

NOV 2 - 1988

WASH. UT. & TRANS. COMM.

CASCADE NATURAL GAS CORPORATION

(N)

OPTIONAL FIRM GAS SUPPLY  
SUPPLEMENTAL SCHEDULE NO. 586

**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 all firm and interruptible sales service schedules. Company is not obligated to purchase or reserve any firm capacity on Northwest Pipeline Corporation's transmission facilities for interruptible sales customers electing this schedule.

**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. The supplies that Company will be contracting for possess highly reliable delivery characteristics that will initially provide savings when compared with normal system supplies.

**CONTRACT TERM:**

Customers choosing **Optional Firm Gas Supply** under this schedule shall execute a service contract through at least October 31, 1989. 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 sales rate schedule under which customers will be receiving all gas delivered by the Company.

**RATE:**

A. Dispatching Service Charge \$500.00 per month

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 sales service schedules, but in no event shall customer be billed a monthly Dispatching Service Charge under more than one schedule.

B. Gas Supply Demand Charge \$0.608 per Therm of Contract Demand per month

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. Billing Adjustment

The charges for sales service under applicable base sales schedule(s) to customers electing this option shall also include a credit of an amount equal to Northwest Pipeline Corporation's F.E.R.C. Gas Tariff, ODL-1 Rate Schedule Commodity rate, as such rates are reflected in the Company's tariff, minus the cost at the city gate of the commodity portion of the gas supplies provided under this **Optional Firm Gas Supply**. The Billing Adjustments may also include 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.

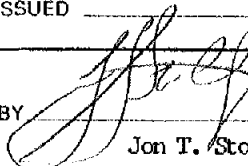
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CNG/W88-10-01-S

ISSUED November 2, 1988

EFFECTIVE December 2, 1988

BY  \_\_\_\_\_  
Jon T. Stoltz

ISSUED BY CASCADE NATURAL GAS CORPORATION  
Vice President

TITLE \_\_\_\_\_

CASCADE NATURAL GAS CORPORATION

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**OPERATING OBLIGATIONS AND CONDITIONS:**

1. Customer served on this schedule is required to report estimated gas supply requirements daily to the Company's dispatch department at least thirty-two (32) hours prior to the beginning of each gas day, unless other written arrangements are agreed upon with the Company. Such estimated requirement shall be considered as customer's nomination. Customer may report changes in that estimated gas supply requirement up to eight (8) hours prior to the beginning of each gas day. The gas day shall begin at 2:00 pm Pacific Standard Time.

Failure to report estimated gas supply requirements or comply with the written arrangements shall be considered as a zero (0) nomination for such gas day and may result in the penalties described in 3 below.

2. Customer served on this schedule is required to notify the Company's dispatch department in advance of operating changes that would cause actual gas day consumption to vary, either up or down, by 10% from reported gas day estimate. Such notification may mitigate potential penalties but will not indemnify customer from the responsibility of penalties described in 3 below.

3. Penalties incurred by Company from Northwest Pipeline Corporation as a result of nomination imbalances, will be passed on directly to those customer(s) or groups of customers whose take levels contribute to the imposition of the penalty. Such penalty shall be allocated among such customers, including Company's system supply customers, in proportion to the nomination imbalance associated with each customer or group of customers.

4. Unless otherwise agreed to by the Company, the Company will designate the monthly volume of gas delivered to the customer under this schedule in the following sequence as applicable:

- a) First - The volume of system supplies which are scheduled to be made a portion of customer's gas supply nomination, if any.
- b) Second - If customer is providing a portion of its gas supply requirement with customer owned gas supplies, the volume of banded customer owned gas supplies, if any, shall be delivered prior to any other non system supply.
- c) Third - The volume of gas supply scheduled to be delivered under this **Optional Firm Gas Supply** schedule.
- d) Fourth - The volume of spot market gas supply scheduled to be delivered, if any.
- e) Fifth - The volume of gas scheduled for delivery under the **Optional Customer Specific Gas Supply** schedule, if any.
- f) Sixth - The volume of customer purchased supplies scheduled for delivery under Limited Transportation Services of Customer Owned Gas Schedule No. 583, if any.

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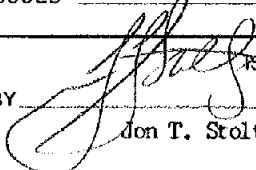
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WAIVER OF FIRM SYSTEM GAS SUPPLY:

Customer(s) electing to rely upon this Optional Firm Gas Supply Supplemental Schedule No. 586 waive any right to automatically purchase Firm system supply at some future date. Requests for such firm supply shall be subject to effects on availability or cost of such supply to other customers and may require a charge to offset any incremental costs of acquiring additional firm supplies.

UNAUTHORIZED USE OF GAS:

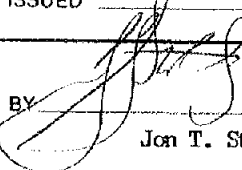
Company may curtail volumes in excess of the Gas Supply Contract Demand. Gas taken by customer under this schedule by reason of customer's failure to comply with Company's curtailment order shall be considered as an unauthorized overrun volume. Company shall bill and customer shall pay for such unauthorized overrun at the rate of \$0.60 per therm for all gas used in excess of 105% of the customer's gas day allocation plus the incremental costs above ODL-1 Commodity of any supplemental gas supplies the Company may have had to purchase to cover such unauthorized use, in addition to the regular charges incurred in the RATE section of this schedule and the regular charges incurred in the RATE section of the base sales rate schedule. The payment of an overrun penalty shall not under any circumstances be considered as giving customer the right to take unauthorized overrun gas or to exclude any other remedies which may be available to the Company to prevent such overrun.

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