

**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-109-04

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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 (N.E.) Ltd.  
for Approval to Provide a Guarantee and Security

**BEFORE:** L.F. Kelsey, Commissioner )  
K.L. Hall, Commissioner ) December 9, 2004

**O R D E R**

**WHEREAS:**

- A. On November 23, 2004, 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 BMO Bank of Montreal ("BMO") for amounts owed by Pacific Northern Gas Ltd. ("PNG") to BMO 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 BMO; 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 BMO 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 10<sup>th</sup> day of December 2004.

BY ORDER

*Original signed by:*

K.L. Hall  
Commissioner