



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-6-09**

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

and

**An Application by Central Heat Distribution Limited
for Approval of Long-Term Debt Financing**

BEFORE: L.F. Kelsey, Commissioner
D.A. Cote, Commissioner
R.K. Ravelli, Commissioner
January 29, 2009

O R D E R

WHEREAS:

- A. On January 26, 2009 Central Heat Distribution Limited ("Central Heat") pursuant to section 50(2) of the Utilities Commission Act (the "Act") applied to the British Columbia Utilities Commission ("Commission") for approval to fix the terms of:
- \$5 million of long-term debt for a term of five years at an estimated interest rate of 4.15 percent locked in by way of a Financial Swap with a start date of April 30, 2009; and
 - \$5 million of long-term debt for a term of ten years at an estimated interest rate of 4.50 percent locked in by way of a Financial Swap with a start date of January 30, 2009 (the "Application"); and
- B. On January 28, 2009 Central Heat responded to Commission staff requests to justify the proposed estimated interest rates in the Application; and
- C. The Commission has reviewed the Application, together with the supporting information.

NOW THEREFORE pursuant to section 50(2) of the Act, the Commission orders as follows:

1. The Commission approves for Central Heat the fixing of \$5 million of debt with the Royal Bank of Canada for a term of five years at an estimated interest rate of 4.15 percent and at a rate of no more than 25 basis points wider than the terms in the Application with a start date of April 30, 2009. Should the actual interest rate exceed the maximum 25 basis points, Central Heat will be required to re-apply for approval by the Commission.

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2. The Commission approves for Central Heat the fixing of \$5 million of debt with the Royal Bank of Canada for a term of ten years at an estimated interest rate of 4.50 percent and a rate of no more than 25 basis points wider than the terms in the Application with a start date of January 30, 2009. Should the actual interest rate exceed the maximum 25 basis points, Central Heat will be required to re-apply for approval by the Commission.
3. Central Heat will inform the Commission when the estimated interest rate for each debt issue will be adjusted for market rate fluctuations at the debt financing draw down date for each debt issue.

DATED at the City of Vancouver, in the Province of British Columbia, this 29th day of January 2009.

BY ORDER

Original signed by:

D.A. Cote
Commissioner