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Steve McLellan, Secretary
Washington Utilities and
Transportation Commission
Chandler Plaza Building
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98054-7250

Re: Agenda Item 2.C.; November 8, 1995
Cascade Natural Gas - special contract

Dear Mr. McLellan:

In this filing Cascade requests two actions: (1) approval of a contract with Boise Cascade in Wallula at below tariff rates, and (2) preapproval of the ratemaking treatment of the contract. We take no position on the first issue and oppose making a decision at this time on the second issue.

At the time a special contract is presented for approval the Commission has normally deferred judging the issue of prudence of a special contract for purposes of ratemaking treatment. That Commission policy is a good one and we recommend it be continued. Interested parties are normally not in a position to make full, informed contributions on this issue at the time of contract consideration at a Wednesday business meeting. We are not in a position now to make a full, informed contribution regarding this contract at issue in this pocket. Consideration of ratemaking treatment can and should take place in the context of a rate case when all of the ratemaking issues are on the table.

In addition, a special contract petition does not provide notice to the public that rates are at issue; a general rate case accomplishes this purpose. We urge the Commission to continue its usual practice.

Very truly yours,

Robert F. Manifold
Assistant Attorney General
Public Counsel

C: Chairman Nelson
Commissioner Hemstead
Commissioner Gillis
Philip Popoff