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December 14, 2009

Mr. David Danner, Executive Director & Secretary Washington Utilities & Transportation Commission P.O. Box 47250 Olympia, WA 98504-7250

RE: Cascade Natural Gas Corporation's 2010 Integrated Resource Plan Work Plan

Pursuant to WAC 480-90-238, enclosed for filing is Cascade Natural Gas Corporation's Work Plan for its 2010 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,

Katherine J. Barnard

Senior Director, Gas Supply & Regulatory Affairs

Enclosures

Cascade Natural Gas Corporation 2010 IRP Work Plan

Cascade Natural Gas Corporation's ("Cascade" or "the Company") Work Plan for its 2010 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 2010 IRP

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.

Analytical methods will be similar to those used to develop the Company's 2007 and 2008 IRPs, 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 to estimate the impact of various uncertainty factors.

Outline of IRP Content:

The following is an outline of the Company's 2010 IRP plan. This list is based on the formats used in Cascade's 2008 IRP. Organizational structure of the final IRP may be revised based on results of analysis and feedback received through the planning process.

- I. Executive Summary
- II. Introduction & Planning Overview
- III. Demand Forecast
- IV. Distribution System Enhancements
- V. Demand Side Resources
- VI. Supply Side Resources
- VII. Resource Integration
- VIII. Two-Year Action Plan
- IX. Appendices

2010 IRP Timeline

The following is Cascade's tentative 2010 IRP timeline:

- 2010 IRP Work Plan filed with WUTC: December 15, 2009
- Develop Demand Forecast: January through April 2010
- Distribution System Planning Analysis: March through June 2010
- Demand Side Resource Analysis: January through June 2010
- Gas Supply Analysis: January through June 2010
- Integration of Supply and Conservation Resources: June through July 2010
- Public Process: Technical Advisory Group Meetings (tentative dates)
 - TAG 1: Resource Alternatives (Supply/ Demand Side Resources) -February 4, 2010
 - TAG 2: Key Assumptions (Price Forecast & Economic Indicators) March 18, 2010
 - TAG 3: Demand Forecast Results/Distribution System Planning/Preliminary Modeling of Conservation Supply Curves –April 27, 2010
 - TAG 4: Integration/ 2 year Action Plan -June 8, 2010
- File Draft 2010 IRP: July 31, 2010
- Public Process: TAG 5: Draft IRP Discussion August 24, 2010

- Comments to Company on Draft Plan from parties due October 15, 2010
- Final 2010 IRP Filed: December 15, 2010

Planning Assumptions

Information needed to perform analysis will be gathered and input assumptions developed by May 2010. This will included 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 2010 IRP and Review Period:

Cascade is planning to have its IRP draft plan distributed for initial feedback to the group members by July 31, 2010. 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 October 15, 2010 to give the Company sufficient time to incorporate such feedback as needed into the final plan.

Final 2010 IRP Filed December 15, 2010

Cascade Natural Gas Corporation 2010 IRP Timeline

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|------|-------------------------------|-------------------------------|------------------|
| | December | 15: Submit Final IRP | 121 |
| | November | Revisions | |
| | October | 10/15: Comments · Deadline | |
| | September | ew. | |
| | August | Reviev | TAG 5 |
| | , | 181 Submit Draft (RI) | ! |
| 2010 | January Karch April June June | Gas Supply Analysis | TAG182 TAG3 TAG4 |
| 2009 | December | filw Work Plan with STUW | 1 |
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2010 TAG Meetings

| Meeting | Topic | Tentative Date | Tentative Location |
|---------|--|------------------|--------------------|
| TAG 1 | Resource Alternatives (Supply & Demand Side Resources) | February 4, 2010 | CNGC Seattle |
| TAG 2 | Key Assumptions (Price Forecast & Economic Indicators) | March 18, 2010 | CNGC Seattle |
| TAG 3 | Demand Forecast Results & Preliminary Modeling for Conservation Supply Curves | April 27, 2010 | CNGC Seattle |
| TAG 4 | Integration/ 2 year Action Plan | June 8, 2010 | CNGC Seattle |
| TAG 5 | Draft IRP Discussion | August 24, 2010 | Olympia |