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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-24-04

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

and

**An Application by Aquila Networks Canada (British Columbia) Ltd.
for Approval to Issue Common Shares**

BEFORE: R.H. Hobbs, Chair)
L.A. Boychuk, Commissioner) March 9, 2004

O R D E R

WHEREAS:

- A. On January 13, 2004, Aquila Networks Canada (British Columbia) Ltd. ("Aquila") applied pursuant to Section 50 of the Utilities Commission Act ("the Act") for approval to issue up to 300,000 \$100 par value shares to its parent, Aquila Networks Canada Ltd. Section 50 of the Act states that a public utility must not issue a security without first obtaining approval of the Commission; and
- B. Aquila's rates are presently subject to regulation using a deemed capital structure of 60 percent debt and 40 percent equity. The infusion of equity will increase the actual ratio back to 40.9 percent and will also improve the interest coverage ratio; and
- C. The Commission has reviewed the Application and finds that approval is necessary and in the public interest.

NOW THEREFORE the Commission approves for Aquila the issuance of up to 300,000 \$100 par value shares to Aquila Networks Canada Ltd. for a total consideration of \$30,000,000 subject to a resolution of the Board of Directors of Aquila approving the share issue.

DATED at the City of Vancouver, in the Province of British Columbia, this 11th day of March 2004.

BY ORDER

Original signed by:

Robert H. Hobbs
Chair