



**ORDER NUMBER  
G-182-17**

IN THE MATTER OF  
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Application for Approvals Related to the Reorganization of Cal-Gas Inc.

**BEFORE:**

D. J. Enns, Panel Chair/Commissioner

December 13, 2017

**ORDER**

**WHEREAS:**

- A. On September 20, 2017, the British Columbia Utilities Commission (Commission) received an application from 2028093 Alberta Ltd. (2028093), Superior Plus Corporation (SPC), Superior General Partner Inc. (SGP), Superior Plus LP (SPLP) and on behalf of Cal-Gas Inc. (Cal-Gas) and Canwest Propane ULC (Canwest ULC) (collectively, Applicants) for approval of certain steps related to the reorganization involving Cal-Gas (Cal-Gas Reorganization) pursuant to sections 52, 53 and 54 of the *Utilities Commission Act* (UCA) (Reorganization Application);
- B. Cal-Gas is a public utility under the UCA and provides propane service to residential customers in Kicking Horse Mountain resort area and Canyon Ridge estates near Golden, BC;
- C. On April 4, 2017, the Commission received a separate application for approval of the following transactions:
  1. Application by Gibson Energy ULC (Gibson) and 2028093 for approval of the sale of a reviewable interest in Cal-Gas from Gibson to Superior (Interim Sale) and from Superior to 2028093 (Final Sale), pursuant to section 54 of the UCA;
  2. Application by Superior, 2028093, Canwest ULC and Cal-Gas regarding the amalgamation of 2028093, Canwest ULC and Cal-Gas (Previous Amalgamation Applicants), pursuant to sections 52 and 53 of the UCA (Previous Amalgamation Application). Pursuant to section 53(1) of the UCA, the amalgamation of a public utility requires the consent of the Lieutenant Governor in Council (LGIC) by order;
  3. Application by Superior and Cal-Gas (Previous Transfer Applicants) for several approvals, including the transfer of public utility assets and approvals under the UCA from Cal-Gas to Superior, pursuant to section 52 of the UCA (Previous Transfer Application);

- D. By Order G-91-17 dated June 12, 2017, the Commission approved the Interim and Final Sale, pursuant to section 54 of the UCA;
- E. On July 28, 2017, the Previous Amalgamation and Transfer Applicants filed a letter seeking to withdraw the Previous Amalgamation and Transfer Applications and applied for an order that the Previous Amalgamation and Transfer Applications be dismissed;
- F. By Order G-123-17 dated August 9, 2017, the Commission dismissed the Previous Amalgamation and Transfer Applications, pursuant to section 88.1 of the UCA;
- G. The Reorganization Application describes the steps for the Cal-Gas Reorganization that require Commission approval under certain sections of the UCA and includes them in the following two categories:
  - The amalgamation of Cal-Gas, 2028093 and Canwest ULC, pursuant to sections 52 and 53 of the UCA (Amalgamation). The Amalgamation requires the consent of the Lieutenant Governor in Council (LGIC) pursuant to section 53 of the UCA;
  - Corporate structure changes, including:
    - The issuance of shares that results in a reviewable interest, pursuant to section 54 of the UCA;
    - Disposal of shares or other property of a public utility, pursuant to sections 52 and 54 of the UCA;
    - Acquisition of control of shares that results in a reviewable interest, pursuant to section 54 of the UCA;
- H. The completion of the Cal-Gas Reorganization will result in SGP holding all of the shares of Cal-Gas, which will therefore be an indirect wholly-owned subsidiary of SPC and an affiliate of SPLP;
- I. By Order G-143-17 dated September 21, 2017, the Commission established a public hearing and a regulatory timetable for the review of the Application;
- J. On October 12, 2017, the Commission held a teleconference workshop to review the Application;
- K. By letter dated October 20, 2017, the Commission issued its report and findings regarding the Amalgamation to the LGIC, with an opinion that the Amalgamation is beneficial in the public interest;
- L. On December 12, 2017, the LGIC issued Order In Council (OIC) 528 providing consent for the Amalgamation pursuant to section 53(1)(a) of the UCA, subject to the following conditions:
  - a. Canwest Propane ULC must dispose of its significant assets and liabilities prior to the amalgamation;
  - b. the steps for reorganization, as set out in Appendix "B" of the Reorganization Application, must occur in immediate succession and result in the final corporate structure set out in that Appendix;
- M. The Commission has reviewed the Reorganization Application and considers that approval should be granted.

**NOW THEREFORE** pursuant to sections 50-54 of the UCA, and with the advance consent of the LGIC for the Amalgamation by OIC 528 dated December 12, 2017, the Commission orders as follows:

1. The Cal-Gas Reorganization is approved, as set forth in the Reorganization Application.

2. The approval granted is subject to the following conditions that are considered necessary in the public interest:

- The steps in the Cal-Gas Reorganization, as set out in Appendix "B" of the Reorganization Application, must occur in immediate succession and result in the final corporate structure set out in that Appendix.
- Canwest ULC must dispose of its significant assets and liabilities prior to the Amalgamation.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 13<sup>th</sup> day of December 2017.

BY ORDER

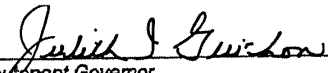
*Original signed by:*

D. J. Enns  
Commissioner

Attachment

PROVINCE OF BRITISH COLUMBIA  
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 528 , Approved and Ordered December 12, 2017

  
Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that the attached Cal-Gas Inc. Amalgamation Consent Order is made.

  
Attorney General

  
Presiding Member of the Executive Council

*(This part is for administrative purposes only and is not part of the Order.)*

Authority under which Order is made:

Act and section: Utilities Commission Act, R.S.B.C. 1996, c. 473, s. 53

Other: \_\_\_\_\_

**CAL-GAS INC. AMALGAMATION CONSENT ORDER**

**Definitions**

**1** In this order:

“**Act**” means the *Utilities Commission Act*;

“**reorganization application**” means the application dated August 28, 2017 and identified as Exhibit B-1 in the commission’s Project No. 1598928, Application for Approvals Related to the Reorganization of Cal-Gas Inc.

**Consent for amalgamation**

**2** By this order, the Lieutenant Governor in Council, under section 53 (1) (a) of the Act, consents to the amalgamation of Cal-Gas Inc., 2028093 Alberta Ltd. and Canwest Propane ULC, into one company named Cal-Gas Inc., subject to the following conditions:

- (a) Canwest Propane ULC must dispose of its significant assets and liabilities prior to the amalgamation;
- (b) the steps for reorganization, as set out in Appendix “B” of the reorganization application, must occur in immediate succession and result in the final corporate structure set out in that Appendix.