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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-5-06

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

**and**

**An Application by Kyuquot Power Ltd.  
for Approval of a New Debt Servicing Agreement**

**BEFORE:** L.F. Kelsey, Commissioner January 19, 2006  
L.A. Boychuk, Commissioner

**O R D E R**

**WHEREAS:**

- A. On December 28, 2005, Kyuquot Power Ltd. ("KPL") applied for Commission approval of a new Debt Servicing Agreement effective December 8, 2005 between the Canadian Western Bank and KPL (the "new Debt Agreement"); and
- B. The new Debt Agreement is to finance the construction of the 14.4 kV single phase distribution line from BC Hydro's grid at Oclucje to Kyuquot ("the Project"), which was approved by Commission Order No. C-18-01; and
- C. The new Debt Agreement consists of a floating rate Demand Non-Revolving ("DNR") Loan for \$1.8 million with no specified term and a Letter of Credit for \$20,000; and
- D. Security for the new Debt Agreement includes a demand debenture providing a first fixed charge on all assets related to the Project and various assignments; and
- E. The Commission has reviewed the Application along with supporting material and finds that approval is warranted.

**NOW THEREFORE** pursuant to Sections 50(2) and 52 of the Utilities Commission Act, the Commission

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approves for KPL the new Debt Servicing Agreement effective December 8, 2005 with Canadian Western Bank.

**DATED** at the City of Vancouver, in the Province of British Columbia, this    24<sup>th</sup>    day of January 2006.

BY ORDER

*Original signed by:*

L.F. Kelsey  
Commissioner