



Diane Roy
Director, Regulatory Affairs

16705 Fraser Highway
Surrey, B.C. V4N 0E8
Tel: (604) 576-7349
Cell: (604) 908-2790
Fax: (604) 576-7074
Email: diane.roy@terasengas.com
www.terasengas.com

January 21, 2011

Regulatory Affairs Correspondence
Email: regulatory.affairs@terasengas.com

Just Energy (B.C.) Limited Partnership
6345 Dixie Road, Suite 200
Mississauga, Ontario
L5T 2E6

Attention: Ms. Nola Ruzycki, Director

Dear Ms. Ruzycki:

**Re: Terasen Gas Inc. (“Terasen Gas”)
Customer Choice Program – 2010 Program Summary and Recommendations**

**Response to Just Energy (B.C.) Limited Partnership (“Just Energy”)
Information Request (“IR”) No. 1**

On November 23, 2010, Terasen Gas filed the Application as referenced above. In accordance with Commission Order No. G-191-10 setting out the Regulatory Timetable for review of the Application, Terasen Gas respectfully submits the attached response to Just Energy IR No. 1.

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

Yours very truly,

TERASEN GAS INC.

Original signed:

Diane Roy

Attachment

cc (e-mail only): Erica Hamilton, Commission Secretary
Registered Parties



Terasen Gas Inc. ("TGI", "Terasen Gas" or the "Company") Customer Choice Program – 2010 Program Summary and Recommendations	Submission Date: January 21, 2011
Response to Just Energy (B.C.) Limited Partnership ("Just Energy") Information Request ("IR") No. 1	Page 1

1.0 Reference: Appendix A: Issue. 2.1.1 Consolidated Business Rules –Commercial Customers-TPV

1.1 Terasen recommends that an abbreviated TPV call be required for Commercial Customers, Rate Schedule 3, that it could be conducted at time of sale, and that the primary information to be gathered is the individuals job title, and that the individual may authorize the contract.

If accepted does Terasen believe that there is a requirement for a commercial TPV call to be standardized for all market participants?

Please explain the reason for your response.

Response:

Yes, Terasen Gas believes that an abbreviated standardized TPV script is appropriate for commercial customers. The proposed TPV does not need to be as rigorous as it is for residential customers. The call should apply to both the Rate Schedule 2 and Rate Schedule 3 customers. Consistent with past practice, TGI recommends that Commission staff write the standardized script and collect input from interested parties prior to finalization. This will ensure all commercial customers are asked the same questions and appropriately validated.

1.2 Terasen states in its Customer Choice 2010 Program Summary and Recommendation submission on page 4, Appendix A that the following items should be included in the abbreviated TPV call: a verification of customer name and title, confirmation that the customer is the account holder or authorized agent, confirmation that the customer may not save money, confirmation that the customer has knowledge of the contract anniversary date and confirmation that the customer understands there will be costs, notice requirement after the 10 day cancellation period and that the contract can only be cancelled on the anniversary date.

Does Terasen agree that commercial customers can waive their right to the 10 day cancellation period? And in those cases the customer would no longer have the right to cancel after 10 days, and therefore, this would not be a requirement in the TPV script?

Response:

Yes, Terasen Gas agrees that commercial customers can waive their right to the 10-day cancellation period if existing Code of Conduct language is adhered to, which states:



Terasen Gas Inc. ("TGI", "Terasen Gas" or the "Company") Customer Choice Program – 2010 Program Summary and Recommendations	Submission Date: January 21, 2011
Response to Just Energy (B.C.) Limited Partnership ("Just Energy") Information Request ("IR") No. 1	Page 2

For Commercial Consumers, a 10 day Cancellation Period will not apply in the case of a single Commercial Consumer whose aggregate annual volume exceeds 2,000 gigajoules per year at one or more premises and who has provided written consent to the gas marketer to waive the 10 day Cancellation Period.¹

Other commercial customers, and those that fulfill the requirements noted above but choose not to sign a waiver, will be afforded the 10-day Cancellation period subsequent to the confirmation letter mailing. TGI recommends that the TPV script should verify the customer understands they have (i) either signed a waiver to the Cancellation Period, or (ii) that they will receive a confirmation letter from TGI and that they have 10 days from signing to contact the Gas Marketer to cancel the contract.

