

BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

UG-06____

GENERAL RATE APPLICATION

OF



February 14, 2006

Exhibits of

Jon T. Stoltz

- Exhibit __ (JTS-2) - Summary of Rate Application**
- Exhibit __ (JTS-3) - Restate Revenues and Gas Cost at current Rates**
- Exhibit __ (JTS-4) - Removal of Non-Core Competitive Services**
- Exhibit __ (JTS-5) - Lost and Unaccounted For Restatement**
- Exhibit __ (JTS-6) - Weather Normalization Adjustment**
- Exhibit __ (JTS-7) - Pro forma Industrial Contract Changes**
- Exhibit __ (JTS-8) - Estimated Rate Case Expense**
- Exhibit __ (JTS-9) - Revenue Requirements and Revenue Under Proposed Rates**

Cascade Natural Gas Corporation
SUMMARY OF ADJUSTMENTS
 State of Washington

Line No.	Description	Statement of Operations Per Books	Total Restating Adjustments	Total Restated Results	Total Proforma Adjustments	Total Proforma Results	Revenue Increase (Decrease) Required	Twelve Months Ended 9/30/05 Proforma
	(a)	(b)	(c)	(d)=(b)+(c)	(e)	(f)=(d)+(e)	(g)	(h)=(f)+(g)
	Operating Revenues							
1	Natural Gas Sales	\$ 232,428,111	\$ 26,102,474	\$ 258,530,585	\$ (156,632)	\$ 258,373,954	\$ 11,727,515	\$ 270,101,469
2	Gas Transportation Revenue	18,411,461	(18,411,461)	-	0	-	0	-
3	Other Operating Revenue	889,298	0	889,298	0	889,298	0	889,298
4	Total Revenues	\$ 251,728,870	\$ 7,691,013	\$ 259,419,883	\$ (156,632)	\$ 259,263,252	\$ 11,727,515	\$ 270,990,767
	Operating Expenses							
5	Natural Gas Purchased	\$ 163,837,631	\$ 7,304,848	\$ 171,142,479	\$ 0	\$ 171,142,479	\$ 0	\$ 171,142,479
6	Distribution	7,682,852	0	7,682,852	0	7,682,852	0	7,682,852
7	Customer Accounts	4,158,014	23,683	4,181,697	(482)	4,181,215	36,113	4,217,328
8	Customer Service & Information	344,136	0	344,136	995,200	1,339,336	0	1,339,336
9	Sales	625,296	(183,585)	441,711	0	441,711	0	441,711
10	Administrative & General	18,556,164	(2,308,958)	16,247,206	668,776	16,915,982	0	16,915,982
11	Wage Adjustment	0	517,034	517,034	852,527	1,369,561	0	1,369,561
12	Depreciation & Amortization	13,632,109	0	13,632,109	27,801	13,659,910	0	13,659,910
13	Total Operating Expenses	\$ 208,836,202	\$ 5,353,022	\$ 214,189,224	\$ 2,543,822	\$ 216,733,046	\$ 36,113	\$ 216,769,159
14								
	Operating Taxes							
15	Other Than Income	\$ 23,837,552	\$ (98,070)	\$ 23,739,482	\$ (11,832)	\$ 23,727,650	\$ 472,635	\$ 24,200,285
16	State Income	\$ 0	0	0	0	0	0	0
17	Federal Income	\$ 3,293,908	852,621	4,146,529	(465,269)	3,681,260	3,926,568	7,607,828
18	Total Taxes	\$ 27,131,460	\$ 754,551	\$ 27,886,011	\$ (477,101)	\$ 27,408,910	\$ 4,399,203	\$ 31,808,113
19	Total Op. Rev. Deductions	\$ 235,967,662	\$ 6,107,573	\$ 242,075,235	\$ 2,066,722	\$ 244,141,957	\$ 4,435,316	\$ 248,577,273
20	Net Operating Income	\$ 15,761,208	\$ 1,583,440	\$ 17,344,648	\$ (2,223,353)	\$ 15,121,295	\$ 7,292,199	\$ 22,413,494
21	Rate Base	\$ 238,885,235	\$ 0	\$ 238,885,235	\$ 447,316	\$ 239,332,551	\$ 0	\$ 239,332,551
22	Rate of Return	6.60%		7.26%		6.32%		9.37%

Source

Exhibit	___ (KJB-2)		___ (JTS-9)
Schedule	1		1
Page	1	Page 2 herein	1
Column	(b)		(c)
Line No.	1-21		7

Cascade Natural Gas Corporation
SCHEDULE OF RESTATING ADJUSTMENTS
 State of Washington

Line No.	Description	Restatement of Test Period at Current Rates	Removal of Gas Management Services	Restate Gas Cost For Lost & Unaccounted For Gas	Reclassify Gas Transportation into Rate Schedules	Removal of Severance Expenses	Restated Wages and Related Costs	Restated Property Tax Expense	Restated Franchise Fees Expense	Adjustment to Remove Promotional Expense	Restate Test Period For Normal Weather	Total Restating Adjustments
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)= sum(b):(k)	
Operating Revenues												
1	Natural Gas Sales	\$ 37,836,114	\$ (30,875,879)	\$ 0	\$ 18,411,461	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 730,779	\$ 26,102,474
2	Gas Transportation Revenue	0	0	0	(18,411,461)	0	0	0	0	0	0	(18,411,461)
3	Other Operating Revenue	0	0	0	0	0	0	0	0	0	0	0
4	Total	\$ 37,836,114	\$ (30,875,879)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 730,779	\$ 7,691,013
Operating Expenses												
5	Natural Gas Purchased	\$ 35,812,291	\$ (28,268,010)	\$ (239,432)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,304,848
6	Manufactured Gas Product	0	0	0	0	0	0	0	0	0	0	0
7	Distribution	0	0	0	0	0	0	0	0	0	0	0
8	Customer Accounts	116,510	(95,077)	0	0	0	0	0	0	0	2,250	23,683
9	Customer Service & Inform	0	0	0	0	0	0	0	0	0	0	0
10	Sales	0	0	0	0	0	0	0	0	(183,585)	0	(183,585)
11	Administrative & General	0	(165,332)	0	0	(2,143,627)	0	0	0	0	0	(2,308,958)
12	Wage Adjustment	0	0	0	0	0	517,034	0	0	0	0	517,034
13	Depreciation & Amortizati	0	0	0	0	0	0	0	0	0	0	0
14	Total Operating Expenses	\$ 35,928,801	\$ (28,528,419)	\$ (239,432)	\$ 0	\$ (2,143,627)	\$ 517,034	\$ 0	\$ 0	\$ (183,585)	\$ 2,250	\$ 5,353,022
Operating Taxes												
15	Other Than Income	\$ 1,524,848	\$ (1,244,341)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 86,974	\$ (495,002)	\$ 0	\$ 29,451	\$ (98,070)
16	State Income	0	0	0	0	0	0	0	0	0	0	0
17	Federal Income	133,863	(386,092)	83,801	0	750,269	(180,962)	(30,441)	173,251	64,255	244,677	852,621
18	Total Taxes	\$ 1,658,711	\$ (1,630,433)	\$ 83,801	\$ 0	\$ 750,269	\$ (180,962)	\$ 56,533	\$ (321,751)	\$ 64,255	\$ 274,128	\$ 754,551
19	Total Op. Rev. Deductions	\$ 37,587,512	\$ (30,158,852)	\$ (155,631)	\$ 0	\$ (1,393,358)	\$ 336,072	\$ 56,533	\$ (321,751)	\$ (119,330)	\$ 276,378	\$ 6,107,573
20	Net Operating Income	\$ 248,602	\$ (717,027)	\$ 155,631	\$ 0	\$ 1,393,358	\$ (336,072)	\$ (56,533)	\$ 321,751	\$ 119,330	\$ 454,401	\$ 1,583,440
21	Rate Base	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Source	___ (JTS-3)	___ (JTS-4)	___ (JTS-5)	Reclassify	___ (KJB-4)	___ (KJB-5)	___ (KJB-6)	___ (KJB-7)	___ (KJB-8)	___ (JTS-6)
Exhibit	1	1	1	1	1	1	1	1	1	1
Schedule	1	1	1	1	1	1	1	1	1	1
Page	(e) & (h)	(c)	(c)	(e)	(c)	(c)	(c)	(c)	(c)	(d)
Column	37	1, 2 & 3	9	7	3	3	5	1	5	
Line No.										

Cascade Natural Gas Corporation
SCHEDULE OF PROFORMA ADJUSTMENTS
 State of Washington

Line No.	Description	Pipeline Safety Public Awareness	Proforma Wages & Related Costs	Proforma Industrial Contract Changes	Estimated Rate Case Expense	Income Tax on Pre 1981 Assets	Income Tax on Proforma Capitalization	Insurance Expense Adjustment	Postage Expense	Proforma Property Tax Adjustment
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
Operating Revenues										
1	Natural Gas Sales	\$ 0	\$ 0	\$ (156,632)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2	Gas Transportation Revenue	0	0	0	0	0	0	0	0	0
3	Other Operating Revenue	0	0	0	0	0	0	0	0	0
4	Total	\$ 0	\$ 0	\$ (156,632)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Operating Expenses										
5	Natural Gas Purchased	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
6	Manufactured Gas Production	0	0	0	0	0	0	0	0	0
7	Distribution	0	0	0	0	0	0	0	0	0
8	Customer Accounts	0	0	(482)	0	0	0	0	0	0
9	Customer Service & Information	0	0	0	0	0	0	0	0	0
10	Sales	0	0	0	0	0	0	0	0	0
11	Administrative & General	92,472	0	0	166,667	0	0	117,438	43,525	0
12	Wage Adjustment	0	852,527	0	0	0	0	0	0	0
13	Depreciation & Amortization	0	0	0	0	0	0	0	0	0
14	Total Operating Expenses	\$ 92,472	\$ 852,527	\$ (482)	\$ 166,667	\$ 0	\$ 0	\$ 117,438	\$ 43,525	\$ 0
Operating Taxes										
15	Other Than Income	\$ 0	\$ 0	\$ (6,312)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 95,381
16	State Income	0	0	0	0	0	0	0	0	0
17	Federal Income	0	(298,384)	(52,443)	(58,333)	184,763	258,619	(41,103)	(15,234)	(33,383)
18	Total Taxes	\$ 0	\$ (298,384)	\$ (58,755)	\$ (58,333)	\$ 184,763	\$ 258,619	\$ (41,103)	\$ (15,234)	\$ 61,998
19	Total Op. Rev. Deductions	\$ 92,472	\$ 554,143	\$ (59,237)	\$ 108,334	\$ 184,763	\$ 258,619	\$ 76,335	\$ 28,291	\$ 61,998
20	Net Operating Income	\$ (92,472)	\$ (554,143)	\$ (97,395)	\$ (108,334)	\$ (184,763)	\$ (258,619)	\$ (76,335)	\$ (28,291)	\$ (61,998)
21	Rate Base	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Source	___ (KJB-9)	___ (KJB-10)	___ (JTS-7)	___ (JTS-8)	___ (JEH-2)	___ (JEH-3)	___ (KJB-11)	___ (KJB-12)	___ (KJB-13)
Exhibit	1	1	1	1	1	1	1	1	1
Schedule	1	1	1	1	1	1	1	1	1
Page	(c)	(c)	(b)	(c)	(d)	(e)	(c)	(d)	(c)
Column	4	3	6	8	7	7	5	3	4
Line No.									

Cascade Natural Gas Corporation
SCHEDULE OF PROFORMA ADJUSTMENTS
 State of Washington

Line No.	Description	Proforma Membership /Dues Adjustment	Proforma Amortization Of Gain On Propane Plant	Proforma Gas Management & Risk Management Software	Proforma Adjustment For Integrated Resource Planning Costs	Proforma CIS Hardware Upgrade	Conservation Promotional Advertising	Low Income Assistance	Total Proforma Adjustments
	(a)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)= sum(b):(q)
Operating Revenues									
1	Natural Gas Sales	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (156,632)
2	Gas Transportation Revenue	0	0	0	0	0	0	0	0
3	Other Operating Revenue	0	0	0	0	0	0	0	0
4	Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (156,632)
Operating Expenses									
5	Natural Gas Purchased	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
6	Manufactured Gas Production	0	0	0	0	0	0	0	0
7	Distribution	0	0	0	0	0	0	0	0
8	Customer Accounts	0	0	0	0	0	0	0	(482)
9	Customer Service & Information	0	0	0	45,200	0	150,000	800,000	995,200
10	Sales	0	0	0	0	0	0	0	0
11	Administrative & General	105,856	0	66,272	6,627	69,919	0	0	668,776
12	Wage Adjustment	0	0	0	0	0	0	0	852,527
13	Depreciation & Amortization	0	(35,514)	33,926	4,768	24,621	0	0	27,801
14	Total Operating Expenses	\$ 105,856	\$ (35,514)	\$ 100,198	\$ 56,595	\$ 94,540	\$ 150,000	\$ 800,000	\$ 2,543,822
Operating Taxes									
15	Other Than Income	\$ 0	\$ 0	\$ 2,849	\$ 455	\$ 2,795	\$ 0	\$ (107,000)	\$ (11,832)
16	State Income	0	0	0	0	0	0	0	0
17	Federal Income	(37,050)	12,430	(36,066)	(19,968)	(34,067)	(52,500)	(242,550)	(465,269)
18	Total Taxes	\$ (37,050)	\$ 12,430	\$ (33,217)	\$ (19,513)	\$ (31,272)	\$ (52,500)	\$ (349,550)	\$ (477,101)
19	Total Op. Rev. Deductions	\$ 68,806	\$ (23,084)	\$ 66,981	\$ 37,082	\$ 63,268	\$ 97,500	\$ 450,450	\$ 2,066,722
20	Net Operating Income	\$ (68,806)	\$ 23,084	\$ (66,981)	\$ (37,082)	\$ (63,268)	\$ (97,500)	\$ (450,450)	\$ (2,223,353)
21	Rate Base	\$ 0	\$ 0	\$ 211,155	\$ 33,359	\$ 202,802	\$ 0	\$ 0	\$ 447,316

