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November 13, 2009

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

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 RECORDS MANAGEMENT
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 STATE OF WASH.
 UTIL. AND TRANSP.
 COMMISSION

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 September 30, 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 July 31, 2009

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	8,865,771	317,531,930
Transportation Revenue	1,661,948	17,727,735
Other Operating Revenue	126,566	1,508,784
	<u>10,654,285</u>	<u>336,768,449</u>
Less: Natural Gas & Production Costs	5,835,010	229,756,984
Revenue Taxes	816,973	25,663,674
OPERATING MARGIN	<u>4,002,302</u>	<u>81,347,791</u>
OPERATING EXPENSES		
Distribution	889,741	9,707,049
Customer Accounts	540,884	5,705,603
Customer Service & Informational	65,576	855,566
Sales	861	15,332
Administrative & General	1,229,417	15,267,398
Depreciation & Amortization	1,205,068	14,634,946
Property, Payroll & Misc. Taxes	230,975	3,628,575
Federal Income Taxes	(342,694)	8,662,160
Total Operating Expenses	<u>3,819,828</u>	<u>58,476,629</u>
NET OPERATING INCOME	<u>182,474</u>	<u>22,871,162</u>
RATE BASE	<u>218,853,424</u>	<u>221,915,829</u>
RATE OF RETURN	<u>0.08%</u>	<u>10.31%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	511,584,640	510,540,547
Accumulated Depreciation	(249,342,078)	(245,591,622)
Net Utility Plant	<u>262,242,562</u>	<u>264,948,925</u>
Other:		
Contributions in Aid of Construction		
Customer Advances for Construction	(4,517,237)	(4,398,546)
Accumulated Deferred Income Taxes	(48,586,833)	(48,586,833)
Deferred Debits		-
Subtotal	<u>209,138,492</u>	<u>211,963,546</u>
Working Capital	9,714,932	9,952,283
TOTAL RATE BASE	<u>218,853,424</u>	<u>221,915,829</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 August 31, 2009

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	8,575,070	316,347,107
Transportation Revenue	1,743,688	17,972,657
Other Operating Revenue	252,553	1,652,722
	<u>10,571,311</u>	<u>335,972,486</u>
Less: Natural Gas & Production Costs	5,319,591	228,838,203
Revenue Taxes	743,619	25,585,623
OPERATING MARGIN	<u>4,508,101</u>	<u>81,548,660</u>
OPERATING EXPENSES		
Distribution	906,737	9,913,920
Customer Accounts	415,524	5,799,055
Customer Service & Informational	67,586	853,989
Sales	-	14,139
Administrative & General	1,258,084	15,023,729
Depreciation & Amortization	1,197,847	14,598,316
Property, Payroll & Misc. Taxes	230,419	3,515,496
Federal Income Taxes	(123,238)	8,809,140
Total Operating Expenses	<u>3,952,959</u>	<u>58,527,784</u>
NET OPERATING INCOME	<u>555,142</u>	<u>23,020,876</u>
RATE BASE	<u>217,323,374</u>	<u>221,153,551</u>
RATE OF RETURN	<u>0.26%</u>	<u>10.41%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	511,943,478	511,037,962
Accumulated Depreciation	(250,548,875)	(246,329,229)
Net Utility Plant	<u>261,394,603</u>	<u>264,708,733</u>
Other:		
Contributions in Aid of Construction		
Customer Advances for Construction	(4,661,383)	(4,419,387)
Accumulated Deferred Income Taxes	(49,056,932)	(49,056,932)
Deferred Debits		-
Subtotal	<u>207,676,288</u>	<u>211,232,415</u>
Working Capital	9,647,086	9,921,136
TOTAL RATE BASE	<u>217,323,374</u>	<u>221,153,551</u>

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Cascade Natural Gas Corporation
State of Washington
Statement of Operations and Rate of Return
Month and Twelve Months Ended September 30, 2009

	Month	Twelve Months
OPERATING REVENUES		
Natural Gas Sales	9,012,342	316,028,729
Transportation Revenue	1,739,605	18,184,681
Other Operating Revenue	333,423	1,952,210
	<u>11,085,370</u>	<u>336,165,620</u>
Less: Natural Gas & Production Costs	5,775,887	227,639,841
Revenue Taxes	770,835	26,720,141
OPERATING MARGIN	<u>4,538,648</u>	<u>81,805,638</u>
OPERATING EXPENSES		
Distribution	879,865	10,048,687
Customer Accounts	380,352	5,818,662
Customer Service & Informational	69,464	848,239
Sales	550	13,916
Administrative & General	1,055,400	15,250,231
Depreciation & Amortization	1,198,645	14,560,946
Property, Payroll & Misc. Taxes	227,556	3,398,389
Federal Income Taxes	(8,281)	8,845,581
Total Operating Expenses	<u>3,803,551</u>	<u>58,784,651</u>
NET OPERATING INCOME	<u>735,097</u>	<u>23,020,987</u>
RATE BASE	<u>218,715,471</u>	<u>221,183,450</u>
RATE OF RETURN	<u>0.34%</u>	<u>10.41%</u>

SCHEDULE OF RATE BASE

Utility Plant In Service	514,305,841	511,669,603
Accumulated Depreciation	(251,744,112)	(247,097,625)
Net Utility Plant	<u>262,561,729</u>	<u>264,571,978</u>
Other:		
Contributions in Aid of Construction		
Customer Advances for Construction	(4,698,950)	(4,442,677)
Accumulated Deferred Income Taxes	(48,840,911)	(48,840,911)
Deferred Debits		-
Subtotal	<u>209,021,868</u>	<u>211,288,390</u>
Working Capital	9,693,603	9,895,060
TOTAL RATE BASE	<u>218,715,471</u>	<u>221,183,450</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.

Total Washington

	Month ended			12 months ended		
	Jul 2009	Aug 2009	Sep 2009	Jul 2009	Aug 2009	Sep 2009
GAS SALES						
480 Residential Sales	4,132,897	4,058,106	4,215,886	170,370,482	170,447,067	170,165,042
481 Commercial - Interruptible Sales	4,732,874	4,516,964	4,796,457	147,161,448	145,900,040	145,863,687
TOTAL GAS SALES	8,865,771	8,575,070	9,012,342	317,531,930	316,347,107	316,028,729
OTHER OPERATING REVENUE						
4880 Miscellaneous Service Revenues	120,220	234,481	308,288	1,325,869	1,469,316	1,744,532
4890 Rev. From Transp. of Gas of Others	1,661,948	1,743,688	1,739,605	17,727,735	17,972,657	18,184,681
4930 Rent From Gas Property	954	-	1,507	10,637	10,637	11,386
4950 Other Gas Revenue	5,392	18,072	23,628	172,278	172,769	196,292
495.1 Overrun Penalty Income	-	-	-	-	-	-
TOTAL OTHER OPERATING REVENUE	1,788,513	1,996,241	2,073,028	19,236,519	19,625,378	20,136,891
* TOTAL OPERATING REVENUE *	10,654,284	10,571,311	11,085,370	336,768,449	335,972,485	336,165,620
NATURAL GAS PURCHASED						
804 Natural Gas City Gate Purchases	6,880,881	6,965,492	6,608,712	206,085,051	202,169,910	198,428,231
805 Other Gas Purchases	-	-	-	-	-	-
805.1 Purchased Gas Cost Adjustments	249,573	(170,742)	(266,281)	25,139,606	27,041,814	28,755,434
808.1 Gas Withdrawn From Storage	-	-	-	11,168,709	11,168,709	11,055,758
808.2 Gas Delivered To Storage	(1,294,340)	(1,474,919)	(566,292)	(12,557,545)	(11,463,446)	(10,520,828)
812 Gas Used For Other Utility Oper.	(1,104)	(239)	(252)	(78,837)	(78,783)	(78,754)
TOTAL NATURAL GAS PURCHASED	5,835,010	5,319,591	5,775,887	229,756,984	228,838,203	227,639,841
408.5 Revenue Taxes	816,973	743,619	770,835	25,663,674	25,585,623	26,720,141
* OPERATING MARGIN *	4,002,301	4,508,101	4,538,649	81,347,791	81,548,659	81,805,638

Total Washington

	Month ended			12 months ended		
	Jul 2009	Aug 2009	Sep 2009	Jul 2009	Aug 2009	Sep 2009
DISTRIBUTION EXPENSES						
Operation						
870 Oper., Supervision & Engineering	22,156	25,143	42,421	398,457	403,829	373,667
871 Distribution Load Dispatching	74,504	70,865	73,502	911,619	908,849	907,612
872 Compressor Station	-	675	552	2,054	2,728	3,280
874 Mains & Services Exp.	186,115	183,405	160,540	1,932,889	1,966,869	1,959,381
875 Meas. & Reg. Stat. Exp.-Gen.	24,845	24,890	20,905	353,094	354,023	338,134
876 Meas. & Reg. Stat. Exp.-Ind.	21,509	23,480	13,686	176,254	185,059	186,460
878 Meter & House Regulator Exp.	89,019	85,680	94,041	1,189,979	1,191,738	1,191,241
879 Customer Installations Exp.	96,633	92,516	102,111	984,045	1,032,538	1,084,551
880 Other Exp.	134,500	148,933	160,225	1,605,971	1,686,066	1,777,964
881 Rents	4,574	4,251	3,276	62,330	66,501	66,122
882 Transportation Exp.	-	-	-	-	-	-
	<u>653,856</u>	<u>659,837</u>	<u>671,258</u>	<u>7,616,691</u>	<u>7,798,199</u>	<u>7,888,411</u>
Maintenance						
885 Supervision & Engineering	-	-	-	94	94	94
886 Structures & Improvements	4,820	1,357	4,976	15,260	13,137	17,927
887 Mains	56,400	76,384	67,899	487,971	528,532	547,894
8880 Compressor Station	-	-	-	2,538	2,538	1,749
889 Meas. & Reg. Equip.-Gen.	33,667	33,237	15,156	314,532	311,003	300,370
890 Meas. & Reg. Equip.-Ind.	4,583	2,490	11,732	40,954	39,048	44,713
892 Services	41,585	50,266	32,008	514,473	464,012	453,786
893 Meters & House Regulators	69,372	57,951	51,856	589,472	607,146	619,716
894 Other Equipment	25,457	25,215	24,980	125,063	150,210	174,028
	<u>235,885</u>	<u>246,900</u>	<u>208,606</u>	<u>2,090,358</u>	<u>2,115,721</u>	<u>2,160,276</u>
TOTAL DISTRIBUTION EXPENSES	889,741	906,737	879,865	9,707,049	9,913,920	10,048,687
CUSTOMER ACCOUNTS EXPENSES						
901 Supervision	4,973	1,539	3,508	33,191	32,438	32,213
902 Meter Reading Exp.	33,004	30,163	30,694	405,335	395,490	399,168
903 Cust. Records & Collection Exp.	317,497	259,145	273,987	3,229,133	3,245,768	3,244,259
904 Uncollectible Accounts	180,579	111,933	81,323	1,956,505	2,033,799	2,063,879
905 Misc. Exp.	4,831	12,746	(9,161)	81,438	91,559	79,143
	<u>540,884</u>	<u>415,524</u>	<u>380,352</u>	<u>5,705,603</u>	<u>5,799,055</u>	<u>5,818,662</u>

Total Washington

	Month ended			12 months ended		
	Jul 2009	Aug 2009	Sep 2009	Jul 2009	Aug 2009	Sep 2009
CUSTOMER SERVICE AND INFORMATIONAL EXP						
907 Supervision	(1,204)	835	2,712	1,675	1,201	2,241
908 Cust. Assistance Exp.	66,667	66,667	66,667	807,326	806,271	804,952
909 Info. & Instr. Advertising Exp.	114	85	85	33,157	33,208	27,738
910 Misc. Cust. Serv. & Info. Exp.	-	-	-	13,408	13,308	13,308
TOTAL CUST. SRVC. & INFO. EXPENSES	65,576	67,586	69,464	855,566	853,989	848,239
SALES EXPENSES						
911 Supervision	-	-	-	-	-	-
912 Demonstrating & Selling	-	-	-	(0)	(0)	(0)
913 Advertising	861	-	550	15,109	13,916	13,916
916 Misc. Sales Exp.	-	-	-	223	223	(0)
TOTAL SALES EXPENSES	861	-	550	15,332	14,139	13,916
ADMINISTRATIVE AND GENERAL EXPENSES						
920 Admin. & General Salaries	476,017	531,947	514,868	5,834,015	5,795,253	5,995,277
921 Office Supplies & Exp.	264,366	303,296	219,848	3,185,761	3,251,433	3,243,783
923 Outside Services Employed	34,714	58,361	127,180	852,662	826,323	915,324
924 Property Insurance	5,870	5,870	5,870	67,942	64,710	61,478
925 Injuries & Damages	60,113	59,164	118,037	774,662	766,953	816,536
926 Employee Pensions & Benefits	144,074	211,843	(44,539)	3,416,800	3,218,633	3,110,708
928 Regulatory Commission Exp.	-	-	-	39	(0)	(0)
930.1 General Advertising Exp.	1,206	1,112	990	8,355	8,318	9,250
930.2 Misc. General Exp.	270,550	97,022	128,099	2,377,143	2,229,492	2,064,552
931 Rents	1,879	(332)	2,559	32,458	24,184	25,416
932 Maintenance of General Plant	12,860	30,167	23,162	307,040	275,997	272,921
	1,271,649	1,298,450	1,096,073	16,856,879	16,461,297	16,515,245
922 Capitalized Exp.	(42,231)	(40,366)	(40,673)	(1,589,481)	(1,437,568)	(1,265,014)
TOTAL ADM. & GEN. EXPENSES	1,229,417	1,258,084	1,055,400	15,267,398	15,023,729	15,250,231
TOTAL O & M EXPENSES (Excluding Gas Cost and Production Cost and Revenue Taxes)	2,726,479	2,647,932	2,385,631	31,550,948	31,604,832	31,979,735

Total Washington

	Month ended			12 months ended		
	Jul 2009	Aug 2009	Sep 2009	Jul 2009	Aug 2009	Sep 2009
DEPRECIATION AND AMORTIZATION						
403 Depreciation Expense	1,205,068	1,197,847	1,198,645	14,309,464	14,326,868	14,343,659
Propane Air Plant	-	-	-	-	-	-
Telemetry	-	-	-	-	-	-
Meters & Regulators	-	-	-	325,483	271,448	217,287
Central Stores Warehouse	-	-	-	-	-	-
General Office	-	-	-	-	-	-
407.1 Amortization of Property Losses	-	-	-	-	-	-
TOTAL DEPRECIATION AND AMORTIZATION	1,205,068	1,197,847	1,198,645	14,634,946	14,598,316	14,560,946
407.3 Regulatory Debits	-	-	-	-	-	-
TAXES OTHER THAN INCOME TAXES						
408.1 Property, Payroll and Misc. Taxes	230,975	230,419	227,556	3,628,575	3,515,496	3,398,389
INCOME TAXES - OPERATING						
409.1 Federal Inc Taxes, Util Oper Inc	(532,606)	(358,177)	484,124	610,702	1,234,403	3,933,154
409.1 State Income Taxes, Util Oper Inc	-	-	-	-	-	-
410.1 Provision For Defer'd Fed Inc Tax	195,689	240,717	(486,628)	8,109,814	7,631,322	4,967,242
410.1 Provis'n For Defer'd State Inc Tax	-	-	-	-	-	-
411.1 Prov For Deferred Inc Tax - Credit	-	-	-	-	-	-
411.4 Investment Tax Credit Adjustments	(5,777)	(5,777)	(5,777)	(58,356)	(56,586)	(54,815)
TOTAL INCOME TAXES - OPERATING	(342,694)	(123,238)	(8,281)	8,662,160	8,809,140	8,845,581
* TOTAL OPERATING EXPENSES *	3,819,827	3,952,961	3,803,551	58,476,631	58,527,784	58,784,650
* TOTAL OPERATING INCOME *	182,474	555,140	735,097	22,871,160	23,020,876	23,020,987

CASCADE NATURAL GAS CORPORATION

QUARTERLY STATISTICAL INFORMATION

THERM SALES

	Monthly			12 Months Ending		
	2009 Jul	2009 Aug	2009 Sep	2009 Jul	2009 Aug	2009 Sep
Residential	2,572,430	2,860,189	3,156,571	117,501,244	117,390,604	116,934,598
Commercial	2,769,080	3,070,155	3,276,979	92,600,341	92,493,373	92,044,770
Industrial Firm	404,705	359,528	554,195	11,588,829	11,413,027	11,274,677
Core Interruptible	238,314	206,898	271,251	5,618,772	5,558,162	5,516,544
Noncore	69,418,077	80,604,800	76,652,565	579,520,739	603,340,597	625,631,558
TOTAL WASHINGTON	75,402,606	87,101,570	83,911,561	806,829,925	830,195,763	851,402,147

	AVERAGE CUSTOMERS		
	2009 Jul	2009 Aug	2009 Sep
Residential	165,620	165,227	165,200
Commercial	23,757	23,680	23,617
Industrial Firm	366	365	365
Core Interruptible	15	14	14
Noncore	174	175	176
TOTAL WASHINGTON	189,932	189,461	189,372