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Via E-Mail

December 10, 2019

BCUC File 62453  
Batch 62859

B.C. Utilities Commission  
Suite 410, 900 Howe Street  
Vancouver, BC V6Z 2N3

File No.: 6.1.14.1 (2019)

Attention: Patrick Wruck  
Commission Secretary and Manager, Regulatory Services

Dear Mr. Wruck:

**Re: Pacific Northern Gas (N.E.) Ltd.  
Application for Approval of the 2019 Franchise Agreement between  
Pacific Northern Gas (N.E.) Ltd. and the City of Fort St. John**

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Accompanying this letter please find a copy of the proposed franchise agreement negotiated between Pacific Northern Gas (N.E.) Ltd. (PNG(NE)) and the City of Fort St. John (the City) (2019 Franchise Agreement) (see Appendix A). This 2019 Franchise Agreement is submitted for consideration and approval by the British Columbia Utilities Commission (BCUC) pursuant to section 45(7) of the *Utilities Commission Act*, and as required under section 2.1(b) of the 2019 Franchise Agreement.

### **Background**

The franchise agreement previously in place between PNG(NE) and the City was dated December 8, 1997 and was approved under BCUC Order C-4-98 (1997 Franchise Agreement) (see Appendix B). Negotiations of the terms of the 2019 Franchise Agreement commenced in advance of the 1997 Franchise Agreement termination date of December 7, 2018, however, finalization has only recently concluded.

In the intervening period, PNG(NE) has continued to serve customers in the franchise area under Interim Operating Arrangements with the City. A copy of these arrangements, dated December 3, 2018, is provided for the BCUC's reference as Appendix C.

## Form of Agreement

PNG(NE) notes that the 1997 Franchise Agreement was in a format adopted by PNG(NE)'s predecessor company, Centra Gas Fort St. John Inc. For internal consistency, the 2019 Franchise Agreement adopts a format harmonized with that of franchise agreements recently approved by the BCUC for PNG(NE) and for Pacific Northern Gas Ltd. (PNG), PNG(NE)'s parent company.

For the BCUC's reference, PNG(NE) has prepared a blackline comparison of the text of the 2019 Franchise Agreement with the text of its most recently approved franchise agreement (Village of Pouce Coupe, approved under BCUC Order C-4-18) (see Appendix D). PNG(NE) notes that the 2019 Franchise Agreement reflects certain differences in comparison to this most recently approved franchise agreement, and these are summarized as follows:

- Section 4.3 – in the event that neither party gives notice of renewal or that parties fail to obtain the necessary approvals and permissions for renewal, provision for a one-year operating agreement rather than a 21-year agreement. This provision is to ensure that such a long-term agreement does not simply renew, but rather is given appropriate consideration at the time of renewal.
- Section 4.5 – incorporates a provision for either party to terminate the agreement in the event of a material breach. Otherwise the agreement had provision for only the municipality to terminate (Section 4.4).
- Article V – various amendments to reference specific municipal bylaws.
- Section 6.7 – exclusion of provision around utility insurance coverage, indemnification and specifying municipality as named insured. This provision was specifically requested for inclusion by Pouce Coupe and is not considered to be a standard by PNG or PNG(NE).
- Article IX – amendments around annual statement of deliveries and notification requirements on municipal boundary changes.

PNG(NE) notes that the 2019 Franchise Agreement also reflects the removal of a provision in the 1997 Franchise Agreement that limited the franchise fee compensation to the municipality from gas consumed by industrial customers to the first 328,000 GJ (Section 7). The 328,000 GJ cap on industrial consumption in calculating franchise fees is an element of legacy agreements between both PNG(NE) and PNG and the municipalities in which they respectively operate. In recent years, all municipalities for which franchise agreement renewals have been undertaken, including the City, have questioned the requirement for

this term, and this provision has been eliminated from all recently renegotiated/renewed franchise agreements. PNG(NE) further notes that there are no industrial customers within the City's municipal boundaries that would be affected by this change.

**Approval Sought**

The City and PNG(NE) have agreed to the underlying terms and conditions of the 2019 Franchise Agreement and hereby submit the agreement to the BCUC for approval. Approval is being sought prior to execution so as to minimize administrative requirements that may arise should changes in terms and conditions be proposed as a result of the BCUC review. Once BCUC approval has been granted, the 2019 Franchise Agreement will be executed and the municipal approval process will be concluded. A draft BCUC Order approving the 2019 Franchise Agreement has been included as Appendix E to this submission.

Please direct any questions regarding this application to my attention.

Yours truly,



Verlon G. Otto

cc: Janet Prestley, Director of Legislative and Administrative Services  
City of Fort St. John (e-mail only)

**Pacific Northern Gas (N.E.) Ltd.**

**Application for Approval of the 2019 Franchise Agreement with the City of Fort St. John**

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**APPENDIX A**

**2019 Franchise Agreement  
between  
PNG(N.E.) and the City of Fort St. John  
(Draft)**

**THIS AGREEMENT** made as of the                      day of                      2019.

**BETWEEN:**

**THE CITY OF FORT ST. JOHN**, in the Province of British Columbia, a Municipality under the *Local Government Act* of the Province of British Columbia  
  
(hereinafter referred to as the "Municipality")

**OF THE FIRST PART**

- and -

**PACIFIC NORTHERN GAS (N.E.) LTD.**, a body corporate duly incorporated under the laws of the Province of British Columbia, and having an office in the City of Vancouver, in the Province of British Columbia  
  
(hereinafter referred to as the "Company")

**OF THE SECOND PART**

**WHEREAS:**

- A. By an agreement dated August 14, 1952, between the Company and the Municipality the Company was granted a franchise to furnish, distribute and sell natural gas within the Municipality for an initial term for an initial term of twenty (20) years, which commenced August 15, 1954, which was extended by agreement of the parties for a further period of ten (10) years and again for a further period of eleven (11) years ending on August 15, 1995;
- B. Desiring an update to the terms and conditions set forth in the initial agreement dated August 14, 1952, the Company and the Municipality entered into negotiations, and in the intervening period the Company operated its natural gas distribution system within the Municipality by consent granted by the Municipality, the result being that the Company and the Municipality entered into a new agreement dated December 8, 1997 for a period of twenty one (21) years ending December 7, 2018;
- C. Desiring a further update to the terms and conditions, the Municipality has now agreed to grant to the Company a new franchise for the distribution and sale of natural gas within the Municipality on the terms and conditions set forth in this Agreement; and
- D. The Council of the Municipality has introduced a bylaw which would authorize the Mayor and the Corporate Officer of the Municipality to enter into this Agreement on behalf of the Municipality.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

**ARTICLE I**  
**DEFINITIONS**

- 1.1 In this Agreement, including the preamble hereto where the context requires, the plural means the singular and vice versa, the pronoun "it" means one of the parties and the following words have the meanings ascribed:
- (a) "Commission" means the British Columbia Utilities Commission as it exists by virtue of the *Utilities Commission Act* of British Columbia;
  - (b) "Council" means the Council of the Municipality;
  - (c) "Engineer" means the Municipal Engineer of the Municipality or the person designated by the Council of the Municipality to exercise the powers of the Engineer;
  - (d) "gas" means natural gas, manufactured gas, liquefied petroleum gas or a mixture of any of them but does not include liquefied petroleum gas that is distributed by means other than a pipeline;
  - (e) "Public Lands" means the public streets, lanes, highways, squares, parks, public places, bridges, viaducts, subways or watercourses, owned by or under the jurisdiction and control of the Municipality, or any of them, within the boundary limits of the Municipality, as such limits presently exist or as the same in the future may be extended; and
  - (f) "works", "its works" and "the Company's works" means the gas mains and pipes and other equipment and appurtenances on, in, under and through Public Lands for transmitting, mixing, distributing, delivering, furnishing or taking delivery of gas and the words shall be taken as applying to that part of the Company's transmission system lying within the Municipality.

**ARTICLE II**  
**CONDITIONS PRECEDENT**

- 2.1 This Agreement and the obligations of the Company and of the Municipality hereunder shall be subject to the following:
- (a) the adoption by the Council of the Municipality of the by-law authorizing it to enter into and adopt this Agreement, as per the authority granted under the *Community Charter Act* of British Columbia, Part II, Division 1, Section 8 (1) to (3), and Part III, Division 1, Section 22; and
  - (b) such approvals or orders of the Commission as may be required to be obtained by the Company under Part 3 of the *Utilities Commission Act*.

**ARTICLE III**  
**RIGHTS GRANTED**

- 3.1 The Municipality hereby grants to the Company, to the extent that the Municipality is empowered, the exclusive right, franchise and privilege:
- (a) to enter in, upon and under all Public Lands to place, construct, lay, operate, use, maintain, renew, alter, repair, extend and/or remove the Company's works; and
  - (b) to supply and distribute gas within the boundary limits of the Municipality.
- 3.2 During the term of this Agreement, the Municipality will not itself supply or distribute gas within the boundary limits of the Municipality nor grant any right, licence, privilege, concession or franchise to any other person, firm, corporation or utility, to supply or distribute gas within the boundary limits of the Municipality, or to enter in, upon and under Public Lands to place, construct, lay, operate or use mains, plants, pipes, conduits and/or other equipment for the purpose of distributing gas within the boundary limits of the Municipality.

**ARTICLE IV****TERM**

- 4.1 The initial term of this Agreement shall be for a period of twenty one (21) years commencing on December 1, 2018 and expiring on November 30, 2039.
- 4.2 At any time within two (2) years prior to the expiration of the initial term of this Agreement, and at least one (1) year prior to the expiration of the initial term of this Agreement, either party may give notice to the other that it desires to renew this Agreement for a further term of twenty one (21) years, or such lesser number of years as may be the maximum permitted by legislation at that time and the renewal shall be upon the terms and conditions set out in this Agreement or such other terms as the parties may agree provided that such renewal will be conditional upon obtaining all such approvals and permissions as are at that time required by legislation or regulation. The parties agree to use their best efforts to obtain any such approvals and permissions.
- 4.3 If the neither party gives notice of renewal of this Agreement or should the parties fail to obtain the requisite approvals and permissions to any renewal of this Agreement, the parties agree to enter into an operating agreement permitting the Company to gain access to its works for a further period of one (1) year on the terms and conditions set out in Article V of this Agreement or on such other terms as the parties may agree or the Commission, on application, may require.
- 4.4 This Agreement may be terminated by the Municipality upon the occurrence of any of the following events:
- (a) the Company admits its inability to pay its debts generally as they become due or otherwise acknowledges its insolvency;
  - (b) the Company starts proceedings or takes any action to commence or executes an agreement to authorize its participation in any proceeding:
    - (i) seeking to adjudicate its bankruptcy or insolvency;
    - (ii) seeking liquidation, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws; or

**ARTICLE IV****TERM**

(continued)

- (iii) seeking the appointment of a receiver, trustee, agent, custodian or other similar official for it or for any substantial part of its assets or if a creditor seeks the appointment of a receiver, trustee, agent, custodian or other similar official for any substantial part of its assets; and such proceeding is not dismissed, discharged, stayed or restrained within twenty (20) days of the Municipality becoming aware of it.
- 4.5 Either party may terminate if the other breaches any term, provision, obligation hereunder and such breach is a material breach and has not been cured within sixty (60) days of receipt of notice of such breach. A party will not be considered to be in default if such matter has been referred to commercial arbitration in accordance with this Agreement, the outcome of which is pending.
- 4.6 Upon one party giving notice to the other of termination of this Agreement, the parties shall negotiate in good faith to enter into a new agreement with respect to the terms and conditions under which the Company may use the Public Lands. In the event that such negotiations break down and in the opinion of one or other of the parties acting in good faith that settlement is unlikely, either party may give notice to the other of its intention to apply to the Commission to seek resolution of the terms and conditions applicable to the Company's continued operations and construction activities within the Municipality.
- 4.7 Upon termination of this Agreement, if a new agreement has not been ratified or if the Commission has not imposed the terms and conditions under which the Company may use the Public Lands, the following provisions will apply:
  - (a) The Company works within the boundary limits of the Municipality both before and after the date of this Agreement shall remain the Company's property and shall remain in the Public Lands.
  - (b) The Company works may continue to be used by the Company for the purposes of its business, or removed from Public Lands in whole or in part at the Company's sole discretion.