Source

Exhibit	___ (KJB-14)	___ (KJB-15)	___ (KJB-16)	___ (KJB-17)	___ (KJB-18)	___ (KJB-19)	___ (KJB-20)
Schedule	1	1	1	1	1	1	1
Page	1	1	1	1	1	1	1
Column	(e)	(c)	(e)	(e)	(e)	(c)	(c)
Line No.	3	4	3, 5, 6 & 11	3, 5, 6, 11 & 12	3, 5, 6 & 11	3	1 & 2

Cascade Natural Gas Corporation									
TEST PERIOD THERM SALES REPRICED AT RATES									
EFFECTIVE AT NOVEMBER 1, 2005									
State of Washington									
Line No.	Description	Rate Schedule	Adjusted Average # of Bills	Adjusted Actual Therms Sales	Adjusted Actual Revenue	Restated Revenue @ 11-1-05 Rates	11/01/05 Gas Cost Revenue In Rates	Gas Cost (Removal of Gross Rev Fees)	Margin
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)=(f)-(g)
CORE MARKET RATE SCHEDULES									
Residential									
1	Dry-out	502	1,463	1,329,808	\$ 1,307,132	\$ 1,559,617	\$ 1,206,984	\$ 1,151,064	\$ 352,633
2	General Service	503	147,373	99,122,776	101,582,760	120,718,621	91,194,796	86,969,741	29,523,824
3	Compressed Natural Gas	512	-	-	0	0	0	0	-
4	Gas Air Conditioning	541	44	73,433	71,448	86,003	69,105	65,903	16,899
5	Total		<u>148,879</u>	<u>100,526,017</u>	<u>\$ 102,961,340</u>	<u>\$ 122,364,241</u>	<u>\$ 92,470,885</u>	<u>\$ 88,186,709</u>	<u>\$ 29,893,356</u>
Commercial									
6	Dry-out	502	42	101,667	\$ 93,375	\$ 113,339	\$ 93,120	\$ 88,806	\$ 20,218
7	General Service	504	22,030	73,180,576	69,207,960	83,253,645	67,157,746	64,046,328	16,095,899
8	Large Volume	511	63	6,477,837	5,515,046	6,769,190	5,898,436	5,625,161	870,754
9	Compressed Natural Gas	512	1	55,917	51,656	62,621	51,332	48,954	11,289
10	Gas Air Conditioning	541	27	88,291	83,409	100,810	81,970	78,173	18,840
11	Total		<u>22,162</u>	<u>79,904,288</u>	<u>\$ 74,951,446</u>	<u>\$ 90,299,605</u>	<u>\$ 73,282,605</u>	<u>\$ 69,887,422</u>	<u>\$ 17,017,000</u>
Industrial Firm									
12	General Service	505	405	10,198,314	\$ 8,776,625	\$ 10,814,281	\$ 9,406,356	\$ 8,970,559	\$ 1,407,925
13	Large Volume	511	7	1,351,604	1,121,838	1,374,604	1,230,644	1,173,628	143,960
14	Compressed Natural Gas	512	1	5,379	5,031	6,100	4,937	4,708	1,163
15	Total		<u>413</u>	<u>11,555,297</u>	<u>\$ 9,903,494</u>	<u>\$ 12,194,985</u>	<u>\$ 10,641,937</u>	<u>\$ 10,148,896</u>	<u>\$ 1,553,048</u>
Industrial Interruptible									
16	General (Industrial)	570	5	877,330	\$ 687,699	\$ 855,127	\$ 791,399	\$ 754,733	\$ 63,728
17	Total		<u>5</u>	<u>877,330</u>	<u>\$ 687,699</u>	<u>\$ 855,127</u>	<u>\$ 791,399</u>	<u>\$ 754,733</u>	<u>\$ 63,728</u>
Institutional Interruptible									
18	General	570	7	2,386,834	\$ 1,821,143	\$ 2,278,529	\$ 2,153,115	\$ 2,053,361	\$ 125,414
19	Institutional	577	3	407,759	326,699	404,808	367,831	350,790	36,976
20	Total		<u>10</u>	<u>2,794,593</u>	<u>\$ 2,147,842</u>	<u>\$ 2,683,337</u>	<u>\$ 2,520,946</u>	<u>\$ 2,404,151</u>	<u>\$ 162,390</u>
21	Subtotal Core		<u>171,469</u>	<u>195,657,525</u>	<u>\$ 190,651,821</u>	<u>\$ 228,397,295</u>	<u>\$ 179,707,773</u>	<u>\$ 171,381,912</u>	<u>\$ 48,689,523</u>
22	Gas Supply			<u>197,786,463</u>					
NON-CORE RATE SCHEDULES									
23	Distribution								
24	General	663	133	90,046,672	\$ 10,501,343	\$ 8,700,915	\$ -	\$ -	\$ 8,700,915
25	Large Volume	664	24	155,323,148	5,732,451	5,998,036	-	-	5,998,036
26	Electric Generation	678	-	0	-	-	-	-	-
27	Special Contracts	901	12	257,718,509	5,573,927	5,832,167	-	-	5,832,167
28	Subtotal (Non-Core Distribution)		<u>170</u>	<u>503,088,329</u>	<u>\$ 21,807,721</u>	<u>\$ 20,531,118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,531,118</u>
Non-Core Competitive Services									
29	Non-Core Competitive Services			<u>45,794,971</u>	<u>\$ 29,510,824</u>	<u>\$ 30,875,879</u>	<u>\$ 28,268,010</u>	<u>\$ 28,268,010</u>	<u>\$ 2,607,869</u>
30	TOTAL CORE & NON-CORE		<u>171,639</u>	<u>698,745,854</u>	<u>\$ 241,970,366</u>	<u>\$ 279,804,293</u>	<u>\$ 207,975,783</u>	<u>\$ 199,649,922</u>	<u>\$ 71,828,510</u>
ADJUSTMENTS									
31	B&O Tax				\$ 8,938,664	\$ 8,938,664	\$ -	\$ -	\$ 8,938,664
32	Other Operating Revenue				889,298	891,485	-	-	891,485
33	Billing & Technical Adjustments				(69,458)	(69,458)	-	-	(69,458)
34	Total Other Revenues & Taxes				<u>\$ 9,758,504</u>	<u>\$ 9,760,691</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,760,691</u>
35	TOTAL			<u>698,745,854</u>	<u>\$ 251,728,870</u>	<u>\$ 289,564,984</u>	<u>\$ 207,975,783</u>	<u>\$ 199,649,922</u>	<u>\$ 81,589,201</u>
36	Booked Gas Cost							<u>\$ 163,837,631</u>	
37	Restating Adjustment					<u>\$ 37,836,114</u> 1/		<u>\$ 35,812,291</u> 2/	

1/ The difference between test period booked revenues and margin restated at base rates effective 11/1/05 is carried forward to Exhibit ____ (JTS-2), page 2 of 4, column (b), line 1.

2/ The difference between test period booked gas cost and the gas cost reflected in rates effective 11/1/05 is carried forward to Exhibit ____ (JTS-2), page 2 of 4, column (b), line 5.

Cascade Natural Gas Corporation			
Removal of Non-Core Competitive Services Revenues and Cost			
State of Washington			
Line No.	Description	Exhibit Reference	Amount
	(a)	(b)	(c)
	Non-Core Competitive Services		
1	Remove Test Period Revenue	Exh JTS-3, Sched 1, Page 1, Line 29 Col (f)	\$ (30,875,879)
2	Remove Test Period Gas Cost	Exh JTS-3, Sched 1, Page 1, Line 29 Col (l)	\$ (28,268,010)
3	Remove Administrative Expense		\$ (165,332)

- 1/ Carried forward to Exhibit ____ (JTS-2), page 2, column (c), line 1.
 2/ Carried forward to Exhibit ____ (JTS-2), page 2, column (c), line 5.
 3/ Carried forward to Exhibit ____ (JTS-2), page 2, column (c), line 11.

Cascade Natural Gas Corporation			
Restate Gas Cost For Lost & Unaccounted For Gas			
State Of Washington			
Line No.	Description	Exhibit Reference	Amount
	(a)	(b)	(c)
1	Test Period Core Therms Purchased	Exh JTS-3, Sched 1, Page 1, Line 22 Col (d)	197,786,463
2	Test Period Core Therms Sold	Exh JTS-3, Sched 1, Page 1, Line 21 Col (d)	195,657,525
3	Lost & Unaccounted For Per Books		<u>2,128,938</u>
4	Test Period Therms Delivered	Exh JTS-3, Sched 1, Page 1, Line 35 Col (d)	698,745,854
5	Minus Special Contract Delivered	Exh JTS-3, Sched 1, Page 1, Line 35 Col (d)	(257,718,509)
6	Weather Adjustment	Exh JTS-6, Sched 1, Page 1, Line 5 Col (c)	3,458,002
7	Industrial Therm Adjustmet	Exh JTS-7, Sched 1, Page 1, Line 2 Col (b)	(694,414)
8	Test Period Adjusted Therms Delivered	Exh JTS-3, Sched 1, Page 1, Line 35 Col (d)	443,790,933
9	5 Year Average Lost & Unaccounted Percentage		0.4103%
10	Normalized Lost & Unaccounted For		1,821,090
11	Increased Therms Purchased		(307,848)
12	Commodity Only WACOG		\$ 0.77776
13	Increased Gas Costs		<u>\$ (239,432)</u> 1/

1/ Carried forward to Exhibit ____ (JTS-2), page 2, column (d), line 5.

Cascade Natural Gas Corporation CALCULATION OF 5-YEAR AVERAGE LOST AND UNACCOUNTED FOR FACTOR State of Washington							
Line No.	Month	Monthly		60-Month Rolling Total		Difference	Percentage
		Purchases	Sales	Purchases	Sales		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Oct '98	109,368,210	104,694,264				
2	Nov '98	102,712,510	98,720,467				
3	Dec '98	107,178,600	100,559,223				
4	Jan '99	98,007,310	101,054,806				
5	Feb '99	82,464,390	82,717,926				
6	Mar '99	82,714,520	84,109,502				
7	Apr '99	78,539,410	83,109,117				
8	May '99	65,951,220	67,336,374				
9	Jun '99	53,558,220	54,956,311				
10	Jul '99	64,337,130	65,007,064				
11	Aug '99	73,494,720	73,501,847				
12	Sep '99	80,899,260	80,073,370				
13	Oct '99	117,612,870	112,695,985				
14	Nov '99	101,095,750	98,051,811				
15	Dec '99	108,145,680	103,112,946				
16	Jan '00	117,180,510	116,091,695				
17	Feb '00	98,539,720	100,939,689				
18	Mar '00	94,688,890	96,638,177				
19	Apr '00	66,478,160	70,004,578				
20	May '00	75,252,230	75,840,678				
21	Jun '00	91,510,850	93,160,738				
22	Jul '00	93,823,420	94,411,863				
23	Aug '00	106,722,570	106,162,471				
24	Sep '00	107,448,920	106,456,867				
25	Oct '00	122,022,423	117,781,233				
26	Nov '00	119,772,090	112,120,643				
27	Dec '00	90,812,962	87,348,110				
28	Jan '01	108,220,090	109,326,475				
29	Feb '01	110,967,540	113,564,156				
30	Mar '01	109,420,380	112,002,255				
31	Apr '01	96,520,150	99,156,536				
32	May '01	92,293,730	95,023,918				
33	Jun '01	84,448,480	85,007,163				
34	Jul '01	98,906,860	99,499,326				
35	Aug '01	94,292,770	94,636,837				
36	Sep '01	83,199,580	82,063,294				
37	Oct '01	93,479,070	88,248,367				
38	Nov '01	86,945,880	83,589,601				
39	Dec '01	97,777,060	93,564,453				
40	Jan '02	94,100,250	92,859,541				
41	Feb '02	85,805,780	89,820,316				
42	Mar '02	98,990,430	97,665,660				
43	Apr '02	60,071,910	64,481,831				
44	May '02	48,555,020	50,711,433				

