



8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166
TELEPHONE 509-734-4500 FACSIMILE 509-737-9803
www.cngc.com

August 20, 2013

Mr. Steven V. King
Acting Executive Director and Secretary
Washington Utilities & Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Re: Service Area Expansion – Badger Mountain South Expansion

Dear Mr. King,

Cascade Natural Gas Corporation, herein referred to as Cascade, is submitting an application to amend its Certificate of Public Convenience and Necessity to Operate a Gas Plant for Hire, in the Badger Mountain South area, located in Benton County, Washington. This request expands the Company's service area in Benton County. In support of this request is additional information summarized below:

1. Application: Enclosed is a check in the amount of twenty-five dollars and a completed application form.
2. Applicants for Natural Gas Service: Cascade anticipates requests for service from residential and commercial customers within the requested expansion area.
3. Description of Project: Badger Mountain South is a 1,460 acre planned community which will include 5,000 homes, retail businesses and other commercial activity. A complete build-out on this property should be completed in 20 years. This project will consist of 12,000 feet of 4 inch steel future high pressure main south on Dallas Road to serve a development. There are 1,275,000 sq. ft. of retail space planned in the area along with a residential development which will be sold to developers who will insure that natural gas will be used in all of the future homes.
4. Economic Feasibility: Cascade plans to utilize its Rule 8 "Extension of Distribution Facilities" tariff to determine economic feasibility of expanding the distribution system into this area. The economic feasibility of the proposed main extension is shown on Exhibit A-1 and is based upon Cascade's design of a mature distribution system on Badger Mountain. As previously stated, Cascade anticipates that it will take 20 years before the actual system in the area will reach this level of maturity. Details for estimated direct costs of the mature distribution system are shown on Exhibits A-2, A-3, and A-4.

In the Community to Serve

5. Maps and Legal Descriptions: Enclosed as Exhibit B-1 to the Application is a map and the legal description is as follows: Sections 30, 31 & 32 of Township 9 North, Range 28 East and Sections 4 & 5 of Township 8 North, Range 28 East.

6. Distribution System Capacity: This line is expected to operate at 60 psig but will have a peak end of line capacity of 12,000 cfh based on the design model. More capacity from this line is possible if uprated to high pressure. The timing of this uprate will be driven by system/load growth. The 4" Badger Mountain South line is designed for 500 psig and will be pressure tested to 750 psig. To uprate the line to maximum potential, Cascade would need to uprate the 6" W Richland Future High Pressure Line downstream of R-85 and install a few regulator stations and HPSS to isolate existing taps. If the Badger Mountain South line was uprated to an MAOP of 250 psig, which is the current MAOP of the 6" & 8" Richland HP Line, the peak end of line capacity in the current design day model would be 20,000 cfh. Further capacity could also be achieved if the 6" & 8" Richland HP line is uprated to an MAOP of 500 psig which is the design pressure of the line; a MAOP of 500 psig would achieve the maximum flow for this line. At a MAOP of 500 psig the peak end of line capacity for the 4 in Badger Mountain South line is 90,000 cfh in the current design day model.

7. Benton County Franchise: A copy of Cascade's current franchise in Benton County is attached (Exhibit C-1).

Cascade personnel are available to provide additional information regarding this application. If there are any additional questions or comments, please contact Michael Parvinen @ 509-734-4593.

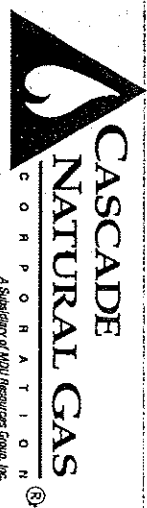
Sincerely,



Michael Parvinen
Director, Regulatory Affairs

Enclosures

THIS CHECK IS VOID WITHOUT A BLUE & GREEN HORIZONTAL AND BACKGROUND PLUS A MICRINT & MICROPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW



In the Community to Serve
8113 W Grandridge Blvd Kennelwick, WA 99336-7166

US Bank
www.usbank.com
Candy, OR
96-691
1232
Not Valid After 90 Days

CUSTOMER ACCT. NO. 523891
CHECK DATE 08/14/13
CHECK NUMBER 00686667
CHECK AMOUNT

TWENTY FIVE AND 00/100**

***25.00

PAY TO THE ORDER OF *****

WUTC
1300 S EVERGREEN PARK DRIVE SW
OLYMPIA WA 98504

R. Grandridge

⑆00686667⑆ ⑆123206516⑆ 153200003231⑆

6. If applicant is not a corporation, list below the name and address of each person having an equity in the business.

<i>Name</i>	<i>Address</i>
Applicant is a Washington Corporation	

7. Is this an application for an amendment of an existing certificate of public convenience and necessity already issued to applicant? YES X NO

