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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** C-12-04

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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 Extension to the Gas Franchise Agreement
with the District of Hudson's Hope**

BEFORE: L.F. Kelsey, Commissioner)
K.L. Hall, Commissioner) December 23, 2004

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

WHEREAS:

- A. On October 18 , 2004, Terasen Gas Inc. ("Terasen Gas") applied to the Commission for approval of an extension to the gas Franchise Agreement ("the Application") with the District of Hudson's Hope ("the District"); and
- B. The gas Franchise Agreement has a 21-year term which ended June 30, 2001; and
- C. The Commission has approved extensions to the gas Franchise Agreement by Order No. C-11-01 to June 30, 2002, and by Order No. C-13-03 to June 30, 2004; and
- D. The Application requests an extension of the gas Franchise Agreement until June 30, 2005 or sixty days after the Commission's approval of new operating agreement between Terasen Gas and Hudson's Hope whichever is earlier; and
- E. Terasen Gas requests approval to continue the condition contained in the CPCN to pay the District of Hudson's Hope, an annual franchise fee equivalent to 3 percent of the gross annual revenues of Terasen Gas derived from sales of natural gas within the area encompassed by the terms of the Operating Agreement; and

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F. The Commission has reviewed the Application and considers that approval is warranted.

NOW THEREFORE the Commission, pursuant to Section 45 of the Utilities Commission Act, approves the extension of the gas Franchise Agreement from July 1, 2004 until June 30, 2005 or sixty days after the Commission's approval of a new operating Agreement between Terasen and Hudson's Hope, whichever is earlier.

DATED at the City of Vancouver, in the Province of British Columbia, this 5th of January 2005.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner