



**LETTER NO. L-70-07**

SIXTH FLOOR, 900 HOWE STREET, BOX 250  
VANCOUVER, B.C. CANADA V6Z 2N3  
TELEPHONE: (604) 660-4700  
BC TOLL FREE: 1-800-663-1385  
FACSIMILE: (604) 660-1102

ROBERT J. PELLATT  
COMMISSION SECRETARY  
Commission.Secretary@bcuc.com  
web site: <http://www.bcuc.com>

Log No. 21884

**VIA EMAIL**  
cdonohue@png.ca

September 17, 2007

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.  
Pacific Northern Gas (N.E.) Ltd.  
Fort St. John/Dawson Creek  
Third Quarter 2007 Report  
on Gas Supply Costs and Gas Cost Variance Accounts

Further to your September 7, 2007 letter recommending that the current Gas Supply Charges and Gas Cost Variance Account riders for PNG-West and PNG (N.E.) for Fort St. John/Dawson Creek systems continue at their present levels effective October 1, 2007, the Commission accepts your recommendation.

In the Granisle propane division the Commission accepts that the current propane commodity rate and the GCVA commodity debit rate rider should be maintained.

The Commission recognizes the continued volatility of current natural gas prices, the forward price strip and propane prices. The GCVA riders and gas commodity prices will continue to be monitored and reviewed in PNG's Fourth Quarter 2007 Report.

Yours truly,

*Original signed by*

Robert J. Pellatt

RB/dlf