



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

and

An Application by Duke Energy Corporation, Duke Capital Corporation,
3059703 Nova Scotia Company, 3058368 Nova Scotia Company, and
3946509 Canada Inc.

BEFORE: P. Ostergaard, Chair)
R.D. Deane, Commissioner) November 14, 2001
K.L. Hall, Commissioner)

O R D E R

WHEREAS:

- A. On October 22, 2001, Duke Energy Corporation, Duke Capital Corporation, 3059703 Nova Scotia Company, 3058368 Nova Scotia Company, and 3946509 Canada Inc. (the "Duke Energy Companies") filed an Application for approval to acquire indirect control of certain public utilities regulated by the British Columbia Utilities Commission ("the Application"), pursuant to Section 54 of the Utilities Commission Act ("the Act"); and
- B. The public utilities are Pacific Northern Gas Ltd. ("PNG"), Pacific Northern Gas (N.E.) Ltd. ("PNGNE"), Centra Gas British Columbia Inc. ("Centra BC"), and Centra Gas Whistler Inc. ("Centra Whistler"), (collectively "the Regulated Utilities"); and
- C. Westcoast Energy Inc. ("Westcoast") currently owns approximately 41 percent of the outstanding, non-voting Class A Common Shares of PNG, and all of the outstanding, voting Class B Common Shares of PNG. PNGNE is a direct wholly-owned subsidiary of PNG. Each of Centra BC and Centra Whistler are indirect wholly-owned subsidiaries of Westcoast; and
- D. The Duke Energy Companies have entered into a transaction to acquire all of the outstanding Common Shares in the capital of Westcoast, which will result in Westcoast being an indirect wholly-owned subsidiary of Duke Energy Corporation; and
- E. Duke Energy Corporation and its subsidiaries are an integrated energy and energy services provider with total assets of US\$58 billion and net income in 2000 of US\$1.8 billion; and
- F. The transaction will not impact the ownership of the Regulated Utilities and will not affect the assets or liabilities of the Regulated Utilities; and
- G. Westcoast has undertaken a comprehensive stakeholder communication and consultation program in the service areas of the Regulated Utilities; and
- H. No concerns or issues were raised respecting the Duke Energy Companies' acquisition; and

BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
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- I. The Commission has considered the Application and supporting material and has determined that the users of the service of the Regulated Utilities will not be detrimentally affected.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves pursuant to Section 54 of the Act, the acquisition by each of the Duke Energy Companies, of indirect control of Pacific Northern Gas Ltd., Pacific Northern Gas (N.E.) Ltd., Centra Gas British Columbia Inc., and Centra Gas Whistler Inc.

DATED at the City of Vancouver, in the Province of British Columbia, this 15th day of November 2001.

BY ORDER

Original signed by:

Peter Ostergaard
Chair