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June 23, 2010

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

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

Re: Terasen Gas Inc. (“Terasen Gas”)

Application for Approval of a Biomethane Service Offering and Supporting Business Model, for the Approval of the Salmon Arm Biomethane Project and for the Approval the Catalyst Biomethane Project (the “Application”)

Errata to the Application (Exhibit B-1)

On June 8, 2009, Terasen Gas filed the above noted Application. In preparation for the materials being presented at the Workshop scheduled on Thursday, June 24th, a few corrections to the Application have been identified, included in this Errata filing.

In the attached, the following corrections are included:

1. **Application, Section 7, Page 65 and 66:** Figure 7-1 in the source excel file an embedded link was not operational which yielded the incorrect amounts. Figure 7-1 has been updated in the attached revised page and corrections to referenced amounts in the body of the text on pages 65 and 66 have been updated to reflect the revised Figure 7-1.
2. **Application, Appendix D-3, TNS Biogas Market Summary:** Replacement of the entire Appendix D-3 to correct tables and charts that did not reproduce correctly and were truncated during the conversion to Portable Document Format (“PDF”).
3. **Application, Appendix F-3, Rate Schedule 1B, Page R-1B.2:** Line 9, Cost of Biomethane, the amounts listed for the service areas was incorrectly stated as \$9.224 and should have been \$9.904. Elsewhere in the Application, the correct rate had been referenced. The attached page has been corrected.
4. **Application, Appendix F-6, Rate Schedule 11B, Page R-11B.15:** Table of Charges, the column for the Columbia Service Area was inadvertently omitted. The attached page has been corrected.

Hardcopy Replacement and Insertion Pages:

Application Reference	Description	Insertion Instructions, Binder Volume 1
Application, Section 7, Pages 65 and 66	Figure 7-1 revised and corresponding text references updated.	Pages 65 and 66, remove and replace with the revised pages dated June 23, 2010.
Application, Appendix D-3	TNS Biogas Market Summary Report reproduced as tables and charts were not displaying correctly.	Appendix D, Tab 3, remove and replace entire contents.
Application, Appendix F-3	Rate Schedule 1B, Page R-1B.2, correction to Line 9 Cost of Biomethane amounts.	Appendix F, Tab 3, remove and replace Page R-1B.2 with revised page dated June 23, 2010. Page R-1B.3 is reproduced without changes for ease of insertion of double-sided printing.
Application, Appendix F-6	Rate Schedule 11B, Page R-11B.15, correction to Table of Charges.	Appendix F, Tab 6, remove and replace Page R-11B.15 with revised page dated June 23, 2010. Page SA-11B.1 is reproduced without changes for ease of insertion of double-sided printing.

Registered Parties who requested hardcopies of the Application will automatically receive hardcopies of this Errata filing.

If you have any questions or require further information related to this Application, please do not hesitate to contact the undersigned.

Yours very truly,

TERASEN GAS INC.

Original signed:

Tom A. Loski

Attachments

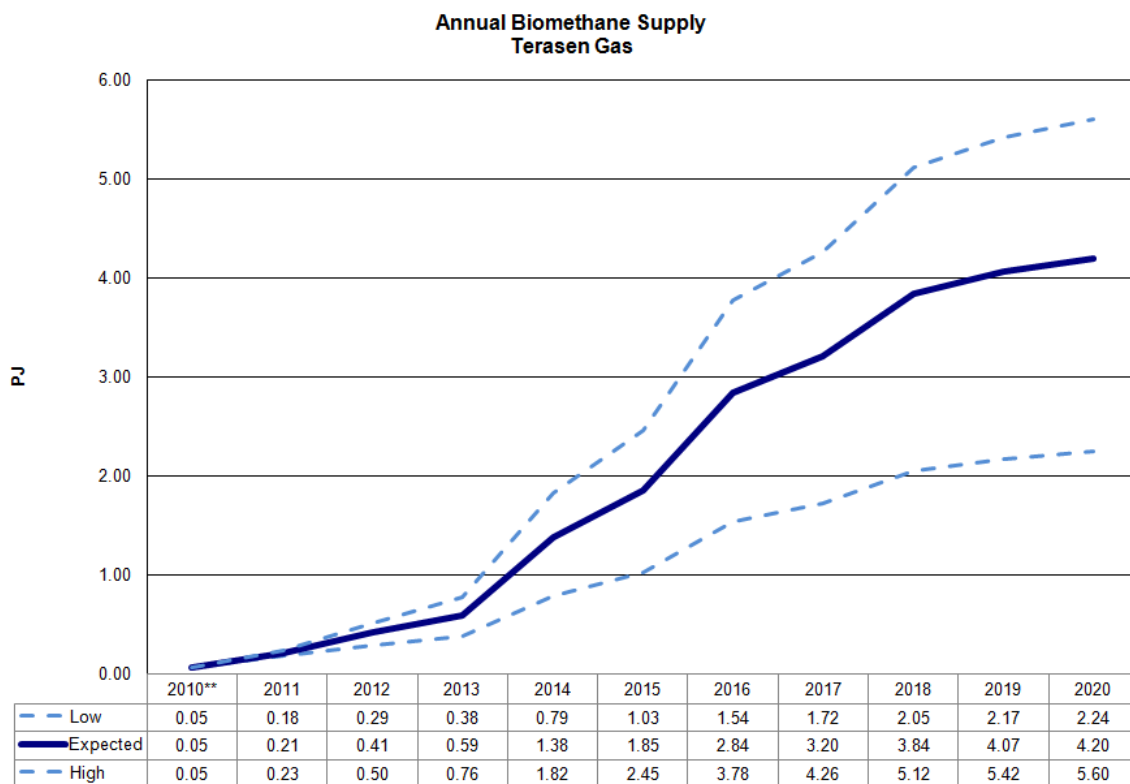
cc (email only): Registered Participants in the TGI 2010-2011 RRA Proceeding
Registered Participants to the Biomethane Application

More specifically, for the first four years of the estimate, a known energy potential from known supply partners as of the date of this filing was used. Each project was assigned a likelihood of success for low, expected and high (in percent) and multiplied by the energy available. The possible timing of the project was then factored in to forecast an aggregate supply.

