\$9,842,188	38.01%	61.99%	\$3,741,201	\$6,100,986	Rate Base
10							
11	Maintenance - Transmission	\$1,674,914	100.00%	0.00%	\$1,674,914	\$0	Direct
12	Maintenance - Local Storage	\$0	0.00%	0.00%	\$0	\$0	
13	Maintenance - Distribution	\$841,722	0.00%	100.00%	\$0	\$841,722	Direct
14	Subtotal - Gross O&M	\$29,346,000	28.12%	71.88%	\$8,252,253	\$21,093,747	
15							
16	Operating and Maintenance Capitalization	(\$4,695,360)	28.12%	71.88%	(\$1,320,360)	(\$3,375,000)	
17	Direct Charges and Allocations to Affiliates	(\$228,310)	38.01%	61.99%	(\$86,785)	(\$141,525)	Rate Base
18	B.C. Gas Wheeling Charge	\$4,090,144	100.00%	0.00%	\$4,090,144	\$0	Direct
19							
20	Lease Payments for Equipment	\$1,747,923	100.00%	0.00%	\$1,747,923	\$0	Direct
21							
22	Depreciation						
23	HPTS	\$6,280,062	100.00%	0.00%	\$6,280,062	\$0	Direct
24	Distribution	\$7,358,897	0.00%	100.00%	\$0	\$7,358,897	Direct
25	General	\$3,147,851	38.01%	61.99%	\$1,196,557	\$1,951,293	Rate Base
26							
27	Reamortization/(Amortization) - CIAC	\$247,433	100.00%	0.00%	\$247,433	\$0	Direct
28							
29	Municipal Taxes	\$7,211,341	38.01%	61.99%	\$2,741,167	\$4,470,174	Rate Base
30							
31	Amortization of Deferreds						
32	Financing Costs	\$89,421	100.00%	0.00%	\$89,421	\$0	Direct
33	Unamortized Manufactured Gas Plant	\$354,261	0.00%	100.00%	\$0	\$354,261	Direct
34	CIS Implementation	\$414,947	0.00%	100.00%	\$0	\$414,947	Direct
35	Regulatory Expense 2003-2005	\$66,240	100.00%	0.00%	\$66,240	\$0	
36	Customer Grants and Incentives	\$329,925	0.00%	100.00%	\$0	\$329,925	Direct
37	PCEC Start Up Costs	\$43,900	100.00%	0.00%	\$43,900	\$0	Direct
38	Cost Allocation & Rate Design	\$0	0.00%	0.00%	\$0	\$0	
39	Texada Compressor Operating Costs	\$0	0.00%	0.00%	\$0	\$0	
40	Compressor Fired Hours	\$0	0.00%	0.00%	\$0	\$0	
41	Pension Expense Variance	\$0	0.00%	0.00%	\$0	\$0	
42	Insurance Expense Variance	\$0	0.00%	0.00%	\$0	\$0	
43	Gas Cost Variance Account	\$3,165,226	0.00%	100.00%	\$0	\$3,165,226	Direct
44	OSC-Compliance Certification Costs	\$61,808	100.00%	0.00%	\$61,808	\$0	Direct
45	2005 Long Term Debt Issue Cost	\$250,000	100.00%	0.00%	\$250,000	\$0	Direct
46	Regulatory Expense (06/07 Extension)	\$82,813	100.00%	0.00%	\$82,813	\$0	Direct
47	Depr'n & Overheads Capitalized Study	\$0	0.00%	0.00%	\$0	\$0	
48	LNG	\$420,739	100.00%	0.00%	\$420,739	\$0	Direct
49	VIGP	\$7,446	100.00%	0.00%	\$7,446	\$0	Direct
50	NGV Conversion Expense	\$0	0.00%	0.00%	\$0	\$0	
51	2000-2002 Regulatory Expenses	\$0	0.00%	0.00%	\$0	\$0	
52	Integrated Resource Plan Expenses	\$0	0.00%	0.00%	\$0	\$0	
53	Incremental CIS Operating Costs	\$0	0.00%	0.00%	\$0	\$0	
54	Generic Utility Systems Extension Hearing Costs	\$0	0.00%	0.00%	\$0	\$0	
55	ICP Cogen Project Commissioning	\$0	0.00%	0.00%	\$0	\$0	
56	T-Service for ICP	\$0	0.00%	0.00%	\$0	\$0	
57	Large Corporations Tax	\$680,967	38.01%	61.99%	\$258,848	\$422,119	Rate Base
58	British Columbia Capital Tax	\$0	0.00%	0.00%	\$0	\$0	
59	Motor Fuel Tax	\$605,065	38.01%	61.99%	\$229,997	\$375,068	Rate Base
60	Provincial Sales Tax on Meter Station Fuel	\$90,427	38.01%	61.99%	\$34,373	\$56,054	Rate Base
61							
62	Proposed Return on Rate Base	\$34,283,003	38.01%	61.99%	\$13,031,617	\$21,251,386	Rate Base
63	Less Special Direction Provision	(\$1,867,000)	100.00%	0.00%	(\$1,867,000)	\$0	Rate Base
64	Equity Portion of AFUDC	\$0	0.00%	0.00%	\$0	\$0	
65	Income Tax Expense	\$7,252,132	38.01%	61.99%	\$2,756,672	\$4,495,460	Rate Base
66							
67	Cost of Service	\$100,837,299	38.29%	61.71%	\$38,615,267	\$62,222,033	
68							
69	Cost of Sales	\$137,669,997	0.00%	100.00%	\$0	\$137,669,997	Direct
70	Total Revenue Requirement	\$238,507,296	16.19%	83.81%	\$38,615,267	\$199,892,030	

