

AGREEMENT
UG-951415

WUTC <i>UG-950326,</i>		
DOCKET NO. <i>-951415</i>		
EXHIBIT # <i>57</i>		
ADMIT <input checked="" type="checkbox"/>	W/D <input type="checkbox"/>	REJECT <input type="checkbox"/>

1. Cascade Natural Gas Corporation (the "Company") filed its general rate case ("the General Rate Case") with the Washington Utilities and Transportation Commission on December 11, 1995. The General Rate Case was assigned Docket No. UG-951415.

2. In connection with the filing of the General Rate Case, the Company submitted proposed figures for its operating revenues, operating expenses, and operating taxes, among other categories. The parties to the General Rate Case have participated in ongoing mutual gains negotiations since June, 1995 regarding the Company's proposed figures and other issues.

3. (a) As a result of these mutual gains negotiations, Staff and the Company have agreed to an overall rate of return of 9.76%, reflecting an agreed capital structure (45% common equity, 5% preferred stock, 45% long term debt and 5% short term debt) and a return on equity of 11.25%. Public Counsel has not agreed to this result nor method.

(b) Staff and the Company have also agreed to the adjusted and restated per books accounting figures, as reflected on attached Exhibit A. Public Counsel does not oppose this result.

(c) Northwest Industrial Gas Users (NWIGU) has no opposition to any of the foregoing agreements.

4. The foregoing agreed subject areas are not subject to cross-examination during the presentation of the Company's direct case. Public Counsel may, however, require

the Company to call witnesses testifying to these subject areas for cross-examination at the time the Company's rebuttal case is presented.

5. The parties have not reached agreement on issues regarding (a) special contracts, purchased gas costs including purchased gas capacity costs, and meter reading and billing expense and therefore final revenue requirements, and (b) cost of service, rate spread, and rate design. These issues remain the subject of mutual gains negotiations and/or hearings, and will be subject to cross-examination and litigation in the General Rate Case.

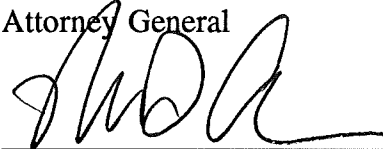
6. Given this background, the Company, Staff, Public Counsel and NWIGU hereby submit the attached Exhibit A reflecting the agreed issues as of the date of this agreement.

7. Since certain issues have been resolved by agreement, the Company, Staff, Public Counsel and NWIGU waive cross-examination of the following witnesses in the Company's direct case and stipulate to the entry of their prefiled testimony. These witnesses are: Larry L. Clark, James E. Haug, Katherine J. Barnard, and J. D. Wessling.

8. The following witnesses will be subject to cross-examination during the Company's direct case as to issues not already agreed among the parties: Jon T. Stoltz, Lamar M. Dickey, and Peter A. Schwartz.

COMMISSION STAFF

CHRISTINE O. GREGOIRE
Attorney General



Robert D. Cedarbaum
Assistant Attorney General

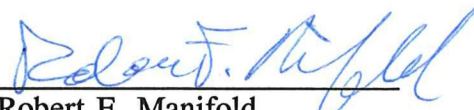
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5/7/96

PUBLIC COUNSEL

CHRISTINE O. GREGOIRE
Attorney General

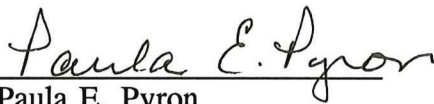
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Robert F. Manifold
Assistant Attorney General

NORTHWEST INDUSTRIAL GAS
USERS

DATE: _____



Paula E. Pyron
Attorney

CASCADE NATURAL GAS
CORPORATION

DATE: 5/7/96



John L. West
Attorney

