



**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-47-05

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

and

**An Application by Princeton Light & Power Company, Limited**

and

**An Application by Fortis Inc.,  
FortisWest Inc. and Fortis Pacific Holdings Inc.**

**BEFORE:** L.F. Kelsey, Commissioner May 19, 2005

**O R D E R**

**WHEREAS:**

- A. On April 18, 2005, Princeton Light & Power Company, Limited ("PLP") filed an application for approval of the disposition of PLP shares to Fortis Inc. ("Fortis") creating a reviewable interest ("the PLP Application"), pursuant to Section 54 of the Utilities Commission Act ("the Act"); and
- B. On April 20, 2005, Fortis, FortisWest Inc. ("FortisWest") and Fortis Pacific Holdings Inc. ("Fortis Pacific") also applied for approval of the acquisition by Fortis of a reviewable interest in PLP through the purchase of all the issued and outstanding shares ("the PLP Shares") in the capital of PLP, ("the Fortis Application"), pursuant to Section 54 of the Act, (the PLP Application and the Fortis Application collectively as "the Applications"); and
- C. The Applications seek approval for Fortis to acquire the PLP Shares; the registration on the books of PLP of the transfer of the PLP Shares from the current PLP shareholders to Fortis; the subsequent transfer by Fortis to, and acquisition by, FortisWest of a reviewable interest in PLP; the registration on the books of PLP of the transfer of the PLP Shares from Fortis to FortisWest; the subsequent transfer by FortisWest to, and acquisition by, Fortis Pacific of a reviewable interest in PLP; and the registration on the books of PLP of the transfer of the PLP Shares from FortisWest to Fortis Pacific; and
- D. FortisWest is a wholly owned subsidiary of Fortis and Fortis Pacific is a wholly owned subsidiary of FortisWest. Fortis Pacific is also sole shareholder of FortisBC Inc. ("FortisBC"), an integrated electrical generation, transmission and distribution utility in British Columbia. Upon completion of the transaction, PLP and FortisBC will be affiliate companies, each a wholly owned subsidiary of Fortis Pacific and, indirectly, a wholly owned subsidiary of Fortis; and
- E. PLP and FortisBC are both utilities regulated by the Commission; and
- F. Fortis is a diversified Canadian electric utility holding company with interests in seven regulated utilities located in British Columbia, Alberta, Newfoundland and Labrador, Prince Edward Island, Ontario, Grand

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Cayman and Belize. Fortis has assets of approximately \$4 billion and annual revenues of approximately \$1.2 billion; and

- G. Any premium that Fortis will pay to the vendors of PLP over the book value for the PLP Shares will not be recoverable in regulated electricity rates set from time to time by the Commission. Similarly, any premium paid by Fortis Pacific or FortisWest related to the internal transfers will not be recoverable in regulated electricity rates; and
- H. PLP and Fortis have undertaken a comprehensive stakeholder communication and consultation program in PLP's service area; and
- I. Signed letters were received from PLP's major customers and stakeholders stating that they are not opposed to the sale of the PLP Shares to Fortis; and
- J. One customer expressed some concerns about the sale of the PLP Shares. Subsequently, Fortis Pacific responded to the concerns. The customer accepted the response and confirmed that it is not opposed to the sale of the PLP Shares to Fortis; and
- K. The Commission has considered the Applications and supporting material and has determined that the public utility and the users of the service of PLP will not be detrimentally affected.

**NOW THEREFORE** the Commission orders as follows:

The Commission approves, pursuant to Section 54 of the Act, the sale of the PLP Shares to Fortis, the registration on the books of PLP of the transfer of the PLP Shares to Fortis and the subsequent successive sales of the PLP Shares to each of FortisWest and Fortis Pacific and the registration on the books of PLP of those transfers of the PLP Shares to each of FortisWest and Fortis Pacific, and the acquisition by each of Fortis, FortisWest and Fortis Pacific of a reviewable interest in PLP or such other internal transfer as will result in Fortis Pacific being registered on the books of PLP as the holder of the PLP Shares and having a reviewable interest in PLP.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 19th day of May 2005.

**BY ORDER**

*Original signed by:*

L.F. Kelsey  
Commissioner