



222 FAIRVIEW AVENUE N., SEATTLE, WASHINGTON 98109-5312 206-624-3900
FACSIMILE 206-654-4039

December 14, 2007

Washington Utilities & Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Attention: Ms. Carole Washburn
Executive Secretary

RE: Cascade Natural Gas Corporation's 2008 Integrated Resource Plan Work Plan

Pursuant to WAC 480-90-238, enclosed for filing is Cascade Natural Gas Corporation's Work Plan for its 2008 Integrated Resource Plan (IRP or Plan). This document provides an outline of the content for the 2008 Plan, the timing of the plan development and the method for assessing potential resources.

If you have any questions regarding the Work Plan, please contact me at (206) 381-6824.

Sincerely,

A handwritten signature in black ink that reads "Katherine J. Barnard".

Katherine J. Barnard
Senior Director, Regulatory Affairs

Enclosures

We make warm neighbors

www.cngc.com

Cascade Natural Gas Corporation 2008 IRP Workplan

Cascade Natural Gas Corporation's ("Cascade" or "the Company") Work Plan for its 2008 Integrated Resource Plan ("IRP") is filed pursuant to the Washington Utilities and Transportation Commission (WUTC) IRP rules (WAC 480-90-238).

Purpose of the Integrated Resource Plan/Key Issues for 2008 IRP

The uncertainty continues to make the decisions of long term planning difficult. Cascade will continue to develop long-term resource strategies in the face of such uncertainty. Analytical methods will be similar to those used to develop the Company's 2007 IRP Plan, which includes the use of a linear programming optimization model (SENDOUT) to solve natural gas supply and transportation optimization questions, along with the use of Monte-Carlo simulations (VECTORGAS) to estimate the impact of various uncertainty factors.

The primary purpose of Cascade's long-term resource planning process has been, and continues to be, to inform and guide the Company's resource acquisition processes, consistent with the rule (WAC 480-90-238). Input and feed back from the Company's Technical Advisory Group (TAG) will continue to be an important resource to help ensure Cascade's IRP is developed from a broader perspective than Cascade could have on its own.

Outline of IRP Content:

The following is an outline of the Company's 2008 IRP plan. This list is based on Cascade's 2007 IRP Plan. Organizational structure of the final IRP may be revised based on results of analysis and feedback received through the planning process.

- I. Executive Summary including Summary Charts & Graphs
- II. Introduction and Discussion of the Plan
- III. Demand Forecast
- IV. Demand Side Resource Alternatives
- V. Supply Side Resource Alternatives
- VI. Integration Analysis and Results including Risk Analyses
 - a. Scenario & Monte Carlo simulations
 - i. Weather Scenarios
 - ii. Gas Price Scenarios including Environmental Externalities (Carbon Tax Adders)
- VII. 2-Year Action Plan
- VIII. Technical Appendices

2008 IRP Timeline

The following is Cascade's tentative 2008 IRP timeline:

- December 14, 2007—Work Plan filed with WUTC
- Develop Demand Forecast: February through May 2008
- Distribution System Planning Analysis: May through Aug 2008
- Demand Side Resource Analysis: February through July 2008
- Gas Supply Analysis: February through June 2008
- Integration of Supply and Conservation Resources: June through July 2008
- Public Process—Technical Advisory Group meetings (specific dates TBD)
 - i. TAG 1; Key Assumptions (price forecast/economic indicators)--Early February 2008
 - ii. TAG 2: Resource Alternatives (Supply & Demand Side Resources) --Late March 2008
 - iii. TAG 3: Demand Forecast Results/Distribution System Modeling – Early May 2008

iv. TAG 4: Integration/ 2 year Action Plan – Early August 2008

- File Draft 2008 IRP: September 2008
- Comments to Company on Draft Plan from parties by November 2008
- Final Plan filed on December 15, 2008

Planning Assumptions

Information needed to perform analysis will be gathered and input assumptions developed by June 2008. This will include detailed definitions of alternative scenarios and all primary input assumptions for demand forecasting and resource modeling. Additional planning information will be assimilated into the analytical process and planning information that is not incorporated into the modeling process will continue to be assessed.

Resource Analysis:

Natural gas analysis will include long-term optimization and stochastic analysis under the same planning scenarios, including natural gas energy efficiency and supply alternatives.

Draft 2008 IRP and Review Period:

Cascade is planning to have its IRP draft plan distributed for initial feedback to the group members by September 30, 2008. Given Cascade's commitment to facilitate and communicate with members of the Technical Advisory Group, the draft IRP content and its key assumptions will be discussed with the Technical Advisory Group during the TAG sessions. Any feedback is due to the Company by November 2008 to give the Company sufficient time to incorporate such feedback as needed into the final plan.

Final 2008 IRP Filed December 15, 2008