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BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-142-01

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

and

An Application by Utilicorp Networks Canada (British Columbia) Ltd.
to Issue Additional Common Shares

BEFORE:	P. Ostergaard, Chair	)	
	P.G. Bradley, Commissioner	)	
	K.L. Hall, Commissioner	)	December 19, 2001
	N.F. Nicholls, Commissioner	)	

O R D E R

WHEREAS:

A. The Commission, in its Reasons for Decision and Order No. G-73-96 for West Kootenay Power Ltd. [now known as Utilicorp Networks Canada (British Columbia) Ltd. (“UNC”)], deemed the capital cost equity component of UNC’s capital structure to be at 40 percent effective January 1, 1996. The 1996 Decision “provides for an equity component of 40 percent and an annual determination of the return on equity by the Commission approved Return on Equity (“ROE”) mechanism”; and

B. On December 7, 2001, UNC applied to the Commission, under Section 50 of the Utilities Commission Act, for approval to increase its common equity issued to UtiliCorp British Columbia Ltd. (“UCBC”); and

C. UNC requested approval to issue up to 150,000 authorized and unissued $100 par value common shares to UCBC for a total consideration of up to $15,000,000; and

D. UNC believes that a higher equity level is appropriate to support adequate debt coverage ratios; and

E. UNC acknowledges that the equity component for rate-making purposes will remain at 40 percent of its capital structure; and

F. Customers of UNC will benefit from the lower financial risk of a thicker equity component without paying a higher cost for these benefits; and

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G. The Commission has reviewed the Application and finds that approval of the issue of new common share equity to UCBC is in the public interest.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves UNC's Application to issue up to 150,000 authorized and unissued $100 par value common shares to UCBC for a total consideration of up to $15,000,000.

2. The common share equity component of the capital structure will remain deemed at a level of 40 percent.

DATED at the City of Vancouver, in the Province of British Columbia, this 20th day of December 2001.

BY ORDER

Original signed by:

Peter Ostergaard
Chair