Cascade Natural Gas Corporation CALCULATION OF 5-YEAR AVERAGE LOST AND UNACCOUNTED FOR FACTOR State of Washington							
Line No.	Month	Monthly		60-Month Rolling Total		Difference	Percentage
		Purchases	Sales	Purchases	Sales		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
45	Jun '02	40,662,590	42,186,065				
46	Jul '02	49,128,910	49,372,812				
47	Aug '02	59,540,770	59,329,767				
48	Sep '02	58,273,440	57,176,876				
49	Oct '02	68,989,960	62,842,695				
50	Nov '02	77,390,990	74,450,996				
51	Dec '02	90,548,330	87,249,067				
52	Jan '03	82,410,990	84,273,220				
53	Feb '03	79,268,510	80,437,747				
54	Mar '03	74,025,220	76,303,555				
55	Apr '03	54,570,400	56,385,228				
56	May '03	45,062,700	47,240,401				
57	Jun '03	35,852,250	37,203,575				
58	Jul '03	61,404,350	62,054,350				
59	Aug '03	65,351,090	65,350,588				
60	Sep '03	64,704,070	64,051,106	5,061,512,095	5,043,786,965	17,725,130	0.3514%
61	Oct '03	76,360,960	72,315,922	5,028,504,845	5,011,408,623	17,096,222	0.3411%
62	Nov '03	87,244,350	78,251,750	5,013,036,685	4,990,939,906	22,096,779	0.4427%
63	Dec '03	78,859,760	75,003,737	4,984,717,845	4,965,384,420	19,333,425	0.3894%
64	Jan '04	88,637,750	88,758,793	4,975,348,285	4,953,088,407	22,259,878	0.4494%
65	Feb '04	67,845,327	72,151,449	4,960,729,222	4,942,521,930	18,207,292	0.3684%
66	Mar '04	59,218,470	62,611,036	4,937,233,172	4,921,023,464	16,209,708	0.3294%
67	Apr '04	47,614,910	51,325,518	4,906,308,672	4,889,239,865	17,068,807	0.3491%
68	May '04	45,457,270	46,527,313	4,885,814,722	4,868,430,804	17,383,918	0.3571%
69	Jun '04	39,026,980	40,181,394	4,871,283,482	4,853,655,887	17,627,595	0.3632%
70	Jul '04	52,503,310	53,000,075	4,859,449,662	4,841,648,898	17,800,764	0.3677%
71	Aug '04	56,228,520	55,913,416	4,842,183,462	4,824,060,467	18,122,995	0.3757%
72	Sep '04	54,049,140	52,227,837	4,815,333,342	4,796,214,934	19,118,408	0.3986%
73	Oct '04	60,326,880	55,834,031	4,758,047,352	4,739,352,980	18,694,372	0.3944%
74	Nov '04	68,464,350	61,485,068	4,725,415,952	4,702,786,237	22,629,715	0.4812%
75	Dec '04	74,236,500	71,122,850	4,691,506,772	4,670,796,141	20,710,631	0.4434%
76	Jan '05	91,031,100	91,215,142	4,665,357,362	4,645,919,588	19,437,774	0.4184%
77	Feb '05	66,153,790	66,622,489	4,632,971,432	4,611,602,388	21,369,044	0.4634%
78	Mar '05	61,663,800	66,202,102	4,599,946,342	4,581,166,313	18,780,029	0.4099%
79	Apr '05	53,656,700	56,971,614	4,587,124,882	4,568,133,349	18,991,533	0.4157%
80	May '05	41,799,700	44,015,037	4,553,672,352	4,536,307,708	17,364,644	0.3828%
81	Jun '05	39,030,880	40,190,576	4,501,192,382	4,483,337,546	17,854,836	0.3982%
82	Jul '05	45,537,040	46,109,040	4,452,906,002	4,435,034,723	17,871,279	0.4030%
83	Aug '05	54,601,920	54,656,423	4,400,785,352	4,383,528,675	17,256,677	0.3937%
84	Sep '05	45,376,950	43,910,485	4,338,713,382	4,320,982,293	17,731,089	0.4103%

1/

1/ Used to restate purchases to reflect normalized Lost & Unaccounted For gas

Cascade Natural Gas Corporation				
Weather Normalization Adjustment For Twelve Months Ended 9/30/05				
State of Washington				
Line No.	Description	Current Rate	Therms	Margin
	(a)	(b)	(c)	(d)
	<u>Residential</u>			
1	Rate Schedule No. 503 Therm Adjustment		1,804,351	
2	Commodity Margin	0.22658		\$ 408,830
	<u>Commercial</u>			
3	Rate Schedule No. 504 Therm Adjustment		1,653,651	
4	Commodity Margin	0.19469		\$ 321,949
5	Totals		3,458,002	\$ 730,779 1/

1/ Carried forward to Exhibit ____ (JTS-2), page 2, column (k), line 1.

Cascade Natural Gas Corporation Industrial Plant Closure Pro Forma Adjustment State of Washington		
Line No.	Description	Amount
	(a)	(b)
	Plant Closure	
1	Account Number 2380	
2	Removal of Test Period Therms Sold	(694,414)
3	Removal of Test Period Revenue	<u>\$ (81,296)</u>
	Facilities Contract Expiration	
4	Account Number 0175	
5	Removal of Facilities Charges	<u>\$ (75,336)</u>
6	Total Industrial Contract Changes	<u>\$ (156,632)</u>

1/

1/ Carried forward to Exhibit ____ (JTS-2), page 3, column (d), line 1.

Cascade Natural Gas Corporation			
ESTIMATED RATE CASE EXPENSES			
State of Washington			
Line No.	Description	Amount	Amount
	(a)	(b)	(c)
	Estimated Rate Case Expense - 2006		
1	Professional Services	\$ 490,000	
2	Transcript and Misc.	<u>10,000</u>	
3	Total		\$ 500,000
	Rate Case Expense Amortized During the Test Period	\$ <u>0</u>	
5	Total		0
6	Estimated Total Rate Case Expense		\$ <u>500,000</u>
7	Estimated years before next rate case	3 years	
8	Pro Forma Expense		\$ <u>166,667</u> ^{1/}

^{1/} Carried forward to Exhibit ____(JTS-2), Schedule 1, Page 3,
 Column (e), Line 11

Cascade Natural Gas Corporation		
CALCULATION OF REVENUE REQUIREMENTS		
State of Washington		
Line No.	Description	Amount
	(a)	(c)
1	Twelve Months Ended September 30, 2005 Rate Base	\$ 239,332,551
2	Rate of Return	9.37%
3	Total Net Operating Income (Line 1 X Line 2)	\$ 22,413,493
4	Less Adjusted Net Operating Income	15,121,295
5	Increased Net Operating Income Required	\$ \$7,292,198
6	Revenue Sensitive Cost and FIT Factor	0.6218025
7	Increased Revenue Requirement (Line 5 divided by Line 6)	\$ <u>11,727,515</u> <u>1/</u>
8	Increase From Misc. Service Charges and Fees	\$ 1,130,612
9	Increased Revenue Requirement Assigned to Rate Schedules	\$ <u>10,596,904</u>
10	Increased Percentage Requirement of Margin for all Services other than Special Contracts	16.57%

1/ Carried Forward To Exhibit __ (JTS-2), Schedule 1, Page 1, Line 1, Column (g)

Cascade Natural Gas Corporation					
MISCELLANEOUS SERVICE REVENUES					
State of Washington					
Line No.	Description	Test Period		At Proposed Rates	
		Occurences	Revenues	Est. Occurences	Est. Revenues
	(a)	(b)	(c)	(d)	(e)
	EXISTING SERVICES:				
1	Disconnect Visit	11,413	\$ 91,304	3,892	\$ 97,290
2	Reconnect Visit (excluding Seasonal Turn-On)	10,100	\$ 161,600	5,050	\$ 161,600
3	Reconnect Visit --Seasonal Turn-On	968	\$ 15,488	484	\$ 15,488
4	NSF Charges	4,459	\$ 44,590	2,230	\$ 40,131
5	Subtotal Existing Service Charges		\$ 312,982		\$ 314,509
	NEW SERVICE CHARGES:				
6	Account Activation Charge	43,517	\$ -	25,697	\$ 822,288
7	Tampered Meters	3	\$ -	3	\$ 525
8	Equipment Service Call	9,571	\$ -	1,914	\$ 306,272
9	Short Notice Locate Sevice	-	\$ -	-	\$ -
10	Late Fees	-	\$ -	-	\$ -
11	Subtotal New Service Charges		\$ -		\$ 1,129,085
12	Total Miscellaneous Service Revenues		\$ 312,982		\$ 1,443,594
13	Increase In Service Revenues				\$ 1,130,612

Cascade Natural Gas Corporation COSTS FOR MISCELLANEOUS SERVICE VISITS & PROPOSED RATES State of Washington					
Line No.	Description	Unit	Cost	Current Rate	Proposed Rate
	(a)	(b)		(c)	(d)
RECONNECTION VISIT CHARGES					
Regular Business Hours:					
1	Dispatch Service Mechanic	9 min	\$ 5.03		
2	OM Review Pending WO Report	5 min	\$ 4.40		
3	Reconnect Labor	38 min	\$ 34.05		
4	Vehicle Costs @ 5.50/hour	38 min	\$ 3.48		
5	Total Reconnection Visit Expenses		\$ 46.96	\$ 16.00	\$ 32.00
Additional After Hour Costs (5 pm to Midnight):					
6	Dispatch Service Mechanic	9 min	\$ 5.03		
7	OM Review Pending WO Report	5 min	\$ 4.40		
8	Minimum 2 hours for call out		\$ 83.32		
9	Vehicle Costs @ 5.50/hour	38 min	\$ 3.48		
10	GM Review of After Hours Report	10 min	\$ 11.65		
11	Total After Hours Reconnect Visit Expenses		\$ 107.88	\$ 32.00	\$ 100.00
DISCONNECTION VISIT CHARGES					
Regular Business Hours:					
12	Dispatch Service Mechanic	9 min	\$ 5.03		
13	OM Review Pending WO Report	5 min	\$ 4.40		
14	Disconnect Labor	23 min	\$ 20.61		
15	Vehicle Costs @ 5.50/hour	23 min	\$ 2.11		
16	Postage & Forms		\$ 2.12		
17	Total Disconnect Visit Expenses		\$ 34.27	\$ 8.00	\$ 25.00
NSF CHECK CHARGES					
18	Processing Costs	14 min	\$ 9.72		
19	Bank Fee for Returned Check		\$ 7.75		
20	Postage		\$ 0.37		
21	Total NSF Expenses		\$ 17.84	\$ 10.00	\$ 18.00
TAMPERED METER CHARGES					
22	OM Review/Investigation/Billing Adjustments	60 min	\$ 52.76		
23	Labor to Remove Damaged Meter	60 min	\$ 53.76		
24	Cost to Replace Meter		\$ 93.50		
25	Vehicle Costs @ 5.50/hour	60 min	\$ 5.50		
26	Total Tampered Meter Expenses		\$ 205.52	\$ -	\$ 175.00

Cascade Natural Gas Corporation				
COSTS FOR MISCELLANEOUS SERVICE VISITS & PROPOSED RATES				
State of Washington				
Line No.	Description	Unit Cost	Current Rate	Proposed Rate
	(a)	(b)	(c)	(d)
EQUIPMENT SERVICE CALL				
Regular Business Hours:				
27	Dispatch Service Mechanic	9 min	\$ 5.03	
28	OM Review Pending WO Report	5 min	4.40	
29	Service Mechanic Labor	38 min	34.05	
30	Vehicle Costs @ 5.50/hour	38 min	3.48	
31	Total Pilot Light/Gas Insert Lighting Expenses		\$ 46.96	\$ 16.00 \$ 32.00
Additional After Hour Costs (5 pm to Midnight):				
32	Dispatch Service Mechanic	9 min	\$ 5.03	
33	OM Review Pending WO Report	5 min	4.40	
34	Minimum 2 hours for Call out		83.32	
35	Vehicle Costs @ 5.50/hour	38 min	3.48	
36	GM Review of After Hours Report	10 min	11.65	
37	Total After Hours Pilot Lighting Expenses		\$ 107.88	\$ 32.00 \$ 100.00
LOCATES (Less than Required Notice)				
Regular Business Hours:				
38	Create WO/Dispatch/Apply Completed WO	9 min	\$ 5.03	
39	OM Review Pending WO Report	5 min	4.40	
40	Locate Labor Cost	100 min	73.03	
41	Vehicle Costs @ 5.50/hour	100 min	9.17	
42	Total Underground Locate Costs		\$ 91.63	\$ 90.00
After Hours:				
43	Create WO/Dispatch/Apply Completed WO	9 min	\$ 5.03	
44	OM Review Pending WO Report	5 min	\$ 4.40	
45	Locate Labor Cost -2 hour Minimum	100 min	\$ 131.46	
46	Vehicle Costs @ 5.50/hour	100 min	\$ 9.17	
47	GM Review of After Hours Report	10 min	\$ 11.65	
48	Total Underground Locate Costs		\$ 161.71	\$ 160.00

Cascade Natural Gas Corporation
**APPLICATION OF EQUAL PERCENT INCREASE TO ALL
RATE SCHEDULES OTHER THAN SPECIAL CONTRACTS**
State of Washington

Line No.	Description	Rate Schedule	Total Adjusted Therms Sales	Total Adjusted Margin at @ 11-1-05 Rates	Current Overall Rate of Return	Equal Percentage Increase	Increased Margin By Customer Group	Total Margin	Adjusted Overall Rate of Return
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	Residential								
1	Optional Service	503	100,927,127	\$ 29,932,654	1.69%	16.5673%	\$ 4,959,044	\$ 34,891,698	5.09%
2	Total		<u>100,927,127</u>	<u>\$ 29,932,654</u>			<u>\$ 4,959,044</u>	<u>\$ 34,891,698</u>	
	Res-Com Dual Service								
3	Dry-out	502	1,431,475	\$ 372,852	11.71%	16.5673%	\$ 61,772	\$ 434,624	15.35%
4	Gas Air Conditioning	541	161,724	35,738	2.30%	16.5673%	5,921	41,659	4.62%
5	Total		<u>1,593,199</u>	<u>\$ 408,590</u>			<u>\$ 67,693</u>	<u>\$ 476,283</u>	
	Commercial								
6	General Service	504	74,834,227	\$ 16,417,848	4.95%	16.5673%	\$ 2,720,000	\$ 19,137,848	7.87%
7	Total		<u>74,834,227</u>	<u>\$ 16,417,848</u>			<u>\$ 2,720,000</u>	<u>\$ 19,137,848</u>	
	Com-Ind Dual Service								
8	Large Volume	511	7,829,441	\$ 1,014,714	17.40%	16.5673%	\$ 168,111	\$ 1,182,825	20.44%
9	Compressed Natural Gas	512	61,296	12,452	50.47%	16.5673%	2,063	14,515	56.86%
10	Total		<u>7,890,737</u>	<u>\$ 1,027,166</u>			<u>\$ 168,111</u>	<u>\$ 1,182,825</u>	
	Industrial Firm								
11	General Service	505	10,198,314	\$ 1,407,925	4.01%	16.5673%	\$ 233,256	\$ 1,641,181	6.16%
12	Total		<u>10,198,314</u>	<u>\$ 1,407,925</u>			<u>\$ 233,256</u>	<u>\$ 1,641,181</u>	
	Interruptible								
13	General (Industrial)	570	3,264,164	\$ 189,142	10.67%	16.5673%	\$ 31,336	\$ 220,478	12.96%
14	Institutional	577	407,759	36,976	13.92%	16.5673%	6,126	43,102	16.48%
15	Total		<u>3,671,923</u>	<u>\$ 226,118</u>			<u>\$ 37,462</u>	<u>\$ 263,580</u>	
16	Total Core		<u>199,115,527</u>	<u>\$ 49,420,302</u>			<u>\$ 8,185,566</u>	<u>\$ 57,593,416</u>	
	Non-Core								
17	Distribution Trans.	663	89,352,258	\$ 8,619,620	17.69%	16.5673%	\$ 1,428,041	\$ 10,047,661	21.06%
18	Large Volume Trans.	664	155,323,148	5,922,700	5.45%	16.5673%	981,234	6,903,934	7.36%
19	Electric Generation	678	-	-			-	0	
20	Special Contracts	901	257,718,509	5,832,167	12.48%	0.0000%	-	5,832,167	12.48%
21	Cost of Gas								
22	Total Non-Core		<u>502,393,915</u>	<u>\$ 20,374,487</u>			<u>\$ 2,409,275</u>	<u>\$ 22,783,762</u>	
23	SUBTOTAL		<u>701,509,442</u>	<u>\$ 69,794,788</u>			<u>\$ 10,594,841</u>	<u>\$ 80,377,178</u>	
24	Adjustments								
	Total Other Revenues and Taxes		-	\$ 9,760,691			\$ 1,130,612	\$ 10,891,303	
25	TOTAL		<u>701,509,442</u>	<u>\$ 79,555,480</u>			<u>\$ 11,725,453</u>	<u>\$ 91,268,480</u>	

