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CNG/W10-10-02

October 1, 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 containing a requested effective date of November 1, 2010:

Twenty-Ninth Rev. Sheet No. 595, Canceling Twenty-Fifth Rev. Sheet No. 595

The purpose of this filing is to pass on changes in the amount of temporary technical adjustments affecting customer rates as a result of deferral account amortizations. The application is designed to balance prior period gas supply and transportation costs incurred by Cascade with those assumed in base rates over the same time period. Temporary Technical Adjustment Schedule No. 595 combines prior period rate adjustments and new rate adjustments designed to amortize current outstanding deferral account balances (including accrued interest).


Attached in support of this filing is Exhibit 1. The exhibit contains information developing the level of the per therm change necessary to amortize the outstanding deferral balances of \$340,702. The proposed rates of the following Core Firm customers are to be decreased as follows: No. 502 by \$0.00376 per therm, No. 503 by \$0.00615 per therm, No. 504 by 0.00553 per therm, No. 512 by 0.00256 per therm and No. 541 by 0.00324 per therm. For Core Interruptible customers on Schedule Nos. 570 and 577, the rate decrease is \$0.00107 per therm and \$0.00151 per therm respectively. For Noncore customers receiving service on Distribution Schedule Nos. 663, the rate increase is \$0.00169 per therm. The effect of these revisions are shown on pages 4 through 6 of the exhibits.

Cascade, under Advice No. CNG W10-09-01 has also filed a Purchase Gas Adjustment Application. The combined effects of the two filings on the monthly bill of a residential customer with consumption of 53 therms will be a net decrease of \$5.99 or 9.6%. For small commercial customers, the decrease in the monthly bill for consumption of 266 therms will be \$31.36 or 10.7%. Large volume customers will experience an average decrease of 12.5%, while large volume interruptible industrial customers will experience an average decrease of 14.2%, depending on monthly volumes consumed.

In accordance with WAC 480-90-198, the Company declares that notice to customers was made in accordance with WAC 480-90-194(5). Cascade issued bill inserts to customers during August 2010 explaining the PGA process and the anticipated rate change. Additionally, the Company will issue bill inserts to all of its customers following final disposition of this filing. A copy of the August 2010 bill insert and a draft of the post-approval notification have been included with this filing. The proposed change will affect all of Cascade's Washington customers. Cascade serves approximately 166,800 residential, 23,900 commercial and 675 industrial customers in the state of Washington.

If you have any questions, please direct them to Katherine J. Barnard at (509) 734-4593.

Sincerely,



Jon T. Stoltz
Senior Vice President
Regulatory & Gas Supply

JTS/ cl
Attachments

CASCADE NATURAL GAS CORPORATION
 Allocation of UG-061721 Rate Credits
 State of Washington

Description (a)	Rate Schedule (b)	Average Number of Bills/Month (c)	Actual Therms Sold YE 7/31/2010 (d)	Total Margin YE 7/31/2010 (e)	Allocation UG 061721 Rate Credits (f)	Per Therm Temporary Adjustment (g)
CORE MARKET RATE SCHEDULES						
Dry Out	502	593	470,313	161,621	\$ (1,477)	\$ (0.00314)
Residential	503	166833	107,513,389	36,132,720	\$ (330,175)	\$ (0.00307)
Commercial	504	23884	76,976,174	20,613,549	\$ (188,363)	\$ (0.00245)
Compressed Nat. Gas	512	1	41,279	8,776	\$ (80)	\$ (0.00194)
Gas A/C	541	49	113,442	32,484	\$ (297)	\$ (0.00262)
Com-Ind Dual Service	511	87	9,203,742	1,812,618	\$ (16,563)	\$ (0.00180)
Industrial Firm	505	351	8,346,187	1,460,555	\$ (13,346)	\$ (0.00160)
Industrial Interr.	570	10	4,436,553	220,556	\$ (2,015)	\$ (0.00045)
Industrial Interr.	577	3	463,460	45,131	\$ (412)	\$ (0.00089)
TOTAL CORE		191,811	207,564,539	60,488,010	\$ (552,730)	
NONCORE MARKET CUSTOMERS						
General Transportatio	663	165	397,775,643	130,52341	\$ (119,270)	\$ (0.00030)
Distribution	901	12	262,469,589	6,130,679	\$ -	
TOTAL NONCORE		177	660,245,232	19,183,020	\$ (119,270)	\$ (0.00030)
TOTAL CORE & NONCORE		191,988	867,809,771	79,671,029	\$ (672,000)	

