



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

and

An Application by Pacific Northern Gas (N.E.) Ltd.  
for Approval to Provide a Guarantee and Security

**BEFORE:** P. Ostergaard, Chair )  
K.L. Hall, Commissioner ) December 20, 2001  
N.F. Nicholls, Commissioner )

**O R D E R**

**WHEREAS:**

- A. On December 12, 2001, Pacific Northern Gas (N.E.) Ltd. ("PNG (N.E.)") applied to the Commission pursuant to Sections 50 and 52 of the Utilities Commission Act ("the Act"), for approval to provide a guarantee to the Royal Bank of Canada ("RBC") and to provide security for the guarantee; and
- B. The security to be granted by PNG (N.E.) is a pledge of accounts receivable and inventory to the extent permitted by PNG (N.E.)'s Indenture of Guarantee; and
- C. PNG (N.E.) has historically relied on the RBC operating facility, through Pacific Northern Gas Ltd., ("PNG") for all of its short-term debt requirements; and
- D. The granting of this security will increase PNG's borrowing base and the liquidity for both PNG and PNG (N.E.); and
- E. The Commission has reviewed the Application and supporting material and finds that approval of the Application is necessary and in the public interest.

**NOW THEREFORE** the Commission approves for PNG (N.E.), pursuant to Sections 50 and 52 of the Act, the provision of a guarantee to the Royal Bank of Canada and to provide security for the guarantee, all as described in the Application.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 20<sup>th</sup> day of December 2001.

BY ORDER

*Original signed by:*

Peter Ostergaard  
Chair