8. Is applicant presently operating a gas plant for hire in the State of Washington in the area or areas involved in this application? YES X NO

<i>Area now served</i>	<i>Since</i>	<i>Area now served</i>	<i>Since</i>
Richland, WA			

9. Is any other gas company operating a gas plant for hire in any part of the area or areas for which applicant herein requests certification? YES NO X . If YES, attach a certified copy of such franchise. If NO, state action taken or to be taken to procure such.

10. Does applicant hold franchises or other governmental consents from any municipality in the area or areas involved in this application? YES X NO . If YES, attach a certified copy of such franchise. If NO, state action taken or to be taken to procure such.

See attached.

11. State the adequacy of gas supply and proposed date that service will be made available.

Applicant's gas supply is adequate.

12. Is applicant familiar with all the rules and regulations of the Washington Utilities and Transportation Commission regarding the operation of a gas plant for hire? YES X NO

13. Is applicant submitting herewith its proposed tariff or tariffs covering the service to be offered in the area or areas involved in this application? YES NO X If answer is NO, state when applicant intends to submit such.

Existing filed tariffs will apply.

14. On a separate sheet designated "Exhibit A-1" submit a feasibility study relating to the area sought stating fully the economic conditions upon which this application is based to include the estimated cost of new plant required to exercise this certificate, the manner of financing such cost, anticipated revenues, expenses, and rate of return.

15. On a separate sheet "Exhibit B" provides a detailed map and a legal description is found in the cover letter for each service area showing the boundaries thereof proposed to be served under this application. Indicate (on separate sheets, if necessary) general location of facilities and service areas in accord with feasibility study.

FINANCIAL STATEMENT

On File

ASSETS		LIABILITIES	
Utility Plant (See below)	\$	Common Stock	\$
Less Deprn. & Amort Reserves	\$	Preferred Stock	\$
Net Utility Plant in Service	\$	Premiums, Assessments on	
Invest. In Assoc. Companies	\$	Capital Stock	\$
Other Invest. & Fund Accts	\$	Installments received on	
Current & Accrued Assets		Capital Stock	\$
Cash	\$	Capital Surplus	\$
Receivables (Net)	\$	Earned Surplus	\$
Materials & Supplies	\$	Disc. & Exp. On Cap. Stock Dr.	\$
Other Current & Accrued		Other Equity	\$
Assets	\$	Total Equity	\$
Deferred Debits		Long-Term Debt-Bonds	\$
Unamortized Debt Dscout	\$	- Other	\$
And Expense	\$	Current & Accrued Liabilities	
Preliminary Survey and		Notes Payable	\$
Investigation Charges	\$	Accounts Payable	\$
Other Deferred Debits	\$	Other	\$
		Deferred Credits:	
		Unamortized Premium on	
		Debt	\$
		Other	\$
		Operating Reserves	\$
		Contributions in Aid of	
		Construction	\$
		Total Liabilities and Other	
		Credits	\$
Total All Assets	\$		

UTILITY PLANT

Utility Plant in Service		Utility Plt. Purchased or Sold	\$
Intangible Plant	\$	Utility Plt. In Process of	
Production Plant	\$	Reclassification	\$
Products Extraction Plant	\$	Utility Plt. Leased to Others	\$
Storage Plants	\$	Property Held for Future Use	\$
Transmission Plant	\$	Construction (In Progress and	
Distribution Plant	\$	Completed Not Classified)	\$
General Plant	\$	Utility Plant Acquisition	
		Adjustments (Net)	\$
		Plant Adjustments & Other	\$
Total Utility Plant in Service	\$	Total Utility Plant	\$

DCC WA v11.0 October 2011

Cascade Natural Gas Corporation Feasibility Worksheet - Developer

Developer:	Badger Mt. South Development LLC
Contact Individual (Include Title):	Mike Johnson
Billing Address:	4214 Sunset Beach Rd.
City State and Zip:	University Place, WA 98466
Business Telephone Number:	253-677-2189
Development Name (Incl. lot No.):	West Vinyards Ph01
Section - Township - Range:	S-32, T-9N, R-27E
City Location:	Richland
County Location:	Benton

