

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND	)	
TRANSPORTATION COMMISSION,	)	
	)	DOCKET NO. UG-971695
Complainant,	)	
	)	THIRD SUPPLEMENTAL ORDER
v.	)	REJECTING TARIFF FILINGS;
	)	AUTHORIZING REILING; APPROVING
CASCADE NATURAL GAS	)	AND ADOPTING PROPOSED
CORPORATION,	)	STIPULATION
	)	
Respondent.	)	
.....	)	

**SUMMARY**

**PROCEEDINGS:** On November 26, 1997, Cascade Natural Gas Corporation (Cascade) filed Purchased Gas Adjustment (PGA) and Deferral Amortization tariffs. On December 31, 1997, the Commission entered its Complaint and Order Suspending Tariff Revisions and Ordering Interim Rates. Administrative Law Judge Dennis J. Moss presided at a prehearing conference on April 17, 1998. Evidentiary hearings were scheduled to begin on May 20, 1998.

On May 19, 1998, the parties filed a Proposed Stipulation to resolve all pending issues. The procedural schedule was suspended and June 15, 1998, was noticed as the date for hearing proceedings relative to the Proposed Stipulation. A panel of witnesses was sworn on that date and the Commission heard testimony and received other evidence as required to determine whether the proposed stipulation should be accepted as being in the public interest.

**PARTIES:** Cascade is represented by John West of Miller, Nash, Wiener, Hager & Carlsen, Seattle, Washington. The Washington Utilities and Transportation Commission ("Commission Staff") is represented by Sally G. Johnston, Assistant Attorney General, Olympia, Washington. Northwest Industrial Gas Users (NWIGU) is represented by Paula E. Pyron and Edward A. Finklea, Energy Advocates LLP, Portland, Oregon.

**COMMISSION:** The Commission accepts the parties' Stipulation in its entirety as an integrated settlement of all issues in this proceeding. The Commission accordingly rejects the proposed tariff revisions filed November 26, 1997, and authorizes Cascade to refile revised tariff sheets consistent with the Stipulation and this Order.

## MEMORANDUM

### I. PROCEDURAL HISTORY

On November 26, 1997, Cascade filed its annual Purchased Gas Adjustment (PGA) and Deferral Amortization tariffs resulting in a net increase in revenue of \$8,593,980. On December 31, 1997, the Commission entered its Complaint and Order Suspending Tariff Revisions and Ordering Interim Rates. This matter was set for hearing.

On April 17, 1998, a prehearing conference was held at the Commission's offices in Olympia, Washington. Administrative Law Judge Dennis J. Moss presided. A hearing schedule was established with evidentiary hearings scheduled to begin on May 20, 1998. On May 18, 1998, the parties informed the Commission via the presiding officer that settlement had been achieved. The Commission suspended the procedural schedule and set June 15, 1998, as the date for further proceedings.

On May 19, 1998, the parties executed and filed a Proposed Stipulation to resolve all pending issues. On June 15, 1998, the Commission conducted hearing proceedings before Administrative Law Judge Dennis J. Moss. The parties' Proposed Stipulation was made part of the record. A panel of witnesses was sworn and the Commission heard testimony and received other evidence required to determine whether the Proposed Stipulation should be accepted as being in the public interest.

### II. SETTLEMENT AGREEMENT

**PGA.** Cascade filed for a net increase in prospective gas costs of \$5,473,468. Upon review and negotiation, the parties agreed this amount should be reduced by \$3,000,000 to account for the level of expected capacity release revenue Cascade will experience on a twelve month basis in the immediate future, based on recent historic experience. By agreeing to adjust gas supply contract costs to more closely reflect contracted rates and volumes, a further reduction of approximately \$2,000,000 was achieved.

The parties also agreed to reduce the charge to non-core customers for daily balancing from \$.00050 per therm to \$.00020 per therm and to reduce prospective gas costs for core customers by crediting anticipated balancing revenues of \$117,000 to the core customer rates. The issue of whether to continue charging a balancing fee, and related issues, will not be revisited in Cascade's next PGA, but may be a subject for consideration in Cascade's next general rate case and corresponding cost of service study.

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**Deferral Amortization.** The parties agree to continue the interim rates approved by the Commission's order in this proceeding dated December 31, 1997, pending Cascade's next PGA and Deferral Amortization filing. The interim rates increased Cascade's annual revenues by \$1,367,764, as compared to \$3,120,512 originally requested by Cascade. This was achieved by netting a \$7.7 million deferral amortization debit that accrued on Cascade's books over an approximately 17 month period beginning March 1996, against the remaining balance of a \$7 million deferral amortization credit that was reflected in rates following Cascade's last PGA (effective August 1, 1996). At the time of Cascade's next PGA and Deferral Amortization filing, the then-existing net balances in these accounts will be reviewed again, considering the remaining refund (credit) balance resulting from Cascade's last rate case, Docket No. UG-951415.

### III. COMMISSION DISCUSSION AND DECISION

The Commission reviews settlements pursuant to applicable statutory standards. Under RCW 80.01.040(3), the Commission is required to regulate in the public interest, as provided by the public service laws, the rates, services, facilities, and practices of all persons, including natural gas companies, engaged in the business of supplying any utility service or commodity to the public for compensation, and in related activities. RCW 80.28.010 provides that charges by gas companies must be just, fair, reasonable, and sufficient.

All parties to this proceeding signed the Proposed Stipulation. The agreement is presented as an integrated, comprehensive, and final resolution of all issues currently pending before the Commission.

During hearing proceedings on June 15, 1998, various provisions of the Proposed Stipulation were explored with the parties' witnesses. The Commission finds reasonable the parties' agreement to recognize a \$4,477 increase in prospective gas costs considering expected capacity release revenue of \$3,000,000, adjustments of approximately \$2,000,000 to reflect the parties' close review of Cascade's gas supply contract rates and volumes, a \$117,000 adjustment to core customer gas costs attributed to the amount charged non-core customers for daily balancing, and application of the appropriate revenue adjustment factor to account for other cost factors that are revenue sensitive (*e.g.*, taxes). Both Mr. Stoltz for Cascade and Mr. Parvinen for Commission Staff testified in support of these adjustments to the \$5,473,468 increase in prospective gas costs Cascade requested in its original filing. The amounts to which the parties stipulate are considered by these witnesses to reflect accurately gas costs reasonably anticipated for the next twelve months.

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The Commission also finds reasonable the parties' agreement to reduce the non-core customer daily balancing charge from \$.00050 per therm to \$.00020 per therm and to defer any further consideration of the cost basis for such balancing charge to Cascade's next general rate case and corresponding cost of service study. Mr. Russell testified for Commission Staff that although Cascade's study of the cost basis for the balancing charge, ordered by the Commission in Cascade's last rate and PGA case (Docket No. UG-951415) and filed by Cascade on December 12, 1997, identified no specific, segregated balancing costs, Cascade nevertheless incurs some "common costs" in maintaining gas balances on its system. Mr. Russell testified that based on its analyses in this and other cases, the \$.00020 charge is reasonable to reflect these common costs.

Finally, the Commission finds reasonable the parties' agreement to continue the interim rates reflected in Cascade's Substitute Seventeenth Revision Sheet No. 595, Canceling Sixteenth Revision Sheet No. 595, authorized by the Commission's December 31, 1997, order in this docket. That revised tariff sheet bears an effective date of January 1, 1998. By netting the remaining balance of the Deferral Amortization credit approved in Cascade's last Deferral Amortization filing against the Deferral Amortization debit requested by Cascade in the current Deferral Amortization filing, and by agreeing to review remaining net balances in Cascade's next PGA and Deferral Amortization filing, Cascade's opportunity to recover fully the actual gas costs it has incurred and will incur over relevant periods is protected, but the revenue and consequent rate impact is reduced significantly, promoting rate stability.

