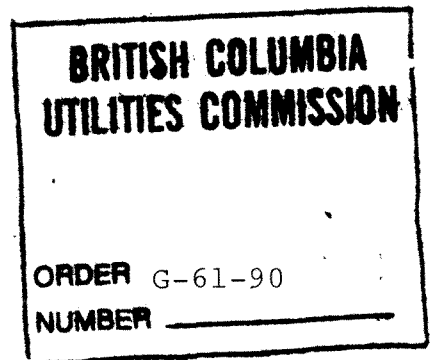




PROVINCE OF BRITISH COLUMBIA  
BRITISH COLUMBIA UTILITIES COMMISSION

IN THE MATTER OF the Utilities Commission  
Act, S.B.C. 1980, c. 60, as amended

and

IN THE MATTER OF an Application by  
BC Gas Inc. for approval of the Terms and  
Conditions of an Interim Operating Agreement  
with the City of Revelstoke pursuant to Section 37  
of the Utilities Commission Act

BEFORE: J.G. McIntyre, )  
Chairman; )  
J.D.V. Newlands, ) August 16, 1990  
Deputy Chairman; and )  
N. Martin, )  
Commissioner )

ORDER

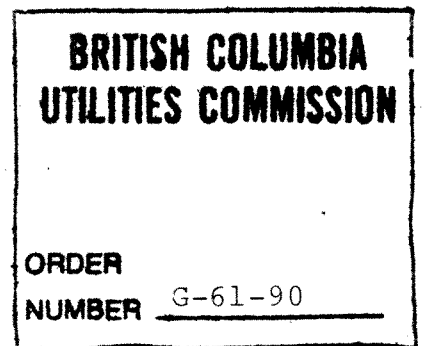
WHEREAS BC Gas Inc. ("BC Gas") and the City of Revelstoke ("Revelstoke") have agreed on the terms of an interim operating agreement to permit BC Gas to, inter alia, construct, operate and maintain a propane gas distribution facility to provide gas service to Revelstoke ("Interim Operating Agreement") pending Revelstoke obtaining the consent of its electorate to enter into an Operating Agreement with BC Gas as required by Section 646 of the Municipal Act; and

WHEREAS Revelstoke has expressed its concern to BC Gas to enter into the Interim Operating Agreement without obtaining the consent of its electorate as required by the Municipal Act; and

WHEREAS Revelstoke is unable to obtain the consent of its electorate before construction has to be commenced by BC Gas in order for BC Gas to be able to provide propane gas distribution to Revelstoke on or before the commencement of the 1990-91 heating season; and

WHEREAS Revelstoke and BC Gas intend to negotiate an Operating Agreement, pursuant to Section 646 of the Municipal Act once the assent of the electors of Revelstoke has been obtained; and

.../2



WHEREAS BC Gas and Revelstoke have applied to the Commission for an Order pursuant to Section 37 of the Utilities Commission Act to allow BC Gas to use the streets and other places in Revelstoke for the construction, operation and maintenance of a propane gas distribution facility in accordance with the terms and conditions contained in the Interim Agreement; and

WHEREAS BC Gas has been granted a Certificate of Public Convenience and Necessity by Commission Order No. C-11-90 to construct, operate and maintain a propane distribution system to supply Revelstoke and surrounding area; and

WHEREAS the Commission has considered the Application and supporting documents and finds that the proposed project is in the public interest.

NOW THEREFORE the Commission orders as follows:

1. That BC Gas may enter upon and use the property owned, controlled or occupied by Revelstoke in accordance with the terms and conditions set out in Annex A to this Order.
2. That upon BC Gas and the City of Revelstoke entering into an Operating Agreement, such Operating Agreement being approved by the Commission, the terms and conditions of the Operating Agreement shall supersede and wholly replace the terms and conditions of the Interim Operating Agreement set out in Annex A to this Order.
3. Should BC Gas and Revelstoke be unable to execute an Operating Agreement 30 days prior to the expiry of the Interim Operating Agreement, then BC Gas shall refer this matter back to this Commission for further directions.

DATED at the City of Vancouver, in the Province of British Columbia, this 16th day of August, 1990.

BY ORDER

A handwritten signature in dark ink, appearing to read "John G. McIntyre".

