



ROBERT J. PELLATT
COMMISSION SECRETARY

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VIA FACSIMILE

October 4, 1996

Mr. C.P. Donohue
Manager of Regulatory Affairs
Pacific Northern Gas Ltd.
1400 - 1185 West Georgia Street
Vancouver, B.C.
V6E 4E6

Dear Mr. Donohue:

Re: Pacific Northern Gas Ltd.
Interest Rates on Natural Gas Conversion Loans

Further to your August 2, 1996 letter advising the Commission of the analysis undertaken by PNG, as required by the May 29, 1996 Revenue Requirements Decision, concerning the financing rate for natural gas conversion loans, the Commission accepts the information as submitted. The Commission agrees that the related tariff sheet and the stipulated interest rate found in Original Sheet 35 is acceptable and does not require to be changed at this time.

Yours truly,

Robert J. Pellatt

RJP/yk
cc: Registered Intervenors
PNG '96 Revenue Requirements