

it's your choice

UNDERSTAND YOUR
OPTIONS BEFORE YOU
SIGN A CONSUMER
AGREEMENT.



**CUSTOMER
CHOICE**

STANDARD
INFORMATION
BOOKLET

**THERE IS NO OBLIGATION TO
SIGN A CONSUMER AGREEMENT.**

**Before you sign an agreement, visit
terasengas.com/choice to view what
each of the gas marketers have to offer.**

**Important: Please read this brochure before
your 10-day cancellation period expires.**

What questions should you ask a gas marketer?

Before you sign an agreement with a gas marketer, be sure that you have done your homework. These questions may help you gather the information you need to make an informed decision.

1. What is your price per gigajoule of gas?
2. How long is the term of this agreement?
3. Is the price per gigajoule of gas fixed over the entire term of the agreement? Or can it vary?
4. How does your gas price compare to other gas marketers' fixed prices and to Terasen Gas' variable prices?
5. What are the benefits and risks involved in a fixed term agreement?
6. What commitments will be made on my behalf?
7. What are the financial obligations and potential additional charges?
8. What are the renewal provisions of the agreement?
9. What is your company's track record in supplying natural gas?
10. Who is authorized to sign an agreement with a gas marketer?
11. If I am not satisfied with the agreement and want to cancel within the 10-day cancellation period, what is the best way to contact you?
12. Will you provide me with a confirmation number telling me the cancellation process is complete?
13. After my 10-day cancellation period has ended, what are the rights and penalties for early termination of the agreement? Is there a minimum agreement term?
14. How many days does it generally take for my agreement to be sent and enrolled with Terasen Gas? How would I know when my 10-day cancellation period ends?
15. If I move to a new home, what information do I need to provide your company and Terasen Gas? Does the agreement follow me to my new home?

Know what to compare

When it comes to comparing a gas marketer's fixed rate and Terasen Gas' variable rate, there is only one number you need to compare—the cost of gas per gigajoule.

Cost of gas (10.4 GJ at 7.54 per GJ)

Your Terasen Gas bill

Name: ANNIE CUSTOMER
Service address: 12345 ANY STREET
ANYTOWN
Rate Class: Residential
Billing date: Mar 13, 2009

Account number	Due date	Amount due	Amount paid
555555	Apr 22, 2009	\$142.72	

Previous bill	167.76	
Less payment - Thank you	167.76 CR	
Balance from previous bill		0.00
Delivery charges		
Basic charge		11.99
Delivery (10.4 GJ at 2.85 per GJ)		29.64
		<u>41.63 * "</u>
Commodity charge		
Midstream (10.4 GJ at 1.02 per GJ)		10.61
Cost of gas (10.4 GJ at 7.54 per GJ)		78.42
ABC Gas Marketer		<u>89.03 * "</u>
Call 1-888-888-8888 for cost of gas related inquiries		
Other charges and taxes		
Clean Energy Levy (0.4% of " amounts)		0.52
Carbon Tax (10.4 GJ at 0.4966 per GJ)		5.16
GST (5% of * amounts)		6.53
Please pay		<u>\$142.72</u>

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1. What is Customer Choice?

Customer Choice offers you the freedom to choose who you buy natural gas from, and how. Independent gas marketers offer natural gas at long-term fixed prices. Customers can purchase natural gas from a gas marketer or from their local natural gas utility. It's the customer's choice.

Gas marketers sell fixed rate agreements that vary in length from one to five years. The contracts are available to both residential and business customers.

With a fixed rate, the price you pay for your natural gas will remain the same for the duration of the agreement. It will not fluctuate with the daily changes of energy prices.

Your local natural gas utility offers a rate that can change as often as four times per year. Their variable rate is reviewed quarterly by the BC Utilities Commission and adjusted up or down to reflect current changes in market conditions.

Your local natural gas utility, or a gas marketer.
It's your choice.

2. Why do we have a choice?

Customer Choice was developed in response to the provincial government's 2002 energy policy. Similar programs are available in Ontario, Manitoba and Alberta, as well as in other areas throughout North America.

Customer Choice is overseen by the BC Utilities Commission (BCUC).

To participate in Customer Choice, gas marketers must be qualified, approved and licensed by the BCUC. Although not regulated like a utility, gas marketers must adhere to the BCUC's Rules for Gas Marketers and Code of Conduct for Gas Marketers.

These publications are available for review at bcuc.com/NaturalGasMarketers.aspx

The BC Utilities Commission (BCUC)

The BCUC is the provincial body for regulating utilities in British Columbia and helps to ensure that consumers receive safe, reliable and non-discriminatory energy services at fair rates.

