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ROBERT J. PELLATT
COMMISSION SECRETARY

April 6, 1995

Mr. Harjinder S. Gill
Business Analyst,
Quintette Coal Ltd.
Suite 600, 200 Burrard Street
Vancouver, B.C.
V6C 3L9

Dear Mr. Gill:

Re: Pacific Northern Gas (N.E.) Ltd.
Contract with Sceptre Resources Ltd.

The following is in response to your letter of March 8, 1995. PNG's "1995 Rate Application" has been the subject of a settlement process established by Commission Order No. G-16-95, which has led to a successful determination of the appropriate revenue requirement for 1995 without incurring the cost of a public hearing. During this review process, it was established that there was a need to review the manner in which this revenue requirement should be collected from customers i.e. the rate design. This process has been scheduled to begin with a filing by PNG on July 1, 1995 leading to a public hearing in mid-September, 1995.

The Commission will consider any concerns you may have with respect to your rate structure at that time, and we will consider your March 8, letter as an indication that you wish to receive copies of the material filed in that proceeding.

Yours truly,

A handwritten signature in black ink, appearing to read "R. Pellatt", is written over a horizontal line.

Robert J. Pellatt

PHG/ssc

Mr. C.P. Donohue
Manager, Regulatory Affairs
Pacific Northern Gas Ltd. and
Pacific Northern Gas (N.E.) Ltd.