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June 2, 2006

British Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, B.C. V6Z 2N3

Attention: Mr. R.J. Pellatt, Commission Secretary

Dear Sir:

**Re: Terasen Gas Inc. ("Terasen Gas")
Certificate of Public of Convenience and Necessity ("CPCN")
Application for Commodity Unbundling for Residential Customers
Project # 3698421**

**Response to Energy Savings B.C. and Direct Energy Marketing Limited (the
"Retailer Group") Information Request No. 1**

Terasen Gas respectfully submits the attached responses to the above noted Information Request.

Twenty hard copies of the attached will be sent to the Commission office by Monday, June 5, 2006

The full submission including all appendices will be available on the Terasen Gas website by Tuesday, June 6, 2006 at the following location:

<http://www.terasengas.com/Publications/Regulatory/Submissions/LowerMainlandInterior/default.htm>

If there are any questions regarding this Application, please contact Mr. Tom Loski, Director, Regulatory Affairs at (604) 592-7464.

Yours very truly,

TERASEN GAS INC.

Original signed by: Tom Loski

For: Scott A. Thomson

Attachment



Terasen Gas Inc. ("Terasen Gas") Commodity Unbundling Project for Residential Customers CPCN Application dated April 13, 2005	Submission Date: June 2, 2006
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TGI-RG-1

Reference: Overview of Unbundling in Other Jurisdictions - Alberta, p. 15

Preamble: *"Most significant is that the distribution service has been separated from the regulated system supply service with Direct Energy Marketing Limited ("Direct Energy" or "DEML") assuming responsibility for the regulated system supply offering from Atco, the local distribution company. Direct Energy also competes as a Gas Marketer with a non-regulated affiliate offering non-regulated supply contracts to residential customers."*

Request:

- (a) Confirm the actual entity providing regulated system supply service is Direct Energy Regulated Services.

Response:

According to its information sources, Terasen Gas understands Direct Energy Regulated Services to be the Default Rate Tariff Provider in the ATCO Gas service territory. Terasen Gas understands that Direct Energy Regulated Services is a business unit of DEML.

- (b) Confirm the actual entity offering competitive retail service is Direct Energy Partnership, operating as Direct Energy Essential Services or Direct Energy Business Services.

Response:

Terasen Gas cannot confirm as Terasen Gas does not have direct knowledge of the operations of the Direct Energy companies. According to Terasen Gas' information sources, Direct Energy Essential Services is the competitive retailer of Direct Energy Marketing Limited for residential and small businesses in Alberta.

- (c) If Terasen Gas has an understanding of Alberta's Code of Conduct Regulation, please explain the compliance requirements that must be met by Direct Energy to be both a regulated supplier and a competitive gas marketer.

Response:

It is the understanding of Terasen Gas that the relationship between the regulated service provider and its affiliated retailer marketer is defined in the Alberta's Code of Conduction Regulation, which forms part of the Gas Utilities



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Act. Section 30(1) of the Code of Conduct states that where a regulated service provider has an affiliated retailer marketer, then a compliance plan must be filed with the AEUB outlining how these entities are to conduct their relationship.

The Code of Conduct restricts the regulated service provider such that it cannot give preferential treatment to its affiliated retailer marketer over other retail gas marketers.

Activities forbidden are:

- providing customer information to the retailer marketer unless with the consent of the customer;
- directing customers to the retailer marketer; and
- providing financial assistance or services to the retailer marketer at a below market price (transfer pricing policy).



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TGI-RG-2

Reference: **Stable Rate Option, p. 21**

Preamble: *"By enabling choice, the Stable Rate Option stimulates consumers' interest and provides educational benefits associated leading to increased consumer awareness and level of understanding of alternative gas commodity offerings."*

Request:

- (a) Given the robust spending on customer education proposed in the Application (2006-\$600,000; 2007-\$4,400,000; 2008 and onwards -\$3,000,000 per year), why does Terasen Gas indicate one of the purposes of the Stable Rate Option is customer education?

Response:

Please refer to Terasen Gas' response to question 6.1 of BCUC Information Request No. 1.

- (b) Is the Customer Choice Fee applied to customers who select the Stable Rate Option? Please explain why or why not.

Response:

No. Stable Rate Option customers are not subject to a fee similar to the Customer Choice Fee. The Stable Rate does however attempt to cover all other incremental operating costs of the program directly related to enrolling customers by building in a premium into the price charged to the customer.

The Stable Rate Option has been structured as benchmark product to provide education value to all eligible residential customers. As such, the Customer Choice Fee proposed for those that switch to Gas Marketers does not apply and should be viewed as part of the costs of providing the educational value.

- (c) Which customers bear the forecast risk should Terasen Gas over or under hedge volumes associated with the Stable Rate Option?

Response:

The accounting methodology to handle any over or under hedge volumes associated with the Stable Rate Option was outlined in Terasen Gas' filing dated January 16, 2004 titled "Commodity Unbundling and Customer Choice Phase 1 Cost Allocation Application". The Commission in Order No. G-25-04 approved



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the deferral account treatment and cost recovery methodology.

Enrolment in the Stable Rate option is capped at 20,000 customers per year, on a first come, first serve basis, thereby eliminating the risk of under hedging. Any excess or over hedge gas due to the difference between the base delivery requirement and the actual customer consumption volumes are transferred to the MCRA. This is consistent with the Essential Services Model. Any remaining over hedge gas is allocated to the CCRA to complement the existing core customers' hedged volumes.

- (d) What are the implications in terms of regulated default supply commodity pricing if over or under hedging occurs at a low price relative to the regulated default supply price, and at a high price relative to the regulated default supply price?

Response:

As indicated in answer to 2c above, the impact of remaining over hedge gas not transferred to the MCRA is allocated to the CCRA to complement the existing core customers' hedged volumes.

Given the enrolment cap of 20,000 residential customers and associated hedge volumes (i.e. 2 million gigajoules), any over hedging not transferred to the MCRA is small and will not have any material implications on the regulated default supply commodity pricing.



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TGI-RG-3

Reference: Stable Rate Option, p. 21

Preamble: In Section 4.2, it states, "*Terasen Gas believes an alternative rate offering within the Utility such as the Stable Rate Option is complementary to Commodity Unbundling as it aids in facilitating an orderly transition to an unbundled market.*"

Request: If residential unbundling were not to occur in British Columbia, would Terasen Gas still promote the Stable Rate Option?