7.3.2 RESULTS OF PRELIMINARY SUPPLY ANALYSIS

The ten-year and four-year forecasts were then combined to give an aggregate estimated Biomethane supply until the year 2020. The resulting total supply curves are a combination of the foregoing factors. They are shown below in Figure 7-1.

Revised Figure 7-1: Terasen Gas Forecast for Annual Biomethane Supply



Applying this analysis, the estimated annual Biomethane supply volumes by 2020 are 2.24 PJ on the low end, 4.2 PJ expected and 5.6 PJ on the high end. The forecast until the end of 2013 is between 0.38 PJ and 0.76 PJ annually.

The data used to produce the ten year estimate is new and the supply forecast methodology is still in development. The size of projects, the success rates, the total amount of bioenergy available and the sources of the energy are not well-established. Terasen Gas believes that the

estimate for the first four years is more accurate than the longer term forecast because it is based on existing discussions and project locations, but it is still subject to some uncertainty.

Once the first two projects proposed in this Application are in service, Terasen Gas will have reference cases that can be used to better estimate actual versus projected supply. Reference cases will also help to establish confidence that projects can be successfully completed. The estimate assumes that the first two projects are completed on time and operate within expected bounds of supply volumes and costs. The current estimates also assume that the current governmental policies and partner support for Biogas development remain the same for the next ten years. Terasen Gas will re-evaluate the supply forecast on an annual basis to take into account changes in the inputs (such as actual vs. projected supply volumes) and government policy.

7.4 Conclusion

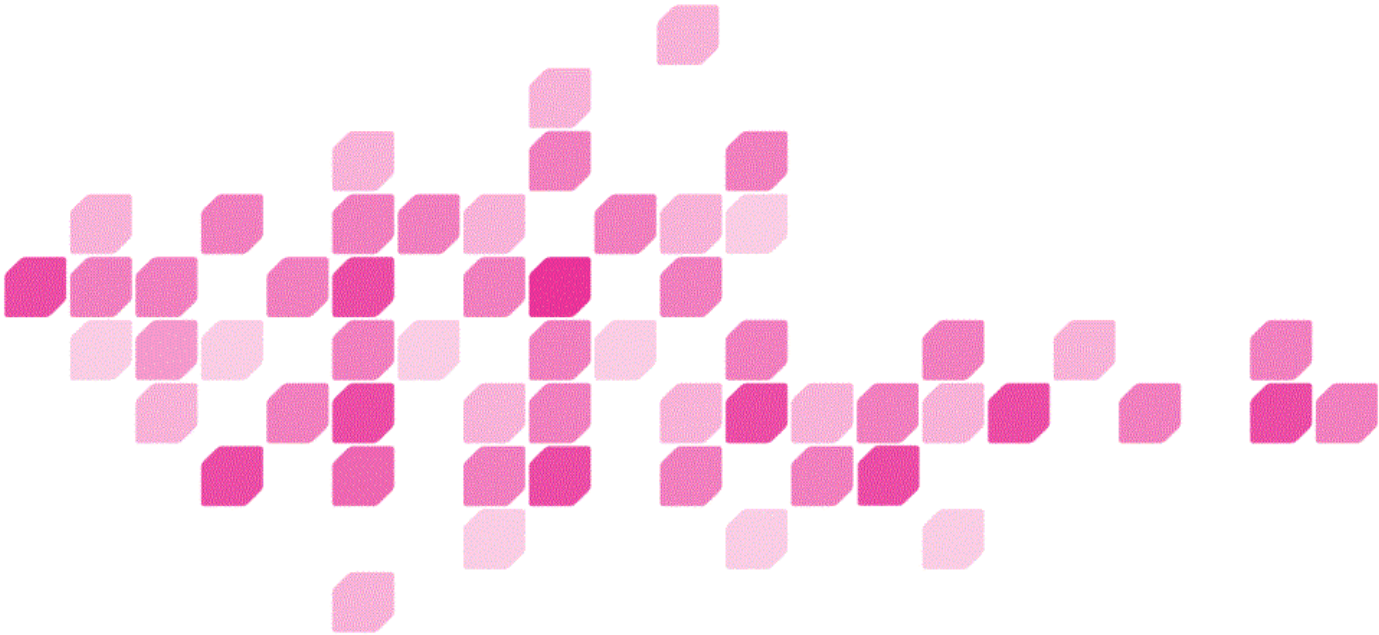
Terasen Gas believes that there is sufficient raw Biogas supply to develop the Biomethane required for the planned customer offering in the near term. This is based on the strong interest from various potential partners to work with Terasen Gas to develop Biomethane projects within the Terasen Gas service territory. The long-term forecast (to the year 2020) shows that the expected Biomethane supply is in the range of 2.24 to 5.60 PJ which should be a significant portion of the total supply portfolio in the future. At this point in time, the long-term forecast is preliminary but it will be developed further as operating data experience is gained from the first supply projects. Terasen Gas can pursue additional supply in tandem with growth in demand for Biomethane.

Biogas Market Study

General Summary

Date: April 2010

Presented to • Présenté à
Terasen Gas



Contents

At TNS, we know that being successful in today’s dynamic global environment requires more understanding, clearer direction and greater certainty than ever before. While accurate information is the foundation of our business, we focus our expertise, services and resources to give you greater insight into your customers’ behavior and needs.

Our integrated, consultative approach reveals answers beyond the obvious, so you understand what is happening today – and what will happen tomorrow. That is what sets TNS apart.

Thank you for allowing us to explore your business needs. We hope you will continue to trust TNS to provide the insight you need to sharpen your competitive edge.

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1.0 Foreword

1.1 Background

There are two major shifts impacting the energy sector: (1) the marketplace is becoming more diverse and competitive, and (2) environmental issues appear to be increasingly relevant to energy consumers. Being faced with these challenges, Terasen Gas (Terasen) has been repositioning itself as an integrated energy provider that can be both competitive and environmentally friendly (i.e., by minimizing the environmental impact of its activities).

As part of this new positioning, Terasen is exploring renewable energy initiatives that offer customers green energy choices based on biomethane fuels (biogas).

1.1.1 Study Objectives

TNS was commissioned to help Terasen better understand the potential residential and commercial markets for biogas, its market drivers, and sensitivities to different price points for a biogas program. Specifically, the research objectives for both the residential and commercial markets were to measure:

1. Market interest, the potential target market and market size for a renewable energy program (biogas);
2. Market interest and the potential target market for a carbon offset program;
3. Market drivers;
4. Price points and factors affecting price points; and,
5. Customer perceptions of different product offerings.

1.2 Methodological Overview

Data was gathered from both BC households and businesses using an online methodology. An online methodology was used to facilitate a discrete choice analysis – which cannot be done on the telephone or through a mail survey. A discrete choice exercise prompts respondents to choose between a series of program alternatives that trade-off different features. From their choices, it is possible to indirectly measure which elements weigh more heavily in respondents' energy decisions.

1.2.1 Residential Study

An online survey with 1,401 respondents was conducted between November 23 and December 4, 2009 among BC residents (18 years of age or older) using TNS Canadian Facts' online panel. TNS online panels are comprised of households who volunteer to complete surveys from time to time.

A quota sample was used to ensure feedback from three distinct types of residential households:

- Terasen Gas customers (those who receive a gas bill directly from Terasen);
- Indirect customers (gas users who are not billed directly i.e., gas costs are included in strata fees or rent); and,
- Non gas users (those who do not use gas).

Non gas users were included in this study to get a full picture of the BC residential energy market.

The reader is also urged to bear in mind that the sampling unit for this study is the household. All projections are made on the basis of residential Terasen customer households, and not individuals.

1.2.2 Commercial Study

A business sample of over 26,000 customers was provided directly by Terasen Gas to TNS for the commercial study as TNS does not currently have a commercial online panel. Commercial customers were contacted initially by telephone and those which choose to participate were then emailed a link to the online survey.

A total of 500 online surveys were completed by business customers of Terasen between December 14, 2009 and January 22, 2010. A very similar questionnaire was used for both residential and business respondents to allow for comparison between the two groups.

The table below summarizes the final interview counts for both residential and business studies.

Sample Composition

	Actual Interviews	Proportion of Total
	#	%
Residential Study		
Terasen Gas customers (receive gas bill directly from Terasen)	799	57%
Indirect customers (pay gas bill indirectly through rent or strata fees)	200	14%
Non-customers (does not use gas at home)	352	25%
Residents who don't know their energy source	50	4%
Total Residential Interviews	1,401	100%
Business Study		
Total number of interviews	500	100%

2.0 Executive Summary

Both the residential and commercial customer studies produced results that lead to several similar recommendations for Terasen. This is not all that surprising since commercial organizations are managed by individuals (or residents), whose philosophies, attitudes and personal experiences become part of an organization's corporate culture.

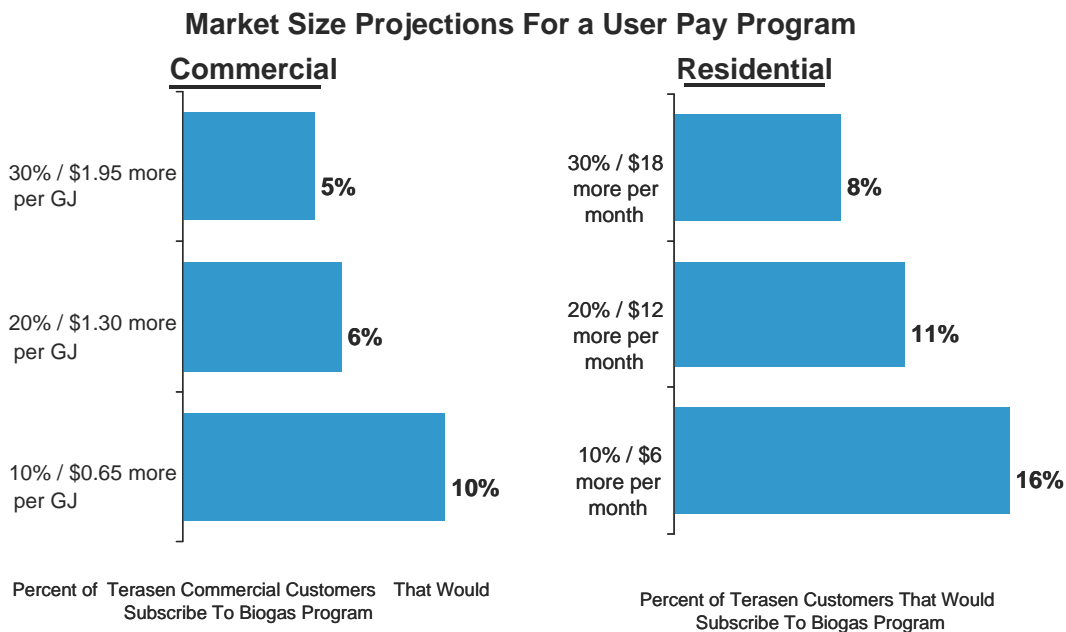
In this study, two different types of initiatives were presented to respondents: a biogas program and a carbon offset program. Both stakeholder groups confirmed, at different points in the study that they are more likely to sign up for a biogas program than a carbon offset program. If Terasen were to bring only one of these options to market, we would recommend a biogas program since it would yield a larger market share.

Specifically, if all factors today remained constant (e.g., energy prices remain unchanged), 56% of Terasen's residential customers and 47% of commercial customers would commit to a biogas program on the benefits of the fuel alone. However, this potential market declines if the cost of the program impacts their gas bill. Price is one of the main barriers to a biogas program for many residents and businesses – it prevents many residents and commercial customers from committing to the program. The survey explored pricing levels for a universal price increase as well as a program customers can sign up for at a premium. There was strong support for moderate price increases between 0.5% - 3% for a biogas program where costs were borne by all customers. For a user-pay program, 16% of residential customers and 10% of commercial customers indicated they would enrol in a biogas program at a 10% increase to their current commodity price. Market share projections at various pricing levels for a user-pay biogas program are detailed later in this summary.

Finally, residential customers are more enthusiastic about committing to a biogas program than commercial customers. There appears to be greater hesitation on the part of commercial customers. This fact, coupled with the larger residential market, makes residential households a potentially more lucrative segment to target (than commercial customers).