Terasen Gas (Vancouver Island) Inc
Revenue Requirement 2006-07
Cost Allocation to HPTS and Distribution

Line No.	Particulars	2007 System	2007 HPTS	2007 Distribution	2007 HPTS	2007 Distribution	Allocation Basis
1	Gross Operating and Maintenance Expenses						
2	Transmission	\$1,622,803	100.00%	0.00%	\$1,622,803	\$0	Direct
3	Local Storage	\$0	0.00%	0.00%	\$0	\$0	
4	Distribution	\$6,189,341	0.00%	100.00%	\$0	\$6,189,341	Direct
5	General Operation	\$3,383,396	38.26%	61.74%	\$1,294,649	\$2,088,747	Rate Base
6							
7	Sales Promotion	\$2,042,209	0.00%	100.00%	\$0	\$2,042,209	Direct
8	Customer Accounting	\$4,313,160	0.00%	100.00%	\$0	\$4,313,160	Direct
9	Administration & General	\$10,094,678	38.26%	61.74%	\$3,862,707	\$6,231,971	Rate Base
10							
11	Maintenance - Transmission	\$1,717,882	100.00%	0.00%	\$1,717,882	\$0	Direct
12	Maintenance - Local Storage	\$0	0.00%	0.00%	\$0	\$0	
13	Maintenance - Distribution	\$877,532	0.00%	100.00%	\$0	\$877,532	Direct
14	Subtotal - Gross O&M	\$30,241,000	28.10%	71.90%	\$8,498,041	\$21,742,959	
15							
16	Operating and Maintenance Capitalization	(\$4,838,560)	28.10%	71.90%	(\$1,359,687)	(\$3,478,873)	
17	Direct Charges and Allocations to Affiliates	(\$233,333)	38.26%	61.74%	(\$89,284)	(\$144,048)	Rate Base
18	B.C. Gas Wheeling Charge	\$4,133,280	100.00%	0.00%	\$4,133,280	\$0	Direct
19							
20	Lease Payments for Equipment	\$1,747,923	100.00%	0.00%	\$1,747,923	\$0	Direct
21							
22	Depreciation						
23	HPTS	\$6,585,303	100.00%	0.00%	\$6,585,303	\$0	Direct
24	Distribution	\$7,637,050	0.00%	100.00%	\$0	\$7,637,050	Direct
25	General	\$3,425,764	38.26%	61.74%	\$1,310,862	\$2,114,903	Rate Base
26							
27	Reamortization/(Amortization) - CIAC	\$1,244,171	100.00%	0.00%	\$1,244,171	\$0	Direct
28							
29	Municipal Taxes	\$7,419,941	38.26%	61.74%	\$2,839,225	\$4,580,716	Rate Base
30							
31	Amortization of Deferreds						
32	Financing Costs	\$0	0.00%	0.00%	\$0	\$0	Direct
33	Unamortized Manufactured Gas Plant	\$177,131	0.00%	100.00%	\$0	\$177,131	Direct
34	CIS Implementation	\$0	0.00%	0.00%	\$0	\$0	Direct
35	Regulatory Expense 2003-2005	\$0	0.00%	0.00%	\$0	\$0	