Cascade Natural Gas Corporation
INDICATED RATE CHANGE TO ACHIEVE EQUAL RATE OF RETURN BY RATE SCHEDULE
State of Washington

Line No.	Description	Rate Schedule	Total Adjusted Therms Sales	Total Adjusted Margin at @ 11-1-05 Rates	Current Overall Rate of Return	Increased Margin By Customer Group	Percentage Increase	Total Margin	Adjusted Overall Rate of Return
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	Residential								
1	Optional Service	503	100,927,127	\$ 29,932,654	1.69%	\$ 9,729,088	32.50%	\$ 39,661,742	8.37%
2	Total		<u>100,927,127</u>	<u>\$ 29,932,654</u>		<u>\$ 9,729,088</u>		<u>\$ 39,661,742</u>	
	Res-Com Dual Service								
3	Dry-out	502	1,431,475	\$ 372,852	11.71%	\$ (56,857)	-15.25%	\$ 315,994	8.37%
4	Gas Air Conditioning	541	161,724	35,738	2.30%	15,509	43.40%	51,247	8.37%
5	Total		<u>1,593,199</u>	<u>\$ 408,590</u>		<u>\$ (41,348)</u>		<u>\$ 367,242</u>	
	Commercial								
6	General Service	504	74,834,227	\$ 16,417,848	4.95%	\$ 3,183,697	19.39%	\$ 19,601,545	8.37%
7	Total		<u>74,834,227</u>	<u>\$ 16,417,848</u>		<u>\$ 3,183,697</u>		<u>\$ 19,601,545</u>	
	Com-Ind Dual Service								
8	Large Volume	511	7,829,441	\$ 1,014,714	17.40%	\$ (499,084)	-49.18%	\$ 515,630	8.37%
9	Compressed Natural Gas	512	61,296	12,452	50.47%	(13,581)	-109.07%	(1,129)	8.37%
10	Total		<u>7,890,737</u>	<u>\$ 1,027,166</u>		<u>\$ (499,084)</u>		<u>\$ 515,630</u>	
	Industrial Firm								
11	General Service	505	10,198,314	\$ 1,407,925	4.01%	\$ 472,681	33.57%	\$ 1,880,606	8.37%
12	Total		<u>10,198,314</u>	<u>\$ 1,407,925</u>		<u>\$ 472,681</u>		<u>\$ 1,880,606</u>	
	Interruptible								
13	General (Industrial)	570	3,264,164	\$ 189,142	10.67%	\$ (31,492)	-16.65%	\$ 157,650	8.37%
14	Institutional	577	407,759	36,976	13.92%	(13,272)	-35.89%	23,704	8.37%
15	Total		<u>3,671,923</u>	<u>\$ 226,118</u>		<u>\$ (44,764)</u>		<u>\$ 181,354</u>	
16	Total Core		<u>199,115,527</u>	<u>\$ 49,420,302</u>		<u>\$ 12,800,269</u>		<u>\$ 62,208,119</u>	
	Non-Core								
17	Distribution Trans.	663	89,352,258	\$ 8,619,620	17.69%	\$ (3,839,428)	-44.54%	\$ 4,780,191	8.37%
18	Large Volume Trans.	664	155,323,148	5,922,700	5.45%	1,634,528	27.60%	7,557,228	8.37%
19	Electric Generation	678	-	-	-	-	-	0	-
20	Special Contracts	901	257,718,509	5,832,167	12.48%	-	0.00%	5,832,167	12.48%
21	Cost of Gas								
22	Total Non-Core		<u>502,393,915</u>	<u>\$ 20,374,487</u>		<u>\$ (2,204,900)</u>		<u>\$ 18,169,587</u>	
23	SUBTOTAL		<u>701,509,442</u>	<u>\$ 69,794,788</u>		<u>\$ 10,595,369</u>		<u>\$ 80,377,705</u>	
24	Adjustments Total Other Revenues and Taxes			\$ 9,760,691		\$ 1,130,612		\$ 11,204,285	
25	TOTAL		<u>701,509,442</u>	<u>\$ 79,555,480</u>		<u>\$ 11,727,515</u>		<u>\$ 91,581,990</u>	

Cascade Natural Gas Corporation Modified Straight Fixed-Variable Rate Design for Non-Core 663 – 664 Customers State of Washington			
Line No.	Description	663	664
1	Revenue Requirement	\$ 4,780,376	\$ 7,557,452
2	Demand Allocation (55% of Rev Req)	\$ 2,629,207	\$ 4,156,599
3	Commodity Allocation (45% of Rev Req)	\$ 2,151,169	\$ 3,400,854
4	Contract Demand - Therms Per Day	1,015,345	2,103,800
5	Contract Demand - Net of Turn-back	676,897	1,402,533
6	Indicated Contract Demand Charge per month	\$ 0.32	\$ 0.25
7	Proposed Contract Demand Per Month	\$ 0.25	\$ 0.25
8	Revenue Requirement Recovered Through Demand Charge	\$ 2,030,691	\$ 4,207,599
9	Commodity Revenue Requirement	\$ 2,749,685	\$ 3,349,853
10	Annual Volume	89,352,258	155,323,148
11	Average Commodity Cost per Therm	\$ 0.03077	\$ 0.02157

Cascade Natural Gas Corporation			
Proposed Changes in The Monthly Basic Service Charges			
State of Washington			
Line No.	Description	Existing	Proposed
	(a)	(b)	(c)
1	Building Construction Temporary Heating & Dry Out Service Rate Schedule 502	\$ 7.00	\$ 14.00
	Residential General Service Rate Schedule 503		
2	October Through March	\$ 4.00	\$ 10.00
3	April Through September	\$ 4.00	\$ 4.00
4	Commercial General Service Rate Schedule 504	\$ 7.00	\$ 14.00
5	Industrial General Service Rate Schedule 505	\$ 12.00	\$ 24.00
6	Large Volume General Service Rate Schedule 511	\$ 22.00	\$ 44.00
7	Compressed Natural Gas Service Rate Schedule 512	\$ 7.00	\$ 14.00
8	Interruptible Service Rate Schedule 570	\$ 22.00	\$ 44.00
9	Limited Interruptible Service Rate Schedule 577	\$ 22.00	\$ 44.00

Cascade Natural Gas Corporation							
Overall Percentage Change In Revenue From Proposed Margin Changes							
State of Washington							
Line No.	Description	Rate Schedule	Total Adjusted Therms Sales	Total Adjusted Revenue at @ 11-1-05 Rates	Increased Revenue By Customer Group	Total Revenue	Overall Rate Percentage Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Residential						
1	Optional Service	503	<u>100,927,127</u>	\$ 122,786,407	\$ 9,729,722	\$ 132,516,129	7.92%
2	Total		<u>100,927,127</u>	\$ 122,786,407	\$ 9,729,722	\$ 132,516,129	
	Res-Com Dual Service						
3	Dry-out	502	1,431,475	\$ 1,672,956	\$ (56,850)	\$ 1,616,106	-3.40%
4	Gas Air Conditioning	541	161,724	186,814	15,510	202,324	8.30%
5	Total		<u>1,593,199</u>	\$ 1,859,770	\$ (41,340)	\$ 1,818,430	
	Commercial						
6	General Service	504	74,834,227	\$ 85,093,365	\$ 3,184,102	\$ 88,277,467	3.74%
7	Total		<u>74,834,227</u>	\$ 85,093,365	\$ 3,184,102	\$ 88,277,467	
	Com-Ind Dual Service						
8	Large Volume	511	7,829,441	\$ 8,143,794	\$ (499,060)	\$ 7,644,734	-6.13%
9	Compressed Natural Gas	512	61,296	68,721	-	68,721	0.00%
10	Total		<u>7,890,737</u>	\$ 8,212,515	\$ (499,060)	\$ 7,713,454	
	Industrial Firm						
11	General Service	505	10,198,314	\$ 10,814,281	\$ 472,728	\$ 11,287,009	4.37%
12	Total		<u>10,198,314</u>	\$ 10,814,281	\$ 472,728	\$ 11,287,009	
	Interruptible						
13	General	570	3,264,164	\$ 3,133,656	\$ (31,486)	\$ 3,102,170	-1.00%
14	Institutional	577	407,759	404,808	(13,271)	391,536	-3.28%
15	Total		<u>3,671,923</u>	\$ 3,538,464	\$ (44,757)	\$ 3,493,706	
16	Total Core		<u>199,115,527</u>	<u>\$ 232,304,801</u>	<u>\$ 12,801,395</u>	<u>\$ 245,106,196</u>	
	Non-Core						
17	Distribution Trans.	663	89,352,258	\$ 8,619,620	\$ (3,839,243)	\$ 4,780,376	-44.54%
18	Large Volume Trans.	664	155,323,148	5,922,700	1,634,752	7,557,452	27.60%
19	Electric Generation	678	-	-	0	0	
20	Special Contracts	901	257,718,509	5,832,167	-	5,832,167	0.00%
21	Cost of Gas						
22	Total Non-Core		<u>502,393,915</u>	<u>\$ 20,374,487</u>	<u>\$ (2,204,491)</u>	<u>\$ 18,169,995</u>	
23	SUBTOTAL		<u>701,509,442</u>	<u>\$ 252,679,287</u>	<u>\$ 10,596,904</u>	<u>\$ 263,276,191</u>	
	Adjustments						
24	Total Other Revenues and Taxes			\$ 9,760,691	\$ 1,130,612	\$ 10,891,303	
25	TOTAL		<u>701,509,442</u>	<u>\$ 262,439,979</u>	<u>\$ 11,727,515</u>	<u>\$ 274,167,494</u>	4.47%

Cascade Natural Gas Corporation
OVERALL CHANGE IN REVENUE ON THE AVERAGE MONTHLY BILL
State of Washington

Line No.	Customer Type	Rate Schedule	Therms Per Month	Cost Under Current Rates	Cost Under Proposed Rates	Amount of Change	Percentage of Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Residential Customers:						
1	Winter Average (Oct -Mar)	503	85	\$ 101.41	\$ 111.05	\$ 9.64	9.50%
2	Winter High Use	503	129	\$ 151.83	\$ 163.35	\$ 11.52	7.59%
3	Summer Average (Apr -Sept)	503	27	\$ 34.94	\$ 36.10	\$ 1.16	3.31%
4	Commercial General Service	504	283	\$ 321.93	\$ 333.98	\$ 12.05	3.74%
5	Industrial General Service	505	2,098	\$ 2,226.54	\$ 2,323.86	\$ 97.33	4.37%
6	Large Volume Firm	511	9,321	\$ 9,683.46	\$ 9,090.05	\$ (593.41)	-6.13%
7	General Interruptible	570	38,859	\$ 22,383.26	\$ 22,158.36	\$ (224.90)	-1.00%
8	Institutional Interruptible	577	11,327	\$ 11,244.65	\$ 10,876.01	\$ (368.64)	-3.28%
9	Non-Core System Transportation	663	55,985	\$ 5,387.26	\$ 2,987.74	\$ (2,399.53)	-44.54%
10	Non-core Large Volume	664	539,316	\$ 20,283.22	\$ 25,881.69	\$ 5,598.47	27.60%

Cascade Natural Gas Corporation
NOTICE OF TARIFF CHANGE
 February 14, 2006

Important Notice for Washington Customers

Cascade proposes 4.47% percent increase in natural gas rates

On February 14, 2006, Cascade Natural Gas Corporation filed with the Washington Utilities & Transportation Commission (WUTC) a request to increase natural gas rates by an average of 4.47% percent. This filing constitutes a general rate case application in which Cascade has requested to increase its rates to reflect the current cost of delivering natural gas to our customers. The filing includes the request to have these new rates become effective on March 16, 2006. However, the WUTC will conduct a thorough investigation of the filing and may take up to 11 months to review and rule on the request.

This is the first increase in our rates since August 1996 that reflect Cascade's operating cost and return on investment. The Company is aware that the annual Purchased Gas Adjustment filings have substantially increased our customers' natural gas bills. The high wholesale cost of natural gas has also adversely impacted the Company financially and is a major cause of the requirement to seek rate relief at this time. Currently, the best tactic for lowering the cost of natural gas is conservation. Cascade's filing includes an aggressive conservation program, including a conservation awareness and education program, low income assistance, a conservation potential study and the investment in cost effective conservation measures. Also included is a mechanism to eliminate the financial disincentive for Cascade to pursue conservation. This mechanism will also ensure that customers do not over pay for the delivery of their gas during colder than normal weather.