Main Ext. Distance (Feet):	15565
Main Cost Estimate:	\$127,695
Total Margin:	\$32,925
Feasibility Margin:	\$94,661
Pre-Tax:	\$33,034
Amount Due:	\$40,919

MARGIN CALCULATION - Residential

Western Washington Eastern Washington

	Year 1	Year 2	Year 3	Year 4	Year 5
Average Square Footage	2,400				
Number of Residential Units	40	40	40	40	40
Use Per Square Foot	0.23	0.23	0.23	0.23	0.23
	<i>Therms</i>	<i>Therms</i>	<i>Therms</i>	<i>Therms</i>	<i>Therms</i>
Space Heating	552	552	552	552	552
<input type="checkbox"/> Water Heat	232	232	232	232	232
Total Therms	784	784	784	784	784
\$/Therm	\$ 0.26248	\$ 0.26248	\$ 0.26248	\$ 0.26248	\$ 0.26248
Margin/Dwelling Unit	\$ 205.78	\$ 205.78	\$ 205.78	\$ 205.78	\$ 205.78
Total Margin - Residential	\$ 8,231.37	\$ 8,231.37	\$ 8,231.37	\$ 8,231.37	\$ -

MARGIN CALCULATION - Commercial & Industrial (CP 165)

Use Annual Hours of Operation Tab for Hours of Operation

<input checked="" type="checkbox"/> Commercial (RS 504)	<input type="checkbox"/> Industrial (RS 505)	<input type="checkbox"/>	<input type="checkbox"/>
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	Year 1	Year 2	Year 3	Year 4	Year 5
Number of Cmcl. / Ind. Units					
Heating Load (MBTUH)					
Hours of Operation	-	-	-	-	-
Therms	-	-	-	-	-
Other (MBTUH)					
Hours of Operation					
Therms	-	-	-	-	-
Total Therms	-	-	-	-	-
\$/Therm	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total Margin - Cmcl. / Ind.	\$ -	\$ -	\$ -	\$ -	\$ -
Total Combined Margin	\$ 8,231.37	\$ 8,231.37	\$ 8,231.37	\$ 8,231.37	\$ -
	3.3	3.0	2.7	2.5	2.2
Feasibility Margin	\$ 27,163.53	\$ 24,694.12	\$ 22,224.71	\$ 20,578.43	\$ -

DCC Feasibility Worksheet prepared by:

Title of CNG employee:

DCC WA v11.0 October 2011

Cascade Natural Gas Corporation Feasibility Worksheet - Developer

Developer: **Nor Am Investments LLC**

Contact Individual (Include Title): **Lawrance White**

Billing Address: **12513 Ave Dubois**

City State and Zip: **Lakewood Wa. 98498**

Business Telephone Number: **253-961-1860**

Development Name (Incl. lot No.): **Badger Mountain South**

Section - Township - Range: **S-32, T-9N, R-28E**

City Location: **Richland**

County Location: **Benton**

Main Ext. Distance (Feet):	16900
Main Cost Estimate:	\$325,749
Total Margin:	\$51,805
Feasibility Margin:	\$125,595
Pre-Tax:	\$200,154
Amount Due:	\$247,930

MARGIN CALCULATION - Residential

Western Washington Eastern Washington

	Year 1	Year 2	Year 3	Year 4	Year 5
Average Square Footage					
Number of Residential Units					
Use Per Square Foot	0.23	0.23	0.23	0.23	0.23
	<i>Therms</i>	<i>Therms</i>	<i>Therms</i>	<i>Therms</i>	<i>Therms</i>
Space Heating	-	-	-	-	-
<input type="checkbox"/> Water Heat		-	-	-	-
Total Therms	-	-	-	-	-
\$/Therm	\$ 0.26248	\$ 0.26248	\$ 0.26248	\$ 0.26248	\$ 0.26248
Margin/Dwelling Unit	\$ -	\$ -	\$ -	\$ -	\$ -
Total Margin - Residential	\$ -	\$ -	\$ -	\$ -	\$ -

MARGIN CALCULATION - Commercial & Industrial (CP 165)

Use Annual Hours of Operation Tab for Hours of Operation

Commercial (RS 504) Industrial (RS 505)

