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October 2, 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”)**

**Customer Care Enhancement Project Application for a Certificate of Public Convenience and Necessity (“CPCN”) to Insource Customer Care Services and Implement a New Customer Information System (“CIS”) (the “Application”)**

**Response to the Commercial Energy Consumers Association of British Columbia (“CEC”) Information Request (“IR”) No. 1**

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On June 2, 2009, Terasen Gas filed the Application as referenced above. In accordance with Commission Order No. G-107-09 setting out the Revised Regulatory Timetable for the Application, Terasen Gas respectfully submits the attached response to CEC IR No. 1.

If you have any questions or require further information related to this Application, please do not hesitate to contact Danielle Wensink, Director, Customer Care & Services at (604) 592-7497.

Yours very truly,

**TERASEN GAS INC.**

***Original signed:***

Tom A. Loski

Attachments

cc (email only): Registered Parties



Terasen Gas Inc. ("TGI", "Terasen Gas" or the "Company") Application for a Certificate of Public Convenience and Necessity ("CPCN") for the Customer Care Enhancement Program (the "Project")	Submission Date: October 2, 2009
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**1. Reference Exhibit B-4, Page 8, Project Cost and Rate Impact and Exhibit B-4, Page 118 and 119, Options for Moderating Rate Impact**

Terasen Gas recognizes that incremental costs result in rate impacts and as a result seeks the most cost-effective solution for customers. In the case of significant Project expenditures, the timing of their recovery in rates, especially as a result of short depreciation periods, can result in higher than normal rate increases over the short-term. The implementation of the new CIS platform for example would generally be treated as software and depreciated over eight years. This treatment causes an increase in rates over the short term that could be smoothed by increasing the depreciation period by two years to ten. Equally, rates could be smoothed by using a deferral mechanism to recover costs from customers over a longer period of time, such as 15 years. These options for moderating rate impacts associated with the Project are examined in greater detail in Section 6 of this Amended Application.

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Terasen Gas commissioned Gannett Fleming to complete a depreciation review of CIS platforms and the Company's planned new CIS to determine if a change in the standard eight year depreciation for software is merited. An increase in the depreciation may be merited given that the service life of this type of software is significantly longer than most other types of software. In its review, Gannett Fleming recommended considering increasing the depreciation for the new CIS platform by two years to ten.

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Although Terasen Gas has not assumed a ten year depreciation period for the new CIS platform in its cost of service calculation, this change is an option for the Commission to consider using as a tool for smoothing the impact on customers' rates that is caused by the implementation of the Project. If this change in depreciation is viewed as beneficial by the Commission, the average annual change at the burner tip for a typical residential customer on the BC Mainland would decrease from 0.23% to approximately 0.03% over the ten year period starting in 2012.

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An alternate method for moderating the impact on customers' rates is the use of a deferral mechanism. Recovering costs over a 15 year period using deferral treatment for example, would result in a decrease in the average annual change at the burner tip



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for a typical residential customer on the BC Mainland from approximately (0.6%) to (0.5%) over the 15 year period starting in 2012.

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- 1.1 Is Terasen open to having costs of the CCE project spread out over a longer period than it has proposed in the CPCN application?

**Response:**

This response addresses CEC IR 1.1.1 to 1.1.5.

Terasen Gas is of the view that the depreciation period it has used for determining the cost of service for the Project is reasonable and appropriate for the recovery of the Project costs. With the exception of the depreciation of the new CIS where it may be possible to extend its depreciation period by two years, the depreciation period of all other Project capital costs are bound by current accounting standards. The proposed depreciation period set out in the Amended Application ensures recovery over the useful life of the assets. It will ensure that current customers largely pay for an asset from which they will receive most of the benefit.

In terms of the 20 year period of time that the financial analysis was based on, it was selected because it represents the approximate foreseeable duration that the proposed solution will be used as the basis for providing customer care services. In order to ensure that the initial investment in the new CIS platform will continue to be useful over this period, recurring capital investment will be required on a regular basis.

The only option for managing the impact on customers' rates by extending the period of time over which costs are recovered from customers, is by way of a deferral mechanism that would have to be approved by the Commission. This approach however will not reduce costs customers pay over the life of the assets. While this approach will delay when customers pay for the Project, it would also increase these costs because of the longer time taken to recover them. If customers are interested in a deferral mechanism to spread costs and manage rate impacts then Terasen Gas would consider that approach.

- 1.2 Does Terasen see any reason that it would not be in the public interest to spread the costs of the CCE project out over a longer period than it has proposed in the CPCN?

**Response:**

Please refer to the response to CEC IR 1.1.1.



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- 1.3 Does Terasen see any reason why the expected useful life cycle of the investment in the CCE project could not be considered as one of the options for spreading costs and reducing rate impacts?

**Response:**

Please refer to the response to CEC IR 1.1.1.

- 1.4 Does Terasen expect that the useful life cycle for the CCE platform investment will be 20 years or greater and is that why this period has been used for financial evaluation of the CCE investment?

**Response:**

Please refer to the response to CEC IR 1.1.1.

- 1.5 Is Terasen prepared to negotiate a longer term period for the amortization and collection of the CCE project costs?

**Response:**

Please refer to the response to CEC IR 1.1.1.



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## 2. Reference Exhibit B-4, Page 2, Executive Summary

### 1.1 Executive Summary

The customer care function of Terasen Gas is a vital part of providing service to our customers, and consequently represents a core element of our business. It is the main point of interaction between customers and the Company in all aspects of our business. Providing customers with sustained service excellence rests on Terasen Gas consistently being able to offer a range of communication options, billing and payment alternatives, and additional product and service options. It also requires the ability to manage communications related to outages and restoration of service, provide accurate and timely monthly bills, promptly address customer concerns, and ensure the Company's representatives have appropriate product and service knowledge and regional understanding.

In order for the Company to continue to serve customers well, it needs to adapt and change as customers require new and different services and seek to interact with Terasen Gas through a broader range of communication channels. Underpinning this ability to provide service excellence is a technology platform, referred to as a Customer Information System, or CIS. This platform is used to enable the business processes needed to deliver customer care services. The ability of Terasen Gas to respond to evolving customer service needs is essential to maintaining service excellence in the future. We have undertaken an extensive review of the

- 2.1 Given the evolution of a range of customer services, customer communication options and communication channels does Terasen believe that it may be useful to differentiate its customer market between those wanting or needing more sophisticated services and those just wanting a basic service?

#### **Response:**

Terasen Gas believes the additional services that will be implemented with the Project are core to our overall service delivery to customers. These services are enabled through the existing functionality of the new CIS and call centre technology platforms and there are no incremental costs associated with the service options. The Company does not believe a differentiated pricing approach is appropriate for these core services. The Project will enable new service options and information that will bring benefits to all customer groups.



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- 2.2 Are there incremental costs to providing a range of services to customers beyond those required for basic service?

**Response:**

Please refer to the response to CEC IR 1.2.1.

- 2.3 Does Terasen believe that there is a set of services, options and channels beyond the basic service for which some subset of customers may be willing pay?

**Response:**

Please refer to the response to CEC IR 1.2.1.

- 2.4 Would Terasen consider implementing differentiated pricing for those using services beyond those basic customer service requirements for all customers?

**Response:**

Please refer to the response to CEC IR 1.2.1.

- 2.5 Could Terasen support, with the new SAP CIS software, differentiated pricing for specific services beyond the basic services?

**Response:**

Yes, with the new CIS software Terasen Gas will be able to support differentiated pricing for specific services beyond the basic services. Please see the responses to CEC IR 1.2.1 and 1.2.6 for an explanation of why TGI believes that differentiated pricing is not appropriate for Terasen Gas.



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- 2.6 Do other industries, such as the ones Terasen compares itself to in regard to customer satisfaction, support differentiated pricing of services so that customers wanting a basic inexpensive service can get the service?

**Response:**

Other industries, such as telecommunications and cable providers, against which Terasen Gas' customers compare the Company's service delivery, do offer differentiated *product pricing*, including product bundles that bring a number of products to a customer at a lower price than if the products were purchased individually. Terasen Gas also offers differentiated pricing in its rates to customers, based on customer consumption of the product we deliver. The Company is not aware of any organizations against which our customers compare Terasen Gas service delivery that charge a direct fee *for customer service in support of those products* and provide different levels of *customer service* for different fees. As discussed in the response to CEC IR 1.2.1, TGI believes it is appropriate to offer core customer services without differentiated pricing.



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### 3. Reference Exhibit B-4, Page 3 and 4, Drivers for Change

Appendix J). When service has fallen short of contractual standards, which has happened more frequently of late, CustomerWorks LP has been required to pay contractual penalties to Terasen Gas. The payment of penalties to Terasen Gas accompanied by service shortfalls is not a sustainable model going forward.

- 3.1 Please explain the rationale for contractual standards and penalties in the current agreements with the current service providers.

#### Response:

The rationale for the current contractual standards was to provide a platform that would ensure that historical service standards were not allowed to deteriorate. The service standards were based on the level of service that the Company believed it was already providing to its customers at the time the agreement was put in place. It was not intended at that time to aspire to a higher standard. The penalties were included in the belief that these would not be a burden for the service provider but would provide assurance that service quality would be sustained over time.

- 3.2 What is not sustainable going forward, the service shortfalls or the payment of penalties when service falls short?

#### Response:

The service shortfalls are not sustainable. Terasen Gas believes that customers now expect an expanded level of service, both now and in the future, than was provided in 2002 and is incorporated in the current service levels in the Client Services Agreement. Although the payments made by CWLP for service shortfalls go to offset the cost of service for customers, there are long term negative ramifications for customers that are not reflected in such payments. In a competitive energy marketplace, where customer service can be a key point of differentiation among energy providers, declining customer service levels represent an additional impediment to TGI attracting and retaining customers that will contribute to the cost of operating the system.





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- 3.3 Did CustomerWorks LP respond when its service levels fell short and it was subject to penalties and were the problems fixed?

**Response:**

CustomerWorks has been responsive to the concerns raised by Terasen Gas related to service level failures. Please refer to CEC IR 1.3.2 for additional discussion regarding service level failures and their associated impact.

- 3.4 Given that the contractual standards and penalties provided a discipline, which Terasen was able to exercise on the service provider, what discipline will prevail over these same services and functions once the CCE project is implemented?

**Response:**

A discussion of the Company's approach to service metrics is presented in Section 4.5.3.2, Service Quality Improvement Strategy. Terasen Gas is anticipating proposing changes to the metrics following the Project implementation.

- 3.5 Is Terasen expecting to be subject to the same standards and penalties going forward should its service fall short?

**Response:**

No. Please refer to the responses to BCUC IR 1.141.1 and 1.141.1.1 for further information.



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#### 4. Reference Exhibit B-4, Page 5 and 6, Drivers for Change

As a result of these three developments, Terasen Gas is at a decision point similar to where we were in 2001, but facing a different set of circumstances, challenges and needs. Industry practice has evolved, due in part to advances in CIS products. Restructuring the customer care function at Terasen Gas is necessary to successfully meet the needs of our customers and the energy market into the future. This Project is critical to customers and our business. We are well positioned to deliver it.

- 4.1 Please describe the quantitative consequences of not making this CCE investment now and instead continuing with current arrangements and incremental improvements to the current arrangements for an additional 3 or 7 years.

#### **Response:**

TGI believes that it is important to be proactive and implement the CCE Project on the timeline as described in Exhibit B-4, Section 2.4 in order to respond to the drivers that led to the Project as discussed in Exhibit B-4, Section 3. The Company has not conducted a detailed quantitative analysis related to delaying the Project by a number of years primarily because TGI does not believe that the current model is sustainable based on evolving Company and customer requirements.

If TGI were to continue with current arrangements and incremental improvements for either an additional three or seven years as suggested in the question, the result for customers over that time period would be an increase in the costs associated with implementing incremental improvements required to meet evolving needs. This is discussed in the response to BCUC IR 1.4.1. A specific figure is difficult to quantify as each change would be implemented through a change order under the current arrangement and would potentially include process change and supporting system development. There is also the risk that these needs could not be adequately met at all using the current CIS and call centre technologies, including additional services and service delivery quality improvements such as those described in Exhibit B-4, Section 4.5. Any quantitative analysis should account for that risk, which while difficult to apply a specific cost against, TGI believes is material.

In addition, many of the costs associated with the Project implementation, such as those related to real estate pricing and availability, lease arrangements, software and consulting, are difficult to predict three or seven years from now.

The foregoing analysis addresses the short term impacts. Equally important, if not more important, are the long term impacts of sustained service shortfalls. Again this is difficult to



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quantify. However, TGI believes that quality customer service, reflected in the ability to meet customer needs and expectations, is critical to maintaining and attracting customers in the long term. The loss of customers, or the failure to attract new customers, has real (if difficult to quantify) costs for the remaining customers of TGI.

Proceeding with the CCE Project will ensure Terasen Gas customer service delivery is provided through a sustainable model and bring service improvements to customers at a cost that is lower than the notional costs of the current model. It will also provide the Company with direct ownership of the customer care function and greater flexibility to adapt to changes in its marketplace going forward.

- 4.2 What quantitative critical consequences does Terasen project for customers in the event this CCE investment is not made?

**Response:**

Please refer to the response to CEC IR 1.4.1.

- 4.3 What quantitative critical consequences does Terasen project for its business in the event this CCE investment is not made?

**Response:**

Please refer to the response to CEC IR 1.4.1.



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## 5. Reference Exhibit B-4, Page 7, Alternatives Analysis

- Customers will benefit from the expanded functional capabilities inherent in the SAP Utilities Customer Relationship and Billing module and proposed changes to service metrics in the call centre and billing and back office operations.

5.1 Please define specifically the customer benefits which will be received upon implementation and those which will be developed post implementation.

### **Response:**

Terasen Gas believes the functionality in the CCE Project will support all requirements known today and anticipated over the next three to five years through the initial implementation. All of the benefits discussed in the Amended Application and the functional requirements noted in the SAP RFQ response filed in confidence on June 24, 2009 will be delivered upon implementation. The Project also includes the multi-channel functionality included in the call centre technology. As it relates to cost reductions due to customers electing to use self serve or lower cost contact options or cost reductions due to business process synergies resulting from an integrated SAP solution for Terasen Gas, these benefits will be measured and delivered post implementation.

5.2 What is the quantitative value of the customer benefits being captured upon implementation and what is the potential quantitative value of those customer benefits which may be captured post implementation.

### **Response:**

For the purposes of this Application the Company has assumed that from 2012 forward the costs would be representative of the baseline used in the model. The quantitative or financial benefits are presented in Section 6 of the Amended Application. The potential quantitative value post implementation is not reflected in the costs going forward. Although the Company believes that the CCE Project provides a strong platform for synergies and financial benefits due to the migration of customer contact to greater self serve and other lower cost contact options, these financial benefits have not been included in the business case to support this Application. TGI provided a sensitivity analysis in Section 4.3.2.2.1 of the Amended Application as an illustration of potential benefits from greater customer adoption of self serve technologies. The Company expects that any future cost benefits will be subject to review future revenue requirements applications.



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- The integrated CIS solution and direct management of insourced activities that Terasen Gas plans to implement will result in greater control over end-to-end business processes that will be managed internally using the Company's own resources. This will also allow TGI to proactively and cost effectively establish and adjust service quality metrics to meet customer needs and expectations as they change.

5.3 Will this greater control, proactive adjustment of service quality and ability to meet customer needs be more cost effective than the projected cost for managing customer service under the current model?

**Response:**

Yes, as indicated in the financial analysis (Section 6 of the Amended Application) the CCE Project will provide a more cost effective option for managing customer service as compared to the notional costs of maintaining the current model. Through the increased control and flexibility of both the technical platform and the in-house operating model, most changes in the future will be supported internally through configuration and with existing resources. This compares to the current model where any changes to the current CIS, call centre technology or business processes must be facilitated through the scope change process of the agreement. There are two notable concerns with costs associated with scope changes under the current model. First, TGI is a captive client in this arrangement and is therefore unable to validate the cost of change through a competitive market process. Second, there is (implicitly) profit built into any additional work that is performed by the outsourcer.

5.4 What is the expected quantitative improvement from greater control, proactive adjustment and ability to meet customer needs and expectations?

**Response:**

The Company cannot determine the specific quantitative improvement from greater control, proactive adjustment and ability to meet customer needs and expectations as compared to the current largely outsourced arrangement. We have calculated the baseline based on the savings that are currently identifiable, which confirms that the Project is cost effective for customers. Any quantitative improvements in the future will enhance the cost effectiveness of the Project in the long term, and will be addressed through future revenue requirements applications.



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- The direct management of call centre and billing staff will allow for greater flexibility in developing and implementing future service changes and in providing customized staff training and education to allow representatives to better understand and serve our customer needs within British Columbia.

5.5 What are the future service changes, which Terasen expects to meet with direct management of call centre and billing staff?

**Response:**

The direct management of call centre and billing staff provides the Company with enhanced ability to quickly implement service and process changes in response to new product development or changes to existing services and tariffs. Other examples of the types of changes that will also be facilitated by this model include new energy efficiency programs and rebates, changes to support the expansion of Customer Choice to non-participating areas, and changes to support advanced meter reading technologies.

The implementation of these changes will be facilitated through local management and monitored to ensure that operating and service quality objectives are met.

5.6 What are the quantitative benefits of meeting future service changes with direct management of call centre and billing staff?

**Response:**

The quantitative benefits of meeting future service changes with direct management of call center and billing staff will be seen in the operational planning and training to implement changes. Changes will be facilitated with internal resources responsible for the delivery of the services. These costs are billable operational scope changes under the current outsourced operating structure. There will be no additional costs related to operational planning and training for change implementation under the Company's future model.

Tasks like the creation of training material, the updating of online scripts and the development of online workflows to handle the future service changes will be performed by internal management staff. Direct management will also allow the Company to monitor and measure the success of new initiatives including the contributions of the call center and billing areas.



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Please refer the response to BCUC IR 1.2.1 for an indication of the magnitude of the costs incurred under the current arrangement. Although not all of these costs would have been avoided, those costs directly related to operational implementation would be absorbed in current operations.

- The new CIS platform, the SAP Utilities Customer Relationship and Billing module, identified through our selection process, will integrate with the Company's existing SAP enterprise application architecture and will leverage existing knowledge and experience related to TGI's existing broader suite of SAP applications.

5.7 Please explicitly define the leverage expected from the existing SAP suite.

**Response:**

Please refer to Exhibit B-4, Chapter 4, Alternatives Analysis, Sec 4.2.1.3.2.1 CIS Maintenance of an SAP solution, Sec 4.2.1.3.2.2 Technical Infrastructure Support, and TGI's response to BCUC IR 1.57.1.

5.8 What are the expected quantitative customer benefits from leveraging the existing SAP suite?

**Response:**

Please refer to the response to BCUC IR 1.60.2



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- The implementation of an industry standard contact centre technology suite which supports alternate communication channels including voice, email and online chat will provide options to customers as well as a tool set that supports cost reductions over the long term as a result of increased self-serve.

5.9 Please define each of the communications channels Terasen intends to support with its contact centre technology suite.

**Response:**

Terasen Gas intends to support the following communication channels:

1. Live agent (voice) – a direct telephone connection with a Terasen Gas agent.
2. Interactive voice response (IVR) – automated transactional support over the telephone.
3. Integrated e-mail – the integration of email inquiries into the inbound inquiries queue. Email will be answered by the next available agent.
4. Online chat – instant messaging integrated into the inbound inquiries queue as noted for email above.
5. Web self serve – customer-driven online transactional support.

Bringing additional channels and self serve transactional capability to our customers will support the Company in meeting current and future customer expectations.

5.10 What is the expected cost structure per customer using each channel that Terasen expects to support for each channel?

**Response:**

Terasen Gas has not determined at this time the specific cost structure for each channel that the Company expects to support. Although the new communications channels including email, online chat, and enhanced customer self serve are part of the inherent functionality of the call centre technology the Company proposes to implement, it does not use these channels today and therefore the operations costs of supporting these channels can not be determined at this time. For the purposes of completing the Amended Application, the cost of the current traditional voice channel was used as the baseline to estimate call centre costs.





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- 5.11 Please define each of the support cost reductions which Terasen expects to pursue and capture over the long term as a result of increased self-service?

**Response:**

Terasen Gas cannot quantify specific support cost reductions until the enhanced self serve options are implemented and we can more accurately forecast customer adoption of this communication channel. The most likely area of cost reduction will be labour where the Company has the greatest flexibility. Assuming significant adoption of self serve, potential cost reductions would also be available related to equipment and facilities assuming the infrastructure was not required for other TGI operations or that new products and initiatives were not required that may offset the reduction.

For additional information regarding the Company's expectations related to customer adoption of the enhanced self serve options, please refer to the responses to BCUC IR 1.62.1 through 1.62.7.

- 5.12 What are the expected quantitative benefits of each of the support cost reductions which Terasen intends to capture over the long term as a result of increased self service?

**Response:**

Please refer to the response to CEC IR 1.5.11.

- 5.13 When does Terasen intend to schedule capturing these support cost reductions?

**Response:**

Please refer to the responses to BCUC IR 1.62.1 through 1.62.7.



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5.14 How does Terasen intend to capture these support cost reductions?

**Response:**

Future support cost reductions will be addressed in future revenue requirement proceedings.

5.15 How much additional investment does Terasen expect will be required to capture these support cost reductions?

**Response:**

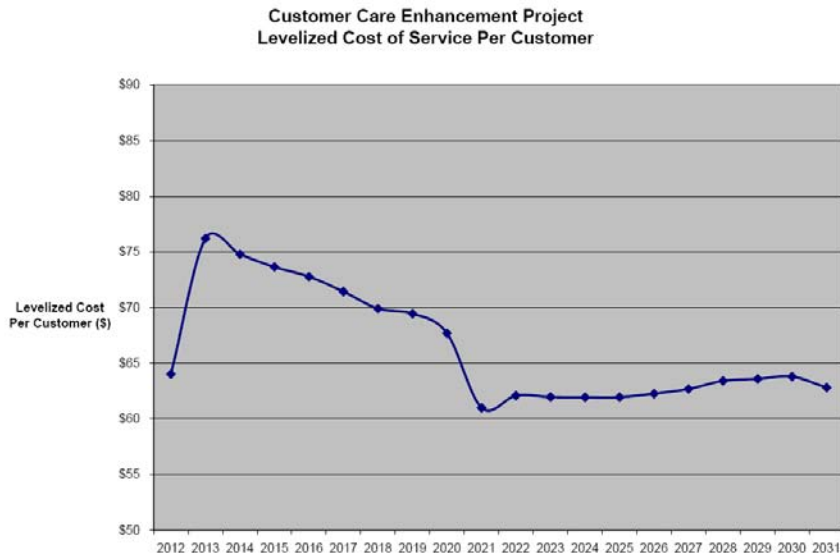
There is no anticipated additional investment expected to capture these support cost reductions over and above what has been identified in the Project costs as filed in the Amended Application. These support cost reductions are included in the cost of service numbers associated with the proposed CIS solution as presented in the Amended Application.



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**6. Reference Exhibit B-4, Page 7 and 8, Rate Impact and Appendix K Financial Schedules**

On a levelized basis over a 20 year period starting in 2012, the changes implemented as part of this Project result in an annual cost of \$67.50 per customer for the new customer care delivery model, revised from \$73.00 as reported in the June 2, 2009 Application. This compares to the notional levelized costs of \$71.70 for the current arrangement, a decrease of \$4.20.



6.1 Is the graph above the nominal year by year cost of service expected by Terasen as opposed to the levelized cost of service per customer? How should the paragraph explaining the levelized annual cost as \$67.50 per customer be related to this graphical representation?

**Response:**

No, the graph provided in Appendix K of the Amended Application illustrates the annual levelized cost of service per customer and not the nominal annual cost of service per customer. The annual levelized cost of service per customer that is presented in the graph is calculated by determining the present value of the projected cost of service for each year of the analysis period and then dividing that cost by the forecast average number of customers for the same year. In this case, the number of customers is not discounted in any way.



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In contrast, the levelized \$67.50 cost per customer completes the same present value calculation of the cost of service and then completes a similar present value calculation to discount the forecast total average number of customers. The sum of the present value amounts of the cost of service divided by the sum of the present value amounts of the customer count yields a single levelized cost of service per customer for the entire Project. That single amount does not appear on the graph referenced in the question above.

A single levelized cost per customer was used to illustrate the cost of the entire Project because it allows for a simple comparison of the cost of different scenarios. The key conclusion drawn from this comparison is that the cost to implement and operate the proposed customer care function is less than the notional cost of the current function.

- 6.2 Please confirm that none of the annual cost/benefit projections for the cost of service per customer contain any of the future benefits which Terasen intends to build on top of this CCE project platform.

**Response:**

Confirmed. None of the annual cost/benefit projections for the cost of service per customer contain any of the future benefits which Terasen Gas intends to build on top of this CCE project platform. It is the expectation of the Company that any future increases or reduction to costs would be subject to review in future revenue requirements applications.

- 6.3 Please confirm that Terasen expects the life cycle, for cost of investment in the SAP technology platform and in the transition to insourcing various functions, to be at least 20 years.

**Response:**

Please refer to the response to CEC IR 1.1.1.

- 6.4 Does Terasen expect that it may be possible that the life cycle, for these investments, could be greater than 20 years?



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**Response:**

Please refer to the response to BCUC IR 1.122.1

- 6.5 Page 114, Note 35, confirms that the analysis is done using Terasen's existing ROE and Capital Structure. Please provide the Appendix K Financial Schedules and Graph assuming the ROE and Capital Structure for which Terasen is currently applying to the BCUC for approval.

**Response:**

Please see Attachment 6.5. Please note that the attachment is based on the revised financial analysis as filed on October 2, 2009.



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## 7. Reference Exhibit B-4, Page 61 and 62 , Analysis and Alternatives

Having made the decisions to own the CIS software, and to select a commercial off the shelf solution, Terasen Gas conducted an extensive process to determine which commercial off the shelf product will best meet our existing and future CIS needs. Terasen Gas assessed the CIS software offered by Oracle, SAP and Peace. For the reasons outlined in this section, Terasen Gas believes that the SAP system is the most cost-effective.

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As discussed above, Terasen Gas narrowed the potential new CIS product providers to pursue through an RFP process down to two companies: SAP and Oracle. These two providers are the industry leaders in terms of providing highly configurable CIS solutions with a proven history of ongoing core development and continued investment in their products. Both organizations also have significant installed client bases and have articulated future development plans related to their core products that Terasen Gas believes will meet our evolving business requirements.

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- 7.1 What certainty does Terasen have that the purchased CIS product will continue to be supported for an extended life cycle and that Terasen will not have to repurchase a future replacement version?

### **Response:**

Please refer to the response to BCUC IR 1.122.1.

- 7.2 Does Terasen expect that the extensive installed customer base for the CIS product selected will likely require extensive ongoing support of the software purchased?

### **Response:**

Terasen Gas believes that the extensive installed customer base of the SAP CIS will not require extensive ongoing support. SAP has a long established track record of being able to support an increasing customer base as has been demonstrated with their success with other components like Finance and Supply Chain, both of which have a larger installed base than CIS. SAP has developed an extensive and efficient support model for its products and provides support for over 30,000 customers. SAP has also developed an extensive user community program to



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share ideas and lessons learned. Based on the Company's own experience with maintaining SAP over the last 10 years and with the staff and processes that are already in place, Terasen Gas does not believe that the CIS will require extensive ongoing support over and above the effort already set out in the Amended Application. The Company is confident it has chosen a solution that will be the best solution for Terasen Gas and its customers.

