



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-109-15**

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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

FortisBC Energy Inc.
Application for Approval to Terminate FortisBC Energy (Vancouver Island) Inc. Term Credit Agreement
and to Amend and Extend FortisBC Energy Inc. Term Credit Agreement

BEFORE: L. F. Kelsey, Commissioner
H. G. Harowitz, Commissioner June 25, 2015
K. A. Keilty, Commissioner
D. M. Morton, Commissioner

O R D E R

WHEREAS:

- A. Order G-96-07 issued by the British Columbia Utilities Commission (Commission) on August 14, 2007, approved the incurrence of indebtedness by FortisBC Energy Inc. (FEI), formerly Terasen Gas Inc. (TGI), under a credit agreement between FEI, the Canadian Imperial Bank of Commerce (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 and a maturity date of August 24, 2012;
- B. The FEI term credit agreement contains an annual extension mechanism that permits FEI to request the lenders to extend the maturity date for a further 365 days. By way of Orders G-90-08, G-78-12, and G-92-13, the Commission has approved 365 day extensions of the maturity date, and by way of Order G-77-14, the Commission approved an extension of the term credit agreement by 365 days, from August 24, 2015 to an extended maturity date of August 24, 2016;
- C. Order G-136-05 issued by the Commission on January 13, 2006, approved the incurrence of indebtedness by FortisBC Energy (Vancouver Island) Inc. (FEVI), formerly Terasen Gas (Vancouver Island) Inc., under a credit agreement between FEVI, the Royal Bank of Canada (RBC) and other lenders, with RBC as administrative agent for the lenders, providing for a revolving five year term credit facility for the principal amount of up to \$350 million and a maturity date of January 13, 2011;
- D. The principal amount of the FEVI term credit agreement was subsequently reduced to \$300 million and the maturity date extended to April 30, 2012 by way of Order G-66-10A, and again reduced to \$200 million and the maturity date extended to December 31, 2013 by way of Order G-169-11. The Commission approved a further extension of the maturity date to December 31, 2015 by way of Order G-103-13;

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- E. Effective December 31, 2014, and pursuant to Order G-21-14 and OIC No. 300, FEI, FEVI, and FortisBC Energy (Whistler) Inc. (FEW), were amalgamated into a single entity operating as FEI;
- F. On June 10, 2015, FEI filed an application with the Commission pursuant to sections 50(2) and 50(3) of the *Utilities Commission Act* (Act), for approval to terminate the \$200 million FEVI term credit agreement, as well as extend and amend the FEI term credit agreement subject to approval of the lenders (Application). The proposed amendments to the terms of the FEI credit agreement include a \$200 million increase to the principal amount for a total of \$700 million, and an extension of the maturity date to August 24, 2018;
- G. FEI requests that the extension fees and pricing grid be kept confidential due to the commercially sensitive nature of the information; and
- H. The Commission has reviewed the Application and considers that approval is warranted.

NOW THEREFORE pursuant to sections 50(2) and 50(3) of the *Utilities Commission Act*, the British Columbia Utilities Commission orders as follows:

1. FortisBC Energy Inc.'s (FEI) application to terminate the FortisBC Energy (Vancouver Island) Inc. term credit agreement of \$200 million, on or before the current maturity date of December 31, 2015, is approved.
2. FEI's application to amend and extend its term credit agreement as proposed in the Application is approved.
3. FEI must file with the Commission a copy of the amended credit agreement within ten days of its approval by the lenders. FEI must file with the Commission the updated Term Sheet that discloses the upfront amendment fee for the extended term as granted by the lenders.
4. The Commission will keep the extension fees and pricing grid confidential.

DATED at the City of Vancouver, in the Province of British Columbia, this 26th day of June 2015.

BY ORDER

Original signed by:

D. Morton
Commissioner