



ORDER NUMBER

G-91-17

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Application by Gibson Energy ULC,
Superior Plus LP and 2028093 Alberta Ltd. for Approval of the
Sale and Acquisition of Cal-Gas Inc.

and

Application by Superior Plus LP,
2028093 Alberta Ltd., Canwest Propane ULC
and Cal-Gas Inc. Regarding Amalgamation

and

Application by Superior Plus LP
and Cal-Gas Inc.
for Approval of the Transfer of Assets

BEFORE:

M. Kresivo, QC, Commissioner / Panel Chair
K. A. Keilty, Commissioner

on June 12, 2017

ORDER

WHEREAS:

- A. Gibson Energy ULC (Gibson), Stittco Energy Limited (Stittco), Canwest Propane ULC (Canwest ULC), Canwest Propane Partnership (Canwest Partnership) and Cal-Gas Inc. (Cal-Gas) entered into an Option Purchase Agreement with Superior Plus LP (Superior) dated February 13, 2017 (Option Purchase Agreement), under which Gibson and Superior agreed to enter into an option agreement;
- B. In accordance with the Option Purchase Agreement, Gibson entered into the option agreement with Superior on March 1, 2017, by which Gibson granted an irrevocable option (Option) to Superior to, directly or indirectly through one or more affiliates, purchase all of the share capital of Stittco and Canwest ULC, as well as all of its partnership interests in Canwest Partnership, subject to certain conditions (Option Agreement);

- C. Superior exercised the Option on March 1, 2017, but the closing of the sale is subject to certain conditions, including obtaining the necessary approval from the British Columbia Utilities Commission (Commission) under section 54 of the *Utilities Commission Act* (UCA);
- D. Canwest ULC is an Alberta unlimited liability corporation that owns all of the share capital of Cal-Gas and approximately 3 percent of the Canwest Partnership. Cal-Gas owns approximately 26 percent of the Canwest Partnership;
- E. Cal-Gas is a public utility under the UCA and provides propane service to residential customers in Kicking Horse Mountain resort area and Canyon Ridge estates near Golden, BC;
- F. On April 4, 2017, the Commission received an application for approval of the following transactions:
 1. Application by Gibson, Superior and 2028093 Alberta Ltd. (2028093) (collectively, the Sale Applicants) for approval of the sale of a reviewable interest in Cal-Gas from Gibson to Superior (Interim Sale) and from Superior to 2028093 (Final Sale), pursuant to section 54 of the UCA (collectively, the Sale);
 2. Application by Superior, 2028093, Canwest ULC and Cal-Gas (collectively, the Amalgamation Applicants) regarding the amalgamation of 2028093, Canwest ULC and Cal-Gas, pursuant to sections 52 and 53 of the UCA (Amalgamation). Pursuant to section 53(1) of the UCA, the amalgamation of a public utility requires the consent of the Lieutenant Governor in Council (LGIC) by order; and
 3. Application by Superior and Cal-Gas (collectively, the Transfer Applicants) for approval of the following:
 - i. Transfer of public utility assets and approvals under the UCA from Cal-Gas to Superior, pursuant to sections 52 of the UCA;
 - ii. Amendments to the Certificates of Public Convenience and Necessity for Kicking Horse Mountain Resort (issued by Order C-16-01) and Canyon Ridge Estates (issued by Order C-3-05) to record Superior as the owner and operator; and
 - iii. Consequential amendments to the UCA approvals of Cal-Gas Inc. rates and tariffs to reflect the transfer from Cal-Gas to Superior (collectively, the Transfer Amendments);(1, 2 and 3 above are collectively, Application or Applicants)
- G. The Applicants have applied for approval of all three transactions in this Application and make the following requests regarding the process for the review of the Application:
 1. The Applicants have asked that the Commission consider approval of the Sale as soon as possible, so the sale may proceed once the Commission is ready to grant approval, regardless of the timing required for the review of the Amalgamation and Transfer;
 2. The Applicants have requested that the Commission consider the Amalgamation independent of the Transfer, so the Amalgamation may proceed if and when the Commission approval and LGIC consent are given, regardless of the timing required for the review of the transfer; and
 3. The Applicants request that the review of the Application proceed by way of a written hearing;
- H. By Order G-67-17 dated May 8, 2017, the Commission established a regulatory timetable, including an intervener registration deadline of noon on May 23, 2017. The Commission did not receive any requests to intervene;
- I. By Order G-83-17 dated May 26, 2017, the Commission established a further regulatory timetable, including two rounds of information requests (IRs). Commission IR No. 1 is regarding the Sale transaction;

- J. In response to Commission IR No. 1.1.3, the Applicants submit that “[i]t is acceptable for the BCUC to make a determination on the Interim and Final Sale before completing its review of the Amalgamation and Transfer”; and
- K. The Commission has reviewed the Application and the responses to Commission IR No. 1 and considers that approval of the Interim and Final Sale is in the public interest.

NOW THEREFORE pursuant to section 54 of the *Utilities Commission Act* the British Columbia Utilities Commission approves the following:

1. The sale of a reviewable interest in Cal-Gas Inc. from Gibson Energy ULC to Superior Plus LP.
2. The sale of a reviewable interest in Cal-Gas Inc. from Superior Plus LP to 2028093 Alberta Ltd., which immediately follows the sale of a reviewable interest in Cal-Gas Inc. from Gibson Energy ULC to Superior Plus LP.

DATED at the City of Vancouver, in the Province of British Columbia, this 12th day of June 2017.

BY ORDER

Original signed by:

M. Kresivo, QC
Commissioner