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January 4, 2007

**VIA E-MAIL SERVICE and**  
**US EXPRESS MAIL**

Carole J. Washburn, Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
1300 S. Evergreen Park Drive, SW  
Olympia, WA 98504-7250

**Re: *CMS v. Cascade Natural Gas Corporation***  
**WUTC Docket No. UG-061256**

Dear Secretary Washburn:

Enclosed for filing please find the original plus eleven copies of **Motion Requesting That The Commission Take Official Notice Of A Regulatory Filing Made By Cascade On December 21, 2006**, in the above referenced matter.

Very truly yours,

Davis Wright Tremaine LLP



John A. Cameron

JAC:smp  
Enclosures

cc: Service List (w/encl.)

**BEFORE THE WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

COST MANAGEMENT SERVICES, INC.,

Complainant,

v.

CASCADE NATURAL GAS CORPORATION

Respondent.

Docket No. UG-061256

**MOTION REQUESTING THAT  
THE COMMISSION TAKE  
OFFICIAL NOTICE OF A  
REGULATORY FILING MADE  
BY CASCADE ON  
DECEMBER 21, 2006**

1. Pursuant to RCW 34.05.452(5), complainant Cost Management Services, Inc. (“CMS”) respectfully requests the Commission to take official notice of the attached three-page regulatory filing made with this Commission by respondent Cascade Natural Gas Corporation (“Cascade”) on December 21, 2006. Cascade’s three-page filing was made pursuant to WAC 480-90-233, which requires it to file and periodically update information concerning its purchased gas adjustment (“PGA”) clause. As explained in this motion, Cascade’s letter to the Commission contains “judicially cognizable facts” that support CMS’s position in this complaint proceeding and undercut the positions taken by Cascade. The Cascade letter is enclosed with this pleading as “Attachment A.”

2. WAC 480-90-233(3) states as follows:

A gas utility must make a PGA filing within a maximum of fifteen months since the effective date of the utility’s last PGA. If the utility believes that a PGA filing is unnecessary within this time frame, then it must file supporting documents within thirteen months after the effective date of its last PGA demonstrating why a rate change is not necessary.

Attachment A purports to comply with the second sentence of this provision.

3. Of significance to this complaint proceeding is the table contained on the third page of Attachment A, which bears the heading “PGA Exhibit \_\_\_\_ (KJB-1), Schedule 1 of 1, Page 5 of 8.” On each numbered line of this table, Cascade purports to identify a

variety of different sales activities, each relating to a Cascade retail rate schedule. The table distinguishes between retail sales under “core market rate schedules” and those made pursuant to “noncore market rate schedules.”

4. Line 28 of the table on the third page of Attachment A covers sales volumes and revenues for gas supply sold under “noncore market rate schedules.” On line 28, Cascade states that it is making current sales of natural gas to “noncore customers” under Cascade Rate Schedule Nos. 681 and 683. Yet, about one month previously in Docket No. UG-061256, Cascade made the following statement to this Commission:

... Cascade canceled Supplemental Schedule Nos. 681, 682, 683, and 684 by tariff filings effective March 1, 2004 (see Exhibits 8-11). Stipulated Facts, ¶ 14.

Cascade’s Motion for Summary Determination and Memorandum In Support, p. 8, lines 5-7 (November 15, 2006). As it has done throughout this complaint proceeding, Cascade continues to play shell games about its claimed authority to sell gas at retail under a variety of rate schedules, some inapplicable by their terms, others inapplicable due to their cancellation. *See Answer of Cost Management Services, Inc., to Respondent’s Cross-Motion For Summary Determination*, pp. 12-14, ¶¶ 38-41 (December 1, 2006).

5. Attachment A is even more significant for what it omits. The document makes absolutely no reference to Schedule No. 687, Cascade’s rate schedule for “gas management service.” However, in Docket No. UG-061256, Cascade made the following assertion to this Commission:

... Cascade’s current provision of unbundled gas supply is pursuant to and authorized by Rate Schedule No. 687.

*Id.*, p. 11, lines 21-23. In Attachment A, Cascade contradicts a key claim it has made repeatedly in this complaint proceeding – a claim vigorously disputed and rebutted by

CMS. See Answer of Cost Management Services, Inc., to Respondent's Cross-Motion For Summary Determination, pp. 7-12, ¶¶ 20-37. If Cascade really believed that it was authorized to make any retail gas sales under Schedule No. 687, then Attachment A would have referenced Schedule No. 687, instead of cancelled Schedule Nos. 681 and 683.