36	Customer Grants and Incentives	\$435,500	0.00%	100.00%	\$0	\$435,500	Direct
37	PCEC Start Up Costs	\$43,900	100.00%	0.00%	\$43,900	\$0	Direct
38	Cost Allocation & Rate Design	\$0	0.00%	0.00%	\$0	\$0	
39	Texada Compressor Operating Costs	\$0	0.00%	0.00%	\$0	\$0	
40	Compressor Fired Hours	\$0	0.00%	0.00%	\$0	\$0	
41	Pension Expense Variance	\$0	0.00%	0.00%	\$0	\$0	
42	Insurance Expense Variance	\$0	0.00%	0.00%	\$0	\$0	
43	Gas Cost Variance Account	\$0	0.00%	0.00%	\$0	\$0	Direct
44	OSC-Compliance Certification Costs	\$74,915	100.00%	0.00%	\$74,915	\$0	Direct
45	2005 Long Term Debt Issue Cost	\$250,000	100.00%	0.00%	\$250,000	\$0	Direct
46	Regulatory Expense (06/07 Extension)	\$82,813	100.00%	0.00%	\$82,813	\$0	Direct
47	Depr'n & Overheads Capitalized Study	\$0	0.00%	0.00%	\$0	\$0	
48	LNG	\$420,739	100.00%	0.00%	\$420,739	\$0	Direct
49	VIGP	\$7,446	100.00%	0.00%	\$7,446	\$0	Direct
50	NGV Conversion Expense	\$0	0.00%	0.00%	\$0	\$0	
51	2000-2002 Regulatory Expenses	\$0	0.00%	0.00%	\$0	\$0	
52	Integrated Resource Plan Expenses	\$0	0.00%	0.00%	\$0	\$0	
53	Incremental CIS Operating Costs	\$0	0.00%	0.00%	\$0	\$0	
54	Generic Utility Systems Extension Hearing Costs	\$0	0.00%	0.00%	\$0	\$0	
55	ICP Cogen Project Commissioning	\$0	0.00%	0.00%	\$0	\$0	
56	T-Service for ICP	\$0	0.00%	0.00%	\$0	\$0	
57	Large Corporations Tax	\$339,519	38.26%	61.74%	\$129,916	\$209,603	Rate Base
58	British Columbia Capital Tax	\$0	0.00%	0.00%	\$0	\$0	
59	Motor Fuel Tax	\$608,873	38.26%	61.74%	\$232,984	\$375,889	Rate Base
60	Provincial Sales Tax on Meter Station Fuel	\$86,102	38.26%	61.74%	\$32,947	\$53,155	Rate Base
61							
62	Proposed Return on Rate Base	\$34,648,750	38.26%	61.74%	\$13,258,272	\$21,390,479	Rate Base
63	Less Special Direction Provision	(\$1,867,000)	100.00%	0.00%	(\$1,867,000)	\$0	Rate Base
64	Equity Portion of AFUDC	\$0	0.00%	0.00%	\$0	\$0	
65	Income Tax Expense	\$13,142,504	38.26%	61.74%	\$5,028,951	\$8,113,552	Rate Base
66							
67	Cost of Service	\$105,813,732	40.26%	59.74%	\$42,605,717	\$63,208,015	
68							
69	Cost of Sales	\$119,073,137	0.00%	100.00%	\$0	\$119,073,137	Direct
70	Total Revenue Requirement	\$224,886,868	18.95%	81.05%	\$42,605,717	\$182,281,152	

