



ORDER NUMBER
G-270-22

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Energy Inc.
Application to Incorporate a Sustainability Linked Loan into the FortisBC Energy Inc.'s Existing Term Credit Agreement

BEFORE:

E. B. Lockhart, Panel Chair
B. A. Magnan, Commissioner

on September 28, 2022

ORDER

WHEREAS:

- A. On August 26, 2022, FortisBC Energy Inc. (FEI) applied to the British Columbia Utilities Commission (BCUC) pursuant to sections 50(2), 50(3) and 50(7) of the *Utilities Commission Act* (UCA) for approval to amend FEI's Existing Term Credit Agreement to incorporate a Sustainability Linked Loan (SLL) component to be administered by the Canadian Imperial Bank of Commerce (CIBC) (Application);
- B. FEI also requests approval to subsequently extend the SLL component of FEI's Existing Term Credit Agreement for additional periods not greater than 365 days without further BCUC approval, where there are no other material changes to the SLL;
- C. FEI requests the Application and any associated compliance filings be held confidential on the basis that they contain commercially sensitive information;
- D. Pursuant to Order G-96-07 dated August 14, 2007, the BCUC approved incurrence of indebtedness by FEI (then Terasen Gas Inc.) under the Existing Term Credit Agreement between FEI, CIBC and other lenders, with CIBC as administrative agent for the lenders, providing for an unsecured revolving term credit facility for the principal amount of up to \$500 million with an initial term not to exceed five years;
- E. By Order G-90-08 dated January 28, 2008, among other things, the BCUC states in Directive 2 that "Terasen Gas shall file with the Commission a report for each year detailing the actual annual activity and year-end balances for the Term Credit Agreement for the extended term as offered with CIBC";
- F. By subsequent Orders G-90-08, G-78-12, G-92-13, G-77-14, G-109-15, G-105-16, G-112-17, G-120-18, G-178-19, and G-210-21, the BCUC approved extensions and an increase to \$700 million for the Existing Term Credit Agreement, with a current maturity date of July 14, 2026; and
- G. The BCUC has reviewed the Application and finds that approval is warranted.

NOW THEREFORE pursuant to sections 50(2), 50(3), and 50(7) of the UCA, the BCUC orders as follows:

1. FEI is approved to amend FEI's Existing Term Credit Agreement to incorporate an SLL component for an initial term not to exceed the current expiry date of the Existing Term Credit Agreement of July 14, 2026. The SLL shall include one or more Key Performance Indicators (KPIs), and the SLL pricing adjustment not to exceed 5 basis points to the Applicable Margin and a corresponding adjustment to the Standby Fee equivalent to a percentage of the operative Standby Fee to the Applicable Margin.
2. FEI's application for approval to subsequently extend the SLL component of the Existing Term Credit Agreement for periods not greater than 365 days without further BCUC approval, where there are no other material changes to the SLL, is denied.
3. FEI is directed to file with the BCUC within one week of execution, the complete Term Sheet including the SLL pricing adjustment and corresponding KPIs and targets set for the initial term.
4. FEI is directed to report to the BCUC on FEI's performance against its SLL KPIs and targets and any resulting financial gains or losses as part of its annual compliance filing, detailing the actual annual activity and year-end balances for the Existing Term Credit Agreement per Directive 2 in Order G-90-08, once SLL annual results become available.
5. The BCUC will keep confidential the Application and related filings as they contain commercially sensitive information that is material non-public information which FEI is prohibited from selectively disclosing.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of September 2022.

BY ORDER

Original signed by:

E.B. Lockhart
Commissioner