7.3 How far out into the future do the development plans for the SAP product extend?

**Response:**

SAP plans its development efforts in rolling 2 year windows. For each release (enhancement pack), SAP publishes internal development news outlining the functionality planned for the next release. SAP also has an R & D group that focuses on a longer time horizon to evaluate things such as industry trends, etc. These R & D efforts are then brought into the product roadmap and are developed along with business cases. SAP has a strong track record as an industry leader. Its demonstrated commitment to investing significantly in research and development provides Terasen Gas with confidence that the functionality of the SAP product will continue to improve with subsequent releases and will be available to Terasen Gas if and when required.



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**8. Reference Exhibit B-4, Page 67, Analysis and Alternatives**

SAP is a robust, industry recognized leader in the CIS space with over 600 utility installations worldwide representing a 66% market share of the global CIS market and 41 new sales in the last year (according to SAP). The SAP software met Terasen's functional and technical requirements and has the capability to support future functionality identified by Terasen for no additional cost of the software. The SAP environment is well understood at Terasen Gas with ten plus years of experience with the various products, the company, and the support ecosystem. With an SAP solution, fourteen separate interfaces with the existing CIS solution become redundant, significantly simplifying the overall solution while taking advantage of the integrated nature of the SAP solution. This also allows for the elimination of reconciling meter data between SAP and a separate customer system.

8.1 Does Terasen believe that the dominant software solution in the market place brings with it an additional layer of certainty and security that the solution is durable and sustainable?

**Response:**

Yes. Terasen Gas feels that SAP will be a predominant player into the foreseeable future. Formed in 1972, SAP has now grown to a customer base of over 30,000 customers globally today (according to SAP) running the core functions of their business. SAP's dominant position today has permitted extensive reinvestment in its products and services.

8.2 What has Terasen calculated as the quantitative value of the matching of the SAP CIS solution with its SAP environment for its other enterprise software?

**Response:**

The value of the matching of the SAP CIS solution with its SAP environment as it pertains to the CIS implementation is reflected in the costs of the Project. Please refer to CEC IR 1.5.7 for the references to where the synergies exist. For the further opportunities that will potentially exist in the future, these will be business cased separately and the potential value will be the subject of future revenue requirements.





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## 9. Reference Exhibit B-4, Page 110, Project Implementation Costs

Table 6.1: Project Implementation Costs

Cost Component		\$000s	Project Implementation			
		Total	2009	2010	2011	2012
1.	<b>Capital</b>					
2.	CIS Software	6,080	430	4,740	910	-
3.	CIS Implementation & Maintenance	58,190	590	21,150	30,340	6,110
4.	Call Centre	33,230	560	3,380	27,230	2,060
5.	Billing & Back Office Operations	10,980	260	130	8,560	2,030
6.	<b>Subtotal Capital</b>	<b>108,490</b>	<b>1,840</b>	<b>29,400</b>	<b>67,040</b>	<b>10,200</b>
7.	<b>AFUDC</b>	<b>3,540</b>	-	900	2,640	-
8.	<b>Total Capital</b>	<b>112,020</b>	<b>1,840</b>	<b>30,300</b>	<b>69,680</b>	<b>10,200</b>
9.	<b>O&amp;M (Deferred)</b>	-	-	-	-	-
10.	CIS Software	-	-	-	-	-
11.	CIS Implementation & Maintenance	-	-	-	-	-
12.	Call Centre	7,150	-	50	7,100	-
13.	Billing & Back Office Operations	2,930	-	20	2,910	-
14.	<b>Total O&amp;M (Deferred)</b>	<b>10,080</b>	-	70	10,010	-
15.	<b>Total Project Costs</b>	<b>122,100</b>	<b>1,840</b>	<b>30,370</b>	<b>79,690</b>	<b>10,200</b>

9.1 Does Terasen believe that there is a risk that the project costs could exceed the estimates it has provided in the CPCN Application?

**Response:**

It is not possible to foresee and mitigate all possible risk for any project.

With the Amended Application however, Terasen Gas believes it has submitted a project plan that will be led by experienced professionals, supported with an adequate budget and with prudent contingencies to successfully implement the Project.

It is important to note that securing fixed pricing for key Project components and updating the budget estimates in the Amended Application were undertaken in order to provide a greater degree of certainty or comfort to Terasen Gas and its customers that the project would be completed within the budget developed.



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For details on the Project's approach to Risk Management, please refer to Confidential Exhibit B-3, Attachment VI, Risk Management pp 121-126.

- 9.2 Does Terasen believe that the proposed CCE project would be cost effective for customers of Terasen at any level of cost (i.e. is there likely some limit of cost at which the project would not be cost effective)?

**Response:**

Terasen Gas believes that this Project as described in the Amended Application is cost effective and in the best interest of customers. The Amended Application contains a greater degree of certainty or comfort to TGI and its customers with regards to the cost estimates. As discussed in the response to BCUC IR 1.11.1, the CCE Project will result in long term costs to customers that are lower than the notional cost of the current model. However, the Company had regarded the Project as being in the public interest at the estimate provided in the June 2, 2009 Application, which was \$33 million higher than the current estimate and yielded a levelized cost of service higher than the notional cost of maintaining the existing model. Had the revised estimate turned out to be significantly higher than the estimates provided in the June 2, 2009 Application, TGI would certainly have carefully examined whether the Project should be pursued at this time. In that case the option would clearly not have been the least cost option, but it would not necessarily have precluded it from still being cost *effective*. A key consideration for the Company is that Terasen Gas does not regard the existing model as sustainable going forward.

- 9.3 Does Terasen believe that the customers should bear the risk of some potential variability in the project costs?

**Response:**

Yes. The CCE Project will be implemented for the benefit of customers. All project costs that have been prudently incurred should therefore be recovered from customers. Please see the response to BCUC IR 1.98.1.1 regarding allocation of risk between customers and the shareholder.



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9.4 Does Terasen believe that the risk the customers should bear should be unlimited?

**Response:**

Please see the response to CEC IR 1.9.3 and BCUC IR 1.98.1.1.

9.5 Is Terasen prepared to negotiate some limit to the cost risk customers might bear?

**Response:**

Please see the response to CEC IR 1.9.3 and BCUC IR 1.98.1.1.



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## 10. Reference Exhibit B-4, Page 21, Project Description and Schedule

from other SAP CIS implementations from the viewpoint of SAP global support. By having global support assist in identifying key decisions in the design, build and test phases of the Project that could have an impact post go-live, will significantly mitigate the risk of post-implementation issues that other utilities have encountered in their implementations and allows for a smoother transition to support. SAP will also provide additional expertise in how to optimize the SAP solution during various phases of the Project.

10.1 Please identify the post implementation issues that other utilities have encountered in their implementations.

### **Response:**

Post implementation issues can take many forms. Examples of issues that can occur are:

- Disproportionate amounts of errors post go-live - usually a result of inadequate testing time and/or methodology.
- System Performance issues (i.e. slow response times) - usually the result of inadequate technical infrastructure or lack of system tuning.
- Costly upgrades - usually the result of not following SAP best practices and making system customization changes to core product that make ongoing maintenance more expensive.
- Costly rework – this is where the system works as designed to meet the initial requirements when new requirements are defined in a related process, and the manner in which the system was originally configured is not workable and has to be redesigned – usually a result of not fully understanding the capabilities of the system and making “short-cuts” to get the system to pass the initial requirements tests.
- Overly complicated processes – similar to the system performance issue outlined above. Usually the result of not fully understanding the full capabilities of the system and choosing the optimal manner in which to address a more complicated requirement.

By engaging SAP’s Active Global Services to provide QA reviews throughout the Project, Terasen Gas believes that the types of issues listed above can be greatly reduced and a



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transition period from project to a stable day-to-day operation can be achieved in a shorter period of time, thus mitigating disruptions to servicing its customers.

For further details on how HCL Axon incorporates lessons learned in previous projects into their methodology, please refer to Confidential Exhibit B-3, Attachment VI, Capturing Lessons Learned pp 63-64.

- 10.2 Please quantify the magnitude of the cost implications of the issues other utilities have encountered.

**Response:**

There are too many variables to quantify the magnitude of costs as they pertain to post go-live issues. These variables include the specific nature of the issue, the length of time it takes to resolve, the cost of the remediation activities required, and the impact to cash flow, etc. Any one or combination of these variables will have a different impact but any one could be significant. By engaging SAP's Active Global Services to provide QA reviews throughout the Project, Terasen Gas believes that (i) the costs associated with the issues other utilities have encountered can be greatly reduced, and (ii) a transition period from project to a stable day to day operation can be achieved in a shorter period of time. This will mitigate disruptions in customer service. The Company has also included appropriate contingencies in the Project budget included in the Amended Application in part to address any recommendations that potentially come out of the QA reviews to improve the long-term supportability of the solution.



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**11. Reference Exhibit B-4, Page 112, Project Ongoing Annual O&M Costs**

Table 6.2: Projected Ongoing Annual O&M Costs for 2012

Cost Component		\$000s
		Total
1.	<b>Customer Advocacy</b>	<b>250</b>
2.	<b>Call Centre</b>	<b>12,350</b>
3.	<b>Billing Operations</b>	<b>5,910</b>
4.	<b>Outsourced Services</b>	<b>20,310</b>
5.	<b>IT Support</b>	<b>2,660</b>
6.	<b>HR Support</b>	<b>700</b>
7.	<b>Facilities Support</b>	<b>3,330</b>
8.	<b>Management and Administration</b>	<b>750</b>
9.	<b>Total</b>	<b>46,260</b>

11.1 Does Terasen expect there is a risk that ongoing annual operating and maintenance costs will exceed its estimates?

**Response:**

Terasen Gas believes it has presented a realistic estimate of the effort and cost to support the proposed CCE Project. Having said that, it is not possible to identify and therefore mitigate all risks that could occur.

As is the case for all areas of operations, the Company will focus on prudent cost management related to the ongoing annual operating and maintenance costs following the Project's implementation. The Company expects that O&M costs commencing in 2012 and beyond will be the subject of future revenue requirements applications.



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- 11.2 Does Terasen believe that the CCE project would be cost effective for customers at any level of ongoing annual O&M costs?

**Response:**

Please refer to the response to CEC IR 1.9.2.

- 11.3 Does Terasen expect that customers should bear the risk of any cost variability with respect to the cost estimates provided for the CCE project approval?

**Response:**

Please refer to the response to BCUC IR 1.98.1.1.

- 11.4 Would Terasen be prepared to negotiate some form of limits to the ongoing annual O&M costs to limit the cost risk customers might bear?

**Response:**

Please refer to the response to BCUC IR 1.98.1.1.



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**12. Reference Exhibit B-4, Page 42 and 44 and 45, Project Justification and Page 81, Analysis and Alternatives**

With today's continuing expansion of communication channels, customer preferences for interacting with service providers are shifting. A study conducted by Convergys in the U.S. found customers "preferring automated channels have doubled in the last four years, with 55% of the population preferring automated resolution to waiting to speak with someone on the phone."<sup>8</sup> While our customers' preferred method for interacting with the Company today continues to be reaching a live agent (first choice for 31%), this is followed by 24% of customers whose first preference is to interact with Terasen Gas via the Company's website.

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- 12.1 Please confirm that Terasen has modelled and costed its call centre operations based on handling all customer service through call centre personnel.

**Response:**

Yes, Terasen Gas has modeled and costed its call centre operations based on handling all customer service through call centre personnel. Today, the majority of inquiries are supported through call centre personnel. A small percentage of transactions are supported today via the IVR or through limited functional support on the web. These volumes were taken into consideration in the model.

- 12.2 Has Terasen analyzed how much of its call volume may be amenable to being handled through automated service and automated channel delivery?

**Response:**

Yes, through the research referenced in the Amended Application Terasen Gas has confirmed that there is significant customer interest in using the web to interact with the Company. This is supplemented by the analysis discussed in Appendix M "Taylor Reach – Toward a Multi-Channel Contact Centre". In addition to web self serve, which is well understood by customers today, the additional channels offered through online chat and integrated e-mail will also likely have an impact on call volumes in the future. Until these tools are in place and customers become familiar in using them, the Company cannot predict customer participation.





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For the purposes of this Application the Company has provided Appendix Q, a sensitivity analysis of the impact based on volume.

- 12.3 Would a move by the Terasen customers to using automated channels for finding resolutions to their customer service issues potentially reduce the requirement for call centre staffing?

**Response:**

Yes, the implementation and adoption of the automated communications channels is expected to reduce the requirement for call centre staffing in the future. However, we expect that some call centre staff will be redeployed to other communication channel positions. For example, instead of answering phone calls, the agent may address customer inquiries via online chat or respond to customer emails. Additional call centre capacity may also be required to support new programs or respond to ongoing business changes.

For further information regarding the Company's expectations related to alternative communication channel adoption and the impacts on staffing, please refer to the responses to BCUC IR 1.62.1 through 1.62.7.

It was reported in 2000 that two thirds of all utility customer call centre transactions fall into the following categories: transfer service or turn service on/off, check account balances, and to make special arrangements to pay account balances<sup>12</sup>. Just over 50% of Terasen Gas call centre transactions fall into these categories today, which represents a material shift.

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- 12.4 Does Terasen believe that this 50% of transactions is amenable to automated customer service solutions?

**Response:**

The statistics cited indicate that there is potential for a significant shift in communication channels over time. However, the adoption rates for self serve are difficult to predict. Although there is a segment of the population who would be interested in moving to self serve today there



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are also customers who likely will never be interested. Of the samples noted in the reference above, transactions like checking account balances would be highly amenable as would a portion of the transfer service calls. Special arrangements will only appeal to those customers not at significant credit risk.

For further information regarding the Company's expectations related to alternative communication channel adoption, please refer to the responses to BCUC IR 1.62.1 through 1.62.7.

12.5 How much of this potential transition to automated service does Terasen plan to capture and when does Terasen plan to capture the benefits?

**Response:**

The ability to transition to more automated services will be enabled on January 1, 2012. Terasen Gas is expecting that customer adoption of these channels will begin at the go-live date. During the first year post implementation the Company will track adoption rates by communication channel and begin to promote those channels that are most popular with customers. The Company would expect that measurable benefits will be identifiable in 2013. At that time the Company will be able to more accurately forecast future adoption and the off-setting benefits.

12.6 What does Terasen expect will be required in addition to its CCE project proposal to capture the benefits of automated customer service and automated channel service delivery?

**Response:**

The CCE Project will deliver the base automated services, which will include those transactions that are known today to be desired by customers as well as the tools and reporting necessary to track customer participation and satisfaction related to these channels. In the future, depending on customer adoption of specific channels, additional costs may be incurred to design further enhancements to this base platform within the web and IVR. These are expected to be largely configuration driven rather than custom development. Promotional costs to encourage further adoption of automated communication channels may also be incurred to target those channels that provide the greatest financial benefit. The Company expects that any such additional future costs would be subject to review as part of future revenue requirements applications.



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standards for customer service. By doing so contact centres can also use the opportunity to increase their efficiency, lower the costs while improving customer satisfaction. In addition by offering more and more self serve options (building on customers' preference for self serve) contact centres can dedicate additional resources to focus on customer relationship management."<sup>13</sup>

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12.7 Does Terasen have any information with respect to the degree to which other utilities have been able to achieve cost savings through introducing automated customer service and automated channels for service delivery?

**Response:**

Terasen Gas does not have specific cost information related to the degree to which other utilities have been able to achieve cost savings through the introduction of automated service channels.

In terms of adoption, Appendix N – Benchmark Portal - Utilities Industry Benchmark Report indicates the relative adoption rate for various communications channels. The report notes that 57.5% of utility call centres support integration with other customer access channels and touch points including e-mail, web and FAX. The average utility also handles 17.5% of inbound calls via self serve and the best in the utilities group handles 20.9%. Today, Terasen Gas' participation related to the web is negligible and IVR use is approximately 10.5%.

In terms of self serve only, the use rates noted in the study indicated:

IVR	59% of all customer serve is currently supported through IVR
Web	10%
Email	5%
Fax-back	6%
Kiosk	2 %
Other	17%

The report notes that although IVR is still the most popular self serve channel there has been a steady growth in customer self service across the other contact channels.



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Given customer research results as included in Exhibit B-4, Appendix G and available information as referenced above from Exhibit B-4, page 42, Terasen Gas believes that some customers will readily adopt the additional service channels facilitated by the Project.

Table 4.1: Forecasted Impact of a Shift of 100,000 Inbound Calls

	Impact (FTEs)	Annual Impact on Labour Cost
Migrate to self serve IVR of Web	↓ 18 FTEs	↓\$ 900,000
Migrate to Email channel	↓ 12 FTEs	↓\$ 600,000
Migrate to Chat channel	↓ 9 FTEs	↓\$ 450,000
Increase in Service Level to 80% of calls answered in 20 seconds	↑5 FTE's	↑\$ 250,000

The potential benefits associated with the migration of customers to self serve and electronic communication channels are material. By including these skills in the hiring and training of new contact centre staff, the Company will ensure that these options are available to customers as soon after go-live as possible. Self-serve will also be actively promoted at go-live to facilitate the transition to the new system and operating environment.

12.8 Does Terasen expect additional cost reductions will accompany labour cost reductions?

**Response:**

Please refer to the response to BCUC IR 1.74.1.

12.9 What would be the impact on the cost per customer of incorporating 10%, 20%, 30%, 40% and 50% of call volumes being handled through automated service and through automated channel delivery?

**Response:**

Please refer to the response in BCUC IR 1.69.1.



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### 13. Reference Exhibit B-4, Page 89 and 91, Analysis and Alternatives

Terasen will continue to outsource those billing and back office functions that had historically been outsourced and which continue to provide financial benefit to customers. Terasen Gas will repatriate the more complex work that requires specific Company or gas industry expertise. The analysis employed in reaching this conclusion is summarized below.

Page 91

13.1 What is the specific benefit in repatriating the more complex work?

**Response:**

The specific benefit in repatriating the more complex work is a higher level of customer service. This will be achieved as a result of the control the Company will have in establishing metrics and providing day to day oversight of the quality and timeliness of these activities. Complex billing and metering issues are a key driver for customer complaints and customer dissatisfaction. Specific areas included in this complex work are switched and non-registering meters, meter pressure errors, and multi-premise billing.

13.2 Has Terasen made a quantitative assessment of the benefits of repatriating the more complex work?

**Response:**

As indicated in the response to CEC IR 1.13.1, the specific benefit in insourcing the more complex work is a higher level of customer service. TGI assumes that the reference in this question to "a quantitative assessment of the benefits" refers to measuring the resultant level of service from the Project, rather than the cost of service savings associated with the Project relative to the notional cost of maintaining the current model. The customer specific benefits are expected to be measured in the future through the development of a robust service metrics strategy. TGI has described this service quality improvement strategy in section 4.5.2.3 of the Amended Application.



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Second, there are significant operational synergies in having the billing and back office staff in the same location as the primary call centre. The ability to easily escalate complex issues from the call centre to the billing area generates knowledge transfer between these two groups and provides a higher quality of service to customers. This environment will also enable work force retention by providing opportunities for staff to migrate between these two areas depending on their work preference. In this way, the decision to insource the call centre also informs the decision to insource the billing and back office functions.

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### 13.3 What specifically are the operational synergies expected to be achieved?

**Response:**

The operational synergies the Company expects to achieve include:

- Improved ability to direct inbound calls directly to billing experts when required in order to avoid a delay in responding through a future outbound call.
- The ability for the billing area to proactively contact customers and discuss complex billing issues and have these interactions tracked and monitored through the call centre technology suite as well as CIS.
- The ability for the billing area to directly support agent training and refresher training related to business changes or customer impacting issues.
- The ability to support the migration of employees between the two work groups in order to ensure that employees have the opportunity to focus their career as they prefer within the Company.

Terasen Gas believes that synergies will result in reduced customer complaints and escalations, more timely resolution of complex billing issues, a more knowledgeable call center workforce responding to customer calls, and a lower turnover rate as the result of a more diverse operating environment which provides opportunities for advancement and change.



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- 13.4 Has Terasen made a quantitative assessment of what the operational synergies will be related to bringing the complex portion of the billing and back office functions in house?

**Response:**

The quantitative assessment for the CCE Project initiative was performed at an aggregated level to confirm that the overall solution is in the best interests of customers. The Company also validated the costs associated with the components of the overall solution. The specific operational synergies related to bringing back in-house the complex billing and back office functions over and above the component validation will be determined and validated in the future through the comprehensive service metrics strategy that is discussed in 4.5.3.2 of the Amended Application.



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#### 14. Reference Exhibit B-4, Page 3, Drivers for Change

The arrangement with CustomerWorks LP succeeded in meeting the original outsourcing objectives by providing customers and Terasen Gas with cost certainty and risk transfer, as well as delivering generally satisfactory customer service over much of the time since 2002. Service

- 14.1 Given that Terasen was successful creating cost certainty and transferring risk out in its arrangements with CustomerWorks LP, does it follow that with this current project proposal that Terasen will be increasing cost uncertainty and transferring risk back onto customers?

#### **Response:**

No. To the contrary, the Company believes that maintaining the current service delivery model provides more cost uncertainty and higher risk than the implementation of the Project.

The 2001 Client Services Agreement (CSA) with CustomerWorks LP created cost certainty related to the provision of services as defined in the CSA and transferred implementation risk related to the 2002 repatriation of Lower Mainland customers from BC Hydro. The Client Services Agreement was concluded and approved during a period of relatively modest change in the Company's business environment compared to the current environment. Through our experience of almost eight years within the current outsourcing model Terasen Gas has received cost certainty related to the services defined within the CSA. However, the business environment in which Terasen Gas operates is developing more quickly than had been the case in the initial years of the Client Services Agreement. Costs resulting from any changes to the services, such as the operation of the Customer Choice program, have been subject to negotiation with CWLP. Given the ongoing change in the Company's business environment, the expectation is that changes of this nature are going to continue, with the attendant increase in cost risk.

While Terasen Gas does not bear direct day-to-day operational risk under the current model, the Company and its customers are directly impacted by performance shortfalls. Service shortfalls that result in missed contractual standards do result in contractual payments by CWLP that go to offset the cost of service; however, we believe that the payment of penalties as a result of missed targets is not a sustainable service delivery model going forward. Please refer to the response to CEC IR 1.3.2 for further information on this sustainability point.

The Company's business environment, customer expectations, and industry practices have evolved since 2001. Implementing this Project is necessary to successfully meet the needs of customers and the business environment of the future. The CCE Project will provide service to Terasen Gas customers over the long term at a cost that is lower than the notional cost of the current model and bring direct management control of key customer care functions into the





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Company. The direct management of these functions will provide Terasen Gas the ability to directly control operational cost and risk to the benefit of customers.

- 14.2 Are there cost savings associated with removing cost certainty and taking on risk and, if so, can they be identified, quantified and captured?

**Response:**

Please refer to the response to CEC IR 1.14.1.

- 14.3 Is Terasen willing to provide cost certainty and risk insulation for its customers at some level?

**Response:**

Please refer to the responses to CEC IR 1.9.3 and BCUC IR 1.98.1.1.

- 14.4 Does Terasen believe that, at some level of cost above the costs that Terasen is proposing for this CCE project, the project would no longer be cost effective for customers?

**Response:**

Please refer to the response to CEC IR 1.9.2.

- 14.5 Does Terasen believe that there are some levels of risks, which it would find prudent to shed?

**Response:**

Please refer to the response to CEC IR 1.14.1.



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- 14.6 At what point or level of cost and risk would the proposed CCE project become a cost ineffective solution for customers?

**Response:**

Please refer to the response to CEC IR 1.9.2.

- 14.7 Terasen saw merit in negotiating cost certainty and risk allocation into contracts with service providers for its previous arrangements and believes this succeeded, would it therefore appear to be logical for customers to want to negotiate cost certainty and risk allocation with Terasen as the proposed new provider of the services?

**Response:**

At the outset, TGI would disagree with the premise that the existing outsourcing arrangement brings cost certainty to customers. As discussed in the response to BCUC IR 1.107.1, customers enjoyed relative cost certainty during the early years of the arrangement, and continue to enjoy certainty with respect to base fees under the Client Services Agreement. However, there is considerable risk associated with the implementation and maintenance costs for extra services falling outside of the base service. The risk associated with the current arrangement is increasing. The Company does not believe it is sustainable based on evolving TGI and customer requirements. At the same time, the CCE Project implementation will benefit Terasen Gas customers through lower long term costs compared to the notional cost of the current customer care delivery model, improved service channels, and improved performance metrics. TGI has worked to achieve appropriate levels of certainty for the Project through, for example, fixed price quotations for significant Project components.

TGI believes (and the law supports) that prudently incurred costs of serving customers should be recovered from customers. Prudence cannot be determined in advance with the blunt instrument of a cost collar.

For additional discussion related to risk allocation, management, and cost certainty, please refer to the responses to BCUC IR 1.98.1.1, BCUC IR 1.104.1 and CEC IR 1.14.1.



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14.8 Does Terasen see the prudence test of its actions and costs before the BCUC as providing cost certainty and risk allocation for its customers?

**Response:**

Please refer to the responses to BCUC IR 1.104.1 and CEC IR 1.14.1 for discussions regarding risk and cost certainty for customers.

14.9 At what level of costs and risk would Terasen suggest that its prudence in managing the CCE project may come into question?

**Response:**

Prudence on the part of the Company cannot be prejudged or predetermined by a particular level of expenditure or overrun. There are any number of factors beyond the control of the utility that could result in cost overruns of varying magnitudes. With respect to those Project costs within the control of the Company, TGI intends to carefully manage the risks and costs through appropriate project management and the oversight described in the response to BCUC IR 1.104.1.

For details on the Project's approach to Risk Management, please refer to Confidential Exhibit B-3, Attachment VI, Risk Management pp 121-126.



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**15. Reference Exhibit B-4, Page 4, Drivers of Change**

*The energy environment:* The ability of Terasen Gas to retain and add customers is increasingly challenged by volatile commodity prices, housing trends towards smaller multi-unit dwellings, customer perceptions of natural gas, and the growing availability and customer awareness of alternative energy solutions. Policy-driven factors, such as the Carbon Tax, greatly expanded energy efficiency and conservation initiatives as well as a broader range of energy options available require a more skilled, knowledgeable, and flexible customer care staff attuned to the local energy marketplace and responsive to such changes, which is not possible with the current outsourcing arrangement. The energy marketplace and the Company's business

15.1 Exactly how will Terasen's ability to retain and add customers change with the end of the current outsourcing arrangement?

**Response:**

Section 3 of Exhibit B-4 discusses in detail the drivers that lead to the Project and how the Project will assist TGI in responding to these changes. These drivers include:

1. Changes in the provincial energy environment and the competitive environment that the Company operates in.
2. Changes in customer expectations and the provision of customer service.
3. The evolution of the outsourcing market for utilities.