	Year 1	Year 2	Year 3	Year 4	Year 5
Number of Cmcl. / Ind. Units			1	1	1
Heating Load (MBTUH)					
Hours of Operation	-	-	-	-	-
Therms	-	-	47,500	88,000	88,000
Other (MBTUH)					
Hours of Operation					
Therms	-	-	-	-	-
Total Therms	-	-	47,500	88,000	88,000
\$/Therm	#DIV/0!	#DIV/0!	0.23179	0.23179	0.23179
Total Margin - Cmcl. / Ind.	\$ -	\$ -	\$ 11,010.03	\$ 20,397.52	\$ 20,397.52
Total Combined Margin	\$ -	\$ -	\$ 11,010.03	\$ 20,397.52	\$ 20,397.52
	3.3	3.0	2.7	2.5	2.2
Feasibility Margin	\$ -	\$ -	\$ 29,727.07	\$ 50,993.80	\$ 44,874.54

DCC Feasibility Worksheet prepared by: **Bruce Yamauchi**

Title of CNG employee: **Engineer Associate**

Exhibit A-2

CASCADE NATURAL GAS CORPORATION

Central Region 1" MAIN ESTIMATE

CITY: Richland DISTRICT: Trillies DATE: 10/12/12

DESCRIPTION: 1355' (stubs) for West Vineyards (R1)

MATERIALS				
Item	Units	Quantity	Unit Cost	Total
1" PE	ft	1355	\$0.33	\$ 447
1 1/4" STEEL	ft		\$0.85	\$ -
3/4" STEEL	ft		\$2.28	\$ -
				\$ -
				\$ -
				\$ -
Material Oncosting			40%	\$ 179
Total Materials				\$ 626

CONTRACTOR LABOR				
Item		Quantity	Unit Cost	Total
Mobilization OT			\$300.00	\$ -
Mobilization Dig			\$300.00	\$ -
1" Stub, 10' or less (each)			\$112.00	\$ -
1" PE Install OT (ft)		1355	\$2.80	\$ 3,794.00
1" PE Install Dig (ft)			\$8.00	\$ -
1" PE Missle/Hog shot (ft)			\$18.00	\$ -
1" & Smaller PE Directional Bore (ft)			\$18.00	\$ -
1 - 1/4" & 3/4" Steel Missle/Hog shot (ft)			\$18.00	\$ -
1 - 1/4" & Smaller Steel Directional Bore (ft)			\$18.00	\$ -
Casing - Open Cut (ft) Diam.: 4			\$16.50	\$ -
Casing - Bore (ft) Diam.: 4			\$33.00	\$ -
Blacktop Saw/Cut (lin. ft) Depth (in): 3			\$1.35	\$ -
Blacktop Saw/Cut (lin. ft) Depth (in): 4			\$1.80	\$ -
Blacktop Remove (sq ft) Depth (in): 3			\$1.75	\$ -
Blacktop Remove (sq ft) Depth (in): 4			\$2.00	\$ -
Blacktop Place (sq ft) Depth (in): 3			\$4.48	\$ -
Blacktop Place (sq ft) Depth (in): 4			\$5.17	\$ -
Concrete Saw/Cut (lin. ft) Depth (in): 4			\$3.00	\$ -
Concrete Remove (sq ft) Depth (in): 4			\$2.45	\$ -
Concrete Place (sq ft) Depth (in): 4			\$1.05	\$ -
Blacktop/Concrete Disposal (ton)			\$10.75	\$ -
Cold Mix (sq ft)			\$4.00	\$ -
Crushed Rock (cu yard)			\$31.80	\$ -
Sand (cu yard)			\$31.80	\$ -
Hauloff (cu yard)			\$13.75	\$ -
Topsoil (cu yard)			\$22.40	\$ -
Beauty Bark (cu yard)			\$22.50	\$ -
Sod Remove/Replace (sq ft)			\$2.50	\$ -
Flagging (man hr)			\$42.00	\$ -
Miscellaneous				\$ -
T&M (crew hour)			\$285.00	\$ -
Trench Shoring (per job)			\$250.00	\$ -
Additional 2" Tie-in, top tap			\$110.00	\$ -
Additional 2" Tie-in, wrap around			\$350.00	\$ -
Additional Bell Hole			\$237.00	\$ -
Tie in exist stub to main			\$75.00	\$ -
Trenching over 3' deep (ft) Depth (ft): 10			\$10.50	\$ -

