



222 FAIRVIEW AVENUE N., SEATTLE WASHINGTON 98109-5312 206-624-3900  
FACSIMILE 206-654-4039  
www.cngc.com

**CNG/W10-01-02**

January 29, 2010

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

Dear Mr. Danner:

Cascade Natural Gas Corporation ("Cascade") encloses for filing the following tariff sheet:

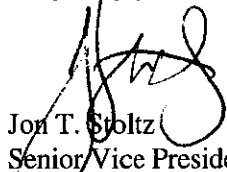
**Twenty-Eighth Rev. Sheet No. 595, Canceling Substitute Twenty-Seventh Rev. Sheet No. 595**

The purpose of this filing is to increase the gas cost amortization rate for rate schedule 663 by \$0.00261 for the commodity delivery charge and by \$0.01388 for the contract demand charge. This increase reverses the amortization rate credit this schedule received in the 2008 TTA filing (Docket UG-081774) for Gas Management margin sharing. Cascade requests that the proposed tariff change be made effective March 1, 2010. The Company believes that it is appropriate at this time to reverse the amortization rate for Gas Management margin sharing since this schedule has received the full \$1,107,014 this schedule was allotted for this credit in the 2008 TTA filing. The Company is concerned that if the amortization rate is not reversed at this time, this rate schedule would be subject to a large surcharge in the Company's future 2010 TTA filing in order to recover the dollars refunded above this amount.

The proposed filing would increase the contract demand charge on a customer bill from \$0.13612 to \$0.15 for those customers with firm monthly contract demand therms. The commodity delivery charge would increase by \$0.00261 per therm.

Enclosed with this filing are the work papers which support the proposed increase in rates. If you have any questions, please direct them to Paul Schmidt at (206) 381-6825.

Very truly yours,



Jon T. Stoltz  
Senior Vice President  
Regulatory & Gas Supply

Attachments

*"In The Community To Serve"*

**Cascade Natural Gas Corporation**  
**DERIVATION OF PROPOSED RATE LEVEL WITHIN**  
**SCHEDULE NO. 595**  
**State of Washington**

Description (a)	Rate Schedule (b)	Existing R/S 595 Temporary rate Adjustment (c)	Reversal of 11/1/2008 Amortization Rates (d)	Proposed R/S 595 Rate Change Total (e)
<b>CORE MARKET RATE SCHEDULES</b>				
Distribution - C	663	\$ (0.00295)	\$ 0.00261	\$ (0.00034)
Distribution - D	663	\$ (0.01388)	\$ 0.01388	\$ 0.00000

c) from Substitute Twenty-Seventh Revision Sheet No 595  
 d) from TTA Exhibit\_\_(PAS-1), Schedule 1, pg 2 of 2

CASCADE NATURAL GAS CORPORATION  
**Allocation of Gas Management Margin Sharing**  
 State of Washington

Description (a)	Rate Schedule (b)	Average Number of Bills/Month (c)	Actual Therms Sold YE 6/30/08 (d)	Total Margin YE 6/30/08 (e)	Allocation Gas Mgmt Margin Sharing (f)	Per Therm Temporary Adjustment (g)
<b>CORE MARKET RATE SCHEDULES</b>						
Dry Out	502	1,305	1,164,102	320,681	\$ (29,665)	\$ (0.02548)
Residential	503	161,752	119,762,462	39,226,008	\$ (3,628,705)	\$ (0.03030)
Commercial	504	23,145	85,036,000	22,476,370	\$ (2,079,236)	\$ (0.02445)
Compressed Nat. Gas	512	2	38,177	8,145	\$ (754)	\$ (0.01974)
Gas A/C	541	56	147,209	77,973	\$ (7,213)	\$ (0.04900)
Com-Ind Duel Service	511	81	10,148,870	1,373,315	\$ (127,042)	\$ (0.01252)
Industrial Firm	505	373	10,629,233	1,745,206	\$ (161,445)	\$ (0.01519)
Industrial Interr.	570	14	3,886,512	253,107	\$ (23,414)	\$ (0.00602)
Industrial Interr.	577	3	454,689	45,063	\$ (4,169)	\$ (0.00917)
<b>TOTAL CORE</b>		<b>186,731</b>	<b>231,267,254</b>	<b>65,525,869</b>	<b>\$ (6,061,642)</b>	
<b>NONCORE MARKET CUSTOMERS</b>						
Gen'l Transportation	663-D	154		3,307,926	\$ (306,008)	\$ (0.01388)
Gen'l Transportation Distribution	663-C 901	NA 12	307,186,999 272,553,128	8,658,812 0	\$ (801,006) -	\$ (0.00261)
<b>TOTAL NONCORE</b>		<b>166</b>	<b>579,740,127</b>	<b>11,966,738</b>	<b>\$ (1,107,014)</b>	
<b>TOTAL CORE &amp; NONCORE</b>		<b>186,897</b>	<b>811,007,381</b>	<b>77,492,607</b>	<b>\$ (7,168,657)</b>	

Total distribution noncore therms 22,052,840  
 less R/S 901 579,740,127  
 Net noncore therms (272,553,128)  
307,186,999

\*\* Rate based on 663 Demand Units of

Proposed rate increase for rate schedule 663 is based on removing the amortization rates associated with Gen'l Transportation 663-D & 663-C which were included in the 2008 Temporary Technical Adjustment Filing, Docket UG-081774.

**To Our Washington Customers:**

March 2010

On February \_\_, 2010, the Washington Utilities & Transportation Commission approved a filing by Cascade Natural Gas to discontinue a rate credit you have been receiving in the rates on your bill since November 1, 2008. As a result, natural gas transported on and after March 1, 2010, will be billed to you as follows:

<b>CUSTOMER CLASS</b>	<b>CHANGE</b>
Non Core Distribution (663) Contract Demand Charge	+\$0.01388 per reservation unit
Non Core Distribution (663) Commodity Delivery Charge	+\$0.00261 per therm

For additional information regarding Cascade's filing, please call 1-206-381-6852.

**DRAFT**