



**LETTER NO. L-84-05**

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October 7, 2005

**VIA E-MAIL**

**PNGW – 2005RR Exhibit A-8**

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")  
Project No. 3698382 – Order No. G-114-04  
2005 Revenue Requirements Application

By letter dated October 4, 2005, PNG requested that the Commission establish a Negotiated Settlement Process ("NSP") in respect of the PNG-West 2005 Revenue Requirements Application ("the Application"). PNG proposed that the NSP take place at the Commission's offices commencing on Wednesday, October 12, 2005 and if necessary, continuing on the afternoon of Thursday, October 13, 2005. PNG copied its letter to the registered intervenors and requested that the BC Old Age Pensioners Organization et al. ("BCOAPO") and staff of the Ministry of Energy, Mines and Petroleum Resources ("MEMPR") confirm to the Commission that the proposed NSP schedule is acceptable. PNG's letter also requested that if other intervenors have any problems with the suggested NSP schedule that they advise the Commission.

On October 4 and 5, 2005 the Commission received letters in support of the proposed NSP schedule from BCOAPO, MEMPR and Terasen Gas Inc.

On August 30, 2005, Methanex Corporation ("Methanex") delivered a contract termination notice to PNG under the PNG/Methanex Firm and Interruptible Transportation Agreement dated November 1, 2002. By letter dated October 4, 2005, PNG advised the Commission that Methanex will be paying a contract termination payment of \$23,333,332 on March 1, 2006 and proposed a regulatory treatment of the termination payment.

The Commission confirms that the PNG 2005 Revenue Requirements Application will be reviewed by an NSP in the Commission Hearing Room Sixth Floor, 900 Howe Street, Vancouver, B.C. commencing at 9:00 a.m. on Wednesday, October 12, 2005 and if necessary, continuing on the afternoon of Thursday, October 13, 2005. The Commission considers that the regulatory treatment of the Methanex contract termination payment could be an issue in the NSP and directs PNG to file its October 4, 2005 letter as an exhibit in the proceeding.

Yours truly,

*Original signed by:*

*Constance M. Smith*

for: Robert J. Pellatt

cc: Registered Intervenors

PF/PNGW\_2005RR/NSP Timetable