



## PROVINCE OF BRITISH COLUMBIA

IN THE MATTER OF the *Water Utility Act* and  
the *Utilities Commission Act*, S.B.C. 1980, c. 60, as amended

and  
EPCOR North Island Water Inc.  
and  
Breakwater Enterprises Ltd.

### Certificate of Public Convenience and Necessity

#### WHEREAS:

1. Breakwater Enterprises Ltd. (hereinafter referred to as "BEL") holds a Certificate of Public Convenience and Necessity to provide water service to an area on Vancouver Island between Parksville and Qualicum Beach, including the area known as French Creek and a strata development consisting of 140 homes within the municipal boundaries of Qualicum Beach known as Oceanside, and
2. EPCOR North Island Inc. (hereinafter referred to as "ENI") is a corporation incorporated in Alberta and is registered extra provincially in British Columbia with its headquarters in Richmond, B.C. ENI is a wholly owned subsidiary of EPCOR Water Services Inc., which is a wholly owned subsidiary of EPCOR Utilities Inc., which in turn is owned by the City of Edmonton, and
3. ENI was created for the purpose of acquiring the water utility assets, including all trust funds, rights and licenses of BEL and thereafter to continue to maintain and operate the water system for the safe and adequate water supply to existing customers and future development, and
4. Pursuant to section 45 of the *Utilities Commission Act*, ("UCA") ENI has made application to the Comptroller of Water Rights for a Certificate of Public Convenience and Necessity, and
5. Pursuant to section 52(1)(a) of the UCA, ENI applied on behalf of BEL for approval to sell the whole of its water utility assets, including all trust funds to ENI., and
6. Pursuant to section 52(1)(b) of the UCA, insofar as is necessary to allow the sale to proceed, ENI applied on behalf of BEL for approval to merge, amalgamate and/or consolidate the property, franchises, licenses, permits, concessions, privileges and/or rights of BEL, and
7. Pursuant to sections 52 and 57 of the UCA, ENI, on behalf of BEL, has applied for approval to assigned responsibility and control of the Utility's Maintenance Reserve Trust Fund, Deferred Capacity Trust Fund and Construction Trust Fund to ENI, and
8. Pursuant to sections 60 and 61 of the UCA, ENI applied for approval of rates, charges and terms and conditions of service to become effective upon approval of the transfer, and
9. ENI proposes that approval of the proposed transfer will not result in a degradation of service to rate payers but rather result in improvements in access to capital markets, improvement to existing infrastructure, improved operations and maintenance procedures and practices and overall benefit to the public interest.

**NOW THEREFORE** the Deputy Comptroller orders that:

- A. Pursuant to section 41 of the *UCA*, Breakwater Enterprises Ltd. is discontinued as a public utility and its Certificate of Public Convenience and Necessity and all subsequent amendments issued thereafter by the Comptroller of Water Rights are cancelled, and
- B. Pursuant to section 52(1)(a) of the *UCA*, the Comptroller approves the sale of the assets, rights and licenses of Breakwater Enterprises Ltd. to EPCOR North Island Water Inc. in accordance with the Asset Purchase Agreement dated December 31, 2004, between the parties, effective January 1, 2006, and
- C. Pursuant to sections 45 and 46 of the *UCA*, ENI is granted a Certificate of Public Convenience and Necessity for the acquisition of the assets, rights and licenses of the water system formerly owned by BEL, and
- D. The Order made on April 2, 1971, and approved by Order-in-Council No. 1287 on April 8, 1971, for the establishment of a Maintenance Reserve Trust Fund, and Order No. 672 dated February 9, 1982, for the establishment of a Deferred Capacity Trust Fund and Order No. 1728 dated December 5, 1995 for the establishment of a Construction Trust Fund and all subsequent amendments to those orders issued to BEL are now applicable to ENI.

Dated at Victoria, in the Province of British Columbia, this 30<sup>th</sup>, day of January 2006.



Pieter J. Bekker  
Deputy Comptroller of Water Rights