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April 30, 2008

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

Re: WAC 480-90-268 Essential Utilities Services Contracts Report

Dear Ms. Washburn:

Enclosed is Cascade Natural Gas Corporation's Essential Utilities Services Contracts Report for the 15 months ending December 31, 2007. This information is being supplied in compliance with WAC 480-90-268.

The information provided consists of essential contracts between Cascade and its outside Vendors above the 1.5% of total sales threshold and other associated information regarding the contracts as required by the Rule.

If there are any questions or areas of concern regarding this information, please contact me directly.

Sincerely,

CASCADE NATURAL GAS CORP.

Katherine J. Barnard

Senior Director,

Gas Supply & Regulatory Affairs

attachment

WAC 480-90-268 Essential Utilities Services Contracts Report 15 Months ending December 31, 2007 Scope: any vendor which received > 1.5% of total company sales (\$6.4 mil) during Oct 2006 - Dec 2007

| \$9,907,102.63 | amount* | cancelled at any time | | | |
|-----------------------|-------------------------|--------------------------|---|------------------------------------|---------------------------------|
| | No specific budgeted | Ongoing, Contract can be | Construction of Gas system infrastructure | Construction services | SNELSON COMPANIES INC |
| \$20,286,904.63 | • | 4 years | Purchase of Gas for Core Customers and Hedging of Core Gas Supply Contracts | Gas Supply | WASATCH ENERGY LLC |
| \$11,263,201.07 | | 2 years | Purchase of Gas for Core Customers and Non-Core Indurstrial Customers | Gas Supply | THERMO GREELEY INC |
| \$10,098,817.95 | | 3 years | Hedging of Core Gas Supply Contracts | Gas Supply | TD SECURITIES |
| \$58,894,119.27 | | 1 year | Supply Contracts | | |
| • | | | Purchase of Gas for Non-Core Industrial Customers and Hedging of Core Gas | Gas Supply | SEMPRA ENERGY TRADING CORP |
| \$30,197,419.35 | | 1 year | Purchase of Gas for Core Customers | Gas Supply | OCCIDENTAL ENERGY MARKETING INC |
| \$32,678,330.20 | | Until 2015 | Purchase of Pipeline Transportation for Core Customers | Pipeline Transportation | NORTHWEST PIPELINE CORPORATION |
| \$59,019,874.26 | | 4 years | Customers | Gas Supply/Pipeline Transportation | NEXEN MARKETING |
| | | | Purchase of Gas for Core Customers/Purchase of Pipeline Transportation for Core | | |
| \$33,876,373.47 | | 2 years | Purchase of Gas for Core Customers | Gas Supply | NATIONAL FUEL MARKETING COMPANY |
| \$18,146,795.27 | _ | 3 years | Purchase of Gas for Core Customers | Gas Supply | IGI RESOURCES INC |
| \$9,874,480.00 | · | 4 years | Purchase of Gas for Core Customers | Gas Supply | FORTIS ENERGY MARKETING & TRADE |
| \$61,963,632.66 | Filings | 4 years | Purchase of Gas for Core Customers | Gas Supply | ENSERCO ENERGY INC |
| \$10,509,500.19 | Purchase Gas Adjustment | 3 years | Hedging of Core Gas Supply Contracts | Gas Supply | CIBC WORLD MARKETS |
| \$9,932,718.50 | Information Provided in | 2 years | Hedging of Core Gas Supply Contracts | Gas Supply | BANK OF AMERICA - CHICAGO ARB |
| Reporting Period | Reporting Period | Length of Contract | Essential Obligation of each party to the contract | Type of Contract | Cascade Natural Gas & |
| Services Rendered for | value of contract for | | | , 111 | Parties to the Contract: |
| Actual Payments for | Budgeted annual dollar | | | | |
| | | | | | |

^{*} The Capital Budget wasn't allocated between company crews and contractor crews, so there was no budgeted amount for the reporting period.