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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER F-16-06**

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

and

**Applications for Participant Assistance/Cost Awards in the Application by Terasen Gas Inc.
for Approval of a Certificate of Public Convenience and Necessity
for the Residential Commodity Unbundling Project**

BEFORE: A.W.K. Anderson, Commissioner October 5, 2006

ORDER

WHEREAS:

- A. On April 13, 2006, Terasen Gas Inc. ("Terasen Gas") applied for approval of a Certificate of Public Convenience and Necessity ("CPCN") for the Commodity Unbundling Project for Residential Customers pursuant to Section 45 of the Utilities Commission Act (the "Application"), to implement effective November 1, 2007, unbundling for residential customers in its service territory (excluding Fort Nelson and Revelstoke). Terasen Gas expects that the additional capital expenditure will be \$11.1 million for a total of \$12.5 million for the project. 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 Commodity Unbundling Project; and
- B. Commission Order No. G-46-06 dated April 28, 2006 determined that the Application would be examined through an Oral Public Hearing as set out in the Regulatory Timetable attached to the Order; and
- C. Commission Order No. G-69-06 dated June 16, 2006 revised the Regulatory Timetable; and
- D. On June 22, 2006 Terasen Gas updated its CPCN Application by addressing several outstanding issues in the Application; and
- E. Commission Order No. C-6-06 granted a CPCN for the Residential Commodity Unbundling Project for residential customers in all Terasen Gas service areas, excluding Fort Nelson and Revelstoke, effective November 1, 2007; and
- F. On August 11, 2006 Direct Energy Marketing Limited ("DEML") and Energy Savings B.C. (collectively, the "Retailer Group") submitted a joint application for a Participant Assistance/Cost Award ("PACA") of \$12,175.97; and
- G. On August 18, 2006 the British Columbia Public Interest Advocacy Centre ("BCPIAC") on behalf of the Old Age Pensioners Organization et al. ("BCOAPO") filed an application for a PACA of \$17,485.47; and

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- H. The Commission has reviewed the PACA applications with regard to the criteria and rates as set out in the Guidelines in Commission Order No. G-15-04 and has made changes to the funding amounts requested as set out in the Reasons for Decision that are Appendix A to this Order.

NOW THEREFORE the Commission pursuant to Section 118(1) of the Utilities Commission Act orders as follows:

1. The BC Public Interest Advocacy Centre is awarded PACA funding in the amount of \$17,485.47.
2. The application from the Retailer Group for PACA funding in the amount of \$12,175.97 is denied.
3. Terasen Gas is directed to reimburse the BCPIAC in the total amount awarded in a timely manner.

DATED at the City of Vancouver, in the Province of British Columbia, this 11th day of October 2006.

BY ORDER

Original signed by

A.W.K. Anderson
Commissioner

Applications for Participant Decision/Cost Awards in the Application by Terasen Gas Inc.
for Approval of a Certificate of Public Convenience and Necessity
for the Residential Commodity Unbundling Project

REASONS FOR DECISION

1.0 INTRODUCTION

The Commission issued its Decision dated August 14, 2006 and Order No. C-6-06 in response to the Certificate of Public Convenience and Necessity application from Terasen Gas Inc. for the Residential Commodity Unbundling Project (“RCUP”). As set out in the Order that accompanies these Reasons for Decision, the Commission received two applications pursuant to Section 118 of the Utilities Commission Act for Participant Assistance/Cost Award (“PACA”) funding. The PACA cost awards requested in the applications total \$29,661.44.

Section 118 provides that the Commission Panel may make cost awards for participation in a proceeding. The Commission’s PACA Guidelines are set out in Appendix A to Order No. G-15-04, and state:

“In determining an award of all or any portion of a Participant’s costs, the Commission Panel will consider the following:

- i. Does the Participant represent a substantial interest in the proceeding and will the Participant be affected by the outcome?
- ii. Has the Participant contributed to a better understanding of the issues by the Commission?
- iii. Are the costs incurred by the Participant for the purposes of participating in the proceeding fair and reasonable?
- iv. Has the Participant joined with other groups with similar interests to reduce costs?
- v. Any other matters appropriate in the circumstances.

If the Commission Panel considers it to be an appropriate consideration in a proceeding, the Commission Panel may consider the Participant’s ability to participate in the proceeding without an award.”

2.0 PROCEEDING AND PREPARATION DAYS

Section 4 of the PACA Guidelines states that proceeding days may include workshop days, negotiation days, pre-hearing conference days, and hearing days; and that the Commission Panel may award costs for preparation days, typically on a ratio of up to two preparation days per proceeding day.

	Prorated Proceeding	
	DAYS	Days
Procedural Conference	1	.5

Workshop	1	.5
Oral Hearing	1	.5
	3	1.5

The RCUP involved an extensive discussion of the issues at the Workshop and resulted in the development of a shorter list of unresolved issues that became the subject of the Oral Hearing. The open discussion in the Workshop reduced the amount of hearing time as consensus was reached by parties on a number of issues. However, an increased amount of preparation time was required to accommodate the discussion in this open forum. Therefore, the Commission Panel will apply a ratio of 3.3 preparation days for each prorated proceeding day in this unusual case to recognize the unique aspect of this regulatory agenda.

3.0 ADJUSTMENTS TO THE RETAILER GROUP PACA APPLICATION

Retailer Group (“Direct Energy Marketing Limited and Energy Savings B.C.”)

Under the PACA Guidelines, when determining the eligibility of a participant for an award of all or a portion of its costs, the Commission Panel is to consider if the participant represents a substantial interest in the proceeding and if it will be affected by the outcome. The Commission Panel also may consider the participant’s ability to participate in the proceeding without a cost award.

In this case, the later argument is a compelling case against funding. Both Direct Energy Marketing Limited and Energy Savings B.C. participate as Gas Marketers in the Commercial Unbundling program and expect to participate as marketers to retail customers in the RCUP. Both are subsidiaries of national or international organizations which have substantial financial resources. The Commission concludes that the Retailer Group has the ability to meet its hearing expenses without an award and therefore denies its application for PACA funding.