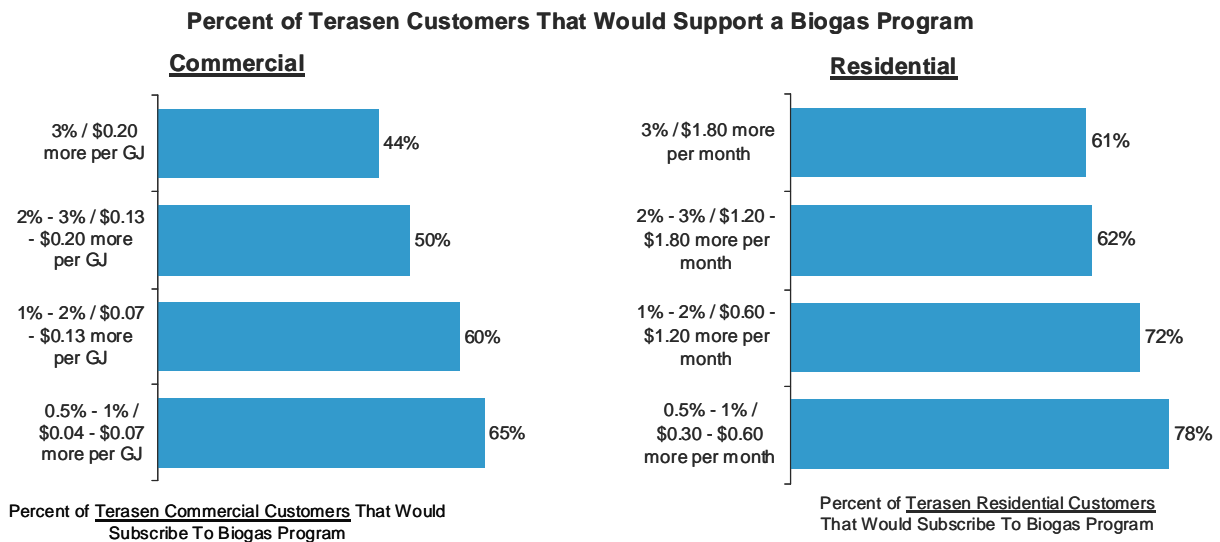
2.1 Market Projections

Using projections obtained through both the survey data and Terasen's customer data, it is possible to get an idea of what proportion of commercial customers and residential households might potentially subscribe to a biogas program at different price points. The chart below summarizes the results obtained from residential and commercial customers. It shows initial enrolment rates and drop-off levels at key price points for incremental price increases to the commodity rate for a user pay program as well as support for universal price increase levels for a biogas program where costs are borne by all customers.



Above figures are based on share of preference (DCM analysis) with corresponding GHG reduction levels associated with each price point.

Universal Price Increase Support



Above figures are based on a direct line of questioning.

2.2 Pricing

The decision on the optimal price point to introduce a biogas program will depend on Terasen's goals. If it is...

- To maximize household and business involvement, introduce universal price increases borne by all customers;
- To maximize household and customer involvement with premium pricing, increase current prices by 10%;
- To balance Greenhouse Gas (GHG) reductions with premium pricing; increase current prices by 20%; and,
- To offer higher GHG reductions, higher price increases of 30% (or more) will be required.

2.3 Communications Campaign

Enrolment rates for a biogas program will also depend on the strengths of Terasen's communications and marketing. As illustrated in the trade-off analysis, any marketing campaign must demonstrate the environmental benefits of biogas and how it reduces greenhouse gas emissions. The level of greenhouse gas reductions associated with a program has a strong influence on which programs customers will support. This is particularly true for customers that indicate they wish to see a higher GHG reduction for programs with a higher premium.

With respect to the potential target segments for a biogas program, we recommend designing a communications strategy aimed at residential households first. On the residential side Terasen should target:

- Customers who have "green" tendencies;
- Higher educated and higher income households (they tend to be less price sensitive);
- Females (they tend to be more green); and,
- Those who have participated in past energy savings programs.

For commercial customers, a more universal communications strategy should be applied, which demonstrate environmental value for the price paid. Businesses want to see how much of their carbon footprint is being reduced, for each extra dollar that they spend. In this regard, Terasen might consider updating its current billing template to incorporate this additional information.

For Detailed Results – See General Summary

3.0 General Summary

3.1 Residential Findings

As noted previously, Terasen sought input on environmentally-friendly energy initiatives, namely a biogas program and a carbon offset program, from BC residents and commercial customers. This section summarizes results obtained from BC residents (n=1,401). The results gathered among commercial customers are summarized in the next section.

3.1.1 Opinions On Biogas

Approximately two-thirds of residents will support Terasen if the organization opts to invest in biogas projects and an equal number feel Terasen should offer a biogas program for customers. While roughly two-thirds of residents endorse a Terasen biogas program, 56% would sign up for a biogas program. Motivations for enrolment vary, with top reasons among potential enrollees being: providing for future generations; preserving nature, and doing the right thing.

Should Terasen Be Investing In Biogas

	Total
Base: Total respondents	(1,401)
Yes (8-10)	67%
Maybe (4-7)	27%
No (1-3)	2%
Decline	4%

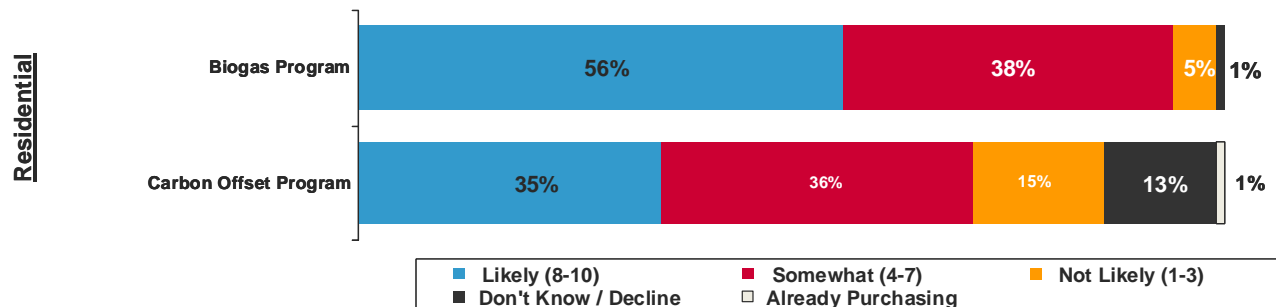
Should Terasen Offer A Biogas Program

	Total
Base: Total respondents	(1,401)
Yes (8-10)	65%
Maybe (4-7)	30%
No (1-3)	1%
Decline	4%

3.1.2. Opinions On Carbon Offsets

Residents were also asked about their support for carbon offsetting programs. While approximately half of residents are aware of carbon offsets, just three-in-ten (31%) indicated likelihood of purchasing them to offset their personal natural gas use. When asked to choose which program they would prefer to see Terasen introduce, residents chose a biogas program over carbon offsets by a three-to-one margin.

Likelihood To Sign Up For Terasen Offered Programs:

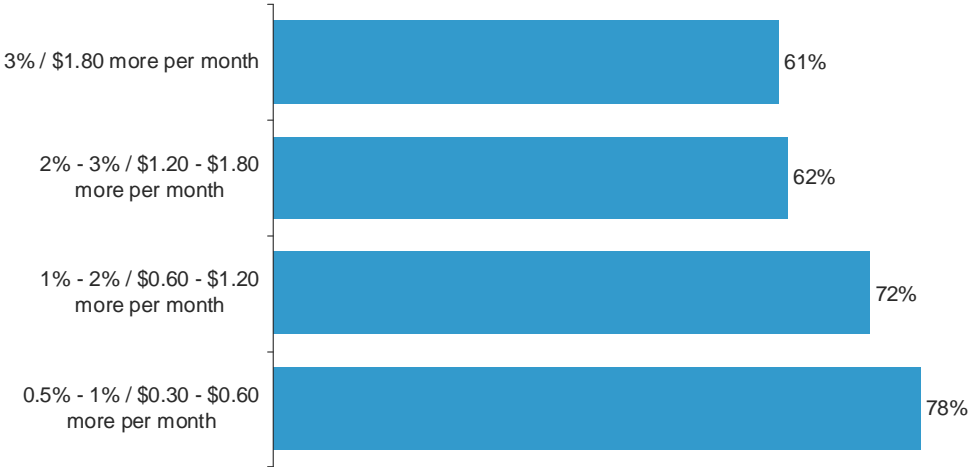


3.1.3 Price For Biogas

Residents who expressed an interest in signing up for a biogas program were asked directly whether they would prefer to have a Terasen biogas program funded through a universal price increase (borne by all consumers) or through price premiums for only those who enroll in the program. There was a stronger preference voiced for a universal price increase (47%), compared to a biogas program people can sign up for at a premium (26%), but a considerable number of respondents indicated they did not know which one they would prefer (27%).

As consumers will see the impact of a biogas program on their gas bill, it was also important to explore what size of increase residents might be comfortable with. All respondents were asked universal price increase questions directly in order to explore what level of price increase they would support (up to 3%). This information was supplemented with indirect questions through the discrete choice exercise to explore higher pricing increases (10% to 30% commodity price increase for a program customers can sign up for at a premium).

As expected, support for the biogas program decreases as the potential impact on the consumers' gas bill rises. Seventy-eight percent of residential customers indicated they would support a universal price increase of 0.5% to 1%. However, slightly fewer (62%) would still support a universal price increase of up to 3%, revealing there is a substantial proportion of the market willing to financially support biogas initiatives.



Percent of Terasen Residential Customers Who Would Support Program at Specified Price Point

3.1.4 Preferred Program Options

The Discrete Choice Model (DCM)¹ included in the survey also indirectly measures which features weighed more heavily in residential energy choices. The discrete choice exercise explored the relationship between the price of renewable energy options (measuring steeper price increases of 10%-30%) and greenhouse gas reductions. These results confirm that price is an important consideration, but can be counteracted by the prospect of disproportionately higher greenhouse gas reductions (e.g., 20% price increase yielding a 30% GHG reduction is as popular as an option that sees a 10% cost increase and a 10% reduction).

In the following simulation, we compare three different biogas programs that respondents can choose from (a program with a 10% GHG reduction and 10% price premium; a program with a 20% GHG reduction and a 20% price increase; or a program with a 30% GHG reduction and 30% price increase). The program with a 10% GHG reduction and 10% price increase is preferred by 46% of residential customers who said they would sign up for a biogas program. The two choices with the higher price increases were preferred by a smaller proportion of residential customers.

¹ A Discrete Choice Model (DCM) asks respondents to choose between a series of program alternatives that trade-off on different features. From their choices, a DCM model is able to indirectly measure which elements weighed more heavily on a respondent's selections. In this study, a model was built on three dimensions – (1) type of energy initiative, (2) percent reduction in GHG levels, and (3) effect on monthly gas bill. Thirty-six possible pairings of choice sets were built into the questionnaire, based on different permutations of the three dimensions. Each respondent was presented with a random set of 16 pairings and asked to select the scenario they preferred in each pairing.

Choice #1

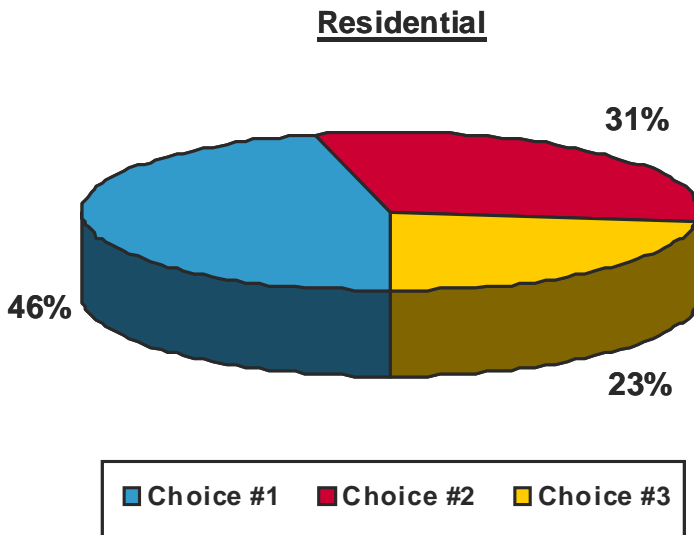
Renewable energy program
10% price increase
10% GHG reductions

