



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 of a New Credit Facility from the National Bank of Canada

**BEFORE:** P. Ostergaard, Chair )  
R.D. Deane, Commissioner ) March 6, 2003  
N.F. Nicholls, Commissioner )

**O R D E R**

**WHEREAS:**

- A. On February 28, 2003, Pacific Northern Gas Ltd. ("PNG") applied for Commission approval under Sections 50 and 52 of the Utilities Commission Act ("the Act") for a \$25,000,000 Credit Facility that includes the pledging of accounts receivable and inventory and hypothecation of a debenture pursuant to PNG's Trust Indenture; and
- B. This new Credit Facility from the National Bank of Canada ("NBC") replaces PNG's \$20,000,000 Demand Operating Line of Credit from the Royal Bank of Canada that bore interest at that bank's prime rate plus a premium and was subject to applicable margins; and
- C. On February 28, 2003, PNG provided the Commission with copies of the financing in draft form; and
- D. The effective interest rate will be the NBC prime rate and/or bankers acceptances plus applicable margins; and
- E. The NBC requires, from time to time, the following documents:
  - i. Monthly information confirming margin calculations,
  - ii. Annual audited financial statements,
  - iii. Detailed operating budget, forecast and capital budget for the ensuing year; and
- F. The Commission finds that approval of the Application is in the public interest.

BRITISH COLUMBIA  
UTILITIES COMMISSION

ORDER  
NUMBER      **G-13-03**

2

**NOW THEREFORE** the Commission orders as follows:

1. PNG's Application for a new credit facility of \$25,000,000 with the NBC is approved, pursuant to Sections 50 and 52 of the Act.
2. PNG is directed to inform the Commission immediately of any significant departure in the terms and conditions of the indebtedness as presented in the documents supporting this Application.
3. For 2003, PNG will record all net benefits derived from the new credit facility in the existing interest expense deferral account.

**DATED** at the City of Vancouver, in the Province of British Columbia, this      *sixth*      day of March 2003.

BY ORDER

*Original signed by:*

Peter Ostergaard  
Chair