



BRITISH COLUMBIA  
UTILITIES COMMISSION

ORDER  
NUMBER G-96-90

PROVINCE OF BRITISH COLUMBIA  
BRITISH COLUMBIA UTILITIES COMMISSION

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

and

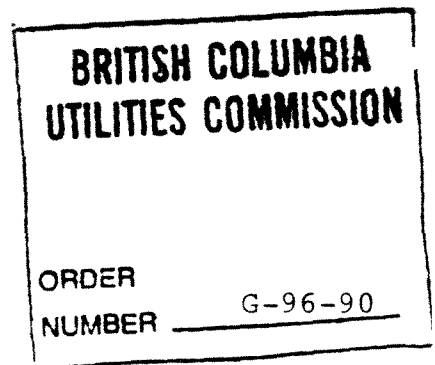
IN THE MATTER OF an Application by  
BC Gas Inc.

BEFORE: J.G. McIntyre, )  
Chairman; )  
J.D.V Newlands, )  
Deputy Chairman; and )  
N. Martin, ) November 30, 1990  
Commissioner; and )  
W.M. Swanson, Q.C., )  
Commissioner )

ORDER

**WHEREAS:**

- A. On September 30, 1988 BC Gas Inc. ("Gasco") issued to British Columbia Hydro and Power Authority ("B.C. Hydro") a \$300,000,000 debenture (the "Original Hydro Debenture") with an interest rate of 10.75% per annum payable semi-annually, and repayable in four equal annual payments of \$75,000,000 each commencing September 30, 1990 which Original Hydro Debenture created a first fixed mortgage and charge on the assets as set forth therein; and
- B. The issue of the Original Hydro Debenture was approved by the Lieutenant-Governor in Council on September 28, 1988 under Order-in-Council No. 1826; and
- C. On July 1, 1989 Inland Natural Gas Co. Ltd., Gasco and others amalgamated to form BC Gas Inc. ("BC Gas"); and
- D. As of September 28, 1990 BC Gas and B.C. Hydro amended the Original Hydro Debenture by subdividing the Original Hydro Debenture into a Series A Debenture in the principal amount of \$75,000,000 maturing September 30, 1990 (the "Series A Debenture") and a second debenture in the principal amount of \$225,000,000 maturing in equal amounts of \$75,000,000 on each of September 30, 1991, 1992 and 1993 (the "Remaining Hydro Debenture"); and
- E. On September 30, 1990 Inland Energy Corp. purchased the Series A Debenture from B.C. Hydro; and
- F. On September 30, 1990 Inland Energy and BC Gas amended the terms of the Series A Debenture to extend the maturity date to September 30, 2015 or such earlier date as may be agreed to, and increased the interest rate payable thereon from 10.75% to a market rate of interest pursuant to an amendment to the Series A Debenture dated September 30, 1990 (the "Series A Amendment"); and



- G. Inland Energy and the Company will amend the Series A Debenture to permit the Series A Debenture to be subdivided into Series A Purchase Money Mortgages in multiples of \$1,000 and to enter into a trust indenture dated as of December 3, 1990 setting forth the Terms and Conditions of the 11.80% Series A Purchase Money Mortgages which will be those terms as substantially set forth in the prospectus of BC Gas dated November 22, 1990 (the "Prospectus").

**NOW THEREFORE** pursuant to Section 57(3) of the Utilities Commission Act, the Commission hereby approves:

1. The amendment on September 30, 1990 to the Series A Debenture pursuant to the Series A Debenture Amendment; and
2. The amendment of the Series A Debenture by the subdivision thereof into 11.80% Series A Purchase Money Mortgages having the Terms and Conditions and characteristics as set forth in the Prospectus.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 30<sup>th</sup> day of November, 1990.

BY ORDER

John G. McIntyre  
Chairman