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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER C-4-10**

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

and

**An Application by Terasen Gas Inc.
for Approval of an Operating Agreement
with the Village of Midway**

BEFORE: L. F. Kelsey, Commissioner
D.A. Cote, Commissioner
July 22, 2010

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

WHEREAS:

- A. On July 7, 2010, Terasen Gas Inc. (Terasen Gas) applied to the British Columbia Utilities Commission (the Commission) for approval of an Operating Agreement (the Agreement) with the Village of Midway (the Municipality) (the Application); and
- B. The current Operating Agreement approved by Commission Order C-1-93 expired on July 10, 2010; and
- C. On January 12, 2006, Terasen Gas applied to the Commission for approval of ten operating agreements (the 2006 Application) between Terasen Gas and the City of Cranbrook, the Town of Creston, the City of Grand Forks, the District of Hudson's Hope, the City of Kimberley, the Town of Oliver, the Town of Osoyoos, the City of Rossland, the City of Fernie and the District of 100 Mile House (collectively, the Municipalities); and
- D. In the 2006 Application, Terasen Gas advised that it undertook negotiations with the Union of British Columbia Municipalities (UBCM) Operating Agreement Committee to establish the terms of a new form of Operating Agreement. A pro-forma Operating Agreement was negotiated with the UBCM (the UBCM Pro-Forma Agreement) and was used as a template for the agreements with the Municipalities in the 2006 Application; and
- E. On August 10, 2006, the Commission issued Orders C-7-06, C-8-06, C-9-06, C-10-06, C-11-06, C-12-06, C-13-06, C-14-06, C-15-06, and C-16-06, pursuant to section 45 of the *Utilities Commission Act*, approving the operating agreements in the 2006 Application; and

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- F. The Application requests approval of a 20-year Operating Agreement between Terasen Gas and the Municipality from May 13, 2010 to May 12, 2030, and sets out the terms and conditions identical to the UBCM Pro-Forma Agreement, including a 3 percent operating fee, under which Terasen Gas shall exercise its rights to use the public places of the Municipality in conducting its business of distributing Gas within the Municipality; and
- G. The Commission has reviewed the Application and has determined that the Operating Agreement with the Village of Midway should be approved.

NOW THEREFORE, pursuant to section 45(7) of the *Utilities Commission Act*, the Commission approves the Operating Agreement as filed.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of July 2010.

BY ORDER

Original signed by:

D.A. Cote
Commissioner