

SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, B.C. V6Z 2N3 CANADA  
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-15-08

TELEPHONE: (604) 660-4700  
BC TOLL FREE: 1-800-663-1385  
FACSIMILE: (604) 660-1102

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

and

An Application by Terasen Gas (Vancouver Island) Inc.  
for an Amendment to Commission Order No. G-170-07

**BEFORE:** L.F. Kelsey, Commissioner  
P.E. Vivian, Commissioner  
January 24, 2008

## **O R D E R**

### **WHEREAS:**

- A. On December 20, 2007 the Commission issued Order No. G-170-07 (the "Order") pursuant to section 50(2) of the Utilities Commission Act (the "Act") approving an application by Terasen Gas (Vancouver Island) Inc. ("TGVI") for approval to issue unsecured debentures in one or more series in an aggregate principal amount not to exceed \$250 million, on the terms stated in the Order; and
- B. The Order provided, as requested by TGVI in its application (the "Initial Application"), that each series of debentures would have an interest rate reflecting a yield to maturity based on the yield on one or more Government of Canada bonds as at the time of pricing, plus a credit spread not to exceed 25 basis points more than the applicable indicative credit spread set out in Appendix 1 to the Initial Application; and
- C. On January 23, 2008 TGVI applied to the Commission for an amendment to the Order (the "Amendment Application"). In Amendment Application TGVI states that credit spreads had widened considerably from the indicative credit spreads set out in the Initial Application, and that TGVI would for that reason not currently be able to issue debentures under the terms of the Order; and
- D. The Amendment Application requests an amendment to paragraph 1(a) of the Order to provide TGVI with additional flexibility in pricing the proposed issue of debentures; and
- E. The Commission has reviewed the Amendment Application and finds that approval is warranted and is in the public interest.

**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER**      G-15-08

2

**NOW THEREFORE** pursuant to section 50(2) of the Act, the Commission orders as follows:

1. Direction 1(a) of Commission Order No. G-170-07 is amended to read as follows:
  - (a) each series of debentures will either (i) have an interest rate that reflects a yield to maturity based on the yield on one or more Government of Canada bonds as at the time of pricing, plus a credit spread not to exceed 100 basis points more than the applicable indicative credit spread set out in Appendix 1 to the Application, or (ii) have an interest rate that does not exceed 5.75% per annum for a series of debentures with a maturity of approximately 5 years, 6.25% per annum for a series of debentures with a maturity of approximately 10 years, or 7.0% per annum for a series of debentures with a maturity of approximately 30 years; and
2. All other terms of Commission Order No. G-170-07 remain unchanged.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 24<sup>th</sup> day of January 2008.

BY ORDER

*Original signed by:*

L.F. Kelsey  
Commissioner