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 -2007 Revenue Requirement Extension
TRANSMISSION COST ALLOCATION - 2006

		2006 HPTS	2006 BCH	2006 VIGJV	2006 Squamish	2006 Core	Allocation Basis
Gross O&M							
Transmission	HPTS	\$1,582	\$465	\$129	\$40	\$948	Peak Day Allocation Factor (Note 1)
Local Storage	HPTS	\$0	\$0	\$0	\$0	\$0	
Distribution	Distribution	\$0	\$0	\$0	\$0	\$0	
General Operation	HPTS	\$1,254	\$368	\$102	\$32	\$751	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
Sales Promotion	Distribution - Customer	\$0	\$0	\$0	\$0	\$0	
Customer Accounting	Distribution - Customer	\$0	\$0	\$0	\$0	\$0	
Administration & General	HPTS	\$3,741	\$1,099	\$305	\$96	\$2,241	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
Maintenance - Transmission	HPTS	\$1,675	\$492	\$137	\$43	\$1,003	Peak Day Allocation Factor (Note 1)
Maintenance - Local Storage	HPTS	\$0	\$0	\$0	\$0	\$0	
Maintenance - Distribution	Distribution	\$0	\$0	\$0	\$0	\$0	
Gross O&M Subtotal		\$8,252	\$2,424	\$673	\$211	\$4,944	
O&M Capitalization	HPTS	(\$1,320)	(\$388)	(\$108)	(\$34)	(\$791)	Aggregated O&M
	Distribution	\$0	\$0	\$0	\$0	\$0	
Allocations to Affiliates	HPTS	(\$87)	(\$25)	(\$7)	(\$2)	(\$52)	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
B.C. Gas Wheeling Charge	HPTS-Wheeling	\$4,090	\$751	\$386	\$121	\$2,832	Wheeling Allocation (Note 4)
Lease Payments for Equipment	HPTS	\$1,748	\$513	\$143	\$45	\$1,047	Peak Day Allocation Factor (Note 1)
Depreciation		\$0	\$0	\$0	\$0	\$0	
HPTS	HPTS	\$6,280	\$1,845	\$512	\$160	\$3,763	Peak Day Allocation Factor (Note 1)
Distribution	Distribution	\$0	\$0	\$0	\$0	\$0	
General	HPTS	\$1,197	\$351	\$98	\$31	\$717	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
Reamortization - CIAC	HPTS	\$247	\$73	\$20	\$6	\$148	Peak Day Allocation Factor (Note 1)
Municipal Taxes	HPTS	\$2,741	\$805	\$224	\$70	\$1,642	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
Amortization of Deferrals	HPTS	\$1,022	\$300	\$83	\$26	\$613	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
Large Corporations Tax	HPTS	\$259	\$76	\$21	\$7	\$155	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
British Columbia Capital Tax	HPTS	\$0	\$0	\$0	\$0	\$0	
	Distribution	\$0	\$0	\$0	\$0	\$0	
Motor Fuel Tax	HPTS	\$230	\$68	\$19	\$6	\$138	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
Provincial Sales Tax	HPTS	\$34	\$10	\$3	\$1	\$21	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
Proposed Return on Rate Base	HPTS	\$13,032	\$3,828	\$1,063	\$333	\$7,808	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
Less Special Direction Provision	HPTS	(\$1,867)	(\$548)	(\$152)	(\$48)	(\$1,119)	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
Equity Portion of AFUDC	HPTS	\$0	\$0	\$0	\$0	\$0	
	Distribution	\$0	\$0	\$0	\$0	\$0	
Income Tax Expense	HPTS	\$2,757	\$810	\$225	\$70	\$1,652	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
Cost of Service		\$38,615	\$10,892	\$3,203	\$1,003	\$23,517	Schedule 2A
Cost of Sales	Distribution	\$0	\$0	\$0	\$0	\$0	
Royalty Revenue		\$0	\$0	\$0	\$0	\$0	
Other Revenue		(\$296)	(\$145)	(\$40)	(\$3)	(\$107)	Annual Throughput (Note 2)
Allocated Cost of Service before RDDA		\$38,319	\$10,747	\$3,162	\$1,000	\$23,410	
RDDA Financing and Preferred Share Redemption		\$2,192	\$878	\$0	\$0	\$1,313	Allocated Cost of Service net Joint Venture & Squamish (Note 3)
Allocated Cost of Service plus RDDA		\$40,511	\$11,626	\$3,162	\$1,000	\$24,724	

Note 1: Peak Day Demand Allocation	(GJ/day)	Percent
Core Sales	91,786	59.91%
BC Hydro	45,000	29.37%
VIGJV	12,500	8.16%
Squamish	3,914	2.55%
Total	153,200	100.00%

Reference: Schedule 32

Note 2: Annual Throughput Allocation	(TJ)	Percent
Core Sales	12,131	36.22%
BC Hydro	16,425	49.04%
VIGJV	4,563	13.62%
Squamish	374	1.12%
Total	33,492	100.00%

Reference: Schedule 33A & 33I

Note 3: Allocated Cost of Service	(\$000)	Percent
Allocated Cost of Service before RDDA	\$167,346	
Less: Joint Venture	(\$3,162)	
Less: Squamish Gas	(\$1,000)	
Net Cost of Service before RDDA	\$163,184	
Core Sales	\$152,437	93.41%
BC Hydro	\$10,747	6.59%

Note 4: Wheeling Allocation		
TGVI Pipeline Capacity	153,200	TJ/day
BC Hydro Assigned Capacity Upstream	22,000	TJ/day
Fuel %	6.5%	
BC Hydro Assigned Capacity Delivery	20,657	TJ/day
BC Hydro Peak Day Demand	45,000	TJ/day
Less: Assigned Capacity	(20,657)	TJ/day
BC Hydro Wheeling Capacity	24,343	TJ/day
Core Sales	91,786	69.25%
BC Hydro	24,343	18.37%
VIGJV	12,500	9.43%
Squamish	3,914	2.95%
Total	132,543	100.00%

