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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-110-05

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**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
Deferral Account Increase for Expenditures Associated with the Residential Unbundling Scoping Solution**

BEFORE: L.F. Kelsey, Commissioner October 27, 2005

O R D E R

WHEREAS:

- A. On November 25, 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 these customers; and*
- B. On March 16, 2005 Terasen Gas Inc. ("TGI") submitted its report entitled *Commodity Unbundling Post Implementation Review and Next Steps (Report)* that presented a review of the Commercial Unbundling Program to date and suggestions for improvement and refinements to enhance its effectiveness; and
- C. On April 8, 2005 the Commission held a workshop on the Commercial Commodity Unbundling Program at which TGI presented the Report and stakeholders were invited to provide their comments. Gas Marketers requested that the Residential Unbundling Program be introduced as soon as it is feasible; and
- D. Commission Order No. G-66-05 dated July 7, 2005 approved \$300,000 in deferral account funding to complete market research and the review and validation of the business rules for the Residential Unbundling Program and also the timeline leading to a Certificate of Public Convenience and Necessity ("CPCN") by March 2006; and
- E. On September 20, 2005 TGI applied for additional deferral account funding of \$1,053,800 to complete the scoping and business systems analysis work to enable the filing of the CPCN application by March 2006. Consulting services to both Accenture Inc and KnowledgeNetwork are forecast to cost \$953,800 and a full-time project manager at Terasen Gas is expected to require an additional \$100,000; and

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- F. The Commission has reviewed TGI's application and response to Information request No. 1 and No. 2 dated October 5, 2005 and October 13, 2005 respectively.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves for Terasen Gas additional deferral account expenditures of \$1,053,800 to complete the scoping and business systems analysis work that will enable the filing of a CPCN application for the Residential Unbundling Program with the Commission by March 2006.
2. Following completion of the scoping analysis, Terasen Gas is to file a Report detailing the costs contained in the deferral account for justification of their recovery.

DATED at the City of Vancouver, in the Province of British Columbia, this 31st day of October 2005.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner