



LETTER NO. L-32-01

ROBERT J. PELLATT
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VIA FACSIMILE

October 5, 2001

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.
Application for Refinancing Costs Deferral Account

On September 26, 2001, Pacific Northern Gas Ltd. ("PNG") applied for Commission approval to record costs described in the letter and attachment in a refinancing costs deferral account. The Commission approves the creation of this deferral account. The disposition of the deferral account will be determined after PNG completes its refinancing, and will be subject to a review of the prudence of the expenditures.

Yours truly,

Original signed by:

Alison H. Cormack
for: Robert J. Pellatt

BMcK/ac