



**ORDER NUMBER
G-69-23**

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

and

Pacific Northern Gas (N.E.) Ltd.
Application for Approval of the Issuance of Debt Securities, Issuance of Additional Equity, and
Approval of Amendment to Existing Financial Obligation

BEFORE:
E.B. Lockhart, Commissioner

on March 28, 2023

ORDER

WHEREAS:

- A. On February 21, 2023, Pacific Northern Gas (N.E.) Ltd. [PNG(NE)] applied for British Columbia Utilities Commission (BCUC) approval under section 50 of the *Utilities Commission Act* (UCA):
- i. To enter into an agreement with Pacific Northern Gas Ltd. (PNG), its parent company, in the principal amount of \$25.5 million (Term Debenture Facility) on the terms and conditions set forth in the Application for the allocation of 17 percent of each of the following three term debentures (PNG Term Debentures) that PNG has entered into with TriSummit Utilities Ltd. (TSU), PNG's parent company:
 - a) A committed seven-year fixed rate unsecured debenture in the amount of \$50 million;
 - b) A committed ten-year fixed rate unsecured debenture in the amount of \$50 million; and
 - c) A committed thirty-year fixed rate unsecured debenture in the amount of \$50 million.
 - ii. To enter into an agreement with PNG in the principal amount of \$20 million (Revolving Term Facility) on the terms and conditions set forth in the Application for the allocation of 20 percent of the \$100 million four-year term revolving facility that PNG has entered into with TSU (collectively, Application);
- B. In addition, PNG(NE) requests approval to transfer the unamortized balance of its debt issue expenses under the existing revolving facility with PNG (PNG Revolving Credit Facility) to a short-term interest deferral account for amortization through May 4, 2023;

- C. PNG(NE) submits that the proceeds from the Term Debenture Facility will be used to retire the \$24.750 million PNG Revolving Credit Facility which otherwise matures on May 4, 2023;
- D. As part of the Application, PNG(NE) filed the term sheet relating to the PNG Term Debentures;
- E. PNG(NE) requests that details of the financing terms set forth in the Application be kept confidential by the BCUC on the basis that they are commercially sensitive;
- F. On March 15, 2023 and March 27, 2023, the BCUC issued staff questions (BCUC Staff Questions) to PNG(NE);
- G. On March 21, 2023 and March 27, 2023, PNG(NE) filed responses to the BCUC Staff Questions on the Application; and
- H. The BCUC has reviewed the Application and PNG(NE)'s responses to the BCUC Staff Questions and considers that approval is warranted.

NOW THEREFORE pursuant to sections 50 and 59 to 61 of the UCA, the BCUC orders as follows:

- 1. PNG(NE) is approved to enter into the Term Debenture Facility with PNG on the terms and conditions set forth in the Application.
- 2. PNG(NE) is approved to enter into the Revolving Term Facility with PNG on the terms and conditions set forth in the Application.
- 3. PNG(NE) is directed to immediately inform the BCUC of any significant departure in the terms and conditions set forth in the Application for the Term Debenture Facility or Revolving Term Facility.
- 4. PNG(NE) is approved to establish a short-term interest deferral account to record the unamortized debt issue costs of the PNG Revolving Credit Facility and to amortize that account through May 4, 2023.
- 5. PNG(NE)'s request to keep the financing terms set forth in the Application confidential due to their commercially sensitive nature is accepted.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of March 2023.

BY ORDER

Original signed by:

E.B. Lockhart
Commissioner