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CNG/W07-10-01

October 18, 2007

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

Dear Ms. Washburn:

Enclosed, Cascade Natural Gas Corporation herewith submits for filing the following revised tariff sheet to its WN U-3 Tariff, which contains an effective date of November 18, 2007.

Forty-Eighth Revision Sheet No. 500-A Canceling Forty-Seventh Revision Sheet No. 500-A

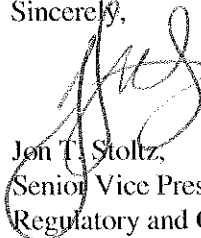
The purpose of this filing is to update the tariff sheet to reflect the tax rate reduction associated with the Woodland Business & Occupation Tax (Ordinance 1031) that was inadvertently omitted in a prior change to Sheet 500-A. Woodland's Ordinance 1031 provides for the tax rate to be reduced on January 1, 2007. A copy of the Ordinance is attached.

The Company also requests that the proposed tariff change be approved with less than statutory notice to become effective on November 1, 2007, in order to allow Cascade's November billing cycles to reflect the lower rate. Additionally, Cascade will refund its Woodland customers the 1% tax reduction back to January 1, 2007.

In accordance with WAC 480-90-198, the Company declares that notice to customers will be made in accordance with WAC 480-90-195(3). Cascade will issue bill inserts to all customers impacted by the proposed tariff change following final disposition of this filing. The proposed change will affect approximately 684 customers who reside within the city limits of Woodland.

If there are any questions regarding this filing, please direct them to Katherine Barnard at (206) 381-6824.

Sincerely,



Jon T. Stoltz,
Senior Vice President,
Regulatory and Gas Supply

We make warm neighbors

www.cngc.com

ORDINANCE NO. 1031

AN ORDINANCE relating to utility taxes and amending Section Chapter 5.20.030 of the Woodland Municipal Code to increase the percentage of tax levied on telephone utilities, electric utilities and natural, manufactured or mixed gas utilities; and amending the definition of telephone business as more particularly set forth herein.

WHEREAS, the City has the need and the authority to levy taxes to meet its financial requirements; and

WHEREAS, Section 5.20.030 of the Woodland Municipal Code levies taxes upon anyone engaged in carrying on any telephone business within or partly within the corporate limits of the City; and

WHEREAS, the City desires to communicate its intent of having the telephone utility tax apply to the widest scope possible; and

WHEREAS, the City desires to clarify the language in the City Code relating to the taxation of telephone businesses; and

WHEREAS, the Washington State Department of Revenue has recommended definitions for telephone businesses; and

WHEREAS, the City desires to utilize the definitions to promote consistency and clarity; and

WHEREAS, due to current economic factors, it has been deemed necessary to increase the utility tax on telephone businesses, electricity and natural gas businesses from the current rate of five percent to six percent; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WOODLAND, STATE OF WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. That Woodland Municipal Code 5.20.030, "Tax--Levy," is hereby amended to provide as follows:

5.20.030 Tax--Levy.

From and after August 17, 1981, there is levied upon, and there shall be collected from, every person, firm or corporation engaged in carrying on the following business for hire or for sale of a commodity or a service within or partly within the corporate limits of the city, the tax for the privilege of so doing business, as defined in this section:

A. 1. Upon any telephone business there shall be levied a tax equal to six percent of the total gross operating revenues, including revenues from intrastate toll, derived from the operation of such business within the city. Gross operating revenues for this purpose shall not include charges which are passed on to the subscribers by a telephone company pursuant to tariffs required by regulatory order to compensate for the cost to the company of the tax imposed by this chapter.

2. "Telephone business" means the business of providing access to a local telephone network, local telephone network switching service, toll service, coin telephone services, telephonic, video, data, pagers, or similar communication or transmission for hire, via a local telephone network, toll line or channel, cable, microwave, or similar communication or transmission system. The term includes cooperative or farmer line telephone companies or

associations operating exchanges. "Telephone business" does not include the providing of competitive telephone service, or providing of cable television services, or other providing of broadcast services by radio or television stations.

3. "Competitive telephone service" means the providing by any person of telecommunications equipment or apparatus, directory advertising and lease of telephone street directories, or service related to that equipment or apparatus such as repair or maintenance service, if the equipment or apparatus is of a type which may be provided by persons not subject to regulation as telephone companies under Title 80 RCW, and for which a separate charge is made. Transmission of communication through cellular telephone is classified as "telephone business" rather than "competitive telephone service".

4. "Cellular telephone service" is a two-way voice and data telephone/telecommunications system based in whole or substantial part on wireless radio communications and which is not subject to regulation by the Washington Utilities and Transportation Commission (WUTC). This includes cellular mobile service. Cellular mobile service includes other wireless radio communications services such as specialized mobile radio (SMR), personal communications services (PCS), and any other evolving wireless radio communications technology, which accomplishes the same purpose as cellular mobile service. Cellular telephone service is included within the definition of "telephone business" for the purposes of this chapter.

5. "Pager service" means service provided by means of an electronic device which has the ability to send or receive voice or digital messages transmitted through the local telephone network, via satellite or any other form of voice or data transmission.

B. There is levied a tax on the sale, delivery or distribution of electricity and electrical energy and for the privilege of carrying on said business, such tax to be equal to six percent of the gross operating revenue derived from sales of such electricity to ultimate users within the city; provided, however, that there shall not be any tax levied for the installation charges of electrical units.

C. There is levied a tax on the sale of natural, manufactured or mixed gas for residential, commercial or industrial consumption and for the privilege of carrying on said business, such tax to be equal to six percent of gross operating revenues from such sales of natural, manufactured or mixed gas within the limits of the city.


(Ord. 949 § 1, 2001; Ord. 685 § 2, 1989; Ord. 526 § 3, 1981)

Section 2. Rate of Taxation. The City's Clerk-Treasurer is hereby directed to bring forward for Council's review at the first regular meeting in October of 2005, the tax rates set forth herein. Provided, however, unless earlier redirected, the tax rates set forth in WMC 5.20.030 shall revert to five (5%) percent effective January 1, 2007.

Section 3. Effective Date. This ordinance shall become effective January 1, 2005 with respect to the tax imposed in WMC Subsections 5.20.030 (A), (B), and (C), provided that the City Clerk/Treasurer shall cause this ordinance to be published after its passage and approval as required by law.

ADOPTED this 20th day of December, 2004.

CITY OF WOODLAND:



Douglas A. Monge

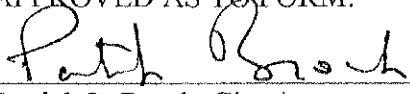
ATTEST:



Mari E. Ripp, Clerk/Treasurer

PUBLISHED: December 22, 2004

APPROVED AS TO FORM:



Patrick L. Brock, City Attorney