

WN U-3

CASCADE NATURAL GAS CORPORATION

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Jon T. Stoltz

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TITLE Senior Vice President  
Regulatory & Gas Supply

WN U-3

Sixth Revision Sheet No. 682

CASCADE NATURAL GAS CORPORATION

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

(N)

**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 unbundled distribution system transportation service.

**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 deliver 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:**

**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. The cost of such commodity for the upcoming month, for the Customers "estimated gas supply requirements" as defined in Rule 20's Operating Obligations and Conditions Section 1, shall be communicated to each customer served under this **Optional Best Efforts Spot Market Gas Supply** at the beginning of the month.

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

**GROSS REVENUE FEE REIMBURSEMENT CHARGE**

The total of all charges invoiced by Company shall be subject to a Gross Revenue Fee reimbursement charge of 4.535% to cover governmental levies imposed upon the Company.

(N)

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Fourth Revision Sheet No. 684

CASCADE NATURAL GAS CORPORATION

OPTIONAL GAS SUPPLY  
SCHEDULE NO. 684

(N)

**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 unbundled distribution system transportation service.

**GAS SUPPLY DESCRIPTION**

Company shall provide gas supply to customers electing service under this rate schedule at a Point of Sale either at the City Gate or a Pipeline Receipt point under the terms and conditions of this rate schedule. The per dekatherm price of gas supplied under this schedule shall be negotiated and included as part of a contract between customer and Company. The price shall be based upon the Company's cost of the gas supply purchased to serve customer, all of the costs incurred by Company to deliver the supply to the Point Of Sale, a risk-premium mark-up for each customer electing this option, and other charges, as reflected in this rate schedule. The customer shall select either a fixed or variable price for gas supply. A fixed price shall be based upon the forward prices at the Point of Sale for the required period at the time of making the contract. A variable price shall be based upon the published First-Of-The-Month index price related to the source of the supply.

**POINT OF SALE**

Point Of Sale shall refer to the location where the change in custody or ownership from the Company to the customer shall occur.

**Pipeline Receipt Point:** For those customers that choose to acquire pipeline transportation capacity on Northwest Pipeline Corporation's (NPC) system, either directly from NPC or through the Capacity Release marketplace, the point of sale shall be the authorized receipt point(s) as designated in the customer's Transportation Agreement with NPC. Such receipt points may be Sumas Receipt, Stanfield Receipt, Opal Receipt or other authorized receipt point(s). Customers with such NPC capacity shall provide sufficient quantities of gas supply directly to NPC to satisfy NPC's fuel-in-kind requirements and shall be invoiced directly from NPC for the cost of pipeline transportation. These customers shall not pay the Company any additional charges for pipeline transportation.

**City Gate:** For those customers that choose the Point Of Sale to be the City Gate connecting the Company's distribution system to NPC's pipeline, the Company will include in the price of gas supply the current market value of the released capacity, determined at the time of entering the contract based upon NPC tariffs and market data, and the cost of providing sufficient quantities of supply to satisfy NPC's fuel-in-kind requirements in its determination of the City Gate price.

**RISK-PREMIUM MARK-UP**

The price offered by the Company shall include a Risk-Premium Mark-Up that, in the sole judgment of the Company, provides compensation for the financial risk the Company will be incurring in providing gas supply services to the customer. The following lists the range of Risk-Premium Mark-Up the Company will include in its prices for the various types of supply arrangements.

(N)

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Third Revision Sheet No. 684-A

CASCADE NATURAL GAS CORPORATION

**OPTIONAL GAS SUPPLY  
SCHEDULE NO. 684  
(Continued from Previous Page)**

(N)

**RISK-PREMIUM MARK-UP (Continued)**

**Baseload or fixed volume per month:** Customer agrees to purchase a set quantity of gas supply each month of the contract term. In such cases, the Risk-Premium Mark-Up shall be no more than \$.10 per Dekatherm or less than \$.005 per Dekatherm.

**Baseload or fixed volume with  $\pm 5\%$  tolerance:** Customer agrees to purchase between 95% and 105% of a set quantity of gas supply each month of the contract term. In such cases, the Risk-Premium Mark-Up shall be no more than \$.15 per Dekatherm or less than \$.01 per Dekatherm.

**Baseload or fixed volume with  $\pm 10\%$  tolerance:** Customer agrees to purchase between 90% and 110% of a set quantity of gas supply each month of the contract term. In such cases, the Risk-Premium Mark-Up shall be no more than \$.25 per Dekatherm or less than \$.02 per Dekatherm.

**100% Volumetric:** Customer agrees to purchase all gas required each month of the contract term. In such cases, the Risk-Premium Mark-Up shall be no more than \$1.00 per Dekatherm or less than \$.02 per Dekatherm.

**GROSS REVENUE FEE REIMBURSEMENT CHARGE**

The total of all charges invoiced by Company for Optional Gas Supply Services 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 4.535%.

**CONTRACT:**

Customers receiving Gas Supply service under this schedule shall execute a NAESB Base service contract including a Transaction Confirmation Sheet or a Gas Management Services Agreement.

**TERMS OF PAYMENT:**

Payment shall be due and payable within fifteen (15) days from the date the bill is rendered.

(N)

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TITLE Senior Vice President