

CITY OF KELOWNA

BYLAW NO. 8705

A Bylaw to Establish a Gas Distribution Service

WHEREAS Section 517.1 of the *Local Government Act* provides, among other things, that in order to operate a service, Council must first adopt an establishing bylaw for that service;

AND WHEREAS the City of Kelowna intends to enter into:

- (a) Capital Lease (with BC Gas Utility Ltd.)
- (b) Operating Lease (with BC Gas Utility Ltd. and BC Gas Inc.)
- (c) Additions Option (with BC Gas Utility Ltd.)
- (d) Cost Recovery Agreement (with BC Gas Utility Ltd.)
- (e) Franchise Amendment Agreement (sometimes referred to as Renewal Franchise Agreement or Franchise Renewal Agreement) with BC Gas Utility Ltd. (collectively the "BC Gas Agreements");

AND WHEREAS the BC Gas Agreements provide, among other things, that the City will lease from BC Gas Utility Ltd. certain gas services assets and infrastructure, and enter into an operating lease to lease back such assets to BC Gas Utility Ltd. and BC Gas Inc.;

AND WHEREAS the City of Kelowna intends to operate a gas distribution service to the extent necessary to give effect to the intention of the BC Gas Agreements and any related agreements with respect to the operation of that service;

NOW THEREFORE, the Municipal Council of the City of Kelowna in open meeting assembled enacts as follows:

1. This Bylaw may be cited as the "Gas Distribution Service Establishment Bylaw No. 8705".
2. A gas distribution service is hereby established in the City of Kelowna to the extent necessary to give effect to the intention of the BC Gas Agreements and any related agreements with respect to the operation of that service and any renewals or replacements thereof or additions or amendments thereto.

Read a first, second and third time by the Municipal Council this 17th day of July, 2001.

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk