

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-40-04**

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

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

and

An Application by Aquila Networks Canada (British Columbia) Ltd.
to Register a Transfer of its Common Shares to Fortis Pacific Holdings Inc.

BEFORE: L.A. Boychuk, Panel Chair and)
Commissioner)
L.F. Kelsey, Commissioner) April 30, 2004
R. Milbourne, Commissioner)

O R D E R

WHEREAS:

- A. On December 1, 2003, Fortis Pacific Holdings Inc. (“Fortis Pacific”) applied pursuant to Section 54 of the Utilities Commission Act (“the Act”) for an Order approving the acquisition of a reviewable interest in Aquila Networks Canada (British Columbia) Ltd. (“Aquila”) from Aquila Networks British Columbia Ltd. (“ANBC”); and
- B. Fortis Pacific is a company incorporated in British Columbia and is an indirect wholly-owned subsidiary of Fortis Inc., a diversified Canadian electric utility holding company with assets of over \$2 billion and annual revenues of about \$800 million; and
- C. On December 1, 2003, Aquila applied pursuant to Section 54(5) of the Act for approval to register a transfer of 100 percent of its Common Shares to Fortis Pacific; and
- D. Aquila also requested an order that the proceeds of sale of the issued and outstanding Common Shares are, in their entirety, to be allocated to or otherwise accrue to the benefit of the shareholders of Aquila; and
- E. Commission Order No. G-39-04 approved the acquisition of a reviewable interest in Aquila; and

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- F. Aquila submits that the rule generally applicable in British Columbia and applied in several other decisions of the Commission is that, provided that a public utility and the users of the service of that public utility will not be detrimentally affected, then any acquisition premium that is paid by the purchaser for the shares of a regulated utility may be retained by the vendor; and
- G. The Commission has considered the Application and supporting material and has determined that the users of the service will not be detrimentally affected.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves, pursuant to Section 54(5) of the Act, the registration of a transfer of the common shares of Aquila Networks Canada (British Columbia) Ltd. to Fortis Pacific Holdings Inc.
2. The proceeds of sale of the issued and outstanding Common Shares are, in their entirety, to be allocated to or otherwise accrue to the benefit of the shareholders of Aquila.

DATED at the City of Vancouver, in the Province of British Columbia, this 30th day of April 2004.

BY ORDER

Original signed by:

Lori Ann Boychuk
Panel Chair and Commissioner