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September 11, 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. 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 respectfully submits the attached response to CEC IR No. 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

1. Reference Exhibit B-6, CEC 1.2.2

1.1. In order to better understand the PBR success the CEC would like to be able to fill in the following table, which it has been partly able to fill in from the answer to the first round question. If Terasen could please assist as best it can in completing the table that would be appreciated. The CEC understands that the Department Reorganization was not tracked in accounting records to permit values to be provided and would appreciate if approximate estimates could be provided in order to avoid assessing the whole of PBR with zero incorporated for this important initiative.

Terasen Gas PBR Benefits Analysis

	Investment	Ongoing Annual Savings	One Time Savings	TGI Benefit Share	Customer Benefit Share
Utility Strategy Project	$23	$10	0	?	?
Deferred Activities	?	0	$1.4	?	?
Meter to Cash Management	?	$1		?	?
Central Asset Management	? Invest in SAP	?	?	?	?
Department Reorganization	?	?	?	?	?
Total	?	?	?	?	?

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Deferred Activities	?	0	$1.4	?	?
Meter to Cash Management	?	$1		?	?
Central Asset Management	? Invest in SAP	?	?	?	?
Department Reorganization	?	?	?	?	?
Total	?	?	?	?	?

Response:

Unfortunately, it is not possible to populate this table. While our accounting processes and records certainly are capable of capturing aggregate annual savings throughout the PBR Period, they have never been designed to capture and analyze the nature or detail of savings. The Earnings Sharing Mechanism was designed to capture cost of service savings at a very high level, with no implicit requirement to analyze or categorize these savings. To attempt this exercise of categorizing savings into these categories after the fact is not possible. It is difficult to provide meaningful estimates of category savings, given the overlapping nature of the categories. The only numbers TGI can provide with confidence are those of total annual savings during the PBR period, which are as presented in Table B-1-10, Page 158 of the RRA.

The PBR Agreement was designed to incent mutual savings between customer and shareholder, and in that respect, it was very successful. However to attempt to analyze and categorize the PBR Agreement success with the intent of projecting the results into the future is not feasible. The world has changed and new pressures and opportunities have arisen. Where the PBR Agreement savings are sustainable they have been projected into future forecasts.

2. Reference Exhibit B-6, CEC 1.5.3

5.3. Does Terasen believe that its business risks and financial risks will be reduced if it is enabled to engage in innovative energy planning and implementation with local BC Communities?

Response:

As this is a long-term issue and engaging communities is only one component of TGI's overall strategy, it is difficult to say at this time that this one activity will reduce TGI's business and financial risks.

2.1. The CEC accepts that this issue is a long term issue and that it is only one component of TGI's overall strategy. The CEC believes that the proposed Terasen approach to engage with local BC communities in innovative energy planning and development of alternative energy solutions is a major strategic direction and anticipates that Terasen may have made assessments of how this direction might affect TGI's business and financial risks? Is this anticipation correct?

Response:

Yes, TGI has assessed at a conceptual level how the development of alternative energy solutions will affect TGI's business and financial risks. The assessment, in short, is that the alternative energy solutions that TGI has included in the RRA do not immediately reduce the business or financial risks inherent to the natural gas business.

As laid out in Section A of the Application (pages 24 to 77), the business environment in which TGI operates is evolving and changing. To meet this changing environment TGI has brought forth solutions, including alternative energy solutions, with the intent of making natural gas a part of the energy mix in the long term, while helping to achieve the government's energy and climate change policy objectives.

The natural gas business risk will be mitigated to a degree if TGI is successful in attracting new business in these areas so that enough common costs can be allocated to theses new energy alternatives over time to help offset the impact of lost throughput on the natural gas systems. It is also the intent that by providing new alternative energy solutions, the TGI will be better able to keep natural gas as part of the solution relating to delivering integrated energy solutions to customers.

2.2. The CEC would like to try to understand the potential relationships between Terasen's proposed innovative energy planning and alternative energy initiatives and its business risk and financial risk. If Terasen is enabled to engage in innovative energy planning and implementation with local BC Communities in what ways might this activity affect Terasen's business and financial risks?

Response:

Please see the response to CEC IR 2.2.1.

2.3. How might business and financial risks for the company be impacted by TGI undertaking these initiatives?

Response:

Please see the response to CEC IR 2.2.1.

3. Reference Exhibit B-6, CEC 1.6.1

dwellings and higher volume residential electricity consumers. However natural gas needs a significant operating advantage over electricity in order to recoup the extra upfront capital costs and ongoing maintenance costs of a gas-heated dwelling relative to an electrically-heated dwelling. The magnitude of the operating cost advantage needed is estimated to be in the $10/GJ range for a new single family home in the Lower Mainland (See Figure A-7 on page 64 of the Application). Also, in the new construction market, developers, that do not benefit themselves from the lower operating costs of a natural gas heating system, will often decide against installing gas because they are uncertain of whether they will be able to recover their additional upfront capital costs in the selling price of a home. So even if it appears that there is a large operating cost differential a gas heating system may not be installed.

3.1. When analyzing the operating cost advantage, for existing dwellings with existing heating applications would Terasen agree that the upfront capital costs are not relevant to the competitive advantage for continuing use of existing applications?

Response:

TGI would agree that once the installation of the equipment is made, the capital costs are not relevant to the continuing use of the existing application for the life of the equipment only. Once the equipment has to be replaced, it is TGI's view that capital costs are relevant when selecting the next energy system to replace the one that has come to the end of its useful life.

It is critical that the right energy equipment be installed for the right application at the time of new home or building development because it is a financial barrier to switch energy systems once the initial capital investment has been made or installed. For this reason, TGI has been focused in recent years in working with developers in educating them on the critical role they play in how energy is used in homes or building throughout the Province.

TGI is of the understanding that the primary reason builders and developers favour the installation of electric baseboard space heating over natural gas is due to the increased capital costs (and increased difficulty of installation) associated with natural gas space heating, and installing natural gas space heating would reduce their margins. This implies that builders and developers are not able to flow through the additional costs associated with natural gas space heating, and further imply that the difference in home prices between homes using natural gas and electricity is not material. Thus, the capital cost may not be relevant once the decision is made to go with one energy system over another, but capital costs of different energy systems is one of the factors that are influencing the developers and builders in the Province to install one energy system over another.

3.2. When analyzing the operating cost advantage, would Terasen agree that the upfront capital costs are relevant for existing dwellings in any decision to switch from one fuel source to another?

Response:

TGI would agree that the upfront capital costs would be one of many relevant factors that are considered by an existing dwelling in any decision to switch from one fuel source to another.

As stated in TGI's response to CEC IR 1.6.1, there are a number of factors such as changing government energy policy and public sentiment towards fossil fuel energy that can also impact a decision with regard to fuel choice beyond just a numerical analysis.

3.3. When analyzing the operating cost advantage, would Terasen agree that for an existing dwelling the upfront costs for switching to another fuel source, which would be relevant, would only be those for the fuel source to which one was considering switching?

Response:

TGI agrees that, in many circumstances, in making the decision to switch to another fuel source, that one of the factors to be considered would be the upfront capital costs of the other fuel source. In some cases, such as when it is time to replace an old heating appliance with a new one, it would be appropriate to consider the costs, for example, of a new gas furnace and future operating and maintenance costs of the new gas furnace in comparison to the upfront costs and future operating and maintenance costs of an alternative energy system to replace the gas furnace.

3.4. When analyzing the operating cost advantage, would Terasen agree that for new construction the upfront costs for both fuel sources would be relevant?

Response:

TGI agrees that for new construction the upfront capital cost of all alternatives being considered is a relevant factor that would have an impact on the fuel source decision.

3.5. Would Terasen's competitive advantage, particularly for new construction, be improved if developers were relieved of the upfront cost differential between a natural gas installation and an electric installation?

Response:

TGI is not sure what is meant by the phrase "if developers were relieved of the upfront cost differential a natural gas installation and electric installation". For the purpose of this question TGI has assumed that the developer being "relieved of the upfront cost differential" as meaning that the developer is not responsible for the costs difference in installing a natural gas system over an electric installation.

Given this assumption, TGI's competitive position may or may not be improved because in the end, the capital costs of one energy system over another need to be recovered; thus, by "relieving" one party of their costs, means that these costs must be recovered from another funding source. For TGI competitive position to improve, all else equal, this funding source that relieves the developer of the extra costs would need to be outside the costs that get recovered from natural gas customers in rates.

The builder/developer is the primary decision maker with regard to installing energy systems within the new home or business, and thus is responsible for the capital cost difference between energy systems, which likely cannot be directly passed on in the sales price of the home or building. This fact presents some challenges for TGI's competitive position as the owner of the home or building is the one that receives the operating cost advantage between one energy source versus another (natural gas versus electricity). Given this relationship between who bears the costs and who receives the operating benefits, TGI see two possible solutions to overcome this challenge:

1. Changes to building code regulations could be put in place to mandate the use of natural gas or alternative energies in applications such as space and water heating.
2. Incentives could be paid by BC Hydro or Fortis BC to the developer or builder to help "Electric Load Avoidance DSM" as TGI outlined in its recent Terasen Utilities Final Submission, dated April 27, 2009, as part of the BC Hydro 2008 LTAP proceeding.

TGI has been actively promoting the "right fuel, for the right activity at the right time", as outlined on page 21 of the 2007 Energy Plan, and is hopeful that stakeholders would see the benefits of implementing the two possible solutions as outlined above, to the benefit of both the natural gas and electricity customers within BC.

3.6. If Terasen believes that leveling out the upfront cost for developers would improve its competitive position, has Terasen thought of how this might be accomplished?

Response:

To the extent that levelling out the upfront costs would result in cost transference away from the developer, one of the barriers to the selection of natural gas service may be reduced. As to whether such cost transference would result in an improved competitive position for natural gas, please see the response to CEC IR 2.3.5. If levelling out the upfront costs was believed to be desirable there are various rate designs and regulatory mechanisms that could be employed to accomplish the desired result. Please see TGI's responses to CEC IR 2.3.5 and 2.3.7.

3.7. Has Terasen undertaken any initiatives to have the upfront cost for developers leveled out?

Response:

TGI has done several things in recent years to reduce the upfront costs developers face in connecting to the natural gas system such as, for example, seeking and receiving approval in the TGI/TGVI 2008 main extension service connection policies proceeding to have the Service Line Installation Fee discontinued and to have the Profitability Index threshold for individual main extensions reduced from 1.0 to 0.8. Other examples include:

- The implementation of tariff changes which allow the residents that occupy the units in a vertical subdivision to pay the Application Fee for a new account rather than having the developer pay the application fee for each unit in the development upfront, and
- The implementation of tariff changes to permit the ownership by TGI of in-house service piping beyond the meter within vertical subdivisions to the inlet of individual suites.

TGI has not, however, undertaken initiatives which have the direct intent of levelling out the upfront costs.

Unless BC Hydro's overall rates rise substantially and the RIB Step 2 rate better reflects the cost of new electricity supply, TGI believes the competitive position of natural gas versus electricity will remain challenged. Some customers of BC Hydro will only be charged the Step 1 rate for space heating provided by electricity. Thus, it is important to consider both Step 1 and Step 2 rates and its impact on the competitive position of natural gas against electricity. In addition, the BCUC Decision on BC Hydro RIB Application is not prescriptive as to how the changes will be made on the RIB Step 2 once a new pricing point has been established for the cost of new supply (BCUC Order No G-124-08, page 108).

3.8. Has Terasen obtained any views from BC Hydro on whether or not BC Hydro might provide a price signal, reflecting the importance of the marginal cost of new electricity supply, to its residential electrical customers using electricity mostly priced at the Step 1 RIB rate?

Response:

TGI has not at this time obtained BC Hydro's views as to how a marginal cost price signal might be conveyed to residential customers using electricity priced mostly at the RIB Step 1 rate. TGI is aware that the RIB rate structure is the first step in the direction of establishing conservation rate structures for the residential class and that plans are being developed for other residential rate structures to encourage electricity conservation.

As the preamble to the question states: "the BCUC Decision on BC Hydro RIB Application is not prescriptive as to how the changes will be on the RIB Step 2 once new pricing has been established for the cost of new supply". Given the fact there is no certainty with how an updated cost of new supply gets reflected in the BC Hydro Step 2 rate, by the nature of how BC Hydro RIB rate structure is designed, there is corresponding uncertainty in the impact on the RIB Step 1 rate as a result of implementing the new cost of supply in the RIB rates.

In principle, the RIB structure represents a splitting of the allocated historical costs, which are dominated by low cost Heritage resources, into two rates for the residential class, with the rate for the second step being higher, in order to promote energy conservation. Notwithstanding the value of the price signal for the Step 2 consumption, the conservation impact is significantly dampened for smaller volume residential electricity consumers as a result of the residual determination of the Step 1 rate which must preserve revenue neutrality for the class, meaning the Step 1 rate is below the average residential rate.

Further, given the recent BCUC LTAP Decision (dated July 27, 2009) with respect to BC Hydro's current call for power, there is now additional uncertainty as to when an updated reference price for new electricity supply will be established.

3.9. Has Terasen obtained any views from BC Hydro on whether or not BC Hydro might provide a price signal, reflecting the marginal cost of new electricity supply, to its residential customers using electricity mostly priced at the Step 2 RIB rate?

Response:

Please see the response to CEC IR 2.3.8.

3.10. Has Terasen determined what if anything it may be able to do once a new price point has been established for the cost of new supply by BC Hydro to have the BCUC consider how such information should be reflected to residential customers?

Response:

Once the new price point has been established for the cost of new supply by BC Hydro, TGI would expect that based on the BCUC Order No. G-124-08 from the BC Hydro RIB proceeding, that BC Hydro would bring forth an application to the BCUC to outline how the new price for power would be reflected into the RIB rates. TGI would expect to be part of that proceeding and to put its positions forward with respect to BC Hydro's proposals within that proceeding.

In general, as stated in TGI's response to CEC IR 1.6.6, "the price signal to the consumer about the marginal price of power, more than likely will be masked given that the new call for power ($120/MWh) is about 44 per cent higher than the current Step 2 rate (as of April 1, 2009 the Step 2 rates is $82.7/MWh)." Given this situation, TGI would expect that currently BC Hydro would be communicating with all of its customers on conservation in general and on avoiding new loads, in particular new space and water heating loads that could be avoided to reduce cost pressures on the BC Hydro rates. This action by BC Hydro would be in the interest of all its customers.

3.11. Has Terasen evaluated what the benefits, in avoided cost of new supply, might be for some options with respect to how such information might be reflected in BC Hydro's rates?

Response:

TGI does not have definitive information about how the costs of new supply will impact BC Hydro's rates. Please see the responses to CEC IRs 1.6.1 and 1.6.2 for details. However, TGI considers that the benefits to BC Hydro's ratepayers from electric load avoidance would be material.

Given that BC Hydro's current cost structure generally reflects Heritage or historical supply costs, any new load that is avoided by BC Hydro will have a positive impact on BC Hydro's existing customers (i.e., rate increases will be lower than they would otherwise be without the load avoidance). This inference is drawn based on evidence from the recent BC Hydro LTAP that the marginal cost of new power is about $120/MWh and is about 44 per cent higher than the current Step-2 rate (as of April 1, 2009 the Step-2 rates is $82.7/MWh). The embedded average cost of BC Hydro's electricity supply is much lower still.

TGI advanced this position in BC Hydro's most recent LTAP, advocating that BC Hydro consider the use of Electric Load Avoidance DSM to act as a price signal to encourage the adoption of the most efficient energy source for particular end uses such as space and water heating. TGI continues to believe that BC energy consumers will benefit from the use of the right energy source, for the right activity, at the right time given its current stage of technological advancement.

3.12. Does Terasen believe that the Commission will have the ability to consider such issues in either the current BC Hydro Section 5 Inquiry or in the next BC Hydro LTAP filling due June 2010?

Response:

TGI has assumed that the question is speaking to the issue of an electrical heating system being installed over natural gas heating system for economic reasons, due to the fact that the builder or developer in new construction bears the cost difference between a home heated with natural gas over one heated with electricity. As discussed in the response to CEC IR 2.3.11, BC Hydro's marginal cost of new supply necessary to meet incremental electric space and water heating load is materially higher than the existing electricity rates that still reflect, to a significant degree, the low Heritage supply costs. All else being equal, the addition of avoidable load will increase the cost of supply for all BC Hydro customers. Electric load avoidance, whether encouraged through Electric Load Avoidance DSM or other mechanisms, can be beneficial for all electric utility ratepayers.

Given this backdrop, TGI would agree that the Commission has the ability to address this issue, and in fact the Commission has already taken steps by directing BC Hydro to perform analysis as part of the next LTAP that must be filed with the BCUC no later than June 30, 2010. This direction is as follows:

"the Commission Panel specifically requests that BC Hydro do, and present as a discrete element, the necessary analysis to establish the cost-effectiveness, or lack thereof, of DSM programs to achieve the apparent economic potential of Electric Load Avoidance DSM for space and water heating applications in new residential construction (including multiple unit dwellings) and new small commercial applications. That analysis should focus on high efficiency natural gas fired appliances compared with electrical baseboard heating applications. For the purposes of this analysis "new construction" is to include major renovations to existing structures heated in whole or in part by electricity baseboard heaters."[1]

An important consideration in the Section 5 Inquiry is the load forecast of the electrical utilities in the province (BC Hydro and Fortis BC). Various load forecast sensitivity cases and scenarios will be developed. The impact of Electric Load Avoidance DSM could be incorporated into the scenarios considered. However, the Section 5 Inquiry is a 30-year look at the electrical transmission system so the benefit of Electric Load Avoidance DSM to electricity consumers in BC may not be a result that is determinable from the analysis performed.

Further, future increases in the cost of natural gas and the carbon tax could erode the current operating cost advantage that natural gas currently enjoys. Figure A-5 and Figure A-6 on pages 62-63 of the Application reflect the potential upward movement on natural gas prices from current forecasted levels.

3.13. As figure A-5, July 2008, shows both a higher cost of gas actual and forward than A-6, May 2009, how do these graphs show the potential upward movement on natural gas prices from current forecast levels?

Response:

To clarify, Figure A-5 on page 62 of the Application represents the historical and future forecasted gas commodity prices as of May 11, 2009. Figure A-6 on page 63 of the Application represents historical and forward commodity prices of July 2, 2008.

The intent of these two figures was to provide some context to the movement that can occur in the natural gas marketplace and to provide a recent higher range scenario on natural gas prices. As Figure A-5 clearly displays, the forward natural gas price as of May 11, 2009 is

[1] BC Hydro LTAP 2008, BCUC Decision July 27, 2009, page 179

below the Step 1 electric equivalent while the forward natural gas price as of July 2, 2008 is higher than the Step 1 electric equivalent. Making this comparison of two different price scenarios is important because it provides an illustration of why customers have different perceptions about future prices for natural gas than they do for electricity.

TGI has market-based commodity rates as compared to BC Hydro's historical cost rate structure. The rates TGI customers pay for natural gas service is largely composed of the gas costs or commodity cost of natural gas, which is subject to market-based prices. The market-based natural gas prices serve as a proxy for the marginal cost of supply. This differs from BC Hydro's cost structure which general reflects Heritage or historical supply costs. For example, evidence from the recent BC Hydro LTAP suggests that the marginal price of power is about $120/MWh and is about 44 per cent higher than the current Step-2 rate (as of April 1, 2009 the Step-2 rates is $82.7/MWh). This difference in how gas and electricity rates are set negatively impacts customers' perceptions of natural gas relative to electricity because natural gas is perceived as being more volatile than electricity. In February 2005, TGI engaged Western Opinion Research Inc. to conduct a study with residential customers to assess and measure the perceptions of customers as they relate to natural gas price volatility. A sizeable proportion (71%) of the respondents expressed concern about future fluctuations in the price of natural gas. Respondents tended to be more concerned about future prices fluctuations in the price of gasoline and natural gas, than they were about price fluctuations in telephone or electricity costs.

In making energy selection decisions, it is important that consumers concern themselves with the average price not the associated volatility in the natural gas price. This is due to the fact that natural gas is a commodity and like other commodities can experience significant price movements, but the causes for these price movements (volatility) may be different than the factors that will determine the average natural gas price in the long term.

More and more there are other factors that can influence a customer's energy selection, besides assessing the relative competiveness using numerical analysis of natural gas and electricity rates. These factors include energy policy and customer perception towards the product. The challenge for natural gas from the bigger picture in this area involves the confluence of a number of factors:

- Government policy and legislation intended to reduce GHG emissions (which means generally less consumption of fossil fuels);
- Growing public sentiment ("green") against the use of fossil fuels and in support of reducing GHG emissions;
- Public perception regarding fossil fuel-based energy prices and future carbon taxes. Although natural gas commodity prices are relatively low currently, significantly higher prices and price volatility are in recent memory. Public discussion of climate change and

the need to implement carbon taxes or cap and trade regimes to reduce GHG emissions is a daily discussion. This is further compounded by the public perception that BC Hydro electricity supply is an "all green solution". TGI believes that perceptions are often as much an influence in public behaviour with respect to energy use as reality is;

- Other trends such as "densification" of urban areas in B.C. (resulting in part from the desire of governments to be greener and reduce GHG emissions). Densification means more multi-family dwellings and less single family detached housing where TGI has had its highest market share; and

- In the new construction market, developers, that do not benefit themselves from the lower operating costs of a natural gas heating system, will often decide against installing gas because they are uncertain of whether they will be able to recover their additional upfront capital costs in the selling price of a home. So even if it appears that there is a large operating cost differential a gas heating system may not be installed.

The changing housing mix, changing government priorities and changing public perceptions mean that natural gas may no longer be the fuel of choice for an ever growing segment of the population within the service area.

Given this backdrop, TGI believes that future and current retail price as well as other factors besides price can impact customers' energy choice, when comparing natural gas or electricity. In TGI's view it is difficult to rank the factors in any order, due to the fact the each individual (or customer) may have a different set of factors and may apply a different weighting to the factors to arrive at their decision.

4. Reference Exhibit B-6, CEC 1.10.4

The Customer Satisfaction Index is a composite score derived from four studies: the Residential Customer Satisfaction Study; Small Commercial Satisfaction Study; Large Commercial Satisfaction Study, and the Builder and Developer Satisfaction Study. The results from each of these studies are weighted to reflect the relative size and service demands of each the groups surveyed. The residential customer study contributes 75% of the overall score, the builder/developer and large commercial studies each contribute 10% and the small commercial study contributes the remaining 5%.

4.1. Are the Customer Satisfaction Studies provided somewhere on the record?

Response:

Terasen Gas provides the Customer Satisfaction Index overall results within SQI reporting, however the detailed studies have not been provided previously.

Copies of the 2008 reports for each study are included in Attachment 4.1.

4.2. If so could Terasen please provide the reference?

Response:

Please see the response to CEC IR 2.4.1.

4.3. If not could Terasen please provide the Customer Satisfaction Studies for the Residential, Small Commercial, Large Commercial and Builder Developer customers?

Response:

Please see the response to CEC IR 2.4.1.

5. Reference Exhibit B-6, 1.10.10

Our focus in this market begins at the planning stage with architects, engineers and builders/developers ("AED's"). Generally through our contacts in the industry, we are aware of plans prior to the building permit stage, and have an opportunity to influence fuel choice. We have developed special products targeted specifically at this market as well (vertical subdivisions, piping-to suites, and thermal metering being recent examples). Early influence and special products can make a difference in fuel choice. However, as noted above electric baseboards remain the heating source of choice for entry level and low price point consumer markets.

5.1. Has Terasen planned for additional offerings to continue to improve its influence with the AED group?

Response:

Other than those offerings outlined in this Application, TGI has no current additional formal offerings for the AED group. However, TGI actively engages with AED's directly and through their associations and TGI monitors the requirements of this group and their end clients. The combination of these ongoing efforts will continue to provide opportunities to better understand needs and opportunities and improve our service offerings to these key stakeholders. As opportunities arise, new offerings will be developed and TGI will bring those forward to the Commission.

TGI also spends a significant amount of time working with AED's, providing input to building design and heating system options to ensure that the AED is fully informed and making not only an appropriate decision regarding the right use of energy, but also a decision that will help optimize their investment while providing effective long term energy solutions for the ultimate owner of the building or complex This interaction with the AED community can also be considered a supplement or part of the service offerings embedded in our tariff offerings and provided to the AED community and others.

5.2. If so what are these offerings being planned?

Response:

Please see the response to CEC IR 2.5.1.

5.3. Does Terasen believe that to fully compete and ensure that the right fuel is used for the right application at the right time it will take some form of offering to neutralize the upfront capital cost difference between electric baseboard heating and TGI service heating?

Response:

Please see the responses to CEC IR 2.3.5, 2.3.6, and 2.3.7.

5.4. Is Terasen working on any plans to try to neutralize this difference between electric baseboards and Terasen service?

Response:

Please see the responses to CEC IR 2.3.5, 2.3.6 and 2.3.7. TGI continues to look for ways to maintain the competitive nature of our product offerings, through prudent construction and operating practices represented throughout this Application. This includes working with AEDs to point out the benefits of natural gas, but also the potential areas where developers can reduce costs such as in upstream electrical infrastructure. Providing alternative energy to new customers will benefit existing customers through the allocation of common overheads among a larger, growing customer base, which in turn will help to mitigate rate increases. Energy Efficiency and Conservation efforts also help customers contain their costs (as well and their impact on the environment), ensuring their choice of energy remains as low (and competitive) as possible.

TGI continues to educate potential customers about the efficiency of the direct cost of natural gas for heating applications. In addition, TGI sits on a number of committees, including standards and code committees, in order to influence the use of gas in heating applications.

6. Reference Exhibit B-6, 1.16.2

number of customer additions). The savings from efficiency gains relative to the formula-based allowances in both the capital and O&M categories were subject to 50:50 sharing via the Earnings Sharing Mechanism. On this basis it is fair to conclude that both the costs and risks of TGI's efficiency initiatives were shared equally between customers and the Company for the duration of the PBR.

6.1. Please confirm that TGI did not make any capital investments during the PBR period, which were not included in its rate base or not recovered as operating costs and which would have their return on investment and return of investment come from the Earnings Sharing Mechanism.

Response:

TGI did not make any capital investments during the PBR period which were not included in its rate base. Therefore, revenue requirements impacts of actual capital investments/expenditures were included in the calculation of the Earnings Sharing Mechanism, which shared any savings 50:50 between customers and TGI.

6.2. The above statement seems to imply that because savings were shared 50:50 that therefore the costs and risks for efficiency initiatives were shared equally. Is this actually Terasen's view of how cost and risk responsibility works?

Response:

TGI confirms that the savings from efficiency gains relative to the formula-based allowances in both the capital and O&M categories were subject to 50:50 sharing via the Earnings Sharing Mechanism. The second sentence quoted above that the costs and risks were shared 50:50 is more accurately restated as the costs and risks were shared appropriately in accordance with the PBR Plan and the terms agreed to through the negotiated settlement process with intervenors.

7. Reference Exhibit B-6, 1.27.2

27.2. Does this$9.47/GJ levelized cost equivalent include the higher cost of providing the backup reliability, base supply and peaking capability required to provide equivalent service?

Response:

No. The solar energy system would be complimentary or supplementary to a conventional or other alternative "primary" energy system. As such, it would not require an additional back-up or peaking system. As a supplementary system, the $9.47 per GJ levelized cost of service would replace a portion of the variable costs of the primary energy system. For example, if this same 40-unit development was a Rate 2 TGI customer in the Lower Mainland today, they would currently pay $9.24 per GJ for the variable portion of their gas bill (midstream, delivery and commodity). For every GJ of natural gas they avoid at $9.24 by using solar thermal energy instead, that customer would pay the all-in solar thermal energy cost of $9.47.

7.1. In the long term if a large number of customers were to take up such solar thermal service would the reduced demand on the primary energy system end up causing the prices for the primary energy system supply to rise in order to cover fixed costs spread over a reduced volume?

Response:

As the question suggests, the fixed costs related to natural gas delivery would need to be recovered over smaller volumes if there was large migration to solar thermal as a supplementary heat source. TGI believes that there are mitigating factors that would reduce the magnitude of this upwards pressure on delivery rates.

First, the cost structure for TGI's delivery system is not entirely fixed, particularly over the longer term. To the extent that some costs vary with throughput, these costs will decline as solar thermal service replaces natural gas load.

Second, as solar thermal service grows it will absorb an increasing portion of fixed overhead costs.

Third, TGI's offering of solar thermal service and other alternative energy solutions along with traditional natural gas service may serve to offset or slow future migration to electric space and water heating that would occur otherwise. It is therefore possible that gas throughput would be greater than it might have been due to the addition of alternative energy offerings through TGI. On the other hand, to the extent that the migration to solar thermal service was achieved through other providers of solar thermal service, TGI's gas volumes would decline and the associated benefits of sharing TGI's fixed overhead with alternative energy customers would not occur.

The costs reflected in the commodity portion of customer natural gas rates are largely market-based. A large number of factors affect the supply and demand balance of natural gas and the market prices. If the simplifying assumption is made that other factors influencing natural gas market prices are held constant, the effect of load migrating to another energy source such as solar thermal would be to reduce demand for natural gas. A demand reduction would be expected to put downward pressure on natural gas prices. In practical terms the migration from natural gas to solar thermal among TGI’s customers would likely be imperceptible in its impact on natural gas prices, but if this migration was part of a trend that was occurring in a number of jurisdictions there could be a noticeable impact on prices.

8. Reference Exhibit B-6, 1.27.3

27.3. What would the levelized cost equivalent be for a hydronic based system with solar thermal and natural gas base & backup peaking capacity?

Response:

The following response builds on the example provided in response to CEC IR 1.27.2. If it is assumed that the energy system serving the hot water needs of the development used as an example in Appendix C-27 is a combined solar-thermal and conventional natural gas system then a simple weighted ratio can be used to answer this question. The example identifies that approximately 30% of the energy requirements of the hot water system are supplied by the solar thermal system, which supplies 493 GJ per year. Therefore 70%, or 1150 GJ per year, is supplied by conventional natural gas. Working with the variable natural gas costs, the costs of the total system would be:

$$\frac{(1150 \text{ GJ} \times \$9.24\text{ng}) + (493 \text{ GJ} \times \$9.47\text{st})}{1643 \text{ GJ}} = \$9.31 \text{ per GJ of energy} \quad {}^{4}$$

The variable cost of $9.24 shown for natural gas does not include the natural gas hot water equipment or the basic monthly fee for natural gas service, since a wide range of equipment assumptions are possible and because the equipment would be required regardless of the installation of a solar-thermal energy system. The equipment costs for the solar-thermal system, however, are included in the levelized cost of service of $9.47 as described in Exhibit B-1, Appendix C-27.

8.1. Would the inclusion of such solar thermal heating in the mix for customer energy supply create a stabilizing portfolio effect with regard to natural gas price volatility, effectively dampening the effects of any natural gas price volatility?

Response:

Natural gas is a commodity and, like other commodities, can experience significant price movements in response to changing market conditions. Terasen Gas believes that the current forward prices as presented in the natural gas marketplace reflect all the currently available information relevant to natural gas supply and demand for future periods. This includes information related to increased investment in energy alternatives such as solar thermal heating which, all else being equal, likely reduces demand for natural gas in the future. However, to the degree that this inclusion of energy alternatives and demand reduction offsets the multiple of other factors that influence natural gas prices, future prices may or may not decrease.

The natural gas environment in which Terasen Gas operates is an inter-connected North American marketplace in which supply and demand conditions are impacted by many variables. While short term factors tending to push prices downward include ample natural gas storage levels, the economic downturn and mild weather conditions, longer term factors resulting in higher price levels include rising demand from the expected economic recovery and electricity generation, long run production costs and natural gas prices relative to other competing fuels (such as fuel oil or electricity).

The amount of potential demand reduction created by the inclusion of energy alternatives such as solar thermal heating relative to these other supply and demand factors will determine whether or not it influences natural gas prices downward in the future and remains to be seen. It is not unreasonable to assume, all else being equal, that the inclusion of significant solar thermal heating in the energy supply mix would lead to reduced demand and lower prices, which would incent producers to scale back on their drilling efforts in order to cut costs. This, in turn will eventually lead to less production capability and reduced supply which, all else being equal, would result in upward pressure on future prices in order to incent producers to resume drilling activity. Lower market prices would also tend to attract additional demand particularly from the industrial sector which would also tend to push prices back upward. Thus, while the introduction of solar thermal energy into the energy supply mix might on its own have the tendency to reduce market prices for natural gas, the dynamic nature of commodity markets would make this price effect very difficult to isolate.

Given that natural gas prices will continue to be volatile into the future, TGI believes it must continue with its hedging program and developing a diversified set of supply resource to help mitigate these price movements for the benefit of customers.

8.2. Would this price volatility dampening effect be an additional benefit to customers for signing on to take the solar thermal service as well?

Response:

Customers signing on for solar thermal service would see increased stability in their own overall energy bills since the solar thermal portion of their energy bill would be relatively constant from month to month and year to year. Only the residual gas load for water heating as well as gas usage for other end uses would be subject to commodity price volatility.

As discussed in the response to CEC IR 2.8.1, the natural gas price and volatility moderation effects of increased use of solar thermal energy are expected to be minor. The benefit of installing solar thermal energy to the customer will be derived mostly from the reduction in total natural gas consumption, not savings associated from a reduction in commodity price of the natural gas.

8.3. Might this price volatility dampening effect enable Terasen to pursue some cost reduction in its other measures used to dampen price volatility?

Response

Please see TGI's response to CEC IR 2.8.1.

9. Reference Exhibit B-6, CEC 1.33.1

Terasen Gas recognizes that its business and priorities continues to evolve and is regularly reviewing its scorecard measures to ensure they are the right ones. As environmental and social responsibility is inherent in what Terasen Gas does, it is not necessary to add an Environment and Social Responsibility section to the scorecard at this time.

9.1. Which of the measures on the existing Terasen Scorecard are not already 'inherent in what Terasen does' and therefore by implication are the right ones to include on the scorecard?

Response:

For clarity, TGI did not intend to imply that the existing measures on the Scorecard are not "inherent in what TGI does". TGI was seeking to make the point that it considers environmental and social responsibility to be important regardless of whether it is included in the Terasen Scorecard.

The Corporate Scorecard is a measure of how Terasen is doing in achieving the goals set out in the Corporate Strategic Plan. Financial, Customer, Key Processes and Employee currently comprise the four categories of measures on the Scorecard, reflective of the Company's focus and commitment to Operational Excellence.

Although environmental and social responsibility are ingrained in the day to day activities of the Company, at this juncture, TGI does not see a need to have explicit measures related to environmental and social responsibility on its Scorecard. TGI believes that the measures currently on the Scorecard are the appropriate measures at this time.

10. Reference Exhibit B-6, CEC 1.34.1

34.1. Please provide the customer attrition counts for the years 2000 to 2008.

Response:

The following table illustrates the Gross and Net Customer Additions, ratio of Net to Gross Customer Additions, and also the Customer Attrition counts over the period 2000 to 2008.

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Gross Additions	7,400	5,300	8,300	12,837	15,549	12,770	13,338	15,533	14,566
Net Additions	6,544	4,865	6,606	5,546	11,504	12,420	10,181	9,915	9,247
Ratio of Net to Gross Additions	88%	92%	80%	43%	74%	97%	76%	64%	63%
Customer Attrition	**856**	**435**	**1,694**	**7,291**	**4,045**	**350**	**3,157**	**5,618**	**5,319**

10.1. Does Terasen have an explanation for significant variations in the pattern of customer attrition?

Response:

Please see the response to BCUC IR 2.83.1.

10.2. Does Terasen have any information as to what percentage of these attritions represent loss of customers to other fuel sources and what percentage represent turnover in the housing stock?

Response:

TGI does not have any information with regards to what percentage of these attritions represent loss of customers to other fuel source and what percentage represent turnover in the housing stock.

11. Reference Exhibit B-6, CEC 1.44.3

44.3. Is a meter exchange and reconditioning feasible after 20 years and if not why not?

Response:

As described within CEC IR 1.44.1, the refurbishment of higher cost commercial and industrial meters is a feasible strategy that continues to be followed by Terasen Gas. Alternatively, the relatively low purchase price of residential meters makes replacement of these meters a more cost effective option in comparison to refurbishment. As such, residential meters are scheduled for replacement in the period which the measured life expectancy is reached.

11.1. Could Terasen please provide the analysis which demonstrates these conclusions?

Response:

Table 1 provides the average cost to refurbish a commercial or industrial meter as a percentage of the replacement cost.

Table 1: Incremental Cost Analysis For Large Commercial/Industrial Meters

(Percent of Replacement Cost)

Large Diaphragm Meters

	Refurbish	Replacement
Refurbish - Materials & Labour	14%	-
Refurbish - Shipping	< 1%	-
Replacement Cost	-	100%
Cost Comparison	< 15%	100%

Rotary Meters

	Refurbish	Replacement
Refurbish - Materials & Labour	5%	-
Refurbish - Shipping	< 1%	-
Replacement Cost	-	100%
Cost Comparison	< 6%	100%

Turbine Meters

	Refurbish	Replacement
Refurbish - Materials & Labour	6%	-
Refurbish - Shipping	< 1%	-
Replacement Cost	-	100%
Cost Comparison	< 7%	100%

Table 1 indicates that the average cost to refurbish a commercial or industrial meter is between 5-15% the replacement cost of the same meter.

Table 2 provides the cost to refurbish a residential meter as a percentage of the replacement cost.

Table 2: Incremental Cost Analysis For Residential Meters

(Percent of Replacement Cost)

	Refurbish	Replacement
Refurbish - Materials & Labour	133%	-
Refurbish - Shipping	4%	-
Replacement Cost	-	100%
Cost Comparison	138%	100%

Table 2 indicates that the cost of refurbishing a residential meter is 38% greater than the replacement cost.

12. Reference Exhibit B-6, CEC 1.55.1

55.1. Is solar thermal anywhere near cost competitive at this level of investment?

Response:

No, solar thermal pre-heat systems as are being proposed in this Application are not cost competitive in terms of pay-back at an incremental capital cost of $8,000. However, with grants available through Solar BC, NRCan and other incentives[5], as well as the proposed incentives from TGI, the effective incremental cost for this technology can be reduced to $3525 and fuel cost can be reduced by $144 annually[6]. Simple pay-back can be achieved in just less than 25 years and 21 tonnes of GHG emissions can be avoided[7]. While from a purely financial return

12.1. Given that the BC Government and Federal Government have slipped into significant budget deficit positions and some degree of cost constraint is beginning to be implemented does Terasen have any information with respect to whether or not some of these grants will be reduced or eliminated?

Response:

Yes, TGI is aware that the Provincial Government has canceled the LiveSmart program citing that the program was too successful and there are no longer any funds available for the program. In the Provincial budget delivered September 1, 2009, the Innovative Clean Energy ("ICE") Fund and the ICE levy is to be repealed concurrent with the implementation of the HST. TGI does not have any other information on other federal or provincial programs.

TGI's responses to CEC IR 1.55.1 and BCUC IR 1.23.4 used the incentives provided by LiveSmart as part of the calculations. A summary of the necessary changes to our responses is provided below.

In our response to CEC IR 1.55.1, the net cost of a solar thermal pre-heat system has changed from **$3525 to $3650**, to reflect the loss of the $125 LiveSmart grant. Also, due to the loss of the $125 LiveSmart grant, the solar thermal payback figure represented in the RETSceen Energy Model has changed from **slightly less than 25 years, to just over 25 years**[1].

In TGI's response to BCUC IR 1.23.4 the following table was provided. The loss of the $125 LiveSmart grant changed the solar thermal payback from 29 years to 30 years.[2]

[1] payback was based on a 60 % solar fraction, meaning 60% of the energy is provided by solar
[2] payback was based on a 50% solar fraction, meaning 50% of the energy is provided by solar

	Expected # of Participants*					
	2010	2011	Incremental capital cost to Customer	TGI Incentive	Annual[1] Energy Savings	Payback (Years)
Hydronic Baseboard System	400	800	$2,000	$500	$60	25
Hydronic Under floor System	400	800	$4,000	$1000	$60	50
Integrated Energy System (or Combination System	400	800	$2,500	$1000	$87	17
Ground Source Heat Pumps	400	800	$20,000	$1000	$139[2]	137
Solar Thermal	400	800	$8,000	$1000	$122	29 to 30[3]

[1] These numbers are from the Excel spreadsheet originally prepared by Jack Habart. Gj's saved x $9.772

[2] Gas saved minus extra electricity used at first tier rate – (36.2 GJ's x $9.772) – (3598 kwh x $0.597)

[3] Based on cost of $3525 which is $8000 minus all rebates (; $1000 Solar BC discount,, EcoEnergy Rebate $1250, Power Sense Rebate $300 and Home Reno Tax Credit (approx) $800)and including proposed Terasen rebate of $1000 (50% solar fraction)

13. Reference Exhibit B-6, CEC 1.75.2

For clarity, it is not correct to conclude that the percentage numbers under the columns titled "Life" represent just the Life of the Asset. They include provisions for both the Life of the Asset and Net Salvage costs. For example, the TGI depreciation rates as shown in Tables 1 and 2 of the Gannett Fleming report (reference pages III-5 and III-8) for Account 473 – Distribution Services are 2.25% related to Life and 1.13% for the recovery of net salvage (i.e. retirement costs) for a total of the 3.38% as indicated above.

Secondly, the depreciation rates for most accounts have not been modified for a number of years. As such, the accumulated depreciation reserve now contains a significant amount of historic gains/losses on transactions over the last decade. To recover these balances, Gannett Fleming has incorporated a component into the "Life" depreciation rate calculation over the remaining life of each account.

13.1. Could Terasen please provide the figures and calculations to show the split of the components that represent the life, the net salvage costs and the balance recovery items for each of the six items, for both the current and proposed rates?

Response:

Please see the table below, showing the current and proposed life and net salvage components for the six classes.

Class	Plant Category	Current Depreciation Rate Related to Life	Current Depreciation Rate Related to Net Salvage	Current Depreciation Rate	Recommended Depreciation Rate Related to Life	Recommended Depreciation Rate Related to Net Salvage	Recommended Depreciation Rate
47300	DS Services	2.00%	0.00%	2.00%	2.25%	1.13%	3.38%
47810	DS Meters	3.75%	-0.18%	3.57%	5.31%	0.00%	5.31%
48220	GP (Masonry) Structures	1.50%	0.00%	1.50%	4.37%	0.00%	4.37%
47710	DS Meas/Reg Additions	3.00%	0.00%	3.00%	5.72%	0.00%	5.72%
47400	DS Meters/Regulators Installations	2.68%	0.89%	3.57%	5.21%	0.00%	5.21%
47500	DS Mains	2.00%	0.00%	2.00%	1.89%	0.37%	2.26%

To review the determination of the proposed rates in detail, please see Appendix H-2 of the Application, specifically the calculations on pages III-5 and III-8 and an explanation of the calculations on pages III-2 and III-3.

14. Reference Exhibit B-4, BCUC 1.12.1

12.1 Please confirm if the revenues per customer addition exceed the costs to service those customers. In short, do all new customers provide incremental positive contribution?

Response:

TGI confirms, based on the findings of the 2008 Main Extension Report (included in Appendix E-2), that the revenues exceed the cost to service new customers on a portfolio basis.

14.1. Could Terasen please breakout this evaluation between Single Family Detached Dwellings, Multifamily Dwellings, and Vertical Subdivisions?

Response:

TGI is only able to distinguish results for Vertical Subdivisions from those for Single and Multi-Family Dwellings, as the data is not captured in a manner that allows for a further breakout. And, as the 2008 Main Extension Report indicates, on a portfolio basis the revenues exceed the cost (i.e. The Profitability Index is 1.2) to service new customers in Vertical Subdivisions, and revenues also exceed the cost (i.e. The Profitability Index is 1.8) to service new customers in non-Vertical Subdivisions (which would include both Single and Multi-Family Dwellings).

15. Reference Exhibit B-4, BCUC 1.65.1, Burrard Thermal Plant

65.1 Please explain why Burrard Thermal is not included in the data presented in Tables C-4-8, C-4-9, and C-4-10.

Response:

Burrard Thermal has not been included in the data tables illustrating Forecast Energy Consumption (Table C-4-8), Forecast Margin (Table C-4-9) and Forecast Revenue (Table C-4-10) tables as it has been TGI's practice for a number of years now to report Burrard Thermal in the Other Revenue section of the Application.

Revenues from Burrard Revenue are determined through contractual agreements, and are entirely fixed in nature – they do not vary according to consumption levels. Revenues from residential, commercial, and industrial (to some extent, as approximately 55% of industrial margins are fixed in nature) customers do vary according to consumption levels, and are therefore viewed differently than those for Burrard Thermal.

15.1. What are Terasen's views of the impact of the Throne Speech with respect to the Burrard Thermal Plant on TGI's business?

Response:

The Throne Speech of August 25, 2009 highlighted that the "BC Utilities Commission will receive specific direction to ensure the phase out of Burrard Thermal and to act on the BC Energy Plan and Climate Action Plan"[2]. It is unclear to TGI what is meant by the term "phase out", which was contained in the Throne Speech. Given this ambiguity on the future use of Burrard, TGI does not have a specific long term view as to how this decision may or may not impact TGI.

This position is further compounded by the Energy Minister's statement on August 26, 2009: "phase it out by 2014, I don't think it's realistic. You have to (have) new firm power coming"[3]. TGI believes that it is premature for the Company to determine the impact of the proposed directive on its long term business given the ambiguity that remains regarding these two public statements.

Please see the responses to BCUC IR 2.15.2 and 2.15.3 for further discussion.

[2] New Release, Office of the Premier, August 25, 2009
[3] Tri-City News August 26, 2009

15.2. What would be the impact on Terasen if the Burrard Thermal Plant were restricted to its capacity, and VAR support roles?

Response:

At this time, TGI is uncertain as to what the special direction from the Province to the BCUC on the future use of Burrard will contain (please see the response to BCUC IR 2.15.1.) However, we believe that the term "phase out" could have three meanings which are:

1. Restricting the amount of energy that is included for planning purposes for Burrard Thermal in BC Hydro's resource stack (currently this amount of energy is set at 6,000 GWh per year).

2. Restricting its usage to a Peaking Plant for capacity and VAR support.

3. Decommissioning Burrard Thermal Plant altogether.

Given the uncertainty on Burrard's future role and the timing associated with this changed role, TGI is not able to comment on what the long term impact of the direction will be on Terasen Gas business. However, if the plant was restricted to its capacity and VAR support roles, the current fixed price transportation contract between TGI and BC Hydro would likely continue to be applicable as BC Hydro would still need to retain firm transportation capability on the TGI system to ensure that the plant can run during peak demand periods.

15.3. What would be the impact on Terasen if the Burrard Thermal Plant were phased out?

Response:

TGI currently has a fixed price transportation contract with BC Hydro (called the Bypass Transportation Agreement or "BTA") under which the Company provides firm natural gas transportation service to the Burrard Thermal Plant. A portion of the capacity under the BTA has been assigned to TGVI to provide transportation service across the TGI system for the Island Cogeneration Project (ICP) on Vancouver Island. The initial term of the BTA expires November 1, 2029; however, BC Hydro, upon giving 12 months prior notice and making a termination payment, can terminate the agreement on November 1st of any year after 2008.

Pursuant to the BTA, BC Hydro pays demand charges of approximately $10 million per annum to TGI which are included in the annual revenue forecast and help to reduce delivery rates for our remaining customers. As discussed in the response to BCUC IR 2.15.2, TGI is uncertain what "phasing out" the Burrard Thermal plant might entail. However, if BC Hydro were to shut down the plant and terminate the BTA, TGI would no longer receive these revenues. The resulting impact to customers' delivery rates would be somewhat mitigated by the termination payment and other arrangements that may be required to continue to provide capacity to serve ICP.

16. Reference Exhibit B-4, BCUC 106.2

In addition to negotiating operating agreements, TGI expects that additional planning time is required to review existing operating agreements and develop a strong rationale and corporate strategy for future operating agreement negotiations.

16.1. Does Terasen expect to include in future operating agreements terms conducive to supporting Alternative Energy Solutions?

Response:

Operating Agreements set out the terms upon which Terasen Gas uses city streets and other public places for its distribution infrastructure. Operating Agreements contemplate shared use of the city streets or other public places and therefore tenure under the terms set out in Operating Agreements is not suitable for all of the utility's infrastructure. For example, Terasen Gas believes it is usually prudent, to the extent these rights are available, to obtain fee simple land ownership for station sites and statutory right of ways for transmission pipelines. As Terasen Gas develops Alternative Energy Solutions, Terasen Gas will consider whether we should seek to negotiate Operating Agreements with municipalities that are conducive to supporting Alternative Energy Solutions. To date, we are not developing any Alternative Energy Solutions that have infrastructure that would be appropriately placed in city streets.

17. Reference Exhibit B-4, BCUC 143.1

Response:

The estimated PST cost for 2010 and 2011 is a high level estimate which was determined by applying the proportion of 2008 actual PST paid over total 2008 O&M and capital expenditures, to 2010 and 2011 O&M and capital expenditures. The estimates do not represent the actual amount of PST included in the Cost of Service; significantly more analysis would be required to determine exact amounts. The TGI information systems are capable of determining the total actual PST paid for any given year, but do not have the capability of determining the amount charged to O&M and to capital separately. We are therefore unable to complete the table as requested.

For 2008, total PST of $3.6 million was paid on O&M and capital expenditures of $275 million. The resulting percentage of 1.3% was applied to 2010 and 2011 O&M and capital expenditures. In 2007, total PST of $3.1 million was paid on O&M and capital expenditures of $252 million, reflecting in part the lower spending in 2007 compared to 2008.

17.1. Has Terasen assessed the potential impact of the proposed HST implementation and if so what is it likely to be?

Response:

Please see the response to BCUC IR 2.18.1.

17.2. Will the impact of the HST have any effect on Terasen's competitive advantage relative to electricity?

Response:

In the BC Budget of September 1, 2009, the Government announced that BC will provide a provincially administered rebate of the provincial portion of the HST on residential energy, similar to the existing PST exemption for energy purchased for residential use, to reduce the impact of the HST on consumers. No further details are available at this time.

However, based on the Company's understanding of Governments announcements on the HST, neither natural gas nor electricity will be subject to the provincial portion of HST in respect of residential energy. For non-residential energy use, both natural gas and electricity will be subject to HST. Therefore, the impact of the HST on TGI's competitive position relative to electricity should not be relevant as they will both be subject to the new tax in the same way.

18. Reference Exhibit B-4, BCUC 1.185.2

185.2 Please explain how decommissioning funds collected from customers are managed and if these funds are maintained in segregated holding accounts for future usage.

Response:

As discussed in the response to BCUC IR 1.185.1, the majority of the depreciation rates currently being applied and included in customers' rates have not separately identified the removal cost component. Therefore, these amounts have not historically been segregated in separate accounts. With the most recent depreciation study, Gannett Fleming has provided TGI with an estimate of the opening balance for accumulated decommissioning costs, as well as the estimated depreciation rate applicable to these costs. To comply with GAAP requirements, TGI is implementing changes to its systems to enable it to track and manage these costs separately, but still within the asset management system of SAP. This change is expected to be implemented for 2010.

18.1. If there were a real risk of stranded assets or business failure due to realization of business risk would it make sense for the Commission to protect the funds collected for salvage and decommissioning in some way?

Response:

TGI does not believe there is an imminent risk of stranded assets, and has therefore not proposed any specific mechanism to protect the funds collected for salvage and decommissioning in this RRA. TGI's approach is consistent with the treatment in gas distribution utilities across Canada.

There may be advantages in the future to considering alternative approaches for the management of such funds, although this is still a developing area. The National Energy Board ("NEB") released its report and reasons for decision in a similar matter in late May of this year. This decision will be applicable to all pipelines regulated under the NEB Act, and therefore will not be a requirement for TGI. At this time, more study is required to determine whether it would be appropriate for gas distribution utilities to follow a similar approach. For information purposes, the decision is summarized below.

The NEB recently released its decision on Land Matters Consultation Initiative Stream 3. As part of that decision, the NEB considered the question posed in the IR above. The below represents excerpts from the NEB Reasons for Decision in that matter:

"The Panel recommends the following as key principles and considerations:

1. *It is in the public interest that all pipelines regulated by the NEB be abandoned safely and effectively.*

2. *Pipeline companies are ultimately responsible for the full costs of constructing, operating and abandoning their pipelines, and the Board will hold the regulated company responsible for these costs.*

3. *The Board regulates using a goal-oriented, risk-based lifecycle approach; it does not subscribe to the concept of elimination of risk.*

4. *Landowners will not be liable for costs of pipeline abandonment.*

5. *At this time, the use of pooling as a general mechanism for setting aside funds to cover the costs of abandonment is not efficient from a regulatory or economic perspective.*

6. *Timing of abandonment of a pipeline for the purpose of estimating future abandonment costs should be the shorter of anticipated economic life or physical life.*

7. *The removal of all large-diameter abandoned pipe from agricultural land is not a prudent or effective approach for the purpose of establishing preliminary abandonment cost estimates.*

8. *Abandonment costs are a legitimate cost of providing service and are recoverable upon Board approval from users of the system.*

9. *Funds for abandonment costs should be collected and set aside in a transparent manner.*

10. *Funds for abandonment costs should not be collected as part of depreciation and should be a separate element of cost of service.*

11. *Any funds set aside for abandonment must be held in such a manner that they can only be used for the purposes of abandonment and abandonment planning.*

12. *The Board, as an independent and quasi-judicial tribunal, does not promote the development of tax policies or initiatives.*

The Panel recommends that any process and mechanism for setting aside the funds for abandonment have the following attributes:

- *funds must be maintained in a segregated account and not be commingled with a company's general corporate funds;*
- *funds must be managed by an independent, third party;*
- *funds collected must be protected from creditors;*

- *funds must be protected from misuse or use for a purpose other than abandonment;*
- *regular reviews (at least every five years) of the amount of funds set aside and disbursed from the segregated account must be incorporated, and regular reporting to the Board and stakeholders must be built in;*
- *funds must be segregated by pipeline;*
- *funds must be subject to Board audit, as appropriate;*
- *companies must develop a sound investment policy for abandonment funds as ultimately, accountability for the collection and governance of the funds rests with each pipeline company; and*
- *the process for accessing the funds must be clearly set out in the mechanism."*

Attachment 4.1

TERASEN GAS

Residential Customer
Satisfaction Research Results

Wave 3 - 2008

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STRATEGIC PUBLIC OPINION & MARKET RESEARCH

Table of Contents

Executive Summary

a. Overview

Overall satisfaction (i.e., % “good” + “excellent”) with one of the seven touch-points has increased significantly from that measured in W2-2008: *Corporate Image (*69% in W3-2008 vs. 62% in W2-2008). The other six touch-points do not register statistically significant movements in their overall satisfaction rating in either direction compared to last wave. Furthermore, it is notable that the overall satisfaction ratings with all seven touch-points remain consistent when compared to ratings from a year ago. Generally, across the touch-points, satisfaction with many sub-attributes has risen compared to the 2004 and 2001 baseline studies. Also notably, satisfaction with *Price Competitiveness* in W3-2008 (53%) is significantly higher than last wave (42% in W2-2008), a year ago (46% in W3-2007) and the 2004 (36%) and 2001 (32%) baseline surveys. As well, satisfaction with overall *Value For Money* saw a return to an historical high in W3-2008 (58%) also recorded a year ago in W3-2007 (58%), while overall satisfaction with Terasen Gas in W3-2008 (81%) has reached its highest point ever since the beginning of the survey.

b. Satisfaction with the Seven Service Touch-points

Call Centre[1]

Although below the all-time high (78%) achieved in W1-2008, overall satisfaction with the *Call Centre* touch-point (72%) has remained stable and comparable to ratings for W2-2008 (73%), W3-2007 (73%) and the 2004 (67%) and 2001 (67%) baseline survey. None of the seven sub-attributes registers a significant movement in satisfaction compared to last wave, a year ago or the 2004 baseline survey. However, satisfaction with three sub-attributes is up significantly from the 2001 baseline measurement (for one sub-attribute, the rating is not applicable): *The speed of reaching the person who can answer your questions (59%* in W3-2008 vs. 50%); *Providing consistent information during the phone call* (68% in W3-2008 vs. 60%) and *Having empowered representatives that can make things happen (5*3% in W3-2008 vs. 46%). Details of the significant improvement in satisfaction with the call centre sub-attributes are shown as follows:

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[1] Up to and including Q1-2006, customers’ calls to Terasen Gas have been handled by either the TGI call centre on Vancouver Island or the ABSU call centre, depending on the nature of the call. For example, meter reading, billing and all customer inquiries for Lower Mainland and Interior customers were taken care of by ABSU, while all calls from Vancouver Island customers were handled by the TGI call centre (with the exception of after-hours emergency calls). Beginning in Q2-2006, all Terasen Gas customer service calls are handled by ABSU. In Q2-2006, results are showing both TGI and ABSU as both categories were present in the sample.

↑/↓ ***Denotes significantly higher/lower satisfaction rating this wave compared to***	**Last Wave (W2-2008)**	**Last Year (W3-2007)**	**2004 Baseline**	**2001 Baseline**
The speed of reaching the person who can answer your questions				↑
Solving your problems and presenting solutions				
Providing consistent information during the phone call				↑
Having representatives make you feel that your call is important				
Being polite and courteous				
Being easy to understand				**NA**[2]
Having empowered representatives that can make things happen				↑
Overall Call Centre				

Up to and including Q1-2006, customers' calls to Terasen Gas have been handled by either the TGI call centre on Vancouver Island or the ABSU call centre, depending on the nature of the call. For example, meter reading, billing and all customer inquiries for Lower Mainland and Interior customers were taken care of by ABSU while all calls from Vancouver Island customers were handled by the TGI call centre (with the exception of after-hours emergency calls). Beginning in Q2-2006, all Terasen Gas customer service calls are handled by ABSU.

Non-emergency Services

Overall satisfaction with *Non-emergency Services* (77%) has remained comparable to ratings from W2-2008 (76%) and W3-2007 (76%). However, it has risen significantly compared to the 2004 (67%) baseline rating, with the significant improvement driven by customers rating based on perception (76% in W3-2008 vs. 62% in the 2004 baseline survey). Furthermore, four of the five sub-attributes register significant gains compared to the 2004 baseline survey, with the exception being S*cheduling is flexible at your convenience* (64% vs. 60% in the 2004 baseline).The W3-2008 ratings for two sub-attributes, *Scheduling is flexible and at your convenience* (64%) and *Service technician helps you resolve any problems with the service* (73%) are improved significantly compared to the 2001 baseline (55% and 62% respectively). The W3-2008 overall satisfaction ratings for all five sub-attributes remain consistent with the W2-2008 and W3-2007 figures. Details of the significant improvement in satisfaction with the sub-attributes are shown as follows:

[2] NA means comparisons of the current tracking period's results with that of the corresponding tracking period is not available due to the fact that the sub-attribute was not included in the questionnaire of that particular tracking period.

↑/↓ ***Denotes significantly higher/lower satisfaction rating this wave compared to***	**Last Wave (W2-2008)**	**Last Year (W3-2007)**	**2004 Baseline**	**2001 Baseline**
Scheduling is flexible and at your convenience				↑
Service technician treats your home and property with respect			↑	
Service technician is knowledgeable about all aspects of the installation, alteration or meter exchange			↑	
Service technician is responsive and listens			↑	
Service technician helps you resolve any problems with the service			↑	↑
Overall Non-emergency Services			↑	

Natural Gas Product

W3-2008's (89%) overall satisfaction with *Natural gas as an energy source* is comparable to the ratings recorded last wave (W2-2008, 88%), a year ago (W3-2007, 91%), the 2004 (91%) and 2001 (88%) baseline surveys. Satisfaction with *Reliability of natural gas, that is no outages of service* in W3-2008 (88%) shows a significant decline when compared to W2-2008 (95%), W3-2007 (95%) and the 2004 baseline result (92%). The rating falls outside the narrow range of scores (91% - 95%) recorded between the 2004 baseline study and W2-2008. Ratings of two sub-attributes — *Energy source is environmentally friendly* (69%) and *Good source of energy for heating your hot water tank* (82%) — are down significantly from the 2004 baseline measurements (78% and 86% respectively). Overall satisfaction with all six sub-attributes remains consistent with the 2001 baseline rating. Details of the significant improvement in satisfaction with the sub-attributes are shown as follows:

↑/↓ ***Denotes significantly higher/lower satisfaction rating this wave compared to***	**Last Wave (W2-2008)**	**Last Year (W3-2007)**	**2004 Baseline**	**2001 Baseline**
Safe source of energy				
Reliability of natural gas, that is no outages of service	↓	↓	↓	
Energy source is environmentally friendly			↓	
Comfortable source of heat				
Good source of energy for heating your hot water tank			↓	
Good source of energy for cooking				
Overall Natural Gas Product				

Emergency Service

Overall satisfaction with *Emergency Service* (85%) remains stable and comparable to ratings in W2-2008 (82%), W3-2007 (87%), the 2004 (81%) and 2001 (80%) baseline measures. Satisfaction among customers rating based on experience is statistically identical to that of those rating based on perception (90% and 85% respectively). Similarly, the ratings of all five sub-attributes in W3-2008 are consistent with those of W2-2008 and W3-2007. Satisfaction with *Service technician doesn't leave the situation unresolved at your home* (82%) and S*ervice technician has the technical expertise to solve the emergency* (81%) show significant increases over the 2004 (76% and 74%, respectively) and 2001 (both 69%) baseline results. Details of the significant improvement in satisfaction with the sub-attributes are shown as follows:

↑/↓ ***Denotes significantly higher/lower satisfaction rating this wave compared to***	**Last Wave (W2-2008)**	**Last Year (W3-2007)**	**2004 Baseline**	**2001 Baseline**
Service technician doesn't leave the situation unresolved at your home			↑	↑
Service technician has the technical expertise to solve the emergency			↑	↑
Terasen Gas takes care of customers in a major emergency at their home			**NA**	**NA**
Terasen Gas takes care of customers in a major emergency on the telephone			**NA**	**NA**
Telephone representative makes me feel comfortable when I call in to report the emergency				↑
Overall Emergency Service				

Marketing and Communications[3]

While customer satisfaction with *Overall Marketing and Communications* (73%) is consistent with that recorded in W2-2008 (72%) and in W3-2007 (70%), it is significantly higher when compared to the 2004 (60%) and 2001 (59%) baseline surveys. Furthermore, satisfaction with this attribute has reached a new historical high this wave. Satisfaction with all seven of the sub-attributes also remained stable from the past wave and last year. However, four of the sub-attributes record gains in its satisfaction ratings compared to the 2004 baseline ratings: *Explains to you why the price of natural gas fluctuates* (60% in W3-2008 vs. 54%); *Reminds you about safety issues* (87% vs. 81%); *Delivers consistent messages* (76% vs. 71%); and *Has advertisements and communications that are attention-getting* (68% vs. 58%). Details of the significant improvement in satisfaction with the sub-attributes are shown as follows:

[3] For the *Marketing and Communications* and *Corporate Image* touch-points, since the scale used in the sub-attribute questions was changed completely from a performance scale (used since the 2001 baseline survey up to the 2004 baseline, i.e., Q3-2004, for half of the sample) to an agreement scale in Q4-2004, comparison with ratings from the 2001 baseline survey is deemed inappropriate. Comparison is made with the 2004 baseline, during which the agreement scale was first used on half of the sample.

↑/↓ ***Denotes significantly higher/lower satisfaction rating this wave compared to***	**Last Wave (W2-2008)**	**Last Year (W3-2007)**	**2004 Baseline**	**2001 Baseline**
Informs you about energy saving opportunities				**NA**
Explains to you why the price of natural gas fluctuates			↑	**NA**
Reminds you about safety issues			↑	**NA**
Delivers consistent messages			↑	**NA**
Has communications that are easy to understand				**NA**
Encourages you to take action and save energy				**NA**
Has advertisements and communications that are attention-getting			↑	**NA**
Overall Marketing and Communications			↑	↑

Corporate Image

Customer satisfaction with *Overall Corporate Image* (69%) reached a historical high and is significantly higher than the result in W2-2008 (62%) and also when compared to the 2004 (56%) and 2001 (59%) baseline results. Satisfaction with one sub-attribute, *Is socially responsible* in W3-2008 (63%) is down significantly from W2-2008 (69%). Satisfaction with three of the sub-attributes is significantly higher than measured at the 2004 baseline: *Is an ethical and honest company* (68% in W3-2008 vs. 59%); *Is committed to helping its customers* (77% in W3-2008 vs. 70%); and *Is a company I want to deal with* (83% in W3-2008 vs. 72%). Satisfaction with all seven sub-attributes has remained stable when compared to last year in W3-2007. Details of the significant improvement in satisfaction with the sub-attributes are shown as follows:

↑/↓ ***Denotes significantly higher/lower satisfaction rating this wave compared to***	**Last Wave (W2-2008)**	**Last Year (W3-2007)**	**2004 Baseline**	**2001 Baseline**
Is an ethical and honest company			↑	**NA**
Is socially responsible	↓			**NA**
Is a flexible company				**NA**
Is a company that invests in your community				**NA**
Is committed to helping its customers			↑	**NA**
Is a company I want to deal with			↑	**NA**
Consults with communities about issues that affect them				**NA**
Overall Corporate Image	↑		↑	↑

Billing

W3-2008's (76%) satisfaction with *Overall Billing* is consistent with that of W2-2008 (75%), W3-2007 (79%), the 2004 (72%) and 2001 (78%) baseline ratings. Furthermore, all five of the sub-attributes do not register any significant change in satisfaction compared to last wave (W2-2008) and a year ago (W3-2007). Three sub-attributes (i.e., *Bill is easy to read, Quickly correcting billing problems* and *Billing representatives solve your problems and present solutions*) register gains in their W3-2008 ratings compared to their 2004 baseline ratings (84% vs. 79%, 48% vs. 42% and 50% vs. 45% respectively). Similarly, satisfaction with *Bill explains how your gas charges are calculated* (76%) is significantly higher than that in the 2001 baseline survey (67%). Details of the significant improvement in satisfaction with the sub-attributes are shown as follows:

↑/↓ *Denotes significantly higher/lower satisfaction rating this wave compared to*	Last Wave (W2-2008)	Last Year (W3-2007)	2004 Baseline	2001 Baseline
Bill explains how your gas charges are calculated				↑
Accuracy of the bill				
Bill is easy to read			↑	
Quickly correcting billing problems			↑	
Billing reps solve your problems and present solutions			↑	NA
Overall Billing				

Overall Satisfaction, Value for Money, and *Price Competitiveness*

Satisfaction with *Terasen Gas Overall Service* trended upwards in W3-2008, achieving a new historical high of 81%. This result is consistent with similar ratings dating back to W2-2007 (79% in W2-2008, W3-2007, W2-2007 and 78% in W1-2008). However, it is significantly higher than the 2004 (72%) and 2001 (74%) baseline results. Satisfaction with Terasen Gas' overall *Value For Money* improved 5 points to 58% from W2-2008 (53%), reaching once again the W3-2007 (58%) all-time high and is significantly higher when compared to the 2004 (47%) and 2001 (41%) baselines. Satisfaction with Terasen Gas' *Price Competitiveness* rose significantly (53%) achieving an all-time high after trending downward for two consecutive waves. Correspondingly, the current satisfaction rating is significantly higher than those reached in W2-2008 (42%), W3-2007 (46%) and in the 2004 (36%) and 2001 (32%) baselines.

Regional Differences

Overall, Vancouver Island customers provide lower positive assessments in terms of *Non-emergency home services, Marketing and Communications, Emergency Response* and *Price Competitiveness,* while Mainland and Vancouver Island customers provide similar ratings for *Call Centre, Corporate Image, Billing, Overall Value for Money* and *Overall Quality*. This reporting period, Vancouver Island customers are once again less aware than Interior and Lower Mainland customers that Terasen Gas sells natural gas for the same price it buys it for and are more likely to believe there is a markup.

Conclusion

After achieving significant improvements and/or historical highs in the satisfaction rating of many of the touch-points and sub-attributes during the latter part of 2007 and W1-2008, customers' satisfaction with Terasen Gas stabilized somewhat in W3-2008. However, while the satisfaction ratings of many of the touch-points and sub-attributes did not have statistically significant changes, it is still notable that many other sub-attributes continued to register positive directional gains overall. As a result, many of the ratings remain significantly higher when compared to the 2001 and 2004 baseline surveys.

c. Indices

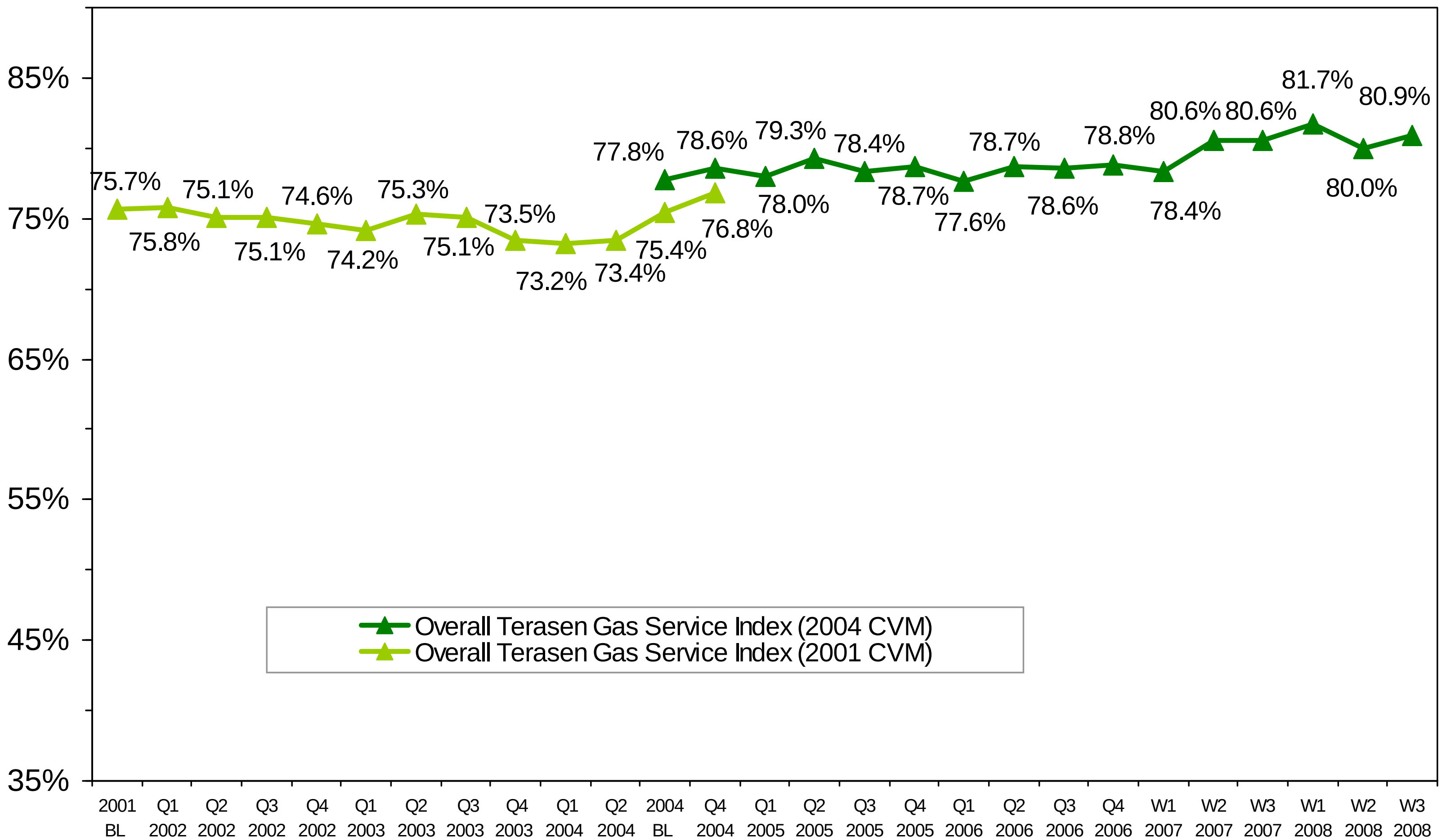
As per the deliverables, two indices have been calculated to track the performance of Terasen Gas. The Service Index tracks the performance of Terasen Gas in relation to Customer Satisfaction, *excluding the element of price*, and is reported on the Utility Scorecard. The Value Index tracks a composite of customer satisfaction and perceived price competitiveness to provide an indication of overall perceived value for money. The index values are calculated using mean scores, and therefore, are representative of *both* the proportion who are satisfied with Terasen Gas *and* those who are dissatisfied with Terasen Gas.

Starting from 2005, the Service and Value Indices are computed based on the weights developed from the 2004 Customer Value Model (CVM: Q3-2004). It is these weights that will be used to track the performance of Terasen Gas going forward. The Service and Value Indices computed with the 2001 CVM are shown for the period from the 2001 Baseline Survey up to Q4-2004 for reference purpose. Tracking with the new Service and Value Indices from the 2004 CVM began in Q3-2004 - the quarter when the new weights were developed.

The Service Index continues to be high this wave, at 80.9%, while it remains statistically consistent with W2-2008's 80.0%. The W3-2008 Value Index (77.3%) has reached the highest rating since the 2004 Customer Value Model (CVM: Q3-2004) was developed and it increased significantly from W2-2008 (74.8%). Both Service (80.9%) and Value (77.3%) Indices have improved, albeit statistically insignificantly, from a year ago in W3-2007 (80.6% and 75.9% respectively).

It is notable that the Year 2008 Service (80.9%) and Value (76.3%) Indices are both significantly higher than those of Year 2007 (79.9% and 74.1% respectively).

Overall Terasen Gas Service Index



Note: 2001 Baseline measured in Q4-2001; 2004 Baseline measured in Q3-2004.

Current Index Values

SERVICE INDEX REPRESENTS 7.5% OF UTILITY SCORECARD

VALUE INDEX
W3-2008: 77.3%
W2-2008: 74.8%

2008 Year-End: 76.3%
2007 Year-End: 74.1%

SERVICE INDEX
W3-2008: 80.9%
W2-2008: 80.0%

2008 Year-End: 80.9%
2007 Year-End: 79.9%

Contributes 43%

Contributes 57%

Price Competitiveness
W3-2008: 13% excellent
W2-2008: 8% excellent

2008 Year-End:
12% excellent
2007 Year-End:
9% excellent

Call Centre
Contributes 10.6%
W3-2008: 23% excellent

2008 Year-End:
27% excellent
2007Year-End:
24% excellent

Meter Exchanges/ New Services
Contributes 5.6%
W3-2008: 33% excellent

2008 Year-End:
34% excellent
2007 Year-End:
30% excellent

The Product (Natural Gas)
Contributes 13.0%
W3-2008: 40% excellent

2008 Year-End:
38% excellent
2007 Year-End:
36% excellent

Emergency Calls
Contributes 12.7%
W3-2008: 38% excellent

2008 Year-End:
42% excellent
2007 Year-End:
37% excellent

Marketing & Communications
Contributes 13.9%
W3-2008: 18% excellent

2008 Year-End:
20% excellent
2007 Year-End:
19% excellent

Corporate Image
Contributes 20.5%
W3-2008: 19% excellent

2008 Year-End:
18% excellent
2007 Year-End:
17% excellent

Billing
Contributes 23.7%
W3-2008: 22% excellent

2008 Year-End:
24% excellent
2007 Year-End:
24% excellent

I. Introduction

A. Background and Objectives

The objective of Terasen Gas' Residential Customer Satisfaction Research is to track movements in customer satisfaction. This tracking study is a continuation of the first baseline study conducted in October 2001 and the second baseline study conducted in Q3-2004 that were used to provide a comprehensive understanding of all aspects of customer satisfaction with Terasen Gas, and to measure critical service attributes across Terasen Gas' various customers. The data from the baseline study was used to develop company-wide indices that represent the entire value proposition of Terasen Gas, including all price and non-price attributes of Terasen Gas service. This tracking survey examines a more concise set of attributes and sub-attributes and is currently conducted three times a year to provide feedback on the Terasen Gas Service Index. The Service Index is reported on the Terasen Gas Scorecard. Starting from 2005, a written report summarizing the findings of the most recent two waves is submitted to Terasen Gas every other surveying period. And starting in 2007, the frequency of the surveys dropped from four times a year (i.e., February, May, August and October) to three times a year (i.e., February, June and October).

B. Methodology

In W3-2008 and W2-2008, a total of 1209 interviews were conducted with Terasen Gas residential customers between October 1 and October 16, 2008 and June 1 and June 11, 2008, with each of the survey results providing a margin of error of ±4.0% at the 95% confidence level. Quotas were set so that the interviews were distributed across the five Terasen Gas customer regions: Metro Vancouver (25%), Fraser Valley (25%), Interior North (17%), Interior South (17%) and Vancouver Island (17%). These surveys were then weighted to better reflect the Terasen Gas regional customer proportions. Refer to the Technical Appendix for more details regarding the sampling and weighting, as well as the regional margins of error.

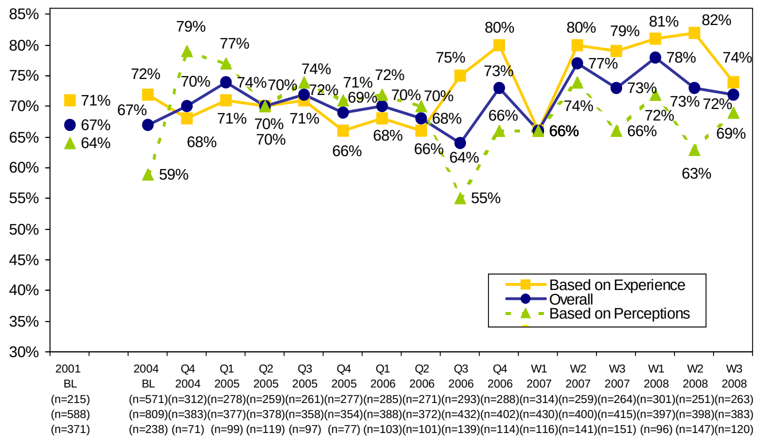
C. How to Read and Interpret the Graphs

Customers' opinions of Terasen Gas in the most recent wave and as compared to the two baseline surveys (labeled as 2001 BL and 2004 BL in the graphs), and subsequent surveys between 2004 and 2007 are depicted in a series of line graphs with corresponding analysis. Results from 2002 and 2003 are omitted from this report to provide room for future survey tracking. A blank column has been inserted between the 2001 baseline survey and Q1-2004 survey to indicate the discontinuity in the data series. Although some of the graphs are formatted slightly differently, each graph includes the question text, a legend that explains what each line represents, and the number of respondents asked that question during each of the surveying periods.

