



**ORDER NUMBER
G-160-16A**

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

and

Pacific Northern Gas (N.E.) Ltd.
Application for Approval of Operating Line
and Treasury/Commodity Hedge Line Extension

BEFORE:

D. M. Morton, Commissioner
D. J. Enns, Commissioner
W. M. Everett, Commissioner
H. G. Harowitz, Commissioner
M. Kresivo, Commissioner
R. I. Mason, Commissioner
R. D. Revel, Commissioner

on November 3, 2016

ORDER

WHEREAS:

- A. On October 6, 2016, Pacific Northern Gas (N.E.) Ltd. [PNG (N.E.)] applied to the British Columbia Utilities Commission (Commission) pursuant to section 50 of the *Utilities Commission Act* (UCA) for approval of an extension to the existing credit agreement between Pacific Northern Gas Ltd. (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 Order G-77-15, the Commission approved amendments to the Credit Agreement and an extension of the maturity date by an additional 18 months to November 22, 2016;
- C. The Application seeks approval to extend the term of the Credit Agreement by an additional 18 months to May 22, 2018 and to incur indebtedness under the extended Credit Agreement from time to time;
- D. In the Application, PNG (N.E.) also seeks approval of any further extension(s) of the term of the Credit Agreement provided that no such extension individually exceeds 18 months and provided there are no amendments to any pre-existing terms and conditions of the Credit Agreement;
- E. In the Application, PNG (N.E.) requests that the financing terms set forth in the Application remain confidential due to their commercially sensitive nature;
- F. The Commission has reviewed the Application and considers that approval of an 18-month extension to the Credit Agreement is in the public interest; and

- G. The Commission does not consider that approval of PNG (N.E.)'s request for further extension(s) of the term of the Credit Agreement, as described in Recital D, is warranted. The requested provision conflicts with the Commission's duties under section 50(3)(a)(ii) of the UCA.

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

1. The Pacific Northern Gas (N.E.) Ltd. application to (i) extend the term of the existing Credit Agreement with the Bank of Montreal by 18 months, and (ii) incur indebtedness under the extended Credit Agreement from time to time, is approved.
2. Pacific Northern Gas (N.E.) Ltd.'s application for approval of any further extension(s) of the term of the Credit Agreement provided that no such extension individually exceeds 18 months and there are no amendments to any pre-existing terms and conditions is denied.
3. Pacific Northern Gas (N.E.) Ltd. is directed to inform the Commission immediately of any significant departure in the terms and conditions set forth in the Bank of Montreal term sheet for the extended Credit Agreement.
4. The Commission will keep confidential the financing terms set forth in the October 6, 2016 application due to the commercially sensitive nature of the information.

DATED at the City of Vancouver, in the Province of British Columbia, this 3rd day of November 2016.

BY ORDER

D. M. Morton
Commissioner