



LETTER NO. L-48-10

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VIA EMAIL

cdonohue@png.ca

June 17, 2010

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

Dear Mr. Donohue:

Re: Pacific Northern Gas Ltd.
Revised 2nd Quarter 2010 Report on Gas Supply Costs dated June 10, 2010
PNG-West and Granisle Service Areas

On June 10, 2010, Pacific Northern Gas Ltd. (PNG) filed its Revised 2nd Quarter 2010 Report (Report) on gas supply costs. The forecast supply costs and corresponding revenue were based on the June 7, 2010 forward gas prices. By this letter, the British Columbia Utilities Commission acknowledges receipt of the Report and accepts PNG's recommendation that rates remain unchanged for PNG-West and Granisle Service Areas.

Yours truly,

Original signed by:

Erica M. Hamilton

RB/ac