The first 7 sets of line graphs depict customers' overall satisfaction with each of the 7 touch-points (i.e., attributes) and their corresponding sub-attributes. For these graphs, a satisfied customer is one who answered "excellent" or "good" for that particular attribute or sub-attribute. The first graph in each set reveals overall satisfaction with the attribute. For the *Call Centre*, *Non-Emergency Home Services* and *Emergency Response* attributes, satisfaction is also broken down by those rating based on their experiences and those rating based on only their perceptions. The next graphs in each set show overall satisfaction with each of the corresponding sub-attributes. Up to and including Q1-2006, the Call Centre sub-attribute graphs compare overall satisfaction ratings among customers with a recent experience with a TGI call centre against the ratings of those with recent exposure to the ABSU call centre. Beginning in Q2-2006, all Terasen Gas customer service calls are handled by ABSU. In Q2-2006, results are showing both TGI and ABSU as both categories were present in the sample. Starting in Q3-2006, the Call Centre rating are among customers with a recent experience with ABSU. Throughout this section of the report, the opinions of Lower Mainland (Metro Vancouver and Fraser Valley combined) customers, Interior (Interior South and Interior North combined) customers, and Vancouver Island customers are compared. Statistically significant differences between the opinions of customers from the three regions are highlighted in the written analysis.

In the 2004 baseline, for all marketing and communications and corporate image sub-attributes, the sample was split into two, with one using the performance scale (i.e., excellent to very poor, same scale as previously), and the other using the agreement scale (i.e., strongly agree to strongly disagree), to test if the semantics of the questions would better lend themselves to one scale over the other. The results confirmed that the agreement scale was easier for customers to understand. Thus, starting from Q4-2004, the agreement scale was implemented fully for all marketing and communications and corporate image sub-attributes. Two line graphs are presented for each sub-attribute of the corporate image and marketing and communications services, with the dotted line showing the satisfaction ratings using the performance scale from 2001 baseline to the 2004 baseline, and the solid line showing the satisfaction ratings using the agreement scale (marked with an asterisk in the graph legend) from the 2004 baseline onwards.

Overall Satisfaction with Terasen Gas Call Centre



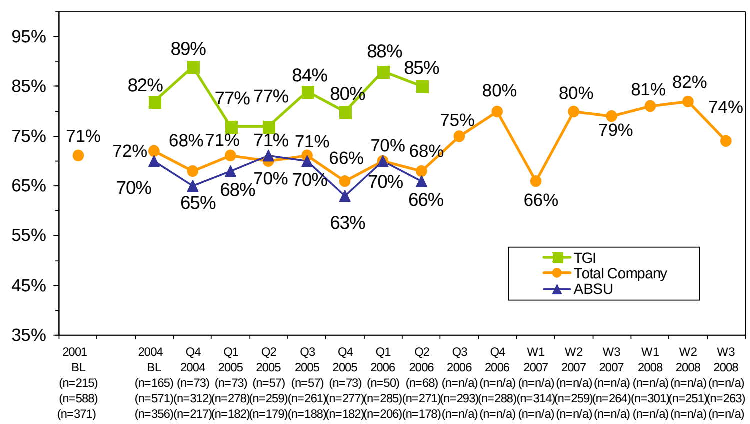
QC3: Considering these factors overall, how would you rate Terasen Gas when you call them on the telephone?

Note: Base sizes presented in order of legend entry

- Overall satisfaction with the call centre (72%) remains unchanged from W2-2008 (73%), however it is down 6pt from its historical high reached in W1-2008 (78%). The current rating is consistent with those achieved in W3-2007 (73%), the 2004 (67%) and 2001 baseline (67%) results.
- This wave, there are no statistically significant differences in the satisfaction level of customers from different regions (72% in Mainland vs. 73% in Vancouver Island).
- Satisfaction among those who have had a recent experience with the Terasen Gas call centre (74%) has declined significantly from the highest point ever, recorded in W2-2008 (82%). Satisfaction among those customers who are rating based on their perceptions of the call centre (69%) has regained most of what it lost in W2-2008 (63%) although statistically it has remained relatively stable during the past year.

Overall Satisfaction with Terasen Gas Call Centre

Among Those Rating Based on Experience



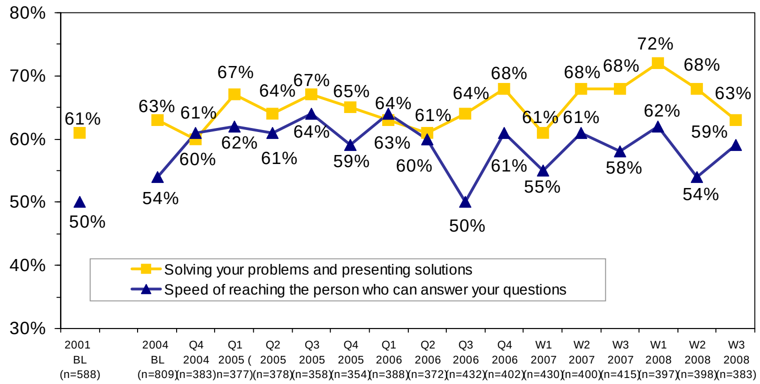
QC3: Considering these factors overall, how would you rate Terasen Gas when you call them on the telephone?

* Small sample base, interpret with caution

Note: Base sizes presented in order of legend entry
Note: ABSU took over TGI Call Centre duties in Q2-2006.

- Overall satisfaction in W3-2008 (74%) among customers who have had a recent experience with Terasen Gas' call centre is down significantly when compared to that of the past two waves (82% in W2-2008 and 81% in W1-2008). However, this result is consistent with that measured in W3-2007 (79%) and in the 2004 (72%) and the 2001 (71%) baseline surveys.

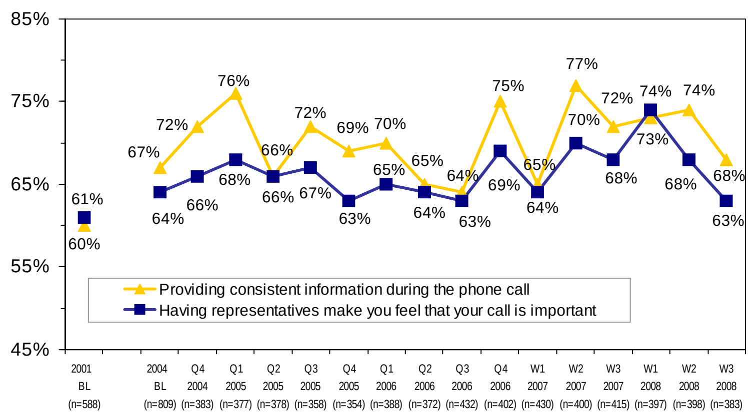
Overall Satisfaction with Call Centre Sub-attributes
Among Those Rating Based on Experience and Perceptions



QC2(A-B): Would you rate Terasen Gas as Excellent, Good, Average, Poor or Very Poor on each of the following attributes about Terasen's service on the telephone?

- In W3-2008, overall satisfaction with *Solves your problems and presents solutions* (63%) has trended downward for the second consecutive wave. It is statistically unchanged from W2-2008 (68%), but it is significantly lower than the highest point ever, recorded in W1-2008 (72%). This result is essentially unchanged from W3-2007 (68%), the 2004 (63%) and 2001 (61%) baseline surveys.
- This wave's overall satisfaction with the *Speed of reaching the person who can answer your questions* (59%) is consistent with the ratings in W2-2008 (54%), W3-2007 (58%), as well as that of the 2004 baseline survey (54%). It is significantly higher than the 2001 baseline (50%) result.

Overall Satisfaction with Call Centre Sub-attributes
Among Those Rating Based on Experience and Perceptions

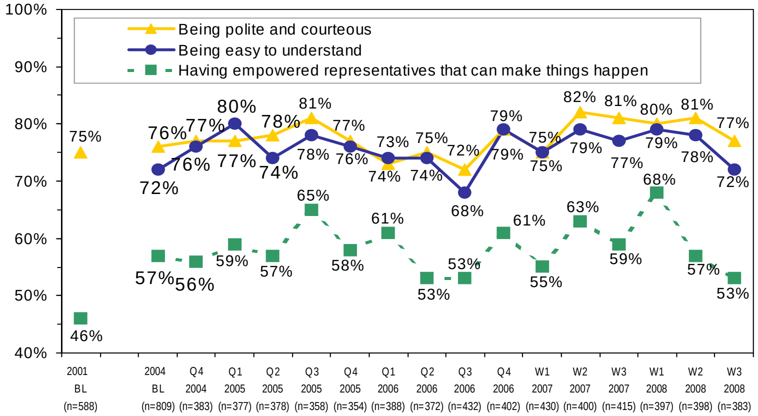


QC2(C-D): Would you rate Terasen Gas as Excellent, Good, Average, Poor or Very Poor on each of the following attributes about Terasen's service on the telephone?

- In W3-2008, overall satisfaction with the sub-attribute *Representatives providing consistent information during the phone call* (68%) is comparable to W2-2008 (74%), W3-2007 (72%) and the 2004 baseline (67%), result while it is significantly higher than the 2001 baseline (60%) survey.
- Overall satisfaction with the sub-attribute *Representatives make you feel that your call is important* (63%) has trended downward for the second consecutive wave. Although this is statistically unchanged from W2-2008 (68%), W3-2007 (68%), the 2004 (64%) and 2001 (61%) baseline results, it is down significantly from the highest point recorded in W1-2008 (74%).

Overall Satisfaction with Call Centre Sub-attributes

Among Those Rating Based on Experience and Perceptions

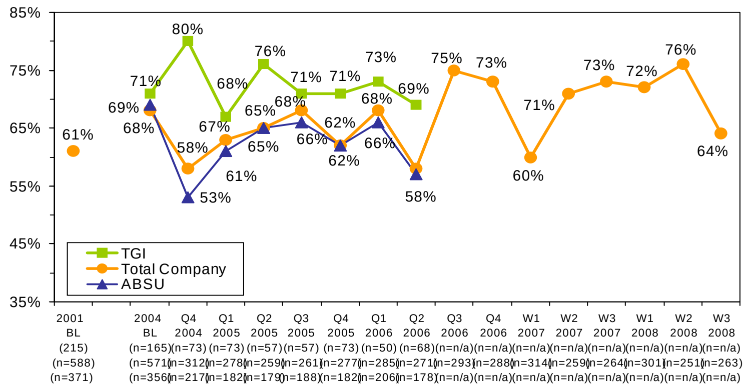


QC2(E-G) Would you rate Terasen Gas as Excellent, Good, Average, Poor or Very Poor on each of the following attributes about Terasen's service on the telephone?

- Overall satisfaction with *Being polite and courteous* (77%) continues to rank the highest among the seven call centre sub-attributes examined. This rating is statistically unchanged from W2-2008 (81%), W3-2007 (81%), the 2004 (76%) and 2001 (75%) baseline surveys.
- Overall satisfaction with *Being easy to understand* (72%) retains second place among all the call centre sub-attributes examined. The rating dropped a statistically insignificant 6 points from W2-2008 (78%) and it is also consistent with measures taken in W3-2007 (77%) and the 2004 baseline (72%) result.
- *Having empowered representatives that can make things happen* (53%) has trended down for two consecutive waves from a historical high reached in W1-2008 (68%). The rating is significantly higher than the 2001 baseline (46%) result, while it is statistically identical to W2-2008 (57%), W3-2007 (59%) and the 2004 baseline (57%).

Overall Satisfaction with Call Centre Sub-attributes: Solves Your Problems and Presents Solutions

Among Those Rating Based on Experience



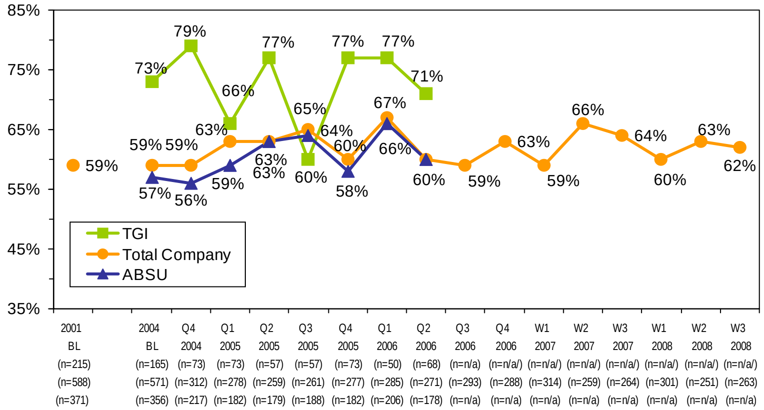
QC2A: Would you rate Terasen Gas as Excellent, Good, Average, Poor or Very Poor on each of the following attributes about Terasen's service on the telephone?

* Small sample base, interpret with caution *Note: Base sizes presented in order of legend entry*
Note: ABSU took over TGI Call Centre duties in Q2-2006

- Overall satisfaction with *Solves your problems and presents solutions* (64%), among customers with a recent call centre experience is down significantly from W2-2008 (76%). While it represents a significant decline from W3-2007 (73%), it is consistent with the 2004 baseline (68%) result and also the 2001 baseline (61%) rating.
- Customers rating based on their recent call centre experience and those rating based on their perceptions are virtually identical, 64% and 61%, respectively.

Overall Satisfaction with Call Centre Sub-attributes: Speed of Reaching the Person Who Can Answer Your Questions

Among Those Rating Based on Experience



QC2B: Would you rate Terasen Gas as Excellent, Good, Average, Poor or Very Poor on each of the following attributes about Terasen's service on the telephone?

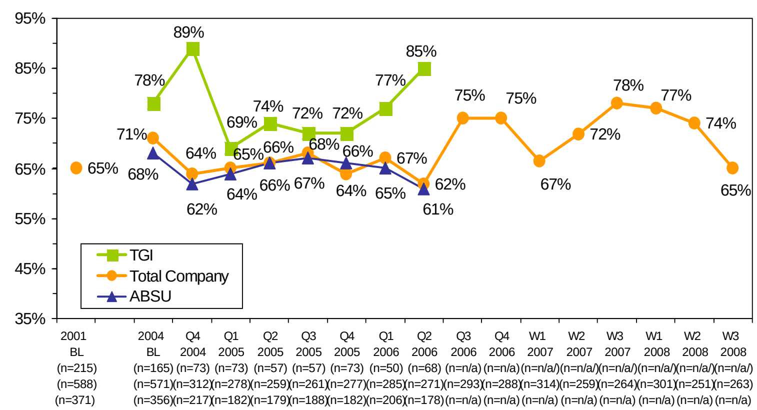
* Small sample base, interpret with caution

Note: Base sizes presented in order of legend entry.
Note: ABSU took over TGI Call Centre duties in Q2-2006.

- Overall satisfaction with the *Speed of reaching the person who can answer your questions* (62%)*,* among customers with a recent call centre experience, has remained relatively stable during the past four years, ranging from a high in Q1-2006 (67%) to a low of 59% in Q4-2004, Q3-2006 and W1-2007. The W3-2008 rating is statistically unchanged from W2-2008 (63%) and W3-2007 (64%). Likewise, the rating is similar to that of the 2004 (59%) and 2001 (59%) baseline surveys.
- Customers rating based on their recent call centre experience and those rating based on their perceptions are statistically similar, at 62% and 54%, respectively.

Overall Satisfaction with Call Centre Sub-attributes: Representatives Make You Feel That Your Call Is Important

Among Those Rating Based on Experience



QC2C: Would you rate Terasen Gas as Excellent, Good, Average, Poor or Very Poor on each of the following attributes about Terasen's service on the telephone?

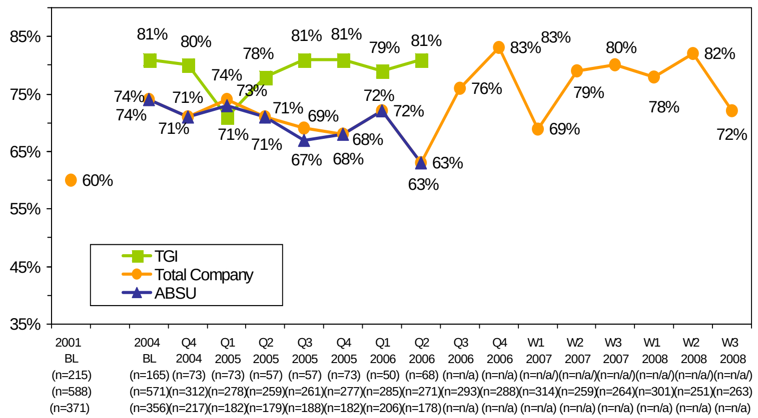
* Small sample base, interpret with caution

Note: Base sizes presented in order of legend entry.
Note: ABSU took over TGI Call Centre duties in Q2-2006.

- In W3-2008, overall satisfaction with *Representatives make you feel that your call is important* (65%), among customers with a recent call centre experience. The rating has trended downward for the third consecutive wave and it is significantly lower than the measurements taken in W2-2008 (74%) and W3-2007 (78%). It is however statistically unchanged from the 2004 (71%) and the 2001 (65%) baseline surveys.
- Customers rating based on their recent call centre experience and those rating based on their perceptions are statistically similar, at 65% and 61%, respectively.

Overall Satisfaction with Call Centre Sub-attributes: Representatives Provide You Consistent Information During The Phone Call

Among Those Rating Based on Experience



QC2D: Would you rate Terasen Gas as Excellent, Good, Average, Poor or Very Poor on each of the following attributes about Terasen's service on the telephone?

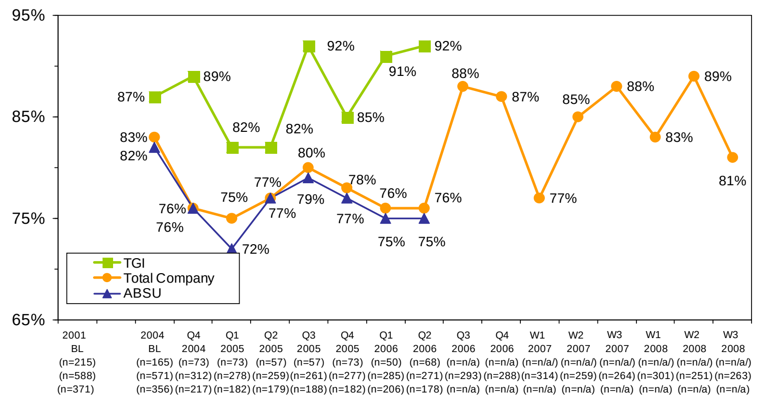
* Small sample base, interpret with caution

Note: Base sizes presented in order of legend entry.
Note: ABSU took over TGI Call Centre duties in Q2-2006.

- In W3-2008, overall satisfaction with *Representatives provide you consistent information during the phone call* (72%), among customers rating based on their experience, is down significantly when compared to W2-2008 (82%) and also W3-2007 (80%). This result is statistically unchanged from the 2004 baseline survey (74%), while it remains significantly higher than the 2001 baseline result (60%).
- Customers rating based on their recent call centre experience provide more statistically comparable assessments to those rating based on their perceptions (72% and 64% respectively).

Overall Satisfaction with Call Centre Sub-attributes: Being Polite and Courteous

Among Those Rating Based on Experience



QC2E: Would you rate Terasen Gas as Excellent, Good, Average, Poor or Very Poor on each of the following attributes about Terasen's service on the telephone?

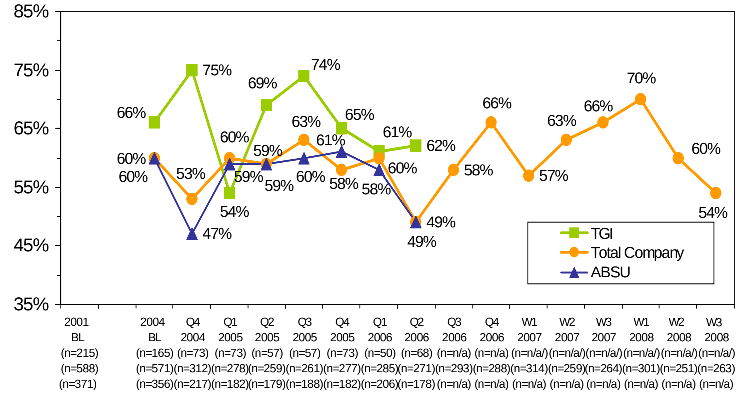
* Small sample base, interpret with caution

Note: Base sizes presented in order of legend entry.
Note: ABSU took over TGI Call Centre duties in Q2-2006.

- Overall satisfaction with *Being polite and courteous* (81%), among customers with a recent call centre experience, dropped significantly from the historical high point recorded in W2-2008 (89%) and from the W3-2007 (88%) rating. It is statistically identical to the 2004 baseline (83%).
- Customers rating based on their recent call centre experience and those rating based on their perceptions are statistically similar, at 81% and 72%, respectively.

Overall Satisfaction with Call Centre Sub-attributes: Having Empowered Representatives That Can Make Things Happen

Among Those Rating Based on Experience



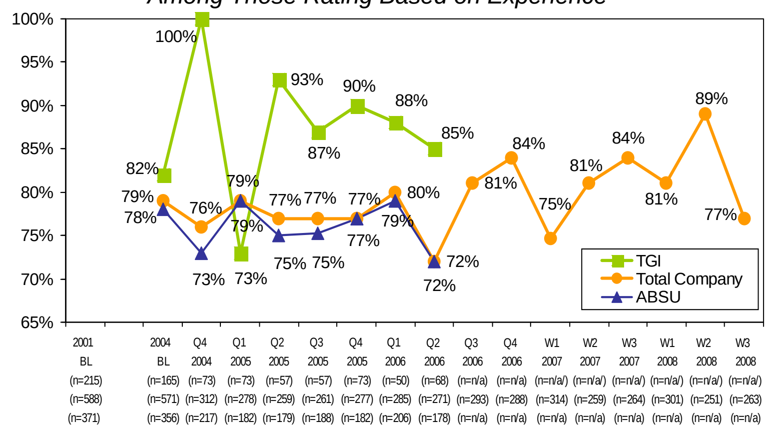
QC2F: Would you rate Terasen Gas as Excellent, Good, Average, Poor or Very Poor on each of the following attributes about Terasen's service on the telephone?

* Small sample base, interpret with caution *Note: Base sizes presented in order of legend entry.*
Note: ABSU took over TGI Call Centre duties in Q2-2006.

- In W3-2008, overall satisfaction with *Having empowered representatives that can make things happen* (54%), among customers with a recent call centre experience, declined for the second consecutive wave. Although this is not statistically lower than W2-2008 (60%) and the 2004 baseline (60%), it is down significantly from W3-2007 (66%).
- Customers rating based on their recent call centre experience and those rating based on their perceptions are statistically comparable, at 54% and 51%, respectively.

Overall Satisfaction with Call Centre Sub-attributes: Being Easy to Understand

Among Those Rating Based on Experience

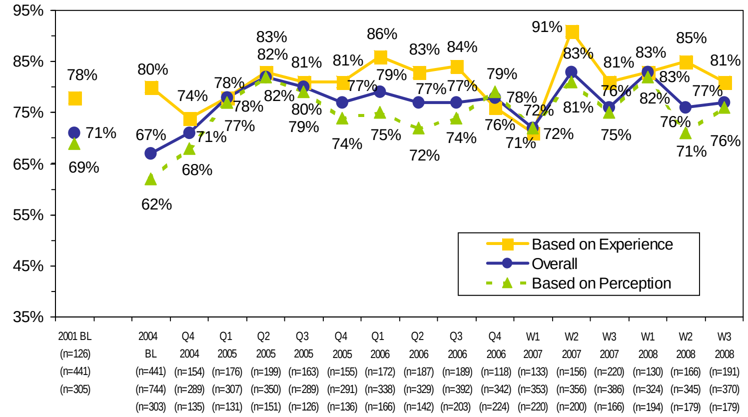


QC2G: Would you rate Terasen Gas as Excellent, Good, Average, Poor or Very Poor on each of the following attributes about Terasen's service on the telephone?

* Small sample base, interpret with caution *Note: Base sizes presented in order of legend entry.*
Note: ABSU took over TGI Call Centre duties in Q2-2006.

- In W3-2008, overall satisfaction with *Being easy to understand* (77%), among customers with a recent call centre experience, shows a significant 12 point drop from the all-time high recorded in W2-2008 (89%) and is also significantly lower than W3-2007 (84%). This wave's rating is comparable to that of the 2004 baseline (79%) measure.
- Customers rating based on their recent call centre experience provide more positive assessments than those rating based on their perceptions (77% and 65%, respectively).

Overall Satisfaction with Terasen Gas Non-Emergency Home Services



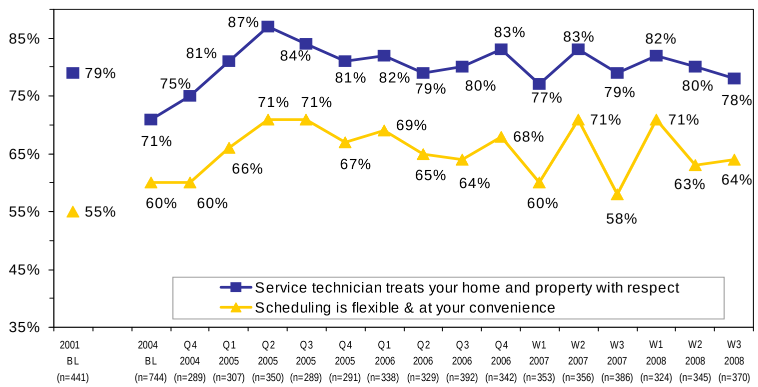
QN3-6: Considering these factors overall, how would you rate Terasen Gas in terms of meter exchanges, new service installations, service alterations and services that require a service representative to visit your home?

Note: Base sizes presented in order of legend entry

- In W3-2008, overall satisfaction with Terasen Gas non-emergency home services (77%) is essentially unchanged compared to W2-2008 (76%), W3-2007 (76%) and the 2001 baseline (71%) result, while it represents a significant improvement from the 2004 baseline (67%) figure.
- Regionally, Mainland customers (79%) rate Terasen Gas significantly more favourably in this respect than customers on Vancouver Island (51%).
- This reporting period, the overall satisfaction rating of customers rating based on experience (81%) is consistent with those rating based on perception (76%).
- The satisfaction of those who rated based on experience in W3-2008 (81%) is statistically comparable to W2-2008 (85%), W3-2007 (81%) and the 2004 (80%) and 2001 (78%) baseline figures.

Overall Satisfaction with Non-Emergency Home Services Sub-attributes

Among Those Rating Based on Experience and Perceptions

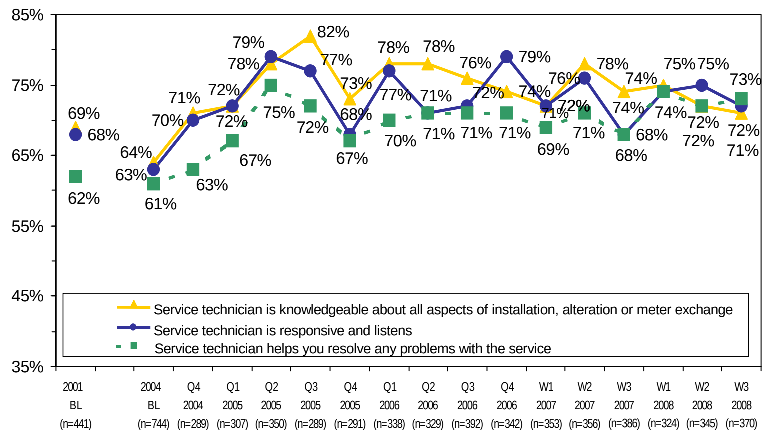


QN2(A, D): Again, using the same scale of Excellent, Good, Average, Poor and Very Poor, how would you rate Terasen Gas, in terms of...

- Overall satisfaction with *Service technician treats your home and property with respect* (78%) has been relatively stable over the past twelve reporting periods. The W3-2008 rating is consistent to ratings in W2-2008 (80%), W3-2007 (79%) and the 2001 baseline (79%) result. However, this rating is significantly higher than the 2004 baseline (71%) figure. Regionally, Mainland customers (80%) rate Terasen significantly more favourable than Vancouver Island customers (58%) in this regard. This wave, there is little difference between those ratings based on perception (77%) and those based on experience (82%).
- Overall satisfaction with *Scheduling is flexible and at your convenience* (64%) remains essentially unchanged from W2-2008 (63%) after a significant drop from the level reached in W1-2008 (71%). The current rating is statistically unchanged from W3-2007 (58%) and the 2004 baseline (60%) survey, while it is significantly higher than the 2001 baseline (55%) measure. This wave, the overall satisfaction rating of customers based on experience (68%) is comparable to that of those based on perception (62%).

Overall Satisfaction with Non-Emergency Home Services Sub-attributes

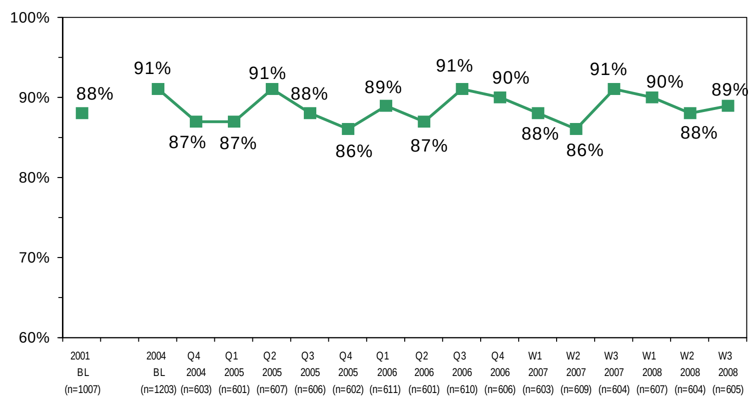
Among Those Rating Based on Experience and Perceptions



QN2(E, G, H): Again, using the same scale of Excellent, Good, Average, Poor and Very Poor, how would you rate Terasen Gas, in terms of…

- Overall satisfaction with *Service technician is knowledgeable about all aspects of the installation, alteration, or meter exchange* (71%) is comparable with the W2-2008 (72%), W3-2007 (74%) and the 2001 baseline (69%) ratings while it is significantly higher than the 2004 baseline (64%) survey. Ratings of Mainland customers (73%) are significantly higher than those of Vancouver Island customers (53%). This wave, overall satisfaction of customers rating based on experience (76%) is statistically identical to those rating based on perception (70%).
- In W3-2008, overall satisfaction with *Service technician is responsive and listens* (72%) is statistically comparable to W2-2008 (75%), W3-2007 (68%) and the 2001 baseline (68%), but significantly higher than the 2004 baseline (63%). Mainland customers (74%) provide significantly higher ratings than Vancouver Island customers (48%) on this sub-attribute. Satisfaction among those rating based on experience (71%) and those rating based on perceptions (72%) is virtually identical.
- In W3-2008, overall satisfaction with *Service technician helps you resolve any problems with the service* (73%) is essentially unchanged from W2-2008 (72%) and W3-2007 (68%). However, this rating is significantly higher than the 2004 (61%) and the 2001 (62%) baseline results. Mainland customers (76%) are significantly more likely to rate Terasen favourably in this regard than Vancouver Island (51%) customers. Those who were rating based on experience (72%) and those with perceptions (74%) are consistent with one another.

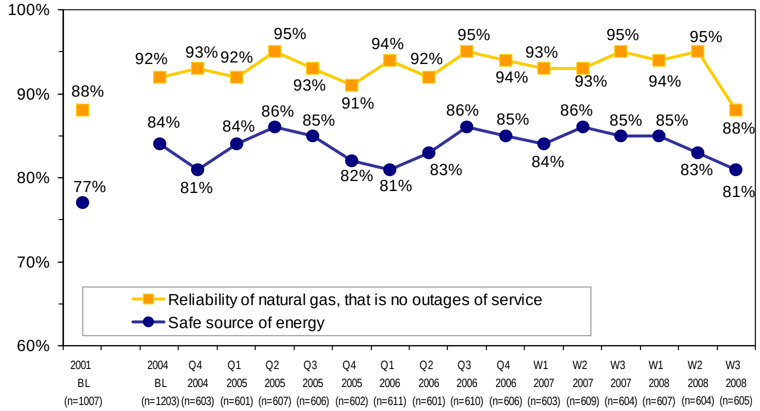
Overall Satisfaction with Natural Gas as an Energy Source



QP2: Considering these factors overall, how would you rate natural gas as an energy source?

- Overall satisfaction with natural gas as an energy source (89%) is comparable to that of the W2-2008 (88%), W3-2007 (91%), the 2004 (91%) and 2001 (88%) baseline surveys. This attribute continues to garner the highest satisfaction ratings of all the elements of the Terasen Gas value proposition.
- This wave, there are no statistically significant differences in the satisfaction level of customers from different regions.

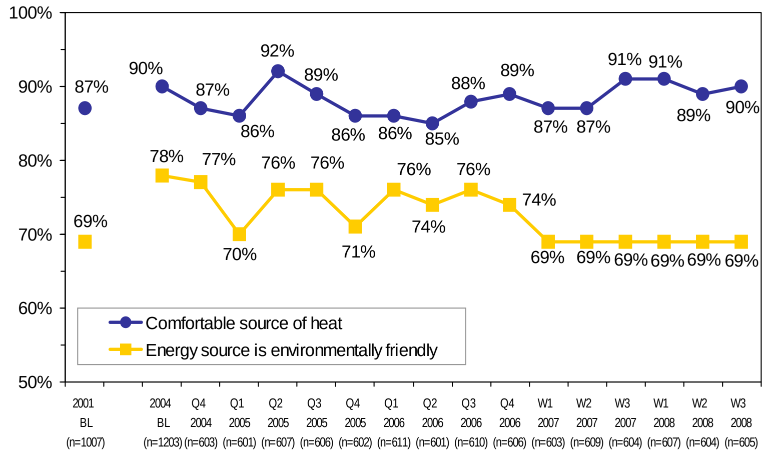
Overall Satisfaction with Natural Gas Product Sub-attributes



QP1(A-B): The next questions concern the product sold by Terasen Gas, that is, the attributes related to natural gas that is piped into your home. Using the same scale, how would you rate natural gas in terms of…

- *Reliability of natural gas, that is no outages of service* (88%), while continuing to rank high among the other product sub-attributes in terms of overall satisfaction loses its top ranking for the first time this wave and is significantly lower than W2-2008 (95%), W3-2007 (95%), and the 2004 (92%) baseline survey. The current rating is essentially the same as that of the 2001 baseline result (88%).
- In W3-2008, overall satisfaction with natural gas as a *Safe source of energy* (81%) has remained statistically unchanged from W2-2008 (83%). The current rating is also consistent with W3-2007 (85%), the 2001 (77%) and 2004 (84%) baseline surveys.

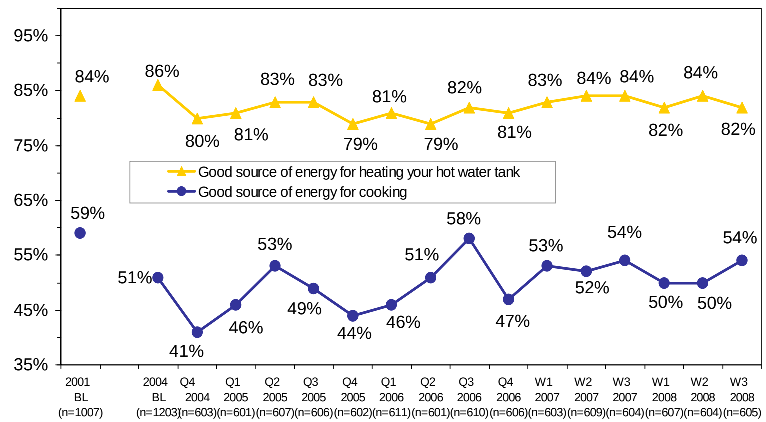
Overall Satisfaction with Natural Gas Product Sub-attributes



QP1(C-D): The next questions concern the product sold by Terasen Gas, that is, the attributes related to natural gas that is piped into your home. Using the same scale, how would you rate natural gas in terms of…

- Overall satisfaction with natural gas being a *Comfortable source of heat* (90%) is virtually identical to results in W2-2008 (89%), W3-2007 (91%) and comparable to those of the 2004 (90%) and 2001 (87%) baseline surveys. Notably, this sub-attribute is ranked the highest in W3-2008 among the six product sub-attributes examined.
- Overall satisfaction with the *Environmental friendliness of natural gas* (69%) has remained unchanged for six consecutive waves. While is significantly lower than the 2004 baseline (78%) rating it is identical to that of the 2001 baseline (69%). Vancouver Island customers (78%) provide significantly higher ratings on this sub-attribute than Mainland customers (69%).

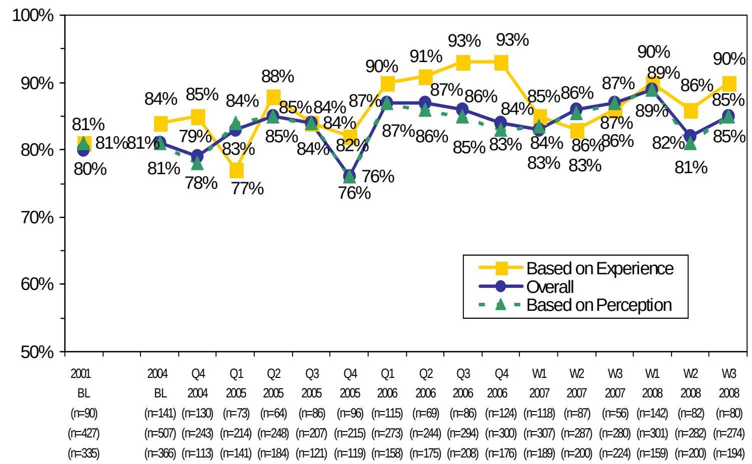
Overall Satisfaction with Natural Gas Product Sub-attributes



QP1(E-F): The next questions concern the product sold by Terasen Gas, that is, the attributes related to natural gas that is piped into your home. Using the same scale, how would you rate natural gas in terms of…

- Overall satisfaction with natural gas as a *Good source of energy for heating your hot water tank* in W3-2008 (82%) has remained essentially unchanged since Q4-2004, ranging from a low of 79% to a high of 84%. The current rating is consistent with measurements taken in W2-2008 (84%), W3-2007 (84%) and the 2001 baseline (84%) figures, while it is significantly lower than that of the 2004 baseline survey (86%). Customers from the Mainland (82%) are significantly more likely than those from Vancouver Island (71%) to provide "good"/"excellent" ratings in this regard.
- Overall satisfaction with natural gas being a *Good source of energy for cooking* (54%) remains relatively stable in W3-2008 compared to W2-2008 (50%), W3-2007 (54%), the 2004 (51%) and 2001 (59%) baseline surveys. This sub-attribute remains the lowest ranked of the six natural gas product sub-attributes.

Overall Satisfaction With Terasen Gas Emergency Response



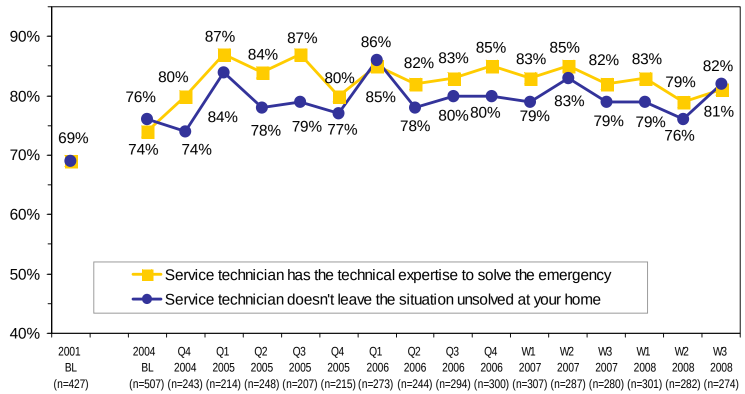
QM3: Considering these factors overall, how would you rate Terasen Gas on their ability to deal with natural gas emergencies?

Note: Base sizes presented in order of legend entry

- Overall satisfaction with Terasen Gas' emergency response (85%) in W3-2008 is consistent with that reported in W2-2008 (82%) and W3-2007 (87%). Furthermore, this current rating is comparable to the rating in the 2004 (81%) and 2001 (80%) baseline surveys.
- Regionally, Mainland customers (87%) rate Terasen Gas more favourably in this respect than customers on Vancouver Island (62%).
- Satisfaction among both customers who have had recent contact with Terasen Gas regarding an emergency (90%) and those who are just rating based on their impressions (85%) has improved, but not significantly so, from last wave (86% and 81% respectively).

Overall Satisfaction with Emergency Response Sub-attributes

Among Those Rating Based on Experience and Perceptions

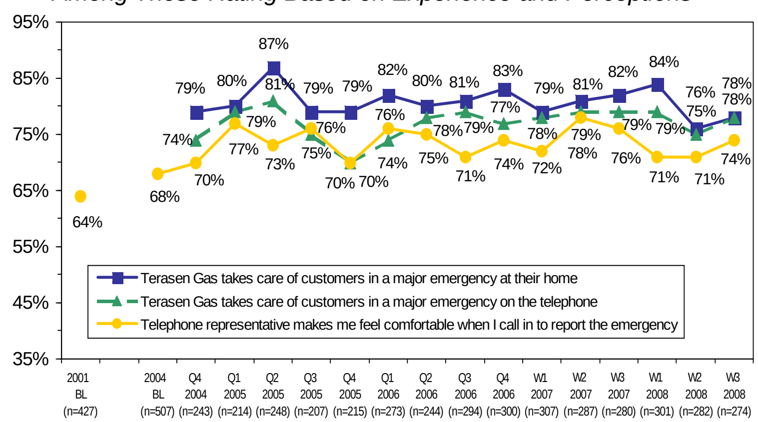


QM2(A-B): Considering Terasen Gas' emergency response in the event of an emergency, how would you rate Terasen Gas on the following emergency response attribute?

- Overall satisfaction with *Service technician has the technical expertise to solve the emergency* (81%) remains stable. The rating is consistent with that reported in W2-2008 (79%) and W3-2007 (82%), but is significantly higher than results recorded in the 2004 (74%) and 2001 (69%) baseline surveys. Mainland customers (83%) provide significantly higher ratings than Vancouver Island customers (53%). Those rating based on experience with this sub-attribute gave an "excellent" rating (55%), which is significantly higher than the 28% among those rating based on perceptions.
- W3-2008's overall satisfaction with *Service technician doesn't leave the situation unsolved at your home* (82%) is statistically identical to that of W2-2008 (76%) and W3-2007 (79%). However, it is significantly higher than the 2001 (69%) and 2004 (76%) baseline results. Mainland customers (84%) provide significantly more positive ratings than those from Vancouver Island (58%). Those rating based on experience gave an "excellent" rating (65%) which is significantly higher than the 36% among those rating based on perceptions.

Overall Satisfaction with Emergency Response Sub-attributes

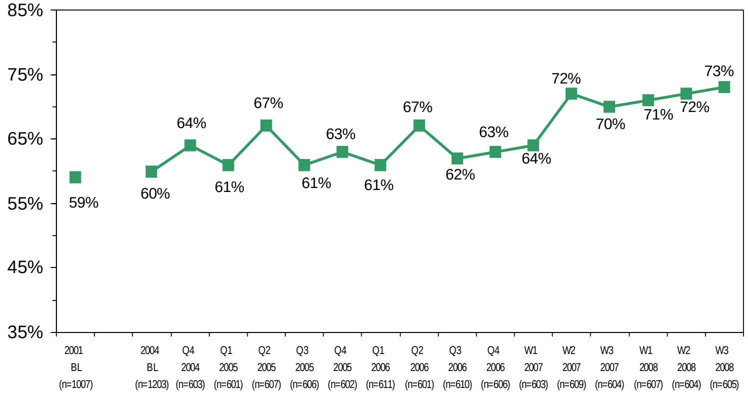
Among Those Rating Based on Experience and Perceptions



QM2(C-E): Considering Terasen Gas' emergency response in the event of an emergency, how would you rate Terasen Gas on the following emergency response attributes?

- Overall satisfaction with *Terasen Gas takes care of customers in a major emergency at their home* (78%) is statistically similar compared to W2-2008 (76%) and W3-2007 (82%). Mainland customers (80%) provide significantly more positive ratings than Vancouver Island customers (48%). Those rating based on experience are more likely than those rating from their perceptions to give an "excellent" rating (55% versus 35% respectively).
- Overall satisfaction with *Terasen Gas takes care of customers in a major emergency on the telephone* (78%), has been stable over the past eight reporting periods. The current rating is virtually identical to that of W2-2008 (75%) and W3-2007 (79%). Mainland customers (81%) are significantly more likely to provide positive ratings than Vancouver Island customers (57%). Notably, 52% of those rating based on experience with this sub-attribute gave an "excellent" rating, which is significantly higher than the 28% among those rating based on perceptions.
- Overall satisfaction with *Telephone rep makes me feel comfortable when I call in to report the emergency* (74%) is stable in W3-2008 when compared to W2-2008 (71%), W3-2007 (76%) and the 2004 baseline (68%), while it is significantly higher than the 2001 baseline (64%) measure. Mainland customers (77%) provide significantly higher "good/excellent" ratings than those from Vancouver Island (45%). Of note, 42% of those rating based on experience with this sub-attribute gave an "excellent" rating, which is significantly higher than the 24% among those rating based on perceptions.

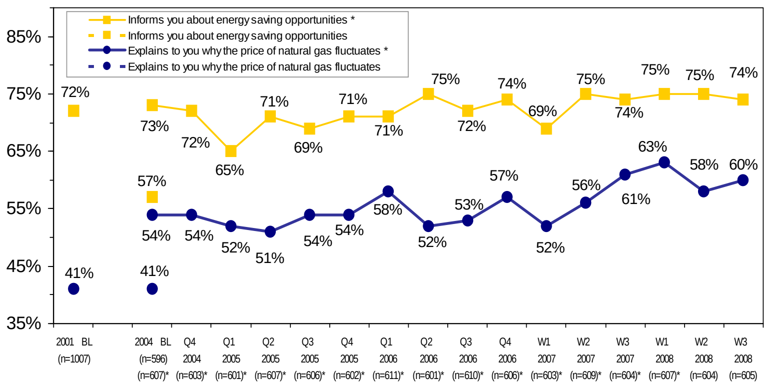
Overall Satisfaction with Terasen Gas Marketing and Communications



QK2: Considering these factors overall, how would you rate Terasen Gas with regard to its marketing and communications?

- After trending upward for the third consecutive wave, overall satisfaction with Terasen Gas' marketing and communications (73%) reaches a new all-time high. The current rating is significantly higher when compared to the 2004 (60%) and 2001 (59%) baseline results, while it remains stable when compared to W2-2008 (72%) and a year ago in W3-2007 (70%).
- Regionally, customers from the Mainland (75%) tend to rate Terasen's marketing and communications significantly more favourably than those from Vancouver Island (62%).

Overall Satisfaction with Marketing and Communications Sub-attributes



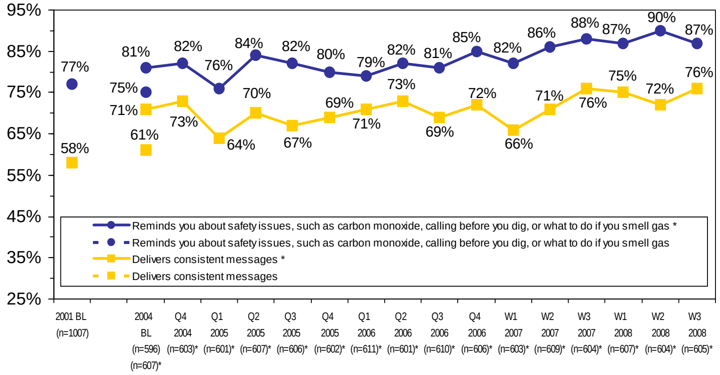
QK1(A-B): a) Using the same scale, please rate Terasen Gas' marketing and communications on the following dimensions…

b) Please consider Terasen Gas' marketing and communications efforts, to what extent do you agree that Terasen Gas has… ** Agreement scale results & n sizes*

In Q3-2004, the sample was split into two, with one using the performance scale, and the other using the agreement scale (Question text a & b). Q3-2004 results indicated that the agreement scale is easier for respondents to understand. In Q4-2004, the question is fully switched to the agreement scale (Question text b). Results of the agreement scale is shown in a solid line & marked with an asterisk. Dotted line shows the results of the performance scale.

- W3-2008's overall satisfaction with *Informs you about energy saving opportunities* (74%) remains virtually unchanged when compared to the last four consecutive waves (74% in W3-2007 and 75% in W2-2007, W1-2008 and W2-2008). Furthermore, this rating is comparable to that of the 2004 baseline (73%) survey. Mainland customers (76%) provide more favourable assessments compared to Vancouver Island customers (59%).
- Notably, the sub-attribute *Explains to you why the price of natural gas fluctuates* continues to rank as the lowest among the seven marketing and communications sub-attributes in terms of overall satisfaction. The W3-2008 (60%) rating is comparable to results in W2-2008 (58%) and W3-2007 (61%), but is significantly higher than that of the 2004 baseline (54%). Notably, only 13% of Vancouver Island customers rate Terasen Gas favourably on this sub-attribute, which is significantly lower than the 23% among Mainland customers.

Overall Satisfaction with Marketing and Communications Sub-attributes



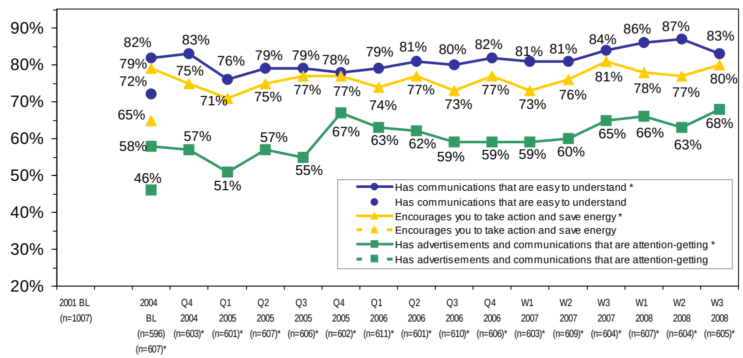
QK1(C-D): a)Using the same scale, please rate Terasen Gas' marketing and communications on the following dimensions…
b)Please consider Terasen Gas' marketing and communications efforts. To what extent do you agree that Terasen Gas has…

* Agreement scale results & n sizes

In Q3-2004, the sample was split into two, with one using the performance scale, and the other using the agreement scale (Question text a & b). Q3-2004 results indicated that the agreement scale is easier for respondents to understand. In Q4-2004, the question is fully switched to the agreement scale (Question text b). Results of the agreement scale is shown in a solid line & marked with an asterisk. Dotted line shows the results of the performance scale.

- Overall satisfaction with *Reminds you about safety issues* (87%) remains high in W3-2008. The rating is comparable to the historic high recorded in W2-2008 (90%) and also that of W3-2007 (88%), but is significantly higher than the 2004 baseline survey (81%) rating. Satisfaction with this sub-attribute once again ranks the highest among the seven marketing and communications sub-attributes examined.
- Overall satisfaction with *Delivers consistent messages* (76%) is statistically consistent with ratings in W2-2008 (72%) and identical to a year ago in W3-2007 (76%). In contrast, the current rating is significantly higher than the 2004 baseline (71%) result.

Overall Satisfaction with Marketing and Communications Sub-attributes



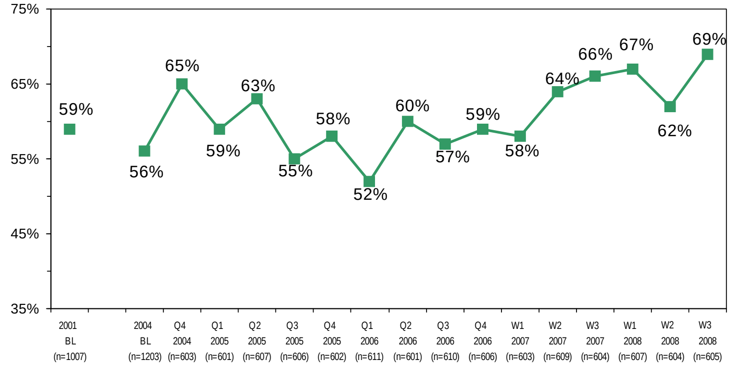
QK1(E-G): a) Using the same scale, please rate Terasen Gas' marketing and communications on the following dimensions…
b) Please consider Terasen Gas' marketing and communications efforts. To what extent do you agree that Terasen Gas has…

* Agreement scale results & n sizes

In Q3-2004, the sample was split into two, with one using the performance scale, and the other using the agreement scale (Question text a & b). Q3-2004 results indicated that the agreement scale is easier for respondents to understand. In Q4-2004, the question is fully switched to the agreement scale (Question text b). Results of the agreement scale is shown in a solid line & marked with an asterisk. Dotted line shows the results of the performance scale.

- Ratings for the three sub-attributes shown in the graph were first recorded in the 2004 baseline:
- Overall satisfaction with *Has communications that are easy to understand* (83%) declined insignificantly from the historical high recorded in W2-2008 (87%). This rating is statistically unchanged from W3-2007 (84%) and the 2004 baseline (82%).
- *Encourages you to take action and save energy* (80%) is comparable to almost all of the measurements taken since the 2004 baseline survey (79%) with the exception of the significantly higher rating in Q1-2005 (71%). Mainland customers (81%) provide more favourable ratings than Vancouver Island customers (63%).
- Overall satisfaction with *Has advertisements and communications that are attention-getting* (68%). This is virtually unchanged from W2-2008 (63%) and W3-2007 (65%), but is significantly higher than the 2004 baseline (58%).

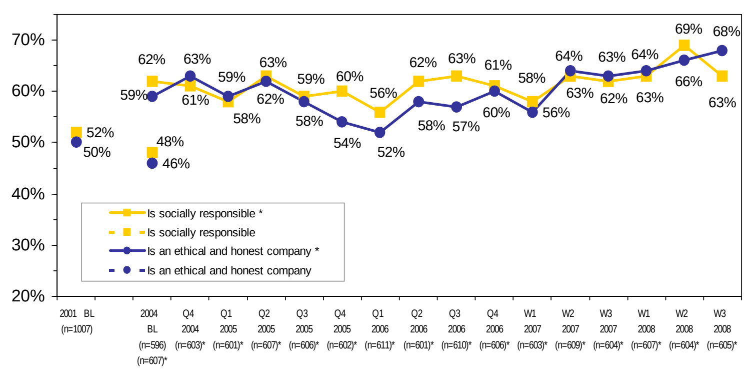
Overall Satisfaction With Terasen Gas Corporate Image



QI2: Considering these factors overall, how would you rate Terasen Gas' corporate image?

- Overall satisfaction with Terasen Gas corporate image (69%) recovered after the drop recorded last wave, to reach a new historical high. Although this rating is statistically unchanged from W3-2007 (66%), it is significantly higher than W2-2008 (62%) and the 2004 baseline (56%) and 2001 baseline (59%).
- Satisfaction among Mainland customers (69%) is similar to that of Vancouver Island customers (71%) this wave.

Overall Satisfaction with Corporate Image Sub-attributes



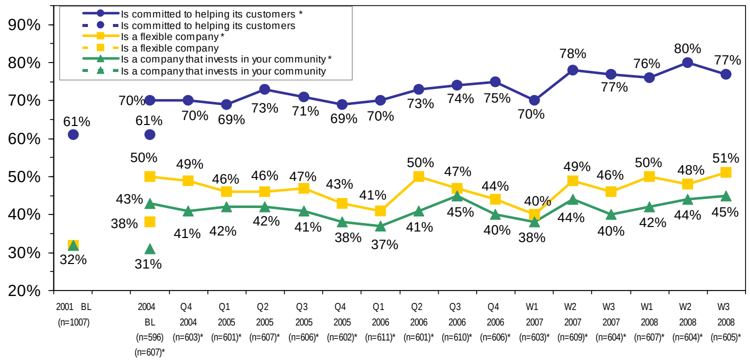
QI1(A, C): a) Now please evaluate Terasen Gas as a company, that is, its corporate image and brand. How would you rate Terasen Gas on… ** Agreement scale results & n sizes*

b) Now please evaluate Terasen Gas as a company, that is, its corporate image and brand. To what extent do you agree that Terasen Gas…

In Q3-2004, the sample was split into two, with one using the performance scale, and the other using the agreement scale (Question text a & b). Q3-2004 results indicated that the agreement scale is easier for respondents to understand. In Q4-2004, the question is fully switched to the agreement scale (Question text b). Results of the agreement scale is shown in a solid line & marked with an asterisk. Dotted line shows the results of the performance scale.

- In W3-2008, the satisfaction rating for *Is socially responsible* (63%) while statistically consistent with that of W3-2007 (62%) and the 2004 baseline survey (62%), it is significantly lower than W2-2008 (69%).
- Overall satisfaction with Terasen Gas being an *Ethical and honest company* (68%) is up significantly from the 2004 baseline (59%) result, but is statistically the same as in W2-2008 (66%) and W3-2007 (63%).

Overall Satisfaction with Corporate Image Sub-attributes



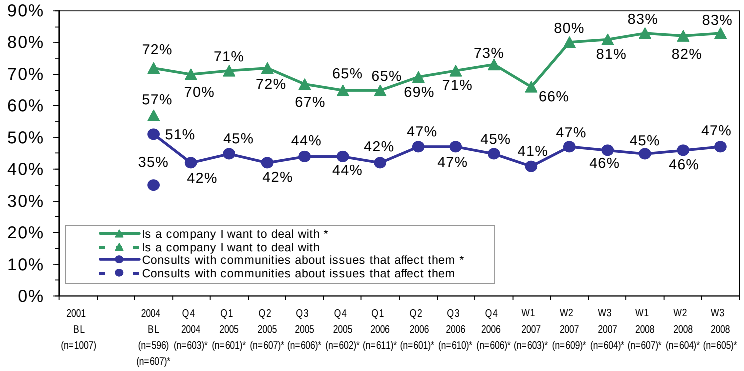
QI1(D-F): a) Now please evaluate Terasen Gas as a company, that is, its corporate image and brand. How would you rate Terasen Gas on… ** Agreement scale results & n sizes*

b) Now please evaluate Terasen Gas as a company, that is, its corporate image and brand. To what extent do you agree that Terasen Gas…

In Q3-2004, the sample was split into two, with one using the performance scale, and the other using the agreement scale (Question text a & b). Q3-2004 results indicated that the agreement scale is easier for respondents to understand. In Q4-2004, the question is fully switched to the agreement scale (Question text b). Results of the agreement scale is shown in a solid line & marked with an asterisk. Dotted line shows the results of the performance scale.

- In W3-2008, overall satisfaction with *Committed to helping its customers* (77%) remains virtually unchanged since W2-2007, (80% in W2-2008 and 77% in W3-2007) and is significantly higher than the 2004 baseline (70%). It also continues to rank as the second highest corporate image sub-attribute evaluated.
- While the satisfaction rating in W3-2008 for *Is a flexible company* (51%) reached a new historical high, this rating is virtually identical to that of W2-2008 (48%), W3-2007 (46%) and the 2004 baseline (50%). Customer satisfaction with this sub-attribute is significantly different between the Mainland (53%) and Vancouver Island (34%) respondents.
- Satisfaction for *Is a company that invests in your community* (45%) remains the lowest performing of the seven corporate image sub-attributes. The current rating is consistent with W2-2008 (44%), W3-2007 (40%) and the 2004 baseline (43%) result. Mainland customers (46%) are significantly more likely to provide positive ratings than Vancouver Island customers (28%).

Overall Satisfaction with Corporate Image Sub-attributes



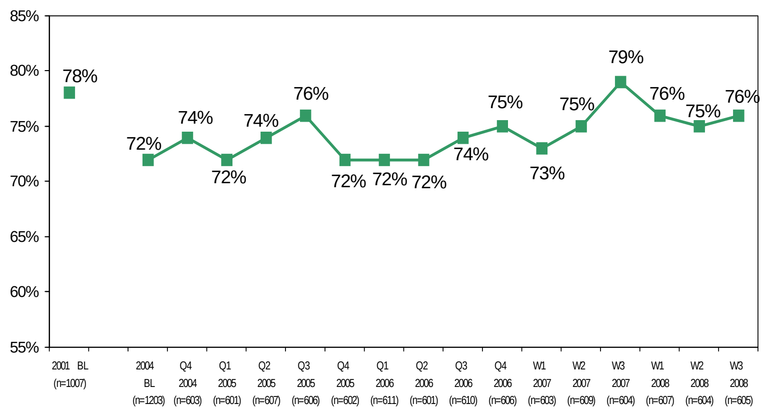
QI1(G-H): a) Now please evaluate Terasen Gas as a company, that is, its corporate image and brand. How would you rate Terasen Gas on… ** Agreement scale results & n sizes*

b) Now please evaluate Terasen Gas as a company, that is, its corporate image and brand. To what extent do you agree that Terasen Gas…

In Q3-2004, the sample was split into two, with one using the performance scale, and the other using the agreement scale (Question text a & b). Q3-2004 results indicated that the agreement scale is easier for respondents to understand. In Q4-2004, the question is fully switched to the agreement scale (Question text b). Results of the agreement scale is shown in a solid line & marked with an asterisk. Dotted line shows the results of the performance scale.

- Overall satisfaction with *Is a company I want to deal with* (83%), reached once again the historical highest point first seen in W1-2008. The rating is consistent with the W2-2008 (82%) and W3-2007 (81%) measures, but is significantly higher compared to the 2004 baseline (72%) result. It is again the highest-rated of all the corporate image sub-attributes examined.
- Overall satisfaction with *Consults with communities about issues that affect them* has remained stable since Q4-2004. The W3-2008 result (47%) is consistent with that of the W2-2008 (46%), W3-2007 (46%) and the 2004 baseline survey (51%). Satisfaction is significantly higher among Mainland customers (48%) than among those from Vancouver Island (32%).

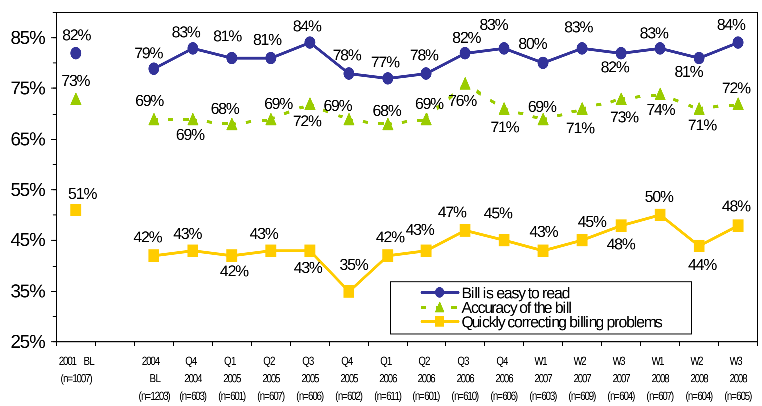
Overall Satisfaction With Terasen Gas Billing



QB2: Considering these factors overall, how would you rate the bill and billing process of Terasen Gas?

- Overall satisfaction with Terasen Gas' billing services (76%) remained unchanged compared to W2-2008 (75%). Furthermore, it remains statistically unchanged from the highest point recorded in W3-2007 (79%) and also similar to the 2001 baseline (78%) and the 2004 baseline (72%).
- There is little disparity between regions when measuring favourable evaluations of Terasen Gas in this regard (Mainland's 75% vs. Vancouver Island's 78% ratings).

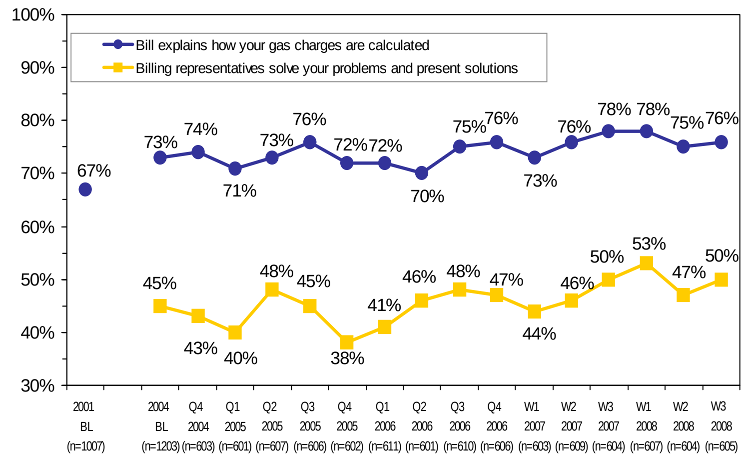
Overall Satisfaction with Billing Sub-attributes



QB1(A-C): Now thinking about Terasen Gas' billing process, how would you rate them in terms of…

- Overall satisfaction with *Bill is easy to read* (84%) has been stable during the past eight reporting periods. The current rating of is statistically similar to W2-2008 (81%), W3-2007 (82%) and the 2001 baseline (82%), while it is significantly higher than the 2004 baseline (79%).
- Overall satisfaction with *Accuracy of the bill* remains relatively high in W3-2008 (72%). The current rating is consistent with the ratings recorded in W2-2008 (71%), W3-2007 (73%), and in the 2004 (69%) and 2001 (73%) baseline surveys.
- Overall satisfaction with *Quickly correcting billing problems* (48%) in W3-2008 has rebounded after the drop seen last wave. It is comparable to the W2-2008 (44%), W3-2007 (48%) and 2001 baseline (51%) results, but is significantly higher than that of the 2004 baseline (42%) survey.

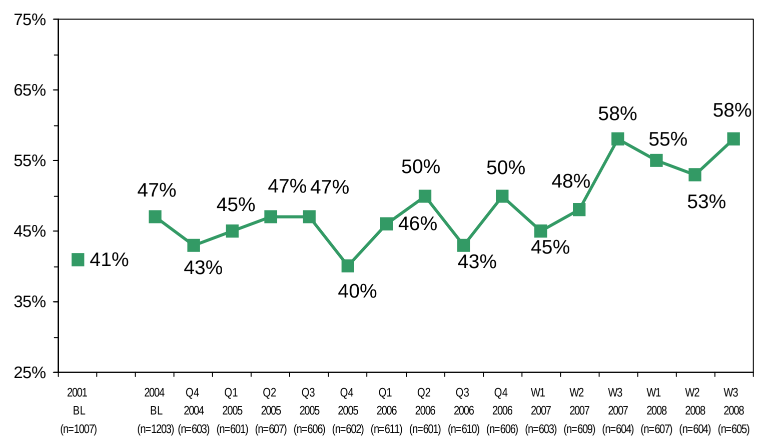
Overall Satisfaction with Billing Sub-attributes



QB1(D-E): Now thinking about Terasen Gas' billing process, how would you rate them in terms of…

- The overall satisfaction rating for *Bill explains how your gas charges are calculated* (76%) is essentially unchanged compared to W2-2008 (75%). It is consistent with the measurements in W3-2007 (78%) and the 2004 baseline (73%) result. However, it is significantly higher than the 2001 baseline (67%) rating.
- Overall satisfaction with *Billing representatives solve your problems and present solutions* (50%) is comparable to W2-2008 (47%) and identical to W3-2007 (50%) and is significantly higher than the 2004 baseline (45%) rating.

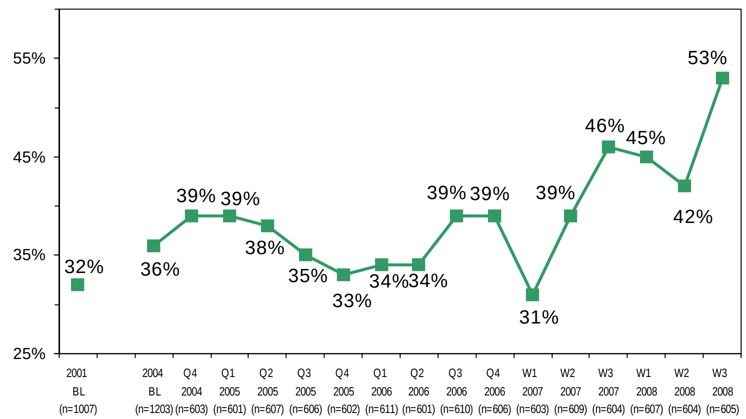
Overall Satisfaction With Terasen Gas Value For Money



QO6: Now, given the Terasen Gas services that we have discussed, and considering the price you pay for their services, please rate Terasen Gas in terms of overall value for money?

- After trending downward for two consecutive waves, overall satisfaction with Terasen Gas value for money (58%) reaches once again a historical high first seen a year-ago in W3-2007. While satisfaction with value for money is up an insignificant 5 points from W2-2008 (53%), it is significantly higher than the 2004 baseline (47%) and the 2001 baseline (41%).
- Regionally, Vancouver Island customers (64%) are as likely to consider Terasen Gas to be good value for money as those from the Interior (57%) and those from the Lower Mainland (58%).

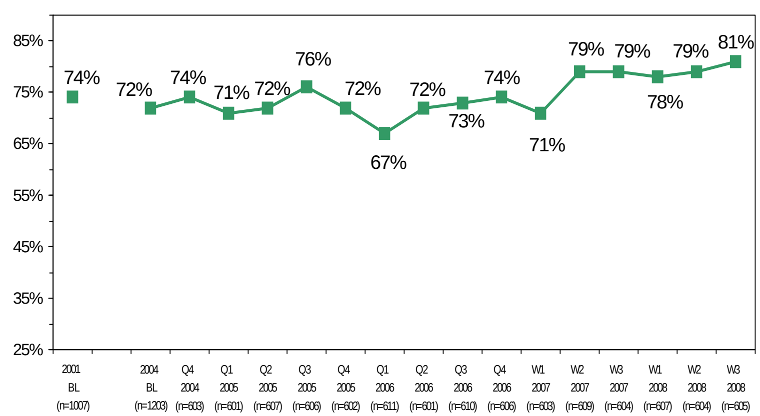
Overall Satisfaction With Terasen Gas Price Competitiveness



QO4: Now, considering all of the factors related to price, including service charges for installations, cost of natural gas, and distribution and meter charges, overall, how would you rate Terasen Gas in terms of price competitiveness?

- Overall satisfaction with Terasen Gas' price competitiveness (53%) has improved a significant 11 points from W2-2008 (42%), achieving a new all-time high. Overall satisfaction with price competitiveness is significantly higher than W3-2007 (46%), the 2004 baseline (36%) and the 2001 baseline (32%).
- Mainland customers (53%) have a similar evaluation of Terasen Gas' price competitiveness to that of Vancouver Island customers (49%).

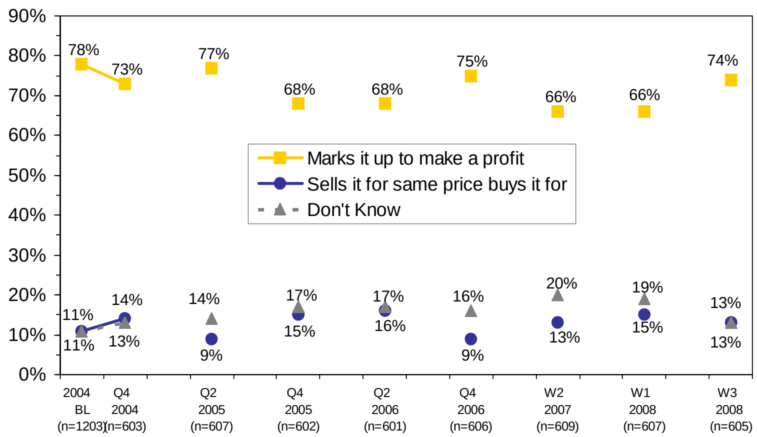
Overall Satisfaction with Terasen Gas



QO1: Now considering everything we've discussed about Terasen Gas in terms of service on the phone, installations and meter exchanges, emergency calls, marketing and communications, company's images, billing, and natural gas itself, how would rate Terasen Gas overall?

- Overall satisfaction with Terasen Gas (81%) remains essentially unchanged for the fourth consecutive reporting period. The current rating represents a new historical high and it is also significantly higher than the 2004 baseline (72%) and 2001 baseline (74%).
- Overall satisfaction with Terasen Gas is relatively stable across the different regional customers (Lower Mainland-81%, Interior-80% and Vancouver Island-83%).

Knowledge of Terasen Gas Operations



QG3: Considering the charge on the natural gas only (FOR VANCOUVER ISLAND CUSTOMERS: Considering the cost of the natural gas itself), do you think Terasen Gas sells you the natural gas at the same price that it purchases it for, or does it mark it up for a profit/does Terasen Gas mark up the price of natural gas for a profit, or does it sell it to you at the same price that it purchases it for?

- Starting from 2005, this question is tracked in alternate quarters.
- The proportion of customers who hold the misconception that Terasen Gas makes a profit on the cost of natural gas by marking up the price is significantly higher in W3-2008 (74%) when compared to W1-2008 (66%) and W2-2007 (66%), but it is unchanged when compared to the 2004 baseline (78%).
- Awareness that Terasen Gas sells natural gas for the same price the company buys it for (13%) remains essentially unchanged compared to W1-2007 (15%). This is once again consistent with that achieved in W2-2007 (13%), and the 2004 baseline (11%) surveys. The proportion indicating that they "don't know" about this issue (13%) has remained consistent with the 2004 baseline (11%), but is significantly lower than W1-2008 (19%).
- Interior (18%) customers are more aware of the fact that Terasen Gas sells natural gas for the same price the company buys it for than Lower Mainland (13%) and Vancouver Island (5%) customers.

Appendix A:
Technical Appendix

Technical Appendix

The results of W3-2008 are based on a telephone survey conducted between October 1 and October 16, 2008, while that of W2-2008 are based on another telephone survey conducted between June 1 and June 11, 2008. Interviews were conducted with both the general population and with sample provided by Terasen Gas.

A. Sampling

The sampling process for this study is rather complex. Sample was drawn to reflect two proportions of the Terasen Gas customer base. Starting from Q1-2006—when ABSU took over call centre duties for TGI (Terasen's Vancouver Island call centre)—to W2-2007, to secure a sufficient sample of customers who have had a recent interaction with the ABSU call centre, sample was first drawn from ABSU's databases of customers who have recently phoned in to the ABSU call centre. A minimum quota of 50 was set for this sample group. This ABSU sample included customers from both the Mainland (i.e. Lower Mainland and Interior) and Vancouver Island. Second, the Mainland (i.e. Lower Mainland and Interior) and Vancouver Island sample was drawn from Terasen Gas databases of customers who have recently had a transaction (either a new service installation, meter exchange, or a gas odour call) to ensure that results include a group of customers that have had an interaction with Terasen Gas. Third, Vancouver Island sample was provided by Terasen Gas from their Energy database. Lastly, both Vancouver Island and Mainland sample were drawn from the general population, reflecting the proportion of customers who have not had a recent experience with Terasen Gas (however, it is possible that some of the randomly sampled general population from both Vancouver Island and the Mainland might actually have had a recent experience with Terasen Gas). Starting with W2-2008, the ABSU sample was eliminated and the quota of 50 surveys was reallocated to the second group (i.e., Mainland and Vancouver Island sample of customers who have recently had a transaction with Terasen Gas), while maintaining Terasen Gas' Vancouver Island Energy sample as well as the Vancouver Island and Mainland general population sample drawn by POLLARA.

For W2-2008 and W3-2008, a total of 604 and 605 interviews were conducted respectively. The margin of error associated with these sample sizes is ±4.0%, 19 times out of 20 (i.e. at the 95% confidence level). It should be noted that, due to skip patterns contained in the study, the base sizes associated with particular questions might be smaller than 604 and 605 interviews. The margin of error is therefore correspondingly greater than ±4.0% for these skipped questions.

Guidelines were initially established to ensure that a minimum of 150 interviews were conducted in each of the 2 Lower Mainland regions, along with a minimum of 100 interviews conducted in the 3 remaining regions. The following table lists the number of surveys completed in W2-2008 and W3-2008 in each of the 5 regions, along with the associated margins of error.

	W2-2008		W3-2008	
Regions	**# Completed**	**Margin Of Error**	**# Completed**	**Margin Of Error**
Metro Vancouver	152	±7.9%, 19 times out of 20	150	±8.0%, 19 times out of 20
Fraser Valley	149	±8.0%, 19 times out of 20	150	±8.0%, 19 times out of 20
Interior North	101	±9.8%, 19 times out of 20	101	±9.8%, 19 times out of 20
Interior South	101	±9.8%, 19 times out of 20	101	±9.8%, 19 times out of 20
Vancouver Island	101	±9.8%, 19 times out of 20	103	±9.7%, 19 times out of 20
TOTAL:	**604**	**±4.0% 19 times out of 20**	**605**	**±4.0% 19 times out of 20**

B. Weighting

As a result of the complicated sampling plan, weights were used to correct for the over-sampling and under-sampling in two stages. Two weights were used, one to correct for the variations in the sample by zone, and one to correct for the proportion of customers who have had a recent experience (i.e. new service installations, meter exchanges, or gas odour calls) with Terasen Gas. These weights were then aggregated into one unified weight, and applied to the data.

The following table of regional weights illustrates the zonal weighting scheme for this research:

		W3-2008		W2-2008	
Regions	**Proportion of Terasen Gas Residential Customers**[4]	**Proportion in Sample**	**Weight Applied to Data**	**Proportion in Sample**	**Weight Applied to Data**
Metro Vancouver & Squamish	32.64%	24.8%	1.316	25.2%	1.295
Fraser Valley	30.23%	24.8%	1.219	24.7%	1.224
Interior North	11.44%	16.7%	0.685	16.7%	0.685
Interior South	15.84%	16.7%	0.949	16.7%	0.949
Vancouver Island	9.85%	17.0%	0.579	16.7%	0.590

The weights calculated to correct for the transactional components of the sampling process are somewhat more complicated, since it is possible that respondents could have had any combination of services in the past 12 months. Therefore, the transactional weighting scheme applied to the data depends on how many services, if any, each respondent reported having from Terasen Gas in the past 12 months. The following table illustrates the combinations and their respective weights for W2-2008 and W3-2008 for the Mainland sample:

[4] The proportion of Terasen Gas residential customers in each zone is as of the end of 2007.

		W3-2008		W2-2008	
Type of Transaction (If any)	**Proportion of Mainland Residential Customers[5]**	**Proportion in Sample**	**Weight Applied to Data**	**Proportion in Sample**	**Weight Applied to Data**
No transactions	80.4%	60.8%	1.322	63.0%	1.276
New service installation and odour call	0.0%	0.7%	0.000	0.20%	0.000
Meter exchange and odour call	0.2%	2.2%	0.091	1.8%	0.111
Other non-emergency home service and odour call	0.2%	0.0%	0.000	0.7%	0.286
New service installation, meter exchange and odour call	0.2%	0.9%	0.222	0.2%	1.000
New service installation, other non-emergency home service and odour call	0.0%	0.0%	0.000	0.0%	0.000
Meter exchange, other non-emergency home service and odour call	0.3%	0.9%	0.333	0.5%	0.600
New service installation, meter exchange, other non-emergency home service and odour call	0.0%	0.2 %	0.000	0.7%	0.000
Odour call only	2.6%	7.3%	0.356	11.5%	0.226
New service installation only	0.5%	1.5%	0.333	1.5%	0.333
Meter exchange only	6.8%	17.4%	0.391	11.5%	0.591
Other non-emergency home service only	3.3%	0.5%	6.600	1.5%	2.200
New service installation and meter exchange	0.0%	0.9%	0.000	1.1%	0.000
New service installation and other non-emergency home service	0.3%	0.0%	0.000	0.4%	0.750
Meter exchange and other non-emergency home service	4.4%	5.5%	0.800	3.5%	1.257
New service installation, meter exchange, and other non-emergency home service	0.9%	1.1%	0.818	1.8%	0.500

Since the Vancouver Island customers were found to be somewhat different from Mainland customers in terms of their incidence of different types of interactions with Terasen Gas, it was decided that separate transactional weights would be applied to this group. The following table illustrates the usage of various services and their respective weights for W2-2008 and W3-2008 for the Vancouver Island sample.

