



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER A-10-10**

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

and

Superior Energy Management Gas LP
Compliance Inquiry - Customer Choice Program

BEFORE: D.A. Cote, Commissioner May 27, 2010
L.F. Kelsey, Commissioner

O R D E R

WHEREAS:

- A. By Commission Order C-6-06 dated August 14, 2006, the British Columbia Utilities Commission (Commission) granted a Certificate of Public Convenience and Necessity (CPCN) for the Residential Commodity Unbundling Project for residential customers in all Terasen Gas Inc. service areas, excluding Fort Nelson and Revelstoke, effective November 1, 2007; and
- B. Section 71.1(3) of the *Utilities Commission Act* (the Act) states that a Gas Marketer must comply with the Commission rules issued under subsection (10) and the terms and conditions, if any, attached to the Gas Marketer Licence held by the Gas Marketer; and
- C. Commission Order G-90-03 established a Code of Conduct for Gas Marketers (Code of Conduct), which was amended as set out and revised in Commission Orders G-73-07, G-44-08, and most recently in Order A-4-09; and
- D. Commission Order G-90-03 established Rules for Gas Marketers (Rules), which were revised in Commission Order G-114-08 and most recently in Order A-6-09; and
- E. Section 8.0 of the Rules states that all Gas Marketers must comply with the Rules and the Code of Conduct approved by the Commission; and
- F. Section 8 of the Act states that the Commission may appoint or engage persons having special or technical knowledge necessary to assist the Commission in carrying out its functions; and
- G. Section 78(2) of the Act states that an inquiry that the Commission considers necessary may be made by a member or officer or by a person appointed by the Commission to make the inquiry, and the Commission may act on that person's report; and

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- H. By Order A-18-09 the Commission retained the services of Grant Thornton LLP to carry out a Compliance Inquiry of Superior Energy Management Gas LP (Superior Energy) to ensure full compliance with the Rules and Code of Conduct and the terms and conditions, if any, attached to Superior Energy's Licence; and
- I. Grant Thornton completed its Inquiry of Superior Energy and filed a report titled Complaints Inquiry of Superior Energy Management (Report) with the Commission on April 9, 2010, a copy of which was provided to Superior Energy; and
- J. The Commission reviewed the Report and identified three key areas of particular concern: 1) Third Party Verification Call deficiencies; 2) use of non-compliant materials; and 3) sales practices that are not in accordance with the Code of Conduct; and
- K. Section 82(1) of the Act states that the Commission may, on its own motion, inquire into, hear and determine a matter that under this Act it may inquire into, hear or determine on application or complaint.

NOW THEREFORE pursuant to sections 71(1) and 82(1) of the *Utilities Commission Act*, the Commission orders as follows:

- 1. A hearing is convened to make a determination on this matter.
- 2. Superior Energy shall provide a submission outlining its preference with supporting reasons for the following:
 - a. process options for review of the Report including;
 - i. oral or written hearing, or a combination, for compliance with the Rules and Code of Conduct;
 - ii. oral or written hearing, or a combination, for determination of further imposition of conditions, or cancellation of the gas marketing licence, by the Commission if a contravention has been found.
 - b. timetable (information requests, responses, filing of further evidence, submissions).
- 3. The submission from Superior Energy must be provided to the Commission by June 10, 2010. Following receipt and consideration of Superior Energy's submission, the Commission will make a determination of the process it will follow to dispose of the matter.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of May 2010.

BY ORDER

Original signed by:

D.A. Cote
Commissioner