



ORDER NUMBER
G-3-24

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

and

Pacific Northern Gas (N.E.) Ltd.
Quintette Resources Limited Partnership Service Agreement for Firm Sales Service

BEFORE:

B. A. Magnan, Panel Chair

on January 5, 2024

ORDER

WHEREAS:

- A. On December 21, 2023, Pacific Northern Gas (N.E.) Ltd. (PNG(NE)) applied to the British Columbia Utilities Commission (BCUC) seeking approval of the following, pursuant to sections 59 to 61 and 71 of the *Utilities Commission Act* (UCA):
1. An interim gas sales agreement (GSA) to provide natural gas service to Quintette Resources Limited Partnership's (QRLP) Quintette Plant, which is located in PNG (NE)'s Tumbler Ridge service area;
 2. A liquefied natural gas supply agreement dated December 21, 2023 (Supply Agreement) pursuant to which Lovat Gas Solutions Ltd. (Lovat) will supply liquefied natural gas (LNG) to PNG(NE) at PNG(NE)'s Quintette Gate Station to enable provision of back up LNG supply to the Quintette Plant (Application).
- B. The GSA is considered to commence, pending approval, on the last to occur of (i) January 1, 2024; (ii) the date upon which PNG files this Agreement with the BCUC in accordance with Section 61 of UCA; (iii) the date that the LNG Facilities have been installed, tested and commissioned by PNG; and (iv) the date upon which Customer has provided to PNG the Credit Support. The GSA has a term expiring on September 30, 2024;
- C. During the period of the interim GSA, PNG (NE) will undertake its necessary studies, and QRLP will refine its gas requirement forecast required to establish a permanent sales and delivery agreement of an increased amount of gas to the Quintette Plant;
- D. The BCUC has commenced its review of the Application and considers that interim approval of the GSA is warranted.

NOW THEREFORE the BCUC orders as follows:

1. The GSA set forth in the Application, and specifically the rates set out in Appendix B of the GSA, are approved on an interim basis, effective January 1, 2024. Any differences between the interim and permanent rates that are determined by the BCUC following final disposition of the Application are subject to refund/recovery, with interest at the average prime rate of PNG(NE)'s principal bank for its most recent year.
2. PNG(NE) is to file the GSA for endorsement with the BCUC within 15 days of the issuance of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 5th day of January 2024.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner