



**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER G-146-09**

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

and

An Application by Pacific Northern Gas (N.E.) Ltd.  
for Approval of the Issuance of Debt Securities  
and Granting of Security for Certain Financial Obligations

**BEFORE:** L.F. Kelsey, Commissioner  
P.E. Vivian, Commissioner December 3, 2009  
D.A. Cote, Commissioner

### **ORDER**

#### **WHEREAS:**

- A. On October 22, 2009, Pacific Northern Gas (N.E.) Ltd. ["PNG(N.E.)"] applied to the British Columbia Utilities Commission (the "Commission") for approval under section 50 of the *Utilities Commission Act* (the "Act") to enter into a five-year term revolving credit facility with its parent company, Pacific Northern Gas Ltd. ("PNG") in the principal amount of \$12 million (the "PNG Revolving Credit Facility"); and
- B. The PNG Revolving Credit Facility would replace a similar five-year \$7.5 million loan agreement between PNG(N.E.) and PNG that was approved by the Commission under Order G-88-07 (the "Existing Facility"); and
- C. The unamortized debt issue costs under the Existing Facility will be combined with the PNG Revolving Credit Facility debt issue expenses, and used to calculate the effective interest rate of the Revolving Credit Facility; and
- D. The Commission has reviewed the Application and supporting material and finds that approval of the PNG Revolving Credit Facility is in the public interest.

**NOW THEREFORE** pursuant to sections 50 and 52 of the Act, the Commission orders as follows:

1. Approval for PNG(N.E.) to enter into and incur indebtedness under the \$12,000,000 PNG Revolving Credit Facility on the terms and conditions set forth in the Application.
2. The unamortized debt issue costs under the Existing Facility are to be recorded in a rate base deferral

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account to be amortized over the remaining life of the Existing Facility.

3. The Commission will keep confidential the financing terms set forth in the Application due to the commercial sensitivity of the terms.

**DATED** at the City of Vancouver, in the Province of British Columbia, this    3<sup>rd</sup>  day of December 2009.

BY ORDER

*Original signed by:*

D.A. Cote  
Commissioner