Total distribution noncore therms 660,245,232
 less R/S 901 (262,469,589)
 Net noncore therms 397,775,643

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

Description (a)	Rate Schedule (b)	Reverse Prior Temporary Rate Adj. (c)	Gas Cost Related Temporary rate Adjustment (d)	Proposed UG-061721 Revenue Credit Temp. Rate Adj. (e)	Incremental R/S 595 Rate Change (f)	Posted R/S 595 Tariff Rate (g)
CORE MARKET RATE SCHEDULES						
Dry Out	502	\$ 0.01959	\$ (0.00062)	\$ (0.00314)	\$ 0.01583	\$ (0.00376)
Residential	503	\$ 0.02486	\$ (0.00308)	\$ (0.00307)	\$ 0.01871	\$ (0.00615)
Commercial	504	\$ 0.01846	\$ (0.00308)	\$ (0.00245)	\$ 0.01293	\$ (0.00553)
Compressed Nat. Gas	512	\$ 0.01331	\$ (0.00062)	\$ (0.00194)	\$ 0.01075	\$ (0.00256)
Gas A/C	541	\$ 0.04531	\$ (0.00062)	\$ (0.00262)	\$ 0.04207	\$ (0.00324)
Com-Ind Duel Service	511	\$ 0.00541	\$ (0.00062)	\$ (0.00180)	\$ 0.00299	\$ (0.00242)
Industrial Firm	505	\$ 0.00833	\$ (0.00062)	\$ (0.00160)	\$ 0.00611	\$ (0.00222)
Industrial Interr.	570	\$ (0.00170)	\$ (0.00062)	\$ (0.00045)	\$ (0.00277)	\$ (0.00107)
Institutional Interr.	577	\$ 0.00175	\$ (0.00062)	\$ (0.00089)	\$ 0.00024	\$ (0.00151)
NONCORE MARKET CUSTOMERS						
Distribution	663	0.00034	\$ 0.00199	\$ (0.00030)	\$ 0.00203	\$ 0.00169
Transportation	685/686	\$ (0.00095)	\$ -	\$ -	\$ (0.00095)	\$ -
Special Contract	901	\$ -	\$ -	\$ -	\$ -	\$ -

c) from 2009 TTA Exhibit_(KJB-1), Schedule 1, pg 1
 d) from TTA Exhibit_(KJB-1), Schedule 1, pg 1
 e) from TTA Exhibit_(KJB-1), Schedule 1, pg 2

Cascade Natural Gas Corporation
WASHINGTON 2010 PURCHASED GAS ADJUSTMENT APPLICATION
BASED UPON THE TWELVE MONTHS ENDED 7/31/10
State of Washington

Line No.	Description (a)	Rate Schedule (b)	Average # of Bills (c)	Actual Therms Sold (d)	Actual Revenue (e)	Restated Revenue *a (f)	Per Therm TTA Change (g)	Amount of Change (h)
CORE MARKET RATE SCHEDULES								
1	Dry Out	502	593	470,313	540,970	551,223	\$ 0.01583	\$ 7,445
2	Residential	503	166,833	107,014,186	122,080,093	125,116,883	\$ 0.01871	\$ 2,002,235
3	Commercial	504	23,884	76,373,681	82,302,427	83,958,934	\$ 0.01293	\$ 987,512
4	Industrial Firm	505	351	8,346,187	8,211,451	8,294,335	\$ 0.00611	\$ 50,995
5	Large Volume	511	87	9,203,742	9,284,032	9,353,672	\$ 0.00299	\$ 27,519
6	Compressed Natural Gas	512	1	41,279	42,330	43,158	\$ 0.01075	\$ 444
7	Gas A/C	541	49	113,442	121,068	126,621	\$ 0.04207	\$ 4,773
8	Industrial Interruptible	570	10	4,432,069	3,810,133	3,810,308	\$ (0.00277)	\$ (12,277)
9	Institutional	577	3	463,460	418,893	420,801	\$ 0.00024	\$ 111
10	Subtotal Core		191,811	206,458,359	226,811,399	231,675,934		\$ 3,068,758
NONCORE MARKET RATE SCHEDULES								
12	Pipeline Transportation	685/686	1	7,554,969	371,767	371,767	\$ (0.00095)	\$ (7,177)
	Distribution	663	165	398,599,807	12,083,827	13,052,340	\$ 0.00203	\$ 809,220
13	Special Contracts	901	12	279,329,903	5,524,354	5,524,354	NA	
14	Subtotal Non-core		177	677,929,710	17,608,181	18576693.81		\$ 802,043
15	CORE & NON-CORE		191,988	884,388,069	244,419,580	250,252,627		\$ 3,877,978

Cascade Natural Gas Corporation
TYPICAL MONTHLY THERM USAGE AND COST BY CLASS
FOR TWELVE MONTHS ENDED 7/31/10
State of Washington

<u>Line No.</u>	<u>Description (a)</u>	<u>Therm Sales (b)</u>	<u>Revenue at 8/1/2009 Rates (c)</u>	<u>Per Therm Rate Change (d)</u>	<u>Amount of Change (e)</u>	<u>Percent Change (g)</u>
1	Residential (503)	107,014,186	125,116,883	\$ 0.01871	2,002,235	1.60%
2	Commercial (504)	76,373,681	83,958,934	\$ 0.01293	987,512	1.18%
3	Industrial (505)	8,346,187	8,294,335	\$ 0.00611	50,995	0.61%
4	Industrial Lg Vol (511)	9,203,742	9,353,672	\$ 0.00299	27,519	0.29%
5	Interruption (570)	4,432,069	3,810,308	\$ (0.00277)	(12,277)	-0.32%
6	Interruption Inst. (577)	463,460	420,801	\$ 0.00024	111	0.03%
7	Noncore Dist (663)	398,599,807	13,052,340	\$ 0.00203	809,220	6.20%
8	Noncore Trans (685, 686)	7,554,969	371,767	\$ (0.00095)	(7,177)	-1.93%

Cascade Natural Gas Corporation
TYPICAL MONTHLY THERM USAGE AND COST BY CLASS
FOR TWELVE MONTHS ENDED 6/30/08
State of Washington

Line No.	Description (a)	Typical Monthly Therm Use (b)	Avg Bill @ 8/1/09 Rates (c)	Present Filing Changes (d)	Proposed Typical Bill (e)	Percent Change (g)
1	Residential (503)	53	\$62.50	\$1.00	\$63.50	1.60%
2	Commercial (504)	266	\$292.94	\$3.45	\$296.39	1.18%
3	Industrial (505)	N/A*	\$0.99379	\$0.00611	\$0.99990	0.61%
4	Industrial Lg Vol (511)	N/A*	\$1.01629	\$0.00299	\$1.01928	0.29%
5	Interruptible (570)	N/A*	\$0.85971	(\$0.00277)	\$0.85694	-0.32%
6	Interruptible Inst. (577)	N/A*	\$0.90795	0.00024	\$0.90819	0.03%
6	Noncore Dist (663)	N/A*	\$0.03275	\$0.00203	\$0.03478	6.20%
7	Noncore Trans (685, 686)	N/A*	\$0.04921	(\$0.00095)	\$0.04826	-1.93%

* The large variation among customers in the Industrial, Interruptible, and Noncore customer classes renders average consumption numbers meaningless, therefore only per therm figures have been listed.

DRAFT

To Our Washington Customers:

November 2010

On October ____, 2010, the Washington Utilities & Transportation Commission approved Cascade's Purchased Gas Adjustment (PGA) Filing. As a result, natural gas used on and after November 1, 2010, is being billed to you at decreased rates. The average change to the rate schedules is as follows:

CUSTOMER CLASS	CHANGE
Rate Schedule 503	-9.59%
Rate Schedule 504	-10.71%
Rate Schedule 505	-12.45%
Rate Schedule 511	-12.48%
Rate Schedule 570	-15.33%
Rate Schedule 577	-14.18%
Rate Schedule 663 Volumetric	+6.20%
Rate Schedules 685/686	1.93%

The overall effect of the rate change on the monthly bill of a residential customer with consumption of 53 therms will be an decrease of \$5.99. For small commercial customers, with monthly bill with average consumption of 266 therms will decrease by \$31.36. Additional customer information regarding bill payment options and bill assistance programs is available at www.cngc.com/customer.