



PROVINCE OF BRITISH COLUMBIA

BRITISH COLUMBIA UTILITIES COMMISSION

IN THE MATTER OF the Utilites Commission
Act, S.B.C. 1980, c. 60 as amended

and

IN THE MATTER OF an Application by
Inland Natural Gas Co. Ltd.

BEFORE: M. Taylor,)
Chairman;)
J.D.V. Newlands,)
Deputy Chairman; and) August 19, 1986
N. Martin,)
Commissioner)

O R D E R

WHEREAS pursuant to Section 57 of the Utilities
Commission Act ("the Act") Inland Natural Gas Co. Ltd. ("Inland")
applied July 28, 1986 for Commission approval of the issue of one
million Common Shares of the capital of Inland; and

WHEREAS the Application stated that the net proceeds
from this share issue will be applied as follows:

- (a) \$4,000,000 to gas utilities operations of Inland;
- (b) the remainder of the proceeds to non-regulated
activities.

WHEREAS Inland has submitted all of the information
required by the Commission under Section 57 of the Utilities
Commission Act; and

WHEREAS the Commission is satisfied that the proposed
issue is to be made in accordance with every enactment governing
the issue of securities.

ORDER
NUMBER G-53-86

NOW THEREFORE the Commission hereby orders as follows:

1. That approval is hereby given under Section 57 of the Utilities Commission Act to the issue of one million Common Shares of Inland at an issue price of \$11.75 per share as specified in the Term Sheet, Schedule I attached hereto.
2. That the matter of the appropriate Capital Structure of Inland for utility regulatory purposes will be subject to review at the public hearing of Inland's May 30, 1986 Application for increased rates.

DATED at the City of Vancouver, in the Province of
British Columbia, this 19th day of August, 1986.

BY ORDER



Chairman

Attachment



SCHEDULE I

INLAND NATURAL GAS CO. LTD.

Term Sheet

Common Share Offering

Issuer:	Inland Natural Gas Co. Ltd. ("Inland")
Issue:	1,000,000 Common Shares
Price:	\$11.31 per share net to Treasury
Size:	\$11,310,000
Nature of Offering:	These securities will be re-priced and sold by Merrill primarily to institutional investors. Merrill will on a best efforts basis attempt to effect as broad a distribution as possible.
Use of Proceeds:	To reduce short term debt and finance regulated utility and other non regulated activities.
Commission:	The price of \$11.31 per share is the net price realized by the treasury. The underwriter will re-price the securities prior to distribution thereby creating a selling commission.
Documentation:	A purchase agreement to be settled as soon as possible. Inland will on a best efforts basis endeavour to provide a final prospectus cleared in all Canadian jurisdictions as soon as possible and no later than October 30, 1986.
Closing:	Settlement and closing will occur on August 20, 1986.
Costs:	All costs relating to the distribution of these securities including printing, legal and other costs related to preparation and prospectus filing, with the exception of the underwriters counsel will be borne by Inland.