Cascade is also proposing to spread the revenue requirements to various customer rate schedules in a manner that better reflect the cost attributable to each customer group. The average proposed increase by customer class and rate schedule are as follows:

Line No.	Customer Type	Rate Schedule	Therms Per Month	Cost Under Current Rates	Cost Under Proposed Rates	Amount of Change	Percentage of Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Residential Customers:						
1	Winter Average (Oct -Mar)	503	85	\$ 101.41	\$ 111.05	\$ 9.64	9.50%
2	Winter High Use	503	129	\$ 151.83	\$ 163.35	\$ 11.52	7.59%
3	Summer Average (Apr -Sept)	503	27	\$ 34.94	\$ 36.10	\$ 1.16	3.31%
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6	Large Volume Firm	511	9,321	\$ 9,683.46	\$ 9,090.05	\$ (593.41)	-6.13%
7	General Interruptible	570	38,859	\$ 22,383.26	\$ 22,158.36	\$ (224.90)	-1.00%
8	Institutional Interruptible	577	11,327	\$ 11,244.65	\$ 10,876.01	\$ (368.64)	-3.28%
9	Non-Core System Transportation	663	55,985	\$ 5,387.26	\$ 2,987.74	\$ (2,399.53)	-44.54%
10	Non-core Large Volume	664	539,316	\$ 20,283.22	\$ 25,881.69	\$ 5,598.47	27.60%

The effect of this filing on the average monthly winter bill of a residential customer for consumption of 85 therms will be an increase of \$9.64 or 9.5%. For the coldest winter months where the average monthly usage is 129 therms, the increase would be \$11.52 or 7.59%. For a commercial customer, the increase in the monthly bill for 283 therms will be \$12.05 or 3.74%. Industrial customers consuming 2,098 therms served under Cascade's industrial general service tariff, schedule 505, will increase \$97.33 or 4.37%. Large volume firm customers served under schedule 511 will experience an decrease of -6.13%. Large volume interruptible customers rates will decrease by -1.00%. Non-core customers will receive a decrease of -10.8%.

If you have questions about the proposed filing, call Cascade at (206) 624-3900.

The WUTC has the authority to set final rates that may be different from the requested increase based on the results of their investigation. If you would like to comment on this filing, you may contact the Washington Utilities and Transportation Commission at the following address: WUTC, 1300 S. Evergreen Park Drive S.W., P.O. Box 47250, Olympia, WA 98504-7250; by fax at (360) 664-4291, or by e-mail at wutc.wa.gov.

If you would like to be added to the Commission's mailing list to be notified of the open (public) meeting dates, or if you have questions about the rate making process, please call (800)-562-6150 and leave your name, complete mailing address, the company's name (Cascade Natural Gas), and a description of the proposal you are interested in.

A copy of the proposed tariffs are available for inspection on Cascade Natural Gas Corporation's website at www.cngc.com or can be obtained by calling (206) 624-3900, or writing:

Cascade Natural Gas Corporation
Attn: Rates Department
P.O. Box 24464
222 Fairview Avenue North
Seattle, WA 98109

Issue Date: February 14, 2006
Keep Posted Until: January 14, 2007

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CASCADE NATURAL GAS CORPORATION

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CNG/W06-02-01

ISSUED February 14, 2006

EFFECTIVE March 16, 2006

ISSUED BY CASCADE NATURAL GAS CORPORATION

BY Jon T. Stoltz

TITLE Senior Vice President
Regulatory & Gas Supply

WN U-3

CASCADE NATURAL GAS CORPORATION

RULES AND REGULATIONS

RULE 5 - NOTIFICATION OF AND DISCONTINUANCE OF SERVICE

The Company may or shall discontinue service for any of the following reasons and if service is discontinued for any reason listed herein below, a charge of \$32.00 during regular business hours or \$100.00 during non-business hours may be made against the customer for reconnection. (I)

- a. At the request, written or verbal, by the Customer.
- b. Non-payment of gas bill after first giving customer either eight (8) business days written notice after the delinquent date, which is fifteen (15) days following date of bill, or the discontinuance notice may be personally delivered by an employee of the utility, in which case service may not be discontinued prior to 5 p.m. of the first business day following delivery. If the delivered notice is for non-payment of a deposit, disconnection shall not be permitted prior to 5 p.m. of the sixth (6th) day following delivery. The time of discontinuance notice may be extended, at the option of the Company, depending upon the credit record of the individual customers.
- c. For use of gas for any other property or purpose than that described in the application.
- d. For willful waste of gas through improper or imperfect piping, appliances, or otherwise.
- e. For tampering with any part of any service line or meter or any other apparatus of Company. A meter tampering charge of \$175 (N) (I) will also be applied to the customers account.
- f. In case of vacation of premises by customer.
- g. For refusal of reasonable access to property to employees of the Company for the purpose of inspection of service lines or appliances, or for reading, maintaining or removal of meters.
- h. For use of gas in violation of any city ordinance, or state or federal statute applicable to the area served, or violation of rules and regulations.
- i. For resale of gas to others.
- j. For non-payment of any proper charges, including deposits.
- k. For fraudulent obtaining or use of service.
- l. For use of equipment which adversely affects the utility's service to its other customers.
- m. Under flat rate service, for increasing use of gas without approval of the utility.
- n. For failure of customer to eliminate any hazardous condition found to exist in his facilities (i.e. piping, venting, appliances, etc.)
- o. For payment of a delinquent balance with a check that is dishonored by a bank or financial institution.
- p. For failure to keep any agreed upon payment plan.

If the Company dispatches an employee to discontinue service, an \$25.00 service charge may be assessed by the Company to cover expenses incurred. (I)

A utility representative dispatched to disconnect service will accept payment of a delinquent account at the service address, providing the payment is in the form of a check or money order.

Except in case of danger to life or property, no disconnection shall be accomplished on Saturday, Sunday, legal holiday, or on any other day on which service cannot be reestablished on the same or following day.

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CASCADE NATURAL GAS CORPORATION

RULES AND REGULATIONS

RULE 6 - BILLING

A. General

Gas consumed, as indicated by meter readings, will be billed to customers as promptly as possible after reading dates, computed on applicable filed tariff rates. Bills will be due and payable as of billing date and delinquent or past due fifteen (15) days thereafter. Unless otherwise specified in the customer's contract, a late payment charge at the rate of (C) 1.5% on balances over \$100, but no less than four (\$4.00) per month, will be applied to the customer's current bill when (C) the customer has a prior balance owing. (C)

Meters will be read once a month as nearly on the same date each month as Saturdays, Sundays and holidays will permit.

Bills will show dates of reading, at least the last reading, the number of cubic feet, therms, or other units of measurement of gas consumed, the applicable tariff schedule code, the amount of the bill, delinquent date and means by which customer can contact nearest business office of the utility, and any applicable local taxes.

Bills for periods of less than normal billing month will be computed as follows:

- a. The monthly service charge or basic charge, plus
- b. Metered service for the amount metered during the period in which the service was rendered.

If, for any reason whatsoever, the Company's employees cannot gain access to the meter for the purpose of reading the index thereof, an estimated bill, clearly marked as such, will be rendered and the same will be considered a regular billing.

In case of tampering or unauthorized use, probable consumption will be billed as determined by the maximum quantity of gas estimated to have been consumed by the various appliances of customer and a bill will be rendered for a period encompassing six (6) months prior to the detection of such abuse and/or disconnection for cause.

The Company will maintain as constant as practical a standard delivery pressure of gas of seven (7) inches water column or approximately 1/4 psig as measured at the outlet of the company's gas sales meter. Pressure other than this standard may be furnished to a customer upon mutual agreement between the utility and customer provided such pressure can be maintained without adversely affecting the service being provided to other customers in the system.

Any complaints or disputes as to billings are to be handled in accordance with WAC 480-90-173.

B. Budget Payment Plan for Payments of Gas Bills

The budget payment plan for payment of gas bills is devised to average out the monthly payments for gas service of any residential customers who can establish satisfactory credit with the Company. The plan is available for residential customers to join the plan at any time during the year regardless of home ownership or duration of occupancy, providing their account carries a balance owing for no greater than the prior two (2) months billing, and if the customer has not been removed from the plan for non-payment within the previous six months. At the Company's discretion, a customer may be allowed on the budget payment plan with greater than the prior two (2) months billing owed or may be reinstated on the plan even though removal from the plan has occurred within the previous six months. The budget payment plan is available to nonresidential customers at the Company's discretion.

- Continued on Next Page -

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RULES AND REGULATIONS
(Continued from Previous Page)

C. Estimated Billing Capability (Cont.)

The following criteria will be used to estimate a monthly bill:

- If three (3) years of consumption history is available, the estimate will be the average consumption of the same month for the prior three (3) years. Any estimated billings will be discarded in the calculation.
- If only two (2) years of consumption history is available, the estimate will be the average consumption of the same month for the prior two (2) years. Any estimated billings will be discarded in the calculation.
- If only one (1) year of consumption history is available, the estimate will be based on the prior year, same month's consumption. If the prior year, same month's consumption was estimated, the bill will be estimated at zero (0), or estimated manually using square footage of the dwelling and appliances in use information.
- If there is no history available for the account, the estimate will be zero (0), or calculated manually using square footage of the dwelling and appliances in use information.

D. Returned Check Charge

The Company will charge and require payment of an eighteen dollar (\$18.00) returned check fee for any check returned (I) from the bank unpaid.

CNG/W06-02-01

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Regulatory & Gas Supply

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CASCADE NATURAL GAS CORPORATION

(N)

RULE 21- SAFETY & RELIABILITY INFRASTRUCTURE ADJUSTMENT MECHANISM

APPLICABLE:

This Safety and Reliability Infrastructure Adjustment Mechanism (SRIAM) is applicable to all firm distribution rate schedules (Schedules 502, 503, 504, 505, 511, 512, 663, and 664).

PURPOSE:

The purpose of this provision is to define (1) the eligible investments to be included in the SRIAM, and (2) the procedures for the resulting adjustments in base rates.

ELIGIBLE INVESTMENTS:

An investment included in the SRIAM must be used and useful at the end of the applicable fiscal year and must not have been included in the Company's rate base in its most recent general rate case. Eligible investments consist of: (a) mains, service lines, and related facilities that replace existing facilities that have worn out or are in deteriorated condition; (b) facility relocations required due to public works projects by or on behalf of any government agency provided that the costs related to such projects have not been completely reimbursed to the company; and (c) additional mains, gate station facility expansions, compressed natural gas and liquefied natural gas equipment or any other infrastructure improvements designed to improve the reliability and/or capacity of the distribution system during peak weather events.

The company shall file a general rate case within five years after the effective date of the first SRIAM rate change implemented pursuant to this Rule. In this general rate case filing, the company will include all eligible investments reflected in prior SRIAM rate adjustments in rate base and currently effective SRIAM rates will be reset to zero.

REVISION TO BASE RATES DUE TO SRIAM INVESTMENTS:

- 1) On December 1 each year, the company shall file with the Commission to update all applicable rate schedules to reflect SRIAM surcharges as shown on Schedule 597 and calculated according to the procedures described below. SRIAM surcharges become effective on February 1 each year.
- 2) Eligible investments shall be used and useful and in service as of September 30, the end of the company's fiscal year, to be included in the SRIAM filing on December 1 of that year.

(continued on next page)

(N)

CNG/O06-02-01

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EFFECTIVE March 16, 2006

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TITLE Senior Vice President
Regulatory & Gas Supply

WN U-3

CASCADE NATURAL GAS CORPORATION

RULE 21- SAFETY & RELIABILITY INFRASTRUCTURE ADJUSTMENT MECHANISM (Continued)

(N)

REVISION TO BASE RATES DUE TO SRIAM INVESTMENTS (Continued):

- 3) The SRIAM revenue to be recovered through the annual filing shall reflect the cost of service of eligible investments, as well as reconciliation of prior period SRIAM collections, if applicable, and shall consist of the following components:
 - a. Return component, or net plant, i.e. gross plant less accumulated depreciation less accumulated deferred income taxes at the end of the applicable fiscal year, multiplied by the 9.37% rate of return inclusive of income taxes
plus
 - b. Property tax component, or gross plant multiplied by the 1.17% effective property tax
plus
 - c. Depreciation expense component, or the sum across applicable plant accounts of each account's gross eligible investment multiplied by the account's depreciation rate used in the company's most recent general rate case
plus
 - d. Reconciliation component, or the difference between prior period SRIAM revenues calculated pursuant to this Rule and actual SRIAM revenue collections
plus
 - e. Revenue-related tax component, or 4.535% multiplied by the sum of items 3a through 3c.
- 4) The SRIAM revenue calculated pursuant to provision 3 shall be collected through a per customer surcharge over the twelve month period beginning February 1. In order to calculate the surcharge for each applicable rate schedule, the SRIAM revenue shall be allocated to each rate schedule based on the relative proportion of base margin revenues associated with the schedule in setting rates in the most recent general rate case.
- 5) The SRIAM surcharge for each applicable rate schedule shall be the SRIAM revenue allocated to the rate schedule pursuant to provision 4 divided by the number of customers anticipated for the year beginning on February 1.
- 6) As part of each annual filing, the company shall provide all supporting documentation related to the SRIAM surcharge, including surcharge calculation details and description of major investment projects completed during the most recent fiscal year. The description shall include the cost and need for each major project.
- 7) Subsequent to any general rate case, factors referenced in provisions 3 and 4 used in SRIAM revenue and surcharge calculations shall be updated to reflect those used in setting base rates in the general rate case.
- 8) Nothing herein limits the statutory authority of the Washington Utilities and Transportation Commission to review the reasonableness of expenditures on and the prudence of investments included in the SRIAM in a general rate case in which the investments are to be initially included in rate base.

