

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



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-106-06

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

**Application by Fortis Pacific Holdings Inc. ("FPHI"), FortisBC Inc. ("FortisBC")
and Princeton Light and Power Company, Limited ("PLP") for Approval
to Transfer PLP Shares and Assets to FortisBC and the Wind Up of PLP**

BEFORE: L.F. Kelsey, Commissioner August 31, 2006

O R D E R

WHEREAS:

- A. Commission Order No. G-47-05, dated May 19, 2005, approved the purchase of all the issued and outstanding shares of PLP by Fortis Inc. and the transfer to FPHI; and
- B. On August 18, 2006, FortisBC, FPHI and PLP (the "Applicants") applied, pursuant to sections 41, 50, 52, 53 and 54 of the Utilities Commission Act ("Act"), and subject to the necessary consent of the Lieutenant Governor in Counsel, for approval of the following ("the Application"):
- The acquisition by FortisBC of a reviewable interest in PLP through the purchase of all the issued and outstanding shares in the capital of PLP (the "PLP Shares") to be effective December 31, 2006;
 - The registration on the books of PLP of the transfer of the PLP Shares from FPHI to FortisBC to be effective December 31, 2006;
 - The issuance of shares in the capital of FortisBC to FPHI in consideration and for the value of the transfer of all of the PLP Shares to FortisBC to be effective December 31, 2006;
 - The transfer of all of the assets of PLP from PLP to FortisBC to be effective January 1, 2007;
 - The corporate winding up of PLP to be effective on January 1, 2007;
 - The discontinuance of all electricity service operations by PLP effective upon the assumption by FortisBC of such electricity service operations, on January 1, 2007;
 - The application of PLP's current Electric Tariff by FortisBC to (i) customers who are PLP customers on December 31, 2006, and (ii) persons who become customers after December 31, 2006 who, but for the transfer of the assets of PLP to FortisBC, would have been customers of PLP, in each case until October 1, 2007;

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- The application of FortisBC's Electric Tariff in effect on October 1, 2007 by FortisBC to (i) customers who are PLP customers on December 31, 2006, and (ii) persons who become customers after December 31, 2006 who, but for the transfer of the assets of PLP to FortisBC, would have been customers of PLP, on October 1, 2007 onward; and
- C. The Applicants further request the Commission to submit a report to the Lieutenant Governor in Council, pursuant to subsection 53(1)(a)(i) of the Act, confirming the Commission's opinion that the above referenced transaction would be beneficial and in the public interest; and
- D. FortisBC indicated that based on the submissions filed, the Commission should determine that the transfer of assets and wind up of PLP into FortisBC is beneficial and in the public interest; however, if public input is required by the Commission, FortisBC proposes to review this Application in conjunction with FortisBC's 2006 Annual Review and 2007 Revenue Requirements Workshop which is expected to take place in November 2006; and
- E. The Commission has considered the comments received to date from FortisBC's and PLP's stakeholders.

NOW THEREFORE the Commission orders as follows:

1. The Application will be examined by way of a written public hearing process and the Regulatory Agenda, attached as Appendix A, has been established.
2. FortisBC and PLP are to provide a copy of this Order, by facsimile or E-mail if possible, to all Intervenors and Interested Parties registered in FortisBC's 2006 Revenue Requirements Application and PLP's 2006 Revenue Requirements Application, as well as stakeholders involved in the Application for the disposition of the PLP shares to Fortis Inc., as soon as possible.
3. FortisBC and PLP are to arrange for publication of the Notice of Written Public Hearing, attached as Appendix B to this Order, as soon as possible in such appropriate local news publications in their respective service areas so as to provide adequate notice to the public.
4. The Application and supporting materials will be available for inspection at the following locations:

FortisBC Inc.
Head Office
5th Floor 1628 Dickson Avenue
Kelowna, B.C. V1Y 9X1

British Columbia Utilities Commission
Sixth Floor, 900 Howe Street
Vancouver, BC V6Z 2N3
Telephone: 1-800-663-1385

FortisBC Inc.
Trail Office
1290 Esplanade
Trail, B.C. V1R 4L4

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**Princeton Light and Power Company,
Limited**

Princeton Office
231 Bridge Street
Princeton BC V0X 1W0

Public Libraries

Castlegar, Creston, Grand Forks,
Kelowna, Oliver, Penticton and Trail, BC

5. Intervenor and Interested Parties should inform the Commission, in writing or register on-line via the Commission's website at www.bcuc.com, by Tuesday, September 19, 2006 of their intention to intervene in the proceeding, or become Interested Parties. Registered Intervenor will receive from FortisBC copies of the Application and all correspondence and filed documentation. Interested Parties will receive the Application's Executive Summary and copies of all Orders issued.
6. Intervenor intending to apply for participant assistance must submit a budget estimate by Friday, September 22, 2006, consistent with the Commission's Participant Assistance/Cost Award Guidelines and Order No. G-15-04. Copies are available upon request or can be downloaded from the Commission's web site at <http://www.bcuc.com>>Guidelines & Resources>Guidelines.