TERASEN GAS (VANCOUVER ISLAND) INC.
2006 -2007 Revenue Requirement Extension
TRANSMISSION COST ALLOCATION - 2007

		2007 HPTS	2007 BCH	2007 VIGJV	2007 Squamish	2007 Core	Allocation Basis
Gross O&M							
Transmission	HPTS	\$1,623	\$477	\$132	\$45	\$969	Peak Day Allocation Factor (Note 1)
Local Storage	HPTS	\$0	\$0	\$0	\$0	\$0	
Distribution	Distribution	\$0	\$0	\$0	\$0	\$0	
General Operation	HPTS	\$1,295	\$380	\$106	\$36	\$773	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
Sales Promotion	Distribution - Customer	\$0	\$0	\$0	\$0	\$0	
Customer Accounting	Distribution - Customer	\$0	\$0	\$0	\$0	\$0	
Administration & General	HPTS	\$3,863	\$1,135	\$315	\$106	\$2,307	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
Maintenance - Transmission	HPTS	\$1,718	\$505	\$140	\$47	\$1,026	Peak Day Allocation Factor (Note 1)
Maintenance - Local Storage	HPTS	\$0	\$0	\$0	\$0	\$0	
Maintenance - Distribution	Distribution	\$0	\$0	\$0	\$0	\$0	
Gross O&M Subtotal		\$8,498	\$2,496	\$693	\$233	\$5,075	
O&M Capitalization	HPTS	(\$1,360)	(\$399)	(\$111)	(\$37)	(\$812)	Aggregated O&M
	Distribution	\$0	\$0	\$0	\$0	\$0	
Allocations to Affiliates	HPTS	(\$89)	(\$26)	(\$7)	(\$2)	(\$53)	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
B.C. Gas Wheeling Charge	HPTS-Wheeling	\$4,133	\$759	\$390	\$131	\$2,853	Wheeling Allocation (Note 4)
Lease Payments for Equipment	HPTS	\$1,748	\$513	\$143	\$48	\$1,044	Peak Day Allocation Factor (Note 1)
Depreciation		\$0	\$0	\$0	\$0	\$0	
HPTS	HPTS	\$6,585	\$1,934	\$537	\$181	\$3,933	Peak Day Allocation Factor (Note 1)
Distribution	Distribution	\$0	\$0	\$0	\$0	\$0	
General	HPTS	\$1,311	\$385	\$107	\$36	\$783	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
Reamortization - CIAC	HPTS	\$1,244	\$365	\$102	\$34	\$743	Peak Day Allocation Factor (Note 1)
Municipal Taxes	HPTS	\$2,839	\$834	\$232	\$78	\$1,696	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
Amortization of Deferreds	HPTS	\$880	\$258	\$72	\$24	\$525	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
Large Corporations Tax	HPTS	\$130	\$38	\$11	\$4	\$78	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
British Columbia Capital Tax	HPTS	\$0	\$0	\$0	\$0	\$0	
	Distribution	\$0	\$0	\$0	\$0	\$0	
Motor Fuel Tax	HPTS	\$233	\$68	\$19	\$6	\$139	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
Provincial Sales Tax	HPTS	\$33	\$10	\$3	\$1	\$20	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
Proposed Return on Rate Base	HPTS	\$13,258	\$3,894	\$1,082	\$364	\$7,918	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
Less Special Direction Provision	HPTS	(\$1,867)	(\$548)	(\$152)	(\$51)	(\$1,115)	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
Equity Portion of AFUDC	HPTS	\$0	\$0	\$0	\$0	\$0	
	Distribution	\$0	\$0	\$0	\$0	\$0	
Income Tax Expense	HPTS	\$5,029	\$1,477	\$410	\$138	\$3,003	Peak Day Allocation Factor (Note 1)
	Distribution	\$0	\$0	\$0	\$0	\$0	
Cost of Service		\$42,606	\$12,060	\$3,529	\$1,187	\$25,831	Schedule 2A
Cost of Sales	Distribution	\$0	\$0	\$0	\$0	\$0	
Royalty Revenue		\$0	\$0	\$0	\$0	\$0	
Other Revenue		(\$297)	(\$145)	(\$40)	(\$4)	(\$109)	Annual Throughput (Note 2)
Allocated Cost of Service before RDDA		\$42,308	\$11,915	\$3,489	\$1,183	\$25,722	
RDDA Financing and Preferred Share Redemption		\$2,439	\$960	\$0	\$0	\$1,478	Allocated Cost of Service net Joint Venture & Squamish (Note 3)
Allocated Cost of Service plus RDDA		\$44,747	\$12,875	\$3,489	\$1,183	\$27,200	