Terasen Gas believes that the TPV process for Rate Schedule 2 and residential customers should generally be the same (i.e., confirmation letter and subsequent 10-day cancellation period). Rate Schedule 2 customers require additional safeguards to ensure they are given enough time to review and verify their agreements. However, those that are described in the Code of Conduct information above may continue to be exempted.

Since Terasen Gas agrees that Rate Schedule 3 customers are more sophisticated customers, Terasen Gas proposes the Rate Schedule 3 customers are given an abbreviated TPV call made immediately after the sale. These customers may choose to waive the cancellation period.

Based on Gas Marketer input since the filing was submitted to the BCUC (i.e., existing Code of Conduct rules specified above), Terasen Gas suggests using a single confirmation letter for rate 2 and 3 customers. Originally, TGI suggested that if the Rate Schedule 3 customer does not waive the 10-day cancellation period the Gas Marketer must wait 10 days before submitting the enrollment to Terasen Gas. TGI now believes it is preferable to have one confirmation letter for Rate Schedule 2 and 3 customers. The letter would include language that would specify the Cancellation Period is not applicable if a waiver was signed with the Gas Marketer. The current process requires that the gas marketer allows for a 10-day cancellation period for all commercial accounts prior to submitting the enrollment to Terasen Gas.

To reiterate, commercial customers that meet the existing specifications set out under Article 11 of the Code of Conduct can choose to waive their rights to the 10-day Cancellation Period. TGI recommends that all other commercial customers are afforded the same Cancellation Period protection given to residential customers. The TPV script should be adjusted to ensure the customer is either aware of the 10 day Cancellation Period, or the fact that they have waived their right to the period as appropriate.

¹ Gas Marketers Code of Conduct, Appendix B to Order A-11-10, page 7 of 18.



Terasen Gas Inc. ("TGI", "Terasen Gas" or the "Company") Customer Choice Program – 2010 Program Summary and Recommendations	Submission Date: January 21, 2011
Response to Just Energy (B.C.) Limited Partnership ("Just Energy") Information Request ("IR") No. 1	Page 3

- 1.3 If the recommendation is accepted does Terasen have any issues with marketers enhancing the TPV call script?

Response:

Terasen Gas does not believe that each Marketer should develop a unique TPV script. Terasen Gas believes the TPV script should be developed by the Commission staff, with input by all parties, and should have a standardized format. This will ensure all customers are given the same information and ensure the job title and the call is with the authorized contact. Ensuring that an authorized representative has signed the contract will improve consumer protection and possibly decrease dispute levels.

- 1.4 Terasen suggests in its recommendation that Schedule 2 customers who are also commercial customers should have the same requirements as the residential TPV in scripting and timing. Please explain in detail why Terasen believes that Schedule 2 commercial customers should be treated the same as residential customers?

Response:

Terasen Gas is of the opinion that there are two primary reasons why Rate Schedule 2 customers should be treated the same as residential customers, including:

1. Level of awareness and understanding regarding the risks and obligations associated with fixed rate contracts, and;
2. System constraints.

These two issues are addressed below.

Although Terasen Gas believes that some commercial customers are more knowledgeable about the energy costs related to their business, this is not necessarily the case. The gas load profiles for Rate Schedule 2 customers extend from zero to 2,000 GJ's per year. Some of these customers operate small businesses like corner stores or offices that use about as much gas as a residential customer. Terasen Gas believes that many of these small commercial operators have minimal awareness of the risks and obligations of fixed rate contracts, just like their residential counterparts. For this reason, TGI recommends extending the residential safeguards to all Rate Schedule 2 customers.