Response:

If Residential Unbundling was not approved, Terasen Gas would still promote the Stable Rate Option as it is committed to providing effective customer choice.



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TGI-RG-4

Reference: **Stable Rate Option, p. 22**

Preamble: In section 4.3, it states *“Annual operating costs include marketing expenditures to promote the offering, back-office expenditures for processing of customer enrollments, and management reporting and call centre related expenditures for handling customer inquiries. Examples of customer enrollment related activities include processing customer enrollment applications, and sending out confirmation and rejection letters.”*

Request:

- (a) Please confirm that the operating costs described above are included in Terasen Gas’ revenue requirement and will be included in rates to be charged to Stable Rate Option customers?

Response:

Similar to the treatment for the proposed Residential Unbundling program, the operating costs described above are captured in a deferral account and amortized over a 1 year period with recovery from all eligible residential customers. The recovery methodology was approved by the Commission in Order No. G-25-04.

- (b) Which customer classes pay for capital and operating expenses associated with the Stable Rate Option?

Response:

Similar to the proposed cost recovery for the proposed Residential Unbundling program, the capital and operating expenses associated with the Stable Rate Option are recovered from all eligible residential customers (i.e. 700,000 residential customers in the Lower Mainland and Interior regions where the Stable Rate Option is offered). The recovery methodology was approved by the Commission in Order Number G-25-04.

- (c) Please confirm whether the \$300,000 in operating costs associated with the Stable Rate Option is included in the Residential Unbundling program costs as outlined in the application.

Response:

The \$300,000 referred to operating costs in the Application is separate from and in addition to the cost estimates provided for the Residential Unbundling program.



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TGI-RG-5

Reference: **Stable Rate Option, p. 22**

Preamble: *"Terasen Gas believes the marketing material and communication efforts undertaken in 2004 and 2005 have contributed to making progress in the objectives outlined."*

Request: What research has Terasen Gas undertaken to assess the success of its communication efforts on the Stable Rate Option? Please provide any research reports or analyses prepared by or prepared for Terasen Gas.

Response:

Given the Stable Rate program has been offered twice only and its pilot nature, Terasen Gas has not attempted yet to conduct a research survey to measure the effectiveness of communication efforts.

Using customer participation as a proxy for the effectiveness of marketing efforts in reaching residential customers, one can conclude that with customer participation increasing four-fold from approximately 2,000 enrolled customers in year 1 to 8,000 enrolled customers in year 2, that marketing and educational efforts in year 2 have been successful in creating, awareness and interest in commodity choice.

Further, anecdotal evidence and questions received by Terasen Gas' program manager suggests there is a greater awareness of the Stable Rate Option and its potential benefits.



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TGI-RG-6

Reference: **Stable Rate Option, p. 22**

Preamble: In Section 4.4, Terasen states, *"Concerns expressed by stakeholders, particularly Gas Marketers, about alternative rate offerings in the Utility such as the Stable Rate Option acting as a deterrent to Residential Unbundling remain unfounded."*

Request: Provide a full and detailed explanation of the basis for Terasen Gas' conclusion that the concerns remain unfounded. In addition, identify any studies, analyses, or working papers that led to this conclusion. Please provide any such studies, analyses or working papers.

Response:

Terasen Gas' view is that utility commodity offerings such as the Stable Rate Option can co-exist with Gas Marketers' offerings in a competitive marketplace. Terasen Gas refers RG to the situation with NIPSCO where the utility is allowed to offer alternative commodity offerings in a competitive marketplace. For more details, please refer to BCUC Information Request No. 1 question 6.7.

Terasen Gas recognizes Gas Marketers' concerns that the Stable Rate Option could act as a deterrent to Residential Unbundling. However, as Terasen Gas has indicated, it has designed the Stable Rate Option to be complementary to Residential Unbundling, with the primary purpose to assist in the orderly development of a competitive marketplace by educating consumers, helping them to make informed purchase decisions.



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TGI-RG-7

Reference: **Stable Rate Option, p. 23**

Preamble: In Section 4.4, Terasen states, *"First the term of the Stable Rate Offering is limited to a one-year time frame compared to a three to five year time frame for a typical Gas Marketer's offering."*

Request:

- (a) Please provide a record of all discussions and correspondence with Gas Marketers that would indicate they would not offer a one year product in the competitive market?

Response:

Terasen Gas clarifies to RG that the relevant part of the statement quoted is "... compared to a three to five year time frame for a typical Gas Marketer's offering." The important point to note is the use of the word "typical" to characterize the primary product term that most Gas Marketers offer in other Canadian jurisdictions.

Terasen Gas refers RG to the research information contained in the Application Appendix 1 page 6 of research report. Based on research findings, the range of terms offered to residential customers vary from 1 to 5 years with 3 to 5 years appearing to be the most popular.

Also, as an indication that a Gas Marketer typically offers greater than 1 year offerings, Terasen Gas quotes statements from the 2005 Energy Savings Income Fund Annual report which states "Our core products are the five year, fixed price gas and electricity supply contracts" and "Residential customers like our five-year, fixed price energy plans"

Attached also is a snapshot from the website www.energyshop.com showing some of the retail gas contracts currently offered in Enbridge Gas' service region.



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Deregulated Natural Gas Protection for Your Home

Deregulated Natural Gas Supply Rates (to electricity rates)

Commodity prices in ¢/m³:

Supplier	Blended Price	1 Yr. Fixed	3 Yr. Fixed	4 Yr. Fixed	5 Yr. Fixed	Features
Canadian RiteRate Energy	33.2	--	38.4	--	38.4	Sign-up Online
GloWorm Gas	--	--	43.4	--	41.9	Sign-up Online
MXenergy (Canada) Ltd.	--	46.8	--	--	--	Sign-up Online
Selectpower Inc., an affiliate of Guelph Hydro	--	--	43.0	--	41.9	Sign-up Online
Superior Energy Management	--	--	42.9	--	41.9	Sign-up Online
Direct Energy Essential Home Services	--	49.9	--	--	42.9 44.4	41.9 for 1st yr, then 42.9 44.4 price drops 1¢ /yr
Ontario Energy Savings L.P.	--	--	--	42.6	42.6	--

(b) Please confirm that Terasen Gas is not planning to offer a diversity of products, such as fixed, floating, or floating with a cap or a floor, to residential customers under the Stable Rate Option or any other residential retail offering.

