

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-133-06

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

and

Terasen Gas Inc., Terasen Gas (Vancouver Island) Inc.,
Terasen Gas (Squamish) Inc. and Terasen Gas (Whistler) Inc.
Request for Approval of Relocation of Corporate Services - Treasurer

BEFORE: A.J. Pullman, Commissioner October 27, 2006

O R D E R

WHEREAS:

- A. On August 17, 2005, Kinder Morgan, Inc. ("KMI") and 0731297 B.C. Ltd. applied for the acquisition of common shares of Terasen Inc. ("TI"). On November 10, 2005, the Commission issued its Decision ("KMI Decision") accompanied by Order No. G-116-05 approving the KMI acquisition subject to the conditions contained in the KMI Decision; and
- B. By letter dated April 20, 2006, the Terasen Gas Inc. ("TGI"), Terasen Gas (Vancouver Island) Inc. ("TGVI"), Terasen Gas (Whistler) Inc., and Terasen Gas (Squamish) Inc. (collectively the "Terasen Utilities") sought clarification of conditions issued by the Commission in the KMI Decision; and
- C. The Commission responded to the clarification request by issuing Letter No. L-30-06 which clarified the intentions of the KMI Decision in regards to functions, data, and governance. The Commission also concurrently issued Order No. G-75-06 which ordered that the location of data and servers providing service to the Terasen Utilities was to be restricted to Canada, and that any proposal to locate data and servers providing services to the Terasen Utilities (including data and servers providing back-up services) outside Canada would require the Commission's approval; and
- D. By Order No. G-117-06 the Commission approved the continuing appointment of Mr. Joseph Listengart as General Counsel and Secretary and for changes in the area of Internal Audit within the Corporate Centre; and
- E. The Terasen Utilities on October 20, 2006 applied to the Commission for approval for the appointment of Mr. David Kinder as replacement Treasurer of TI and TGI ("the Application"); and

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- F. The Terasen Utilities state that the position of Treasurer located in Vancouver, B.C., has become recently vacant at TI. Following an assessment of the near-term requirements of TI and its subsidiaries for new debt issues, and in light of the recent re-financings of TGI and TGVI, TI has decided not to replace the vacated position with another person in Vancouver at this time. The Terasen Utilities propose that the Treasurer position will be assumed by Mr. David Kinder, Vice President, Corporate Development and Treasurer at KMI until such time as TI appoints a Treasurer in Canada. Mr. Kinder is currently an officer of TI and TGI. The Terasen Utilities state that TI and TGI have the same Treasurer to meet debt covenant requirements; and
- G. The Terasen Utilities state that the changes within the Treasury and Cash Management area of the Corporate Centre are limited to the appointment of a replacement Treasurer and do not affect the day to day cash management and treasury activities within TI and the Terasen Utilities which continue to be performed in Burnaby, British Columbia. TI proposes that the financing work will be supported by Mr. Kinder of KMI; and
- H. The Commission has reviewed the Application and finds that approval is warranted.

NOW THEREFORE pursuant to Sections 23(1) and 54(9) of the Utilities Commission Act, the Application for approval of the assumption by Mr. David Kinder to the position of Treasurer of TI and TGI is approved until such time as TI and TGI appoint a Treasurer in Canada.

DATED at the City of Vancouver, in the Province of British Columbia, this 1st day of November 2006.

BY ORDER

Original signed by

A.J. Pullman
Commissioner