



Verlon G. Otto
Director, Regulatory Affairs

Pacific Northern Gas Ltd.
2550 - 1066 West Hastings Street
Vancouver, BC V6E 3X2
Tel: (604) 691-5680
Fax: (604) 697-6210
Email: votto@png.ca

Via E-Mail

BCUC File 59870

February 19, 2019

BC Utilities Commission
Suite 410 - 900 Howe Street
Vancouver, BC
V6Z 2N3

File No.: 4.2 (2019)

Attention: Patrick Wruck
Commission Secretary and Manager, Regulatory Services

Dear Mr. Wruck:

**Re: Pacific Northern Gas Ltd.
Application for Approval of Franchise Agreements Renewed by
Notice of Renewal Issued in Fall 2010 and Spring 2011**

Background

In the fall of 2010 and spring of 2011, Pacific Northern Gas Ltd. (PNG) sent a notice of renewal of franchise arrangements (Renewal Notices) to several municipalities with which it had franchise agreements in place. These municipalities included: the District of Port Edward; the Town of Smithers; the District of Kitimat; the Village of Burns Lake; the District of Houston; the City of Terrace; and the District of Vanderhoof (Municipalities).

At that time, the original franchise agreements with the Municipalities were nearing the end of their 21-year initial term and PNG issued the Renewal Notices in compliance with the renewal terms contained in the franchise agreements (Section 4.1 and Section 4.2). All of the Municipalities accepted the franchise agreement renewals and provided written acknowledgement to this effect. Copies of the Renewal Notices with municipal acknowledgement have been appended to this submission for reference.

Recent Developments

In late 2017, one of the Municipalities sent correspondence to PNG stating that "it is our understanding that PNG would be advising the BC Utilities Commission of the Franchise Agreement Renewal. To date we have not been provided documentation confirming approval of the Franchise Agreement by the BC Utilities Commission."

At that time, PNG undertook a review of correspondence on this matter and can confirm that BCUC approval was neither sought nor provided for the Renewal Notices. PNG notes that each of the Renewal Notices include the statement that, "By copy of this letter, PNG is advising the BCUC of the renewal." Indications are that the BCUC was sent a copy of each of the Renewal Notices. Further, PNG notes that a review of historical internal documentation on these Renewal Notices found the notation that "Commission Staff have verbally confirmed that Commission approval is not required should either party give the other notice of renewal under section 4.2."

Seeking guidance on this issue, PNG raised this matter with BCUC Staff at a meeting in late 2017, and followed up with an e-mail to BCUC Staff in January 2018 seeking direction on the following points:

- 1) Is the representation that "Commission approval is not required should either party give the other notice of renewal under section 4.2" correct?; and
- 2) If not, is there a process by which these renewals can be approved retroactively?

BCUC Staff have subsequently advised PNG that BCUC approval of the Renewal Notices is required and that application for approval should be made pursuant to section 23(1)(g) of the *Utilities Commission Act*.

Approvals Sought

PNG hereby submits copies of the following Renewal Notices for BCUC review and approval pursuant to section 23(1)(g) of the *Utilities Commission Act*:

Municipality	Renewal Notice Date	Acknowledgement Date	Appendix
District of Port Edward	September 14, 2010	September 22, 2010	A
Town of Smithers	February 14, 2011	February 18, 2011	B
District of Kitimat	March 23, 2011	May 2, 2011	C
Village of Burns Lake	March 24, 2011	May 9, 2011	D
District of Houston	March 24, 2011	March 25, 2011	E
City of Terrace	March 24, 2011	June 16, 2011	F
District of Vanderhoof	March 24, 2011	April 13, 2011	G

Please direct any questions regarding this letter to my attention.

