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British Columbia
Utilities Commission

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September 24, 2018

Sent via eFile

PNG & Triton LNG Letter Agreement
Exhibit A-14

Ms. Janet P. Kennedy
Vice President, Regulatory Affairs & Gas Supply
Pacific Northern Gas Ltd.
2550 - 1166 West Hastings Street
Vancouver, BC V6E 3X2
jkennedy@png.ca

Re: Pacific Northern Gas Ltd. – Pacific Northern Gas Ltd. and Triton LNG Limited Partnership Letter Agreement Application – Project No. 1598957 – Suspending the Regulatory Timetable

Dear Ms. Kennedy:

Further to the above-noted application, enclosed please find BCUC Order G-175-18 suspending the regulatory timetable.

Sincerely,

Original signed by

Patrick Wruck
Commission Secretary

/jo
Enclosure

cc: Mr. Verlon G. Otto, CA
Director, Regulatory Affairs
Pacific Northern Gas Ltd.
votto@png.ca



ORDER NUMBER
G-175-18

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 September 24, 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. By letter dated September 10, 2018, the BCUC sought comments from interveners on the request by PNG to suspend the regulatory timetable;
- J. By letter dated September 13, 2018, WLNG stated that it supports a limited suspension of the proceeding until November 1, 2018;
- K. PNG responded to WLNG's letter of comment on September 17, 2018, stating that depending on the progress and status of discussions as at November 1, 2018, it may be in a position to withdraw the Application or to seek a further suspension at that time; and
- L. The BCUC has reviewed the submissions and considers that suspending the regulatory timetable established by Order G-163-18 is warranted.

NOW THEREFORE the BCUC orders as follows:

1. The regulatory timetable established by Order G-163-18 is suspended.
2. PNG must report to the BCUC on the status of its discussions with interested parties and provide a proposal for further process by November 1, 2018.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of September 2018.

BY ORDER

Original signed by

B. A. Magnan
Commissioner