[5] The proportion of Terasen Gas Mainland customers who have had a number of different types of experiences was taken from the new 2004 baseline measures taken in Q3-2004.

		W3-2008		W2-2008	
Type of Transaction (If any)	Proportion of Vancouver Island Residential Customers[6]	Proportion in Sample	Weight Applied to Data	Proportion in Sample	Weight Applied to Data
No transactions	93.1%	67.2%	1.385	61.7%	1.509
New service installation and odour call	0.0%	0.0%	0.000	0.0%	0.000
Meter exchange and odour call	0.0%	6.9%	0.000	1.7%	0.000
Other non-emergency home service and odour call	0.0%	0.0%	0.000	0.0%	0.000
New service installation, meter exchange and odour call	0.0%	1.7%	0.000	0.0%	0.000
New service installation, other non-emergency home service and odour call	0.0%	0.0%	0.000	0.0%	0.000
Meter exchange, other non-emergency home service and odour call	1.3%	1.7%	0.765	1.7%	0.765
New service installation, meter exchange, other non-emergency home service and odour call	0.0%	1.7%	0.000	0.0%	0.000
Odour call only	1.3%	8.6%	0.151	3.3%	0.394
New service installation only	3.1%	5.2%	0.596	8.3%	0.373
Meter exchange only	0.6%	5.2%	0.115	16.7%	0.036
Other non-emergency home service only	0.0%	0.0%	0.000	3.3%	0.000
New service installation and meter exchange	0.6%	1.7%	0.353	1.7%	0.353
New service installation and other non-emergency home service	0.0%	0.0%	0.000	0.0%	0.000
Meter exchange and other non-emergency home service	0.0%	0.0%	0.000	1.7%	0.000
New service installation, meter exchange, and other non-emergency home service	0.0%	0.0%	0.000	0.0%	0.000

[6] The proportion of Terasen Gas Vancouver Island customers who have had a number of different types of experiences was taken from the new 2004 baseline measures taken in Q3-2004.

Appendix B: Quarterly Tracking Graphs – List of Graphs

Quarterly Tracking Graphs – List of Graphs

Appendix C:
Quarterly/Wave Tracking Graphs

Appendix D: Questionnaire

Appendix E:
Interview Schedules

Appendix F: Crosstabs

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Large Commercial Customer Satisfaction Survey 2008

Prepared for Terasen Gas

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Job number 08-0381

Date October 30, 2008

TABLE OF CONTENTS

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BACKGROUND & OBJECTIVES

As part of an ongoing mandate to provide quality service to customers and to build customer loyalty, Terasen Gas (formerly BC Gas) has conducted an annual survey of its large commercial and small industrial customers, those in Rate Classes 3, 5 and 23. Synovate, on behalf of Terasen Gas, has just completed the eighth wave of the Terasen Gas Large Commercial Customer Satisfaction Survey for the year 2008.

The goal of the research is to measure and track satisfaction levels among Terasen Gas large commercial and small industrial customers. The survey also provides management with information that will enable them to:

- Plan, develop and evaluate new customer service initiatives
- Promote strong customer relations with large commercial and small industrial customers
- Build loyalty with those customers

This report contains the detailed findings from the research study for 2008 and compares these findings to previous years' results. Detailed computer tables have been presented under separate cover.

Vancouver Island was added in 2004 for the first time. There are no Rate Class 23 customers on the Island and the equivalent for Rate Class 3 is LCS2 and LCS3. Between 2004 and 2006, LCS3 customers were included in Rate Class 5. In 2007, these customers were assigned to Rate Class 3.

For the purposes of this report, all large commercial and small industrial customers in the Coastal, Interior and Island regions are referred to as commercial or large commercial customers.

METHODOLOGY

- For this study a total of 400 telephone interviews were conducted with Terasen Gas' commercial customers in Rate Classes 3, 5 and 23. The original study design targeted 100 completions for each of Rate 5 and 23 customers and 200 for Rate 3 customers, with additional quotas of 100 completions in each of the Interior and Island regions, and 200 on the Coast. Given the limited samples available, reduced quotas were established for Rate 5 and 23, as well as the Island, based on actual completions achieved in 2006. Any shortfall in the original target quotas has been made up with customers in Rate 3 and in the Coast and Interior (see page 4 for actual sample distribution).
- At the analysis stage, the data were weighted to reflect the correct proportion of customers by rate category and region. (See Appendix A for distributions). Prior to 2004, the data were also weighted by NAIC (SIC) codes.
- All interviewing was completed from Synovate's Central Telephone Facility in Prince George between September 8th and October 6th, 2008. The initial call was made during regular business hours, 8:00 a.m. to 5:00 p.m. on weekdays. Callbacks were scheduled as requested by respondents, not limited to business hours.
- A detailed summary of calls can be found in the Appendix.
- Commercial Customers' NAIC codes were also captured in the survey. The distribution is as follows:

Agriculture	34
Food & Hospitality	60
Recreation	5
Multi-family	55
Institutional	36
Miscellaneous	209
Not Stated	1
TOTAL	400

- Results by NAIC have been presented under separate cover in the detailed computer tables. Due to the small sample sizes, results should be viewed with caution and as directional indicators only.

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MARGINS OF ERROR

- As with all sample surveys, the results are subject to margins of error. The total results, with a sample size of 400 are accurate to +/-4.9% at the 95% level of confidence. When analyzing results from various sub-groups, such as by region, the margins of error increase as the sub-samples are smaller. The following table shows the maximum margin of error for the various key sub-groups:

Sample Size	Max. Margin Of Error
400 (Total sample)	± 4.9%
267 (Rate class 3)	± 6.0%
215 (Coastal)	± 6.7%
117 (Interior)	± 9.1%
99 (Rate class 23)	± 9.9%
68 (Island)	± 11.9%
34 (Rate class 5)	± 16.8%

- When making comparisons between two exclusive sub-samples (e.g. rate classes or region), the margin of error increases by approximately 40%. For example, when comparing results between Rate Classes 5 and 23, any difference greater than 20 percentage points would be considered statistically significant at the 95% level of confidence. Any difference of 18 points or less may or may not be statistically significant depending on the level of consensus to the question. The following table shows the difference required (at the 50% level of consensus) when comparing the different sub-samples between last year and this year:

Comparison of Two Samples of:	Sample Sizes ('07 & '08)	Difference Required
Total	400 & 400	6.9%
Rate Class 3	300 & 267	8.1%
Coastal	215 & 215	9.4%
Interior	122 & 117	12.5%
Rate Class 23	80 & 99	14.5%
Island	63 & 68	17.7%
Rate Class 5	20 & 34	26.2%

- Throughout the report, we have limited our comments only to those differences that have statistical significance, at the 95% level of confidence.

CONCLUSIONS & RECOMMENDATIONS

Information Services

- Three in four (74%) large commercial customers when prompted recall receiving information from Terasen Gas within the past year regarding energy issues, gas rates, their gas consumption history, how to maintain natural gas meters and measure gas consumption, and natural gas equipment. As in previous years, the types of information most often recalled is related to energy issues, gas rates, and gas consumption history. Island customers continue to be less likely to remember receiving any of the listed information from Terasen Gas (56% vs. 76% of Coastal/Interior customers).

- Over eight in ten (81%) customers who recall receiving information claim that it met their needs, equivalent to last year. However, dissatisfaction with Terasen Gas information remains higher among customers on the Island (31% say it did not meet their needs vs. 11% of Coastal/Interior customers) and in Rate 3 (16% vs. 6% of Rate 23 and 1% of Rate 5 customers).

- Of the types of information that Terasen Gas provides, the most important to customers is related to their consumption history (85% rate it important), followed by information about rate options available (74%). Though still a majority, fewer customers value information on environmentally friendly energy options (61%), access to a computer modelling program that projects gas costs (58%), and information on the latest energy efficient equipment and suppliers (52%). Significantly lower in importance are a list of FAQs about basic gas use and safety (44%) and up-to-date market news (43%).

- Based on the gap between “performance” scores (i.e. percentage who rate their satisfaction 4 or 5 out of 5) and “importance” scores (i.e. percentage who rate importance 4 or 5 out of 5), Terasen Gas is falling well below expectations in providing information that is important to customers. This gap ranges from 13 to 30 percentage points across the seven information types.

- The Terasen Gas website has been visited by one third (32%) of large commercial customers. The commercial section of the website has been visited by one quarters (24%) of all large commercial customers. While these incidence levels are consistent with historical levels there has been a gradual upward trend since 2003. The proportion of visitors to the commercial section who find it useful remains high (89%). Of three types of information that could be provided in the commercial section of the website, the most useful to customers would be cost comparisons under various rate classes based on energy consumption history (rated useful by 84% of total customers). Fewer customers would find utility in information on alternative energy options (69%) or on natural gas appliances, furnaces, boilers and vehicles (61%).

- In summary, while Terasen Gas is generally meeting the information needs of most large commercial customers, there are opportunities to improve satisfaction. Focusing on specific types of information that are highest in importance, notably gas consumption history, and leveraging the website to provide this information should be top priorities. A second priority should be to enhance communications about different rate options available to customers. Special attention also needs to be paid to Island customers, who continue to be less likely to recall receiving any information from Terasen Gas and, if they do, tend to be less satisfied with what they receive.

CONCLUSIONS & RECOMMENDATIONS

Account Representatives

- Consistent with last year, about one in five (19%) large commercial customers say they have had contact with their account representative in the past six months, mostly by phone (76%) rather than by mail or email (45%) or in person (16%). Nearly six in ten (59%) who had contact with their rep rated their overall satisfaction with the rep 4 or 5 out of 5 while over one-third (36%) rated their satisfaction only 1, 2 or 3 out of 5.

- Of eight specific account rep attributes rated, satisfaction remains highest on three: providing responses to requests by the next business day (58%), understanding how the customers' business works (55%), and creativity in solving gas problems and needs (52%). However, less than half of these customers are satisfied with their rep in terms of his knowledge about the most efficient gas equipment (42%), making suggestions about how to use gas more efficiently (36%), having the latest industry news (31%), informing customers about important issues affecting gas consumption (28%), and contacting the customer on a regular basis (26%). There is also evidence to suggest that satisfaction has declined compared to last year on several attributes.

- Ensuring that reps provide adequate information on gas rates and consumption patterns, offer advice on energy conservation and efficiency, and inform customers about market and cost trends would enhance perceptions of the reps. Not only are these services expected from the customers' rep, they are also among those for which satisfaction is currently low. Increasing the reps' visibility with their customers would further enhance perceptions, given that only one in ten (11%) customers who have had contact with their rep in the past six months are able to name their rep and one in five (21%) based their overall satisfaction with their rep on the fact that they either do know who their rep is or have little or no contact with him.

Call Centre

- One-third (34%) of commercial customers have had contact with the Customer Call Centre in the past year, similar to levels in the past three years.

- Also consistent with the previous two years, two thirds (68%) of customers with recent call centre contact are satisfied with the call centre representative who handled their call, particularly with the rep's courteousness (79%). However, reps continue to be rated lower for being well trained (59%), having the ability to make immediate decisions (52%), to direct customers to the appropriate Terasen Gas representative (45%) or to provide rate information (31%).

- Nearly six in ten (58%) customers are interested in an automated call-back feature, primarily because they would not have to waste time on hold, thereby freeing them up for other work. Barriers to interest are mainly focused on a perceived need to talk to a representative right away or a concern that the call-back may occur at an inconvenient time.

CONCLUSIONS & RECOMMENDATIONS

Field Services

- Consistent with last year, over one third (35%) of large commercial customers received Field Services in the past two years, about half of whom (16%) had in-person contact with a Terasen Gas Service Technician.

- Satisfaction with Service Technicians remains high. About nine in ten (88%) customers who had contact with a Technician, are satisfied with Technicians overall and a large majority are also satisfied with specific attributes of service. Performance is lower on two measures: willingness to answer questions about Terasen Gas products and services (61% satisfied) and proactively pointing out potential problems and recommending solutions (65%). However, this may simply reflect a lack of relevance of these attributes as a relatively high proportion of customers answered "don't know" to each question.

Attitudes Toward Terasen Gas

- Terasen Gas is not seen as a customer-focused organization by a majority of large commercial customers, with fewer than half agreeing that Terasen Gas is responsive to their needs (46%), is their first source of information on gas-related equipment (34%), shows concern for their customers (32%), and always puts them first (31%).

- While two thirds (65%) continue to rate the overall level of service provided by Terasen Gas as good or excellent, only a minority (40%) believe they are getting at least good value overall. Despite this perceived lack of value, two-thirds (65%) nevertheless feel the services provided are moderately or low priced. Vancouver Island customers are less likely than those in Coastal/Interior regions to agree that Terasen Gas is responsive to customer needs (32% vs. 48%, respectively).

- Misperceptions about the activities Terasen Gas engages in remain prevalent, with significant minorities continuing to believe that the company is involved in natural gas exploration (40%) and extraction (37%). While over half (52%) of customers still believe that Terasen Gas marks-up the price of gas for profit, this proportion has steadily declined from a high of 64% in 2003. On the other hand, understanding of Terasen Gas' ownership has eroded, with only half (51%) aware that it is investor-owned, down sharply from previous years (70% in 2006 and 67% in 2007). The percentage of "Don't Knows" rose from 5% in 2005 to 16% in 2008. Both scores may reflect the ownership changes over the same period.

- Addressing misperceptions of Terasen Gas' ownership and activities, especially that gas prices are marked-up for profit, is likely to improve perceptions of overall value. In a commoditized market with limited price competition, however, it is difficult to convince customers that they are receiving good value for money. In some cases, customers will not even have any relevant benchmarks to evaluate "value" against unless they have knowledge of natural gas prices in other jurisdictions. Those customers, for whom energy is a substantial input cost, tend to judge against other energy alternatives (such as electricity or wood).

CONCLUSIONS & RECOMMENDATIONS

Customer Choice Program *(Rate 3 Coastal/Interior Customers Only)*

- Over eight in ten (81%) Rate 3 customers in the Coastal and Interior regions are aware of the Customer Choice Program, a slight decline from last year (87%) but in line with the previous two years. Awareness among Interior customers (91%) has continually increased since 2003 to the point where they are now more likely to be aware of the program than are Coastal customers (79%).
- Nearly one in four (23%) customers have signed a contract to purchase their gas from another supplier, of whom seven in ten are satisfied with both the service they receive from the gas marketer (72%) and with educational materials, billing and other aspects of the program (72%). There have been no significant changes in participation or satisfaction rates in the past two years.
- The main reasons for staying with Terasen Gas have not changed. Concerns about the initial prices being too high and loyalty to/familiarity with Terasen Gas remain the strongest incentives for staying with the company. However, not wanting to risk having to pay higher prices if rates decline was a less significant barrier to switching in 2008 (12% of mentions) than in 2007 (33%).

Attitudes to Energy Issues

- Six in ten large commercial customers could not identify any kinds of energy related information they would like to see in the future. The most frequent mention, volunteered by 14%, is to provide information on ways to conserve energy and reduce costs. There were no specific mentions of information related to managing the impact of the recently legislated provincial carbon tax.
- Three in ten (29%) customers say they have either already taken or plan to take measures to manage the impact of the carbon tax. Rate 23 customers are nearly twice as likely as customers in other rate classes to have taken the initiative (49% vs. 25% of Rate 3 and 27% of 5 customers). Two thirds (66%) of customers would value help from Terasen Gas in managing the impacts of the carbon tax.
- Improving existing energy efficiency and reducing energy consumption are the most common actions taken or planned by customers to mitigate impacts from the carbon tax. A lack of knowledge about the issue and how it might affect their business is inhibiting some customers who have no plans from taking any action.
- In summary, there is significant interest in receiving guidance from Terasen Gas in helping customers cope with the carbon tax. Providing customers with energy and cost savings advice would not only help cushion the impacts of the carbon tax, it also represents an opportunity to enhance perceptions of Terasen Gas in general.

CONCLUSIONS & RECOMMENDATIONS

Customer Satisfaction Index

- The Terasen Gas Large Commercial Customer Satisfaction Index was created to aid Terasen Gas in understanding how satisfied large commercial customers are with the service provided by Terasen Gas. The index takes six key variables that are deemed "variables" of overall customer satisfaction (for the specific list of variables, see page 68) and then calculates the proportion that qualify on all or some of the variables (for specific calculations, see pages 69).

	2000	2003	2004	2005	2006	2007	2008
Base	*400*	*300*	*401*	*400*	*400*	*400*	*400*
	%	%	%	%	%	%	%
Satisfaction Groups:							
High Satisfaction (qualifies on all 6 or applicable indicators)	14	19	29	24	28	27	24
Medium Satisfaction (qualifies on 4-5 indicators)	67	70	48	63	63	64	63
Low Satisfaction (qualifies on 1-3 indicators)	19	12	22	14	10	9	13
No Satisfaction (qualifies on none of the indicators)	0	0	0	0	0	0	0

- With 24% of commercial customers being in the high satisfaction group and 63% in the medium, the level of customers at least moderately satisfied with Terasen Gas' services in 2008 (87%) has dropped somewhat from its recorded high in 2006 (91%). There are no significant differences across regions and rate classes.

DETAILED FINDINGS

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1. Terasen Gas Information Services Summary

Information Received

- Half of large commercial customers recall receiving Information from Terasen Gas in the past 12 months about energy issues and gas rates, unchanged from a year ago. While a similar proportion recall information about their gas consumption history, this represents a significant decline from the historical levels (49% vs. 56%-63% in 2003-2007) recorded since the base year (2003).

- Relative to last year, twice as money customers recall receiving information on maintaining natural gas meters and measuring gas consumption (30% vs. 16% in 2007). About one quarter (23%) of customers recall information related to natural gas equipment, consistent with the past two years.

- Similar to a year ago, about one quarter (26%) of customers claim they have not received or do not know if they received any of the specified types of information from Terasen Gas in the past year. This represents a third consecutive increase.

- Island customers continue to believe they receive less information from Terasen Gas than do customers elsewhere, with 44% saying they did not receive information on any of the topics listed compared to just 24% of Coastal/Interior customers. Recall among Island customers is significantly lower for three types of information:
    - Gas rates (25% vs. 53% for Coastal/Interior)
    - Maintaining natural gas meters & measuring gas consumption (19% vs. 32% for Coastal/Interior)
    - Energy issues (37% vs. 52% for Coastal/Interior)

- Among large commercial customers who do recall receiving information from Terasen Gas in the past year, the majority continue to agree that the information met their needs.
    - Virtually unchanged from a year ago, 81% of customers stated the information met their needs quite well or better (vs. 83% in 2007), while it did not meet the needs of 13% (vs. 14% in 2007).
    - Island and Rate 3 customers appear to be less satisfied with the information they received compared to other customer groups. This information did not meet the needs of fully three in ten (31%) Island customers (vs. 11% of Coastal/Interior customers) and 16% of Rate 3 customers (vs. 6% of Rate 23 and 1% of Rate 5 customers).

Other Reasons for Contact

- Compared to 2007, large commercial customers were more likely to have contacted Terasen Gas for other reasons within the last year (42% vs. 30% in 2007). The most common reason is to get information about billing (19%, up 10 percentage points from last year), followed by new gas installations (7%).

1. Terasen Gas Information Services Summary

Website Usage

- Similar to previous years, 32% of customers have visited the Terasen Gas website in the past year. In contrast to last year, when Rate 3 customers were less likely to have visited the site, results are consistent across rate classes and regions.

- Among those who have visited the Terasen Gas website, 76% visited the commercial section (equivalent to 24% of the total sample), in line with the previous four years. Those who have not visited the commercial section of the website indicate that they were not interested, were not aware of the section, or that they go online for other information.

- Nine in ten (89%) customers who visited the commercial section of the Terasen Gas website consider it useful and among the few (8%) who don't, most are unable to suggest ways to make the site more useful. While positive ratings overall are unchanged from last year (93%), the percentage considering the site "very" useful remains substantially lower than it was two years ago (31% vs. 47% in 2006). There are no significant differences between regions or rate classes.

- Eight in ten (80%) had no suggestions for the inclusion of additional information that they would consider useful to have on the commercial section of the website. Among the 20% who had suggestions, no single suggestion was mentioned by more than 5%, however, with the most common mentions being inclusion of consumption data or patterns (5%) and information on conservation or cost-savings ideas (4%).

Usefulness of Specified Types of Information on Commercial Section of Website

- When asked to assess the usefulness of three potential types of information that could be provided on the commercial section of the website, the most useful to customers would be cost comparisons under various rate classes based on the customer's energy consumption history (87% very or somewhat useful), followed by information on alternative energy options (69%) and information on natural gas appliances, furnaces, boilers and vehicles (61%). Results are consistent across regions and rate classes.

Importance of Types of Information Provided

- Of seven types of information provided to large commercial customers, consumption history is regarded as the most important (85% rate it a 4 or 5 out of 5 in importance), followed by information about the different rate options available (74%). Smaller majorities also value information on environmentally-friendly or alternative energy options (61%), having access to a computer modelling program that projects gas costs (58%), and information on the latest energy efficient equipment and suppliers (52%). Less important to customers are a list of most frequently asked questions about basic gas use and safety (44%) and up-to-date market news (43%).

1. Terasen Gas Information Services Summary

Satisfaction with Information Provided (Cont'd)

- As in 2007, Terasen Gas is satisfying over half of large commercial customers on only one of seven types of information it provides. The highest rated continues to be information regarding consumption history (56% rate their satisfaction 4 or 5 out of 5). Compared to a year ago, satisfaction levels have increased significantly for information on different rate options (44% vs. 35% in 2007) and on the latest energy efficient equipment and suppliers (26% vs. 18%), as well as for the list of FAQ's about basic gas use and safety (28% vs. 20% in 2007), and having access to a computer modelling program (28% vs. 15%).

- The gap between "importance" and "performance" on each information type is significant, ranging from 13 to 30 percentage points, indicating that perceived performance is well below expectations on all seven types of information. The largest gaps are found in the information about different rate options available, as well as having access to computer modelling program (30% each). The consumption history for your business and information on environmentally friendly or alternative energy options also show large gaps between importance and performance (29%).

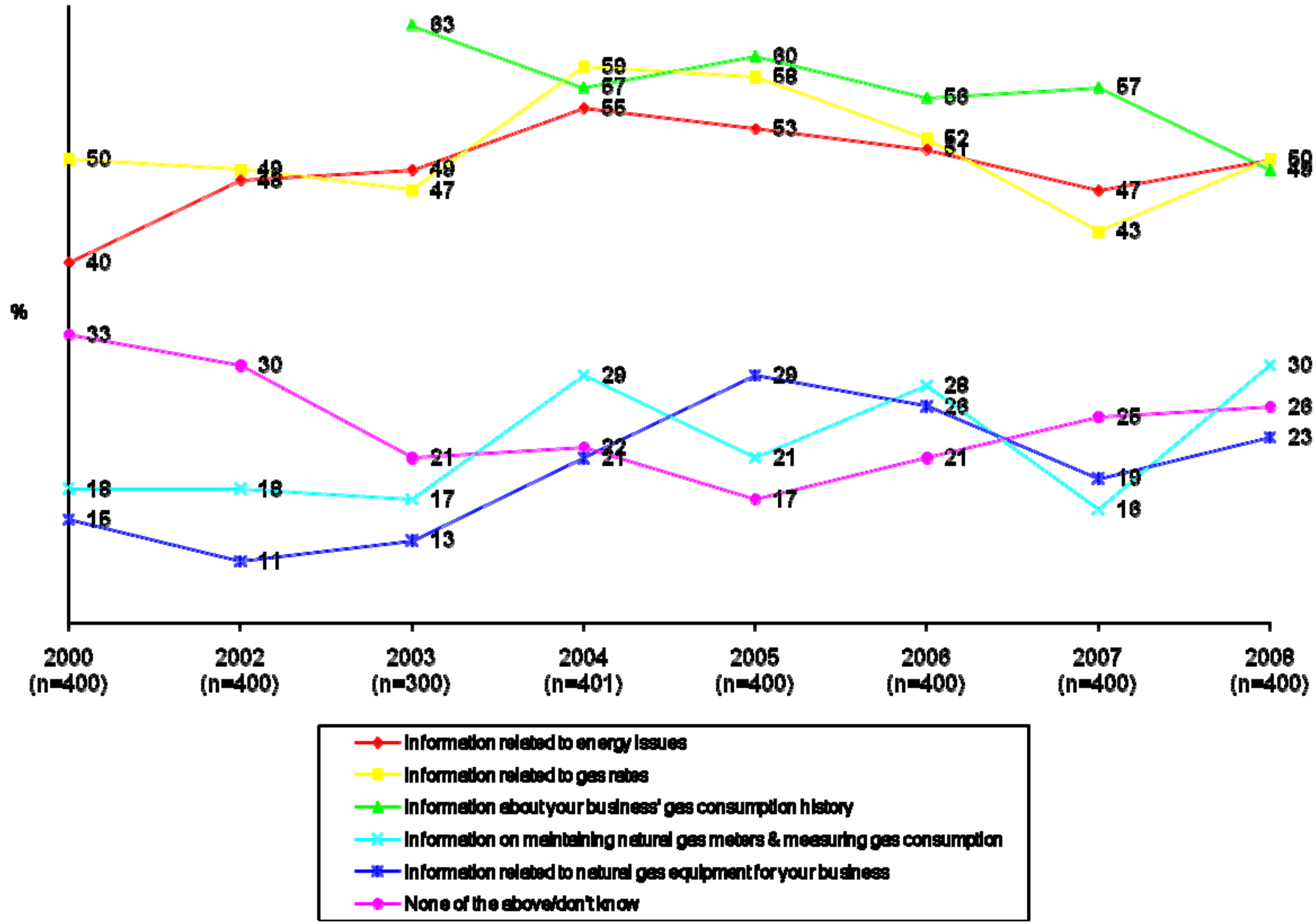
- Island customers continue to be less satisfied than customers in other regions with some types of information they receive from Terasen Gas. Specifically, fewer Island customers are satisfied with information providing up to date market news (13% vs. 32% of Coastal/Interior customers), different rate options available (25% vs. 46%), and their consumption history (35% vs. 58%).

Trade Show Contact

- Twelve percent of commercial customers had contact with a Terasen Gas representative at a trade show in the past two years, consistent with previous years. Rate 23 customer are more likely to have had contact with a rep at a trade show compared to customers in other rate classes. Almost one in three (27%) customers in Rate 23 said they had contact with a rep compared to 9% of those in Rates 3 and 16% of Rate 5 customers.

1. Terasen Gas Information Services – Information Received

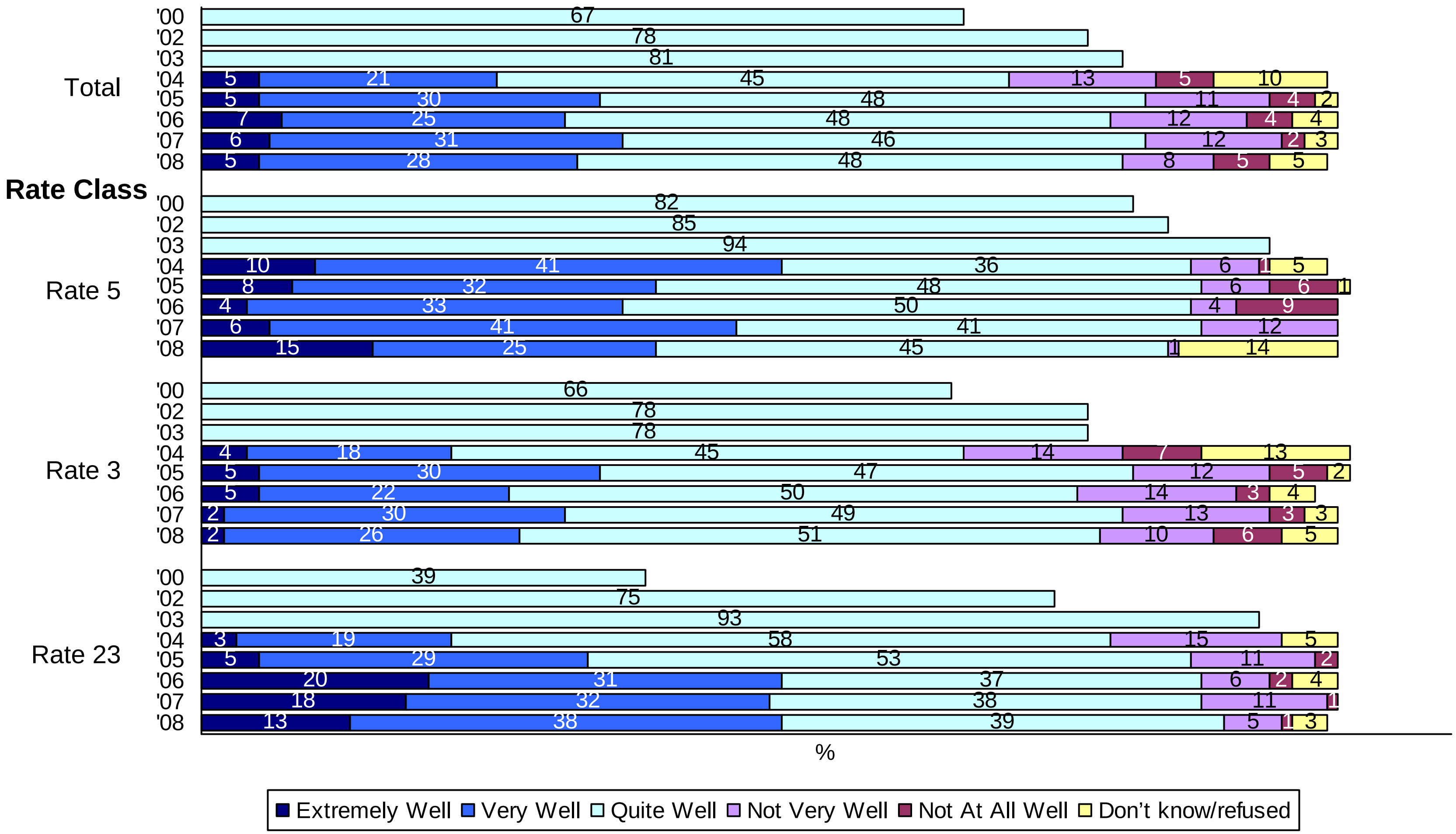
- Prompted Mentions -



A1a. First of all, we would like to know what type of information you have received from Terasen Gas — either by phoning them directly, through the mail, at tradeshows or through advertisements or bill stuffers. Within the past year, have you received or obtained any of the following from Terasen Gas:

1. Terasen Gas Information Services – Information Meeting Needs

- Among Those Who Received at Least One Type of Prompted Information -



Group	Year	Extremely Well	Very Well	Quite Well	Not Very Well	Not At All Well	Don't know/refused
Total	'00			67			
	'02			78			
	'03			81			
	'04	5	21	45	13	5	10
	'05	5	30	48	11	4	2
	'06	7	25	48	12	4	4
	'07	6	31	46	12	2	3
	'08	5	28	48	8	5	5
Rate 5	'00			82			
	'02			85			
	'03			94			
	'04	10	41	36	6	1	5
	'05	8	32	48	6	6	1
	'06	4	33	50	4	9	
	'07	6	41	41	12		
	'08	15	25	45	1		14
Rate 3	'00			66			
	'02			78			
	'03			78			
	'04	4	18	45	14	7	13
	'05	5	30	47	12	5	2
	'06	5	22	50	14	3	4
	'07	2	30	49	13	3	3
	'08	2	26	51	10	6	5
Rate 23	'00			39			
	'02			75			
	'03			93			
	'04	3	19	58	15		5
	'05	5	29	53	11	2	
	'06	20	31	37	6	2	4
	'07	18	32	38	11	1	
	'08	13	38	39	5	1	3

Note: In 2004, the question was changed from a Yes/No response to a rating of extremely well, very well, quite well, not very well or not at all well. Results prior to 2004 reflect the % saying Yes.

(Total respondents: 2000 n= 268; 2002 n=280; 2003 n=236; 2004 n=315; 2005 n=325; 2006 n=319; 2007 n=301; 2008 n=296)

A1b. How well did the information you receive meet your needs? Would you say … ?

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1. Terasen Gas Information Services – Other Reasons for Contact

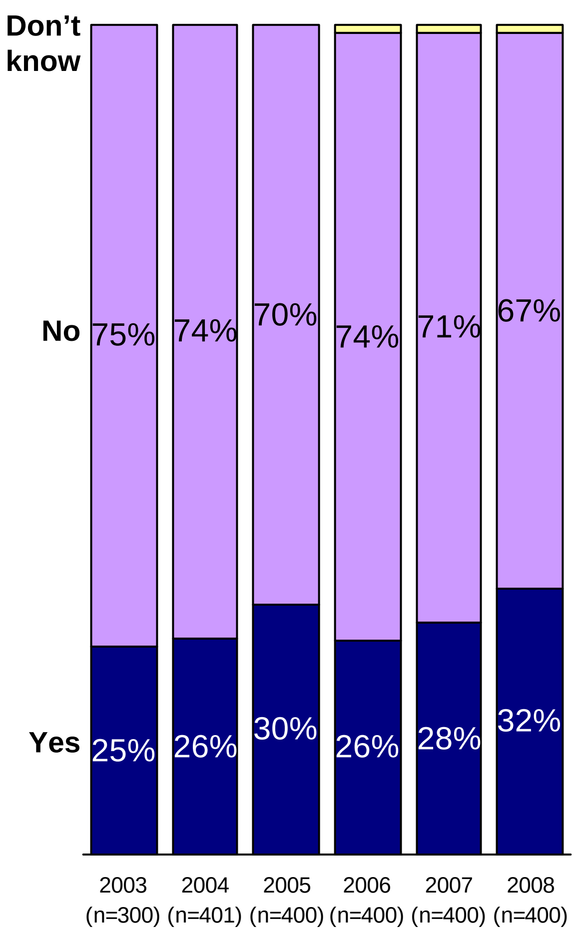
- Major Mentions Only (Unprompted) -

	2000	2002	2003	2004	2005	2006	2007	2008
Base	*400*	*400*	*300*	*401*	*400*	*400*	*400*	*400*
	%	%	%	%	%	%	%	%
Information related to our bill	7	9	14	9	8	15	9	19
New gas installations	6	5	4	5	4	6	5	7
To come out to shutdown for maintenance	4	3	2	3	3	3	3	4
Change of ownership/Change in renters	-	-	-	-	-	-	-	4
Read meter/calculate consumption	0	2	4	6	7	3	3	3
Information related to gas rates	5	4	8	6	4	3	2	3
History inquiry about account/property	0	0	0	0	2	2	-	3
Info related to reducing our gas consumption	2	2	3	3	1	1	-	3
Information related to gas equipment	-	-	-	-	-	-	-	2
For location of gas lines	2	2	1	2	2	2	-	1
Information related to safety	-	-	-	-	-	-	-	1
Information related to suppliers	0	0	0	0	0	3	2	0
Regarding transportation of gas	-	-	-	-	-	-	-	0
Other	-	-	-	-	-	-	-	3
Don't know/refused	-	-	-	-	-	-	-	1
None/no other reasons	71	70	64	64	68	60	71	58

A2.0 Within the past year, have you or your firm contacted Terasen Gas for any other reason?

1. Terasen Gas Information Services – Website Usage

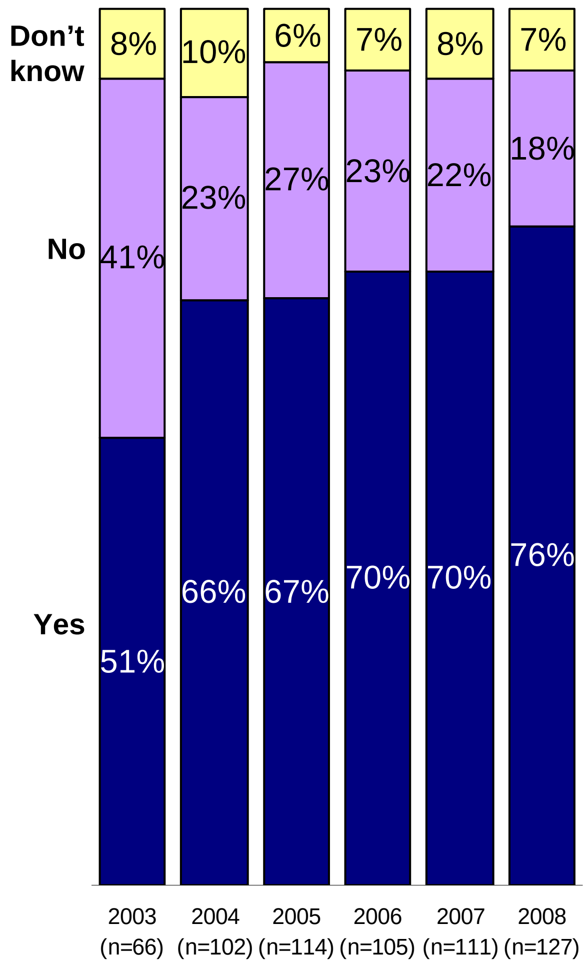
Visited Website In
Past Year



*Caution: small base size.

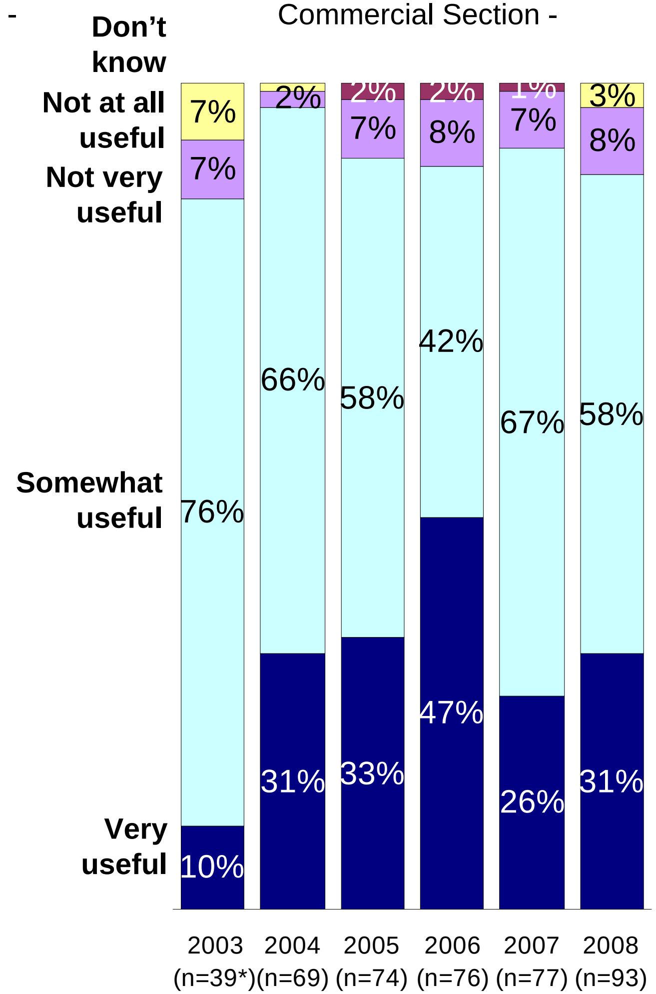
Visited Commercial
Section Of Website

- Among Those Who Have Visited Website -



Rating For Commercial
Section of the Website

- Among Those Who Have Visited Commercial Section -



A2.1 Within the past year, have you visited the Terasen Gas web-site?
A2.2 And have you visited the Commercial section of the web-site?
A2.3 Overall, how would you rate the information provided in the Commercial Section of the web-site?

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1. Terasen Gas Information Services – Suggestions for Commercial Section of Website

- Unprompted Mentions Only* -

	2008
Base	*8*
	#
Make it easier to navigate	1
Other	1
Nothing in particular	2
Don't know/Refused	3

*Caution: small base size. Figures shown in table refer to number, not percentage, of respondents.

A2.4 What would make the Commercial section of the website more useful?

1. Terasen Gas Information Services – Reason for Not Visiting Commercial Section of Website

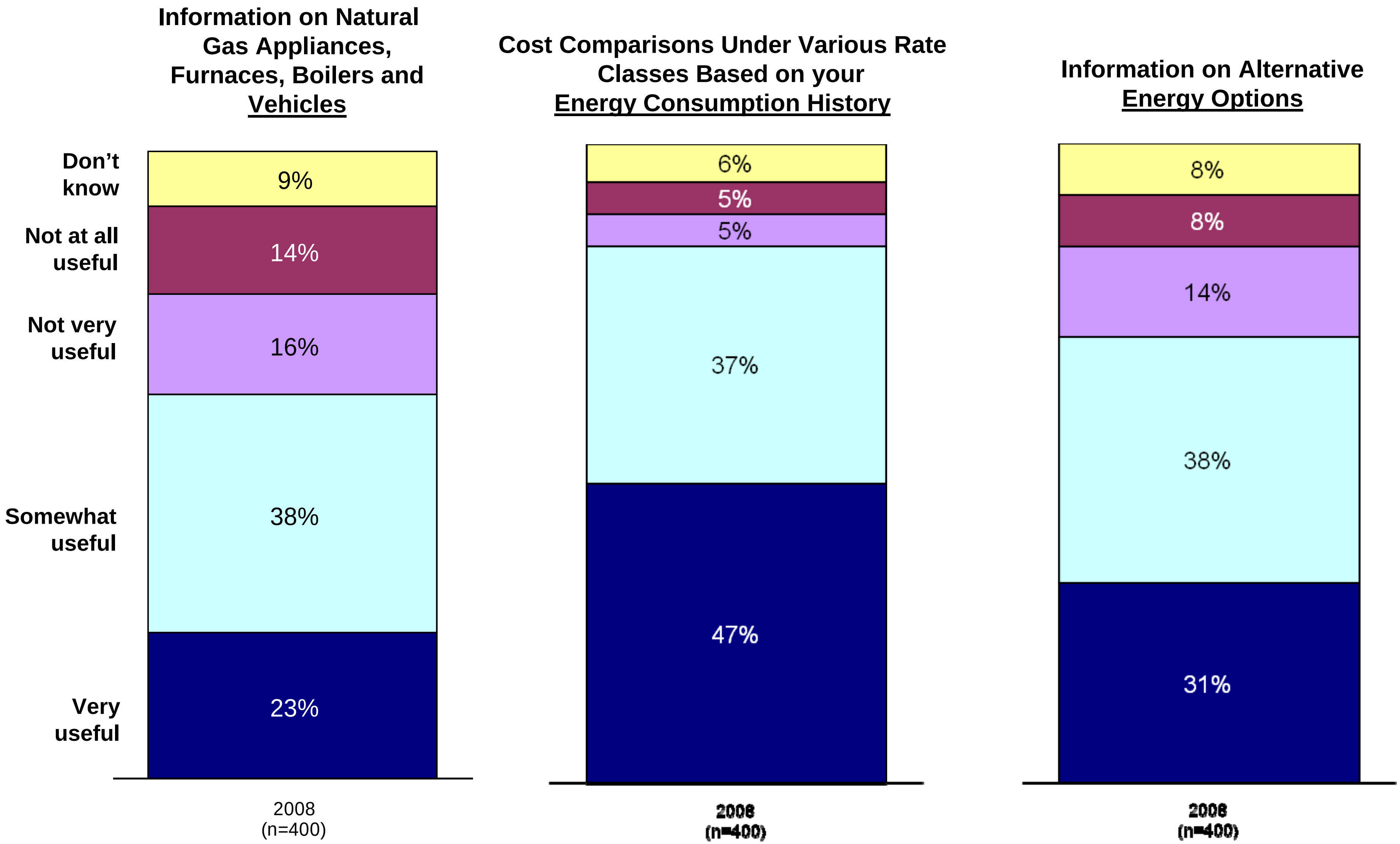
- Unprompted Mentions Only* -

	2008
Base	*25*
	%
No time/Not interested	14
Did not know it was in the website	11
Go online for other information	7
Not applicable to my job	3
Other	6
No reason in particular	57
Don't know	3

*Caution: small base size.

A2.5 Why have you not visited the Commercial section of the website?

1. Terasen Gas Information Services – Usefulness of Information on Commercial Website



A2.6 How useful would you rate the following types of information if they were provided in the Commercial section of the website?

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1. Terasen Gas Information Services – Suggestions for Website

	2008
Base	*400*
	%
Consumption data/patterns/history	5
Conservation ideas/Cost-saving information/ Energy efficiency	4
Information on rates/pricing/cost	2
Contact information/Emergency numbers/email addresses	2
Forecast on pricing/Future changes	1
Latest technologies on equipment and controls	1
Energy upgrade rebates/grants/incentives	1
Notice of power outage	1
Alternative energy options	0
Other	3
Nothing	72
Don't know/Refused	8

A2.7 Is there any other type of information that you would consider useful to have on the website?

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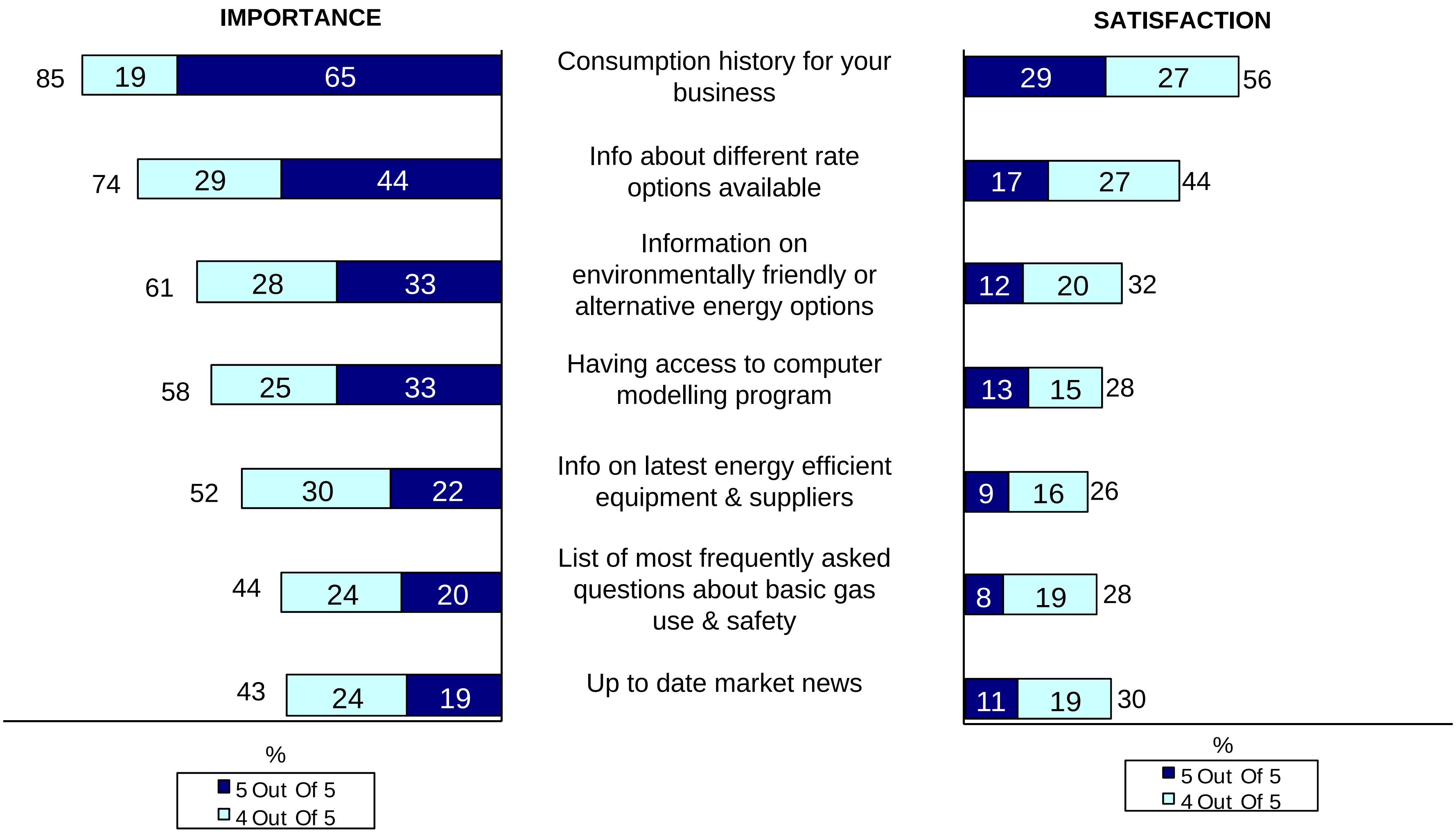
1. Terasen Gas Information Services – Importance vs. Satisfaction

- % Rating 4 Or 5 Out Of 5 -



(2008 n=400)
Scale: 1 = not at all important; 5 = Extremely important;

(2008 n=400)
Scale: 1 = Very dissatisfied; 5 = Very satisfied

A3.1. Please rate the level of importance you attach to the following types of information.
A6. Please rate your level of satisfaction with Terasen Gas in providing the following types of information to you.

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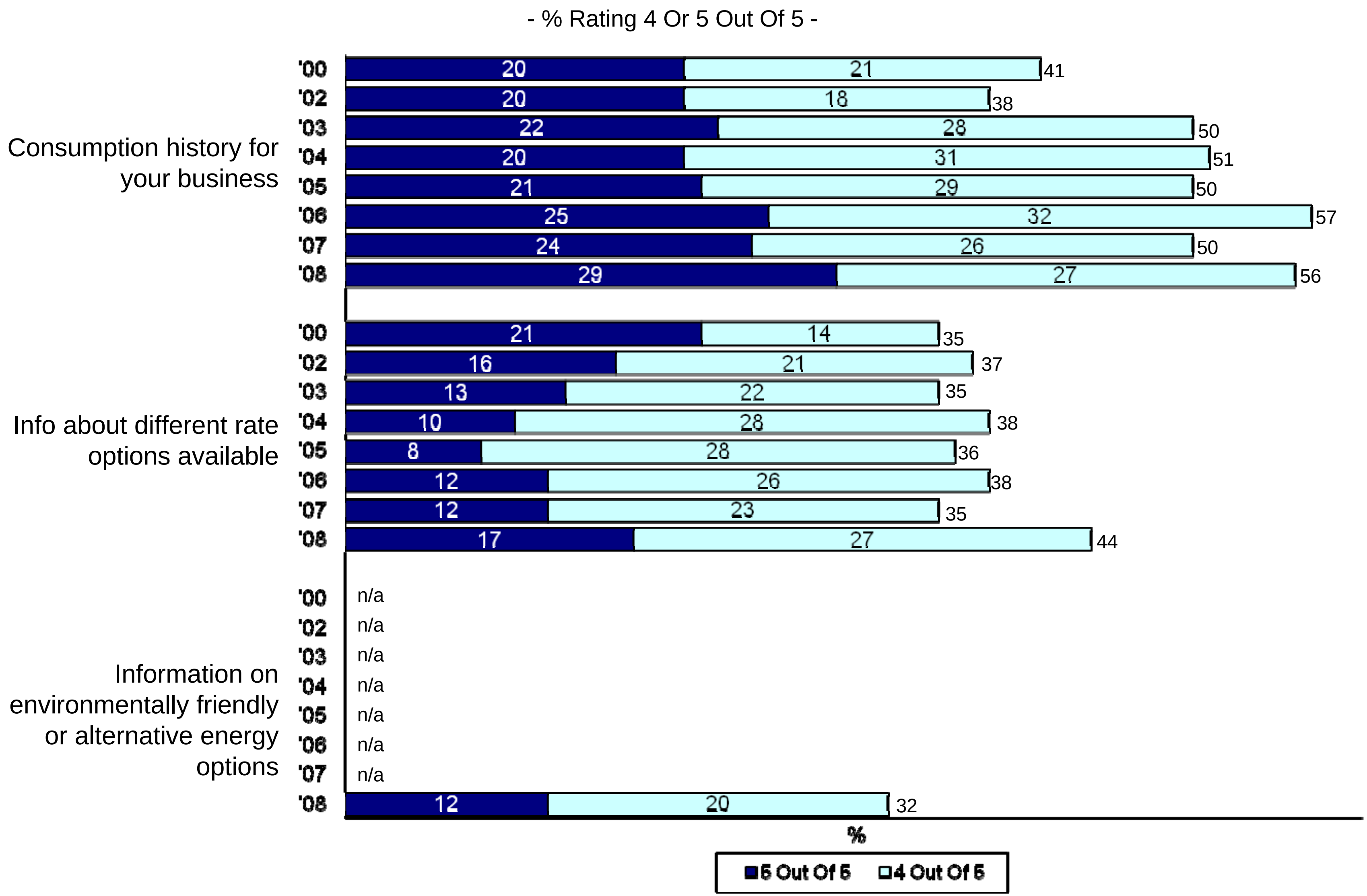
1. Terasen Gas Information Services – Satisfaction 1

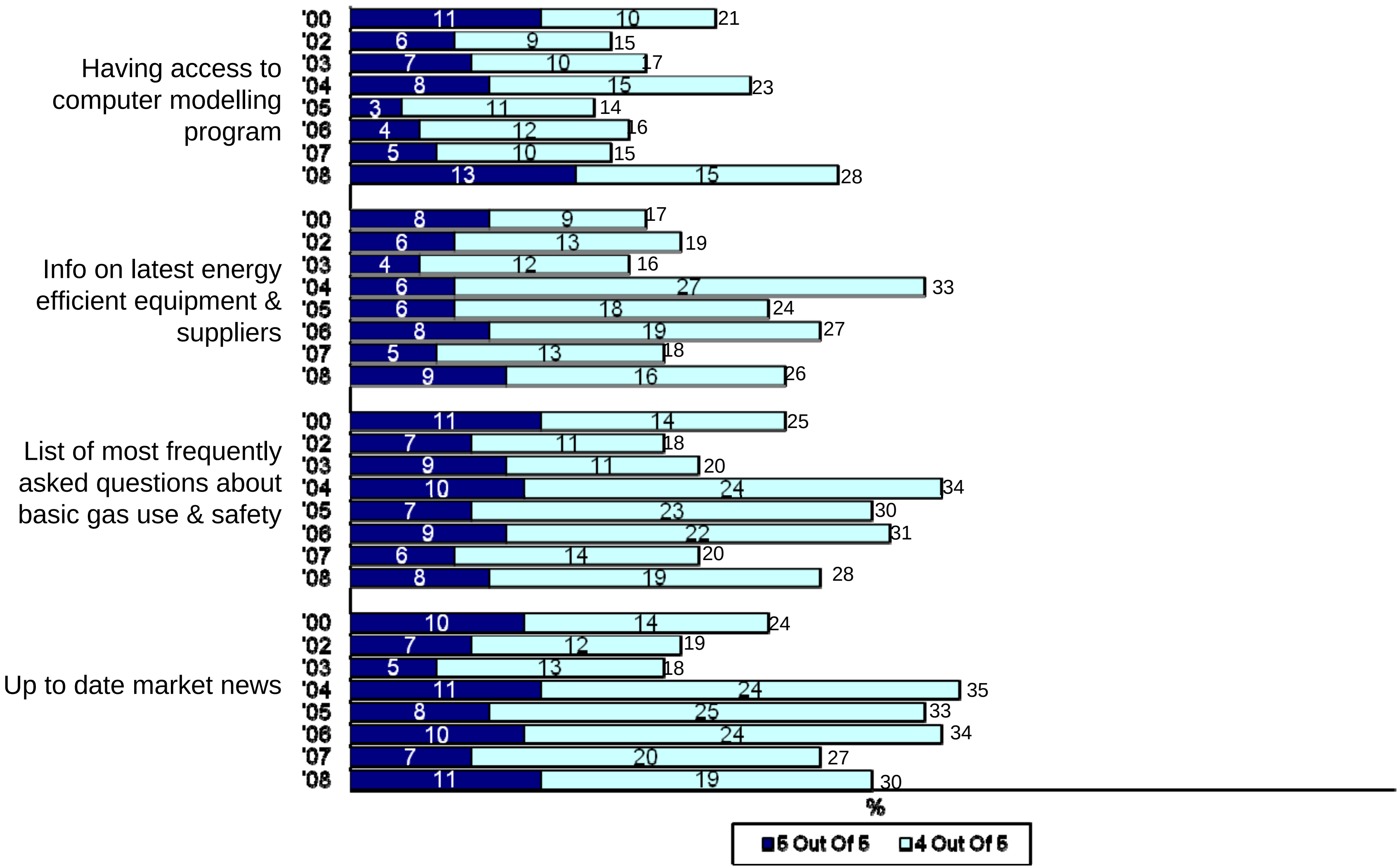


(2000 & 2002 n=400; 2003 n=300; 2004 n=401; 2005 n=400; 2006 n=400; 2007 n=400; 2008 n=400)
Scale: 1 = Very dissatisfied; 5 = Very satisfied

 A6. Please rate your level of satisfaction with Terasen Gas in providing the following types of information to you.

1. Terasen Gas Information Services – Satisfaction 2

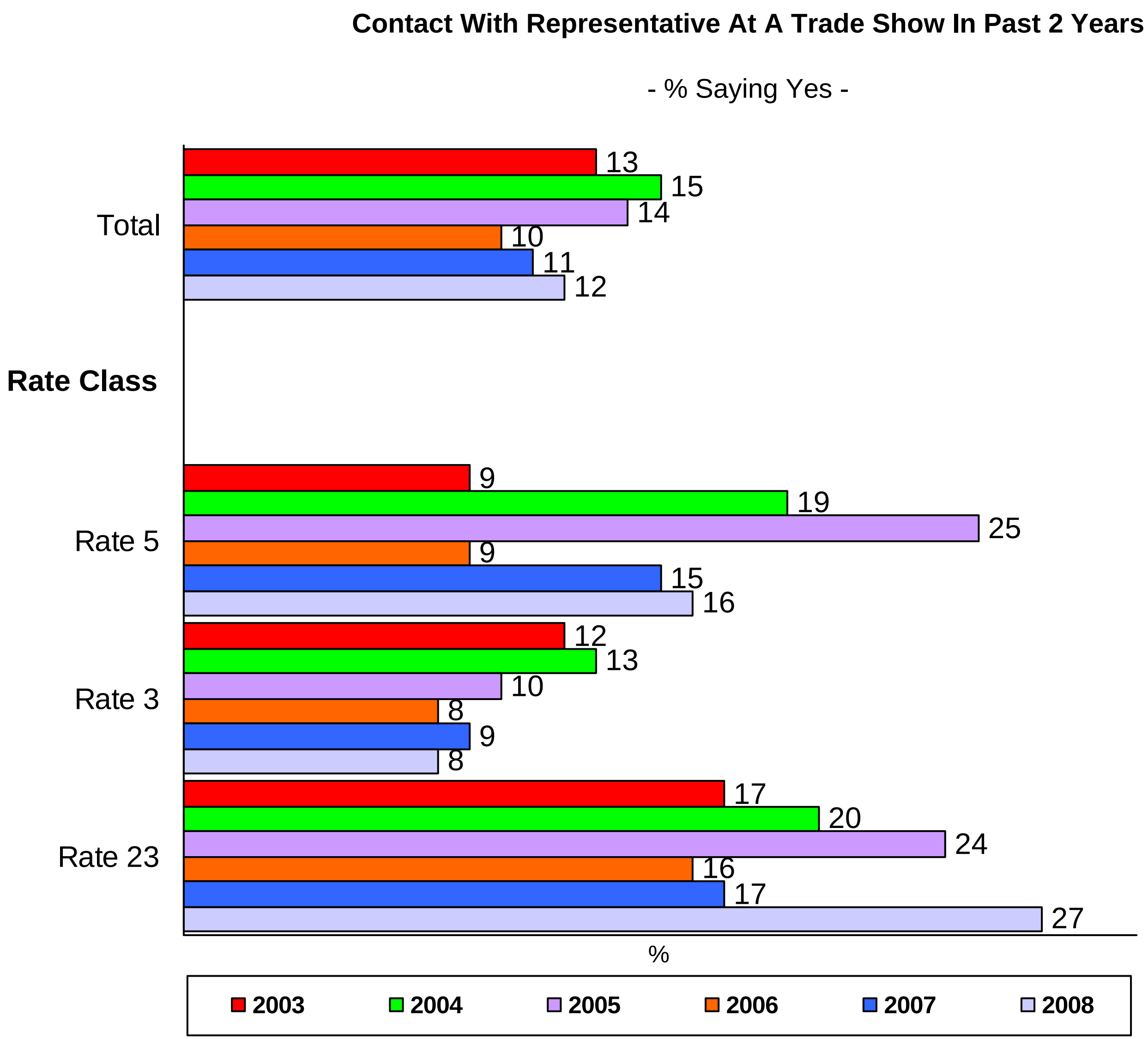
- % Rating 4 Or 5 Out Of 5 -



(2000 & 2002 n=400; 2003 n=300; 2004 n=401; 2005 n=400; 2006 n=400; 2007 n=400; 2008 n=400)
Scale: 1 = Very dissatisfied; 5 = Very satisfied

A6. Please rate your level of satisfaction with Terasen Gas in providing the following types of information to you.

1. Terasen Gas Information Services – Trade Show Contact



(Total respondents: 2003 n=300; 2004 n=401; 2005 n=400; 2006 n=400; 2007 n=400; 2008 n=400)

A7. And have you had contact with a Terasen Gas rep at any trade show that you may have attended in the past 2 years?

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2. Account Representatives Summary

Customer Expectations

- When asked to specify types of services they expect from their account rep, large commercial customers mention a range of services with no single service volunteered by more than 13% of customers. The most commonly mentioned services include providing information on gas rates, plans and changes and on consumption rate patterns or history (both suggested by 13%), energy conservation and efficiency (11%), market trend information and future costs projections (10%), helping reduce costs (9%) and equipment inspections and advice (8%).

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- Mention of information on gas rates, plans and changes continues to decline from historic levels (13% vs. 22% in 2005). Compared to a year ago, significantly fewer customers now mention information on energy efficiency and conservation (11% vs. 19% in 2007, a return to historical levels) or inspection and advice on equipment (8% vs. 14% in 2007). At the same time, a greater proportion of customers are unable to volunteer any services they expect in 2008 compared to pervious years (46% vs. 30-33% in 2005-2007).

- Island customers are more likely to expect information about their account and their billing history (13% vs. 5% for Coastal/Interior customers) and less likely to expect information about market trends and assistance with future cost projections (1% vs. 11% for Coastal/Interior customers).

- Rate 23 customers are more likely than other rate classes to expect information about market trends and assistance with future cost projections (24% vs. 7% for other rate classes).

Past Contact

- About one in five (19%) large commercial customers have had contact with their account representative within the past six months, a return to historical levels after reaching an all-time low in 2006 (13%). Customers were somewhat more likely to initiate the contact (11%) than to be contacted by their rep (8%).

- Rate 3 customers continue to be significantly less likely to have communicated with their account representative (14% vs. 35% of Rate 23 and 39% of Rate 5 customers). Regionally, Coastal customers are much more likely to have had contact with an account rep than customers elsewhere (21% vs. 13% of Interior and 10% of Island customers).

- Among those who had contact with their account rep over the past six months, three quarters (76%) indicate they had interaction over the phone and 45% by mail or e-mail, unchanged from previous years. However, the likelihood of in-person contact has dropped to half the level seen a year ago (16% vs. 33% in 2007). This is also an all-time low, 10% lower than the previous low (26%) recorded in 2005 and 2006.

2. Account Representatives Summary

Satisfaction with Account Representatives

- Six in ten (59%) customers who had contact with their account representative are satisfied with their rep overall (rate their satisfaction 4 or 5 out of 5), while over one-third (36%) express some dissatisfaction with their rep (1, 2 or 3 out of 5). While there have been no significant changes in satisfaction over the years or any differences in satisfaction by region or Rate Class, base sizes may be too small to detect significant differences.

- Of eight specific attributes rated, satisfaction is highest for the reps providing responses to requests by the next business day (rated 4-5 out of 5 by 58%), followed by the reps understanding of how the customer's business works (55%) and the rep's creativity in solving gas problems and needs (52%). These three attributes have consistently been among the highest scoring attributes.

- Less than half of customers, however, express satisfaction with reps in terms of their knowledge about the most efficient gas equipment (42%), making suggestions about how to use gas more efficiently (36%), having the latest industry news and statistics (31%), informing customers personally about important issues that affect gas consumption (28%), and contacting the customer on a regular basis (26%).

- Two service characteristics show significant declines in satisfaction compared to last year:
  - Representatives providing responses to requests by the next business day (58% vs. 75% in 2007),
  - Having the latest industry news and statistics (31% vs. 51% in 2007),

- Furthermore, the following three service characteristics show directional declines in satisfaction compared to last year:
  - Understanding how the customers' business works (55% vs. 63% in 2007),
  - Informing you personally about issues that affect gas consumption (28% vs. 39% in 2007),
  - Contacting the customer on a regular basis (26% vs. 39% in 2007).

- Asked to provide reasons for their overall rating of their rep, customers most often cited a lack of familiarity and/or contact with the rep as the reason for dissatisfaction (volunteered by 21%). The main reasons for positive ratings include being knowledgeable and informative (18%), fast and quick to respond (16%), nice, friendly, helpful and easy to work with (16%), and providing information on consumption, costs, rates and predictions (14%).

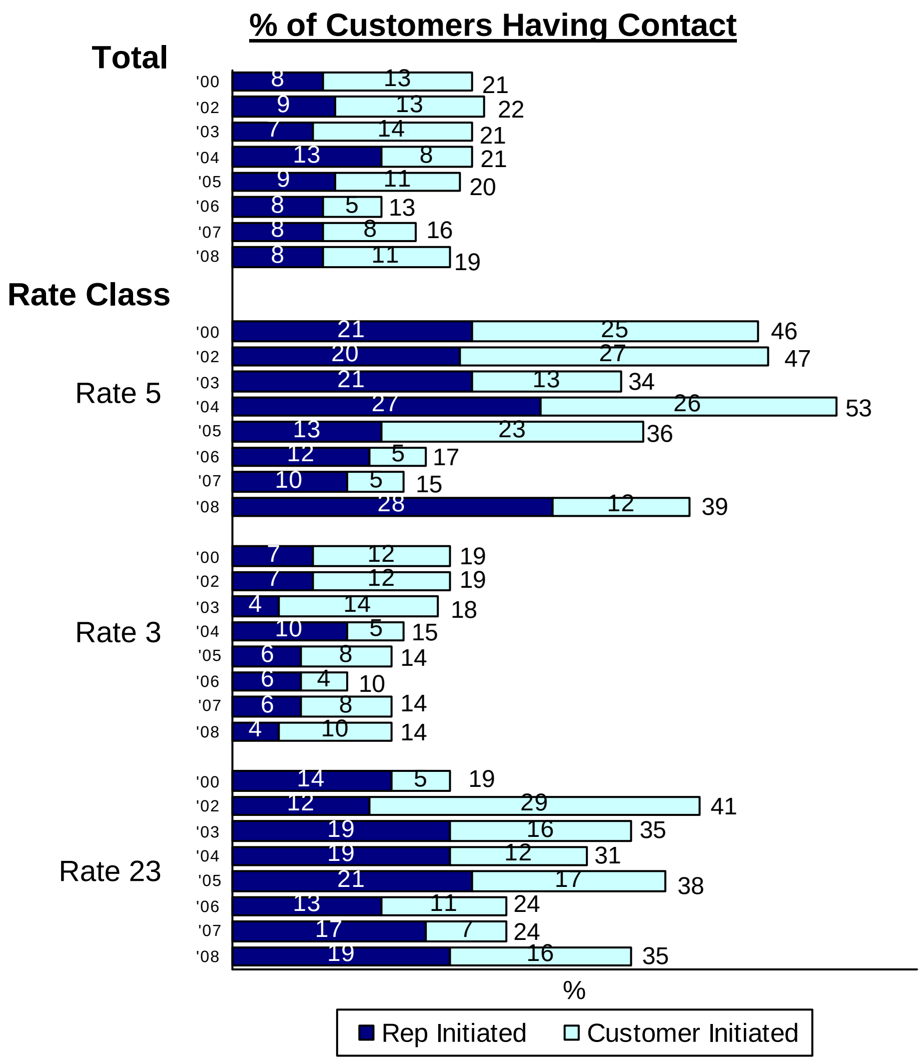
2. Account Representatives – Customer Expectations – Expected Services

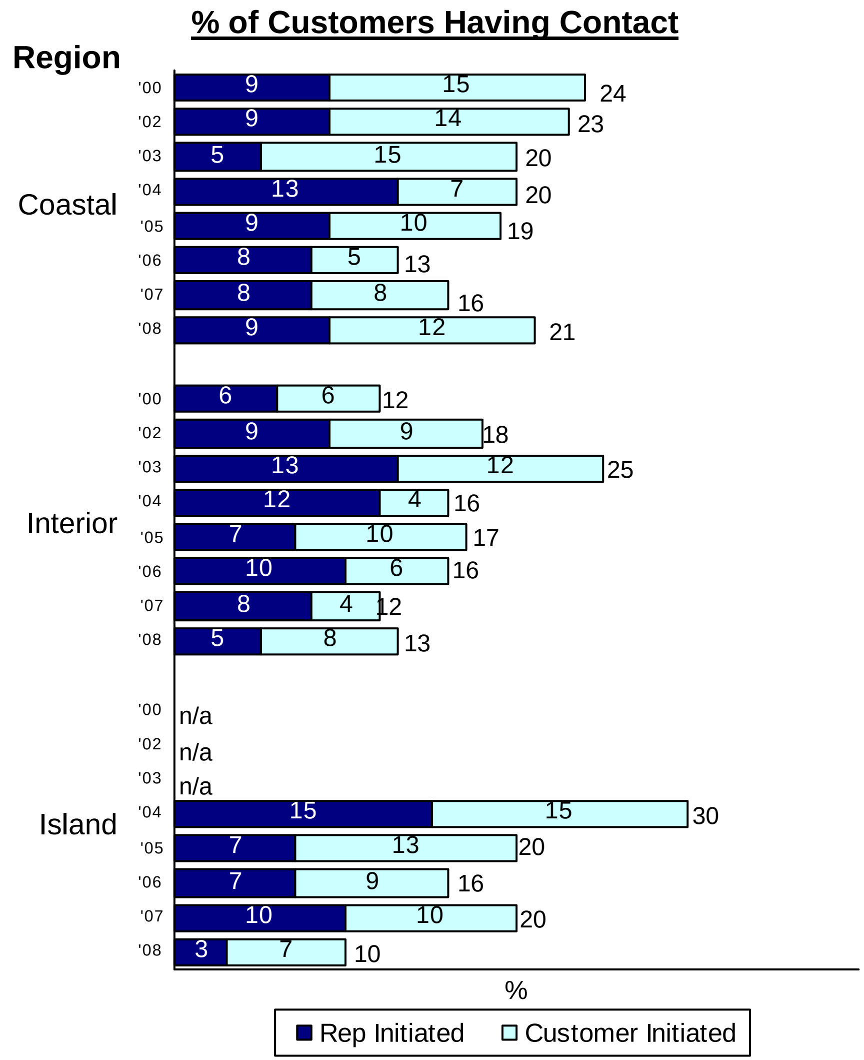
- Major Mentions Only -

	2000	2002	2003	2004	2005	2006	2007	2008
Base	*400*	*400*	*300*	*401*	*400*	*400*	*400*	*400*
	%	%	%	%	%	%	%	%
Information on gas rates/plans/changes	25	20	18	21	22	21	17	13
Consumption rates/patterns/history	11	11	17	8	9	10	12	13
Energy conservation/energy efficiency	10	10	10	10	14	14	19	11
Market trend info/future cost projection	0	6	7	4	8	8	9	10
Help us reduce costs	14	14	15	7	8	13	10	9
Inspection of/advice on equipment	7	7	11	8	14	12	14	8
Provide general info/answer questions	6	12	12	8	11	5	7	6
Information about our account/billing history	5	6	7	6	7	5	5	6
Drop in/personal contact/visit our site	0	0	4	7	7	7	4	5
Be easier to reach by phone/Available/Accessible	-	-	-	-	-	-	-	5
Initiate contact/communicate/phone calls	0	5	3	8	7	10	5	2
Other	0	0	0	0	0	0	0	4
Nothing in particular/don't know	33	29	30	40	30	32	33	46

B1. Terasen Gas has commercial account representatives, who specialize in certain industries, so that commercial customers have a single contact for all their gas and energy information needs and services. What kinds of services do you expect from your commercial account rep?

2. Account Representatives – Contact in Past Six Months





(Total respondents: 2000 & 2002 n=400; 2003 n=300; 2004 n=401; 2005 n=400; 2006 n=400; 2007 n=400; 2008 n=400)

B3.1 Have you had contact with your account rep in any way, such as by phone, mail or a visit, in the past 6 months?

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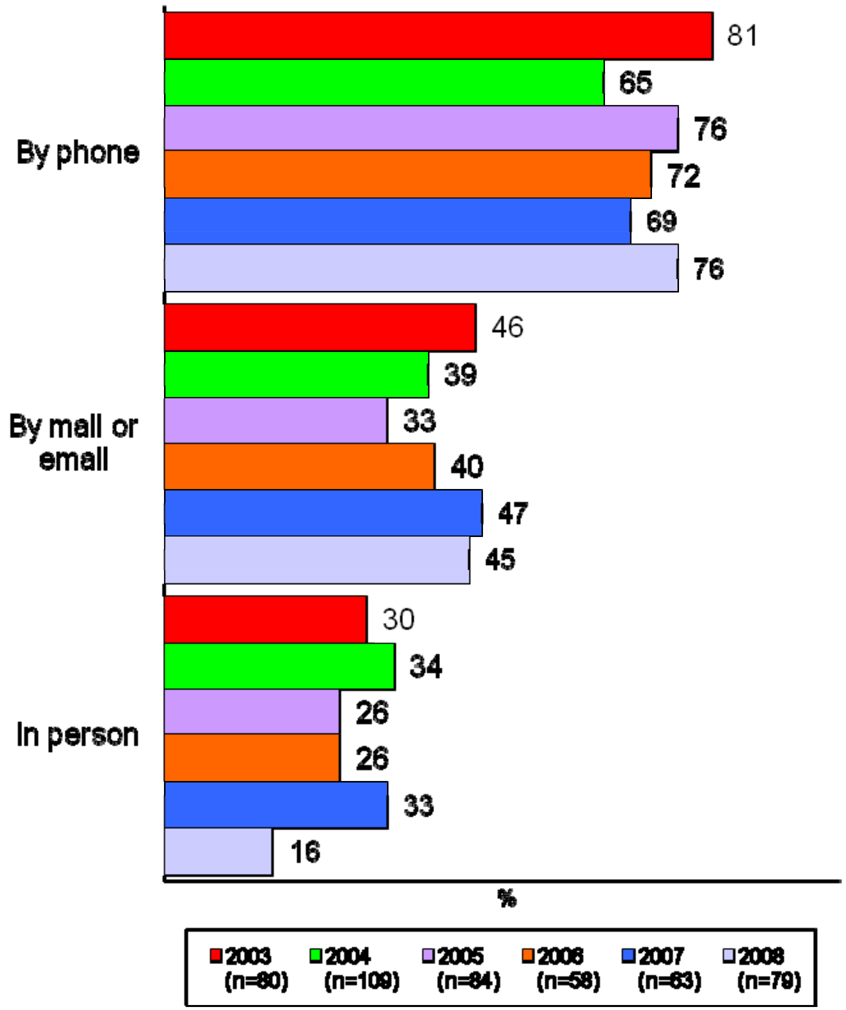
2. Account Representatives – Contact in Past Six Months

Types of Contact

- Among Those Who Have Had Contact -



B3.2 And what type of contact have you had with your account rep over the past 6 months?

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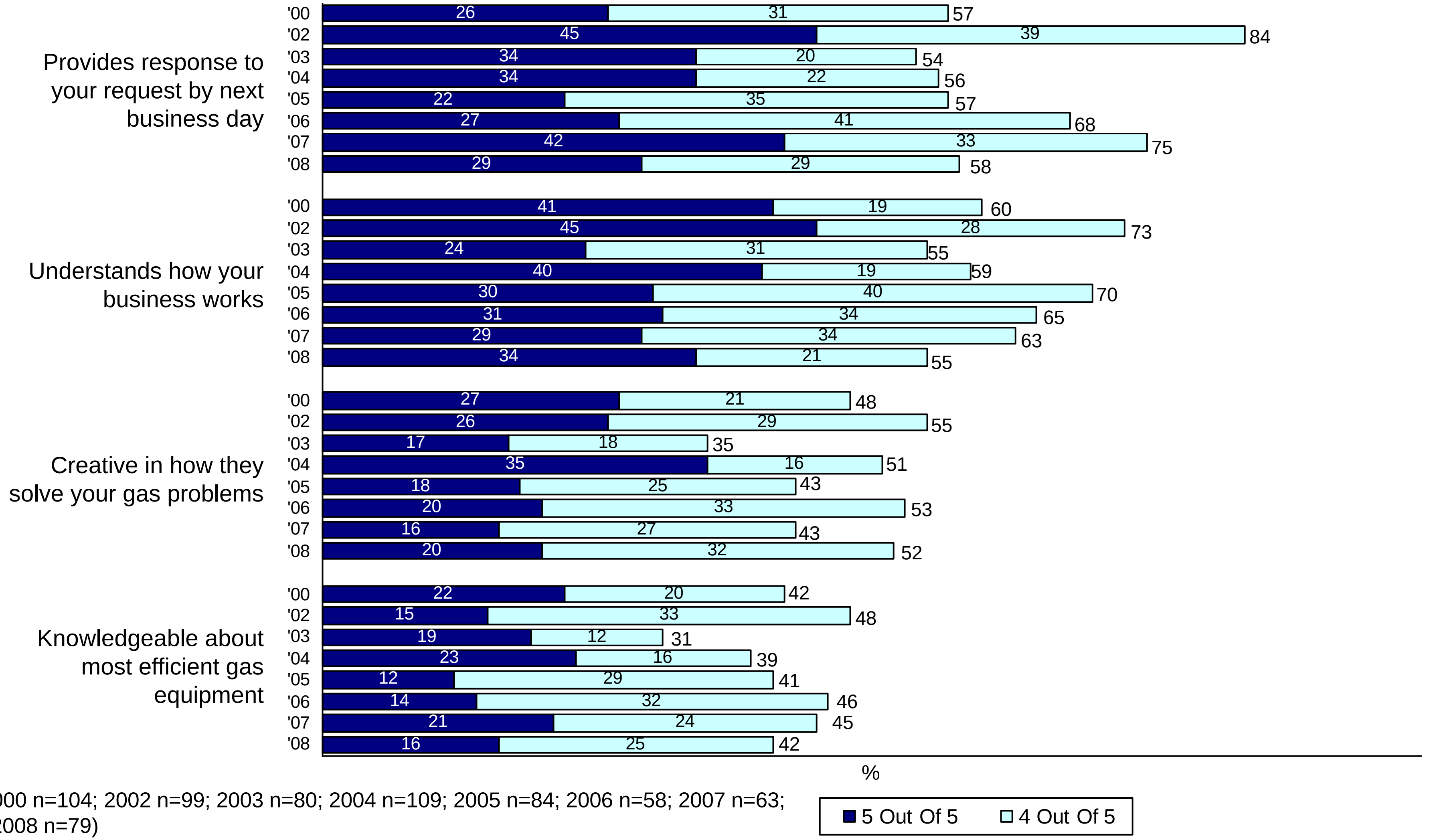
2. Account Representatives – Satisfaction 1

- Among Those Having Contact With Rep. In Last Six Months -

- % Rating 4 Or 5 Out Of 5 -



(2000 n=104; 2002 n=99; 2003 n=80; 2004 n=109; 2005 n=84; 2006 n=58; 2007 n=63; 2008 n=79)

Scale: 1 = Very dissatisfied; 5 = Very satisfied

B5. Now please rate your level of satisfaction with your account rep on the following attributes.