Yours truly,



Verlon G. Otto

APPENDICIES

APPENDIX A – District of Port Edward

APPENDIX B – Town of Smithers

APPENDIX C – District of Kitimat

APPENDIX D – Village of Burns Lake

APPENDIX E – District of Houston

APPENDIX F – City of Terrace

APPENDIX G – District of Vanderhoof

APPENDIX A

District of Port Edward



Pacific Northern Gas Ltd.
 Suite 950
 1185 West Georgia Street
 Vancouver, British Columbia
 V6E 4E6
 Tel: (604) 691-5673
 Fax: (604) 697-6210
 Email: cdonohue@png.ca

Craig P. Donohue
 Director, Regulatory Affairs & Gas Supply

Via Mail

September 14, 2010

District of Port Edward
 PO Box 1100
 Port Edward, B.C.
 V0V 1G0

File No.: 3.4.3

Attention: Ron Bedard
 Chief Administrative Officer *Mc*

General

DISTRICT OF PORT EDWARD
 TO: Regular

Council Meeting Date:..... IC

By: *Sep 20/10*
 Dist To: *Ron*

PW Re:
 AA
 Recm:.....

Dear Mr. Bedard:

Re: Renewal of PNG/Port Edward Franchise Agreement

Enclosed for reference is a copy of the Franchise Agreement between PNG and Port Edward dated April 24, 1989. Sections 4.1 and 4.2 of the Franchise Agreement state the following:

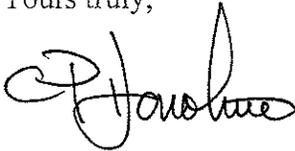
- 4.1 The term of this Agreement shall be for a period of 21 years from the date that all conditions precedent set forth in Article II are satisfied.
- 4.2 At any time within 2 years prior to the expiration of this Agreement, either party may give notice to the other that it desires to renew this Agreement for a further term of 21 years, or such lesser number of years as may be the maximum permitted by legislation at that time and the renewal shall be upon the terms and conditions set out in this Agreement or such other terms as the parties may agree provided that such renewal will be conditional upon obtaining all such approvals and permissions as are at that time required by legislation or regulation. The parties agree to use their best efforts to obtain any such approvals and permissions.

B.C. Utilities Commission (the "Commission") approval of the Franchise Agreement was the last condition precedent to be met under Article II. This occurred as of October 5, 1989. Consequently, the Franchise Agreement will expire as of October 4, 2010 (i.e. 21 years after October 5, 1989) unless renewed in accordance with section 4.2. In this regard, PNG hereby gives notice of renewal of the Franchise Agreement for a further term of 21 years, effective October 5, 2010 upon the same terms and conditions as set out in the existing Franchise Agreement. By copy of this letter, PNG is advising the Commission of the renewal.

PNG would like to have on its file an acknowledgement by Port Edward of receipt of this notice of renewal to ensure there are no misunderstandings regarding the status of the Franchise Agreement upon expiration of the 21 year term on October 4, 2010. In this regard, please sign in the space below and return a copy of this letter to my attention at your convenience.

If you have any questions respecting this renewal notice letter, please do not hesitate to contact me.

Yours truly,



C.P. Donohue

Receipt of this Franchise Agreement renewal notice from Pacific Northern Gas Ltd. is hereby acknowledged by the District of Port Edward, this 22 day of SEPTEMBER, 2010.

DISTRICT OF PORT EDWARD



Signature

Row BEWARD

Print Name

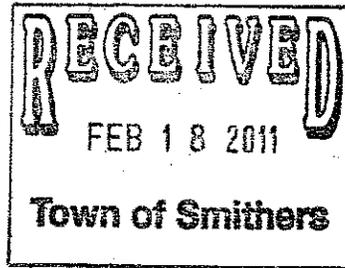
CAO Chief Administrator Officer

Print Title

cc. B.C. Utilities Commission

APPENDIX B

Town of Smithers



Pacific Northern Gas Ltd.
Suite 950
1185 West Georgia Street
Vancouver, British Columbia
V6E 4E6
Tel: (604) 691-5673
Fax: (604) 697-6210
Email: cdonohue@png.ca

Craig P. Donohue
Director, Regulatory Affairs & Gas Supply
Via Mail

February 14, 2011

Town of Smithers
PO Box 879
1027 Aldous Street
Smithers, B.C.
V0J 2N0

File No.: 3.4.6

Attention: Susan Bassett
Director of Corporate Services

Dear MS. Bassett:

Re: Renewal of PNG/Town of Smithers Franchise Agreement

Further to your letter to PNG dated January 6, 2011, this will confirm that PNG wishes to renew the Franchise Agreement between PNG and the Town of Smithers dated August 13, 1988. PNG notes that Sections 4.1 and 4.2 of the Franchise Agreement state the following:

