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**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION**

COST MANAGEMENT SERVICES,
INC.,

Complainant,

v.

CASCADE NATURAL GAS
CORPORATION,

Respondent.

No. UG-061256

SUPPLEMENTAL DECLARATION OF
JON T. STOLTZ

Jon T. Stoltz declares as follows:

1. I am Senior Vice President – Gas Supply and Regulatory for Cascade Natural Gas Corporation ("Cascade") and I make this supplemental declaration in opposition to Complainant Cost Management Services, Inc.'s motion for summary determination and in support of Cascade's motion for summary determination.

2. Cascade provides distribution system transportation service to Washington non-core customers pursuant to Rate Schedule Nos. 663 and 664. Some of these customers

SUPPLEMENTAL DECLARATION OF JON
T. STOLTZ – 1

Perkins Coie LLP
1120 N.W. Couch Street, Tenth Floor
Portland, OR 97209-4128
Phone: 503.727.2000
Fax: 503.727.2222

1 also purchase gas supply from Cascade. For customers that obtain both distribution system
2 transportation service and gas supply from Cascade, Cascade provides the distribution
3 system transportation service under service agreements that are entirely separate from, and
4 do not depend upon, Cascade's contracts to sell gas to those same customers. If a customer
5 purchases both distribution system transportation and gas supply from Cascade, it does so
6 pursuant to two separate contracts. Cascade does not offer price concessions on its regulated
7 transportation service to customers that also purchase gas supply from Cascade.
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15 3. Cascade's purchase of gas supply for its sales of unbundled gas to non-core
16 customers is made entirely separately from its purchase of gas supply for sales to core
17 customers and does not interfere in any way with meeting Cascade's obligations to core
18 customers. Cascade's unbundled gas sales program is operated entirely separately from its
19 purchase of gas to meet the needs of its core customers. Cascade strives to comply with its
20 least-cost planning obligations to the best of its ability. In my opinion, Cascade's efforts to
21 comply with its least-cost planning obligations and its obligations with respect to purchasing
22 gas supply to meet its core customers' needs are not affected by its unbundled gas sales
23 activity.
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33 4. Cascade documents the revenues and expenses that pertain to its unbundled
34 gas sales and the Commission is equally able to audit these records as if Cascade had
35 conducted the operations through a separate entity. In its current rate case, Cascade
36 produced records relating to these revenues and expenses and is unaware of any problem
37 that Commission Staff or any other party had in accessing or understanding these records.
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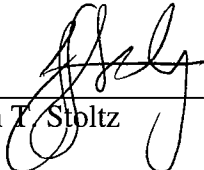
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43 5. Cascade produced copies of its current contracts for gas supply in response to
44 a data request of Commission Staff in Cascade's current rate case, including Exhibit 23 to
45 the Stipulated Facts, on July 11, 2006.
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6. When Cascade sells gas to a customer who receives distribution service from another gas company, such as Avista or Puget Sound Energy, the other gas company must be informed that Cascade will be delivering gas to that utility's distribution system and the customer for that gas supply must be identified. This notice typically is provided by the customer. Attached as Exhibit 1 to this Supplemental Declaration is a true and correct copy of such a notice sent by the Defense Logistics Agency to Puget Sound Energy that relates to the contract that is Exhibit 23 to the Stipulated Facts.

I CERTIFY UNDER PENALTY OF PERJURY under the laws of the State of Washington that the foregoing is true and correct.

DATED at Seattle, Washington, this 30th day of November, 2006.



Jon T. Stoltz

DEFENSE LOGISTICS AGENCY
DEFENSE ENERGY SUPPORT CENTER
INSTALLATION ENERGY - AWR
8725 JOHN J. KINGMAN ROAD, SUITE 4950
FORT BELVOIR, VIRGINIA 22060-6222

June 29, 2005

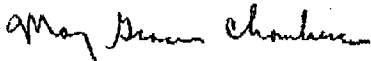
Puget Sound Energy
BOT-01H
P.O. Box 91269
Bellevue, WA 98009-9269

This is to confirm in writing that Cascade Natural Gas Corporation has been chosen to act as agent on behalf of McChord AFB, and NAS Everett, effective with the October 1, 2005, flow and continuing until further written notice. Cascade Natural Gas Corporation will be nominating, allocating, and balancing the usage. Please send all future correspondence to the following addresses:

Cascade Natural Gas Corporation
222 Fairview Avenue
Seattle, WA 98109
Dennis Gates
206-381-6835

Defense Energy Support Center
8725 John J. Kingman Road
Suite 3830
Ft. Belvoir, VA 22060-6222
Mary Grace Berry-Chambers
703-767-8580

Sincerely,



Mary Grace Berry-Chambers, Energy Manager
Installation Energy
DESC-AWR
Marygrace.chambers@dla.mil

CERTIFICATE OF SERVICE

I hereby certify that I have this day served this **SUPPLEMENTAL
DECLARATION OF JON T. STOLTZ IN SUPPORT OF CASCADE'S MOTION
FOR SUMMARY DETERMINATION** upon all parties of record in this proceeding by causing a copy to be sent by electronic mail and by first class mail, postage prepaid to:

John Cameron
Ryan Flynn
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Suite 2300
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Doug Betzold
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Ann Rendahl
Kippi Walker
Washington Utilities and
Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Dated this 1st day of December, 2006.

PERKINS COIE LLP

By 

James M. Van Nostrand, WSBA #15897
Lawrence H. Reichman, OSB #86083

Attorneys for Cascade Natural Gas Corporation