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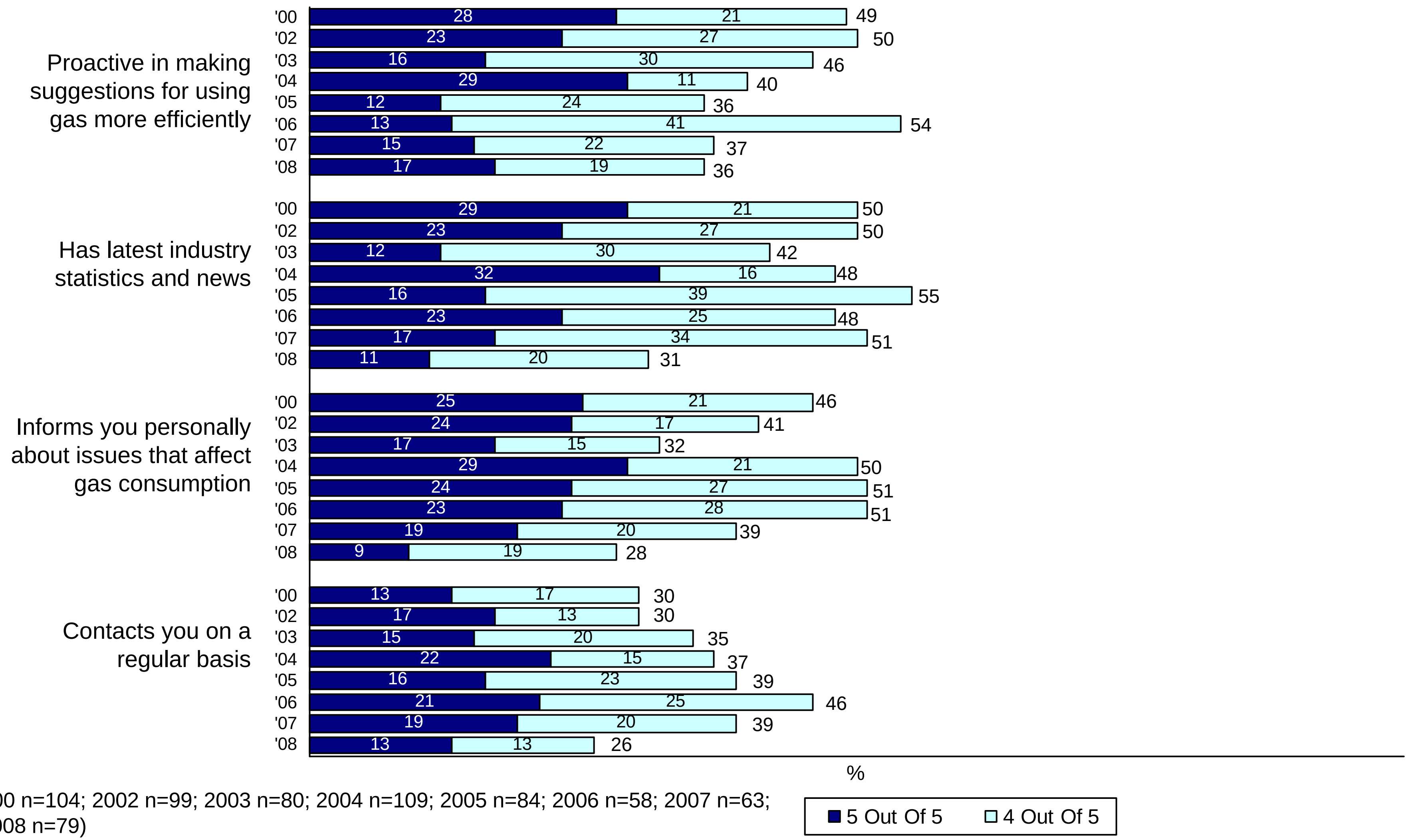
2. Account Representatives – Satisfaction 2

- Among Those Having Contact With Rep. In Last Six Months -

- % Rating 4 Or 5 Out Of 5 -



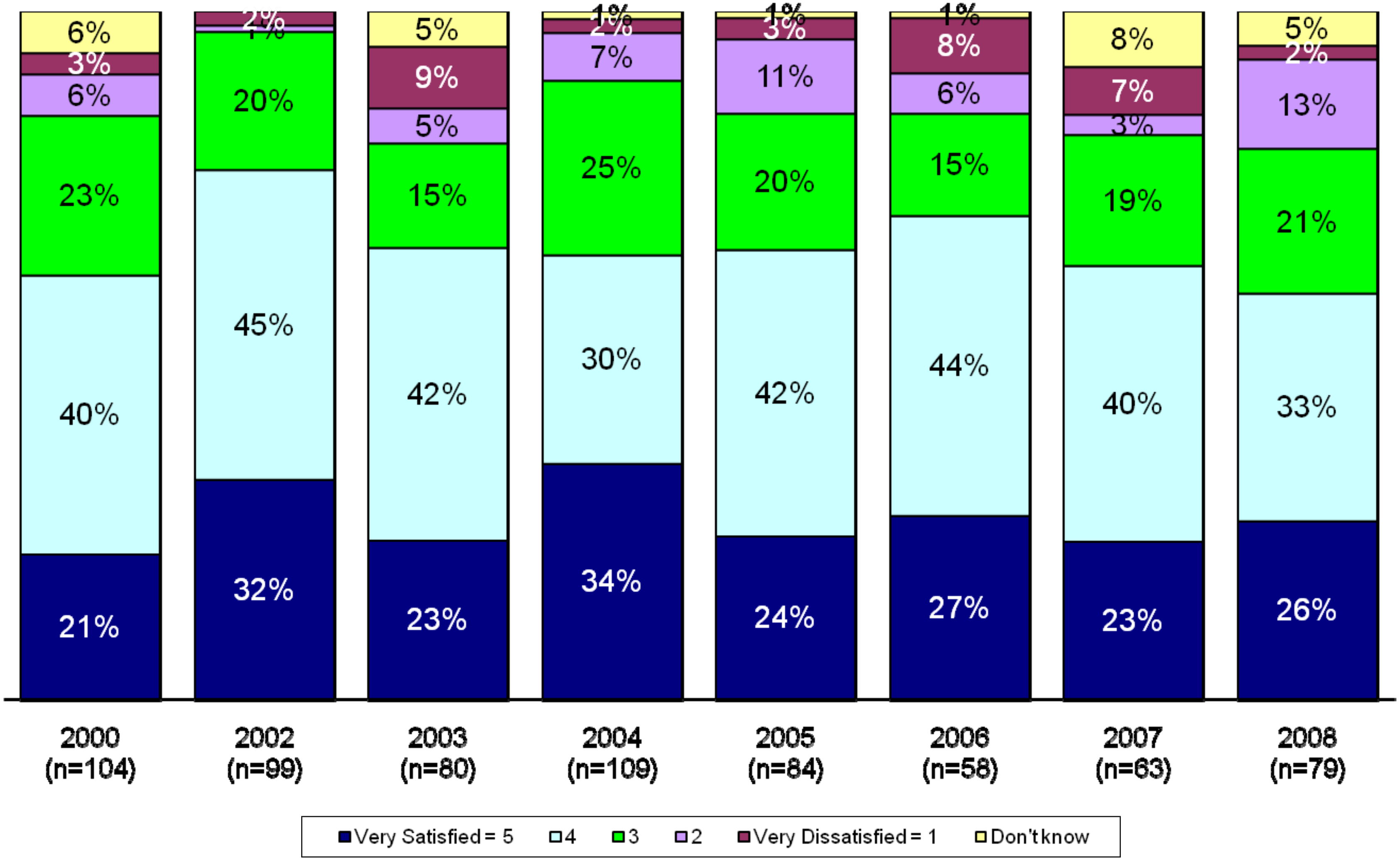
(2000 n=104; 2002 n=99; 2003 n=80; 2004 n=109; 2005 n=84; 2006 n=58; 2007 n=63; 2008 n=79)

Scale: 1 = Very dissatisfied; 5 = Very satisfied

B5. Now please rate your level of satisfaction with your account rep on the following attributes.

2. Account Representatives – Overall Satisfaction

- Among Those Having Contact With Rep. In Last Six Months -



B5i. And how would you rate your overall satisfaction with your account rep?

2. Account Representatives – Reasons for Overall Ratings

- Among Those Having Contact With Rep. In Last Six Months*-

	2008
Base	*77*
	%
No or little contact/Don't know who they are	21
They were knowledgeable/informative	18
They were fast/quick to respond	16
They were very nice/friendly/helpful/easy to work with	16
They provide information on consumption/costs/rates/predictions	14
They contact us on a regular basis	6
They provide good service/No problems (general)	5
It is difficult to contact them	4
Does not provide information requested/Does not act on requests	2
Other	10
No reason in particular	15
Refused	3

*Multiple responses permitted.

B6. Why did you give that rating about your overall satisfaction with your account rep?
NOTE: In 2008 the question was changed from: What, if anything, could be done to improve the level of service provided by the Terasen Gas account representative?

3. Call Centre Summary

Past Contact

- One third (34%) of commercial customers had contact with the customer call centre in the past year, in line with the past three years but significantly higher than the previous four years between 2000 and 2004.
- Among sub-groups, Rate 3 customers (37%) are more likely than those in Rate 23 (24%) or Rate 5 (15%) to have had contact with the call centre. Contact among Rate 5 customers continues to decline after reaching an all-time high in 2006 (39%). Regionally, Coastal customers are more likely to have had contact with the call centre (37% vs. 26% among Island customers and 25% among Interior customers).

Satisfaction with Call Centre Representatives

- Over two thirds (68%) of customers who had contact with call centre are satisfied overall with the call centre representative (4 or 5 out of 5), consistent with the past two years. There are no significant differences in call centre rep satisfaction by region or Rate Class; however, the base sizes may be too small to detect differences.
- Performance on five specific attributes of the call centre reps remains highest for being courteous, polite and easy to deal with (79%). A majority of customers continue to be satisfied with reps in terms of their training on all aspects of Terasen Gas operations (59%) and ability to make immediate decisions about customer accounts (52%). Performance remains much lower on two attributes, however, with less than half of customers satisfied with the rep's ability to direct customers to the appropriate Terasen Gas representative (45%, a decline from a high of 59% in 2006), or ability to provide the customer with rate option information (31%).
- Being knowledgeable, informative and answering customers' questions is the reason given most often by customers for rating call centre reps positively overall (volunteered by 26%), followed by handling calls quickly and efficiently (20%) and being nice, friendly, and easy to work with (17%). Not being knowledgeable or able to answer questions (13%), being put on hold for too long (8%) and an inefficient automated phone system (7%) are the most common reasons given for dissatisfaction.

3. Call Centre Summary

Interest in Automated Call-Back

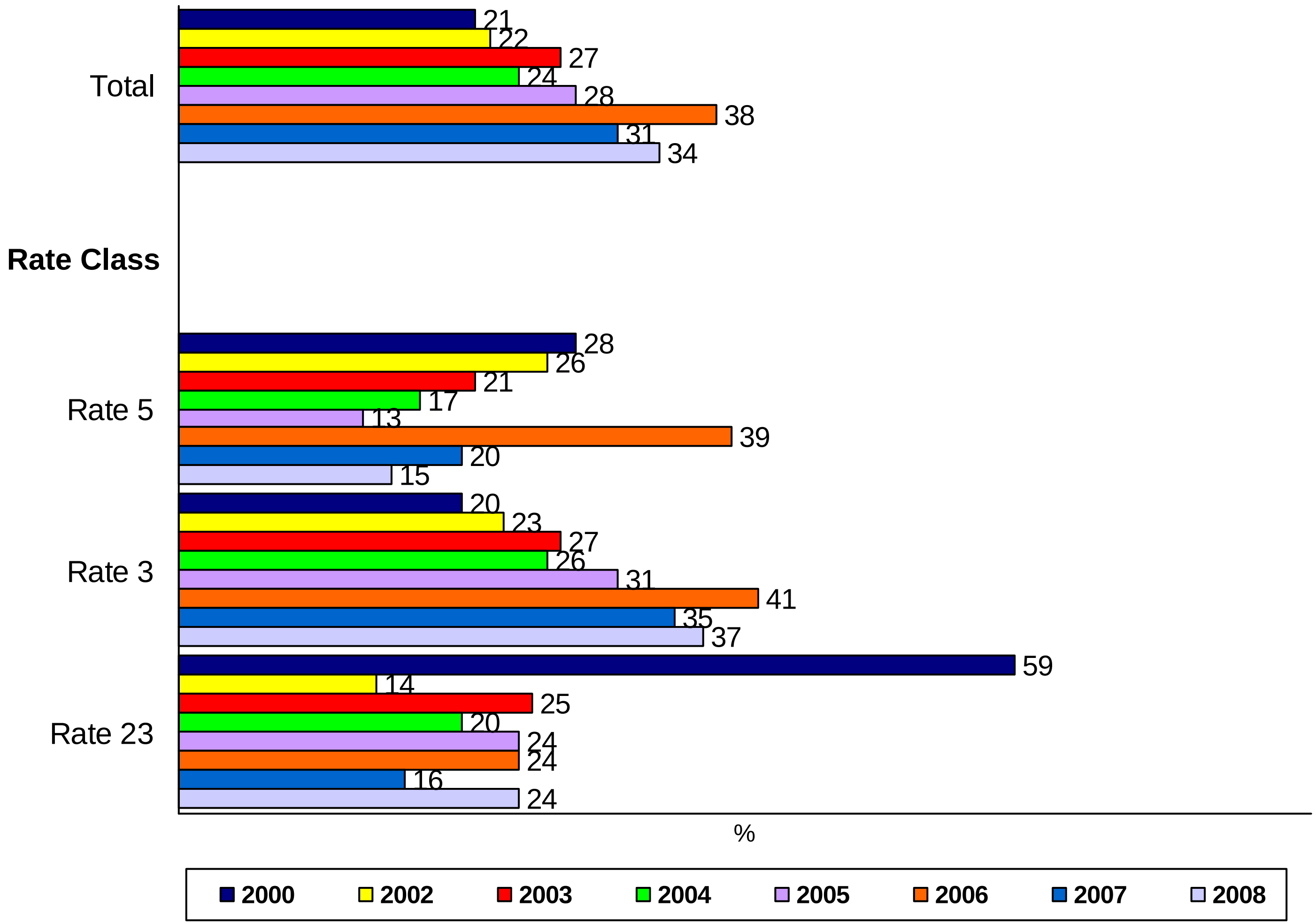
- Nearly six in ten (58%) large commercial customers are interested in an automated call-back feature, compared to one third (29%) who are not interested. Results are consistent across regions and rate classes.

- As with small commercial customers, the most common reason given by large commercial customers for positive interest in the feature is not having to waste time on hold and thereby being able to work on other jobs (52%). Reasons for disinterest in the feature include wanting to speak to a representative right away (14%), concerns about not being available at the time of the call-back (10%), or a general dislike of automated phone systems (7%).

3. Call Centre – Contact in Past Twelve Months

Contact With Customer Call Centre In Past Twelve Months*

- % Phoning In -



*Before 2004, question read past six months.

(Total respondents: 2000 n=400; 2002 n=400; 2003 n=300; 2004 n=401; 2005 n=400; 2006 n=400; 2007 n=400; 2008 n=400)

C1. Have you had contact with Terasen Gas' phone-in Call Centre in the past 12 months?

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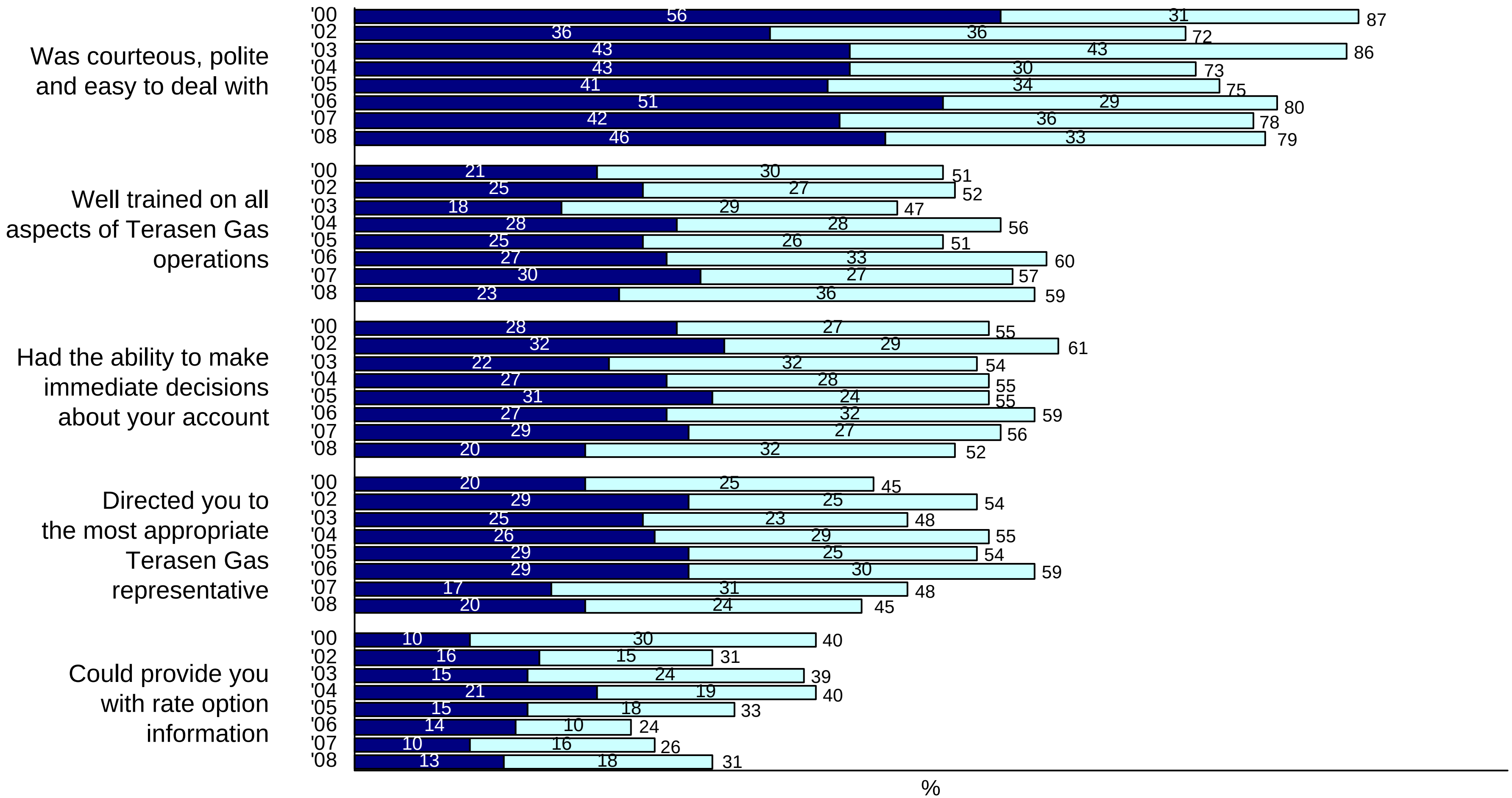
3. Call Centre – Satisfaction With Call Centre Representatives

- Among Those Having Contact In Last Twelve Months* -

- % Rating 4 Or 5 Out Of 5 -



(2000 n=87; 2002 n=83; 2003 n=79; 2004 n=85; 2005 n=107; 2006 n=135; 2007 n=121; 2008 n=117)
Scale: 1 = Very dissatisfied; 5 = Very satisfied
*Before 2004, question read past six months.

C2. Thinking of your contact with the Call Centre representative, please rate your level of satisfaction with this representative on the following.

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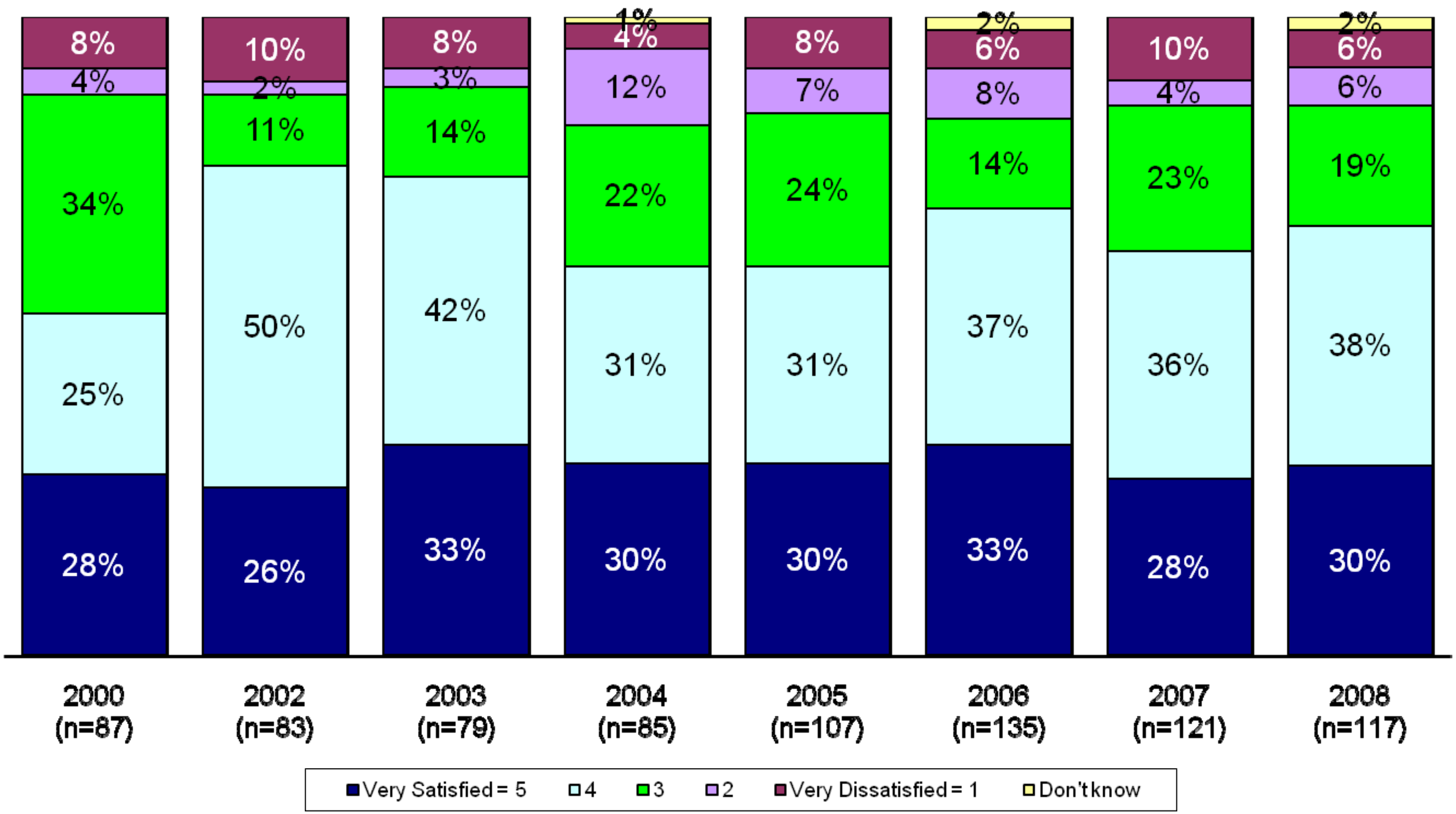
3. Call Centre – Overall Satisfaction

Overall Satisfaction With Call Centre Representative

- Among Those Having Contact With Call Centre In Last Twelve Months* -



*Before 2004, question read past six months.

C2f. And how would you rate your overall satisfaction with the call centre rep?

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3. Call Centre – Reasons for Overall Ratings

- Among Those Who Have Had Contact With The Call Centre In The Past Twelve Months* -

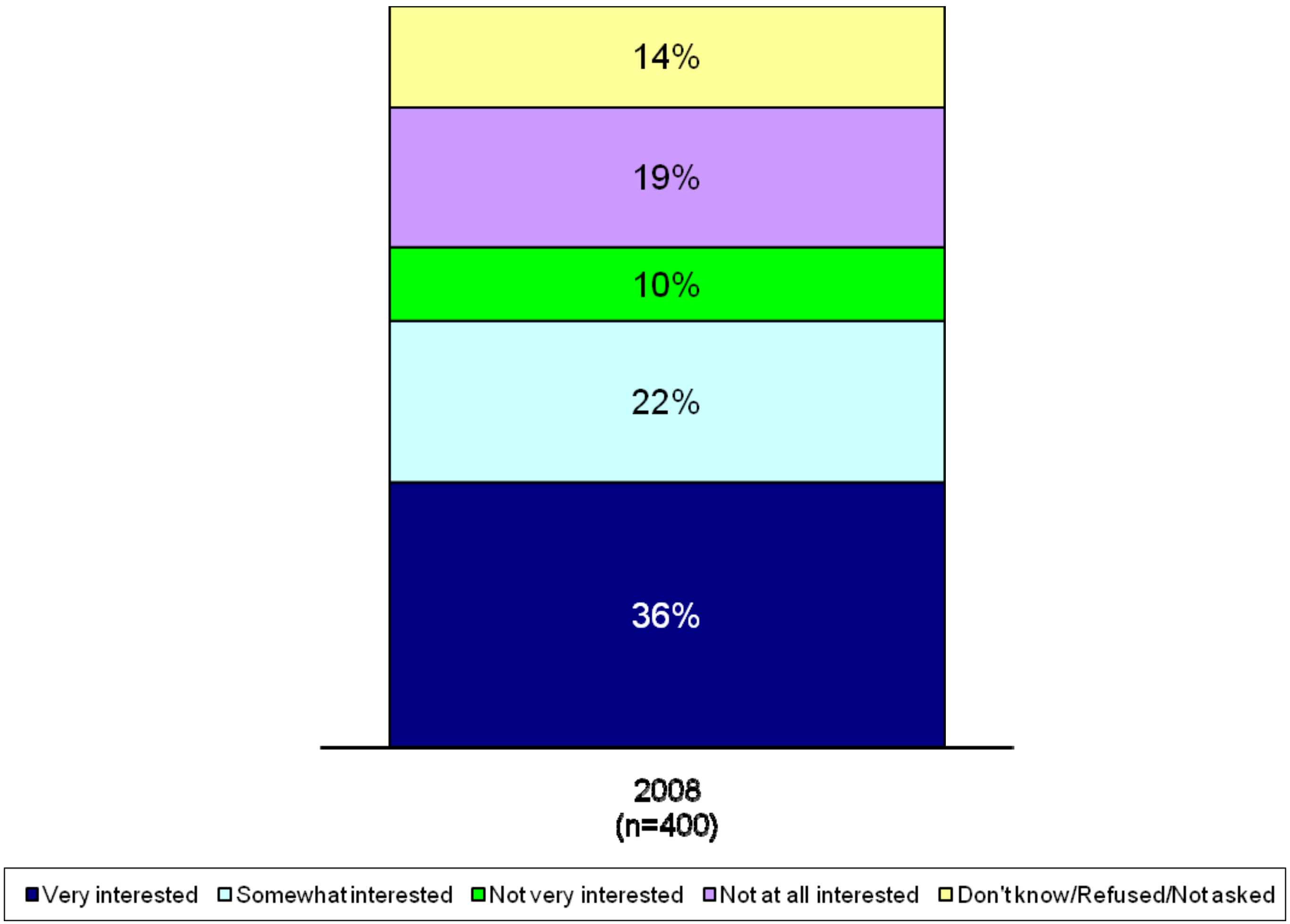
(Major Mentions Only)

	2008
Base	*115*
	%
They were knowledgeable/informative/answered all my questions	26
Call was handled quickly/efficiently	20
They were very nice/friendly/helpful/easy to work with	17
Rep not knowledgeable/Couldn't answer my questions	13
They were helpful/solved my problem	11
Put on hold for too long/Took too long to get through to anybody	8
Difficult to talk to a person/Slow automated phone system	7
Problem took too long to resolve/Has still not been resolved	5
Not helpful/Did not resolve the problem	3
Other	9
No reason in particular	14

*Multiple responses permitted.

C3. Why did you give that rating about your overall satisfaction with the Call Centre Rep?
NOTE: In 2008 the question was changed from: What, if anything, could be done to improve the level of service provided by the Terasen Gas Call Centre representative?

3. Call Centre – Interest in Automated Call-Back Feature



C4. If you were phoning the Terasen Gas Call Centre, how interested would you be in using an automated call-back feature where you would be given the option to hang up the phone and wait for the next available representative to call you back, in the order that your call was received, instead of waiting on hold?

3. Call Centre – Reasons for Level of Interest in Automated Call-Back Feature*

	2008
Base	*363*
	%
No time wasted on hold/Can work and do other jobs	52
I need to talk to a person immediately/no time to wait/I call at my convenience	14
May call back at a bad time/I may not be available/ I am difficult to reach	10
Don't like automated phone systems/They are impersonal	7
It is an easier method of reaching a person/I know someone will call back	6
Don't believe they will call back/Have had bad experiences with other companies	4
I would rather wait/Can put them on speaker phone/multi-task	4
Other	8
No reason in particular	3
Don't know	2

*Multiple responses permitted.

C4.1. And why are you <INSERT C4 ANSWER> in the automated call-back feature?

4. Field Services Summary

Past Contact

- Just over one third (35%) of large commercial customers have received field services in the past two years, in line with the previous two years. While there are no significant regional differences, Rate 3 customers are least likely to have received any field services (32% vs. 47% of Rate 23 and 42% of Rate 5).
- Of those who received field services, about half (16%) had in-person contact with a Terasen Gas Service Technician, consistent with the previous two years. There are no significant difference by relevant sub-group.

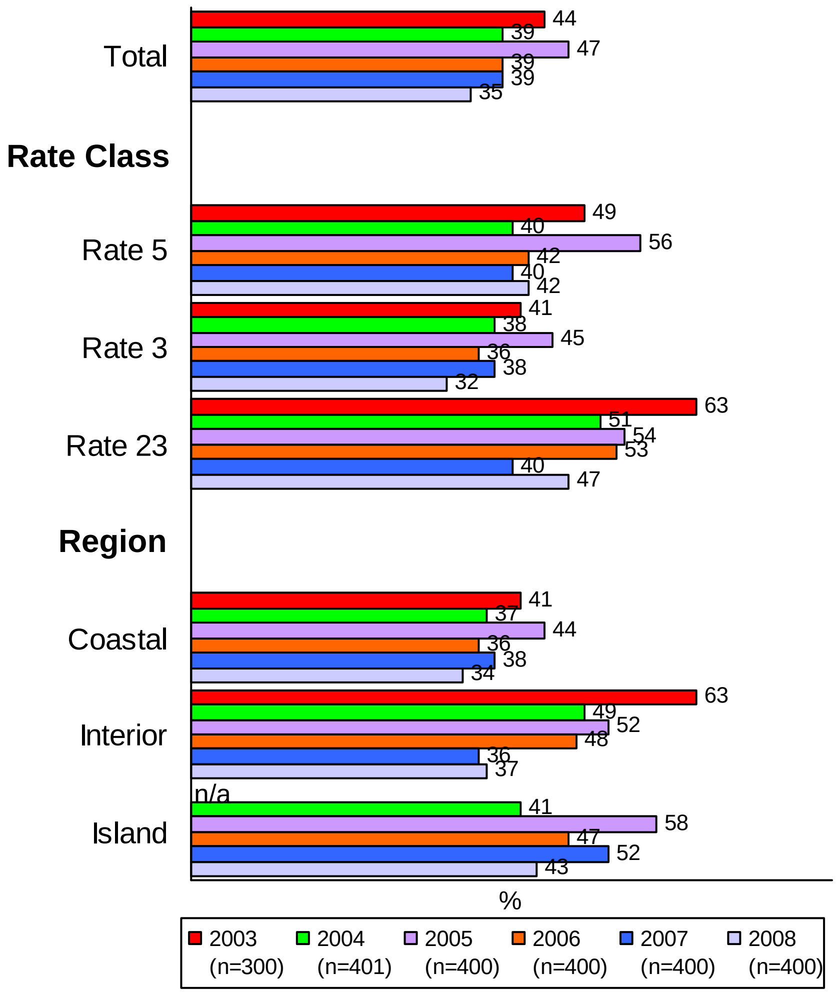
Satisfaction with Service Technicians

- Among the small number of customers who have had contact with a Service Technician, overall satisfaction remains high, with most (88%) of these customers saying they are satisfied with the service technician overall, and a majority (58%) who were very satisfied.
- Moreover, satisfaction with the Technicians continues to be very high for several specific attributes measured, particularly for being thorough in conducting their work (rated 4 or 5 out of 5 by 91%), respectful of the customer's place of business (90%), and concerned about safety (81%).
- While three in four (73%) customers remain satisfied with Technicians for being punctual, ratings continue to be lower for being proactive in pointing out potential problems and recommending solutions (65%), and for being willing to answer other questions about products and services (61%).
- Half (51%) of customers who dealt with a Service Technician indicated that their overall rating was based on the Technician doing what needed in a professional manner. Other reasons contributing to overall satisfaction include being friendly and courteous (19%), knowledgeable and able to answer questions (18%), quick and efficient (16%), and showing up on time (14%).

4. Field Services – Contact in Past Two Years

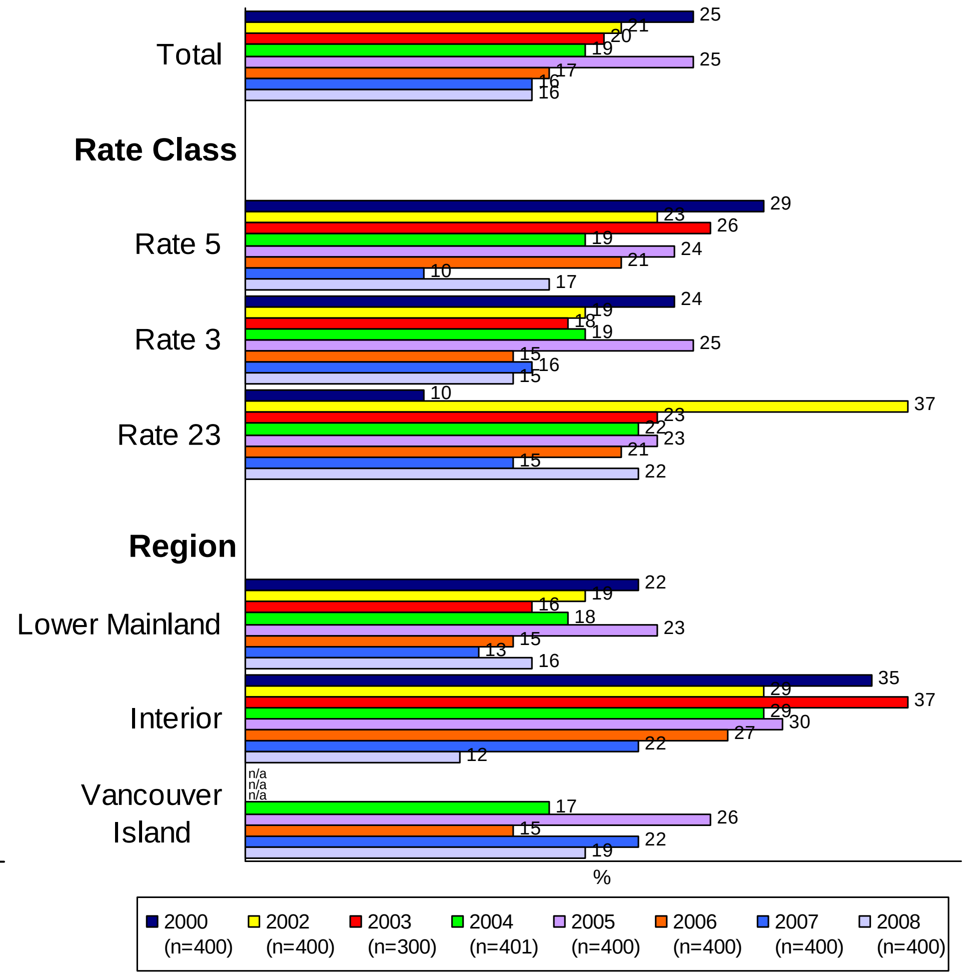
Received Field Services In Past Two Years

- % Saying Yes -



Contact With Terasen Gas Service Technicians

- % Saying Yes -



D0. In the past 2 years, have you received any field services from Terasen Gas? Field services include things like: meter and service line installations, repair, maintenance and consolidation of meter sets and responding to gas odour and emergency calls.

D1. With respect to the services you received, did you have contact, in-person, with a Terasen Gas Service Technician?

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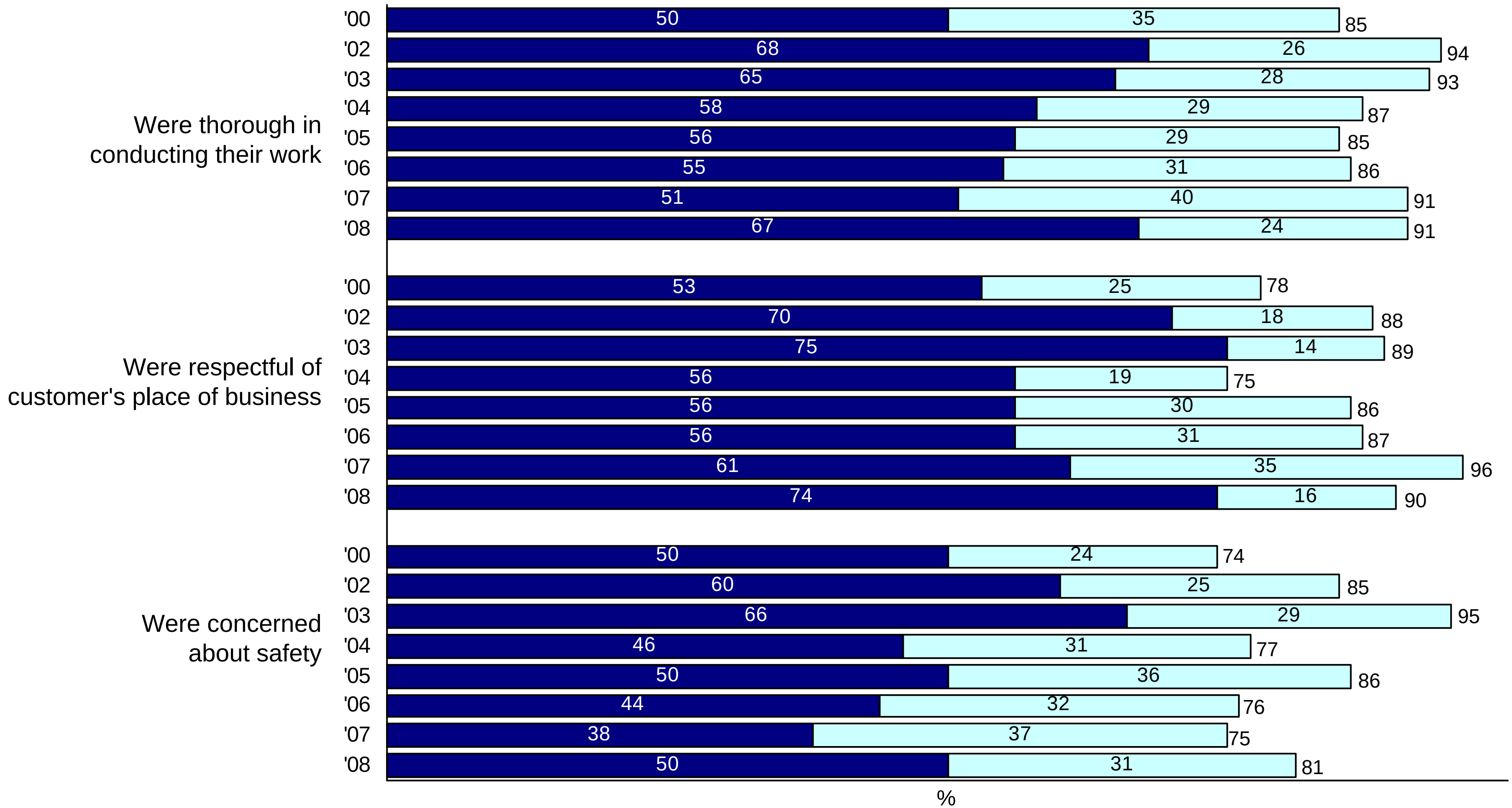
4. Field Services – Satisfaction With Service Technicians 1

- Among Those Who Had Contact With A Technician In Past 2 Years -

- % Rating 4 Or 5 Out Of 5 -



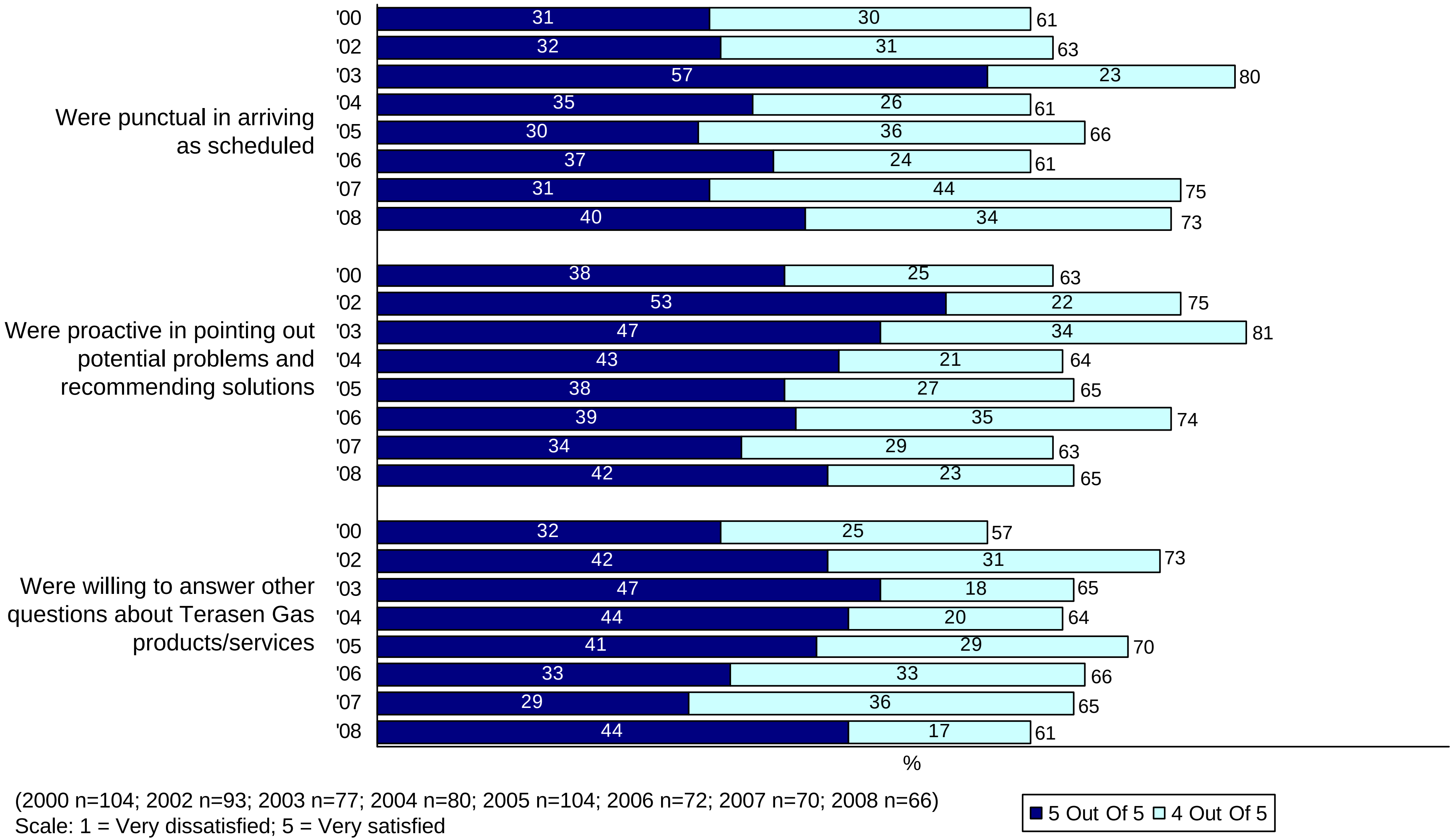
(2000 n=104; 2002 n=93; 2003 n=77; 2004 n=80; 2005 n=104; 2006 n=72; 2007 n=70; 2008 n=66)
Scale: 1 = Very dissatisfied; 5 = Very satisfied

D3. Thinking of your contact with Terasen Gas' Service Technicians, please rate your level of satisfaction on the following …

4. Field Services – Satisfaction With Service Technicians 2

- Among Those Who Had Contact With A Technician In Past 2 Years -

- % Rating 4 Or 5 Out Of 5 -



(2000 n=104; 2002 n=93; 2003 n=77; 2004 n=80; 2005 n=104; 2006 n=72; 2007 n=70; 2008 n=66)
Scale: 1 = Very dissatisfied; 5 = Very satisfied

D3. Thinking of your contact with Terasen Gas' Service Technicians, please rate your level of satisfaction on the following …

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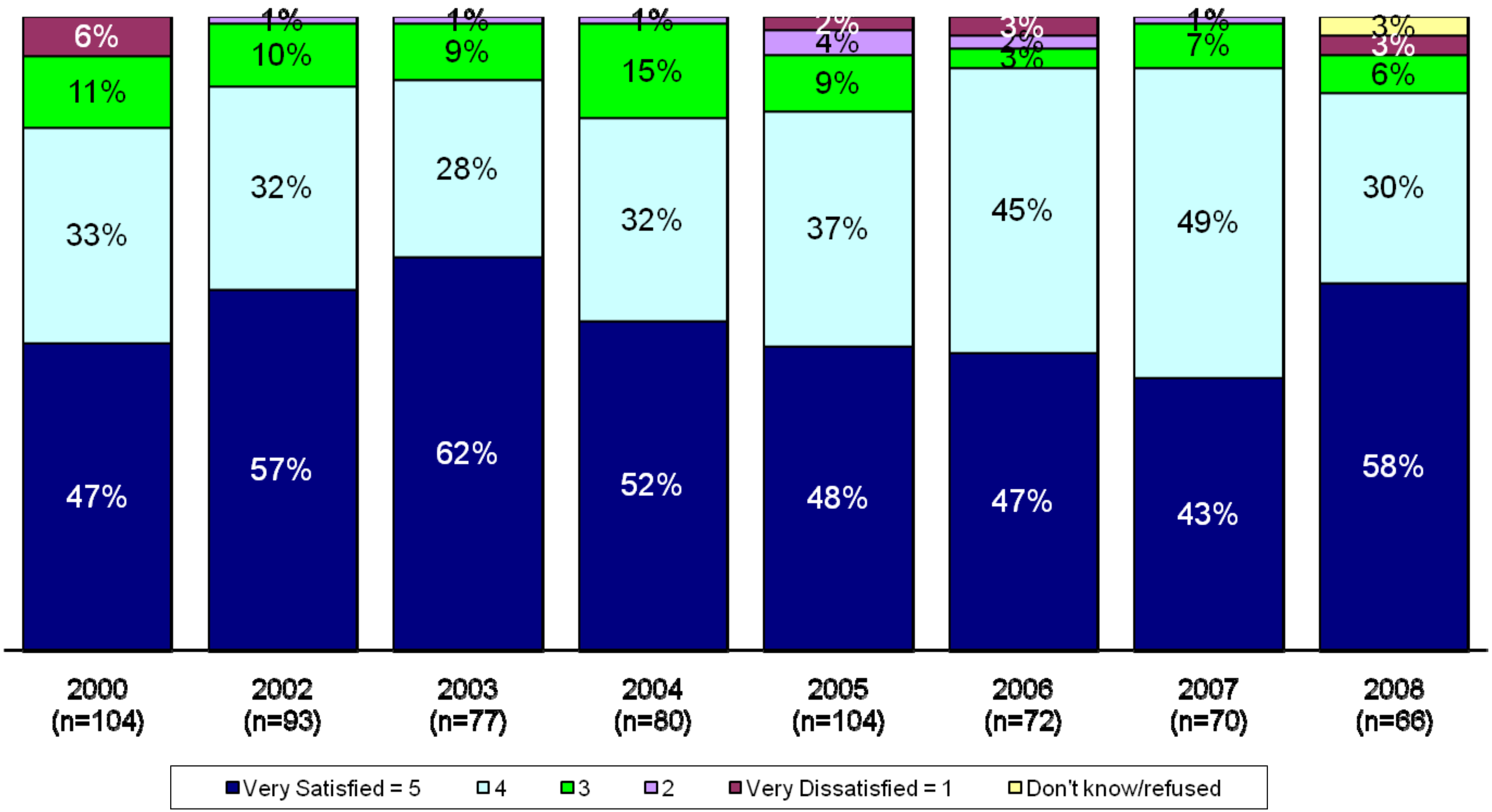
4. Field Services – Overall Satisfaction

Overall Satisfaction With Service Technician

- Among Those Having Contact With Service Technician In Past 2 Years -



D3g. And how would you rate your overall satisfaction with the service technicians?

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4. Field Services – Reasons for Overall Ratings

- Among Those Who Have Had Contact With a Service Technician in the Past Two Years* -

(Major Mentions Only)

	2008
Base	*65*
	%
They did their job/Did what needed to be done/Were professional	51
They were friendly/courteous	19
Knowledgeable/Able to answer questions	18
They were quick/efficient	16
Showed up on time	14
Unobtrusive/I barely noticed they were there	7
They came right away	5
Technicians didn't arrive on time/Didn't show up when they were supposed to	4
Other	22
No reason in particular	5

*Multiple responses permitted.

D4 And why did you give that rating about your overall satisfaction with the service technicians?
NOTE: In 2008, the question was changed from: What, if anything, could be done to improve the level of service provided by the Terasen Gas service technicians?

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5. Attitudes Toward Terasen Gas Summary

Corporate Image

- Attitudes toward Terasen Gas among large commercial customers have remained relatively stable since 2000. However, agreement (4 or 5 out of 5) that Terasen Gas "is my first source of information for gas-related equipment" has decreased from last year (34% vs. 41% in 2007). Attitudes have not changed with respect to the following statements about Terasen Gas:
  - Less than half (46%) agree that Terasen Gas "is responsive to customer needs".
  - About one in three customers believe that Terasen Gas "shows concern about me as a customer" (32%) and "always puts its customers first" (31%).
  - About one in four (38%) disagree that Terasen Gas "is too bureaucratic to deal with my problems".

- Island customers are less likely than Coastal/Interior customers to agree that Terasen Gas "is responsive to customer needs" (32% vs. 48%, respectively).

Ownership

- Half (51%) of large commercial customers are aware that Terasen Gas is an investor-owned corporation, a sharp decrease from a year ago when two thirds (67%) were aware. This change in awareness can be attributed to an increasing proportion who "don't know" the status of Terasen Gas' ownership (16% vs. 7% in 2007) or now believes it is part of BC Hydro (15% vs. 10% in 2007). The proportion that believes Terasen Gas is a crown corporation (18%) has not changed significantly.

- Island customers (66%) are more likely than Coastal/interior (50%) customers to be aware that Terasen Gas is investor-owned. Rate 23 customers (68%) are more likely than Rate 3 customers (47%) to be aware that Terasen Gas is investor-owned.

Terasen Gas Activities

- Over nine in ten (93%) commercial customers are aware that Terasen Gas is involved in natural gas distribution to BC residents and businesses. This figure is consistent across all regions and rate classes, but represents a slight decrease from last year (98%).

- At the same time, about four in ten customers continue to believe that Terasen Gas is involved in natural gas exploration (40%) and extraction for sales on the open market (37%). These beliefs do not vary significantly by region or rate class.

5. Attitudes Toward Terasen Gas Summary

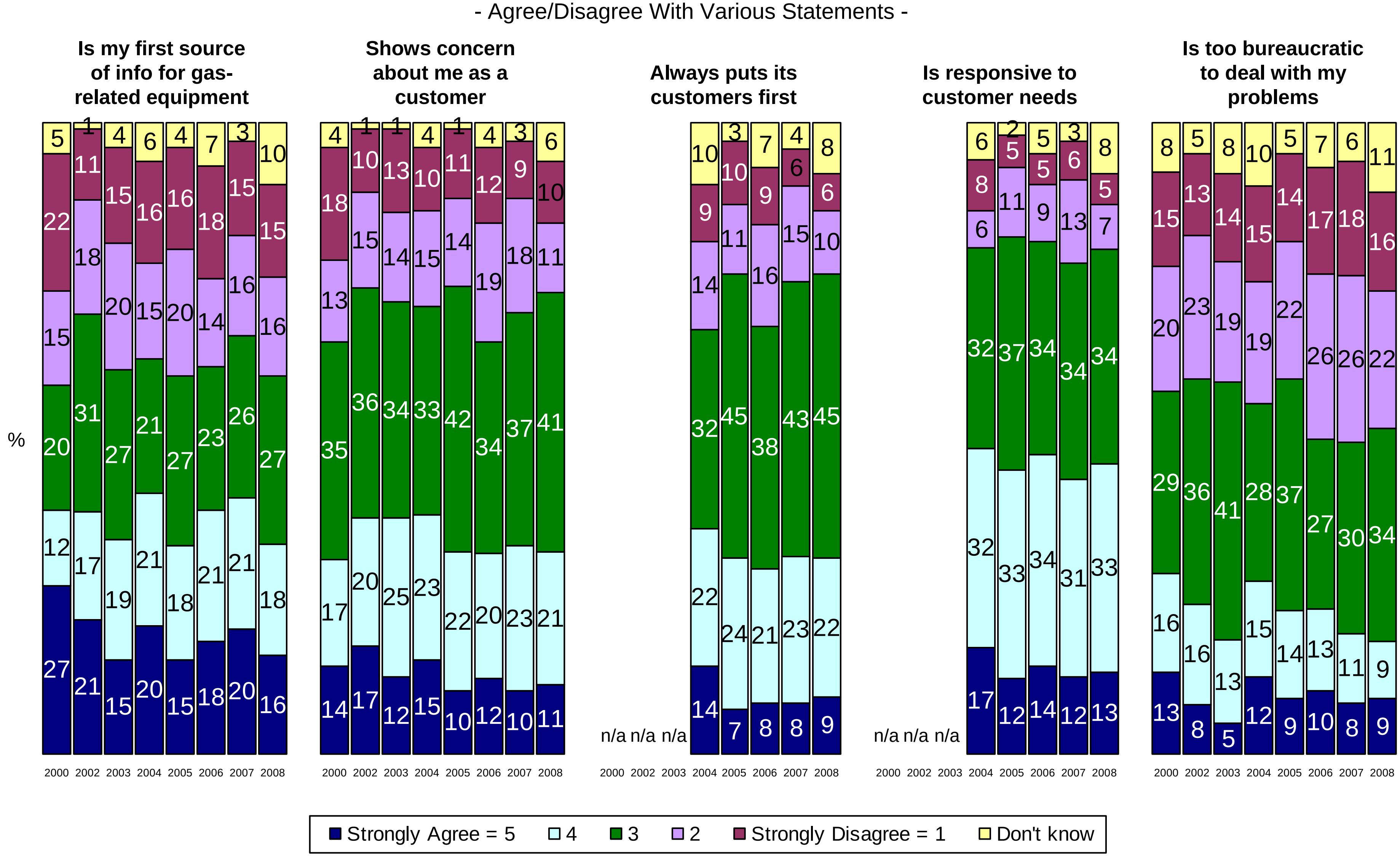
Pricing

- A majority of large commercial customers still believes that Terasen Gas marks up natural gas prices for a profit (52%). However, this proportion has continued to decline from a high of 64% in 2003. Only one third (32%) is aware that Terasen Gas sells natural gas at the same price they buy it for, consistent with previous years. The proportion of customers unable to provide an answer has risen to 16% from 10% a year ago.
- Island customers are more likely than customers elsewhere to believe that Terasen Gas marks-up the price of natural gas for a profit (72% vs. 50% for Coastal/Interior customers). Awareness that the company sells natural gas without mark-up is higher among customers in Rate 23 (45%) and Rate 5 (49%) than among those in Rate 3 (28%).

Overall Service and Value

- As in previous years, just under two thirds (65%) of large commercial customers provide excellent or good ratings for the overall quality of services provided by Terasen Gas. However, Island customers remain less satisfied, with 14% rating overall quality of services as poor or very poor, compared to 5% of Coastal/Interior customers.
- Two thirds (64%) of Terasen Gas customers also believe that services are low or moderately priced, in line with last year and well above 2006 levels (59%). A larger proportion of Island customers are uncertain about price levels (21% "don't know" vs. 10% for Coastal/Interior).
- Perceptions of overall value for services provided remain less positive than attitudes towards overall service and price. Only four in ten (40%) customers view the value as excellent or good, consistent with historical levels. Results are also consistent across regions and rate classes.

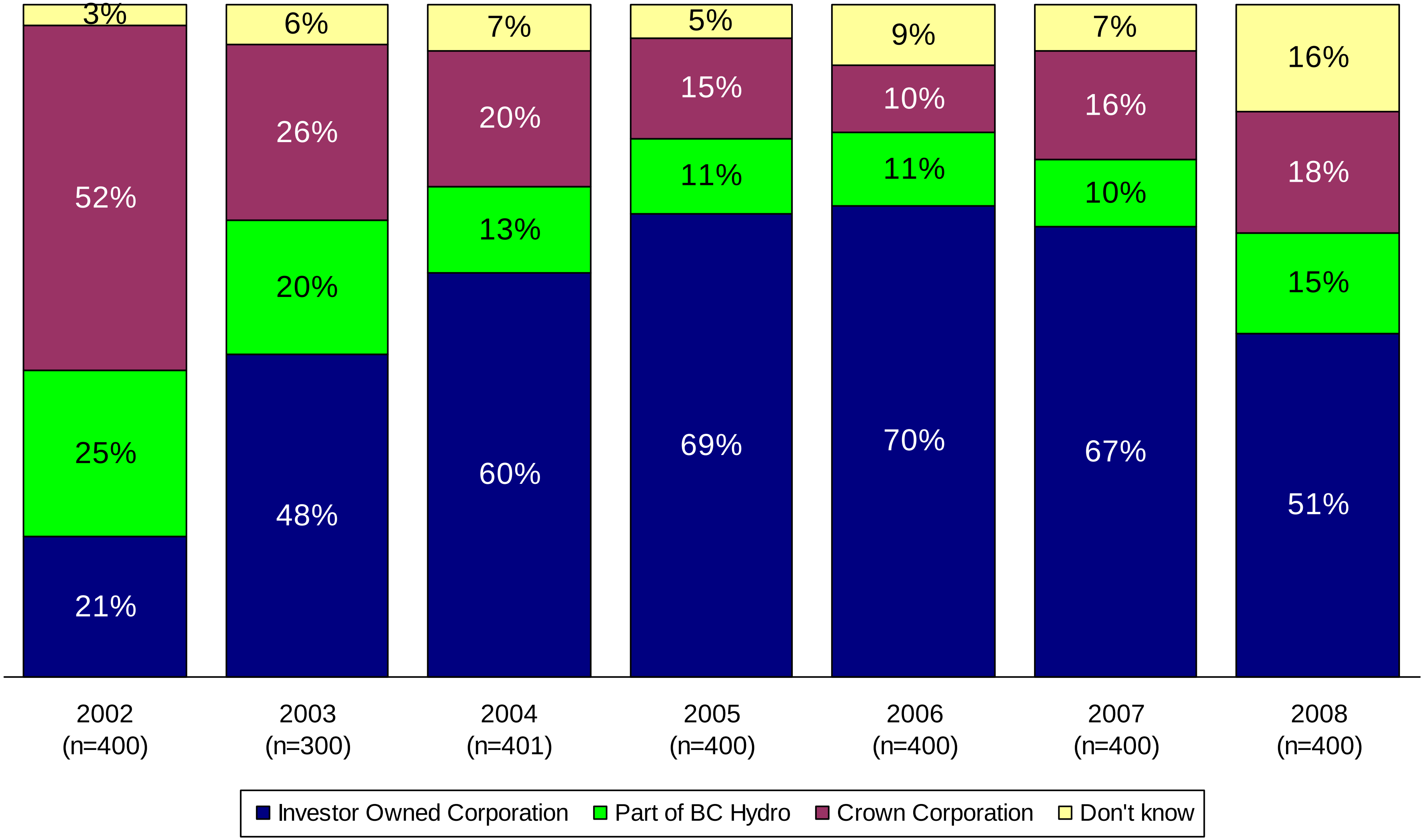
5. Attitudes Toward Terasen Gas – Corporate Image



(2000 & 2002 n=400; 2003 n=300; 2004 n=401; 2005 n=400; 2006 n=400; 2007 n=400; 2008 n=400)

E1. Now thinking about what you know about Terasen Gas, please indicate how strongly you agree or disagree with the following statements …

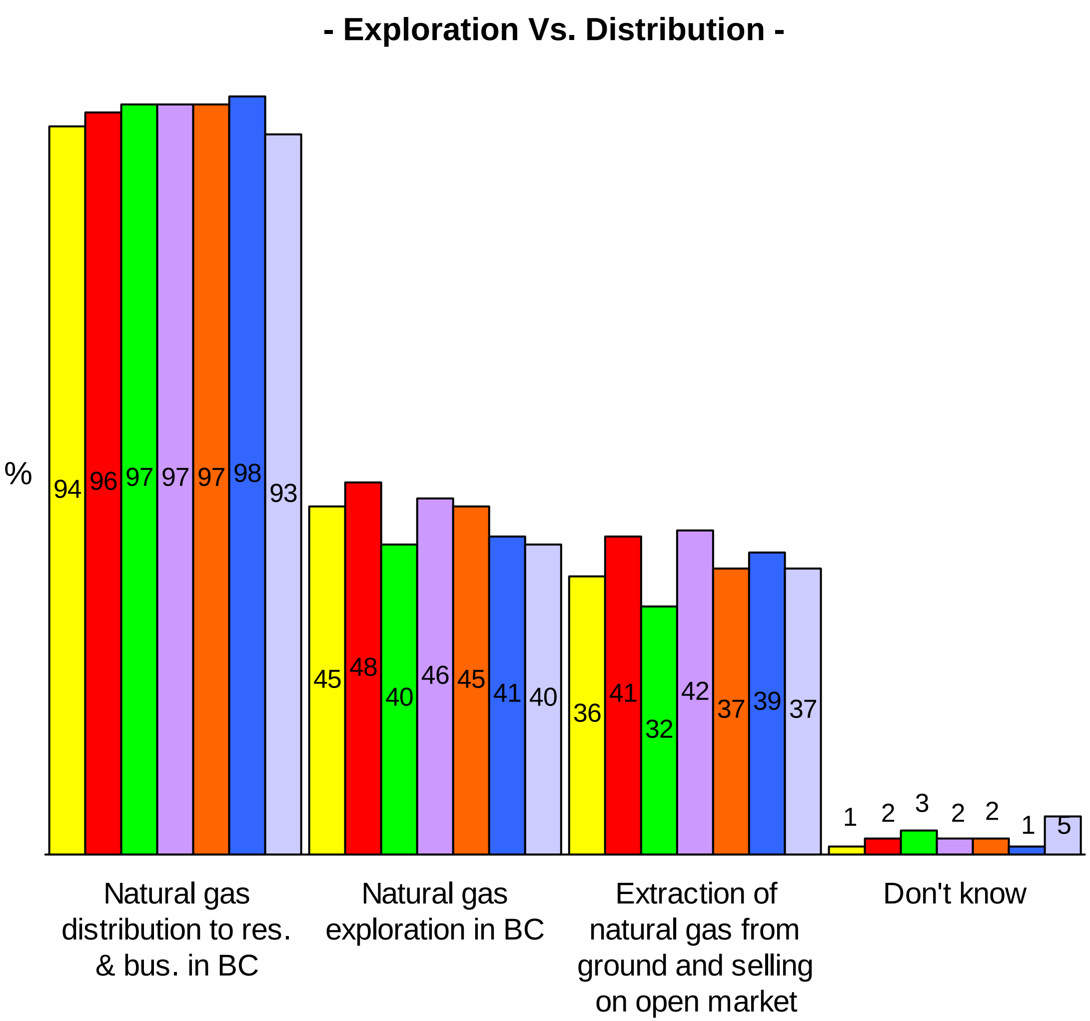
5. Attitudes Toward Terasen Gas – Ownership

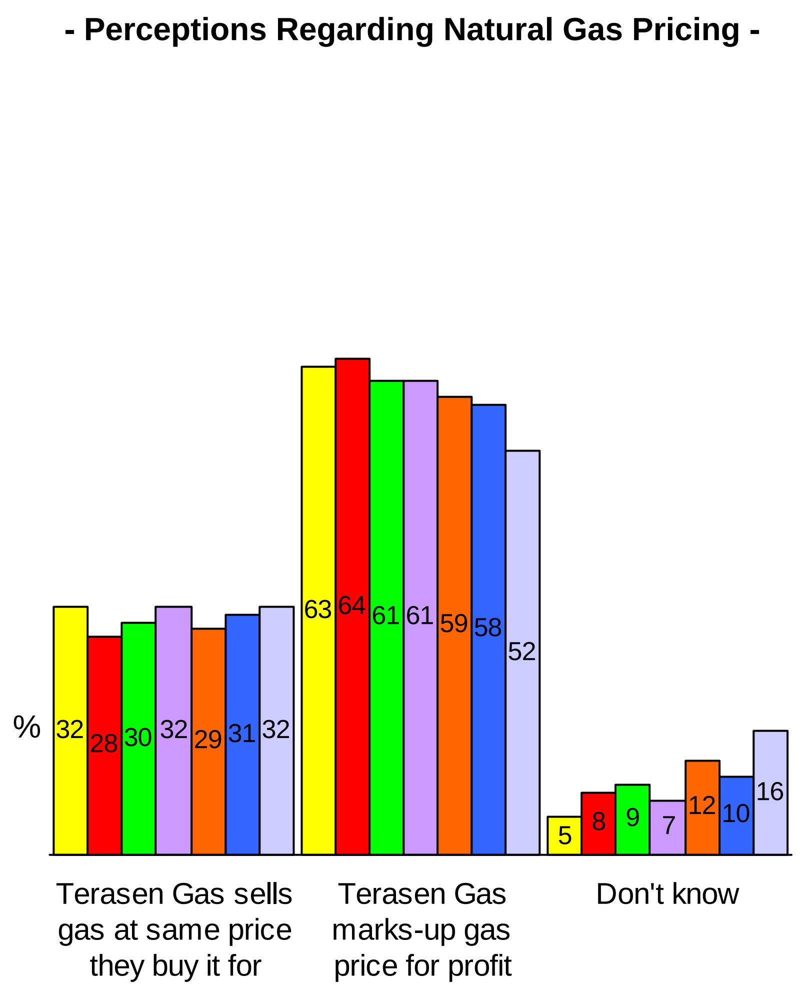


Note: Descriptions were read to respondents.

E2. As far as you are aware, which of the following best describes Terasen Gas?

5. Attitudes Toward Terasen Gas – Activities Involved In



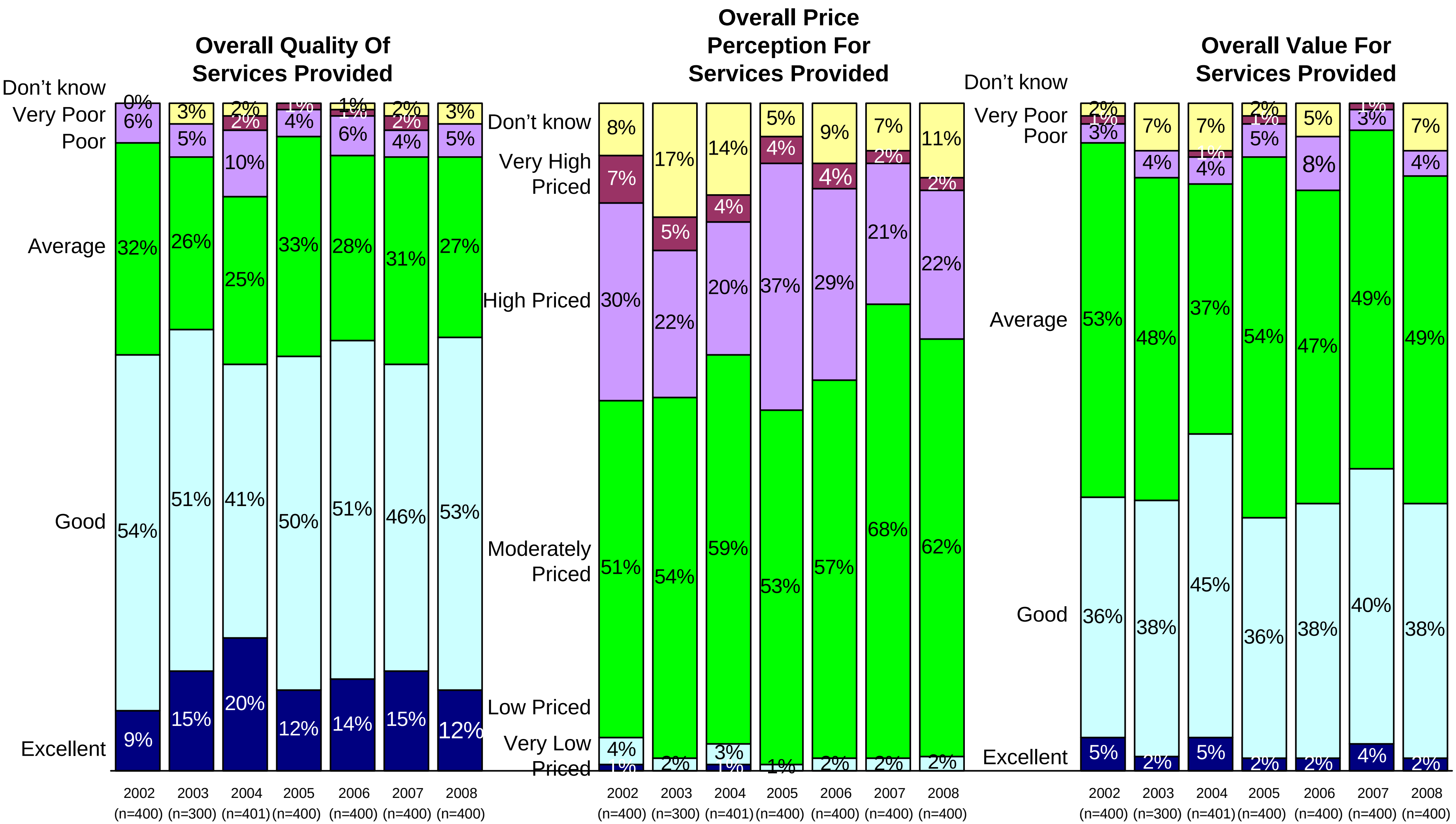


2002 (n=400) 2003 (n=300) 2004 (n=401) 2005 (n=400) 2006 (n=400) 2007 (n=400) 2008 (n=400)

E3. Which of the following activities would you say Terasen Gas is involved in?

E4. Terasen Gas rates include both the natural gas commodity and delivery of natural gas to homes and businesses. Considering the commodity price, that is, the price of the gas itself, does Terasen Gas … ?

5. Attitudes Toward Terasen Gas – Overall Service And Value



E5. Taking into consideration your own experiences as well as anything you may have seen or heard, how would you rate the overall quality of services provided by Terasen Gas?
E6. How would you describe the services provided by Terasen Gas?
E7. And now considering Terasen Gas' overall quality in relation to the cost of its services, would you say that Terasen Gas offers...?

6. Customer Choice Program Summary
(Rate 3 Coastal/Interior Customers Only)

Awareness and Value of the Program

- Eighty-one percent of Rate 3 customers in the Coastal or Interior regions are aware of the Customer Choice Program. This is in line with historical trends. Awareness of the program among Interior customers (91%) has continued to increase since 2003 and is significantly higher than it is among Coastal customers (79%).
- Perceptions of the value of the program are consistent with previous years, with 37% of customers rating the value of the program 4 or 5 out of 5. Results do not vary by region.

Participation and Satisfaction with the Program

- Just under one quarter (23%) of Rate 3 Coastal and Interior customers have signed a contract to purchase natural gas from a supplier other than Terasen Gas, similar to levels in the past two years.
- Among this group of customers, seven in ten (72%) are satisfied with both the service received from the gas marketer and with the educational materials, billing and other aspects of the program.

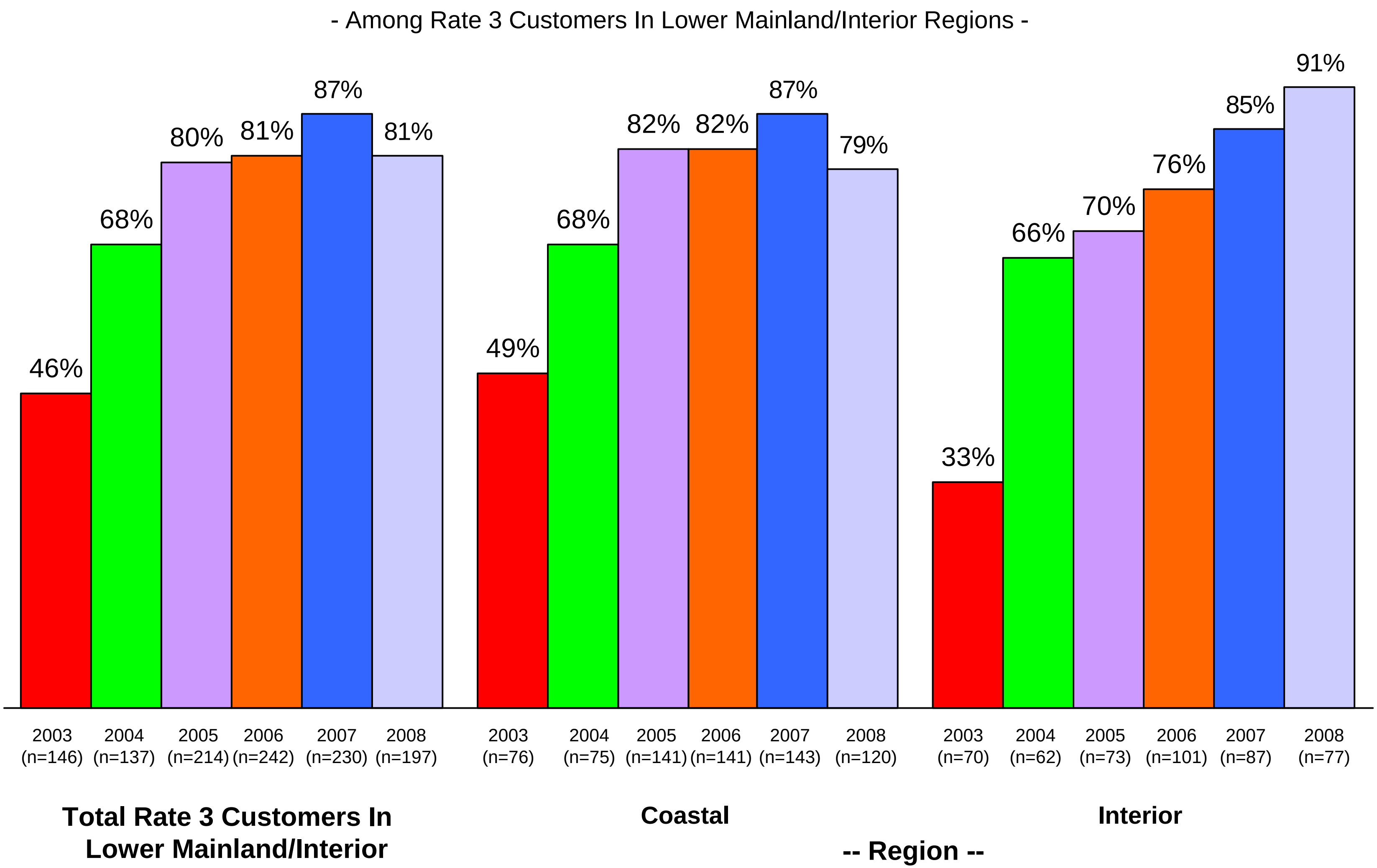
Suggested Program Improvements

- Few suggestions for improving the program are volunteered by customers, with three in four (75%) customers who participate in the program either unwilling or unable to suggest any improvements. Among the few suggestions made, the top mentions are to reduce pricing (9%) and provide more information about marketers (5%).

Reasons for Staying with Terasen Gas

- A lack of savings because the initial price was higher is the most often mentioned reason for choosing not to buy from an alternate supplier (24%). Not wanting to risk higher prices by locking into a contract is less of a concern in 2008 and is mentioned by only 12% as a reason for not switching compared to 33% in 2007. Loyalty to/familiarity with Terasen Gas (17%) remains a secondary reason for staying with Terasen Gas.