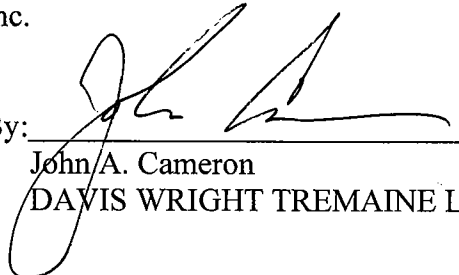
**CONCLUSION**

6. Cascade submitted the filing shown in Attachment A to comply with Commission requirements imposed under WAC 480-90-233. Accordingly, it contains "judicially cognizable facts" of which this Commission can take official notice pursuant to RCW 34.05.452(5). Having officially noticed Cascade's PGA Filing Letter, CMS further requests that the Commission conclude, as we believe logic requires, that this letter is irreconcilable with positions taken by Cascade in this complaint proceeding. Cascade's regulatory staff does not even accept the positions advocated by the company in this complaint proceeding regarding Schedule No. 687.

RESPECTFULLY SUBMITTED this 4th day of January, 2007.

DAVIS WRIGHT TREMAINE LLP  
Attorneys for Cost Management Services,  
Inc.

By: \_\_\_\_\_

  
John A. Cameron  
DAVIS WRIGHT TREMAINE LLP



222 FAIRVIEW AVENUE N., SEATTLE, WASHINGTON 98109-5312 206-624-3900  
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CNG/W06-12-01

December 21, 2006


Ms. Carole J. Washburn, Executive Secretary  
Washington Utilities & Transportation Commission  
1300 S. Evergreen Park Drive SW  
Olympia, WA 98504-9022

Dear Ms. Washburn:

In accordance with WAC 480-90-233, Cascade Natural Gas Corporation ("Cascade") has prepared the attached summary which details the commodity and demand costs for Cascade's core market gas supply portfolio, including company purchased supplies, pipeline transportation and peaking resources. Based upon the attached schedule the proposed change in rates would be less than 0.5% and therefore the Company does not plan to file a Purchase Gas Adjustment filing this year.

If you have any questions, please direct them to Katherine J. Barnard.

Sincerely,



Jon T. Stoltz  
Senior Vice President  
Regulatory & Gas Supply

JTS:ck

Attachments

*We make warm neighbors*

www.cngc.com

Attachment A  
Page 1 of 3

Cascade Natural Gas Corporation  
 WASHINGTON 11/06 PURCHASED GAS COST TRACKING APPLICATION  
 DEVELOPMENT OF PROPOSED SUPPLY & PIPELINE TRANSPORTATION RATES

	UNITS	CURRENT RATE	AMOUNT	CURRENT COST OF GAS		EMBEDDED DIFFERENCE
				COMMODITY	DEMAND	
COMP PURCH RESERV FEE	635,177	\$6.56323	\$ 4,168,814		\$4,168,814	\$811,664
COMP PURCH COMMODITY	200,854,010	\$0.76177	\$ 153,003,648	\$153,003,648		\$41,348,786
PGT T-1	101,536	\$2.51781	\$255,648		\$255,648	\$222
PGT COMMODITY	27,181,486	\$0.00014	\$3,827	\$3,827		(\$122)
TF-1 DEMAND	1,403,836	\$10.13240	\$14,224,232		\$14,224,232	\$12,377
TF-1 DEMAND (KITSAP)	210,000	\$7.59930	\$1,595,853		\$1,595,853	\$0
TF-1 DEMAND (WEYEAUSER)	50,000	\$10.13240	\$508,620		\$508,620	\$0
TF-1 COMMODITY	200,854,010	\$0.00319	\$640,724	\$640,724		\$17,278
LS-1 DEMAND	533,642	\$0.94900	\$506,427		\$506,427	\$287
LS-1 CAPACITY	5,082,556	\$0.12118	\$615,904		\$615,904	\$14,011
LS-1 COMMODITY	5,082,556	\$0.68645	\$3,387,285	\$3,387,285		\$128,479
LS-1 LIQUEFACTION	5,082,556	\$0.05569	\$283,022	\$283,022		\$6,438
LS-1 VAPORIZATION	5,082,556	\$0.00303	\$15,400	\$15,400		\$350
TF-2 TRANSPORTATION CAPACITY	13,699	\$10.13240	\$138,806		\$138,806	\$79
TF-2 TRANSPORTATION COMMODITY	5,082,556	\$0.00300	\$15,248	\$15,248		\$347
SGS-1 DEMAND	147,597	\$0.61649	\$90,991		\$90,991	\$52
SGS-1 CAPACITY	5,463,621	\$0.02263	\$123,642		\$123,642	\$2,814
SGS-1 COMMODITY	5,463,621	\$0.60570	\$3,309,288	\$3,309,288		\$206,909
TF-2 TRANSPORTATION CAPACITY	14,728	\$10.13240	\$149,226		\$149,226	\$84
TF-2 TRANSPORTATION COMMODITY	5,463,621	\$0.00300	\$16,391	\$16,391		\$373
WINTER PEAKING RESERVATION (WWP)	133,411	\$4.32964	\$577,620		\$577,620	\$327
WINTER PEAKING COMMODITY	4,339,429	\$0.60280	\$2,615,812	\$2,615,812		\$123,364
TF-2 TRANSPORTATION CAPACITY	11,696	\$10.13240	\$118,511		\$118,511	\$67
TF-2 TRANSPORTATION COMMODITY	4,339,429	\$0.00300	\$13,018	\$13,018		\$296
Net Capacity Release Revenues			(2,000,000)		(2,000,000)	\$0
Storage Mitigation			(750,000)		(750,000)	(\$250,000)
DAILY BALANCING NON-CORE CREDIT	519,948,382	\$ (0.00020)	(103,990)		(103,990)	\$0
	<u>215,739,616</u>		<u>\$ 183,521,967</u>	<u>163,303,663</u>	<u>20,218,304</u>	<u>42,424,482</u>
SALES/TRANSPORT VOLUMES				210,168,498	210,168,498	
PROPOSED AVERAGE RATE				\$0.77701	\$0.09620	\$0.87321
CURRENT AVERAGE RATE IN RATES			-0.09643%	\$0.77776	\$0.09947	\$0.87723
GROSS RATE CHANGE			-3.28742%	(\$0.00075)	(\$0.00327)	(\$0.00402)
REVENUE ADJUSTMENT FACTOR				1.0463316	1.0463316	1.0463316
TOTAL PROPOSED ADJUSTMENT				(\$0.00078)	(\$0.00342)	(\$0.00421)

**Cascade Natural Gas Corporation**  
**WASHINGTON 2006 PURCHASED GAS ADJUSTMENT APPLICATION**  
**BASED UPON THE TWELVE MONTHS ENDED 6/30/06**  
**State of Washington**