TGI views customer service as a strategic asset and recognizes that customer service performance can impact customer retention and acquisition when evaluating competitive energy alternatives. As discussed in Exhibit B-4, Appendix N, page 3, customer care functions enable companies to differentiate themselves from competitors and are very important in terms of customer perceptions and loyalty. TGI is unable to provide quantitative projections related to impacts to customer turnover and additions due to the Project implementation in isolation from other factors that affect the Company's competitive position. However, the new customer care delivery model implemented as part of the Project will better position the Company to respond to environmental and competitive factors through direct ownership of employee training and management and representatives' abilities to draw on their understanding of the regional context when addressing competitive alternatives. The CCE Project will help ensure that customers receive the services that will meet their ongoing needs, including greater access to information to help customers better understand their energy use.



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15.2 Has Terasen determined how it will increase the addition of customers once it has insourced the current arrangements?

**Response:**

Please refer to the response to CEC IR 1.15.1.

15.3 Has Terasen determined how it will increase the retention of customers once it has insourced the current arrangements?

**Response:**

Please refer to the response to CEC IR 1.15.1.

15.4 Has Terasen projected how much it expects to increase customer additions from the current market share proportions?

**Response:**

Please refer to the response to CEC IR 1.15.1.

15.5 Has Terasen projected how much it expects to reduce the customer turnover from the current market proportions?

**Response:**

Please refer to the response to CEC IR 1.15.1.



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- 15.6 What certainty does Terasen have that it is the outsourcing arrangements that are at the root of these issues?

**Response:**

Terasen Gas' customer care delivery model is one factor, not the only factor that affects the Company's ability to retain and add customers. TGI views customer service as a strategic asset and recognizes that customer service performance can impact customer retention and acquisition when evaluating competitive alternatives. If an organization does not meet customer needs, this can drive customers to choose a competing product or provider. Please see the response to CEC IR 1.15.1 for further discussion.

- 15.7 What certainty does Terasen have that it will solve these problems and make quantitative gains through bringing the outsourced services inhouse?

**Response:**

Please refer to the response to CEC IR 1.15.1.



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**16. Reference Exhibit B-4, Page 4, Drivers for Change**

*The competitive environment:* TGI's competitive environment has changed significantly over the past ten years. The Company's competitive position has been impacted by factors such as volatility in the natural gas commodity price, a growing use of alternative energy sources and customer perceptions of natural gas. The use of natural gas must overcome two elements of the purchase decision before a buyer makes the commitment to investing in natural gas equipment. One is the economic element, comparing anticipated operating costs to the competitive alternative. The second is the environmental element and how the product increases or reduces greenhouse gas emissions versus the alternative. Different buyers will place different priorities on each element, however, both present challenges that Terasen Gas must address.

- 16.1 Please explain in what way the Customer Care services are connected to customer decision making about natural gas commodity, alternative energy options and environmental perceptions of natural gas.

**Response:**

The new customer care delivery model, supported by an industry standard technology suite, will provide the customer preference, premise and appliance characteristics, and historical consumption information to support the analytics for customer decision making about the natural gas commodity, alternative energy options and environmental perceptions of natural gas. The tools will also provide the mechanisms by which customers can access the information and initiate inquiries of Utility experts. Through the use of online scripting and access to program information, the details of gas and alternative energy options, incentives, and energy efficiency appliances, for example, will be available with through skilled agents or self serve.

- 16.2 Does Terasen expect its CCE project to significantly affect customer decision making with respect to these energy use choices?

**Response:**

Please refer to the response to CEC IRs 1.15.1 and 1.16.1.



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- 16.3 If Terasen does expect the CCE project to significantly affect customer decision making how does Terasen expect this affect will be achieved and how much effect does Terasen expect to have on customer choices caused by the CCE?

**Response:**

Please refer to the response to CEC IRs 1.15.1 and 1.16.1.

- 16.4 Has Terasen made any market projections with respect to how its market share would be expected to evolve with its current customer care arrangements and then with its proposed CCE project in place?

**Response:**

Please refer to the response to CEC IR 1.15.1.

- 16.5 Does Terasen have any evidence that customer care systems, processes and interactions with respect to natural gas service will intersect with customer choice and decision making with respect to selecting alternatives energy options?

**Response:**

Please refer to the response to CEC IRs 1.15.1 and 1.16.1.





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**17. Reference Exhibit B-4, Page 5, Drivers for Change**

Terasen Gas must ensure that it maintains the loyalty of existing customers and is positioned to attract new customers.

*Customer service evolution:* In order to differentiate from their competition, respond to changing customer needs, and to sustain the delivery of best practices as supporting technologies have advanced, organizations have changed their customer service structures over time. Terasen Gas is faced with competition as the B.C. energy marketplace changes. Maintaining customer satisfaction and loyalty are important factors to ensure that TGI is positioned for long-term success to the benefit of all customers.

*Customer requirements for interaction with Terasen Gas:* Research regarding consumer perceptions, as well as customer feedback, suggests that customers now expect public utilities to provide a greater range of communication channels than Terasen Gas is generally able to provide today. This includes more flexibility in moving from traditional voice response centres and hardcopy bill presentment to stronger web support, including online transactional tools and enhanced electronic bill presentment and payment options. In the future, the Company will be able to meet these requirements through the direct control of core customer care services and the implementation of a new CIS platform and contact centre technology suite.

17.1 How will this CCE project change to the customer service structure change the Terasen customer experience?

**Response:**

The CCE Project implementation will deliver customer service through an in-province workforce and will enable a number of changes to the customer experience, including additional communication channels and online transactions, enhanced "business to business" billing and payment transaction support for commercial customers and service quality improvements for customers as discussed in Section 4.5.2 of the Amended Application.

For additional information regarding changes to the customer experience, please refer to the responses to BCUC IR 1.17.2, BCUC IR 1.61.2 and BCUC IR 1.63.2.



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17.2 Does the competition in the BC energy market place have superior customer service based on their customer care systems?

**Response:**

A main competitor for natural gas today is the use of electricity as an energy source for heating and other applications.

Both BC Hydro and FortisBC, the largest electric distribution utilities in the Company's region, deliver customer service through an in-province organization. BC Hydro's customer service is provided through an outsourced model that is operated within British Columbia and was initially created through transitioning BC Hydro employees to the outsourcing organization. FortisBC delivers customer service through an internal organization that also operates within the province.

In addition to in-province customer service organizations, these companies also offer broader online customer service capabilities, including transactions Terasen Gas plans to implement with the CCE Project, than Terasen Gas offers today.

17.3 What are the differences between Terasen's competitor customer care systems and Terasen's proposed system in terms of the customer care experience?

**Response:**

Please refer to the response to CEC IR 1.17.2.

17.4 What are the loyalty traits Terasen is expecting to generate in customers from investment in the CCE systems?

**Response:**

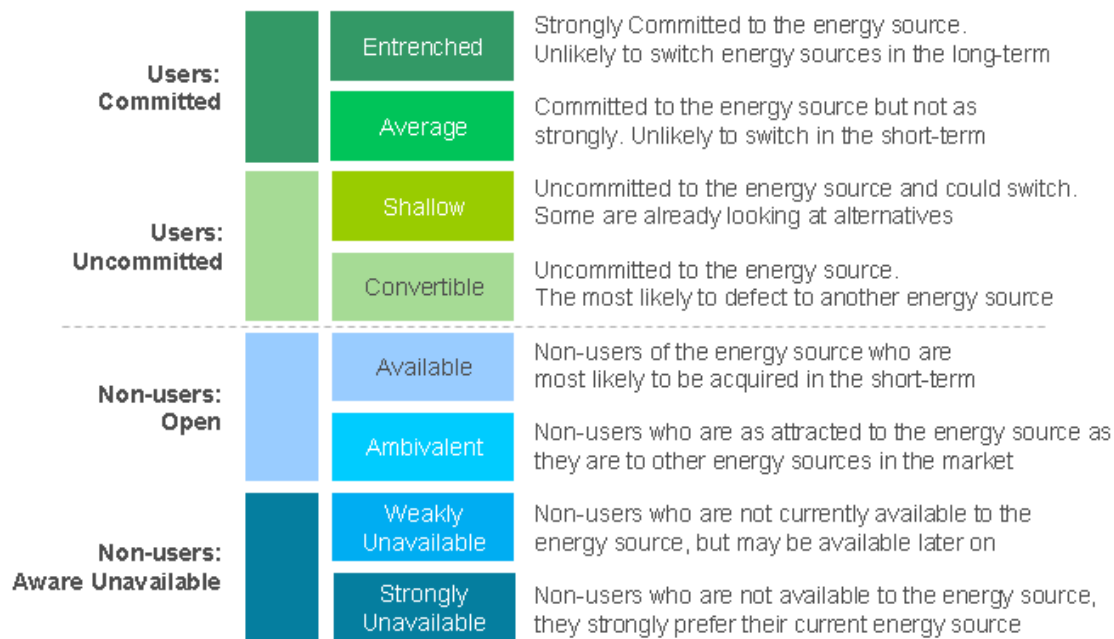
Customer service performance represents one of many factors that can influence an individual's decision with respect to preferred energy sources and providers. Although TGI does not have research today to definitively conclude how much of a role customer service ultimately plays in a consumer's selection process or customer loyalty, it is an integral aspect of the Company's overall value equation. Any serious, recurrent or unsatisfactory service issues likely motivate some of these consumers that are already predisposed to switch energy products and leave Terasen Gas. Customer service is an important contributor to customer loyalty as Terasen Gas



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has seen in research related to customer loyalty that was completed within the 2008 Corporate Image study.

Customer loyalty was most recently studied within the 2009 Corporate Image study by TNS Global Research. The Conversion Model™ was used to identify those who are customers who are committed vs. those who are uncommitted to Terasen Gas. Based on survey responses, Terasen Gas customers are segmented into groups based on their level of commitment or psychological attachment to Terasen Gas as a supplier.



Generally, a customer ("user") is highly committed if they rate Terasen Gas highly, are involved in the choice of suppliers, and believe that there are few reasons to switch to another energy supplier. In contrast, a highly uncommitted customer would be one that holds a low opinion of Terasen Gas, is not involved and believes that there are many good reasons to switch to another energy supplier. Uncommitted customers are those who are most likely to defect upon competitive entry, for instance when a viable energy alternative emerges.

The approach employed through this process analyzes all survey attributes in a relative way so that priorities for action planning can be determined. The attributes included in this study include general impressions, public safety, community involvement and environmental issues, and customer service. Each dimension includes several factors. For example, the customer service dimension includes perceptions of the following:



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- D02 Provides clear billing statements that are easy to understand
- D03 Works hard to negotiate the best possible long-term gas rates for their customers
- D04 Has call centre staff who handle your calls with professional knowledgeable and courteous service
- D05 Has an effective system for handling customer service complaints
- D07 Operates with a strong customer service orientation in all that it does and says
- D08 Acts in their customer's best interests
- D09 Has service personnel that are responsive and take a genuine interest in being helpful
- D10 Has home service representatives that are professional, knowledgeable and courteous

These surveyed attributes are displayed in matrix format, with Stated Importance on the vertical axis, and the attributes perceived impact on Corporate Reputation on the horizontal axis. The accompanying legend highlights how customers rate Terasen Gas performance on a specific attribute. Figure 1 below shows the results for customers that are Committed to TGI and natural gas.

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Figure 1: Committed Customers<sup>1</sup>

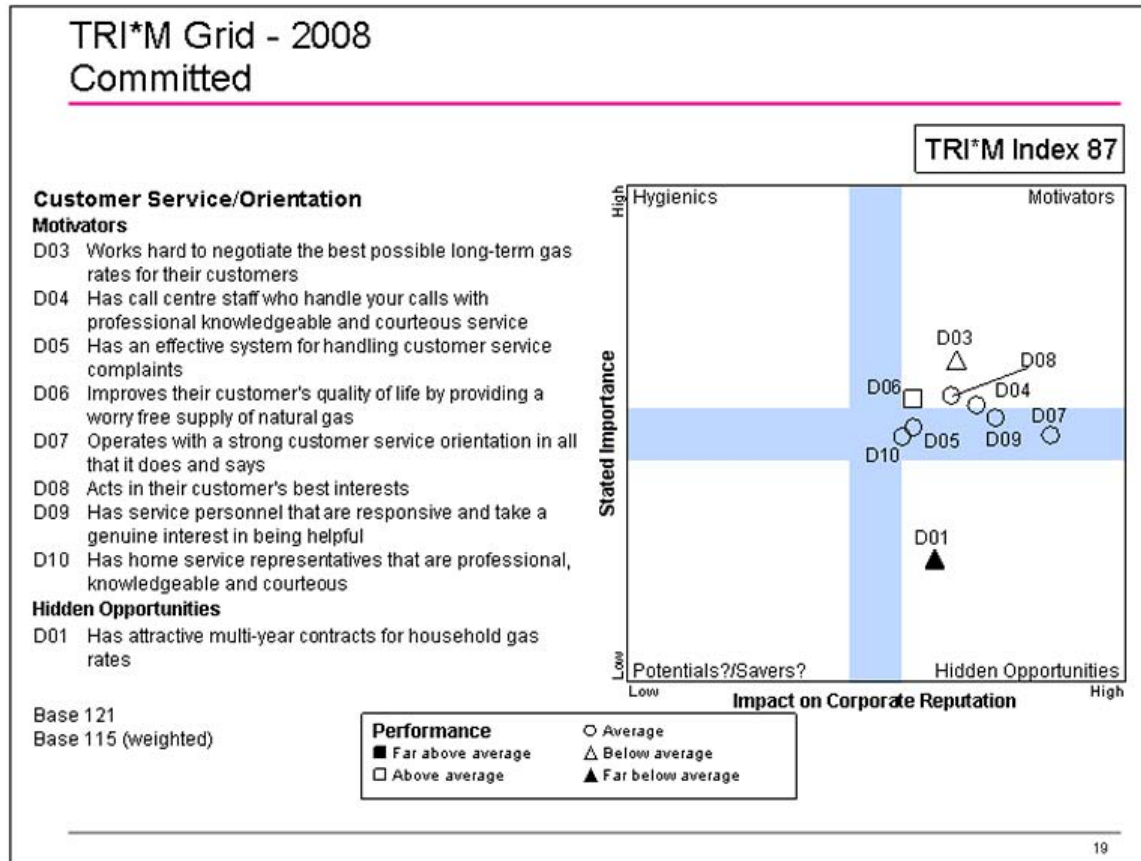
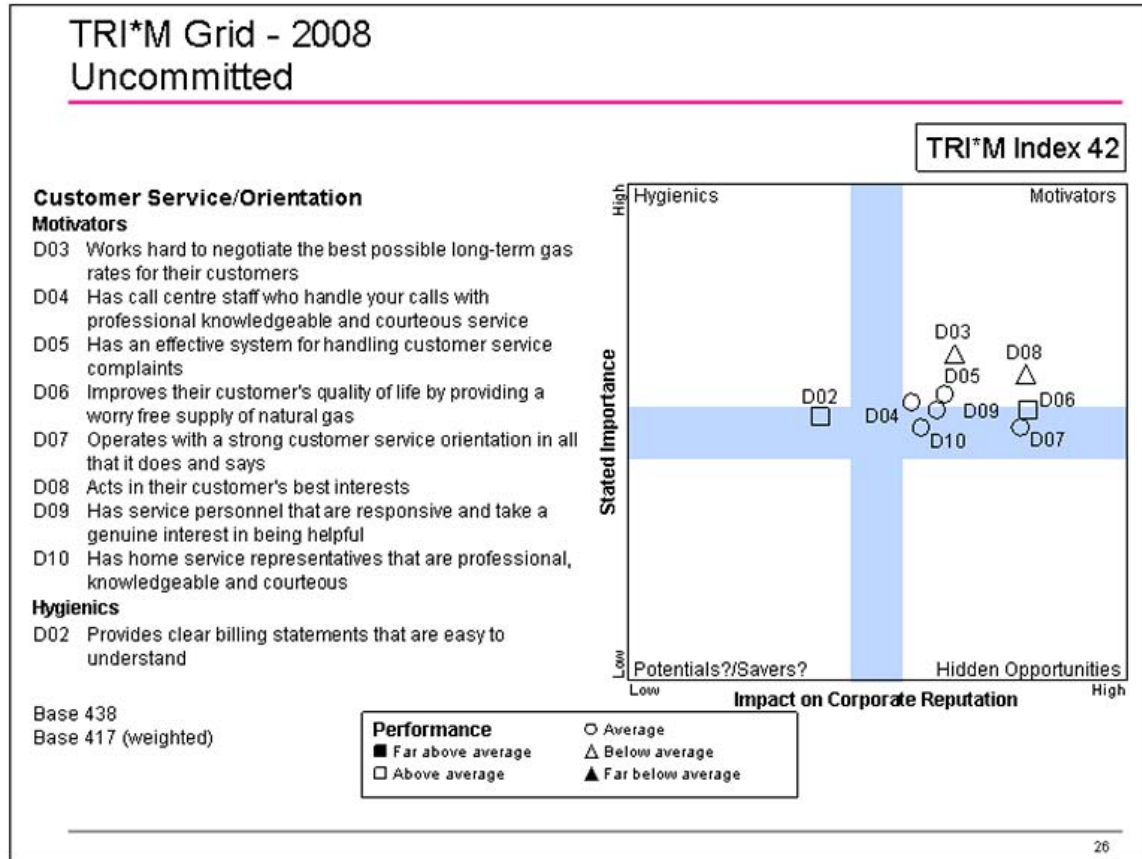


Figure 2 shows the results for customers that are Uncommitted to TGI and natural gas.

<sup>1</sup> 2008 Corporate Image Report, TNS Global, page 19.

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**Figure 2: Uncommitted Customers<sup>2</sup>**



Although there is no tremendous variance in the importance and impact of attributes between these two segments, it can be discerned that TGI is only perceived as average in terms of having personnel that are responsive and take a genuine interest in being helpful (D09); operates with a strong customer service orientation in all that it does and says (D07); and has call centre staff who handle your calls with professional, knowledgeable, and courteous service. Figures 1 and 2 opportunities exist for improvement on these customer service attributes that the Company expects to generate as a result of the Project.

About one in two of TGI's customers are uncommitted. Of those, three in four uncommitted customers are defined as "Seekers," or "Shared." Seekers care which energy source they use, but are unhappy with their current energy sources, while shared users like more than one energy source. Both segments will consider the merit of other offers and are likely candidates to choose alternative energy products sometime in the future.

<sup>2</sup> 2008 Corporate Image Report, TNS Global, page 26.



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Terasen Gas believes that customer service is an important aspect of the Company's overall value equation and an important contributor to customer loyalty. The CCE Project will bring improved service to customers and contribute to maintaining and building customer loyalty.

- 17.5 What does Terasen believe are the antecedents to the loyalty traits Terasen is trying to generate?

**Response:**

Please refer to the response to CEC IR 1.17.4.

- 17.6 How will Terasen connect its investment in the CCE system to the antecedents to loyalty and to customer loyalty itself?

**Response:**

Please refer to the response to CEC IR 1.17.4.

- 17.7 How does Terasen measure customer loyalty now and how will Terasen measure customer loyalty in the future?

**Response:**

Terasen Gas currently measures customer loyalty as part of the bi-annual Corporate Image study that was last completed in 2008. As discussed in the response to CEC IR 1.17.4, this study utilizes the TNS Global Research Conversion Model™ to evaluate customer loyalty and identify improvement opportunities. The Company is considering how best to track customer satisfaction and loyalty for the future and will be evaluating alternative approaches to measure customer loyalty later in 2009.



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- 17.8 Does Terasen believe that more communications channels, more flexible voice response, more flexible bill presentment, and more flexible online transaction capability are the key CCE features, which are going to lead to customer loyalty?

**Response:**

The benefits discussed above are certainly notable benefits associated with the Project. , Other key benefits will include enhanced service metrics and enabling TGI to manage customer care operations directly. The latter attribute will facilitate TGI responding to changes in the marketplace. The Company believes that the combined benefits of the Project will improve customer service delivery and benefit customer loyalty as discussed in the response to CEC IR 1.17.4.

The Terasen Gas customer base is varied. Different benefits resulting from the CCE Project will have a different degree of impact and meaning for each customer segment. Our objective is to bring improved service offerings and channels to customers in the near term and to be able to modify these more easily and readily as customer needs shift over time.

- 17.9 Does Terasen have evidence that it is losing customers to its competitors in the energy market place because of limitations with regard to communications channels, voice response flexibility, bill presentment flexibility and online transaction capability of its competitors?

**Response:**

As discussed in response to CEC IR 1.17.4, Terasen Gas believes that customer service performance, including service offerings, is a factor that is an important contributor to customer loyalty. Service issues that drive dissatisfaction likely lead consumers who are likely to choose an alternative to Terasen Gas to do so.

For more information regarding customer loyalty, please refer to the response to CEC IR 1.17.4.





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**18. Reference Exhibit B-4, Page 29, Project Description and Schedule**

Terasen Gas has reviewed the scope of changes that need to be made in support of this initiative and has developed a plan appropriate for implementing the Customer Care Enhancement Project. For each project component, Terasen Gas has identified the key areas of focus to ensure appropriate risk mitigation efforts are in place for the overall Project implementation. A risk and mitigation summary follows for each component. As part of

- 18.1 Terasen appears to have been able to obtain fixed price arrangements covering a number of cost elements for the project. Please provide a percentage of the total project costs which are controlled under fixed cost arrangements and a percentage exposed to variable cost arrangements.

**Response:**

The percentage of fixed price arrangements (assuming the acquisition on the facilities in Prince George but excluding the costs for leasehold improvements) is currently 30.3%. This would leave approx 69.7% exposed to variable cost arrangements including AFUDC on the entire Project.

At this point in time, Terasen Gas considers the proposed lease arrangements for the Surrey location and the transition costs applicable to the agreement with CWLP to be variable costs as they are still the subject of ongoing negotiations. Once these negotiations have been successfully concluded, the costs will be considered fixed with no associated contingency applied. This will have a material impact on the percentages.

- 18.2 Does Terasen believe that it has reasonable cost certainty at this time?

**Response:**

Please refer to the response to CEC IR 9.1.



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18.3 Does Terasen intend to take further steps to obtain greater cost certainty?

**Response:**

Terasen Gas is taking the following steps to obtain greater cost certainty:

- The Company is about to undertake a detailed evaluation of the data quality of the existing legacy Peace system. Once this evaluation is complete, Terasen Gas will have a much greater certainty of the effort involved in the overall data conversion effort. This work is forecasted to be completed in February, 2010.
- The Company is in the final stages of negotiation on the leasing arrangements of the Lower Mainland call centre / back office facilities in Surrey. This is contemplated to be completed at the end of October, 2009.
- Terasen Gas continues to have fruitful discussions with CWLP regarding transition costs as per the CSA and is optimistic these negotiations will be successfully completed.



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**19. Reference Exhibit B-4, Page 79, Analysis and Alternatives**

outsource these services. Terasen Gas does not feel it appropriate to ask third party outsource service providers to go to significant time and expense to prepare a quotation in a context where Terasen Gas does not believe there is a reasonable chance that we would award the contract. As well, pursuing an RFQ in order to simply obtain benchmark costing in a context where Terasen Gas has decided to bring most of the services in house, raises potential impediments under the Client Services Agreement. Under the CSA, CustomerWorks LP enjoys a right of first refusal to match any quotation that Terasen Gas may choose for the provision of all of the services.

19.1 Would Terasen agree that with a right of first refusal in the hands of one potential proponent there is little chance of getting a useful bid or quotation process from other potential vendors?

**Response:**

TGI does believe that, even if Terasen Gas had been interested in going out for quotation, and it was in the best interest of customers to outsource key Project components, the right of first refusal in the Client Services Agreement represents an impediment to going to market for particular components of the Project. Responses received from potential proponents may be less than market competitive if a right of first refusal is in place to the benefit of the incumbent. The quality of the responses may be impacted by the respondents' belief in the unlikelihood that the incumbent will be replaced. This is discussed further in the response to BCUC IR 1.7.3.

19.2 Would Terasen agree that the Strategic Sourcing decision which shapes this CCE Application is a qualitative decision but that it is bounded by quantitative individual component competitive costing tests and bounded by quantitative total cost per customer tests?

**Response:**

Terasen Gas agrees that the initial decision regarding the Strategic Sourcing model for the critical customer facing business processes discussed within the CCE Application is qualitative. Terasen Gas does not believe that the outsourcing of critical customer facing activities provides the flexibility and control required to provide high quality service to customers in our changing environment. Substantial quantitative analysis was completed to ensure that all of the



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components of the insourced solution were validated to confirm that the total solution provided the best overall solution in terms of cost and quality.

- 19.3 Would Terasen agree that a key part of the qualitative Strategic Sourcing direction and the selection of SAP could lead to avoided costs of having to make these decisions in the future when other options with greater risks might in fact fail to be able to make sufficient investments to provide competitive functionality and service?

**Response:**

Yes, Terasen Gas does agree that a key part of the qualitative Strategic Sourcing direction and the selection of SAP could lead to avoided costs of having to make these decisions in the future.

Terasen Gas is confident that it has put forward the best and most cost effective proposal in terms of technology and operating model to position it to provide competitive functionality and service in the future. The current outsourcing arrangement does not support a true competitive process for assessing the cost to implement changes in the future. Additionally, the Company is concerned about the ability of the current CIS to evolve to meet our changing business and customer needs.



<p style="text-align: center;">Terasen Gas Inc. ("TGI", "Terasen Gas" or the "Company")          Application for a Certificate of Public Convenience and Necessity ("CPCN") for the          Customer Care Enhancement Program (the "Project")</p>	<p style="text-align: center;">Submission Date:          October 2, 2009</p>
<p style="text-align: center;">Response to Commercial Energy Consumers Association of British Columbia ("CEC")          Information Request ("IR") No. 1</p>	<p style="text-align: center;">Page 60</p>

**20. Reference Exhibit B-4, Page 115, Project Costs Financial Analysis**

as they relate to the Project. As noted earlier, the cost of service analysis for the Customer Care Enhancement Project assumes the existing approved return on equity and equity thickness for the 20 year analysis period, existing depreciation rates, CCA and capitalized overhead rates, forecast federal and provincial tax rates, forecast debt rates, forecast average customers until 2015 and forecast growth of 0.74% per year for TGI, 2.5% per year for TGVI and 1.3% per year for TGW thereafter.

20.1 Please provide the current expected growth rates included in the forecasted average number of customers until 2015.

**Response:**

The annual growth rates for the forecasted average number of customers are provided in the following table.

Customer Growth Rates								
		<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
1								
2	TGI	1.25%	0.47%	0.68%	0.70%	0.71%	0.72%	0.74%
3	TGVI	2.97%	2.82%	2.41%	2.43%	2.43%	2.44%	2.50%
4	TGW	1.95%	1.69%	1.17%	0.93%	1.03%	1.22%	1.30%

A key input forming the basis for the Company's customer growth forecast is the forecast growth in the housing market. The forecast growth in the housing market is prepared and updated on a regular basis by BC Stats. This variable is important because the rate of growth in the Company's customer base is strongly correlated to the rate of growth in the housing market and for this reason is a good proxy for future growth in its customer base. Differences in regional housing growth rates help to explain why the customer growth rates differ between the Terasen Utilities.

The Company's forecast methodology has proven to provide a reasonable customer additional forecast in the past. The Company is confident that the customer growth rates it has used to complete the Amended Application are also reasonable and suitable for use in this Application.