The Commission has reviewed the Proposed Stipulation and the record in this proceeding and is satisfied that the Proposed Stipulation is in the public interest; that the resulting rates are just, reasonable, fair, and sufficient. The parties are commended for their diligence, commitment, and cooperation in reaching agreement on the issues.

### **FINDINGS OF FACT**

1. The Washington Utilities and Transportation Commission is an agency of Washington State vested by statute with authority to regulate the rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including natural gas companies.

2. Cascade Natural Gas Corporation is engaged in the business of furnishing gas service within Washington State as a public service company.

3. On November 26, 1997, in Docket No. UG-971695, Cascade Natural Gas Corporation filed tariff revisions designed to reflect in rates purchased gas adjustments for prospective application in the gas cost component of its rates. The Commission suspended the proposed tariff revisions on December 31, 1997.

4. On November 26, 1997, in Docket No. UG-971695, Cascade Natural Gas Corporation filed tariff revisions to recover in its rates amortization of certain gas cost deferred account balances. The Commission suspended the proposed tariff revisions on December 31, 1997.

5. On May 19, 1998, the parties jointly executed and filed a Proposed Stipulation to resolve all pending issues in this proceeding.

6. The parties' agreement to increase prospective gas costs by \$4,477 to reflect changes in commodity and demand costs is adequately supported by the record and is a reasonable resolution based upon the parties' analyses of capacity release revenues, gas supply contract costs, and balancing credits.

7. The parties' agreement to reduce the charge for daily balancing from \$.00050/therm to \$.00020/therm is adequately supported by the record and is a reasonable resolution based upon the parties' analyses of balancing cost issues.

8. The parties' agreement to continue interim rates currently in effect pending Cascade's next PGA and Deferral Amortization filing, reflecting increased revenues of \$1,367,764 per year, is adequately supported by the record and is a reasonable resolution based upon the parties' analyses of deferral amortization account issues.

### **CONCLUSIONS OF LAW**

1. The Washington Utilities and Transportation Commission has jurisdiction over the subject matter and the parties in this proceeding. RCW 80.01.040; RCW 80.28.

2. The Proposed Stipulation resolving all issues in this proceeding is consistent with the public interest.

3. The tariff revisions filed by Cascade Natural Gas Corporation now under suspension in this docket should be rejected. Cascade should be authorized to file tariff revisions consistent with the Proposed Stipulation and this Order.

4. The Proposed Stipulation should be approved and adopted in its entirety. Tariff revisions prepared in accordance with the Proposed Stipulation and this Order will result in rates that are fair, just, reasonable, and sufficient.

**ORDER**

**THE COMMISSION ORDERS:**

1. The Commission accepts the result of the Proposed Stipulation as the Commission's resolution of this matter. The Proposed Stipulation (Appendix A) is approved and adopted in its entirety as a full and final resolution of all issues in this proceeding.

2. The proposed tariff revisions filed by Cascade Natural Gas Corporation on November 26, 1998, and suspended by the Commission's December 31, 1997, Complaint and Order Suspending Tariff Revisions and Ordering Interim Rates are rejected in their entirety. Cascade is authorized to refile tariffs consistent with the resolution of matters contained in the Proposed Stipulation and this Order.

3. The compliance filing required by this Order is limited in scope strictly to effectuate the terms of the Commission's decision and Order. The refiled tariff pages must bear a notation that filing is BY AUTHORITY OF THE COMMISSION'S THIRD SUPPLEMENTAL ORDER IN DOCKET NO. UG-971695, and will reflect an effective date that allows Staff one business day for review after the filing date.

4. The Commission retains jurisdiction to effectuate the terms of this Order.

DATED at Olympia, Washington and effective this 17<sup>th</sup> day of June 1998.

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

  
ANNE LEVINSON, Chair

  
RICHARD HEMSTAD, Commissioner

  
WILLIAM R. GILLIS, Commissioner

**APPENDIX A**

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION

Complainant,

v.

CASCADE NATURAL GAS  
CORPORATION,

Respondent.

DOCKET NO. UG-971695

PROPOSED STIPULATION

I. INTRODUCTION

On November 26, 1997, the Cascade Natural Gas Corporation (Cascade or Company) filed its annual Purchased Gas Adjustment (PGA) and Deferral Amortization tariffs resulting in a net increase of \$8,593,980 (8.49%). On December 31, 1997, the Commission issued its Complaint and Order Suspending Tariff Revisions and Ordering Interim Rates. The Commission set this matter for hearing. On April 17, 1998, Administrative Law Judge Dennis J. Moss held a prehearing conference at which time a hearing schedule was established.

Subsequent to the prehearing conference, Cascade, Commission Staff, and the Northwest Industrial Gas Users (the Parties) engaged in settlement discussions regarding the contested issues in this proceeding. The Parties have reached agreement on those issues and wish to



present their agreement for the Commission's consideration. The Parties therefore adopt the following Stipulation. The Parties enter into this Stipulation voluntarily to resolve matters in dispute among them and to expedite the orderly disposition of this proceeding. The purpose of this Stipulation is to describe the agreements reached among the Parties and to ask the Commission for appropriate orders and approval of rates based on those agreements.

## II. STIPULATION

The Parties hereby agree and stipulate as follows:

1. **PGA.** Commission Staff has reviewed Cascade's gas supply contracts, Cascade's management of its upstream capacity, and the effects of core customers migrating to non-core schedules. The Parties agree that an increase in prospective gas costs in the amount of \$4,477 is appropriate due to changes in commodity and demand costs.

The difference between the Company's requested increase (\$5,473,468) and the increase to which the Parties agreed is primarily attributable to the following items, plus the revenue adjustment factor applicable to those items:

(a) **Expected Capacity Release Revenue.** The Parties included the level of expected capacity release revenue in the calculation of prospective gas costs. This reduced gas costs by \$3,000,000.

(b) **Adjustments to Gas Supply Contracts.** The Parties adjusted gas supply contracts to more closely reflect contracted rates and volumes. This resulted in a reduction of approximately \$2,000,000.

(c) **Reduction of Prospective Gas Costs.** The Parties reduced prospective gas costs for core customers by the amount charged to non-core customers for daily balancing.

This resulted in a reduction of approximately \$117,000.

(d) **Daily Balancing Rate.** The Parties agree that the charge for daily balancing shall be \$.00020/therm. The Parties further agree that this issue will not be revisited in the context of the Company's next PGA filing, but may be addressed in the context of the Company's next general rate case and corresponding cost of service study.

2. **Deferral Amortization.** The Parties agree to continue the interim rates (see attached Schedule 595) currently in effect pending Cascade's next PGA and Deferral Amortization filing. At that time, the then existing net balances will be reviewed in light of the remaining refund (credit) balance resulting from Cascade's last rate case, Docket UG-951415. The interim rates increased revenues by \$1,367,764 as opposed to the \$3,120,512 originally requested by the Company.

3. **Other Matters.**

(a) **Integrated Terms of Settlement.** The Parties have negotiated this Stipulation as an integrated document. Accordingly, the Parties recommend that the Commission adopt this Stipulation in its entirety.

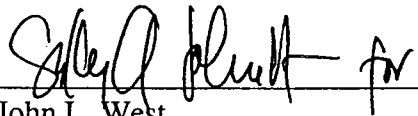
(b) **Reopening of Record Upon Modification.** The Parties request that, if the Commission wishes to modify any matter agreed to herein, the Commission so notify the Parties in writing of the modification. If any Party does not agree with the modification within three business days from the receipt thereof, all Parties shall jointly request that the matter be sent back for further proceedings and the record reopened for the purpose of receiving additional testimony from the Parties with cross-examination thereon. If the record is reopened, no Party shall be bound by the provisions of this Stipulation.