John G. McIntyre  
Chairman

08/15/90 15:46 BC GAS INC BBY  
AUG 15 '90 14:18 CITY OF REVELSTOKE 16048374930

002  
P.2/4



ANNEX A

## The City of Revelstoke

P.O. Box 170,

Telephone (604)887-2161

216 Mackenzie Avenue,

Revelstoke, British Columbia. V0E 2S0

OFFICE OF THE MAYOR

August 15, 1990

BC Gas Inc.,  
3777 Lougheed Highway,  
Burnaby, B.C.  
V5C 3Y3

Attention: Mr. G.M.O. Solly

Dear Sir.

Re: Attached Letter of Agreement

Herewith our signed Interim Letter of Agreement.

In accordance with our telephone conversation of 14:45 hours on August 15, 1990 it is the City's understanding that Clause 4 covers a commitment by the BC Gas to maintain the cuts and patches for 5 years.

Yours truly,

G.S. Battersby,  
Mayor.

GSB:mab  
cc: File

08/15/90 15:46 BC GAS INC BBY  
AUG 15 '90 14:18 CITY OF REVELSTOKE 16048374930

003  
P.3/4



## The City of Revelstoke

P.O. Box 170.

Telephone (604)837-2161

216 Mackenzie Avenue,

Revelstoke, British Columbia. V0E 2S0

OFFICE OF THE MAYOR

August 15, 1990

B.C. Gas Inc.,  
3777 Lougheed Highway,  
Burnaby, B.C.  
V5C 3Y3

Attention: Mr. G.M.O. Solly

Dear Sir.

Re: Interim Letter of Agreement between the City of Revelstoke and  
BC Gas Inc. ("BC GAS") to permit BC Gas to Construct and Operate  
a Propane Distribution Facility within Municipal Boundaries

---

Further to the discussions between the City of Revelstoke (the "City") and BC Gas on the above-captioned matter, the City is prepared to grant BC Gas permission to construct and operate a propane distribution facility in the City on the following terms and conditions.

1. That BC Gas may enter into, upon and under all public thoroughfares, highways, roads, streets, lanes, alleys, bridges, and other public places within the boundary limits of the City over which the City has control, to construct and place and operate a propane distribution system for the purpose of distributing and making available propane gas to the residents of the City.
2. Before carrying out the foregoing, BC Gas shall file with the City detailed plans and specifications showing the size, dimensions, proposed depth, and proposed location of the propane distribution facility and such facility shall not be placed or constructed without the approval of the City, provided always that such approval will not be unreasonably withheld by the City. In establishing location of such distribution facilities, BC Gas shall endeavour to use lanes or alleys in preference to streets where the same are available and where the use of such lanes and streets is compatible with and conform to the general economics and engineering of the propane distribution system or the relevant portion thereof.

Page 2

3. BC Gas shall give reasonable notice to the City when exercising its permission hereunder to excavate on the streets in order to install its propane distribution facility.
4. BC Gas will indemnify and save harmless the City from and against all actions or proceedings by any corporation or person against the City and shall reimburse the City for all damages and expenses caused to it by reason of the construction, maintenance or operation of the propane distribution facility within the boundary limits of the City, except where such damages or expenses are not caused by or contributed to by the negligence of BC Gas or its employees or agents.
5. The propane distribution system of BC Gas shall be and remain BC Gas' property and as such may be used by it in its business or removed in whole or in part as BC Gas shall see fit.
6. The term of this Letter of Agreement shall be for a period of six (6) months from the date of the approval by the British Columbia Utilities Commission of this Agreement and of BC Gas being granted a Certificate of Public Convenience and Necessity or until a long term agreement has been entered into under Section 646 of the Municipal Act, with the assent of the electors and approval of the Minister of Municipal Affairs, Recreation and Culture, whichever shall occur first.
7. The City and BC Gas undertake to use their best efforts to negotiate a long term agreement on or before the expiry of the term of this Letter of Agreement.
8. This Letter of Agreement is subject to the approval of the British Columbia Utilities Commission.

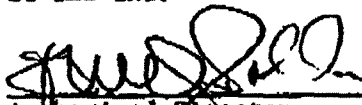
If BC Gas Inc. is in agreement with the foregoing, please sign where indicated and return signed copies to my attention.

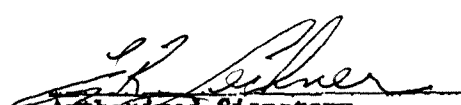
Yours truly,

  
G.S. Battersby,  
Mayor.

AGREED TO THIS 15<sup>th</sup> DAY OF AUGUST, 1990.

BC GAS INC.

  
Authorized Signatory  
Vice President, Engineering  
Title

  
Authorized Signatory  
VICE PRESIDENT  
Title