The Commission will rule on Consumer Agreement disputes and help investigate complaints related to the marketing practices of gas marketers.

3. Assessing your options

Fixed price Consumer Agreements offered by gas marketers provide price security and potential cost savings. This choice is comparable to a homeowner locking into a mortgage at a fixed rate as opposed to choosing a variable rate where the price can change.

There are a number of reasons consumers may select one option over another. **A rate comparison chart is available at terasengas.com/choice**

4. Potential risks of your choice

By signing a Consumer Agreement with a gas marketer, you are committing to buying natural gas at a fixed price for one to five years. The amount you pay over that period could end up being more or less than what you would have been charged by your natural gas utility for the same period. It all depends on the future market price of natural gas.

Please note, there is no guarantee that a fixed-rate agreement will save you money.

5. Certainty behind your choice

No matter which option you choose, your natural gas utility will continue to deliver your natural gas, safely and reliably. And you'll continue to enjoy the same range of services and bill payment options you enjoy today. You will not receive an additional bill. The gas marketer's charges will appear on your utility bill.

Should your gas marketer surrender or lose its licence, your account will be returned to your local natural gas utility with no interruption in gas supply. **However, you may be charged for gas at a higher rate than the current Terasen Gas regulated rate.**

6. Understanding how a gas marketer operates

While the BCUC oversees gas marketers' marketing activities, the BCUC does not regulate the prices they offer. As in any competitive market, gas marketers are free to offer different prices and terms to each consumer.

As a customer, you are free to decide if a fixed rate is right for you and, if so, which offering from which gas marketer best meets your needs. Gas marketers are allowed to offer agreements for the supply of natural gas with fixed prices for terms lasting from one to five years.

This is not the case, however, with your local natural gas utility. As a regulated utility, it must offer the same price to all consumers in the same rate class. Terasen Gas cannot offer different prices to consumers in the same rate class.

Once you make a commitment with a gas marketer, you must fulfill the terms of the agreement.

For residential customers—if you change residences, your natural gas Consumer Agreement will move with you unless you move into an area ineligible for participation in Customer Choice.

For commercial customers—if you move to another location, your Consumer Agreement is cancelled. If you would like to re-enrol you will need to contact your preferred gas marketer.

Please visit bcuc.com or terasengas.com/choice for a copy of the Rules for Gas Marketers, the Code of Conduct for Gas Marketers and a list of currently licensed gas marketers.

7. Understanding how a gas marketer makes money selling natural gas

Gas marketers make money by selling natural gas under different terms and conditions related to pricing. They use a variety of buying strategies to acquire long-term, fixed-price natural gas agreements. And they are able to purchase large blocks of natural gas at wholesale prices that are not usually available to smaller volume consumers. They then offer natural gas at a fixed-price to consumers using different pricing arrangements that allow them to earn a profit. Gas marketers also make money by buying and selling natural gas in the wholesale market.

Gas marketers may also be able to offer different commodity prices over different time periods that take into consideration a customer's specific needs.

Unlike the gas marketers, Terasen Gas is a distribution utility that operates under regulations set out by the BCUC. The natural gas utility's regulated rate for natural gas is based on recent gas purchases and what the utility forecasts it will have to pay in the future to provide gas to its customers. The cost for the natural gas passes directly to customers. Rates are reviewed by the BCUC and may change on a quarterly basis.

8. Understanding how a gas marketer will deliver natural gas to you

Should you opt to purchase your gas from a gas marketer, there will be no interruption to your natural gas service. Terasen Gas will continue to deliver your natural gas, just as they currently do—through the same pipelines and through the same meter.

Gas marketers are legally obligated to meet their gas delivery requirements as set out by Terasen Gas. Should a marketer fail to meet its gas delivery requirements, Terasen Gas will step in as the Supplier of Last Resort. This is your assurance that you will continue to receive an uninterrupted supply of gas.

The gas marketer will be liable for financial penalties for any failure to deliver.

9. Understanding your Consumer Agreement

There are two documents that you, as the consumer, need to sign if you decide to participate in Customer Choice. These documents are provided to you by the gas marketer.

a) Notice of Appointment of Marketer

The Notice of Appointment of Marketer is a form that you must sign in order to enter into a supply agreement with a gas marketer. The signed form ensures that you have given the authorization Terasen Gas requires, under privacy legislation, to release your consumption history to the gas marketer. It also ensures that you are proactively participating in the process and have agreed to their billing and collections arrangements. And, in the event your marketer fails to meet its gas delivery requirements, the signed form serves as the authorization Terasen Gas needs to continue delivery of natural gas to your home or business.

b) Consumer Agreement with the marketer

The Consumer Agreement with the gas marketer outlines the terms and conditions of the supply agreement between you and the gas marketer. It will include these essential elements of the offer:

- price in Canadian dollars per gigajoule
- length of term
- renewal provisions
- penalties and terms for early termination of Consumer Agreement, including minimum agreement term
- conditions that may affect the price or term of the offer

Lastly, your gas marketer is required to conduct a Third Party Verification (TPV) for door-to-door sales of residential consumers. Third Party Verification is a digitally recorded telephone call between the gas marketer and the residential consumer to confirm the consumer's understanding of the Offer, Consumer Agreement, Confirmation Letter and Cancellation Rights.