Note 1: Peak Day Demand Allocation	(GJ/day)	Percent
Core Sales	91,497	59.72%
BC Hydro	45,000	29.37%
VIGJV	12,500	8.16%
Squamish	4,203	2.74%
Total	153,200	100.00%

Reference: Schedule 32

Note 2: Annual Throughput Allocation	(TJ)	Percent
Core Sales	12,337	36.58%
BC Hydro	16,425	48.70%
VIGJV	4,563	13.53%
Squamish	401	1.19%
Total	33,726	100.00%

Reference: Schedule 33A & 33I

Note 4: Wheeling Allocation		
TGVI Pipeline Capacity	153,200	TJ/day
BC Hydro Assigned Capacity Upstream	22,000	TJ/day
Fuel %	6.5%	
BC Hydro Assigned Capacity Delivery	20,657	TJ/day
BC Hydro Peak Day Demand	45,000	TJ/day
Less: Assigned Capacity	(20,657)	TJ/day
BC Hydro Wheeling Capacity	24,343	TJ/day
Core Sales	91,497	69.03%
BC Hydro	24,343	18.37%
VIGJV	12,500	9.43%
Squamish	4,203	3.17%
Total	132,543	100.00%

Note 3: Allocated Cost of Service	(\$000)	Percent
Allocated Cost of Service before RDDA	\$164,410	
Less: Joint Venture	(\$3,489)	
Less: Squamish Gas	(\$1,183)	
Net Cost of Service before RDDA	\$159,739	
Core Sales	\$147,824	92.54%
BC Hydro	\$11,915	7.46%

TERASEN GAS (VANCOUVER ISLAND) INC.

2006 -2007 Revenue Requirement Extension
REVENUE SURPLUS / (DEFICIENCY) PROOF

	(a) Cost of Service Before RDDA (\$000)	(b) RDDA (1) Principal Amort. (\$000)	(c) Debt Interest (\$000)	(d=a+b+c) Revenue Requirement (\$000)	(e) Revenue Collection (\$000)	(f=e/d) Revenue / Cost Ratio	(g=e-d) Surplus / (Deficiency) (\$000)	(h=b+g) Net Revenue Surplus/(Deficiency) (\$000)
2006								
RGS	\$74,509	\$4,109	\$1,980	\$80,598	\$70,795	0.88	(\$9,803)	(\$5,694)
AGS	\$11,916	\$657	\$317	\$12,890	\$12,839	1.00	(\$50)	\$607
SCS-1	\$4,448	\$245	\$118	\$4,812	\$4,508	0.94	(\$304)	(\$59)
SCS-2	\$7,757	\$428	\$206	\$8,391	\$9,765	1.16	\$1,374	\$1,802
LCS-1	\$15,008	\$828	\$399	\$16,234	\$15,561	0.96	(\$673)	\$155
LCS-2	\$13,070	\$721	\$347	\$14,138	\$14,249	1.01	\$111	\$832
LCS-3	\$22,171	\$1,223	\$589	\$23,983	\$23,623	0.98	(\$360)	\$863
HLF	\$1,243	\$69	\$33	\$1,345	\$1,688	1.25	\$343	\$411
ILF	\$728	\$40	\$19	\$787	\$1,008	1.28	\$221	\$261
CRXX	\$1,587	\$88	\$42	\$1,717	\$1,469	0.86	(\$248)	(\$161)
BC Hydro	\$10,747	\$593	\$286	\$11,626	\$14,532	1.25	\$2,906	\$3,499
VIGJV	\$3,162	\$0	\$0	\$3,162	\$4,130	1.31	\$968	\$968
Squamish	\$1,000	\$0	\$0	\$1,000	\$392	0.39	(\$607)	(\$607)
Total	\$167,346	\$9,000	\$4,336	\$180,682	\$174,559	0.97	(\$6,123)	\$2,877

Notes: (1) Total Principal Amortization based on forecast RRDA Balance at December 31, 2005 divided by years remaining to end of 2011, rounded up to the nearest million. i.e. \$52.0 million/6 years = \$9.0 million/year

* The revenue collection from the VIGJV and Squamish Gas (now Terasen Gas (Squamish) Inc.) is established by the tolls set out in their respective long-term Transportation Service Agreements. Columns (g) and (h) above show, for the VIGJV and Squamish Gas, the difference between the toll revenues under those TSAs and the cost of service allocated to each customer in the cost of service allocation. Columns (g) and (h) are not meaningful for the VIGJV and Squamish Gas since the tolls for those customers are established by their TSAs, and not by reference to the allocated cost of service.

Reference: Schedule 1, Line 28.