(c) **No Precedent.** This Stipulation is a negotiated settlement of the contested issues in this proceeding. The Parties enter into this Stipulation to avoid further expense, inconvenience, uncertainty and delay. By executing this Stipulation, no Party shall be deemed to have accepted or consented to the facts, principles, methods or theories employed in arriving at such a Stipulation, nor shall any Party be deemed to have agreed that such a Stipulation is appropriate for resolving issues in any other proceeding.

DATED this 19<sup>th</sup> day of May, 1998.

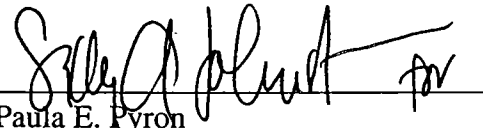
CASCADE NATURAL GAS CORPORATION

STAFF OF THE WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

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NORTHWEST INDUSTRIAL GAS USERS

By:   
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Cascade Natural Gas Corporation

Docket No. UG-971695

**PGA SETTLEMENT EXHIBIT\_\_(JTS-1)**

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Cascade Natural Gas Corporation  
 WASHINGTON 11/97 PURCHASED GAS COST TRACKING APPLICATION  
DEVELOPMENT OF EMBEDDED SUPPLY & PIPELINE TRANSPORTATION RATES

Settlement Exhibit (JTS-1)  
 Schedule 1 of 1  
 Page 1 of 8

	UNITS	11/1/95 RATE	AMOUNT	CURRENT COST OF GAS	
				COMMODITY	DEMAND
COMP PURCH RESERV FEE	791,168	\$10.09668	\$7,988,169		\$7,988,169
COMP PURCH COMMODITY	166,174,174	\$0.12336	\$20,499,246	\$20,499,246	
PGT T-1	9,536	\$0.90041	\$8,586		\$8,586
PGT COMMODITY	48,200,600	\$0.00058	\$27,720	\$27,720	
TF-1 DEMAND	1,294,641	\$11.19492	\$14,493,402		\$14,493,402
TF-1 DEMAND (KITSAP)	210,000	\$17.67065	\$3,710,836		\$3,710,836
TF-1 COMMODITY	171,767,469	\$0.00230	\$395,065	\$395,065	
LS-1 DEMAND	536,729	\$0.17090	\$91,727		\$91,727
LS-1 CAPACITY	5,082,549	\$0.25290	\$1,285,377		\$1,285,377
LS-1 COMMODITY	5,082,549	\$0.15138	\$769,396	\$769,396	
LS-1 LIQUEFACTION	5,082,549	\$0.06027	\$306,325	\$306,325	
LS-1 VAPORIZATION	5,082,549	\$0.00398	\$20,229	\$20,229	
TF-2 TRANSPORTATION CAPACITY	13,924	\$10.88292	\$151,535		\$151,535
TF-2 TRANSPORTATION COMMODITY	5,082,549	\$0.00120	\$6,099	\$6,099	
SGS-1 DEMAND	148,450	\$0.71052	\$105,477		\$105,477
SGS-1 CAPACITY	5,400,535	\$0.02592	\$139,982		\$139,982
SGS-1 COMMODITY	5,400,535	\$0.18324	\$989,594	\$989,594	
TF-2 TRANSPORTATION CAPACITY	14,796	\$10.88292	\$161,028		\$161,028
TF-2 TRANSPORTATION COMMODITY	5,400,535	\$0.00120	\$6,481	\$6,481	
WINTER PEAKING RESERVATION (WWP)	134,182	\$4.32962	\$580,957		\$580,957
WINTER PEAKING COMMODITY	434,122,05	\$0.18324	\$795,486	\$795,486	
TF-2 TRANSPORTATION CAPACITY	7,431	\$10.88292	\$80,866		\$80,866
TF-2 TRANSPORTATION COMMODITY	4,341,225	\$0.00120	\$5,209	\$5,209	
PGS DEMAND CHARGE (FIBRE)	134,182	\$0.20500	\$27,507		\$27,507
PGS CAPACITY CHARGE	2,712,136	\$0.31320	\$849,441		\$849,441
PGS ALTERN. SUPPLY COSTS	2,712,136	\$0.00872	\$23,636	\$23,636	
PGS SUPPLY COMMODITY COSTS	2,712,136	\$0.14492	\$393,045	\$393,045	
PGSS DEMAND CHARGE (TENASKA)	465,140	\$0.21905	\$101,889		\$101,889
PGSS USAGE CHARGE	0	\$0.00000	\$0	\$0	
PGSS ALTERN. FUEL COSTS PREPAYMENT	0	\$0.00000	\$0		\$0
PGSS STANDBY CHARGE	2,712,126	\$0.24703	\$669,964		\$669,964
PGR-1 DEMAND CHARGE	132,823	\$1.32962	\$176,603		\$176,603
PGR-1 COMMODITY COSTS	2,380,880	\$0.21598	\$514,211	\$514,211	
PGR-2 DEMAND CHARGE	88,549	\$1.77282	\$156,981		\$156,981
PGR-2 COMMODITY COSTS	1,318,330	\$0.15213	\$200,564	\$200,564	
PROPANE AIR COMMODITY	<u>325,456</u>	\$0.69000	\$224,565	\$224,565	
DAILY BALANCING NON-CORE CREDIT			<u>(\$364,560)</u>		<u>(\$364,560)</u>
	<u>187,735,286</u>		<u>\$55,592,640</u>	<u>\$25,176,872</u>	<u>\$30,415,767</u>
SALES/TRANSPORT VOLUMES				186,709,317	186,709,317
EMBEDDED AVERAGE RATE				\$0.13485	\$0.16290

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W97-2RGC

Cascade Natural Gas Corporation  
 WASHINGTON 11/97 PURCHASED GAS COST TRACKING APPLICATION  
 DEVELOPMENT OF PROPOSED SUPPLY & PIPELINE TRANSPORTATION RATES

