

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-86-05**

SIXTH FLOOR, 900 HOWE STREET, BOX 250
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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 September 12, 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 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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- G. A Procedural Conference was held on Friday, September 9, 2005 in Vancouver, B.C. regarding the regulatory process and timetable for the review of the Application; and
- H. The Commission has considered the submission by the Applicant and Intervenors and has determined that a regulatory timetable should be established.

NOW THEREFORE the Commission orders as follows:

1. The Application will be examined by a written public hearing process and the Regulatory Timetable attached as Appendix A, has been established.
2. KMI and the Terasen Utilities jointly, are to prepare and publish, as soon as possible, in display-ad format, the date for Intervenor Written Submissions of October 14, 2005 in the Vancouver Sun, 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.
3. KMI and the Terasen Utilities jointly, are to provide a copy of this Order, by facsimile or electronically, to all Registered Intervenors and Interested Parties.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of September 2005.

BY ORDER

Original signed by:

Robert H. Hobbs
Chair

Attachment



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REGULATORY TIMETABLE

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

ACTION

Intervenor Information Requests No. 2 to KMI

KMI Responses to Intervenor Information Requests

Intervenor Written Submissions

KMI Written Submissions

DATES

Friday, September 23, 2005

Thursday, September 29, 2005

Friday, October 14, 2005

Friday, October 21, 2005