Terasen Gas Inc. ("TGI", "Terasen Gas" or the "Company") Customer Choice Program – 2010 Program Summary and Recommendations	Submission Date: January 21, 2011
Response to Just Energy (B.C.) Limited Partnership ("Just Energy") Information Request ("IR") No. 1	Page 4

Secondly, the customer billing system is based on rate schedules and not the specific amount of gas used each year. In order to conform to this system constraint, TGI suggests the added consumer protection be extended to all Rate Schedule 2 customers. Within the TGI systems infrastructure, rate schedule represents the only practical way of customer types.

The recommended new safeguards Rate Schedule 2 customers will ensure customers have enough time to review pending contracts and that an authorized individual approves the Consumer Agreement. This additional requirement should reduce customer confusion and mitigates possible dispute situations.

- 1.5 Please explain why Terasen suggests Schedule 2 customers TPV should be completed using the timing for residential customers? Please explain why Terasen believes it would be good practice to require a marketer to have to contact a business customer after a 24 hour period and within 96 hours, when businesses wish to be able to make timely and efficient decisions?

Response:

Terasen Gas believes that it would be good practice for Rate Schedule 2 customers to have the TPV call after a 24 hr period. The recommendation reflects existing system constraints and consumer awareness of their rights and obligations associated with fixed rate commodity contracts. These reasons are explored in more detail in Just Energy IR 1.1.4 above.

The TGI proposal provides improved customer protection and the consistent application of business rules will be easier for program participants to apply consistently. TPV calls for Rate Schedule 2 commercial accounts should be made no earlier than the next calendar day following the signing of a Consumer Agreement. This timing will allow Rate Schedule 2 customers the time they need to review program information and contract specifics to ensure they understand all of the pricing, terms and conditions of the agreement.

For Rate Schedule 3 customers Terasen Gas believes there should be more flexibility and recommends TPV calls are made immediately following the sale. This added flexibility should address the Gas Marketers concerns regarding the timing. Terasen Gas recommends that without any compelling argument to extend the TPV window, the period should remain at 96 hours.



Terasen Gas Inc. ("TGI", "Terasen Gas" or the "Company") Customer Choice Program – 2010 Program Summary and Recommendations	Submission Date: January 21, 2011
Response to Just Energy (B.C.) Limited Partnership ("Just Energy") Information Request ("IR") No. 1	Page 5

- 1.6 Please explain fully how Terasen feels that marketers will be able to hold a commercial price open for a 10 day period, when the market fluctuates daily?

Response:

Terasen Gas believes that Gas Marketers are able to hold a commercial price open for 10 days since currently the policy is that once a commercial contract is signed by a customer the Gas Marketer is required to hold the contract 10 days before enrolling it into the GEM system. Large commercial customers with requirements that exceed 2,000 GJs annually (i.e., Rate 3 Schedule customers), and Rate Schedule 2 customers with aggregate volumes that exceed 2,000 GJs per year (in accordance with existing stipulations outlined in Article 11 of the Code of Conduct) can waive their right to the cancellation period.

- 1.7 Does Terasen agree that commercial customers are more sophisticated than residential customers? Please explain the response. If yes, why the need for a separate process for small and large commercial customers?

Response:

As long as an authorized individual is approached, Terasen Gas agrees that Rate Schedule 3 customers are typically more sophisticated energy purchasers than either residential or small commercial customers. Compared to Rate Schedule 2 customers, Rate Schedule 3 customers consume significantly more natural gas. They typically represent sizeable operations and their energy bills can be substantial budget items.

