



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-159-06

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

and

Application by Fortis Pacific Holdings Inc. ("FPHI"), FortisBC Inc. ("FortisBC")
and Princeton Light and Power Company, Limited ("PLP") for Approval
to Transfer PLP Shares and Assets to FortisBC and the Wind Up of PLP

BEFORE: L.F. Kelsey, Commissioner December 8, 2006

O R D E R

WHEREAS:

- A. Commission Order No. G-47-05, dated May 19, 2005, approved the purchase of all the issued and outstanding shares of PLP by Fortis Inc. and the transfer to FPHI; and
- B. On August 18, 2006, FortisBC, FPHI and PLP (the "Applicants") applied, pursuant to Sections 41, 50, 52, 53 and 54 of the Utilities Commission Act ("Act"), and subject to the necessary consent of the Lieutenant Governor in Council ("LGIC"), for approval of the following ("the Application"):
 - The acquisition by FortisBC of a reviewable interest in PLP through the purchase of all the issued and outstanding shares in the capital of PLP (the "PLP Shares") to be effective December 31, 2006;
 - The registration on the books of PLP of the transfer of the PLP Shares from FPHI to FortisBC to be effective December 31, 2006;
 - The issuance of shares in the capital of FortisBC to FPHI in consideration and for the value of the transfer of all of the PLP Shares to FortisBC to be effective December 31, 2006;
 - The transfer of all of the assets of PLP from PLP to FortisBC to be effective January 1, 2007;
 - The corporate winding up of PLP to be effective on January 1, 2007;
 - The discontinuance of all electricity service operations by PLP effective upon the assumption by FortisBC of such electricity service operations, on January 1, 2007;
 - The application of PLP's current Electric Tariff by FortisBC to (i) customers who are PLP customers on December 31, 2006, and (ii) persons who become customers after December 31, 2006 who, but for the transfer of the assets of PLP to FortisBC, would have been customers of PLP, in each case until October 1, 2007;

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- The application of FortisBC's Electric Tariff in effect on October 1, 2007 by FortisBC to (i) customers who are PLP customers on December 31, 2006, and (ii) persons who become customers after December 31, 2006 who, but for the transfer of the assets of PLP to FortisBC, would have been customers of PLP, on October 1, 2007 onward; and
- C. On August 30, 2006, FortisBC filed stakeholder responses from the Mayor of Princeton, along with two of PLP's industrial customers; SBC Firemaster Ltd. and Princeton Co-Generation Corporation supporting the transaction; and
- D. By Order No. G-106-06 dated August 31, 2006, the Commission established a written hearing process and issued a regulatory timetable to review the Application; and
- E. Following a review of the Application, the information requests and responses and the submissions received, the Commission submitted a report to the LGIC that concluded the proposed consolidation and merger and the wind-up of PLP are beneficial in the public interest and recommended that the LGIC, by Order, consent to the requested transaction by FortisBC, pursuant to subsection 53(1)(a)(i) of the Act; and
- F. On December 1, 2006, the LGIC's consent to the merger was obtained and Order in Council 852, 2006 was issued; and
- G. Commission Order No. G-65-06 approved PLP's 2006 revenue requirements application and required PLP to file a report on its Contracting Activities Deferral Account and a program justification prudency report on its Meter Upgrade Program. Some of the information responses and submissions in this Application refer to these two reports which were subsequently filed on November 30, 2006; and
- H. The Commission has reviewed the Application and the submissions received and considers that approval is warranted.

NOW THEREFORE the Commission orders as follows:

1. Pursuant to sections 41, 50, 52, 53 and 54 of the Act, the Commission approves the Application.
2. The Commission determination on the PLP Contracting Activities Deferral Account and the program justification prudency report on its Meter Upgrade Program will be made by way of a future Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 8th day of December 2006.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner