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May 15, 2009

Mr. Dave Danner
Secretary and Executive Director
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-9022

RE: WAC 480-90-275 Quarterly Reporting
Rate of Return Reports

Dear Mr. Danner,

In accordance with WAC 480-90-275, enclosed is Cascade Natural Gas Corporation's monthly Rate of Return reports for the quarter ending March 31, 2009.

If you have any questions, please contact Paul Schmidt at (206) 381-6825.

Sincerely,

Katherine J. Barnard
Sr. Director,
Gas Supply & Regulatory Affairs

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended January 31, 2009

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	57,274,304	346,294,991
Transportation Revenue	1,504,948	16,276,035
Other Operating Revenue	154,668	1,697,695
	<u>58,933,920</u>	<u>364,268,721</u>
Less: Natural Gas & Production Costs	42,158,703	248,839,400
Revenue Taxes	4,960,646	26,507,237
OPERATING MARGIN	<u>11,814,571</u>	<u>88,922,084</u>
OPERATING EXPENSES		
Distribution	666,029	9,103,559
Customer Accounts	338,418	4,785,814
Customer Service & Informational Sales	75,183	860,677
Administrative & General	1,321,879	15,477,643
Depreciation & Amortization	1,270,555	14,586,614
Property, Payroll & Misc. Taxes	390,199	4,295,328
Federal Income Taxes	2,621,617	11,417,328
Total Operating Expenses	<u>6,683,880</u>	<u>60,534,786</u>
NET OPERATING INCOME	<u>5,130,691</u>	<u>28,387,298</u>
RATE BASE	<u>226,717,843</u>	<u>224,040,473</u>
RATE OF RETURN	<u>2.26%</u>	<u>12.67%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	512,906,301	505,003,487
Accumulated Depreciation	<u>(245,872,901)</u>	<u>(240,947,521)</u>
Net Utility Plant	267,033,400	264,055,966
Other:		
Contributions in Aid of Construction		
Customer Advances for Construction	(4,499,004)	(4,198,791)
Accumulated Deferred Income Taxes	(45,861,754)	(45,861,754)
Deferred Debits		-
Subtotal	<u>216,672,642</u>	<u>213,995,421</u>
Working Capital	10,045,201	10,045,052
TOTAL RATE BASE	<u>226,717,843</u>	<u>224,040,473</u>

All rate base items except accumulated deferred income taxes represent monthly average and average of monthly average balances. Accumulated deferred income taxes represent the end-of-period balance.

This report is derived directly from the amounts recorded on the books of the Corporation for the period covered, as adjusted for the depreciation adjustment prescribed in WUTC Order No. 991923. It reflects no ratemaking or other normalized adjustments.

Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended February 28, 2009

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	39,806,633	353,371,657
Transportation Revenue	1,624,509	16,499,442
Other Operating Revenue	145,704	1,710,695
	<u>41,576,846</u>	<u>371,581,794</u>
Less: Natural Gas & Production Costs	29,968,547	255,948,408
Revenue Taxes	3,825,445	27,092,665
OPERATING MARGIN	<u>7,782,854</u>	<u>88,540,721</u>
OPERATING EXPENSES		
Distribution	736,815	9,068,899
Customer Accounts	376,767	4,706,109
Customer Service & Informational Sales	87,197	877,537
Administrative & General	1,976	9,799
Depreciation & Amortization	1,097,482	15,297,113
Property, Payroll & Misc. Taxes	1,226,863	14,601,121
Federal Income Taxes	366,357	4,261,493
Federal Income Taxes	1,186,758	11,449,316
Total Operating Expenses	<u>5,080,215</u>	<u>60,271,387</u>
NET OPERATING INCOME	<u>2,702,639</u>	<u>28,269,334</u>
RATE BASE	<u>225,100,129</u>	<u>223,745,348</u>
RATE OF RETURN	<u>1.20%</u>	<u>12.63%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	513,014,594	506,320,232
Accumulated Depreciation	(247,108,179)	(241,932,879)
Net Utility Plant	<u>265,906,415</u>	<u>264,387,353</u>
Other:		
Contributions in Aid of Construction		
Customer Advances for Construction	(4,372,963)	(4,249,677)
Accumulated Deferred Income Taxes	(46,427,368)	(46,427,368)
Deferred Debits		-
Subtotal	<u>215,106,084</u>	<u>213,710,308</u>
Working Capital	9,994,045	10,035,040
TOTAL RATE BASE	<u>225,100,129</u>	<u>223,745,348</u>

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Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended March 31, 2009

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	39,846,427	361,053,279
Transportation Revenue	1,536,314	16,682,101
Other Operating Revenue	83,218	1,637,790
	<u>41,465,959</u>	<u>379,373,170</u>
Less: Natural Gas & Production Costs	29,659,832	262,753,091
Revenue Taxes	3,497,590	27,964,387
OPERATING MARGIN	<u>8,308,537</u>	<u>88,655,692</u>
OPERATING EXPENSES		
Distribution	898,409	9,232,984
Customer Accounts	565,124	4,800,573
Customer Service & Informational Sales	70,020	875,140
Administrative & General	1,026	9,957
Depreciation & Amortization	1,184,672	15,025,805
Property, Payroll & Misc. Taxes	1,226,863	14,611,312
Federal Income Taxes	112,877	4,201,704
	<u>1,298,347</u>	<u>11,742,264</u>
Total Operating Expenses	<u>5,357,338</u>	<u>60,499,739</u>
NET OPERATING INCOME	<u>2,951,199</u>	<u>28,155,953</u>
RATE BASE	<u>224,103,372</u>	<u>223,574,587</u>
RATE OF RETURN	<u>1.32%</u>	<u>12.59%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	511,827,837	507,421,677
Accumulated Depreciation	<u>(246,618,591)</u>	<u>(242,778,963)</u>
Net Utility Plant	265,209,246	264,642,714
Other:		
Contributions in Aid of Construction		
Customer Advances for Construction	(4,238,537)	(4,278,358)
Accumulated Deferred Income Taxes	(46,813,197)	(46,813,197)
Deferred Debits		-
Subtotal	<u>214,157,512</u>	<u>213,551,159</u>
Working Capital	9,945,860	10,023,428
TOTAL RATE BASE	<u>224,103,372</u>	<u>223,574,587</u>

All rate base items except accumulated deferred income taxes represent monthly average and average of monthly average balances. Accumulated deferred income taxes represent the end-of-period balance.

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Total Washington

	Month ended			12 months ended		
	Jan 2009	Feb 2009	Mar 2009	Jan 2009	Feb 2009	Mar 2009
GAS SALES						
480 Residential Sales	31,191,326	21,261,596	22,122,145	157,513,520	162,951,949	169,231,886
481 Commercial - Interruptible Sales	26,082,977	18,545,036	17,724,282	188,781,471	190,419,708	191,821,394
TOTAL GAS SALES	57,274,304	39,806,633	39,846,427	346,294,991	353,371,657	361,053,279
OTHER OPERATING REVENUE						
4880 Miscellaneous Service Revenues	132,976	140,505	79,827	1,531,188	1,538,861	1,465,798
4890 Rev. From Transp. of Gas of Others	1,504,948	1,624,509	1,536,314	16,276,035	16,499,442	16,682,101
4930 Rent From Gas Property	754	-	1,907	6,072	5,587	7,023
4950 Other Gas Revenue	20,938	5,199	1,484	160,435	166,247	164,969
495.1 Overrun Penalty Income	-	-	-	-	-	-
TOTAL OTHER OPERATING REVENUE	1,659,616	1,770,213	1,619,532	17,973,730	18,210,136	18,319,891
* TOTAL OPERATING REVENUE *	58,933,919	41,576,846	41,465,959	364,268,721	371,581,793	379,373,170
NATURAL GAS PURCHASED						
804 Natural Gas City Gate Purchases	36,629,601	21,400,964	20,006,557	267,337,390	261,341,391	255,615,782
805 Other Gas Purchases	-	-	-	-	-	-
805.1 Purchased Gas Cost Adjustments	5,261,672	7,182,618	6,848,648	(13,737,041)	(1,975,787)	9,072,214
808.1 Gas Withdrawn From Storage	1,811,903	1,417,717	2,815,995	8,611,264	9,660,793	11,147,028
808.2 Gas Delivered To Storage	(1,526,087)	(18,466)	-	(13,296,580)	(13,001,648)	(13,003,919)
812 Gas Used For Other Utility Oper.	(18,386)	(14,286)	(11,368)	(75,634)	(76,341)	(78,013)
TOTAL NATURAL GAS PURCHASED	42,158,703	29,968,547	29,659,832	248,839,400	255,948,408	262,753,091
408.5 Revenue Taxes	4,960,646	3,825,445	3,497,590	26,507,237	27,092,665	27,964,387
* OPERATING MARGIN *	11,814,570	7,782,853	8,308,537	88,922,084	88,540,720	88,655,692

Total Washington

	Month ended			12 months ended		
	Jan 2009	Feb 2009	Mar 2009	Jan 2009	Feb 2009	Mar 2009
DISTRIBUTION EXPENSES						
Operation						
870 Oper., Supervision & Engineering	21,403	37,370	21,263	477,494	472,025	461,490
871 Distribution Load Dispatching	77,335	66,064	84,783	900,775	894,495	906,278
872 Compressor Station	-	52	28	4,943	3,121	2,986
874 Mains & Services Exp.	124,495	112,700	211,743	1,899,715	1,843,242	1,855,407
875 Meas. & Reg. Stat. Exp.-Gen.	21,328	30,270	31,972	393,290	382,254	383,156
876 Meas. & Reg. Stat. Exp.-Ind.	12,120	9,242	16,881	182,104	169,902	175,024
878 Meter & House Regulator Exp.	82,416	81,254	153,084	1,052,099	1,055,003	1,134,130
879 Customer Installations Exp.	74,964	92,735	67,584	693,910	730,237	774,457
880 Other Exp.	115,060	177,753	111,701	1,442,188	1,494,024	1,481,829
881 Rents	1,952	6,419	2,454	57,049	56,193	55,875
882 Transportation Exp.	-	-	-	-	-	-
	<u>531,072</u>	<u>613,859</u>	<u>701,493</u>	<u>7,103,566</u>	<u>7,100,495</u>	<u>7,230,631</u>
Maintenance						
885 Supervision & Engineering	-	-	-	-	-	-
886 Structures & Improvements	170	207	289	12,833	12,378	12,373
887 Mains	24,452	26,916	33,487	487,583	475,947	475,789
8880 Compressor Station	-	-	703	3,027	2,800	3,504
889 Meas. & Reg. Equip.-Gen.	18,018	20,300	33,908	317,217	307,452	304,631
890 Meas. & Reg. Equip.-Ind.	1,089	2,212	1,461	32,772	32,966	31,489
892 Services	35,966	32,434	32,581	610,683	594,376	577,756
893 Meters & House Regulators	51,406	37,184	60,746	511,701	520,536	544,353
894 Other Equipment	3,855	3,702	33,741	24,177	21,949	52,458
	<u>134,957</u>	<u>122,956</u>	<u>196,916</u>	<u>1,999,993</u>	<u>1,968,404</u>	<u>2,002,353</u>
TOTAL DISTRIBUTION EXPENSES	<u>666,029</u>	<u>736,815</u>	<u>898,409</u>	<u>9,103,559</u>	<u>9,068,899</u>	<u>9,232,984</u>
CUSTOMER ACCOUNTS EXPENSES						
901 Supervision	3,460	4,483	518	36,523	36,820	33,153
902 Meter Reading Exp.	24,371	40,823	34,768	359,477	377,854	387,503
903 Cust. Records & Collection Exp.	275,419	202,626	331,510	3,150,028	3,068,965	3,078,616
904 Uncollectible Accounts	38,103	121,571	194,456	1,176,560	1,157,327	1,236,220
905 Misc. Exp.	(2,934)	7,264	3,873	63,227	65,143	65,081
	<u>338,418</u>	<u>376,767</u>	<u>565,124</u>	<u>4,785,814</u>	<u>4,706,109</u>	<u>4,800,573</u>

Total Washington

	Month ended			12 months ended		
	Jan 2009	Feb 2009	Mar 2009	Jan 2009	Feb 2009	Mar 2009
CUSTOMER SERVICE AND INFORMATIONAL EXP						
907 Supervision	(1,470)	(366)	3,166	7,046	5,711	7,605
908 Cust. Assistance Exp.	67,920	67,227	66,667	828,895	826,791	822,855
909 Info. & Instr. Advertising Exp.	8,733	7,059	188	24,129	31,152	31,303
910 Misc. Cust. Serv. & Info. Exp.	-	13,277	-	607	13,884	13,377
TOTAL CUST. SRVC. & INFO. EXPENSES	75,183	87,197	70,020	860,677	877,537	875,140
SALES EXPENSES						
911 Supervision	-	-	-	315	315	315
912 Demonstrating & Selling	-	-	-	(0)	(0)	(0)
913 Advertising	-	1,976	1,026	7,286	9,261	9,420
916 Misc. Sales Exp.	-	-	-	223	223	223
TOTAL SALES EXPENSES	-	1,976	1,026	7,823	9,799	9,957
ADMINISTRATIVE AND GENERAL EXPENSES						
920 Admin. & General Salaries	481,693	411,909	576,521	5,685,632	5,506,401	5,343,982
921 Office Supplies & Exp.	224,921	237,691	411,335	3,042,900	3,082,586	3,203,508
923 Outside Services Employed	51,820	58,455	75,306	852,974	835,962	855,018
924 Property Insurance	12,775	5,842	606	111,964	108,531	100,035
925 Injuries & Damages	72,351	80,128	29,441	830,297	849,781	794,836
926 Employee Pensions & Benefits	343,445	263,347	19,740	3,881,147	3,971,177	3,772,759
928 Regulatory Commission Exp.	-	-	-	48,168	48,168	85
930.1 General Advertising Exp.	-	422	539	5,446	5,868	6,061
930.2 Misc. General Exp.	305,439	88,091	54,482	3,132,567	2,936,011	2,837,136
931 Rents	740	760	5,806	39,838	36,585	39,151
932 Maintenance of General Plant	22,957	22,238	16,713	348,745	347,248	323,976
922 Capitalized Exp.	1,516,142	1,168,883	1,190,489	17,979,679	17,728,319	17,276,545
	(194,263)	(71,400)	(5,817)	(2,502,036)	(2,431,206)	(2,250,740)
TOTAL ADM. & GEN. EXPENSES	1,321,879	1,097,482	1,184,672	15,477,643	15,297,113	15,025,805
TOTAL O & M EXPENSES (Excluding Gas Cost and Production Cost and Revenue Taxes)	2,401,510	2,300,238	2,719,251	30,235,516	29,959,458	29,944,458

Total Washington

	Month ended			12 months ended		
	Jan 2009	Feb 2009	Mar 2009	Jan 2009	Feb 2009	Mar 2009
DEPRECIATION AND AMORTIZATION						
403 Depreciation Expense	1,216,170	1,226,863	1,226,863	13,938,711	14,006,606	14,070,306
Propane Air Plant	-	-	-	-	-	-
Telemetry	-	-	-	-	-	-
Meters & Regulators	54,386	-	-	647,903	594,515	541,005
Central Stores Warehouse	-	-	-	-	-	-
General Office	-	-	-	-	-	-
407.1 Amortization of Property Losses	-	-	-	-	-	-
TOTAL DEPRECIATION AND AMORTIZATION	1,270,555	1,226,863	1,226,863	14,586,614	14,601,121	14,611,312
407.3 Regulatory Debits	-	-	-	-	-	-
TAXES OTHER THAN INCOME TAXES						
408.1 Property, Payroll and Misc. Taxes	390,199	366,357	112,877	4,295,328	4,261,493	4,201,704
INCOME TAXES - OPERATING						
409.1 Federal Inc Taxes, Util Oper Inc	2,261,983	848,920	1,281,644	(636,339)	(757,291)	776,832
409.1 State Income Taxes, Util Oper Inc	-	-	-	-	-	-
410.1 Provision For Defer'd Fed Inc Tax	365,411	343,615	22,480	12,122,646	12,273,815	11,030,870
410.1 Provis'n For Defer'd State Inc Tax	-	-	-	-	-	-
411.1 Prov For Deferred Inc Tax - Credit	(5,777)	(5,777)	(5,777)	(68,979)	(67,208)	(65,438)
411.4 Investment Tax Credit Adjustments	2,621,617	1,186,758	1,298,347	11,417,328	11,449,316	11,742,264
TOTAL INCOME TAXES - OPERATING	6,683,881	5,080,216	5,357,338	60,534,786	60,271,388	60,499,738
* TOTAL OPERATING EXPENSES *	5,130,689	2,702,637	2,951,198	28,387,298	28,269,332	28,155,954

CASCADE NATURAL GAS CORPORATION

QUARTERLY STATISTICAL INFORMATION

THERM SALES

	Monthly			12 Months Ending		
	2009 Jan	2009 Feb	2009 Mar	2009 Jan	2009 Feb	2009 Mar
Residential	21,165,819	14,721,303	15,147,499	120,992,310	121,269,382	121,993,304
Commercial	16,503,173	11,606,237	11,190,512	94,969,312	94,850,635	95,405,576
Industrial Firm	1,595,622	1,389,924	1,172,986	12,489,648	12,261,284	12,206,635
Core Interruptible	742,144	627,992	648,704	5,299,172	5,455,203	5,631,901
Noncore	46,201,258	54,727,269	54,951,598	543,760,560	550,301,915	558,995,759
TOTAL WASHINGTON	86,208,016	83,072,725	83,111,299	777,511,002	784,138,419	794,233,175

	AVERAGE CUSTOMERS		
	2009 Jan	2009 Feb	2009 Mar
Residential	167,673	167,911	167,702
Commercial	23,987	24,068	24,077
Industrial Firm	370	367	368
Core Interruptible	20	19	18
Noncore	164	165	167
TOTAL WASHINGTON	192,214	192,530	192,332