



**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER G-145-09**

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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 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 Ltd. ("PNG") applied to the British Columbia Utilities Commission (the "Commission") for approval under sections 50 and 52 of the *Utilities Commission Act* (the "Act") to enter into a committed five year term revolving credit facility with Roynat Inc. ("Roynat") and Canadian Western Bank ("CWB") in the principal amount of \$35,000,000 (the "Revolving Credit Facility") and to secure the Revolving Credit Facility by the issuance of a \$35,000,000 joint secured debenture to Roynat and CWB (the "Revolving Credit Debenture"); and
- B. The Revolving Credit Facility would replace a similar debt facility approved by the Commission under Order G-82-07 (the "Existing Facility"); and
- C. The Revolving Credit Facility will be used for utility purposes up to \$25,000,000 and non-utility purposes up to \$10,000,000 provided that any unutilized portion of the non-utility allocation may be utilized for utility purposes if required for such purposes; and
- D. The unamortized debt issue costs under the Existing Facility will be combined with the new Revolving Credit Facility debt issue costs, which will be net of recoveries from PNG's subsidiary Pacific Northern Gas (N.E.) Ltd. and net of the non-utility portion of such expenses at the level proposed in the Application, and used to calculate the effective interest rate of the Revolving Credit Facility; and
- E. Copies of the term sheets from each of Roynat and CWB, as joint providers of the proposed Revolving Credit Facility to be secured by the Revolving Credit Debenture, were filed with the Commission as part of the Application; and

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- F. The Commission has reviewed the Application and supporting material and finds that the requested approvals of the Revolving Credit Facility and the issuance of the Revolving Credit Debenture are in the public interest.

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

1. Approval for PNG to enter into the \$35,000,000 Revolving Credit Facility with Roynat and CWB on the terms and conditions set forth in the Roynat and CWB term sheets filed with the Application, and incurring indebtedness thereunder from time to time, and securing the Revolving Credit Facility by the issuance of the Revolving Credit Debenture.
2. The Revolving Credit Facility will be used for utility purposes only and will not be available for non-utility purposes.
3. The unamortized debt issue costs under the Existing Facility are to be recorded in a rate base deferral account to be amortized over the remaining life of the Existing Facility.
4. 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