

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



BRITISH COLUMBIA
UTILITIES COMMISSION

ORDER
NUMBER G-110

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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by Pacific Northern Gas Ltd.
for Approval in Principle to Issue Secured Debentures

BEFORE: L.R. Barr, Deputy Chair)
and Acting Chair) October 30, 1997
K.L. Hall, Commissioner)
F.C. Leighton, Commissioner)

O R D E R

WHEREAS:

- A. On October 29, 1997 Pacific Northern Gas Ltd. ("PNG") applied to the Commission for approval in principle to issue up to \$25 million of secured debentures ("the Debentures"), by way of private placement, pursuant to Section 50 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; and
- C. The Commission has reviewed the Application and supporting material and finds that approval in principle 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 50 of the Act, the issuance of up to \$25 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 1.50 percent, subject to PNG filing with the Commission the final pricing information and a copy of the Debenture documents.
2. PNG will record the increase in debt interest costs due to the new 1997 long-term debt in a deferral account to be amortized in rates in 1998, as per the 1997 ADR Settlement.

DATED at the City of Vancouver, in the Province of British Columbia, this 30th day of October, 1997.

BY ORDER

Original signed by:

Lorna R. Barr
Deputy Chair and

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Acting Chair