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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-145-13**

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

**and
Pacific Northern Gas (N.E.) Ltd.
an Application for Approval of Credit Agreement Amendments and Extension**

BEFORE: L.F. Kelsey, Commissioner
C.A. Brown, Commissioner
N.E. MacMurchy, Commissioner September 12, 2013
B.A. Magnan, Commissioner
D.M. Morton, Commissioner
C. van Wermeskerken, Commissioner

O R D E R

WHEREAS:

- A. On August 19, 2013, Pacific Northern Gas Ltd. (PNG) and Pacific Northern Gas (N.E.) (PNG(N.E.)) applied to the British Columbia Utilities Commission (the Commission) pursuant to section 50 of the *Utilities Commission Act* to approve amendments to the existing credit agreement between PNG and PNG(N.E.) as borrowers and the Bank of Montreal (BMO) as lender (the Credit Agreement), under which BMO has provided an operating line and treasury/commodity hedge line to PNG and PNG(N.E.). The Application sought approval to:
- i. Extend the term of the Credit Agreement by a further 18 months;
 - ii. Amend the financial terms of the operating line with BMO, as detailed in the Application; and
 - iii. Incur indebtedness under the amended Credit Agreement from time to time.
- B. The Application also provides the Commission with the details of other proposed amendments to the operating and hedge lines with BMO as required by Section 2 of Commission Order G-60-12;
- C. By Order G-60-12 the Commission approved amendments to the Credit Agreement and an extension of the term by an additional 18 months to November 28, 2013;
- D. PNG and PNG(N.E.) requested that the financing terms set forth in the Application remain confidential.

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E. The Commission has reviewed the Application and finds that approval is warranted.

NOW THEREFORE pursuant to section 50 of the *Utilities Commission Act*, the Commission orders as follows:

1. PNG(N.E.)'s application to (i) amend the existing Credit Agreement with BMO to extend the term by 18 months, (ii) amend the financial terms of the operating line as described in the Application, and (iii) incur indebtedness under the amended Credit Agreement from time to time, is approved.
2. PNG(N.E.) is directed to inform the Commission immediately of any significant departure in the terms and conditions set forth in the BMO term sheet for the amended and extended Credit Agreement.
3. PNG(N.E.) shall continue to file with the Commission a report for each year detailing the actual annual activity and year-end balances for the Credit Agreement.
4. The Commission will keep confidential the financing terms set forth in the Application due to the commercial sensitivity of the terms.

DATED at the City of Vancouver, in the Province of British Columbia, this 12th day of September 2013.

BY ORDER

Original signed by:

D.M. Morton
Commissioner