Response:

If Residential Unbundling does not proceed, Terasen Gas would consider offering a diversity of products such as fixed, floating with a cap to residential customers, providing customers with more choice, contributing to help maintain and grow natural gas load on the system, for the benefit of all gas consumers. The feasibility of offering such products will depend on the ability of Terasen Gas to modify its existing support processes including billing and use of the Essential Services model to support the rollout of such products.

If Residential Unbundling does proceed, the demands of customers and developments in the marketplace will determine whether Terasen Gas would offer the products mentioned. In either event, the offerings would be subject to review and approval by the Commission.



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TGI-RG-8

Reference: **Stable Rate Option, p. 23**

Preamble: In Section 4.4, Terasen states, *"Terasen Gas, with input from Commission Staff and the BC Public Interest Advocacy Centre ("BCPIAC") representative, emphasized in its marketing materials that the Stable Rate Option was not necessarily about saving money but more about paying for natural gas price stability."*

Request: In addition to rate stability, please identify what Terasen Gas believes to be the benefits that Gas Marketers can offer to residential consumers.

Response:

Consistent with what Gas Marketers present to potential customers interested in signing long term fixed price agreement and as noted in the above referenced statement, Terasen Gas believes the primary benefit of fixed rate offerings is providing customers the ability to manage their natural gas costs by locking in the price of the commodity, allowing for better budget management similar in some respects to the equal payment plan option offered by Terasen Gas.

A further benefit of Gas Marketers fixed rate offerings is the potential for customers to pay less than the utility default rate. This is one benefit that Gas Marketers appear to also use in the marketing of fixed rate offerings to potential customers. As an example, here is a quote from the Energy Savings Income Fund 2005 Annual Report, "Our customers whose contracts expired during fiscal 2005 saved substantially over the price they would have paid had they remained on local utility supply. For an average home, the customer realized a five-year savings of \$823 versus the \$3,300 their neighbors paid to the local utility."

Finally, Terasen Gas believes that some consumers place in value in having the option to buy their gas from Gas Marketers instead of the utility.



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TGI-RG-9

Reference: **Stable Rate Option, p. 23**

Preamble: In Section 4.4, Terasen states, *"Having an alternative commodity offering within the Utility not only provides residential consumers with more choice but also provides consumers with a benchmark against which they can compare Gas Marketer's offerings against."*

Request: For the sole purpose of testing Terasen Gas' reasoning, assume that Gas Marketers were to not offer a one year product. If this were the case, how would Terasen Gas suggest the one-year Stable Rate Option benchmark provides insight in order to compare it against the three to five year Gas Marketer offerings?

Response:

In designing the Stable Rate Option, Terasen Gas purposely tried to make the terms and conditions for the Stable Rate Option similar to those likely to be representative of a "typical" Gas Marketer's offering. For example, an early termination fee was included as part of the Stable Rate Option. Early termination fees are also typically found in Gas Marketer contracts. A customer potentially interested in participating in the Unbundling program can readily use the Stable Rate Option to compare the specifics of a Gas Marketer's term contained in a contract. For example, by looking at the Stable Rate early termination fee, a customer would develop an understanding when the fee would be charged and how the fee would be determined.



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TGI-RG-10

Reference: **Stable Rate Option, p. 23**

Preamble: In BCUC Order G-93-03, section 2.6, states, *"The Continuation of Stable Commodity Rate (1S) will be re-evaluated by the Commission in the event that commodity unbundling service is made available to the residential class."*

Request: What are the criteria that Terasen Gas would suggest be utilized by the Commission to determine whether the Stable Commodity Rate should be continued or discontinued with the implementation of Residential Unbundling?

Response:

In its responses to questions raised by the Commission in BCUC Information Request No. 1 and also in the CPCN Application itself, Terasen Gas believes it has provided a strong argument for continuing with the Stable Rate Option. In its review, the Commission should consider the benefits the Stable Rate Option offers to consumers in an unbundled environment and assess the merits of the arguments put forward by Gas Marketers for discontinuing the Stable Rate Option.



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TGI-RG-11

Reference: **Guiding Principles to Residential Unbundling, p. 26**

Preamble: Terasen Gas states that, *"To help address concerns about the potential of significant program costs, Terasen Gas believes following a cost-causality principle (i.e. user pay system.)"*

Request:

- (a) Does Terasen Gas believe that a cost-causality principle has been applied in other jurisdictions that have implemented residential unbundling? If so, please identify those jurisdictions where this principle has applied and provide specific examples of the type of costs that have been subjected to this principle.

Response:

The cost causality principle is consistent with the approach used in the Commercial Unbundling program and as filed in the Cost Allocation Application dated January 16, 2004. In that application the Commission directed Terasen Gas to find a method for reducing program costs.

Please refer to section 5.1.1 page 27 of the Application for a detailed discussion of the purpose of the cost causality principle. Additionally, please refer to Appendix 1 page 12 of the Application for a description of practices in other jurisdictions including the use of Gas Marketer fees.

- (b) Would Terasen Gas agree with the proposition that recovering stranded gas costs through the MCRA account would be more conducive to the development of a competitive retail market?

Response:

Terasen Gas agrees that the recovery of stranded gas costs through the MCRA account could be more conducive to the development of a robust retail market.

Please refer to Terasen Gas' response to question 21.1 of BCUC Information Request No. 1.



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TGI-RG-12

Reference: **Guiding Principles to Residential Unbundling, p. 26 and 7.1 Stakeholder Consultation Efforts to Date, p.55**

Preamble: Point 9 states, *"For the benefit of Terasen Gas customers, the design of Commodity Unbundling should be supportive of growing efficient gas load in the face of competing alternative energies."* *"Terasen Gas believes the Residential Unbundling program is about offering commodity choice to homeowners and not about offering other energy related products. If Gas Marketers choose, they can use their own systems and processes to support offering related energy products."*

Request:

- (a) Please explain how the design of Commodity Unbundling can develop efficient natural gas load.

Response:

Terasen Gas believes the Essential Services model, the foundation for development of Commodity Unbundling, is supportive of growing efficient gas load, as it enables customers not only to exercise choice but ensuring that the responsibility of infrastructure planning is optimized through a regulated infrastructure planner to ensure supply capacity reliability following Commodity Unbundling. Other elements of the design of Unbundling that is supportive of natural gas load are the proposed consumer protection provisions and customer education which are critical to ensure that Commodity Unbundling is rolled out in a positive manner with minimal confusion to consumers.