(N)

CNG/O06-02-01

ISSUED February 14, 2006

EFFECTIVE March 16, 2006

ISSUED BY CASCADE NATURAL GAS CORPORATION

BY Jon T. Stoltz

TITLE Senior Vice President
Regulatory & Gas Supply

CASCADE NATURAL GAS CORPORATION

RULES & REGULATIONS

(N)

RULE 22- CONSERVATION ALLIANCE PLAN MECHANISM

APPLICABLE:

The Conservation Alliance Plan ("CAP") mechanism described in this rule applies to customers served on Residential General Service Rate Schedule 503 and Commercial General Service Rate Schedule 504.

PURPOSE:

The purpose of this provision is to (a) define the procedures for the annual tracking revisions in rates due to changes in the weather-normalized use per customer associated with Rate Schedule 503 & Rate Schedule 504; and (b) to define the procedures for the deferral of differences experienced between the actual average use per customer and the amount estimated at the time the Margin Rates were established.

REVISIONS TO COMMODITY MARGIN RATES DUE TO CHANGES IN THE WEATHER-NORMALIZED USE/CUSTOMER:

1. The Company shall use the baseline weather normalized average commodity margin per customer for Rate Schedule 503 and Rate Schedule 504 as reflected in most recent general rate case. The Company shall file annually (CAP Filing) with the Commission to update the Commodity Margin Rate for Rate Schedule 503 and Rate Schedule 504 based upon the weather normalized usage for the 12 months ending June 30th divided into the margin requirement of each rate schedule.
2. Weather-normalized usage is calculated using the approach to weather normalization adopted in the Company's last general rate case. The weather normalization calculation shall be based upon Heating Degree Days (HDDs) reflecting 10% warmer than normal.
3. The Total Commodity Margin Requirement of Rate Schedule 503 and Rate Schedule 504 shall be calculated by multiplying the baseline average commodity margin per customer per Rate Schedule, excluding any margin collected through the monthly Basic Service Charge, as established in the last general rate case, by the current twelve months ended June 30 average customer count based upon the average of the monthly bills issued.
4. The Margin Commodity Rate is calculated by dividing the Total Commodity Margin Requirement by the Total Weather Normalized Usage. The weather normalization calculation shall be based upon HDDs reflecting 10% warmer than normal. Also included in the calculation of the Margin Commodity Rate is the amortization of any balance in the Conservation Variance deferral account and the Weather Variance deferral account.
5. The Company will file a general rate case within five years after the effective date of the first CAP rate change implemented pursuant to this Rule.

DEFERRAL OF MARGIN COLLECTION DIFFERENCES:

1. The Company will maintain Conservation Variance and Weather Variance deferral accounts as Regulatory Assets or Liabilities. Each month, the Company will calculate the difference between the weather-normalized actual margin and the expected margin for rate schedules 503 and 504. Expected margin shall be the baseline average commodity margin per customer multiplied by the current customer count. The resulting dollar amount difference will be recorded in the Conservation Variance deferral account. The Company will also calculate the difference between non-weather normalized actual margin and the expected margin for rate schedules 503 and 504. The resulting dollar amount difference will be reduced by subtracting the dollar amount recorded in the Conservation Variance deferral account with the remainder recorded in the Weather Variance deferral account.

(N)

CNG/W06-02-01

ISSUED February 14, 2006

EFFECTIVE March 16, 2006

ISSUED BY **CASCADE NATURAL GAS CORPORATION**

BY Jon T. Stoltz

TITLE Senior Vice President
Regulatory & Gas Supply

CASCADE NATURAL GAS CORPORATION

RULES & REGULATIONS

RULE 22- CONSERVATION ALLIANCE PLAN MECHANISM (continued)

(N)

DEFERRAL OF MARGIN COLLECTION DIFFERENCES: (continued)

- 2. The Company shall impute interest on the deferred balance on a monthly basis utilizing the interest rate published quarterly by FERC. This calculation will be made consistent with the current deferred accounting procedures detailed in WAC 480-90-233.
- 3. The Company will include in the annual CAP filing a temporary adjustment amount designed to amortize any balance in the Conservation Variance and the Weather Variance deferral accounts. Temporary surcharges and/or refund increments will be applied to the Margin Commodity Rate over the following 12 months or any other appropriate amortization period.

(N)

CNG/W06-02-01

ISSUED February 14, 2006

EFFECTIVE March 16, 2006

ISSUED BY **CASCADE NATURAL GAS CORPORATION**

BY Jon T. Stoltz

TITLE Senior Vice President
Regulatory & Gas Supply

CASCADE NATURAL GAS CORPORATION

VARIOUS MISCELLANEOUS CHARGES
RATE SCHEDULE 200

(N)

APPLICABILITY:

This schedule sets forth the provisions for various charges throughout these rules and regulations. The name and amount of the charges are listed below. The rules or rate schedules to which each charge applies are in parenthesis.

I. Reconnection Charge (Rule 5):

A reconnection charge of 32 dollars (\$32.00) will be required to reestablish service between the hours of 8 a.m. and 5 p.m. on weekdays, and a reconnection charge of \$100.00 will be required to reestablish service after 5 p.m. on weekdays and on Saturdays, Sundays, and holidays.

II. Disconnect Visit Charge - (Rule 5):

A disconnect charge of twenty-five dollars (\$25.00) may be charged, whenever Cascade is required to visit a customer's address for the purpose of disconnecting service or reconnecting service and due to the customer's action is unable to complete the disconnection or reconnection.

III. Late Payment Charge – (Rule 6 – Part A):

Unless otherwise specified in the customer's contract, a late payment charge at the rate of 1.5% on balances over \$100, but no less than four (\$4.00) per month, will be applied to the customer's current bill when the customer has a prior balance owing.

IV. Returned Check Charge - (Rule 6 - Part D):

A returned check of fee eighteen dollars (\$18.00) may apply for any check returned from the bank unpaid.

V. Residential Excess Flow Valves – (Rule 7):

In Conjunction With The Construction Of A New Service Line: \$ 38.00

Modifying an Existing Service Line:

Time of Construction Crew up to \$220.00 per hour

Cost of Materials required to open and close service connection trench, including asphalt replacement, if any.

Installation of the Excess Flow Valve \$ 38.00

The customer will be responsible for any future maintenance or replacement costs that may be incurred due to the excess flow valve. Such cost shall be based upon time and materials, as follows:

Time of Construction Crew up to \$220.00 per hour

Cost of Materials required to open and close service connection trench, including asphalt replacement, if any.

Installation of replacement Excess Flow Valve, if necessary \$ 38.00

(continued on next page)

(N)

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EFFECTIVE March 16, 2006

ISSUED BY CASCADE NATURAL GAS CORPORATION

BY Jon T. Stoltz

TITLE Senior Vice President
Regulatory & Gas Supply

CASCADE NATURAL GAS CORPORATION

**VARIOUS MISCELLANEOUS CHARGES
RATE SCHEDULE 200**

(Continued from previous page)

(N)

APPLICABILITY: (continued from Previous Page)

VI. Account Activation Charge :

An account activation charge of thirty-two dollars (\$32.00) will be required to establish service between the hours of 8 a.m. and 5 p.m. on weekdays, and an account activation charge of 100 dollars (\$100.00) will be required to establish service after 5 p.m. on weekdays and on Saturdays, Sundays, and holidays.

VII. Tampered Meter Charge (Rule 5):

A charge of \$175.00 will be billed to a customer who tampers with any part of any service line or meter or any other apparatus of Company.

VIII. Equipment Service Call Charge :

An Equipment Service Call charge of thirty-two dollars (\$32.00) may be applied to the customer's current bill when the customer requests the company turn-on or turn-off a pilot light or gas insert, or troubleshoot equipment malfunctions during regular business hours. A charge of \$100 dollars may be applied to the customer's current bill when requesting these services during non-business hours.

IX. Short Notice Underground Locate Service Charge:

The company will provide underground locate services free of charge within the time frames specified by Washington State Law (RCW 19.122.030). Requests for locate services with less than the required notice will be subject to a \$90 charge if required between the hours of 8 a.m. and 5 p.m. on weekdays, and a \$160 charge if required after 5 p.m. on weekdays and on Saturdays, Sundays, and holidays.

(N)

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ISSUED BY **CASCADE NATURAL GAS CORPORATION**

BY Jon T. Stoltz

TITLE Senior Vice President
Regulatory & Gas Supply

WN U-3

Original Sheet No. 500-C

CASCADE NATURAL GAS CORPORATION

TAX SCHEDULE NO. 500
 (Continued from previous page)

(N)

C. FRANCHISE FEES ADDITIONS:

RATES:

Municipal Limits of:	Ordinance No.	Effective Date	<u>Tax Addition</u>		<u>Limited to</u>
			<u>Gas Service</u>	<u>Rental Equipment</u>	
Port Orchard	689	05-18-64	2.0%		No Limit
Union Gap	2107	08/07/98	2.0%	2.0%	No Limit

(N)

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ISSUED BY CASCADE NATURAL GAS CORPORATION

BY Jon T. Stoltz

TITLE Senior Vice President
Regulatory & Gas Supply

WN U-3

CASCADE NATURAL GAS CORPORATION

BUILDING CONSTRUCTION TEMPORARY HEATING AND DRY-OUT SERVICE
SCHEDULE NO. 502

AVAILABILITY:

This schedule is available upon written application throughout the territory served by the Company under the tariff of which this schedule is a part provided adequate capacity and supply exist in Company's system. Service under this schedule shall be for natural gas supplied at a permanent point of delivery for use in permanently installed gas heating equipment to be used for temporary heating and dry-out purposes during the period (maximum of six months) that building is under construction and prior to occupancy.

LIMITS OF AVAILABILITY:

Upon occupation or sale, whichever is first after completion of construction or, in any event, after a maximum period not to exceed six (6) months, service under this schedule shall immediately terminate and billings thereafter shall be made under the terms and conditions of the regular applicable rate schedule.

RATE:

Basic Service Charge \$14.00 per month (I)

	Margin	WACOG	Total	
All gas used per month at	\$0.01890	\$0.91783	\$0.93673 per therm	(R)

RATE ADJUSTMENT:

Service under this schedule is subject to various adjustments as specified in Schedule 595, 596, 598, and 599 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission.

MINIMUM CHARGE:

Minimum monthly bill \$14.00 (I)

TERMS OF PAYMENT:

Above rates are net. Each monthly bill shall be due and payable within fifteen (15) days from the date of rendition. Past due balances will be subject to a late payment charge. (C)
(C)

RECONNECTION CHARGE:

A reconnection charge of thirty-two dollars (\$32.00) during regular business hours or \$100.00 during non-business hours may be made for restoration of service when service has been turned off for nonpayment of any bill due, or for other reasons arising through the action of the customer. In the event service has been turned off for nonpayment of any bill due under this schedule, a new service under this schedule at another location shall not be established in the name of the customer until all previous bills shall be paid in full. (I)
(I)

TAX ADDITIONS:

The rates named herein are subject to increases as set forth in Schedule No. 500, entitled "Tax Additions".

SPECIAL TERMS AND CONDITIONS:

1. The application of this rate schedule is subject to the General Rules and Regulations of the Company as they may be in effect from time to time and as approved by the Washington Utilities and Transportation Commission.
2. Gas purchased under this schedule shall not be resold to others.

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ISSUED BY CASCADE NATURAL GAS CORPORATION

BY Jon T. Stoltz

TITLE Senior Vice President
Regulatory & Gas Supply

WN U-3

CASCADE NATURAL GAS CORPORATION

RESIDENTIAL SERVICE RATE
SCHEDULE NO. 503

AVAILABILITY:

This schedule is available to residential customers throughout the territory served by the Company under the tariff of which this schedule is a part for natural gas supplied for all purposes provided adequate capacity and supply exist in the Company's system. Service under this schedule shall be through one or more meters, billed separately.

RATE:

	Margin	WACOG	Total	
Customer Service Charge				
October through May:			\$10.00 per month	(I)
June through September:			\$ 4.00 per month	(T)
All Gas Used Per Month	\$.26937	\$ 0.91942	\$1.18879 per therm	(I)

RATE ADJUSTMENT:

Service under this schedule is subject to various adjustments as specified in Schedules 595, 596, 598 and 599 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission.

MINIMUM CHARGE:

Customer Service Charge:		(T)
October through May: \$10.00		(I)
June through September: \$ 4.00		(T)

TERMS OF PAYMENT:

Above rates are net. Each monthly bill shall be due and payable within fifteen (15) days from the date of rendition. Past due balances will be subject to a late payment charge. (C)

RECONNECTION CHARGE:

A reconnection charge of thirty-two dollars (\$32.00) during regular business hours or \$100 dollars during non-business hours may be made for restoration of service when service has been turned off for nonpayment of any bill due, seasonal turnoff, or for other reasons arising through the action of the customer. (I)

TAX ADDITIONS:

The rates named herein are subject to increases as set forth in Schedule No. 500, entitled "Tax Additions".

SPECIAL TERMS AND CONDITIONS:

1. The application of this rate schedule is subject to the General Rules and Regulations of the Company as they may be in effect from time to time and as approved by the Washington Utilities and Transportation Commission.
2. Gas purchased under this schedule shall not be submetered or resold to others without special permission from the Company.

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ISSUED BY CASCADE NATURAL GAS CORPORATION

BY Jon T. Stoltz

TITLE Senior Vice President
Regulatory & Gas Supply

WN U-3

CASCADE NATURAL GAS CORPORATION

GENERAL COMMERCIAL SERVICE RATE
SCHEDULE NO. 504

AVAILABILITY:

This schedule is available to commercial customers throughout the territory served by the Company under the tariff of which this schedule is a part for natural gas supplied for all purposes provided adequate capacity and supply exist in the Company's system. Service under this schedule may be through one or more meters, billed separately.

