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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-98-13**

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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 Ltd.
for Approval of the Amendments to the Agreement for Sale
of its Interest in Pacific Trail Pipelines Limited Partnership

BEFORE: L.F. Kelsey, Commissioner

June 14, 2013

O R D E R

WHEREAS:

- A. On February 15, 2011, Pacific Northern Gas Ltd. (PNG) applied to the British Columbia Utilities Commission (Commission) for approval under Section 52 of the *Utilities Commission Act* (Act) to sell its 50 percent interest in Pacific Trail Pipelines Limited Partnership (PTP) to Apache Canada Ltd. (Apache Canada) and EOG Resources Canada Inc. (EOG Canada). The Commission approved the sale by Order G-35-11, dated February 25, 2011. The approval was based on the acquisition agreement between PNG, Apache Canada and EOG Canada, dated February 4, 2011 (Acquisition Agreement);
- B. Under the Acquisition Agreement, PNG sold its 50 percent interest in PTP to Apache Canada and EOG Canada, subject to a contingent reversionary right at the end of 2013. The purchase price of \$50 million was to be paid in two tranches. The first tranche of \$30 million was paid to PNG on closing in March 2011. The remaining \$20 million was to be paid upon Apache Canada and EOG Canada advising PNG that they had issued a notice to proceed with respect to the construction of the Kitimat LNG (KLNG) Project;
- C. On February 8, 2013, Chevron Canada Limited (Chevron) acquired 50 percent of PTP, including the Acquisition Agreement. On May 23, 2013 PNG, Chevron and Apache Canada entered into an agreement to amend certain rights and obligations in the Acquisition Agreement and to provide for PNG's consent to the assignment of EOG Canada's interest in the Acquisition Agreement to Chevron (Amending Agreement);
- D. On June 7, 2013, PNG applied to the Commission under Section 52 of the Act for approval of the Amending Agreement (the Application). PNG requests approval of the Application by August 1, 2013;

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E. The Commission has reviewed the Application and has determined that a written hearing process is warranted.

NOW THEREFORE pursuant to Section 52 of the *Utilities Commission Act*, the Commission orders that the Pacific Northern Gas Ltd. application for approval of the Amending Agreement will be reviewed by way of a written public hearing, following the Regulatory Timetable attached as Appendix A to this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of June 2013.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner

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REGULATORY TIMETABLE

ACTION	DATE (2013)
Registration Deadline for Interveners and Interested Parties	Friday, June 21
Commission Information Requests Issued to PNG	Wednesday, June 26
Intervener Information Requests Issued to PNG	Friday, June 28
PNG Response to Information Requests	Thursday, July 4
PNG Final Argument	Tuesday, July 9
Intervener Final Argument	Friday, July 12
PNG Reply Argument	Wednesday, July 17