



BRITISH COLUMBIA UTILITIES COMMISSION	
ORDER NUMBER G-54-91	

IN THE MATTER OF the Utilities Commission
Act, S.B.C. 1980, c. 60, as amended

and

IN THE MATTER OF an Application by
Central Heat Distribution Limited and
Sydney W. Welsh

BEFORE:	J.D.V. Newlands,	)	
	Deputy Chairman; and	)	June 27, 1991
	N. Martin,	)	
	Commissioner	)	

O R D E R

WHEREAS:

- A. By Application dated June 11, 1991, Central Heat Distribution Limited ("CHDL") sought approval under Section 60 of the Utilities Commission Act ("the Act") for the amalgamation of CHDL with Saturna Holdings Ltd. ("Saturna") whereby the amalgamated company, also to be known as Central Heat Distribution Limited, would have an authorized capital of 250,000 common shares without par value of which 72,504 common shares will be issued; and
- B. By the said Application CHDL also sought approval under Section 57(3)(b) of the Act for the purchase by it immediately following amalgamation of 18,000 of its own common shares for cancellation so that thereafter the issued capital of CHDL would consist of 54,504 common shares; and
- C. By the said Application CHDL jointly with Sydney W. Welsh, also sought approval under Sections 61(4)(b) and 61(7) of the Act for the increase of the voting shares controlled by Sydney W. Welsh by the purchase of 7,136 common shares of CHDL by 3610 Investments Ltd., a wholly-owned subsidiary of Welsh Cable Vision Ltd., so that Sydney W. Welsh would, after such acquisition, control in the aggregate 65.31 percent of the issued and outstanding voting shares of CHDL; and
- D. By Application dated June 17, 1991, CHDL sought approval for certain financing under Sections 57(2) and 59(1) of the Act; and
- E. By letter dated June 26, 1991, CHDL confirmed its intention upon approval of the Applications:
 - 1. That the utility projects that its debt equity ratio will average 70-30 through years 1995. Following 1995, the utility will be working towards a debt equity ratio of 60-40.
 - 2. That, subject to inflation, as indicated by the Consumer Price Index for all items for Metropolitan Vancouver as published by Statistics Canada, or any substitute index to measure the cost of living in Metropolitan Vancouver as may be published by the Federal Government of Canada from time to time, not increasing at a rate in excess of 4 percent per annum and the utility not being in financial jeopardy, the utility will not apply to the British Columbia Utilities Commission for a rate increase prior to 1996.

F. The Commission has examined the proposals and finds that the terms thereof are in the public interest.

NOW THEREFORE the Commission hereby orders as follows:

1. That the issue by CHDL of a General Security Agreement in favour of the Royal Bank of Canada by specific mortgage, pledge and charge certain property of the utility and by a floating charge the real property of the utility to secure loans up to \$10 million and the repayment from the proceeds of such loan of earlier bank loans be and the same is hereby approved.

2. That subject to approval by the Lieutenant Governor in Council pursuant to Section 60 of the Act:

(a) The amalgamation of CHDL with Saturna with the said amalgamated company, also to be know as Central Heat Distribution Limited, would have an authorized capital of 250,000 common shares without par value of which 72,504 common shares will be issued, and the amalgamation to be concluded prior to November 30, 1991 is hereby approved in principle.

(b) The purchase after amalgamation by CHDL of 18,000 of its common shares from Parking Operators Ltd. at a price of \$151.75175 per share is hereby approved.

(c) The purchase after amalgamation of 7,136 common shares of CHDL by 3610 Investments Ltd. from the following:

Linbrilar Management Company Limited	1,985 common shares
Atlin Investments Ltd.	1,324 common shares
St. Leonard's Investments Ltd.	1,324 common shares
Daphne Holdings Ltd.	1,324 common shares
Parking Operators Ltd.	<u>1,179</u> common shares

Total 7,136 common shares

be and the same is hereby approved.

(d) The purchase after amalgamation of 2,000 shares of CHDL by Tumbo Investments Ltd. from Parking Operators Ltd. be and the same is hereby approved.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of June, 1991.

BY ORDER

J.D.V. Newlands
Deputy Chairman