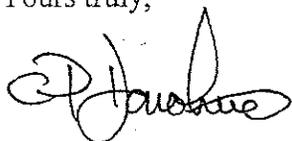
- 4.1 The term of this Agreement shall be for a period of 21 years from the date that all conditions precedent set forth in Article II are satisfied.
- 4.2 At any time within 2 years prior to the expiration of this Agreement, either party may give notice to the other that it desires to renew this Agreement for a further term of 21 years, or such lesser number of years as may be the maximum permitted by legislation at that time and the renewal shall be upon the terms and conditions set out in this Agreement or such other terms as the parties may agree provided that such renewal will be conditional upon obtaining all such approvals and permissions as are at that time required by legislation or regulation. The parties agree to use their best efforts to obtain any such approvals and permissions.

B.C. Utilities Commission (the "Commission") approval of the Franchise Agreement was the last condition precedent to be met under Article II. This occurred as of May 24, 1990. Consequently, the initial 21 year term of the Franchise Agreement will expire on May 23, 2011 unless renewed in accordance with section 4.2. In this regard, PNG hereby gives notice of renewal of the Franchise Agreement for a further term of 21 years, effective May 24, 2011 upon the same terms and conditions as set out in the existing Franchise Agreement. By copy of this letter, PNG is advising the Commission of the renewal.

PNG would like to have on file an acknowledgement by the Town of Smithers of receipt of this notice of renewal to ensure there are no misunderstandings regarding the status of the Franchise Agreement upon expiration of the 21 year term on May 23, 2011. In this regard, please sign in the space below and return a copy of this letter to my attention at your convenience.

If you have any questions respecting this renewal notice letter, please do not hesitate to contact me.

Yours truly,



C.P. Donohue

Receipt of this Franchise Agreement renewal notice from Pacific Northern Gas Ltd. is hereby acknowledged by the Town of Smithers, this 18 day of FEB, 2011.

TOWN OF SMITHERS



Signature

Susan Bassett
Print Name

Director of Corporate Services
Print Title

cc. B.C. Utilities Commission

APPENDIX C

District of Kitimat



Craig P. Donohue
Director, Regulatory Affairs & Gas Supply

Pacific Northern Gas Ltd.
Suite 950
1185 West Georgia Street
Vancouver, BC V6E 4E6
Tel: (604) 691-5673
Tel: (604) 697-6210
Email: cdonohue@png.ca

Via E-Mail and Mail

March 23, 2011

District of Kitimat
270 City Centre
Kitimat, B.C.
V8C 2H7

File No.: 3.4.5

Attention: Trafford Hall
Municipal Manager

Dear Mr. Hall:

Re: Renewal of PNG/District of Kitimat Franchise Agreement

Enclosed for reference is a copy of the Franchise Agreement between PNG and the District of Kitimat dated August 13, 1988. Sections 4.1 and 4.2 of the Franchise Agreement state the following:

- 4.1 The term of this Agreement shall be for a period of 21 years from the date that all conditions precedent set forth in Article II are satisfied.
- 4.2 At any time within 2 years prior to the expiration of this Agreement, either party may give notice to the other that it desires to renew this Agreement for a further term of 21 years, or such lesser number of years as may be the maximum permitted by legislation at that time and the renewal shall be upon the terms and conditions set out in this Agreement or such other terms as the parties may agree provided that such renewal will be conditional upon obtaining all such approvals and permissions as are at that time required by legislation or regulation. The parties agree to use their best efforts to obtain any such approvals and permissions.

B.C. Utilities Commission (the "Commission") approval of the Franchise Agreement was the last condition precedent to be met under Article II. This occurred as of May 24, 1990. Consequently, the Franchise Agreement will expire as of May 23, 2011 (i.e. 21 years after May 24, 1990) unless renewed in accordance with section 4.2. In this regard, PNG hereby gives notice of renewal of the Franchise Agreement for a further term of 21 years, effective May 24, 2011 upon the same terms and conditions as set out in the existing Franchise Agreement. By copy of this letter, PNG is advising the Commission of the renewal.

PNG would like to have on its file an acknowledgement by the District of Kitimat of receipt of this notice of renewal to ensure there are no misunderstandings regarding the status of the Franchise Agreement upon expiration of the 21 year term on May 23, 2011. In this regard, please sign in the space below and return a copy of this letter to my attention at your convenience.