6. Customer Choice Program – Awareness Of Program

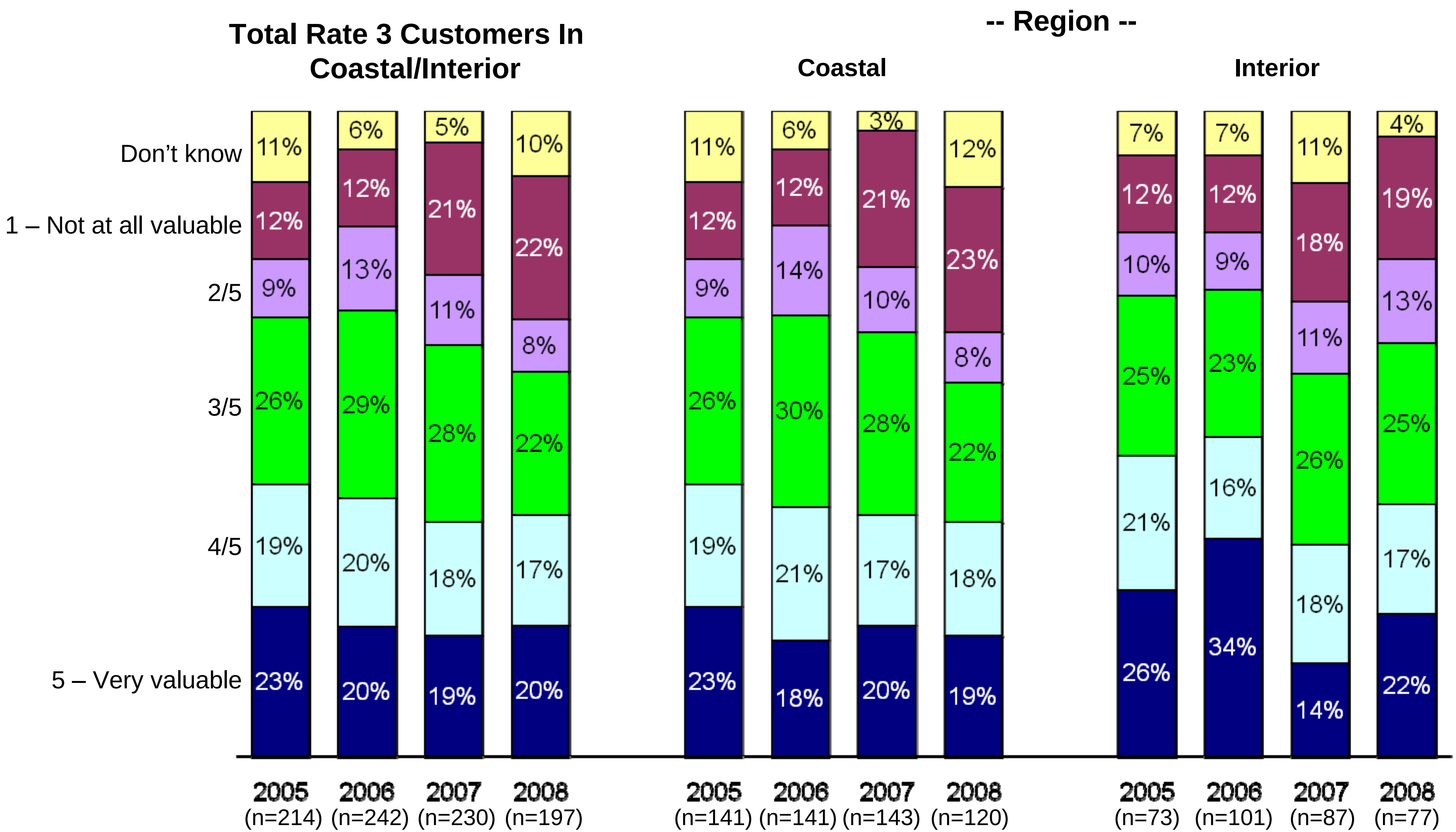


E9. Are you aware of the Customer Choice Program* launched in November 2004 that allows commercial customers to purchase their natural gas from whomever they choose: a licensed gas marketer or Terasen Gas? A licensed gas marketer provides customers the ability to lock in their natural gas commodity price for up to 5 years.**

* Prior to 2007, the Customer Choice Program was referred to as the Commodity Unbundling Program

** Prior to 2005, question wording was "Lastly, are you aware that businesses can purchase natural gas from suppliers other than Terasen Gas, but that Terasen Gas would still deliver it?"

6. Customer Choice Program – Value of Program



E10. How valuable is the Customer Choice Program* to you?

* Prior to 2007, the Customer Choice Program was referred to as the Commodity Unbundling Program

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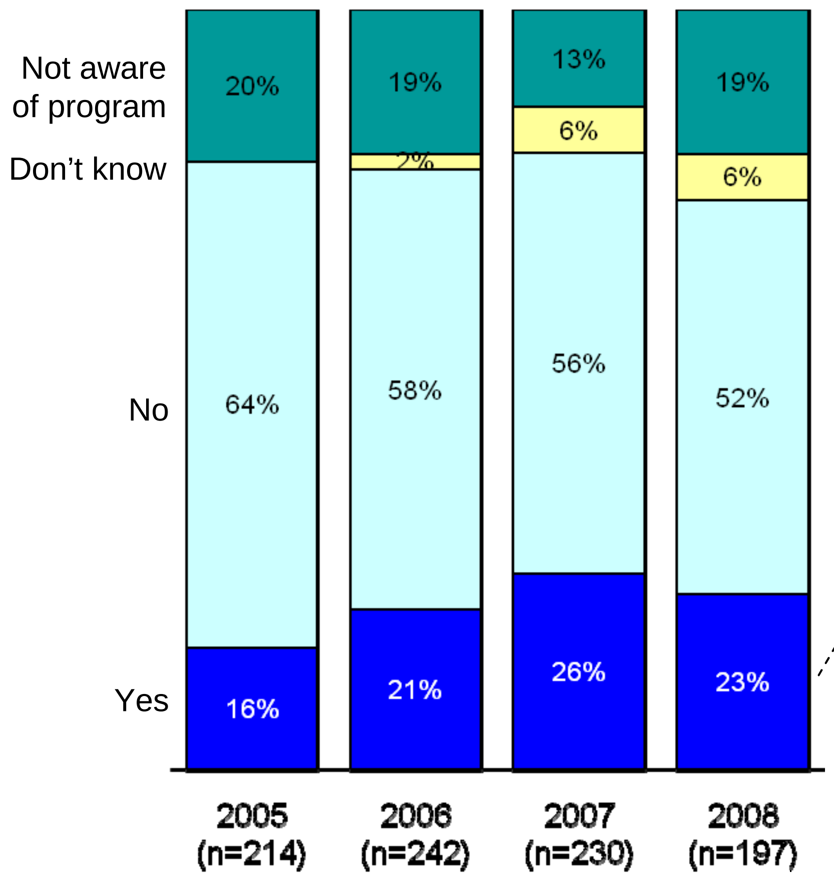
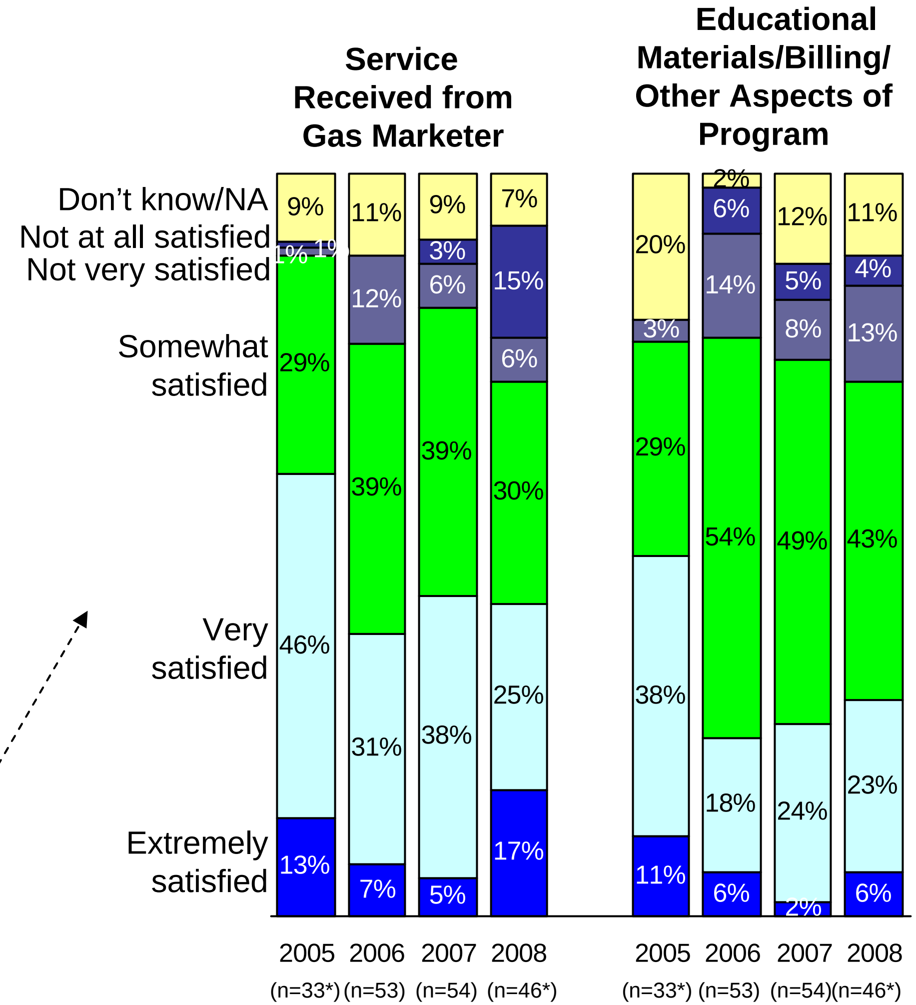
6. Customer Choice Program – Participation and Satisfaction

Participation in Program

- Among Rate 3 Customers In Coastal/Interior Regions -





*Caution: small base size.

E11. Has your company signed a contract to purchase natural gas from a supplier other than Terasen Gas?
E12a. How satisfied are you with the Customer Choice Program**, in terms of the service you receive from your gas marketer?
E12b. How satisfied are you with the Customer Choice Program**, in terms of other aspects such as educational materials on the program, billing, et cetera?

** Prior to 2007 the Customer Choice Program was referred to as the Commodity Unbundling Program

6. Customer Choice Program – Suggested Improvements

	2005	2006	2007	2008
Base (Among Rate 3 Coastal/Interior program participants)	*33**	*53*	*54*	*46**
	%	%	%	%
Reduce pricing	4	4	-	9
Provide more information about providers/marketers	6	22	5	5
Show savings	-	-	5	3
Marketers should be better trained/more knowledgeable	-	4	1	3
More information about pricing/price breakdowns	-	-	-	2
Change the contract length	-	3	5	1
Better sales approach/less push	-	-	14	-
Other	18	4	17	3
Nothing	57	37	48	55
Don't know	15	27	8	20

*Caution: small base size.

E13. What, if anything, would you change about the Customer Choice Program** to improve it?

** Prior to 2007 the Customer Choice Program was referred to as the Commodity Unbundling Program

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6. Customer Choice Program – Reasons For Staying With Terasen Gas

	2005	2006	2007	2008
Base (Among rate 3 Coastal/Interior Customers Aware of Program and Staying With Terasen Gas)	*133*	*132*	*131*	*107*
	%	%	%	%
The price/initial price was higher/no savings	14	16	18	24
Loyalty/always been with them/familiar with Terasen	14	21	14	17
Do not want to risk paying higher prices when rates go down/ don't want to get locked in	19	21	33	12
Unsure of other companies' reputation/stability	16	12	9	9
Don't have the time/can't be bothered/too much paperwork	11	10	11	7
Not aware you could/don't know any others/need more info.	13	8	9	7
We don't use much natural gas	6	6	3	3
Don't like marketers/don't want to be pressured	7	2	4	3
Have not been approached by gas marketers	2	2	3	2
Prefer current billing/don't want extra bills	1	2	2	2
Reviewing it now/have not made a decision/ want to see what happens in the marketplace	8	7	6	-
Want only one supplier	2	1	-	-
Other	4	5	9	6
No reason in particular	3	4	6	15
Don't know	1	5	-	6

Note: Multiple responses permitted. Total may not equal 100.

E14. What are your reasons for not choosing to purchase natural gas from a supplier other than Terasen Gas?

7. Attitudes to Energy Issues

Types of Energy Related Information Requested

- Asked what type of information related to energy issues they would like to see in future, the most common suggestion made by large commercial customers is information on how to conserve energy and reduce costs (14%), followed by future trends and forecasts regarding trend and pricing (7%). Six in ten (60%) customers could not suggest any kind of information they would like to receive in the future.

Managing the Carbon Tax

- Three in ten (29%) customers have either taken steps or are planning to take steps to manage any impacts of the newly established provincial carbon tax. While there are no differences across regions, Rate 23 customers (49%) are nearly twice as likely as Rate 3 customers (25%), or Rate 5 customers (27%), to have already taken or are planning to take such steps.
- Among those who haven taken or plan to take steps, the most common initiatives have been to improve energy efficiency through insulation, purchase of new equipment, or retrofitting of old equipment (28%) and to reduce current energy consumption in general (21%). Other initiatives include monitoring gas usage or conducting energy audits (13%), and adopting alternative energy sources, such as electricity, wood, or geothermal (10%).
- For those not planning to take any steps, the most common challenge is a lack of knowledge about the issue and its affects on business (14%). For some, the carbon tax is considered a low priority given other demands on time (9%) while others are challenged by budget constraints (5%).

Value of Terasen Gas's Help in Managing the Impact of the Carbon Tax

- Two thirds (66%) of large commercial customers indicate that they would greatly or somewhat value help from Terasen Gas in managing any impacts of the carbon tax. About one-quarter (26%) would not place much value on help from Terasen Gas. There are no significant differences by region or rate class.

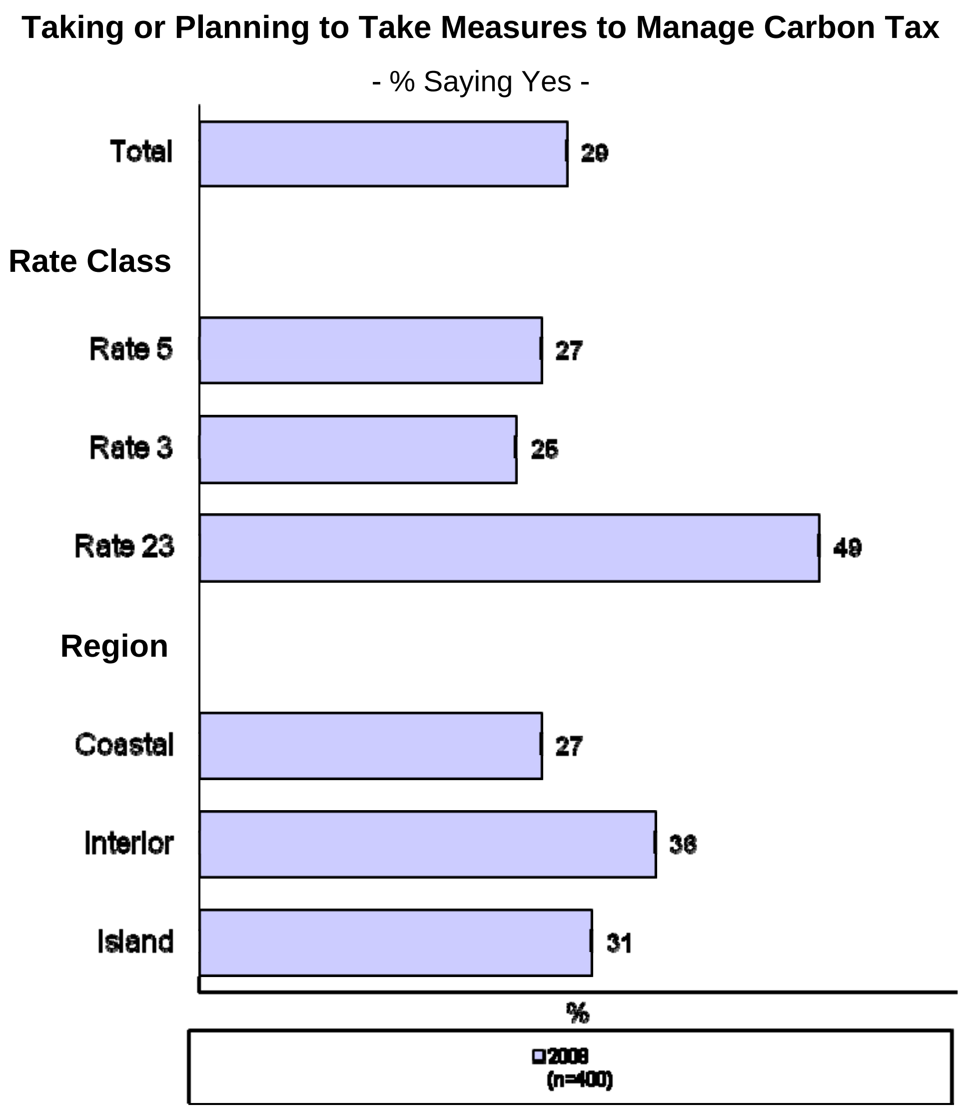
7. Energy Issues – Suggestions for Information

	2008
Base	*400*
	%
Ways to conserve/How to save energy and reduce costs/Energy efficiency	14
Future trends and costs/Forecasts regarding trends and pricing/ Changes in near future	7
Rates for gas and electricity/Rate structure/Rate info/Pricing/Costing	4
Information on equipment/Updating equipment and technology to reduce consumption/New equipment	4
Assess in-house energy policy/Should be able to compare consumption, efficiency, and price	4
Information to compare them to other companies/Information on competitive prices	3
Environmental protection/Environmental aspects/Carbon footprint	2
Everything/General information/More information/Timely information	1
Rate reduction via incentive program/Incentive to save energy/Make grants available	1
Other	3
Nothing in particular	36
Don't know	24

Note: Multiple responses permitted. Total may not equal 100.

F1. What types of information, related to energy issues, both gas and electric, would you like to see in the future?

7. Energy Issues – Managing the Carbon Tax



F2.1. Have you taken, or will you take any measures to manage any impact of the new carbon tax?

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7. Energy Issues – Measures Taken to Manage Carbon Tax

- Among Those Who Have Taken or are Planning to Take Measures to Manage the Carbon Tax -

	2008
Base	*132*
	%
Improving energy efficiency/insulation/new equipment/retrofitting	28
Reduced/Trying to reduce our energy consumption/carbon footprint (general)	21
Monitoring our usage/studying consumption/energy audits	13
Going to alternative energy sources/electricity/wood/geothermal	10
Reducing consumption by lowering heat/shutting down unused equipment	6
Increasing our prices	2
Refusing to pay the carbon tax/Protesting to the government	2
Applying for exemption from the tax	1
Monitoring impact on cost of carbon tax/Budgeting to handle new carbon tax	1
Other	6
Nothing in particular	17
Don’t know	10

Note: Multiple responses permitted. Total may not equal 100.

F2.2a. What measures have you taken, or are you planning to take?

7. Energy Issues – Challenges Preventing from Managing Carbon Tax

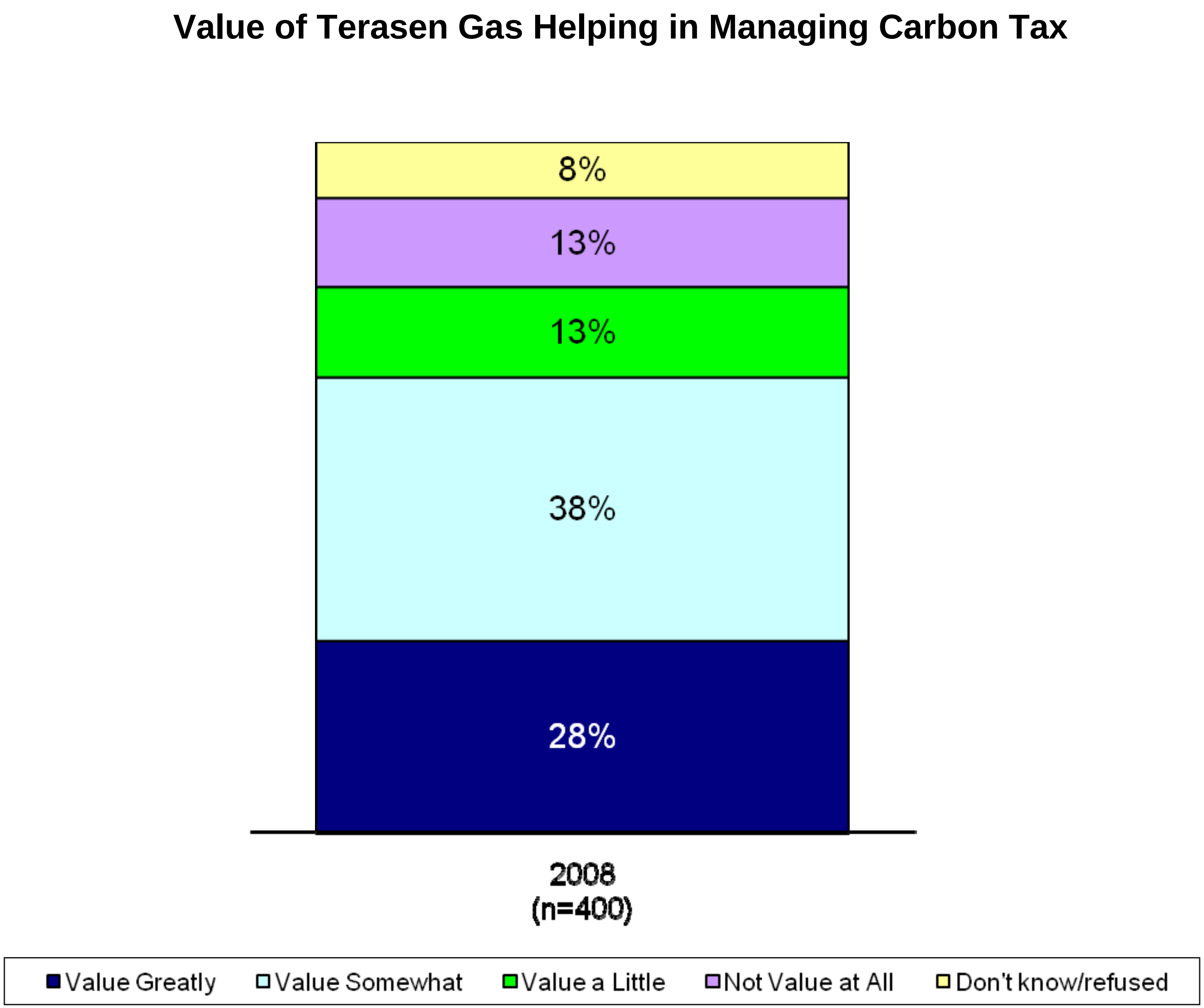
- Among Those Who are Not Planning to Take Measures to Manage the Carbon Tax -

	2008
Base	*211*
	%
Lack of knowledge/Don't know how it affects us/Don't know what to do	14
Too busy/Not enough time/Not a priority	9
Budget constraints/Cost of changing/upgrading equipment	5
No choice/Cannot cut back on usage	3
We have already done it/We are taking measures	3
Policy is made at head office/Not a local decision	2
I don't need to change anything/Not an issue	2
We don't use much	1
No alternatives energy sources available	1
Other	4
Nothing in particular	39
Don't know	19

Note: Multiple responses permitted. Total may not equal 100.

F2.2b. What are the challenges or obstacles that are preventing you from taking any measures?

7. Energy Issues – Value of Terasen Gas Helping in Managing Carbon Tax



F3. How much value would you place on Terasen Gas helping your business manage any impact of the carbon tax?

8. Terasen Gas Large Commercial Customer Satisfaction Index Summary

- The Terasen Gas Large Commercial Customer Satisfaction Index was created to aid Terasen Gas in understanding how satisfied large commercial customers are with the service provided by Terasen Gas. The index includes six key questions that are deemed "variables" of overall customer satisfaction. It is calculated using a two-stepped process as follows:

  1. The percentage of customers who are satisfied with each variable is calculated. Satisfaction is defined as top two box scores on a five point scale or yes for a yes/no question. If a customer was not able to provide a rating, they are not considered satisfied.

  2. Depending on the number of variables that each customer is satisfied with, they are then placed into one of four categories; high, medium, low or no satisfaction. If a customer does not have contact with a specific touchpoint (e.g. the call centre), they are counted as satisfied rather than dissatisfied.

<u>6-Variable Index</u>

- Eighty-seven percent of large commercial customers are at least moderately satisfied with Terasen Gas' services (i.e. qualify on at least 4 indicators), compared to only 13% with low satisfaction (qualify on 1-3 indicators). One quarter (24%) of customers fall into the high satisfaction group (qualify on all 6 indicators). Satisfaction scores are in line with those achieved over the past three years.
- There are no significant differences across regions and rate classes.

<u>4-Variable Index</u>

- The 4-Variable Index is based on just the four variables that Commercial and Industrial Marketing is able to impact. The distribution of customers by satisfaction group has not changed significantly since 2006, with 26% falling into the high satisfaction group, 38% in the medium satisfaction group, and 36% in the low satisfaction group.
- As with the 6-variable index, there are no significant differences across regions and rate classes.

8. Terasen Gas Large Commercial Customer Satisfaction Index

6-Variable Satisfaction Index

Satisfaction Indicators	2000	2003	2004	2005	2006	2007	2008
Base	*281*	*250*	*322*	*325*	*319*	*301*	*296*
1. For information* received from Terasen Gas, it met needs of customers	67%	81%	71%	83%	80%	83%	81%
Base	*104*	*80*	*109*	*84*	*58*	*63*	*79*
2. If had contact with an account representative in the last 6 months, overall satisfaction with representative is rated 4-5 out of 5	61%	66%	64%	65%	71%	63%	59%
Base	*87*	*79*	*85*	*107*	*135*	*121*	*117*
3. If had contact with a Call Centre representative in the last 6 months, overall satisfaction with representative is rated 4-5 out of 5	76%	75%	61%	61%	70%	64%	68%
Base	*104*	*77*	*80*	*104*	*72*	*70*	*66*
4. If had contact with a Service Technician at their place of business, overall satisfaction with representative is 4-5 out of 5	80%	90%	84%	85%	92%	92%	88%
Base	*400*	*300*	*401*	*400*	*400*	*400*	*400*
5. Agree that Terasen Gas is their first source of information for new, gas-related equipment	39%	34%	41%	33%	39%	41%	33%
6. Overall quality of services is rated good or excellent**	46%	66%	61%	62%	65%	61%	65%

*Includes information related to natural gas equipment for customers' businesses, gas rates including different rate options, energy issues such as conservation, financing for natural gas equipment purchases, and maintaining natural gas meters and measuring gas consumption. In 2003, includes information about businesses' gas consumption history. In 2004, the question was changed from a Yes/No response to a rating of extremely well, very well, quite well, not very well or not at all well. For the purposes of these indices, extremely, very and quite well = Yes.

**2000 wording was "How satisfied are you with BC Gas as a company to deal with?" 1=Very dissatisfied and 5=Very satisfied. Since 2002, wording was "Taking everything into consideration including your own experiences as well as anything you may have seen or heard, how would you rate the overall quality of services provided by Terasen (BC) Gas?" Excellent, Good, Average, Poor, Very Poor.

	2000	2003	2004	2005	2006	2007	2008
Base	*400*	*300*	*401*	*400*	*400*	*400*	*400*
Satisfaction Groups:							
High Satisfaction (qualifies on all 6 or applicable indicators)	14%	19%	29%	24%	28%	27%	24%
Medium Satisfaction (qualifies on 4-5 indicators)	67%	70%	48%	63%	63%	64%	63%
Low Satisfaction (qualifies on 1-3 indicators)	19%	12%	22%	14%	10%	9%	13%
No Satisfaction (qualifies on none of the indicators)	0%	0%	0%	0%	0%	0%	0%

8. Terasen Gas Large Commercial Customer Satisfaction Index

In addition to the 6-Variable Satisfaction Index, a second index was created based on the 4 variables that Commercial Energy Services can impact (i.e. call centre and technician visits are excluded), as follows:

4-Variable Satisfaction Index

Satisfaction Indicators	2000	2003	2004	2005	2006	2007	2008
Base	*281*	*250*	*322*	*325*	*319*	*301*	*296*
1. For information* received from Terasen Gas, it met needs of customers	67%	81%	71%	83%	80%	83%	81%
Base	*104*	*80*	*109*	*84*	*58*	*63*	*79*
2. If had contact with an account representative in the last 6 months, overall satisfaction with representative is rated 4-5 out of 5	61%	66%	64%	65%	71%	63%	59%
Base	*400*	*300*	*401*	*400*	*400*	*400*	*400*
3. Agree that Terasen Gas is their first source of information for new, gas-related equipment	39%	34%	41%	33%	39%	41%	33%
4. Overall quality of services is rated good or excellent**	46%	66%	61%	62%	65%	61%	65%

*Includes information related to natural gas equipment for customers' businesses, gas rates including different rate options, energy issues such as conservation, financing for natural gas equipment purchases, and maintaining natural gas meters and measuring gas consumption. In 2003, includes information about businesses' gas consumption history. In 2004, the question was changed from a Yes/No response to a rating of extremely well, very well, quite well, not very well or not at all well. For the purposes of these indices, extremely, very and quite well = Yes.

**2000 wording was "How satisfied are you with BC Gas as a company to deal with?" 1=Very dissatisfied and 5=Very satisfied. Since 2002, wording was "Taking everything into consideration including your own experiences as well as anything you may have seen or heard, how would you rate the overall quality of services provided by Terasen (BC) Gas?" Excellent, Good, Average, Poor, Very Poor.

	2000	2003	2004	2005	2006	2007	2008
Base	*400*	*300*	*401*	*400*	*400*	*400*	*400*
Satisfaction Groups:							
High Satisfaction (qualifies on all 4 or applicable indicators)	15%	20%	30%	24%	28%	29%	26%
Medium Satisfaction (qualifies on 3 indicators)	33%	47%	30%	40%	41%	38%	38%
Low Satisfaction (qualifies on 1-2 indicators)	50%	32%	40%	35%	30%	34%	36%
No Satisfaction (qualifies on none of the indicators)	2%	1%	0%	0%	1%	0%	0%

APPENDIX A:
CUSTOMER DISTRIBUTION

Customer Distribution

2008 Terasen Gas Commercial Customer Distribution								
	# of customers		Coastal		Interior		Island	
Rate 3	**5,400**	77.93%	**3,917**	56.53%	**807**	11.65%	**676**	9.76%
Rate 5	**315**	4.55%	**277**	4.00%	**38**	0.55%	**0**	0.00%
Rate 23	**1,214**	17.52%	**1,004**	14.49%	**210**	3.03%	**0**	0.00%
	6,929	100.00%	**5,198**	75.02%	**1,055**	15.23%	**676**	9.76%

2008 Actual Completes Distributions								
	# of completes		Coastal		Interior		Island	
Rate 3	**300**	75.00%	**143**	35.75%	**94**	23.50%	**63**	15.75%
Rate 5	**20**	5.00%	**18**	4.50%	**2**	0.50%	**0**	0.00%
Rate 23	**80**	20.00%	**54**	13.50%	**26**	6.50%	**0**	0.00%
	400	100.00%	**215**	53.75%	**122**	30.50%	**63**	15.75%

2008 Weighting Factors			
	Coastal	Interior	Island
Rate 3	1.5813	0.4957	0.6197
Rate 5	0.8889	1.1000	0.0000
Rate 23	1.0733	0.4662	0.0000

APPENDIX B:
RECORD OF CALLS

Record Of Calls

	Total
Total Sample Dialled	**3,481**
Invalid Sample:	**226**
Disconnected/Not in service/Fax/Modem	140
Sampling Error (Cell phone/No such person)	86
Total Potential:	**3,255**
Busy/No Answer	155
Callbacks	793
Total Contacted:	**2,307**
Refused/Partial completes	583
Language/Communication problem	47
Quota filled	1,252
Questionnaire specifications	25
Completed Surveys	**400**
Contact Rate (as a % of Total Potential)	71%
Completion Rate (as a % of Total Contacted)	17%

APPENDIX C: QUESTIONNAIRE

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2008 Small Commercial Customer Satisfaction Survey
FINAL REPORT

Prepared for	Terasen Gas
Prepared by	Silvano Pelloi
Job number	08-0382
Date	October 23, 2008

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TABLE OF CONTENTS

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BACKGROUND & OBJECTIVES

- Terasen Gas serves over 80,000 small commercial (Rate 2, LC1M, LCS1,SC1M, SC2M, SCS1, SCS2) customers throughout the province. In September 2002, Terasen Gas commissioned Synovate to implement a comprehensive quantitative research project to collect information about this group of customers on an annual basis.

- The purpose of this research is to determine the needs of this customer segment and the extent to which Terasen Gas is currently satisfying those needs. The specific objectives are to measure and track the following:

  1. Overall satisfaction with Terasen Gas and satisfaction with the performance of Terasen Gas in the following areas:
     a) Call centre
     b) Service technicians
     c) Emergency calls
     d) Billing (easier to read, charges better explained)
     e) Marketing and communications
     f) Corporate image
  2. Customer service and value indices
  3. Specific areas where commercial customers are particularly satisfied or dissatisfied with Terasen Gas
  4. Information commercial customers would like to receive from Terasen Gas and their perceptions of the communications from Terasen Gas
  5. A segmented profile of commercial customers
  6. Knowledge about and perceptions of Terasen Gas
  7. Awareness, perceived value and participation in unbundling

- This report contains a trended summary of findings from the 2008 research. Detailed computer tables that break out every question by key variables are presented under a separate cover.

METHODOLOGY

- For this study, a total of 500 telephone interviews were conducted with Terasen Gas small commercial customers. The total sample was stratified by region, with 300 interviews completed on the Coast and 100 interviews in each of the Interior and on Vancouver Island. The Island was added in 2004.
- A customer list was provided by Terasen Gas, from which Synovate randomly selected the sample.
- At the analysis stage, the data were weighted to reflect the correct proportion of customers by region, as follows:

Region	Actual Distribution
Coastal	63.44%
Interior	27.46%
Island	9.10%

- Interviewing was conducted from Synovate's central telephone facilities between September 8th and 26th, 2008. The initial call was made during regular business hours, 8:00 a.m. and 5:00 p.m. on weekdays. Callbacks were scheduled as requested by respondents, not limited to business hours.
- A detailed summary of calls can be found in the Appendices.

MARGINS OF ERROR

- As with all sample surveys, the results are subject to margins of error. The total results, with a sample size of 500, are accurate to +/-4.4% at the 95% level of confidence. When analyzing results from various sub-groups, such as by region, the margins of error increase as the sub-samples are smaller. The following table shows the maximum margin of error for the various key sub-groups:

Sample Size	Max. Margin Of Error
500 (total sample)	+/-4.4%
300 (Coastal)	+/-5.7%
100 (Interior/Island)	+/-9.8%

- When making comparisons between two exclusive sub-groups, the margins of error increase by about 40%. For example when comparing results between two regions, each with a sample of 100, any differences 14% or greater would be considered statistically significant at the 95% level of confidence. Any differences of less than 14% may or may not be statistically significant at the 95% level of confidence, depending on the level of consensus to the question. The following table shows the difference required (at the 50% level of consensus) when comparing the different sub-samples between last year and this year:

Comparison of Two Samples of:	Sample Sizes	Difference Required
Total	500	6.2%
Coastal	300	8.0%
Interior/Island	100	13.9%

- Throughout the report, we have limited our comments only to those differences that have statistical significance, at the 95% level of confidence.

EXECUTIVE SUMMARY

- Small commercial customers assign Terasen Gas scores of 74% for overall quality of service and 53% for overall value, consistent with levels recorded last year (76% and 53%, respectively).

- Ratings for core areas of service (Call Centre, Meter Exchanges/New Services, Emergency Call Handling and Billing) remain high, ranging between 72% and 87%. However, Communications continue to perform much lower with only half (52%) of customers providing positive ratings for this area of service, a rating that is comparable with those achieved in previous studies. Specific topics of communications for which ratings are especially low include informing customers about energy savings opportunities (44%) and explaining natural gas price fluctuations (40%).

- The level of misunderstanding of Terasen Gas' ownership has increased over the past two years. Only half (49%) of small commercial customer now believe Terasen Gas is investor-owned compared to 58% in 2006. Similarly, 22% currently believe it is a crown corporation, compared to only 12% in 2006. Knowledge of the activities Terasen Gas engages in has, however, improved over the past three years. While the belief that Terasen Gas marks up natural gas for profit continues to be prevalent, this misperception continues to decline from a high of 72% in 2006 (63% in 2008 and 65% in 2007). A similar downward trend is noted in the percentage of customers who think Terasen Gas engages in exploration and extraction of natural gas (41% in 2008 vs. 56% in 2005) and extraction of natural gas from the ground to sell on the open market (35% in 2008 vs. 48% in 2005).

- The "image' of Terasen Gas continues to be strong in terms of its commitment to helping small commercial customers (64%) and operating in an ethical and honest way (61%). Customers remain less likely to believe Terasen Gas is socially responsible (56%) and a declining proportion now believe it is environmentally responsible (50% vs. 58% in 2007). Only one in three (32%) customers rate Terasen Gas as better than average for investing back into the community.

- After steadily increasing since its introduction, awareness of the Customer Choice program has stabilized at just over eight in ten (82%) customers. After three years of incremental increases, participation in the Customer Choice program declined from a high of 23% in 2007 to 17%. This is comparable to the 16% achieved in 2005, the first year that participation was measured. Concerns about being locked into higher prices may have contributed to lower participation as more customers mention this as a reason for staying with Terasen Gas in 2008 (25% vs. 14% in 2007).

- Terasen Gas has maintained a level of performance generally consistent with previous years, showing continued strength in both service overall as well as in core areas of service. However, the focus for improvement should remain on communications, particularly among Island customers, where knowledge of Terasen Gas has declined in the past year. Specifically, Terasen Gas needs to continue dispelling misperceptions about its ownership and activities and find ways to demonstrate greater environmental and social responsibility, particularly by providing more information related to costs of natural gas and ways to save energy and by strategically investing back into communities.

HIGHLIGHTS

About Small Commercial Businesses

- The distribution of small commercial customers by industry sector has remained consistent over the past six years, with retailers continuing to comprise the largest group (currently 22%).
- Natural gas remains the foremost fuel used to heat business space, either as the primary or secondary source (89%); electricity continues to be second in popularity (37% primary or secondary source). Natural gas is less likely, however, to be used to heat water at businesses (47% vs. 34% who use electricity). Island customers are more dependent on electricity, with 45% using it to heat hot water compared to only one third (33%) of customers in Coastal and Interior regions.
- Natural gas accounts for just under 10% of average annual operating costs, consistent with historical levels.

Call Centre

- Almost one in three (29%) small commercial customers had contact with the Terasen Gas Call Centre in the past 12 months, continuing an upward trend from 2006 (22%).
- The Call Centre continues to perform well both overall and in terms of specific attributes of the Call Centre representatives. Just over three quarters (78%) of customers with past 12 month contact rate the overall handling of their most recent call as excellent or good. Seventy percent or more also assign positive ratings to Call Centre reps for being knowledgeable, directing customers to the most appropriate Terasen Gas representative, and being able to make decisions about customer accounts.

Interest in Automated Call-Back Feature

- About six seven in ten (69%) small commercial customers indicate an interest in the automated call-back feature. The primary motivation for interest is not having to waste time on hold by being freed up to work on other jobs. The most common reasons for disinterest in the feature relate mainly to the need to speak to someone immediately and concerns that call-backs may occur at an inconvenient time.

HIGHLIGHTS

Meter Exchanges/New Services

- Just under one in five (17%) small commercial customers received a visit from a Terasen Gas representative at their business in the past two years, about half of whom (8% of total) spoke with a service technician. While consistent with a year ago, these levels are somewhat below those recorded between 2002 to 2006.
- Service technicians continue to be highly regarded, with 87% of customers rating the overall quality of service received from the technician as excellent or good. In addition, 70% or more customers continue to assign positive ratings to service technicians for their ability to answer questions, understanding of the customer's business, and for visiting their business at a convenient time.

Emergency Calls

- Similar to previous years, just 8% of small commercial customers had to make an emergency call to Terasen Gas.
- This area of service continues to be a strength for Terasen Gas. Among the small group of customers with recent experience, 85% rate the overall handling of the emergency call excellent or good. Similarly large majorities also assign positive ratings to specific attributes of the emergency call, including performance of the service or telephone reps.

Communications

- Communications with small commercial customers remains an area of relative weakness for Terasen Gas, with just half (52%) rating the company positively in this area. Island customers continue to have less favourable perceptions relative to customers in other regions.
- Terasen Gas receives much higher scores for its communications about safety issues than for communications related to energy savings or explaining natural gas prices fluctuations.
- The main source of dissatisfaction with communications appears to be a perceived lack of it. Almost one in five (18%) of customers rating the company's overall communications efforts say they never hear from Terasen Gas.

HIGHLIGHTS

Billing

- Perceptions of Terasen Gas bills and billing process have remained stable since 2003. Seventy two percent of small commercial customers rate billing excellent or good overall and similar majorities also consider Terasen Gas bills easy to read and accurate. Nearly two-thirds provide positive ratings for offering a choice of payment methods and for explaining how gas charges are calculated. Quickly correcting billing problems continues to be the lowest rated billing attribute, reflecting lower levels of awareness of performance in this area.

Knowledge of Terasen Gas

- Misperceptions about Terasen Gas' ownership status have increased over the past two years. Only half (49%) of small commercial customers are aware that Terasen Gas is an investor-owned corporation compared to 58% in 2006. While Coastal customers appear to be the least well informed, correct awareness among Island customers has dropped significantly since last year. Regarding Terasen Gas ownership, 54% of Island customers currently believe it is investor-owned compared to 72% in 2007.

- In contrast, misperceptions about Terasen Gas' activities have decreased over the past three years. Since tracking began in 2002, fewer customers now think Terasen Gas is involved in natural gas exploration in BC (41% vs. 57% in 2002) or that it extracts natural gas from the ground to sell on the open market (35% vs. 48% in 2002). Similarly, fewer customers now incorrectly believe that Terasen Gas marks up the price of gas for a profit (63% vs. 76% in 2002), although this belief is much stronger among Island customers.

Attitudes Toward Terasen Gas

- Ratings of overall service remain high at 74% excellent or good, while overall value continues to be rated lower, at 51%.

- Small commercial customers continue to assign the highest ratings to Terasen Gas for being committed to helping customers (64%) and operating in an ethical and honest way (61%). However, the company receives somewhat lower ratings for being socially (56%) and environmentally (50%) responsible, with ratings for the latter attribute having declined since 2007 (58%). Only one in three (31%) customers award positive ratings to Terasen Gas for investing back into the community, essentially unchanged since 2005.

HIGHLIGHTS

Customer Choice Program

Coastal and Interior customers only.

- Awareness of the Customer Choice program has stabilized at 82% following a steady increase from 66% awareness in its first year after launch in 2004.
- In line with previous years, one third (34%) feel the program is valuable (4 or 5 out of 5), while an equal proportion (32%) believe the program is not valuable (1/2 out of 5).
- Participation in the program has dropped, however, with only 17% currently under contract with an alternate supplier compared to a high of 23% in 2007. Among customers using another supplier, two-thirds remain at least somewhat satisfied in terms of the service received and other aspects of the program. However this represents a notable decline in satisfaction from the levels achieved in the first two years of the program.
- While loyalty to and familiarity with Terasen Gas remains the main incentive for staying with the company, concerns about being locked in to a higher price if natural gas prices were to go down has become an increasing barrier to switching.

Future Intentions

- Two thirds of small commercial customers indicate that they would select natural gas if they were to expand their place of business, a decline from last year (72%) but more in line with historical trends. While there are signs of increasing interest in other eco-friendly fuel sources, none has yet to make a significant breakthrough in terms of future adoption intentions.
- Currently, just over half (53%) of customers claim to have taken steps in the past two years to be more energy efficient at their business and almost all are likely to continue these practices in the future. The most common measures taken are improving insulation/weather-stripping, and installing energy efficient lighting.

HIGHLIGHTS

Service and Value Indices

- In 2004, two indices, service (with no price impact) and value (with price impact), were created using satisfaction ratings to key touchpoints in service delivery. Specifically, these include:

  - B3 Call Centre
  - C4 Meter Exchange
  - D3 Emergency Calls
  - E6 Communication
  - F2 Billing Service
  - G4 Commitment
  - G9 Service Quality
  - G10 Value (only included in the Value Index)

- All questions in the index calculation are 5-point word scale questions that are assigned numeric values as follows: Excellent=5, Good=4, Average=3, Poor=2 and Very Poor=1. Those customers responding with a "don't know" had their response converted to the mid-point of the scale (i.e., a 3 out of 5), while missing responses (i.e. some customers did not respond to all questions based on their experiences) are simply not included in the average calculation. Essentially, customers' scores are averaged among those attributes they had experienced. Once the Index scores were derived, they were then converted to proportions for easier comprehension (e.g. 4/5 = 80%).

- Terasen Gas small commercial customers currently have a Service Index score of 74.5 (74.3 in 2007, 74.2 in 2006 and 72.6 in 2005), and a Value Index score of 73.7 (73.6 in 2007, 73.5 in 2006 and 71.7 in 2005). Compared to last year, when they were somewhat lower for Island customers, both indices are about the same for all three regions.

DETAILED FINDINGS

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1. About Small Commercial Businesses Summary

- Retail operations remain the most prevalent business type among small commercial customers, currently comprising 22% of all customers in the segment. Other sectors having significant representation include manufacturing (12%), restaurants/bars, offices, and gas stations/auto repair services (9% each).
- Eighty-nine percent of small commercial customers use natural gas to heat their commercial space, with 83% using it as the primary heating fuel. These findings are consistent with those from previous years. Electricity continues to be the only major alternative energy source, used by 37% of customers to heat their business space and by 11% as their primarily fuel.
- Consistent with previous years, Interior small commercial customers are most likely to use natural gas as their primary fuel source for commercial space heating (88%) and Island customers least likely (76%). Conversely, Island customers have a higher propensity to use electricity as their primary fuel source (16% vs. 7% in the Interior). Manufacturing and Restaurants/bars are also more likely to rely on electricity as a source of energy (45% and 42%, respectively vs. 37% on average for all businesses).
- As in previous years, hot water continues to be available to most (96%) small commercial customers. Less than one-half (47%) of small commercial customers use natural gas to heat water, while 34% use electricity for this purpose. Use of natural gas to heat water has dropped somewhat from the previous year (54%). As with space heating, Island customers are significantly more likely to use electricity to heat water (45%) than Coastal or Interior customers (33%).
- Restaurants/Bars/Motels continue to be more likely to use natural gas to heat their hot water (66% vs. 47% among all business types), whereas manufacturing and retail businesses are more apt to use electricity (40% and 36%, respectively, vs. 34% of all business types).
- Natural gas continues to account for less than 10%, on average, of a small commercial customer's annual operating costs.

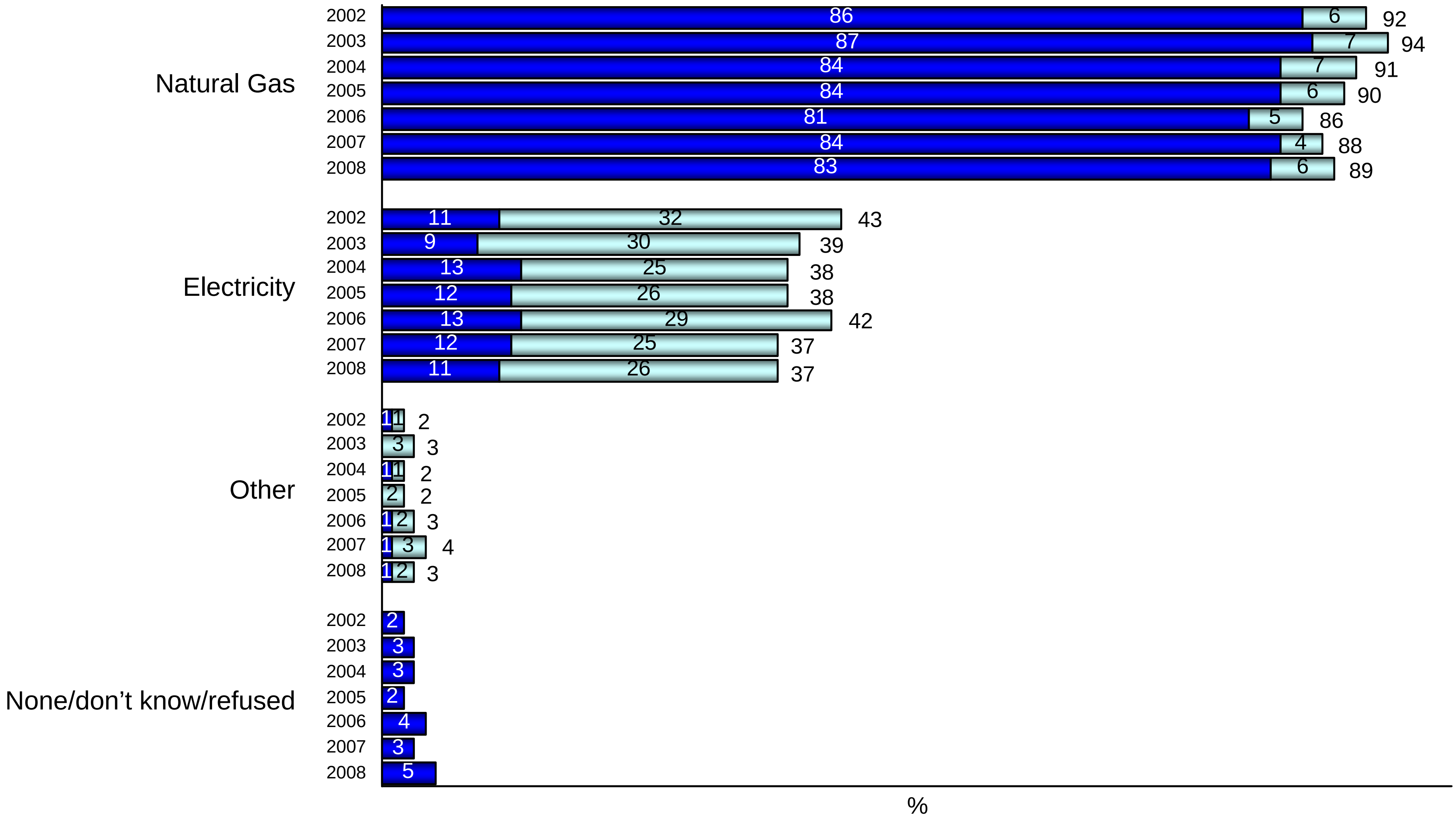
1. About Small Commercial Businesses – Nature of Business

	2002	2003	2004	2005	2006	2007	2008
Base	503	501	501	500	500	500	500
	%	%	%	%	%	%	%
Retail	24	17	24	18	24	20	22
Manufacturing	12	7	7	11	7	9	12
Restaurant/Bar	8	6	12	10	8	10	9
Gas Station/Auto Repair	8	8	7	6	13	7	9
Office	7	7	11	11	5	6	9
Personal Services	5	8	6	7	6	7	8
Wholesale/Distribution/Import-Export	4	7	4	5	6	6	6
Public Meeting Place	4	4	6	7	4	6	4
Construction/Trades	2	4	2	5	8	5	4
Apartment/Housing/Property Management	5	10	13	3	4	3	3
Agriculture/Horticulture	-	-	-	-	-	3	3
Hotel/Motel	-	-	-	-	-	-	2
Health Care	-	-	2	3	3	2	1
Transportation Company	-	-	-	2	2	2	1
Financial Institution/Brokerage Firms	-	-	-	2	2	2	1

Note: Only mentions of 2% or greater are shown.

A1. First, what is the nature of your business?

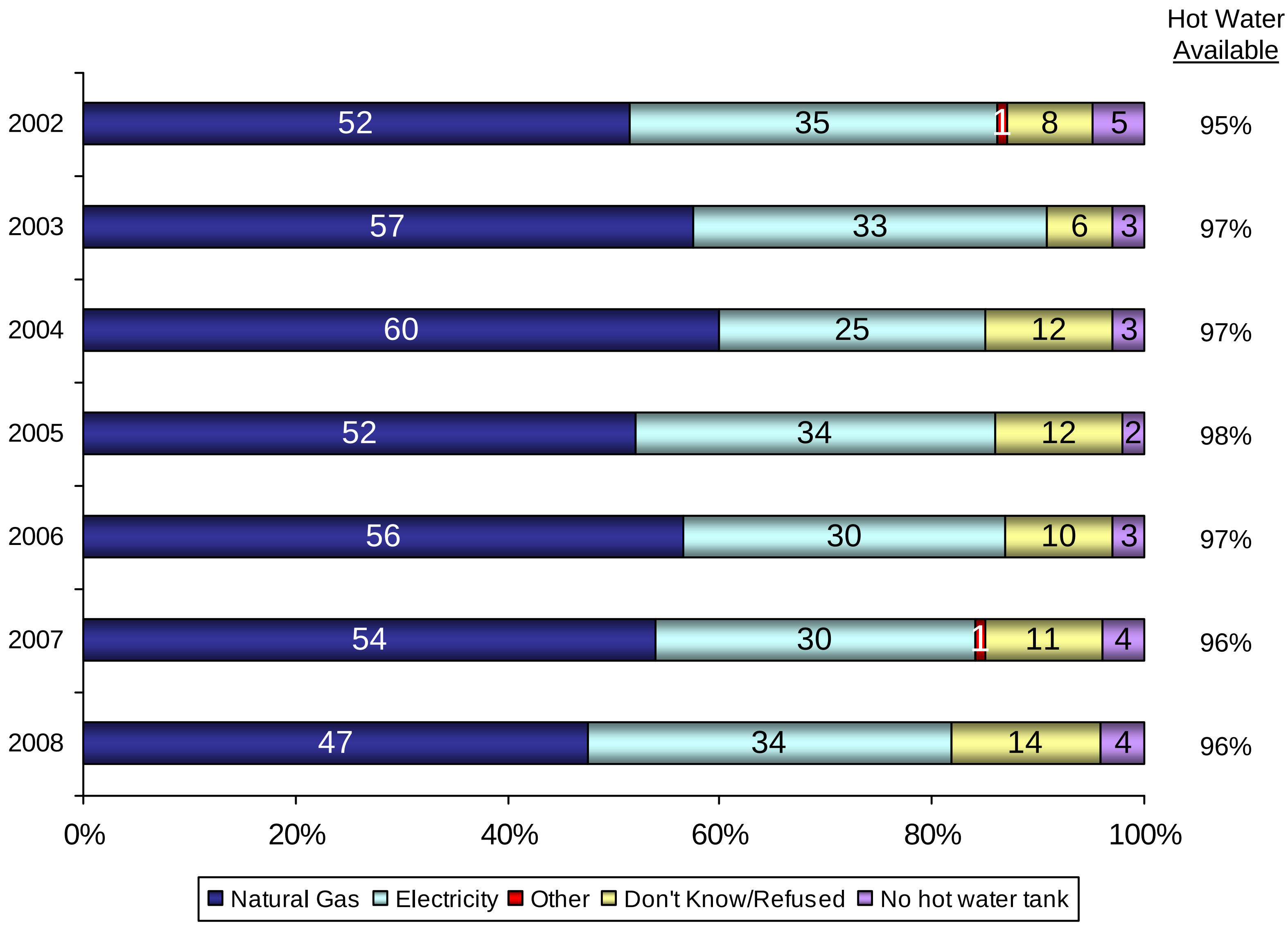
1. About Small Commercial Businesses – Space Heating



2002 n=503; 2003 n=501; 2004 n=501;
2005 n=500; 2006 n=500; 2007 n=500

A2a. What is the primary type of fuel or energy used to heat your space?
A2b. And what, if any, other types of fuel are used to heat your space?

1. About Small Commercial Businesses – Water Heating



A3a. Is there hot water available at your place of business?
A3b. What is the primary type of fuel or energy used to heat the hot water?

2002 n=503; 2003 n=501; 2004 n=501;
2005 n=500; 2006 n=500; 2007 n=500

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1. About Small Commercial Businesses – Operating Costs

	2002	2003	2004	2005	2006	2007	2008
Base	503	501	501	500	500	500	500
	%	%	%	%	%	%	%
Natural Gas as % of Operating Costs							
1%	20	20	12	13	18	18	19
2%	12	8	5	11	10	9	7
3% – 4%	9	8	5	5	9	5	7
5%	14	12	12	19	16	13	14
6% – 9%	3	4	4	3	3	4	3
10% – 14%	8	8	11	9	8	10	11
15% – 19%	3	2	4	4	4	3	4
20% – 24%	4	4	4	6	5	3	5
25% +	7	9	6	8	6	8	10
Don't know/Refused	20	24	36	23	22	27	20
Mean (%)	8.3	9.4	9.5	9.6	8.5	9.4	9.8

H4. Lastly, thinking of all the costs to operate your business including rent, labour, etc., what percentage of the total would you say are your natural gas costs?

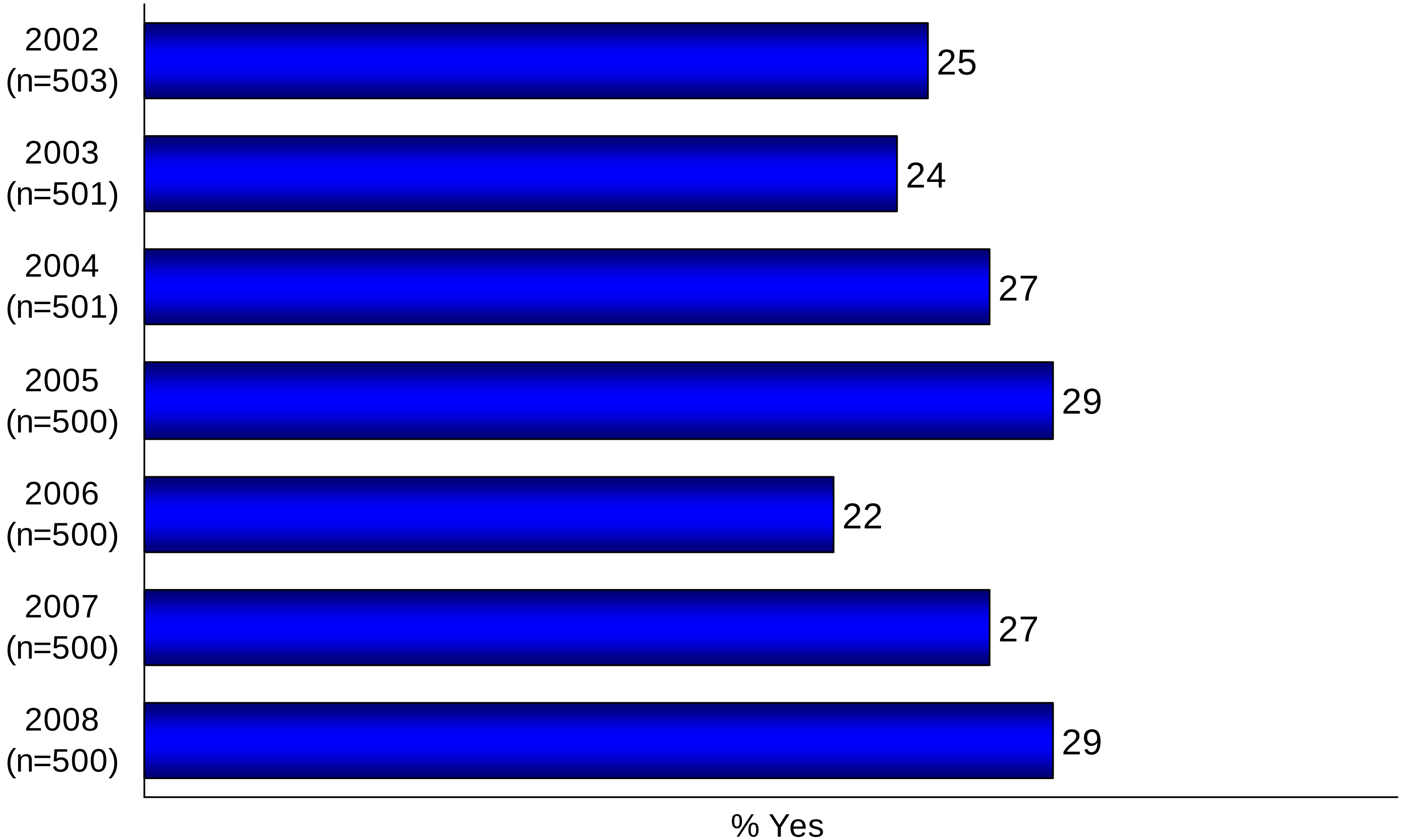
2. Call Centre Summary

- About three in ten (29%) small commercial customers had contact with the Terasen Gas Call Centre in the past year, continuing a upward trend from 2006, when it dropped to a low of 22%.
- Currently, over three quarters (78%) of customers who had contact with the Call Centre rate the overall handling of their call excellent or good. While not significantly higher than last year, this represents a significant improvement from 2005 when just over six in ten (62%) customers provided positive overall ratings.
- Ratings of Call Centre reps on specific attributes have not changed significantly over the past year, with a large majority of customers who had contact with the Call Centre assigning excellent or good ratings to the reps for being knowledgeable (79%) able to direct callers to the most appropriate representative (71%) and to make immediate decisions regarding account issues (70%).
- Customers who gave positive ratings to the overall handling of their call did so primarily because the Call Centre reps were able to solve their problem (32%), were knowledgeable and informative (30%) or because the call was handled quickly and efficiently (23%). Contributing most to less than positive ratings are billing mistakes, a lack of helpfulness or inability to solve the problem (7% each) or not being knowledgeable and able to answer the question (6%).

Interest in Automated Call-Back

- About seven in ten (69%) customers indicated an interest in an automated call-back feature, including 44% who were very interested. The most common reason given for positive interest is no longer having to waste time being on hold and thereby being freed up to work on other jobs (51%). Twenty-nine percent said they were not interested in the feature. The most common reasons given were the need to speak to someone immediately (16%) and a concern that the call-back could occur at an inconvenient time (13%).

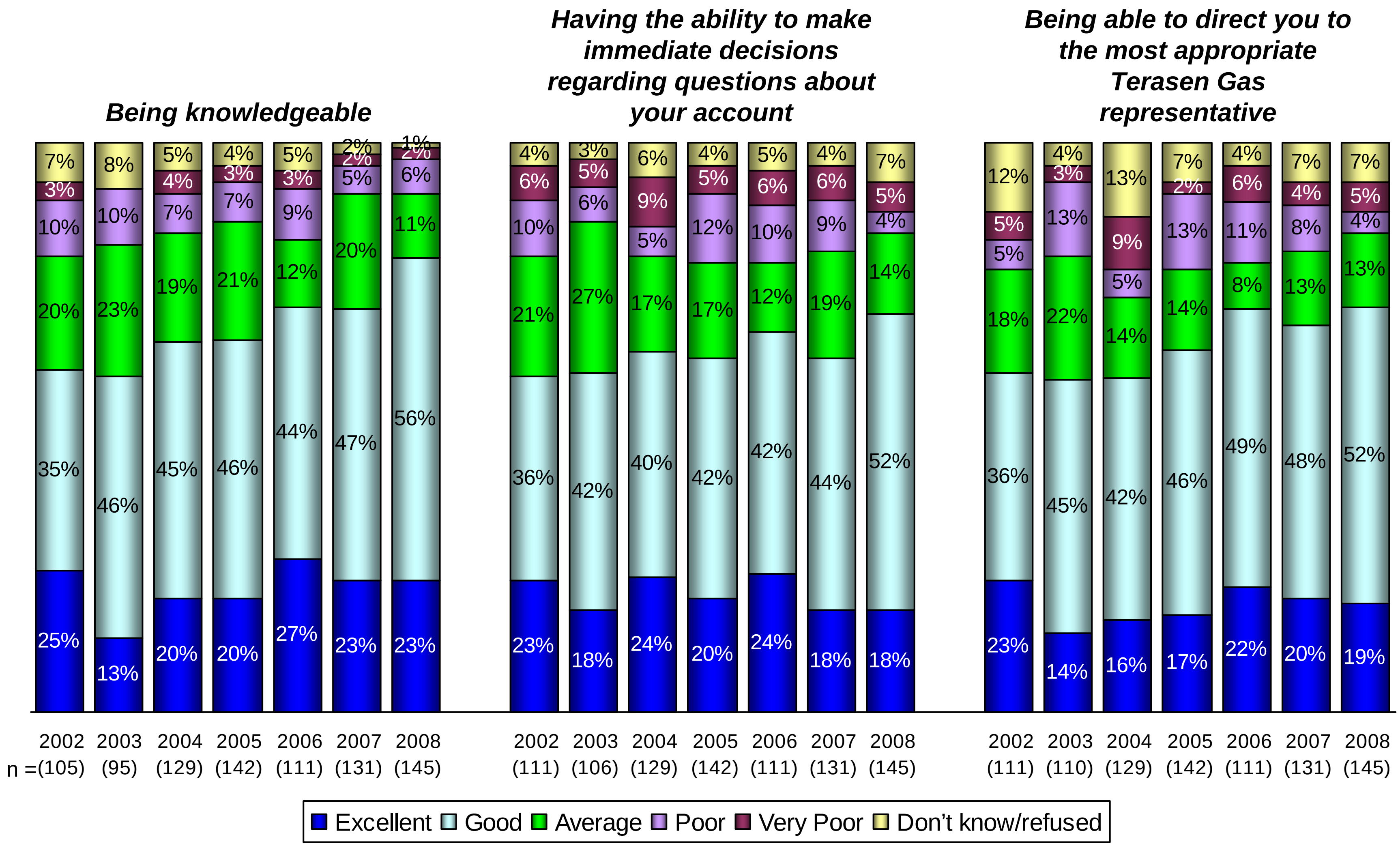
2. Call Centre – Contact



Note: Prior to 2004, question referred to last 6 months.

B1. Have you had contact with the Terasen Gas Call Centre in the past 12 months?

2. Call Centre – Attribute Ratings

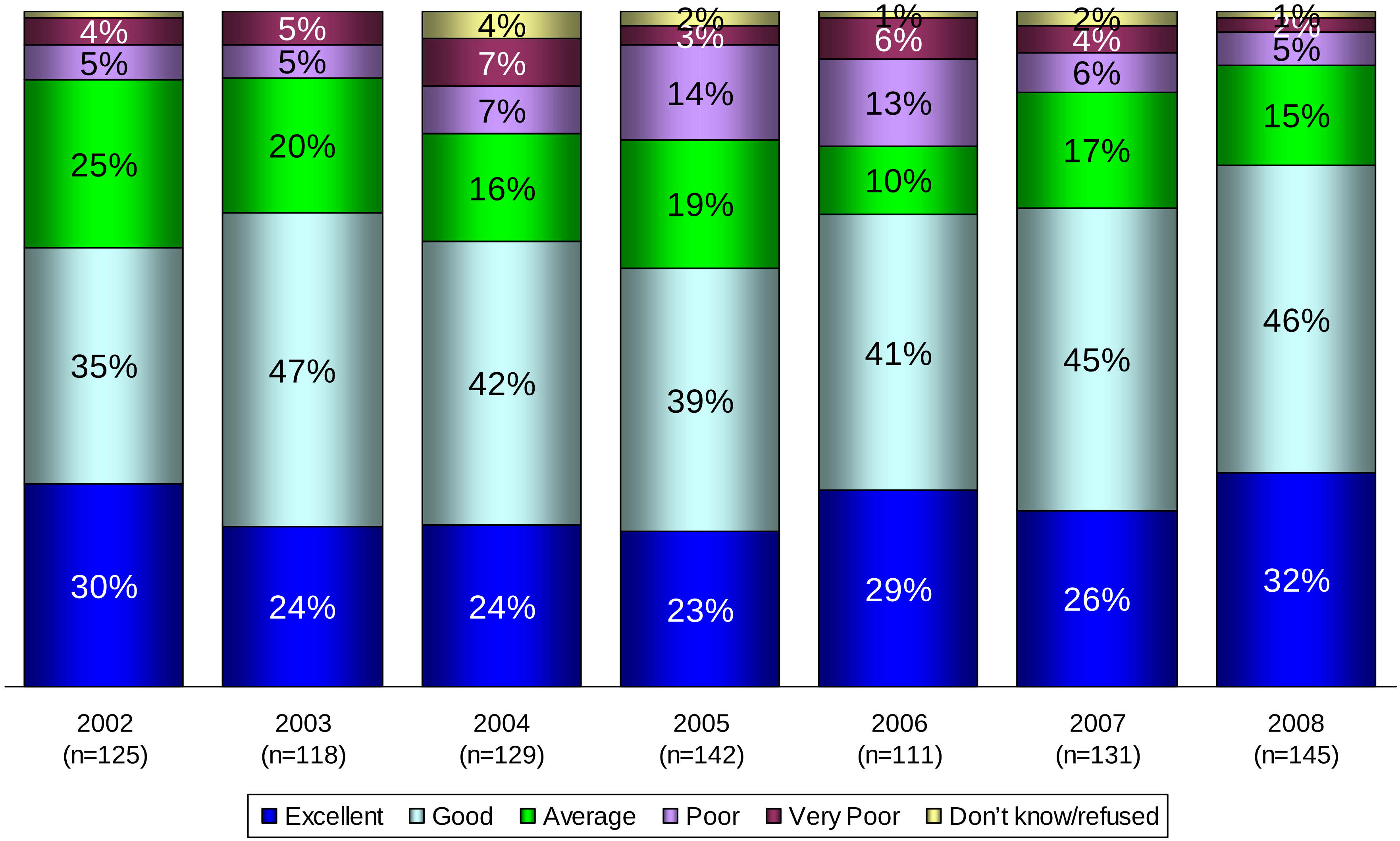


(n = those who had contact with TG Call Centre*)

* Prior to 2004, asked among those who had contact with TG Call Centre and rated a particular attribute as important.

B2. How well would you say Terasen Gas Call Centre representatives perform in terms of the following? Would you say … ?

2. Call Centre – Overall Rating



(n = those who had contact with TG Call Centre)

B3. Thinking of your most recent contact with the Terasen Gas Call Centre, overall, how would you rate the way in which your call was handled? Would you say … ?

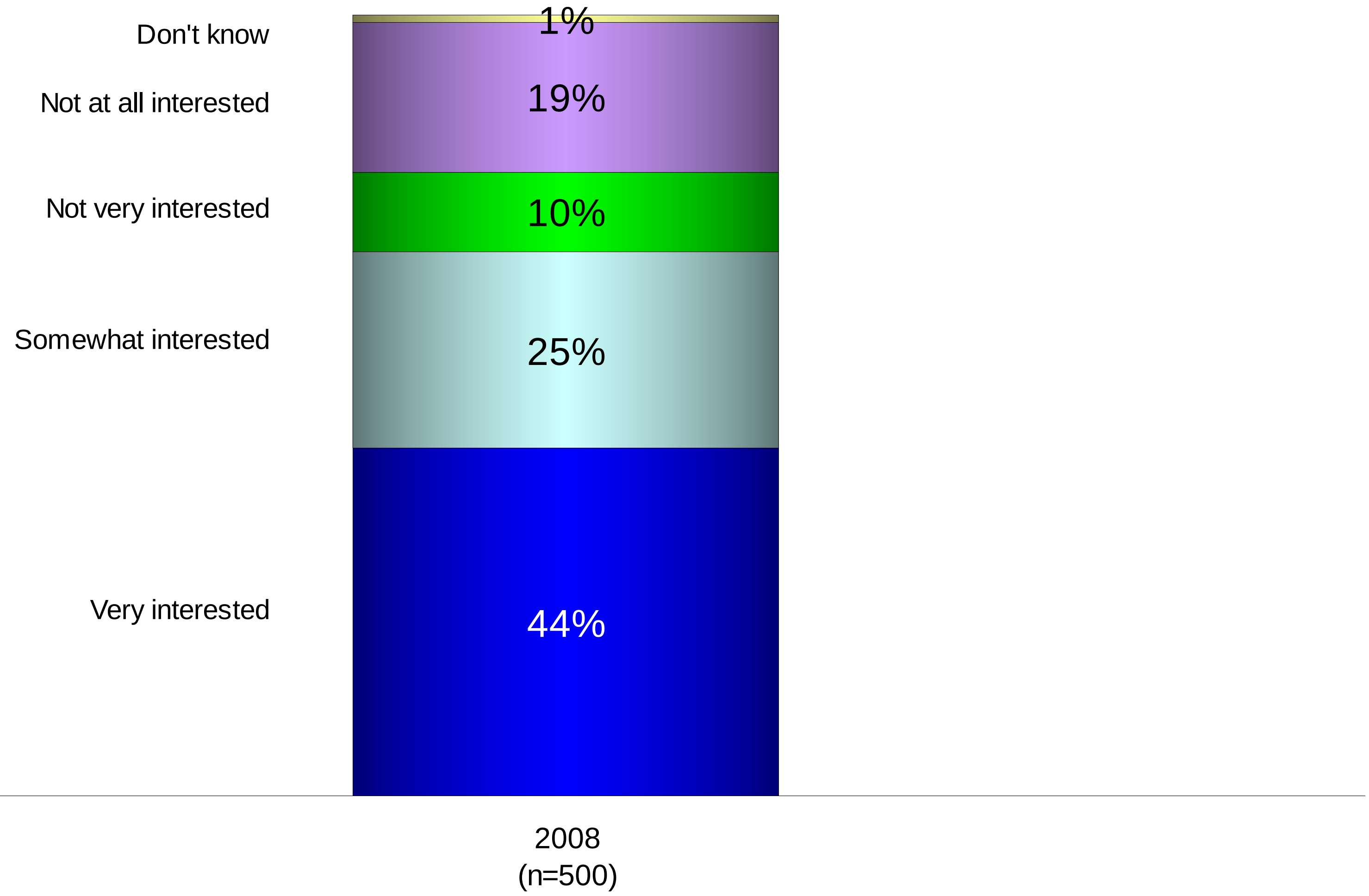
2. Call Centre – Reasons for Overall Ratings

	2008
Base	144
	%
There were helpful/solved the problem	32
They are knowledgeable/informative/answered my question	30
Call was handled quickly/they were efficient	23
They are friendly/polite/easy to work with	8
Problem with billing/mistakes/incorrect rates	7
Not helpful/did not solve the problem	7
Rep not knowledgeable/couldn't answer my question	6
Difficult to talk to a person/slow automated phone system	4
Rep made me feel unimportant/call was not important	3
Other	12
No problem	4
No reason in particular	14

Note: Multiple responses allowed, not all codes listed.

B4. Why did you give that rating?

2. Call Centre – Interest in Automated Call-Back Feature



B5.1 If you were phoning the Terasen Gas call centre, how interested would you be in using an automated call-back feature where you would be given the option to hang up the phone and wait for the next available representative to call you back, in the order that your call was received, instead of waiting on hold? Would you be…

2. Call Centre – Reasons for Overall Ratings

	2008
Base	497
	%
No time wasted on hold/can work/do other jobs	51
I need to talk to a person immediately/no time to wait/I call at my convenience	16
May call back at a bad time/I may not be available/I am difficult to reach	13
Don't believe they will call back/Have had bad experiences with other companies	5
Does not tie up the phone line	5
Don't like automated phone systems/they are impersonal	5
It is an easier method if reaching a person/I know someone will call back	4
Depends how quickly they will return the call/I do not want to wait long for a call-back	2
Do not call Terasen/the Call Centre very often	1
Have used it before and it works well	1
I would rather wait/can put them on speaker phone/multi-task	1
Depends on the importance of the call	1
Other	4
No reason in particular	3

Note: Multiple responses allowed.

B5. Why are you <answer from B5.1> in the automated call-back feature?

3. Meter Exchanges/New Services Summary

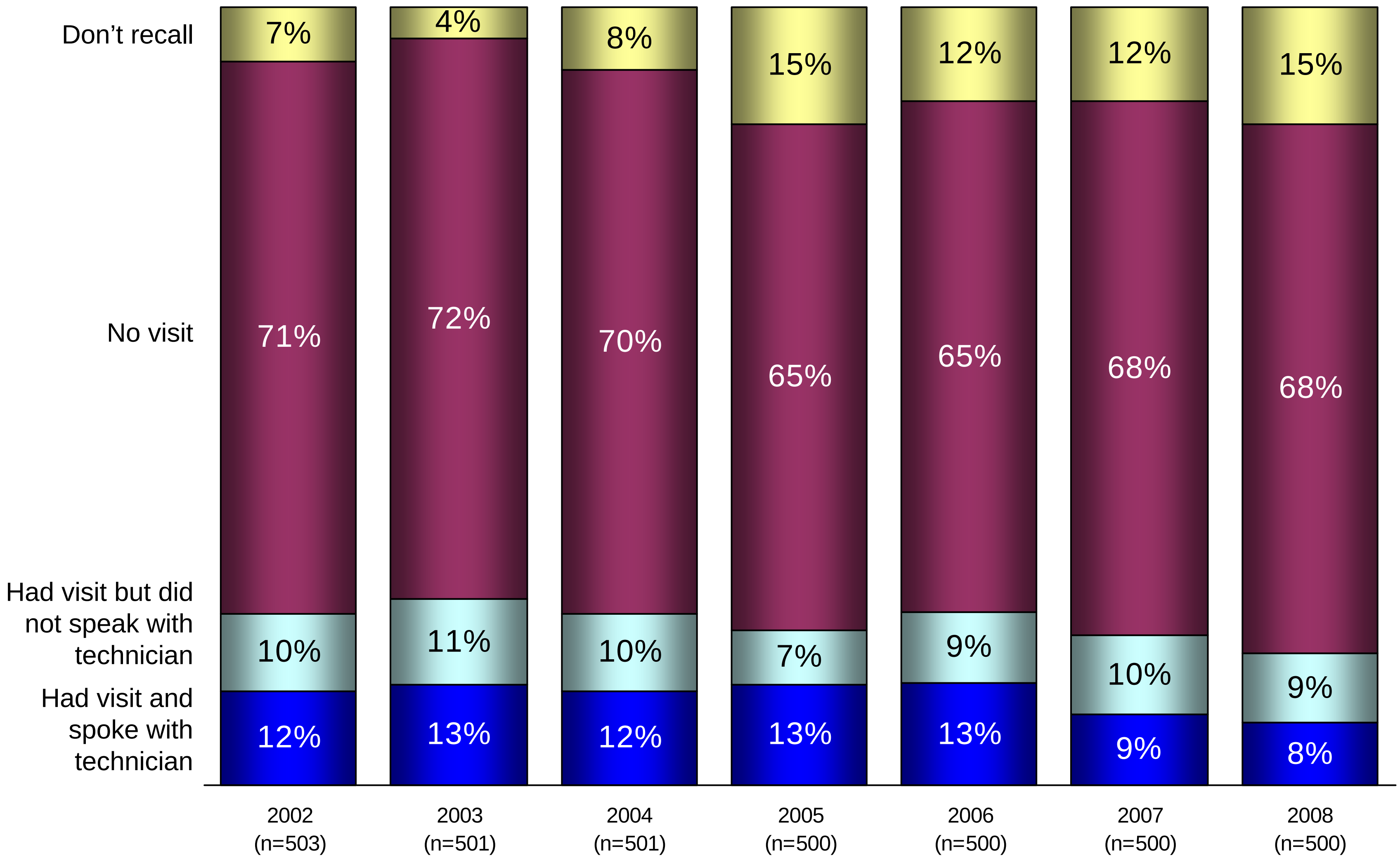
- Less than one in five (17%) small commercial customers said they had a Terasen Gas representative visit their place of business in the past two years, about half of whom (8%) actually spoke with a service technician. These levels are consistent with those from a year ago, however both measures are below the levels recorded from 2002 to 2006. Customers on the Island are somewhat more likely to have spoken with a service technician (15% vs. 7% on the Coast and Interior).

- In line with previous years, 87% rate the overall quality of service they received from the service technician as excellent or good.

- Also consistent with prior years, service technicians are rated highly for their ability to answer questions (87%), understanding of customers' business requirements (79%) and for visiting the customers' business at a time that is convenient for them (70%).