**ARTICLE IV****TERM**

(continued)

- (c) The Company may continue to use Public Lands within the Municipality for the purposes of its business. The Company's employees may enter upon all the Public Lands within the boundary limits of the Municipality to maintain, operate, install, construct, renew, alter, or place Company works provided that the Company continues to operate in a manner consistent with the terms and conditions of this Agreement as if the term had been extended except with respect to the payment of the franchise fee.
- (d) The Company will with the support of the Municipality take such steps necessary to seek Commission approvals of the extension of terms and conditions including payment of the franchise fee under the terminated agreement during negotiations of a new agreement.
- (e) Should the Company no longer be authorized or required to pay the franchise fee under any agreement between it and the Municipality or by any order of the Commission, the Municipality shall be free to apply such approval, permit and licence fees, charges and levies it is legally entitled to collect.

**ARTICLE V****ENTRY UPON PUBLIC LANDS**

- 5.1 Subject to the provisions of Sections 5.11, 5.12 and 5.13, the Company shall carry out all works at its own expense, including all costs prescribed under the Municipality's Fees and Charges for Various Municipal Services Bylaw, as amended from time to time, and shall take all reasonable precautions to minimize damage and obstructions, and shall restore any Public Lands and any improvements thereto that may be affected by its works substantially to their former condition in accordance with the Municipality's Subdivision and Development Servicing Bylaw, as amended from time to time, and shall maintain any such Public Lands at its own expense to that standard for a period of one (1) year.

**ARTICLE V**  
**ENTRY UPON PUBLIC LANDS**

(continued)

- 5.2 The Company, during the progress of construction, maintenance or the operation of its works within the boundary limits of the Municipality, will place and maintain such warning signs, barricades, lights or flares on, at or near the site of any such work so as to give reasonable warning to the public, in accordance to BC Ministry of Transportation and Infrastructure "Traffic Management for Work on Roadways", as amended from time to time.
- 5.3 The Company, as soon as practicable, shall file with the Engineer a tentative schedule of construction and a plan showing the general layout of any proposed works, including mains, valves and regulator stations.
- 5.4 In every instance where the Company proposes to enter Public Lands, the Company will submit to the Engineer for approval, an application in writing stating the Company's purpose, the date and time when the Company proposes to commence construction of the proposed works, and the length of time estimated to complete the proposed works, together with plans and specifications showing the size, dimensions and location as to line, specified depth plus or minus 150 mm, and the placement of the proposed works, including the relationship of the proposed works to the then Municipal services if "as-built" drawings showing the location of the latter are available to the Company at the office of the Engineer. The Engineer shall not withhold approval unreasonably.
- 5.5 In the event that the Engineer disapproves or fails to approve an application by the Company submitted pursuant to Section 5.4 or any plans or specifications submitted in connection therewith, or otherwise directs the line, elevation or placement of any proposed works or any part thereof elsewhere or in some other manner than specified, the Company may apply to the Council for approval, or may appeal to the Council against any such direction, as the case may be. The Company may thereafter refer the decision of the Council to arbitration in accordance with Article X. The Company shall not proceed with any portion of the proposed works until the Engineer, Council or a board of arbitration has approved the proposed works. If the Company does not act upon such approval within 6 months from the date thereof, the Company shall make a new application.

**ARTICLE V****ENTRY UPON PUBLIC LANDS**

(continued)

- 5.6 The Company shall, wherever reasonably possible, locate its gas mains in lanes rather than in the streets and main thoroughfares, in accordance with the Municipality's Subdivision and Development Servicing Bylaw, as amended from time to time.
- 5.7 The Company shall give at least seven (7) clear days' notice to the Engineer of its intention to enter upon Public Lands pursuant to an approval obtained under Section 5.4 or Section 5.5, except in case of emergency, in which event the Company may act, giving as much notice to the Engineer as may be practicable in the circumstances.
- 5.8 The Company shall notify the Municipality in writing, on a monthly basis, of the completion of installation of a connection for the supply of gas, giving the name of the consumer, the date on which the connection was made, and the legal description or civic address of the land to which the connection has been made.
- 5.9 The Company shall, as often as the Engineer reasonably requires, deliver to the Engineer "as-built" drawings of the Company's works showing the location of the same with such detail as to line, specified depth, plus or minus one hundred and fifty (150) mm, and size as may enable the Municipality to locate such works. Where the Municipality can provide the Company with "as-built" drawings of its own services, the Company shall supply "as-built" drawings of its works to the same scale. If no municipal "as-built" drawings are available, the Company shall supply "as-built" drawings of its works to the scale used by the Company for its purposes.
- 5.10 If the Engineer, in advance of the commencement of any work by the Company, requests the Company to supply photographs showing the condition of the surface of Public Lands prior to the placing or construction thereon or thereunder of any of its works, the Company shall cause to be taken, and shall supply to the Engineer such photographs. Each photograph shall be so labelled as to identify the location shown, and shall be dated, and shall carry the name and address of the photographer, who shall sign each print so supplied to the Municipality.

**ARTICLE V****ENTRY UPON PUBLIC LANDS**

(continued)

- 5.11 Upon the request of the Engineer, the Company shall change the location (which, in the case of pipe, means any change of either or both of line and elevation) of any part of its works upon, along, across, over or under Public Lands to some other reasonable location upon, along, across, over or under Public Lands. If the part of the works of which the location is changed as hereinbefore provided was (i) installed as to both line and elevation in accordance with the approval or instructions in writing of the Engineer, or (ii) was installed as to line in accordance with the approval or instructions in writing of the Engineer and was laid at a depth of at least eight hundred (800) mm under a roadway paved with at least fifty (50) mm of concrete or asphalt, or (iii) was installed as to line in accordance with the approval or instructions in writing of the Engineer and is being changed because its line is no longer satisfactory to the Municipality, the Municipality shall bear and pay to the Company the entire cost of the change less an amount equal to 2% of the installed value on the Company's books of any of the said part of the said works which the Company takes out of service as a result of the change, multiplied by the number of years during which it has been in service. Provided, however, that notwithstanding that the said part of the works was installed, or installed and laid, in one of the manners specified, if at any time the Municipality requires the Company to alter the elevation of any part of the said works to facilitate the laying, construction or operation of either storm or sanitary sewer pipes by not more than one-half of the outer diameter of the storm or sanitary sewer pipe concerned, plus one-half of the outer diameter of the gas pipe concerned, the Municipality shall bear and pay to the Company fifty percent (50%) of the sum arrived at by taking from the cost of the change an amount equal to two percent (2%) of the installed value on the Company's books of any of the said part of the said works which the Company takes out of service as a result of the change multiplied by the number of years during which it has been in service.

**ARTICLE V**  
**ENTRY UPON PUBLIC LANDS**

(continued)

- 5.12 If the said part of the said works was not installed, or installed and laid, in one of the manners specified above in this section, the cost of such change shall be borne by the Company provided that the Company may refer to arbitration pursuant to Article X the questions (i) whether the circumstances are equitably within the principles exemplified above in this Section and, if the answer is in the affirmative, (ii) the manner in which the Municipality and the Company shall share the cost of such change. In the arbitration the costs of question (i) shall be borne by the Company and the costs of question (ii) shall be dealt with in the usual manner in the award.
- 5.13 Notwithstanding anything hereinbefore contained, if either party shall request the other party to make some temporary change in such other party's works or services in order to facilitate installation, construction, repairs or maintenance by the requesting party, such other party shall, whenever reasonably possible, carry out the change or alteration requested and shall be entitled to charge the requesting party with the cost thereof.
- 5.14 The Company shall design and construct its works in accordance with standards established from time to time for gas pipeline systems by the Canadian Standards Association (Z662 Code), with all applicable requirements of the *Safety Standards Act* and the *Oil and Gas Activities Act* of British Columbia, as same are amended from time to time, all regulations enacted pursuant thereto, and with any and all other applicable Federal and Provincial enactments and Municipal enactments not otherwise inconsistent herewith, regulating such works.
- 5.15 The Municipality will, wherever it is practical and convenient to so do, give reasonable notice to the Company of the time, location and nature or extent of any intended road resurfacing work, any new road construction or any excavation work along any public thoroughfare within the boundary limits of the Municipality. The Company will use its best efforts to schedule any anticipated maintenance, repair, construction or installation work in respect of existing or proposed works situated or to be situated at or near the location specified in such notice, so as to complete such work within the time or times specified in such notice.

**ARTICLE V****ENTRY UPON PUBLIC LANDS**

(continued)

- 5.16 Any information provided to the Municipality by the Company under this Agreement becomes the property of the Municipality and is subject to all requirements and regulations, including disclosure requirements of the *Freedom of Information and Protection of Privacy Act* of British Columbia.

**ARTICLE VI****RESPONSIBILITY FOR DAMAGE**

- 6.1 The Company shall take all reasonable precautions in the construction and operation of its works to avoid damage to Public Lands and the Municipality's property and services.
- 6.2 The Municipality shall take all reasonable precautions to avoid damage to the Company's works including, without limiting the generality of the foregoing, compliance with all applicable requirements of the *Safety Standards Act* and the *Oil and Gas Activities Act* of British Columbia, as same are amended from time to time, all regulations enacted pursuant thereto, and with any and all other applicable Federal and Provincial enactments.
- 6.3 The Municipality shall not undertake any work of its own that may necessitate the exposure of the Company's works without giving the Company seven (7) clear days' notice of its intention to carry out such work, except in the case of emergency, in which event the Municipality may act, giving as much notice to the Company as may be practicable under the circumstances.
- 6.4 The Municipality shall not be liable for any damages suffered by the Company that are caused by the Municipality's reliance upon the accuracy of the Company's drawings supplied to the Municipality in accordance with Section 5.9, provided that the Municipality has complied in all respects with the provisions of Sections 6.2 and 6.3.

**ARTICLE VI****RESPONSIBILITY FOR DAMAGE**

(continued)

- 6.5 The Municipality shall be liable to and shall reimburse the Company for all costs and expenses in making good any damage to the Company's works within the boundary limits of the Municipality to the extent that such damage is caused by the negligence of the Municipality, its servants, agents or contractors. In no event, however, shall the Municipality be liable to the Company for any damages in the nature of loss of profit, nor shall the Municipality be liable to the Company for any damages arising from acts of God, acts of the Queen's enemies, strikes, lockouts, scarcity of labour or materials or from any other cause beyond the control of the Municipality or arising from the negligence of the Company.
- 6.6 The Company agrees with the Municipality that it will protect, indemnify and save harmless the Municipality from and against all actions, proceedings, claims and demands of any corporation, firm, or person against the Municipality and will reimburse the Municipality for all loss, damage and expenses caused to it as a result of, the imprudence or neglect of the Company, its servants, agents or contractors, in the execution of the authorities, permissions and rights hereby to it granted, or in connection with the construction, maintenance or operation of the Company's works within the boundary limits of the Municipality except where the same is caused or contributed to by the negligence or default of the Municipality, its servants, agents or contractors. In no event shall the Company be responsible to the Municipality for any damages arising from acts of God, acts of the Queen's enemies, strikes, lockouts, scarcity of labour or materials or any other cause beyond the control of the Company.

**ARTICLE VII****SUPPLY OF GAS**

- 7.1 The Company shall in the event of a breakdown or interruption in its supply, transmission or distribution of gas, give preference to the requirements of users of firm gas in the following order:
- (i) hospitals and similar institutions,
  - (ii) domestic consumers,

**ARTICLE VII**  
**SUPPLY OF GAS**

(continued)

- (iii) commercial consumers, and
  - (iv) industrial consumers, including large industrial users.
- 7.2 Subject to Section 7.3, to the terms and conditions of the service agreements between the Company and its customers and to the Company's tariffs as filed with and approved by the Commission, but commencing only after construction and putting into service of the facilities so to do, the Company will supply such reasonable quantities of gas as may be required for purchase by its customers within the boundary limits of the Municipality.
- 7.3 The performance by the Company of its obligations under Section 7.2 shall be subject to any event or occurrence not within the control of the Company and which by the exercise of due diligence is unable to prevent or overcome, including, without limiting the generality of the foregoing, any act of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests, restraints of rulers and peoples, civil disturbances, explosions, breakages, or accidents to machinery or pipelines, hydrate obstructions of pipelines or appurtenances thereto, temporary failure or shortage of gas supply, freezing of wells or delivery facilities, well blowouts, cratering, inability to obtain materials or equipment, inability to obtain permits, orders, licences, certificates or other authorizations, order of any court, board or governmental authority having jurisdiction.

**ARTICLE VIII**  
**ABANDONMENT**

- 8.1 In the event the Company ceases to operate, on a permanent basis, any part of its works on the Public Lands and has received all required regulatory approvals in respect thereto, the Company shall, at its sole cost,

**ARTICLE VIII**

**ABANDONMENT**

(continued)

- (a) restore the surface of the Public Lands affected to the same conditions, as far as may be practicable so to do, as the same were in prior to the entry thereon and use thereof by the Company; and
- (b) at the request of the Municipality, and subject to the Company's ability to refer the matter to arbitration pursuant to Article X, remove any works that the Engineer may reasonably require the Company to remove.