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20.2 Please provide the support for the expectation that the customer growth rates will be as forecasted.

**Response:**

Please refer to the response to CEC IR 1.20.1.



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**21. Reference Exhibit B-4, Page 120, Project Costs Financial Analysis**

For the purposes of updating the financial analysis we assumed that current approved accounting practices remain unchanged. We have however reviewed the impact of the proposed changes resulting from International Financial Reporting Standards ("IFRS"). The changes contemplated by IFRS, as well as changes to the overhead capitalized rate and depreciation rate, would result in a levelized cost per customer of \$70.19. Compared with the levelized cost of \$67.50, these changes would increase the cost per customer by \$2.69.

21.1 Would this change related to IFRS be required if the IFRS recognizes regulatory accounting?

**Response:**

The changes contemplated, being the expensing of training costs, commencement of depreciation, software tax savings, and depreciation rates are not within the scope of the proposed IFRS standard on Rate-regulated Activities, and therefore would still be required regardless of the outcome of the Exposure Draft. The overheads rate change is within the scope of the current Exposure Draft, but we will not know the final outcome of that standard until mid-2010. Therefore, we have included what we believe to be the IFRS compliant overhead rates in both our RRA and the Amended Application.

21.2 Does Terasen agree that the current view is that the IFRS is leaning toward recognizing regulatory accounting?

**Response:**

The current IFRS Rate-regulated Activities Exposure Draft indicates that regulatory deferral accounts may be recognized under certain circumstances. Other than the acceptance of regulatory deferral accounts and the inclusion of AFUDC and potentially overheads capitalized in the property, plant and equipment balances as contemplated under the Exposure Draft, there are not expected to be any additional changes to IFRS that would allow the accounting impact of other regulatory decisions to be acceptable.



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## 22. Reference Exhibit B-4, Page 37, Project Justification

An additional challenge Terasen Gas anticipates in the future occurs as a result of Provincial government policy regarding advanced metering, discussed earlier. BC Hydro is expected to move toward a fully functional smart metering solution by the end of 2012, which at this point does not accommodate support for a parallel gas read through the same infrastructure. Terasen Gas expects to be faced with the challenge of a stand-alone manual natural gas read as BC Hydro moves away from the joint manual read that is in place today.

22.1 What is the impediment to developing a common infrastructure for automated meter reading with the BC Hydro implementation of Smart Meters?

### **Response:**

This response addresses CEC IR 1.22.1-1.22.5.

As a point of clarification (and in specific response to CEC IR 1.22.5), regardless of whether the Company pursues the implementation of an advanced metering solution on its own or in collaboration with other BC utilities, Terasen Gas must have a CIS platform implemented that is capable of supporting advanced metering. This CIS platform is needed to process the large volume of advanced metering data generated so that it can be used for customer billing and distribution system performance monitoring that is central to the purpose of advanced metering. The Company believes that the current CIS is not capable of processing this kind of data.

The Project described in the Amended Application will result in the implementation of a CIS platform that will be capable of interacting with a smart meter system if required. The SAP CIS platform is also the most suitable CIS in the industry to support advanced metering, a key area of interest identified by SAP that it intends to expand significantly into. As a result, the Project does not predetermine the nature of advanced metering solutions pursued by the Company or predetermine the selection of any one type. It simply ensures that the necessary technological infrastructure is available to support any form of meter reading that needs to be integrated effectively with the Company's business processes.

TGI anticipates that BC Hydro is going to exit our current shared manual meter reading arrangement. This change necessitates the investigation of different meter reading options by the Company. Part of this investigation includes the exploration of collaboration options for the implementation of advanced metering in BC with the other major utilities in the province. A challenge for BC utilities seeking to collaborate on the implementation of advanced metering is that advanced metering technology is different for electric than it is for natural gas utilities. Electric advanced metering is more developed and has a broader range of functionality than what has been developed so far for use by natural gas utilities.





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Given that BC Hydro and Terasen Gas have significantly different timelines for addressing their respective metering requirements, the Company is not in a position at this time to determine if collaboration in the development of a common advanced metering infrastructure may be cost effective. As a consequence, the Company is also unable to determine how the cost of a stand-alone manual meter reading solution compares with the cost of an automated read provided through an advanced metering solution. Terasen Gas continues to monitor developments and will likely determine how to proceed with the potential implementation of an advanced metering solution in 2010. At that time, the Company will present what it regards as the best solution for customers.

- 22.2 Does Terasen believe that there would be a cost-effective solution in developing a common infrastructure for automated meter reading with BC Hydro?

**Response:**

Please refer to the response to CEC IR 1.22.1.

- 22.3 As the Provincial Government has mandated Smart Meters for BC Hydro and retains the ability to specify technology by regulation has Terasen been working with the government to determine if there is a solution to developing a common infrastructure with BC Hydro?

**Response:**

Please refer to the response to CEC IR 1.22.1.

- 22.4 What does Terasen expect will be the additional customer cost for a stand alone manual natural gas meter read versus a potential common infrastructure supporting automated meter reading?

**Response:**

Please refer to the response to CEC IR 1.22.1.



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22.5 Will Terasen's proposed CCE solution support automated meter reading and a possible integration with a common infrastructure supporting the automated meter reading in the future?

**Response:**

Please refer to the response to CEC IR 1.22.1.

**Attachment 6.5**

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## S1 - Project Costs

## Financial Schedule 1

**Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals****Estimated Project Implementation Costs in \$000s**

<u>TGI Component</u>	<u>Reference</u>	<u>Total</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Capital - CIS Implementation</b>						
1 Consulting		33,782	862	12,944	16,439	3,537
2 Internal Labour		6,543	-	2,453	3,444	646
3 Expenses		9,145	-	1,283	6,350	1,512
4 Software		5,823	-	4,885	938	-
5 Hardware		<u>996</u>	<u>-</u>	<u>731</u>	<u>265</u>	<u>-</u>
<b>6 Subtotal</b>		<b>56,289</b>	<b>862</b>	<b>22,296</b>	<b>27,436</b>	<b>5,695</b>
<b>Capital - Services Insourcing</b>						
7 Consulting		29,892	770	3,564	21,056	4,502
8 Internal Labour		4,209	-	1,622	2,587	-
9 Facilities		7,821	-	1,207	6,614	-
10 Expenses		163	163	-	-	-
11 Software		1,193	-	605	588	-
12 Hardware		<u>2,235</u>	<u>-</u>	<u>-</u>	<u>2,235</u>	<u>-</u>
<b>13 Subtotal</b>		<b>45,513</b>	<b>933</b>	<b>6,998</b>	<b>33,080</b>	<b>4,502</b>
<b>Total Plant Additions</b>						
14 CIS		56,289	862	22,296	27,436	5,695
15 Service Insourcing		45,513	933	6,998	33,080	4,502
16 Subtotal		<u>101,803</u>	<u>1,795</u>	<u>29,294</u>	<u>60,517</u>	<u>10,197</u>
17 AFUDC		3,239	-	919	2,320	-
<b>18 Total Plant Additions</b>	x-ref S3b, (2010 column, lines 25 + 237 + 449) + lines 37 + 249 + 461	<b>105,042</b>	<b>1,795</b>	<b>30,213</b>	<b>62,837</b>	<b>10,197</b>
<b>Deferred O&amp;M</b>						
19 Internal Labour		9,210	-	77	9,133	-
20 Expenses		<u>867</u>	<u>-</u>	<u>-</u>	<u>867</u>	<u>-</u>
<b>21 Subtotal</b>	x-ref S3b, lines 203 + 415 + 627	<b>10,077</b>	<b>-</b>	<b>77</b>	<b>10,000</b>	<b>-</b>
22 AFUDC	x-ref S3b, lines 207 + 419 + 631	<u>316</u>	<u>-</u>	<u>2</u>	<u>314</u>	<u>0</u>
<b>23 Total Deferred O&amp;M</b>		<b>10,393</b>	<b>-</b>	<b>79</b>	<b>10,314</b>	<b>-</b>
24 Capital Lease		6,677	50	104	6,523	
<b>25 Total</b>		<b>122,112</b>	<b>1,845</b>	<b>30,395</b>	<b>79,674</b>	<b>10,197</b>

Financial Schedule 2

**Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals**

**Estimated Customer Care O&M Costs in \$000s, Except Cost /Customer Amounts**

Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1 Labour			20,289	20,343	21,218	22,132	23,088	23,628	24,180	24,746	25,326	25,920	26,529	27,152	27,791	28,445	29,116	29,802	30,506	31,227	31,966	32,723
2 Outsourced Services			20,309	21,480	22,069	22,669	23,287	23,921	24,551	25,386	25,987	26,464	27,241	28,021	28,799	29,622	30,748	31,447	32,380	33,319	34,285	35,243
3 Technology Support			1,479	1,464	1,448	1,433	1,418	1,402	1,407	1,412	1,417	1,422	1,427	1,432	1,438	1,443	1,448	1,454	1,459	1,465	1,470	1,476
4 Facilities Support			3,189	3,253	3,318	3,384	3,452	3,521	3,591	3,663	3,736	3,811	3,887	3,965	4,044	4,125	4,208	4,292	4,378	4,465	4,554	4,646
5 Expenses			970	998	1,018	1,038	1,059	1,080	1,102	1,124	1,146	1,169	1,193	1,217	1,241	1,266	1,291	1,317	1,343	1,370	1,397	1,425
<b>6 Total</b>			<b>46,237</b>	<b>47,538</b>	<b>49,071</b>	<b>50,657</b>	<b>52,303</b>	<b>53,552</b>	<b>54,632</b>	<b>56,332</b>	<b>57,613</b>	<b>58,786</b>	<b>60,276</b>	<b>61,787</b>	<b>63,313</b>	<b>64,901</b>	<b>66,810</b>	<b>68,312</b>	<b>70,066</b>	<b>71,846</b>	<b>73,673</b>	<b>75,513</b>
7 Ave Customers			959,757	968,338	977,113	986,272	995,548	1,004,941	1,014,455	1,024,090	1,033,849	1,043,735	1,053,749	1,063,895	1,074,174	1,084,589	1,095,142	1,105,836	1,116,674	1,127,658	1,138,791	1,150,075
8 Cost /Customer			48.18	49.09	50.22	51.36	52.54	53.29	53.85	55.01	55.73	56.32	57.20	58.08	58.94	59.84	61.01	61.77	62.75	63.71	64.69	65.66

\*Note- Total costs include annual lease payment of \$1.7 million; the revenue requirement includes this as a capital lease and therefore it is accounted for through depreciation, tax and earned return.

Financial Schedule 3a

**Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals**

**Rate Base Summary in \$000s**

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

	Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
<b>TGI</b>																								
1	Opening Gas Plant In Service	S3b, line 87	-	-	36,845	91,743	89,041	86,381	83,906	80,719	78,089	75,621	48,965	(7,462)	(7,291)	(7,173)	(7,250)	(7,387)	(7,523)	(7,287)	(7,889)	(8,038)	(8,193)	(8,358)
2	Additions	S3b, line 100	-	36,845	54,898	(2,702)	(2,660)	(2,474)	(1,196)	(1,658)	(2,468)	1,070	(2,501)	(1,294)	(1,749)	(2,551)	(2,569)	(2,587)	(1,008)	1,253	(2,649)	(2,673)	(2,699)	(1,532)
3	Retirements	S3b, line 113	-	-	-	-	-	-	(1,992)	(972)	-	(27,726)	(53,926)	1,466	1,867	2,474	2,432	2,451	1,244	(1,855)	2,501	2,517	2,534	1,341
4	Closing Gas Plant In Service	S3b, line 126	-	36,845	91,743	89,041	86,381	83,906	80,719	78,089	75,621	48,965	(7,462)	(7,291)	(7,173)	(7,250)	(7,387)	(7,523)	(7,287)	(7,889)	(8,038)	(8,193)	(8,358)	(8,549)
5																								
6	Opening Accumulated Depreciation	S3b, line 139	-	-	-	(3,964)	(14,863)	(25,424)	(35,653)	(43,580)	(52,072)	(61,195)	(42,282)	6,163	6,269	5,953	5,016	4,131	3,243	3,580	6,988	6,115	5,244	4,377
7	Depreciation	S3b, line 165	-	-	(3,964)	(10,899)	(10,561)	(10,229)	(9,919)	(9,464)	(9,122)	(8,814)	(5,482)	1,572	1,551	1,537	1,547	1,564	1,581	1,552	1,628	1,647	1,666	1,687
8	Retirements	S3b, line 152	-	-	-	-	-	-	1,992	972	-	27,726	53,926	(1,466)	(1,867)	(2,474)	(2,432)	(2,451)	(1,244)	1,855	(2,501)	(2,517)	(2,534)	(1,341)
9	Closing Accumulated Depreciation	S3b, line 178	-	-	(3,964)	(14,863)	(25,424)	(35,653)	(43,580)	(52,072)	(61,195)	(42,282)	6,163	6,269	5,953	5,016	4,131	3,243	3,580	6,988	6,115	5,244	4,377	4,722
10																								
11	Opening Contributions in Aid of Construction	S3b, line 190	-	-	(3,525)	(13,333)	(19,973)	(19,973)	(19,973)	(19,973)	(19,973)	(19,973)	(16,892)	(7,133)	(494)	(494)	(494)	(494)	(494)	(542)	(535)	(485)	(485)	(485)
12	Additions	S3b, line 191	-	(3,525)	(9,808)	(6,640)	-	-	-	-	-	(444)	(49)	-	-	-	-	-	(49)	(437)	-	-	-	-
13	Retirements	S3b, line 192	-	-	-	-	-	-	-	-	-	3,525	9,808	6,640	-	-	-	-	-	444	49	-	-	-
14	Closing Contributions in Aid of Construction	S3b, line 193	-	(3,525)	(13,333)	(19,973)	(19,973)	(19,973)	(19,973)	(19,973)	(19,973)	(16,892)	(7,133)	(494)	(494)	(494)	(494)	(494)	(542)	(535)	(485)	(485)	(485)	(485)
15																								
16	Opening Amortization of Contributions in Aid of Construction	S3b, line 195	-	-	-	441	2,107	4,604	7,100	9,597	12,094	14,590	13,562	5,865	117	179	241	302	364	426	49	67	127	188
17	Amortization	S3b, line 196	-	-	-	-	-	-	-	-	-	(3,525)	(9,808)	(6,640)	-	-	-	-	-	(444)	(49)	-	-	-
18	Retirements	S3b, line 197	-	-	441	1,667	2,497	2,497	2,497	2,497	2,497	2,497	2,111	892	62	62	62	62	62	68	67	61	61	61
19	Closing Amortization of Contributions in Aid of Construction	S3b, line 198	-	-	441	2,107	4,604	7,100	9,597	12,094	14,590	13,562	5,865	117	179	241	302	364	426	49	67	127	188	249
20																								
21	Opening Net Plant In Service		-	-	33,320	74,887	56,313	45,588	35,381	26,763	18,137	9,044	3,353	(2,568)	(1,398)	(1,534)	(2,487)	(3,447)	(4,409)	(3,823)	(1,387)	(2,341)	(3,307)	(4,279)
22	Closing Net Plant In Service		-	33,320	74,887	56,313	45,588	35,381	26,763	18,137	9,044	3,353	(2,568)	(1,398)	(1,534)	(2,487)	(3,447)	(4,409)	(3,823)	(1,387)	(2,341)	(3,307)	(4,279)	(4,063)
23																								
24	Mid Year Net Plant in Service	(line 21 + line 22)/2	-	16,660	54,103	65,600	50,950	40,485	31,072	22,450	13,590	6,198	392	(1,983)	(1,466)	(2,011)	(2,967)	(3,928)	(4,116)	(2,605)	(1,864)	(2,824)	(3,793)	(4,171)
25																								
26	Opening Deferred Charges	S3b, line 202	-	51	6,944	6,076	5,208	4,340	3,472	2,604	1,736	868	-	-	-	-	-	-	-	-	-	-	-	-
27	Additions	S3b, line 205	51	6,893	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Amortization	S3b, line 206	-	-	(868)	(868)	(868)	(868)	(868)	(868)	(868)	(868)	-	-	-	-	-	-	-	-	-	-	-	-
29	Closing Deferred Charges	S3b, line 208	51	6,944	6,076	5,208	4,340	3,472	2,604	1,736	868	-	-	-	-	-	-	-	-	-	-	-	-	-
30																								
31	Mid Year Deferred Charges		-	-	6,510	5,642	4,774	3,906	3,038	2,170	1,302	434	-	-	-	-	-	-	-	-	-	-	-	-
32	Capital Lease Rate Base		-	14,114	12,605	11,102	9,603	8,111	6,623	5,141	3,665	2,194	730	13,838	12,355	10,877	9,406	7,941	6,482	5,030	3,584	2,145	713	-
33	13 Month Adjustment (row 211, S3b)	S3b, line 211	-	-	(5,900)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34																								
35	<b>TGI Rate Base</b>	x-ref S3b, line 212	-	30,774	67,318	82,343	65,328	52,502	40,733	29,761	18,557	8,827	1,122	11,855	10,889	8,867	6,439	4,013	2,366	2,425	1,720	(678)	(3,079)	(4,171)

**Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals**

**Rate Base Summary in \$000s**

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

	Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
<b>TGVI</b>																								
36	Opening Gas Plant In Service	S3b, line 299	-	-	4,365	10,861	10,529	10,196	9,881	9,490	9,157	8,827	5,689	(1,039)	(1,049)	(1,072)	(1,130)	(1,197)	(1,266)	(1,263)	(1,325)	(1,400)	(1,478)	(1,560)
37	Additions	S3b, line 312	-	4,365	6,496	(332)	(333)	(315)	(155)	(218)	(330)	146	(347)	(183)	(251)	(373)	(382)	(391)	(155)	196	(422)	(433)	(445)	(257)
38	Retirements	S3b, line 325	-	-	-	-	-	-	(237)	(114)	-	(3,284)	(6,382)	172	228	315	315	323	158	(258)	347	355	364	186
39	Closing Gas Plant In Service	S3b, line 338	-	4,365	10,861	10,529	10,196	9,881	9,490	9,157	8,827	5,689	(1,039)	(1,049)	(1,072)	(1,130)	(1,197)	(1,266)	(1,263)	(1,325)	(1,400)	(1,478)	(1,560)	(1,630)
40																								
41	Opening Accumulated Depreciation	S3b, line 351	-	-	-	(470)	(1,760)	(3,008)	(4,215)	(5,146)	(6,145)	(7,216)	(4,962)	783	814	790	682	581	480	553	1,041	930	821	713
42	Depreciation	S3b, line 377	-	-	(470)	(1,290)	(1,249)	(1,207)	(1,168)	(1,113)	(1,071)	(1,029)	(837)	204	204	206	214	222	231	229	236	246	256	266
43	Retirements	S3b, line 364	-	-	-	-	-	-	237	114	-	3,284	6,382	(172)	(228)	(315)	(315)	(323)	(158)	258	(347)	(355)	(364)	(186)
44	Closing Accumulated Depreciation	S3b, line 390	-	-	(470)	(1,760)	(3,008)	(4,215)	(5,146)	(6,145)	(7,216)	(4,962)	783	814	790	682	581	480	553	1,041	930	821	713	792
45																								
46	Opening Contributions in Aid of Construction	S3b, line 402	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Additions	S3b, line 403	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Retirements	S3b, line 404	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49	Closing Contributions in Aid of Construction	S3b, line 405	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50																								
51	Opening Amortization of Contributions in Aid of Construction	S3b, line 407	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	Amortization	S3b, line 408	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	Retirements	S3b, line 409	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
54	Closing Amortization of Contributions in Aid of Construction	S3b, line 410	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55																								
56	Opening Net Plant In Service		-	-	4,365	10,391	8,769	7,187	5,666	4,343	3,012	1,611	727	(256)	(235)	(282)	(448)	(616)	(785)	(710)	(284)	(470)	(657)	(847)
57	Closing Net Plant In Service		-	4,365	10,391	8,769	7,187	5,666	4,343	3,012	1,611	727	(256)	(235)	(282)	(448)	(616)	(785)	(710)	(284)	(470)	(657)	(847)	(838)
58																								
59	Mid Year Net Plant in Service	(line 21 + line 22)/2	-	2,183	7,378	9,580	7,978	6,427	5,005	3,678	2,312	1,169	235	(246)	(259)	(365)	(532)	(701)	(747)	(497)	(377)	(564)	(752)	(842)
60																								
61	Opening Deferred Charges	S3b, line 414	-	6	826	723	619	516	413	310	206	103	-	-	-	-	-	-	-	-	-	-	-	-
62	Additions	S3b, line 417	6	820	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63	Amortization	S3b, line 418	-	-	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	-	-	-	-	-	-	-	-	-	-	-	-
64	Closing Deferred Charges	S3b, line 420	6	826	723	619	516	413	310	206	103	-	-	-	-	-	-	-	-	-	-	-	-	-
65																								
66	Mid Year Deferred Charges		-	-	774	671	568	464	361	258	155	52	-	-	-	-	-	-	-	-	-	-	-	-
67	Capital Lease Rate Base		-	1,678	1,524	1,365	1,201	1,031	857	677	491	299	101	1,952	1,773	1,588	1,398	1,200	997	787	571	348	118	-
68	13 Month Adjustment	S3b, line 423	-	-	(698)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
69																								
70	<b>TGVI Rate Base</b>	x-ref S3b, line 424	-	3,860	8,979	11,616	9,747	7,922	6,223	4,613	2,957	1,520	337	1,706	1,515	1,223	865	500	250	290	194	(216)	(634)	(842)

**Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals**

**Rate Base Summary in \$000s**

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

	Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
<b>TGW</b>																								
71	Opening Gas Plant In Service	S3b, line 511	-	-	110	274	266	258	251	241	233	225	146	(23)	(23)	(23)	(23)	(24)	(25)	(25)	(26)	(27)	(28)	(29)
72	Additions	S3b, line 524	-	110	164	(8)	(8)	(8)	(4)	(5)	(8)	3	(8)	(4)	(6)	(8)	(8)	(8)	(3)	4	(9)	(9)	(9)	(5)
73	Retirements	S3b, line 537	-	-	-	-	-	(6)	(3)	-	(83)	(161)	4	6	8	7	8	4	(6)	8	8	8	8	4
74	Closing Gas Plant In Service	S3b, line 550	-	110	274	266	258	251	241	233	225	146	(23)	(23)	(23)	(23)	(24)	(25)	(25)	(26)	(27)	(28)	(29)	(30)
75			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
76	Opening Accumulated Depreciation	S3b, line 563	-	-	-	(12)	(44)	(76)	(107)	(130)	(156)	(183)	(126)	19	19	18	16	13	10	12	22	20	17	14
77	Depreciation	S3b, line 589	-	-	(12)	(33)	(32)	(31)	(30)	(28)	(27)	(26)	(16)	5	5	5	5	5	5	5	5	5	5	5
78	Retirements	S3b, line 576	-	-	-	-	-	6	3	-	83	161	(4)	(6)	(8)	(7)	(8)	(4)	6	(8)	(8)	(8)	(8)	(4)
79	Closing Accumulated Depreciation	S3b, line 602	-	-	(12)	(44)	(76)	(107)	(130)	(156)	(183)	(126)	19	19	18	16	13	10	12	22	20	17	14	16
80			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
81	Opening Contributions in Aid of Construction	S3b, line 614	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
82	Additions	S3b, line 615	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
83	Retirements	S3b, line 616	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
84	Closing Contributions in Aid of Construction	S3b, line 617	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
85			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
86	Opening Amortization of Contributions in Aid of Construction	S3b, line 619	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
87	Amortization	S3b, line 620	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
88	Retirements	S3b, line 621	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
89	Closing Amortization of Contributions in Aid of Construction	S3b, line 622	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
90			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91	Opening Net Plant In Service		-	-	110	263	222	182	144	111	77	43	20	(5)	(4)	(5)	(8)	(11)	(15)	(13)	(4)	(7)	(11)	(14)
92	Closing Net Plant In Service		-	110	263	222	182	144	111	77	43	20	(5)	(4)	(5)	(8)	(11)	(15)	(13)	(4)	(7)	(11)	(14)	(14)
93			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94	Mid Year Net Plant in Service	(line 21 + line 22)/2	-	55	186	242	202	163	127	94	60	31	8	(4)	(4)	(6)	(10)	(13)	(14)	(8)	(6)	(9)	(13)	(14)
95			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96	Opening Deferred Charges	S3b, line 626	-	0	21	18	16	13	10	8	5	3	-	-	-	-	-	-	-	-	-	-	-	-
97	Additions	S3b, line 629	0	21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
98	Amortization	S3b, line 630	-	-	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	-	-	-	-	-	-	-	-	-	-	-	-
99	Closing Deferred Charges	S3b, line 632	0	21	18	16	13	10	8	5	3	-	-	-	-	-	-	-	-	-	-	-	-	-
100			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
101	Mid Year Deferred Charges		-	-	20	17	14	12	9	7	4	1	-	-	-	-	-	-	-	-	-	-	-	-
102	Capital Lease Rate Base		-	42	38	33	29	25	20	16	11	7	2	44	39	35	30	26	21	16	12	7	2	-
103	13 Month Adjustment	S3b, line 635	-	-	(18)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
104			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
105	<b>TGW Rate Base</b>	x-ref S3b, line 636	-	97	226	293	245	200	157	116	75	39	10	39	35	28	20	13	7	8	6	(2)	(10)	(14)



Financial Schedule 3b

**Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals**

**Rate Base Detail in \$000s**

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

	Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>TGI</b>																							
1 Capital Spending																							
2 Hardware		653	2,228	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Software		4,902	1,361	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Land		-	652	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Buildings		1,078	5,244	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Vendor Fees		14,742	20,568	3,147	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Installer Fees		1,146	18,513	1,345	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Internal Labour		2,447	4,397	575	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Internal Materials		873	408	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Training		319	571	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Incremental O&M		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Total Spend	x-ref S6, line 31	26,159	53,942	5,067	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13																							
14 Opening WIP																							
15 Hardware		-	676	972	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16 Software		-	5,073	5,723	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18 Buildings		108	1,231	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 Vendor Fees		1,349	16,699	28,960	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 Installer Fees		-	1,185	7,149	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21 Internal Labour		-	2,533	5,624	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22 Internal Materials		146	1,059	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23 Training		-	330	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Incremental O&M		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 Total Opening WIP	x-ref S1, line 18 & x-ref S6, line 31	1,603	28,786	48,428	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 Additions																							
27 Hardware		676	2,288	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 Software		5,073	1,734	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29 Land		-	652	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Buildings		1,123	5,244	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Vendor Fees		15,350	22,090	3,147	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Installer Fees		1,185	18,817	1,345	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33 Internal Labour		2,533	4,684	575	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34 Internal Materials		913	408	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35 Training		330	571	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36 Incremental O&M		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37 Total Additions	x-ref S1, line 18	27,183	56,488	5,067	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38 In-service																							
39 Hardware		-	(1,992)	(972)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40 Software		-	(1,083)	(5,723)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41 Land		-	(652)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42 Buildings		-	(6,475)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43 Vendor Fees		-	(9,829)	(32,107)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44 Installer Fees		-	(12,853)	(8,494)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45 Internal Labour		-	(1,593)	(6,199)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46 Internal Materials		-	(1,467)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47 Training		-	(901)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48 Incremental O&M		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49 Total In-service		-	(36,845)	(53,495)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50 Closing WIP																							
51 Hardware		676	972	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52 Software		5,073	5,723	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53 Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
54 Buildings		1,231	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55 Vendor Fees		16,699	28,960	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56 Installer Fees		1,185	7,149	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57 Internal Labour		2,533	5,624	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58 Internal Materials		1,059	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59 Training		330	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60 Incremental O&M		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61 TGI Total Closing WIP		28,786	48,428	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62																							
63 Recurring Plant Additions																							
64 Hardware		-	-	-	-	-	-	1,236	793	-	-	-	1,224	785	-	-	-	1,210	776	-	-	-	1,196
65 Software		-	-	-	-	-	-	-	-	-	395	-	-	-	-	-	-	389	-	-	-	-	-
66 Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
67 Buildings		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
68 Vendor Fees		-	-	245	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
69 Installer Fees		-	-	3,559	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70 Internal Labour		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71 Internal Materials		-	-	167	-	-	-	-	-	-	-	3,160	-	-	-	-	-	-	-	-	-	3,104	-
72 Training		-	-	35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
73 Capitalized Overhead		-	-	(2,603)	(2,702)	(2,660)	(2,474)	(2,432)	(2,451)	(2,468)	(2,484)	(2,501)	(2,517)	(2,534)	(2,551)	(2,569)	(2,587)	(2,607)	(2,627)	(2,649)	(2,673)	(2,699)	(2,727)
74 Total Recurring Plant Additions		-	-	1,403	(2,702)	(2,660)	(2,474)	(1,196)	(1,658)	(2,468)	1,070	(2,501)	(1,294)	(1,749)	(2,551)	(2,569)	(2,587)	(1,008)	1,253	(2,649)	(2,673)	(2,699)	(1,532)
75																							

**Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals****Rate Base Detail in \$000s**

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
76 Opening Plant Balance																							
77 Hardware	-	-	1,992	2,964	2,964	2,964	2,964	2,208	2,029	2,029	2,029	2,017	2,008	2,008	2,008	2,008	2,008	1,995	1,986	1,986	1,986	1,986	
78 Software	-	-	1,083	6,807	6,807	6,807	6,807	6,807	6,807	6,807	6,118	395	395	395	395	395	395	784	389	389	389	389	
79 Land	-	-	652	652	652	652	652	652	652	652	652	652	652	652	652	652	652	652	652	652	652	652	
80 Buildings	-	-	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	
81 Vendor Fees	-	-	9,829	42,181	42,181	42,181	42,181	42,181	42,181	42,181	32,352	-	-	-	-	-	-	-	-	-	-	-	
82 Installer Fees	-	-	12,853	24,907	24,907	24,907	24,907	24,907	24,907	24,907	12,053	-	-	-	-	-	-	-	-	-	-	-	
83 Internal Labour	-	-	1,593	7,792	7,792	7,792	7,792	7,792	7,792	7,792	6,199	-	-	-	-	-	-	-	-	-	-	-	
84 Internal Materials	-	-	1,467	1,634	1,634	1,634	1,634	1,634	1,634	1,634	3,327	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,104	3,104	3,104	3,104	
85 Training	-	-	901	936	936	936	936	936	936	936	35	-	-	-	-	-	-	-	-	-	-	-	
86 Incremental O&M and Capitalized Overhead	-	-	-	(2,603)	(5,305)	(7,965)	(10,440)	(12,871)	(15,323)	(17,791)	(20,275)	(20,173)	(19,988)	(19,862)	(19,939)	(20,076)	(20,212)	(20,351)	(20,495)	(20,643)	(20,799)	(20,964)	
87 Total Opening Plant Balance	x-ref S3a, line 1	-	-	36,845	91,743	89,041	86,381	83,906	80,719	78,089	75,621	48,965	(7,462)	(7,291)	(7,173)	(7,250)	(7,387)	(7,523)	(7,287)	(7,889)	(8,038)	(8,193)	(8,358)
88																							
89 Additions																							
90 Hardware	-	1,992	972	-	-	-	1,236	793	-	-	-	1,224	785	-	-	-	1,210	776	-	-	-	1,196	
91 Software	-	1,083	5,723	-	-	-	-	-	-	395	-	-	-	-	-	-	389	-	-	-	-	-	
92 Land	-	652	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
93 Buildings	-	6,475	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
94 Vendor Fees	-	9,829	32,352	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
95 Installer Fees	-	12,853	12,053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
96 Internal Labour	-	1,593	6,199	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
97 Internal Materials	-	1,467	167	-	-	-	-	-	-	3,160	-	-	-	-	-	-	-	-	3,104	-	-	-	
98 Training	-	901	35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
99 Incremental O&M and Capitalized Overhead	-	-	-	(2,603)	(2,702)	(2,660)	(2,474)	(2,432)	(2,451)	(2,468)	(2,484)	(2,501)	(2,517)	(2,534)	(2,551)	(2,569)	(2,587)	(2,607)	(2,627)	(2,649)	(2,673)	(2,699)	
100 Total Additions	x-ref S3a, line 2	-	36,845	54,898	(2,702)	(2,660)	(2,474)	(1,196)	(1,658)	(2,468)	1,070	(2,501)	(1,294)	(1,749)	(2,551)	(2,569)	(2,587)	(1,008)	1,253	(2,649)	(2,673)	(2,699)	(1,532)
101																							
102 Retirements																							
103 Hardware	-	-	-	-	-	-	(1,992)	(972)	-	-	-	(1,236)	(793)	-	-	-	(1,224)	(785)	-	-	-	(1,210)	
104 Software	-	-	-	-	-	-	-	-	-	(1,083)	(5,723)	-	-	-	-	-	-	(395)	-	-	-	-	
105 Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
106 Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
107 Vendor Fees	-	-	-	-	-	-	-	-	-	(9,829)	(32,352)	-	-	-	-	-	-	-	-	-	-	-	
108 Installer Fees	-	-	-	-	-	-	-	-	-	(12,853)	(12,053)	-	-	-	-	-	-	-	-	-	-	-	
109 Internal Labour	-	-	-	-	-	-	-	-	-	(1,593)	(6,199)	-	-	-	-	-	-	-	-	-	-	-	
110 Internal Materials	-	-	-	-	-	-	-	-	-	(1,467)	(167)	-	-	-	-	-	-	-	(3,104)	-	-	-	
111 Training	-	-	-	-	-	-	-	-	-	(901)	(35)	-	-	-	-	-	-	-	-	-	-	-	
112 Incremental O&M and Capitalized Overhead	-	-	-	-	-	-	-	-	-	2,603	2,702	2,660	2,474	2,432	2,451	2,468	2,484	2,501	2,517	2,534	2,551		
113 Total Retirements	x-ref S3a, line 3	-	-	-	-	-	(1,992)	(972)	-	(27,726)	(53,926)	1,466	1,867	2,474	2,432	2,451	1,244	(1,855)	2,501	2,517	2,534	1,341	
114																							
115 Closing Plant Balance																							
116 Hardware	-	1,992	2,964	2,964	2,964	2,964	2,208	2,029	2,029	2,029	2,017	2,008	2,008	2,008	2,008	2,008	1,995	1,986	1,986	1,986	1,986	1,972	
117 Software	-	1,083	6,807	6,807	6,807	6,807	6,807	6,807	6,807	6,118	395	395	395	395	395	395	784	389	389	389	389	389	
118 Land	-	652	652	652	652	652	652	652	652	652	652	652	652	652	652	652	652	652	652	652	652	652	
119 Buildings	-	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	6,475	
120 Vendor Fees	-	9,829	42,181	42,181	42,181	42,181	42,181	42,181	42,181	42,181	32,352	-	-	-	-	-	-	-	-	-	-	-	
121 Installer Fees	-	12,853	24,907	24,907	24,907	24,907	24,907	24,907	24,907	24,907	12,053	-	-	-	-	-	-	-	-	-	-	-	
122 Internal Labour	-	1,593	7,792	7,792	7,792	7,792	7,792	7,792	7,792	7,792	6,199	-	-	-	-	-	-	-	-	-	-	-	
123 Internal Materials	-	1,467	1,634	1,634	1,634	1,634	1,634	1,634	1,634	3,327	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,104	3,104	3,104	3,104	3,104	
124 Training	-	901	936	936	936	936	936	936	936	35	-	-	-	-	-	-	-	-	-	-	-	-	
125 Incremental O&M and Capitalized Overhead	-	-	(2,603)	(5,305)	(7,965)	(10,440)	(12,871)	(15,323)	(17,791)	(20,275)	(20,173)	(19,988)	(19,862)	(19,939)	(20,076)	(20,212)	(20,351)	(20,495)	(20,643)	(20,799)	(20,964)	(21,140)	
126 Total Closing Plant Balance	x-ref S3a, line 4	-	36,845	91,743	89,041	86,381	83,906	80,719	78,089	75,621	48,965	(7,462)	(7,291)	(7,173)	(7,250)	(7,387)	(7,523)	(7,287)	(7,889)	(8,038)	(8,193)	(8,358)	
127																							

Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals

Rate Base Detail in \$000s

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
128 Opening Accumulated Depreciation																							
129 Hardware	-	-	-	(398)	(991)	(1,584)	(2,177)	(777)	(247)	(653)	(1,059)	(1,465)	(635)	(245)	(646)	(1,048)	(1,450)	(628)	(242)	(639)	(1,036)	(1,434)	
130 Software	-	-	-	(135)	(986)	(1,837)	(2,688)	(3,539)	(4,390)	(5,241)	(5,008)	(49)	(99)	(148)	(197)	(247)	(296)	(346)	(49)	(97)	(146)	(194)	
131 Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
132 Buildings	-	-	-	(100)	(199)	(299)	(398)	(498)	(598)	(697)	(797)	(897)	(996)	(1,096)	(1,195)	(1,295)	(1,395)	(1,494)	(1,594)	(1,693)	(1,793)	(1,893)	
133 Vendor Fees	-	-	-	(1,229)	(6,501)	(11,774)	(17,046)	(22,319)	(27,592)	(32,864)	(28,308)	0	0	0	0	0	0	0	0	0	0	0	
134 Installer Fees	-	-	-	(1,607)	(4,720)	(7,833)	(10,947)	(14,060)	(17,173)	(20,287)	(10,547)	-	-	-	-	-	-	-	-	-	-	-	
135 Internal Labour	-	-	-	(199)	(1,173)	(2,147)	(3,121)	(4,095)	(5,069)	(6,043)	(5,424)	-	-	-	-	-	-	-	-	-	-	-	
136 Internal Materials	-	-	-	(183)	(388)	(592)	(796)	(1,000)	(1,205)	(1,409)	(1,446)	-	-	-	-	-	-	-	-	-	-	-	
137 Training	-	-	-	(113)	(230)	(347)	(464)	(581)	(698)	(815)	(30)	0	0	0	0	0	0	0	0	0	0	0	
138 Incremental O&M and Capitalized Overhead	-	-	-	-	325	989	1,984	3,289	4,898	6,813	9,037	8,969	8,788	8,627	8,635	8,695	8,754	8,812	8,872	8,933	8,996	9,061	
139 Total TGI Depreciation Expense	x-ref S3a, line 6	-	-	(3,964)	(14,863)	(25,424)	(35,653)	(43,580)	(52,072)	(61,195)	(42,282)	6,163	6,269	5,953	5,016	4,131	3,243	3,580	6,988	6,115	5,244	4,377	
140																							
141 Retirements																							
142 Hardware	-	-	-	-	-	-	1,992	972	-	-	-	1,236	793	-	-	-	1,224	785	-	-	-	1,210	
143 Software	-	-	-	-	-	-	-	-	-	1,083	5,723	-	-	-	-	-	-	395	-	-	-	-	
144 Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
145 Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
146 Vendor Fees	-	-	-	-	-	-	-	-	-	9,829	32,352	-	-	-	-	-	-	-	-	-	-	-	
147 Installer Fees	-	-	-	-	-	-	-	-	-	12,853	12,053	-	-	-	-	-	-	-	-	-	-	-	
148 Internal Labour	-	-	-	-	-	-	-	-	-	1,593	6,199	-	-	-	-	-	-	-	-	-	-	-	
149 Internal Materials	-	-	-	-	-	-	-	-	-	1,467	167	-	-	-	-	-	-	3,160	-	-	-	-	
150 Training	-	-	-	-	-	-	-	-	-	901	35	-	-	-	-	-	-	-	-	-	-	-	
151 Incremental O&M and Capitalized Overhead	-	-	-	-	-	-	-	-	-	-	(2,603)	(2,702)	(2,660)	(2,474)	(2,432)	(2,451)	(2,468)	(2,484)	(2,501)	(2,517)	(2,534)	(2,551)	
152 Total Closing Accumulated Depreciation	x-ref S3a, line 8	-	-	-	-	-	1,992	972	-	27,726	53,926	(1,466)	(1,867)	(2,474)	(2,432)	(2,451)	(1,244)	1,855	(2,501)	(2,517)	(2,534)	(1,341)	
153																							
154 Depreciation Expense																							
155 Hardware	-	-	(398)	(593)	(593)	(593)	(593)	(442)	(406)	(406)	(406)	(406)	(403)	(402)	(402)	(402)	(399)	(397)	(397)	(397)	(397)	(397)	
156 Software	-	-	(135)	(851)	(851)	(851)	(851)	(851)	(851)	(851)	(765)	(49)	(49)	(49)	(49)	(49)	(49)	(98)	(49)	(49)	(49)	(49)	
157 Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
158 Buildings	-	-	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	
159 Vendor Fees	-	-	(1,229)	(5,273)	(5,273)	(5,273)	(5,273)	(5,273)	(5,273)	(5,273)	(4,044)	0	0	0	0	0	0	0	0	0	0	0	
160 Installer Fees	-	-	(1,607)	(3,113)	(3,113)	(3,113)	(3,113)	(3,113)	(3,113)	(3,113)	(1,507)	-	-	-	-	-	-	-	-	-	-	-	
161 Internal Labour	-	-	(199)	(974)	(974)	(974)	(974)	(974)	(974)	(974)	(775)	-	-	-	-	-	-	-	-	-	-	-	
162 Internal Materials	-	-	(183)	(204)	(204)	(204)	(204)	(204)	(204)	(204)	(416)	(395)	(395)	(395)	(395)	(395)	(395)	(395)	(388)	(388)	(388)	(388)	
163 Training	-	-	(113)	(117)	(117)	(117)	(117)	(117)	(117)	(4)	-	-	-	-	-	-	-	-	-	-	-	-	
164 Incremental O&M and Capitalized Overhead	-	-	-	325	986	1,984	3,289	4,898	6,813	9,037	2,224	2,534	2,522	2,499	2,483	2,492	2,510	2,527	2,544	2,562	2,580	2,620	
165 Total TGI Depreciation Expense	x-ref S3a, line 7	-	-	(3,964)	(10,899)	(10,561)	(10,229)	(9,919)	(9,464)	(9,122)	(8,814)	(5,482)	1,572	1,551	1,537	1,547	1,564	1,581	1,552	1,628	1,647	1,666	
166																							
167 Closing Accumulated Depreciation																							
168 Hardware	-	-	(398)	(991)	(1,584)	(2,177)	(777)	(247)	(653)	(1,059)	(1,465)	(635)	(245)	(646)	(1,048)	(1,450)	(628)	(242)	(639)	(1,036)	(1,434)	(621)	
169 Software	-	-	(135)	(986)	(1,837)	(2,688)	(3,539)	(4,390)	(5,241)	(5,008)	(49)	(99)	(148)	(197)	(247)	(296)	(346)	(49)	(97)	(146)	(194)	(243)	
170 Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
171 Buildings	-	-	(100)	(199)	(299)	(398)	(498)	(598)	(697)	(797)	(897)	(996)	(1,096)	(1,195)	(1,295)	(1,395)	(1,494)	(1,594)	(1,693)	(1,793)	(1,893)	(1,992)	
172 Vendor Fees	-	-	(1,229)	(6,501)	(11,774)	(17,046)	(22,319)	(27,592)	(32,864)	(28,308)	0	0	0	0	0	0	0	0	0	0	0	0	
173 Installer Fees	-	-	(1,607)	(4,720)	(7,833)	(10,947)	(14,060)	(17,173)	(20,287)	(10,547)	-	-	-	-	-	-	-	-	-	-	-	-	
174 Internal Labour	-	-	(199)	(1,173)	(2,147)	(3,121)	(4,095)	(5,069)	(6,043)	(5,424)	-	-	-	-	-	-	-	-	-	-	-	-	
175 Internal Materials	-	-	(183)	(388)	(592)	(796)	(1,000)	(1,205)	(1,409)	(1,446)	(395)	(790)	(1,185)	(1,580)	(1,975)	(2,370)	(2,765)	-	(388)	(776)	(1,164)	(1,552)	
176 Training	-	-	(113)	(230)	(347)	(464)	(581)	(698)	(815)	(30)	0	0	0	0	0	0	0	0	0	0	0	0	
177 Incremental O&M and Capitalized Overhead	-	-	-	325	989	1,984	3,289	4,898	6,813	9,037	8,969	8,788	8,627	8,635	8,695	8,754	8,812	8,872	8,933	8,996	9,061	9,131	
178 Total Closing Accumulated Depreciation	x-ref S3a, line 9	-	-	(3,964)	(14,863)	(25,424)	(35,653)	(43,580)	(52,072)	(61,195)	(42,282)	6,163	6,269	5,953	5,016	4,131	3,243	3,580	6,988	6,115	5,244	4,377	
179																							
180 Opening GPIS	-	-	36,845	91,743	89,041	86,381	83,906	80,719	78,089	75,621	48,965	(7,462)	(7,291)	(7,173)	(7,250)	(7,387)	(7,523)	(7,287)	(7,889)	(8,038)	(8,193)	(8,358)	
181 Closing GPIS	-	36,845	91,743	89,041	86,381	83,906	80,719	78,089	75,621	48,965	(7,462)	(7,291)	(7,173)	(7,250)	(7,387)	(7,523)	(7,287)	(7,889)	(8,038)	(8,193)	(8,358)	(8,549)	
182 Mid-Year GPIS	-	18,423	64,294	90,392	87,711	85,144	82,313	79,404	76,855	62,293	20,751	(7,376)	(7,232)	(7,211)	(7,318)	(7,455)	(7,405)	(7,588)	(7,963)	(8,115)	(8,276)	(8,453)	
183																							
184 Opening Accumulated Depreciation	-	-	-	(3,964)	(14,863)	(25,424)	(35,653)	(43,580)	(52,072)	(61,195)	(42,282)	6,163	6,269	5,953	5,016	4,131	3,243	3,580	6,988	6,115	5,244	4,377	
185 Closing Accumulated Depreciation	-	-	(3,964)	(14,863)	(25,424)	(35,653)	(43,580)	(52,072)	(61,195)	(42,282)	6,163	6,269	5,953	5,016	4,131	3,243	3,580	6,988	6,115	5,244	4,377	4,722	
186 Mid-Year Accumulated Depreciation	-	-	(1,982)	(9,413)	(20,143)	(30,538)	(39,616)	(47,826)	(56,634)	(61,738)	(18,059)	6,216	6,111	5,485	4,573	3,687	3,412	5,284	6,551	5,680	4,811	4,550	
187																							
188 TGI Mid-Year Net Plant in Service	-	18,423	62,312	80,979	67,567	54,605	42,696	31,577	20,221	10,555	2,692	(1,161)	(1,121)	(1,727)	(2,745)	(3,768)	(3,993)	(2,304)	(1,412)	(2,436)	(3,465)	(3,904)	
189																							

Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals

Rate Base Detail in \$000s

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

	Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
190	TGI Software CIAOC Opening Balance	x-ref S3a, line 11	-	-	(3,525)	(13,333)	(19,973)	(19,973)	(19,973)	(19,973)	(19,973)	(19,973)	(16,892)	(7,133)	(494)	(494)	(494)	(494)	(542)	(535)	(485)	(485)	(485)	(485)
191	TGI Software CIAOC Additions	x-ref S3a, line 12	-	(3,525)	(9,808)	(6,640)	-	-	-	-	-	(444)	(49)	-	-	-	-	(49)	(437)	-	-	-	-	-
192	TGI Software CIAOC Retirements	x-ref S3a, line 13	-	-	-	-	-	-	-	-	-	3,525	9,808	6,640	-	-	-	-	444	49	-	-	-	-
193	TGI Software CIAOC Closing Balance	x-ref S3a, line 14	-	(3,525)	(13,333)	(19,973)	(19,973)	(19,973)	(19,973)	(19,973)	(19,973)	(16,892)	(7,133)	(494)	(494)	(494)	(494)	(494)	(542)	(535)	(485)	(485)	(485)	(485)
194																								
195	TGI Software CIAOC Opening Balance Accumulated Depreciation	x-ref S3a, line 16	-	-	-	441	2,107	4,604	7,100	9,597	12,094	14,590	13,562	5,865	117	179	241	302	364	426	49	67	127	188
196	TGI Software CIAOC Retirements	x-ref S3a, line 17	-	-	-	-	-	-	-	-	-	(3,525)	(9,808)	(6,640)	-	-	-	-	(444)	(49)	-	-	-	-
197	TGI Amortization of Software CIAOC	x-ref S3a, line 18	-	-	441	1,667	2,497	2,497	2,497	2,497	2,497	2,111	892	62	62	62	62	62	68	67	61	61	61	61
198	TGI Software CIAOC Closing Balance Accumulated Depreciation	x-ref S3a, line 19	-	-	441	2,107	4,604	7,100	9,597	12,094	14,590	13,562	5,865	117	179	241	302	364	426	49	67	127	188	249
199																								
200	TGI Mid Year Software CIAOC		-	(1,763)	(8,209)	(15,379)	(16,617)	(14,121)	(11,624)	(9,127)	(6,631)	(4,356)	(2,299)	(822)	(346)	(284)	(222)	(160)	(123)	(301)	(452)	(388)	(328)	(267)
201																								
202	TGI Opening Deferred Charges	x-ref S3a, line 26	-	51	6,944	6,076	5,208	4,340	3,472	2,604	1,736	868	0	0	0	0	0	0	0	0	0	0	0	0
203	TGI O&M Deferred Charge Additions	S1, line 21	68	8,914	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
204	TGI O&M Tax on Deferred Charge Additions		(19)	(2,362)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
205	TGI O&M Net Deferred Charge Additions	x-ref S3a, line 27	49	6,552	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
206	TGI O&M Amortization Expense	x-ref S3a, line 28	-	-	(868)	(868)	(868)	(868)	(868)	(868)	(868)	(868)	-	-	-	-	-	-	-	-	-	-	-	-
207	TGI O&M Deferred Charge AFUDC	S1, line 22	2	341	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
208	TGI Closing Deferred Charges	x-ref S3a, line 29	51	6,944	6,076	5,208	4,340	3,472	2,604	1,736	868	0	0	0	0	0	0	0	0	0	0	0	0	0
209	Capital Lease Rate Base		-	14,114	12,605	11,102	9,603	8,111	6,623	5,141	3,665	2,194	730	13,838	12,355	10,877	9,406	7,941	6,482	5,030	3,584	2,145	713	-
210	TGI Mid-Year Deferred Charges		-	-	6,510	5,642	4,774	3,906	3,038	2,170	1,302	434	-	-	-	-	-	-	-	-	-	-	-	-
211	In-Service Adjustment	x-ref S3a, line 33	-	-	(5,900)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
212	TGI Ratebase	x-ref S3a, line 35	-	30,774	67,318	82,343	65,328	52,502	40,733	29,761	18,557	8,827	1,122	11,855	10,889	8,867	6,439	4,013	2,366	2,425	1,720	(678)	(3,079)	(4,171)

**Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals**

**Rate Base Detail in \$000s**

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

	Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>TGVI</b>																							
213	Capital Spending																						
214	Hardware		76	265	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
215	Software		573	162	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
216	Land		-	77	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
217	Buildings		126	623	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
218	Vendor Fees		1,723	2,445	381	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
219	Installer Fees		134	2,201	163	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
220	Internal Labour		286	523	69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
221	Internal Materials		102	48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
222	Training		37	68	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
223	Incremental O&M		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
224	Total Spend	x-ref S6, line 48	3,057	6,412	613	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
225																							
226	Opening WIP																						
227	Hardware		-	79	114	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
228	Software		-	593	671	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
229	Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
230	Buildings		13	144	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
231	Vendor Fees		158	1,952	3,417	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
232	Installer Fees		-	139	848	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
233	Internal Labour		-	296	664	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
234	Internal Materials		17	124	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
235	Training		-	39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
236	Incremental O&M		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
237	Total Opening WIP	x-ref S1, line 18 & x-ref S6, line 48	187	3,364	5,714	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
238	Additions																						
239	Hardware		79	272	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
240	Software		593	206	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
241	Land		-	77	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
242	Buildings		131	623	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
243	Vendor Fees		1,794	2,626	381	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
244	Installer Fees		139	2,237	163	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
245	Internal Labour		296	557	69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
246	Internal Materials		107	48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
247	Training		39	68	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
248	Incremental O&M		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
249	Total Additions	x-ref S1, line 18	3,177	6,714	613	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
250	In-service																						
251	Hardware		-	(237)	(114)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
252	Software		-	(128)	(671)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
253	Land		-	(77)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
254	Buildings		-	(767)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
255	Vendor Fees		-	(1,161)	(3,797)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
256	Installer Fees		-	(1,528)	(1,010)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
257	Internal Labour		-	(189)	(733)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
258	Internal Materials		-	(172)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
259	Training		-	(106)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
260	Incremental O&M		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
261	Total In-service		-	(4,365)	(6,326)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
262	Closing WIP																						
263	Hardware		79	114	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
264	Software		593	671	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
265	Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
266	Buildings		144	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
267	Vendor Fees		1,952	3,417	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
268	Installer Fees		139	848	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
269	Internal Labour		296	664	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
270	Internal Materials		124	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
271	Training		39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
272	Incremental O&M		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
273	TGVI Total Closing WIP		3,364	5,714	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
274																							
275	Recurring Plant Additions																						
276	Hardware		-	-	-	-	-	160	104	-	-	-	173	113	-	-	-	-	186	121	-	-	201
277	Software		-	-	-	-	-	-	-	-	-	-	54	-	-	-	-	-	60	-	-	-	-
278	Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
279	Buildings		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
280	Vendor Fees		-	-	30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
281	Installer Fees		-	-	430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
282	Internal Labour		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
283	Internal Materials		-	-	20	-	-	-	-	-	-	-	431	-	-	-	-	-	-	-	-	-	-
284	Training		-	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
285	Capitalized Overhead		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
286	Total Recurring Plant Additions		-	-	(315)	(332)	(333)	(315)	(315)	(323)	(330)	(339)	(347)	(355)	(364)	(373)	(382)	(391)	(401)	(411)	(422)	(433)	(445)
287			-	-	170	(332)	(333)																

Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals

Rate Base Detail in \$000s

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
288 Opening Plant Balance																						
289 Hardware	-	-	237	351	351	351	351	274	264	264	264	264	277	285	285	285	285	299	308	308	308	308
290 Software	-	-	128	799	799	799	799	799	799	799	725	54	54	54	54	54	54	114	60	60	60	60
291 Land	-	-	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77
292 Buildings	-	-	767	767	767	767	767	767	767	767	767	767	767	767	767	767	767	767	767	767	767	767
293 Vendor Fees	-	-	1,161	4,987	4,987	4,987	4,987	4,987	4,987	4,987	3,827	-	-	-	-	-	-	-	-	-	-	-
294 Installer Fees	-	-	1,528	2,968	2,968	2,968	2,968	2,968	2,968	2,968	1,441	-	-	-	-	-	-	-	-	-	-	-
295 Internal Labour	-	-	189	922	922	922	922	922	922	922	733	-	-	-	-	-	-	-	-	-	-	-
296 Internal Materials	-	-	172	192	192	192	192	192	192	192	451	431	431	431	431	431	431	431	486	486	486	486
297 Training	-	-	106	111	111	111	111	111	111	111	4	-	-	-	-	-	-	-	-	-	-	-
298 Incremental O&M and Capitalized Overhead	-	-	-	(315)	(647)	(980)	(1,294)	(1,609)	(1,932)	(2,262)	(2,601)	(2,633)	(2,655)	(2,686)	(2,744)	(2,811)	(2,880)	(2,950)	(3,023)	(3,098)	(3,176)	(3,257)
299 Total Opening Plant Balance	x-ref S3a, line 36	-	4,365	10,861	10,529	10,196	9,881	9,490	9,157	8,827	5,689	(1,039)	(1,049)	(1,072)	(1,130)	(1,197)	(1,266)	(1,263)	(1,325)	(1,400)	(1,478)	(1,560)
300																						
301 Additions																						
302 Hardware	-	237	114	-	-	-	160	104	-	-	-	173	113	-	-	-	186	121	-	-	-	201
303 Software	-	128	671	-	-	-	-	-	-	54	-	-	-	-	-	-	60	-	-	-	-	-
304 Land	-	77	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
305 Buildings	-	767	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
306 Vendor Fees	-	1,161	3,827	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
307 Installer Fees	-	1,528	1,441	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
308 Internal Labour	-	189	733	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
309 Internal Materials	-	172	20	-	-	-	-	-	-	431	-	-	-	-	-	-	-	-	486	-	-	-
310 Training	-	106	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
311 Incremental O&M and Capitalized Overhead	-	-	(315)	(332)	(333)	(315)	(315)	(323)	(330)	(339)	(347)	(355)	(364)	(373)	(382)	(391)	(401)	(411)	(422)	(433)	(445)	(457)
312 Total Additions	x-ref S3a, line 37	-	4,365	6,496	(332)	(333)	(315)	(155)	(218)	(330)	146	(347)	(183)	(251)	(373)	(382)	(391)	(155)	196	(422)	(433)	(445)
313																						
314 Retirements																						
315 Hardware	-	-	-	-	-	-	(237)	(114)	-	-	-	(160)	(104)	-	-	-	(173)	(113)	-	-	-	(186)
316 Software	-	-	-	-	-	-	-	-	-	(128)	(671)	-	-	-	-	-	-	(54)	-	-	-	-
317 Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
318 Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
319 Vendor Fees	-	-	-	-	-	-	-	-	-	(1,161)	(3,827)	-	-	-	-	-	-	-	-	-	-	-
320 Installer Fees	-	-	-	-	-	-	-	-	-	(1,528)	(1,441)	-	-	-	-	-	-	-	-	-	-	-
321 Internal Labour	-	-	-	-	-	-	-	-	-	(189)	(733)	-	-	-	-	-	-	-	-	-	-	-
322 Internal Materials	-	-	-	-	-	-	-	-	-	(172)	(20)	-	-	-	-	-	-	-	(431)	-	-	-
323 Training	-	-	-	-	-	-	-	-	-	(106)	(4)	-	-	-	-	-	-	-	-	-	-	-
324 Incremental O&M and Capitalized Overhead	-	-	-	-	-	-	-	-	-	-	315	332	333	315	315	323	330	339	347	355	364	373
325 Total Retirements	x-ref S3a, line 38	-	-	-	-	-	(237)	(114)	-	(3,284)	(6,382)	172	228	315	315	323	158	(258)	347	355	364	186
326																						
327 Closing Plant Balance																						
328 Hardware	-	237	351	351	351	351	274	264	264	264	264	277	285	285	285	285	299	308	308	308	308	322
329 Software	-	128	799	799	799	799	799	799	799	725	54	54	54	54	54	54	114	60	60	60	60	60
330 Land	-	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77
331 Buildings	-	767	767	767	767	767	767	767	767	767	767	767	767	767	767	767	767	767	767	767	767	767
332 Vendor Fees	-	1,161	4,987	4,987	4,987	4,987	4,987	4,987	4,987	3,827	-	-	-	-	-	-	-	-	-	-	-	-
333 Installer Fees	-	1,528	2,968	2,968	2,968	2,968	2,968	2,968	2,968	1,441	-	-	-	-	-	-	-	-	-	-	-	-
334 Internal Labour	-	189	922	922	922	922	922	922	922	733	-	-	-	-	-	-	-	-	-	-	-	-
335 Internal Materials	-	172	192	192	192	192	192	192	192	451	431	431	431	431	431	431	431	431	486	486	486	486
336 Training	-	106	111	111	111	111	111	111	111	4	-	-	-	-	-	-	-	-	-	-	-	-
337 Incremental O&M and Capitalized Overhead	-	-	(315)	(647)	(980)	(1,294)	(1,609)	(1,932)	(2,262)	(2,601)	(2,633)	(2,655)	(2,686)	(2,744)	(2,811)	(2,880)	(2,950)	(3,023)	(3,098)	(3,176)	(3,257)	(3,342)
338 Total Closing Plant Balance	x-ref S3a, line 39	-	4,365	10,861	10,529	10,196	9,881	9,490	9,157	8,827	5,689	(1,039)	(1,049)	(1,072)	(1,130)	(1,197)	(1,266)	(1,263)	(1,325)	(1,400)	(1,478)	(1,560)
339																						

**Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals**

**Rate Base Detail in \$000s**

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
340	Opening Accumulated Depreciation																						
341	Hardware	-	-	-	(47)	(118)	(188)	(258)	(91)	(32)	(85)	(138)	(191)	(84)	(35)	(92)	(149)	(206)	(90)	(37)	(99)	(160)	(222)
342	Software	-	-	-	(16)	(116)	(216)	(315)	(415)	(515)	(615)	(587)	(7)	(13)	(20)	(27)	(34)	(40)	(47)	(7)	(15)	(22)	(30)
343	Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
344	Buildings	-	-	-	(12)	(24)	(35)	(47)	(59)	(71)	(83)	(94)	(106)	(118)	(130)	(142)	(153)	(165)	(177)	(189)	(201)	(212)	(224)
345	Vendor Fees	-	-	-	(145)	(769)	(1,392)	(2,015)	(2,639)	(3,262)	(3,886)	(3,349)	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
346	Installer Fees	-	-	-	(191)	(562)	(933)	(1,304)	(1,675)	(2,046)	(2,417)	(1,261)	-	-	-	-	-	-	-	-	-	-	-
347	Internal Labour	-	-	-	(24)	(139)	(254)	(369)	(485)	(600)	(715)	(642)	-	-	-	-	-	-	-	-	-	-	-
348	Internal Materials	-	-	-	(22)	(46)	(70)	(94)	(118)	(142)	(166)	(18)	-	-	-	-	-	-	-	-	-	-	-
349	Training	-	-	-	(13)	(27)	(41)	(55)	(69)	(82)	(96)	(4)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(61)	(121)	(182)
350	Incremental O&M and Capitalized Overhead	-	-	-	-	39	120	243	405	606	847	1,130	1,140	1,137	1,136	1,157	1,186	1,215	1,244	1,274	1,305	1,338	1,371
351	Total TGV Depreciation Expense	x-ref S3a, line 41	-	-	(470)	(1,760)	(3,008)	(4,215)	(5,146)	(6,145)	(7,216)	(4,962)	783	814	790	682	581	480	553	1,041	930	821	713
352																							
353	Retirements																						
354	Hardware	-	-	-	-	-	237	114	-	-	-	160	104	-	-	-	173	113	-	-	-	186	
355	Software	-	-	-	-	-	-	-	-	-	128	671	-	-	-	-	-	54	-	-	-	-	
356	Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
357	Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
358	Vendor Fees	-	-	-	-	-	-	-	-	1,161	3,827	-	-	-	-	-	-	-	-	-	-	-	
359	Installer Fees	-	-	-	-	-	-	-	-	1,528	1,441	-	-	-	-	-	-	-	-	-	-	-	
360	Internal Labour	-	-	-	-	-	-	-	-	189	733	-	-	-	-	-	-	-	-	-	-	-	
361	Internal Materials	-	-	-	-	-	-	-	-	172	20	-	-	-	-	-	-	-	-	431	-	-	
362	Training	-	-	-	-	-	-	-	-	106	4	-	-	-	-	-	-	-	-	-	-	-	
363	Incremental O&M and Capitalized Overhead	-	-	-	-	-	-	-	-	-	(315)	(332)	(333)	(315)	(315)	(323)	(330)	(339)	(347)	(355)	(364)	(373)	
364	Total Closing Accumulated Depreciation	x-ref S3a, line 43	-	-	-	-	-	237	114	-	3,284	6,382	(172)	(228)	(315)	(315)	(323)	(158)	258	(347)	(355)	(364)	(186)
365																							
366	Depreciation Expense																						
367	Hardware	-	-	(47)	(70)	(70)	(70)	(55)	(53)	(53)	(53)	(53)	(55)	(57)	(57)	(57)	(57)	(60)	(62)	(62)	(62)	(62)	
368	Software	-	-	(16)	(100)	(100)	(100)	(100)	(100)	(100)	(91)	(7)	(7)	(7)	(7)	(7)	(7)	(14)	(7)	(7)	(7)	(7)	
369	Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
370	Buildings	-	-	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	
371	Vendor Fees	-	-	(145)	(623)	(623)	(623)	(623)	(623)	(623)	(478)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
372	Installer Fees	-	-	(191)	(371)	(371)	(371)	(371)	(371)	(371)	(180)	-	-	-	-	-	-	-	-	-	-	-	
373	Internal Labour	-	-	(24)	(115)	(115)	(115)	(115)	(115)	(115)	(92)	-	-	-	-	-	-	-	-	-	-	-	
374	Internal Materials	-	-	(22)	(24)	(24)	(24)	(24)	(24)	(24)	(56)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(61)	(61)	(61)	
375	Training	-	-	(13)	(14)	(14)	(14)	(14)	(14)	(14)	(1)	-	-	-	-	-	-	-	-	-	-	-	
376	Incremental O&M and Capitalized Overhead	-	-	-	39	81	122	162	201	241	283	325	329	332	336	343	351	360	369	378	387	397	
377	Total TGV Depreciation Expense	x-ref S3a, line 42	-	-	(470)	(1,290)	(1,249)	(1,207)	(1,168)	(1,113)	(1,071)	(1,029)	(637)	204	204	206	214	222	231	229	236	246	266
378																							
379	Closing Accumulated Depreciation																						
380	Hardware	-	-	(47)	(118)	(188)	(258)	(91)	(32)	(85)	(138)	(191)	(84)	(35)	(92)	(149)	(206)	(90)	(37)	(99)	(160)	(222)	
381	Software	-	-	(16)	(116)	(216)	(315)	(415)	(515)	(615)	(587)	(7)	(13)	(20)	(27)	(34)	(40)	(47)	(7)	(15)	(22)	(30)	
382	Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
383	Buildings	-	-	(12)	(24)	(35)	(47)	(59)	(71)	(83)	(94)	(106)	(118)	(130)	(142)	(153)	(165)	(177)	(189)	(201)	(212)	(224)	
384	Vendor Fees	-	-	(145)	(769)	(1,392)	(2,015)	(2,639)	(3,262)	(3,886)	(3,349)	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
385	Installer Fees	-	-	(191)	(562)	(933)	(1,304)	(1,675)	(2,046)	(2,417)	(1,261)	-	-	-	-	-	-	-	-	-	-	-	
386	Internal Labour	-	-	(24)	(139)	(254)	(369)	(485)	(600)	(715)	(642)	-	-	-	-	-	-	-	-	-	-	-	
387	Internal Materials	-	-	(22)	(46)	(70)	(94)	(118)	(142)	(166)	(18)	(54)	(108)	(161)	(215)	(269)	(323)	(377)	(0)	(61)	(121)	(182)	
388	Training	-	-	(13)	(27)	(41)	(55)	(69)	(82)	(96)	(4)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
389	Incremental O&M and Capitalized Overhead	-	-	-	39	120	243	405	606	847	1,130	1,140	1,137	1,136	1,157	1,186	1,215	1,244	1,274	1,305	1,338	1,371	
390	Total Closing Accumulated Depreciation	x-ref S3a, line 44	-	-	(470)	(1,760)	(3,008)	(4,215)	(5,146)	(6,145)	(7,216)	(4,962)	783	814	790	682	581	480	553	1,041	930	821	713
391																							
392	Opening GPIS	-	-	4,365	10,861	10,529	10,196	9,881	9,490	9,157	8,827	5,689	(1,039)	(1,049)	(1,072)	(1,130)	(1,197)	(1,266)	(1,263)	(1,325)	(1,400)	(1,478)	(1,560)
393	Closing GPIS	-	4,365	10,861	10,529	10,196	9,881	9,490	9,157	8,827	5,689	(1,039)	(1,049)	(1,072)	(1,130)	(1,197)	(1,266)	(1,263)	(1,325)	(1,400)	(1,478)	(1,560)	
394	Mid-Year GPIS	-	2,183	7,613	10,695	10,362	10,039	9,686	9,324	8,992	7,258	2,325	(1,044)	(1,061)	(1,101)	(1,164)	(1,231)	(1,264)	(1,294)	(1,363)	(1,439)	(1,519)	
395																							
396	Opening Accumulated Depreciation	-	-	-	(470)	(1,760)	(3,008)	(4,215)	(5,146)	(6,145)	(7,216)	(4,962)	783	814	790	682	581	480	553	1,041	930	821	713
397	Closing Accumulated Depreciation	-	-	(470)	(1,760)	(3,008)	(4,215)	(5,146)	(6,145)	(7,216)	(4,962)	783	814	790	682	581	480	553	1,041	930	821	713	
398	Mid-Year Accumulated Depreciation	-	-	(235)	(1,115)	(2,384)	(3,612)	(4,681)	(5,646)	(6,681)	(6,089)	(2,089)	799	802	736	631	531	517	797	986	876	767	
399																							
400	TGVI Mid-Year Net Plant in Service	-	2,183	7,378	9,580	7,978	6,427	5,005	3,678	2,312	1,169	235	(246)	(259)	(365)	(532)	(701)	(747)	(497)	(377)	(564)	(752)	
401																							

Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals

Rate Base Detail in \$000s

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

	Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
402	TGVI Software CIAOC Opening Balance	x-ref S3a, line 46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
403	TGVI Software CIAOC Additions	x-ref S3a, line 47	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
404	TGVI Software CIAOC Retirements	x-ref S3a, line 48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
405	TGVI Software CIAOC Closing Balance	x-ref S3a, line 49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
406																							
407	TGVI Software CIAOC Opening Balance Accumulated Depreciation	x-ref S3a, line 51	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
408	TGVI Software CIAOC Retirements	x-ref S3a, line 52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
409	TGVI Amortization of Software CIAOC	x-ref S3a, line 53	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
410	TGVI Software CIAOC Closing Balance Accumulated Depreciation	x-ref S3a, line 54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
411																							
412	TGVI Mid Year Software CIAOC		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
413																							
414	TGVI Opening Deferred Charges	x-ref S3a, line 61	-	6	826	723	619	516	413	310	206	103	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
415	TGVI O&M Deferred Charge Additions	S1, line 21	8	1,060	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
416	TGVI O&M Tax on Deferred Charge Additions		(2)	(281)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
417	TGVI O&M Net Deferred Charge Additions	x-ref S3a, line 62	6	779	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
418	TGVI O&M Amortization Expense	x-ref S3a, line 63	-	-	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)
419	TGVI O&M Deferred Charge AFUDC	S1, line 22	0	41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
420	TGVI Closing Deferred Charges	x-ref S3a, line 64	6	826	723	619	516	413	310	206	103	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
421	Capital Lease Rate Base		-	1,678	1,524	1,365	1,201	1,031	857	677	491	299	101	1,952	1,773	1,588	1,398	1,200	997	787	571	348	118
422	TGVI Mid-Year Deferred Charges		-	-	774	671	568	464	361	258	155	52	-	-	-	-	-	-	-	-	-	-	-
423	In-Service Adjustment	x-ref S3a, line 68	-	-	(698)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
424	TGVI Ratebase	x-ref S3a, line 70	-	3,860	8,979	11,616	9,747	7,922	6,223	4,613	2,957	1,520	337	1,706	1,515	1,223	865	500	250	290	194	(216)	(842)



Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals

Rate Base Detail in \$000s

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Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>TGW</b>																						
425	Capital Spending																					
426	Hardware	2	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
427	Software	15	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
428	Land	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
429	Buildings	3	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
430	Vendor Fees	44	62	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
431	Installer Fees	3	55	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
432	Internal Labour	7	13	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
433	Internal Materials	3	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
434	Training	1	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
435	Incremental O&M	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
436	Total Spend	78	162	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
437																						
438	Opening WIP																					
439	Hardware	-	2	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
440	Software	-	15	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
441	Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
442	Buildings	0	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
443	Vendor Fees	4	50	87	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
444	Installer Fees	-	4	21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
445	Internal Labour	-	8	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
446	Internal Materials	0	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
447	Training	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
448	Incremental O&M	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
449	Total Opening WIP	5	86	145	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
450	Additions																					
451	Hardware	2	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
452	Software	15	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
453	Land	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
454	Buildings	3	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
455	Vendor Fees	46	66	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
456	Installer Fees	4	56	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
457	Internal Labour	8	14	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
458	Internal Materials	3	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
459	Training	1	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
460	Incremental O&M	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
461	Total Additions	81	169	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
462	In-service																					
463	Hardware	-	(6)	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
464	Software	-	(3)	(17)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
465	Land	-	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
466	Buildings	-	(19)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
467	Vendor Fees	-	(29)	(96)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
468	Installer Fees	-	(39)	(25)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
469	Internal Labour	-	(5)	(19)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
470	Internal Materials	-	(4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
471	Training	-	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
472	Incremental O&M	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
473	Total In-service	-	(110)	(160)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
474	Closing WIP																					
475	Hardware	2	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
476	Software	15	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
477	Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
478	Buildings	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
479	Vendor Fees	50	87	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
480	Installer Fees	4	21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
481	Internal Labour	8	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
482	Internal Materials	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
483	Training	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
484	Incremental O&M	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
485	TGW Total Closing WIP	86	145	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
486																						
487	Recurring Plant Additions																					
488	Hardware	-	-	-	-	-	4	2	-	-	4	2	-	-	-	-	4	3	-	-	-	4
489	Software	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	1	-	-	-	-
490	Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
491	Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
492	Vendor Fees	-	-	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
493	Installer Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
494	Internal Labour	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
495	Internal Materials	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
496	Training	-	-	0	-	-	-	-	-	10	-	-	-	-	-	-	-	-	10	-	-	-
497	Capitalized Overhead	-	-	(8)	(8)	(8)	(8)	(7)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(9)	(9)	(9)	(9)
498	Total Recurring Plant Additions	-	-	4	(8)	(8)	(8)	(4)	(5)	(8)	3	(6)	(4)	(6)	(8)	(8)	(8)	(3)	4	(9)	(9)	(5)
499																						

Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals

Rate Base Detail in \$000s

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Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
500 Opening Plant Balance																						
501 Hardware	-	-	6	9	9	9	9	7	6	6	6	6	6	6	6	6	6	6	6	6	6	6
502 Software	-	-	3	20	20	20	20	20	20	20	18	1	1	1	1	1	1	2	1	1	1	1
503 Land	-	-	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
504 Buildings	-	-	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19
505 Vendor Fees	-	-	29	126	126	126	126	126	126	126	97	-	-	-	-	-	-	-	-	-	-	-
506 Installer Fees	-	-	39	75	75	75	75	75	75	75	36	-	-	-	-	-	-	-	-	-	-	-
507 Internal Labour	-	-	5	23	23	23	23	23	23	23	19	-	-	-	-	-	-	-	-	-	-	-
508 Internal Materials	-	-	4	5	5	5	5	5	5	5	10	10	10	10	10	10	10	10	10	10	10	10
509 Training	-	-	3	3	3	3	3	3	3	3	0	-	-	-	-	-	-	-	-	-	-	-
510 Incremental O&M and Capitalized Overhead	-	-	-	(8)	(16)	(24)	(32)	(39)	(47)	(54)	(62)	(62)	(62)	(62)	(62)	(63)	(64)	(65)	(65)	(66)	(67)	(68)
511 Total Opening Plant Balance	x-ref S3a, line 71	-	-	110	274	266	258	251	241	233	225	146	(23)	(23)	(23)	(24)	(25)	(25)	(26)	(27)	(28)	(29)
512																						
513 Additions																						
514 Hardware	-	6	3	-	-	-	4	2	-	-	-	4	2	-	-	-	4	3	-	-	-	4
515 Software	-	3	17	-	-	-	-	-	-	1	-	-	-	-	-	-	1	-	-	-	-	-
516 Land	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
517 Buildings	-	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
518 Vendor Fees	-	29	97	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
519 Installer Fees	-	39	36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
520 Internal Labour	-	5	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
521 Internal Materials	-	4	1	-	-	-	-	-	-	10	-	-	-	-	-	-	-	10	-	-	-	-
522 Training	-	3	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
523 Incremental O&M and Capitalized Overhead	-	-	(8)	(8)	(8)	(7)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(9)	(9)	(9)	(9)	(9)
524 Total Additions	x-ref S3a, line 72	-	110	164	(8)	(8)	(8)	(4)	(5)	(8)	3	(8)	(4)	(6)	(8)	(8)	(3)	4	(9)	(9)	(9)	(5)
525																						
526 Retirements																						
527 Hardware	-	-	-	-	-	-	(6)	(3)	-	-	-	(4)	(2)	-	-	-	(4)	(2)	-	-	-	(4)
528 Software	-	-	-	-	-	-	-	-	-	(3)	(17)	-	-	-	-	-	-	(1)	-	-	-	-
529 Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
530 Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
531 Vendor Fees	-	-	-	-	-	-	-	-	-	(29)	(97)	-	-	-	-	-	-	-	-	-	-	-
532 Installer Fees	-	-	-	-	-	-	-	-	-	(39)	(36)	-	-	-	-	-	-	-	-	-	-	-
533 Internal Labour	-	-	-	-	-	-	-	-	-	(5)	(19)	-	-	-	-	-	-	-	-	-	-	-
534 Internal Materials	-	-	-	-	-	-	-	-	-	(4)	(1)	-	-	-	-	-	-	(10)	-	-	-	-
535 Training	-	-	-	-	-	-	-	-	-	(3)	(0)	-	-	-	-	-	-	-	-	-	-	-
536 Incremental O&M and Capitalized Overhead	-	-	-	-	-	-	-	-	-	(8)	(8)	(8)	(8)	(8)	(7)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
537 Total Retirements	x-ref S3a, line 73	-	-	-	-	-	(6)	(3)	-	(83)	(161)	4	6	8	7	8	4	(6)	8	8	8	4
538																						
539 Closing Plant Balance																						
540 Hardware	-	6	9	9	9	9	7	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
541 Software	-	3	20	20	20	20	20	20	20	18	1	1	1	1	1	1	1	2	1	1	1	1
542 Land	-	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
543 Buildings	-	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19
544 Vendor Fees	-	29	126	126	126	126	126	126	126	97	-	-	-	-	-	-	-	-	-	-	-	-
545 Installer Fees	-	39	75	75	75	75	75	75	75	36	-	-	-	-	-	-	-	-	-	-	-	-
546 Internal Labour	-	5	23	23	23	23	23	23	23	19	-	-	-	-	-	-	-	-	-	-	-	-
547 Internal Materials	-	4	5	5	5	5	5	5	5	10	10	10	10	10	10	10	10	10	10	10	10	10
548 Training	-	3	3	3	3	3	3	3	3	0	-	-	-	-	-	-	-	-	-	-	-	-
549 Incremental O&M and Capitalized Overhead	-	-	(8)	(16)	(24)	(32)	(39)	(47)	(54)	(62)	(62)	(62)	(62)	(62)	(63)	(64)	(65)	(65)	(66)	(67)	(68)	(69)
550 Total Closing Plant Balance	x-ref S3a, line 74	-	110	274	266	258	251	241	233	225	146	(23)	(23)	(23)	(24)	(25)	(25)	(26)	(27)	(28)	(29)	(30)
551																						

Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals

Rate Base Detail in \$000s

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Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
552 Opening Accumulated Depreciation																						
553 Hardware	-	-	-	(1)	(3)	(5)	(7)	(2)	(1)	(2)	(3)	(4)	(2)	(1)	(2)	(3)	(5)	(2)	(1)	(2)	(3)	(5)
554 Software	-	-	-	(0)	(3)	(5)	(8)	(11)	(13)	(16)	(15)	(0)	(0)	(0)	(1)	(1)	(1)	(1)	(0)	(0)	(0)	(1)
555 Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
556 Buildings	-	-	-	(0)	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(5)	(5)	(5)	(6)
557 Vendor Fees	-	-	-	(4)	(19)	(35)	(51)	(67)	(83)	(98)	(85)	-	-	-	-	-	-	-	-	-	-	-
558 Installer Fees	-	-	-	(5)	(14)	(23)	(33)	(42)	(51)	(61)	(32)	0	0	0	0	0	0	0	0	0	0	0
559 Internal Labour	-	-	-	(1)	(4)	(6)	(9)	(12)	(15)	(18)	(16)	-	-	-	-	-	-	-	-	-	-	-
560 Internal Materials	-	-	-	(1)	(1)	(2)	(3)	(4)	(4)	(4)	(0)	(1)	(2)	(4)	(5)	(6)	(7)	(9)	-	-	(1)	(3)
561 Training	-	-	-	(0)	(1)	(1)	(1)	(2)	(2)	(2)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
562 Incremental O&M and Capitalized Overhead	-	-	-	-	1	3	6	10	15	21	27	27	27	27	27	27	27	28	28	28	29	29
563 Total TGW Depreciation Expense	x-ref S3a, line 76	-	-	(12)	(44)	(76)	(107)	(130)	(156)	(183)	(126)	19	19	18	16	13	10	12	22	20	17	14
564																						
565 Retirements																						
566 Hardware	-	-	-	-	-	-	6	3	-	-	-	4	2	-	-	-	4	2	-	-	-	4
567 Software	-	-	-	-	-	-	-	-	-	3	17	-	-	-	-	-	-	1	-	-	-	-
568 Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
569 Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
570 Vendor Fees	-	-	-	-	-	-	-	-	-	29	97	-	-	-	-	-	-	-	-	-	-	-
571 Installer Fees	-	-	-	-	-	-	-	-	-	39	36	-	-	-	-	-	-	-	-	-	-	-
572 Internal Labour	-	-	-	-	-	-	-	-	-	5	19	-	-	-	-	-	-	-	-	-	-	-
573 Internal Materials	-	-	-	-	-	-	-	-	-	4	1	-	-	-	-	-	-	10	-	-	-	-
574 Training	-	-	-	-	-	-	-	-	-	3	0	-	-	-	-	-	-	-	-	-	-	-
575 Incremental O&M and Capitalized Overhead	-	-	-	-	-	-	-	-	-	-	(8)	(8)	(8)	(8)	(7)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
576 Total Closing Accumulated Depreciation	x-ref S3a, line 78	-	-	-	-	-	6	3	-	83	161	(4)	(6)	(8)	(7)	(8)	(4)	6	(8)	(8)	(8)	(4)
577																						
578 Depreciation Expense																						
579 Hardware	-	-	(1)	(2)	(2)	(2)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
580 Software	-	-	(0)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(2)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
581 Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
582 Buildings	-	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
583 Vendor Fees	-	-	(4)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(12)	-	-	-	-	-	-	-	-	-	-	-
584 Installer Fees	-	-	(5)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(5)	-	-	-	-	-	-	-	-	-	-	-
585 Internal Labour	-	-	(1)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(2)	-	-	-	-	-	-	-	-	-	-	-
586 Internal Materials	-	-	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
587 Training	-	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	-	-	-	-	-	-	-	-	-	-	-
588 Incremental O&M and Capitalized Overhead	-	-	1	2	3	4	5	6	7	8	8	8	8	8	8	8	8	8	8	8	8	8
589 Total TGW Depreciation Expense	x-ref S3a, line 77	-	-	(12)	(33)	(32)	(31)	(30)	(28)	(27)	(26)	(16)	5	5	5	5	5	5	5	5	5	5
590																						
591 Closing Accumulated Depreciation																						
592 Hardware	-	-	(1)	(3)	(5)	(7)	(2)	(1)	(2)	(3)	(4)	(2)	(1)	(2)	(3)	(5)	(2)	(1)	(2)	(3)	(5)	(2)
593 Software	-	-	(0)	(3)	(5)	(8)	(11)	(13)	(16)	(15)	(0)	(0)	(0)	(1)	(1)	(1)	(1)	(0)	(0)	(0)	(1)	(1)
594 Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
595 Buildings	-	-	(0)	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(5)	(5)	(5)	(6)	(6)
596 Vendor Fees	-	-	(4)	(19)	(35)	(51)	(67)	(83)	(98)	(85)	-	-	-	-	-	-	-	-	-	-	-	-
597 Installer Fees	-	-	(5)	(14)	(23)	(33)	(42)	(51)	(61)	(32)	0	0	0	0	0	0	0	0	0	0	0	0
598 Internal Labour	-	-	(1)	(4)	(6)	(9)	(12)	(15)	(18)	(16)	-	-	-	-	-	-	-	-	-	-	-	-
599 Internal Materials	-	-	(1)	(1)	(2)	(3)	(4)	(4)	(4)	(0)	(1)	(2)	(4)	(5)	(6)	(7)	(9)	-	(1)	(3)	(4)	(5)
600 Training	-	-	(0)	(1)	(1)	(1)	(2)	(2)	(2)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
601 Incremental O&M and Capitalized Overhead	-	-	1	3	6	10	15	21	27	27	27	27	27	27	27	27	28	28	28	29	29	30
602 Total Closing Accumulated Depreciation	x-ref S3a, line 79	-	-	(12)	(44)	(76)	(107)	(130)	(156)	(183)	(126)	19	19	18	16	13	10	12	22	20	17	14
603																						
604 Opening GPIS	-	-	110	274	266	258	251	241	233	225	146	(23)	(23)	(23)	(23)	(24)	(25)	(25)	(26)	(27)	(28)	(29)
605 Closing GPIS	-	110	274	266	258	251	241	233	225	146	(23)	(23)	(23)	(23)	(24)	(25)	(25)	(26)	(27)	(28)	(29)	(30)
606 Mid-Year GPIS	-	55	192	270	262	254	246	237	229	186	61	(23)	(23)	(23)	(24)	(25)	(25)	(25)	(27)	(28)	(28)	(29)
607																						
608 Opening Accumulated Depreciation	-	-	-	(12)	(44)	(76)	(107)	(130)	(156)	(183)	(126)	19	19	18	16	13	10	12	22	20	17	14
609 Closing Accumulated Depreciation	-	-	(12)	(44)	(76)	(107)	(130)	(156)	(183)	(126)	19	19	18	16	13	10	12	22	20	17	14	16
610 Mid-Year Accumulated Depreciation	-	-	(6)	(28)	(60)	(91)	(118)	(143)	(169)	(155)	(54)	19	19	17	14	12	11	17	21	18	16	15
611																						
612 TGW Mid-Year Net Plant in Service	-	55	186	242	202	163	127	94	60	31	8	(4)	(4)	(6)	(10)	(13)	(14)	(8)	(6)	(9)	(13)	(14)

Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals

Rate Base Detail in \$000s

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
613																						
614 TGW Software CIAOC Opening Balance	x-ref S3a, line 81	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
615 TGW Software CIAOC Additions	x-ref S3a, line 82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
616 TGW Software CIAOC Retirements	x-ref S3a, line 83	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
617 TGW Software CIAOC Closing Balance	x-ref S3a, line 84	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
618																						
619 TGW Software CIAOC Opening Balance Accumulated Depreciation	x-ref S3a, line 86	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
620 TGW Software CIAOC Retirements	x-ref S3a, line 87	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
621 TGW Amortization of Software CIAOC	x-ref S3a, line 88	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
622 TGW Software CIAOC Closing Balance Accumulated Depreciation	x-ref S3a, line 89	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
623																						
624 TGW Mid Year Software CIAOC		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
625																						
626 TGW Opening Deferred Charges	x-ref S3a, line 96	-	0	21	18	16	13	10	8	5	3	0	0	0	0	0	0	0	0	0	0	0
627 TGW O&M Deferred Charge Additions	S1, line 21	0	27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
628 TGW O&M Tax on Deferred Charge Additions		(0)	(7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
629 TGW O&M Net Deferred Charge Additions	x-ref S3a, line 97	0	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
630 TGW O&M Amortization Expense	x-ref S3a, line 98	-	-	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
631 TGW O&M Deferred Charge AFUDC	S1, line 22	0	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
632 TGW Closing Deferred Charges	x-ref S3a, line 99	0	21	18	16	13	10	8	5	3	0	0	0	0	0	0	0	0	0	0	0	0
633 Capital Lease Rate Base		-	42	38	33	29	25	20	16	11	7	2	44	39	35	30	26	21	16	12	7	2
634 TGW Mid-Year Deferred Charges		-	-	20	17	14	12	9	7	4	1	-	-	-	-	-	-	-	-	-	-	-
635 In-Service Adjustment	x-ref S3a, line 103	-	-	(18)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
636 TGW Ratebase	x-ref S3a, line 105	-	97	226	293	245	200	157	116	75	39	10	39	35	28	20	13	7	8	6	(2)	(14)

Financial Schedule 4a

**Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals**

**Capital Cost Allowance Summary in \$000s**

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

	Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
<b>TGI</b>																								
1	Opening UCC Balance	S4b, line 11	-	-	21,678	33,582	4,481	2,241	316	(374)	(1,640)	(3,592)	(3,557)	(5,338)	(5,758)	(6,764)	(8,463)	(9,969)	(11,330)	(11,359)	(10,816)	(12,328)	(13,661)	(14,863)
2	Additions	S4b, line 23	-	35,918	52,581	(1,689)	(1,663)	(1,547)	(284)	(739)	(1,542)	2,002	(1,563)	(350)	(799)	(1,595)	(1,606)	(1,617)	(30)	2,238	(1,656)	(1,671)	(1,687)	(509)
3	CCA	S4b, lines 26, 28, 32 & 34	-	(14,240)	(40,677)	(27,412)	(1578)	(378)	(406)	(527)	(409)	(1,968)	(218)	(70)	(207)	(104)	99	255	2	(1,695)	144	337	484	420
4	Closing UCC Balance		-	21,678	33,582	4,481	2,241	316	(374)	(1,640)	(3,592)	(3,557)	(5,338)	(5,758)	(6,764)	(8,463)	(9,969)	(11,330)	(11,359)	(10,816)	(12,328)	(13,661)	(14,863)	(14,953)
5				error	error	error					error	error					error	error						
<b>6 TGVI</b>																								
7	Opening UCC Balance	S4b, line 60	-	-	2,569	3,890	425	149	(91)	(176)	(338)	(595)	(587)	(1,045)	(1,103)	(1,246)	(1,493)	(1,717)	(1,924)	(1,932)	(1,851)	(2,340)	(2,563)	(2,770)
8	Additions	S4b, line 72	-	4,255	6,224	(208)	(208)	(197)	(37)	(97)	(207)	273	(217)	(49)	(115)	(233)	(239)	(244)	(5)	350	(264)	(271)	(278)	(85)
9	CCA	S4b, line 84	-	(1,687)	(4,903)	(3,257)	(68)	(44)	(48)	(65)	(50)	(264)	(242)	(8)	(28)	(14)	15	37	(3)	(269)	(225)	48	71	59
10	Closing UCC Balance		-	2,569	3,890	425	149	(91)	(176)	(338)	(595)	(587)	(1,045)	(1,103)	(1,246)	(1,493)	(1,717)	(1,924)	(1,932)	(1,851)	(2,340)	(2,563)	(2,770)	(2,796)
11																								
<b>12 TGW</b>																								
13	Opening UCC Balance	S4b, line 109	-	-	65	100	13	7	1	(1)	(5)	(11)	(11)	(17)	(18)	(21)	(26)	(31)	(36)	(36)	(34)	(39)	(43)	(48)
14	Additions	S4b, line 121	-	107	157	(5)	(5)	(5)	(1)	(2)	(5)	6	(5)	(1)	(3)	(5)	(5)	(0)	7	(5)	(5)	(6)	(2)	(2)
15	CCA	S4b, line 133	-	(43)	(122)	(82)	(2)	(1)	(1)	(2)	(1)	(6)	(1)	(0)	(1)	(0)	0	1	(0)	(6)	0	1	2	1
16	Closing UCC Balance		-	65	100	13	7	1	(1)	(5)	(11)	(11)	(17)	(18)	(21)	(26)	(31)	(36)	(36)	(34)	(39)	(43)	(48)	(48)
17																								
18																								
19																								
20	<b>CCA Rates Used</b>																							
21																								
22	Hardware_CCA																							
23	Software_CCA																							
24	Buildings_CCA																							
25	VendorFees_CCA																							
26	InstallerFees_CCA																							
27	InternalLabour_CCA																							
28	InternalMaterials_CCA																							
29	Overhead_Cap_CCA																							
30																								
31	Amortization of Software CIAOC																							

Financial Schedule 4b

**Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals**

**CCA Detail in \$000s**

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
<b>TGI Capital Cost Allowance</b>																							
1	UCC Opening																						
2	-	-	1,693	1,941	1,359	951	666	1,517	1,736	1,215	851	595	1,457	1,687	1,181	827	579	1,434	1,663	1,164	815	570	
3	-	-	532	2,599	-	-	-	-	-	-	197	-	-	-	-	-	-	194	-	-	-	-	
4	-	-	6,237	5,863	5,511	5,180	4,869	4,577	4,303	4,044	3,802	3,574	3,359	3,158	2,968	2,790	2,623	2,465	2,317	2,178	2,048	1,925	
5	-	-	4,839	15,187	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	-	-	6,427	5,855	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	-	-	792	2,917	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	-	-	445	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	-	-	-	(1,594)	(3,186)	(4,687)	(6,016)	(7,264)	(8,475)	(9,648)	(10,784)	(11,884)	(12,951)	(13,985)	(14,988)	(15,962)	(16,908)	(17,829)	(18,725)	(19,599)	(20,452)	(21,287)	
11	x-ref S4a, line 1	-	-	20,965	32,785	3,684	1,444	(480)	(1,170)	(2,437)	(4,388)	(5,934)	(7,715)	(8,135)	(9,140)	(10,839)	(12,345)	(13,707)	(13,735)	(14,744)	(16,256)	(17,589)	(18,792)
12	UCC Additions																						
14	-	1,992	889	-	-	-	1,236	793	-	-	-	1,224	785	-	-	-	1,210	776	-	-	-	1,196	
15	-	1,064	5,198	-	-	-	-	-	-	395	-	-	-	-	-	-	389	-	-	-	-	-	
16	-	6,430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
17	-	9,678	30,374	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	-	12,853	11,710	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	-	1,584	5,835	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	-	1,426	167	-	-	-	-	-	-	3,160	-	-	-	-	-	-	-	-	-	3,104	-	-	
21	-	890	35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	-	-	(1,627)	(1,689)	(1,663)	(1,547)	(1,520)	(1,532)	(1,542)	(1,553)	(1,563)	(1,573)	(1,584)	(1,595)	(1,606)	(1,617)	(1,629)	(1,642)	(1,656)	(1,671)	(1,687)	(1,705)	
23	x-ref S4a, line 2	-	35,918	52,581	(1,689)	(1,663)	(1,547)	(284)	(739)	(1,542)	2,002	(1,563)	(350)	(799)	(1,595)	(1,606)	(1,617)	(30)	2,238	(1,656)	(1,671)	(1,687)	(509)
24	CCA																						
26	x-ref S4a, line 3	-	(299)	(641)	(582)	(408)	(285)	(385)	(574)	(521)	(365)	(255)	(362)	(555)	(506)	(354)	(248)	(355)	(546)	(499)	(349)	(244)	(350)
27	-	(532)	(3,131)	(2,599)	-	-	-	-	-	-	(197)	(197)	-	-	-	-	-	(194)	(194)	-	-	-	-
28	x-ref S4a, line 3	-	(193)	(374)	(352)	(331)	(311)	(292)	(275)	(258)	(243)	(228)	(214)	(202)	(189)	(178)	(167)	(157)	(148)	(139)	(131)	(123)	(115)
29	-	(4,839)	(20,026)	(15,187)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	-	(6,427)	(12,281)	(5,855)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	-	(792)	(3,709)	(2,917)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	x-ref S4a, line 3	-	(713)	(84)	-	-	-	-	-	(1,580)	-	-	-	-	-	-	-	-	-	(1,552)	-	-	-
33	-	(445)	(462)	(17)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	x-ref S4a, line 3	-	33	98	161	218	271	321	370	417	463	507	550	591	632	671	709	746	782	817	852	886	
35	Total TGI CCA	-	(14,240)	(40,677)	(27,412)	(578)	(378)	(406)	(527)	(409)	(1,968)	(218)	(70)	(207)	(104)	99	255	2	(1,695)	144	337	484	420
36	UCC Ending Balance																						
38	-	1,693	1,941	1,359	951	666	1,517	1,736	1,215	851	595	1,457	1,687	1,181	827	579	1,434	1,663	1,164	815	570	1,416	
39	-	532	2,599	-	-	-	-	-	-	197	-	-	-	-	-	-	194	-	-	-	-	-	
40	-	6,237	5,863	5,511	5,180	4,869	4,577	4,303	4,044	3,802	3,574	3,359	3,158	2,968	2,790	2,623	2,465	2,317	2,178	2,048	1,925	1,809	
41	-	4,839	15,187	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
42	-	6,427	5,855	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
43	-	792	2,917	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
44	-	713	84	-	-	-	-	-	-	1,580	-	-	-	-	-	-	-	-	-	1,552	-	-	
45	-	445	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
46	-	-	(1,594)	(3,186)	(4,687)	(6,016)	(7,264)	(8,475)	(9,648)	(10,784)	(11,884)	(12,951)	(13,985)	(14,988)	(15,962)	(16,908)	(17,829)	(18,725)	(19,599)	(20,452)	(21,287)	(22,106)	
47	Total UCC Ending Balance	-	21,678	32,869	3,684	1,444	(480)	(1,170)	(2,437)	(4,388)	(4,354)	(7,715)	(8,135)	(9,140)	(10,839)	(12,345)	(13,707)	(13,735)	(13,192)	(16,256)	(17,589)	(18,792)	(18,881)
48	TGI Software CIAOC Addition																						
49	-	(3,525)	(9,808)	(6,640)	-	-	-	-	-	(444)	(49)	-	-	-	-	-	(49)	(437)	-	-	-	-	

**Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals**

**CCA Detail in \$000s**

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
<b>TGVI Capital Cost Allowance</b>																							
50 UCC Opening																							
51 Hardware	-	-	201	230	161	113	79	191	222	156	109	76	200	236	165	116	81	215	254	178	124	87	
52 Software	-	-	63	305	-	-	-	-	-	-	27	-	-	-	-	-	30	-	-	-	-	-	
53 Buildings	-	-	739	695	653	614	577	542	510	479	451	423	398	374	352	331	311	292	275	258	243	228	
54 Vendor Fees	-	-	571	1,796	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
55 Installer Fees	-	-	764	700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
56 Internal Labour	-	-	94	345	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
57 Internal Materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
58 Training	-	-	53	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
59 Incremental O&M and Capitalized Overhead	-	-	-	(193)	(389)	(577)	(747)	(909)	(1,071)	(1,230)	(1,388)	(1,545)	(1,701)	(1,856)	(2,010)	(2,163)	(2,316)	(2,469)	(2,622)	(2,776)	(2,930)	(3,085)	
60 Total UCC Opening Balance	x-ref S4a, line 7	-	-	2,485	3,880	425	149	(91)	(176)	(338)	(595)	(802)	(1,045)	(1,103)	(1,246)	(1,493)	(1,717)	(1,924)	(1,932)	(2,094)	(2,340)	(2,563)	(2,770)
62 UCC Additions																							
63 Hardware	-	237	104	-	-	-	160	104	-	-	-	173	113	-	-	-	186	121	-	-	-	201	
64 Software	-	125	609	-	-	-	-	-	-	54	-	-	-	-	-	-	60	-	-	-	-	-	
65 Buildings	-	762	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
66 Vendor Fees	-	1,143	3,593	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
67 Installer Fees	-	1,528	1,400	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
68 Internal Labour	-	188	690	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
69 Internal Materials	-	167	20	-	-	-	-	-	-	431	-	-	-	-	-	-	-	486	-	-	-	-	
70 Training	-	105	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
71 Incremental O&M and Capitalized Overhead	-	-	(197)	(208)	(208)	(197)	(197)	(202)	(207)	(212)	(217)	(222)	(227)	(233)	(239)	(244)	(251)	(257)	(264)	(271)	(278)	(286)	
72 Total UCC Additions	x-ref S4a, line 8	-	4,255	6,224	(208)	(208)	(197)	(37)	(97)	(207)	273	(217)	(49)	(115)	(233)	(239)	(244)	(5)	350	(264)	(271)	(278)	(85)
74 CCA																							
75 Hardware	-	(36)	(76)	(69)	(48)	(34)	(48)	(73)	(67)	(47)	(33)	(49)	(77)	(71)	(50)	(35)	(52)	(83)	(76)	(53)	(37)	(56)	
76 TGVI Software CCA	-	(63)	(367)	(305)	-	-	-	-	-	(27)	(27)	-	-	-	-	-	(30)	(30)	-	-	-	-	
77 Buildings	-	(23)	(44)	(42)	(39)	(37)	(35)	(33)	(31)	(29)	(27)	(25)	(24)	(22)	(21)	(20)	(19)	(18)	(16)	(15)	(15)	(14)	
78 Vendor Fees CCA	-	(571)	(2,368)	(1,796)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
79 Installer Fees CCA	-	(764)	(1,464)	(700)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
80 Internal Labour CCA	-	(94)	(439)	(345)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
81 Internal Materials CCA	-	(84)	(94)	(10)	-	-	-	-	-	(215)	(215)	-	-	-	-	-	-	(243)	(243)	-	-	-	
82 Training	-	(53)	(55)	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
83 Incremental O&M and Capitalized Overhead	-	-	4	12	20	27	34	40	47	53	60	66	73	79	85	91	98	104	110	116	123	129	
84 Total TGVI CCA	x-ref S4a, line 9	-	(1,687)	(4,903)	(3,257)	(68)	(44)	(48)	(65)	(50)	(264)	(242)	(8)	(28)	(14)	15	37	(3)	(269)	(225)	48	71	59
86 UCC Ending Balance																							
87 Hardware	-	201	230	161	113	79	191	222	156	109	76	200	236	165	116	81	215	254	178	124	87	231	
88 Software	-	63	305	-	-	-	-	-	-	27	-	-	-	-	-	-	30	-	-	-	-	-	
89 Buildings	-	739	695	653	614	577	542	510	479	451	423	398	374	352	331	311	292	275	258	243	228	214	
90 Vendor Fees	-	571	1,796	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
91 Installer Fees	-	764	700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
92 Internal Labour	-	94	345	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
93 Internal Materials	-	84	(74)	(10)	-	-	-	-	-	215	(215)	-	-	-	-	-	-	243	(243)	-	-	-	
94 Training	-	53	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
95 Incremental O&M and Capitalized Overhead	-	-	(193)	(389)	(577)	(747)	(909)	(1,071)	(1,230)	(1,388)	(1,545)	(1,701)	(1,856)	(2,010)	(2,163)	(2,316)	(2,469)	(2,622)	(2,776)	(2,930)	(3,085)	(3,242)	
96 Total UCC Ending Balance	-	2,569	3,806	415	149	(91)	(176)	(338)	(595)	(587)	(1,261)	(1,103)	(1,246)	(1,493)	(1,717)	(1,924)	(1,932)	(1,851)	(2,583)	(2,563)	(2,770)	(2,796)	
97																							
98 TGVI Software CIAOC Addition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

**Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals**

**CCA Detail in \$000s**

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>TGW Capital Cost Allowance</b>																						
99 UCC Opening																						
100 Hardware	-	-	5	6	4	3	2	5	5	4	3	2	5	5	4	3	2	5	5	4	3	2
101 Software	-	-	2	8	-	-	-	-	-	-	1	-	-	-	-	-	-	1	-	-	-	-
102 Buildings	-	-	19	18	16	16	15	14	13	12	11	11	10	9	9	8	8	7	7	7	6	6
103 Vendor Fees	-	-	14	45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
104 Installer Fees	-	-	19	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
105 Internal Labour	-	-	2	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
106 Internal Materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
107 Training	-	-	1	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
108 Incremental O&M and Capitalized Overhead	-	-	(5)	(10)	(14)	(18)	(22)	(26)	(29)	(33)	(36)	(40)	(43)	(46)	(50)	(53)	(56)	(59)	(62)	(65)	(67)	
109 Total UCC Opening Balance	x-ref S4a, line 13	-	63	98	11	4	(2)	(4)	(8)	(14)	(18)	(24)	(25)	(28)	(34)	(39)	(43)	(43)	(46)	(51)	(56)	(60)
110																						
111 UCC Additions																						
112 Hardware	-	6	3	-	-	-	4	2	-	-	-	4	2	-	-	-	4	3	-	-	-	4
113 Software	-	3	16	-	-	-	-	-	-	1	-	-	-	-	-	-	1	-	-	-	-	-
114 Buildings	-	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
115 Vendor Fees	-	29	91	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
116 Installer Fees	-	39	35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
117 Internal Labour	-	5	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
118 Internal Materials	-	4	1	-	-	-	-	-	-	10	-	-	-	-	-	-	-	10	-	-	-	-
119 Training	-	3	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120 Incremental O&M and Capitalized Overhead	-	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(6)	(6)
121 Total UCC Additions	x-ref S4a, line 14	-	107	157	(5)	(5)	(1)	(2)	(5)	6	(5)	(1)	(3)	(5)	(5)	(5)	(0)	7	(5)	(5)	(6)	(2)
122																						
123 CCA																						
124 Hardware	-	(1)	(2)	(2)	(1)	(1)	(1)	(2)	(2)	(1)	(1)	(1)	(2)	(2)	(1)	(1)	(1)	(2)	(2)	(1)	(1)	(1)
125 TGW Software CCA	-	(2)	(9)	(8)	-	-	-	-	-	(1)	(1)	-	-	-	-	-	(1)	(1)	(1)	-	-	-
126 Buildings	-	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(0)
127 Vendor Fees CCA	-	(14)	(60)	(45)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
128 Installer Fees CCA	-	(19)	(37)	(18)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
129 Internal Labour CCA	-	(2)	(11)	(9)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130 Internal Materials CCA	-	(2)	(0)	-	-	-	-	-	-	(5)	-	-	-	-	-	-	-	(5)	-	-	-	-
131 Training	-	(1)	(1)	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
132 Incremental O&M and Capitalized Overhead	-	0	0	0	1	1	1	1	1	1	1	2	2	2	2	2	2	2	2	3	3	3
133 Total TGW CCA	x-ref S4a, line 15	-	(43)	(122)	(82)	(2)	(1)	(2)	(1)	(6)	(1)	(0)	(1)	(0)	0	1	(0)	(6)	0	1	2	1
134																						
135 UCC Ending Balance																						
136 Hardware	-	5	6	4	3	2	5	5	4	3	2	5	5	4	3	2	5	5	4	3	2	5
137 Software	-	2	8	-	-	-	-	-	-	1	-	-	-	-	-	-	1	-	-	-	-	-
138 Buildings	-	19	18	16	16	15	14	13	12	11	11	10	9	9	8	8	7	7	7	6	6	5
139 Vendor Fees	-	14	45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140 Installer Fees	-	19	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
141 Internal Labour	-	2	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
142 Internal Materials	-	2	0	-	-	-	-	-	-	5	-	-	-	-	-	-	-	5	-	-	-	-
143 Training	-	1	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
144 Incremental O&M and Capitalized Overhead	-	(5)	(10)	(14)	(18)	(22)	(26)	(29)	(33)	(36)	(40)	(43)	(46)	(50)	(53)	(56)	(59)	(62)	(65)	(67)	(70)	
145 Total UCC Ending Balance	-	65	98	11	4	(2)	(4)	(8)	(14)	(13)	(24)	(25)	(28)	(34)	(39)	(43)	(43)	(41)	(51)	(56)	(60)	(60)
146																						
147 TGW Software CIAOC Addition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Financial Schedule 5

Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals

Revenue Requirement & Rate Impact Analysis in \$000s

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
<b>TGI</b>																							
<b>1 Revenue Requirement</b>																							
2 Operating & Maintenance Expense																							
3 CCE Customer Care O&M Costs	S2, line 6	-	-	39,624	40,706	41,989	43,316	44,684	45,695	46,551	47,947	48,969	49,890	51,081	52,284	53,492	54,747	56,271	57,435	58,808	60,194	61,611	63,030
4 Avoided Costs- Existing customer care contract		-	-	(55,893)	(57,593)	(58,615)	(58,781)	(59,883)	(61,016)	(61,975)	(63,475)	(64,599)	(65,624)	(66,920)	(68,230)	(69,548)	(70,918)	(72,564)	(73,856)	(75,367)	(76,901)	(78,480)	(80,076)
5 Less: Overhead Capitalized		-	-	2,603	2,702	2,660	2,474	2,432	2,451	2,468	2,484	2,501	2,517	2,534	2,551	2,569	2,587	2,607	2,627	2,649	2,673	2,699	2,727
6		-	-	(13,666)	(14,185)	(13,966)	(12,991)	(12,767)	(12,870)	(12,956)	(13,043)	(13,130)	(13,216)	(13,304)	(13,394)	(13,487)	(13,584)	(13,686)	(13,794)	(13,910)	(14,034)	(14,170)	(14,319)
7																							
8 Property & Other Taxes		-	-	-	44	8	98	67	59	44	25	7	(13)	(68)	(133)	(125)	(129)	(132)	(136)	(139)	(146)	(144)	(148)
9 Amortization & Depreciation Expense	line 19 + line 20	-	1,486	5,874	11,581	10,410	10,075	9,763	9,305	8,959	8,648	4,830	(1,007)	(159)	(149)	(161)	(182)	(202)	(183)	(261)	(277)	(300)	(1,748)
10 Income Tax Expense	line 29	-	284	2,556	4,881	4,291	3,996	3,663	3,269	2,986	2,241	1,391	(110)	9	(15)	(21)	(46)	(134)	(731)	(260)	(279)	(318)	(163)
11 Earned Return		-	2,679	6,039	7,470	5,927	4,763	3,695	2,700	1,684	801	102	1,076	988	804	584	364	215	220	156	(62)	(279)	(378)
12																							
13 TGI Total Cost of Service	x-ref S6, line 33	-	4,448	803	9,791	6,670	5,941	4,421	2,463	718	(1,329)	(6,800)	(13,271)	(12,535)	(12,886)	(13,210)	(13,576)	(13,940)	(14,624)	(14,414)	(14,798)	(15,211)	(16,756)
14																							
15																							
16																							
17 Income Tax Expense Calculation																							
18 Equity Earned Return		-	1,354	2,962	3,623	2,874	2,310	1,792	1,309	817	388	49	522	479	390	283	177	104	107	76	(30)	(135)	(184)
19 Add: Depreciation Expense- excluding capital lease	S3b, line 165	-	-	3,523	9,232	8,065	7,732	7,423	6,968	6,626	6,317	3,370	(2,463)	(1,613)	(1,599)	(1,608)	(1,626)	(1,643)	(1,620)	(1,695)	(1,708)	(1,727)	(1,748)
20 Add: Amortization Expense	S3b, line 206	-	-	868	868	868	868	868	868	868	868	-	-	-	-	-	-	-	-	-	-	-	-
21 Less: CCA	S4a, line 3	-	(1,650)	(1,529)	(854)	(578)	(378)	(406)	(527)	(409)	(1,770)	(21)	(70)	(207)	(104)	99	255	196	(1,500)	144	337	484	420
22 Less: Overhead Capitalized timing difference		-	-	976	1,013	998	928	912	919	925	932	938	944	950	957	963	970	978	985	994	1,002	1,012	1,023
23 Taxable Income After Tax		-	(296)	6,800	13,883	12,227	11,460	10,589	9,537	8,826	6,735	4,337	(1,068)	(390)	(356)	(263)	(223)	(364)	(2,029)	(482)	(398)	(366)	(489)
24																							
25 Taxable Income		-	(402)	9,067	18,510	16,303	15,281	14,118	12,716	11,768	8,980	5,782	(1,423)	(520)	(475)	(350)	(298)	(486)	(2,705)	(642)	(530)	(488)	(652)
26																							
27 Current Income Tax Rate		29%	27%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
28 Capital Lease Tax Expense		-	391	290	253	215	176	134	90	44	(4)	(55)	246	139	104	67	28	(12)	(55)	(99)	(146)	(196)	-
29 Total Income Tax Expense		-	284	2,556	4,881	4,291	3,996	3,663	3,269	2,986	2,241	1,391	(110)	9	(15)	(21)	(46)	(134)	(731)	(260)	(279)	(318)	(163)
30																							
31 <b>Customer Impact- Residential</b>																							
32 (95 GJ annual use)																							
33 Approximate Annual Bill- Burner Tip Increase/(Decrease) %				0.07%	0.77%	0.53%	0.47%	0.34%	0.20%	0.06%	-0.10%	-0.53%	-1.04%	-0.99%	-1.01%	-1.04%	-1.07%	-1.10%	-1.16%	-1.14%	-1.16%	-1.20%	-1.33%

Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals

Revenue Requirement & Rate Impact Analysis in \$000s

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
<b>TGVI</b>																							
34 Revenue Requirement																							
35																							
36 Operating & Maintenance Expense																							
37 CCE Customer Care O&M Costs																							
38 Avoided Costs- Existing customer care contract	S2, line 6	-	-	4,791	5,006	5,253	5,507	5,780	6,014	6,234	6,533	6,789	7,037	7,331	7,635	7,947	8,276	8,655	8,988	9,364	9,752	10,156	10,571
39 Less: Overhead Capitalized		-	-	(6,759)	(7,083)	(7,333)	(7,473)	(7,746)	(8,031)	(8,299)	(8,649)	(8,956)	(9,257)	(9,604)	(9,963)	(10,333)	(10,721)	(11,161)	(11,558)	(12,000)	(12,459)	(12,936)	(13,430)
40		-	-	315	332	333	315	315	323	330	339	347	355	364	373	382	391	401	411	422	433	445	457
41		-	-	(1,652)	(1,745)	(1,747)	(1,652)	(1,652)	(1,694)	(1,735)	(1,777)	(1,820)	(1,864)	(1,909)	(1,956)	(2,004)	(2,053)	(2,105)	(2,159)	(2,215)	(2,274)	(2,336)	
42 Property & Other Taxes		-	-	-	0	(13)	5	13	12	9	7	4	1	(8)	(17)	(18)	(19)	(19)	(20)	(21)	(23)	(23)	(24)
43 Amortization & Depreciation Expense	line 52 + line 53	-	177	752	1,575	1,537	1,498	1,461	1,410	1,370	1,332	840	2	4	5	1	(4)	(9)	(4)	(8)	(14)	(20)	(266)
44 Income Tax Expense	line 62	-	(497)	(1,229)	(367)	649	607	561	508	468	355	173	35	12	7	5	(1)	(26)	(119)	(114)	(39)	(48)	(25)
45 Earned Return		-	336	802	1,047	878	714	561	416	266	137	30	154	136	110	78	45	22	26	17	(19)	(57)	(76)
46																							
47 TGVI Total Cost of Service	x-ref S6, line 50	-	16	(1,327)	510	1,303	1,173	945	651	379	53	(774)	(1,673)	(1,765)	(1,850)	(1,937)	(2,031)	(2,137)	(2,276)	(2,341)	(2,369)	(2,485)	(390)
48																							
49																							
50 Income Tax Expense Calculation																							
51 Equity Earned Return		-	181	420	544	456	371	291	216	138	71	16	80	71	57	40	23	12	14	9	(10)	(30)	(39)
52 Add: Depreciation Expense- excluding capital lease	S3b, line 377	-	-	470	1,290	1,249	1,207	1,168	1,113	1,071	1,029	637	(204)	(204)	(206)	(214)	(222)	(231)	(229)	(236)	(246)	(256)	(266)
53 Add: Amortization Expense	S3b, line 417	-	-	103	103	103	103	103	103	103	103	-	-	-	-	-	-	-	-	-	-	-	-
54 Less: CCA	S4a, line 9	-	(1,687)	(4,903)	(3,257)	(68)	(44)	(48)	(65)	(50)	(264)	(242)	(8)	(28)	(14)	15	37	(3)	(269)	(225)	48	71	59
55 Less: Overhead Capitalized timing difference		-	-	118	125	125	118	118	121	124	127	130	133	136	140	143	147	150	154	158	162	167	172
56 Taxable Income After Tax		-	(1,506)	(3,792)	(1,195)	1,865	1,755	1,632	1,488	1,386	1,066	541	1	(25)	(24)	(15)	(15)	(72)	(331)	(294)	(46)	(47)	(74)
57																							
58 Taxable Income		-	(2,049)	(5,056)	(1,594)	2,487	2,341	2,176	1,984	1,848	1,422	721	2	(34)	(32)	(21)	(20)	(96)	(441)	(393)	(61)	(63)	(99)
59																							
60 Current Income Tax Rate		29%	27%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
61 Capital Lease Tax Expense		-	46	35	31	27	22	17	12	6	(1)	(8)	35	20	15	10	4	(2)	(9)	(16)	(24)	(32)	-
62 Total Income Tax Expense		-	(497)	(1,229)	(367)	649	607	561	508	468	355	173	35	12	7	5	(1)	(26)	(119)	(114)	(39)	(48)	(25)
63																							
64																							
65 Customer Impact- Residential																							
66 (59 GJ annual use)																							
67 Approximate Annual Bill- Burner Tip Increase/(Decrease) %				-0.52%	0.20%	0.51%	0.45%	0.37%	0.26%	0.15%	0.01%	-0.31%	-0.65%	-0.69%	-0.72%	-0.76%	-0.79%	-0.83%	-0.90%	-0.92%	-0.92%	-0.96%	-1.09%

**Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals**  
**Revenue Requirement & Rate Impact Analysis in \$000s**

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>TGW</b>																						
68 Revenue Requirement																						
69																						
70 Operating & Maintenance Expense																						
71 CCE Customer Care O&M Costs																						
72 S2, line 6	-	-	119	123	127	132	137	141	144	149	153	157	161	166	171	176	182	187	192	198	204	209
73 Avoided Costs- Existing customer care contract	-	-	(168)	(173)	(177)	(179)	(183)	(188)	(192)	(197)	(202)	(206)	(212)	(217)	(222)	(228)	(235)	(240)	(246)	(253)	(259)	(266)
74 Less: Overhead Capitalized	-	-	8	8	8	8	7	8	8	8	8	8	8	8	8	8	8	9	9	9	9	9
75	-	-	(41)	(43)	(42)	(40)	(39)	(40)	(40)	(41)	(41)	(42)	(42)	(43)	(43)	(44)	(44)	(45)	(45)	(46)	(47)	(48)
76 Property Taxes	-	-	-	0	(0)	0	0	0	0	0	0	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
77 Amortization & Depreciation Expense																						
78 line 86 + line 87	-	4	19	40	39	38	37	35	34	33	21	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1)	(1)	(5)
79 Income Tax Expense																						
80 line 96	-	(13)	(30)	(9)	16	15	14	13	12	9	6	1	0	0	0	(0)	(1)	(2)	(1)	(1)	(1)	(0)
81 Earned Return																						
82	-	8	20	26	22	18	14	10	7	4	1	4	3	3	2	1	1	1	(0)	(1)	(1)	(1)
83 TGW Total Cost of Service																						
84 x-ref S6, line 67	-	0	(32)	14	34	31	26	19	13	6	(13)	(38)	(39)	(40)	(42)	(43)	(45)	(47)	(47)	(48)	(50)	(55)
85																						
86 Income Tax Expense Calculation																						
87 Equity Earned Return	-	4	10	13	11	9	7	5	3	2	0	2	2	1	1	1	0	0	0	(0)	(0)	(1)
88 Add: Depreciation Expense- excluding capital lease	-	-	12	33	32	31	30	28	27	26	16	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
89 Add: Amortization Expense	-	-	3	3	3	3	3	3	3	3	-	-	-	-	-	-	-	-	-	-	-	-
90 Less: CCA	-	(43)	(122)	(82)	(2)	(1)	(1)	(2)	(1)	(6)	(1)	(0)	(1)	(0)	0	1	(0)	(6)	0	1	2	1
91 Less: Overhead Capitalized timing difference	-	-	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
92 Taxable Income After Tax	-	(38)	(94)	(30)	47	44	41	37	35	27	19	(0)	(1)	(1)	(0)	(0)	(2)	(7)	(1)	(1)	(1)	(1)
93																						
94 Taxable Income	-	(52)	(125)	(40)	62	59	55	50	47	37	25	(0)	(1)	(1)	(1)	(1)	(2)	(9)	(2)	(1)	(1)	(2)
95																						
96 Current Income Tax Rate	29%	27%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
97 Capital Lease Tax Expense	-	1	1	1	1	1	0	0	0	(0)	(0)	1	0	0	0	0	(0)	(0)	(0)	(0)	(0)	(1)
98 Total Income Tax Expense	-	(13)	(30)	(9)	16	15	14	13	12	9	6	1	0	0	0	(0)	(1)	(2)	(1)	(1)	(1)	(0)
99																						
100 Customer Impact- Residential																						
99 (90 GJ annual use)																						
100 Approximate Annual Bill- Burner Tip Increase/(Decrease) %			-0.46%	0.20%	0.49%	0.44%	0.37%	0.27%	0.19%	0.08%	-0.18%	-0.53%	-0.55%	-0.57%	-0.59%	-0.61%	-0.63%	-0.67%	-0.66%	-0.68%	-0.71%	-0.78%

Financial Schedule 6

**Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals**  
**Discounted Cash Flow in \$000s**

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

1 Consolidated Project Discounted Cash Flow		Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
2																								
3	Capital Spending- Hardware		(731)	(2,500)	-	-	-	-	(1,400)	(900)	-	-	-	(1,400)	(900)	-	-	-	(1,400)	(900)	-	-	-	(1,400)
4	Capital Spending- Software		(27,890)	(50,944)	(10,009)	-	-	-	-	-	-	(450)	-	-	-	-	-	-	(450)	-	-	-	-	-
5	Capital Spending- Buildings & Structures		(2,468)	(7,072)	(188)	-	-	-	-	-	-	(3,600)	-	-	-	-	-	-	-	-	-	(3,600)	-	-
6	Capital Expenditure Cash Flow	S1, line 16	(31,089)	(60,516)	(10,197)	-	-	-	(1,400)	(900)	-	(4,050)	-	(1,400)	(900)	-	-	-	(1,850)	(4,500)	-	-	-	(1,400)
7																								
8	Revenue Requirement	line 33 + 50 + 67	-	4,465	(557)	10,315	8,007	7,145	5,392	3,134	1,110	(1,270)	(7,587)	(14,982)	(14,339)	(14,777)	(15,190)	(15,651)	(16,121)	(16,947)	(16,802)	(17,215)	(17,746)	(19,603)
9	Incremental O&M	line 34 + 51 + 68	(77)	(10,001)	18,285	19,015	18,756	17,479	17,212	17,385	17,536	17,692	17,847	18,003	18,162	18,325	18,493	18,667	18,852	19,045	19,250	19,469	19,706	19,962
10	Property Tax 1% in Lieu	line 35 + 52 + 69	-	-	(45)	6	(103)	(80)	(71)	(54)	(31)	(11)	13	76	150	143	148	152	157	161	169	168	172	
11	Operating & Other Expense Cash Flow		(77)	(5,536)	17,728	29,286	26,769	24,520	22,524	20,447	18,593	16,390	10,248	3,033	3,899	3,698	3,447	3,164	2,883	2,254	2,609	2,423	2,128	531
12	Tax Expense Cash Flow	line 37 + 54 + 71	22	1,467	(4,432)	(7,321)	(6,692)	(6,130)	(5,631)	(5,112)	(4,648)	(4,098)	(2,562)	(758)	(975)	(925)	(862)	(791)	(721)	(564)	(652)	(606)	(532)	(133)
13	After Tax Operating & Other Expense Cash Flow		(55)	(4,069)	13,296	21,964	20,077	18,390	16,893	15,335	13,945	12,293	7,686	2,275	2,924	2,774	2,585	2,373	2,162	1,691	1,957	1,818	1,596	399
14																								
15	Terminal Value Cash Flow		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Annual Cash Flow		(31,144)	(64,585)	3,099	21,964	20,077	18,390	15,493	14,435	13,945	8,243	7,686	875	2,024	2,774	2,585	2,373	312	(2,809)	1,957	1,818	1,596	(1,001)
17																								
18	Annual Discounted Cash Flow (mid year)		(30,114)	(57,976)	2,583	16,897	14,319	12,167	9,508	8,218	7,364	4,037	3,492	366	791	1,006	870	741	90	(755)	488	420	342	(199)
19																								
20																								
21	Total Project Discounted Cash Flow		(5,345)																					

**Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals**

**Discounted Cash Flow in \$000s**

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

22 **Terason Gas Inc.**

Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
25 <b>Assumptions</b>																							
26 Tax Rate		28.50%	26.50%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	
27 Inflation		2.00%																					
28 Cost of Capital																							
29 Nominal WACC Pre-Tax		7.91%	8.50%	8.75%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	
30 Nominal WACC Post-Tax		6.91%	7.41%	7.66%	7.74%	7.74%	7.74%	7.74%	7.74%	7.74%	7.74%	7.74%	7.74%	7.74%	7.74%	7.74%	7.74%	7.74%	7.74%	7.74%	7.74%	7.74%	
31 Real WACC Pre-Tax		5.79%	6.37%	6.62%	6.72%	6.72%	6.72%	6.72%	6.72%	6.72%	6.72%	6.72%	6.72%	6.72%	6.72%	6.72%	6.72%	6.72%	6.72%	6.72%	6.72%	6.72%	
32 Real WACC Post-Tax		4.81%	5.30%	5.55%	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%	
33 CCA Rates																							
34 Hardware		30%																					
35 Software		100%																					
36 Meters		6%																					
37 Overhead Capitalized		4%																					
38 Overhead Capitalized UCC Addition Ratio		62.5% (10/16)																					
39 Overhead Capitalized Rate		16%																					
40 Project Inservice Year		2011 & 2012																					
41																							
42 <b>Discounted Cash Flow Analysis</b>																							
43																							
44 Capital Spending- Hardware		(653)	(2,228)	-	-	-	(1,236)	(793)	-	-	(1,224)	(785)	-	-	-	(1,210)	(776)	-	-	-	(1,196)		
45 Capital Spending- Software		(24,905)	(45,410)	(8,905)	-	-	-	-	-	(395)	-	-	-	-	-	-	(389)	-	-	-	-		
46 Capital Spending- Buildings & Structures		(2,204)	(6,303)	(167)	-	-	-	-	-	(3,160)	-	-	-	-	-	-	-	-	(3,104)	-	-	-	
47 Capital Expenditure Cash Flow	S3b, line 12 + 25 (2010 only)	(27,762)	(53,942)	(9,073)	-	-	(1,236)	(793)	-	(3,555)	-	(1,224)	(785)	-	-	(1,599)	(3,880)	-	-	-	(1,196)		
48																							
49 Revenue Requirement	S5, line 14	-	4,448	803	9,791	6,670	5,941	4,421	2,463	718	(1,329)	(6,800)	(13,271)	(12,535)	(12,886)	(13,210)	(13,576)	(13,940)	(14,624)	(14,414)	(14,798)	(15,211)	(16,756)
50 Incremental O&M	S5, line 4 + 5	(68)	(8,914)	16,269	16,887	16,626	15,465	15,199	15,321	15,423	15,528	15,631	15,734	15,839	15,946	16,056	16,171	16,293	16,422	16,559	16,707	16,869	17,047
51 Property Tax 1% in Lieu	S5, line 9	-	-	-	(44)	(8)	(98)	(67)	(59)	(44)	(25)	(7)	13	68	133	125	129	132	136	139	146	144	148
52 Operating & Other Expense Cash Flow		(68)	(4,466)	17,072	26,634	23,288	21,308	19,553	17,725	16,097	14,174	8,823	2,476	3,372	3,192	2,971	2,723	2,486	1,933	2,284	2,056	1,802	438
53 Tax Expense Cash Flow	line 36 x line 26	19	1,183	(4,268)	(6,658)	(5,822)	(5,327)	(4,888)	(4,431)	(4,024)	(3,544)	(2,206)	(619)	(843)	(798)	(743)	(681)	(621)	(483)	(571)	(514)	(450)	(110)
54 After Tax Operating & Other Expense Cash Flow		(49)	(3,282)	12,804	19,975	17,466	15,981	14,665	13,294	12,073	10,631	6,617	1,857	2,529	2,394	2,228	2,043	1,864	1,450	1,713	1,542	1,351	329
55																							
56 Terminal Value Cash Flow		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57																							
58 Annual Cash Flow		(27,811)	(57,224)	3,732	19,975	17,466	15,981	13,429	12,501	12,073	7,076	6,617	633	1,744	2,394	2,228	2,043	265	(2,430)	1,713	1,542	1,351	(867)
59																							
60 Annual Discounted Cash Flow (mid year)		(26,897)	(51,406)	3,103	15,387	12,488	10,605	8,271	7,146	6,406	3,485	3,025	269	687	875	756	643	78	(659)	431	360	293	(174)
61																							
62 Total Project Discounted Cash Flow																							

**Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals**

**Discounted Cash Flow in \$000s**

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

**63 Terasen Gas (Vancouver Island) Inc.**

Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
64																							
65																							
66 Assumptions																							
67 Tax Rate	28.50%	26.50%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	
68 Inflation	2.00%																						
69 Cost of Capital																							
70 Nominal WACC Pre-Tax	8.43%	9.02%	9.27%	9.37%	9.37%	9.37%	9.37%	9.37%	9.37%	9.37%	9.37%	9.37%	9.37%	9.37%	9.37%	9.37%	9.37%	9.37%	9.37%	9.37%	9.37%	9.37%	
71 Nominal WACC Post-Tax	7.36%	7.87%	8.12%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	
72 Real WACC Pre-Tax	6.30%	6.88%	7.13%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%	
73 Real WACC Post-Tax	5.26%	5.75%	6.00%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	6.08%	
74																							
75 Discounted Cash Flow Analysis																							
76																							
77 Capital Spending- Hardware	(76)	(265)	-	-	-	-	(160)	(104)	-	-	-	(173)	(113)	-	-	-	(186)	(121)	-	-	-	(201)	
78 Capital Spending- Software	(2,910)	(5,398)	(1,077)	-	-	-	-	-	-	(54)	-	-	-	-	-	-	(60)	-	-	-	-	-	
79 Capital Spending- Buildings & Structures	(258)	(749)	(20)	-	-	-	-	-	-	(431)	-	-	-	-	-	-	-	-	(486)	-	-	-	
80 Capital Expenditure Cash Flow	S3b, line 224 + 237 (2010 only)	(3,244)	(6,412)	(1,097)	-	-	(160)	(104)	-	(484)	-	(173)	(113)	-	-	-	(246)	(607)	-	-	-	(201)	
81																							
82 Revenue Requirement	S5, line 47	-	16	(1,327)	510	1,303	1,173	945	651	379	53	(774)	(1,673)	(1,765)	(1,850)	(1,937)	(2,031)	(2,137)	(2,276)	(2,341)	(2,369)	(2,485)	(2,792)
83 Incremental O&M	S5, line 37 + 38	(8)	(1,060)	1,967	2,077	2,080	1,966	1,966	2,017	2,065	2,116	2,167	2,219	2,273	2,328	2,386	2,445	2,506	2,570	2,637	2,707	2,781	2,859
84 Property Tax 1% in Lieu	S5, line 42	-	-	-	(0)	13	(5)	(13)	(12)	(9)	(7)	(4)	(1)	8	17	18	18	19	20	21	23	23	24
85 Operating & Other Expense Cash Flow		(8)	(1,044)	640	2,587	3,396	3,134	2,898	2,656	2,435	2,162	1,389	545	516	495	466	432	389	314	317	361	319	91
86 Tax Expense Cash Flow	line 53 x line 43	2	277	(160)	(647)	(849)	(783)	(724)	(664)	(609)	(541)	(347)	(136)	(129)	(124)	(116)	(108)	(97)	(79)	(79)	(90)	(80)	(23)
87 After Tax Operating & Other Expense Cash Flow		(6)	(767)	480	1,940	2,547	2,350	2,173	1,992	1,826	1,622	1,042	409	387	372	349	324	291	236	238	270	240	68
88																							
89 Terminal Value Cash Flow		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
90																							
91 Annual Cash Flow		(3,250)	(7,179)	(617)	1,940	2,547	2,350	2,013	1,887	1,826	1,137	1,042	237	275	372	349	324	46	(372)	238	270	240	(132)
92																							
93 Annual Discounted Cash Flow (mid year)		(3,136)	(6,408)	(508)	1,473	1,787	1,524	1,206	1,045	935	538	455	96	102	128	111	95	12	(94)	55	58	48	(24)
94																							
95 Total Project Discounted Cash Flow		(601)																					

**Customer Care Enhancement Project- Revised October 2, 2009 reflecting ROE & Capital Structure Proposals**

**Discounted Cash Flow in \$000s**

\* Note- the revenue requirement and tax expense amount showing in 2011 are for financial model purposes only; as requested in the CPCN Application from June 2, 2009, all costs prior to January 1, 2012 will be captured in an AFUDC earning non-rate base deferral account.

**96 Terasen Gas (Whistler) Inc.**

97	Reference	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
98																								
99	<b>Assumptions</b>																							
100	Tax Rate	28.50%	26.50%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	
101	Inflation	2.00%																						
102	Cost of Capital																							
103	Nominal WACC Pre-Tax	8.35%	8.94%	9.19%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	
104	Nominal WACC Post-Tax	7.28%	7.79%	8.04%	8.12%	8.12%	8.12%	8.12%	8.12%	8.12%	8.12%	8.12%	8.12%	8.12%	8.12%	8.12%	8.12%	8.12%	8.12%	8.12%	8.12%	8.12%	8.12%	8.12%
105	Real WACC Pre-Tax	6.23%	6.80%	7.05%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
106	Real WACC Post-Tax	5.18%	5.67%	5.92%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
107																								
108	<b>Discounted Cash Flow Analysis</b>																							
109																								
110	Capital Spending- Hardware	(2)	(7)	-	-	-	-	(4)	(2)	-	-	-	(4)	(2)	-	-	-	(4)	(3)	-	-	-	(4)	
111	Capital Spending- Software	(74)	(136)	(27)	-	-	-	-	-	-	(1)	-	-	-	-	-	-	(1)	-	-	-	-	-	
112	Capital Spending- Buildings & Structures	(7)	(19)	(1)	-	-	-	-	-	-	(10)	-	-	-	-	-	-	-	(10)	-	-	-	-	
113	Capital Expenditure Cash Flow	(83)	(162)	(27)	-	-	-	(4)	(2)	-	(11)	-	(4)	(2)	-	-	-	(5)	(13)	-	-	-	(4)	
114																								
115	Revenue Requirement	S5, line 81	-	0	(32)	14	34	31	26	19	13	6	(13)	(38)	(39)	(40)	(42)	(43)	(45)	(47)	(47)	(48)	(50)	(55)
116	Incremental O&M	S5, line 71 + 72	(0)	(27)	49	51	50	47	46	47	48	48	49	49	50	51	51	52	53	53	54	55	56	57
117	Property Tax 1% in Lieu	S5, line 76	-	-	-	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	0	0	0	0	0	0	0	0	0
118	Operating & Other Expense Cash Flow		(0)	(26)	16	65	85	78	72	66	61	54	36	12	11	11	10	9	8	6	8	7	6	2
119	Tax Expense Cash Flow	line 70 x line 60	0	7	(4)	(16)	(21)	(20)	(18)	(17)	(15)	(13)	(9)	(3)	(3)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(0)
120	After Tax Operating & Other Expense Cash Flow		(0)	(19)	12	49	64	59	54	50	45	40	27	9	8	8	7	7	6	5	6	5	5	1
121																								
122	Terminal Value Cash Flow		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
123																								
124	Annual Cash Flow		(83)	(181)	(15)	49	64	59	50	47	45	29	27	5	6	8	7	7	1	(8)	6	5	5	(3)
125																								
126	Annual Discounted Cash Flow (mid year)		(80)	(162)	(12)	37	45	38	30	26	23	14	12	2	2	3	2	2	0	(2)	1	1	1	(0)
127																								
128	Total Project Discounted Cash Flow		(15)																					





## Customer Care Enhancement Project Annual Levelized Cost of Service Per Customer

