



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-174-10**

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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 Credit Agreement Amendments

BEFORE: L.F. Kelsey, Commissioner
D.A. Cote, Commissioner

November 25, 2010

O R D E R

WHEREAS:

- A. On November 17, 2010, Pacific Northern Gas Ltd. (PNG) and Pacific Northern Gas (N.E.) Ltd. [PNG(N.E.)] applied (the Application) to the British Columbia Utilities Commission (Commission) under section 50 of the *Utilities Commission Act* (the Act) to approve certain amendments to the existing credit agreement between PNG and PNG(N.E.) as borrowers and Bank of Montreal (BMO) as lender (the Credit Agreement), under which BMO has provided an operating line and treasury/commodity hedge line to PNG and PNG(N.E.), and to approve the incurrence of indebtedness under the amended Credit Agreement from time to time. The proposed amendments would extend the term of the Credit Agreement by 18 months, effective from the closing date, which will be on or before January 7, 2011, and reduce the credit spreads under the operating line and eliminate the borrowing base restriction;
- B. The Application also provides the Commission with the details of other proposed amendments to the Credit Agreement as required by section 3 of Commission Order G-80-09;
- C. The Commission has reviewed the Application and supporting material and finds that the requested approvals are in the public interest.

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

1. The Application by PNG to (i) amend the existing Credit Agreement with BMO to extend the term by 18 months, (ii) incur indebtedness under the amended Credit Agreement from time to time, and (iii) implement other amendments to the Credit Agreement as more particularly described in the Application, is approved.

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2. PNG 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.

DATED at the City of Vancouver, in the Province of British Columbia, this 25th day of November 2010.

BY ORDER

Original signed by:

D.A. Cote
Commissioner