This obligation shall end with the expiry or earlier termination of this Agreement.

**ARTICLE IX**

**FRANCHISE FEE**

- 9.1 As compensation for the use by the Company of the Public Lands and for the exclusive right, franchise, and privilege to supply gas within the boundary limits of the Municipality, in addition to the payment of any rates, taxes or assessments lawfully imposed by the Municipality, the Company shall pay to the Municipality on the first day of March of each year a sum equal to three percent (3%) of the gross revenues (excluding taxes and levies) received by the Company in the immediately preceding calendar year for provision and distribution of all gas consumed within the boundary limits of the Municipality.
- 9.2 There shall not be included in any payments made by the Company to the Municipality in accordance with this Section 9.1, any percentage of revenue received by the Company from the sale of gas within the boundary limits of the Municipality for the purpose of resale outside the boundary limits of the Municipality or to a municipal utility within the boundary limits of the Municipality. The Company's obligation to make the payment required under this Section 9.1 on the first day of March, 2040 shall survive the expiration of this Agreement on December 7, 2039 in accordance with Section 4.1.

**ARTICLE IX****FRANCHISE FEE**

(continued)

- 9.3 If the Company fails to make each payment required under Section 9.1, or any portion thereof, to the Municipality when due, interest thereon shall accrue at a rate of interest declared from time to time by the chartered bank in Canada used by the Company, as the rate of interest charged by such bank to its most creditworthy commercial borrowers for loans in Canadian dollars payable on demand and commonly referred to as its "prime rate", plus two percent (2%), from the date when such payment was due until the same is paid.
- 9.4 At the time the Company makes each payment to the Municipality in accordance with Section 9.1, the Company shall deliver to the Director of Finance for the Municipality a statement which sets forth the total volume of gas sold by the Company for consumption within the boundary limits of the Municipality in the immediately preceding calendar year and the total revenues received by the Company in respect of such sales. The statement will also include the total volume of gas and the total revenues received for each class of customer.
- 9.5 For purposes of tracking gas consumed within the boundary limits of the Municipality, the Municipality shall inform the Company, on a timely basis, of any changes made to the boundary limits of the Municipality.

**ARTICLE X****ARBITRATION**

- 10.1 If there is a dispute, difference or question between the parties in connection with the construction, meaning, effect or application of any of the provisions of this Agreement, or of the rights, obligations or liability of the parties hereunder, the parties shall make an honest effort to settle such dispute, difference or question before taking any action in the courts, or referring the matter to arbitration hereunder.

**ARTICLE X****ARBITRATION**

(continued)

- 10.2 (a) The party that desires the resolution of any such dispute, difference or question shall give notice in writing to the other setting forth the complaint, and the grounds thereof. If the party to whom notice is given does not enter into discussions within fourteen (14) days, the other may submit such dispute, difference or question to the Commission, if appropriate, or to arbitration pursuant to the *Commercial Arbitration Act* of British Columbia. Alternatively, the party may institute such other proceedings as it may be advised.
- (b) In the event that the parties commence discussions prior to the expiration of the period of fourteen (14) days, the dispute, the difference or question shall not be referred to arbitration, nor shall the parties take any other proceedings until after the expiration of fourteen (14) days from the date of the commencement of such discussions.
- (c) A board of arbitration appointed pursuant to this Article X, shall have jurisdiction and authority to interpret and apply the provisions of this Agreement to the extent necessary for the determination and resolution of any such dispute, difference or question; but such board of arbitration shall not have the jurisdiction or authority to alter or amend any of the provisions of this Agreement.
- (d) The majority decision of such board of arbitration shall be final and binding on the Company and the Municipality. Where there is no majority decision, the decision of the Chairman shall be the decision of such board of arbitration.

**ARTICLE XI****GENERAL**

- 11.1 The conditions in this Agreement shall be governed by and subject to the laws of Canada and the Province of British Columbia, and to the proper authorities and powers of the Commission; and nothing herein contained shall exclude or shall be deemed to exclude the application of such laws, or the jurisdiction of the Commission.

**ARTICLE XI**

**GENERAL**

(continued)

11.2 Nothing herein contained shall be construed as relieving the Company from the obligation to observe the terms and provisions of any and all bylaws of the Municipality adopted by the Council thereof, in the bona fide exercise of its legislative authority, but not inconsistent with anything herein contained; and nothing herein contained shall be construed as relieving the Company from the payment of any rates, taxes, or assessments that may be lawfully imposed.

11.3 Any notice, request, demand or other communication required or permitted to be given to either party to this Agreement shall be in writing and shall be delivered by hand, e-mail, facsimile transmission or prepaid registered mail (return receipt requested) to the party to which it is to be given as follows:

(a) if to the Municipality, at:

The Corporation of the City of Fort St. John  
10631 - 100th Street  
Fort St. John, British Columbia, V1J 3Z5  
Attention: General Manager of Integrated Services  
Tel: (250) 787-8150  
Fax: (250) 787-8181  
E-mail: [integratedservices@fortstjohn.ca](mailto:integratedservices@fortstjohn.ca)

and

(b) if to the Company, at:

Pacific Northern Gas (N.E.) Ltd.  
Suite 750, 888 Dunsmuir Street  
Vancouver, British Columbia, V6E 3X2  
Attention: Vice President, Regulatory Affairs & Gas Supply  
Tel: (604) 691-5680  
Fax: (604) 697-6210  
E-mail: [regulatory@png.ca](mailto:regulatory@png.ca)

**ARTICLE XI****GENERAL**

(continued)

- 11.4 Either party may from time to time change its address by written notice to the other party given in accordance with the provisions of this Section. Any notice given by registered mail to either party at the address as specified herein shall be deemed to have been received by such party on the third (3<sup>rd</sup>) business day after which it was so mailed. Any notice sent by e-mail, facsimile or similar method of recorded communication shall be deemed to have been received on the next business day following the date of its transmission. Alternatively, any notice under this Agreement may be delivered by hand to the foregoing addresses and shall be deemed to be received upon the day of delivery.
- 11.5 Each party shall give the other party notice of any application to the Commission in respect of any matter dealt with under the terms hereof or affecting the consumers of gas in the Municipality or affecting the Company's business as a public utility within the boundary limits of the Municipality.
- 11.6 This Agreement shall be binding upon and enure to the benefit of the parties hereto, their successors and assigns and may not be assigned by the Company without the prior written consent of the Municipality, such consent not to be unreasonably withheld.
- 11.7 This Agreement shall supersede all other agreements between the parties, including without limitation, any licenses to occupy granted by the Municipality prior hereto, relating to the sale or distribution of natural gas within the Municipality, effective the day and year first written above.

**IN WITNESS WHEREOF** this Agreement has been duly executed by the parties hereto as of the day and year first above written.

**THE CITY OF FORT ST. JOHN**

---

Lori Ackerman, Mayor

---

Janet Prestley, Director of Legislative and  
Administrative Services

**PACIFIC NORTHERN GAS (N.E.) LTD.**

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**Pacific Northern Gas (N.E.) Ltd.**

**Application for Approval of the 2019 Franchise Agreement with the City of Fort St. John**

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**APPENDIX B**

**1997 Franchise Agreement  
between  
PNG(N.E.) and the City of Fort St. John  
(Approved by BCUC Order C-4-98)**

**FRANCHISE AGREEMENT**

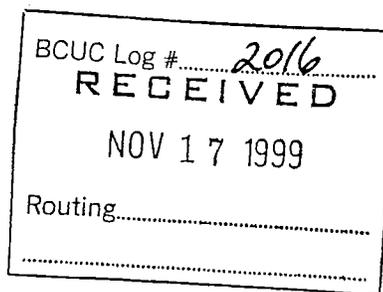
**Between**

**THE CITY OF FORT ST. JOHN**

**And**

**PACIFIC NORTHERN GAS (N.E.) LTD.**

**Effective December 8, 1997**



Accepted for filing: **JAN 19 2000**  
Effective: **DEC 08 1997**  
Order No.: **C-4-98**

SECRETARY  
**B.C. UTILITIES COMMISSION**

FRANCHISE AGREEMENT  
 BETWEEN  
 THE CITY OF FORT ST. JOHN AND PACIFIC NORTHERN GAS (N.E.) LTD.

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## FRANCHISE AGREEMENT

THIS AGREEMENT is made as of the 8<sup>th</sup> day of December, 1997.

### BETWEEN:

**THE CITY OF FORT ST. JOHN**  
10631 - 100th Street  
Fort St. John, British Columbia  
V1J 3Z5

(the "Municipality")

### AND:

**PACIFIC NORTHERN GAS (N.E.) LTD.**  
(successor-company to Centra Gas Fort St. John Inc.)  
1400 - 1185 W. Georgia Street  
Vancouver, B.C.  
V6E 4E6

(the "Company")

### WHEREAS:

- A. By a franchise agreement dated August 14, 1952, between the Company and the Municipality for an initial term of 20 years, which commenced August 15, 1954, which was extended by agreement of the parties for a further period of 10 years and again for a further period of 11 years ending on August 15, 1995;
- B. Since the expiry of that franchise agreement, the Company has operated its natural gas distribution system within the Municipality by consent granted by the Municipality whilst the new franchise agreement was being negotiated in good faith;
- C. The Municipality and the Company have now agreed to enter into a new franchise agreement under which the Municipality will grant to the Company a new franchise for the distribution and sale of natural gas within the Municipality on the terms and conditions set forth below;
- D. Bylaw No. 1420, 1997 was adopted by the Municipality on December 8, 1997 authorizing the Mayor and the Clerk of the Municipality to execute this Agreement on behalf of the Municipality upon approval of the Agreement by the B.C. Utilities Commission and;

Accepted for filing: JAN 19 2000

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E. The B.C. Utilities Commission approved this Agreement under Order Number C-4-98 dated May 14, 1998.

**NOW THEREFORE** in consideration of the terms, conditions and covenants in this Agreement, the parties hereto agree as follows:

## PART 1 - DEFINITIONS

1. **Definitions.** In this Agreement:

**"Clear Days"** excludes Saturdays, Sundays, statutory holidays as defined by the British Columbia Interpretation Act and the first and last days in calculating time under this Agreement;

**"Commission"** means the British Columbia Utilities Commission and any successor commission;

**"Company"** means Pacific Northern Gas (N.E.) Ltd. or any successor company;

**"Distribution System"** means fixed equipment and structures including the mains, pipes, valves, fittings, appurtenances, and related facilities used or intended for the purpose of conveying, distributing, mixing, storing and delivering Gas and making it available for use within the Municipal Boundaries, and includes buildings and structures related to such purpose;

**"Gas Main"** means that part of the Distribution System comprised of a steel or plastic pipeline and associated control devices through which Gas is conveyed from transmission lines to Service Connections;

**"Operating Rights"** means the rights granted under Section 2 of this Agreement;

**"Gas"** means natural Gas, synthetic natural Gas, methane, liquefied petroleum Gas in a gaseous form, manufactured Gas or other utility Gases or any of them or any mixtures thereof;

**"Lane"** means a Highway less than 8 meters in width, providing secondary access to a parcel of land;

**"Highway"** means a street, road, lane, bridge, or viaduct that is owned by the Municipality or over which the Municipality has the right of possession;

**"Municipal Supervisor"** means the Municipal Engineer or other person or persons designated by the Municipality to receive notices and issue approvals under this Agreement;

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**"Municipal Boundaries"** means the territorial area within the boundaries of the Municipality as it exists and as it may be enlarged by boundary extensions or amalgamation;

**"Public Lands"** means land owned, possessed or controlled by the Municipality, excluding a Highway;

**"Service Area"** means land and property within the Municipal Boundaries as it exists or as it may be enlarged by boundary extensions or amalgamation;

**"Public Services"** means all mains, pipes, wires, valves, and related facilities, buildings, structures and equipment forming part of any sewage disposal, storm drainage, water supply, electrical or other utility service owned or operated by the Municipality or by a public or private utility other than the Company;

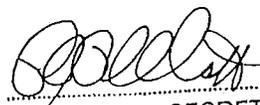
**"Service Connection"** means that part of the Distribution System comprised of a steel or plastic pipe and associated control devices connecting a consumer's meter to a Gas Main;

## PART 2 - OPERATING RIGHTS

2. **Grant of Operating Rights.** The Municipality, to the extent that it is empowered, grants to the Company subject to the terms and conditions of this Agreement and subject to compliance with applicable federal and provincial statutes and bylaws of the Municipality, the exclusive right to supply Gas by pipeline to consumers located within the Municipality.
3. **Exclusivity of Operating Rights.** The Municipality shall not grant to any other person the right to supply or deliver Gas by pipeline within the Municipal Boundaries or the right to use Highways or Public Lands to supply or deliver Gas by pipeline, so long as the Company complies with the terms and conditions of this Agreement and this Agreement remains in force.
4. **Enforcement of Operating Rights.** The Municipality shall reasonably cooperate with and assist the Company in the enforcement by the Company of the Operating Rights against any person not a party to this Agreement who violates the Company's exclusive Operating Rights and the Company shall reimburse the Municipality for its out-of-pocket expenses in this regard.
5. **Prohibition of Municipal Distribution.** The Municipality shall not construct, operate or maintain or cause to be constructed, operated or maintained a Distribution System for the supplying or delivering of Gas by pipeline to the Municipality or its inhabitants or use Highways or Public Lands to supply or deliver Gas by pipeline.