Exhibit A-2

Other Contractor Labor						\$ -
						\$ -
						\$ -
						\$ -
						\$ -
						\$ -
						\$ -
						\$ -
Sales Tax					8.60%	\$326
Total Contractor Labor						\$ 4,120.28
CASCADE LABOR						
Item		Units			Unit Cost	Total
Crew Labor (per hour)					\$265.00	\$ -
Control Equip Mech + Tap Truck (per hour)					\$130.00	\$ -
Inspection (per hour)					\$70.00	\$ -
						\$ -
						\$ -
						\$ -
Total CNG Labor						\$ -
Contingency	Use 10% for OT, 20% for non OT				10%	\$ 412.03
Overhead	Use \$1500 per WO				\$1,500.00	\$ -
TOTAL PROJECT COST						\$ 5,158.32

For frost, rock removal/saw, jackhammer, hard pan see blanket rate sheet and discuss with supervisor.

Exhibit A-3

CASCADE NATURAL GAS CORPORATION

Central Region 2" MAIN ESTIMATE

CITY: Richland DISTRICT: Tri Cities DATE: 10/2/12

DESCRIPTION:
10,560' of West Vinyards (Ph.)

MATERIALS

Item	Units	Quantity	Unit Cost	Total
2" PE	ft	10860	\$0.80	\$ 8,448
2" STEEL	ft		\$7.35	\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
Material Oncostring			40%	\$ 3,379
Total Materials				\$ 11,827

CONTRACTOR LABOR

Item	Quantity	Unit Cost	Total
Mobilization OT		\$300.00	\$ -
Mobilization Dig		\$500.00	\$ -
2" PE Install OT (ft)	10560	\$3.40	\$ 35,904.00
2" PE Install Dig (ft)		\$9.10	\$ -
2" Steel Install OT (ft)		\$7.50	\$ -
2" Steel Install Dig (ft)		\$11.20	\$ -
2" PE/Steel Missile/Hog shot (ft)		\$18.00	\$ -
2" PE Directional Bore (ft)		\$18.00	\$ -
2" Steel Directional Bore (ft)		\$18.00	\$ -
Casing - Open Cut (ft) Diam.: 4		\$16.50	\$ -
Casing - Bore (ft) Diam.: 4		\$33.00	\$ -
Blacktop Saw/Cut (lin. ft) Depth (in): 3		\$1.35	\$ -
Blacktop Saw/Cut (lin. ft) Depth (in): 4		\$1.80	\$ -
Blacktop Remove (sq ft) Depth (in): 3		\$1.75	\$ -
Blacktop Remove (sq ft) Depth (in): 4		\$2.00	\$ -
Blacktop Place (sq ft) Depth (in): 3		\$4.48	\$ -
Blacktop Place (sq ft) Depth (in): 4		\$5.17	\$ -
Concrete Saw/Cut (lin. ft) Depth (in): 4		\$3.00	\$ -
Concrete Remove (sq ft) Depth (in): 4		\$2.45	\$ -
Concrete Place (sq ft) Depth (in): 4		\$1.08	\$ -
Blacktop/Concrete Disposal (ton)		\$10.75	\$ -
Cold Mix (sq ft)		\$4.00	\$ -
Crushed Rock (cu yard)		\$31.80	\$ -
Sand (cu yard)		\$31.80	\$ -
Hauloff (cu yard)		\$13.75	\$ -
Topsoll (cu yard)		\$22.40	\$ -
Beauty Bark (cu yard)		\$22.50	\$ -
Sod Remove/Replace (sq ft)		\$2.50	\$ -
Flagging (man hr)		\$42.00	\$ -
Miscellaneous			\$ -
T&M (crew hour)		\$265.00	\$ -
Trench Shoring (per job)		\$250.00	\$ -
Additional 2" Tie-in, top tap		\$110.00	\$ -
Additional 2" Tie-in, wrap around		\$350.00	\$ -
Additional Bell Hole		\$237.00	\$ -
Tie in exist stub to main		\$75.00	\$ -
Trenching over 3' deep (ft) Depth (ft): 10		\$10.50	\$ -

Exhibit A-3

Other Contractor Labor						\$	-
						\$	-
						\$	-
						\$	-
						\$	-
						\$	-
						\$	-
						\$	-
Sales Tax						8.60%	\$3,088
Total Contractor Labor							\$ 38,991.74
CASCADE LABOR							
Item		Units		Unit Cost		Total	
Crew Labor (per hour)				\$265.00		\$ -	
Control Equip Mech + Tap Truck (per hour)				\$130.00		\$ -	
Inspection (per hour)				\$70.00		\$ -	
						\$	-
						\$	-
						\$	-
						\$	-
Total CNG Labor						\$ -	
Contingency		Use 10% for OT, 20% for non OT		10%		\$ 3,899.17	
Overhead		Use \$1500 per WO		\$ 1,500.00		\$ -	
TOTAL PROJECT COST							\$ 64,718.12

For frost, rock removal/saw, jackhammer, hard pan see blanket rate sheet and discuss with supervisor.