Other design ideas which Terasen Gas is suggesting for consideration are Gas Marketers in their marketing efforts for Unbundling also promote the benefits of natural gas as an affordable and environmentally acceptable fuel. Consumers in B.C. require information so that informed energy choices with an understanding of the costs and consequences can be made. Terasen Gas feels that building the public's knowledge and understanding of the subject of energy efficiency is necessary to transform the marketplace and further enhance British Columbia's growing reputation as a knowledge centre for sustainable development. This will enhance the competitive position of the Province of British Columbia through the more efficient use of our resource assets, both in terms of our natural gas commodity resource, of which we are a net exporter, and by using our heritage electrical generation assets for their highest and best use, thus reducing our need to import higher-cost electricity from less sustainable sources.

Stakeholders should be working together to encourage the "right fuel for right use" such as natural gas over electricity where it makes economic sense, working together to communicate that natural gas is more energy efficient than electricity for many uses, particularly for space and hot water heating. These



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types of collaborative efforts will help grow efficient load on the natural gas system for the benefit of all stakeholders involved.

- (b) Terasen Gas appears to imply that the actions of Gas Marketers can support developing efficient gas load. If that is the case, then why does Terasen Gas seek to separate commodity offerings from energy related products?

Response:

As discussed in the answer to question 12 (a), there are alternative ways where Gas Marketers can help with developing efficient gas load without a Gas Marketer using Terasen Gas' bill to promote and bill for its energy related products. Further, there is nothing to prevent a Gas Marketer from offering energy related products using their own systems and processes.



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TGI-RG-13

Reference: **Delivery Requirements, p. 34**

Preamble: *"A total delivery requirement will be calculated for each marketer which will be a sum of the delivery requirements for each of that marketer's groups. A weighted average blended price will be determined for the marketer's total delivery requirement and marketer remittances will be based on this blended price."*

Request:

- (a) Please illustrate, through the use of an example, how a new blended price will impact marketer remittances and how this price will be calculated.

Response:

Please see the response to MEM IR1 question 7.1.

- (b) Please confirm that the weighted average blended price is based on the forecasted maximum daily volume for each marketer group?

Response:

The Blended Price is not based on the forecasted maximum daily volume but rather on the normalized annual forecast for each individual group.

Commission Order G-25-04 dated March 11, 2004 set out the approval for the blended price methodology as part of the first phase of Commodity Unbundling. No change is proposed for the second phase, the Residential Unbundling program.

Please refer to MEM IR1 question 7.1 for additional information.



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TGI-RG-14

Reference: **Licensing Criteria & Code of Conduct, p. 52**

Preamble: *"As indicated earlier, Terasen Gas proposes for the Commission's consideration structuring bonding requirements for a Gas Marketer to reflect the number of customers a Gas Marketer signs up in the Unbundling program."*

Request:

- (a) Please explain in detail why Terasen Gas believes that changing the bonding requirements is necessary. Please cite examples from any other jurisdictions that utilize the bonding requirements proposed by Terasen Gas.

Response:

Please refer to Terasen Gas' responses to questions 13.1, 18.1, 18.2, 18.3, 18.4 of BCUC Information Request No. 1.

- (b) Would Terasen agree with the proposition that the proposed bonding requirement is a barrier to market entry for smaller gas marketers? Would Terasen agree that the proposed change to the bonding requirement should be evaluated in terms of its potential effect, including harm, to the development of the competitive marketplace?

Response:

Terasen Gas acknowledges that the proposed bonding requirement could potentially be a barrier to market entry for smaller Gas Marketers as it would require more financial resources to be able to post the requirement performance bonding. However, the bonding requirements are intended to ensure adequate performance. Many other types of business also have bonding requirements.

Terasen Gas also agrees with RG's statement the proposed change to the bonding requirement should be evaluated in terms of its potential effect including harm, to the development of the competitive marketplace. Terasen Gas states this in its answer to question 18.1 of BCUC Information Request No. 1.



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TGI-RG-15

Reference: Stakeholder Consultation Efforts to Date, p. 54

Preamble: *"Regarding the existing \$150 per month charge per marketer group, as Marketers have requested that Terasen Gas lower the existing charge as it is cost prohibitive. Terasen Gas reviewed the request as part of the Scoping Phase and has confirmed the \$150 monthly fee is still required."*

Request: Please explain fully why the charge per marketer group does not decrease after the initial set-up of the marketer group.

Response:

The rationale for the \$150 monthly fee per marketer group is described in the response to BCUC IR1 questions 15.1 and 15.2.

Please also refer to the responses to BCUC IR1 questions 21.10, 21.11, and 21.12 for additional background information about the purpose of Gas Marketer fees.



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TGI-RG-16

Reference: Stakeholder Consultation Efforts to Date, p. 55

Preamble: *"Terasen Gas believes that what it proposes to provide, the Gas Marketer's name and contact information on the bill for customers who participate in the Residential Unbundling program sufficiently meets the requirements of the program."*

Request:

(a) Can early termination fees for Gas Marketers be included on the Terasen Gas bill?

Response:

Assuming that "early termination fees for Gas Marketers" means charges Gas Marketers want to recover from their customers if these customers terminate a contract before its end date, such fees cannot be included on the Terasen Gas bill at this time. Terasen Gas has no means of segregating this fee in the event of a failure to pay by a customer.

(b) Is the Early Termination Fee for the Stable Rate Option included on the Terasen Gas bill?

Response:

Yes, the charge appears as a separate line item and is grouped into other charges.

(c) RG wishes to have access to a second line on the bill for the offering of customer incentives (relating to the commodity). Would Terasen Gas permit this?

Response:

No, as stated on page 55 of the CPCN Application, Terasen Gas believes the Unbundling program is about offering commodity choice to homeowners and not about offering other energy related products. The billing processes are designed to support billing of the commodity charges and not about other energy related products, collection of marketer termination fees and commodity incentives.



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TGI-RG-17

Reference: **Customer Education Objectives, p. 57**

Preamble: In section 8.4, *"Customer group representatives and participating Gas Marketers will be provided the opportunity to vet concepts and messages for appropriateness. These will then be submitted to the Commission for review."*

Request:

- (a) Please identify the degree to which Terasen Gas will directly involve Gas Marketers in designing and implementing the Customer Education objectives.

Response:

In the Fall of 2006, Terasen Gas plans to consult with stakeholders including Gas Marketers in designing and implementing the customer education objectives outlined in the Application. The process for consulting with stakeholders will be similar to that utilized successfully for the Commercial Unbundling phase where Terasen Gas created drafts of the key communication pieces including the proposed wording and circulated them to stakeholders including Commission staff for review and comment. No specific schedule and dates have been worked out but this can be finalized after the approval of this Application.

To date, Terasen Gas has received support from Gas Marketers for the approach. At the April 8, 2005 Commodity Unbundling Post Implementation workshop, Gas Marketers were supportive of customer education efforts implemented during the Commercial Unbundling launch phase with one Gas Marketer commenting that "they like the collaborative approach taken to date by Terasen Gas in inviting input and comment to the design of the education material."

- (b) Does Terasen agree with the proposition that without significant Gas Marketer participation in on-going Customer Education, the Customer Education campaign will be largely about Terasen Gas and Residential Unbundling will be largely an academic exercise?

Response:

No, the customer education campaign proposed by Terasen Gas employing use of balanced and neutral messaging is designed to raise awareness of the Unbundling program and to ensure consumers are able to make informed purchase decisions. Terasen Gas expects its education efforts will be complemented by the marketing and sales tactics that Gas Marketers will employ to communicate the value of commodity choice to consumers.



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Terasen Gas' concern is more about Gas Marketer participation in the marketplace. Without significant Gas Marketer participation, the whole Residential Unbundling process will be largely, not only just an academic exercise, but a waste of resources.

- (c) If Terasen intends to have on-going participation of Gas Marketers in Customer Education, how would such participation differ from the formal vetting process referenced above?

Response:

Please refer to answer to question 17 (a) above.



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TGI-RG-18

Reference: Bill Inserts, p. 61

Preamble: In Section 7.1 Terasen indicates, *"Any remaining space could possibly be contracted to third parties for a fee but unanticipated, last minute utility requirements to distribute information which would have higher priority will create a scheduling and contracting issue for the utility. In addition, 'overuse' of bill messages and inserts may reduce the effectiveness of these channels. Terasen Gas believes it is in the best interests of its customers to preserve the bill message and insert information channels for delivery of only utility related information."* However, in Section 8.3.4 Terasen states, *"Research indicates that Commercial Unbundling bill inserts were cited as the most frequent 'first' source of information" and "Bill inserts offer a good way of providing more details to the homeowner on changes to their bill, explaining midstream charges, and other detailed messages."*

Request: Assuming the latter assessment by Terasen in Section 8.3.4 is correct, and that bill inserts would be: (a) paid for fully by Gas Marketers, (b) subject to availability in the billing envelope, and (c) with any advertising collateral clearly differentiating the Gas Marketer from the Utility, then would then Terasen Gas be open to providing access to the billing envelope to Gas Marketers?

Response:

Please refer to Terasen Gas' responses to questions 14.1, 14.2, 14.3, 14.4 of BCUC Information Request No. 1.



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TGI-RG-19

Reference: Code of Conduct, p. 69

Preamble: *"specific to residential consumers, a ten day cooling off period, starting from the date of the proposed confirmation letter allowing residential consumers to reconsider a signed contract with a Gas Marketer without penalty – Article 11;*

Request:

(a) Please indicate the cost associated with processing de-enrollments for customers who choose to cancel within the 10-day cooling-off period

Response:

The estimated cost to process de-enrollments of this type is \$9.90 per de-enrollment. Terasen Gas views this cost as necessary in order to provide an additional level of consumer protection by an independent third party.

(b) Please provide examples of any other jurisdictions where the cooling-off period starts after enrolment.

Response:

Research completed by Terasen Gas indicates that other jurisdictions typically start the cooling-off period when the contract is signed. Please refer to the responses to BCUC IR 1 questions 7.1, 7.2, and 7.3 for a detailed explanation of the rationale for starting the cooling-off period when the Confirmation Letter is generated.

(c) Please provide the methodology to be used by Terasen to account for different transit periods for mailing the confirmation letters.

Response:

Please refer to the response to BCUC IR 1 question 7.1 for a detailed discussion of the assumed time required for Confirmation Letters to be received by customers.



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TGI-RG-20

Reference: Customer Choice Fee, p.80

Preamble: *"In order to provide price transparency enabling customers to make decisions when comparing Terasen Gas' default rate offering to those of Gas Marketers, and in the interests of administrative simplicity, Terasen Gas is proposing the use of a fixed one year stranded cost Customer Choice Fee."*

Request:

(a) Would Terasen Gas agree that the Customer Choice Fee is an Exit Fee?

Response:

Yes. Terasen Gas' proposed the Customers Choice Fee as a way to manage stranded gas costs and can be considered an exit fee. Terasen Gas feels strongly that stranded gas costs need to be considered as part of the solution that is reached for the Residential Unbundling program.

Please also refer to BCUC IR1 question 21.1 for additional information about the purpose of this fee.

(b) Would Terasen agree that generally, exit fees discourage alternatives to the utility and strengthen monopoly power?

Response:

Terasen Gas disagrees. The purpose of exit fees is to help ensure that customers are not unfairly burdened by stranded gas costs. Terasen Gas has been consistent in supporting the goals of British Columbia's energy policy by implementing Commodity Unbundling for commercial customers, helping in the development of a competitive retail market.

Please refer to Terasen Gas' response to question 21.1 of BCUC Information Request No. 1 for further discussion around alternatives to Terasen Gas' proposed Customer Choice Fee.

(c) Would Terasen concede that over the long term, the benefit of hedging trends to zero?

Response:

Please refer to the response to BCUC IR1 question 21.6.



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- (d) Given a positive position in hedging at the time of customer exit, would the customer receive a cheque?

Response:

No. The purpose of the proposed Customer Choice Fee is to ensure the proper recovery of costs. It is not designed to provide an incentive for customers to realize one-time windfall gains. Please refer to the response to BCUC IR1 question 21.1 for a more detailed discussion of the purpose of this fee.



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TGI-RG-21

Reference: Essential Services Model Fee, p..81

Preamble: *"A key business rule required to support the ESM is that customers must stay with Gas Marketers for at least one year at the same price and must be renewed in 12 month increments.", and, "A change in the 12 month fixed price rule creates a significant issue for Terasen Gas customers and undermines the integrity of the Essential Services Model."*

Request:

(a) Please confirm that Terasen Gas understands it is extremely unlikely that variable rate offerings will be utilized by Gas Marketers in British Columbia?

Response:

Should Residential Unbundling be implemented in British Columbia, Terasen Gas anticipates demand from consumers initially to be highest for long term 3 – 5 fixed price offerings, typical of the competitive marketplace in other jurisdictions, as consumers seek price stability in their natural gas bill. Consequently, the majority of Gas Marketers are expected to focus on marketing long term fixed price offerings.

