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June 6, 2008

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

Re: UG-061721 Merger Commitment Submittal

Dear Ms. Washburn:

In compliance with Merger Commitment No. 14, Cascade Natural Gas Corporation herein submits the attached schedule, which shows the final accounting of the merger related transaction costs that were recorded on Cascade's books. Merger Commitment No. 14 stated that the Company will provide the Commission with a final accounting of the merger costs within 60 days of the close of accounting for the Transaction. The accounting for this transaction was closed on April 10<sup>th</sup> 2008.

Cascade will exclude all costs of transaction, including integration costs from utility accounts for ratemaking purposes such as earnings reviews, PGA filings, general rate case, etc.

If you have any questions concerning this submittal, please contact the undersigned.

Sincerely,

Jon T. Stoltz  
Sr. Vice President – Gas Supply and Regulatory

enclosure:

**Cascade Natural Gas Corporation**  
**Final Accounting of Transaction Costs**  
 Date Prepared: May 27th, 2008

<b>FERC</b>	<b>CY2005</b>	<b>CY2006</b>	<b>CY2007</b>	<b>Total</b>
9210	-	879	585	\$ 1,464
9230	103,441	4,110,544	1,691,762	\$ 5,905,747
9302	12,668	35,499	-	\$ 48,167
<b>Total</b>	<b>\$ 116,109</b>	<b>\$ 4,146,922</b>	<b>\$ 1,692,347</b>	<b>\$ 5,955,378</b>

**The above expenses are merger transaction expenses and do not include executive transition related expenses paid during CY2007.**

**CY2007 Executive Transition expenses:**

\$655,200 July 2007 Severance paid to David Stevens (FERC 9200)

\$273,000 CY2007 Non-Compete\* payments to David Stevens (FERC 9200)

\* Non Compete agreement calls for payments of \$45,500 a month starting with July 2007 for a term of 2 years or 24 months.