CASCADE NATURAL GAS CORPORATION

Central Region 6" MAIN ESTIMATE

CITY: **Richland** DISTRICT: **Tri/Cities** DATE: **10/12/12**

DESCRIPTION: **3650' for West Vineyards Ph-1**

MATERIALS

Item	Units	Quantity	Unit Cost	Total
6" PE	ft	3650	\$5.39	\$ 19,674
6" STEEL	ft		\$4.80	\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
Material Oncostring			40%	\$ 7,869
Total Materials				\$ 27,543

CONTRACTOR LABOR

Item	Quantity	Unit Cost	Total
Mobilization 6" Steel		\$800.00	\$ -
Mobilization 6" PE OT	1	\$500.00	\$ 500.00
Mobilization 6" PE Dig		\$800.00	\$ -
6" PE Install OT (ft)	3650	\$9.10	\$ 33,215.00
6" PE Install Dig (ft)		\$16.40	\$ -
6" Steel Install OT (ft)		\$17.50	\$ -
6" Steel Install Dig (ft)		\$21.85	\$ -
6" PE/Steel Missle/Hog shot (ft)		\$24.00	\$ -
6" PE/Steel Directional Bore (ft)		\$30.00	\$ -
Casing - Open Cut (ft) Diam.: 10		\$25.50	\$ -
Casing - Bore (ft) Diam.: 10		\$64.00	\$ -
Blacktop Saw/Cut (lin. ft) Depth (in): 3		\$1.35	\$ -
Blacktop Saw/Cut (lin. ft) Depth (in): 4		\$1.80	\$ -
Blacktop Remove (sq ft) Depth (in): 3		\$1.75	\$ -
Blacktop Remove (sq ft) Depth (in): 4		\$2.00	\$ -
Blacktop Place (sq ft) Depth (in): 3		\$4.48	\$ -
Blacktop Place (sq ft) Depth (in): 3		\$5.17	\$ -
Concrete Saw/Cut (lin. ft) Depth (in): 4		\$3.00	\$ -
Concrete Remove (sq ft) Depth (in): 4		\$2.45	\$ -
Concrete Place (sq ft) Depth (in): 4		\$1.08	\$ -
Blacktop/Concrete Disposal (ton)		\$10.75	\$ -
Cold Mix (sq ft)		\$4.00	\$ -
Crushed Rock (cu yard)		\$31.80	\$ -
Sand (cu yard)		\$31.80	\$ -
Hauloff (cu yard)		\$13.75	\$ -
Topsoil (cu yard)		\$22.40	\$ -
Beauty Bark (cu yard)		\$22.50	\$ -
Sod Remove/Replace (sq ft)		\$2.50	\$ -
Flagging (man hr)		\$42.00	\$ -
Miscellaneous			\$ -
T&M (crew hour)		\$265.00	\$ -
Trench Shoring (per job)		\$250.00	\$ -
Additional 2" Tie-In, top tap		\$110.00	\$ -
Additional 2" Tie-In, wrap around		\$350.00	\$ -
Additional Bell Hole		\$237.00	\$ -

Exhibit A-4

Tie in exist stub to main			\$75.00	\$ -
Trenching over 3' deep (ft)	Depth (ft): 10		\$10.50	\$ -
Other Contractor Labor				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
Sales Tax			8.60%	\$2,899
Total Contractor Labor				\$ 36,614.49
CASCADE LABOR				
Item		Units	Unit Cost	Total
Crew Labor (per hour)			\$265.00	\$ -
Control Equip Mech + Tap Truck (per hour)			\$130.00	\$ -
Inspection (per hour)			\$70.00	\$ -
				\$ -
				\$ -
				\$ -
Total CNG Labor				\$ -
Contingency	Use 10% for OT, 20% for non OT		10%	\$ 3,661.45
Overhead	Use \$1500 per WO		\$ 1,500.00	\$ -
TOTAL PROJECT COST				\$ 67,818.84

For frost, rock removal/saw, jackhammer, hard pan see blanket rate sheet and discuss with supervisor.