TERASEN GAS (VANCOUVER ISLAND) INC.

2006 -2007 Revenue Requirement Extension
REVENUE SURPLUS / (DEFICIENCY) PROOF

	(a) Cost of Service Before RDDA (\$000)	(b) RDDA Principal Amort. (\$000)	(c) Debt Interest (\$000)	(d=a+b+c) Revenue Requirement (\$000)	(e) Revenue Collection (\$000)	(f=e/d) Revenue / Cost Ratio	(g=e-d) Surplus / (Deficiency) (\$000)	(h=b+g) Net Revenue Surplus/(Deficiency) (\$000)
2007								
RGS	\$75,169	\$4,235	\$1,824	\$81,228	\$73,360	0.90	(\$7,868)	(\$3,632)
AGS	\$11,018	\$621	\$267	\$11,906	\$13,568	1.14	\$1,662	\$2,283
SCS-1	\$4,336	\$244	\$105	\$4,685	\$4,525	0.97	(\$160)	\$84
SCS-2	\$7,354	\$414	\$178	\$7,947	\$9,828	1.24	\$1,881	\$2,295
LCS-1	\$14,152	\$797	\$343	\$15,292	\$16,438	1.07	\$1,146	\$1,944
LCS-2	\$12,163	\$685	\$295	\$13,143	\$15,049	1.15	\$1,906	\$2,591
LCS-3	\$20,584	\$1,160	\$499	\$22,243	\$24,994	1.12	\$2,751	\$3,911
HLF	\$1,082	\$61	\$26	\$1,169	\$1,772	1.52	\$602	\$663
ILF	\$615	\$35	\$15	\$665	\$1,058	1.59	\$394	\$428
CRXX	\$1,352	\$76	\$33	\$1,461	\$1,469	1.01	\$7	\$84
BC Hydro	\$11,915	\$671	\$289	\$12,875	\$16,094	1.25	\$3,219	\$3,890
VIGJV	\$3,489	\$0	\$0	\$3,489	\$4,176	1.20	\$687 *	\$687 *
Squamish	\$1,183	\$0	\$0	\$1,183	\$421	0.36	(\$762) *	(\$762) *
Total	\$164,410	\$9,000	\$3,876	\$177,286	\$182,753	1.03	\$5,467	\$14,467

Notes: (1) Total Principal Amortization based on forecast RRDA Balance at December 31, 2005 divided by years remaining to end of 2011, rounded up to the nearest million. i.e. \$52.0 million/6 years = \$9.0 million/year

* The revenue collection from the VIGJV and Squamish Gas (now Terasen Gas (Squamish) Inc.) is established by the tolls set out in their respective long-term Transportation Service Agreements. Columns (g) and (h) above show, for the VIGJV and Squamish Gas, the difference between the toll revenues under those TSAs and the cost of service allocated to each customer in the cost of service allocation. Columns (g) and (h) are not meaningful for the VIGJV and Squamish Gas since the tolls for those customers are established by their TSAs, and not by reference to the allocated cost of service.

Reference: Schedule 1, Line 28.



Scott A. Thomson
Vice President, Finance

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 18, 2005

British Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Mr. W.J. Grant, Transitional Advisor

Dear Sir:

**Re: Terasen Gas (Vancouver Island) Inc.
2006-2007 Revenue Requirements Application
Negotiated Settlement Agreement**

Terasen Gas (Vancouver Island) Inc ("TGVI") has reviewed the revised Negotiated Settlement Documents circulated by the Commission on November 15, arising from the Negotiated Settlement Proceeding (the "NSP") which commenced on October 26.

TGVI believes that the settlement documents are a fair and accurate representation of the settlement discussions. It is important to recognize that the settlement is the culmination of negotiations among parties having many diverse interests. The settlement represents numerous compromises among the parties and an overall balance of interest from which no part can be severed. Subject to these considerations, TGVI accepts the contents of the Negotiated Settlement Document, in their entirety.

Thank you for your assistance and the assistance of the Commission staff in arriving at this negotiated settlement.

Yours very truly,

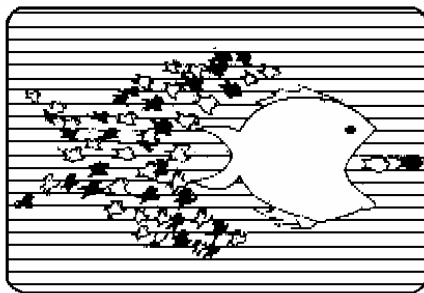
TERASEN GAS (VANCOUVER ISLAND) INC.

