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CNG/W10-01-01

January 4, 2010

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-A

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 5, 2010.

Fifty-First Rev. Sheet No. 500-A Canceling Fiftieth Rev. Sheet No. 500-A

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 Woodland (in Ordinance No. 1171), and became effective January 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 714 customers – 521 residential, 179 commercial and 14 industrial – who reside within the City of Woodland. 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"

**City Of Woodland
City Council Meeting Agenda Summary Sheet**

Agenda Item: Ordinance No. 1171 –
amending WMC 5.20 Public Utility Tax from
5% to 6% (~~First Reading~~)

(FINAL READING)

Agenda Item #: E
(A) Action

For Agenda of: 11/30/09 12/7/09

Department: Clerk/Treasurer

Date Submitted: 11/24/09

Cost of Item: _____

Amount Budgeted: _____

Unexpended Balance: _____

BARS #: _____

Description: _____

Department Supervisor Approval: Mari E. Ripp, Clerk-Treasurer

Committee Recommendation: _____

Agenda Item Supporting Narrative (list attachments, supporting documents):

Ordinance No. 1171

Summary Statement/Department Recommendation:

This was discussed at the Special Meeting of the Council on November 23, 2009. The Council voted to support the addition of adding one (1) fulltime firefighter to the 2010 Final Budget. This additional revenue source will be used to fund this position for the fire department. Recommend approval of First Reading of Ordinance No. 1171.

Estimated revenue is \$115,168 (if collections from January 1-December 31, 2010). The estimated impact on a household as follows:

Public Utility	Average bill per month	Tax @5%	Tax @6%	Proposed Increase
Electric Tax	75.00	3.75	4.50	0.75
Natural Gas*	80.00	4.00	4.80	0.80
Telephone	65.00	3.25	3.90	0.65
Cellular*	40.00	2.00	2.40	0.40
		13.00	15.60	2.60
				Total Average Increase per month
*If applicable				

ORDINANCE NO. 1171

AN ORDINANCE RELATING TO UTILITY TAXES AND AMENDING SECTION CHAPTER 5.20.030 OF THE WOODLAND MUNICIPAL CODE TO INCREASE THE PERCENTAGE OF TAX LEVIED ON TELEPHONE UTILITIES, ELECTRIC UTILITIES AND NATURAL, MANUFACTURED OR MIXED GAS UTILITIES; AND APPROVING PUBLICATION BY SUMMARY AS MORE PARTICULARLY SET FORTH HEREIN.

WHEREAS, the City has the need and the authority to levy taxes to meet its financial requirements; and

WHEREAS, Section 5.20.030 of the Woodland Municipal Code levies taxes upon anyone engaged in carrying on any telephone business within or partly within the corporate limits of the City; and

WHEREAS, due to current economic factors, it has been deemed necessary to increase the utility tax on telephone businesses, electricity and natural gas businesses from the current rate of five percent to six percent; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WOODLAND, STATE OF WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. That Woodland Municipal Code 5.20.030, "Tax—Levy," is hereby amended to provide as follows:

5.20.030 Tax--Levy.

From and after August 17, 1981, there is levied upon, and there shall be collected from, every person, firm or corporation engaged in carrying on the following business for hire or for sale of a commodity or a service within or partly within the corporate limits of the city, the tax for the privilege of so doing business, as defined in this section:

A. 1. Upon any **telephone business** there shall be levied a tax equal to ~~five~~six percent of the total gross operating revenues, including revenues from intrastate toll, derived from the operation of such business within the city. Gross operating revenues for this purpose shall not include charges which are passed on to the subscribers by a telephone company pursuant to tariffs required by regulatory order to compensate for the cost to the company of the tax imposed by this chapter.

2. "Telephone business" means the business of providing access to a local telephone network, local telephone network switching service, toll service, coin telephone services, telephonic, video, data, pagers, or similar communication or transmission for hire, via a local telephone network, toll line or channel, cable, microwave, or similar communication or transmission system. The term includes cooperative or farmer line telephone companies or associations operating exchanges. "Telephone business" does not include the providing of competitive telephone service, or providing of cable television services, or other providing of broadcast services by radio or television stations.

3. "Competitive telephone service means the providing by any person of telecommunications equipment or apparatus, directory advertising and lease of telephone street directories, or service related to that equipment or apparatus such as repair or maintenance service, if the equipment or apparatus is of a type which may be provided by persons not subject to regulation as telephone companies under Title 80 RCW, and for which a separate charge is made. Transmission of communication through cellular telephone is classified as "telephone business" rather than "competitive telephone service".

4. "Cellular telephone service" is a two-way voice and data telephone/telecommunications system based in whole or substantial part on wireless radio communications and which is not subject to regulation by the Washington Utilities and Transportation Commission (WUTC). This includes cellular mobile service. Cellular mobile service includes other wireless radio communications services such as specialized mobile radio (SMR), personal communications services (PCS), and any other evolving wireless radio communications technology, which accomplishes the same purpose as cellular mobile service. Cellular telephone service is included within the definition of "telephone business" for the purposes of this chapter.

5. "Pager service" means service provided by means of an electronic device which has the ability to send or receive voice or digital messages transmitted through the local telephone network, via satellite or any other form of voice or data transmission.

B. There is levied a tax on the sale, delivery or distribution of **electricity** and electrical energy and for the privilege of carrying on said business, such tax to be equal to ~~five~~six percent of the gross operating revenue derived from sales of such electricity to ultimate users within the city; provided, however, that there shall not be any tax levied for the installation charges of electrical units.

C. There is levied a tax on the sale of **natural, manufactured or mixed gas** for residential, commercial or industrial consumption and for the privilege of carrying on said business, such tax to be equal to ~~five~~six percent of gross operating revenues from such sales of natural, manufactured or mixed gas within the limits of the city.
(Ord. 949 § 1, 2001; Ord. 685 § 2, 1989; Ord. 526 § 3, 1981)

Section 2. Effective Date. This ordinance shall become effective **January 1, 2010** with respect to the tax imposed in WMC Subsections 5.20.030 (A), (B), and (C), provided that the City Clerk-Treasurer shall cause this ordinance to be published after its passage and approval as required by law.

ADOPTED this 7th day of December, 2009.

CITY OF WOODLAND:

Charles E. Blum, Mayor

ATTEST:

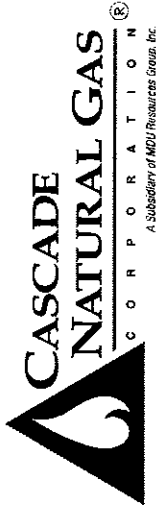
Mari E. Ripp, Clerk/Treasurer

APPROVED AS TO FORM:

William Eling, City Attorney

PUBLISHED: December 16, 2009

Important Tax Notice



To Cascade Natural Gas Customers residing within the City of Woodland:

Effective February 5, 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 Woodland, under Ordinance No. 1171, on December 7, 2009.

The increased tax will be reflected on all bills of all customers living in Woodland rendered on and after February 5, 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.

If you have questions about your bill, contact us at 1-888-522-1130.

CASCADE NATURAL GAS CORPORATION