10. Cancelling your Consumer Agreement

If, after signing with a gas marketer, you decide that Customer Choice is not for you, the BCUC has mandated a cancellation period during which you can cancel your agreement without penalty.

The period begins 10 calendar days from the date that the utility receives the enrolment request from the gas marketer. This generally coincides with the date on the Confirmation Letter sent to you by the natural gas utility.

After signing an agreement with a gas marketer

- **Residential customers** receive a Confirmation Letter from the local gas utility that provides a summary of the agreement entered into with the gas marketer. It also provides a deadline date by which time consumers must call the gas marketer if they want to cancel the agreement. This is the 10-day cancellation period.
- **Commercial customers** do not receive a Confirmation Letter, but are given 10 days by the gas marketer in which to call if they want to cancel their agreement.

11. What happens if you move to a new home?

Once you have signed a Consumer Agreement you have an obligation to ensure your agreement moves to your new residence, as long as it remains in an area served by Customer Choice (note: Customer Choice is not available to residents of Vancouver Island, the Sunshine Coast, Whistler, Revelstoke or Fort Nelson). Please contact Terasen Gas at 1-888-224-2710 to let them know your move details.

12. What happens at the end of your gas marketer agreement?

At the end of your agreement, it will be automatically renewed or you can advise the marketer that you will be cancelling the agreement.

Your Consumer Agreement should clearly set out the renewal provisions, including those for default rollover.

a) The gas marketer is required to give you no less than 90 days notice prior to the renewal date.

b) After receipt of written notice from the gas marketer, you are given 30 days to select renewal terms or cancel the agreement.

c) If you choose to cancel the agreement and return to the utility, the gas marketer must notify Terasen Gas within two business days of receiving notice from the consumer.

d) Should you take no action to cancel the existing agreement or sign a new agreement with another gas marketer, then the existing Consumer Agreement will be automatically renewed with the same fixed price for a 12-month period.

13. What happens if you have a concern about your agreement with a gas marketer?

Remember, the gas marketer is independent of your gas utility. The gas utility is not responsible for resolving complaints or disputes that you may have with a gas marketer.

a) If you have a problem, you should attempt to resolve it by directly contacting the gas marketer first. If you have any questions or concerns regarding the price of the gas you are paying or will be paying, you must contact your gas marketer. Call Terasen Gas if you have any questions about your monthly bill, the delivery of gas, or if you experience a gas emergency.

b) If you have a dispute with your gas marketer regarding your agreement that remains unresolved, you may call Terasen Gas at 1-888-224-2710 to log the dispute. Terasen Gas will compile this information and forward it to the BCUC for investigation/resolution.

c) The BCUC will investigate complaints related to the marketing practices of gas marketers as outlined in the Rules for Gas Marketers and in the Code of Conduct for Gas Marketers. These documents are available for review at terasengas.com/choice and bcuc.com

14. What about billing?

If you choose to purchase your natural gas from a gas marketer, Terasen Gas will still send you a monthly gas bill for your total monthly cost. Your bill will separately list Terasen Gas' delivery and midstream charges, and the gas marketer's cost of gas. The gas marketer's charge is for the cost of gas only and all other charges will remain with Terasen Gas.

Who should you contact?

Regardless of whether you choose to purchase your gas from a gas marketer or your local gas utility, the utility will continue to ensure safe, efficient and reliable delivery to your home or business.

In the event of a gas leak or other emergency, the utility will continue to provide 24-hour emergency response. If you smell gas or have another gas-related emergency, contact Terasen Gas at 1-800-663-9911, your local fire department or 911.

For inquiries and questions related to a gas marketer's natural gas price, call the gas marketer directly at the phone number that will be shown on your bill.

To contact Terasen Gas customer service, call 1-888-224-2710 or e-mail customerservice@terasengas.com

Before you sign

Entering into a Consumer Agreement is a serious undertaking and before you do so, please take the time to inform yourself about your choices. For complete program information and a list of qualified gas marketers, visit terasengas.com/choice

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