DATED at the City of Vancouver, in the Province of British Columbia, this 1st day of September 2006.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner

Attachments

SIXTH FLOOR, 900 HOWE STREET, BOX 250
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APPENDIX A
to Order No. G-106-06
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**Application by Fortis Pacific Holdings Inc. ("FPHI"), FortisBC Inc. ("FortisBC")
And Princeton Light and Power Company, Limited ("PLP") for Approval
To Transfer PLP Shares and Assets to FortisBC and the Wind Up of PLP**

REGULATORY AGENDA

<u>Action</u>	<u>Date</u>
Registration of Intervenors and Interested Parties with the Commission	Tuesday, September 19, 2006
Participant Assistance Budgets from Intervenors	Friday, September 22, 2006
Commission and Intervenor Information Request No. 1	Tuesday, October 3, 2006
FortisBC Responses to Information Request No. 1	Tuesday, October 17, 2006
Intervenor Written Submissions filed with the Commission and FortisBC	Tuesday, October 24, 2006
FortisBC Written Reply to Intervenor Comments	Tuesday, October 31, 2006



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An Application by
Fortis Pacific Holdings Inc. ("FPHI"), FortisBC Inc. ("FortisBC")
and **Princeton Light and Power Company, Limited ("PLP")**
for Approval
To Transfer PLP Shares and Assets to FortisBC and the Wind Up of PLP

NOTICE OF WRITTEN PUBLIC HEARING

THE APPLICATION

On August 18, 2006, FortisBC, FPHI and PLP ("the Applicants") applied, pursuant to sections 41, 50, 52, 53 and 54 of the Utilities Commission Act ("Act") and subject to the necessary consent of the Lieutenant Governor in Council, for approval of the following ("the Application"):

- The acquisition by FortisBC of a reviewable interest in PLP through the purchase of all the issued and outstanding shares in the capital of PLP (the "PLP Shares") to be effective December 31, 2006;
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- The application of FortisBC's Electric Tariff in effect on October 1, 2007 by FortisBC to (i) customers who are PLP customers on December 31, 2006, and (ii) persons who become customers after December 31, 2006 who, but for the transfer of the assets of PLP to FortisBC, would have been customers of PLP, on October 1, 2007 onward.

The Applicants further request the Commission to submit a report to the Lieutenant Governor in Council pursuant to subsection 53(1)(a)(i) of the Act confirming the Commission's opinion that the above referenced transaction would be beneficial and in the public interest.

THE REGULATORY PROCESS

The Commission has established the following Regulatory Timetable for a written public hearing process to review this application.

ACTION	DATE (2006)
Registration of Intervenor and Interested Parties with the Commission	Tuesday, September 19
Commission and Intervenor Information Request No. 1	Tuesday, October 3
FortisBC Responses to Information Request No. 1	Tuesday, October 17
Intervenor Written Submissions filed with the Commission and FortisBC	Tuesday, October 24
FortisBC Written Reply to Intervenor Comments	Tuesday, October 31

INTERVENTIONS

FortisBC is to provide copies of the Application to all parties wishing to participate in the Written Public Hearing process. Those persons wishing to participate are to advise the Commission Secretary of their intention to do so no later than Tuesday, September 19, 2006. Notification by mail, courier delivery, fax or e-mail is acceptable. Intervenor will receive copies of the Applicant and filed documentation and should provide an E-mail address, if available.

All submissions and/or correspondence received from active participants or the general public relating to the Application will be placed on the public record and posted to the Commission's web site.

PUBLIC INSPECTION OF THE DOCUMENTS

The Application and supporting materials will be available for inspection at the following locations:

FortisBC Inc.
Head Office
Fifth Floor 1628 Dickson Avenue
Kelowna, B.C. V1Y 9X1

FortisBC Inc.
Trail Office
1290 Esplanade
Trail, B.C. V1R 4L4

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Internet
www.fortisbc.com
www.bcuc.com

Public Libraries
Castlegar, Creston, Grand Forks,
Kelowna, Oliver, Penticton and Trail, BC

For further information, please contact the Commission Secretary, Mr. Robert Pellatt or Ms. Fong Kwok, Financial Analyst as follows:

Commission Secretary

Telephone: (604) 660-4700

Facsimile: (604) 660-1102

E-mail: Commission.Secretary@bcuc.com

BC Toll Free: 1-800-663-1385

Ms. Fong Kwok

Telephone: (604) 660-0718