Accepted for filing: <sup>6</sup> JAN 19 2000

Effective: DEC 08 1997

  
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**PART 3 - TERM**

6. **Effective Date.** This agreement is effective December 8, 1997 and shall continue 21 years from such date unless earlier terminated in accordance with this Agreement.

**PART 4 - OPERATING OR FRANCHISE FEES**

7. **Establishment of Operating or Franchise Fees.** As compensation for the use by the Company of the Public Lands and for the exclusive right, franchise, and privilege to supply gas within Municipal Boundaries, in addition to the payment of any rates, taxes, or assessments lawfully imposed by the Municipality, the Company shall pay to the Municipality within 7 business days following the thirty-first day of March of each year thereafter to and including the thirty first day of March, in the year after the expiration of this Agreement, a sum equal to 3% of the revenue received by the Company in the immediately preceding calendar year, from the sale of
- (a) Gas to residential and commercial customers which include public and institutional customers for use within Municipal Boundaries, and
  - (b) the first 328,000 gigajoules of Gas to industrial customers for use within Municipal Boundaries

There shall not be included in any payments made by the Company to the Municipality in accordance with this Section, any revenue received by the Company from the sale of Gas within Municipal Boundaries for the purpose of resale outside Municipal Boundaries or to a municipal utility within Municipal Boundaries. The Company's obligation to make the payment required under this Section on the thirty-first day of March, in the year after the expiration of this Agreement shall survive the expiration of this Agreement in accordance with Section 6.

If the Company fails to make any payment required under Section 7, or any portion thereof, to the Municipality when due, interest thereon shall accrue at a rate of interest declared from time to time by the chartered bank in Canada used by the Company, as the rate of interest charged by such bank to its most creditworthy commercial borrowers for loans in Canadian dollars payable on demand and commonly referred to as its "prime rate", plus 2%, from the date when such payment was due until the same is paid. Interest on outstanding payments shall accrue from April 1st and shall continue to accrue until paid.

8. **Payment of Operating or Franchise Fees.** At the time the Company makes each payment to the Municipality in accordance with Section 7, the Company shall deliver to the Municipality a statement which sets forth the total volume of gas sold by the Company for consumption within Municipal Boundaries in the immediately preceding calendar year and the total revenues received by the Company in respect of such sales.

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**PART 5 - PLANS AND APPROVALS**

9. **Five Year Plan.** The Company shall deliver to the Municipality, a plan showing the location, sequence and timing of the construction of the Distribution System planned by the Company for the next five years, and shall, from time to time but not less than annually by March 31, review that plan with the Municipal Supervisor. The plan shall conform to the Municipality's Official Community Plan Bylaw and amendments thereto.
10. **Municipal Cooperation.** The Municipality will cooperate with the Company to increase the awareness of applicants for building permits that a check should be made with the Company before construction in the vicinity of the Distribution System. The Municipality will not be liable for any act, error or omission in connection with its obligations under this section.
11. **Depth of Cover.** Where the Municipality has received an application from the Company for approval for the installation of the Distribution System, the Municipality may:
- (a) request a depth of cover without limit where the Municipality has specified its plans for reconstruction/resurfacing over the next five years of the receipt of the application; or
  - (b) request a depth of cover between 60 cm and 75 cm below grade in all other cases.
12. **Reconstruction of Municipal Works.** The Company shall bear the cost of relocating portions of the Distribution System as necessary for the reconstruction, repair or replacement of the Highways or Municipal Public Services, unless it has previously complied with the Municipality's requests on depth of cover as set forth in Section 1.1 (a) and (b) of this Agreement, in which event the Municipality shall bear such costs.
13. **Approval to Construct.** No part of the Distribution System shall be constructed or extended without the approval in writing of the Municipality or the Municipal Supervisor, unless otherwise instructed, such approval not to be unreasonably withheld or delayed. The Municipal Supervisor shall use his best efforts to give timely approval. Every approval under this section shall expire if not acted upon within six months. Despite the foregoing the Municipal Supervisor may, give verbal approval to allow work to be conducted under this section before approval has been given in writing.
14. **Approval to Maintain and Repair.** Prior to repairing, replacing or removing any part of the Distribution System in a manner that would alter, damage or disrupt any Highway, Public Land or Public Services, the Company shall obtain the approval in writing unless otherwise instructed of the Municipality or Municipal Supervisor, such approval not to be unreasonably withheld or delayed. The Municipal Supervisor may, give verbal approval.

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15. **Emergency Maintenance and Repair.** Notwithstanding Sections 13 and 14, in cases of repair or maintenance of the Distribution System which is necessary or prudent due to emergency, or for the urgent safety or preservation of property, no notice need be first given but shall be given as soon as practicable during or after performance of such repairs or maintenance.
16. **Tests, Surveys and Photographs.** The Company shall, prior to approval under Section 13 and 14, provide the Municipality or the Municipal Supervisor with such tests, surveys, photographs and plans as the Municipality or the Municipal Supervisor may reasonably require to ensure compliance with this Agreement.
17. **Construction Plans and Specifications.** Prior to constructing or extending the Distribution System, the Company shall file with the Municipality or the Municipal Supervisor detailed plans and specifications, which in the case of Gas Mains shall be signed and sealed by a Professional Engineer registered to practice in British Columbia, showing:
- (a) the size and dimensions of all Gas Mains of the proposed Distribution System, their proposed depth below the surface of the ground, and their proposed locations;
  - (b) the edge of paving on affected Highways where the Company proposes to cut into paving;
  - (c) the proposed location and/or elevation of the Gas Mains where they cross existing underground utilities, provided that the location of existing utilities has been provided to the Company, upon request of the Municipality or the public utility;
  - (d) boundaries and legal descriptions of any private lands which may be affected by the construction activity or any private lands with lot borders within 1.5 metres of the proposed centre of the Gas Main; and
  - (e) the proposed dates of commencement and completion of the proposed work.

**PART 6 - USE OF HIGHWAYS AND PUBLIC LANDS**

18. **Permission to Use Highways.** Subject to the applicable bylaws of the Municipality and to this Agreement, the Municipality grants to the Company permission to enter in, upon and under all Highways within Municipal Boundaries and permission to use, break up, dig, trench, open up and excavate the Highways, and therein and thereon to place, construct, lay, operate, use, maintain, renew, alter, repair, extend, replace and remove the Distribution System.

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19. **Excavation on Highways.** Notwithstanding prior approval of any work, the Company shall give not less than 3 Clear Days notice to the Municipality or the Municipal Supervisor of its intention to break up, dig, trench, open up or excavate in or on any Highway, unless otherwise authorized by the Municipal Supervisor. The Company shall use its best efforts to give sufficient time for City Staff to have a reasonable opportunity to review the material (i.e. at least 7 days clear notice).
20. **Permission to Use Public Lands.** The Municipality may from time to time in writing empower the Company to use Public Lands for the Distribution System. Where such permission has been granted to the Company, the Municipality shall have the right to enter into a right of way agreement, such agreement to be in a form that is registrable in the Land Title Office and to be registered at the Company's cost.

### **PART 7 - CONSTRUCTION**

21. **Design.** The Distribution System shall be designed, installed and maintained to meet or exceed the standards set out in all applicable federal, provincial and municipal enactments, and all Gas pipeline standards set by the Canadian Standards Association.
22. **Location of Gas Mains.** In establishing the location of Gas Mains, the Company shall use Lanes in preference to other Highways unless otherwise approved by the Municipal Supervisor in writing, such approval not to be unreasonably withheld.
23. **Maining.**
- (a) A single Gas Main may be installed subject to the provisions of (b), (c) and (d) below.
  - (b) The Company, subject to waiver by the Municipality, shall make at least three (3) attempts to bore beneath the Highway prior to trenching for the installation of Gas Mains, the crossing of intersecting Highways by Gas Mains and for the installation of Services across Highways.
  - (c) Where a new portion of the Distribution System is installed in an existing Highway, a Gas Main shall be installed on each side of the Highway unless:
    - i) connecting pipes can be installed across the Highway without trenching;
    - ii) connecting pipes can be installed across the Highway with trenching, provided that there is not more than one trench every 200 meters, excluding trenches otherwise required for Gas Mains at intersections of that Highway; or
    - iii) a single Gas Main is approved in writing by the Municipality.

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Effective: \_\_\_\_\_

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- (d) Where a portion of the Distribution System is installed in an unpaved Highway right-of-way, a single Gas Main may be installed.

24. **Standards of Construction.** The Company shall do the following work, to the Municipality's standards as expressed in the current form of the Municipality's Subdivision Servicing Bylaw. where such standards are applicable:

- (a) construction and installation of the Distribution System, at its own expense;
- (b) cause as little damage as is reasonably possible in performing the works authorized to be performed hereunder;
- (c) use all reasonable efforts to cause a minimum of obstruction or inconvenience during the progress of any of its works;
- (d) place and maintain such warning signs, barricades, lights or flares at or near the site of any work in progress as well give reasonable warning and protection to members of the public;
- (e) restore without unreasonable delay the Highways or Public Lands broken up, dug, trenched, opened up or excavated to a condition as similar as that which existed immediately before the commencement of such works and shall repair, at its own expense, any damage that it may cause;
- (f) maintain affected portions of Highways or Public Lands at its expense to the restored standard for three years following restoration;
- (g) maintain pavement crossing patches for a period of five years following installation;
- (h) at all times during construction of the Company's works within the Municipal Boundaries, maintain and publicize a local toll-free number at which the public and the Municipality can make inquiries regarding construction, during business hours; and
- (i) prior to commencing construction which may significantly interfere with access to property or traffic on any block of any highway, deliver on 10 Clear Days notice, a letter addressed to each household or business occupant describing the work to be done, the anticipated schedule of construction and the telephone number for inquiries.

25. **No interference with Public Services.** Except as expressly authorized by the Municipality or by virtue of any charter or right granted by governmental authority, the Distribution System shall be laid in such a manner as not to interfere with any existing or authorized Public Services located in any Highway;

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**PART 8 - AS-BUILT PLANS, RIGHT-OF-WAY AGREEMENTS AND CONNECTION REPORTS**

26. **As-built Plans of Trunk Water and Sewer Mains.** Upon request by the Company the Municipality shall provide the Company with any available "as-built" plans of trunk water and sewer mains and if available a computer diskette of these systems which is compatible with the Company's Automated Mapping Facilities system.
27. **As-built Plans of Gas Mains.** The Company shall provide the Municipality with scale "as-built" plans of the Distribution System excluding Service Connections, referenced to the Legal Survey System, or in the event the Legal Survey System cannot be used, referenced to Integrated Survey Control Monuments in relation to main Distribution System junctions within Highway intersections, if such monuments are in place in the Municipality, and if available, computer diskettes of the Distribution System which are compatible with the Municipality's computer system. Copies of the field-drawn as-built sketches shall be provided within 30 days of completion of that portion of the Distribution System and the as-built plans shall be provided no later than March 31 of each year, showing portions of the Distribution System excluding Service Connections completed during the prior year. Plans shall be in metric scale.
28. **As-built Plans of Service Connections.** The Company shall, where requested, provide the Municipality, within 30 days of completion of the Service Connection, with copies of the field as-built drawings showing the location of the point where the Service Connection leaves the Gas Main and the point of entry at the boundary of the land with reference to a side lot line.
29. **Certification of As-Built Plans.** Where field conditions have required a change to the design drawing submitted for Municipal approval of greater than one metre measured horizontally from either side of the indicated pipe location or a reduction in cover below the specified minimum, the Company shall submit an As-Built drawing signed and sealed by a Professional Engineer registered to practice in British Columbia.