If you have any questions respecting this renewal notice letter, please do not hesitate to contact me.

Yours truly,



C.P. Donohue

cc. B.C. Utilities Commission

Receipt of this Franchise Agreement renewal notice from Pacific Northern Gas Ltd. is hereby acknowledged by the District of Kitimat, this 2nd day of May, 2011.

DISTRICT OF KITIMAT

S. Christensen
Signature

STEPHEN CHRISTANSEN
Print Name

TREASURER
Print Title

APPENDIX D

Village of Burns Lake



Craig P. Donohue
Director, Regulatory Affairs & Gas Supply

RECEIVED
MAR 31 2011
VILLAGE OF BURNS LAKE

Pacific Northern Gas Ltd.
Suite 950
1185 West Georgia Street
Vancouver, BC V6E 4E6
Tel: (604) 691-5673
Tel: (604) 697-6210
Email: cdonohue@png.ca

Via E-Mail and Mail

March 24, 2011

The Village of Burns Lake
PO Box 570
Burns Lake, B.C.
V0J 1E0

File No.: 3.4.8

Attention: Sheryl Worthing
Chief Administrative Officer

Dear Ms. Worthing:

Re: Renewal of PNG/Village of Burns Lake Franchise Agreement

Enclosed for reference is a copy of the Franchise Agreement between PNG and the Village of Burns Lake dated August 13, 1988. Sections 4.1 and 4.2 of the Franchise Agreement state the following:

- 4.1 The term of this Agreement shall be for a period of 21 years from the date that all conditions precedent set forth in Article II are satisfied.
- 4.2 At any time within 2 years prior to the expiration of this Agreement, either party may give notice to the other that it desires to renew this Agreement for a further term of 21 years, or such lesser number of years as may be the maximum permitted by legislation at that time and the renewal shall be upon the terms and conditions set out in this Agreement or such other terms as the parties may agree provided that such renewal will be conditional upon obtaining all such approvals and permissions as are at that time required by legislation or regulation. The parties agree to use their best efforts to obtain any such approvals and permissions.

B.C. Utilities Commission (the "Commission") approval of the Franchise Agreement was the last condition precedent to be met under Article II. This occurred as of May 24, 1990. Consequently, the Franchise Agreement will expire as of May 23, 2011 (i.e. 21 years after May 24, 1990) unless renewed in accordance with section 4.2. In this regard, PNG hereby gives notice of renewal of the Franchise Agreement for a further term of 21 years, effective May 24, 2011 upon the same terms and conditions as set out in the existing Franchise Agreement. By copy of this letter, PNG is advising the Commission of the renewal.

PNG would like to have on its file an acknowledgement by the Village of Burns Lake of receipt of this notice of renewal to ensure there are no misunderstandings regarding the status of the Franchise Agreement upon expiration of the 21 year term on May 23, 2011. In this regard, please sign in the space below and return a copy of this letter to my attention at your convenience.

If you have any questions respecting this renewal notice letter, please do not hesitate to contact me.

Yours truly,

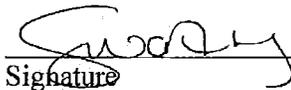


C.P. Donohue

cc. B.C. Utilities Commission

Receipt of this Franchise Agreement renewal notice from Pacific Northern Gas Ltd. is hereby acknowledged by the Village of Burns Lake, this 9th day of MAY, 2011.

VILLAGE OF BURNS LAKE


Signature

SHERYL WORTHINK
Print Name

CAO
Print Title

APPENDIX E

District of Houston



Craig P. Donohue
Director, Regulatory Affairs & Gas Supply

Pacific Northern Gas Ltd.
Suite 950
1185 West Georgia Street
Vancouver, BC V6E 4E6
Tel: (604) 691-5673
Tel: (604) 697-6210
Email: cdonohue@png.ca

Via E-Mail and Mail

March 24, 2011

District of Houston
3367 – 12th Street, PO Box 370
Houston, B.C.
V0J 1Z0

File No.: 3.4.7

Attention: Lynda Poznikoff
Acting Chief Administrative Officer

Dear Ms. Poznikoff:

