

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3
CANADA



TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

AN ORDER IN THE MATTER OF the Utilities Commission
Act, S.B.C. 1980, c. 60, as amended

and

An Application by Pacific Northern Gas Ltd.
to Issue Secured Debentures

BEFORE: M.K. Jaccard, Chairperson; and)
L.R. Barr, Deputy Chairperson) June 9, 1995

ORDER

WHEREAS:


- A. On June 7, 1995 Pacific Northern Gas Ltd. ("PNG") applied to the Commission for approval to issue up to \$20 million of secured debentures ("the Debentures"), by way of private placement, pursuant to Section 57 of the Utilities Commission Act ("the Act"); and
- B. The cash received from the Debentures will be used to repay PNG's current short-term debt of approximately \$18.5 million; and
- C. The Commission has reviewed the Application and supporting material and finds that approval of the secured debenture issue is necessary and in the public interest.

NOW THEREFORE the Commission orders as follows:

- 1. The Commission approves in principle for PNG, pursuant to Section 57(2) of the Act, the issuance of up to \$20 million of secured debentures for a term of up to 30 years at a maximum interest rate, at time of issue, equivalent to the effective yield on non-callable Government of Canada bonds of similar maturity plus a premium not to exceed 1.1 percent, subject to PNG filing with the Commission the final pricing information and a copy of the Debentures documents.
- 2. PNG will record the difference between the actual and forecast interest costs of the issue in a deferral account for future disposal by the Commission.

DATED at the City of Vancouver, in the Province of British Columbia, this 16th day of June 1995.

BY ORDER


Dr. Mark K. Jaccard
Chairperson