Settlement Exhibit (JTS-1)  
 Schedule 1 of 1  
 Page 2 of 8

	UNITS	CURRENT RATE	AMOUNT	CURRENT COST OF GAS		EMBEDDED DIFFERENCE
				COMMODITY	DEMAND	
COMP PURCH RESERV FEE	860,729	\$10.77102	\$9,270,923		\$9,270,923	\$1,282,754
COMP PURCH COMMODITY	176,479,857	\$0.14376	\$25,370,886	\$25,370,886		\$4,871,640
PGT T-1	9,536	\$1.67755	\$15,997		\$15,997	\$7,411
PGT COMMODITY	40,615,880	\$0.00031	\$12,591	\$12,591		(\$15,129)
TF-1 DEMAND	1,294,641	\$11.03286	\$14,283,586		\$14,283,586	(\$209,816)
TF-1 DEMAND (KITSAP)	210,000	\$16.56761	\$3,479,199		\$3,479,199	(\$231,637)
TF-1 COMMODITY	176,666,799	\$0.00143	\$251,750	\$251,750		(\$143,315)
LS-1 DEMAND	536,729	\$0.18907	\$101,479		\$101,479	\$9,752
LS-1 CAPACITY	5,082,549	\$0.21827	\$1,109,368		\$1,109,368	(\$176,009)
LS-1 COMMODITY	5,082,549	\$0.15320	\$778,662	\$778,662		\$9,265
LS-1 LIQUEFACTION	5,082,549	\$0.05569	\$283,022	\$283,022		(\$23,303)
LS-1 VAPORIZATION	5,082,549	\$0.00303	\$15,400	\$15,400		(\$4,828)
TF-2 TRANSPORTATION CAPACITY	13,924	\$11.03286	\$153,622		\$153,622	\$2,088
TF-2 TRANSPORTATION COMMODITY	5,082,549	\$0.00143	\$7,243	\$7,243		\$1,144
SGS-1 DEMAND	148,450	\$0.61649	\$91,517		\$91,517	(\$13,959)
SGS-1 CAPACITY	5,400,535	\$0.02263	\$122,214		\$122,214	(\$17,768)
SGS-1 COMMODITY	5,400,535	\$0.13337	\$720,291	\$720,291		(\$269,303)
TF-2 TRANSPORTATION CAPACITY	14,796	\$11.03286	\$163,246		\$163,246	\$2,218
TF-2 TRANSPORTATION COMMODITY	5,400,535	\$0.00143	\$7,696	\$7,696		\$1,215
WINTER PEAKING RESERVATION (WWP)	134,182	\$4.32962	\$580,957		\$580,957	\$0
WINTER PEAKING COMMODITY	4,341,225	\$0.13337	\$579,007	\$579,007		(\$216,480)
TF-2 TRANSPORTATION CAPACITY	7,431	\$11.03286	\$81,980		\$81,980	\$1,114
TF-2 TRANSPORTATION COMMODITY	4,341,225	\$0.00143	\$6,186	\$6,186		\$977
PGS DEMAND CHARGE (FIBRE)	134,182	\$4.72656	\$634,220		\$634,220	\$606,712
PGS CAPACITY CHARGE	2,712,136	\$0.03132	\$84,944		\$84,944	(\$764,497)
PGS ALTERN. SUPPLY COSTS	2,712,136	\$0.01350	\$36,614	\$36,614		\$12,978
PGS SUPPLY COMMODITY COSTS	186,942	\$0.20222	\$37,804	\$37,804		(\$355,242)
PGSS DEMAND CHARGE (TENASKA)	465,140	\$0.22534	\$104,814		\$104,814	\$2,925
PGSS USAGE CHARGE	0	0	0	\$0		\$0
PGSS ALTERN. FUEL COSTS PREPAYMENT	0	0	0		\$0	\$0
PGSS STANDBY CHARGE	2,712,126	\$0.24702	\$669,964		\$669,964	\$0
PGR-1 DEMAND CHARG 1.329615	132,823	\$1.35000	\$179,311		\$179,311	\$2,708
PGR-1 COMMODITY COSTS	-	\$0.21598	\$0	\$0		(\$514,211)
PGR-2 DEMAND CHARGE	88,549	\$1.40900	124,766		124,766	(\$32,216)
PGR-2 COMMODITY COSTS	1,374,573	\$0.21061	289,494	289,494		\$88,931
Net Capacity Release Revenues			(3,000,000)		(3,000,000)	(\$3,000,000)
PROPANE AIR COMMODITY						(\$224,565)
DAILY BALANCING NON-CORE CREDIT	586,165,674	\$ (0.00020)	(117,233)		(117,233)	\$247,327
TOTAL	192,865,682		\$ 56,531,520	28,396,645	28,134,874	938,880
SALES/TRANSPORT VOLUMES				188,609,786	188,609,786	
PROPOSED AVERAGE RATE				\$0.15056	\$0.14917	\$0.29973
CURRENT AVERAGE RATE IN RATES			11.64998%	\$0.13485	\$0.16290	\$0.29775
GROSS RATE CHANGE			-8.42848%	\$0.01571	(\$0.01373)	\$0.00198
REVENUE ADJUSTMENT FACTOR				1.0463316	1.0463316	1.0463316
TOTAL PROPOSED ADJUSTMENT				\$0.01644	(\$0.01437)	\$0.00207

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W97-2RGC

Cascade Natural Gas Corporation  
 WASHINGTON 11/97 PURCHASED GAS COST TRACKING APPLICATION  
 DERIVATION OF CURRENT SUPPLY AND PIPELINE SERVICE RATES

Settlement Exhibit\_(JTS-1)  
 Schedule 1 of 1  
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	UNITS	CURRENT MMbtu Unit Rate	Them Conversion	Per Them Unit Rate	Adder/ Multiplier	CURRENT Them Unit Rate
COMP PURCH RESERV FEE	860,729	\$107.71018		\$10.77102	1	\$10.77102
COMP PURCH COMMODITY	176,479,857	\$1.43761		\$0.14376	1	\$0.14376
PGT T-1 CAPACITY	9,536	\$16.77554		\$1.67755	1	\$1.67755
PGT T-1 COMMODITY	40,615,880	\$0.00310		\$0.00031	1	\$0.00031
TF-1 DEMAND	1,294,641	\$9.19405		\$0.91940	12	\$11.03286
TF-1 DEMAND (KITSAP)	210,000	\$13.80634 /1		\$1.38063	12	\$16.56761
TF-1 COMMODITY	176,666,799	\$0.01425		\$0.00143	1	\$0.00143
LS-1 DEMAND	536,729	\$0.15756		\$0.01576	12	\$0.18907
LS-1 CAPACITY	5,082,549	\$0.18189		\$0.01819	12	\$0.21827
LS-1 COMMODITY	5,082,549	\$1.53203		\$0.15320	1	\$0.15320
LS-1 LIQUEFACTION	5,082,549	\$0.55685		\$0.05569	1	\$0.05569
LS-1 VAPORIZATION	5,082,549	\$0.03030		\$0.00303	1	\$0.00303
TF-2 TRANSPORTATION CAPACITY	13,924	\$9.19405		\$0.91940	12	\$11.03286
TF-2 TRANSPORTATION COMMODITY	5,082,549	\$0.01425		\$0.00143	1	\$0.00143
SGS-1 DEMAND	148,450	\$0.51374		\$0.05137	12	\$0.61649
SGS-1 CAPACITY	5,400,535	\$0.01886		\$0.00189	12	\$0.02263
SGS-1 COMMODITY	5,400,535	\$1.33374		\$0.13337	1	\$0.13337
TF-2 TRANSPORTATION CAPACITY	14,796	\$9.19405		\$0.91940	12	\$11.03286
TF-2 TRANSPORTATION COMMODITY	5,400,535	\$0.01425		\$0.00143	1	\$0.00143
WINTER PEAKING RESERVATION	134,182	\$43.29620		\$4.32962	1	\$4.32962
WINTER PEAKING COMMODITY	4,341,225	\$1.33374		\$0.13337	1	\$0.13337
TF-2 TRANSPORTATION CAPACITY	7,431	\$9.19405		\$0.91940	12	\$11.03286
TF-2 TRANSPORTATION COMMODITY	4,341,225	\$0.01425		\$0.00143	1	\$0.00143
PGS DEMAND CHARGE (FIBRE)	134,182	\$47.26563		\$4.72656	1	\$4.72656
PGS CAPACITY CHARGE	2,712,136	\$0.31320		\$0.03132	1	\$0.03132
PGS ALTERN. SUPPLY COSTS	2,712,136	\$0.13500		\$0.01350	1	\$0.01350
PGSS DEMAND CHARGE (TENASKA)	465,140	\$2.25338		\$0.22534	1	\$0.22534
PGSS USAGE CHARGE	0	\$0.00000		\$0.00000	1	\$0.00000
PGSS ALTERN. FUEL COST PREPAYMENT	0	\$0.00000		\$0.00000	1	\$0.00000
PGSS STANDBY CHARGE	2,712,126	\$2.47025		\$0.24702	1	\$0.24702
PGR-1 DEMAND CHARGE	132,823	\$13.50000		\$1.35000	1	\$1.35000
PGR-1 COMMODITY COSTS	0	\$2.15975		\$0.21598	1	\$0.21598
PGR-2 DEMAND CHARGE	88,549	\$14.09000		\$1.40900	1	\$1.40900
PGR-2 COMMODITY COSTS	1,374,573	\$2.10607		\$0.21061	1	\$0.21061

/1 Capacity Agreement specifies that this capacity will be priced at 75% of NWP's posted TF-1 Demand rate.