**PART 9- EXTENSION, REMOVAL OR RELOCATION**

30. **Extension of Distribution System.** At the request of the Municipality, the Company shall at its expense in accordance with the terms of this Agreement extend the Distribution System within the Municipality to service such areas as are economically feasible, in accordance with criteria established by the Commission.
31. **Additions, Repairs or Alterations to Public Services.**

- (a) If the Municipality intends to make any additions, repairs or alterations to any of its Public Services which in any way affect any part of the Distribution System

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*[Signature]*  
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then the Municipality shall give to the Company not less than 7 Clear Days' notice thereof, provided that in cases of repair, maintenance or construction which is necessary due to emergency, or for the urgent safety or preservation of property, no advance notice need be first given but such notice shall be given as soon as practicable.

- (b) Upon receipt of notice under this Section the Company shall be entitled to appoint a representative to advise in respect to such additions, repairs or alterations and so long as the advice of such representative is complied with by the Municipality, the Municipality shall, to the extent of that advice, be relieved from all liability in connection with any damage or interference to the property of the Company by reason of such repairs, maintenance or construction.
32. **Hazardous Conditions.** Where the Municipality determines that the Distribution System presents a hazard to the public the Municipality shall as soon as possible notify the Company and the Company will, take reasonable steps to eliminate the hazard.
33. **Damage to Distribution System by Municipality.** The Municipality will take all precautions not to unnecessarily injure or damage the Distribution System when work under Section 31 is undertaken. Prior to restoration and backfilling the Company shall be notified by telephone and given the opportunity without delay to have its supervisor on site to inspect the Distribution System. The Distribution System shall be restored at the expense of the Municipality to a condition as similar as possible to its condition immediately before the work was undertaken.
34. **Temporary Closure or Diversion of Distribution System.** In order to facilitate a temporary change in its Public Services, the Municipality may request that a portion of the Distribution System be temporarily closed or diverted and such a request shall not be unreasonably refused by the Company. The Municipality shall bear the direct costs of the temporary closure or diversion, excluding any loss of profit or other indirect loss. This Section shall apply equally to a request by the Company for a temporary closure or diversion of any Public Services.
35. **Highway Closure.** If any Highway under or on which any part of the Distribution System is constructed is permanently closed or alienated by any order, direction or request of the Municipality, the Municipality shall give the Company notice and the Company shall with all reasonable dispatch after receipt of such notice from the Municipality remove and if possible or practicable relocate that part of the Distribution System affected by such closure or alienation. The direct cost of work done by the Company under this Section, less an amount equal to two percent (2%) of the direct cost of parts of the Distribution System which the Company takes out of service as a result of the closure or alienation multiplied by the number of years during which it has been in service, shall be reimbursed by the Municipality, excluding any loss of profit or other indirect loss.

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Effective: \_\_\_\_\_

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36. **Relocation, Plans and Specifications.** Plans and Specifications of work to be done by the Company under Section 35 shall be submitted to and approved by the Municipality or Municipal Supervisor in accordance with Sections 13 and 24 prior to commencement of the work.
37. **Reimbursement for Relocation.** Prior to claiming reimbursement from the Municipality under Section 35, the Company shall provide the Municipality with a detailed written summary of work done, materials required and expenses incurred.
38. **Relocation Not Necessitated by Municipality.** If any alteration to or relocation of the Distribution System is necessitated other than as the result of a decision made or requested by the Municipality, the Municipality shall not be liable for any resulting loss, damages, or expenses incurred by the Company.

#### **PART 10 - SUPPLY OF GAS**

39. **Company's Obligation to Supply Gas.** The Company will contract for a supply of Gas for the purposes of distribution and sale within the Municipality, and shall at all times after the Distribution System is constructed and all required permits and approvals obtained, make available a sufficient quantity of Gas for the reasonable needs of every consumer who connects to the Distribution System.
40. **Service Agreements with Consumers.** The Company's obligation under Section 39 shall be subject to the terms and conditions of a service agreement between the consumer and the Company, and to the proviso that Gas is only required to be supplied to consumers having buildings on property fronting or lying alongside a Gas Main or pipe of the Distribution System.
41. **Gas Quality.** Gas supplied and delivered by the Company pursuant to this Agreement shall at all times be of a quality conforming with applicable provincial and federal laws as enacted from time to time.
42. **Gas Rates.** The rates which the Company will charge for Gas sold to the Municipality or other consumers located within Municipal Boundaries and the terms and conditions for service shall be as filed with and approved by the Commission
43. **Delivery of Gas to Consumer.** Where an owner or occupier agrees to enter a service agreement with the Company, the Company shall deliver Gas to the property line of each property fronting the Distribution System and shall provide and install a meter suitably located on the property to be supplied with Gas.
44. **Service Connections.** The Company shall supply and install a Service Connection from the property line to the meter in accordance with the costs and terms set forth in the tariffs of the Company and revisions thereto as filed with and approved by the Commission from time to time.

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45. **Location of Service Connections.** The meter and Service Connection shall be located and installed in a manner and at a location selected by the Company and shall remain the property of the Company.
46. **Consumer Risk.** The expense and risk of utilizing Gas after delivery to the property line shall be borne by the consumer and not by the Company unless any loss or damage occasioned by such utilization or use is directly attributable to the negligence or default of the Company or its servants or agents.
47. **Priority of Allocation.** If the supply of Gas available for distribution within the Municipality is limited, the Company shall, where practical, adhere to the following order of priority in allocating the available supply:
- (a) critical institutional users including hospitals, extended care facilities and related facilities purchasing Gas pursuant to firm contracts;
  - (b) essential public buildings including police stations, fire stations and public works yards purchasing Gas pursuant to firm contracts;
  - (c) residential users;
  - (d) other users purchasing Gas pursuant to firm contracts;
  - (e) users purchasing Gas pursuant to interruptible contracts.

**PART 11 - MUNICIPAL RIGHT TO PURCHASE**

48. **Right to Purchase.** The Municipality upon giving at least twelve months notice prior to the date of expiration of this Agreement shall have the right to purchase from the Company all its assets and undertakings used in the Distribution System within the Municipality including all the lands, buildings, plants, equipment, apparatus, vehicles, supply lines, supplies, stocks, tools and machinery and generally all its property and assets forming part of, or actually used or available for use exclusively in its undertaking or business of processing, supplying and distributing Gas to consumers within the Municipality, on the terms and conditions contained in this Part 11.
49. **Exclusion of Transmission System.** The Municipality shall not be entitled to purchase any part of the business, undertaking or transmission or main pipelines and appurtenances of the Company situate either inside or outside the Municipality which are an integral part of the transmission system bringing Gas to or through Municipal Boundaries or which are necessary to the Company in the manufacture, mixing, transportation, storage, distribution, supply or sale of Gas outside Municipal Boundaries.

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50. **Date of Purchase.** A sale and purchase made under this Part, unless the parties agree otherwise, shall be deemed to become effective at midnight of the last day of the term of this Agreement.
51. **Purchase Price.** If a sale and purchase by the Municipality under Section 50 takes place the purchase price payable by the Municipality to the Company for the assets and undertaking (the Price) shall be determined in accordance with Section 52. In the event of failure to agree upon the Price or in the event of failure to agree as to whether or not any item of property is part of the assets or undertaking being sold and purchased then the matter in dispute shall be referred to arbitration pursuant to the provisions of the Commercial Arbitration Act of the Province of British Columbia. The Arbitration shall be conducted by a sole arbitrator chosen by the parties. If the parties cannot agree on a sole arbitrator, the arbitrator will be selected in accordance with the Commercial Arbitration Act. Any award, determination or decision made during an Arbitration held pursuant to this Agreement, may be appealed to the Supreme Court of British Columbia pursuant to Section 31 of the Commercial Arbitration Act.

The Parties consent to such an appeal of any award, determination, or decision as contemplated by Section 31 and leave of the Supreme Court of British Columbia shall not be required for such an appeal.

52. **Fair Market Value.** Whether determined by negotiation or by arbitration the Price shall be the fair market value of the assets and undertaking as a going concern at the effective time of the sale and purchase, but shall not include any amount in respect of any rights or privileges granted to the Company under this Agreement.
53. **Terms of Payment.** The Price shall be paid to the Company within the last day of the term of this Agreement or 90 days after determination of Price, whichever is later, and shall carry interest at a rate of interest declared from time to time by the chartered bank in Canada used by the Company, as the rate of interest charged by such bank to its most creditworthy commercial borrowers for loans in Canadian dollars payable on demand and commonly referred to as its "prime rate", less 1%, from the last day of the term of this Agreement to the date of payment of the Price.
54. **Collapse of Sale.** If the Municipality does not complete the purchase of assets and undertaking pursuant to this Agreement within 180 days from the last day of the term of this Agreement, or within 90 days from determination of the Price, whichever is later, then the Company and the Municipality shall be released from all obligations to complete the sale and purchase and the Municipality shall pay to the Company all reasonable expenses or costs of the Company incurred in any price arbitration held and all other reasonable legal, accounting and other costs, charges or expenses incurred in connection with such proposed purchase and sale, and the Company shall be entitled to retain or be reimbursed for all profits made in the operation of the undertaking from the time of deemed effective sale.

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55. **Termination of Rights and Obligations.** In the event of a sale and purchase of the Distribution System by the Municipality under this Agreement the rights granted to the Company by this Agreement and the obligations of the Company, other than obligations in relation to events occurring prior to the sale and the sale itself, shall terminate at the time of sale and purchase.

**PART 12 - ARBITRATION**

56. **Arbitration.** If any dispute or question not within the jurisdiction of the British Columbia Utilities Commission to decide shall arise between the parties, concerning compliance with this Agreement or the meaning or effect of this Agreement or any part of it other than under Section 51, that dispute or question shall be referred to a single arbitrator appointed by the parties or in default of an agreement as to such arbitrator by and under the provisions or the Commercial Arbitration Act of the Province of British Columbia and the arbitration shall be held under the provisions of that Act. Each party shall bear its own costs and 50% of the costs of the arbitrator and arbitration proceeding.

**PART 13 - TERMINATION OF AGREEMENT**

57. **Default By Company.** In the event of any failure or neglect by the Company to comply with any of the material terms or conditions of this Agreement which continues without the Company immediately commencing and diligently pursuing remedial efforts for 21 days after receipt of a notice from the Municipality setting forth such default, the Municipality shall have the right by further notice to the Company to terminate this Agreement. The rights of the Municipality under this Section are in addition to and without prejudice to any other rights at law or in equity which the Municipality may have against the Company by reason of any breach by the Company of this Agreement.
58. **Force Majeure.** Notwithstanding Section 57, the Company will not be liable to the Municipality and this Agreement shall not be terminable under Section 57 upon inability of the Company to carry out its obligations under this Agreement when such inability is caused by any event or occurrence not within the control of the Company, acting with reasonable due diligence, including:
- (a) fire, explosion, lightning, tempest, the elements, adverse weather or climatic conditions, acts of God, war, strikes, lockouts, riots, civil insurrection, impossibility of procuring or receiving Gas, materials, equipment required for the placing, construction, maintenance or operation of the Distribution System or any pipeline on facility for bringing Gas to the boundary limits of the Municipality;

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- (b) failure of Gas supply due to the operation of, or interruption of supply from, the Gas transmission pipelines (including gathering lines) or processing facilities of the supplier(s) of the Company;
- (c) shortage of labour or materials and delays in or shortage of transportation beyond the reasonable control of the Company,
- (d) any and all other causes beyond the reasonable control of the Company;

except to the extent any of the foregoing are caused or contributed to by the omission or other fault of the Company, its officers, employees or agents.

59. **Use of Distribution System After Termination.** If the term of this Agreement expires without renewal or a purchase and sale as provided for in Part 11, or upon the termination of this Agreement pursuant to a notice of termination from the Municipality under Section 57, the Distribution System shall remain in the Company. The Distribution System may be used by the Company in its business or removed in whole or in part as it shall see fit and the Distribution System may remain in, on or under all the Highways within the Municipality and the Company may enter in, upon and under to use, break up, dig, trench, open up and excavate for the purpose of maintenance, renewal, repair, removal or operation of the Distribution System, or any part thereof, but not for extension thereof, provided that the Company shall in so doing comply with and be bound by the provisions of Sections 11 through 30, 32 through 48, 57 through 59 and 61 through 63 of this Agreement, notwithstanding the termination of this Agreement.

**PART 14 - GENERAL**

60. **Company Indemnity.** Except as specifically provided herein the Company shall indemnify and save harmless the Municipality, its officers, employees, elected and appointed officials, contractors and agents from and against all actions, proceedings, claims and demands by any person and shall reimburse the Municipality for all damages and expenses, caused or contributed to by the negligence, omission or other default of the Company, its servants or agents in respect of any thing done or omitted to be done pursuant or ostensibly pursuant to this Agreement including without limitation the construction, maintenance and operation of the Distribution System and shall require all its contractors to name the Municipality as a co-insured in a contract of indemnity between the Company and its contractor unless the naming thereof is deemed by the Company to be unreasonable.

