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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER C-15-03**

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

and

**An Application by Terasen Gas Inc.  
for Approval of an Operating Agreement and Addendum  
with the Corporation of the City of Merritt**

**BEFORE:** R.H. Hobbs, Chair )  
L.A. Boychuk, Commissioner ) November 27, 2003  
L.F. Kelsey, Commissioner )

**CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

**WHEREAS:**

- A. On November 7, 2003, Terasen Gas Inc. ("Terasen Gas") applied to the British Columbia Utilities Commission ("the Commission") for approval of an Operating Agreement and Addendum with the Corporation of the City of Merritt ("the City"); and
- B. The Operating Agreement with the City has a 21-year term to December 31, 2023 and replaces the franchise agreement dated March 15, 1979. As this Operating Agreement is one of the first of the new form intended to replace all gas franchise agreements, the Addendum contains a favoured municipality provision allowing it to substitute the provisions of any alternative agreement or arrangement that Terasen Gas might negotiate with other municipalities. The Addendum expires December 31, 2007 if this right is not exercised; and
- C. The Operating Agreement with the City is in the same form as the Operating Agreements that the Commission approved for the City of Penticton and the District of Salmon Arm.

**NOW THEREFORE** the Commission, pursuant to Section 45 of the Utilities Commission Act, grants Terasen Gas a Certificate of Public Convenience and Necessity which shall expire December 31, 2023 based on the January 21, 2003 Operating Agreement and Addendum with the Corporation of the City of Merritt.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 1<sup>st</sup> of December 2003.

**BY ORDER**

*Original signed by:*

Robert H. Hobbs  
Chair