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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** C-13-03

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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 to Extend the Certificate of Public Convenience and Necessity  
approving the Terms of an Operating Agreement with the District of Hudson's Hope**

**BEFORE:** L.A. Boychuk, Commissioner )  
L.F. Kelsey, Commissioner ) November 20, 2003

**CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

**WHEREAS:**

- A. The Commission, by Order No. C-21-80 dated June 17, 1980, issued to Terasen Gas Inc. ("Terasen Gas") (formerly known as BC Gas Utility Ltd. and Inland Natural Gas Co. Ltd.) a Certificate of Public Convenience and Necessity ("CPCN") with the District of Hudson's Hope ("the District") approving the Operating Agreement for a term of 21 years, which ended June 30, 2001; and
- B. Commission Order No. C-11-01 dated August 9, 2001, extended the expiry date of CPCN No. C-21-80, the Operating Agreement and the payment of the franchise fee to the District to June 30, 2002 or 60 days after the Commission's approval of a new operating agreement between the two parties, pursuant to Section 45(7) of the Utilities Commission Act ("the Act"); and
- C. On November 7, 2003, Terasen Gas applied to the Commission for approval to further extend the expiry date of CPCN No. C-21-80 and the Operating Agreement to June 30, 2004 or 60 days after the Commission's approval of a new operating agreement, whichever is earlier. Terasen Gas has agreed to continue for that period, payment of the franchise fee equivalent to three percent of gross annual revenues of Terasen Gas derived from sales of natural gas within the area encompassed by the terms of the Operating Agreement. The District supported Terasen Gas' request for the extension by letter dated October 17, 2003; and

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C. The Commission has reviewed the Application and finds that an extension to the expiry date of the CPCN and Operating Agreement between Terasen Gas and the District and continuation of the franchise fee is in the public interest.

**NOW THEREFORE** pursuant to Section 45(7) of the Act, the Commission issues CPCN No. C-13-03 to Terasen Gas and extends the expiry date of the Operating Agreement with the District and the continuation of the payment of franchise fees to the District to June 30, 2004, or 60 days after the Commission's approval of a new Operating Agreement between Terasen Gas and the District, whichever is earlier.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 20<sup>th</sup> day of November 2003.

BY ORDER

*Original signed by:*

Len F. Kelsey  
Commissioner