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CNG/W09-12-02

December 23, 2009

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

RE: Revised Tariff Sheet No. 500

Dear Mr. Danner:

Cascade Natural Gas Corporation hereby submits for filing the following revised tariff sheet to its WN U-3 Tariff, which contains an effective date of February 1, 2010.

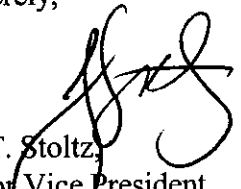
Seventy-Third Revision Sheet No. 500 Canceling Seventy-Second Revision Sheet No. 500

The purpose of this filing is to update the tariff sheet to reflect a tax rate increase from 5% to 6% to natural gas services, which was established by the City of Castle Rock (in Ordinance No. 2009-17), and becomes effective February 1, 2010. A copy of the Ordinance is attached.

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 122 customers – 78 residential and 44 commercial – who reside within the City of Castle Rock. A copy of the bill insert is attached.

If there are any questions regarding this filing, please direct them to Paul Schmidt at (206) 381-6825.

Sincerely,


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

"In The Community To Serve"

ORDINANCE NO. 2009-17

AN ORDINANCE RESCINDING CASTLE ROCK MUNICIPAL CODE SECTIONS 5.16.470(7) AND 5.20.040 AND REPLACING WITH TEXT, INCREASING THE UTILITY TAX FOR NATURAL GAS SERVICES FROM 5% TO 6% FOR THE CITY OF CASTLE ROCK, WASHINGTON

WHEREAS, the Castle Rock City Council have reviewed all utility tax assessments and have determined there is a need to increase the utility tax assessed for natural gas services; and

WHEREAS, the Revised Code of Washington, RCW 35.21.865 and RCW 35.21.870 authorizes the city to increase utility tax to a maximum of 6%.

NOW, THEREFORE IT IS HEREBY ORDAINED:

Section 1. Castle Rock Municipal Code 5.16.470 (7) is repealed.

Section 2. Castle Rock Municipal Code Section 5.15.470 (7) is reenacted as follows:

The business of selling or furnishing or distributing natural gas for which business a utility tax is paid to the city, six percent; provided however, that to encourage the location of new manufacturing industries within the city and the expansion of existing manufacturing industries therein, thereby increasing the ultimate revenue to the city, said tax shall not apply to that portion of the monthly billing in excess of \$500.00 charged to any person or company using natural gas primarily for manufacturing purposes;

Section 3. Castle Rock Municipal Code 5.20.040 is repealed.

Section 4. Castle Rock Municipal Code Section 5.20.040 is reenacted as follows:

5.20.040 Tax levied – Rate. From and after the first day of February 1, 2010, there is levied and imposed and there shall be collected from every person, firm, or corporation a tax for the act or privilege of conducting or engaging within the city in the natural gas business. Such tax shall be equal to six percent of the gross operating revenues of the natural gas business, for each calendar year in which any such business shall be conducted within the city after the effective date of the ordinance codified in this chapter, which tax shall be payable to the clerk-treasurer of the city for which said tax is imposed.

Section 5. This ordinance shall be effective sixty days after enactment and is subject to referendum.

A. Referendum procedure. A referendum petition with respect to this ordinance may be filed with the City Clerk-Treasurer within seven days of the passage of

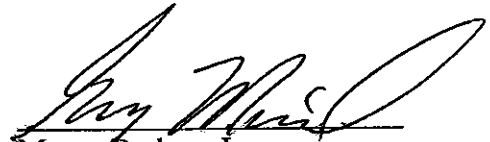
this ordinance. The referendum procedures set forth in RCW 35.17.240 through 35.17.360, as hereafter amended, shall apply, with the following additions and amendments as required by RCW 35.21.706:

a. Within ten days of the filing of the petition, the city Clerk-Treasurer will confer with the petitioner concerning the form and style of the petition, issue and identification number, and secure an accurate, concise and positive ballot title from the City Attorney;

b. The petitioner shall have thirty days in which to secure the signatures of not less than 15% of the registered voters of the City of Castle Rock, as of the last municipal general election, upon petition forms which contain the ballot title and full text of this ordinance; and

c. The city Clerk-Treasurer shall verify the sufficiency of the signatures on the petition, and if sufficient valid signatures are properly submitted, shall certify the referendum measure to the next election ballot within the City of Castle Rock, or at a special election as provided pursuant to RCW 35.17.260 (2).

PASSED BY THE CITY COUNCIL AND SIGNED BY THE MAYOR on this 23 day of November, 2009.




Mayor Barbara Larsen
Pro-Temp.

ATTEST:



Clerk-Treasurer

APPROVED AS TO FORM:



City Attorney

Important Notice

January 2010

To Cascade Natural Gas Customers residing within the City of Castle Rock:

Effective February 1, 2010, The Washington Utilities and Transportation Commission approved the Company's request to increase the municipal tax from 5% to 6%, which was enacted by the City of Castle Rock, under Ordinance No. 2009-17, on November 23, 2009.

The increased tax will be reflected on all bills of all customers living in Castle Rock rendered on and after February 1, 2010. This change will increase an average customer's natural gas bill by 1%. For example: A customer whose natural gas bill averages \$50.00 per month will pay an additional \$0.50 per month, or about \$6.00 per year in municipal tax.

CASCADE NATURAL GAS CORPORATION