RATE:

		Margin	WACOG	Total	
Basic Service Charge	\$14.00				per month (I)
All Therms Used		\$0.21252	\$0.91783	\$1.13035	per therm (I)

RATE ADJUSTMENT:

Service under this schedule is subject to various adjustments as specified in Schedules 595, 596, 598 and 599 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission.

MINIMUM CHARGE:

Basic Service Charge \$14.00 (I)

TERMS OF PAYMENT:

Above rates are net. Each monthly bill shall be due and payable within fifteen (15) days from the date of rendition. Past due balances will be subject to a late payment charge. (C)

RECONNECTION CHARGE:

A reconnection charge of thirty-two dollars (\$32.00) during regular business hours or \$100.00 during non-business hours may be made for restoration of service may be made for restoration of service when service has been turned off for nonpayment of any bill due, seasonal turnoff, or for other reasons arising through the action of the customer. (I)

TAX ADDITIONS:

The rates named herein are subject to increases as set forth in Schedule No. 500, entitled "Tax Additions".

SPECIAL TERMS AND CONDITIONS:

1. The application of this rate schedule is subject to the General Rules and Regulations of the Company as they may be in effect from time to time and as approved by the Washington Utilities and Transportation Commission.
2. Gas purchased under this schedule shall not be submetered or resold to others without special permission from the Company.

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ISSUED BY CASCADE NATURAL GAS CORPORATION

BY Jon T. Stoltz

TITLE Senior Vice President
Regulatory & Gas Supply

WN U-3

CASCADE NATURAL GAS CORPORATION

GENERAL INDUSTRIAL SERVICE RATE
SCHEDULE NO. 505

AVAILABILITY:

This schedule is available to industrial customers throughout the territory served by the Company under the tariff of which this schedule is a part for natural gas supplied for all purposes provided adequate capacity and supply exist in the Company's system. Service under this schedule shall be through one or more meters, billed separately.

RATE:

	Margin	WACOG	Total		
Basic Service Charge				\$24.00	per month (I)
First 500 therms/month	\$0.20586	\$0.90995	\$1.11581		per therm (T)(I)
Next 3,500 therms/month	\$0.17696	\$0.90995	\$1.08691		per therm (I)
All over 4,000 therms/month	\$0.15000	\$0.90995	\$1.05995		per therm (I)

RATE ADJUSTMENT:

Service under this schedule is subject to various adjustments as specified in Schedules 595, 596, 598, and 599 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission.

MINIMUM CHARGE:

Basic Service Charge \$24.00 (I)

TERMS OF PAYMENT:

Above rates are net. Each monthly bill shall be due and payable within fifteen (15) days from the date of rendition. Past due balances will be subject to a late payment charge. (C)

RECONNECTION CHARGE:

A reconnection charge of thirty-two dollars (\$32.00) during regular business hours or \$100.00 during non-business hours may be made for restoration of service when service has been turned off for nonpayment of any bill due, seasonal turnoff, or for other reasons arising through the action of the customer. (I)

TAX ADDITIONS:

The rates names herein are subject to increases as set forth in Schedule No. 500 entitled "Tax Additions".

SPECIAL TERMS AND CONDITIONS:

1. The application of this rate schedule is subject to the General Rules and Regulations of the Company as they may be in effect from time to time and as approved by the Washington Utilities and Transportation Commission.
2. Gas purchased under this schedule shall not be submetered or resold to others without special permission from the Company.

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EFFECTIVE March 16, 2006

ISSUED BY **CASCADE NATURAL GAS CORPORATION**

BY Jon T. Stoltz

TITLE Senior Vice President
Regulatory & Gas Supply

WN U-3

CASCADE NATURAL GAS CORPORATION

LARGE VOLUME GENERAL SERVICE RATE
SCHEDULE NO. 511

AVAILABILITY:

This schedule is available to customers throughout the territory served by the Company under the tariff of which this schedule is a part provided adequate capacity and supply exist in the Company's system. Service under this schedule shall be for natural gas supplied for all purposes to customers having an annual fuel requirement of not less than 50,000 therms.

RATE:

	Margin	WACOG	Total	
Basic Service Charge	\$44.00			per month (I)
First 20,000 therms/month	\$0.06500	\$0.90995	\$0.97495	per therm (R)
Next 80,000 therms/month	\$0.04445	\$0.90995	\$0.95440	per therm (R)
All over 100,000 therms/month	\$0.02142	\$0.90995	\$0.93137	per therm

RATE ADJUSTMENT:

Service under this schedule is subject to various adjustments as specified in Schedules 595, 596, 598, and 599 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission.

WEIGHTED AVERAGE COMMODITY GAS COST:

The per therm average commodity gas cost unit rate is \$0.81363

CONTRACT:

Customers receiving service under this rate schedule shall execute a contract for a minimum period of twelve (12) consecutive months' use. The Annual Minimum Quantity is to be negotiated and included as part of the contract but shall in no case be less than 50,000 therms. Said contract shall also state the Maximum Winter Daily Requirement of natural gas that Company agrees to deliver as well as the Maximum Non-Winter Daily Requirement if the Non-Winter requirement is greater than the Winter requirement.

ANNUAL DEFICIENCY BILL:

In the event customer purchases less than the Annual Minimum Quantity as stated in the contract, customer shall be charged an Annual Deficiency Bill. Annual Deficiency Bill shall be calculated as the difference between the Annual Minimum Quantity less actual purchase or transport therms times the difference between the per therm rates effective in this schedule and any modifying schedules less the weighted average commodity cost of gas rate as such rate is reflected in the Company's tariff.

TERMS OF PAYMENT:

Above rates are net. Each monthly bill shall be due and payable within fifteen (15) days from the date of rendition. Past due balances will be subject to a late payment charge. (C)

TAX ADDITIONS:

The rates named herein are subject to increases as set forth in Schedule No. 500, entitled "Tax Additions".

SPECIAL TERMS AND CONDITIONS:

1. The application of this rate is subject to the General Rules and Regulations of the Company as they may be in effect from time to time and as approved by the Washington Utilities and Transportation Commission.

- Continued on Next Page -

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ISSUED BY CASCADE NATURAL GAS CORPORATION

BY Jon T. Stoltz

TITLE Senior Vice President
Regulatory & Gas Supply

WN U-3

CASCADE NATURAL GAS CORPORATION

COMPRESSED NATURAL GAS SERVICE
RATE SCHEDULE NO. 512

AVAILABILITY:

This schedule is available to all customers throughout the territory served by the Company under the tariff of which this schedule is a part for natural gas supplied for the sole purpose of compressing natural gas for use as a fuel in vehicular internal combustion engines. Service under this schedule shall be through one or more meters, at the option of the Company, provided they are located on contiguous property not divided by streets, roads, alleys or other public thoroughfares. Service for any end use of natural gas other than the compression of natural gas for vehicle use, such as space heating, water heating, or any other direct processing or boiler fuel use, is not permitted under this rate schedule or through the meter through which service under this rate schedule is offered.

RATE:

	Margin	WACOG	Total		
Basic Service Charge	\$14.00			per month	(I)
All gas used per month at	\$0.19756	\$0.91783	\$1.11539	per therm	(R)

RATE ADJUSTMENT:

Service under this schedule is subject to various adjustments as specified in Schedules 595, 596, 598, and 599 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission.

MINIMUM CHARGE:

Basic Service Charge	\$14.00	(I)
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CONTRACT:

Customers receiving service under this rate schedule shall sign a contract of such term and containing such provisions regarding indemnification and insurance as the Company deems necessary or desirable with respect to a particular customer.

TERMS OF PAYMENT:

Above rates are net. Each monthly bill shall be due and payable within fifteen (15) days from the date of rendition. Past due balances will be subject to a late payment charge. (C)

RECONNECTION CHARGE:

A reconnection charge of thirty-two dollars (\$32.00) during regular business hours or \$100.00 during non-business hours may be made for restoration of service when service has been turned off for nonpayment of any bill due, seasonal turnoff, or for other reasons arising through the action of the customer. (I)

TAX ADDITIONS:

The rates names herein are subject to increases as set forth in Schedule No. 500, entitled "Tax Additions".

SPECIAL TERMS AND CONDITIONS:

1. The application of this rate schedule is subject to the General Rules and Regulations of the Company as they may be in effect from time to time and as approved by the Washington Utilities and Transportation Commission.
2. Gas purchased under this schedule shall not be submetered or resold to others without special permission from the Company.

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ISSUED February 14, 2006

EFFECTIVE March 16, 2006

ISSUED BY **CASCADE NATURAL GAS CORPORATION**

BY Jon T. Stoltz

TITLE Senior Vice President
Regulatory & Gas Supply

WN U-3

CASCADE NATURAL GAS CORPORATION

GAS AIR CONDITIONING RATE
SCHEDULE NO. 541

AVAILABILITY:

This schedule is available throughout the territory served by the Company under the tariff of which this schedule is a part provided adequate capacity and supply exist in the Company's system. Service under this schedule shall be for natural gas supplied for air conditioning purposes where natural gas provides the principal energy source for cooling the entire premises served hereunder, and for all other gas-fired equipment used within the air conditioned space. Any major gas-fired equipment used in connection with customer's operation external to the air conditioned space, with the exception of swimming pool heaters, shall not be served under this schedule.

RATE:

	Margin	WACOG	Total		
(A) June-September cycle billing periods, inclusive:					
First 30 therms/month	\$10.38	\$27.53	\$37.91	per month	(I)
All over 30 therms/month	\$0.25059	\$0.91783	\$1.16842	per therm	(I)
(B) October-May cycle billing periods, inclusive:					
First 10 therms/month	\$6.91	\$9.18	\$16.09	per month	(I)
Next 40 therms/month	\$0.40433	\$0.91783	\$1.32216	per therm	(I)
All over 50 therms/month	\$0.28489	\$0.91783	\$1.20272	per therm	(I)

RATE ADJUSTMENT:

Service under this schedule is subject to various adjustments as specified in Schedules 595, 596, 598, and 599 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission.

MINIMUM CHARGE:

Minimum monthly bill per meter under Section (A)	\$37.91	(I)
Minimum monthly bill per meter under Section (B)	\$16.09	(I)

TERMS OF PAYMENT:

Above rates are net. Each monthly bill shall be due and payable within fifteen (15) days from the date of rendition. Past due balances will be subject to a late payment charge. (C)
(C)

RECONNECTION CHARGE:

A reconnection charge of thirty-two dollars (\$32.00) during regular business hours or \$100.00 during non-business hours may be made for restoration of service when service has been turned off for nonpayment of any bills due, turnoff and reconnection during the same season service is available hereunder, or for other reasons arising through the action of the customer. (I)

TAX ADDITIONS:

The rates names herein are subject to increases as set forth in Schedule No. 500, entitled "Tax Additions".

SPECIAL TERMS AND CONDITIONS:

1. The application of this rate schedule is subject to the General Rules and Regulations of the Company as they may be in effect from time to time and as approved by the Washington Utilities and Transportation Commission.
2. Gas purchased under this schedule shall not be submetered or resold by customers to others without special permission from the Company.

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ISSUED BY CASCADE NATURAL GAS CORPORATION

BY Jon T. Stoltz

TITLE Senior Vice President
Regulatory & Gas Supply

CASCADE NATURAL GAS CORPORATION

INTERRUPTIBLE SERVICE
SCHEDULE NO. 570

AVAILABILITY:

This schedule is available throughout the territory served by the Company under the tariff of which this schedule is a part provided adequate capacity and supply exist in Company's system. Service under this schedule shall be for natural gas delivered for all purposes to customers having an annual fuel requirement of not less than 60,000 therms per year, which shall include all firm gas delivered, if any, and where customer agrees to maintain standby fuel burning facilities and an adequate supply of standby fuel to replace the entire supply of natural gas delivered hereunder. Service under this schedule shall be subject to curtailment by the Company when, in the judgment of the Company, such curtailment or interruption of service is necessary. Company shall not be liable for damages for or because of any curtailment of natural gas deliveries hereunder.

RATE:

Basic Service Charge	\$44.00			per month	(I)
		Margin	WACOG	Total	
First 30,000 therms/month		\$0.06021	\$0.90208	\$0.96229 per therm	(R)
All over 30,000 therms/month		\$0.02001	\$0.90208	\$0.92209 per therm	

RATE ADJUSTMENT:

Service under this schedule is subject to various adjustments as specified in Schedules 595, 596, 598, and 599 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission.

WEIGHTED AVERAGE COMMODITY GAS COST:

The per therm average commodity gas cost unit rate is \$0.81363

ANNUAL DEFICIENCY BILL:

In the event customer purchases less than the Annual Minimum Quantity as stated in the contract, customer shall be charged an Annual Deficiency Bill. Annual Deficiency Bill shall be calculated by multiplying the difference between the Annual Minimum Quantity and the therms actually taken ("Deficiency Therms") times the difference between the commodity rate in this Rate Schedule No. 570, as modified by any applicable rate adjustments and the weighted average commodity cost of gas rate as modified by any applicable modifying rate schedules or changes, as such rates are reflected in the Company's tariffs. If service is curtailed or interrupted by Company, the Annual Minimum Quantity shall be reduced by a fraction, the numerator of which is the actual number of days, or fraction thereof, service was curtailed and the denominator of which is 365.

CONTRACT:

Customers receiving service under this rate schedule shall execute a contract for a minimum period of twelve (12) consecutive months' use. The Annual Minimum Quantity is to be negotiated and included as part of the contract but in no case shall the Annual Minimum Quantity be less than 60,000 therms which shall include all firm therms, if any. Said contract shall state the maximum daily consumption of natural gas that Company agrees to deliver.

