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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-116-05

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

and

**An Application by Kinder Morgan, Inc. and 0731297 B.C. Ltd.
for Approval of the Acquisition of the Common Shares of Terasen Inc.**

BEFORE: R.H. Hobbs, Chair
L.A. Boychuk, Commissioner November 10, 2005
R.W. Whitehead, Commissioner

O R D E R

WHEREAS:

- A. On August 17, 2005, Kinder Morgan, Inc. ("KMI") and 0731297 B.C. Ltd. ("Subco") ("collectively the Kinder Morgan Companies") applied pursuant to Section 54 of the Utilities Commission Act ("the Act") for an Order approving the acquisition of the common shares of Terasen Inc. ("Terasen") which would cause the Kinder Morgan Companies to have indirect control of certain public utilities regulated by the British Columbia Utilities Commission ("the Application"); and
- B. The public utilities are Terasen Gas Inc. ("TGI"), Terasen Gas (Vancouver Island) Inc. ("TGVI"), Terasen Gas (Whistler) Inc. ("TGW"), Terasen Gas (Squamish) Inc. ("TGS"), and Terasen Multi-Utility Services Inc. ("TMUS") (collectively the "Terasen Utilities"); and
- C. TGI, TGVI, TGW, TGS and TMUS are, directly or indirectly, wholly-owned subsidiaries of Terasen; and
- D. KMI, Subco and Terasen have entered into an August 1, 2005 Agreement under which Subco, a wholly-owned subsidiary of KMI, will acquire all of the issued and outstanding common shares of Terasen; and
- E. Section 54(9) of the Act states:

"The commission may give its approval under this section subject to conditions and requirements it considers necessary or desirable in the public interest, but the commission must not give its approval under this section unless it considers that the public utility and the users of the service of the public utility will not be detrimentally affected."; and
- F. KMI and TGI jointly undertook a communication and consultation program in the TGI, TGVI, TGS, and TGW service areas and submitted a summary of the comments to the Commission as part of the materials filed in support of its Application; and

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- G. Following a Procedural Conference held on September 9, 2005, the Commission by Order No. G-86-05 established a Regulatory Timetable for the review of the Application in a written public hearing process with a deadline for Intervenor submissions of October 14, 2005 and KMI submissions of October 21, 2005; and
- H. By letter dated October 24, 2005 (Exhibit A-7), the Commission advised KMI, TGI and the Intervenors that the Commission Panel did not have questions arising from the written submissions and the oral phase of submissions would not be held on November 2, 2005; and
- I. The Commission has considered the Application and the evidence all as set forth in the Decision issued concurrently with this Order.

NOW THEREFORE the Commission, for the reasons stated in the Decision, orders that the Application is approved subject to the conditions contained in the Decision accompanying this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 10th day of November 2005.

BY ORDER

Original signed by:

Robert H. Hobbs
Chair