

#### Advise No. CNG\W06-02-01

February 14, 2006

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

Dear Ms. Carol J. Washburn, Executive Secretary,

Cascade Natural Gas Corporation herewith submits the attached filing seeking Commission authorization to increase its rate and charges for natural gas services to its natural gas customers in the State of Washington. With this filing the Company requests an overall general rate increase of 4.47% or 11.7 million for natural gas services, with a requested effective date of March 16, 2006.

Service of documents pertaining to this filing should be to the following Cascade Natural Gas Corporation representatives:

Jon T. Stoltz
Senior Vice President
Regulatory & Gas Supply
PO Box 24464
Seattle, WA 98109
jstoltz@cngc.com
Direct (206) 624-3900
Fax (206) 654-4039

Jamie Van Nostrand Stoel Rives LLP 900 S.W. Fifth Avenue, Suite 2600 Portland, OR 97204 jmvannostrand@stoel.com Direct (503) 224-3380 Fax (509) 220-2480

Enclosed with the filing are the original and two copies of the following tariff sheets formatted with the coding required by WAC 480-80-105, and three copies in legislative format required by WAC 480-07-510:

### Tariff WN U-3

Thirty Third Revision Sheet no. 2 Canceling Thirty Second Revision Sheet No. 2 Eighth Revision Sheet no. 9 Canceling Seventh Revision Sheet No. 9 Tenth Revision Sheet no. 10 Canceling Ninth Revision Sheet No. 10 First Revision Sheet no. 10-B Canceling Original Sheet No. 10-B

Original Sheet No. 25

Original Sheet No. 25-A

**Original Sheet No. 26** 

Original Sheet No. 26-A

Original Sheet No. 200

Original Sheet No. 200-A

Original Sheet No. 500-C

Forty-Second Rev. Sheet no. 502 Canceling Forty-First Rev. Sheet No. 503
Thirty-First Revision Sheet no. 504 Canceling Thirtieth Revision Sheet No. 504
Thirtieth Revision Sheet no. 505 Canceling Twenty-Ninth Revision Sheet No. 505
Forty-Sixth Revision Sheet no. 511 Canceling Revision Forty-Fifth Sheet No. 511
Twenty-Seventh Rev. Sheet no. 512 Canceling Twenty-Sixth Rev. Sheet No. 512
Forty-Fourth Rev. Sheet no. 541 Canceling Forth-Third Rev. Sheet No. 541
Fort-First Revision Sheet no. 570 Canceling Fortieth Revision Sheet No. 570
Thirty-Eighth Rev. Sheet no. 577 Canceling Thirty-Seventh Rev. Sheet No. 577
Seventh Revision Sheet no. 663 Canceling Sixth Revision Sheet No. 663
Fourth Revision Sheet no. 664-A Canceling Fourth Revision sheet No. 664
Second Revision Sheet no. 664-A Canceling Third Revision sheet No. 664-A

In support of this filing, Cascade has enclosed 12 copies of its prepared direct testimony and exhibits, as well as three copies of all work papers showing how test year data were adjusted.

A summary document pertaining to the filing is provided as well as the financial reports and other documents required under WAC 480-07-510. An electronic version of the filing has been provided, also required under WAC 480-07-510.

Three copies of the "Notice to The Public" are enclosed. This will be posted in the Company's offices coincident with the date of this filing. A "Notice to Customers" will be provided to customers as a bill insert beginning approximately March 1, 2006.

Additional copies of this filing, supporting testimony and exhibits are available from the Company upon request. Questions regarding this filing should be directed to Jon T. Stoltz at (206) 381-6823.

Serior Vice President

Regulatory & Gas Supply

# 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		Rate	Therms	Cost Under		Cost Under		Amount of		Percentage of
No.	Customer Type	Schedule	Per Month	Current Rates		Proposed Rates		Change		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%

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 <a href="https://www.cngc.com">www.cngc.com</a> 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