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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-191-12**

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

and

**An Application by River District Energy Limited Partnership
For Approval of the Transfer of Units in River District Energy Limited Partnership from
Park Lane Fraser Lands Limited Partnership to Wesgroup Properties Limited Partnership**

BEFORE: L.F. Kelsey, Commissioner
D.M. Morton, Commissioner December 13, 2012
C.A. Brown, Commissioner
N.E. MacMurchy, Commissioner
C. van Wermeskerken, Commissioner
B.A. Magnan, Commissioner

O R D E R

WHEREAS:

- A. On July 27, 2011, River District Energy Limited Partnership (RDE LP) submitted to the British Columbia Utilities Commission (Commission) an Application for a Certificate of Public Convenience and Necessity for the construction and operation of a district energy utility (DEU) and for approval of the proposed revenue requirement and rate design for the River District development located along the Fraser River in Southeast Vancouver, BC, (CPCN Application). The CPCN Application was approved, with some modifications, by Order G-14-11 on December 19, 2011;
- B. RDE LP has not commenced serving any customers;
- C. Park Lane Fraser Lands Limited Partnership (PLFL LP), the limited partner, owns 99.99 percent of RDE LP and River District Energy Ltd. (RDE Ltd.), the general partner, owns 0.01 percent of RDE LP;
- D. The limited partner, PLFL LP is part of the Park Lane Group (Parklane), which is jointly controlled by Mr. Peeter Wesik and Mr. Vincent Cheung; and, Mr. Wesik is the sole director and officer of RDE Ltd. who manages and controls RDE LP;
- E. The CPCN Application stated that RDE LP was not able to obtain conventional bank financing for the DEU; however, funding for the project would be provided by Parklane. As a result, Order G-14-11 directs RDE LP to provide a legally binding guarantee, with no filing date specified. It was expected that the guarantor would be Parklane Ventures (1986) Limited Partnership, which owns 100 percent of the limited partnership units in PLFL LP;

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- F. On October 12, 2012, RDE LP applied to the Commission pursuant to section 54 of the *Utilities Commission Act* (Act) for approval to transfer 100 percent of the limited partner unit interest in RDE LP from PLFL LP to Wesgroup Properties Limited Partnership (WP LP), which is 100 percent controlled by Mr. Peeter Wesik (the Application);
- G. Under the proposed group structure there are no planned material changes to the general partner, RDE Ltd. Mr. Peeter Wesik will remain the sole director and officer of RDE Ltd. and continue to manage and control RDE LP;
- H. The transfer of the partnership units is proposed to take place outside of the partnership with no change in the balance sheet for RDE LP due to the transaction. The purchase price is equal to the costs to develop the utility as of the date of the transfer with no gain or loss realized as a result of the transfer;
- I. The Applications states that the unit transfer will have no impact on the RDE's ratepayers, the public interest or the financial and operational integrity of RDE;
- J. Under the proposed structure the guarantor is Wesgroup Properties Limited Partnership who owns 100 percent of the limited partnership units of RDE LP and hold the wealth and cash flows in the group;
- K. The Commission reviewed the Application and determines that neither the public utility nor the users of the service will be detrimentally affected and it is in the public interest.

NOW THEREFORE pursuant to section 54 of the *Utilities Commission Act*:

- 1. The Commission approves the Application as filed.
- 2. River District Energy Limited Partnership is to file with the Commission a signed legally binding guarantee from Wesgroup Properties Limited Partnership to River District Energy Limited Partnership within 30 days of the date of this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of December 2012.

BY ORDER

Original signed by:

D.M. Morton
Commissioner