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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-71-03

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

and

**An Application by Tricor Acquisition (STP) Inc. to Acquire
A Reviewable Interest in Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd.**

BEFORE: L.A. Boychuk, Commissioner)
L.F. Kelsey, Commissioner) October 30, 2003

O R D E R

WHEREAS:

- A. On October 16, 2003, Tricor Acquisition (STP) Inc. ("Tricor") applied pursuant to Section 54 of the Utilities Commission Act ("the Act") for an Order approving the acquisition of a reviewable interest in Pacific Northern Gas Ltd. ("PNG") and its subsidiary, Pacific Northern Gas (N.E.) Ltd. ("PNG(NE)") from Westcoast Energy Inc. ("Westcoast"); and
- B. Tricor is a wholly-owned subsidiary of Tricor Pacific Capital, Inc., a private equity investment firm based in Vancouver; and
- C. Westcoast currently owns approximately 41 percent of the outstanding, non-voting Class A Common Shares of PNG, and all of the outstanding, voting Class B Common Shares of PNG; and
- D. Prior to the Closing Date of the acquisition, Westcoast has agreed to have the Class A non-voting and Class B voting common shares redesignated as common shares with one vote for each share; and
- E. Various services are provided to PNG through Duke Energy Corporation, the parent company of Westcoast (the "Service Agreements"), and PNG will have to enter into new agreements as a result of the change in ownership; and
- F. Section 54(9) of the Act states:

"The commission may give its approval under this section subject to conditions and requirements it considers necessary or desirable in the public interest, but the commission must not give its approval under this section unless it considers that the public utility and the users of the service of the public utility will not be detrimentally affected."; and

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- G. PNG has undertaken a comprehensive stakeholder communication and consultation program in its service areas and submitted a summary and letters of comment to the Commission; and
- H. No concerns were raised respecting the acquisition by Tricor but certain stakeholders wish to have the opportunity to review the new Service Agreements; and
- I. The Commission has considered the Application and supporting material and has determined that the public utility and 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 of the Act, the acquisition by Tricor of a reviewable interest in Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd.
- 2. PNG is directed to bring forward the new Service Agreements for review in its next rate application.

DATED at the City of Vancouver, in the Province of British Columbia, this 30th day of October 2003.

BY ORDER

Original signed by:

Lori Ann Boychuk
Commissioner