

**THE COMPETITION TRIBUNAL**

**IN THE MATTER OF THE *COMPETITION ACT***, R.S. 1985, c.C-34, as amended, and the *Competition Tribunal Rules*, SOR/94-290, as amended (the “*Rules*”);

**AND IN THE MATTER OF** an inquiry pursuant to subsection 10(1)(b) of the *Competition Act* relating to the proposed acquisition of ICG Propane Inc. by Superior Propane Inc.;

**AND IN THE MATTER OF** an Application by the Director of Investigation and Research for orders pursuant to s 92 and other provisions of the *Competition Act* consequential thereto.

**B E T W E E N:**

**THE DIRECTOR OF INVESTIGATION AND RESEARCH**

**Applicant**

- and -

**SUPERIOR PROPANE INC., PETRO-CANADA, THE CHANCELLOR HOLDINGS CORPORATION and ICG PROPANE INC.**

**Respondents**

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**REPLY TO THE RESPONSE OF PETRO-CANADA AND THE CHANCELLOR HOLDINGS CORPORATION**

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1. The Director’s reply to the statement of grounds and material facts and the admissions and denials of the Respondents ICG and Superior is contained in its reply to said Respondents. To the extent the Respondents Petro-Canada and Chancellor Holdings Corporation (“these Respondents”) adopt the submissions of Respondents ICG and Superior, the Director’s reply to Respondents ICG and Superior also constitutes its reply to these Respondents.

2. The Director admits the allegations in paragraphs 4(d), 4(e) and 4(f), as well as the last sentence of paragraph 4(c) of these Respondents' Response.
3. With the exception of the admissions mentioned above, the Director joins issue with these Respondents upon their Response and puts them to the strict proof thereof.
4. With respect to paragraph 4(b), the Director did not, at any time, provide these Respondents with an assurance that it would accommodate their concern over the risk of being ultimately required to take back the shares of ICG, in the event the Director challenged the proposed merger between ICG and Superior. On the contrary, the Director at all material times advised these Respondents of the seriousness of his concerns with the transaction.
5. At all material times, Petro-Canada was alive to the possibility of dissolution and bargained for that risk in its dealings with Superior. Moreover, it assumed this risk when it decided to abandon the initial public offering of ICG trust units on June 29<sup>th</sup>, 1998, without having obtained any assurance from the Director that he would not seek dissolution as a remedy in the event of a challenge to the Superior acquisition of ICG.

6. The Director hereby joins issue with these Respondents on their Response.

Dated at Ottawa this 12<sup>th</sup> day of February, 1999

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