



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)
P.G. Bradley, Commissioner) March 11, 2003
K.L. Hall, Commissioner)

O R D E R

WHEREAS:

- A. On February 28, 2003, 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 National Bank of Canada ("NBC") for amounts owed by Pacific Northern Gas Ltd. ("PNG") to the NBC 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 Pacific Northern Gas Ltd.'s operating facility for all of its short-term debt requirements; and
- D. PNG(N.E.) would not be able to obtain an operating line under its own name with terms and conditions any more attractive than PNG has obtained from NBC; 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 National 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 11th day of March 2003.

BY ORDER

Original signed by:

Peter Ostergaard
Chair