

CASCADE
Natural Gas
CORPORATION

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September 9, 1994

Mr. Steve McLellan, Secretary
Washington Utilities and
Transportation Commission
Post Office Box 47250
Olympia, WA 98504

RECEIVED
SEP 9 11 23 AM '94

RE: Longview Fibre Company Special Contract
Exclusive Service to Cogeneration Facilities
Docket No. UG-931386

Dear Mr. McLellan:

This letter confirms conferences with Staff on the above captioned contract. Staff has raised a question as to whether gas transportation service to the co-generation facility pursuant to the Special Contract might be used to displace Cascade's service to Longview Fibre's pulp mill operations, which service is presently provided under Rate Schedule 663.

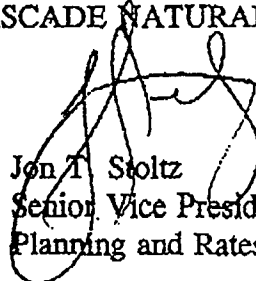
This letter confirms that Cascade specifically negotiated this issue with Longview Fibre and that Section 2.1 of the Special Contract provides in part that "All Gas delivered by Cascade to Longview Fibre pursuant to this Agreement shall be used by Longview Fibre at its co-generation facility in Longview, Washington." Cascade and Fibre thus have agreed that service under this Special Contract is only for the co-generation facility. Cascade accepts the responsibility of vigorously enforcing this provision of the contract.

Ratemaking issues with respect to this contract are discussed in a separate letter to you of the same date. If you have any further questions with respect to this matter, please advise.

Very truly yours,

CASCADE NATURAL GAS CORPORATION

By


Jon T. Stoltz
Senior Vice President
Planning and Rates

- cc: Ms. Dixie Linnenbrink, Direct Utilities Division
- Mr. Jaime Ramirez, Regulatory Consultant
- Mr. Alan Buckley, Regulatory Consultant
- Mr. Mark Hoehne, Longview Fibre Company