Line No.	Description (a)	Rate Schedule (b)	Average # of Bills (c)	Actual Therms Sold (d)	Actual Revenue (e)	Restated Revenue *b (f)	Per Therm Gas Cost Change (g)	Amount of Change (h)	Percent Change (i)
<b>CORE MARKET RATE SCHEDULES</b>									
<b>Residential</b>									
1	Dry Out	502	1,622	1,497,585	1,822,030	1,768,936	(0.00422)	(6,320)	-0.36%
2	General Service	503	151,913	105,137,175	130,065,732	127,891,080	(0.00428)	(449,987)	-0.35%
3	Compressed Natural Gas	512	0	0	-	0	(0.00422)	0	0.00%
4	Gas A/C	541	41	72,298	81,837	84,453	(0.00422)	(305)	-0.36%
5	Unbilled at 6/30/05			1,497,200	1,807,390	1,776,916	(0.00428)	(6,408)	-0.36%
6	Less Unbilled at 6/30/04			(1,642,600)	(1,573,397)	(1,546,868)	(0.00428)	7,030	-0.45%
7	<b>Total Residential</b>		<b>153,576</b>	<b>106,561,658</b>	<b>132,203,592</b>	<b>129,974,516</b>		<b>(455,990)</b>	<b>-0.35%</b>
<b>Commercial</b>									
8	Dry Out	502	15	69,045	78,400	77,506	(0.00422)	(291)	-0.38%
9	General Service	504	22,411	78,710,878	90,430,805	89,347,807	(0.00422)	(332,160)	-0.37%
10	Large Volume	511	65	6,892,969	7,311,043	7,583,798	(0.00396)	(27,296)	-0.36%
11	Compressed Natural Gas	512	1	129,767	138,765	143,288	(0.00422)	(546)	-0.38%
12	Gas A/C	541	25	84,418	95,130	96,282	(0.00422)	(356)	-0.37%
13	Unbilled at 6/30/05			1,360,400	1,594,814	1,581,679	(0.00422)	(5,741)	-0.36%
14	Less Unbilled at 6/30/04			(1,505,000)	(1,385,425)	(1,374,042)	(0.00422)	6,351	-0.46%
15	Less Company Use			(79,785)	(96,275)	(95,484)	(0.00422)	337	-0.35%
16	<b>Total Commercial</b>		<b>22,517</b>	<b>85,662,692</b>	<b>98,167,257</b>	<b>97,360,633</b>		<b>(359,704)</b>	<b>-0.37%</b>
<b>Industrial Firm</b>									
17	Dry Out	502	0	0	-	0	(0.00422)	0	
18	General Service	505	392	10,128,281	10,491,817	10,582,559	(0.00396)	(40,106)	-0.38%
19	Large Volume	511	5	1,452,198	1,426,696	1,462,935	(0.00396)	(5,751)	-0.39%
20	Compressed Natural Gas	512	1	5,549	6,213	6,289	(0.00422)	(23)	-0.37%
21	<b>Total Industrial Firm</b>		<b>398</b>	<b>11,586,028</b>	<b>11,924,726</b>	<b>12,051,783</b>		<b>(45,882)</b>	<b>-0.38%</b>
<b>Industrial Interruptible</b>									
22	General	570	5	903,281	1,193,461	878,947	(0.00370)	(3,342)	-0.38%
23	Accounting Adjustment				0	0			
24	Less Unbilled Adjustment				-	0			
23	<b>Total Industrial Inter.</b>		<b>5</b>	<b>903,281</b>	<b>1,193,461</b>	<b>878,947</b>		<b>(3,342)</b>	<b>-0.38%</b>
<b>Institutional Interruptible</b>									
24	General	570	7	2,669,938	2,282,350	2,256,536	(0.00370)	(9,879)	-0.44%
25	Institutional	577	3	429,134	430,701	425,815	(0.00370)	(1,588)	-0.37%
26	<b>Total Institut. Interr.</b>		<b>10</b>	<b>3,099,072</b>	<b>2,713,051</b>	<b>2,682,352</b>		<b>(11,467)</b>	<b>-0.43%</b>
27	<b>Subtotal Core</b>		<b>176,506</b>	<b>207,812,731</b>	<b>246,202,087</b>	<b>242,948,231</b>		<b>(876,385)</b>	<b>-0.36%</b>
<b>NONCORE MARKET RATE SCHEDULES</b>									
28	Gas Supply	681, 682		1,358,457	990,084	990,084			
29	Gas Supply - Cust.Owned	683		106,863,643	67,897,867	67,897,867			
30	Transportation Distribution	685-686		5,123,403 *a	773,149	773,149			
31	General	663	130	88,965,585	12,031,920	12,031,920			
32	Large Volume	664	23	156,409,210	7,055,093	7,055,093			
33	Special Contracts	901	12	239,947,839	5,411,144	5,411,144			
34	<b>Subtotal Noncore</b>		<b>165</b>	<b>485,322,634</b>	<b>94,159,257</b>	<b>94,159,257</b>			
35	<b>TOTAL CORE AND NONCORE</b>		<b>176,671</b>	<b>693,135,365</b>	<b>340,361,344</b>	<b>337,107,488</b>		<b>(876,385)</b>	<b>-0.26%</b>
<b>ADJUSTMENTS</b>									
36	B & O Tax				12,369,288	12,369,288			
37	Billing/Technical Adjustments				(174,745)	(174,745)			
38	Other				1,417,886	1,417,886			
39	<b>Total Adjustments</b>			<b>0</b>	<b>13,612,429</b>	<b>13,612,429</b>			
40	<b>ADJUSTED CORE &amp; NONCORE TOTALS</b>				<b>353,973,773</b>	<b>350,719,917</b>			
41	Adjustments to Gas Transportation Revenue					0			
42	<b>TOTAL THERMS &amp; REVENUE</b>			<b>693,135,365</b>	<b>353,973,773</b>	<b>350,719,917</b>		<b>(876,385)</b>	<b>-0.25%</b>

\*a) Amount shown represents therms transported under Cascade's agreements with Northwest Pipeline.