61. **Contingent Indemnity.** In the event that the naming of the Municipality as a co-insured is deemed to be unreasonable under Section 60, and except as specifically provided herein, the Company shall also indemnify and save harmless the Municipality, its officers, employees, elected and appointed officials, contractors and agents from

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*[Signature]*  
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and against all actions, proceedings, claims and demands by any person and shall reimburse the Municipality for all damages and expenses, caused or contributed to by the negligence, omission or other default of the Company's contractors in respect of anything done or omitted to be done pursuant or ostensibly pursuant to this Agreement including, without limitation, the construction, maintenance and operation of the Distribution System.

62. **Municipality Indemnity.** Except as specifically provided herein the Municipality shall indemnify and save harmless the Company, its officers, employees, contractors and agents from and against all actions, proceedings, claims and demands by any person arising from the negligence of the Municipality, its servants and agents resulting from the performance or intended performance of the Municipality's obligations under this Agreement, subject to any act or omission of the Company, its officers, employees, contractors and agents that contributes to the action, proceeding, claim or demand, and shall reimburse the Company for all damages and expenses caused or contributed to by the negligence or other default of the Municipality, its servants or agents in respect of anything done or omitted to be done pursuant or ostensibly pursuant to this Agreement.

63. **No Liability for Approval of Drawings and Plans.** The approval of drawings and plans by the Municipality pursuant to this Agreement shall create no liability of the Municipality to the Company.

64. **Amendment.** The parties agree that Parts 5, 6, 7, 8, 9, and 10 of this Agreement may be amended from time to time to accommodate technological change in a manner consistent with good municipal and utility practice.

65. **Notice.** Any notice required or allowed to be given under this Agreement shall be deemed to have been given to the party to whom it is addressed if it is by confirmed facsimile to the numbers set out below or mailed in British Columbia, in a prepaid registered envelope addressed respectively as follows:

(a) **CITY OF FORT ST. JOHN**  
10631 - 100th Street  
Fort St. John, British Columbia, V1J 3Z5  
Telephone No. (250)787-8150  
Fax No. (250)787-8181  
and,

(b) If given to the Company:

**PACIFIC NORTHERN GAS (N.E.) LTD.**  
1400 - 1185 W. Georgia Street  
Vancouver, British Columbia  
V6E 4E6  
Telephone No. (604) 691-5680

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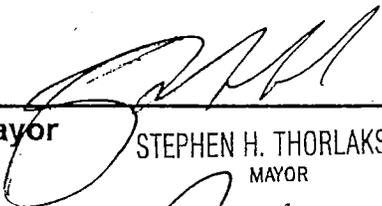
and any notice, demand or request so given shall be deemed to have been received and given three days after the date of mailing thereof. Alternatively, any notice under this Agreement may be delivered by hand to the foregoing addresses and shall be deemed to be received upon the day of delivery.

66. **Governing Law.** Notwithstanding anything to the contrary in this Agreement, this Agreement shall be subject to the bylaws of the Municipality and the laws of the Province of British Columbia including the provisions of the Pipeline Act, Gas Utility Act, Utilities Commission Act and the Municipal Act of the Province of British Columbia and the powers of the Commission, and nothing herein shall exclude, or be deemed to exclude, the application of the provisions of the said bylaws, laws and Acts.
67. **Construction.** The division of this Agreement into sections, the insertion of headings, and the provision of a Table of Contents are for the convenience of reference only and are not intended to govern, limit or aid in the construction of any provision. In all cases, the language in this Agreement will be construed impartially.
68. **Assignment.** This Agreement shall be assignable by the Company only with the prior consent in writing of the Municipality, such consent not to be unreasonably withheld. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding on the parties hereto and their respective successors and assigns.
69. **Renewal.** Subject to the Municipal Act, the Company and the Municipality shall use their best efforts to negotiate a renewal of this Agreement, commencing a minimum of eighteen months prior to expiration of the term of this Agreement.

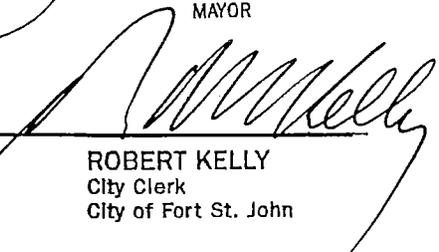
IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

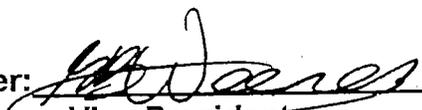
THE CITY OF FORT ST. JOHN

PACIFIC NORTHERN GAS (N.E.) LTD.

Per:   
Mayor  
STEPHEN H. THORLAKSON  
MAYOR

Per:   
President

Per:   
Clerk  
ROBERT KELLY  
City Clerk  
City of Fort St. John

Per:   
Vice President

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Effective: DEC 08 1997  
Order No.: C-4-98

  
SECRETARY  
B.C. UTILITIES COMMISSION

**Pacific Northern Gas (N.E.) Ltd.**

**Application for Approval of the 2019 Franchise Agreement with the City of Fort St. John**

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**APPENDIX C**

**Interim Operating Arrangements  
(December 3, 2018)**



Janet P. Kennedy  
Vice President, Regulatory Affairs & Gas Supply

Pacific Northern Gas (N.E.) Ltd.  
Suite 2550, 1066 West Hastings Street  
Vancouver, BC V6E 3X2  
Tel: (604) 691-5680  
Fax: (604) 697-6210  
Email: jkennedy@png.ca

Via E-mail

December 3, 2018

The City of Fort St. John  
10631 – 100<sup>th</sup> Street  
Fort St. John, BC  
V1J 3Z5

File No.: 3.4(2018)

Attention: Victor Shopland  
General Manager of Integrated Services

Dear Mr. Shopland:

**Re: Renewal of the Franchise Agreement between  
Pacific Northern Gas (N.E.) Ltd. and the City of Fort St. John  
Interim Operating Arrangements**

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Pacific Northern Gas (N.E.) Ltd. (the Company) and the City of Fort St. John (the Municipality) are in the process of negotiating the terms for the renewal of a franchise agreement (New Agreement). However, finalization of amendments and updates to terms and the legislative process for municipal acceptance and approval of the New Agreement is expected to take some time and will not be obtained prior to December 8, 2018, the expiry date of the franchise agreement dated December 8, 1997 that is presently in place (Existing Agreement).

In consideration of this circumstance, and in compliance with section 59 of the Existing Agreement, the Company proposes that the following provisions apply in the interim period until approval of the New Agreement has been ratified:

- (a) The Company's works within the boundary limits of the Municipality, both before and after the date of this letter agreement, shall remain the Company's property and shall remain in the Public Lands;
- (b) The Company's works may continue to be used by the Company for the purposes of its business, or removed from Public Lands in whole or in part at the Company's sole discretion; and
- (c) The Company may continue to use Public Lands within the Municipality for the purposes of its business. The Company's employees, may enter upon all the Public

**Pacific Northern Gas (N.E.) Ltd.  
Renewal of the City of Fort St. John Franchise Agreement  
Interim Operating Arrangements  
Page 2 of 2**

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Lands within the boundary limits of the Municipality to maintain, operate, install, construct, renew, alter, or place the Company's works, provided that the Company continues to operate in a manner consistent with the terms and conditions of the Existing Agreement as if the term had been extended.

Pacific Northern Gas (N.E.) Ltd. requests an acknowledgement by the Municipality of receipt of this notice of interim operating arrangements and of agreement with the interim operating arrangements set out herein. In this regard, please sign in the space below and return a copy of this letter to my attention at your earliest convenience.

If you have any questions respecting this notice of interim operating arrangements letter, please do not hesitate to contact me directly.

Yours truly,



J.P. Kennedy

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Receipt and acceptance of this notice of interim operating arrangements letter from Pacific Northern Gas (N.E.) Ltd. is hereby acknowledged by the City of Fort St. John this 4 day of December, 2018.

**THE CITY OF FORT ST. JOHN**



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Signature  
**JANET PRESTLEY**  
Director of Legislative  
and Administrative Services

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Print Title

**Pacific Northern Gas (N.E.) Ltd.**

**Application for Approval of the 2019 Franchise Agreement with the City of Fort St. John**

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**APPENDIX D**

**Illustration of Amendments Incorporated in the 2019 Franchise Agreement  
Compared to the Most Recently Approved Franchise Agreement**



**NOW THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

**ARTICLE I**  
**DEFINITIONS**

- 1.1 In this Agreement, including the preamble hereto where the context requires, the plural means the singular and vice versa, the pronoun "it" means one of the parties and the following words have the meanings ascribed:
- (a) "Commission" means the British Columbia Utilities Commission as it exists by virtue of the *Utilities Commission Act* of British Columbia;
  - (b) "Council" means the Council of the Municipality;
  - (c) "Engineer" means the Municipal Engineer of the Municipality or the person designated by the Council of the Municipality to exercise the powers of the Engineer;
  - (d) "gas" means natural gas, manufactured gas, liquefied petroleum gas or a mixture of any of them but does not include liquefied petroleum gas that is distributed by means other than a pipeline;
  - (e) "Public Lands" means the public streets, lanes, highways, squares, parks, public places, bridges, viaducts, subways or watercourses, owned by or under the jurisdiction and control of the Municipality, or any of them, within the boundary limits of the Municipality, as such limits presently exist or as the same in the future may be extended; and
  - (f) "works", "its works" and "the Company's works" means the gas mains and pipes and other equipment and appurtenances on, in, under and through Public Lands for transmitting, mixing, distributing, delivering, furnishing or taking delivery of gas and the words shall be taken as applying to that part of the Company's transmission system lying within the Municipality.

**ARTICLE II**  
**CONDITIONS PRECEDENT**

- 2.1 This Agreement and the obligations of the Company and of the Municipality hereunder shall be subject to the following:
- (a) the adoption by the Council of the Municipality of the by-law authorizing it to enter into and adopt this Agreement, as per the authority granted under the *Community Charter Act* of British Columbia, Part II, Division 1, Section 8 (1) to (3), and Part III, Division 1, Section 22; and
  - (b) such approvals or orders of the Commission as may be required to be obtained by the Company under Part 3 of the *Utilities Commission Act*.

**ARTICLE III**  
**RIGHTS GRANTED**

- 3.1 The Municipality hereby grants to the Company, to the extent that the Municipality is empowered, the exclusive right, franchise and privilege:
- (a) to enter in, upon and under all Public Lands to place, construct, lay, operate, use, maintain, renew, alter, repair, extend and/or remove the Company's works; and
  - (b) to supply and distribute gas within the boundary limits of the Municipality.
- 3.2 During the term of this Agreement, the Municipality will not itself supply or distribute gas within the boundary limits of the Municipality nor grant any right, licence, privilege, concession or franchise to any other person, firm, corporation or utility, to supply or distribute gas within the boundary limits of the Municipality, or to enter in, upon and under Public Lands to place, construct, lay, operate or use mains, plants, pipes, conduits and/or other equipment for the purpose of distributing gas within the boundary limits of the Municipality.

**ARTICLE IV**  
**TERM**

- 4.1 The initial term of this Agreement shall be for a period of twenty one (21) years commencing on December 1, 2018 and expiring on November 30, 2039.
- 4.2 At any time within two (2) years prior to the expiration of the initial term of this Agreement, and at least one (1) year prior to the expiration of the initial term of this Agreement, ~~but not earlier than two (2) years~~, either party may give notice to the other that it desires to renew this Agreement for a further term of twenty one (21) years, or such lesser number of years as may be the maximum permitted by legislation at that time and the renewal shall be upon the terms and conditions set out in this Agreement or such other terms as the parties may agree provided that such renewal will be conditional upon obtaining all such approvals and permissions as are at that time required by legislation or regulation. The parties agree to use reasonabletheir best efforts to obtain any such approvals and permissions.
- 4.3 If neither party gives notice of renewal of this Agreement or should the parties fail to obtain the requisite approvals and permissions to any renewal of this Agreement, the parties agree to enter into an operating agreement permitting the Company to ~~operate and~~ gain access to its works for a further period of ~~twenty-one (21) years~~1) year on the terms and conditions set out in Article V of this Agreement or on such other terms as the parties may agree or the Commission, on application, may require.
- 4.4 This Agreement may be terminated by the Municipality upon the occurrence of any of the following events:
- (a) the Company admits its inability to pay its debts generally as they become due or otherwise acknowledges its insolvency;
  - (b) the Company starts proceedings or takes any action to commence or executes an agreement to authorize its participation in any proceeding:
    - (i) seeking to adjudicate its bankruptcy or insolvency;
    - (ii) seeking liquidation, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws; or

**ARTICLE IV****TERM**

(continued)

- (iii) seeking the appointment of a receiver, trustee, agent, custodian or other similar official for it or for any substantial part of its assets or if a creditor seeks the appointment of a receiver, trustee, agent, custodian or other similar official for any substantial part of its assets; and such proceeding is not dismissed, discharged, stayed or restrained within twenty (20) days of the Municipality becoming aware of it.