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CASCADE NATURAL GAS CORPORATION  
1997 PGA Gas Demand Cost Allocation

Settlement Exhibit\_\_(JTS-1)  
 Schedule 1 of 1  
 Page 4 of 8

	Current	Proposed
Demand Costs	\$ 30,415,783	\$ 28,134,874
Commodity Costs	25,177,124	28,396,645

Rate Schedule	502/503	504	505/511	570/577	Total
Current Demand Rates	\$ 0.16849	\$ 0.16590	\$ 0.15336	\$ 0.14082	
% change (same for each sch)	-9.47592%	-9.47592%	-9.47592%	-9.47592%	
<b>Proposed Demand Increment</b>	<b>\$ 0.15252</b>	<b>\$ 0.15018</b>	<b>\$ 0.13883</b>	<b>\$0.12748</b>	
Proposed Demand Costs Collected	\$ 13,252,430	\$ 10,850,092	\$ 3,363,453	\$ 668,899	<b>\$ 28,134,874</b>
Proposed Change in Demand	(0.01597)	(0.01572)	(0.01453)	(0.01334)	
Revenue Adjustment Factor	1.04633	1.04633	1.04633	1.04633	
Proposed Rate Adjustment	\$ (0.01671)	\$ (0.01645)	\$ (0.01521)	\$ (0.01396)	
Proposed Volumes	86,887,493	72,247,509	24,227,527	5,247,256	188,609,786

Note: Demand Cost Allocation Methodology From UG-951415



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**Cascade Natural Gas Corporation**  
**WASHINGTON 1997 PURCHASED GAS ADJUSTMENT APPLICATION**  
**BASED UPON THE TWELVE MONTHS ENDED 6/30/97**  
**State of Washington**

Line No.	Description (a)	Rate Schedule (b)	Average # of Bills (c)	Actual Therms Sold (d)	Actual Revenue (e)	Restated Revenue *c (f)	Per Therm Gas Cost Change (g)	Amount of Change (h)	Percent Change (i)
<b>CORE MARKET RATE SCHEDULES</b>									
<b>Residential</b>									
1	General Service	501 (now 503)	8,200	1,171,261	776,079	828,257	(0.000272)	(319)	-0.04%
2	Dry Out	502	1,001	848,433	441,015	453,862	(0.000012)	(10)	0.00%
3	General Service	503	99,092	87,364,895	48,993,304	49,828,541	(0.000272)	(23,775)	-0.05%
4	Compressed Natural Gas	512	0	0	-	0	(0.000012)	0	0.00%
5	Gas A/C	541	99	159,630	83,563	85,202	(0.000012)	(2)	0.00%
6	Unbilled at 6/30/97			1,110,735	693,045	705,473	(0.000272)	(302)	-0.04%
7	Less Unbilled at 6/30/96			(1,122,474)	(651,292)	(662,972)	(0.000272)	305	-0.05%
8	<b>Total Residential</b>		<b>108,392</b>	<b>89,532,480</b>	<b>50,335,713</b>	<b>51,238,363</b>		<b>(24,102)</b>	<b>-0.05%</b>
<b>Commercial</b>									
9	Dry Out	502	44	231,240	110,312	112,416	(0.000012)	(3)	0.00%
10	General Service	504	18,422	74,049,250	37,845,698	38,595,342	(0.000012)	(898)	0.00%
11	Large Volume	511	85	10,851,554	4,622,882	4,754,565	(0.000012)	(132)	0.00%
12	Compressed Natural Gas	512	4	83,561	42,481	43,276	(0.000012)	(1)	0.00%
13	Gas A/C	541	51	193,186	98,584	100,569	(0.000012)	(2)	0.00%
14	Unbilled at 6/30/97			1,253,355	681,733	695,875	(0.000012)	(15)	0.00%
15	Less Unbilled at 6/30/96			(1,320,468)	(664,287)	(678,067)	(0.000012)	16	0.00%
16	Less Company Use		(30)	(114,823)	(58,229)	(59,437)	(0.000012)	1	0.00%
17	<b>Total Commercial</b>		<b>18,576</b>	<b>85,226,855</b>	<b>42,679,175</b>	<b>43,564,539</b>		<b>(1,034)</b>	<b>0.00%</b>
<b>Industrial Firm</b>									
18	General Service	505	202	8,078,603	3,426,417	2,353,409	0.001228	9,919	0.42%
19	Large Volume	511	26	5,297,370	2,176,365	2,220,425	0.001228	6,504	0.29%
20	Compressed Natural Gas	512	1	3,912	2,036	2,075	0.001228	5	0.23%
21	<b>Total Industrial Firm</b>		<b>229</b>	<b>13,379,885</b>	<b>5,604,818</b>	<b>4,575,908</b>		<b>16,429</b>	<b>0.36%</b>
<b>Industrial Interruptible</b>									
22	General	570	8	2,477,153	851,002	865,445	0.002478	6,138	0.71%
23	Accounting Adjustment			0	0	0	0.002478	0	0.00%
24	Less Unbilled Adjustment			(1,412)	(20,481)	(20,829)	0.002478	(3)	0.02%
25	<b>Total Industrial Inter.</b>		<b>8</b>	<b>2,475,741</b>	<b>830,520</b>	<b>844,616</b>		<b>6,135</b>	<b>0.73%</b>
<b>Institutional Interruptible</b>									
26	General	570	6	1,189,761	417,210	425,849	0.002478	2,948	0.69%
27	Institutional	577	7	1,655,414	609,975	618,446	0.002478	4,102	0.66%
28	<b>Total Institut. Interr.</b>		<b>13</b>	<b>2,845,175</b>	<b>1,027,184</b>	<b>1,044,296</b>		<b>7,050</b>	<b>0.68%</b>
29	<b>Subtotal Core</b>		<b>127,218</b>	<b>193,460,136</b>	<b>100,477,410</b>	<b>101,267,721</b>		<b>4,477</b>	<b>0.00%</b>
<b>NONCORE MARKET RATE SCHEDULES</b>									
30	Gas Supply	681, 682, 684		108,640,544	20,110,815 *a	15,943,718 *a			
31	Gas Supply - Cust.Owned	683		546,764,311	7,761,995	7,761,995			
32	Transportation Distribution	685-686		126,928,017 *b	6,342,194 *a	6,669,385 *a			
33	General	663	105	110,370,114	11,481,210	11,506,714			
34	Large Volume	664	14	175,633,158	5,870,410	5,893,199			
35	Elec.Gen.Interr. *a	678	1						
36	#1630			0	0	0			
37	#1640			340,620	49,972	49,972			
38	Special Contracts	901	10						
39	#0080			7,049,365	83,665	83,665			
40	#0180			33,430,233	385,224	386,732			
41	#0191			19,550,187	364,817	359,457			
42	#0350			4,098,273	85,661	85,661			
43	#0485			7,320,812	88,712	89,078			
44	#0630			94,541,313	1,269,961	1,269,961			
45	#1215			22,622,902	881,339	873,965			
46	#1300			100,465,971	1,433,680	1,435,275			
47	#1630			10,742,726	256,023	256,023			
48	#2075			69,257,872	1,434,779	1,434,779			
49	<b>Subtotal Noncore</b>		<b>130</b>	<b>655,423,546</b>	<b>57,900,457</b>	<b>54,099,780</b>			
50	<b>TOTAL CORE AND NONCORE</b>		<b>127,348</b>	<b>848,883,682</b>	<b>158,377,868</b>	<b>155,367,501</b>		<b>4,477</b>	<b>0.00%</b>
<b>ADJUSTMENTS</b>									
51	B & O Tax				4,582,700	4,582,700			
52	Billing/Technical Adjustments			459,754	257,370	0			
53	Transportation				0	0			
54	<b>Total Adjustments</b>			<b>459,754</b>	<b>4,840,069</b>	<b>4,582,700</b>			
55	<b>ADJUSTED CORE &amp; NONCORE TOTALS</b>				<b>163,217,937</b>	<b>159,950,201</b>			
56	Adjustments to Gas Transportation Revenue					0			
57	<b>TOTAL THERMS &amp; REVENUE</b>			<b>849,343,436</b>	<b>163,217,937</b>	<b>159,950,201</b>		<b>4,477</b>	<b>0.00%</b>

