



VIA ELECTRONIC FILING

October 3, 2019

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

**Attention: Mr. Patrick Wruck,
Commission Secretary**

Dear Mr. Wruck:

**Re: Pacific Northern Gas Ltd. Application Regarding Process for Allocation of
Reactivated Capacity and Approval of Large Volume Industrial Transportation
Rate**

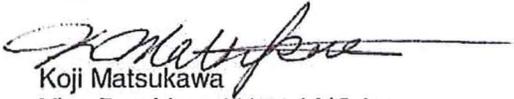
In accordance with the process schedule set out in BCUC order No. G-191-19, please find enclosed the Information Request from Triton LNG Limited Partnership (Triton).

Yours truly,

**Triton LNG Limited Partnership
by its General Partner Triton LNG Inc.**



Dan Woznow
Vice President, Triton LNG Inc.



Koji Matsukawa
Vice President, Triton LNG Inc.

1 Reference: Application, Article 1.6 page 9

PNG expects customers having project sites located away from PNG's existing transmission pipeline system will need interconnecting pipelines. For customers choosing to have PNG build, own and operate these interconnecting lines, PNG proposes to levy a separate interconnecting toll to be addressed separately from this Application.

1.1 Please specify at what point in the RECAP process parties would enter into a contract for interconnecting lines, and the resulting estimated timeline(s) for engineering, permitting and construction of the interconnecting lines.

2 Reference: Application, Article 2.2 Page 12-13

If they have one, bidders must state their credit rating, or their guarantors' credit rating as issued by either Standard & Poor's Financial Services LLC, Moody's Investors Service, Inc. or DBRS Limited. A bidder's credit rating will influence their Bid Value.

2.1 If bidders do not have their credit rating issued by rating firms listed in the Application, how will their Bid Value be evaluated?

2.2 If bidders do not have their credit rating issued by rating firms listed in the Application but have credit rating issued by other rating firms, how will their Bid Value be evaluated?

3 Reference: Application, Article 2.3 Page 13-14

There are ranges of potential capital cost and operating expense outcomes depending on the amount of contracted capacity and the delivery point (whether at Terrace, Prince Rupert or Kitimat). The Bid Value methodology distinguishes between projects that, on a stand-alone basis, require PNG to incur different levels of capital investment and operating costs.

3.1 Please explain how the range of incremental capital and operating costs outcomes was determined.

3.2 Please confirm that PNG will disclose estimated capital cost and operating expenses for prospective shippers prior to the commencement of the bidding process. Without this information, shippers are not able to understand the impact of the incremental capital cost and operating expense on the Net Present Value of their bid.

3.3 If the answer to 3.2 is no, please explain why not.

4 Reference: Application, Article 6.2 Page 20

PNG expects that in the calendar year following the last Service Commencement Date of such bidders, the Rate Schedule 80 toll would become a rolled-in toll that would then be subject to periodic changes following the BCUC's review and approval.

4.1 After the Rate Schedule 80 toll becomes a rolled-in toll in the calendar year following the last Service Commencement Date, please confirm what impact a default in TSA obligations of another shipper would have on the rolled-in toll for the remaining shippers?

5 Reference: Application, Article 12 Page 31

Shippers that are investment grade (i.e. rate BBB(low) or better) are required to provide a letter of credit for 90 days of demand charges to help mitigate the small risk of default under their TSA. If prospective shippers are below investment grade, PNG has set credit terms to mitigate the risk of default. PNG also expects that it may be able to re-contract firm service held by a defaulting party given the increased level of interest in transportation service on the PNG system.

5.1 Please specify when shippers are required to post a letter of credit for 90 days of demand charges.

5.2 In case TRA bidders win the bidding, please explain whether or not a letter of credit is required. If required, please specify when it is required.

6 Reference: Appendix A, Page 3, Appendix I, Page 6

Bids seeking a TRA will be further discounted by a constant factor to account for the uncertainty of revenue from parties entering into TRAs relative to parties making a firm commitment under TSAs.

6.1 Please elaborate on the "constant factor" in detail.

6.2 According to the PNG Presentation to Interested Parties, each TRA bid will generate a Net Present Value based on

- Toll premium only
- In-service date Contract term
- Incremental capital above the capital required to transport to Terrace for
- the specified volume and operating costs required for the project volumes
- Credit

Please specify the relationship between the above-listed components and the "constant factor"?

6.3 What is the magnitude of the "constant factor" by which TRA bids will be discounted?

6.4 Please explain how this "constant factor" was determined.

7 Reference: Appendix A, Page 5

Note that the Reservation Fee is a minimum of \$25,000 per MMSCFD per year and will increase by a factor linked to the Toll Premium.

7.1 How will Reservation Fee increase by a factor linked to the Toll Premium?

7.2 Please confirm that TRA bidders will be informed of how their premium over base toll would affect their reservation fee.

7.3 If the answer to 7.2 is no, please explain why not.

8 Reference: Appendix A, Page 5

PNG reserves the right, in its sole discretion, to modify or terminate this RECAP.

8.1 Please explain the scenario(s) under which PNG would decide not to proceed with the RECAP process.

9 Reference: Appendix D, Article 3.3 Page 4

Subject to early termination of this Agreement in accordance with its terms, the "Option Period" shall commence on the Effective Date and expire on the date that is twelve (12) months following the Effective Date; provided that, Shipper may elect to extend the Option Period by extension periods of six months each, provided further that the relevant extension period expires by a date that is not less than twenty-four (24) months prior to the Shipper Service Request Date, by notifying Transporter of such extension prior to expiration of the initial Option Period,

9.1 Please specify whether or not a TRA bidder is required to identify "Shipper Service Request Date" in the "Reactivation Capacity Bid Form".

9.2 In the "Reactivation Capacity Bid Form", there is no item of "Shipper Service Requirement Date", but just "Committed Commencement Date". Please specify how these two terms are different or otherwise.

9.3 After the option period expires 24 months prior to the Shipper Service Request Date, what will be charged to a shipper during the two year period of time between the expiration of option period and the commencement of the service?

9.4 Is "Shipper Service Request Date" definite and not modifiable once agreed upon?

9.5 If the answer to 9.4 is no, please specify how "Shipper Service Date" could be modified.