Original signed by Tom Loski

For: Scott A. Thomson

**The
British Columbia
Public Interest
Advocacy Centre**

208-1090 West Pender Street
Vancouver, BC V6E 2N7
Tel: (604) 687-3063 Fax: (604) 682-7896
email: bcpiac@bcpiac.com
<http://www.bcpiac.com>



APPENDIX A
to Order No. G-126-05

Page 95 of 97
687-3006
Richard J. Gathercole 687-4134
Sarah Khan 687-3017
Patricia MacDonald 687-3034
James L. Quail
Barristers & Solicitors
Articled Student 687-3044

Via fax and email: 604-660-1102

November 16, 2005

Robert J. Pellatt
Commission Secretary
BC Utilities Commission
Sixth Floor - 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Pellatt:

**Re: Terasen Gas (Vancouver Island) Inc. 2006 to 2007 Revenue Requirements
Application –Negotiated Settlement Agreement**

We represent British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, BC Coalition of People with Disabilities, Council of Senior Citizens' Organizations of BC, End Legislated Poverty, federated anti-poverty groups of BC, and Tenants' Rights Action Coalition (collectively referred to as "BCOAPO").

In response to your letter of November 15, 2005 attaching a copy of the Negotiated Settlement Agreement, BCOAPO confirms our acceptance of the Agreement.

Yours sincerely,

BC PUBLIC INTEREST ADVOCACY CENTRE

Original signed by

Patricia MacDonald
Barrister & Solicitor

c: Intervenor

Judy S. Baum
Power Acquisitions and Contract Management
Phone: (604) 623-4318
Fax: (604) 623-4335
Email: judy.baum@bchydro.com

APPENDIX A
to Order No. G-126-05
Page 96 of 97

VIA E-MAIL

November 16, 2005

~~CONFIDENTIAL~~

British Columbia Utilities Commission
Box 250
Sixth Floor, 900 Howe Street
Vancouver, BC
V6Z 2N3

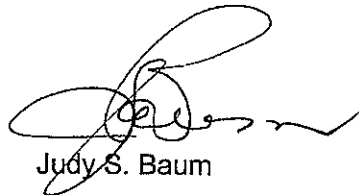
Attention: William J. Grant

Dear Mr. Grant:

Re: Terasen Gas (Vancouver Island) Inc.
Application for Approval of Forecast Rates and
Revenue Requirements for the Years 2006 and
2007 and Revenue Deficiency Deferral Account
Balance as at December 31, 2004 – Negotiated
Settlement Proceeding ("NSP")

British Columbia Hydro & Power Authority ("BC Hydro") acknowledges receipt of your letter of November 15, 2005 attaching a copy of the Negotiated Settlement Agreement. BC Hydro accepts that Negotiated Settlement Agreement.

Yours very truly,



Judy S. Baum

cc: Terasen Gas (Vancouver Island) Inc.

NSP Participants referred to in
BCUC email of November 15,
2005 enclosing Negotiated
Settlement Agreement

Lang Michener LLP

BARRISTERS & SOLICITORS

Vancouver 1500 - 1055 West Georgia Street, P.O. Box 11117
Toronto Vancouver, British Columbia, Canada V6E 4N7
Ottawa Telephone (604) 689-9111
Facsimile (604) 685-7084

File Number: 28583-76

Web site: www.langmichener.com

Direct Line: (604) 691-7427
Direct Fax Line: (604) 893-2351
E-Mail: kgustafson@lmls.com

November 18, 2005

British Columbia Utilities Commission
Sixth Floor, 900 Howe Street
Vancouver, British Columbia
V6Z 2N3

Attention: Mr. William J. Grant

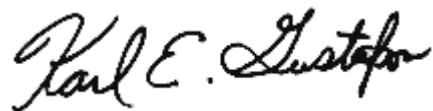
Dear Sirs:

Terasen Gas (Vancouver Island) Inc. ("TGVI") 2006-2007 Revenue Requirements Application (the "Application") – Negotiated Settlement Proceeding ("NSP")

Considering all the circumstances related to the Application and NSP, Vancouver Island Gas Joint Venture ("VIGJV") has determined that it will not make a submission regarding any aspect of the proposed settlement agreement. VIGJV hereby gives notice that it has withdrawn from, and will not participate further in, the NSP.

Out of an abundance of caution, VIGJV wishes it noted that its decision not to make a submission with respect to the settlement agreement and to withdraw from the NSP is without prejudice to any and all rights or remedies it may have at law or in equity

Yours truly,



Karl E. Gustafson, Q.C.
for **Lang Michener LLP**
KEG/

Terasen Gas (Vancouver Island) Inc.
NSP Participants