



**LETTER NO. L-53-06**

ROBERT J. PELLATT  
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**VIA E-MAIL**

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September 11, 2006

Mr. C.P. Donohue  
Director, Regulatory Affairs & Gas Supply  
Pacific Northern Gas Ltd.  
950 - 1185 West Georgia Street  
Vancouver, B.C. V6E 4E6

Dear Mr. Donohue:

Re: Pacific Northern Gas Ltd. ("PNG")  
Pacific Northern Gas (Northeast) Ltd. ["PNG (NE)"]  
2006 Third Quarter Report on Gas Supply Costs

On September 1, 2006 PNG and PNG (NE) filed its 2006 Third Quarter Report on Gas Supply Costs and Gas Cost Variance Account Balances, and recommended that no changes be made to natural gas and propane rates for all rate schedules. The Commission acknowledges receipt of the 2006 Third Quarter Report and accepts the recommendation that customer rates remain unchanged, as of October 1, 2006.

Yours truly,

*Original signed by*

Robert J. Pellatt

JBW/rt