(b) Please confirm that variable rate offerings in Alberta have contributed to a significant increase in customers selecting competitive offerings.

Response:

It is fair to expect that the more types of commodity offerings available in the marketplace, the more customers that will participate. Terasen Gas cannot comment on whether variable rate offerings in Alberta have contributed to a "significant" increase in customers selecting competitive offerings as it does not have access to such information and does not know what RG's definition of "significant" is.

As part of the Scoping Phase, Terasen Gas reviewed the issue of offering greater flexible or variable pricing. A discussion of this issue, the impact on the Essential Services Model and the proposed ESM fee is discussed on pages 81-84 of the Application.



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(c) Please confirm that variable offerings are also available in Ontario, which utilizes Accenture?

Response:

Although Terasen Gas and Enbridge Gas contract with a common customer care service provider Terasen Gas currently bills its customers through different Customer Information System applications. Terasen Gas does not have direct access to either Enbridge's billing system or the designated support staff for that application. Any information Terasen Gas has is based on interviews with staff from that utility.

Based on latest interview data Terasen Gas believes that for Enbridge Gas all residential commodity offerings billed on behalf Gas Marketers are on fixed price contracts of varying terms. The flexibility to change the commodity price monthly is available although it has not been used. The complexity of Gas Marketer price offerings appear to be greater in the Union Gas Service area although the commodity prices are relatively stable in that jurisdiction as well.

Terasen Gas believes that the evolving complexity of the Ontario marketplace reflects a maturing of residential unbundling in that jurisdiction in comparison to the situation in BC.

(d) Please explain the difference between a rate ready versus bill ready model in terms of being able to allow Gas Marketers to offer variable pricing.

Response:

Terasen Gas is unclear of the definition of what is a "rate ready" versus a "bill ready" model in terms of being able to allow Gas Marketers to offer variable pricing. Terasen Gas will assume that the intent of this question is to highlight the argument in support of variable pricing.

Please refer to answers provided to RG's questions 21 (a), (b), and (c).

(e) If Terasen adopted a bill ready model, what would be the impact in terms of a delay in implementation and program costs on its Residential Unbundling program?

Response:

Please refer to answer to RG question 21 (d).



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Reference: Recovery of Implementation, Operating Costs, p.88

Preamble: Table 12

Request: Please illustrate the rider/fee per customer using a 5 year amortization period.

Response:

The following table updates Table 12 provided in the Application and assumes a 5 year amortization period. A 5 year amortization period would reduce the variable cost to \$0.08 /GJ, or to approximately \$8.00 on a fixed bill basis.

Summary - Unbundling Costs

Scenario # 1b - 5 Year Amortization

	2006	2007	2008	2009	2010	2011	2012
Deferral Account							
Opening	\$ -	\$ 2,915	\$ 8,730	\$ 11,214	\$ 13,627	\$ 15,965	\$ 18,224
Additions	4,287	8,173	3,000	3,000	3,000	3,000	3,000
Less tax	(1,415)	(2,697)	(990)	(990)	(990)	(990)	(990)
Net Additions	2,872	5,476	2,010	2,010	2,010	2,010	2,010
AFUDC	43	339	474	403	328	248	164
Cumulative Costs	2,915	8,730	11,214	13,627	15,965	18,224	20,398
Cumulative amortization recovery			\$ -	\$ (3,665)	\$ (7,331)	\$ (10,996)	\$ (14,662)
Annual Amort.of Costs/Recoveries - levelized	\$ -	\$ (3,665)	\$ (3,665)	\$ (3,665)	\$ (3,665)	\$ (3,665)	\$ (3,665)
Deferral Account Balance	2,915	8,730	7,549	6,296	4,969	3,562	2,070
Average cost / GJ - Rider		\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08
Average cost / Month / Customer		\$ 0.69	\$ 0.68	\$ 0.67	\$ 0.66	\$ 0.66	\$ 0.65
Average # of Customers			747,000	760,000	773,000	786,141	799,505
Annual Volumes (TJ)			74,379	75,991	77,319	78,688	79,788
	<u>2008-2012</u>						
Average Cost /GJ	\$ 0.08						
Average Cost /Customer /Month	\$ 0.67						
Average Cost /Customer /Year	\$ 8.02						

Please also refer to the response to BCUC IR 1 question 3.2 for additional information about the use of a 5 year amortization period.



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Reference: **Appendix 5 Application-Accenture Final Report, Appendix J, Item 13**

Preamble: Marketer Settlement Reports will be generated automatically on a monthly basis for both marketers and Gas Supply. This will provide marketers with full settlement details including a breakdown of ESM Fees.

Request: Please provide detail of the data fields to be included in the Marketer Settlement Report

Response:

Although a design document has been prepared for Marketer Settlement Reporting, the design specifications are subject to finalization based on the Commission decision to proceed with the Application. The design can be finalized once such outstanding items as the applicability of Gas Marketer fees are determined. The data fields that will be included on Marketer Settlement Reporting can be provided once the design is finalized in the fall of 2006. The Marketer Settlement Reports are expected to be delivered in a manner similar to the practice in use for the Commercial Unbundling program.



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TGI-RG-24

Reference: **Appendix 5 Application-Accenture Final Report, Appendix J, Item 17**

Preamble: Monthly billed revenue by customer will be made available for the use of Finance in ODS.

Request: Please indicate if Terasen Gas will be providing monthly billed revenue by customer to the Marketers. If not, please explain why?

Response:

The Residential Unbundling program proposed by Terasen Gas does not anticipate providing monthly billed revenue by customer. This information can already be calculated by Gas Marketers by taking the actual consumption provided in the 24 month consumption history and multiplying it by the Gas Marketer's commodity rate. This approach is consistent with the practice followed by the Commercial Unbundling program today.



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TGI-RG-25

Reference: Appendix 5 Application-Accenture Final Report, Appendix A

Preamble: Process Maps and Business Process Impact Documents

Request: Please provide the process maps and BPIDs detailed in the Application.

Response:

The process maps and the Business Process Improvement Documents (BPIDs) referred to in the Application are for internal use by Terasen Gas. These documents relate to the flow of data between systems used by Terasen Gas that are needed to manage the Residential Unbundling program. At this time Gas Marketers do not have direct data access to these systems. Additionally, the proposed program does not change how Gas Marketers access data and upload data from the Terasen Gas GEM system from what is in use today for the Commercial Unbundling program.

