

CAI AND bcIMC ACQUIRE A MAJORITY STAKE IN TERASEN WATER AND UTILITY SERVICES

Vancouver, BC, May 22, 2006 – CAI Capital Partners and Co. III, LP, together with its related entities (“CAI”), today announced that it has completed the purchase, in partnership with British Columbia Investment Management Corporation (“bcIMC”), of a majority interest in Terasen Water and Utility Services from Terasen Inc., a wholly-owned subsidiary of Kinder Morgan Inc., for an undisclosed price.

Terasen Water and Utility Services is a leading utility infrastructure product and service provider headquartered in Vancouver, BC. With over 900 employees and more than 65 years of experience, Terasen Water and Utility Services has a successful track record of providing cost-effective, safe and efficient utility infrastructure solutions for municipalities, resort communities, institutions, builders, developers and water and energy utilities in Canada and the United States.

“The growth over the past few years and the future prospects for the utility infrastructure business in North America is very impressive”, said Tracey McVicar, Managing Director of CAI. “We are supportive of the strategic direction of this company and we are prepared to invest additional capital to help grow this business.”

“We are attracted to this investment because of its strong base earnings and growth, and the focus on long-term, sustainable utility infrastructure solutions in an industry that requires substantial investment over the coming years” said Lincoln Webb, Vice President, Private Placements, of bcIMC. “Moreover, this investment is consistent with bcIMC’s strategic investment objectives.”

“Our investment partners, CAI and bcIMC, are large, credible and stable members of the Canadian investment community with substantial investment holdings in Canada and the United States,” said Brett Hodson, President of Terasen Water and Utility Services. “Operating our business with the backing of such strong investment partners will provide us with the stability and resources needed to operate and grow our business across North America. It will give us the scale, resources and capital to execute our strategy, build on our past successes and react to market opportunities in a more dynamic manner.”

Founded in 1989, CAI is a private equity firm with a North American investment mandate specializing in buyouts, restructurings and acquisitions where its broad operational and financial expertise and ready access to capital position it as a valued partner for proven, motivated management teams. Together with its third fund, CAI will have invested or placed with co-investors over \$1 billion in equity or equity-related investments to help fund growth and corporate transition. For more information, visit www.caifunds.com.



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bcIMC is a professional investment management corporation based in Victoria, BC. With over \$76 billion in assets under administration with a global exposure, and supported by industry-leading investment expertise, bcIMC offers fund management services for all major asset classes, including currency and infrastructure investment. bcIMC's clients include pension plans, provincial government operating and sinking funds, public trusts, and insurance funds. For more information, visit www.bcimc.com.

Terasen Water and Utility Services is a leading utility infrastructure provider of products and services in Canada and the United States, active in the water, wastewater and energy sectors. Headquartered in Vancouver, BC, Terasen Water and Utility Services designs, builds, manages and supplies community utility infrastructure, including the pipes, valves, fittings, and systems that treat and transport water and wastewater. For more information, visit www.terasenutilityservices.com, www.terasenwater.com, www.terasenwaterworks.com.

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