

CASCADE
Natural Gas
CORPORATION

222 FAIRVIEW AVENUE NORTH, SEATTLE, WASHINGTON 98109

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September 9, 1994

Mr. Steve McLellan
Secretary
Washington Utilities and
Transportation Commission
Post Office Box 47250
Olympia, WA 98504

RECEIVED
SEP 9 1994
PM 2:30

RE: Proposed Commission Rate Making Review
Longview Fibre Company Special Contract
Docket No. UG-931386

Dear Mr. McLellan:

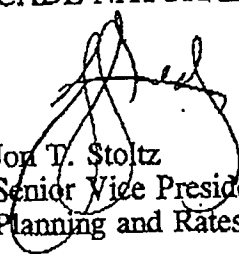
This letter reflects conversations between Staff and Cascade during the past two weeks on the above captioned subject. We understand that the Staff of the Commission is prepared to recommend approval of the Special Contract with Longview Fibre based on a potential bypass opportunity and the financial information provided by Cascade. Cascade confirms that this approval is acknowledgement of the contract only, and that ratemaking treatment will be examined in a future docket.

Cascade also confirms that it has agreed to file with the Commission, within six months of an order in Docket No. UG-931386, a petition requesting an order determining the ratemaking treatment with respect to the Special Contracts relating to March Point, Encogen, Tenaska, BP, and Longview Fibre. The Company and Staff are in agreement that proper ratemaking treatment with respect to these contracts should be resolved now while information is current, so that the risk of uncertainty of treatment is not added to the operational risks of these contracts to the detriment of ratepayers and shareholders alike.

We look forward to working closely with Staff in formulating a filing and obtaining an appropriate Commission order.

Very truly yours,

CASCADE NATURAL GAS CORPORATION

By 
Jon T. Stoltz
Senior Vice President
Planning and Rates

cc: Ms. Dixie Linnenbrink, Director Utilities Division
Mr. Jaime Ramirez, Regulatory Consultant
Mr. Alan Buckley, Regulatory Consultant