



**ORDER NUMBER  
G-220-18**

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

and

Pacific Northern Gas Ltd.  
Application for Approval of Letter Agreement between  
Pacific Northern Gas Ltd. and Triton LNG Limited Partnership

**BEFORE:**

B. A. Magnan, Commissioner

on November 19, 2018

**ORDER**

**WHEREAS:**

- A. On April 9, 2018, Pacific Northern Gas Ltd. (PNG) filed with the British Columbia Utilities Commission (BCUC) pursuant to sections 59 to 61 of the *Utilities Commission Act* a request for approval of a letter agreement entered into between PNG and Triton LNG Limited Partnership (Triton) on March 29, 2018 (Letter Agreement) and to establish an interest-bearing deferral account to capture any option fees received from Triton (Application);
- B. The Letter Agreement, attached as Appendix A to the Application, sets out the terms and conditions under which PNG will provide Triton with an option on firm and interruptible transportation service for a proposed small modular liquefied natural gas (LNG) or methanol export project to be located at Ridley Island, BC. The option is for a minimum of 20 MMcf/day of firm transportation service, increasing to approximately 50 MMcf/day of firm transportation service at Triton's election, should Triton elect to reserve additional capacity on terms to be determined by PNG;
- C. By Order G-93-18 dated May 15, 2018, the BCUC established a regulatory timetable for the review of the Application, including one round of BCUC information requests (IRs), an opportunity for members of the public to file letters of comment, and PNG responses to letters of comment;
- D. On June 8, 2018, the BCUC received a letter of comment from Western LNG LLC (WLNG) stating it opposes the Application on public interest grounds. In consideration of WLNG's letter of comment and subsequent response from PNG on June 15, 2018, the BCUC issued Order G-116-18 which amended the regulatory timetable to provide for, among other things, intervener registration and intervener IRs;
- E. By Order G-134-18 dated July 19, 2018, the BCUC amended the regulatory timetable to include the filing of intervener evidence, IRs on intervener evidence, the filing of rebuttal evidence by PNG, IRs on PNG's rebuttal evidence, and written final and reply arguments;

- F. On August 24, 2018, the BCUC issued Panel IR No. 1 to PNG and requested a response from PNG by August 29, 2018;
- G. By Order G-163-18 dated August 30, 2018, the BCUC amended the regulatory timetable to extend the deadlines for PNG's response to Panel IR No. 1 and for the written final and reply arguments;
- H. On September 7, 2018, PNG filed a letter with the BCUC requesting to suspend the regulatory timetable established by Order G-163-18 in order to establish a platform for multilateral discussions with interested parties regarding contracting for capacity on PNG's transmission system;
- I. In consideration of PNG's request and subsequent comments from WLNG and PNG, on September 24, 2018 the BCUC issued Order G-175-18 granting PNG's request to suspend the regulatory timetable pending a proposal for further process to be submitted by PNG no later than November 1, 2018;
- J. On November 1, 2018, PNG filed a letter providing an update on its Multilateral Process (MLP) and meetings with interested parties. PNG states that the MLP consists of four steps with preliminary timelines and that the first step, executing non-binding expressions of interest for capacity on PNG's pipeline system, has been completed. PNG therefore requests to withdraw the Application in favour of moving forward with the next steps of the MLP. PNG states that it has discussed its intent to withdraw the Application with Triton and the interveners and that none of the parties object to this approach; and
- K. The Panel has reviewed the information provided by PNG in its November 1, 2018 letter and considers that the Application should be dismissed.

**NOW THEREFORE** pursuant to section 88.1 of the *Utilities Commission Act* the BCUC orders that the application for the approval of the Letter Agreement between PNG and Triton is dismissed.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 19<sup>th</sup> day of November 2018.

BY ORDER

*Original signed by:*

B. A. Magnan  
Commissioner