Re: Renewal of PNG/District of Houston Franchise Agreement

Enclosed for reference is a copy of the Franchise Agreement between PNG and the District of Houston dated August 13, 1988. Sections 4.1 and 4.2 of the Franchise Agreement state the following:

- 4.1 The term of this Agreement shall be for a period of 21 years from the date that all conditions precedent set forth in Article II are satisfied.
- 4.2 At any time within 2 years prior to the expiration of this Agreement, either party may give notice to the other that it desires to renew this Agreement for a further term of 21 years, or such lesser number of years as may be the maximum permitted by legislation at that time and the renewal shall be upon the terms and conditions set out in this Agreement or such other terms as the parties may agree provided that such renewal will be conditional upon obtaining all such approvals and permissions as are at that time required by legislation or regulation. The parties agree to use their best efforts to obtain any such approvals and permissions.

B.C. Utilities Commission (the "Commission") approval of the Franchise Agreement was the last condition precedent to be met under Article II. This occurred as of May 24, 1990. Consequently, the Franchise Agreement will expire as of May 23, 2011 (i.e. 21 years after May 24, 1990) unless renewed in accordance with section 4.2. In this regard, PNG hereby gives notice of renewal of the Franchise Agreement for a further term of 21 years, effective May 24, 2011 upon the same terms and conditions as set out in the existing Franchise Agreement. By copy of this letter, PNG is advising the Commission of the renewal.

PNG would like to have on its file an acknowledgement by the District of Houston of receipt of this notice of renewal to ensure there are no misunderstandings regarding the status of the Franchise Agreement upon expiration of the 21 year term on May 23, 2011. In this regard, please sign in the space below and return a copy of this letter to my attention at your convenience.

If you have any questions respecting this renewal notice letter, please do not hesitate to contact me.

Yours truly,



C.P. Donohue

cc. B.C. Utilities Commission

Receipt of this Franchise Agreement renewal notice from Pacific Northern Gas Ltd. is hereby acknowledged by the District of Houston, this 25 day of March, 2011.

DISTRICT OF HOUSTON

Linda Poznikoff
Signature

Linda Poznikoff
Print Name

Acting CAO
Print Title

APPENDIX F

City of Terrace



Craig P. Donohue
Director, Regulatory Affairs & Gas Supply

Pacific Northern Gas Ltd.
Suite 950
1185 West Georgia Street
Vancouver, BC V6E 4E6
Tel: (604) 691-5673
Tel: (604) 697-6210
Email: cdonohue@png.ca

Via E-Mail and Mail

March 24, 2011

City of Terrace
3215 Eby Street,
Terrace, B.C.
V8G 2X8

RECEIVED
MAR 28 2011

City of Terrace

By: _____

File No.: 3.4.4

Attention: Ron Poole
Chief Administrative Officer

Dear Mr. Poole:

Re: Renewal of PNG/City of Terrace Franchise Agreement

Enclosed for reference is a copy of the Franchise Agreement between PNG and the City of Terrace dated August 13, 1988. Sections 4.1 and 4.2 of the Franchise Agreement state the following:

- 4.1 The term of this Agreement shall be for a period of 21 years from the date that all conditions precedent set forth in Article II are satisfied.
- 4.2 At any time within 2 years prior to the expiration of this Agreement, either party may give notice to the other that it desires to renew this Agreement for a further term of 21 years, or such lesser number of years as may be the maximum permitted by legislation at that time and the renewal shall be upon the terms and conditions set out in this Agreement or such other terms as the parties may agree provided that such renewal will be conditional upon obtaining all such approvals and permissions as are at that time required by legislation or regulation. The parties agree to use their best efforts to obtain any such approvals and permissions.

B.C. Utilities Commission (the "Commission") approval of the Franchise Agreement was the last condition precedent to be met under Article II. This occurred as of May 24, 1990. Consequently, the Franchise Agreement will expire as of May 23, 2011 (i.e. 21 years after May 24, 1990) unless renewed in accordance with section 4.2. In this regard, PNG hereby gives notice of renewal of the Franchise Agreement for a further term of 21 years, effective May 24, 2011 upon the same terms and conditions as set out in the existing Franchise Agreement. By copy of this letter, PNG is advising the Commission of the renewal.