4.54.5 Either party may terminate if the other breaches any term, provision, obligation hereunder and such breach is a material breach and has not been cured within sixty (60) days of receipt of notice of such breach. A party will not be considered to be in default if such matter has been referred to commercial arbitration in accordance with this Agreement, the outcome of which is pending.

4.6 Upon one party giving notice to the other of termination of this Agreement, the parties shall negotiate in good faith to enter into a new agreement with respect to the terms and conditions under which the Company may use the Public Lands. In the event that such negotiations break down and in the opinion of one or other of the parties acting in good faith that settlement is unlikely, either party may give notice to the other of its intention to apply to the Commission to seek resolution of the terms and conditions applicable to the Company's continued operations and construction activities within the Municipality.

4.67 Upon termination of this Agreement, if a new agreement has not been ratified or if the Commission has not imposed the terms and conditions under which the Company may use the Public Lands, the following provisions will apply:

- (a) The Company works within the boundary limits of the Municipality both before and after the date of this Agreement shall remain the Company's property and shall remain in the Public Lands.
- (b) The Company works may continue to be used by the Company for the purposes of its business, or removed from Public Lands in whole or in part at the Company's sole discretion.

**ARTICLE IV****TERM**

(continued)

- (c) The Company may continue to use Public Lands within the Municipality for the purposes of its business. The Company's employees may enter upon all the Public Lands within the boundary limits of the Municipality to maintain, operate, install, construct, renew, alter, or place Company works provided that the Company continues to operate in a manner consistent with the terms and conditions of this Agreement as if the term had been extended except with respect to the payment of the franchise fee.
- (d) The Company will with the support of the Municipality take such steps necessary to seek Commission approvals of the extension of terms and conditions including payment of the franchise fee under the terminated agreement during negotiations of a new agreement.
- (e) Should the Company no longer be authorized or required to pay the franchise fee under any agreement between it and the Municipality or by any order of the Commission, the Municipality shall be free to apply such approval, permit and licence fees, charges and levies it is legally entitled to collect.

**ARTICLE V****ENTRY UPON PUBLIC LANDS**

- 5.1 Subject to the provisions of Sections 5.11, 5.12 and ~~5.1213~~, the Company shall carry out all works at its own expense, including all costs prescribed under the Municipality's Fees and Charges for Various Municipal Services Bylaw, as amended from time to time, and shall take all reasonable precautions to minimize damage and obstructions, and shall restore any Public Lands and any improvements thereto that may be affected by its works substantially to their former condition in ~~a manner satisfactory to the Engineer~~ accordance with the Municipality's Subdivision and Development Servicing Bylaw, as amended from time to time, and shall maintain any such Public Lands at its own expense to that standard for a period of one (1) year.

**ARTICLE V**  
**ENTRY UPON PUBLIC LANDS**

(continued)

- 5.2 The Company, during the progress of construction, maintenance or the operation of its works within the boundary limits of the Municipality, will place and maintain such warning signs, barricades, lights or flares on, at or near the site of any such work so as to give reasonable warning to the public, ~~all to the satisfaction of the Engineer in accordance to BC Ministry of Transportation and Infrastructure "Traffic Management for Work on Roadways", as amended from time to time.~~
- 5.3 The Company, as soon as practicable, shall file with the Engineer a tentative schedule of construction and a plan showing the general layout of any proposed works, including mains, valves and regulator stations.
- 5.4 In every instance where the Company proposes to enter Public Lands, the Company will submit to the Engineer for approval, an application in writing stating the Company's purpose, the date and time when the Company proposes to commence construction of the proposed works, and the length of time estimated to complete the proposed works, together with plans and specifications showing the size, dimensions and location as to line, specified depth plus or minus ~~one hundred and fifty (150)~~150 mm, and the placement of the proposed works, including the relationship of the proposed works to the then Municipal services if "as-built" drawings showing the location of the latter are available to the Company at the office of the Engineer. The Engineer shall not withhold approval unreasonably.
- 5.5 In the event that the Engineer disapproves or fails to approve an application by the Company submitted pursuant to Section 5.4 or any plans or specifications submitted in connection therewith, or otherwise directs the line, elevation or placement of any proposed works or any part thereof elsewhere or in some other manner than specified, the Company may apply to the Council for approval, or may appeal to the Council against any such direction, as the case may be. The Company may thereafter refer the decision of the Council to arbitration in accordance with Article X. The Company shall not proceed with any portion of the proposed works until the Engineer, Council or a board of arbitration has approved the proposed works. If the Company does not act upon such approval within ~~six (6)~~ months from the date thereof, the Company shall make a new application.

**ARTICLE V**  
**ENTRY UPON PUBLIC LANDS**

(continued)

- 5.6 The Company shall, wherever reasonably possible, locate its gas mains in lanes rather than in the streets and main thoroughfares, in accordance with the Municipality's Subdivision and Development Servicing Bylaw, as amended from time to time.
- 5.7 The Company shall give at least seven (7) clear days' notice to the Engineer of its intention to enter upon Public Lands pursuant to an approval obtained under Section 5.4 or Section 5.5, except in case of emergency, in which event the Company may act, giving as much notice to the Engineer as may be practicable in the circumstances.
- 5.8 The Company shall notify the Municipality in writing, on a monthly basis, of the completion of installation of a connection for the supply of gas, giving the namesname of the consumersconsumer, the date on which the connections wereconnection was made, and the legal descriptionsdescription or civic addressesaddress of the land to which the connection havehas been made.
- 5.9 The Company shall, as often as the Engineer reasonably requires, deliver to the Engineer "as- built" drawings of the Company's works, ~~certified correct by an authorized employee of the Company and~~ showing the location of the same with such detail as to line, specified depth, plus or minus one hundred and fifty (150) mm, and size as may enable the Municipality to locate such works. Where the Municipality can provide the Company with "as-built" drawings of its own services, the Company shall supply "as-built" drawings of its works to the same scale. If no municipal "as-built" drawings are available, the Company shall supply "as-built" drawings of its works to the scale used by the Company for its purposes.
- 5.10 If the Engineer, in advance of the commencement of any work by the Company, requests the Company to supply photographs showing the condition of the surface of Public Lands prior to the placing or construction thereon or thereunder of any of its works, the Company shall cause to be taken, and shall supply to the Engineer such photographs. Each photograph shall be so labelled as to identify the location shown, and shall be dated, and shall carry the name and address of the photographer, who shall sign each print so supplied to the Municipality.

**ARTICLE V**  
**ENTRY UPON PUBLIC LANDS**

(continued)

- 5.11 Upon the request of the Engineer, the Company shall change the location (which, in the case of pipe, means any change of either or both of line and elevation) of any part of its works upon, along, across, over or under Public Lands to some other reasonable location upon, along, across, over or under Public Lands. If the part of the works of which the location is changed as hereinbefore provided was (i) installed as to both line and elevation in accordance with the approval or instructions in writing of the Engineer ~~of the Councillor of the Commission~~, or (ii) was installed as to line in accordance with the approval or instructions in writing of the Engineer ~~of the Council or of the Commission~~ and was laid at a depth of at least ~~seve~~~~eight~~ hundred ~~and sixty two (762)~~~~(800)~~ mm under a roadway paved with at least ~~fifty~~~~fifty~~ (50) mm of concrete or asphalt, or (iii) was installed as to line in accordance with the approval or instructions in writing of the Engineer ~~of the Councillor of the Commission~~ and is being changed because its line is no longer satisfactory to the Municipality, the Municipality shall bear and pay to the Company the entire cost of the change less an amount equal to ~~two percent (2%)~~2% of the installed value on the Company's books of any of the said part of the said works which the Company takes out of service as a result of the change, multiplied by the number of years during which it has been in service. Provided, however, that notwithstanding that the said part of the works was installed, or installed and laid, in one of the manners specified, if at any time the Municipality requires the Company to alter the elevation of any part of the said works to facilitate the laying, construction or operation of either storm or sanitary sewer pipes by not more than one-half of the outer diameter of the storm or sanitary sewer pipe concerned, plus one-half of the outer diameter of the gas pipe concerned, the Municipality shall bear and pay to the Company fifty percent (50%) of the sum arrived at by taking from the cost of the change an amount equal to two percent (2%) of the installed value on the Company's books of any of the said part of the said works which the Company takes out of service as a result of the change multiplied by the number of years during which it has been in service.

**ARTICLE V****ENTRY UPON PUBLIC LANDS**

(continued)

- 5.12 If the said part of the said works was not installed, or installed and laid, in one of the manners specified above in this section, the cost of such change shall be borne by the Company provided that the Company may refer to arbitration pursuant to Article X the questions (i) whether the circumstances are equitably within the principles exemplified above in this Section and, if the answer is in the affirmative, (ii) the manner in which the Municipality and the Company shall share the cost of such change. In the arbitration the costs of question (i) shall be borne by the Company and the costs of question (ii) shall be dealt with in the usual manner in the award.
- 5.13 Notwithstanding anything hereinbefore contained, if either party shall request the other party to make some temporary change in such other party's works or services in order to facilitate installation, construction, repairs or maintenance by the requesting party, such other party shall, whenever reasonably possible, carry out the change or alteration requested and shall be entitled to charge the requesting party with the cost thereof.
- 5.14 The Company shall design and construct its works in accordance with standards established from time to time for gas pipeline systems by the Canadian Standards Association (Z662 Code), with all applicable requirements of the *Safety Standards Act* and the *Oil and Gas Activities Act* of British Columbia, as same are amended from time to time, all regulations enacted pursuant thereto, and with any and all other applicable Federal and Provincial enactments and Municipal enactments not otherwise inconsistent herewith, regulating such works.
- 5.15 The Municipality will, wherever it is practical and convenient to so do, give reasonable notice to the Company of the time, location and nature or extent of any intended road resurfacing work, any new road construction or any excavation work along any public thoroughfare within the boundary limits of the Municipality. The Company will use its best efforts to schedule any anticipated maintenance, repair, construction or installation work in respect of existing or proposed works situated or to be situated at or near the location specified in such notice, so as to complete such work within the time or times specified in such notice.

**ARTICLE V****ENTRY UPON PUBLIC LANDS**

(continued)

- 5.16 Any information provided to the Municipality by the Company under this Agreement becomes the property of the Municipality and is subject to all requirements and regulations, including disclosure requirements of the *Freedom of Information and Protection of Privacy Act* of British Columbia.

**ARTICLE VI****RESPONSIBILITY FOR DAMAGE**

- 6.1 The Company shall take all reasonable precautions in the construction and operation of its works to avoid damage to Public Lands and the Municipality's property and services.
- 6.2 The Municipality shall take all reasonable precautions to avoid damage to the Company's works including, without limiting the generality of the foregoing, compliance with all applicable requirements of the *Safety Standards Act* and the *Oil and Gas Activities Act* of British Columbia, as same are amended from time to time, all regulations enacted pursuant thereto, and with any and all other applicable Federal and Provincial enactments.
- 6.3 The Municipality shall not undertake any work of its own that may necessitate the exposure of the Company's works without giving the Company seven (7) clear days' notice of its intention to carry out such work, except in the case of emergency, in which event the Municipality may act, giving as much notice to the Company as may be practicable under the circumstances.
- 6.4 The Municipality shall not be liable for any damages suffered by the Company that are caused by the Municipality's reliance upon the accuracy of the Company's drawings supplied to the Municipality in accordance with Section 5.9, provided that the Municipality has complied in all respects with the provisions of Sections 6.2 and 6.3.

