



LETTER NO. L-47-03

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September 19, 2003

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.
Granisle Grid System
Third Quarter 2003 Report on Gas Supply Costs and Gas Cost Variance Accounts

Further to your September 12, 2003 letter recommending that the current Gas Supply Charges and Gas Cost Variance Account rider for PNG's Granisle Grid System continue at their present levels effective October 1, 2003, the Commission accepts your recommendation.

The Commission recognizes the continued volatility of propane prices, which will continue to be monitored and reviewed in PNG's Fourth Quarter 2003 Report.

Yours truly,

Original signed by:

Robert J. Pellatt

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