Choice #2

Renewable energy program
20% price increase
20% GHG reductions

Choice #3

Renewable energy program
30% price increase
30% GHG reductions



Base: The 56% of Terasen customers who are likely to sign up for a biogas program (n=445)

3.1.5 Estimating Market Potential

Using the survey data, it was possible to generate rough estimates of potential market share for a biogas program. The projected market estimates were calculated based solely on what respondents told us. Knowing this, we would caution that these figures should be considered best case estimates. The reason for caution is two-fold:

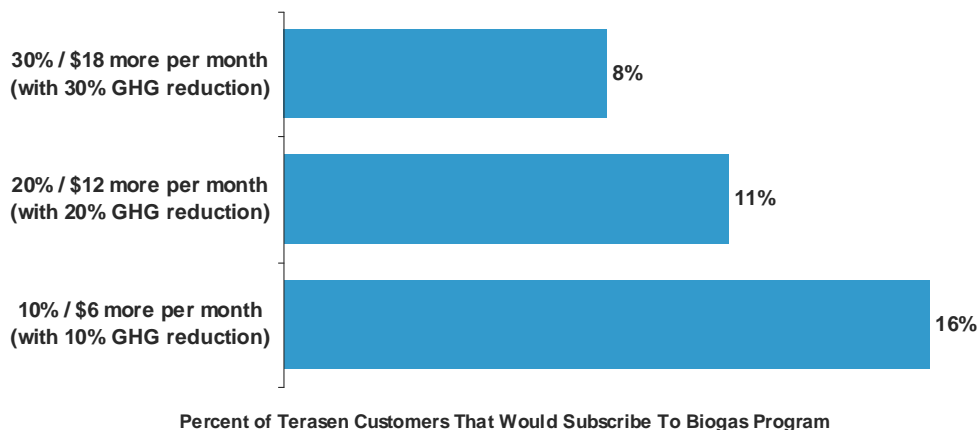
- People do not always do what they say – we often fall short of our intended goals; and,
- Respondents sometimes have the tendency to provide answers in a manner consistent with how they perceive we want them to answer – in this case, to sign up for a biogas program because it has positive impacts on our environment.

The market projections in this section of the report are based on Terasen customers who receive a gas bill directly from Terasen as these customers are accessible to Terasen and have the greatest control over whether or not their households would sign up for such program. We excluded all other residents from this analysis.

The reader is also urged to bear in mind that the sampling unit for this study is the household. All projections are made on the basis of residential Terasen customer households, and not individuals.

The chart on the following page uses the market projections to get an estimate of what proportion of residential households might potentially subscribe to a biogas program province-wide at different price points. Among Terasen residential customers, 56% indicated a willingness to sign up for a biogas program if there are no cost implications. As soon as the biogas initiative has cost implications on the residential gas bill, enrollment levels begin to drop off. It is estimated that 16% of those interested in

signing up for a biogas program would support a user pay premium of 10% or \$6 per month – if it results in a 10% reduction in GHG levels.



3.1.6 Profile Of Potential Biogas Market

Generally speaking, the demographic profile of residents voicing support for biogas initiatives does not differ greatly from that of residents who are not supportive. However, education and income appear to be two factors that differ between supporters from detractors. This information may help Terasen direct marketing efforts towards receptive customers.

3.2 Commercial Findings

The following section highlights results gathered among Terasen’s commercial customer base (n=500).

3.2.1 Opinions On Biogas

Similar to support levels found among BC residents, 67% of commercial customers will support Terasen if the organization opts to invest in biogas projects. Support for Terasen offering a biogas program is higher among commercial customers than among residents (71% support the initiative compared to 65% of residents). Similar to the pattern seen among residents, support for a biogas program is strong, but a smaller proportion (47%) indicates they would actually enroll in it. Motivations for enrolment among commercial customers vary, with primary reasons being: doing the right thing; providing for future generations, and preserving nature.

Should Terasen Be Investing In Biogas

	Total
Base: Total respondents	(500)
Yes (8-10)	67%
Maybe (4-7)	23%
No (1-3)	3%
Decline	7%

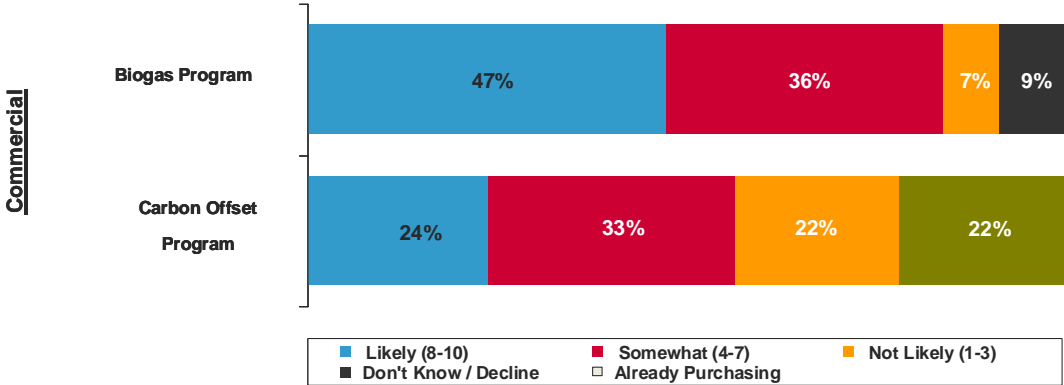
Should Terasen Offer A Biogas Program

	Total
Base: Total respondents	(500)
Yes (8-10)	71%
Maybe (4-7)	22%
No (1-3)	2%
Decline	5%

3.2.2 Opinions On Carbon Offsets

Commercial customers are more aware of about carbon offsets than residents (66% awareness versus 50% among residents). Despite higher awareness levels, just 24% indicated likelihood of purchasing them to offset their business' natural gas use. When asked which program they would prefer to see Terasen introduce, commercial customers chose a biogas program over carbon offsets by a three-to-one margin, mirroring the residential findings.