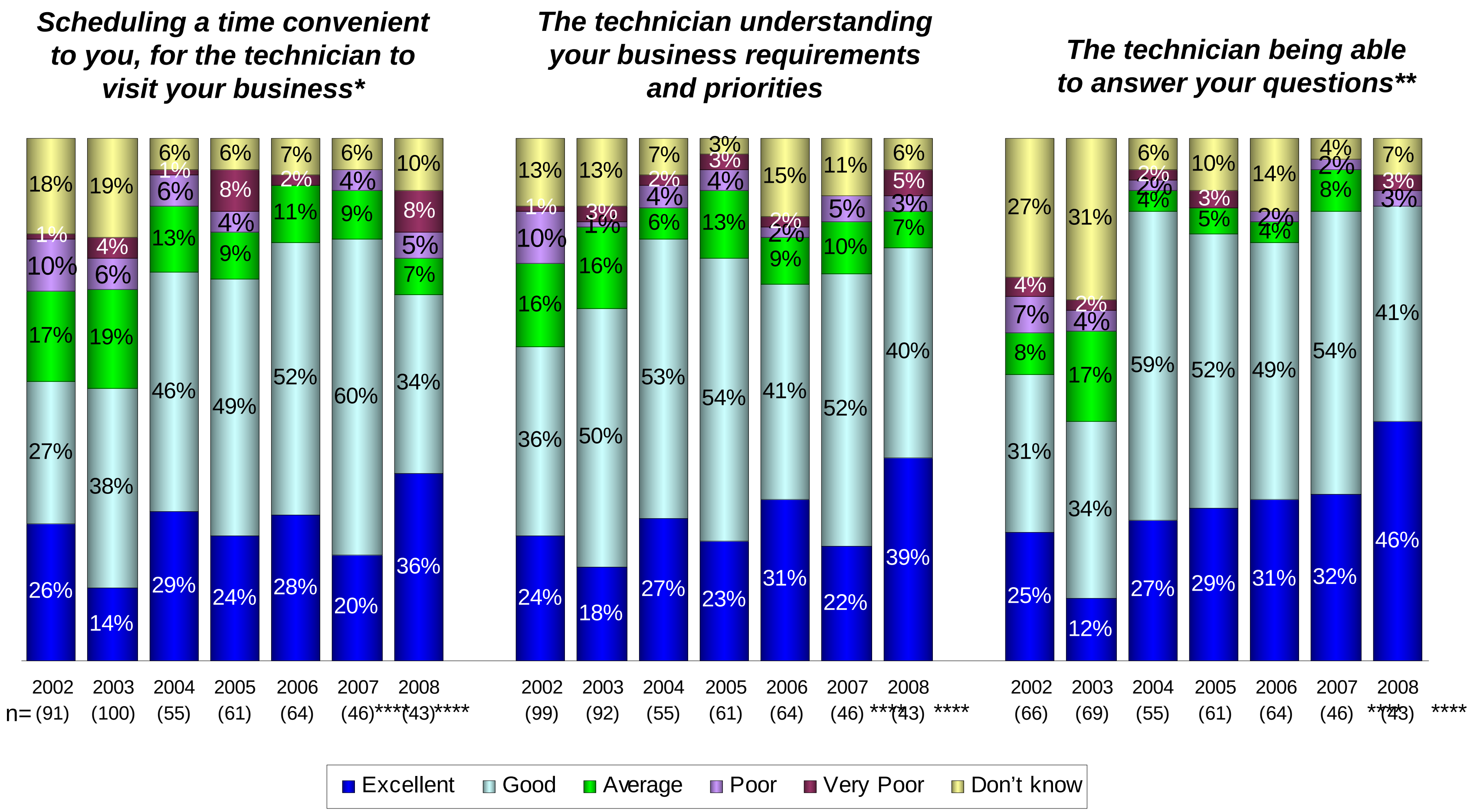
- Getting the job done and being professional is the most common reason given for assigning a positive rating to the overall quality of service provided by a Service Technician (38%). Being quick and efficient (17%), knowledgeable and able to answer questions (13%), unobtrusive (12%), and getting to the customer's location right away (10%) also contribute to positive overall ratings.

3. Meter Exchanges/New Services – Contact



C1. In the past 2 years, has a Terasen Gas representative visited your place of business to conduct a gas meter exchange or meter test or to install any new services?
C2. With respect to this visit, did you speak to a Terasen Gas Service Technician?

3. Meter Exchanges/New Services – Attribute Ratings



(n = those who had an on-site visit)***

* Prior to 2004, question read "Allowing you to schedule a specific time, to the nearest hour, for the technician to visit your business".
** Prior to 2004, question read "The Technician being able to answer questions about other Terasen Gas products and services".
*** Prior to 2004, asked among those who had an on-site visit and rated a particular attribute as important. Since 2004, asked among those who had an on-site visit and had contact with the service technician.
**** Caution: small base size.

C3. How well would you say Terasen Gas is doing on the following with respect to on-site visits for meter exchanges or new service installations. Would you say … ?

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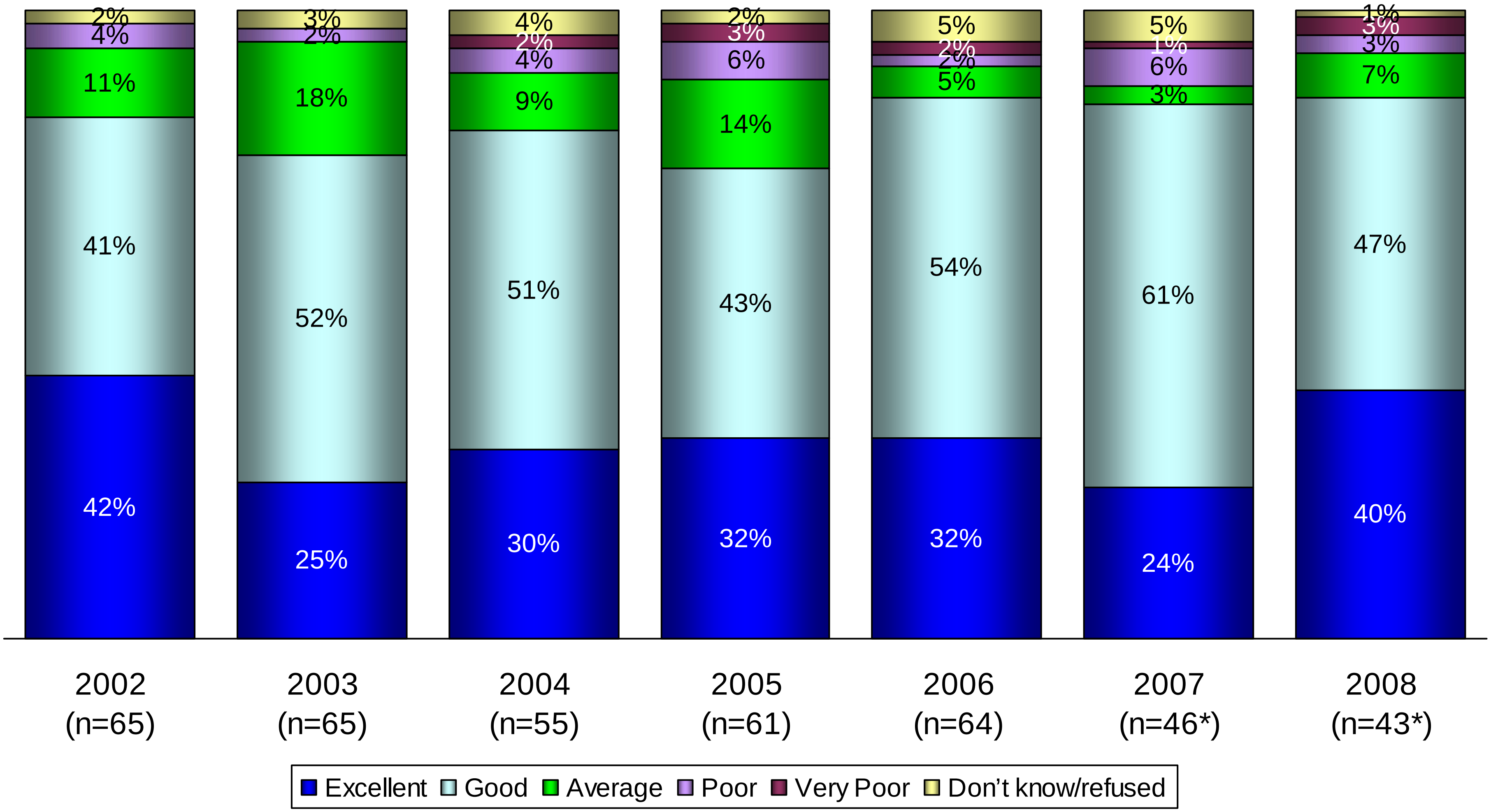
3. Meter Exchanges/New Services – Overall Rating



(n= those who had an on-site visit and spoke with the technician)

* Caution: small base size.

C4. Thinking of the most recent contact you had with a Terasen Gas Service Technician at your place of business, overall, how would you rate the quality of the service they provided? Would you say … ?

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3. Meter Exchanges/New Services – Reasons for Overall Ratings

	2008
Base	38*
	%
They did their job/what needed to be done/were professional	38
Were quick/efficient	17
Knowledgeable/able to answer questions	13
Unobtrusive/I barely knew they were there	12
They came right away	10
Were friendly/courteous	9
Showed up on time	6
Be friendly/courteous	3
They did not respect my property/left a mess/didn't clean up after themselves	3
They did not want to do the work	3
Other	9
Nothing in particular/don't know	24

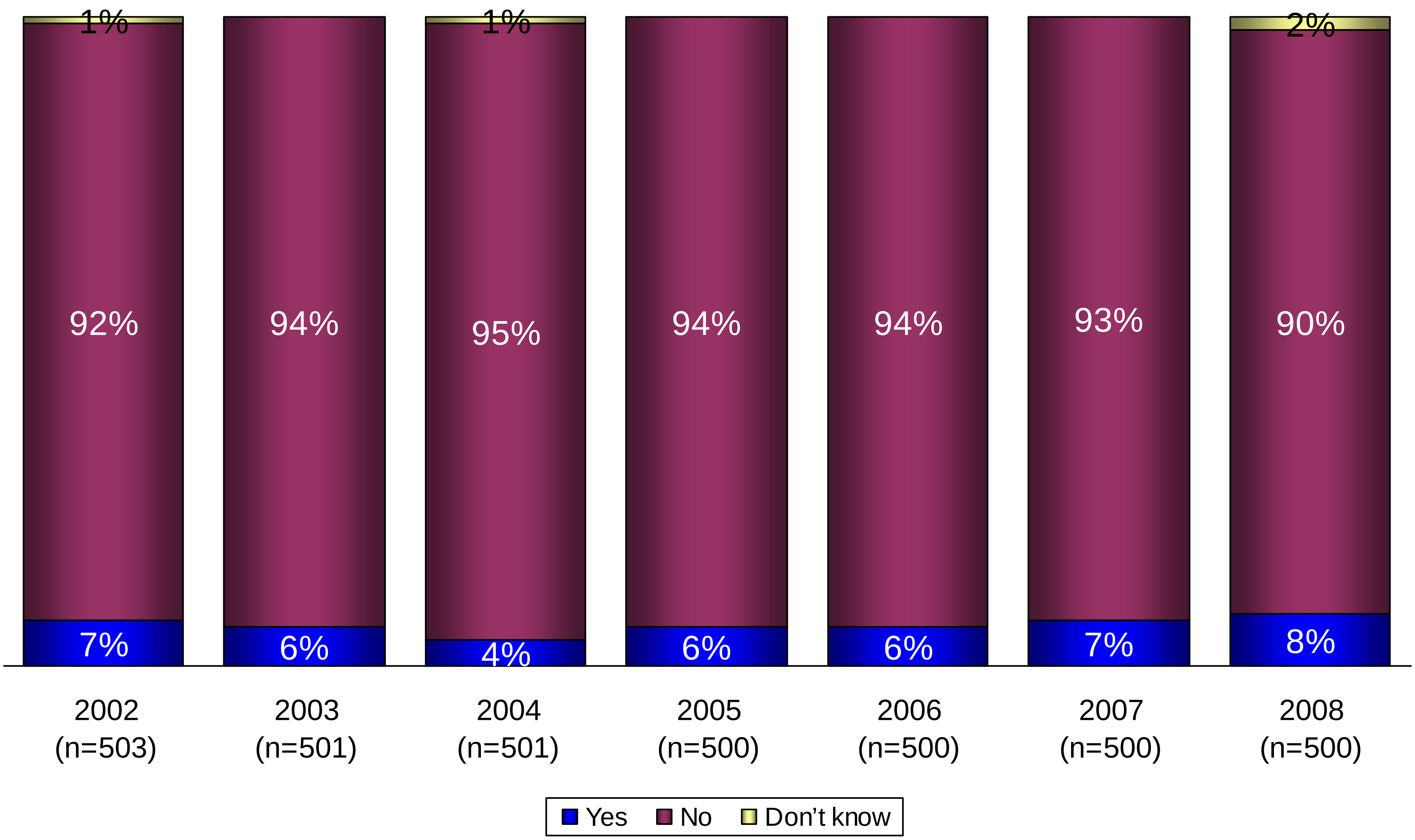
* Caution: small base size.
Note: Multiple responses allowed, not all codes listed.

C5. Why did you give that rating?

4. Emergency Calls Summary

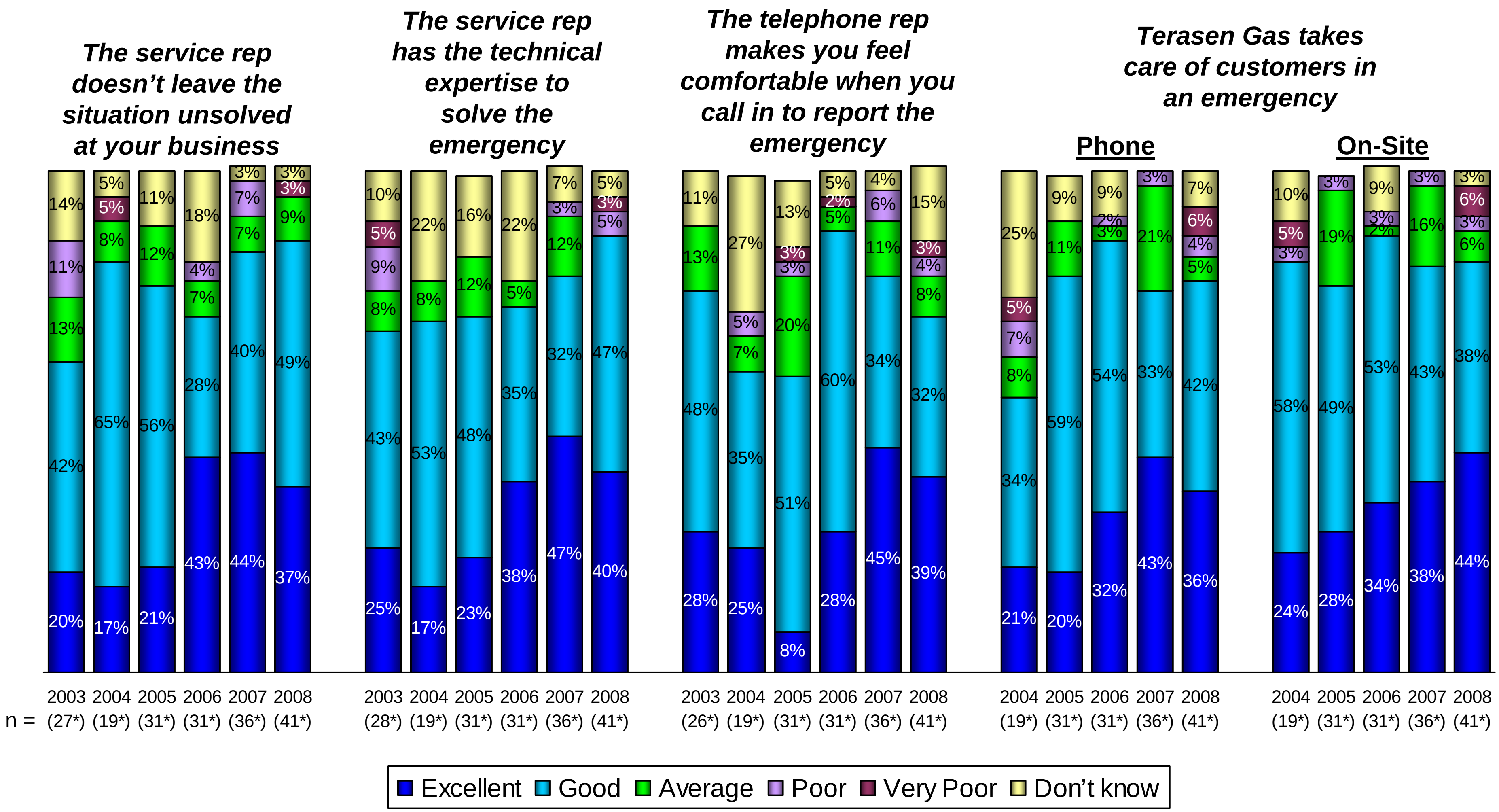
- Few (8%) small commercial customers have had to make an emergency call to Terasen Gas to report a gas smell, leak or other emergency, consistent with previous years.
- Among customers who made an emergency call, 85% rate the overall service they received as excellent or good, also in line with previous years.
- A large majority of customers continue to give positive ratings for specific attributes of emergency call handling, including the service reps not leaving the situation unresolved (85%) and having the technical expertise to solve the emergency (87%) and the telephone reps making customers feel comfortable when reporting an emergency (71%). Terasen Gas is also highly rated for taking care of customers during an emergency, both over the phone (78%) and on-site (82%).
- Among customers who provided positive ratings for the way their emergency call was handled, the main reasons for doing so are the technicians arriving quickly (39%), doing what was needed and being professional (21%), being informative and giving instructions (19%), being efficient and quick (14%), and taking the situation seriously (12%). Those who gave less than “good” ratings indicated that staff took too long to respond (6%), said it wasn’t their problem (5%), or were rude (3%).

4. Emergency Calls – Contact



D1. In the past year, have you made an emergency call to Terasen Gas to report a gas smell, leak or other emergency?

4. Emergency Calls – Attribute Ratings



(n= those who made an emergency call **)

* Caution: small base size.

** Prior to 2004, asked among those who made an emergency call and rated a particular attribute as important.

D2. How well would you say Terasen Gas is doing in terms of the following with respect to emergency calls? Would you say…?

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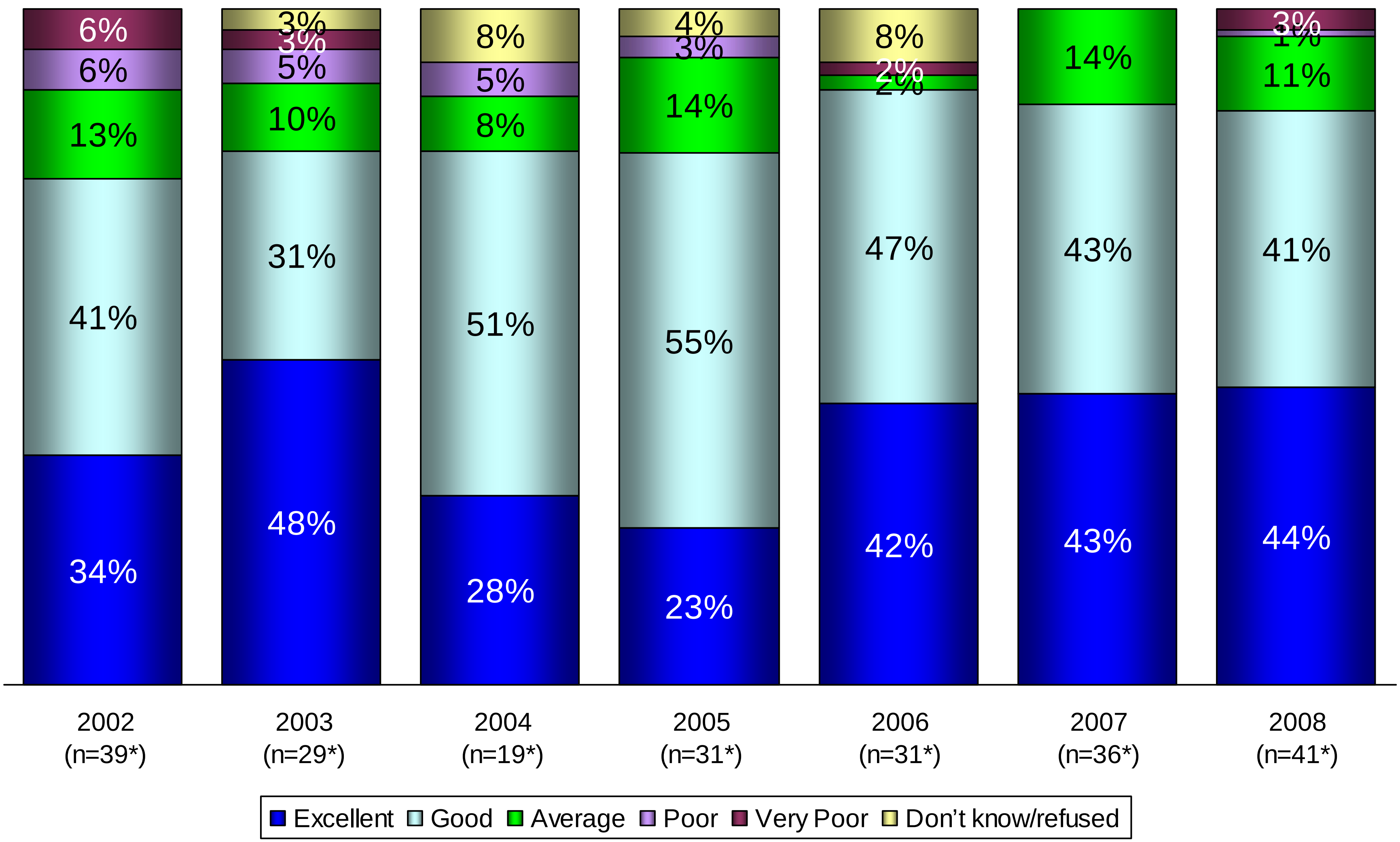
4. Emergency Calls – Overall Rating



(n= those who made an emergency call)
*Caution: small base size.

D3. Overall, how would you rate the way in which your emergency call was handled?
Would you say it was … ?

4. Emergency Calls – Reasons for Overall Ratings

	2008
Base	41*
	%
Arrived quickly/Sent someone immediately	39
They did their job/what needed to be done/were professional	21
They were informative/gave instructions	19
They were efficient/did the work quickly	14
Showed concern/took it seriously	12
They took too long to respond/get to emergency site	6
They said it wasn't their problem	5
They were rude	3
They answered the phone right away	1
Other	13
No reason in particular	17

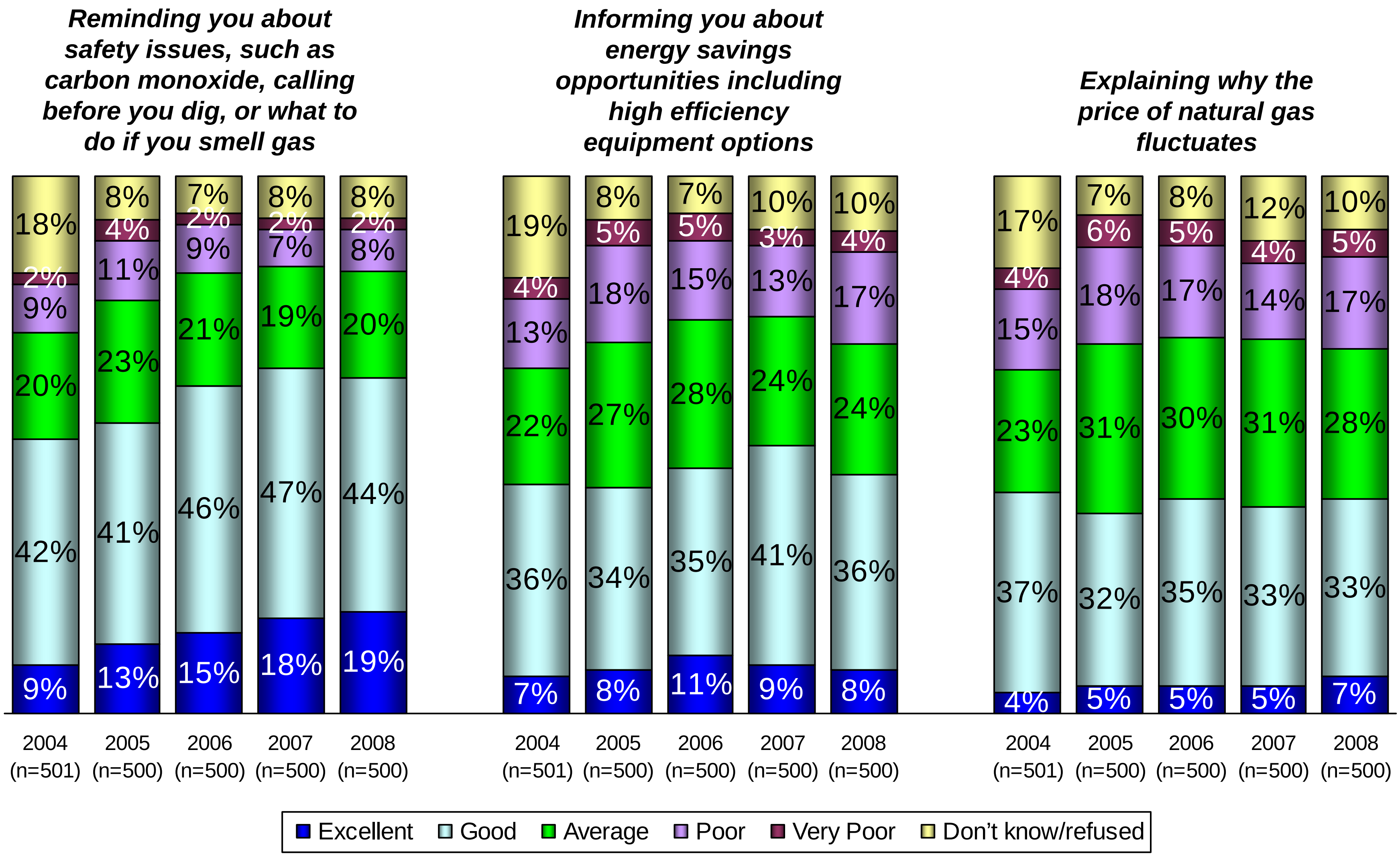
* Caution: small base size.
Note: Multiple responses allowed.

D4. Why did you give that rating?

5. Terasen Gas Communications Summary

- About half (52%) of small commercial customers rate the job Terasen Gas is doing on communicating with its commercial customers excellent or good, in line with historical trends. However, Island customers remain less likely to give positive ratings (46% vs. 53% of Coastal and Interior customers).
- Nearly two-thirds (63%) of small commercial customers rate Terasen Gas positively for communications reminding them about safety issues, unchanged since 2006. Island customers appear to be less satisfied with safety communications from Terasen Gas (52% vs. 63% of Coastal and Interior customers).
- Ratings continue to be much lower for informing customers about energy savings opportunities (44%) and explaining why natural gas prices fluctuate (40%). Island customers are again less likely to assign positive ratings to these two types of communications than are Coastal and Interior customers (28% vs. 46% and 24% vs. 42%, respectively).
- Similar to previous years, few (21%) customers suggest other types of information they would like Terasen Gas to provide that they are not already providing. Price or cost related information is mentioned by a small minority of customers (e.g. more ways to lower energy costs, information about gas pricing and/or billing, and advance notice of price fluctuations).
- The main source of dissatisfaction with Terasen Gas communications continues to be a perceived lack of it (mentioned by 18%). Contributing to satisfaction with Terasen Gas communications is information received via pamphlets or newsletters (11%) and easily obtaining information that is needed (10%).

5. Terasen Gas Communications – Information Types



E1-3. Now I will list some types of information that Terasen Gas communicates to its commercial customers. For each one, I'd like you to tell me how well Terasen Gas is doing in terms of providing this information to you. Would you say … ?

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5. Terasen Gas Communications – Information Requests

	2002	2003	2004	2005	2006	2007	2008
Base	503	501	501	500	500	500	500
	%	%	%	%	%	%	%
More ways to save energy/energy costs	4	3	6	5	4	5	7
Information about gas pricing	1	3	3	1	2	3	2
Information about billing/meter reading/charges	5	2	3	4	2	2	2
Information about other suppliers/ resellers/deregulation	-	-	3	3	1	2	2
Advance notice of price fluctuations	3	1	1	3	1	2	2
More safety information	-	1	3	3	1	1	2
Information about rate packages/bulk discounts	2	1	2	3	1	1	1
Information about equipment maintenance	1	-	1	-	1	1	1
Information about my energy usage	1	1	1	1	-	1	1
Make it easier to get info/have knowledgeable staff/ better phone system	1	-	1	3	-	-	1
Would like personal visit/more contact	-	-	2	1	-	-	1
Location of the gas lines/local service issues	-	-	1	-	-	-	1
Information about Terasen/company direction	-	-	-	1	1	-	-
Other	3	1	3	1	1	1	3
No, nothing	80	86	75	71	76	78	75
Don't know/refused	2	1	-	6	6	6	4

Note: Multiple responses allowed

E4. Is there any type of information that you think Terasen Gas should provide to its commercial customers that it is not currently providing?

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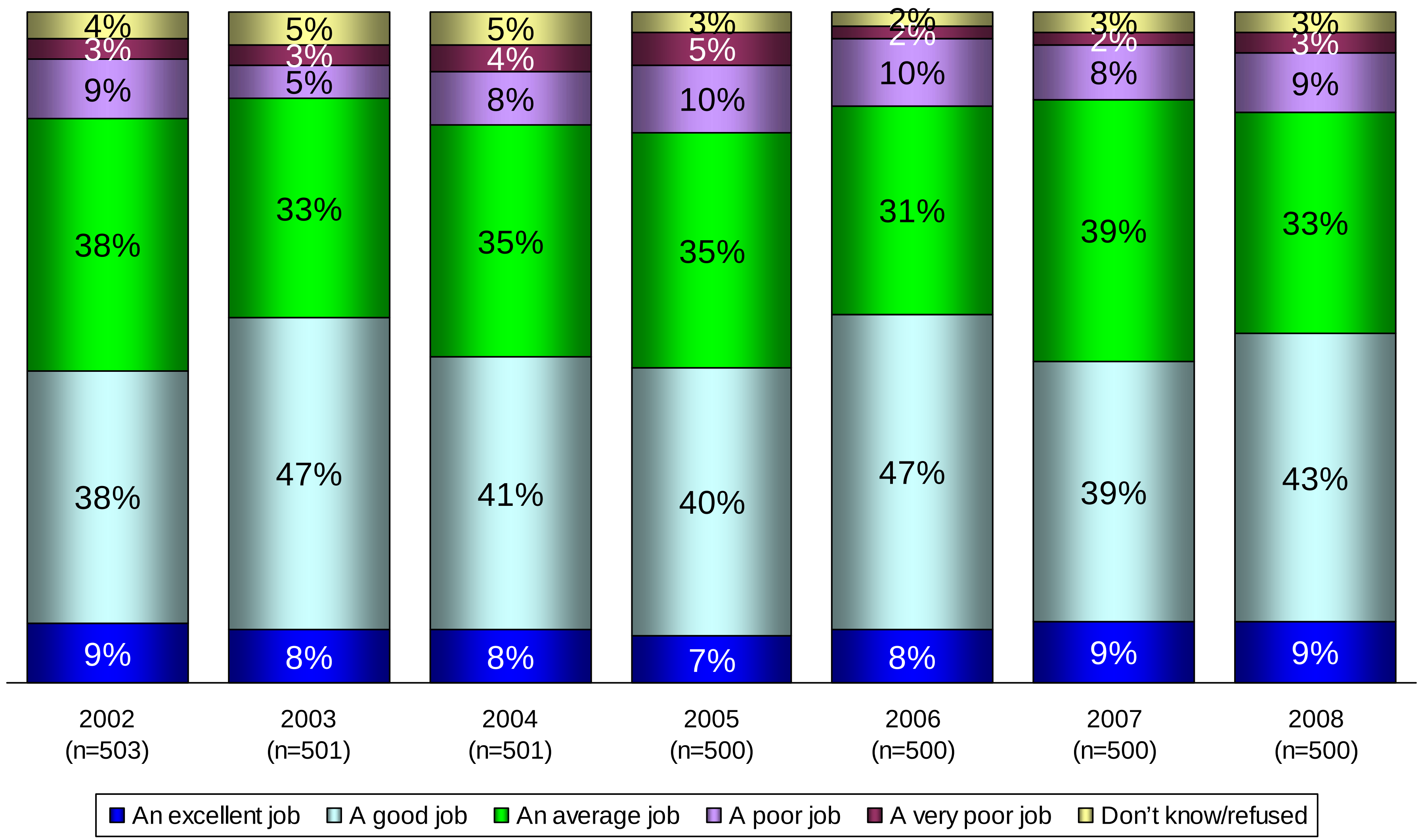
5. Terasen Gas Communications – Overall Rating



E6. Overall, how good a job do you think Terasen Gas is doing on communicating with its commercial customers? Would you say they are doing … ?

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5. Terasen Gas Communications – Reasons for Overall Rating

	2008
Base	485
	%
They don’t communicate with us/never hear from them	18
Receive information/pamphlets/newsletter	11
Get the information needed/Information is easy to obtain	10
No problem/Good service (general)	6
Only receive pamphlets/bill stuffers/Insufficient info	5
They are helpful/provide information when I call	4
Saw/Heard advertising/media releases (general)	4
Don’t want/need communication	3
Need more information about pricing/fluctuations	2
Good contact/they phone me	2
Other	11
Nothing in particular	30
Don’t know	2

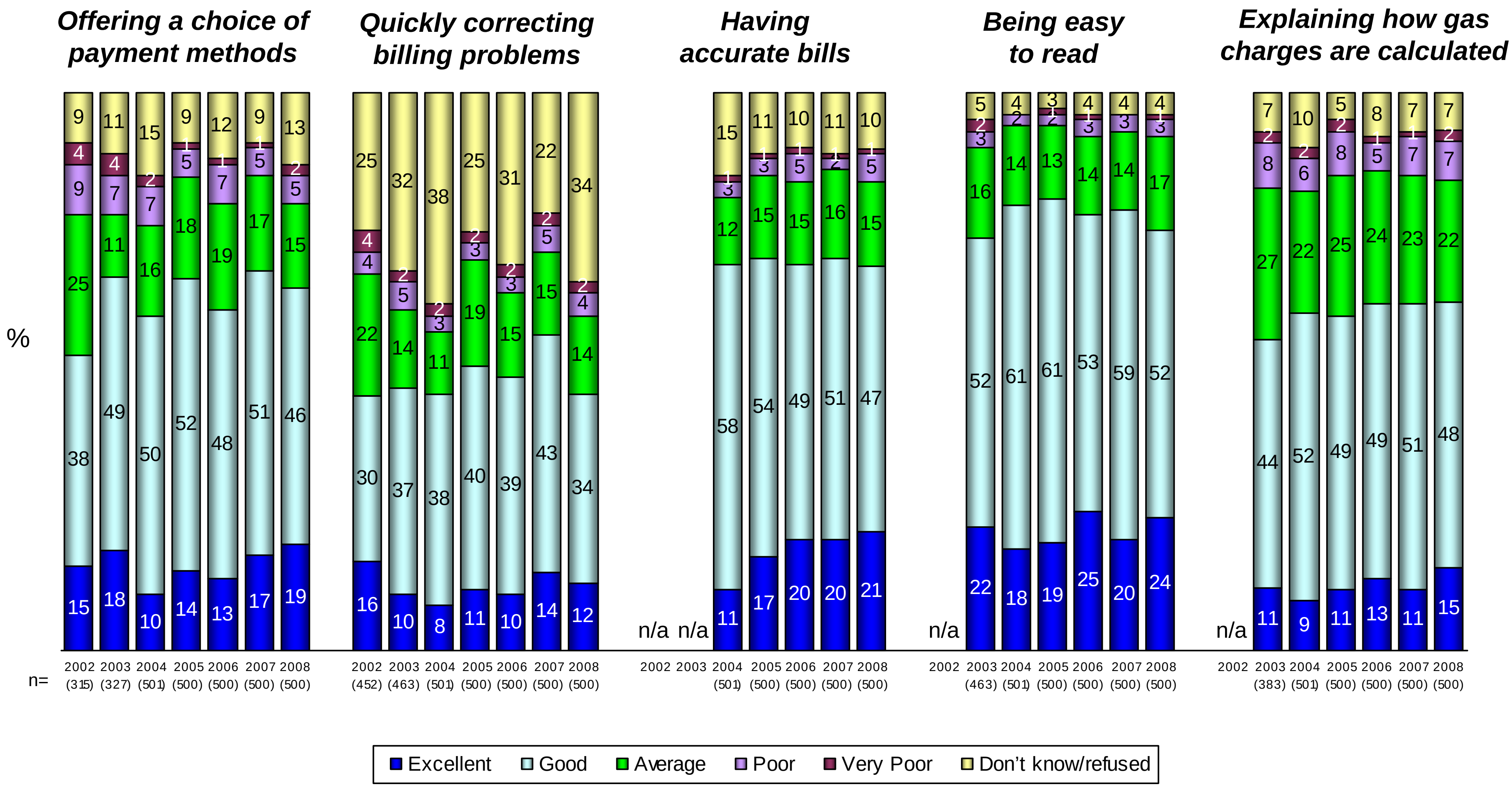
Note: Multiple responses allowed, not all codes listed.

E7. Why did you give that rating?

6. Billing Summary

- The overall rating of Terasen Gas bills and billing process has remained stable since 2003, with 72% of small commercial customers giving positive ratings of excellent or good in 2008.
- Consistent with previous waves, approximately two thirds of small commercial customers consider Terasen Gas bills easy to read (76%) and accurate (68%) and give Terasen Gas positive ratings for offering a choice of payment methods (65%) and explaining how gas charges are calculated (63%). However, Island customers are less satisfied with the choice of payment methods offered (58% vs. 70% of Interior customers), whereas Interior customers tend to be less satisfied with explanations of how gas charges are calculated (56% vs. 67% of Coastal customers).
- The promptness with which billing problems are corrected continues to be the lowest rating billing attribute. Currently, only 46% of customers rate this attribute positively, an 11-point drop from last year and more in line with historical levels. This drop reflects an increasing proportion of "don't know" responses rather than an actual decline in performance as the percentage of other responses (i.e. average or negative) has not changed.
- Bills that are clear and easy to read (25%) and not experiencing a billing problem (22%) contribute to positive ratings of overall billing, while bills that are perceived to be hard to read or understand (4%), not based on usage (3%), or inaccurate (2%), as well as taking too long to correct errors (2%), all contribute to negative ratings of overall billing.

6. Billing – Attribute Ratings



(Prior to 2004, asked amongst those who rated a particular attribute as important)

F1. I will now read you a list of statements about Terasen Gas' billing process and I'd like you to tell me how well you think Terasen Gas is doing on each one? Would you say … ?

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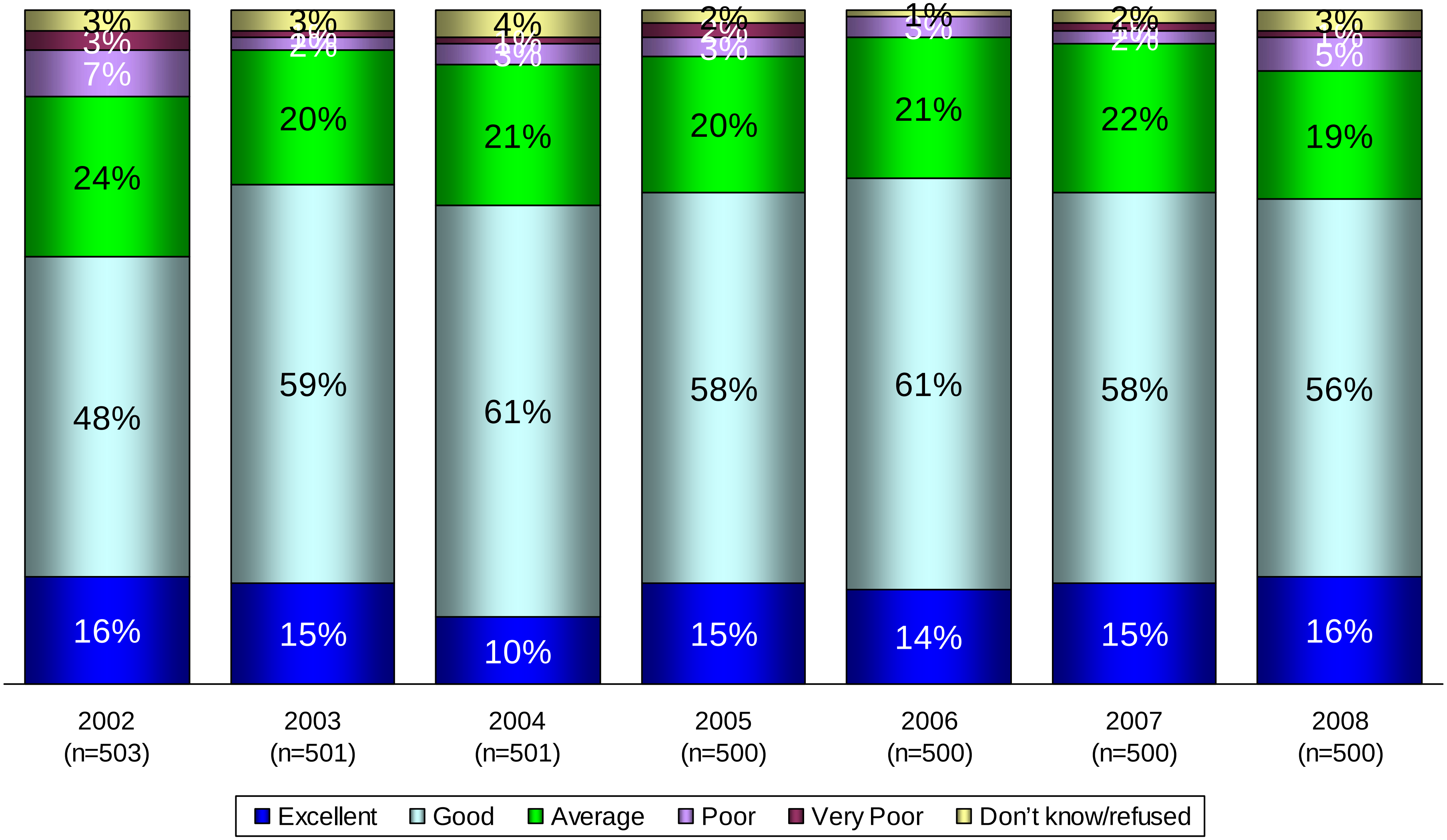
6. Billing – Overall Rating



F2. Overall, how would you rate Terasen Gas' bills and billing process? Would you say it is … ?

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6. Billing – Reasons for Overall Ratings

	2008
Base	483
	%
Easy to read/clear	25
I haven't had any problems/mistakes	22
Bills come on time	8
I like the payment options/billing methods	4
Don't understand it/hard to read	4
Bills are based on estimates/not usage	3
Takes a long time to correct an error	2
If there is a mistake on the bill they correct it	2
Bills are wrong	2
Like comparative usage/rolling average	2
Other	7
Nothing in particular	33
Don't know/refused	2

Note: Multiple responses allowed, not all codes listed.

F3. Why did you give that rating?

7. Knowledge Of Terasen Gas Summary

- Less than half of small commercial customers (49%) are currently aware that Terasen Gas is an investor-owned corporation, a significant decline from 2006 (58%). At the same time, more customers are now likely to believe Terasen Gas is a crown corporation (22% vs. only 12% in 2006). There is no significant change in the proportion of customers who think Terasen Gas is part of BC Hydro (16%).

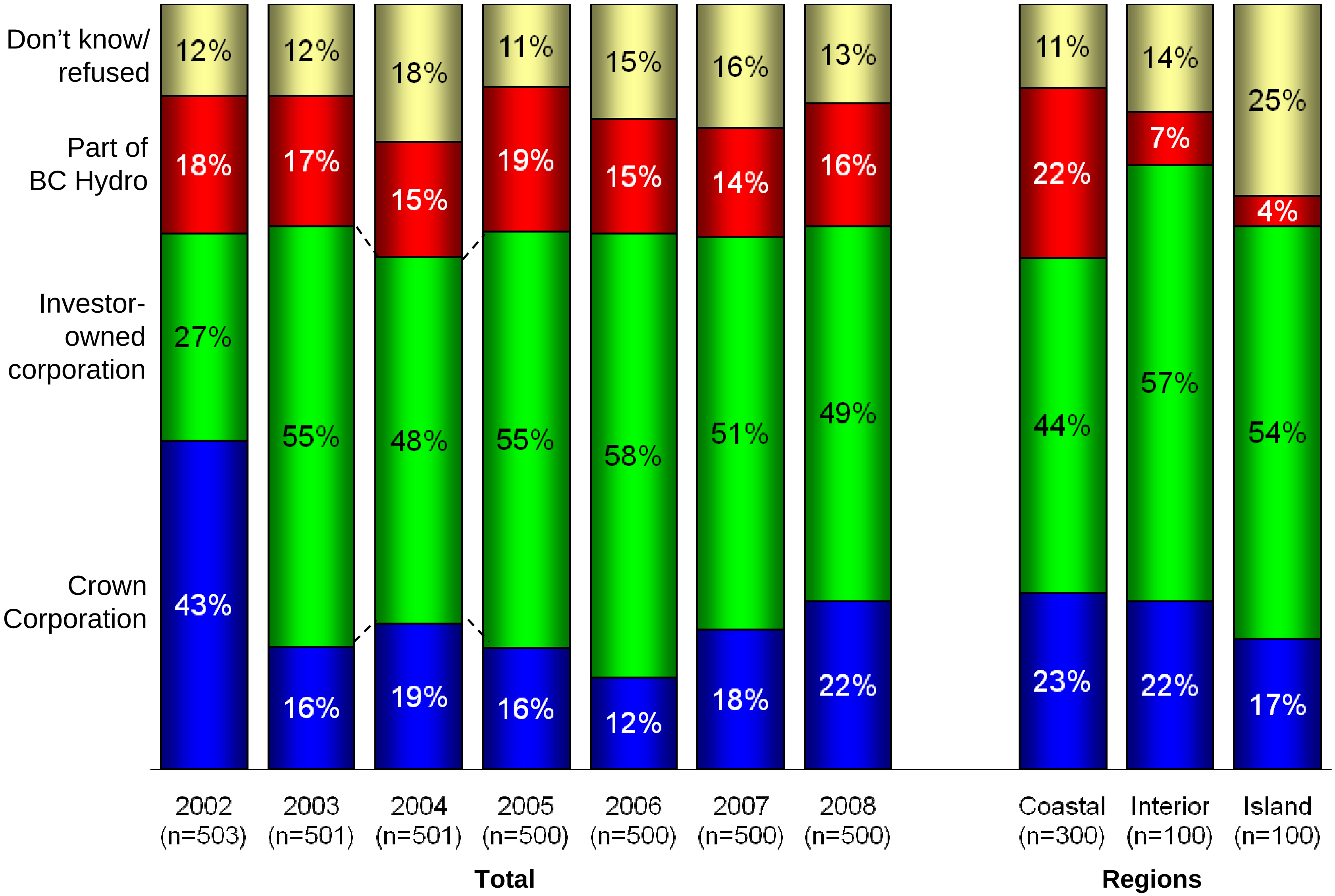
- Coastal customers are the least informed about Terasen Gas ownership, with only 44% being aware that it is investor-owned (vs. 54% of Island and 57% of Interior customers) and 22% believing it is part of BC Hydro (vs. 4% of Island and 7% of Interior customers). These differences are possibly due to the legacy of shared billing with BC Hydro in the Lower Mainland which ended in 2002. Island customers are significantly less likely to be aware that Terasen Gas is investor-owned this year (54%) than in 2007 (72%).

- Consistent with previous years, most (95%) small commercial customers are aware that Terasen Gas distributes natural gas to residents and businesses in BC. Four in ten (41%) believe that Terasen Gas is involved in natural gas exploration in BC, continuing a downtrend trend that began in 2005, when it measured 56%.

- A similar downward trend can be seen in the percentage of customers who think that Terasen Gas extracts natural gas from the ground and sells it on the open market. Currently, just over one third (35%) believe this is the case, down from almost half (48%) in 2005.

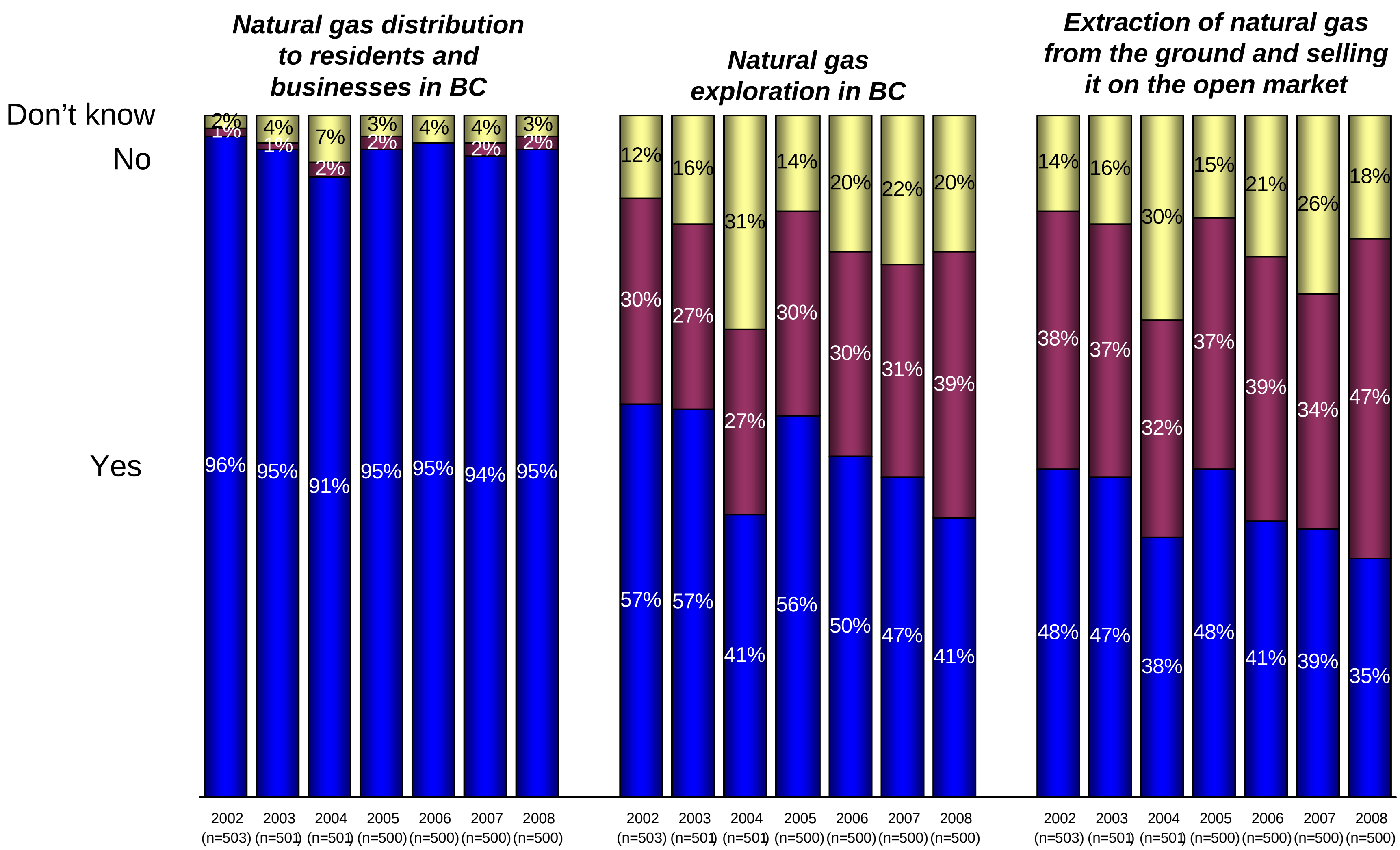
- Almost one quarter (23%) of customers are now aware that the price of natural gas is not marked up for profit, representing an improvement over two years ago (14%). As in 2007, Island customers are far more likely to believe that Terasen Gas profits from marking up the price of natural gas (90% vs. 60% among Coastal and Interior customers).

7. Knowledge Of Terasen Gas – Ownership



G1. As far as you are aware, which of the following best describes Terasen Gas?

7. Knowledge Of Terasen Gas – Activities Involved In



G2. Which of the following activities would you say Terasen Gas is involved in?

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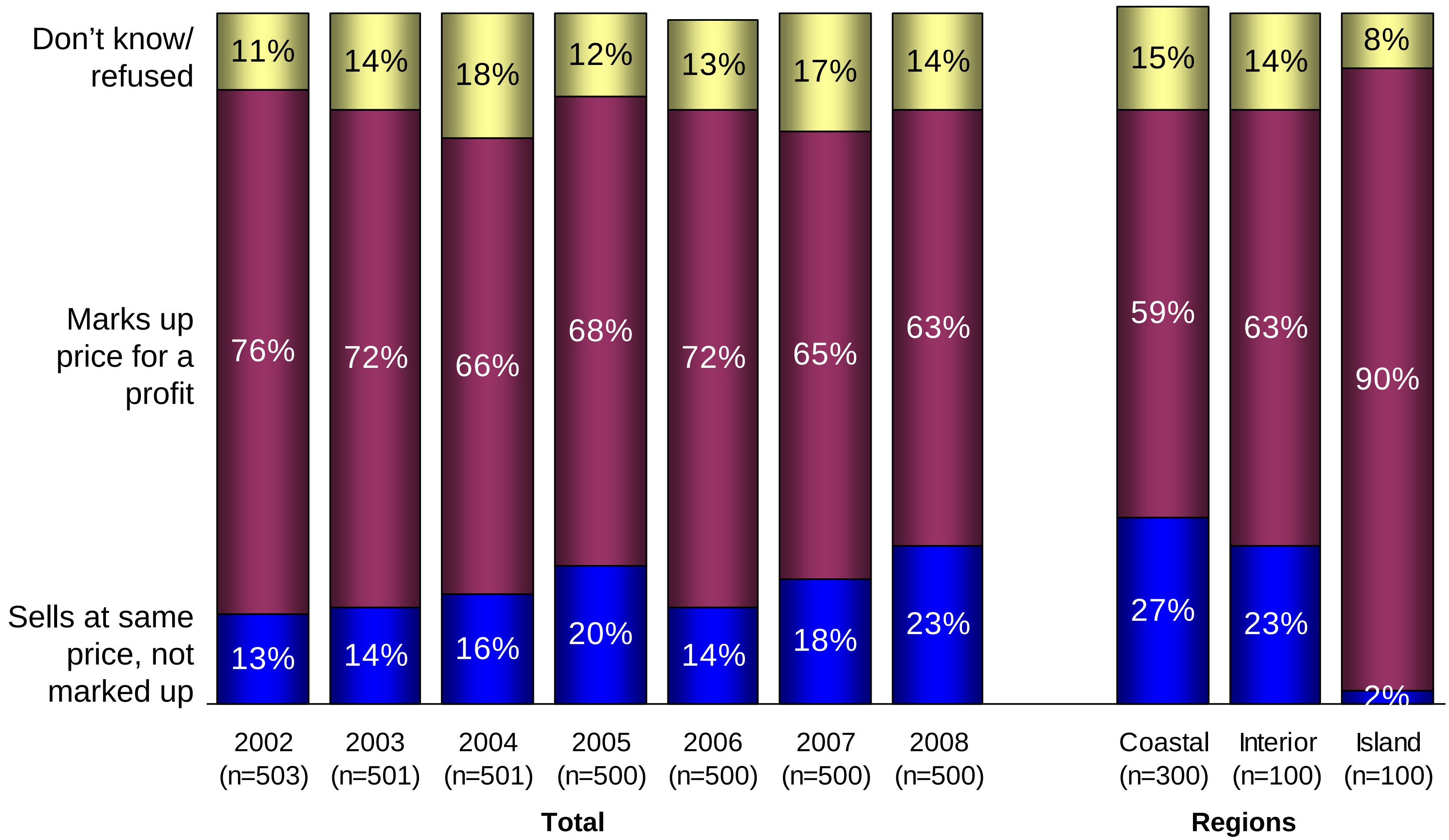
7. Knowledge Of Terasen Gas – Profits On Commodity



G3. Terasen Gas rates include both the natural gas commodity and delivery of natural gas to homes and businesses. Considering the commodity price, that is, the price of the gas itself, does Terasen Gas sell you the natural gas at the same price that it purchases it for, or does Terasen Gas mark up the price of natural gas for a profit?

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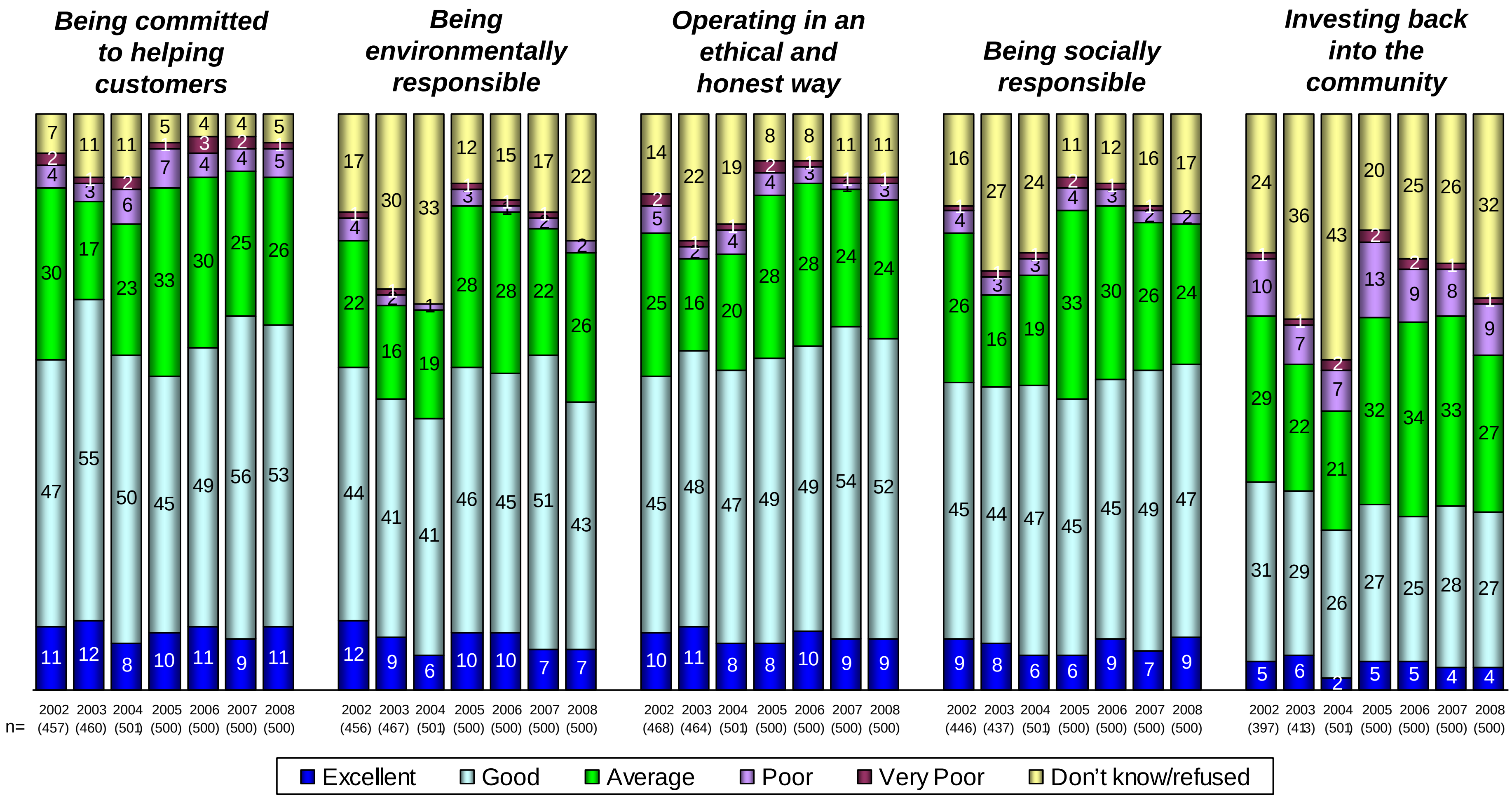
8. Attitudes Towards Terasen Gas Summary

- Currently, about three quarters (74%) of small commercial customers give excellent or good ratings for the overall service provided by Terasen Gas, in line with the past two years. By comparison, only half (51%) continue to rate the overall value provided by Terasen Gas positively. This rating has remained essentially unchanged since 2006.
- Small commercial customers are more likely to rate Terasen Gas positively for being committed to helping customers (64%) and operating in an ethical and honest way (61%) than they are for being socially or environmentally responsible (56% and 50%, respectively). In fact, significantly fewer customers now regard Terasen Gas as environmentally responsible than they did a year ago (50% vs. 58%, respectively).
- Only one in three (31%) customers believe Terasen Gas is investing back into the community, while an equal proportion (32%) are unsure. This continues to be the corporate image attribute that receives the lowest scores and the highest percentage of “don’t know” responses.

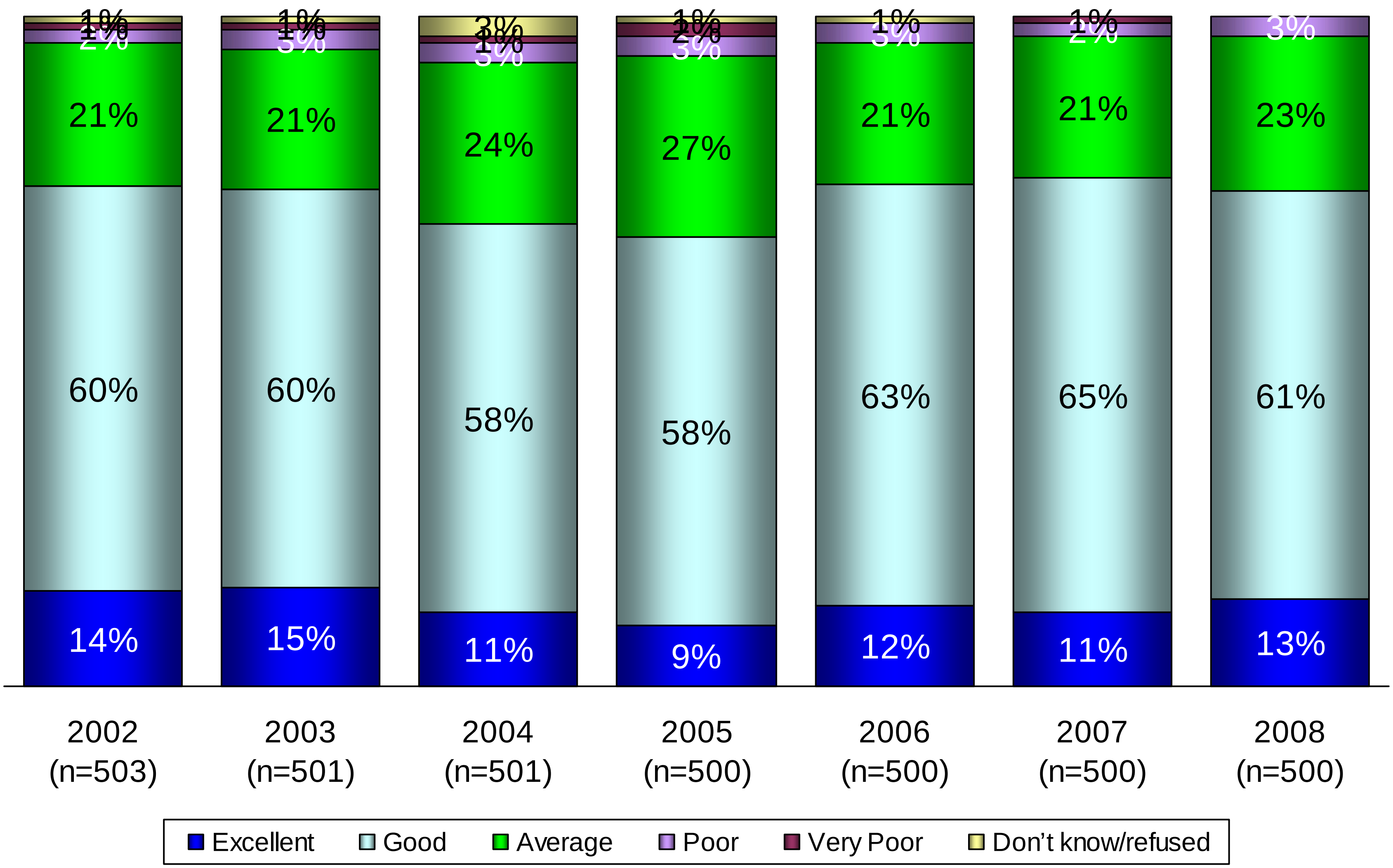
8. Attitudes Towards Terasen Gas – Corporate Image



(Prior to 2004, asked amongst those who rated a particular attribute as important)

G4-8. I will now read you a list of statements about Terasen Gas as a company. Please tell me how well you would say Terasen Gas is doing on each one? Would you say … ?

8. Attitudes Towards Terasen Gas – Overall Service



G9. Taking into consideration your own experiences as well as anything you may have seen or heard, how would you rate the overall quality of services provided by Terasen Gas? Would you say excellent, good, average, poor or very poor?

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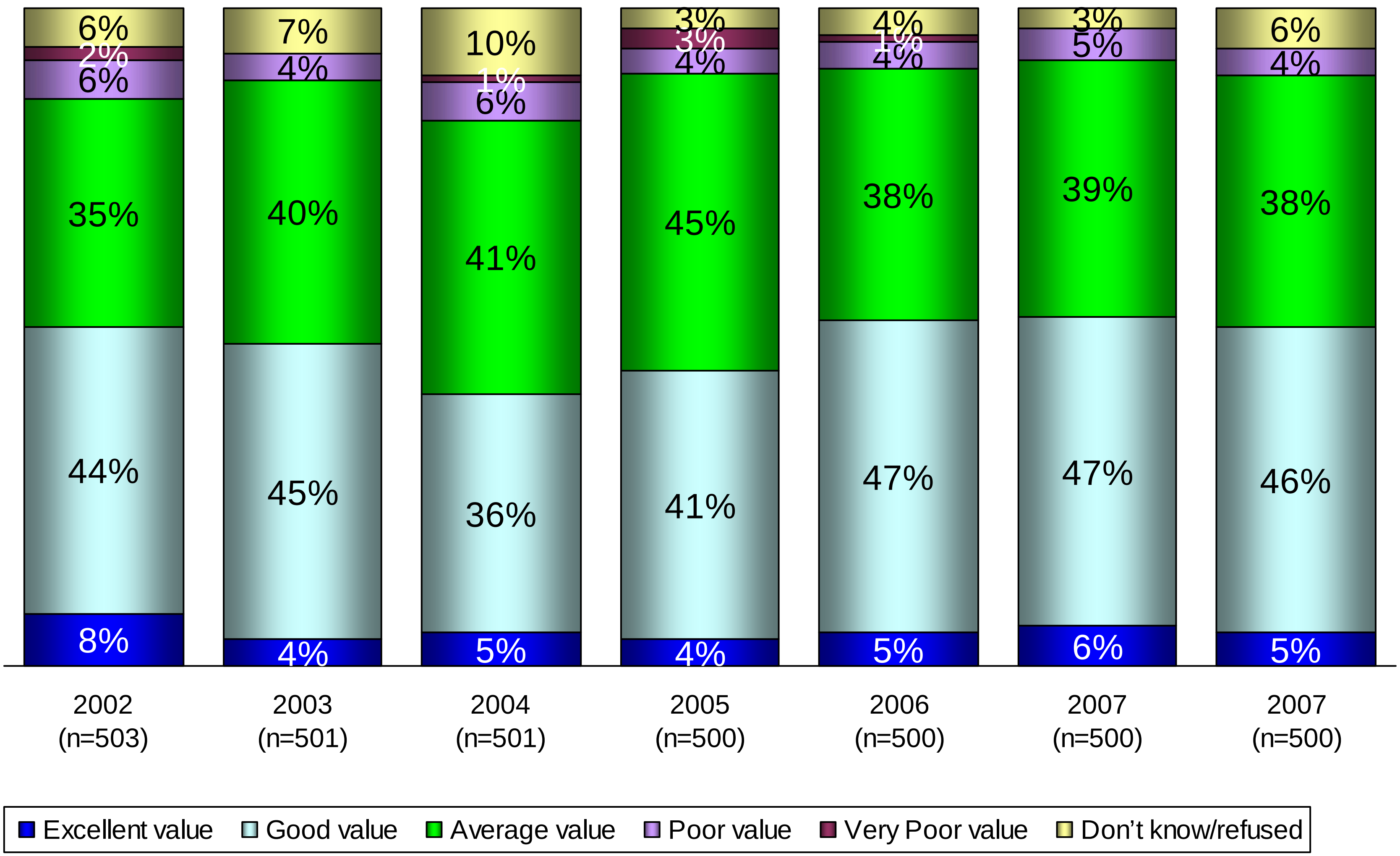
8. Attitudes Towards Terasen Gas – Overall Value



G10. And now considering Terasen Gas' overall quality in relation to the cost of its services, would you say that Terasen Gas offers excellent value, good value, average value, poor value or very poor value?

9. Customer Choice Program Summary (*Coastal/Interior Only*)

- Approximately four years after the launch of the Customer Choice program, 82% of small commercial customers in the Coastal and Interior regions claim to be aware of the program. Levels of awareness have stabilized after steadily increasing between 2005 (66%) and 2007 (83%).
- About one third (34%) of small commercial customers continue to value the program, rating it at least 4 out of 5, while a similar proportion (32%) provide low "value" ratings of 1 or 2 out of 5. "Average" ratings of 3 out of 5 are assigned by 28% of customers.
- The proportion of small commercial customers who have signed on with a marketer has dropped to 17% in 2008 after reaching a high of 23% last year. Participation has now fallen to the level reached in the first year of the program (16%), suggesting that interest in the program might be waning.
- Among customers using a marketer, a substantial majority continue to be at least somewhat satisfied with the service they receive from their supplier (71%) and with other aspects such as educational materials and billing (65%).
- The most common suggestion for improving the program is to provide more information about the marketers (13%) and about pricing (11%). Ensuring that marketers are honest and do not misrepresent themselves as Terasen Gas is also mentioned by some (8%).
- Among customers who have chosen to stay with Terasen Gas, loyalty/familiarity with Terasen Gas (28%) and not wanting to be locked in to a higher price if natural gas prices were to come down (25%) remain the primary disincentives for switching to an alternate supplier. In fact, concerns about being locked into higher prices appear to be greater this year than last (when it was mentioned by only 14%). Secondary disincentives include a perceived lack of savings (14%) and uncertainty regarding the reputation or stability of the alternate suppliers (13%).

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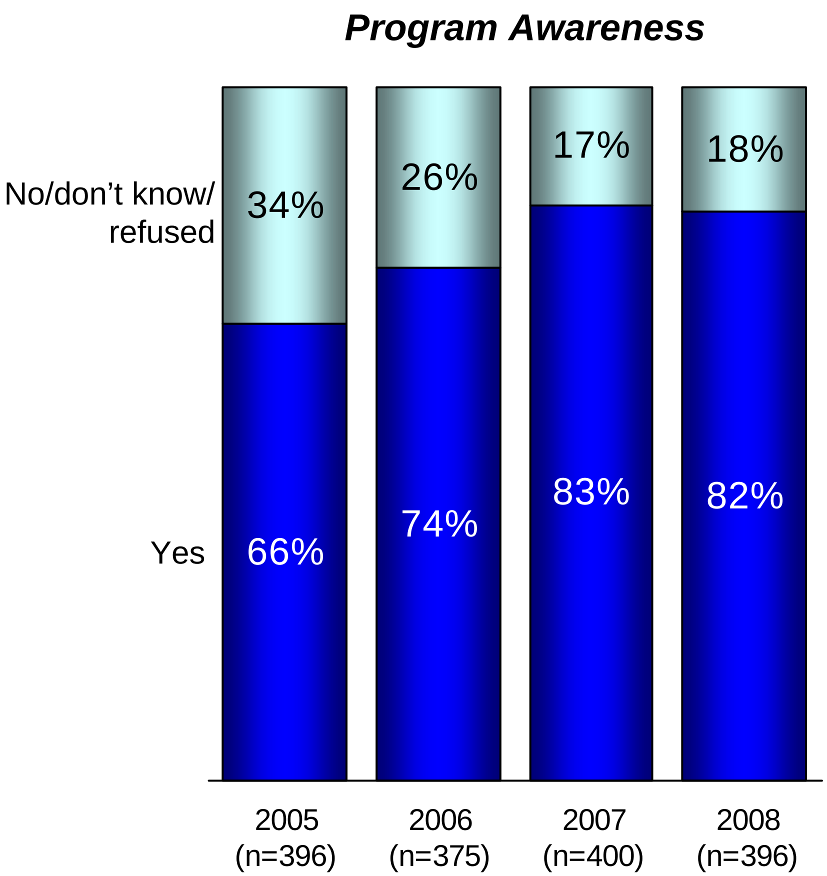
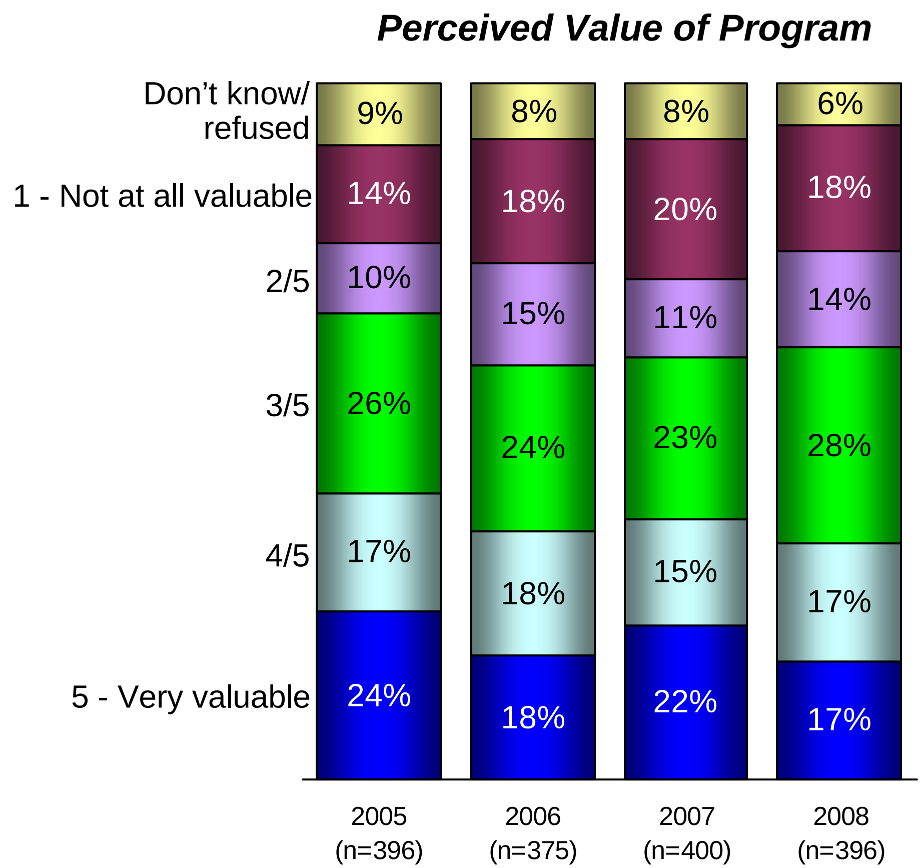
9. Customer Choice Program – Awareness & Value of Program

- Among Customers In Coastal/Interior Regions -

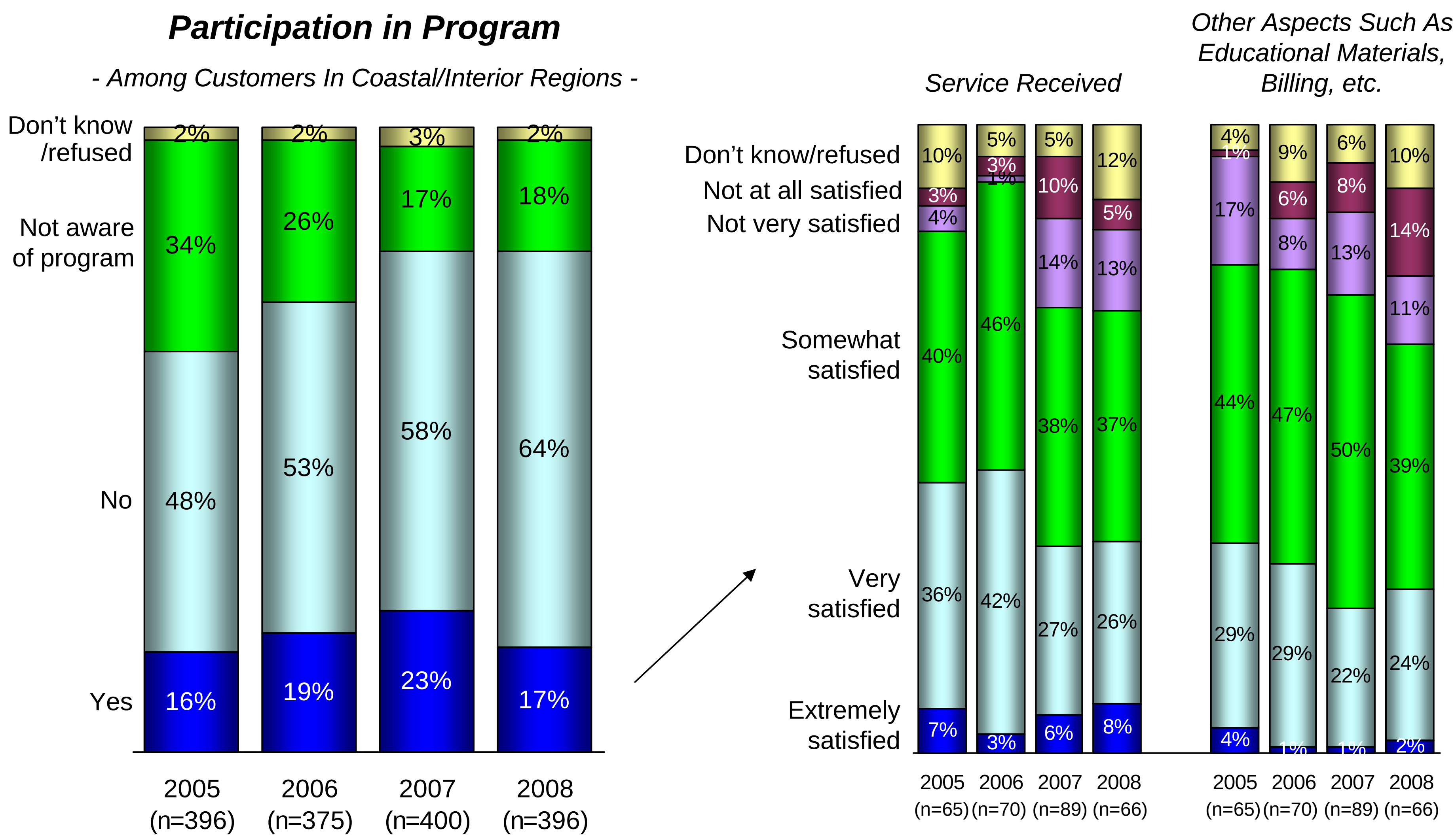




G11. Are you aware of the commodity unbundling program (since 2007: called Customer Choice; prior to 2007: launched in November 2004) that allows commercial customers to purchase their natural gas from whomever they choose: a licensed gas marketer or Terasen Gas? A licensed gas marketer provides customers the ability to lock in their natural gas commodity price for up to 5 years.

