

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-15-06

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

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

and

**An Application by 0745848 B.C. Ltd.
for Approval of the Acquisition of the Common Shares of Terasen Utility Services Inc.**

BEFORE: L.F. Kelsey, Commissioner February 17, 2006
L.A. Boychuk, Commissioner

O R D E R

WHEREAS:

- A. On January 30, 2006, 0745848 B.C. Ltd. (the "Applicant") applied pursuant to Section 54 of the Utilities Commission Act ("the Act") for an Order approving the acquisition of the common shares of Terasen Utility Services Inc. ("TUS") from Terasen Inc. which would cause the Applicant to have indirect control of Terasen Multi-Utility Services Inc. ("TMUS") (the "Application"); and
- B. TMUS is a public utility as defined in the Act and is regulated by the British Columbia Utilities Commission (the "Commission"); and
- C. The Applicant and Terasen Inc. have entered into a January 16, 2006 agreement to complete a transaction under which the Applicant, a B.C. company owned by CAI Capital Management Co. ("CAI"), British Columbia Investment Management Corporation ("BCIMC") (as to an approximately 48 percent interest each) and the current senior management of TUS, will acquire all of the issued and outstanding common shares of TUS; and
- D. Immediately following the acquisition, the Applicant and TUS intend to amalgamate, which will result in TMUS being a wholly-owned subsidiary of the amalgamated entity; and
- E. TMUS has informed its customers at Panorama Mountain Village, Sun Rivers and Sonoma Pines by individual letter about the Application and referred them to the Commission website for information on the regulatory review process of the Application; and

F. Section 54(9) of the Act states:

“The commission may give its approval under this section subject to conditions and requirements it considers necessary or desirable in the public interest, but the commission must not give its approval under this section unless it considers that the public utility and the users of the service of the public utility will not be detrimentally affected.”; and

G. The Commission has determined that a regulatory process to deal with the Application is warranted.

NOW THEREFORE the Commission orders as follows:

1. The Application will be examined through a written public hearing process and the Regulatory Timetable, attached as Appendix A, has been established.
2. The Applicant shall, as part of its stakeholder consultation process, conduct workshops in the service areas to inform the public of the Application and respond to questions from the public concerning the Application and the process to consider the Application.
3. The Applicant will publish by Saturday, February 25, 2006, in display-ad format, the Notice of Written Public Hearing Process, including workshops, attached as Appendix B, in such appropriate local news publications as may properly provide adequate notice to the customers served in the service areas of TMUS.
4. The Application, including responses to Commission information requests, and supporting material will be made available for inspection at:
 - the TMUS office at 2120 Toby Creek Road, Panorama B.C., contact Kerry Colonna (250) 341-3091;
 - the Terasen Utility Services office at #221 – 345 Yellow Head Highway, Kamloops B.C., contact Rick Franzen, (250) 377-7757;
 - the Sonoma Pines Sales Office at 3692 Sonoma Pines Drive, Westbank B.C., contact Ken Donison (250) 868-3935;
 - the TMUS Office at Suite 1160, 1188 West Georgia Street, Vancouver B.C., V6E 4A2; and,
 - at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, B.C., V6Z 2N3.

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5. The Applicant is to provide a copy of this Order, by facsimile if possible, to all large customers served by TMUS, as soon as possible. The Applicant is to provide a copy of this Order to all customers served by TMUS in the Panorama Mountain Village by Wednesday, February 22, 2006.
6. Intervenors and Interested Parties should register with the Commission, via the BCUC website or in writing, by Monday, March 13, 2006, of their intention to intervene.

DATED at the City of Vancouver, in the Province of British Columbia, this 17th day of February 2006.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner

Attachment

0745848 B.C. Ltd.
Application for Approval of the Acquisition
of the Common Shares of Terasen Multi-Utility Services Inc.

