

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-46-06

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



TELEPHONE: (604) 660-4700
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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 a Certificate of Public Convenience and Necessity Application
for the Residential Unbundling Program pursuant to Section 45 of the Utilities Commission Act**

BEFORE: A.W.K. Anderson, Commissioner April 24, 2006

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 these customers"; and
- B. On March 16, 2005, Terasen Gas Inc. ("Terasen Gas") 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 Terasen Gas 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 approved \$300,000 in deferral account funding for Terasen Gas 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") application by March 2006; and
- E. Commission Order No. G-110-05 approved additional deferral account expenditures of \$1,053,800 for Terasen Gas to complete the scoping and business systems analysis work to enable the filing of a CPCN application for the Residential Unbundling Program with the Commission by March 2006; and
- F. On April 13, 2006, Terasen Gas submitted a CPCN application (the "Application") for the Residential Unbundling Program, pursuant to Section 45 of the Utilities Commission Act, to implement effective November 1, 2007, unbundling for residential customers in its service territory (excluding Fort Nelson and

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Revelstoke). The capital expenditure is expected to be \$11.1 million. The Application also requests Commission approval of a deferral account mechanism for cost recovery of the implementation and operating costs, and changes to tariffs and agreements to support the Residential Unbundling Program.

NOW THEREFORE the Commission orders as follows:

1. The Regulatory Timetable attached as Appendix A to this Order is established for this Terasen Gas proceeding.
2. The Terasen Gas Application will be examined through an Oral Public Hearing commencing at 9:00 a.m., Tuesday, June 27, 2006 on the 12th Floor at 1125 Howe Street, Vancouver, B.C.
3. Terasen Gas will publish in display-ad format, the Notice of Workshop, Procedural Conference and Oral Public Hearing attached as Appendix B to this Order, in the Vancouver Sun, Province and such other news publications so as to provide sufficient coverage in the affected service areas of TGI.
4. The Application, together with any supporting materials, will be made available for inspection in Terasen Gas' Surrey offices, other offices in its service territory (excluding Fort Nelson and Revelstoke) and at the Commission's office in Vancouver, B.C.
5. Intervenor and Interested Parties should register with the Commission, in writing, by Wednesday, May 17, 2006 and advise whether they will attend the Workshop, Procedural Conference or Oral Public Hearing. Intervenor should specifically state the nature of their interest in the Application and identify generally the nature of the issues that they intend to pursue during the proceeding and the nature and extent of their anticipated involvement in the review process.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of April 2006.

BY ORDER

Original signed by:

A.W.K. Anderson
Commissioner

Attachment

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APPENDIX A
to Order No. G-46-06
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TELEPHONE: (604) 660-4700
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An Application by Terasen Gas Inc.
for a Certificate of Public Convenience and Necessity
for the Residential Commodity Unbundling Program

REGULATORY TIMETABLE

Action

Date

Commission Information Request No. 1	Friday, May 12, 2006
Registration of Intervenors and Interested Parties	Wednesday, May 17, 2006
Participant Funding/Cost Award Budgets	Wednesday, May 17, 2006
Intervenors Information Request No. 1	Friday, May 19, 2006
TGI response to Commission Information Request No. 1	Friday, June 2, 2006
TGI response to Intervenors Information Request No. 1	Friday, June 9, 2006
Commission Staff Draft Issues List	Tuesday, June 13, 2006
Workshop*	Thursday, June 15, 2006
Procedural Conference*	Friday, June 16, 2006
Oral Public Hearing Commences*	Tuesday, June 27, 2006

* The Workshop, Procedural Conference and Oral Public Hearing all commence at the Commission's Hearing Room at 9:00 a.m.:

12th Floor
1125 Howe Street
Vancouver, B.C.

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APPENDIX B
to Order No. G-46-06
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TELEPHONE: (604) 660-4700
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A Submission by Terasen Gas Inc. ("Terasen Gas")
for a Certificate of Public Convenience and Necessity
for the Residential Commodity Unbundling Program

**NOTICE OF WORKSHOP,
PROCEDURAL CONFERENCE AND
ORAL PUBLIC HEARING**

	<u>WORKSHOP</u>	<u>PROCEDURAL CONFERENCE</u>	<u>ORAL PUBLIC HEARING</u>
Date:	Thursday, June 15, 2006	Friday, June 16, 2006	Tuesday, June 27, 2006
Time:	9:00 a.m.	9:00 a.m.	9:00 a.m.
Location	12 th Floor, 1125 Howe Street Vancouver, B.C.	12 th Floor, 1125 Howe Street Vancouver, B.C.	12 th Floor, 1125 Howe Street Vancouver, B.C.

THE APPLICATION

On April 13, 2006 Terasen Gas submitted a Certificate of Public Convenience and Necessity Application for the Residential Unbundling Program pursuant to Section 45 of the Utilities Commission Act. The program will allow residential customers the option to contract directly with gas marketers for the commodity portion of their gas supply. In this Application Terasen Gas requests approval of the following:

- Implementation of Commodity Unbundling for all residential customers in its service territory, excluding Fort Nelson and Revelstoke, effective November 1, 2007.
- Capital Expenditures of \$11.1 million to implement the Residential Unbundling Program.
- Cost Recovery for implementation and operating costs for the Residential Unbundling Program using deferral account treatment.
- Tariff and Agreement changes required to support the Residential Unbundling Program.

THE REGULATORY PROCESS

Terasen Gas will hold a Workshop to explain the application on Thursday, June 15, 2006. The Commission will hold a Procedural Conference regarding the regulatory process for the review of the Application commencing at 9:00 a.m. on Friday, June 16, 2006 and an Oral Public Hearing will commence at 9:00 a.m. on Tuesday, June 27, 2006 all on the 12th Floor Hearing Room at 1125 Howe Street Vancouver, B.C. Following the Procedural Conference, the Commission may issue a further Procedural Order and a Revised Regulatory Agenda to registered parties.

PUBLIC INSPECTION OF THE DOCUMENTS

The Application and supporting material will be made available for inspection at Terasen Gas offices in its service territory excluding Fort Nelson and Revelstoke and the British Columbia Utilities Commission office at Sixth Floor, 900 Howe Street, Vancouver, B.C., V6Z 2N3.

The Application will be available for viewing on Terasen Gas' website at www.terasengas.com.

INTERVENTIONS

Persons who expect to actively participate in the proceeding should register as Intervenor with the Commission, in writing, by Wednesday, May 17, 2006, identifying their interest in the applications and indicating whether they plan to attend the Workshop, Procedural Conference and Oral Public Hearing. Intervenor should identify the issues that they intend to pursue and the nature and extent of their correspondence and filed documentation and should provide an e-mail address if available.

Persons not expecting to actively participate, but who have an interest in the proceeding should register as Interested Parties with the Commission, in writing, by Wednesday, May 17, 2006, identifying their interest in the Application and indicating whether they plan to attend the Procedural Conference. Interested Parties will receive a copy of the Executive Summary from the Application, and all Orders and Decisions issued.

FURTHER INFORMATION

For further information, please contact Mr. Robert J. Pellatt, Commission Secretary, or Mr. Robert Brownell, Senior Commodities Analyst, as follows:

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Telephone: (B.C. Toll Free) 1-800-663-1385