



<b>BRITISH COLUMBIA UTILITIES COMMISSION</b>	
ORDER NUMBER	G-16-90

PROVINCE OF BRITISH COLUMBIA  
BRITISH COLUMBIA UTILITIES COMMISSION

IN THE MATTER OF the Utilities Commission  
Act, S.B.C. 1980, c. 60, as amended

and

IN THE MATTER OF an Application by  
Westcoast Energy Inc. and WestCoast Gas Inc.

BEFORE:	J.G. McIntyre,	)	
	Chairman;	)	
	J.D.V. Newlands,	)	February 9, 1990
	Deputy Chairman; and	)	
	N. Martin,	)	
	Commissioner	)	

O R D E R

WHEREAS Westcoast Energy Inc. ("Westcoast") entered into agreements in principle on July 4, 1989 to acquire from Central Capital Corporation the utility and propane divisions of Inter-City Gas Corporation, inclusive of the regulated utility grid systems in British Columbia; and

WHEREAS on November 3, 1989 Westcoast requested a ruling by the Commission whether or not Sections 61(4) and 61(6) of the Utilities Commission Act ("the Act") applied in the acquisition of ICG Utilities (British Columbia) Ltd. ("ICG") and Victoria Gas Company (1988) Ltd. ("Vicgas"); and

WHEREAS the Commission provided a legal opinion confirming that Section 61(6) of the Act applied in the Westcoast acquisition of ICG and Vicgas; and

WHEREAS on January 16, 1990 Westcoast and WestCoast Gas Inc. ("WestCoast Gas"), a wholly-owned subsidiary of Westcoast, filed an Application ("the Application"), pursuant to Section 61(6) of the Act, for an Order of the Commission approving the acquisition by WestCoast Gas of a reviewable interest, being the indirect acquisition of all of the issued and outstanding common shares of ICG and Vicgas; and

WHEREAS on January 25, 26 and February 8, 1990 Westcoast provided additional information in support of the Application; and

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WHEREAS the Commission has reviewed the Application and supporting documentation, and is satisfied that the acquisition of ICG and Vicgas by WestCoast Gas is in the public interest; and

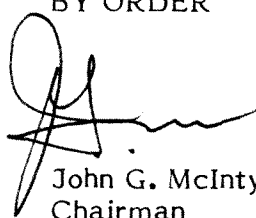
WHEREAS WestCoast Gas has filed evidence demonstrating its compliance with the Conditions of this Order.

NOW THEREFORE the Commission orders as follows:

1. Pursuant to Section 61(8) of the Act the acquisition of ICG and Vicgas by WestCoast Gas is approved.
2. Westcoast will not recover any acquisition premium over book value in the rates of ICG and Vicgas.
3. Westcoast will assist in future debt/equity financing requirements of ICG and Vicgas. In the event that the Commission is not satisfied with any financing arrangement contemplated by ICG and Vicgas, ICG Investments Ltd. and/or ICG Utilities (Canada) Ltd. (ICG and Vicgas' parent and grandparent, or their successors) will endeavour to raise the required capital and make such funds available to ICG and Vicgas, at cost.
4. Westcoast will not require ICG or Vicgas to guarantee any indebtedness of Westcoast or its affiliates.
5. Westcoast, or its affiliates, will limit the management fees, if any, chargeable to ICG and Vicgas to the level, as determined by the Commission, to be fair and reasonable.
6. Westcoast will cause ICG or its subsidiaries to meet all obligations contained in the agreements between ICG and the Province of British Columbia with respect to the purchase of Vicgas and the distribution rights on Vancouver Island.
7. Westcoast will cause ICG or its subsidiaries to make every effort to attain the plans and benefits as stated in item 6 of the Application.
8. Westcoast will receive approvals from all related Board and regulatory bodies, as necessary.
9. Westcoast will pay the Commission's legal costs associated with the review of the Application.

DATED 14th at the City of Vancouver, in the Province of British Columbia, this 14th day of February, 1990.

BY ORDER

  
John G. McIntyre  
Chairman