\*a) Gas cost revenues billed on R/S 678 are moved to Lines #30 and #32 leaving only distribution revenues on R/S 678.  
 \*b) Amount shown represents therms transported under Cascade's agreements with Northwest Pipeline.  
 \*c) Core and R/S 663 revenues are restated at base rates at 6/30/97; Noncore supply commodity is restated at WACOG for test period actual supply costs. R/S 901, 685, and 686 are restated at 6/97 rates.

**Cascade Natural Gas Corporation**  
**TYPICAL MONTHLY THERM USAGE AND COST BY CLASS**  
**FOR TWELVE MONTHS ENDED 6/30/97**  
**State of Washington**

<u>Line No.</u>	<u>Description</u> (a)	<u>Therm Sales</u> (b)	<u>Revenue at 8/1/96 Rates</u> (c)	<u>Per Therm Gas Cost Change</u> (d)	<u>Amount of Change</u> (e)	<u>Percent Change</u> (g)
1	Residential	89,532,480	\$51,238,363	\$ (0.00027)	(\$24,102)	-0.05%
2	Commercial	85,226,855	\$43,564,539	\$ (0.00001)	(1,034)	0.00%
3	Industrial Firm	13,379,885	\$4,575,908	\$ 0.00123	16,429	0.36%
4	Interruptible	5,320,916	1,888,911	\$ 0.00248	13,185	0.70%
5	TOTAL	193,460,136	\$101,267,721		\$4,477	

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**Cascade Natural Gas Corporation**  
**TYPICAL MONTHLY THERM USAGE AND COST BY CLASS**  
**FOR TWELVE MONTHS ENDED 6/30/95**  
**State of Washington**

Line No.	Description (a)	Typical Monthly Therm Use (b)	Avg Bill @ 8/1/96 Rates (c)	Present Filing Changes (d)	Proposed Typical Bill (e)	Percent Change (g)
1	Residential	69	\$39.39	(\$0.02)	\$39.37	-0.05%
2	Commercial	382	\$195.43	(\$0.00)	\$195.43	0.00%
3	Industrial Firm (Per Therm)	N/A*	\$0.34200	\$0.00123	\$0.34323	0.36%
4	Interruptible (Per Therm)	N/A*	\$0.35500	\$0.00248	\$0.35748	0.70%

\* The large variation among customers in the Industrial and Interruptible, customer classes renders average consumption numbers meaningless, therefore only per therm figures have been listed.

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File: W97-2rgc

DERIVATION OF PROPOSED RATE LEVEL WITHIN  
 RATE ADDITION SCHEDULE NO. 596  
 State of Washington

Line No.	Description	Residential Customers	Commercial Customers	Firm Indust Customers	Interruptible Customers	Noncore Customers
1	R/S 596 Effective August 1, 1996	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000
<u>Proposed Incremental Change</u>						
2	Residential 1)	(\$0.00027)				
3	Commercial 2)		(\$0.00001)			
4	Industrial Firm 3)			\$0.00123		
5	Interruptible - CORE 4)				\$0.00248	
6	NON-CORE Customers 5)					\$0.00000
7	Sheet No. 596 Totals	(\$0.00027)	(\$0.00001)	\$0.00123	\$0.00248	\$0.00000

- 1) Rate Schedule Nos. 503
- 2) Rate Schedule Nos. 502, 504, 512 & 541
- 3) Rate Schedule Nos. 505, 511
- 4) Rate Schedule Nos. 570, 577
- 5) Rate Schedule Nos. 663 & 664

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WASH. UT. & TRANS. COMM.

COPY

WN U-3

Sub. Seventeenth Revision Sheet No. 595  
Canceling  
Sixteenth Revision Sheet No. 595

CASCADE NATURAL GAS CORPORATION

TEMPORARY TECHNICAL ADJUSTMENT  
SCHEDULE NO. 595

APPLICABLE:

This adjustment applies to gas service rendered by the Company under the tariff of which this schedule is a part for service on and after the effective date hereof and shall be in addition to all rates and charges specified in this tariff.

MONTHLY RATES AND MINIMUM BILLS:

Each of the charges, except Demand and Customer Service Charges, of Schedule Nos. 505 and 511 are to be increased by \$.00000 per therm or an appropriate multiple thereof. The incremental change that is occurring on the below effective date is an increase of \$.00704.

(I)  
(I)

Each of the charges, except Demand and Customer Service Charges, of Schedule Nos. 501, 502, 503, 504, 512 and 541 are to be increased by \$.00000 per therm or an appropriate multiple thereof. The incremental change that is occurring on the below effective date is an increase of \$.00704.

(I)  
(I)

Each of the charges of Schedule Nos. 570 and 577 are to be increased by \$.00000 per therm or an appropriate multiple thereof. The incremental change that is occurring on the below effective date is an increase of \$.00704.

(I)  
(I)

Each of the charges of Schedule Nos. 663 and 664 are to be increased by \$.00209 per therm or an appropriate multiple thereof. The incremental change that is occurring on the below effective date is an increase of \$.00167.

(I)  
(I)

The commodity rates charged under Schedule Nos. 685 and 686 are to be decreased by \$0.00724 per therm or an appropriate multiple thereof. The incremental change that is occurring on the below effective date is a decrease of \$.00724.

(R)  
(R)

SPECIAL TERMS AND CONDITIONS:

The rates named herein are subject to increases set forth in Schedule No. 500.

BEFORE THE BOARD OF ORDER OF WASH. UTILITIES & TRANSPORTATION COMM., DOCKET NO. UG-971695

CNG/W97-11-02

ISSUED December 29, 1997

EFFECTIVE January 1, 1998

BY

ISSUED BY CASCADE NATURAL GAS CORPORATION

TITLE Senior Vice President

174

**PROPOSED**

Sub. Seventy-Fourth Rev. Sheet No. 596  
Cancelling  
Seventy-Third Revision Sheet No. 596

WN U-3

**CASCADE NATURAL GAS CORPORATION**

**RATE ADJUSTMENT  
SCHEDULE NO. 596**

**APPLICABLE:**

This adjustment applies to gas service rendered by the Company under the tariff of which this schedule is a part for service on and after the effective date hereof and shall be in addition to all rates and charges specified in this tariff.

**MONTHLY RATES AND MINIMUM BILLS:**

Each of the charges, except Demand and Customer Service Charges, of Schedule No. 503 are to be decreased by \$0.00027 per therm or an appropriate multiple thereof. (R)

Each of the charges, except Demand and Customer Service Charges, of Schedule Nos. 502, 503, 504, 512 and 541 are to be decreased by \$0.00001 per therm or an appropriate multiple thereof. (R)

Each of the charges, except Demand and Customer Service Charges, of Schedule Nos. 505 and 511 are to be increased by \$0.00123 per therm or an appropriate multiple thereof. (I)

Each of the charges of Schedule Nos. 570 and 577 are to be increased by \$0.00248 per therm or an appropriate multiple thereof. (I)

**SPECIAL TERMS AND CONDITIONS:**

The rates named herein are subject to increases set forth in Schedule No. 500.

