

## **JOINT PRESENTATION AND DEFENSE AGREEMENT**

### **I. The Parties and Issues**

The entities that have executed this Joint Presentation and Defense Agreement, the Public Counsel Section of the Washington State Attorney General's Office ("Public Counsel"), and Cost Management Services, Inc. ("CMS"), are parties to CMS's complaint case against Cascade Natural Gas Corporation ("Cascade"), Docket No. UG-061256, as it may be consolidated with Docket No. UG-070332 by order of the Washington Utilities and Transportation Commission ("the litigation"). CMS and Public Counsel are sometimes referenced in this Agreement individually as "Party" and collectively as "Parties." The Parties agree that they have some common and mutual interests in presenting and prosecuting issues related to cross-subsidies between core and non-core Cascade customers asserted in this case, and in negotiations regarding such claims.

### **II. Joint Materials**

The Parties agree that it is in their mutual best interest to cooperate with each other and to share certain information protected by the attorney-client privilege and by the work product doctrine in order to assert common claims with respect to the matters identified in Section I of this Agreement (the "Matters"). To further their common interests, the Parties will exchange privileged and work product information, both orally and in documents, and intend to continue to exchange privileged and work product information ("Joint Materials"). All such exchanges shall be in accordance with the confidentiality agreements that each Party has executed in Docket No. UG-061256. Neither Party will disclose Joint Materials to any other person or entity except, as mutually agreed, for the Parties' mutual and common interest in presentation and defense of the Matters. This agreement covers all Joint Materials exchanged between the parties from March 5, 2007, until such time as the Litigation is resolved. In working with CMS's expert witnesses,

CMS shall be responsible for communicating with retained experts and sharing communications with Public Counsel.

By this Agreement, the Parties state that in the pursuit of their common interest in the Matters they do intend to preserve and retain to the maximum extent the attorney-client privilege, the work product doctrine, and all other privileges or protections they may have.

### **III. Confidentiality**

The Parties agree to maintain the confidentiality of all Joint Materials. Except as required by Court order or otherwise permitted by agreement of the Parties, no Party shall disclose Joint Materials to any other person or entity. This Agreement shall not prohibit disclosure by any Party of materials which that Party alone has prepared or obtained, and which contain no privileged or protected information obtained directly or indirectly from another Party or that are Joint Materials only because one Party has delivered them to another Party. Nor shall this Agreement prevent a Party from using non-privileged facts, documents, and theories that are learned or derived from Joint Materials.

### **IV. Litigation Positions and Settlement Negotiations**

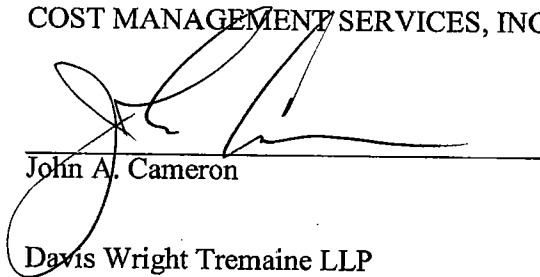
The Parties agree that it is in their mutual interest to consult prior to filing prepared testimony and briefs and prior to the commencement of any settlement negotiations. The Parties intend to reach a common position on issues of cross-subsidization in dispute in the litigation, but recognize that this may not occur. The Parties shall meet and consult regarding these issues in dispute in the litigation prior to negotiating the settlement of such issues with any non-party to this agreement (i.e. other parties to the litigation identified above). Subject to the duty to consult and cooperate as set forth in this Agreement, each Party acknowledges and agrees that neither can bind the other regarding their respective positions on litigation and/or settlement

**V. No Waiver Of Privilege; Separate And Independent Representation**

Neither Party has the authority to waive any applicable privilege or doctrine on behalf of another Party. Each Party is represented in entering and executing this Agreement by and through its respective independent counsel. Each Party's counsel has had an opportunity to review and negotiate the terms of this Agreement.

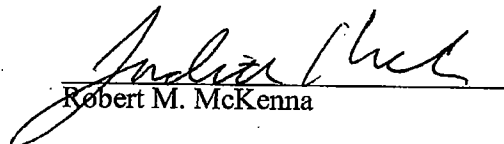
DATED: 4/02/07

COST MANAGEMENT SERVICES, INC.

  
\_\_\_\_\_  
John A. Cameron  
Davis Wright Tremaine LLP

DATED: MARCH 30, 2007

PUBLIC COUNSEL  
Office of Attorney General

  
\_\_\_\_\_  
Robert M. McKenna  
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