**ARTICLE VI**  
**RESPONSIBILITY FOR DAMAGE**

(continued)

- 6.5 The Municipality shall be liable to and shall reimburse the Company for all costs and expenses in making good any damage to the Company's works within the boundary limits of the Municipality to the extent that such damage is caused by the negligence of the Municipality, its servants, agents or contractors. In no event, however, shall the Municipality be liable to the Company for any damages in the nature of loss of profit, nor shall the Municipality be liable to the Company for any damages arising from acts of God, acts of the Queen's enemies, strikes, lockouts, scarcity of labour or materials or from any other cause beyond the control of the Municipality or arising from the negligence of the Company.
- 6.6 The Company agrees with the Municipality that it will protect, indemnify and save harmless the Municipality from and against all actions, proceedings, claims and demands of any corporation, firm, or person against the Municipality and will reimburse the Municipality for all loss, damage and expenses caused to it as a result of, the imprudence or neglect of the Company, its servants, agents or contractors, in the execution of the authorities, permissions and rights hereby to it granted, or in connection with the construction, maintenance or operation of the Company's works within the boundary limits of the Municipality except where the same is caused or contributed to by the negligence or default of the Municipality, its servants, agents or contractors. In no event shall the Company be responsible to the Municipality for any damages arising from acts of God, acts of the Queen's enemies, strikes, lockouts, scarcity of labour or materials or any other cause beyond the control of the Company.
- ~~6.7 The Company shall, without limiting its obligations or liabilities herein and at its own expense, provide and maintain Comprehensive General Liability insurance to protect the Company and the Municipality from claims for which the Company is obliged to indemnify the Municipality under Section 6.6. The insurance policy shall identify the Municipality as an additional named insured and the insurance shall be primary and not require the sharing of any loss by any coverage provider and/or insurer of the Municipality, except to the extent caused by a breach of this Agreement by the Municipality or the negligence or willful misconduct of the Municipality. As evidence of insurance, the Company shall provide the Municipality with a certificate of insurance on an annual basis. Maintenance of such insurance shall not relieve the Company of liability under the indemnity provisions set forth in this Agreement.~~

**ARTICLE VII**  
**SUPPLY OF GAS**

7.1 The Company shall in the event of a breakdown or interruption in its supply, transmission or distribution of gas, give preference to the requirements of users of firm gas in the following order:

- (i) hospitals and similar institutions,
- (ii) domestic consumers,

**ARTICLE VII**  
**SUPPLY OF GAS**

(continued)

- (iii) commercial consumers, and
  - (iv) industrial consumers, including large industrial users.
- 7.2 Subject to Section 7.3, to the terms and conditions of the service agreements between the Company and its customers and to the Company's tariffs as filed with and approved by the Commission, but commencing only after construction and putting into service of the facilities so to do, the Company will supply such reasonable quantities of gas as may be required for purchase by its customers within the boundary limits of the Municipality.
- 7.3 The performance by the Company of its obligations under Section 7.2 shall be subject to any event or occurrence not within the control of the Company and which by the exercise of due diligence is unable to prevent or overcome, including, without limiting the generality of the foregoing, any act of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, floods, storms, fires, washouts, arrests, restraints of rulers and peoples, civil disturbances, explosions, breakages, or accidents to machinery or pipelines, hydrate obstructions of pipelines or appurtenances thereto, temporary failure or shortage of gas supply, freezing of wells or delivery facilities, well blowouts, cratering, inability to obtain materials or equipment, inability to obtain permits, orders, licences, certificates or other authorizations, order of any court, board or governmental authority having jurisdiction.

**ARTICLE VIII**  
**ABANDONMENT**

- 8.1 In the event the Company ceases to operate, on a permanent basis, any part of its works on the Public Lands and has received all required regulatory approvals in respect thereto, the Company shall, at its sole cost,

**ARTICLE VIII**  
**ABANDONMENT**

(continued)

- (a) restore the surface of the Public Lands affected to the same conditions, as far as may be practicable so to do, as the same were in prior to the entry thereon and use thereof by the Company; and
- (b) at the request of the Municipality, and subject to the Company's ability to refer the matter to arbitration pursuant to Article X, remove any works that the Engineer may reasonably require the Company to remove.

This obligation shall end with the expiry or earlier termination of this Agreement.

**ARTICLE IX**  
**FRANCHISE FEE**

- 9.1 As compensation for the use by the Company of the Public Lands and for the exclusive right, franchise, and privilege to supply gas within the boundary limits of the Municipality, in addition to the payment of any rates, taxes or assessments lawfully imposed by the Municipality, the Company shall pay to the Municipality on the first day of March of each year a sum equal to three percent (3%) of the gross revenues (excluding taxes and levies) received by the Company in the immediately preceding calendar year for provision and distribution of all gas consumed within the boundary limits of the Municipality.
- 9.2 There shall not be included in any payments made by the Company to the Municipality in accordance with this Section 9.1, any percentage of revenue received by the Company from the sale of gas within the boundary limits of the Municipality for the purpose of resale outside the boundary limits of the Municipality or to a municipal utility within the boundary limits of the Municipality. The Company's obligation to make the payment required under this Section 9.1 on the first day of March, 2040 shall survive the expiration of this Agreement on December 7, 2039 in accordance with Section 4.1.

**ARTICLE IX**  
**FRANCHISE FEE**

(continued)

- 9.3 If the Company fails to make each payment required under Section 9.1, or any portion thereof, to the Municipality when due, interest thereon shall accrue at a rate of interest declared from time to time by the chartered bank in Canada used by the Company, as the rate of interest charged by such bank to its most creditworthy commercial borrowers for loans in Canadian dollars payable on demand and commonly referred to as its "prime rate", plus two percent (2%), from the date when such payment was due until the same is paid.
- 9.4 At the time the Company makes each payment to the Municipality in accordance with Section 9.1, the Company shall deliver to the Director of Finance for the Municipality a statement which sets forth the total volume of gas sold by the Company for consumption within the boundary limits of the Municipality in the immediately preceding calendar year and the total revenues received by the Company in respect of such sales. The statement will also include the total volume of gas and the total revenues received for each class of customer.
- 9.5 For purposes of tracking gas consumed within the boundary limits of the Municipality, the Municipality shall inform the Company, on a timely basis, of any changes made to the boundary limits of the Municipality.

**ARTICLE X**  
**ARBITRATION**

- 10.1 If there is a dispute, difference or question between the parties ~~touching~~in connection with the construction, meaning, effect or application of any of the provisions of this Agreement, or of the rights, obligations or liability of the parties hereunder, the parties shall make an honest effort to settle such dispute, difference or question before taking any action in the courts, or referring the matter to arbitration hereunder.

**ARTICLE X****ARBITRATION**

(continued)

- 10.2 (a) The party that desires the resolution of any such dispute, difference or question shall give notice in writing to the other setting forth the complaint, and the grounds thereof. If the party to whom notice is given does not enter into discussions within fourteen (14) days, the other may submit such dispute, difference or question to the Commission, if appropriate, or to arbitration pursuant to the *Commercial Arbitration Act* of British Columbia. Alternatively, the party may institute such other proceedings as it may be advised. \_\_\_\_\_
- (b) In the event that the parties commence discussions prior to the expiration of the period of fourteen (14) days, the dispute, the difference or question shall not be referred to arbitration, nor shall the parties take any other proceedings until after the expiration of fourteen (14) days from the date of the commencement of such discussions.
- (c) A board of arbitration appointed pursuant to this Article X, shall have jurisdiction and authority to interpret and apply the provisions of this Agreement to the extent necessary for the determination and resolution of any such dispute, difference or question; but such board of arbitration shall not have the jurisdiction or authority to alter or amend any of the provisions of this Agreement.
- (d) The majority decision of such board of arbitration shall be final and binding on the Company and the Municipality. Where there is no majority decision, the decision of the Chairman shall be the decision of such board of arbitration.

**ARTICLE XI****GENERAL**

- 11.1 The conditions in this Agreement shall be governed by and subject to the laws of Canada and the Province of British Columbia, and to the proper authorities and powers of the Commission; and nothing herein contained shall exclude or shall be deemed to exclude the application of such laws, or the jurisdiction of the Commission.

**ARTICLE XI****GENERAL**

(continued)

11.2 Nothing herein contained shall be construed as relieving the Company from the obligation to observe the terms and provisions of any and all bylaws of the Municipality adopted by the Council thereof, in the bona fide exercise of its legislative authority, but not inconsistent with anything herein contained; and nothing herein contained shall be construed as relieving the Company from the payment of any rates, taxes, or assessments that may be lawfully imposed.

11.3 Any notice, request, demand or other communication required or permitted to be given to either party to this Agreement shall be in writing and shall be delivered by hand, e-mail, facsimile transmission, ~~e-mail~~ or prepaid registered mail (return receipt requested) to the party to which it is to be given as follows:

(a) if to the Municipality, at:

The Corporation of the City of Fort St. John  
10631 - 100th Street  
Fort St. John, British Columbia, V1J 3Z5  
Attention: General Manager of Integrated Services  
Tel: (250) 787-8150  
Fax: (250) 787-8181  
E-mail: [integratedservices@fortstjohn.ca](mailto:integratedservices@fortstjohn.ca)

and

(b) if to the Company, at:

Pacific Northern Gas (N.E.) Ltd.  
Suite 750, 888 Dunsmuir Street  
Vancouver, British Columbia, V6E 3X2  
Attention: Vice President, Regulatory Affairs & Gas Supply  
Tel: (604) 691-5680  
Fax: (604) 697-6210  
E-mail: [regulatory@png.ca](mailto:regulatory@png.ca)

**ARTICLE XI****GENERAL**

(continued)

- 11.4 Either party may from time to time change its address by written notice to the other party given in accordance with the provisions of this Section. Any notice given by registered mail to either party at the address as specified herein shall be deemed to have been received by such party on the ~~fifth (5<sup>th</sup>)~~third (3<sup>rd</sup>) business day after which it was so mailed. Any notice sent by ~~faxe-mail, facsimile~~ or similar method of recorded communication shall be deemed to have been received on the next business day following the date of its transmission. Alternatively, any notice under this Agreement may be delivered by hand to the foregoing addresses and shall be deemed to be received upon the day of delivery.
- 11.5 Each party shall give the other party notice of any application to the Commission in respect of any matter dealt with under the terms hereof or affecting the consumers of gas in the Municipality or affecting the Company's business as a public utility within the boundary limits of the Municipality.
- 11.6 This Agreement shall be binding upon and enure to the benefit of the parties hereto, their successors and assigns and may not be assigned by the Company without the prior written consent of the Municipality, such consent not to be unreasonably withheld.
- 11.7 This Agreement shall supersede all other agreements between the parties, including without limitation, any licenses to occupy granted by the Municipality prior hereto, relating to the sale or distribution of natural gas within the Municipality, effective the day and year first written above.

**IN WITNESS WHEREOF** this Agreement has been duly executed by the parties hereto as of the day and year first above written.

**THE CITY OF FORT ST. JOHN**

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Lori Ackerman, Mayor

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Janet Prestley, Director of Legislative and  
Administrative Services

**PACIFIC NORTHERN GAS (N.E.) LTD.**

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**Pacific Northern Gas (N.E.) Ltd.**

**Application for Approval of the 2019 Franchise Agreement with the City of Fort St. John**

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**APPENDIX E**

**Draft Order Approving the  
2019 Franchise Agreement between  
PNG(NE) and the City of Fort St. John**



**ORDER NUMBER  
C-XX-20**

IN THE MATTER OF  
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Pacific Northern Gas (N.E.) Ltd.  
Application for Approval of the Franchise Agreement with the City of Fort St. John

**BEFORE:**

XX, Commissioner

on January XX, 2020

**CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

**WHEREAS:**

- A. Pacific Northern Gas (N.E.) Ltd. (PNG[NE]) and the City of Fort St. John (Municipality) entered into a franchise agreement dated December 8, 1997 (1997 Franchise Agreement). British Columbia Utilities Commission (BCUC) Order C-4-98 approved the 1997 Franchise Agreement. The term of the 1997 Franchise Agreement was set to expire on December 7, 2018;
- B. On December 3, 2018, PNG(NE) and the Municipality entered into interim operating arrangements to provide for the continued service to customers in the franchise area while the negotiation and approval of new franchise terms were conducted;
- C. On December 11, 2019, PNG(NE) applied to the BCUC for approval of the 2019 Franchise Agreement, for a term of 21 years expiring on November 30, 2039, pursuant to section 45(7) of the *Utilities Commission Act*, and as required under section 2.1(b) of the 2019 Franchise Agreement;
- D. The BCUC has reviewed the 2019 Franchise Agreement and considers that approval is warranted.

**NOW THEREFORE** pursuant to section 45(7) of the *Utilities Commission Act*, the BCUC orders as follows:

1. The 2019 Franchise Agreement is approved effective the date of this order.
2. PNG(NE) is directed to file the fully executed 2019 Franchise Agreement and a copy of any Municipality approvals within 90 days of this order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this XX day of January, 2020.

BY ORDER

*Original signed by*

XX, Commissioner