All Rate Schedule 3 customers consume over 2000 GJ's per year, and some Rate Schedule 2 customers consume over 2,000 GJ's per year when their disparate premises are included. Terasen Gas proposes that either such customer may choose to waive their 10-day Cancellation Period. In all other instances, TGI recommends that the existing residential rules should apply. This proposal amends our strategy proposal filed in November, and offers a single approach for both Rate Schedule 2 and 3 customers. The recommended change acknowledges Gas Marketers concerns and better accommodates the existing Article 11, Code of Conduct language regarding aggregate accounts that consume over 2,000 GJs per year.

A single confirmation letter format is proposed to use across both commercial classes. The letter would include language that explains the 10-day Cancellation Period will not apply if the customer has signed a waiver to this right. In all other cases, the Cancellation Period would apply. TGI encourages Gas Marketers to comment on this amended recommendation in their summary submissions.



Terasen Gas Inc. ("TGI", "Terasen Gas" or the "Company") Customer Choice Program – 2010 Program Summary and Recommendations	Submission Date: January 21, 2011
Response to Just Energy (B.C.) Limited Partnership ("Just Energy") Information Request ("IR") No. 1	Page 6

2.0 Reference: Appendix A Issue 2.12 – Consolidated Business Rules – Commercial Customers-Confirmation Letters

2.1 Please explain why Terasen believes it is necessary to send a confirmation letter to small commercial customers and why would an advice letter not suffice?

Response:

Please refer to Just Energy response 1.2.4.

2.2 Does Terasen feel it is appropriate to include the final sentence on the proposed letter to Rate Schedule 3 customers? "It is our pleasure to serve you and we look forward to working with Super Gas to meet your future natural gas needs." This final sentence implies that Terasen would be meeting all of the customers natural gas needs including gas supply.

Response:

Terasen Gas is amenable to removing the sentence from the letters.

2.3 Does Terasen agree that the Code of Conduct for Gas Marketers allows commercial customer the ability to aggregate volumes and if those aggregated volumes exceed 2,000 GJ's annually to waive the right for cancellation? How does Terasen suggest the confirmation/advice letter would work for these customers?

Response:

Please refer to Just Energy IR 1.1.7.

2.4 Terasen states that its reason for requesting a confirmation letter for small commercial customers is its concern that an unauthorized individual has signed for a natural gas fixed rate contract and would not be able to cancel the contract. As a marketer is prohibited from enrolling a commercial customer until the 10 day cancellation window has expired does Terasen agree that a simple advice letter



Terasen Gas Inc. ("TGI", "Terasen Gas" or the "Company") Customer Choice Program – 2010 Program Summary and Recommendations	Submission Date: January 21, 2011
Response to Just Energy (B.C.) Limited Partnership ("Just Energy") Information Request ("IR") No. 1	Page 7

could be sent to a small volume customer and that the customer could respond within a 10 day window if an authorized person has signed the contract?

Response:

The formalized cancellation period that follows the TGI produced confirmation letter will ensure Rate Schedule 2 commercial customers with an assured cancellation period. Terasen Gas does not agree that an advice letter would be appropriate since the advice letter that follows an enrolment would necessitate an Operational Correction Drop, or if gas is flowing, a Dispute Cancellation drop. Cancellation drops contravene the Essential Services Model, and should only be used for compassionate reasons (i.e., long-term illness).



Terasen Gas Inc. ("TGI", "Terasen Gas" or the "Company") Customer Choice Program – 2010 Program Summary and Recommendations	Submission Date: January 21, 2011
Response to Just Energy (B.C.) Limited Partnership ("Just Energy") Information Request ("IR") No. 1	Page 8

3.0 Reference: Appendix A Issue 2.13 Consolidated Business Rules–Commercial Customers-Cancellation Period

3.1 Please provide and explain the rational why all commercial customers should not have the same cancellation parameters?

Response:

Please refer to Just Energy IR 1.1.7.