Exhibit C-1

2011-018628 MULTI
07/08/2011 09:45:15 AM Pages: 13 Fee: \$136.00
Benton County Public Works
Benton County Auditor's Office

Return to:
Benton County Public Works
P. O. Box 1001
Prosser, WA 99350

Grantor: Benton County
Grantee: Cascade Natural Gas

COPY

BEFORE THE BOARD OF COUNTY COMMISSIONERS

BENTON COUNTY, STATE OF WASHINGTON

IN THE MATTER OF THE APPLICATION OF)
CASCADE NATURAL GAS CORPORATION FOR A)
NONEXCLUSIVE FRANCHISE TO LOCATE,)
CONSTRUCT, MAINTAIN, OPERATE, USE, AND IF)
NECESSARY, REMOVE NATURAL GAS)
DISTRIBUTION SYSTEM AND FACILITIES WITHIN)
THE COUNTY OF BENTON, STATE OF)
WASHINGTON, UPON, OVER, UNDER, ALONG,)
AND ACROSS CERTAIN COUNTY ROADS AND)
PUBLIC HIGHWAYS, OR PARTS THEREOF, NOT)
WITHIN THE LIMITS OF ANY INCORPORATED)
CITY OR TOWN.

11 429
No. _____

ORDER AND AGREEMENT FOR
NONEXCLUSIVE FRANCHISE

FINDINGS

NOW, on this 27 day of June the petition and application of
CASCADE NATURAL GAS CORPORATION, for the authority and nonexclusive Franchise,
for a term of ten (10) years, to install, locate, construct, maintain, operate, use, and, if necessary,
remove NATURAL GAS DISTRIBUTION SYSTEM AND FACILITIES under, upon, over,
along and across Benton County roads, highways, streets, alleys, bridges, and rights-of-ways, or
other County property, hereinafter called County roads or rights-of-ways, described in said
application by reference to the sections, townships, and ranges in which said County roads or
rights-of-ways are physically located within the County of Benton, State of Washington, and not

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within the corporate limits of any incorporated city or town therein, coming on to be heard before this, the Board of County Commissioners of and from said Benton County, Washington, and this Board having heretofore fixed this time and place for the hearing of said petition, and it appearing that the County Engineer has given notice of the time and place of said hearing by posting in three places in the Benton County Courthouse with written or printed notices of the time and place of this hearing in accordance with the laws of the State of Washington, and also by publishing a like notice two (2) times in the Tri-City Herald, a daily newspaper of general circulation published in Benton County, Washington, and it appearing that the notices so posted and published stated the name of the applicant and a description by reference to sections, townships and ranges in which the County roads or rights-of-ways to be included in the Franchise for which application is made are physically located, and also state the time and place fixed for said hearing, and after hearing all persons interested in the matter of said petition, and at which hearing the qualifications of the Grantee were heard, the Board deeming it for the public interest to grant the Franchise and authority so applied for.

ORDER

IT IS HEREBY ORDERED BY THE BOARD OF COUNTY COMMISSIONERS OF BENTON COUNTY, WASHINGTON:

There is hereby granted to Cascade Natural Gas Corporation, hereafter called the Grantee, subject to all provisions, conditions, covenants and requirements of this order and agreement, the right, privilege and nonexclusive Franchise, to install, locate, construct, maintain, operate, use, and, if necessary, remove a natural gas distribution system and facilities, and all necessary appurtenances thereto, hereinafter called the distribution system, under, upon, over, along, or across those portions of any and all County roads or rights-of-ways, which lie within those legal subdivisions within the County of Benton, State of Washington, set forth and described in "Exhibit A" attached hereto and by this reference made a part hereof, excluding, however, from such subdivisions any portion thereof which is within the corporate limits of any incorporated city or town, but including all portions of said subdivisions which are within any unincorporated town or community. Benton County Resolution No. 72-220, regarding Policy on Accommodation of Utilities on County Road Rights-of-Way, shall apply in all respects to this Franchise and the distribution system.

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AGREEMENT

I. APPROVAL BY COUNTY ENGINEER

All locations, construction, installation, maintenance, relocation or removal of the distribution system or any portion thereof within County roads or rights-of-ways outside the corporate limits of any incorporated town shall be subject to the approval and pass inspection of the County Engineer.

