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May 23, 2023

Ms. Amanda Maxwell
Executive Director and Secretary
Washington Utilities & Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Re: New, CNGC-PSE Fredonia Special Contract

Dear Ms. Maxwell,

Per RCW 80.28.100 and WAC 480-80-143, Cascade Natural Gas Corporation (“Cascade” or “Company”) submits the attached executed special contract between the Company and Puget Sound Energy (“Puget”) for gas transportation to Puget’s Fredonia electric power generating facility.

This contract was executed May 10, 2023, with an effective date of the first day of the month following Commission approval and a termination provision should regulatory approval not be granted by July 31, 2023. As such, the Company requests the Commission act on this filing prior to July 31, 2023.

The Company provides the following information in Compliance with WAC 480-80-143(5):

(a) Include a complete copy of the proposed contract

The complete proposed contract is submitted as the file titled, “New-CNGC-PSE-Fredonia-SpcCntct-05-23-23.”

(b) Show that the contract meets the requirements of RCW 80.28.090 and RCW 80.28.100.

In compliance with RCW 80.28.090 and WAC 80.28.100, the subject contract does not offer undue preference or a special rate as the Basic Service Charge and the per therm rates are those established in Schedule 663, Distribution System Transmission Service.

The Daily Demand is set at the level of service that the Company can provide without compression and compression service thereafter is interruptible as it is dependent upon the Company’s ability to serve downstream customers first.

For the purpose of the Company's priority of service as defined in Rule 17, service under this contract will be considered Schedule 663 service.

- (c) Demonstrate, at a minimum, that the contract charges recover all costs resulting from providing the service during its term, and, in addition, provide a contribution to the gas, electric, or water company's fixed costs.**

The Basic Service Charge and the per therm rates charged in this service agreement are as approved by the Commission for Schedule 663, in Commission Order No. 09 of the Company's last general rate case docketed as UG-210755.

- (d) Summarize the basis of the charge(s) proposed in the contract and explain the derivation of the proposed charge(s) including all cost computations involved.**

See the response to (c) above.

- (e) Indicate the basis for using a contract rather than a filed tariff for the specific service involved. If the basis for using a contract is the availability of an alternative service provider, identify that provider.**

Service is provided to Puget Sound Energy under Special Contract because serving the Fredonia site is contingent upon Cascade's compressor operating and service to the Fredonia site may need to be curtailed when the compressor is not operating. No rate schedule has a provision for limited Daily Demand based on available compression. Further, only Puget's Fredonia site may be impacted and potentially interrupted when the compressor is not operational while all other customers on the system would not be impacted.

This filing is comprised of the following files:

- New-CNGC-PSE-Fredonia-SpcCntct-CLtr-05-23-23
- New-CNGC-PSE-Fredonia-SpcCntct-05-23-23

Questions regarding this filing should be directed to Michael Parvinen at (509) 734-4593.

Sincerely,

/s/ Lori Blattner

Lori Blattner
Director, Regulatory Affairs
Cascade Natural Gas Corporation
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Enclosures