TERMS OF PAYMENT:

Above rates are net. Each monthly bill shall be due and payable within fifteen (15) days from the date of rendition. Past due balances will be subject to a late payment charge. (C)

UNAUTHORIZED USE OF GAS:

Gas taken by customer under this schedule by reason of its failure to comply with Company's curtailment order shall be considered as any unauthorized overrun volume. Company shall bill and customer shall pay for such unauthorized overrun at the rate of \$0.25 per therm for all gas used between 103% and 105% of the customer's gas day allocation and \$0.50 per therm for all gas used in excess of 105%, in addition to the regular charges incurred in the RATE section of this 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.

- Continued on Next Page -

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BY Jon T. Stoltz

TITLE Senior Vice President
Regulatory & Gas Supply

WN U-3

CASCADE NATURAL GAS CORPORATION

**LIMITED INTERRUPTIBLE SERVICE RATE (OPTIONAL)
SCHEDULE NO. 577**

AVAILABILITY:

This schedule is available throughout the territory served by the company under the tariff of which this schedule is a part, provided in the sole judgment of the Company, there is adequate gas supply and facilities over and above gas requirements of customers receiving firm service. Service under this schedule shall be limited to natural gas delivered for institutional service such as schools, colleges, hospitals, nursing homes, public buildings, governmental facilities, etc., who will consume in excess of 50,000 therms of natural gas per year. Customers served under this schedule agree to maintain standby fuel burning facilities and have an adequate supply of standby fuel to replace the entire supply of gas to be delivered hereunder. Service under this schedule shall be subject to curtailment by the Company when in the judgment of the Company such curtailment or interruption of service is necessary. Company shall not be liable for damages for or because of any curtailment of natural gas deliveries hereunder.

RATE:

		Margin	WACOG	Total		
Basic Service Charge	\$44.00				per month	(I)
First 4,000 therms/month		\$.06240	\$0.90208	\$.96448	per therm	(R)
All over 4,000 therms/month		\$.05000	\$0.90208	\$.95208	per therm	(R)

RATE ADJUSTMENT:

Service under this schedule is subject to various adjustments as specified in Schedules 595, 596, 598 and 599 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission.

WEIGHTED AVERAGE COMMODITY GAS COST:

The per therm average commodity gas cost unit rate is \$0.81363

CONTRACT:

Customers receiving service under this rate schedule shall execute a contract for a minimum period of twelve (12) consecutive months' use. The Annual Minimum Quantity or a Monthly Minimum Bill is to be negotiated and included as part of the contract but in no case shall the Annual Minimum Quantity be less than 50,000 therms nor shall the sum of 12 Monthly Minimum Bills be less than the margin associated with 50,000 therms. Said contract shall state the maximum daily consumption of natural gas that Company agrees to deliver.

ANNUAL DEFICIENCY BILL:

In the event customer purchases less than the Annual Minimum Quantity as stated in the contract, customer shall be charged an Annual Deficiency Bill unless contract states a monthly minimum bill and customer has satisfied such monthly minimum bill. Annual Deficiency Bill shall be calculated by multiplying the difference between the Annual Minimum Quantity and the therms actually taken ("Deficiency Therms") times the difference between the commodity rate in this Rate Schedule No. 577, as modified by any applicable rate adjustments and the weighted average commodity cost of gas rate as modified by any applicable modifying rate schedules or changes, as such rates are reflected in the Company's tariffs. If service is curtailed or interrupted by Company, the Annual Minimum Quantity shall be reduced by a fraction, the numerator of which is the actual number of days, or fraction thereof, service was curtailed and the denominator of which is 365.

TERMS OF PAYMENT:

Above rates are net. Each monthly bill shall be due and payable within fifteen (15) days from the date of rendition. Past due balances will be subject to a late payment charge. (C)

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EFFECTIVE March 16, 2006

ISSUED BY **CASCADE NATURAL GAS CORPORATION**

BY Jon T. Stoltz

TITLE Senior Vice President
Regulatory & Gas Supply

WN U-3

CASCADE NATURAL GAS CORPORATION

DISTRIBUTION SYSTEM TRANSPORTATION SERVICE
SCHEDULE NO. 663

AVAILABILITY:

This unbundled distribution system transportation service schedule is available throughout the territory served by the Company under the tariff of which this schedule is a part, provided, in the sole judgment of the Company, there are adequate facilities in place at the existing distribution line or as such line may be enhanced by the Company from time to time to provide service.

RATE:

The rates set forth in sections A - D are exclusive of fuel use requirements designed to cover distribution system lost and unaccounted for gas. (C)
(C)

A. Contract Demand Charge (Per CD Therms per month) \$.25 per month (N)

B. Dispatching Service Charge \$500.00 per month
All Therms Delivered \$0.0002 per therm
All customers receiving gas supply service through this schedule will be invoiced a monthly Dispatching Service Charge for each single metering facility.

C. Delivery Charge For All Therms Delivered Per Month
First 100,000 \$ 0.04300 Per Therm Per Month (R)
Over 100,000 \$0.03988 Per Therm Per Month (I)

D. The total of all charges invoiced by Company 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%. (R)

E. Fuel use requirements
Customer served on 663 shall provide the company with in-kind fuel for distribution system lost and unaccounted for gas. The fuel use factor is based on the Company's 5-year average lost and unaccounted for percentage, which shall be updated annually. The current rate is .4103% (N)
(N)

All other terms and conditions of services shall be pursuant to the Rules and Regulations set forth in the Company's filed tariff.

OTHER SERVICES:

Service under this schedule shall include transportation on the Company's distribution facilities only. Service under this schedule requires customer to secure both gas supply and pipeline transportation capacity services either through the Company or through third party arrangements. Gas Supplies purchased through the Company will be in accordance with the FERC regulations (18CFR Part 284.402 Blanket Marketing Certificates)

RATE ADJUSTMENTS:

Rates for service under this schedule are subject to various adjustments as specified in Schedule Nos. 595, 596, 598, and 599 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities & Transportation Commission.

(K)

- Continued on Next Page -

(K) Denotes material moved to Sheet No. 663-A

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BY Jon T. Stoltz

TITLE Senior Vice President
Regulatory & Gas Supply

Fourth Revision Sheet No. 663-A
Canceling
Third Revision Sheet No. 663-A

WN U-3

CASCADE NATURAL GAS CORPORATION

**DISTRIBUTION SYSTEM TRANSPORTATION SERVICE
SCHEDULE NO. 663**

(Continued from Previous Page)

CONTRACT TERM:

Customers choosing **Distribution System Transportation Service** 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 a contract be less than one year. Said contract shall state the Annual Minimum Quantity of gas, the maximum daily volume of gas to be delivered under this distribution system capacity schedule.

(M)

(M)

ANNUAL MINIMUM BILL:

Annual minimum charge is to be negotiated and included as part of contract between Company and customer and may be in addition to amounts otherwise due under this schedule.

TERM OF PAYMENT:

Above rates are net. Each monthly bill shall be due and payable fifteen (15) days from the date of rendition. Past due balances will be subject to a late payment charge.

(C)

(C)

WAIVER OF FIRM GAS SUPPLY:

Customer(s) electing to provide their own gas supplies under this schedule in lieu of firm system supply waive protection from supply failure curtailment of all of their requirements. Company has no obligation to purchase or reserve gas supply or interstate pipeline capacity for customer(s) electing to provide their own gas supplies and/or their own interstate pipeline capacity.

Customer(s) electing to provide their own gas supplies under this schedule in lieu of firm system supply waive any right to automatically purchase Firm supplies at some future date. Requests for firm gas supplies shall be subject to the effects on service availability or costs to other customers and may require a charge to offset any incremental costs of acquiring additional firm supplies.

SPECIAL TERMS AND CONDITIONS:

1. The application of this rate is subject to the general service provisions of the Company, as they may be in effect from time to time and as approved by the Washington Utilities & Transportation Commission.
2. Service under this schedule shall be rendered through metering facility at the single point of delivery.
3. Capacity under this schedule shall not be assigned to others without written approval from the Company.
4. Each customer served under this distribution system transportation service shall be required to satisfy any imbalance condition as such conditions are specified within Williams' Northwest Pipeline System FERC Tariff, Section 15. Cascade will bill the customer an imbalance penalty if the customer served under this rate schedule has not completely satisfied such imbalance condition. These non-entitlement penalties are "\$10.00 per MMBtu on the imbalance over the greater of 5,000 MMBtu or 5%" on a monthly basis with 45 non-entitlement days to eliminate any imbalances.
5. Customers served under this schedule are subject to Rule 20 Unbundled Distribution Transportation Service Rules

TAX ADDITIONS:

The rates named herein are subject to increases as set forth in Schedule No. 500, entitled "Tax Additions".

(M) Denotes material moved from Sheet No. 663

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BY Jon T. Stoltz

TITLE Senior Vice President
Regulatory & Gas Supply

WN U-3

CASCADE NATURAL GAS CORPORATION

LARGE VOLUME DISTRIBUTION SYSTEM TRANSPORTATION SERVICE
SCHEDULE NO. 664

AVAILABILITY:

This unbundled distribution system transportation service schedule is available throughout the territory served by the Company under the tariff of which this schedule is a part, provided, in the sole judgment of the Company, there are adequate facilities in place at the existing distribution line or as such line may be enhanced by the Company from time to time to provide service.

ANNUAL MINIMUM QUANTITY AND ANNUAL MINIMUM BILL:

Customers must consume a minimum of 2,400,000 metered therms annually to be served under this schedule. Existing customers must show a history of the most recent 12 months of consuming the 2,400,000 annual minimum therm requirement or must demonstrate enough newly connected gas equipment such that the total consumption will meet or exceed the 2,400,000 annual minimum therm requirement to qualify for this schedule. New customers must clearly demonstrate their annual therm consumption will be greater than the 2,400,000 therm annual minimum consumption requirement to qualify for this schedule. The annual minimum quantity stated in a customer's contract served under this schedule will be negotiated, but in no event be less than 2,400,000 therms.

If a customer does not consume a minimum of 2,400,000 therms annually (twelve months ending on the customer's contract anniversary date) the customer will pay for the deficiency balance of the 2,400,000 therms not used as though the deficiency therms were consumed in the twelfth month of the contract year. If such an annual minimum deficiency occurs due to force majeure or low product demand conditions, in the sole judgement of the company, the customer may be required to shift to another qualifying schedule to receive distribution service. If such an annual minimum deficiency occurs absent of force majeure or low product demand conditions, the customer will be required to shift to another qualifying schedule to receive distribution service.

RATE:

The rates set forth in sections A - D are exclusive of fuel use requirements designed to cover distribution system lost and unaccounted for gas. (C)
(C)

A. Contract Demand Charge (Per CD Therms per month) \$.25 per month (N)

B. Dispatching Service Charge \$500.00 per month (T)
All Therms Delivered \$0.0002 per therm

All customers receiving gas supply service through this schedule will be invoiced a monthly Dispatching Service Charge for each single metering facility. (T)

C. Delivery Charge For All Therms Delivered Per Month (T)

First 100,000 \$0.04300 Per Therm Per Month (R)

Over 100,000 \$0.00357 Per Therm Per Month (R)

D. The total of all charges invoiced by Company shall be subject to a Gross Revenue Fee reimbursement charge of 4.535% to cover state utility tax and other governmental levies imposed upon the Company. (R)

E. Fuel use requirements (N)

Customer served on 664 shall provide the company with in-kind fuel for distribution system lost and unaccounted for gas. The fuel use factor is based on the Company's 5-year average lost and unaccounted for percentage, which shall be updated annually. The current rate is .4103% (N)

All other terms and conditions of services shall be pursuant to the Rules and Regulations set forth in the Company's filed tariff.

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CASCADE NATURAL GAS CORPORATION

LARGE VOLUME DISTRIBUTION SYSTEM TRANSPORTATION SERVICE
SCHEDULE NO. 664
(Continued from Previous Page)

OTHER SERVICES:

Service under this schedule shall include transportation on the Company's distribution facilities only. Service under this schedule requires customer to secure both gas supply and pipeline transportation capacity services either through the Company or through third party arrangements. Gas Supplies purchased through the Company will be in accordance with the FERC regulations (18CFR Part 284.402 Blanket Marketing Certificates)

RATE ADJUSTMENTS:

Rates for service under this schedule are subject to various adjustments as specified in Schedule Nos. 595, 596, 598, and 599 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities & Transportation Commission.

CONTRACT TERM:

Customers choosing **Distribution System Transportation Service** 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 a contract be less than one year. Said contract shall state the Annual Minimum Quantity of gas, the maximum daily volume of gas to be delivered under this distribution system capacity schedule as well as the optional gas supply supplemental schedule(s) and the optional pipeline capacity supplemental schedule(s) under which customer will be receiving all gas delivered by the Company.

ANNUAL MINIMUM CHARGE:

Annual minimum charge is to be negotiated and included as part of contract between Company and customer and may be in addition to amounts otherwise due under this schedule. This annual minimum charge is separate from the annual minimum bill described above.

TERM OF PAYMENT:

Above rates are net. Each monthly bill shall be due and payable fifteen (15) days from the date of rendition. Past due balances will be subject to a late payment charge.

(C)
(C)

WAIVER OF FIRM GAS SUPPLY:

Customer(s) electing to provide their own gas supplies under this schedule in lieu of firm system supply waive protection from supply failure curtailment of all of their requirements. Company has no obligation to purchase or reserve gas supply or interstate pipeline capacity for customer(s) electing to provide their own gas supplies and/or their own interstate pipeline capacity.

Customer(s) electing to provide their own gas supplies under this schedule in lieu of firm system supply waive any right to automatically purchase Firm supplies at some future date. Requests for firm gas supplies shall be subject to the effects on service availability or costs to other customers and may require a charge to offset any incremental costs of acquiring additional firm supplies.

SPECIAL TERMS AND CONDITIONS:

1. The application of this rate is subject to the general service provisions of the Company as they may be in effect from time to time and as approved by the Washington Utilities & Transportation Commission.
2. Service under this schedule shall be rendered through metering facility at the single point of delivery.

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