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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-66-05

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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 Funding and Timeline for Scoping of  
Residential Unbundling Program**

**BEFORE:** L.F. Kelsey, Commissioner June 30, 2005

**O R D E R**

**WHEREAS:**

- A. Commission Letter No. L-14-03 dated April 16, 2003 concluded that unbundling for small volume customers should be phased, with commercial customers having an unbundled option for November 2004 and a choice of supplier provided to residential customers in the second phase of unbundling. The Commission directed Terasen Gas Inc. ("TGI") to proceed with the Commercial Unbundling Program (the "Program"); and
- B. Commission Letter No. L-25-03 dated June 6, 2003 approved the Business Rules for the Program; and
- C. The TGI Report on Commodity Unbundling and Customer Choice Phase 1 dated July 18, 2003, recommended that a post implementation review of the Program be undertaken to assess its effectiveness and efficiency; and
- D. On March 16, 2005 TGI submitted its report entitled Commodity Unbundling Post Implementation Review and Next Steps (the "Report") that presented a review of the Program to date and suggestions for improvement and refinements to enhance its effectiveness; and
- E. On April 8, 2005 the Commission held a workshop 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 to do so; and
- F. On June 6, 2005 TGI requested approval for \$300,000 in deferral account funding to complete the Business Model, Rules Validation and market research work that would take place between June and August 2005 for the Residential Unbundling Program (the "Application"). In the Application, TGI also requested approval of an aggregate expenditure including the afore-mentioned \$300,000 to fund all work necessary to complete a Certificate of Public Convenience and Necessity ("CPCN") application and a timeline for activities leading to the filing of the CPCN application by March 2006; and

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- G. The Commission has received written comments from several stakeholders that were generally supportive of proceeding with the development of the Residential Unbundling Program. Some stakeholders requested that the timetable for the program be accelerated, while others expressed a need to proceed carefully with residential unbundling; and
- H. The Commission has reviewed TGI's application, comments submitted by stakeholders and TGI's response. It considers that a phased approval process for the proposed amount of deferral account funding for the Residential Unbundling Program is required.

**NOW THEREFORE** the Commission orders as follows:

1. Deferral account funding in the amount of \$300,000 to complete the review and validation of the business model rules for the Residential Unbundling Program and the timeline leading to a CPCN application by March 2006 as set out in the Application, are approved for TGI.
2. Terasen Gas will submit an application by September 16, 2005 addressing the justification of the implementation of Residential Unbundling Program and, as appropriate, seeking approval of deferral account funding to complete the scoping and business systems analysis phases so that a CPCN application for the Residential Unbundling Program can be filed with the Commission by March 2006.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 7<sup>th</sup> day of July 2005.

**BY ORDER**

*Original signed by:*

L.F. Kelsey  
Commissioner