Likelihood To Sign Up For Terasen Offered Programs:

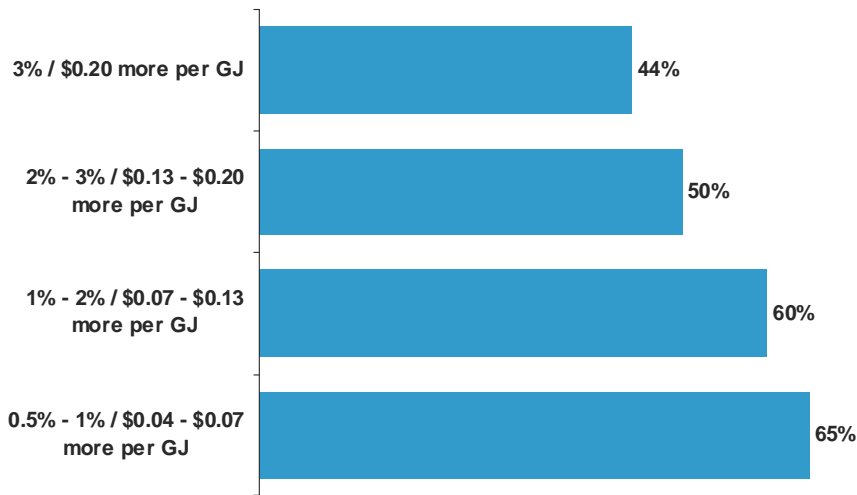


3.2.3 Price For Biogas

As with residents, commercial customers interested in a biogas program were asked directly whether they would prefer to have a Terasen biogas program funded through a universal price increase (borne by all consumers) or through price premiums only for those who enroll in the program. Unlike residents who were unable to provide a conclusive assessment of funding options, commercial customers came out strongly in support of a universal price increase (supported by 60% of commercial respondents). Nineteen percent supported a premium price increase and 21% said they did not know.

It was also important to explore what size of increase commercial customers would be comfortable with for a universal price increase versus a voluntary program. As with the residential surveys, this information was gathered through a *direct* question about support at different price points (up to a 3% commodity price increase for a universal price increase) and *indirectly* through the discrete choice exercise (for 10% to 30% commodity price increase for a program customers can sign up for).

Overall, commercial customers are much more apprehensive than residential customers when it comes to supporting a biogas program when there are cost implications. Half of commercial customers would support this concept if it meant their gas bill would increase by up to 3%.



Percent of Terasen Commercial Customers Who Would Support Program at specified price point

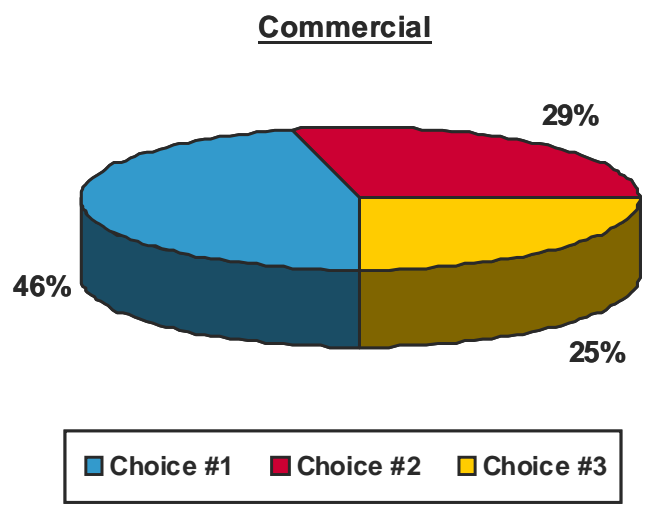
3.2.4 Preferred Program Options

The Discrete Choice Model (DCM) included in the survey also indirectly measured which features weighed more heavily in commercial customers' energy choices. The discrete choice exercise explored the relationship between the price of renewable energy options and greenhouse gas reductions. Consistent with the residential findings, these results confirm that price is an important consideration, but can be counteracted by greenhouse gas reductions proportionally larger than price increases (e.g., 20% price increase yielding a 30% GHG reduction is as popular as an option that sees a 10% cost increase and a 10% reduction). Indeed, results show commercial customers are particularly concerned about reducing GHG levels. However, like with residential customers, commercial customers also prefer the option of a 10% GHG reduction and a 10% price increase, among the three options presented in the DCM simulation on the following page.

Choice #1
 Renewable energy program
 10% price increase
 10% GHG reductions

Choice #2
 Renewable energy program
 20% price increase
 20% GHG reductions

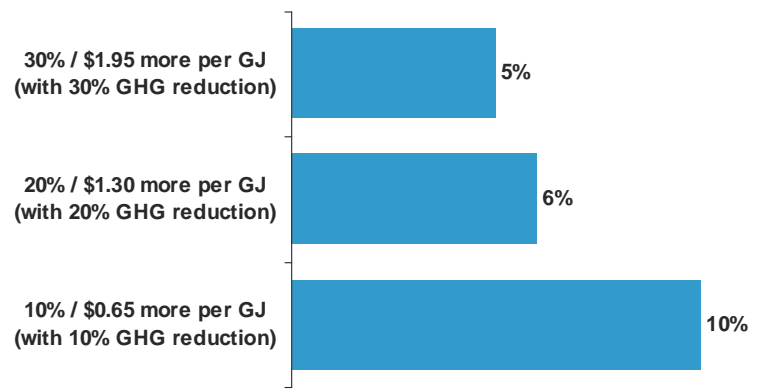
Choice #3
 Renewable energy program
 30% price increase
 30% GHG reductions



Base: The 47% of Terasen commercial customers Who Are Likely To Sign Up For A Biogas Program (n=237)

3.2.5 Estimating Market Potential

The chart below uses market projections to develop an estimate of what proportion of businesses might potentially subscribe to a biogas program across the province. As noted earlier, 47% of commercial customers indicate willingness to sign up for a biogas program if there are no cost implications. As soon as the biogas initiative has cost implications on the gas bill, enrollment levels begin to drop off. It is estimated that 10% of those interested in signing up for a biogas program would support a user pay premium of 10% or \$0.65 more per GJ – if it results in a 10% reduction in GHG levels.



Percent of Terasen Commercial Customers That Would Subscribe To Biogas Program

3.2.6 Profile Of Potential Biogas Market

The commercial customers most likely to enroll in the biogas program include those who have participated in past energy saving programs, single location organizations (as opposed to those with multiple locations), and those who express concern for the environment.

