

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-57-05

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by Terasen Gas Inc.
for Approval of Enhancements to the Commercial Phase of the Commodity Unbundling Program and
Extension of the Stable Commodity Rate Offering for the period January 1, 2006 to December 31, 2006

BEFORE: L.F Kelsey, Commissioner
L.A Boychuk, Commissioner June 9, 2005

O R D E R

WHEREAS:

- A. On November 25, 2002 the Government of British Columbia issued its energy policy, "Energy Plan for our Future: A Plan for BC". Item 19 stated that "*The Utilities Commission Act will be amended in spring 2003 to allow direct natural gas sales to low volume customers and require the licensing of gas marketers who serve those customers*"; and
- B. On April 16, 2003 the Commission, by Letter No. L-14-03, approved a deferral account for Terasen Gas Inc. ("Terasen Gas") in the amount of \$1,050,000 to permit work to continue on the Commercial Commodity Unbundling program ("Program") for a November 1, 2004 implementation date. It also directed Terasen Gas to proceed with the Stable Rate Option for residential customers so that it became effective at the same time as the Program; and
- C. On July 18, 2003, Terasen Gas filed its Commodity Unbundling and Customer Choice Phase 1 Report pursuant to Commission Letter No. L-18-03. The Report outlined the estimated costs for the next phase of the implementation plan, which was expected to cost between \$5.1 and 6.1 million; and
- D. Commission Order No. G-57-03 dated September 15, 2003, approved an increase of \$6.1 million in the Commercial Unbundling Program Deferral Account for the implementation phase of the Program for a total approved deferral account of \$7,150,000; and
- E. On March 16, 2005, Terasen Gas filed a report entitled "Commodity Unbundling Post-Implementation Review and Next Steps" and ("Report") that presented a review of the Program and suggested improvements to enhance its effectiveness; and
- F. On April 8, 2005, a Commission-sponsored workshop was held and all stakeholders provided their comments on the Report. At the conclusion of the workshop Terasen Gas agreed to review all the stakeholders' proposals and prepare an application with a list of enhancements for the Program; and

- G. On May 31, 2005 Terasen Gas made an application to the Commission that requested approval for enhancements to the Commercial Phase of the Commodity Unbundling Program and extension of the Stable Commodity Rate offering for the period January 1, 2006 to December 31, 2006; and
- H. The Commission has reviewed the Application and finds that the proposed enhancements to the Commercial Phase of the Program and the extension of the Stable Commodity Rate Offering to the period January 1, 2006 to December 31, 2006 are appropriate and in the public interest.

NOW THEREFORE the Commission orders as follows:

1. The Application for approval of additional expenditures of \$466,000 as a result of proposed enhancements to the Commercial Commodity Unbundling program is approved. The actual enhancement expenditures are to be recorded in the Commercial Unbundling Program Deferral Account. Terasen Gas is directed to work together with stakeholders and Commission staff to develop an effective Market Pricing Depository and education program for 2005.
2. The Commission approves the Stable Commodity Rate program for residential customers as proposed in the Application for the period January 1, 2006 to December 31, 2006.
3. The Application for approval of additional expenditures of \$375,000 as a result of the extension of timeframe for the Stable Commodity Rate program is approved. The actual expenditures are to be recorded in the Stable Commodity Rate Residential Service Program Deferral Account.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of June 2005.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner