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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-169-11

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

and

**An Application by FortisBC Energy (Vancouver Island) Inc.
for Approval to Extend the Maturity Date of the Existing Term Credit Agreement
between the Applicant, the Royal Bank of Canada and Other Lenders**

BEFORE: L.F. Kelsey, Commissioner
D. Morton, Commissioner

October 6, 2011

O R D E R

WHEREAS:

- A. On December 15, 2005, the British Columbia Utilities Commission (the Commission) issued Order G-136-05 approving, among other things, the term credit facility between FortisBC Energy (Vancouver Island) Inc. [FEVI] [then Terasen Gas (Vancouver Island) Inc.], the Royal Bank of Canada and other lenders, and Royal Bank of Canada as administrative agent for the lenders, providing for an unsecured revolving five year term credit facility in the principal amount of up to \$350 million (the Term Credit Agreement or TCA), due to expire January 13, 2011;
- B. On April 14, 2010, the Commission issued Order G-66-10A approving an extension of the TCA to April 30, 2012 and a reduction of the principal amount from up to \$350 million to up to \$300 million;
- C. On September 27, 2011, FEVI applied to the Commission pursuant to sections 50(2) and 50(3) of the *Utilities Commission Act* (the Act) for approval to extend the maturity date of the existing TCA from April 30, 2012 to a date not later than December 31, 2013 and to reduce the principal amount from up to \$300 million to up to \$200 million (the Application);
- D. In the Application, FEVI submits that it expects to be able to obtain the extension on substantially similar terms as the existing agreement approved in Commission Order G-66-10A except for the reduced cost of the facility as outlined in the proposed pricing grid in Appendix A to the Application;
- E. The Commission filed an information request on September 29, 2011. FEVI filed the confidential information responses on October 3, 2011;

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
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2

- F. FEVI requested that Appendix A to the Application and the information request responses be held in confidence due to the commercial sensitivity of that information;
- G. The Commission has reviewed the Application and concludes that the Application is in the public interest and should be approved.

NOW THEREFORE pursuant to sections 50(2) and 50(3) of the *Utilities Commission Act*, the Commission:

- 1. Approves the extension to the maturity date of the Term Credit Agreement from April 30, 2012 to a date not to exceed December 31, 2013 and the incurrence of indebtedness by FEVI under the Term Credit Agreement as so extended, in the principal amount of up to \$200 million.
- 2. Directs FEVI to file with the Commission within one week of issue, the pricing grid for the extension.
- 3. Directs FEVI to continue to file with the Commission a report for each year detailing the actual annual activity and year-end balances for the Term Credit Agreement.
- 4. Confirms that Appendix A to the Application and the information responses filed by FEVI will be held confidential due to the commercial sensitive nature of the material.

DATED at the City of Vancouver, in the Province of British Columbia, this 6th day of October 2011.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner