



**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

August 18, 2005

**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-Utilities 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 are jointly undertaking a communication and consultation program in the TGI, TGVI, TGS, and TGW service areas and have 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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UTILITIES COMMISSION**

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NUMBER**        **G-76-05**

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**NOW THEREFORE** the Commission orders as follows:

1. A Procedural Conference regarding further regulatory process for the review of the Application will be held on Friday, September 9, 2005, commencing at 9:00 a.m. in the Commission Hearing Room on the Third Floor, 855 Homer Street, Vancouver, B.C., V6B 5S2.

The Procedural Conference will address matters such as:

- whether the review should proceed by an oral or written public hearing, or some other process;
  - steps and timetable associated with the regulatory review process; and
  - other matters that will assist the Commission to efficiently review the Application.
2. After the Procedural Conference, the Commission will issue a further procedural Order and Regulatory Agenda.
  3. KMI and the Terasen Utilities jointly, are to publish, as soon as possible, in display-ad format, the Notice of Procedural Conference in the Vancouver Sun, the Province, the Victoria Times Colonist, and such other appropriate local news publications as may properly provide adequate notice to the customers served in the service areas of the Terasen Utilities.
  4. KMI and the Terasen Utilities jointly are to hold Workshops to review the Application in the Greater Vancouver area, Whistler, Victoria, Nanaimo, Kelowna, Cranbrook and Prince George during the week commencing Monday, August 29, 2005.
  5. The Application, including responses to Commission information requests, and supporting material will be made available for inspection at the TGI Office at 16705 Fraser Highway, Surrey B.C., V3S 2X7 and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, B.C., V6Z 2N3 and will be included on the TGI website.
  6. KMI and the Terasen Utilities jointly, are to provide a copy of this Order, by facsimile or electronically, to all parties that participated and/or were invited to participate in the stakeholder communication and consultation program.
  7. Intervenor and Interested Parties should register with the Commission, in writing or electronic submission, by Tuesday, September 6, 2005, and advise whether they intend to attend the Procedural Conference. Intervenor should specifically state the nature of their interest in the Application and identify generally the nature of the issues that they may intend to pursue during the proceeding and the nature and extent of their anticipated involvement.

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8. A Commission Information Request to KMI will be issued on Friday, August 26, 2005. The KMI Response to the Commission Information Request is due on Thursday, September 1, 2005.
9. Registered Intervenors are to file Intervenor Information Requests to KMI by Monday, September 12, 2005. The KMI Response to Intervenor Information Requests are due on Monday, September 19, 2005.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 19th day of August 2005.

BY ORDER

*Original signed by:*

Robert H. Hobbs  
Chair

Attachment



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**KINDER MORGAN, INC.**  
**Application for Approval of the Acquisition of the Common Shares of Terasen Inc.**

**NOTICE OF PROCEDURAL CONFERENCE**

<b>Date:</b>	Friday, September 9, 2005
<b>Time:</b>	9:00 a.m.
<b>Location:</b>	BC Utilities Commission Hearing Room Third Floor 855 Homer Street Vancouver, B.C. V6B 5S2

**THE APPLICATION**

Kinder Morgan, Inc. and its direct wholly-owned subsidiary 0731297 B.C. Ltd ("Subco") (collectively "the Kinder Morgan Companies") have applied to the British Columbia Utilities Commission ("the Commission") for approval of the acquisition by Subco of the outstanding common shares of Terasen Inc. which would cause the Kinder Morgan Companies to have indirect control of Terasen Gas Inc., Terasen Gas (Vancouver Island) Inc., Terasen Gas (Whistler) Inc., Terasen Gas (Squamish) Inc., and Terasen Multi-Utilities Services Inc. (collectively the "Terasen Utilities") ("the Application"). Upon completion of the proposed transaction Terasen Inc. will be an indirect wholly-owned subsidiary of Kinder Morgan. Terasen Inc. will continue to directly or indirectly own all of the outstanding shares of the Terasen Utilities. Kinder Morgan proposes to maintain the head office of Terasen Gas Inc. within its service area and to establish and operate the Terasen Utilities on a stand-alone basis.

**THE REGULATORY PROCESS**

The Commission will hold a Procedural Conference regarding the further regulatory process for the review of the Application on Friday, September 9, 2005, commencing at 9:00 a.m. in the Commission Hearing Room on the Third Floor, 855 Homer Street, Vancouver, B.C., V6B 5S2.

Following the Procedural Conference, the Commission will issue a further order and regulatory agenda to registered parties.

Registered Intervenors may ask for information from KMI by Monday, September 12, 2005.

## **PUBLIC INSPECTION OF THE APPLICATION**

The Kinder Morgan Application and supporting material, including Commission correspondence, will be made available for inspection at the Terasen Gas Inc. Office at 16705 Fraser Highway, Surrey, B.C., V3S 2X7 and at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, B.C., V6Z 2N3.

The Application will also be available for viewing on the TGI website at [www.terasengas.com](http://www.terasengas.com) and on the Commission's website at [www.bcuc.com](http://www.bcuc.com).

## **REGISTERING TO PARTICIPATE**

Persons who expect to actively participate in this proceeding should register as Intervenor with the Commission, in writing or electronic submission, by Tuesday, September 6, 2005, identifying their interest in the Application and indicating whether they plan to attend the Procedural Conference. Intervenor should identify the issues that they intend to pursue and the nature and extent of their anticipated involvement in the review process. Intervenor will each receive a copy of the Application and all correspondence and filed documentation. Intervenor should provide an e-mail address if available. Notification by courier delivery, fax, e-mail, or online registration via the Commission's website is acceptable.

Persons not expecting to actively participate, but who have an interest in the proceeding should register as Interested Parties with the Commission, in writing or electronic submission, by Tuesday, September 6, 2005, identifying their interest in the Application and indicating whether they plan to attend the Procedural Conference. Interested Parties will each receive a copy of the cover letter to the Application, and all Orders and Decisions issued.

## **FURTHER INFORMATION**

For further information, please contact Mr. Robert J. Pellatt, Commission Secretary, or Mr. Philip Nakoneshny, Director, Rates and Finance, as follows:

Telephone: (604) 660-4700  
Facsimile: (604) 660-1102

E-mail: [commission.secretary@bcuc.com](mailto:commission.secretary@bcuc.com)  
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## **REGULATORY AGENDA AND TIMETABLE**

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

### **ACTION**

Filing of Commission Information Request to KMI  
KMI Response to Commission Information Request  
Deadline for registration of Intervenor and Interested Parties  
Procedural Conference  
Intervenor Information Requests to KMI  
KMI Responses to Intervenor Information Requests

### **DATES**

Friday, August 26, 2005  
Thursday, September 1, 2005  
Tuesday, September 6, 2005  
Friday, September 9, 2005  
Monday, September 12, 2005  
Monday, September 19, 2005

### **Time and Location of Procedural Conference:**

**Time:** 9:00 a.m.  
**Location:** Commission Hearing Room  
Third Floor  
855 Homer Street  
Vancouver, B.C. V6B 5S2