**BASE COMMODITY GAS COST:**

The per therm average commodity gas cost unit rate established by this adjustment to all Basic Bundled Rate Schedules listed above, is \$0.15754 (I)

CNG\W97-11-02

ISSUED May 19, 1998

EFFECTIVE June 16, 1998

**ISSUED BY CASCADE NATURAL GAS CORPORATION**

BY Jon T. Stoltz

TITLE Senior Vice President  
Planning & Rates

137

**PROPOSED**

WN U-3

**CASCADE NATURAL GAS CORPORATION**

**DISTRIBUTION SYSTEM TRANSPORTATION SERVICE  
SCHEDULE NO. 663**

**AVAILABILITY:**

This unbundled distribution system transportation service schedule is available throughout the territory served by the Company under the tariff of which this schedule is a part, provided, in the sole judgment of the Company, there are adequate facilities in place at the existing distribution line or as such line may be enhanced by the Company from time to time to provide service. Service under this schedule shall be in conjunction with service provided under optional gas supply supplemental Schedule Nos. 681, 682, 683, or 684 and shall be in conjunction with service provided under optional pipeline capacity supplemental Schedule Nos. 685 or 686. In the absence of customer's specification of firm or interruptible pipeline capacity service under Schedule No. 685 or No. 686, customer shall be billed at the rates then in effect under Schedule No. 686.

**RATE:**

A. Dispatching Service Charge	\$500.00 per month	
All Therms Delivered	\$0.0002 per therm	(R)

All customers receiving gas supply service through this schedule will be invoiced a monthly Dispatching Service Charge under this schedule or under one of the optional gas supply supplemental schedules, but in no event shall customer be billed Dispatching Service Charges under more than one schedule for service at a single metering facility.

**B. Delivery Charge For All Therms Delivered Per Month**

First 10,000	\$ 0.13313 Per Therm Per Month
Next 10,000	\$ 0.12052 Per Therm Per Month
Next 30,000	\$0.10732 Per Therm Per Month
Next 50,000	\$0.06778 Per Therm Per Month
Over 100,000	\$0.03492 Per Therm Per Month

C. The total of all charges invoiced by Company shall be subject to a Gross Revenue Fee reimbursement charge to cover state utility tax and other governmental levies imposed upon the Company. The current Gross Revenue Fee is 4.633%.

All other terms and conditions of services shall be pursuant to the Rules and Regulations set forth in the Company's filed tariff.

**OTHER SERVICES:**

Service under this schedule shall include transportation on the Company's distribution facilities only. Access to interstate pipeline or other upstream facilities, either new or existing, shall be pursuant to other schedules if such services are to be obtained through the Company.

**RATE ADJUSTMENTS:**

Rates for service under this schedule are subject to various adjustments as specified in Schedule Nos. 595, 596, 598, and 599 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities & Transportation Commission.

- Continued on Next Page -

CNGW97-11-02

ISSUED May 19, 1998

EFFECTIVE June 16, 1998

**ISSUED BY CASCADE NATURAL GAS CORPORATION**

BY Jon T. Stoltz

TITLE Senior Vice President  
Planning & Rates

138

**PROPOSED**

WN U-3

**CASCADE NATURAL GAS CORPORATION**

**LARGE VOLUME DISTRIBUTION SYSTEM TRANSPORTATION SERVICE  
SCHEDULE NO. 664**

**AVAILABILITY:**

This unbundled distribution system transportation service schedule is available throughout the territory served by the Company under the tariff of which this schedule is a part, provided, in the sole judgment of the Company, there are adequate facilities in place at the existing distribution line or as such line may be enhanced by the Company from time to time to provide service. Service under this schedule shall be in conjunction with service provided under optional gas supply supplemental Schedule Nos. 681, 682, 683, or 684 and shall be in conjunction with service provided under optional pipeline capacity supplemental Schedule Nos. 685 or 686. In the absence of customer's specification of firm or interruptible pipeline capacity service under Schedule No. 685 or No. 686, customer shall be billed at the rates then in effect under Schedule No. 686.

**ANNUAL MINIMUM QUANTITY AND ANNUAL MINIMUM BILL:**

Customers must consume a minimum of 2,400,000 metered therms annually to be served under this schedule. Existing customers must show a history of the most recent 12 months of consuming the 2,400,000 annual minimum therm requirement or must demonstrate enough newly connected gas equipment such that the total consumption will meet or exceed the 2,400,000 annual minimum therm requirement to qualify for this schedule. New customers must clearly demonstrate their annual therm consumption will be greater than the 2,400,000 therm annual minimum consumption requirement to qualify for this schedule. The annual minimum quantity stated in a customer's contract served under this schedule will be negotiated, but in no event be less than 2,400,000 therms.

If a customer does not consume a minimum of 2,400,000 therms annually (twelve months ending on the customer's contract anniversary date) the customer will pay for the deficiency balance of the 2,400,000 therms not used as though the deficiency therms were consumed in the twelfth month of the contract year. If such an annual minimum deficiency occurs due to force majeure or low product demand conditions, in the sole judgement of the company, the customer may be required to shift to another qualifying schedule to receive distribution service. If such an annual minimum deficiency occurs absent of force majeure or low product demand conditions, the customer will be required to shift to another qualifying schedule to receive distribution service.

**RATE:**

A. Dispatching Service Charge \$500.00 per month  
All Therms Delivered \$0.0002 per therm (R)

All customers receiving gas supply service through this schedule will be invoiced a monthly Dispatching Service Charge under this schedule or under one of the optional gas supply supplemental schedules, but in no event shall customer be billed Dispatching Service Charges under more than one schedule for service at a single metering facility.

**B. Delivery Charge For All Therms Delivered Per Month**

First 100,000	\$0.09153 Per Therm Per Month
Next 200,000	\$0.03329 Per Therm Per Month
Next 200,000	\$0.02218 Per Therm Per Month
Next 100,000	\$0.01904 Per Therm Per Month
Next 300,000	\$0.01857 Per Therm Per Month
Next 400,000	\$0.01761 Per Therm Per Month
Over 1,300,000	\$0.01642 Per Therm Per Month

C. The total of all charges invoiced by Company shall be subject to a Gross Revenue Fee reimbursement charge of 4.633% to cover state utility tax and other governmental levies imposed upon the Company.

All other terms and conditions of services shall be pursuant to the Rules and Regulations set forth in the Company's filed tariff.

- Continued on Next Page -

CNG\W97-11-02

ISSUED May 19, 1998

EFFECTIVE June 16, 1998

**ISSUED BY CASCADE NATURAL GAS CORPORATION**

BY Jon T. Stoltz

TITLE Senior Vice President  
Planning & Rates



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**PROPOSED**

WN U-3

**CASCADE NATURAL GAS CORPORATION**

**OPTIONAL FIRM GAS SUPPLY  
SUPPLEMENTAL SCHEDULE NO. 681**

**APPLICABILITY:**

This schedule applies throughout the territory served by the Company under the tariff of which this schedule is a part, as a supplemental schedule to either unbundled distribution system transportation Rate Schedule Nos. 663, 665, or 679; provided adequate firm supply to provide the service contemplated is available to the Company. Company is not obligated to purchase or reserve firm capacity on Northwest Pipeline Corporation's transmission facilities beyond the level and term of firm capacity elected by customer under Optional Firm Pipeline Capacity Supplemental Schedule No. 685. In the absence of customer's specification of firm or interruptible pipeline capacity service under Schedule No. 685 or No. 686, customer shall be billed at the rates then in effect under Schedule No. 686.