REGULATORY TIMETABLE

<u>ACTION</u>	<u>DATES 2006</u>
Publication of Notice of Written Public Hearing Process	Saturday, February 25
Commission Information Request to 0745848 B.C. Ltd. ("Applicant")	Wednesday, March 8
Public Workshops conducted by the Applicant	Friday, March 10
Deadline for registration of Intervenor and Interested Parties	Monday, March 13
Applicant Responses to Commission Information Request	Wednesday, March 15
Intervenor Information Request to Applicant	Wednesday, March 22
Applicant Responses to Intervenor Information Requests	Wednesday, March 29
Intervenor Written Submissions	Monday, April 10
Applicant Written Reply	Tuesday, April 18



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NOTICE OF WRITTEN PUBLIC HEARING PROCESS

THE APPLICATION

On January 30, 2006, 0745848 B.C. Ltd. (the "Applicant") applied pursuant to Section 54 of the Utilities Commission Act (the "Act") for an Order approving the acquisition of the common shares of Terasen Utility Services Inc. ("TUS") from Terasen Inc., which would cause the Applicant to have indirect control of Terasen Multi-Utility Services Inc. ("TMUS") (the "Application").

The Applicant and Terasen Inc. have entered into a January 16, 2006 agreement to complete a transaction under which the Applicant, a B.C. company owned by CAI Capital Management Co. ("CAI"), British Columbia Investment Management Corporation ("BCIMC") (as to an approximately 48 percent interest each) and the current senior management of TUS, will acquire all of the issued and outstanding common shares of TUS. Immediately following the acquisition, the Applicant and TUS intend to amalgamate, which will result in TMUS being a wholly-owned subsidiary of the amalgamated entity.

CAI is a private equity firm which makes investments in North American companies, with an emphasis on Canada. BCIMC provide professional funds management services for public bodies and publicly administered trust funds. Public sector pension plans constitute BCIMC's largest client group.

THE REGULATORY PROCESS

TMUS is a public utility as defined in the Act and is regulated by the British Columbia Utilities Commission (the "Commission").

By Order No. G-15-06, the Commission has established a Written Public Hearing Process for the review of the Application.

PUBLIC INSPECTION OF THE APPLICATION

The Application, including responses to Commission information requests, and supporting material will be made available for inspection at:

- the TMUS office at 2120 Toby Creek Road, Panorama B.C., contact Kerry Colonna (250) 341-3091;

- the Terasen Utility Services office at #221 – 345 Yellow Head Highway, Kamloops B.C., contact Rick Franzen, (250) 377-7757;
- the Sonoma Pines Sales Office at 3692 Sonoma Pines Drive, Westbank B.C., contact Ken Donison (250) 868-3935;
- the TMUS Office at Suite 1160, 1188 West Georgia Street, Vancouver B.C., V6E 4A2; and,
- at the British Columbia Utilities Commission, Sixth Floor, 900 Howe Street, Vancouver, B.C., V6Z 2N3.

The Applicant will hold Open Houses where customers can view the Application and ask questions of the Applicant. The Open Houses will be held on March 10, 2006 at the following locations and times:

- Panorama: Terasen office – 2120 Toby Creek Road, Panorama
Time: 9:00 a.m. – 11:00 a.m.
- Sun Rivers: Sun Rivers Golf Course Club House & Restaurant,
1000 – Club House Drive, Kamloops
Time: 9:00 a.m. – 11:00 a.m.
- Sonoma Pines: Holiday Inn, 2569 Dobin Road, Westbank
Time: 2:00 p.m. – 4:00 p.m.

The Application will also be available for viewing on the Terasen Inc. website at <http://www.terasen.com> and on the Commission's website at <http://www.bcuc.com>.

REGISTERING TO PARTICIPATE

Persons who expect to actively participate in this proceeding should register as Intervenor with the Commission, in writing or electronic submission, by Monday, March 13, 2006, identifying their interest in the Application. Intervenor will each receive a copy of the Application and all correspondence and filed documentation. Intervenor should provide an e-mail address if available. Notification by courier delivery, fax, e-mail, or online registration via the Commission's website is acceptable.

Persons not expecting to actively participate, but who have an interest in the proceeding should register as Interested Parties with the Commission, in writing or electronic submission, by Monday, March 13, 2006, identifying their interest in the Application. Interested Parties will each receive a copy of the Application, excluding the Schedules, and all Orders and Decisions issued.

FURTHER INFORMATION

For further information, please contact Mr. Robert J. Pellatt, Commission Secretary, or Mr. Philip Nakoneshny, Director, Rates and Finance, as follows:

Telephone:	(604) 660-4700	E-mail:	commission.secretary@bcuc.com
Facsimile:	(604) 660-1102	Telephone:	(B.C. Toll Free) 1-800-663-1385