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August 20, 2009

Commercial Energy Consumers Association of British Columbia
c/o Owen Bird Law Corporation
P.O. Box 49130
Three Bentall Centre
2900 – 595 Burrard Street
Vancouver, BC
V7X 1J5

Attention: Mr. Christopher P. Weafer

Dear Mr. Weafer:

**Re: Terasen Gas Inc. (“Terasen Gas”)
2010 and 2011 Revenue Requirements and Delivery Rates Application**

**Response to the Commercial Energy Consumers Association of British
Columbia (“CEC”) Information Request (“IR”) No. 1.61.2**

On June 15, 2009, Terasen Gas filed the Application as referenced above. In accordance with Commission Order No. G-89-09 setting out the Regulatory Timetable for the Application, Terasen Gas submitted the response to CEC IR No. 1 (Exhibit B-6).

At the time of filing, TGI advised that due to difficulties in obtaining the information required to respond to CEC IR 1.61.2, TGI would provide the response as soon as possible. TGI respectfully submits the attached response to CEC IR 1.61.2.

If there are any questions regarding the attached, please contact the undersigned.

Yours very truly,

TERASEN GAS INC.

Original signed:

Tom A. Loski

Attachment

cc (e-mail only): BCUC and Registered Parties



Terasen Gas Inc. ("TGI", "Terasen Gas" or the "Company") 2010-2011 Revenue Requirements Application	Submission Date: August 20, 2009
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61. Reference: Exhibit B-1, Page 279, Part III Section C Tab 4 – Customer Demand

Table C-4-2: Annual Consumption (GJ/yr) by Housing Type – Significant differences

Housing Type	2007 Normal
Single Family Dwelling	94
Multi-Family Dwellings	60
Vertical Subdivision	23

Source: 2008 Residential End Use Study

61.2. Please supply the Average Extension and Connection Cost to Service each of these housing types.

Response:

The Average Extension and Connection Cost to Service each of the above housing types is not readily available in TGI's various information systems, and requires a number of assumptions to be made regarding the various components that are installed in order to connect each housing type. Through analyzing the data available, the following assumptions have been made in estimating the costs associated with connecting each of the above housing types:

- The Average Main Extension (per customer attachment) applies to each of the three housing types, and for 2008 is approximately \$1,270 per service
- The Average Service Header installation cost (per customer attachment) applies to only Multi-Family Dwellings, and for 2008 is approximately \$1,937
- The Average Service Line Installation Cost (per customer attachment) for 2008 is approximately \$1,546 for Single-Family Dwellings, \$322 for Multi-Family Dwellings and \$945 for Vertical Subdivisions

Although Main Extensions are installed to provide service to each of our customer segments (residential, commercial, and industrial), and TGI's main extension test captures information regarding the number of customer attachments expected to connect to that main extension, there is currently no reporting structure within TGI's information systems that allows for the Average Main Extension Cost to be identified by housing type. Therefore, TGI is assuming the Average Main Extension Cost (per customer attachment) is applicable to each of the above housing types. And, the estimated Average Main Extension Cost for 2008 is approximately \$1,270 per customer attachment.

Service Headers, which are distribution mains installed on private property, are installed in order to attach either Residential or Commercial Strata owned properties. Although these types of properties do include strip malls, multi-unit warehouses, and also single-family dwellings, the



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majority are Multi-Family Dwellings. As with the reporting of Main Extensions, TGI does not have the capability of reporting the Average Service Header installation costs by dwelling type, and therefore assumes the Average Service Header installation costs per customer attachment are applicable only to Multi-Family Dwellings.

TGI is able to estimate the Average Service Line Installation Costs by differentiating those service attachments installed in 2008 which feed a single meter versus those serving multi-meters. Single meters are used for Single-Family Dwellings where multi-meters are used for individually metered Multi-Family Dwellings.

Given the above assumptions, the Average Extension and Connection Costs to service Single-Family Dwellings is \$2,916, for Multi-Family Dwellings is \$3,629, and for Vertical Subdivisions is \$2,315. These figures are illustrated on per customer (or dwelling unit) basis.