**GAS SUPPLY DESCRIPTION**

The per therm cost of gas supplied to customers under this **Optional Firm Gas Supply** will be based upon the cost established by long-term supply contracts.

**CONTRACT TERM:**

Customers choosing **Optional Firm Gas Supply** under this schedule shall execute a service contract with a primary term that has a termination date in any year of September 30 of that year. In no event shall a term of a contract be less than one year. Said contract shall state the maximum daily volume of gas (Contract Demand), based on winter (November through February) peak requirements to be delivered under this gas supply schedule as well as the distribution system transportation rate schedule under which customers will be receiving all gas delivered by the Company.

**RATE:**

A. Dispatching Service Charge	\$500.00 per month	
All Therms Delivered	\$0.0002 per therm	(R)

All customers receiving gas supply service through this schedule will be invoiced a monthly Dispatching Service Charge under this schedule or under one of the other gas supply or distribution system transportation rate schedules, but in no event shall customer be billed Dispatching Service Charges under more than one schedule for service at a single metering facility.

B. Gas Supply Demand Charge	\$0.35518 per Therm of Contract Demand per month
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Customer served under this schedule shall pay a Gas Supply Demand Charge based upon the maximum daily volume (Contract Demand) named in the Contract times the above stated charge.

**C. Commodity Gas Supply Charge:**

The charges for the commodity cost of gas for customers electing this option shall include all the cost of such supply at the city gate (excluding pipeline transportation charges). The cost of such commodity for the upcoming month shall be reported to each customer served under this **Optional Firm Gas Supply** prior to the start of such month. A Billing Adjustment may be included for demand charge credits to reflect the recovery of such demand charges from the sale to customers served under certain interruptible schedules of any unused gas dedicated to customers served on this schedule.

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CNG\W97-11-02

ISSUED May 19, 1998

EFFECTIVE June 16, 1998

**ISSUED BY CASCADE NATURAL GAS CORPORATION**

BY Jon T. Stoltz

TITLE Senior Vice President  
Planning & Rates

140

**PROPOSED**

WN U-3

**CASCADE NATURAL GAS CORPORATION**

**OPTIONAL BEST EFFORTS SPOT MARKET GAS SUPPLY  
SUPPLEMENTAL SCHEDULE NO. 682**

**APPLICABILITY:**

This schedule applies throughout the territory served by the Company under the tariff of which this schedule is a part, as a supplemental schedule to either unbundled distribution system transportation rate schedule. Company is not obligated to purchase or reserve firm capacity on Northwest Pipeline Corporation's transmission facilities beyond the level and term of firm capacity elected by customer under Optional Firm Pipeline Capacity Supplemental Schedule No. 685. In the absence of customer's specification of firm or interruptible pipeline capacity service under Schedule No. 685 or No. 686, customer shall be billed at the rates then in effect under Schedule No. 686.

**GAS SUPPLY DESCRIPTION**

The per therm cost of gas supplied to customers under this **Optional Best Efforts Spot Market Gas Supply** will be based upon the per therm cost of gas supplies purchased by Company at a negotiated price available on the open spot market for gas, plus all of the costs incurred by Company to get the gas to the city gate.

**CONTRACT TERM:**

Customers choosing **Optional Best Efforts Spot Market Gas Supply** under this schedule shall execute a service contract with a primary term that has a termination date in any year of September 30 of that year. In no event shall a term of contract be less than one year. Said contract shall state the maximum daily volume of gas to be delivered under this gas supply schedule as well as the distribution system transportation rate schedule under which customers will be receiving all gas delivered by the Company.

**RATE:**

A. Dispatching Service Charge	\$500.00 per month	
All Therms Delivered	\$0.0002 per therm	(R)

All customers receiving gas supply service through this schedule will be invoiced a monthly Dispatching Service Charge under this schedule or under one of the other gas supply or distribution system transportation rate schedules, but in no event shall customer be billed Dispatching Service Charge under more than one schedule for service at a single metering facility.

**B. Commodity Gas Supply Charge:**

The charge for the commodity cost of gas for customers electing this option shall include all costs of such supply at the city gate (excluding pipeline transportation charges). The cost of such commodity for the upcoming month, for the Customers "Normal Gas Supply Level" requirements as defined in this schedule's Operating Obligations and Conditions Section 1, shall be communicated to each customer served under this **Optional Best Efforts Spot Market Gas Supply** prior to the start of such month.

Customer gas supply requests during the current month that are in excess of that month's "Normal Gas Supply Level" will be considered incremental supplies. Such requests shall be subject to availability and payment of incremental costs incurred in obtaining such supplies.

C. The total of all charges invoiced by Company shall be subject to a Gross Revenue Fee reimbursement charge of 4.633% to cover governmental levies imposed upon the Company.

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TITLE Senior Vice President  
Planning & Rates

141

WN U-3

**PROPOSED**

**CASCADE NATURAL GAS CORPORATION**

**OPTIONAL CUSTOMER OWNED GAS SUPPLY  
SUPPLEMENTAL SCHEDULE NO. 683**

**AVAILABILITY:**

This schedule is available throughout the territory served by the Company under the tariff of which this schedule is a part, provided that the party desiring natural gas to be transported by the Company is a customer or has contracted to become a customer of the Company under either unbundled distribution system transportation rate schedule in this tariff and provided in the sole judgment of the Company that adequate facilities exist in the Company's system to accommodate the transportation of gas.

**RATE:**

**A. Dispatching Service Charge**

All therms Delivered

\$500.00 per month

\$0.0002 per therm

(R)

All customers receiving gas supply service through this schedule will be invoiced a monthly Dispatching Service Charge under this schedule or under one of the other gas supply or distribution system transportation rate schedules, but in no event shall customer be billed Dispatching Service Charges under more than one schedule for service at a single metering facility.

**B. Commodity Gas Supply Charge:**

The charges for the commodity cost of gas for customers electing this option shall include all the cost of such supply incurred by the Company at the city gate (excluding pipeline transportation charges), if any. All volumes delivered to customers, including those volumes transported by Company for the customer, will be billed under the appropriate distribution system transportation rate schedule (plus any applicable add-on and discount schedules). All volumes determined to have been tendered by customers or customers' agent to Northwest Pipeline Corporation and subsequently tendered to the Company for transportation each month may be reflected on the next regularly issued bill. The volume reflected as transportation shall not exceed the total volume delivered by the Company to the customer in the applicable billing period.

**C. The total of all charges invoiced by Company shall be subject to a Gross Revenue Fee reimbursement charge of 4.633%. to cover governmental levies imposed upon the Company.**

**CONTRACT:**

Customers receiving service under this schedule shall execute a contract for a period not less than the period covered under the customer's gas purchase contract with customer's supplier. However, in no event shall the contract be for less than one (1) year. Said contract shall state the maximum daily volume of gas to be transported as well as the distribution system transportation rate schedule(s) under which customer will be receiving all gas delivered by Company. If interstate pipeline transportation of customer's gas is to be contracted for by Company, said contract shall also specify the optional pipeline capacity schedule to be applicable, and in the absence of such specification, customer shall be responsible for all arrangements for interstate pipeline transportation.

**WAIVER OF FIRM GAS SUPPLY:**

Customer(s) electing to provide their own gas supplies under this schedule in lieu of firm system supply or Optional Firm Gas Supply Supplemental Schedule No. 681 waive protection from supply failure curtailment of all of their requirements. Company has no obligation to purchase or reserve gas supply or interstate pipeline capacity for customer(s) electing to provide their own gas supplies and/or their own interstate pipeline capacity.

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