PNG would like to have on its file an acknowledgement by the City of Terrace of receipt of this notice of renewal to ensure there are no misunderstandings regarding the status of the Franchise Agreement upon expiration of the 21 year term on May 23, 2011. In this regard, please sign in the space below and return a copy of this letter to my attention at your convenience.

If you have any questions respecting this renewal notice letter, please do not hesitate to contact me.

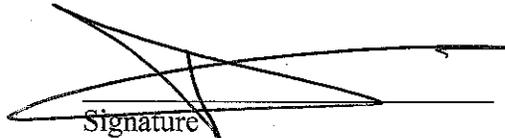
Yours truly,


C.P. Donohue (Craig)

cc. B.C. Utilities Commission

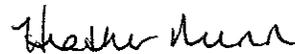
Receipt of this Franchise Agreement renewal notice from Pacific Northern Gas Ltd. is hereby acknowledged by the City of Terrace, this 16th day of June, 2011.

CITY OF TERRACE


Signature

DAVE FERNAROWSKI
Print Name

Mayor
Print Title



Heather Nunn

Corporate Administrator

HEATHER NUNN, CLERK
3215 Eby St.
Terrace, B.C. V8G 2X8
A COMMISSIONER FOR TAKING AFFIDAVITS
IN AND FOR THE PROVINCE
OF BRITISH COLUMBIA

APPENDIX G

District of Vanderhoof



Craig P. Donohue
Director, Regulatory Affairs & Gas Supply

Pacific Northern Gas Ltd.
Suite 950
1185 West Georgia Street
Vancouver, BC V6E 4E6
Tel: (604) 691-5673
Tel: (604) 697-6210
Email: cdonohue@png.ca

Via E-Mail and Mail

RECEIVED

March 24, 2011

APR - 1 2011

District of Vanderhoof
P.O. Box 900, 160 Connaught Street,
Vanderhoof, B.C.
V0J 3A0

DISTRICT OF VANDERHOOF

File No.: 3.4.11

Attention: Joe Ukryn
Chief Administrative Officer

Dear Mr. Ukryn:

Re: Renewal of PNG/District of Vanderhoof Franchise Agreement

Enclosed for reference is a copy of the Franchise Agreement between PNG and the District of Vanderhoof dated August 13, 1988. Sections 4.1 and 4.2 of the Franchise Agreement state the following:

- 4.1 The term of this Agreement shall be for a period of 21 years from the date that all conditions precedent set forth in Article II are satisfied.
- 4.2 At any time within 2 years prior to the expiration of this Agreement, either party may give notice to the other that it desires to renew this Agreement for a further term of 21 years, or such lesser number of years as may be the maximum permitted by legislation at that time and the renewal shall be upon the terms and conditions set out in this Agreement or such other terms as the parties may agree provided that such renewal will be conditional upon obtaining all such approvals and permissions as are at that time required by legislation or regulation. The parties agree to use their best efforts to obtain any such approvals and permissions.

B.C. Utilities Commission (the "Commission") approval of the Franchise Agreement was the last condition precedent to be met under Article II. This occurred as of May 24, 1990. Consequently, the Franchise Agreement will expire as of May 23, 2011 (i.e. 21 years after May 24, 1990) unless renewed in accordance with section 4.2. In this regard, PNG hereby gives notice of renewal of the Franchise Agreement for a further term of 21 years, effective May 24, 2011 upon the same terms and conditions as set out in the existing Franchise Agreement. By copy of this letter, PNG is advising the Commission of the renewal.

PNG would like to have on its file an acknowledgement by the District of Vanderhoof of receipt of this notice of renewal to ensure there are no misunderstandings regarding the status of the Franchise Agreement upon expiration of the 21 year term on May 23, 2011. In this regard, please sign in the space below and return a copy of this letter to my attention at your convenience.

If you have any questions respecting this renewal notice letter, please do not hesitate to contact me.

Yours truly,



C.P. Donohue

cc. B.C. Utilities Commission

Receipt of this Franchise Agreement renewal notice from Pacific Northern Gas Ltd. is hereby acknowledged by the District of Vanderhoof, this 13th day of APRIL, 2011.

DISTRICT OF VANDERHOOF



Signature

J. UKRYN

Print Name

CAO

Print Title