Technical Appendix

Overview

A total of 1,401 online interviews were conducted between November 23 and December 4, 2009 with a sample of British Columbia residents. In addition to these residential interviews, 500 interviews were conducted with commercial customers of Terasen from December 14, 2009 to January 22, 2010. Results obtained from this survey provide valuable insights into understanding perceptions of Terasen and feature preferences for a renewable biogas program.

Sample Frame And Design

The samples used in this survey were drawn from two different sources. TNS' Canadian online adult panel was used to intercept BC residents. All BC communities were sampled. A quota cell design was used for this survey to ensure that a specific sampling level was achieved with respect to Terasen's own customers and non-customers. The number of completed interviews for each quota group are outlined below.

Sample Composition

	Actual Interviews	Proportion of Total
	#	%
Residential Study		
Terasen Gas customers (receive gas bill directly from Terasen)	799	57%
Indirect customers (pay gas bill indirectly through rent or strata fees)	200	14%
Non-customers (does not use gas at home)	352	25%
Residents who don't know their energy source	50	4%
Total Residential Interviews	1,401	100%
Business Study		
Total number of interviews	500	100%

Respondent Selection And Qualification

Respondents were selected differently for the two studies. On the residential side, respondents were randomly selected from TNS' online panel. This includes both gas users and non-users. On the commercial survey, respondents were restricted to Terasen customers and drawn randomly from Terasen's database. On both studies, respondents who work for a utility, gas marketer, the media, a research or advertising firm, were screened out of the study.

Questionnaire Development

The residential questionnaire was developed by TNS Canadian Facts in consultation with Terasen Gas. Prior to the start of interviewing, a pretest was conducted over the first weekend of field to ensure the workability of the questionnaire and to finalize question sequencing.

The commercial questionnaire is almost identical to the residential questionnaire with slight modifications.

Data Collection

Residential respondents were recruited from TNS' online panels and directed to the survey site to complete the survey.

Commercial respondents were recruited from Terasen's customer database. These respondents were first approached by phone. Once their participation was secured, they were asked for their email addresses, so that the survey link could be sent to them. The survey had to be conducted online because the DCM analysis contained in this research project requires an online interface with respondents.

Survey Margin Of Error

Please note that margins of error apply to randomly selected samples. Residential panel samples are self selected and therefore the following margin of error figures are presented as a guide for readers. The overall sampling error for 1,401 total residential interviews at the 95% confidence level is approximately $\pm 2.6\%$. For example, if 50% of all residents surveyed stated that they have heard of carbon offsets, then we can be sure, nine times out of ten, that if the entire population had been interviewed, the proportion would lie between 47.8% and 52.2%.

When a segment of the entire data is analyzed, the sampling error increases. For example, the overall sampling error for data based on 200 interviews at the 95% confidence level is approximately $\pm 7.0\%$. In this case, using the scenario where respondents surveyed state that they would purchase a carbon offset, then we can be sure, nine times out of ten, that this proportion would lie between 43.0% and 57.0%.

The commercial survey results are subject to margins of error. At the 95% confidence level, the margin of error for the 500 commercial customers' interviews is $\pm 4.4\%$.

A copy of the invitation and questionnaire used in this survey are appended to this report.

Table of Charges

	<u>Lower Mainland Service Area</u>	<u>Inland Service Area</u>	<u>Columbia Service Area</u>
Delivery Margin Related Charges			
1. Basic Charge per Month	\$ 11.84	\$ 11.84	\$ 11.84
2. Delivery Charge per Gigajoule	\$ 3.179	\$ 3.179	\$ 3.179
3. Rider 2 per Gigajoule	\$ 0.059	\$ 0.059	\$ 0.059
4. Rider 3 per Gigajoule	\$ (0.040)	\$ (0.040)	\$ (0.040)
5. Rider 5 per Gigajoule	\$ (0.053)	\$ (0.053)	\$ (0.053)
 Subtotal of per Gigajoule Delivery Margin Related Charges	 \$ 3.145	 \$ 3.145	 \$ 3.145
Commodity Related Charges			
6. Midstream Cost Recovery Charge per Gigajoule	\$ 1.642	\$ 1.621	\$ 1.681
7. Rider 8 per Gigajoule	\$ 0.083	\$ 0.083	\$ 0.083
 Subtotal of per Gigajoule Midstream Cost Recovery Related Charges	 \$ 1.725	 \$ 1.704	 \$ 1.764
8. Cost of Gas (Commodity Cost Recovery Charge) per Gigajoule	\$ X.XXX	\$ X.XXX	\$ X.XXX
9. Cost of Biomethane ¹ (Biomethane Energy Recovery Charge) per Gigajoule	\$ 9.904	\$ 9.904	\$ 9.904
 Subtotal of per Gigajoule Commodity Cost Recovery Related Charges ²	 \$ X.XXX	 \$ X.XXX	 \$ X.XXX

Order No.:

Issued By: Tom Loski, Chief Regulatory Officer

Effective Date:

BCUC Secretary: _____

18. Title to Gas

- 18.1 **Representation and Warranty** - Terasen Gas represents and warrants the title to all Biomethane delivered to the Customer at the Point of Sale under this Rate Schedule and the right of Terasen Gas to sell such Biomethane, and represents and warrants that such Biomethane will be free and clear of all liens, encumbrances and claims.
- 18.2 **Transfer of Title** - Title to Biomethane sold under this Rate Schedule will pass to the Customer at the Point of Sale.

Table of Charges

	<u>Lower Mainland Service Area</u>	<u>Inland Service Area</u>	<u>Columbia Service Area</u>
Cost of Biomethane¹ (Biomethane Energy Recovery Charge) per Gigajoule	\$ X.XXX	\$ X.XXX	\$ X.XXX

Franchise Fee Charge of 3.09% of the aggregate of the above charges, is payable (in addition to the above charges) if the location of the facilities to which the Biomethane sold under this Rate Schedule is delivered is within the municipal boundaries of a municipality or First Nations lands (formerly, reserves within the *Indian Act*) to which Terasen Gas pays Franchise Fees.

Notes:

- Biomethane is acquired from a variety of sources and the Cost of Biomethane includes costs of acquiring Biomethane, including commodity, production, infrastructure, equipment and operating costs required to delivery system quality methane gas.

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