Terasen Gas Inc. ("TGI", "Terasen Gas" or the "Company") Customer Choice Program – 2010 Program Summary and Recommendations	Submission Date: January 21, 2011
Response to Just Energy (B.C.) Limited Partnership ("Just Energy") Information Request ("IR") No. 1	Page 9

4.0 Reference: Appendix A Issue 2.14 Consolidated Business Rules-Commercial Customers-Dispute Handling

4.1 Please provide the number of complaints received by Terasen through its Company's contact centre for the last five years? And explain the process that Terasen employees for these complaints.

Response:

Please refer to the response to Direct Energy IR 1.3a.



Terasen Gas Inc. ("TGI", "Terasen Gas" or the "Company") Customer Choice Program – 2010 Program Summary and Recommendations	Submission Date: January 21, 2011
Response to Just Energy (B.C.) Limited Partnership ("Just Energy") Information Request ("IR") No. 1	Page 10

5.0 Reference: Appendix A Issue 2.31. Evergreen Provision

- 5.1 Terasen proposes to discontinue evergreen contracts for three reasons, to improve consumer protection, the contracts are negatively perceived and to eliminate processing errors and resultant costs. Does Terasen agree that allowing for a decrease in the renewal price for the evergreen process would improve the concerns around evergreen contracts? Please explain.

Response:

No, Terasen Gas does not agree that lowering the renewal price for the evergreen process would improve concerns around evergreen contracts. Changing the renewal price represents a new contract and is in fact not an evergreen renewal as designed for the Customer Choice Program. The only way a contract is considered an evergreen renewal is when it rolls-over for an additional 12 months at the current contract price. This is one of the reasons why TGI wants to discontinue the use of evergreen contracts as currently designed. Gas Marketers have various opinions of what constitutes an evergreen contract. Please refer to Appendix A: Issue 2.3.1 Evergreen Provision for more on Terasen Gas' position.

- 5.2 Please explain why Terasen is recommending to translate and print new versions of the Standard Information Booklet in Chinese and Punjabi?

Response:

Terasen Gas agrees with the BCOAPO that the Customer Choice Standard Information Booklet should be printed in Punjabi and Chinese. The BCOAPO raised concerns at the Annual General meeting that some ethnic customers were not adequately informed about the Customer Choice product during point of sale due to language barriers. The BC demographic makeup is quite diverse. A significant minority indicate that the primary language spoken at home² in BC is Chinese (6.7%) and Punjabi (3%). The percentages increase in cities such as Surrey where 15.4% of citizens speak Punjabi at home and 3.3% speak Chinese.

Terasen Gas suggests there is a shared responsibility with Gas Marketers to ensure customers understand what they are committing themselves to by selecting a fixed-rate contract. An informed customer is more likely to remain committed to the contract they have signed than a customer is who feels they did not fully understand the terms and conditions of the consumer agreement. Dispute evidence reveals that some customers file their disputes with the reason

² Derived from the 2006 Census Data



Terasen Gas Inc. ("TGI", "Terasen Gas" or the "Company") Customer Choice Program – 2010 Program Summary and Recommendations	Submission Date: January 21, 2011
Response to Just Energy (B.C.) Limited Partnership ("Just Energy") Information Request ("IR") No. 1	Page 11

that a language barrier was an issue. TGI believes it is important to communicate with customers in their primary language by providing written materials they can fully understand.

There will be an approximate cost of \$15,000-\$20,000 per year to produce the Standard Information Booklet in Chinese and Punjabi.



Terasen Gas Inc. ("TGI", "Terasen Gas" or the "Company") Customer Choice Program – 2010 Program Summary and Recommendations	Submission Date: January 21, 2011
Response to Just Energy (B.C.) Limited Partnership ("Just Energy") Information Request ("IR") No. 1	Page 12

6.0 Reference: Appendix A Issue 2.11 Contract Term

6.1 Please confirm that the changes to the bill to include the contract start and end dates will still be implemented in February 2011.

Response:

Yes , Terasen Gas confirms that the changes to the bill to include the contract start and end dates of the Gas Marketer contracts will be implemented February 18, 2011.



