



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-77-15**

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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.
Application for Approval of Credit Agreement
Extension and Amendment

BEFORE: L. F. Kelsey, Commissioner
C. A. Brown, Commissioner
H. G. Harowitz, Commissioner
K. A. Keilty, Commissioner
N. E. MacMurphy, Commissioner
I. F. MacPhail, Commissioner
B. A. Magnan, Commissioner
D. M. Morton, Commissioner
R. D. Revel, Commissioner

May 14, 2015

O R D E R

WHEREAS:

- A. On April 22, 2015, Pacific Northern Gas Ltd. (PNG) and Pacific Northern Gas (N.E.) Ltd. (PNG (N.E.)), filed with the British Columbia Utilities Commission (Commission) pursuant to section 50 of the *Utilities Commission Act* (Act), an application for approval of an amendment to, and extension of, the existing credit agreement between PNG and PNG (N.E.) as borrowers and the Bank of Montreal (BMO) as lender (Credit Agreement), under which BMO has provided an operating line and treasury/commodity hedge line to PNG and PNG (N.E.) (Application);
- B. By Orders G-144-13 and G-145-13, the Commission approved an amendment to the Credit Agreement and an extension of the term by an additional 18 months to May 22, 2015;
- C. The Application seeks approval to (i) extend the term of the Credit Agreement by an additional 18 months, (ii) incur indebtedness under the Credit Agreement from time to time, and (iii) amend the financial terms of the Credit Agreement as detailed in the Application (Amended Credit Agreement);
- D. In the Application, PNG and PNG (N.E.) request that the financing terms set forth in the Application remain confidential due to their commercially sensitive nature; and

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

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

1. The Application by Pacific Northern Gas (N.E.) Ltd. (PNG (N.E.)) to (i) amend the existing Credit Agreement with Bank of Montreal (BMO) to extend the term by 18 months, (ii) incur indebtedness under the Amended Credit Agreement from time to time, and (iii) amend the financial terms of the existing Credit Agreement as set forth in the Application, 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 Credit Agreement.
3. PNG (N.E.) must continue to file with the Commission a report for each year detailing the actual annual activity and year-end balances for the Amended Credit Agreement.
4. The Commission will keep confidential the financing terms set forth in the Application due to the commercially sensitive nature of the information.

DATED at the City of Vancouver, in the Province of British Columbia, this 19th day of May 2015.

BY ORDER

Original signed by:

D. Morton
Commissioner