\*b) Core and R/S 663& 664 revenues are restated at base rates at 11/01/03

**CERTIFICATE OF SERVICE**

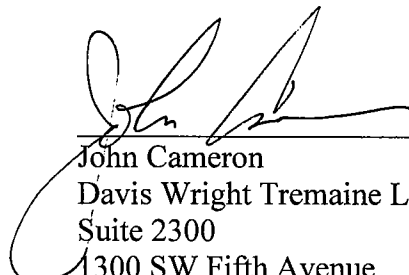
I HEREBY CERTIFY that I have this 4th day of January, 2007, served the foregoing **MOTION THAT THE COMMISSION TAKE OFFICIAL NOTICE OF A REGULATORY FILING MADE BY CASCADE ON DECEMBER 21, 2006** upon parties of record in these proceeding, as follows:

<b>PARTY</b>	<b>REPRESENTATIVE</b>	<b>PHONE</b>	<b>FACSIMILE</b>	<b>E-MAIL</b>
<b>Cascade Natural Gas</b>	<b>JAMES M. VAN NOSTRAND</b> <b>LAURENCE REICHMAN</b> Perkins Coie LLP 1120 NW Couch St. 10 <sup>th</sup> Floor Portland, OR 97209-4128  <b>JON STOLTZ</b>	(503) 727-2162 (503) 727-2019	(503) 346-2162 (Same)	<u><a href="mailto:JVanNostrand@perkinscoie.com">JVanNostrand@perkinscoie.com</a></u> <u><a href="mailto:LReichman@perkinscoie.com">LReichman@perkinscoie.com</a></u>  <u><a href="mailto:jistoltz@engc.com">jistoltz@engc.com</a></u>
<b>Northwest Industrial Gas Users</b>	<b>EDWARD A. FINKLEA</b> <b>CHAD M. STOKES</b> Cable Huston Benedict Haagensen & Lloyd LLP 1001 SW Fifth Avenue Suite 2000 Portland, OR 97204-1136	(503) 224-3092 (503) 224-3092	(503) 224-3176 (503) 224-3176	<u><a href="mailto:efinklea@chbh.com">efinklea@chbh.com</a></u> <u><a href="mailto:cstokes@chbh.com">cstokes@chbh.com</a></u>
<b>Public Counsel</b>	<b>JUDY KREBS</b> Public Counsel Section Office of Attorney General 800 Fifth Avenue Suite 2000 Seattle, WA 98104-3188  <b>STEVE JOHNSON</b> <b>KATHRYN ZSOKA</b>	(206) 464-6595	(206) 389-2079	<u><a href="mailto:judyk@atg.wa.gov">judyk@atg.wa.gov</a></u>  <u><a href="mailto:stevenj@atg.wa.gov">stevenj@atg.wa.gov</a></u> <u><a href="mailto:kathrynz@atg.wa.gov">kathrynz@atg.wa.gov</a></u>
<b>Commission Staff</b>	<b>GREG TRAUTMAN</b> Assistant Attorney General 1400 S. Evergreen Pk. Dr. SW P.O. Box 40128 Olympia, WA 98504-0128	(360) 664-1187	(360) 586-5522	<u><a href="mailto:gtrautma@wutc.wa.gov">gtrautma@wutc.wa.gov</a></u>



PARTY	REPRESENTATIVE	PHONE	FACSIMILE	E-MAIL
<b>Commission Advisory Staff</b>	<b>ANN RENDAHL</b> (Admin. Law Judge)	(360) 664-1144	(360) 664-2654	<u><a href="mailto:arendahl@wutc.wa.gov">arendahl@wutc.wa.gov</a></u>
	<b>KIPPI WALKER</b> (Administrative Support)	(360) 664-1139	(360) 664-2654	<u><a href="mailto:kwalker@wutc.wa.gov">kwalker@wutc.wa.gov</a></u>

DATED this 4th Day of January, 2007.




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