



LETTER NO. L-1-09

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VIA E-MAIL

January 7, 2009

TO: Mr. Gord Potter
Senior Vice President Regulatory Affairs
Energy Savings BC
Registered Intervenor (TGI-CustChoice-RI)

Re: Terasen Gas Inc.

Customer Choice Program Enhancements and Additional Customer Education Funding

This letter is to clarify the Commission Panel's determination in Section 9.0 of the Commission's Order G-181-08 and Reasons for Decision for the Terasen Gas Inc. Application for Customer Choice Program Enhancements and Additional Customer Education Funding, in response to Energy Savings BC's letter to the Commission dated December 22, 2008.

1. Disclosure of Cancellation Provisions in Order G-181-08

Although the ten day contract cancellation rule applies to all contracts the Business Practices and Consumer Protection Act ("BPCPA") provides additional cancellation provisions to future performance contracts and contracts with a supply date which is more than one year in the future. Therefore Appendix A, page 26 stated that:

"The Commission directs that gas marketers that have signed contracts starting more than one year in the future are to send letters approved by the Commission to such customers informing them of the cancellation provisions provided under the BPCPA. Where this type of contract has been enrolled prior to the date of the Reasons for Decision (even if it did not comply with the five year rule) it will be allowed on a grandfathered basis providing those customers have been informed of the cancellation provisions under the BPCPA and wish to proceed with their contracts. New renewal contracts may be signed and enrolled more than one year in the future provided the customer is fully informed of the cancellation rights and the five year rule is followed."

Gas Marketers should forward a copy of the letter template to be used to satisfy this requirement, for Commission approval by February 1, 2009. The letter must set out a summary of the cancellation provisions provided for in the BPCPA, pursuant to Order G-181-08. This letter should be sent out to all customers that have, as of the date of the Order, signed contracts with start dates more than one year in the future, and should be sent out at least 60 days prior to the commencement of deliveries under the contract. Customers

signed to future performance contracts after December 12, 2008 should receive a summary of the cancellation provisions covered under the BPCPA at the time of signing the contract. As an alternative to a letter outlining this information, this requirement may be satisfied by including the BPCPA cancellation terms in the contract or accompanying materials. This cancellation information should be provided to both renewal and new contract customers, where the start date for deliveries is more than 12 months after the date of the contract.

2. Application of the Five Year Contract Period Under Article 26 of the Code of Conduct for Gas Marketers

The Commission amended Article 26 of the Code of Conduct for Gas Marketers to state in part that:

"A Consumer may enter into an Agreement with any Gas Marketer, or combination of Gas Marketers, for a maximum period of five years of gas flow."

A Gas Marketer can offer a customer a minimum contract term of one year and a maximum contract term of no more than five years provided that the combination of Gas Marketer contracts entered into by a customer, at any given time, does not total more than 5 years of gas flow. The dates for commencement of service and termination of service must coincide with the program entry dates. For clarity, the five year period of gas flow begins at the customer's next following Anniversary Date, where an Anniversary Date is the customer's date of commencement of service, or one or more multiples of 12 months following the date of commencement of service.

Yours truly,

Original signed by:

Erica M. Hamilton

RB/ac

cc: Mr. Tom Loski
Chief Regulatory Officer
Terasen Gas Inc.
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