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April 30, 2010

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

Re: WAC 480-90-268 Essential Utilities Services Contracts Report

Dear Mr. Danner:

Enclosed is Cascade Natural Gas Corporation's Essential Utilities Services Contracts Report for the 12 months ending December 31, 2009. This information is being supplied in compliance with WAC 480-90-268.

The information provided consists of essential contracts between Cascade and its outside vendors above the 1.5% of total sales threshold and other associated information regarding the contracts as required by the WAC rule.

If there are any questions or areas of concern regarding this information, please contact Paul Schmidt at (206) 381-6825.

Sincerely,

Katherine J. Barnard

Manager

Regulatory & Gas Supply

attachment

## WAC 480-90-268

## **Essential Utilities Services Contracts Report**

12 Months ending December 31, 2009

Scope: any vendor which received > 1.5% of total company sales (\$6.27 mil) during CY09

| Parties to the Contract:<br>Cascade Natural Gas & | Type of Contract        | Essential Obligation of each party to the Contract       | Length of Contract | Budgeted annual dollar value of contract for CY09 | Actual Payments for<br>Services Rendered fo<br>CY09 |
|---|-------------------------|--|--------------------|---|---|
| BNP PARIBAS ENERGY TRADING GROUP                  | Gas Supply              | Purchase of Gas for Core Customers                       | 2 years            | Information Provided in                           | \$ 6,909,528.9                                      |
| CIBC WORLD MARKETS                                | Gas Supply              | Hedging of Core Gas Supply Contracts                     | 2 years            | Purchase Gas<br>Adjustment Filings                | \$ 70,754,108.7                                     |
| ENSERCO ENERGY INC                                | Gas Supply              | Purchase of Gas for Core Customers                       | 2 years            |   | \$ 24,186,808.8                                     |
| IGI RESOURCES INC                                 | Gas Supply              | Purchase of Gas for Core Customers                       | 3 years            |   | \$ 13,208,448.8                                     |
| J P MORGAN  | Gas Supply              | Hedging of Core Gas Supply Contracts                     | 2 years            | 1   | \$ 19,934,717.3                                     |
| MERRILL LYNCH - CHICAGO                           | Gas Supply              | Hedging of Core Gas Supply Contracts                     | 2 years            |   | \$ 8,610,860.5                                      |
| NORTHWEST PIPELINE CORPORATION                    | Pipeline Transportation | Purchase of Pipeline Transportation for Core Customers   | Until 2060         |   | \$ 26,807,796.4                                     |
| OCCIDENTAL ENERGY MARKETING INC                   | Gas Supply              | Purchase of Gas for Core Customers                       | 1 year             |   | \$ 13,020,510.7                                     |
| POWEREX ENERGY CORP                               | Gas Supply              | Purchase of Gas for Core Customers                       | 3 years            | 1 ·   .   | \$ 8,113,299.6                                      |
| SEMPRA ENERGY TRADING CORP                        | Gas Supply              | Purchase of Gas for Core Customers                       | 2 years            |   | \$ 13,901,401.6                                     |
| SHELL ENERGY NORTH AMERICA (US)                   | Gas Supply              | Purchase of Gas for Core Customers                       | 3 years            | 1   | \$ 8,692,558.0                                      |
| TD SECURITIES                                     | Gas Supply              | Purchase of Gas and Hedging of Core Gas Supply Contracts | 3 years            | 1   | \$ 15,531,057.6                                     |
| WELLS FARGO                                       | Gas Supply              | Hedging of Core Gas Supply Contracts                     | 1 year             | 1 +   | \$ 7,994,514.0                                      |