G12. How valuable is the (since 2007: Customer Choice; prior to 2007: commodity unbundling) program to you? Please tell me using a 5-point scale where 1 means not at all valuable and 5 means very valuable.

9. Customer Choice Program – Participation & Satisfaction



G13. Has your company signed a contract to purchase natural gas from a supplier other than Terasen Gas?

G14a. How satisfied are you with the (2007: Customer Choice; prior to 2007: commodity unbundling) program, in terms of the service you receive from your gas marketer? Are you … ?

G14b. How satisfied are you with the (2007: Customer Choice; prior to 2007: commodity unbundling) program, in terms of other aspects such as educational materials on the program, billing, et cetera? Are you … ?

9. Customer Choice Program – Suggested Improvements

	2005	2006	2007	2008
Base (Among Coastal/Interior program participants)	65	70	89	66
	%	%	%	%
Provide more information about providers/marketers	21	7	21	13
More information about pricing/Price breakdown	-	-	-	11
Ensure that marketers are honest/that they do not represent Terasen Gas	-	-	-	8
Reduce pricing	6	16	8	6
Do not want to be approached by marketers/ They are pushy/dishonest	-	-	-	5
More information about terminating/changing the contract	-	-	-	5
Change the contract length	4	4	2	3
Show savings	4	3	5	2
Other	9	14	21	6
Nothing	32	36	41	44
Don’t know/refused	19	19	8	11

Note: Multiple responses allowed.

G15. What, if anything, would you change about the (2007: Customer Choice; prior to 2007: commodity unbundling) program to improve it?

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9. Customer Choice Program – Reasons for Staying with Terasen Gas

	2005	2006	2007	2008
Base (Among Coastal/Interior customers staying with Terasen Gas)	186	201	231	252
	%	%	%	%
Loyalty/always been with them/familiar with Terasen	19	24	20	28
Do not want to risk paying higher prices when rates go down/ don't want to be locked in	4	12	14	25
The price/initial price was higher/no savings	8	13	15	14
Unsure of other companies' reputation/stability	9	7	10	13
Don't like marketers/don't want to be pressured	2	5	7	9
Don't have the time/can't be bothered/too much paperwork	14	14	10	5
Have not been approached	7	5	6	4
Not aware you could/don't know any others/need more info	8	12	7	3
Prefer current billing/don't want extra bills	5	2	1	3
We don't use much	7	6	5	2
Reviewing it now/have not made a decision/ want to see what happens in the marketplace	3	2	2	2
Want only one supplier	2	-	-	-
Other	11	10	11	2
No reason in particular	5	5	5	11
Don't know/refused	4	3	4	5

Note: Multiple responses allowed.

G16. What are your reasons for not choosing to purchase natural gas from a supplier other than Terasen Gas?

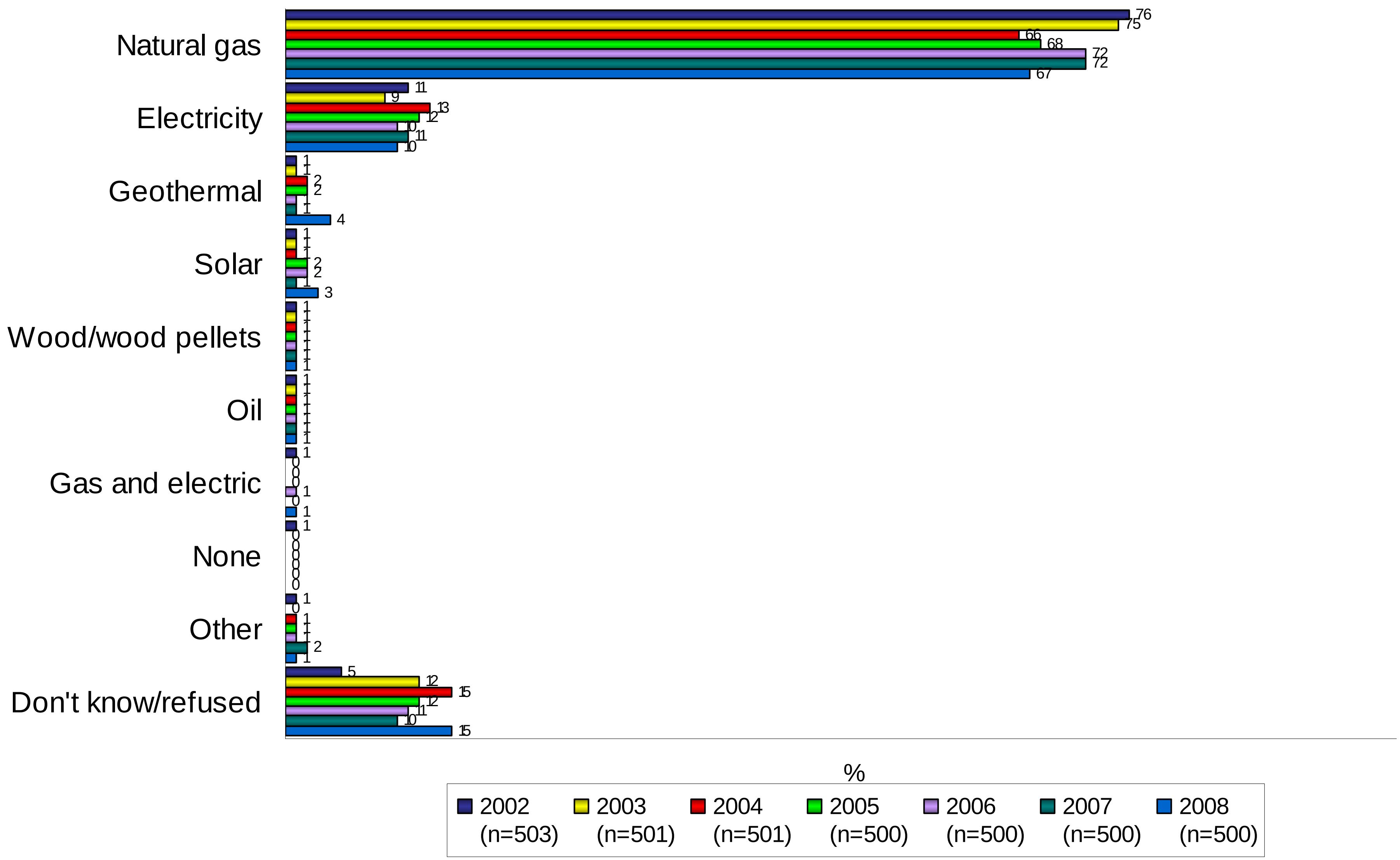
10. Future Intentions Summary

- Two-thirds (67%) of small commercial customers would choose natural gas as a space heating fuel for new business space, a decline from 72% in 2006 and 2007 but similar to 2004 and 2005 levels (66% and 68%, respectively). Only 10% of customers would choose electricity. While interest in alternative fuel sources (geothermal, solar, wood) is increasing, none has yet to make a significant breakthrough in terms of future intentions. In keeping their greater reliance on electricity in general, Island customers are the most likely to opt for electricity (18% vs. 9% of Coastal/Interior customers).

- Just over half (53%) of small commercial customers have taken steps in the past two years to be more energy efficient at their place of business, consistent with previous years. The most common steps taken include improving insulation/weather-stripping (13%), installing energy efficient lighting (13%), turning the heat off at night and over weekends and installing programmable thermostats (11%), and eliminating or reducing the usage of some equipment (10%). These steps represent the low-hanging fruit of energy efficiency. They are for the most part low-cost measures. Customers are less likely to invest in energy efficient furnaces, boilers, hot water tanks or process equipment which have a longer payback period.

- Consistent with previous years, virtually all (99%) of those small commercial customers who have implemented some sort of energy efficiency measure in the past two years are at least somewhat likely to continue these measures in the future, with 88% being very likely to do so.

10. Future Intentions – Space Heating



H1. If you were expanding the space for your place of business today, what fuel source would you choose to heat that new space?

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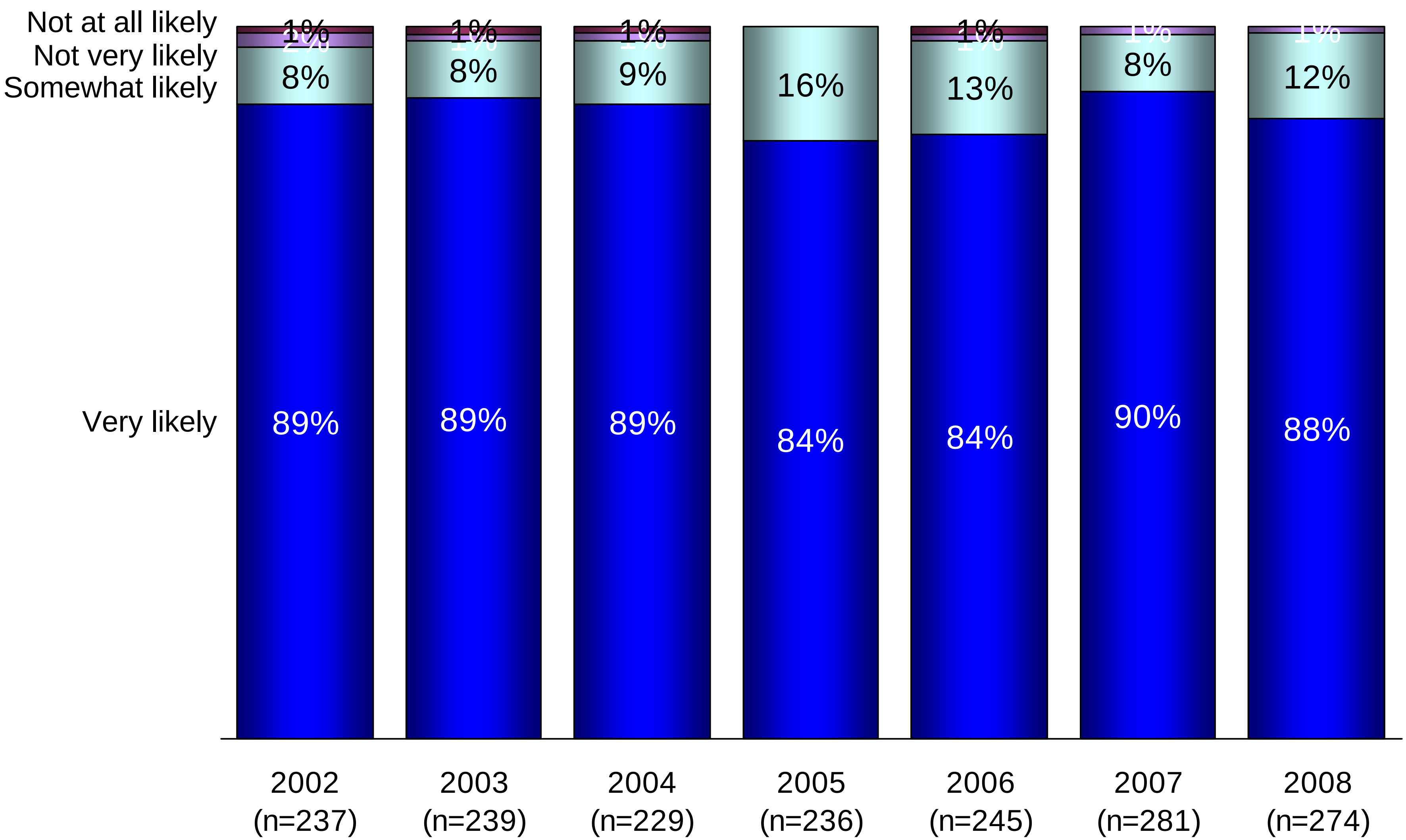
10. Future Intentions – Energy Efficiency Steps Taken

	2002	2003	2004	2005	2006	2007	2008
Base	503	501	501	500	500	500	500
	%	%	%	%	%	%	%
Improved insulation/weather-stripping	18	16	13	13	7	14	13
Installed energy efficient lighting	2	9	10	6	7	12	13
Turn heat off at night/weekends/ Installed programmable thermostats	8	10	5	5	4	9	11
Reduced use of some equipment	2	2	4	5	5	5	10
Turn off lights	2	4	2	2	2	4	6
Reduce temperature setting	6	4	4	2	2	2	6
Installed new doors/windows	5	4	5	3	2	3	4
Installed new energy efficient equipment	-	-	-	3	1	3	4
Monitor energy usage	-	-	-	6	2	8	3
Installed more efficient furnace/boiler	5	6	6	5	4	7	3
Installed/improved existing heaters	-	-	-	-	3	3	3
Better maintenance of existing equipment	5	2	4	4	1	1	2
Keep doors/windows closed	-	-	-	4	1	2	1
Installed new hot water tanks	-	-	-	2	1	1	1
Other	4	5	6	7	6	7	8
No/nothing in particular	52	51	51	49	51	42	43
Don't know/Refused	3	1	3	3	2	3	4

Note: Only mentions of 2% or greater are shown. Multiple mentions were accepted.

H2. In the past two years, have you taken any steps to be more energy efficient at your place of business?

10. Future Intentions – Likelihood to Continue



(n = those who have implemented energy efficient measures)

H3. How likely are you to continue practising these energy efficient measures in the future? Are you … ?

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11. Service And Value Indices

- To enable Terasen Gas to review its delivery of services to its Small Commercial Customers, two indices were created: a Service Index and a Value Index. Two indices were created to arrive at small commercial customers' satisfaction with and without the impact of price. These indices were created by averaging the responses from several key questions and then converting that score into a proportion.

- For the Service Index the ratings for the following questions were averaged for each customer:

  – B3 Call Centre
  – C4 Meter Exchange
  – D3 Emergency Calls
  – E6 Communication
  – F2 Billing Service
  – G4 Commitment
  – G9 Service Quality

- For the Value Index, the same questions were used as in the Service Index plus:

  – G10 Value For Money

- All questions in the index calculation are 5-point word scale questions that were assigned numeric values as follows: excellent=5, good=4, average=3, poor=2, very poor=1. Those customers responding with a "don't know" had the response converted to the mid-point of the scale (i.e. an average rating of 3), while missing responses (i.e. some customers did not respond to all questions, based on their experiences) are simply not included in the average calculation. Essentially, customers' scores are averaged among those attributes they had experienced.

- Once the Index scores were achieved, they were then converted to proportions for easier comprehension (e.g. 4/5 = 80%).

11. Service And Value Indices

Terasen Gas Small Customer
Service Index Scores

	2004	2005	2006	2007	2008			
	Total	Total	Total	Total	Total	Coastal	Interior	Island
Base	501	500	500	500	500	300	100	100
	%	%	%	%	%	%	%	%
1% – 39%	2	1	2	1	1	1	-	1
40% – 59%	8	9	7	8	8	7	9	7
60% – 79%	53	53	47	49	50	50	50	46
80% – 100%	37	37	44	42	42	42	41	46
Average Score	72.7	72.6	74.2	74.3	74.5	74.4	74.4	75.1

- The Service Index (74.5) and Value Index (73.7) scores for small commercial customers are similar. The scores have been fairly consistent over time and do not differ significantly by region.
- For the Service Index, 42% of customers scored in the top box (80% - 100%), the same as a year ago.
- For the Value Index, 38% scored in the top box, also similar to the previous year.

Terasen Gas Small Customer
Value Index Scores

	2004	2005	2006	2007	2008			
	Total	Total	Total	Total	Total	Coastal	Interior	Island
Base	501	500	500	500	500	300	100	100
	%	%	%	%	%	%	%	%
1% – 39%	2	1	1	1	1	1	-	1
40% – 59%	8	9	8	7	8	8	9	9
60% – 79%	61	57	53	58	53	53	55	51
80% – 100%	29	33	38	34	38	38	36	39
Average Score	71.8	71.7	73.5	73.6	73.7	73.7	73.4	74.3

Appendix

Record of Calls Summary

Call Incidence

	Total
Total Sample Dialled	**4797**
Invalid Sample:	**392**
Disconnected/Not in service/Fax/Modem	239
Sampling Error (Cell phone/No such person)	153
Total Potential:	**4405**
Busy/No Answer	387
Callbacks	1494
Total Contacted:	**2524**
Refused/Partial completes	1386
Language/Communication problem	129
Respondents not available during study	509
Completed Surveys	500
Contact Rate (as a % of Total Potential)	57%
Completion Rate (as a % of Total Contacted)	20%

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Appendix

Questionnaire

SMALL COMMERCIAL CUSTOMER SURVEY
August 27, 2008

Indicate region based on division in sample file (Import Divisions):
1. Coastal (Div. 3,6,7; note that Div. 6 & 7 are part of Div. 3 as of 2007) (n=300)
2. Interior (Div. 1,2,4) (n=100)
3. Island (n=100)

IF CONTACT LISTED: Hello, could I please speak with (**NAME ON SAMPLE**)?
IF NO LONGER WITH COMPANY, ASK: Could I speak with the person in your company who is primarily or jointly responsible for making decisions concerning gas and electricity needs?

IF NO CONTACT LISTED, ASK: Hello, could I please speak with the person who is primarily or jointly responsible for making decisions concerning gas and electricity needs for your company?

IF NOT AVAILABLE, SCHEDULE A MORE CONVENIENT TIME TO CALL BACK.

ONCE CORRECT CONTACT REACHED:
Good morning/ afternoon, my name is _________of Synovate. We're conducting a survey on behalf of Terasen Gas to gain an understanding of how its commercial customers feel about some of the services Terasen Gas provides. So, just to confirm, are you the person who is primarily or jointly responsible for making decisions concerning gas or electricity needs for your company? **IF NO; ASK FOR THAT PERSON.**

The survey takes between 10 and 12 minutes depending on your answers and the information you provide will assist Terasen Gas in improving services provided to its commercial customers. Your responses will remain completely anonymous and confidential.

IF NOT CONVENIENT TIME, SCHEDULE MORE CONVENIENT TIME.

If they want to verify the study, they can call Terasen Gas (604) 576-7000.

If R says they never want to participate in TG surveys or request that we never call them again, confirm their name, business name and telephone number so we can put them on a DO NOT CALL list. Note: This does not include respondents who simply don't have time to complete this survey.

A. About Your Business

Terasen Gas would like to learn more about their commercial customers' energy needs. So the first set of questions deal with your company's operations located at (**insert service address from file**).

A1 First, what is the nature of your business? **Do not read.**

1. Retail
2. Personal Services (i.e. hairdresser, spa, etc)
3. Restaurant/Bar
4. Gas Station/Auto Repair
5. Financial Institution/Brokerage firms
6. Office (Law/Accounting/Real estate, etc.)
7. Health Care (medical office/dentist, optometrist, etc.)
8. Public Meeting Place (church, library, community center)

96. Other (specify) ________________________

A2a. What is the primary type of fuel or energy used to heat your space? **Read if necessary.**

1. Natural gas
2. Electricity
3. Oil
4. Propane
8. Other **(specify)** ________________

A2b And what, if any, other types of fuel are used to heat your space? **Read if necessary**

1. Natural gas
2. Electricity
3. Oil
4. Propane
8. Other **(specify)** ________________
9. None/No secondary

A3a Is there hot water available at your place of business?

1. Yes
2. No **>> Go to Q.B1**

A3b What is the primary type of fuel or energy used to heat the hot water? **Read if necessary.**

1. Natural gas
2. Electricity
3. Oil
4. Propane
8. Other **(specify)** ________________

B. Call Center

Now I'd like to ask you some questions about Terasen Gas' Call Centre which handles customer telephone inquiries around billing and other topics.

B1 Have you had contact with the Terasen Gas Call Centre in the past 12 months?

1. Yes
2. No **>> Go to B5.1**

B2 How well would you say Terasen Gas Call Centre representatives perform in terms of the following? **Read and rotate a-c.** Would you say..**read codes**?

		Excel-lent	Good	Avg	Poor	Very Poor
a.	Being knowledgeable	1	2	3	4	5
b.	Having the ability to make immediate decisions regarding questions about your account	1	2	3	4	5
c	Being able to direct you to the most appropriate Terasen Gas Representative	1	2	3	4	5

B3 Thinking of your most recent contact with the Terasen Gas Call Centre, overall, how would you rate the way in which your call was handled? Would you say.. **read**

1. Excellent
2. Good
3. Average
4. Poor; or
5. Very poor

If QB3=DK/Ref, GO TO QB5.1

B4 Why did you give that rating? **PROBE FULLY**

B5.1 If you were phoning the Terasen Gas call centre, how interested would you be in using an automated call-back feature where you would be given the option to hang up the phone and wait for the next available representative to call you back, in the order that your call was received, instead of waiting on hold? Would you be… **READ**

a. Very interested
b. Somewhat interested
c. Not very interested
d. Not at all interested

If QB5.1=DK/Ref, GO TO QC1

B5.2 And why are you <INSERT C.6.1 ANSWER> in the automated call-back feature? **PROBE FULLY PROBE FULLY**

C. Meter Exchanges / New Services

Now I'd like to ask you some questions about Meter Exchanges or installing new gas services to your property.

C1 In the past 2 years, has a Terasen Gas representative visited your place of business to conduct a gas meter exchange or meter test or to install any new services?

1. Yes
2. No **>> Go to D1**

C2 With respect to this visit, did you speak to a Terasen Gas Service Technician?

1. Yes
2. No **>> Go to D1**

C3 How well would you say Terasen Gas is doing on the following with respect to on-site visits for meter exchanges or new service installations. **Read and rotate a-c.** Would you say..**read codes**?

		Excel-lent	Good	Avg	Poor	Very Poor
a.	Scheduling a time convenient to you, for the technician to visit your business	1	2	3	4	5
b.	The technician understanding your business requirements and priorities	1	2	3	4	5
c.	The technician being able to answer your questions	1	2	3	4	5

C4 Thinking of the most recent contact you had with a Terasen Gas Service Technician at your place of business, overall, how would you rate the quality of the service they provided? Would you say it was … **read**

1. Excellent
2. Good
3. Average
4. Poor; or
5. Very poor

If QC4=DK/Ref, GO TO QD1
C5 Why did you give that rating? **PROBE FULLY.**

D. Emergency Calls

Now I'd like to ask you some questions about emergency calls.

D1 In the past year, have you made an emergency call to Terasen Gas to report a gas smell, leak or other emergency?

1. Yes
2. No **>> Go to E1**

D2. How well would you say Terasen Gas is doing in terms of the following with respect to emergency calls? **Read and rotate a-e.** Would you say..**read codes**?

		Excel-lent	Good	Avg	Poor	Very Poor
a.	The service rep doesn't leave the situation unsolved at your business	1	2	3	4	5
b.	The service rep has the technical expertise to solve the emergency	1	2	3	4	5
c.	The telephone rep makes you feel comfortable when you call in to report the emergency	1	2	3	4	5
d.	Terasen Gas takes care of customers on the phone in an emergency	1	2	3	4	5
e.	Terasen Gas takes care of customers at their location in an emergency	1	2	3	4	5

D3 Overall, how would you rate the way in which your emergency call was handled? Would you say it was… **read**

1. Excellent
2. Good
3. Average
4. Poor; or
5. Very poor

If QD3=DK/Ref, GO TO QE1

D4 Why did you give that rating? **PROBE FULLY**

E. Terasen Gas Communications

Now I will list some types of information that Terasen Gas communicates to its commercial customers. For each one, I'd like you to tell me how well Terasen Gas is doing in terms of providing this information to you. **Read and rotate E1-E3** Would you say..**read codes**?

		Excel-lent	Good	Avg	Poor	Very Poor
E1	Reminding you about safety issues, such as carbon monoxide, calling before you dig, or what to do if you smell gas	1	2	3	4	5
E2	Informing you about energy savings opportunities including high efficiency equipment options	1	2	3	4	5
E3	Explaining why the price of natural gas fluctuates	1	2	3	4	5

E4 Is there any type of information that you think Terasen Gas should provide to its commercial customers that it is not currently providing? **Probe**

96. Other (specify) ___________________________
97. No, nothing
?. Don't know

E6 Overall, how good a job do you think Terasen Gas is doing on communicating with its commercial customers? Would you say they are doing … **read**

1. An Excellent job
2. A Good job
3. An Average job
4. A Poor job; or
5. A Very poor job

If QE6=DK/Ref, GO TO QF1
E7 Why did you give that rating? **PROBE FULLY**

F. Billing

F1 I will now read you a list of statements about Terasen Gas' billing process and I'd like you to tell me how well you think Terasen Gas is doing on each one? **Read and rotate a-e.** Would you say..**read codes**?

		Excel-lent	Good	Avg	Poor	Very Poor
a	Offering a choice of payment methods	1	2	3	4	5
b	Quickly correcting billing problems	1	2	3	4	5
c	Having accurate bills	1	2	3	4	5
d.	Being easy to read	1	2	3	4	5
e.	Explaining how gas charges are calculated	1	2	3	4	5

F2 Overall, how would you rate Terasen Gas' bills and billing process? Would you say it is … **read**

1. Excellent
2. Good
3. Average
4. Poor; or
5. Very poor

If QF2=DK/Ref, GO TO QG1

F3 Why did you give that rating? **PROBE FULLY.**

G. Knowledge of Terasen Gas

The next set of questions deals with what you know about Terasen Gas.

G1 As far as you are aware, which of the following best describes Terasen Gas? **Read and rotate codes 1-3.**

1. A Crown Corporation
2. Part of BC Hydro
3. An investor-owned corporation

?. Don't know **(Do not read)**

G2 Which of the following activities would you say Terasen Gas is involved in? **Read and Rotate.**

	Yes	No
1. Natural gas distribution to residents and businesses in BC?	1	2
2. Natural gas exploration in BC?	1	2
3. Extraction of natural gas from the ground and selling it on the open market?	1	2

G3 Terasen Gas rates include both the natural gas commodity and delivery of natural gas to homes and businesses. Considering the commodity price, that is, the price of the gas itself,… **Read and rotate codes 1 and 2.**

1. Does Terasen Gas sell you the natural gas at the same price that it purchases it for
   Or
2. Does Terasen Gas mark up the price of natural gas for a profit?

?. Don't know

I will now read you a list of statements about Terasen Gas as a company. Please tell me how well you would say Terasen Gas is doing on each one? **Read and rotate G4-G8.** Would you say..**read codes**?

		Excellent	Good	Average	Poor	Very Poor
G4	Being committed to helping customers	1	2	3	4	5
G5	Being environmentally responsible	1	2	3	4	5
G6	Operating in an ethical and honest way	1	2	3	4	5
G7	Being socially responsible	1	2	3	4	5
G8	Investing back into the community	1	2	3	4	5

G9 Taking into consideration your own experiences as well as anything you may have seen or heard, how would you rate the overall quality of services provided by Terasen Gas? **Read scale if nec.** Would you say excellent, good, average, poor or very poor?

Excellent	Good	Average	Poor	Very Poor
1	2	3	4	5

G10 And now considering Terasen Gas' overall quality in relation to the cost of its services, would you say that Terasen Gas offers excellent value, good value, average value, poor value or very poor value?

Excellent Value	Good Value	Average Value	Poor Value	Very Poor Value
1	2	3	4	5

<u>Commodity Unbundling Program</u> (Ask DIVISIONS 1,2,3 ONLY--remember that Divisions 6 & 7 are now part of Division 3)

G11. Are you aware of the commodity unbundling program called Customer Choice that allows commercial customers to purchase their natural gas from whomever they choose: a licensed gas marketer or Terasen Gas? A licensed gas marketer provides customers the ability to lock in their natural gas commodity price for up to 5 years.

1. Yes
2. No/ Don't know/Refused

G12. How valuable is the Customer Choice program to you? Please tell me using a 5-point scale where 1 means not at all valuable and 5 means very valuable.

Not at all valuable … 1 2 3 4 5… Very Valuable

If not aware of unbundling in G11, go to Q.H1

G13. Has your company signed a contract to purchase natural gas from a supplier other than Terasen Gas?

1. Yes
2. No

If Yes in G13, ask G14a, 14b & G15:

G14a. How satisfied are you with the Customer Choice program, in terms of the service you receive from your gas marketer? Are you…**READ CODES**… satisfied?

1. Extremely
2. Very
3. Somewhat
4. Not very; or
5. Not at all

G14b. How satisfied are you with the Customer Choice program, in terms of other aspects such as educational materials on the program, billing, et cetera? Are you…**READ CODES**… satisfied?

1. Extremely
2. Very
3. Somewhat
4. Not very; or
5. Not at all

G15. What, if anything, would you change about the Customer Choice to improve it? **Probe Fully.**

Record verbatim

If No in G13, ask G16:

G16. What are your reasons for not choosing to purchase natural gas from a supplier other than Terasen Gas? **Probe Fully**

Record verbatim

H. Firmographics

Lastly, I have just a few more questions for classification purposes only.

H1. If you were expanding the space for your place of business today, what fuel source would you choose to heat that new space? **Do not read.**

1. Natural gas
2. Electricity
3. Oil
4. Propane
8. Other **(specify)** _______________

H2 In the past two years, have you taken any steps to be more energy efficient at your place of business? **If yes, probe for what measures have been taken.**

1. Yes **(specify)** __________________________________
2. No **>> Go to H4**

H3 How likely are you to continue practising these energy efficient measures in the future? Are you…**read**

1. Very likely
2. Somewhat likely
3. Not very likely; or
4. Not at all likely

H4 Lastly, thinking of all the costs to operate your business including rent, labour, etc., what percentage of the total would you say are your natural gas costs? **If don't know, probe for best estimate.**

__ __%

Those are all the questions I have. Thank you very much for your time.

synovate

Research reinvented

Builders and Developers Study, 2008

Prepared For:

TERASEN GAS

January 2009

Table of Contents

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I. Objectives

Objectives

- ➔ Measure satisfaction with Terasen Gas in all aspects of its service, including:
  - Communication and Relationships,
  - Installation Coordination,
  - Field Crews,
  - Billing.
- ➔ Update the Value Index measures.
- ➔ Provide actionable recommendations on what factors could improve service to Terasen's builder and developer customers.

II. Background Of The Builders & Developers Study

Background Of Builders & Developers Study: 1 of 2

- The Builders & Developers customer satisfaction study, in it's current format, began in 2001.
- Builders & Developers Index developed.
- The study is conducted annually.
- In the 2005 version of the questionnaire, sections that did not deal with customer satisfaction were substantially redesigned. This was done to improve both the quality of the results and the experience for participants.
- In 2006 two substantive changes occurred. The non-customer satisfaction sections of the questionnaire were deleted and Mechanical Engineers were not surveyed.
- Both the 2008 and 2007 studies replicate the 2006 study.

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Background Of Builders & Developers Study: 2 of 2

- **Respondents:**
  - **2001 = builders & developers only**
  - **2002 & 2003 = builder & developers, plus mechanical contractors**
  - **2004 & 2005 = builder & developers, plus mechanical engineers**
  - **2006 = builders & developers only**
  - **2007 = builders & developers only**
  - **2008 = builders & developers only**
- **The Builders/Developers Index has always been based only on builders and developers**
- **Regional Coverage:**
  - **2001, 2002 & 2003 = Lower Mainland and Interior**
  - **2004 & 2005 = Lower Mainland, Interior and Vancouver Island**
  - **2006, 2007 & 2008 = Lower Mainland, Interior and Vancouver Island**

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III. Methodology

Quantitative Methodology: 1 of 4

- Telephone survey of 360 Builders and Developers was conducted between September 9 and September 19, 2008.
- Sample of builders and developers was provided by Terasen Gas. The sample provided by Terasen was large enough and accurate enough that additional sample was not required (as opposed to some of the previous years when POLLARA obtained additional sample from the Homeowner Protection Office (HPO) database).
- A response rate of 35% was obtained.

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Quantitative Methodology:
2 of 4

		Number of Interviews	Margins of Error
By Type:			
All Builders combined		360	± 5.2%
a. Single-family projects most often		221	± 6.6%
b. Multi-family projects most often, comprised of:		86	± 10.6%
b1. Townhouse projects most often	49*		± 14.0%
b2. Condo/apartment projects most often	37*		± 16.1%
c. Commercial/institutional projects most often		53	± 13.5%
By Region:			
Lower Mainland		200	± 6.9%
Interior		95	± 10.1%
Vancouver Island		65	± 12.2%
TOTAL:		360	± 5.2%

***Note*: Small sample sizes of 50 or less are denoted by an asterisk (*) in the report. Because of the large margin of error, caution should be used when interpreting these results.**

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Quantitative Methodology: 3 of 4

- **Results of builders are weighted to the proportions of builders and developers obtained in 2001—the base year.**
- **The weighting applied to this year's study is as follows:**

Project Built Most Often	2001 Survey Distribution (Base Year)	2008 Survey Distribution	Weight Applied to 2008 Data
Single Family Home Developments	75.1%	61.4%	1.22
Townhouse/Condo/Apartment Developments	14.3%	23.9%	0.60
Commercial/retail developments that are 15,000 square feet or smaller	4.0%	2.8%	1.43
Commercial/retail developments that are between 15,000 and 50,000 square feet	3.7%	4.2%	0.88
Commercial/retail developments that are larger than 50,000 square feet	2.3%	4.4%	0.52
Institutional developments such as schools, hospitals, or government offices	0.7%	3.3%	0.21

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Quantitative Methodology: 4 of 4

- Since 2005, the weighting and subsequent analyses have been based on builders and developers who have built respective types of development projects most often in the past 12 months. In contrast, in 2003 and 2004, the weighting and analyses were focused on builders and developers who built any of the different types of development.
  - A note will be included in the charts where applicable to indicate the need for caution when comparing the 2005, 2006, 2007 and 2008 results with those of 2003 and 2004.

IV. Key Findings And Recommendations

Key Findings:
1 of 3

- **The Index Value is unchanged at 66% in 2008, remaining at its highest level since the inception of the survey in 2001.**
- **Satisfaction with overall quality trends up for the second consecutive year, reaching 71% in 2008, although this remains statistically similar to the 67% recorded in 2007.**
- **Likelihood to recommend (definitely or probably would) also remains statistically unchanged from 2007 (69% in 2008 versus 74% in 2007), and is similar to the ratings recorded since 2003.**
- **Overall value for money continues its upward trend, reaching its second straight historical high point (57% “Excellent” or “Good” in 2008 compared to 56% in 2007).**

Key Findings:
2 of 3

- **In 2008, Interior builders provide higher ratings than those from other regions in terms of Likelihood to Recommend Natural Gas. In addition, Interior builders and Lower Mainland builders provide the highest Index Value. In comparison, in 2007, Interior builders provided the highest rating in three of four measures: Value for Money, Likelihood to Recommend Natural Gas and in the Index Value.**

- **Lower Mainland builders provide the highest rating in Overall Satisfaction at 72% vs. 69% for Interior builders and 70% for Vancouver Island builders. They also provide the highest Overall Value for Money and, along with the Interior Builders, provide the highest Index Value.**

- **Vancouver Island builders continue to provide the lowest ratings on three of the measures. However, it is notable that they provide a dramatically higher Overall Satisfaction measure this year (at 70% versus 51% in 2007).**

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Key Findings: 3 of 3

- ➔ Satisfaction with three of the four service dimensions — Communications & Relationship, Installation Co-ordination Process and Field Crews — remains statistically unchanged from 2007, while Billing drops a significant 11 points.
- ➔ Although there are only a few statistically significant improvements on any of the sub-attributes of the four service dimensions in 2008, there are some notable trends.
  - Communications and Relationship
    - Eight of the nine sub-attributes trend downwards this year, with "supports your industry and industry associations" and "Has expertise in energy planning and design" each showing a 7 point dip.
  - Installation Coordination
    - All eight sub-attributes suffer declines this year, with "The accuracy of cost estimates" registering a significant drop (from 68% in 2007 to 61%).
  - Field Crews
    - Three of the sub-attributes gain directionally, while the other three register a downward movement compared to 2007.
  - Billing
    - Overall satisfaction with Billing suffers a significant drop in 2008 with a corresponding decline in four of the five sub-attributes approaching the 2002 historical low point.
- ➔ High levels of "Don't Know/Refused" responses in several sub-attributes throughout the four service dimensions remain a concern.

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Recommendations:

- ➔ Need to strengthen Installation Co-ordination and especially Billing as both are key drivers to Overall Satisfaction with Terasen Gas. Specific attention should be given to the following sub-attributes:
  - Billing sub-attributes that are key drivers and experienced significant declines in satisfaction: “Quickly correcting billing problems if they arise”; “Having bills that are easy to read”; and “Billing accuracy”.
  - The top three drivers of Installation Co-ordination satisfaction are “Having customer service reps who are able to answer your questions and provide support”, “Flexibility of installation dates to fit with your project schedules” and “Speed of processing site drawings and specifications”. Satisfaction with each of these three sub-attributes showed directional declines in 2008.
- ➔ Although the Communications & Relationship attribute is less important to overall satisfaction than the other variables, it still does contribute to Overall Satisfaction. Specific attention should be given to “Ease of finding someone to talk to for general inquiries” in the Lower Mainland as it is an important driver of the Communications and Relationship attribute and it declined significantly this year in this region.
- ➔ In 2008, Vancouver Island builders provide a significantly higher Overall Satisfaction measure, as well as generally improved ratings on many of the sub-attributes across the four service dimensions. Indeed, the only sub-attribute requiring attention is “provides comparative costs of natural gas and other energy sources” as not only is it a significant predictor of satisfaction but its score is the only one that is significantly lower than the combined Lower Mainland and Interior builders’ score.
- ➔ Raising awareness of sub-attributes with a high percentage of “don’t know” remains a recommended priority. Examples include: “quickly correcting billing problems if they arise, “being easy to report a problem with your bill”, “expertise in energy planning and design”, “providing comparative costs of natural gas and other energy sources” and “speed of processing site drawings and specifications”.

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V. Customer Satisfaction

Customer Satisfaction

Terasen Gas Service Components

Attributes

Communications & Relationship

Installation Co-ordination Process

Field Crews

Billing

- **Satisfaction with Communications & Relationship, Installation Co-ordination Process and Field Crews remained statistically unchanged in 2008.**
- **Satisfaction with Billing appears to have dropped dramatically this year (from 70% in 2007 to 59% in 2008). However, it is notable that further analysis is reveals that along with a 10 point drop in the proportion providing a "good" rating (from 57% in 2007 to 47% in 2008), there is a 15-point increase in the proportion who do not provide a response (from 10% in 2007 to 25% in 2008). As such, the decline is not as significant as at first blush as it is not all attributable to dissatisfaction per se. Instead, it is also due to a significant proportion of customers who do not feel they can provide a rating on the billing process, which does require further attention.**
- **Also notably, while the Field Crews enjoyed the most favorable evaluation overall in 2005, 2006 and 2007, in 2008 it is surpassed (74%) by ratings of the Communications and Relationship component (75%).**

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A. Satisfaction With Communications & Relationship

Satisfaction With Communications & Relationship: 1 of 6

- ➔ **Overall satisfaction with Communications & Relationship has reached a new high of 75% in 2008, with a significant 7-point improvement from 68% in 2006.**
- ➔ **None of the sub-attributes recorded statistically significant changes when compared to the previous year.**
  - **Paradoxically, eight of the nine sub-attributes trended downward.**
- ➔ **The sub-attribute added in 2007 "supports your industry and industry associations" slips from fourth place at 64% in 2007 to sixth place at 57% in 2008, It continues to have a relatively large proportion of "don't know/refused" responses (22% vs. 16% in 2007).**
- ➔ **Consistent with the past six years, the following two sub-attributes have been consistently rated among the top three:**
  - **Responsive to customer needs (69% in 2008).**
  - **Makes it easy for you to communicate with Terasen Gas (65% in 2008).**
- ➔ **Having a "streamlined/faster process" is the number one area that should be improved upon according to customers (18% of those who provide a low satisfaction score of average, poor and very poor).**
  - **"Improve customer service" is the second most popular suggestion of potential improvements.**

Satisfaction With Communications & Relationship: 2 of 6

- In 2008, Vancouver Island builders rate seven of the nine sub-attributes higher than that of the Lower Mainland and Interior builders combined, although none of these differences are statistically significant.
  - In contrast, only one sub-attribute is rated significantly lower among Vancouver Island builders when compared to Interior and Lower Mainland builders combined: "provides comparative costs of natural gas and other energy sources" (28% vs. 43%).
- Interior builders provide the highest ratings on one of the nine sub-attributes ("provides comparative costs of natural gas and other energy sources", 45% versus 42% and 28%, respectively, among Lower Mainland and Vancouver Island respondents) and the lowest rating on six of the sub-attributes.
- Lower Mainland builders provide the highest ratings on two of the sub-attributes "Responsive to customer needs" and "Supports your industry and industry association" as well as overall satisfaction and the lowest ratings on "ease of finding someone to talk to for general inquiries not related to service installations".

Satisfaction With Communications & Relationship: 3 of 6

- In 2008, Lower Mainland builders provide lower ratings on all nine of the sub-attributes compared to a year ago. However, lower ratings are only statistically significant on three of the sub-attributes:
  - Ratings of "Makes it easy for you to communicate with Terasen Gas" drops back to the 2006 level, negating last year's significant improvement (67% vs. 77% in 2007 and 68% in 2006).
  - Ratings of "Ease of finding someone to talk to for general inquiries not related to service installations" return to 2006's level (60% vs. 70% in 2007 and 60% in 2006).
  - Ratings of "Has expertise in energy planning and design" declines a significant 11-points this year (45% vs. 56% in 2007 and 54% in 2006)

Satisfaction With Communications & Relationship: 4 of 6

- In 2008, Interior B.C. builders provide lower ratings on eight of the nine sub-attributes compared to a year ago. The only sub-attribute to escape a decline in its satisfaction ratings, "Responsive to customer needs", remains unchanged this year (65% in both 2008 and 2007).
  - Notably, despite drops in the satisfaction ratings this year, six of the nine sub-attributes, as well as that of the overall attribute itself, remain above 2006 levels.
  - In comparison, the ratings of only two sub-attributes drop below that of 2006:
    - "Ease of finding someone to talk to for general inquiries not related to service installations" (61% vs. 65% in 2007 and 68% in 2006).
    - "Clearly identifies to whom you should address specific questions" (48% vs. 59% in 2007 and 52% in 2006).
  - One sub-attribute, "Supports your industry and industry associations" was not measured in 2006.

Satisfaction With Communications & Relationship: 5 of 6

- In 2008, Vancouver Island builders have rated seven of the nine sub-attributes and the attribute itself, higher than in 2007. A significant 17 point increase is noted for "Has expertise in energy planning and design" (15% vs. 34% in 2007).
- In contrast, only "Supports your industry and industry associations" (51% vs. 61% in 2007) and "Provides comparative costs of natural gas and other energy sources" (28% vs. 37% in 2007) register insignificant declines in their ratings this year.
  - Despite this year's general improvement in the ratings, satisfaction for seven of the sub-attributes, as well as for the attribute itself, is still below the historical highs reported in 2005. Only satisfaction for "Has expertise in energy planning and design" surpasses 2005's level (51% vs. 34% in 2007, 39% in 2006 and 46% in 2005).

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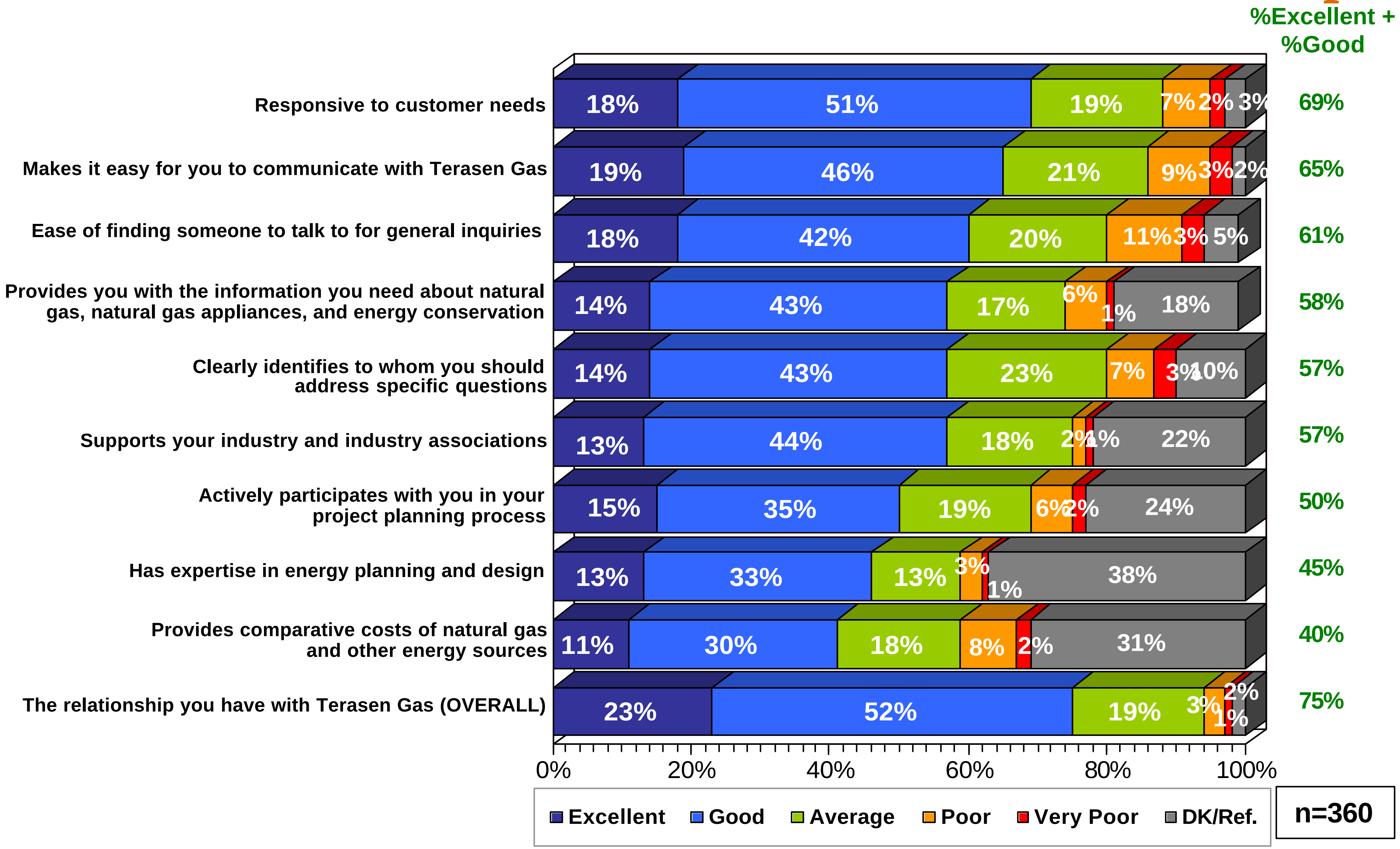
Satisfaction With Communications & Relationship: 6 of 6

- There remains a need to promote awareness of all service offerings as the percentage of "don't know" responses remains high on some attributes, most notably:
  - Has expertise in energy planning and design (38%).
  - Provides comparative costs of natural gas and other energy sources (31%).
  - Actively participates in your project planning process (24%).
  - Supports your industry and industry associations (22%).
  - Provides information about natural gas, gas appliances and conservation (18%)
- There are a number of changes in the key driver composition since 2007.
  - "Responsive to customer needs" moves up and is now the most important driver.
  - After last year's drop in ranking, "Actively participates with you in your project planning process" moves back up to being the second most important driver.
  - Two sub-attributes (i.e., "Ease of finding someone to talk to for general inquiries" and "Provides comparative costs of natural gas and other energy sources") that were not significant drivers in 2007, are now ranked third and fourth in importance.
  - "Makes it easy for you to communicate with Terasen Gas" is no longer a significant contributor to satisfaction with communications and relationship, even though it was one of the most important drivers in 2005-2007.
  - "Clearly identifies to whom you should address specific questions" and "Supports your industry and industry associations" are also no longer key drivers.

2008 Satisfaction With Communications & Relationship



R1(A-H) :First, please consider **the communications that you have with, or receive from,** Terasen Gas, as well as your relationship with them generally. Using a scale of Excellent, Good, Average, Poor, or Very Poor, how would you rate Terasen Gas on the following dimensions: [READ AND ROTATE][READ LIST IN REVERSE ORDER]

R2: And now considering all the factors overall, how would you rate the relationship you have with Terasen Gas? Would you say: [READ LIST IN REVERSE ORDER]

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Satisfaction With Communications & Relationship: 2001 – 2008

*2002-2003 includes Builders & Mechanical Contractors. 2004-2005 includes Builders and Mechanical Engineers.

%Excellent + %Good

	2008 (n=360)	2007 (n=361)	2006 (n=361)	2005* (n=307)	2004* (n=283)	2003* (n=302)	2002* (n=318)	2001 (n=301)
Responsive to customer needs	69%	68%	67% ↑	62%	61%	55%	57%	n/a
Makes it easy for you to communicate with Terasen Gas	65%	71% ↑	62%	59%	56% ↑	47%	51%	n/a
Ease of finding someone to talk to for general inquiries not related to service installations	61%	66% ↑	57%	54%	52% ↑	37% ↓	49%	n/a
Provides you with the information you need about natural gas, natural gas appliances, and energy conservation	58%	62%	59%	65%	55% ↑	46%	52%	n/a
Clearly identifies to whom you should address specific questions	57%	61%	56%	56%	51% ↑	42%	46%	n/a
Supports your industry and industry associations	57%	64%	n/a	n/a	n/a	n/a	n/a	n/a
Actively participates with you in your project planning process	50%	53% ↑	45%	49% ↑	40% ↑	26%	31%	n/a
Has expertise in energy planning and design	45%	52%	49%	49% ↑	36% ↑	27%	31%	n/a
Provides comparative costs of natural gas and other energy sources	40%	43%	37%	36%	35%	33%	30%	n/a
The relationship you have with Terasen Gas (OVERALL)	**75%**	**73%**	**68%**	**68%**	**65% ↑**	**57%**	**62%**	**n/a**

R1(A-H): First, please consider **the communications that you have with, or receive from,** Terasen Gas, as well as your relationship with them generally. Using a scale of Excellent, Good, Average, Poor, or Very Poor, how would you rate Terasen Gas on the following dimensions: [READ AND ROTATE][READ LIST IN REVERSE ORDER] R2: And now considering all the factors overall, how would you rate the relationship you have with Terasen Gas? Would you say: [READ LIST IN REVERSE ORDER]

↑ Denotes significant increase ↓ Denotes significant decrease

Satisfaction With Communications & Relationship: 2008 Regional

%Excellent + %Good

	Overall (n=360)	Lower Mainland (n=200)	Interior (n=95)	Vancouver Island (n=65)	Lower Mainland and Interior (n=295)
Responsive to customer needs	69%	71%	65%	70%	69%
Makes it easy for you to communicate with Terasen Gas	65%	67%	57%	71%	64%
Ease of finding someone to talk to for general inquiries not related to service installations	61%	60%	61%	62%	60%
Provides you with the information you need about natural gas, natural gas appliances, and conservation	58%	57%	54%	64%	56%
Clearly identifies to whom you should address specific questions	57%	59%	48%	62%	56%
Supports your industry and industry associations	57%	60%	55%	51%	58%
Actively participates with you in your project planning process	50%	50%	45%	55%	48%
Has expertise in energy planning and design	45%	45%	42%	51%	44%
Provides comparative costs of natural gas and other energy sources	40%	42%	45%	28%	43% ↑
The relationship you have with Terasen Gas (OVERALL)	75%	78%	71%	72%	76%

R1(A-H) : First, please consider **the communications that you have with, or receive from,** Terasen Gas, as well as your relationship with them generally. Using a scale of Excellent, Good, Average, Poor, or Very Poor, how would you rate Terasen Gas on the following dimensions: [READ AND ROTATE][READ LIST IN REVERSE ORDER]

R2: And now considering all the factors overall, how would you rate the relationship you have with Terasen Gas? Would you say: [READ LIST IN REVERSE ORDER]

↑ Denotes significant difference between Vancouver Island and Combined Interior / Lower Mainland

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Satisfaction With Communications & Relationship: 2002 – 2008 Lower Mainland

*2002-2003 includes Builders and Mechanical Contractors. 2004 – 2005 includes Builders and Mechanical Engineers.

	%Excellent + %Good						
	2008 (n=200)	2007 (n=201)	2006 (n=201)	2005* (n=172)	2004* (n=182)	2003* (n=192)	2002* (n=187)
Responsive to customer needs	71%	72%	74% ↑	57%	61%	57%	60%
Makes it easy for you to communicate with Terasen Gas	67% ↓	77% ↑	68% ↑	58%	58%	55%	61%
Ease of finding someone to talk to for general inquiries not related to service installations	60% ↓	70% ↑	60%	54%	55%	46%	62%
Supports your industry and industry associations	60%	65%	n/a	n/a	n/a	n/a	n/a
Clearly identifies to whom you should address specific questions	59%	64%	58%	56%	47%	44%	51%
Provides you with the information you need about natural gas, natural gas appliances, and conservation	57%	62%	64%	63%	56%	46%	52%
Actively participates with you in your project planning process	50%	56%	51%	45% ↑	34%	31%	35%
Has expertise in energy planning and design	45% ↓	56%	54%	51% ↑	38%	30%	34%
Provides comparative costs of natural gas and other energy sources	42%	43%	43%	36%	31%	32%	30%
The relationship you have with Terasen Gas (OVERALL)	**78%**	**78%**	**73%**	**66%**	**63%**	**61%**	**70%**

R1(A-H): First, please consider **the communications that you have with, or receive from,** Terasen Gas, as well as your relationship with them generally. Using a scale of Excellent, Good, Average, Poor, or Very Poor, how would you rate Terasen Gas on the following dimensions: [READ AND ROTATE][READ LIST IN REVERSE ORDER] R2: And now considering all the factors overall, how would you rate the relationship you have with Terasen Gas? Would you say: [READ LIST IN REVERSE ORDER]

↑ Denotes significant increase   ↓ Denotes significant decrease

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Satisfaction With Communications & Relationship: 2002 – 2008 Interior

*2002-2003 includes Builders and Mechanical Contractors. 2004 - 2005 includes Builders and Mechanical Engineers.

	%Excellent + %Good						
	2008 (n=95)	2007 (n=95)	2006 (n=95)	2005* (n=80)	2004* (n=56)	2003* (n=110)	2002* (n=131)
Responsive to customer needs	65%	65%	54%	58%	53%	51%	53%
Ease of finding someone to talk to for general inquiries not related to service installations	61%	65%	68% ↑	43%	31%	22%	29%
Makes it easy for you to communicate with Terasen Gas	57%	68% ↑	53%	49%	40%	35%	37%
Supports your industry and industry associations	55%	61%	n/a	n/a	n/a	n/a	n/a
Provides you with the information you need about natural gas, natural gas appliances, and conservation	54%	66% ↑	51% ↓	67% ↑	45%	47%	51%
Clearly identifies to whom you should address specific questions	48%	59%	52%	48%	42%	39%	38%
Actively participates with you in your project planning process	45%	51% ↑	33% ↓	49%	47% ↑	19%	24%
Provides comparative costs of natural gas and other energy sources	45%	46% ↑	31%	35%	45%	32%	31%
Has expertise in energy planning and design	42%	55% ↑	39%	49%	33%	22%	26%
The relationship you have with Terasen Gas (OVERALL)	**71%**	**70%**	**64%**	**64%**	**62%**	**49%**	**49%**

no significant changes from last reporting period.

R1(A-H): First, please consider **the communications that you have with, or receive from,** Terasen Gas, as well as your relationship with them generally. Using a scale of Excellent, Good, Average, Poor, or Very Poor, how would you rate Terasen Gas on the following dimensions: [READ AND ROTATE][READ LIST IN REVERSE ORDER] R2: And now considering all the factors overall, how would you rate the relationship you have with Terasen Gas? Would you say: [READ LIST IN REVERSE ORDER]

↑ Denotes significant increase ↓ Denotes significant decrease

Satisfaction With Communications & Relationship: 2004 – 2008 Vancouver Island

*2004-2005 includes Builders and Mechanical Engineers.

	%Excellent + %Good				
	2008 (n=65)	2007 (n=65)	2006 (n=65)	2005* (n=55)	2004* (n=45**)
Makes it easy for you to communicate with Terasen Gas	71%	56%	53% ↓	75%	71%
Responsive to customer needs	70%	58%	58% ↓	85%	72%
Provides you with the information you need about natural gas, natural gas appliances, and conservation	64%	57%	51%	67%	60%
Ease of finding someone to talk to for general inquiries not related to service installations	62%	55%	47% ↓	71%	68%
Clearly identifies to whom you should address specific questions	62%	53%	52% ↓	71%	75%
Actively participates with you in your project planning process	55%	44%	35% ↓	65%	54%
Supports your industry and industry associations	51%	61%	n/a	n/a	n/a
Has expertise in energy planning and design	51% ↑	34%	39%	46%	29%
Provides comparative costs of natural gas and other energy sources	28%	37%	31%	43%	37%
The relationship you have with Terasen Gas (OVERALL)	**72%**	**60%**	**54% ↓**	**80%**	**76%**

no significant changes from last reporting period. ↓ Denotes significant decrease

R1(A-H): First, please consider **the communications that you have with, or receive from,** Terasen Gas, as well as your relationship with them generally. Using a scale of Excellent, Good, Average, Poor, or Very Poor, how would you rate Terasen Gas on the following dimensions: [READ AND ROTATE][READ LIST IN REVERSE ORDER] R2: And now considering all the factors overall, how would you rate the relationship you have with Terasen Gas? Would you say: [READ LIST IN REVERSE ORDER]

** Caution small sample size

Improving Communications & Relationship: 1 Of 2

(Among All Those Rating Average, Poor or Very Poor, n=92)

Streamline/Faster process	**18%**
"Try to get through the red tape in a timely manner"	
"Better timeline"	
"Faster service"	
"The time because I like things done fast"	
Improve the customer service	**10%**
"Better customer service with planners"	
"Fire everybody in the company and get people who have had courses in customer service"	
"Customer service to be upgraded a lot"	
"I find that in a big impersonal company that there's no one to deal with and you can be bounced around from person to person"	
Improve the communication	**9%**
"Communicate back quicker when we call"	
"Provide more communication that the client needs"	
"Communication is bad. We need a person we can identify with"	
"Have the guys in the field to be more communicative"	

R3: What could Terasen Gas do to improve its relationship with you? [OPEN END; ACCEPT UP TO 3 MENTIONS; DO NOT READ]

POLLARA

Improving Communications & Relationship: 2 Of 2

(Among All Those Rating Average, Poor or Very Poor, n=92)

More knowledgeable staff	8%
Have account representatives/dedicated person	8%
Be more informative/Give advice	7%
Have local offices/Don't centralize	5%
More timely response to calls	5%
More accessible	3%
Better prices/Rebates	3%
System too complicated	3%
Improve language skills of staff	3%
Improve phone service/No putting on hold/No voicemail	2%
Improve/Faster installation	2%
No suggestions/Nothing/Not really	1%
Correcting problems	1%
Allow employees to make decisions	1%
Billing issues	1%
Other	4%
Don't know/Refused	30%

R3: What could Terasen Gas do to improve its relationship with you? [OPEN END; ACCEPT UP TO 3 MENTIONS; DO NOT READ]

2008 Importance of Communications & Relationship Sub-Attributes
(n=360)

Attribute	Relative Importance[1]	% Excellent + % Good
Responsive to customer needs	.347	69%
Actively participates with you in your project planning process	.232	50%
Ease of finding someone to talk to for general inquiries	.216	61%
Provides comparative costs of natural gas and other energy sources	.177	40%
Makes it easy for you to communicate with Terasen Gas	N/S	65%
Clearly identifies to whom you should address specific questions	N/S	57%
Supports your industry and industry associations	N/S	57%
Provides you with information you need about natural gas, NG appliances, and energy conservation	N/S	58%
Has expertise in energy planning and design	N/S	45%

[1] *A Key Driver Analysis was performed to determine which sub-attributes are most important to respondents. The column labelled "relative importance" illustrates the impact of each sub-attribute (on a scale from 0 to 1), with higher numbers indicating a greater impact, while lower numbers indicate a lesser impact, on satisfaction with their relationship with Terasen Gas. Sub-attributes that have no statistical relationship are identified as "N/S" (i.e. not significant).*

POLLARA

B. Satisfaction With Installation Coordination Process

POLLARA

Satisfaction With Installation Coordination: 1 of 5

- Overall satisfaction with Installation Coordination experiences a directional 6-point decline this year, falling to 63% from 2007's historical high of 69%. Despite this year's drop, overall satisfaction levels remain significantly higher than those recorded from 2002 – 2004 (54%, 53% and 54%).
- All eight sub-attributes, as well as the overall attribute itself, suffer directional declines this year when compared to 2007.
  - One attribute, "accuracy of cost estimates" registers a significant drop (from 68% in 2007 to 61% in 2008), a return to its historical levels.
- However, satisfaction with six of the eight sub-attributes remain higher than that measured in 2006, while all are higher than that measured in 2004.
- Contrary to past years, when differences were noted on some sub-attributes when comparing satisfaction scores of Vancouver Island respondents to the combined scores of the Interior and Lower Mainland respondents, in 2008, there are no such differences.
- Terasen's Overall Installation Coordination score among Vancouver Island respondents is also statistically similar to the combined score of the Interior and Lower Mainland respondents (66% vs. 62%, respectively).
- Similar to the advice provided for improving Terasen's Communications and Relationship, customers' top suggestions for improving the Installation Coordination relate to a quicker process: "Speed up the process/quicker" (24% of those who provide a low satisfaction score of average, poor or very poor), "Answer phone faster (13%) and "Shorten installation dates/more flexible" (11%).

POLLARA

Satisfaction With Installation Coordination: 2 of 5

- In 2008, Lower Mainland builders provide a significantly lower satisfaction rating of Terasen's application process for new natural gas service installations (63% vs. 75% in 2007).
  - Correspondingly, Lower Mainland builders' satisfaction scores for all eight of the sub-attributes trend down this year. However, it is notable that six of the sub-attribute scores remain higher than those achieved in 2006, while only two sub-attributes' score falls below to that of 2 years ago:
    - "Having customer service representatives who are able to answer your questions and provide support" (65% vs. 70% in 2007 and 66% in 2006).
    - "Speed of processing site drawings and specifications" (47% vs. 53% in 2007 and 53% in 2006).
- In 2008, Interior B.C. builders provide directionally lower satisfaction scores for all eight sub-attributes and also the attribute itself compared to a year ago. Notably, all but two scores continue to be higher than that recorded in 2006. The exceptions are:
    - "The accuracy of cost estimates" (63% vs. 69% in 2007 and 63% in 2006).
    - "Length of time between scheduling the installation and the installation date" (40% vs. 49% in 2007 and 41% in 2006).

Satisfaction With Installation Coordination: 3 of 5

- While a general decline in satisfaction with Installation Coordination is apparent among both Lower Mainland and Interior builders, the Vancouver Island builders are somewhat more divided this year. They too provide directionally lower satisfaction ratings for four sub-attributes this year. However, they also provide directionally higher ratings for the following four sub-attributes, as well as the attribute itself.
  - "Understanding your business requirements" (65% in 2008 vs. 59% in 2007)
  - "Flexibility of installation dates to fit with your project schedules" (58% in 2008 vs. 43% in 2007)
  - "Speed of processing site drawings and specifications" (49% in 2008 vs. 44% in 2007)
  - "Length of time between scheduling the installation and the installation date (48% in 2008 vs. 41% in 2007)
  - And for the overall attribute, "Terasen's application process for new natural gas service installations", satisfaction is 66% in 2008 vs. 51% in 2007

Satisfaction With Installation Coordination: 4 of 5

- **As in the past six years, it is notable that the builders consistently provide the highest satisfaction scores for the following two sub-attributes:**
  - **"Having customer service reps able to answer your questions and provide support" (64% in 2008).**
  - **"Understanding your business requirements" (62% in 2008).**
- **In contrast to 2007, when the proportion of "Don't Know/Refused" responses fell for every sub-attribute compared to 2006, in 2008, the proportion who did not provide a response grew for all sub-attributes, as well as the attribute itself.**
  - **As in 2007, the proportion of "Don't Know/Refused" responses remain particularly high for the following sub-attributes:**
    - **Speed of processing site drawings & specifications (30% vs. 19% in 2007 and 23% in 2006).**
    - **The accuracy of cost estimates (25% vs. 16% in 2007 and 24% in 2006).**
    - **Representatives have knowledge of all your jobs in progress (22% vs. 13% in 2007 and 16% in 2006).**
  - **The increase in the proportion of "Don't Know/Refused" responses is most pronounced among customers in the Lower Mainland (significant increases for seven of the eight sub-attributes and also the attribute) and the Interior (significant increases for four of the eight sub-attributes and also the attribute). In comparison, the increase in the "Don't know/Refused" responses is only significant among Vancouver Island customers for two sub-attributes.**

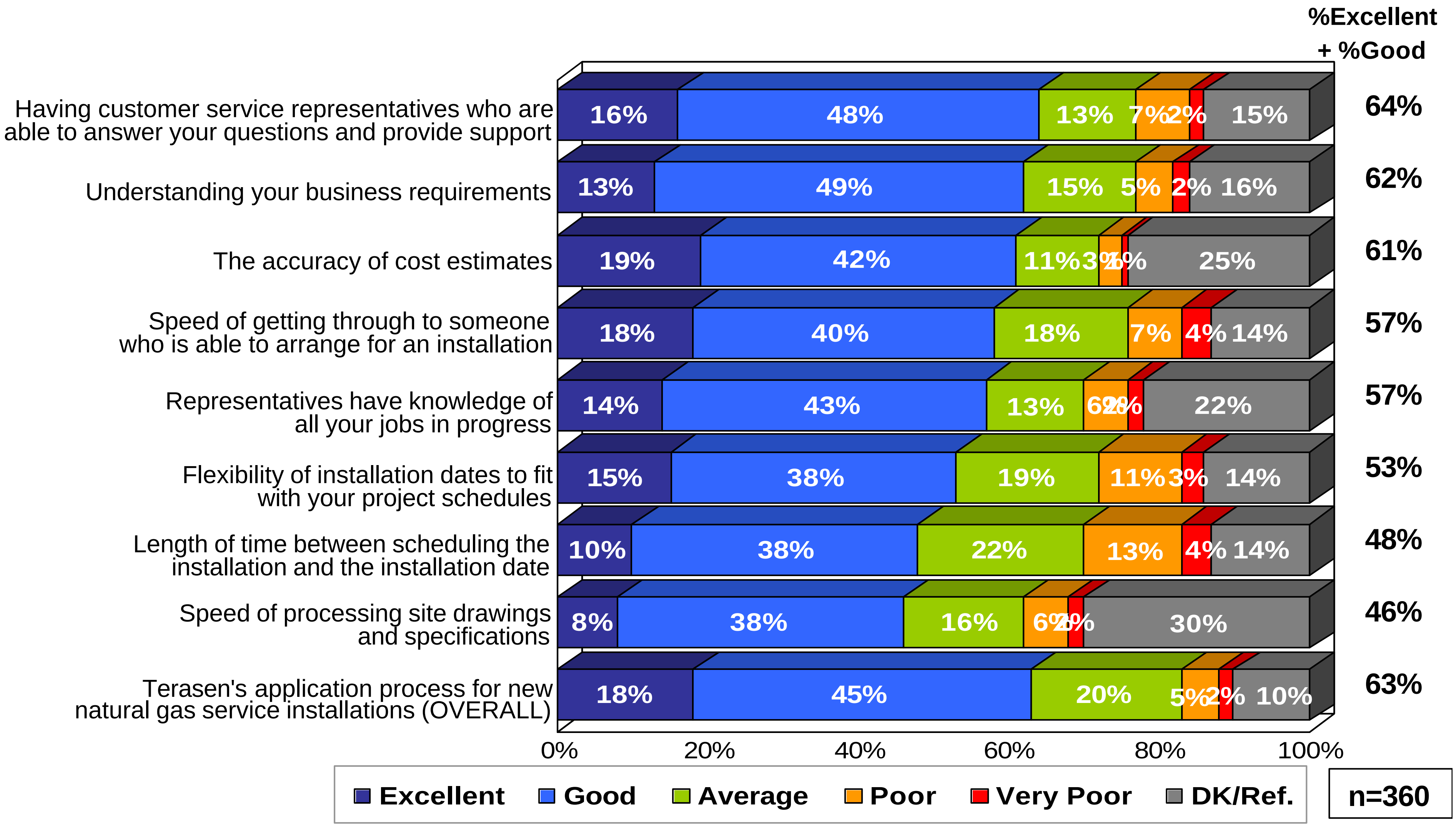
POLLARA

Satisfaction With Installation Coordination: 5 of 5

➔ **Composition of key drivers has changed since 2007.**

- **"Having customer service representatives who are able to answer your questions and provide support" moves up from third in 2007 to being the most important predictor of Installation Coordination satisfaction.**
- **"Flexibility of installation dates to fit with your project schedules" retains its second place ranking for the second consecutive year, after being non significant in 2006.**
- **Two sub-attributes that were not significant key drivers in 2007 (i.e., "Speed of processing site drawings and specifications" and "Length of time between scheduling the installation and the installation date") rank third and fourth this year.**
- **"Understanding your business requirements" drops slightly from fourth to fifth in 2008.**
- **While "Speed of getting through to someone who is able to arrange for an installation" was the number 1 key driver in 2006 and 2007, in 2008 it is not a significant predictor of satisfaction with Installation Coordination.**
- **"The accuracy of cost estimates" is no longer a significant key driver this year.**
- **As in 2007, "Representatives have knowledge of all your jobs in process" is also not significant in 2008.**

2008 Satisfaction With Installation Coordination



IC3(A-H): I would now like to ask you some questions regarding your satisfaction with applying for new gas service installations. Using the same scale, please rate Terasen Gas' performance in the following areas: [READ AND ROTATE][REPEAT SCALE IF NECESSARY IN REVERSE ORDER]

IC4: And considering these factors overall, how would you rate Terasen Gas' application process for new natural gas service installations? [REPEAT SCALE IF NECESSARY IN REVERSE ORDER]

POLLARA

Satisfaction With Installation Coordination – 2001-2008

*2002-2003 includes Builders & Mechanical Contractors. 2004-2005 includes Builders and Mechanical Engineers.

%Excellent + %Good	2008 (n=360)	2007 (n=361)	2006 (n=361)	2005* (n=307)	2004* (n=283)	2003*[1] (n=234)	2002* (n=318)	2001 (n=301)
Having customer service representatives who are able to answer your questions and provide support	64%	69% ↑	60%	66% ↑	59% ↑	47% ↓	59%	n/a
Understanding your business requirements	62%	67%	63%	62%	52%	49%	57%	n/a
The accuracy of cost estimates	61% ↓	68% ↑	57%	55%	56% ↑	42% ↓	55%	n/a
Representatives have knowledge of all your jobs in progress	57%	61% ↑	53%	51%	49% ↑	40%	47%	n/a
Speed of getting through to someone who is able to arrange for an installation	57%	63%	56%	57%	54% ↑	44%	n/a	n/a
Flexibility of installation dates to fit with your project schedules	53%	54%	47%	44%	43%	41% ↓	51%	n/a
Length of time between scheduling the installation and the installation date	48%	50%	46%	43%	36%	37% ↓	47%	n/a
Speed of processing site drawings and specifications	46%	52%	48%	45%	40%	33%	n/a	n/a
Terasen's process for new natural gas service installations (OVERALL)	**63%**	**69%**	**64%**	**61%**	**54%**	**53%**	**54%**	**n/a**

↑ Denotes significant increase ↓ Denotes significant decrease

IC3(A-H): I would now like to ask you some questions regarding your satisfaction with applying for new gas service installations. Using the same scale, please rate Terasen Gas' performance in the following areas:

IC4: And considering these factors overall, how would you rate Terasen Gas' application process for new natural gas service installations? [REPEAT SCALE IF NECESSARY IN REVERSE ORDER]

[1] *Among Those Who Either Called Or Applied for New Service Or Were Aware that Terasen Gas Changed Its Process*

POLLARA

Satisfaction With Installation Coordination: 2008 Regional

%Excellent + %Good

	Overall (n=360)	Lower Mainland (n=200)	Interior (n=95)	Vancouver Island (n=65)	Lower Mainland and Interior (n=295)
Having customer service representatives who are able to answer your questions and provide support	64%	65%	61%	66%	63%
Understanding your business requirements	62%	62%	59%	65%	61%
The accuracy of cost estimates	61%	62%	63%	54%	62%
Speed of getting through to someone who is able to arrange for an installation	57%	58%	56%	56%	57%
Representatives have knowledge of all your jobs in progress	57%	61%	50%	55%	57%
Flexibility of installation dates to fit with your project schedules	53%	52%	51%	58%	52%
Length of time between scheduling the installation and the installation date	48%	51%	40%	48%	48%
Speed of processing site drawings and specifications	46%	47%	43%	49%	46%
Terasen's process for new natural gas service installations (OVERALL)	63%	63%	60%	66%	62%

IC3(A-H): I would now like to ask you some questions regarding your satisfaction with applying for new gas service installations. Using the same scale, please rate Terasen Gas' performance in the following areas:

IC4: And considering these factors overall, how would you rate Terasen Gas' application process for new natural gas service installations? [REPEAT SCALE IF NECESSARY IN REVERSE ORDER]

No significant difference between Vancouver Island and Combined Interior / Lower Mainland this reporting period

POLLARA

Satisfaction With Installation Coordination – 2002-2008 Lower Mainland

*2002-2003 includes Builders & Mechanical Contractors. 2004-2005 includes Builders and Mechanical Engineers.

%Excellent + %Good

	2008 (n=200)	2007 (n=201)	2006 (n=201)	2005* (n=172)	2004* (n=182)	2003* (N=155)	2002* (N=187)
Having customer service representatives who are able to answer your questions and provide support	65%	70%	66%	66%	60%	52% ↓	64%
The accuracy of cost estimates	62%	69%	61%	57%	56%	47% ↓	60%
Understanding your business requirements	62%	68% ↑	57%	57%	50%	50%	58%
Representatives have knowledge of all your jobs in progress	61%	62%	60%	57%	52%	50%	n/a
Speed of getting through to someone who is able to arrange for an installation	58%	60%	57%	49%	45%	47% ↓	58%
Flexibility of installation dates to fit with your project schedules	52%	57%	51%	47%	40%	47%	56%
Length of time between scheduling the installation and the installation date	51%	54%	47%	43%	33%	40%	50%
Speed of processing site drawings and specifications	47%	53%	53%	48%	40%	37%	n/a
Terasen's process for new natural gas service installations (OVERALL)	**63% ↓**	**75%**	**69%**	**61%**	**53%**	**60%**	**59%**

↑ Denotes significant increase ↓ Denotes significant decrease

IC3(A-H): I would now like to ask you some questions regarding your satisfaction with applying for new gas service installations. Using the same scale, please rate Terasen Gas' performance in the following areas:

IC4: And considering these factors overall, how would you rate Terasen Gas' application process for new natural gas service installations? [REPEAT SCALE IF NECESSARY IN REVERSE ORDER]

POLLARA

Satisfaction With Installation Coordination – 2002-2008 Interior

*2002-2003 includes Builders & Mechanical Contractors. 2004-2005 includes Builders and Mechanical Engineers.

	%Excellent + %Good						
	2008 (n=95)	2007 (n=95)	2006 (n=95)	2005* (n=80)	2004* (n=56)	2003* (n=79)	2002* (n=131)
The accuracy of cost estimates	63%	69%	63%	54%	55% ↑	34%	47%
Having customer service representatives who are able to answer your questions and provide support	61%	69% ↑	43% ↓	64% ↑	47%	38% ↓	53%
Understanding your business requirements	59%	68% ↑	52% ↓	70% ↑	41%	47%	56%
Speed of getting through to someone who is able to arrange for an installation	56%	64% ↑	40%	44%	38%	27%	33%
Flexibility of installation dates to fit with your project schedules	51%	53%	39%	32%	41%	31%	43%
Representatives have knowledge of all your jobs in progress	50%	61% ↑	45%	53%	45%	32%	n/a
Speed of processing site drawings and specifications	43%	55% ↑	38%	34%	33%	25%	n/a
Length of time between scheduling the installation and the installation date	40%	49%	41%	37%	34%	32%	43%
Terasen's process for new natural gas service installations (OVERALL)	**60%**	**66%**	**55%**	**52%**	**42%**	**42%**	**46%**

no significant changes from last reporting period. ↑ Denotes significant increase ↓ Denotes significant decrease

IC3(A-H): I would now like to ask you some questions regarding your satisfaction with applying for new gas service installations. Using the same scale, please rate Terasen Gas' performance in the following areas:

IC4: And considering these factors overall, how would you rate Terasen Gas' application process for new natural gas service installations? [REPEAT SCALE IF NECESSARY IN REVERSE ORDER]

Satisfaction With Installation Coordination – 2004-2008 Vancouver Island

*2004-2005 includes Builders and Mechanical Engineers.