The BPIDs were developed as part of the Scoping Phase efforts. Terasen Gas believes the processes outlined in the BPIDs are solid and a strong foundation in which to build a successful Residential Unbundling program. While alternate methods of delivering data are possible (i.e. to that outlined in the existing BPIDs), changes of this nature are out of scope for the proposed Residential Unbundling program. Changes of this type however are enhancement candidates for future review. A change of this nature was not contemplated for the implementation phase because the differing technical capabilities of Gas Marketers are best served by the proposal presented in the Application. In the design approach Terasen Gas was mindful about minimizing the creation of program entry barriers for Gas Marketers who use systems that are technically less sophisticated



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TGI-RG-26

Reference: Appendix 5 Application-Accenture Final Report, Appendix J, Item 10

Preamble: The Portability engine continuously monitors customers for new Applications for Supply. Customers that have moved to a new premise will be automatically enrolled with the same marketer and rate for their new premise.

Request:

- (a) Please indicate how Terasen Gas will notify Gas Marketers of changing customer Information due to moves?

Response:

In the proposed program Terasen Gas anticipates providing Gas Marketers with an updated enrollment record and a reason code that explains the enrollment change. This record would be generated once the customer information contained in the Energy CIS is updated. The updated enrollment record would include a reason code and the premise address. It would not include other contact information. One reason for limiting the transfer of this data is to keep the file size as manageable as possible and the other relates to data privacy concerns. Please see the response to question 26b for an overview of issues associated with data privacy.

Please also refer to the response to MEM IR1 question 16.1 for additional information about the management of customer moves.

- (b) If the customer provides contractual consent to having their information shared between the utility and marketer, please indicate if Terasen Gas is willing to provide updated customer information to marketers on an ongoing basis? If not, full explain why.

Response:

Given that customer information like account names, billing addresses, and telephone numbers are considered private information Terasen Gas needs to be careful about how this information is handled and who has access to it. Assuming that customers have provided written consent then Terasen Gas would be able to provide this information. Concerns for Terasen Gas about providing this information include issues like handling customers exiting contracts and when customers final their accounts and don't apply for a new service, as well as the timing of when this information could be provided – i.e. after the cooling off period ends. Assuming that these issues can be addressed there are also technical challenges that need to be resolved that include segregating customers who have consented from those who have not and the best manner in which to



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provide this information.

Until these issues are addressed Terasen Gas and Gas Marketers need to update databases separately, something that requires customers to contact both parties. Terasen Gas anticipates reviewing this issue as part of the review of the program design in the fall of 2006 provided the Commission approves the proposed project. Gas Marketers will be consulted as part of this review.

- (c) Please provide examples of any other jurisdictions where there is no exchange of current or updated customer information between the utility and marketer for which customer consent has been given.

Response:

Terasen Gas has found that in Ontario that under the terms of the contract, the customer is obligated to notify the marketer of any change in address. However, many customers are not aware of that provision of their contract and fail to notify the marketer. Based on its understanding at the current time, there is no obligation for the utility to notify the marketer of a customer move. However, Terasen Gas has been advised there is a pending rule change which will obligate a utility to automatically enroll the customer under the existing contract at their new home.

Also, please see the response to 26b above.

- (d) Please provide explain what benefits are obtained by the customer for having to contact both the Gas Marketer and utility to update their customer information?

Response:

Please see the response 26b above.

- (e) Does Terasen believe that, in general, customers would prefer to contact both the Gas Marketer and Utility to update their customer information, rather than having to contact only the Utility?

Response:

Please see the response to 26b above.



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TGI-RG-27

Reference: Code of Conduct, Appendix 8

Preamble: 1.0 Definitions

Low Volume Consumer-as defined by the Commission pursuant to section 71.1 of the Act. A "low-volume consumer" is defined as a person who, for the applicable period, either:

- has, or is expected to have, a normalized annual consumption **at one premise** (emphasis added) of less than 2,000 gigajoules of Gas per year; or
- has chosen the Commodity Unbundling Service supply option, whatever the person's annual consumption of Gas

Article 11 *"for Commercial consumers, cancellation rights of the Consumer include a mandatory 10 day cooling off period as required under the Consumer Protection Act; a Gas Marketer must not submit a customer enrolment to the LDC for processing until the 10 day cooling off period has expired."*

that the 10 day cooling off period is unnecessary for sophisticated Small Commercial customers who, in aggregate, have more than the Low Volume Consumer threshold, but may have individual premises where the consumption is less than 2000 gigajoules of gas per year. The 10 day cooling off period presents a risk for the Gas Marketer in keeping the position 'open' that is reflected in a higher price to the customer. RG is supportive of the 10 day cooling off period for Residential consumers and for Small Commercial consumers who have a premise whose consumption is less than 2000 gigajoules of gas per year.

Request: Could Terasen Gas please provide their view on removing the 10-Day cooling off period for aggregated small commercial consumers whose aggregated volume is more than 2000 GJ per year.

Response:

The 10 day cooling off period is not a requirement under the Consumer Protection Act.

Given the situation described in the question, Terasen Gas' view is that it would be appropriate to waive the 10 day cooling off period requirement for "sophisticated small commercial customers who, in aggregate, have more than the Low Volume Consumer threshold, but may have individual premises where the consumption is less than 2000 gigajoules of gas per year." To implement this, Terasen Gas suggests adding revised wording to the Code of Conduct or alternatively Gas Marketers can explicitly ask the commercial customer to waive the 10 day cooling off requirement as a part of the supply agreement arrangement. The latter option would avoid unnecessarily confusing the majority



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of small volume commercial customers with more wording in the Code of Conduct for which the applicability of the 10 day cooling off period would be appropriate.



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Reference: Code of Conduct, Appendix 8

Preamble: Article 12-The Gas Marketer shall forward a written agreement to sign-up for service by telephone marketing and obtain from the Consumer a signed agreement in return. The Gas Marketer shall direct the LDC to switch the Consumer's Gas supply only once the Gas Marketer is in possession of the signed agreement from the Consumer.

Request:

- (a) Please provide the sections of the BC Electronic Transaction Act and the BC Business Practices and Consumer Protection Act that require a customer to provide a wet signature in order for a distance sales contract to be binding.

Response:

Whether or not a signature is required depends on the type of communication that the Gas Marketer uses. If the Gas Marketer has agents that go door to door (direct sales contracts), then the marketer must obtain a written signature. (refer to sections 19 and 20 of the Business Practices and Consumer Protection Act).