Terasen Gas Inc. ("TGI", "Terasen Gas" or the "Company") Customer Choice Program – 2010 Program Summary and Recommendations	Submission Date: January 21, 2011
Response to Just Energy (B.C.) Limited Partnership ("Just Energy") Information Request ("IR") No. 1	Page 13

7.0 Reference: Appendix A Issue 2.12 Marketer Supply Requirement ("MSR") Calculation

7.1 Terasen states that if supported by Gas Marketers it will proceed with the proposed MSR reporting changes to provide Gas Marketers with better supply requirement information at the premise level. The new reports will increase understanding and allow for improved reconciliation of forecast supply requirements. If supported, when does Terasen anticipate the new reports will be available to marketers?

Response:

Terasen Gas anticipates that if the proposed MSR reporting changes are approved, the new reports will be available by the end of second quarter 2011.



Terasen Gas Inc. ("TGI", "Terasen Gas" or the "Company") Customer Choice Program – 2010 Program Summary and Recommendations	Submission Date: January 21, 2011
Response to Just Energy (B.C.) Limited Partnership ("Just Energy") Information Request ("IR") No. 1	Page 14

8.0 Reference: Appendix A Issue 2.15 Standardized TPV Call Script

8.1 Terasen Gas indicates that it is amenable to extending the upper time limit for TPV calls. What upper time limit does Terasen believe is appropriate?

Response:

Terasen Gas believes the upper limit to conclude the TPV call should be 96 hours for commercial customers.



Terasen Gas Inc. ("TGI", "Terasen Gas" or the "Company") Customer Choice Program – 2010 Program Summary and Recommendations	Submission Date: January 21, 2011
Response to Just Energy (B.C.) Limited Partnership ("Just Energy") Information Request ("IR") No. 1	Page 15

9.0 Reference: Appendix A Issue 3.1 -Dispute Ruling Page Improvements

- 9.1 Terasen proposes changes the Dispute Ruling page in GEM to be similar to a small claim's application? Why does Terasen feel this is necessary? Please explain how this enhances the existing process especially if new information is introduced in the proposed customer final comments text box?

Response:

The changes to the Dispute Ruling page were proposed to satisfy missing elements of the dispute process that were identified by the Office of the Ombudsman. The Commission staff suggested the dispute process should follow the same process as a small claims application based on recommendations from the Ombudsman review.

Terasen Gas understands Just Energy to be asking how the existing process will be enhanced if the customer introduces further evidence into the final comments. Terasen Gas has suggested that the Commission modify their current decision letter in cases where the evidence suggests the Consumer Agreement is valid. The Commission would send the customer a letter stating that the Consumer Agreement will be upheld unless a rebuttal is received by a given deadline. The Commission will review any additional evidence submitted by the customer before making their final ruling on the dispute. The BCOAPO agreed at the AGM that the current dispute process is not fundamentally fair. Disputes represent legal challenges regarding contractual liability. In fairness, customers should know what evidence is submitted and they should have the opportunity to respond to it before a final ruling is made. The proposed process change will give customers that opportunity.

The other additional fields to be added include:

- Does the customer require a reimbursement from the Gas Marketer?
- What is the date range?

These field additions will allow the Commission Staff to set two effective dates to determine responsibility for customer refunds.

The changes to the Dispute Ruling pages will aid the Commission by streamlining their adjudication process and meeting the requirements outlined by the Office of the Ombudsman.



Terasen Gas Inc. ("TGI", "Terasen Gas" or the "Company") Customer Choice Program – 2010 Program Summary and Recommendations	Submission Date: January 21, 2011
Response to Just Energy (B.C.) Limited Partnership ("Just Energy") Information Request ("IR") No. 1	Page 16

10.0 Reference: Appendix A Issue 3.2- \$0 Marketer Groups

10.1 Please provide the number of \$0 Marketer Group requests received to date.

Response:

Please refer to the response to BCUC IR 1.6.1.