	%Excellent + %Good				
	2008 (n=65)	2007 (n=65)	2006 (n=65)	2005* (n=55)	2004* (n=45**)
Having customer service representatives who are able to answer your questions and provide support	66%	69%	58% ↓	75%	73%
Understanding your business requirements	65%	59%	57%	67%	73%
Flexibility of installation dates to fit with your project schedules	58%	43%	44%	59%	60%
Speed of getting through to someone who is able to arrange for an installation	56%	59%	55%	70%	82%
Representatives have knowledge of all your jobs in progress	55%	67%	52%	55%	72%
The accuracy of cost estimates	54%	62% ↑	39%	52%	59%
Speed of processing site drawings and specifications	49%	44%	40%	55%	51%
Length of time between scheduling the installation and the installation date	48%	41%	45%	57%	52%
Terasen's process for new natural gas service installations (OVERALL)	**66%**	**51%**	**55%**	**56% ↓**	**76%**

no significant changes from last reporting period. ↑ Denotes significant increase ↓ Denotes significant decrease

IC3(A-H): I would now like to ask you some questions regarding your satisfaction with applying for new gas service installations. Using the same scale, please rate Terasen Gas' performance in the following areas:

IC4: And considering these factors overall, how would you rate Terasen Gas' application process for new natural gas service installations? [REPEAT SCALE IF NECESSARY IN REVERSE ORDER]

** Caution small sample size

Improving Installation Coordination: 1 of 2

(Among All Those Rating Average, Poor or Very Poor, n=100)

Speed up the process/quicker	**24%**
Answer phone faster	**13%**
Shorten installation dates/more flexible	**11%**
Communicate more effectively	**11%**
More experienced people/employees	**10%**

Speed up the process/quicker — 24%

"Just speed it up"

"Too long a waiting time from application to installation"

"Have a quicker turn around time"

Answer phone faster — 13%

Shorten installation dates/more flexible — 11%

"Schedule connections faster"

"Improve the length of time in getting them on site"

"Shorten up time between application and design"

Communicate more effectively — 11%

"More communication; Let us know if delayed"

"Communicate properly"

"Better communication with the call centre or the coordinator of the installation"

More experienced people/employees — 10%

"Not ask the customer so many questions about the construction"

"Knowledgeable people that know the industry and the time constraints"

"More knowledgeable representatives on front lines"

IC5: What could Terasen Gas do to improve its service when you apply for new natural gas service installations?
[OPEN-END; ACCEPT UP TO 3 MENTIONS; DO NOT READ]

POLLARA

Improving Installation Coordination: 2 of 2

(Among All Those Rating Average, Poor or Very Poor, n=100)

Have a local rep/dedicated person	**9%**
Better customer service	**8%**
Expensive/Better rates	**6%**
Install when you say you will	**4%**
Dislike new system/Prefer the old way	**4%**
Come on site/Work with the builders	**3%**
Accurate estimates	**3%**
Improve language skills of staff	**3%**
User friendly website/Easier online	**2%**
Other	**1%**
Don't know/Refused	**14%**

IC5: What could Terasen Gas do to improve its service when you apply for new natural gas service installations? [OPEN END; ACCEPT UP TO 3 MENTIONS; DO NOT READ]

POLLARA

2008 Importance Of Installation Coordination Sub-Attributes

(n=360)

Attribute	Relative Importance%[1]	%Excellent + %Good
Having customer service reps who are able to answer your questions and provide support	.269	64%
Flexibility of installation dates to fit with your project schedules	.230	53%
Speed of processing site drawings and specifications	.227	46%
Length of time between scheduling the installation and the installation date	.179	48%
Understanding your business requirements	.124	62%
Speed of getting through to someone who is able to arrange for an installation	N/S	57%
The accuracy of cost estimates	N/S	61%
Representatives have knowledge of all your jobs in process	N/S	57%

[1] A Key Driver Analysis was performed to determine which sub-attributes are most important to respondents. The column labelled "relative importance" illustrates the impact of each sub-attribute (on a scale from 0 to 1), with higher numbers indicating a greater impact, while lower numbers indicate a lesser impact, on satisfaction with the installation coordination of Terasen Gas. Sub-attributes that have no statistical relationship are identified as "N/S" (i.e. not significant).

C. Satisfaction With Field Crews

Satisfaction With Field Crews: 1 of 2

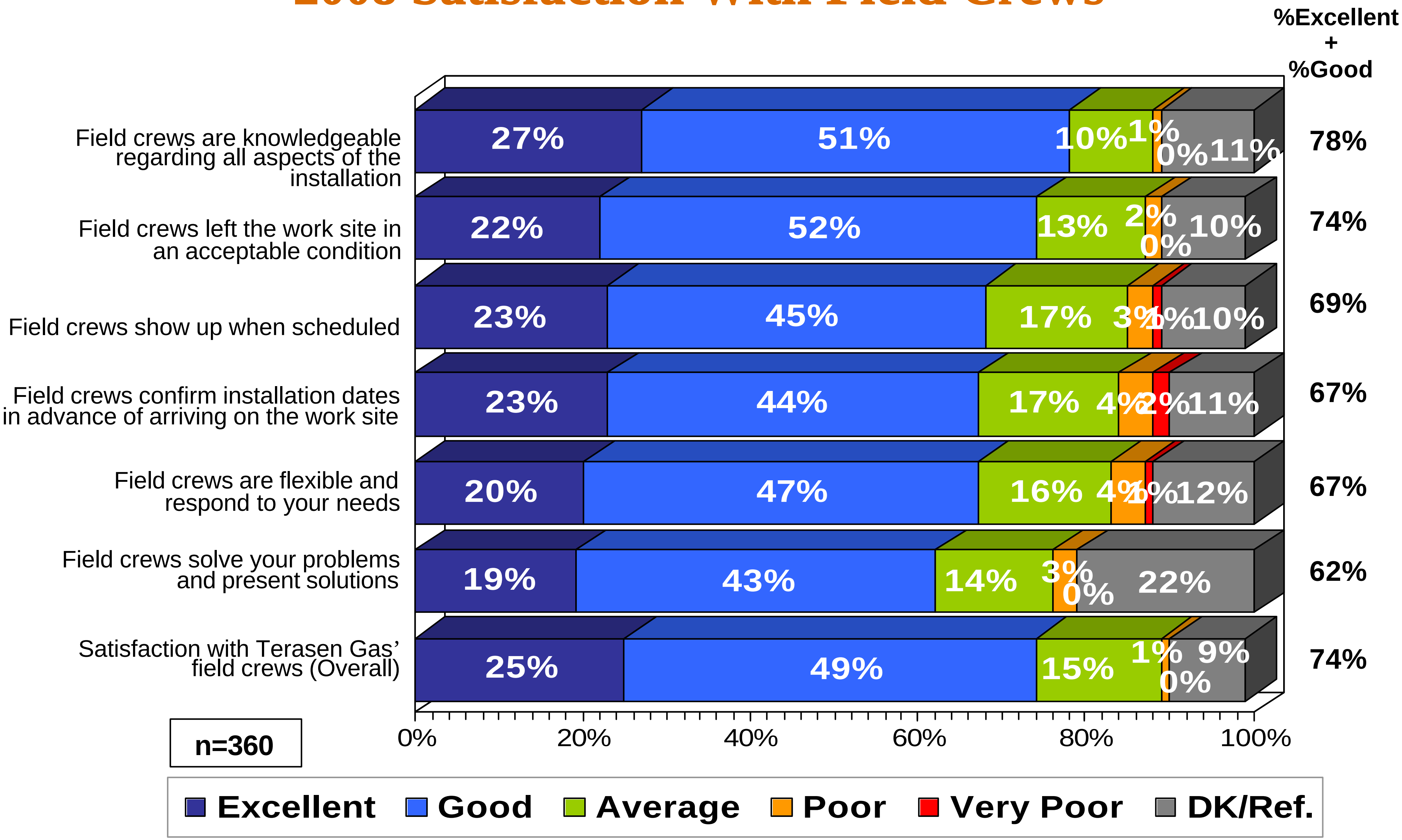
- ➔ Overall satisfaction with Field Crews in 2008 is 74%, which is comparable to 2007's 76% and 2006's 73%. Overall there has been little change since this attribute was first measured in 2002.
- ➔ None of the six sub-attributes register any statistically significant changes this year.
- ➔ It is notable that the field crews' knowledge regarding all aspects of the installation continues to be rated the most favourably for the seventh consecutive year.
- ➔ The proportion of "Don't Know/Refused" responses for each of the sub-attributes also remain statistically unchanged for each of the six sub-attributes.
  - The proportion of "Don't Know/Refused" responses for "Field crews solve your problems and present solutions" is unchanged, remaining high (22% vs. 20% in 2006). Again, this is likely due to a lack of respondent experience with this.

Satisfaction With Field Crews: 2 of 2

- **The composition of key drivers has changed slightly since 2007.**
  - **In 2008, "Field crews are flexible and respond to your needs" retains its position as the most important driver of builders' overall satisfaction with the field crews.**
  - **"Field crews left the work site in an acceptable condition" is the second most important driver, improving upon its third place showing of 2007.**
  - **"Field crews show up when scheduled" falls to third place from second place this year.**
  - **While "Field crews confirm installation dates in advance of arriving on the work site" was not a significant driver last year, in 2008, it ranks 4th.**
  - **"Field crews solve your problems and present solutions" retains 5th place in 2008.**
  - **In 2008, "Field crews are knowledgeable regarding all aspects of the installation" is no longer a significant driver of satisfaction with the field crews, down from fourth place in 2007.**

POLLARA

2008 Satisfaction With Field Crews



F1(A-F): The next part of the survey concerns your satisfaction with Terasen Gas' field crews that are responsible for new installations. Please rate your satisfaction with Terasen Gas' field crew in the following areas: [READ AND ROTATE][REPEAT SCALE IF NECESSARY IN REVERSE ORDER]

F2: And considering all of these factors overall, how would you rate your satisfaction with Terasen Gas' field crews? [REPEAT SCALE IF NECESSARY IN REVERSE ORDER]

Satisfaction With Field Crews – 2001-2008

*2002-2003 includes Builders & Mechanical Contractors. 2004-2005 includes Builders and Mechanical Engineers.

	%Excellent + %Good							
	2008 (n=360)	2007 (n=361)	2006 (n=361)	2005* (n=273)	2004* (n=242)	2003* (n=302)	2002* (n=318)	2001 (n=301)
Field crews are knowledgeable regarding all aspects of the installation	78%	77%	76%	80%	77%	74%	71%	n/a
Field crews left the work site in an acceptable condition	74%	75%	72%	75%	72%	70%	n/a	n/a
Field crews show up when scheduled	69%	70%	69%	71%↑	62%	59%	65%	n/a
Field crews confirm installation dates in advance of arriving on the work site	67%	69%↑	62%	60%	58%	52%	n/a	n/a
Field crews are flexible and respond to your needs	67%	65%	61%	66%	60%	61%	n/a	n/a
Field crews solve your problems and present solutions	62%	60%	60%	60%	60%	61%	64%	n/a
Satisfaction with Terasen Gas' field crews (OVERALL)	**74%**	**76%**	**73%**	**76%**	**75%**	**70%**	**71%**	**n/a**

no significant changes from last reporting period.

↑ Denotes significant increase

F1(A-F): The next part of the survey concerns your satisfaction with Terasen Gas' field crews that are responsible for new installations. Please rate your satisfaction with Terasen Gas' field crew in the following areas: [READ AND ROTATE][REPEAT SCALE IF NECESSARY IN REVERSE ORDER]

F2: And considering all of these factors overall, how would you rate your satisfaction with Terasen Gas' field crews? [REPEAT SCALE IF NECESSARY IN REVERSE ORDER]

1

POLLARA

2008 Importance Of Field Crew Sub-Attributes

Attribute	Relative Importance[1]	% Excellent + % Good
Field crews are flexible and respond to your needs	.349	67%
Field crews left the work site in an acceptable condition	.253	74%
Field crews show up when scheduled	.209	69%
Field crews confirm installation dates in advance of arriving on the work site	.116	67%
Field crews solve your problems and present solutions	.112	62%
Field crews are knowledgeable regarding all aspects of the installation	N/S	78%

[1] A Key Driver Analysis was performed to determine which sub-attributes are most important to respondents. The column labelled "relative importance" illustrates the impact of each sub-attribute (on a scale from 0 to 1), with higher numbers indicating a greater impact, while lower numbers indicate a lesser impact, on satisfaction with the field crews of Terasen Gas. Sub-attributes that have no statistical relationship are identified as "N/S" (i.e. not significant).

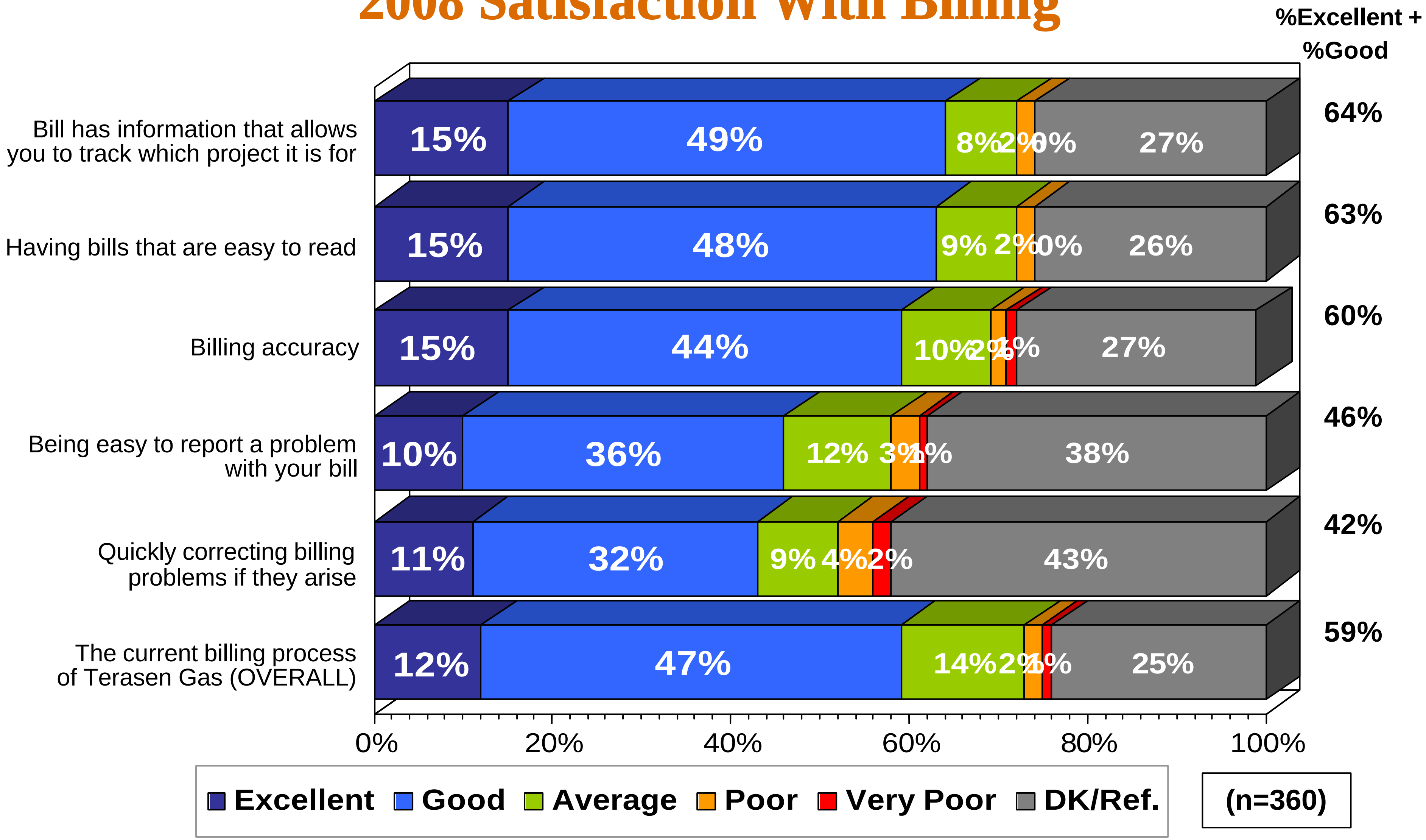
POLLARA

D. Satisfaction With Billing

Satisfaction With Billing: 1 of 1

- Overall satisfaction with Billing drops dramatically this year, declining a significant 11 points to 59% from 70% in 2007 and 2006. Indeed, this approaches the historical low of 56% measured in 2002.
- Correspondingly, four of the five billing attributes also suffer significant declines this year, each either reaching or approaching their historical low points.
  - "Bill has information that allows you to track which project it is for" (64% vs. 75% in 2007)
  - "Having bills that are easy to read" (63% vs. 75% in 2007)
  - "Billing accuracy" (60% vs. 69% in 2007)
  - "Being easy to report a problem with your bill" (42% vs. 53% in 2007)
- The proportion of "Don't Know/Refused" responses in the sub-attributes remains high, suggesting that it is possible that respondents are not actually the individual spending considerable time with the bill. "Don't Know/Refused" is particularly high for:
  - "Quickly correcting billing problems if they arise" (43%).
  - "Being easy to report a problem with your bill" (38%).
- The key driver composition order has changed since 2007.
  - "Easy to report a problem with your bill" is the number 1 driver in 2008, while it was the third most important in 2007 and second most important in both 2006 and 2005.
  - The most important driver from 2007 (i.e., "Bill has information that allows you to track which project it is for") is no longer a significant driver of satisfaction with billing.

2008 Satisfaction With Billing



B1(A-E): Now I would like to ask you some questions about Terasen Gas' billing process for work and service done during construction. How would you rate them in terms of: READ AND ROTATE][REPEAT SCALE IF NECESSARY IN REVERSE ORDER]

B2: Considering these factors overall, how would you rate the current billing process of Terasen Gas? [REPEAT SCALE IF NECESSARY IN REVERSE ORDER]

Satisfaction With Billing
2001-2008

*2002-2003 includes Builders & Mechanical Contractors. 2004-2005 includes Builders and Mechanical Engineers.

%Excellent + %Good

	2008 (n=360)	2007 (n=361)	2006 (n=361)	2005* (n=273)	2004* (n=242)	2003*[1] (n=205)	2002*[1] (n=218)	2001 (n=301)
Bill has information that allows you to track which project it is for	64% ↓	75%	72%	78% ↑	70%	70%	n/a	n/a
Having bills that are easy to read	63% ↓	75%	77%	80% ↑	71%	69%	71%	n/a
Billing accuracy	60% ↓	69%	71%	74% ↑	66%	62%	61%	n/a
Being easy to report a problem with your bill	46%	47%	49%	48%	52%	42%	46%	n/a
Quickly correcting billing problems if they arise	42% ↓	53%	48%	52%	53%	38% ↓	50%	n/a
Current billing process of Terasen Gas (OVERALL)	59% ↓	70%	70%	75%	70%	63%	56%	n/a

↑ Denotes significant increase ↓ Denotes significant decrease

B1(A-E): Now I would like to ask you some questions about Terasen Gas' billing process for work and service done during construction. How would you rate them in terms of: READ AND ROTATE][REPEAT SCALE IF NECESSARY IN REVERSE ORDER]

B2: Considering these factors overall, how would you rate the current billing process of Terasen Gas? [REPEAT SCALE IF NECESSARY IN REVERSE ORDER]

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[1] Asked to all respondents in 2002 and 2003 but only ratings among builders are presented for comparison purpose.

2008 Importance Of Billing Sub-attributes

Attribute	Relative Importance[1]	% Excellent + % Good
Easy to report a problem with your bill	.292	46%
Quickly correcting billing problems if they arise	.276	42%
Having bills that are easy to read	.251	63%
Billing accuracy	.205	60%
Bill has information that allows you to track which project it is for	N/S	64%

[1] A Key Driver Analysis was performed to determine which sub-attributes are most important to respondents. The column labelled "relative importance" illustrates the impact of each sub-attribute (on a scale from 0 to 1), with higher numbers indicating a greater impact, while lower numbers indicate a lesser impact, on satisfaction with the billing of Terasen Gas. Sub-attributes that have no statistical relationship are identified as "N/S" (i.e. not significant).

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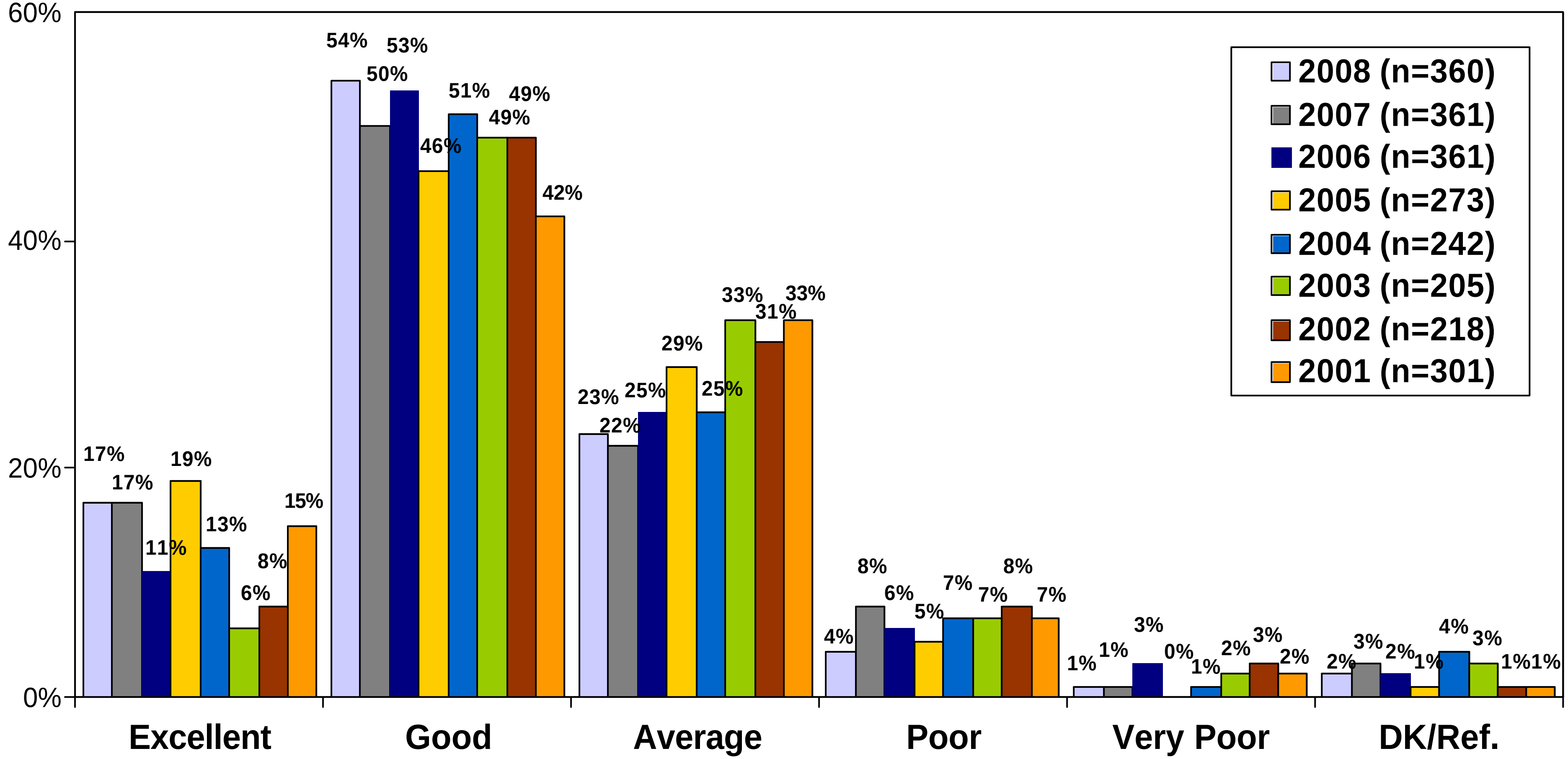
E. Overall Satisfaction

Overall Satisfaction with Quality of Service

(Among All Builders)

➔ **The proportion of "Excellent" ratings remains unchanged this year, at 17%. However, the proportion of combined "Excellent" and "Good" ratings continues to climb, for the second straight year, reaching a historical high of 71% (67% in 2007 and 64% in 2006).**



OS1: Considering all of the components of service, including communications, applying for new gas service installations, field crews, and billing, how would you rate Terasen Gas' service overall relative to other companies that you work with when building developments? Would you say Excellent, Good, Average, Poor, or Very Poor?

2008 Overall Satisfaction With Quality Of Service

- Satisfaction among each builder type has not changed significantly in 2008
- Consistent with 2007, Townhouse builders provide the least favourable assessments of Terasen Gas' service

	Single-family Builders (n=221)	Townhouse Builders (n=49*)	Condo/Apt Builders (n=37*)	Multi-family Builders (n=86)	Comm/Instit Builders (n=53)	All Builders Combined (n=360)
Excellent	19%	12%	19%	15%	8%	17%
Good	55%	41%	41%	41%	66%	54%
Excellent + Good	73%	53%	59%	56%	74%	71%
Average	21%	37%	30%	34%	19%	23%
Poor	3%	6%	11%	8%	4%	4%
Very Poor	1%	2%	0%	1%	1%	1%
Don't Know/Refused	2%	2%	0%	1%	1%	2%

*** Caution small sample size**

OS1: Builders: Considering all of the components of service, including communications, applying for new gas service installations, field crews, and billing, how would you rate Terasen Gas' service overall relative to other companies that you work with when building developments? Would you say Excellent, Good, Average, Poor, or Very Poor?

Reasons For Low Ratings On Overall Satisfaction With Quality Of Service: 1 of 2

(Among All Those Rating Average, Poor or Very Poor, n=107)

Same as other companies 19%

- Pretty close to the other gas companies that I used. They are all the same
- Terasen Gas is about the same as everyone else.
- Against the other utilities, they are the same

Delayed installations/Slow response/Long waiting time 16%

- For the things that I need as a developer, they are not timely, not fast enough
- Continue to have problems with timely delivery of designs in order to get field work scheduled on time

Room for improvement/Average 12%

- Because there are some good parts and there are some that need to be fixed
- Not outstanding in any way
- They don't go above and beyond-just do what they need to

Poor communication 10%

- You can't reach them. When they call you back they don't provide an extension number so you start all over with the same 1-800 number
- Because they don't communicate properly (i.e., every time you phone in, you get a different person and the problem doesn't get resolved properly)

OS2: Why did you rate Terasen Gas' service as very poor/poor/average [INSERT ANSWER FROM OS1]? [OPEN END; ACCEPT UP TO TWO ANSWERS]

Reasons For Low Ratings On Overall Satisfaction With Quality Of Service: 2 of 2

(Among All Those Rating Average, Poor or Very Poor, n=107)

Need more staff/knowledgeable staff	7%
Customer service is poor	6%
Have account representatives/dedicated person	5%
Problems with billing	4%
No other company to compare to	3%
Expensive	2%
Problems/Need improvement	1%
No experience with Terasen	1%
No main/Local offices	1%
Other	3%
Don't know	24%

OS2: Why did you rate Terasen Gas' service as very poor/poor/average [INSERT ANSWER FROM OS1]? [OPEN END; ACCEPT UP TO TWO ANSWERS]

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F. Importance Of Attributes In Predicting Overall Satisfaction

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2008 Importance Of Terasen Gas Service Components In Predicting Overall Satisfaction With Quality Of Service

➔ **In 2008, all four attributes remain important contributors to overall satisfaction with Terasen Gas. However, their importance ranking changes from that of 2007.**

- **In 2008, with a relative importance of .273, Billing takes over the lead from Communications and Relationship as the most significant predictor of overall satisfaction.**
- **Installation Process remains the second most important driver of overall satisfaction this year (relative importance of .270).**
- **This year, Field Crews and Communication and Relationship are ranked third and fourth, respectively, albeit still important predictors of overall satisfaction with Terasen Gas in 2008, contributing 25.4% and 20.1% towards the overall satisfaction measure.**
- **It is possible that the significant drop in satisfaction with the Billing attribute and its sub-attributes may explain why Billing is more important this year. In contrast, the fact that Communications and Relationship is the only attribute to record an increase, albeit statistically insignificant, in its satisfaction score, may reflect customers' lower concern with this area.**

Attribute	Relative Importance[1]
Billing	.273
Installation Process	.270
Field Crews	.254
Communications & Relationship	.201

[1] A Key Driver Analysis was performed to determine which sub-attributes are most important to respondents. The column labelled "relative importance" illustrates the impact of each sub-attribute (on a scale from 0 to 1), with higher numbers indicating a greater impact, while lower numbers indicate a lesser impact, on overall satisfaction with Terasen Gas.

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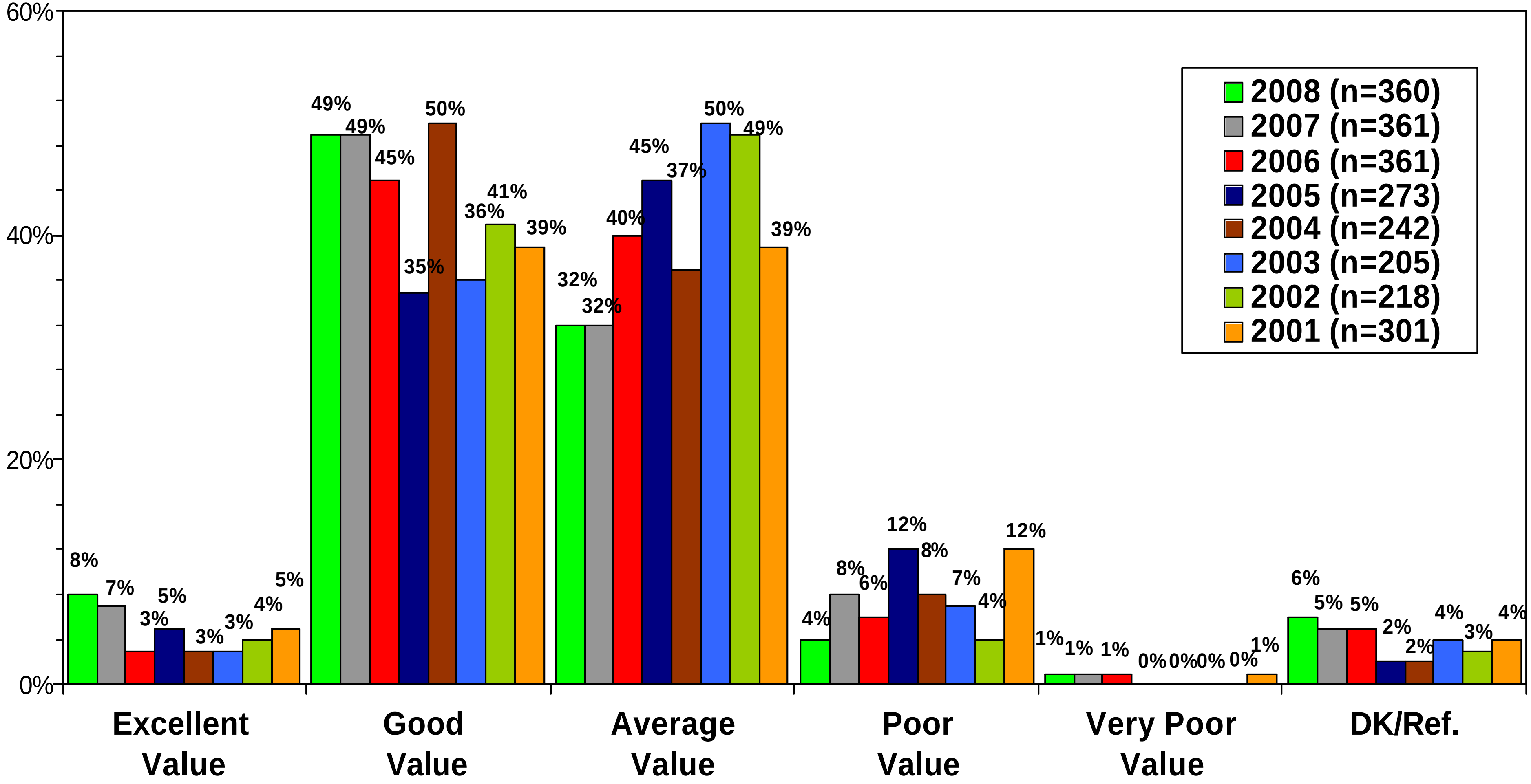
G. Satisfaction With Value For Money

Satisfaction With Value for Money
(Among All Builders)

➔ **Satisfaction with value for money (%Excellent + %Good) among builders has a minimal increase for the third year in a row (57% vs. 56% in 2007).**



VP3: Now, given the quality of Terasen Gas service, and considering the price you pay for their services, how would you rate Terasen Gas in terms of overall value for money? [REPEAT SCALE IF NECESSARY IN REVERSE ORDER]

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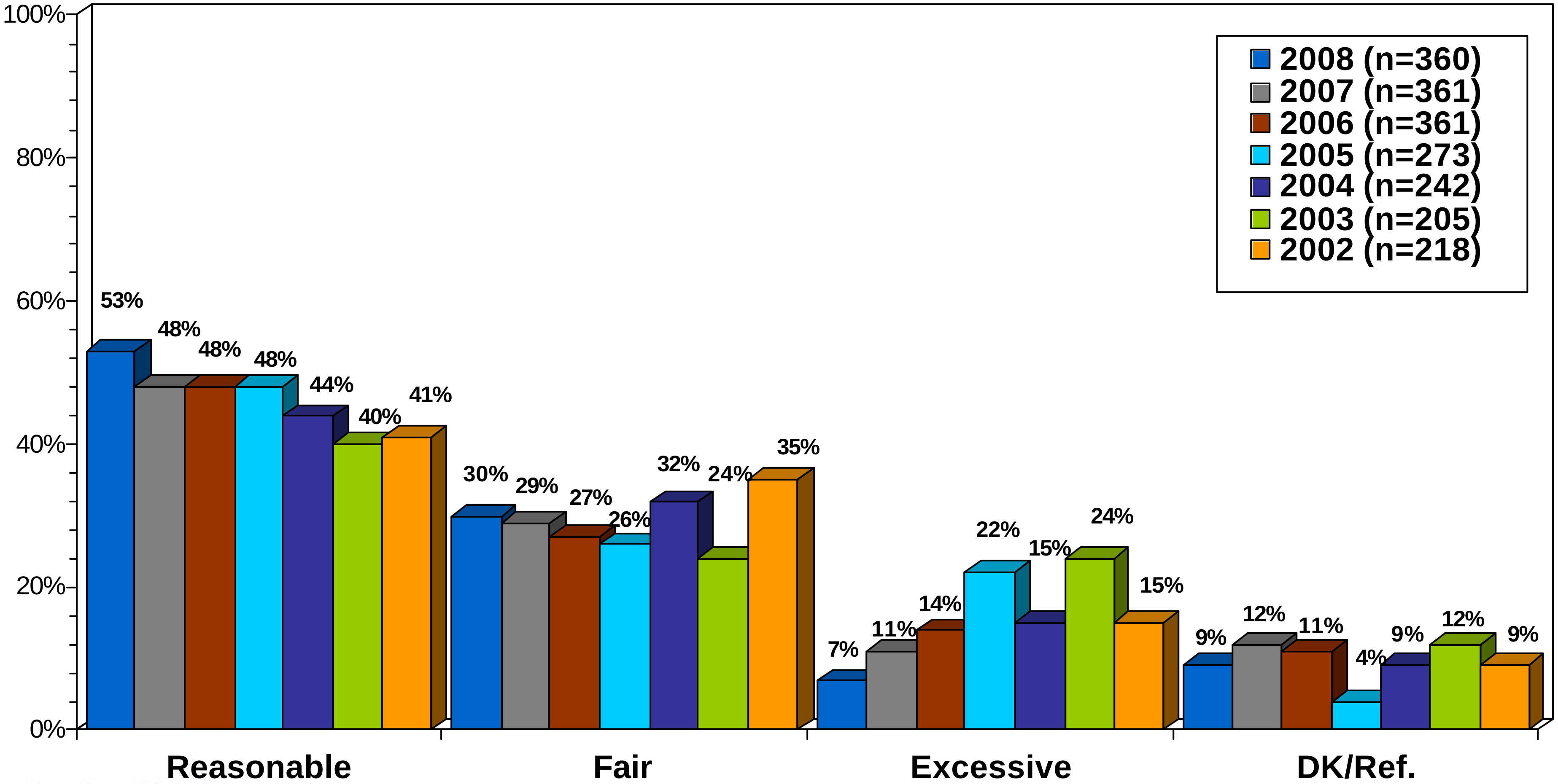
H. Satisfaction With New Service Installation Costs

Satisfaction With New Service Installation Costs

(Among All Builders)

➔ **After 3 years of remaining stable, the proportion of builders rating the cost of new service installation as "reasonable" increases this year (53% vs. 48% in 2005-2007), continuing an upward trend begun in 2003. In 2008, 83% rate it as "reasonable" or "fair", significantly higher than the 77% who rated it as such in 2007.**

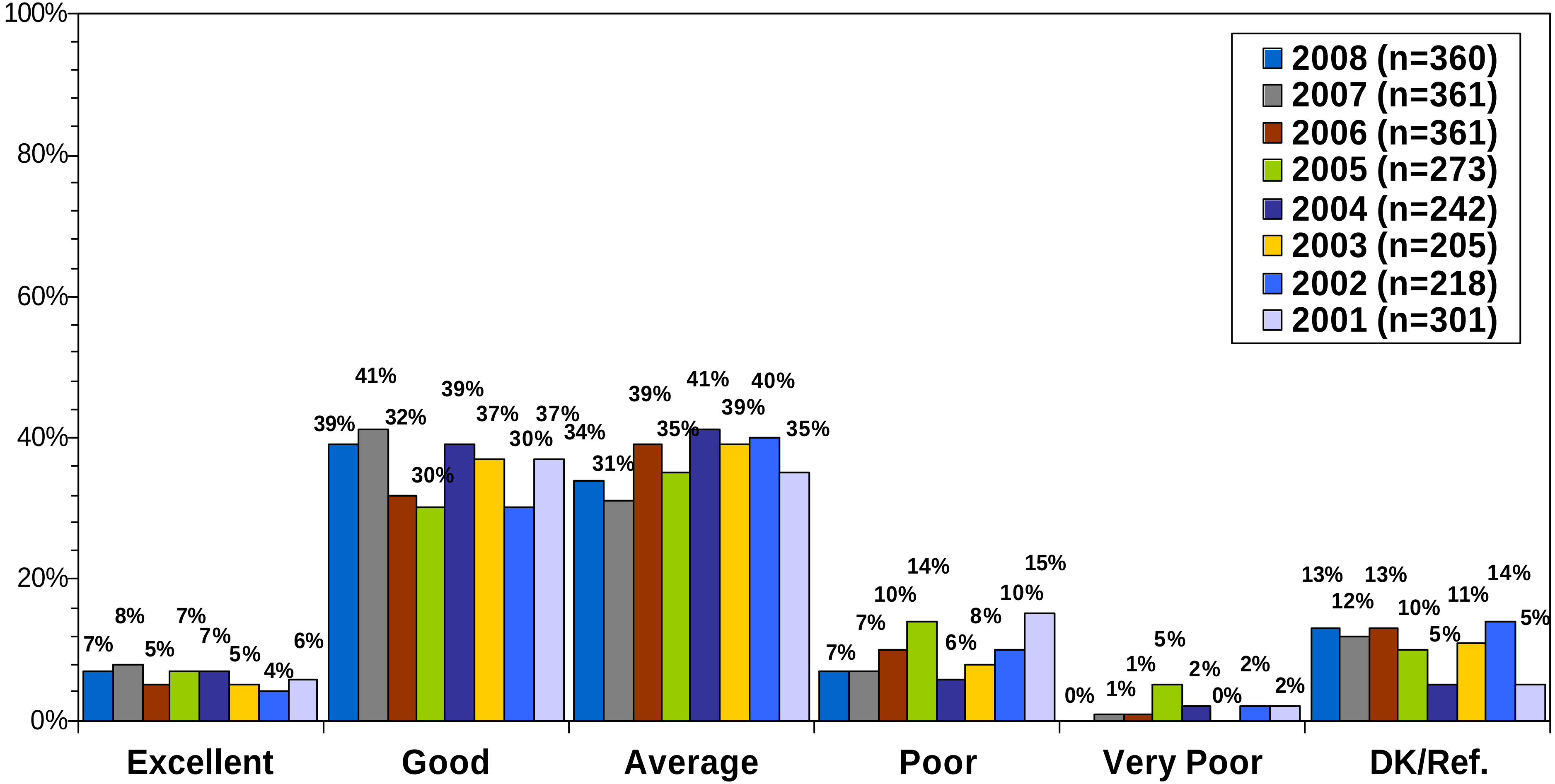


VP1: How would you rate the cost of new service installations? [READ LIST] * This questions was not asked in 2001

I. Satisfaction With Operating Costs Of Natural Gas

Satisfaction With Operating Costs Of Natural Gas
(Among All Builders)

➔ **Satisfaction with the operating costs of natural gas is statistically unchanged in 2008 compared to 2007, with the percentage of respondents rating it "excellent" or "good" at 45% in 2008, down from 49% in 2007.**



VP2: How would you rate the operating costs of natural gas as an energy source, in terms of marketing new developments to your customers? [READ LIST IN REVERSE ORDER]

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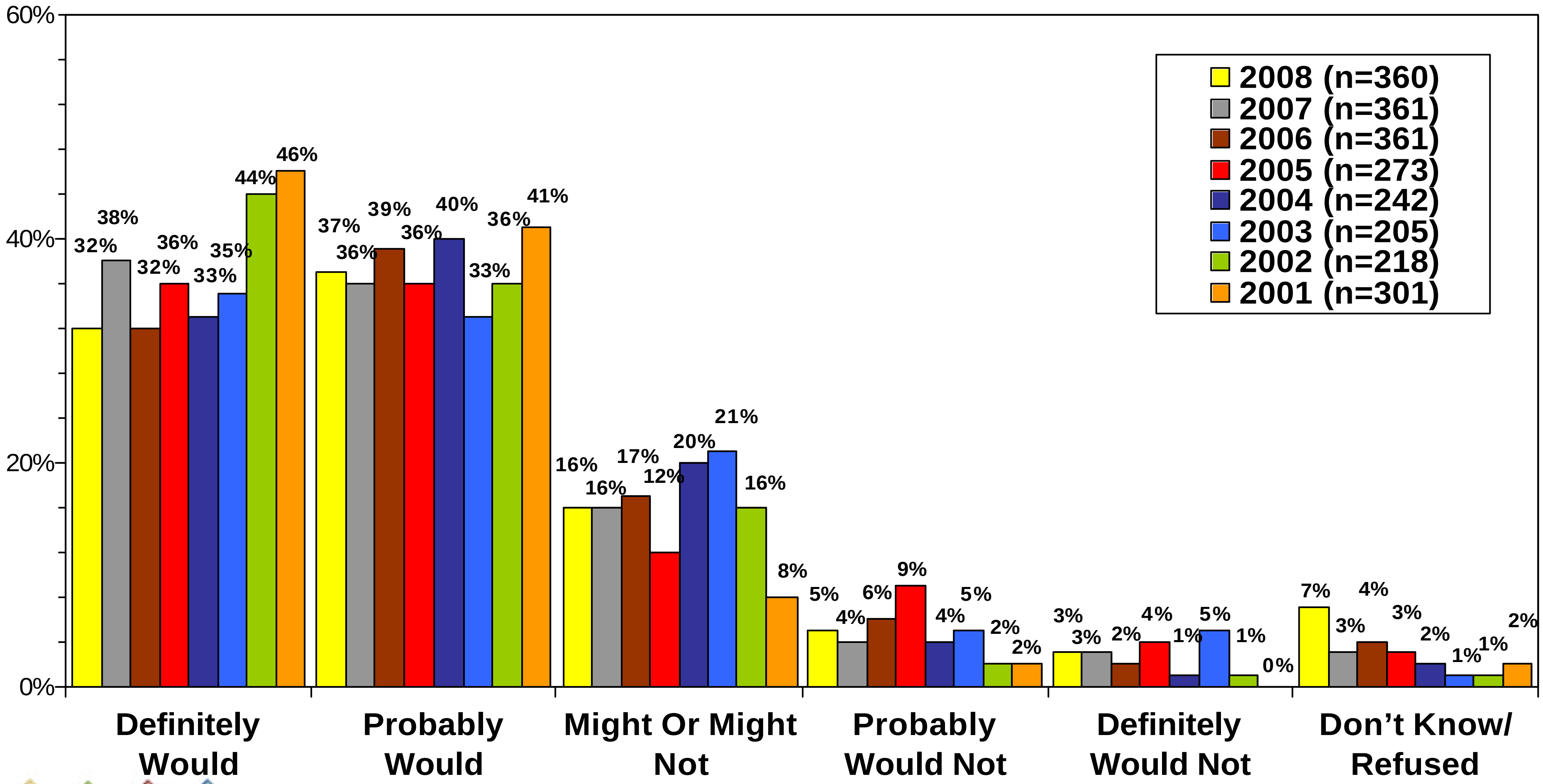
J. Likelihood To Recommend Natural Gas

Likelihood To Recommend Natural Gas As Energy Source
(Among All Builders)

➔ **Likelihood to recommend (% definitely + % probably) natural gas as an energy source declines 5 points (69% vs. 74% in 2007). The proportion who would "definitely" recommend natural gas also declines 6 points to 32%, returning to 2006 levels.**



RTG1: If a colleague were to ask you for a recommendation on the type of energy to use for space heating and domestic hot water heating, how likely would you be to recommend natural gas? [READ LIST IN REVERSE ORDER]

K. Index Value

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Satisfaction Index – 2008-2005

2008 INDEX VALUE = (71% + 57% + 69%)/3 = 66%

Overall Satisfaction: Excellent + Good = 17% + 54% = 71%

Overall Value For Money: Excellent + Good = 8% + 49% = 57%

Likelihood to Recommend Natural Gas: Definitely + Probably = 32% + 37% = 69%

2007 INDEX VALUE = (67% + 56% + 74%)/3 = 66%

Overall Satisfaction: Excellent + Good = 17% + 50% = 67%

Overall Value For Money: Excellent + Good = 7% + 49% = 56%

Likelihood to Recommend Natural Gas: Definitely + Probably = 38% + 36% = 74%

2006 INDEX VALUE = (64% + 48% + 71%)/3 = 61%

Overall Satisfaction: Excellent + Good = 11% + 53% = 64%

Overall Value For Money: Excellent + Good = 3% + 45% = 48%

Likelihood to Recommend Natural Gas: Definitely + Probably = 32% + 39% = 71%

2005 INDEX VALUE = (65% + 40% + 72%)/3 = 59%

Overall Satisfaction: Excellent + Good = 19% + 46% = 65%

Overall Value For Money: Excellent + Good = 5% + 35% = 40%

Likelihood to Recommend Natural Gas: Definitely + Probably = 36% + 36% = 72%

Years 2002-2008 data has been weighted to reflect the proportion of builders interviewed in 2001. Vancouver Island builders were first included in the calculation of the index since 2004.

Satisfaction Index – 2004-2001

2004 INDEX VALUE = (64% + 53% + 73%)/3 = 63%

Overall Satisfaction: Excellent + Good = 13% + 51% = 64%
Overall Value For Money: Excellent + Good = 3% + 50% = 53%
Likelihood to Recommend Natural Gas: Definitely + Probably = 33% + 40% = 73%

2003 INDEX VALUE = (55% + 39% + 68%)/3 = 54%

Overall Satisfaction: Excellent + Good = 6% + 49% = 55%
Overall Value For Money: Excellent + Good = 3% + 36% = 39%
Likelihood to Recommend Natural Gas: Definitely + Probably = 35% + 33% = 68%

2002 INDEX VALUE = (57% + 45% + 80%)/3 = 61%

Overall Satisfaction: Excellent + Good = 8% + 49% = 57%
Overall Value For Money: Excellent + Good = 4% + 41% = 45%
Likelihood to Recommend Natural Gas: Definitely + Probably = 44% + 36% = 80%

2001 INDEX VALUE = (57% + 44% + 87%)/3 = 63%

Overall Satisfaction: Excellent + Good = 15% + 42% = 57%
Overall Value For Money: Excellent + Good = 5% + 39% = 44%
Likelihood to Recommend Natural Gas: Definitely + Probably = 46% + 41% = 87%

Note: 2002 & 2003 index value is calculated only among Builders, not mechanical contractors. 2004, 2005 & 2006 index value is calculated only among Builders, not mechanical engineers. Years 2002-2008 data has been weighted to reflect the proportion of builders interviewed in 2001. Vancouver Island builders were first included in the calculation of the index in 2004.

Index Value

➔ The Index Value remains at 66% in 2008

- **The Index is unchanged at 66% this year, remaining at its highest level since the inception of the study in 2001.**
- **All three of the measures included in the index are statistically unchanged from 2007. However, Overall Satisfaction trends up for the second consecutive year, reaching 71% in 2008 from 67% in 2007.**
- **When compared to the base year (2001) Overall Satisfaction and Overall Value for Money have increased significantly, creating a positive trend line. Conversely, likelihood to recommend natural gas has decreased significantly between 2001 and 2008, creating a negative trend line.**

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Index Value

- In 2008, Interior builders provide the highest rating of Terasen Gas for Likelihood to Recommend Natural Gas, while tied for first with Lower Mainland builders on the Index Value. This contrast with 2007, when Interior builders provided the highest ratings in three of four measures: Value for Money, Likelihood to Recommend Natural Gas, and in the Index Value.
- Lower Mainland builders provide the highest Overall Satisfaction rating (72% vs. 69% for Interior Builders and 70% for Vancouver Island Builders). They also gave the highest Overall Value for Money rating and tie for first with Interior Builders on the Index Value.
- Vancouver Island builders continue to provide the lowest ratings on three of the measures. However, it is notable that the Overall Satisfaction measure improves significantly this year, rising to 70% in 2008 from 51% in 2007, driven by a 19% increase in "good" ratings.

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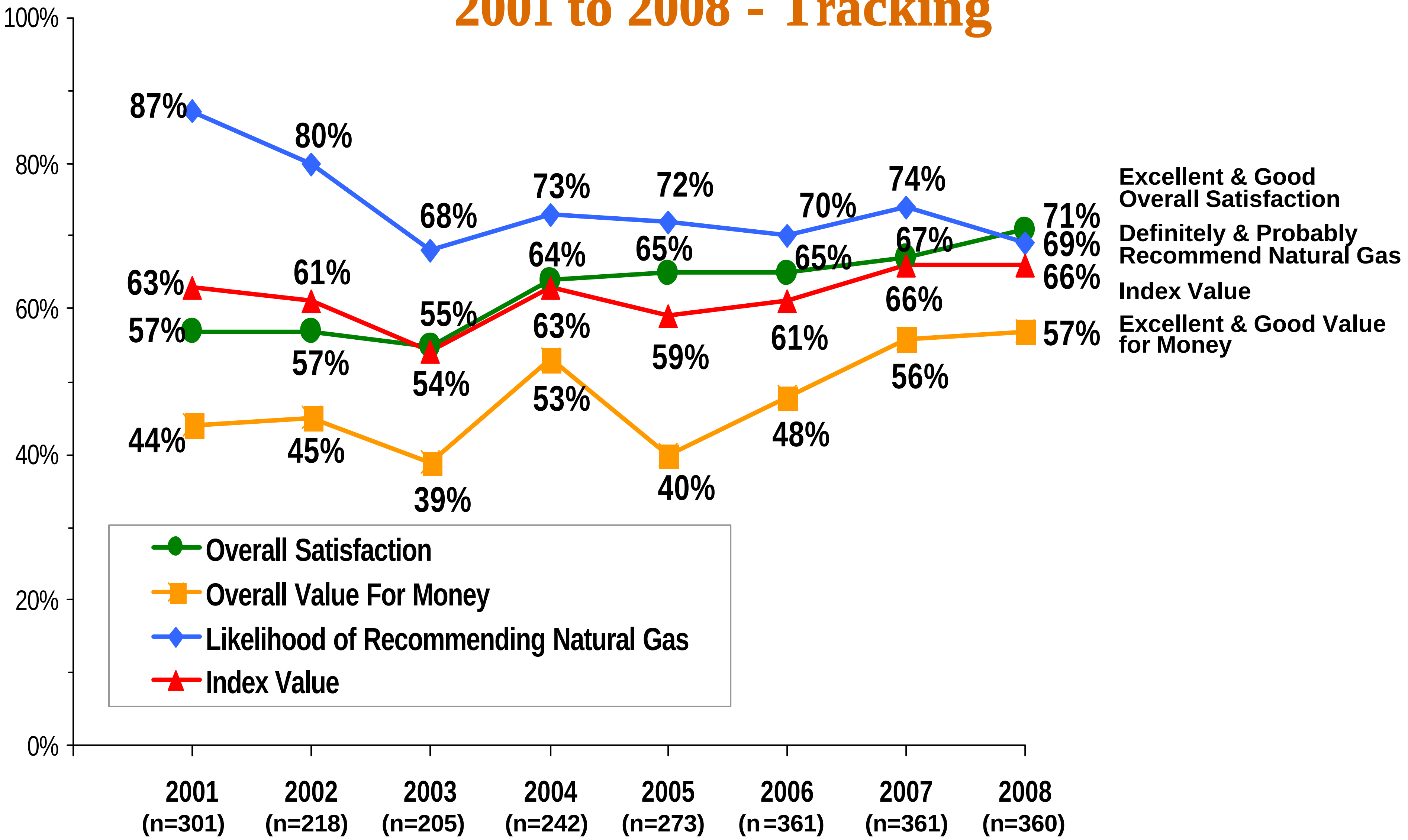
Index Values – Among Builders
2001 to 2008

2008 *(n=360)*	2007 *(n=361)*	2006 *(n=361)*	2005 *(n=273)*	2004 *(n=242)*	2003 *(n=205)*	2002 *(n=218)*	2001 *(n=301)*	
Overall Satisfaction:								
Excellent	17%	17%	11%	19%	13%	6%	8%	15%
Good	54%	50%	53%	46%	51%	49%	49%	42%
Excellent + Good	71%	67%	64%	65%	64%	55%	57%	57%
Overall Value For Money:								
Excellent	8%	7%	3%	5%	3%	3%	4%	5%
Good	49%	49%	45%	35%	50%	36%	41%	39%
Excellent + Good	57%	56% ↑	48% ↑	40% ↓	53% ↑	39%	45%	44%
Likelihood of Recommending Natural Gas:								
Definitely	32%	38%	32%	36%	33%	35%	44%	46%
Probably	37%	36%	39%	36%	40%	33%	36%	41%
Definitely + Probably	69%	74%	71%	72%	73%	68% ↓	80% ↓	87%
Index Value	66%	66%	61%	59%	63%	54%	61%	63%

no significant changes from last reporting period.

↑ Denotes significant increase from one reporting period to the next.
↓ Denotes significant decrease from one reporting period to the next.

Index Values – Among Builders 2001 to 2008 - Tracking



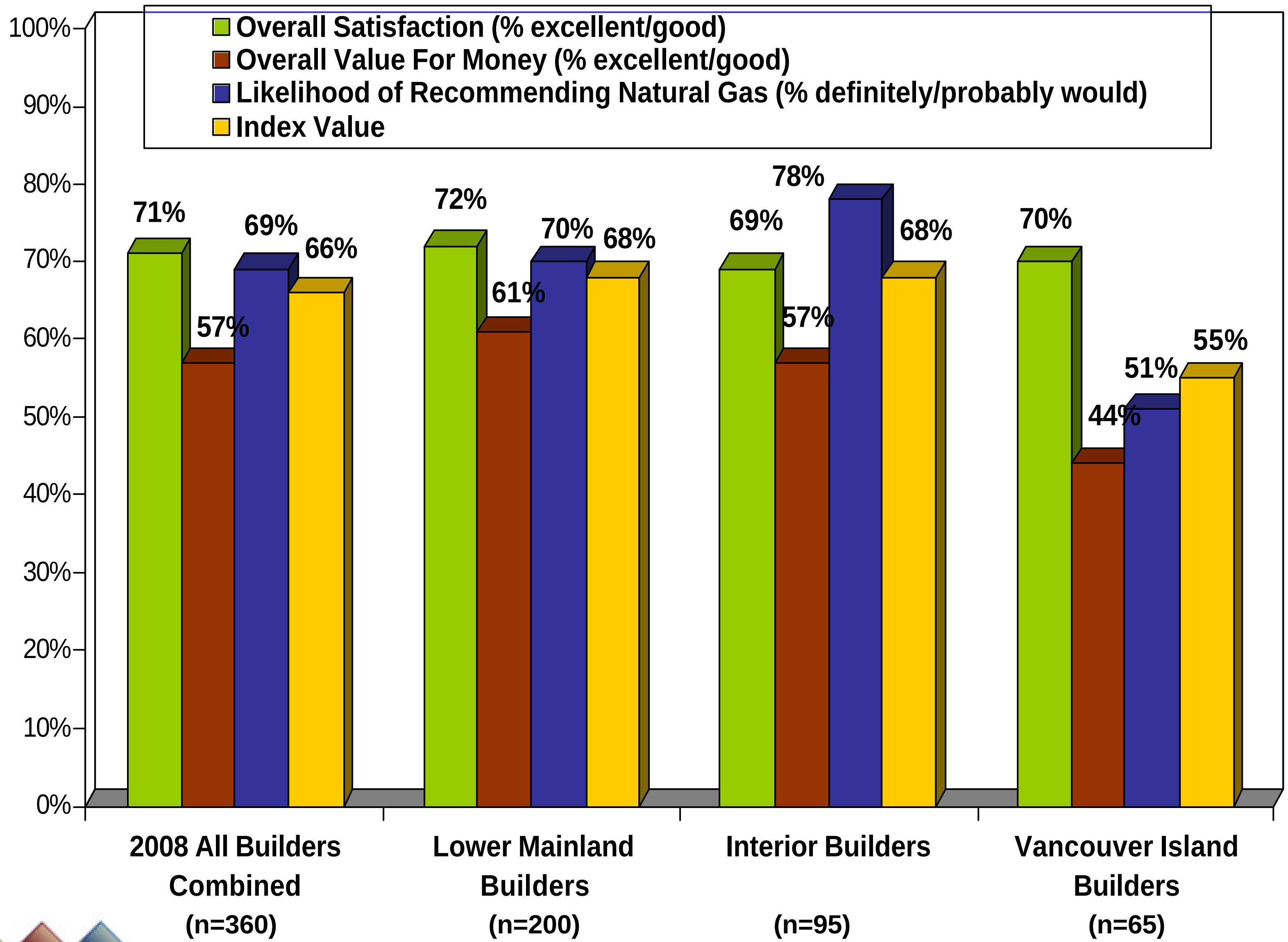
Index Values by Region – 2008

	2008 All Builders Combined* *(n=360)*	Lower Mainland Builders *(n=200)*	Interior Builders *(n=95)*	Vancouver Island Builders *(n=65)*
Overall Satisfaction:				
Excellent	17%	18%	14%	19%
Good	54%	55%	55%	50%
Excellent + Good	71%	72%	69%	70%
Overall Value For Money:				
Excellent	8%	10%	7%	3%
Good	49%	51%	50%	41%
Excellent + Good	57%	61%	57%	44%
Likelihood of Recommending Natural Gas:				
Definitely	32%	32%	38%	22%
Probably	37%	38%	40%	29%
Definitely + Probably	69%	70%	78%	51%
Index Value	66%	68%	68%	55%

Denotes the highest value among the three regional sub-groups.

Denotes the lowest value among the three regional sub-groups.

Index Values by Region – 2008



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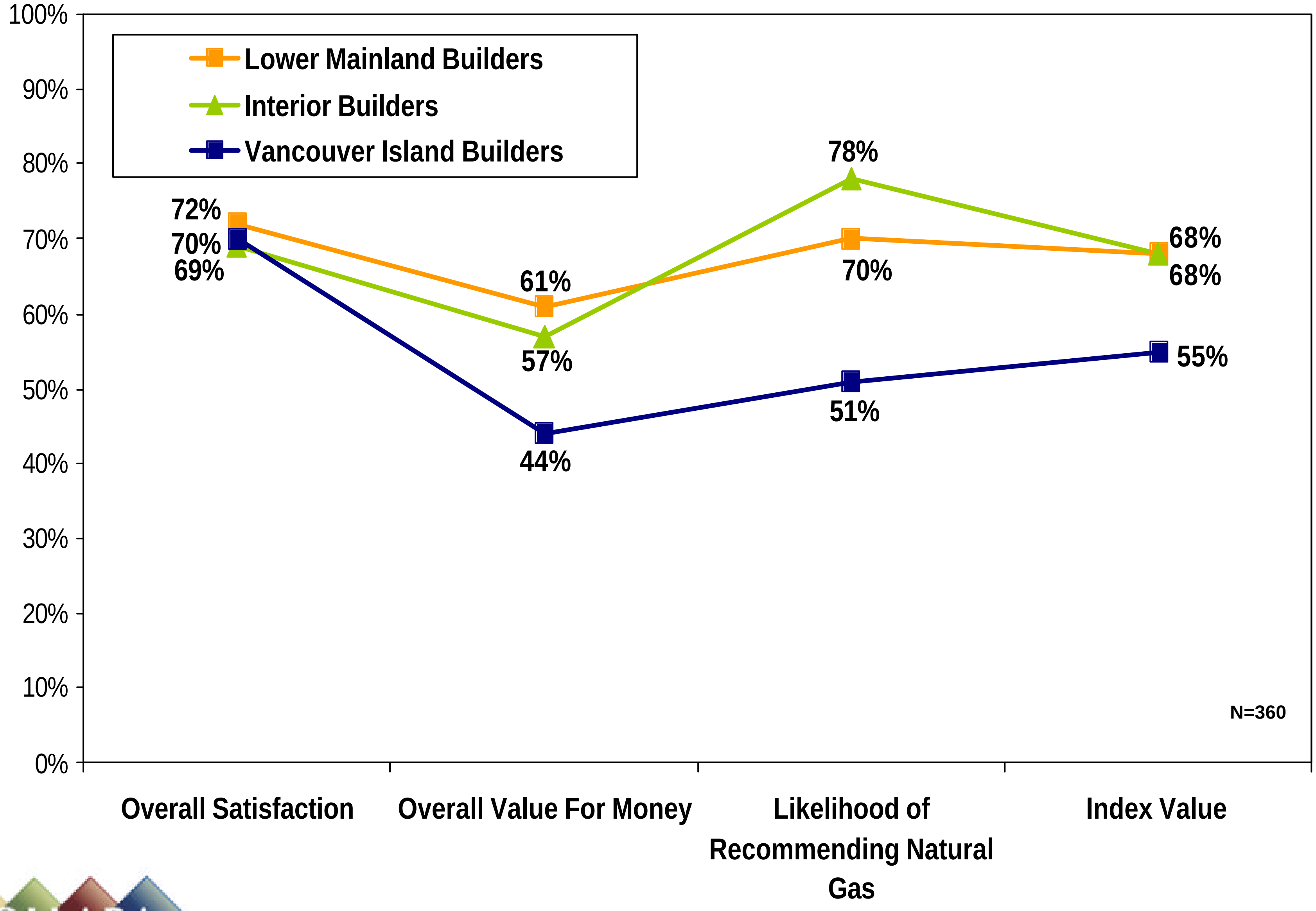
Index Values by Region – 2008



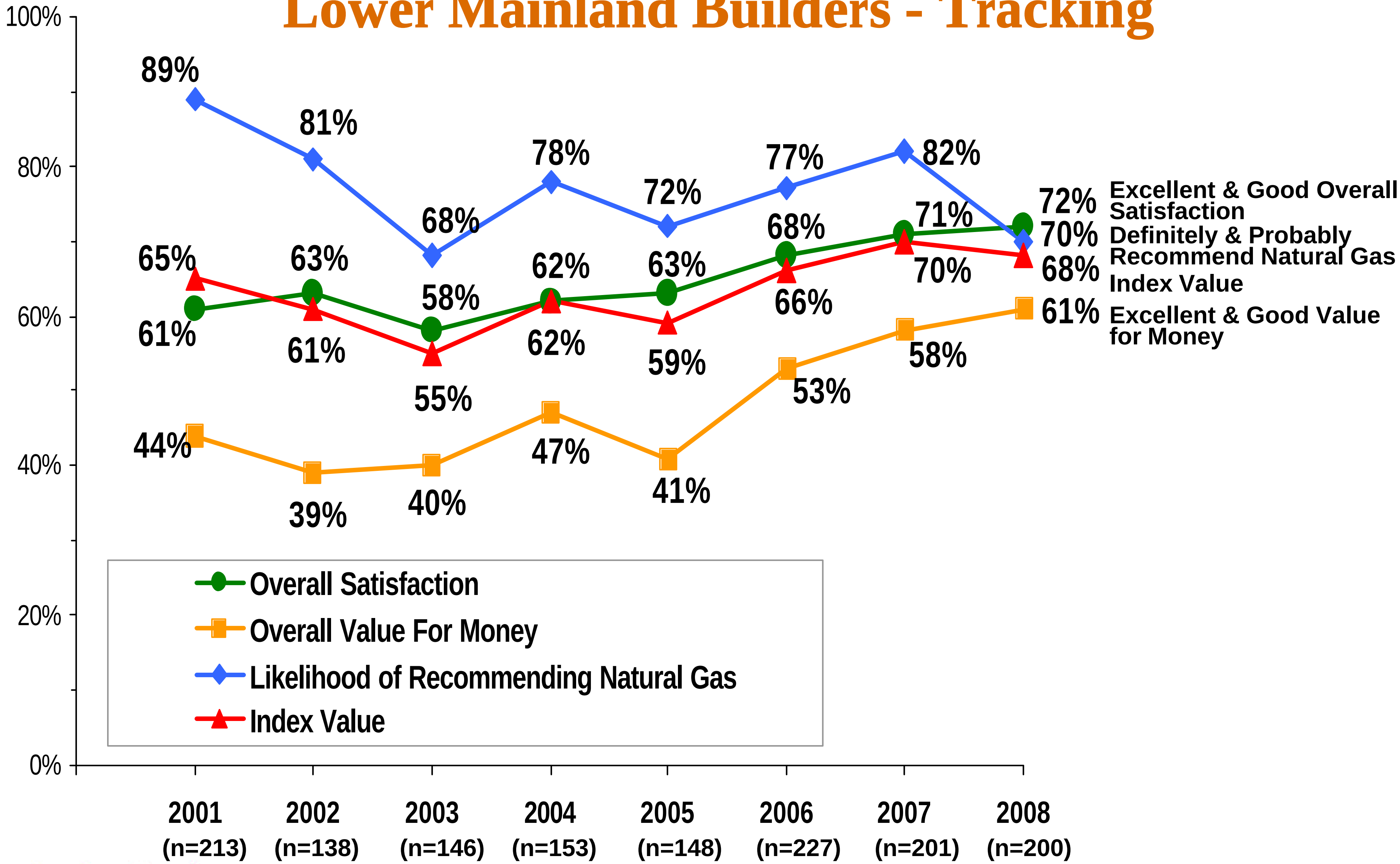
Index Values by Lower Mainland - 2001 to 2008

	Lower Mainland Builders							
	2008 *(n=200)*	2007 *(n=201)*	2006 *(n=227)*	2005 *(n=148)*	2004 *(n=153)*	2003 *(n=146)*	2002 *(n=138)*	2001 *(n=213)*
Overall Satisfaction:								
Excellent	18%	14%	11%	21%	12%	8%	10%	16%
Good	55%	57%	56%	42%	50%	50%	53%	43%
Excellent + Good	72%	71%	67%	63%	62%	58%	63%	61%
Overall Value For Money:								
Excellent	10%	5%	3%	7%	3%	3%	3%	6%
Good	51%	53%	50%	34%	44%	37%	36%	38%
Excellent + Good	61%	58%	53% ↑	41%	47%	40%	39%	44%
Likelihood of Recommending Natural Gas:								
Definitely	32%	41%	39%	38%	37%	34%	42%	53%
Probably	38%	41%	39%	34%	41%	34%	39%	36%
Definitely + Probably	70% ↓	82%	78%	72%	78%	68% ↓	81% ↓	89%
Index Value	68%	70%	66%	59%	62%	55%	61%	65%

↑ Denotes significant increase from one reporting period to the next.
↓ Denotes significant decrease from one reporting period to the next.

POLLARA

Index Values by Region – 2001 to 2008
Lower Mainland Builders - Tracking



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Index Values by Interior – 2001 to 2008

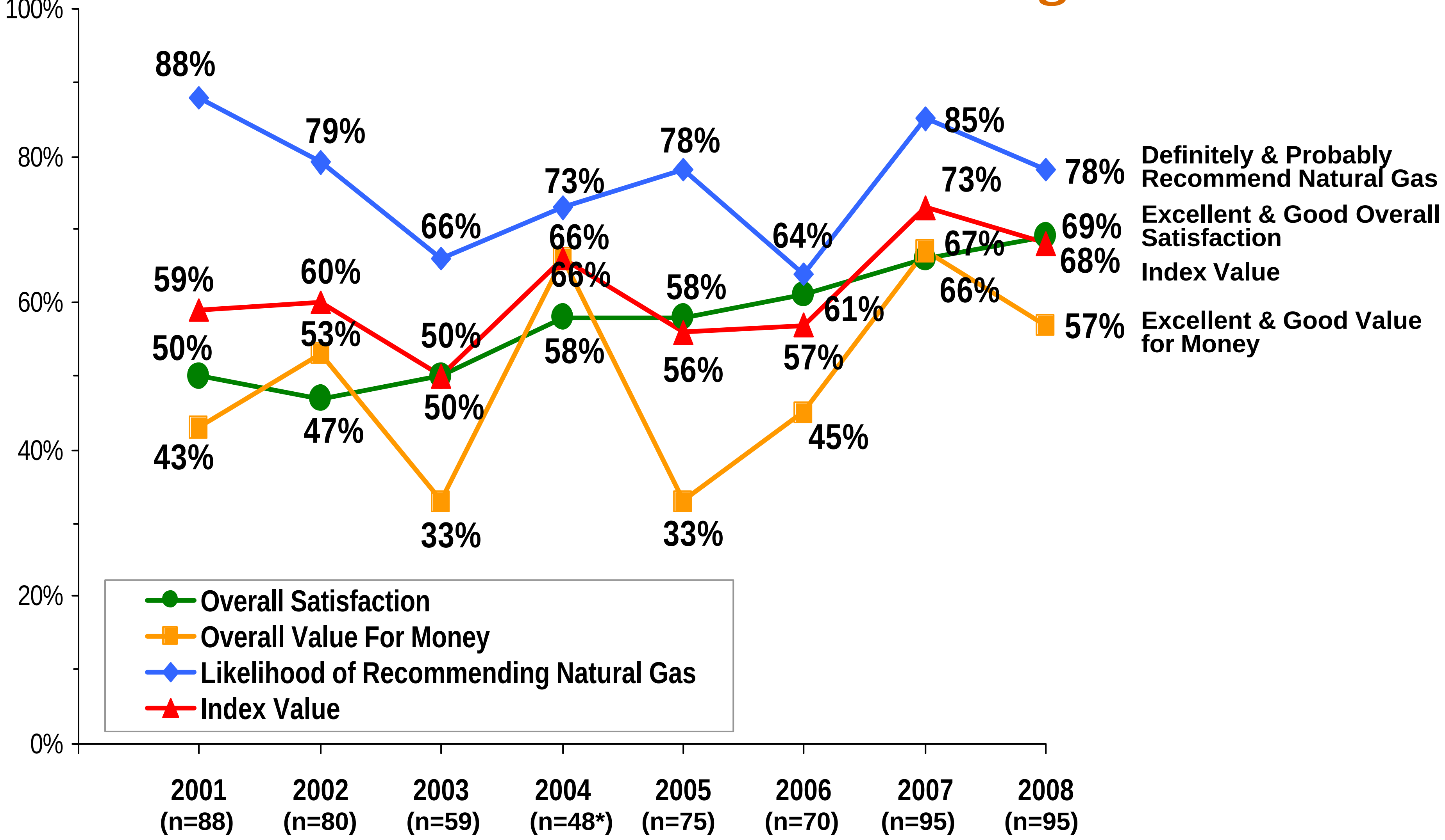
	Interior Builders							
	2008	2007	2006	2005	2004	2003	2002	2001
	(n=95)	*(n=95)*	*(n=70)*	*(n=75)*	*(n=48*)*	*(n=59)*	*(n=80)*	*(n=88)*
Overall Satisfaction:								
Excellent	14%	21%	14%	13%	12%	1%	6%	14%
Good	55%	45%	47%	45%	46%	49%	41%	36%
Excellent + Good	69%	66%	61%	58%	58%	50%	47%	50%
Overall Value For Money:								
Excellent	7%	11%	1%	3%	2%	0%	5%	3%
Good	50%	56%	44%	30%	64%	33%	48%	40%
Excellent + Good	57%	67% ↑	45%	33% ↓	66% ↑	33% ↓	53%	43%
Likelihood of Recommending Natural Gas:								
Definitely	38%	51%	23%	33%	31%	35%	49%	35%
Probably	40%	34%	41%	45%	42%	31%	30%	53%
Definitely + Probably	78%	85% ↑	64%	78%	73%	66%	79%	88%
Index Value	68%	73% ↑	57%	56%	66%	50%	60%	59%

no significant changes from last reporting period.

↑ Denotes significant increase from one reporting period to the next.
↓ Denotes significant decrease from one reporting period to the next.

POLLARA

Index Values by Region – 2001 to 2008
Interior Builders - Tracking



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* Small sample size. Caution should be used when interpreting these results.

Index Values by Vancouver Island – 2004 to 2008

	Vancouver Island Builders 2008 (n=65)	2007 (n=65)	2006 (n=64)	2005 (n=50*)	2004 (n=41*)
Overall Satisfaction:					
Excellent	19%	20%	8%	24%	21%
Good	50% ↑	31%	47%	60%	62%
Excellent + Good	70% ↑	51%	55% ↓	84%	83%
Overall Value For Money:					
Excellent	3%	7%	5%	4%	7%
Good	41%	38%	30%	47%	54%
Excellent + Good	44%	45%	35%	51%	61%
Likelihood of Recommending Natural Gas:					
Definitely	22%	18%	19%	35%	22%
Probably	29%	30%	35%	30%	34%
Definitely + Probably	51%	48%	54%	65%	56%
Index Value	55%	48%	48% ↓	67%	67%

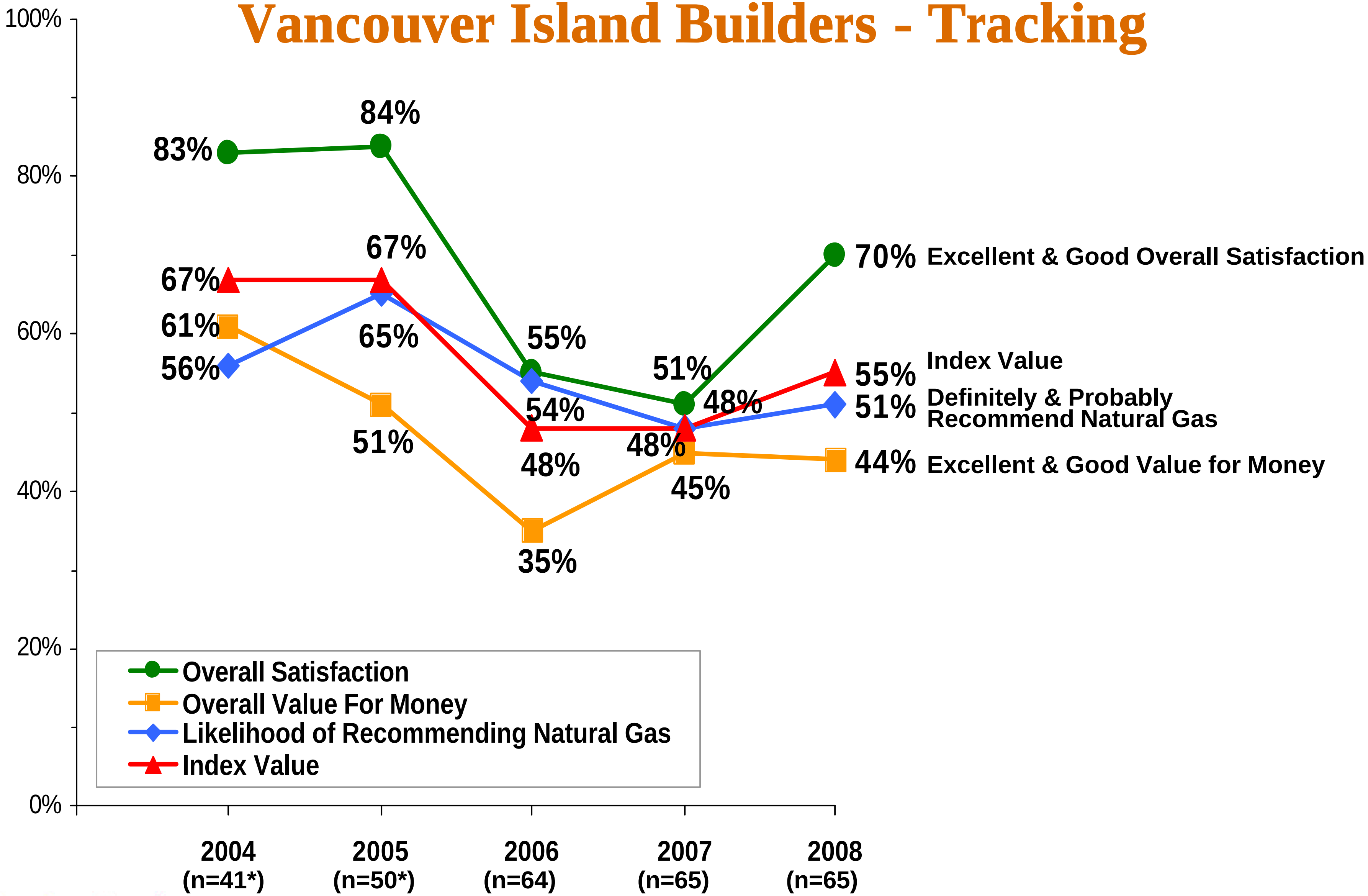
Note: Vancouver Island builders not interviewed in 2002 and 2003.

* Small sample size. Caution should be used when interpreting these results.

↓ Denotes significant decrease from one reporting period to the next.

POLLARA

Index Values by Region – 2004 to 2008
Vancouver Island Builders - Tracking



* Small sample size. Caution should be used when interpreting these results.

VI. Number Of Dwelling Units Built In Past 12 Months

Number Of Dwelling Units Built In The Past 12 Months

(Among All Builders)

# of units	Single-family Builders *(n=221)*	Townhouse Builders *(n=49*)*	Condo/Apt Builders *(n=37*)*	Multiple Style Builders *(n=86*)*	Comm/Instit Builders *(n=53)*	All Builders Combined *(n=360)*
1-5	50%	14%	5%	10%	43%	44%
6-10	19%	16%	11%	14%	20%	18%
11-20	14%	22%	8%	16%	0%	13%
21-30	3%	10%	5%	8%	3%	4%
31-40	2%	0%	0%	0%	6%	2%
41-100	6%	16%	24%	20%	4%	8%
More Than 100	3%	14%	43%	27%	7%	7%
Don't Know/Ref.	4%	6%	3%	5%	17%	5%
Average:	18.0	54.0	213.4	124.0	26.3	34.0

CG2 : Thinking of those [INSERT Q1B], how many dwelling units did your company build in the past 12 months?

*** Small sample size. Caution should be used when interpreting these results.**

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Number Of Dwelling Units Built In The Past 12 Months
(*Regional*)

# of units	Lower Mainland *(n=200)*	Vancouver Island *(n=65)*	Interior *(n=95)*	All Builders Combined *(n=360)*
1-5	45%	52%	36%	44%
6-10	19%	10%	23%	18%
11-20	8%	17%	19%	13%
21-30	3%	7%	3%	4%
31-40	1%	2%	4%	2%
41-100	7%	9%	8%	8%
More Than 100	8%	3%	7%	7%
Don't Know/Refused	9%	0%	2%	5%
Average # of Units	40.7	24.8	27.8	34.0

CG2 : Thinking of those [INSERT Q1B], how many dwelling units did your company build in the past 12 months?

POLLARA

Builders and Developers Study, 2008

Prepared For:

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January 2009