If the Gas Marketer signs up customers by outbound calling or other forms of sales that are not in person (i.e. internet - distance sales contracts), under the BC Business Practices and Consumer Protection Act, then the Gas Marketer does not have to obtain a signature but has to conform with the requirements of section 46 the BC Practices and Consumer Protection Act that requires the disclosure of certain items of information before the contract is entered into.

Under the B.C. Electronic Transactions Act, section 11 (1), "If there is a requirement under law for the signature of a person, that requirement is satisfied by an electronic signature.". An "electronic signature" means information in electronic form that a person has created or adopted in order to sign a record and that is in, attached to, or associated with the record.

The Code of Conduct for Gas Marketers refers to a "written agreement" and a "signed agreement" in Article 12, a "copy of the Gas Marketer's supply contract with each customer containing the customer's written signature" in Article 23, a "Consumer's signature on a consent form" in Article 24 and "written consent of the Consumer" in Article 25.

These articles do not need to be changed to accommodate electronic signatures.

Terasen Gas understands RG's desire to use voice contracting and signatures as a way to allow consumers to enter into contracts via the telephone. Subject to telemarketer licensing conditions in British Columbia, voice signatures are permitted in place as a replacement for a wet signature. However, given



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concerns about consumer protection and potential "slamming" experienced in some other jurisdictions (i.e. enrolling customers without expressed consent by customers), Terasen Gas' view is that voice signatures not be used during the initial phase(s) of Residential Unbundling, where natural gas commodity choice is an unfamiliar concept to most residential customers, as it has the potential to create significant consumer complaints. Despite the technology available to record conversations over the phone (i.e. digital recordings), there is considerable room for misinterpretation over what is expressed consent provided over the phone by a consumer compared to an electronic signature or written "wet" signature that are more well defined in terms of required action(s) by the consumer to give consent (i.e. consumer must sign the document or press an 'I accept' button on a webpage).

Sections of the BC Practices and Consumer Protection Act

Direct sales contracts

19 A direct sales contract, future performance contract or time share contract must contain the following information:

- (a) the supplier's name and, if different, the name under which the supplier carries on business;
- (b) the supplier's business address and, if different, the supplier's mailing address;
- (c) the supplier's telephone number and, if available, facsimile number;
- (d) the date on which the contract is entered into;
- (e) a detailed description of the goods or services to be supplied under the contract;
- (f) an itemized purchase price for the goods or services to be supplied under the contract;
- (g) other costs payable by the consumer, including taxes and shipping charges;
- (h) if any customs duties, brokerage fees or other additional charges that may apply to the contract cannot reasonably be determined by the supplier, a description of those charges;
- (i) a detailed statement of the terms of payment;
- (j) the total price under the contract, including the total cost of credit;
- (k) if applicable, a description and dollar value of any trade-in;
- (l) if credit is extended or arranged by the supplier, a description of the subject matter of any security interest in accordance with Part 5 [*Disclosure of the Cost of Consumer Credit*];
- (m) a notice of the consumer's rights of cancellation, in the prescribed form and manner, if any;



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- (n) any other restrictions, limitations or other terms or conditions that may apply to the supply of the goods or services;
- (o) any other prescribed information.

Direct sales contracts

20 (1) In addition to the information required under section 19, a direct sales contract must contain

- (a) the name, in a readable form, of the individual who signs the contract on behalf of the supplier,
- (b) the place where the contract is entered into, and
- (c) the signatures of
 - (i) the individual who signs the contract on behalf of the supplier,
 - (ii) the consumer, and
 - (iii) if applicable, the guarantor.

(2) Despite section 23 (3) [*future performance contract*], if that section applies, a supplier must give a copy of the direct sales contract to the consumer at the time the contract is entered into.

(3) A direct sales contract is not binding on a consumer if

- (a) the supplier does not give to the consumer a copy of the contract at the time the contract is entered into, or
- (b) the supplier requires the consumer to make a down payment in excess of the prescribed amount.

Future performance contract

23 (1) This section does not apply to a future performance contract that is a preneed cemetery or funeral services contract.

(2) In addition to the information required under section 19 [*required contents of contract*], a future performance contract must contain the following information:

- (a) the supply date;
- (b) the date on which the supply of the goods or services will be complete;
- (c) if there are periodic payments under the contract, the amount of each of the periodic payments.

Distance sales contracts

46 (1) A supplier must disclose the following information to a consumer before the consumer enters into a distance sales contract:

- (a) the information referred to in sections 19 (a) to (c), (f) to (j) and (n) [*required*



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contents of contract] and 23 (2) [*required contents of future performance contract*];

- (b) if available, the supplier's electronic mail address;
 - (c) a detailed description of the goods or services to be supplied under the contract, including any relevant technical or system specifications;
 - (d) the currency in which amounts owing under the contract are payable;
 - (e) the supplier's delivery arrangements, including the identity of the shipper, the mode of transportation and the place of delivery to the consumer;
 - (f) the supplier's cancellation, return, exchange and refund policies, if any;
 - (g) any other prescribed information.
- (2) The supplier must disclose the information required under subsection (1) in a clear and comprehensible manner.

Distance sales contract in electronic form

47 (1) In this section, "**electronic**" has the same meaning as in the *Electronic Transactions Act*.

(2) Before a consumer enters into a distance sales contract that is in electronic form, a supplier must

- (a) make the information required under section 46 available in a manner that
 - (i) requires the consumer to access the information, and
 - (ii) allows the consumer to retain and print the information, and
- (b) provide a consumer with an express opportunity
 - (i) to correct errors in the contract, and
 - (ii) to accept or decline the contract.

Copy of distance sales contract

48 (1) A supplier must give a consumer who enters into a distance sales contract a copy of the contract within 15 days after the contract is entered into.

(2) The copy of the distance sales contract given under subsection (1) must contain

- (a) the information described in section 46 [*disclosure of information*],
- (b) the consumer's name, and
- (c) the date the contract was entered into.

(3) In addition to section 183 (2) [*how to give or serve documents generally*], the supplier may give a copy of the distance sales contract to the consumer

- (a) by sending the copy by electronic mail to the electronic mail address provided by the consumer to the supplier for the provision of information related to the



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contract, or

(b) by giving the copy by any other manner that enables the supplier to prove that the consumer has received and retained the copy.

(4) A copy of the distance sales contract given in accordance with subsection (3)

(a) is deemed to be received on the 3rd day after it is sent.