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November 20, 2009

Regulatory Affairs Correspondence  
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Superior Energy Management  
6860 Century Avenue  
East Tower, Suite 2001  
Mississauga, ON  
L5N 2W5

Attention: Ms. Judy Wasney, Director, Regulatory Affairs

Dear Ms. Wasney:

**Re: Customer Choice – 2009 Program Summary and Recommendations (the “Application”)**

**Response to the Superior Energy Management (“SEM”) Information Request (“IR”) No. 1**

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On October 16, 2009, Terasen Gas Inc. (“Terasen Gas”) filed the Application as referenced above. In accordance with British Columbia Utilities Commission Order No. G-126-09 setting out the Regulatory Timetable for the Application, Terasen Gas respectfully submits the attached response to SEM IR No. 1.

If there are any questions regarding the attached, please contact Scott Webb at 604-592-7871.

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") Customer Choice 2009 Program Summary and Recommendations Application	Submission Date: November 20, 2009
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## 1.0 Exhibit B-1, Appendix A, p. 14, S. 1.7

- 1.1 "TPV calls should not occur with the sales person at the door, because customers may feel coerced or intimidated. Commission staff suggests there is need to separate the sales representative/customer interaction from the contract signing process." Would a TPY call following the sales agent's departure deliver the desired result?

### **Response:**

The need to separate the sales representative/customer interaction from the contract signing process is twofold:

1. Firstly, it ensures that the sales person is not present to coerce the customer into signing the contract.
2. Secondly, it provides the customer with sufficient time to review the Standard Information Booklet, the fine print contained in the Consumer Agreement, the Gas Marketer's terms and conditions, and to compare competitive rates.

It is appropriate for customers to validate the contract through the TPV call only once they have had sufficient time to evaluate the content left by the sales agent. Although waiting for the sales agent to depart before completing the TPV would address the potential for coercion, it does not address the second requirement. Customers need adequate time to review the details of the Consumer Agreement and associated documentation before confirming their selection of a long-term, fixed rate contract.

To give customers sufficient time for second thought, Terasen Gas agrees with Commission staff that TPV calls should take place between 24 and 72 hours after the customer executes the contract.

- 1.2 "The customer must have the full opportunity to review and process the contract before the TPY." Is the current TGI letter and cancellation period sufficient for the customer to review and validate their decision?

### **Response:**

Although the cancellation period provides sufficient time for customers to review and validate their decision, it fails to mitigate the potential for coercion. Gas marketers can currently use a



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variety of sales techniques to impede a customer's intention to cancel a contract during this period. Likewise, there is anecdotal evidence based on customer emails and calls to TGI that it can occasionally be difficult to reach Gas Marketer call centres by phone or email. Terasen Gas believes an improved TPV process overcomes these shortfalls.

To ensure adequate consumer protection, customers need a verifiable process that limits the opportunity for Marketers to unduly manipulate the sales transaction. A TPV that is scripted by the Commission will allow customers to confirm their understanding of the program and their purchase decision through a direct, factual process that is devoid of high pressure sales tactics. Furthermore, because the TPV is recorded it protects the interests of both the customer and marketer should a dispute later arise.

While the cancellation period provides sufficient time for customers to review and validate their decision, the current means by which customers can cancel their contracts if they change their mind remain problematic. Customers should be provided a simple and verifiable method of cancelling their contract after the Marketer sales representative leaves their premise. A revised TPV call provides an alternative and appropriate mechanism for customers to confirm their purchase decision.

- 1.3 "Calls must take place not less than 24 hours, and no more than 72 hours after the customer executes the contract". Is it possible that customer complaints could increase if customers are unable to acquire the contract rate signed for as a result of an inability to confirm the contract within the 72 hours allowed?

**Response:**

Terasen Gas believes that it is very unlikely that customer complaints will increase for this reason. TGI suggests that Gas Marketers concerned about the inability to contact customers within the prescribed 24 to 72 hour period should consider the additional use of in-bound TPV calls. Gas Marketers could provide customers with the phone number to the TPV service during the sales transaction. Customers could then choose to complete the enrolment process at their convenience, or wait for the TPV call. TGI understands that in-bound TPV services include both live-agent and Interactive Voice Response ("IVR") options.

Terasen Gas suggests completion ratios for the proposed 48-hour TPV window should be monitored by Gas Marketers from implementation through to the 2010 Customer Choice Annual General Meeting. Reporting should be made available in advance of the meeting and include:



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- $[\text{Total Inbound} + \text{Total Outbound TPVs}] / [\text{Total Signed Consumer Agreements}]$ 
  - This statistic would provide an indication of the number of contracts lost due to an incomplete TPV call. The lower the percentage, the lower the completion rate.
- $[\text{Outbound TPV Cancellations}] / [\text{Total Outbound Calls}]$ 
  - This would indicate the percentage of outbound TPV calls that result in a cancellation.
- $[\text{Inbound TPV Cancellations}] / [\text{Total Inbound TPVs}]$ 
  - This would indicate the percentage of inbound TPV calls that result in a cancellation.

Should the time limits associated with the TPV process prove problematic, TGI is open to re-evaluate the time period and adjust it accordingly. However, TGI suggests that the 48-hour period represents an appropriate starting point. The proposal tempers the need for consumer protection safeguards with the Gas Marketer's need to validate both the sale, as well as the consumer's understanding of the Agreement.