II. PERMIT REQUIRED – MAP AND SPECIFICATIONS TO BE FILED

APPROVAL BY COUNTY ENGINEER -- PERFORMANCE BOND

Prior to commencement of any work on or construction of any portion of the distribution system, Grantee shall file with the County Engineer its application for permit to do such work or construction together with plans and specifications in form and number as approved by the County Engineer showing the position, depth, or height, and location of all lines and facilities sought to be constructed, laid, installed or erected at that time, showing their relative position to existing County roads or rights-of-ways, upon plans drawn to scale indicating exact distance hereinafter collectively referred to as the "map of definite location". Grantee is hereby authorized to extend its facilities throughout the area authorized hereunder.

The distribution system shall be constructed in exact conformity with said map of definite location, except in instances in which deviation may be allowed by the prior written consent of the County Engineer pursuant to application by Grantee. The plans and specifications shall specify, as applicable, the class and type of materials and equipment to be used, manner of excavation, construction, installation, backfill, erection of temporary structures, erection of permanent structures, traffic control, traffic turnouts, and road obstructions, and manner and means by which they affect County roads or rights-of-ways, will be restored to a condition as good as that which existed prior to such work or construction. No such work or construction shall be commenced until the Grantee has first secured a written permit from the County Engineer, which shall include approval by the County Engineer endorsed on one set of plans and specifications to be returned to the Grantee. All such work or construction shall require the inspection and approval of the County Engineer. The Grantee shall pay all reasonable costs and

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expenses incurred in the examination, inspection, and approval of such work or construction by the County Engineer as herein provided.

The County Engineer may require a performance bond in a sum sufficient to guarantee to Benton County that any County roads or rights-of-ways, including the surfaces thereof, affected by any work or construction by the Grantee, shall be restored to a condition as good as that which existed prior to such work or construction, the amount of said bond to be fixed by the County Engineer. The County Engineer, upon notice to the Grantee, may at any time order any and all work that he considers necessary to restore to a safe condition any portion of the County roads or rights-of-ways, the condition of which has been rendered dangerous to the safety of persons or property by reason of any work, construction, or facilities of Grantee, and Grantee, upon demand, shall pay to Benton County all costs of such work, done by order of the County Engineer.

III. COUNTY ROADS TO BE RESTORED

In any work which requires breaking of surface of the County roads or rights-of-ways subject to this Franchise for the purpose of locating, constructing, installing, relocating, removing, maintaining and/or repairing the distribution system, and/or making connections between the same to structures and buildings of consumers or making connections to other facilities of the Grantee now in existence or hereafter constructed, the Grantee shall be governed by and strictly conform to the instructions set forth in the permit issued by the County Engineer for such work; and the Grantee, at its own expense and with all reasonable speed, shall complete the work for which the County roads or rights-of-ways, surface has been broken and repair and restore the affected County roads or rights-of-ways, and the surface thereof to a condition as good as that which existing before the work was commenced. Noxious weed control will be required at the Grantee's expense, and shall meet all requirements of the Benton County Weed Board.

Except in cases of emergency as hereinafter provided, no breaking of surface of any County roads or rights-of-ways, shall be done until Grantee has first obtained a permit therefor issued by the County Engineer as specified in Section II of this Agreement.

PROVIDED, however, that in cases of emergency which occur out of office hours when immediate work may be necessary for the protection or safety of persons or property, the

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emergency shall be immediately reported to the Benton County Sheriff and the necessary work may be immediately undertaken upon the express condition that an application for a permit for such work, as hereinabove provided, shall be submitted to the County Engineer on or before noon of the business day next following the commencement of the emergency work.

IV. INTERFERENCE WITH EXISTING FACILITIES

No location, construction, installation, maintenance, repair, removal or relocation of the distribution system or any portion thereof, performed along or under any County roads or rights-of-ways, shall in any way interfere with the grading or improvement of such County roads or rights-of-ways, or with the construction and maintenance of any existing utility, public or private, drain, drainage ditch or structure, or irrigation ditch or structure, located along or under such county roads, right-of-way or property. In the event that it is necessary to relocate any such county road or right-of-way or alter the grade of any such county road or right-of-way, requiring relocation of any utilities, including rights-of-way, preferences as to positioning of such utilities, shall be given in the order of the original location and installation of such utilities, the utility first having been located and installed being given first preference as to positioning and relocation.

V. MINIMUM INTERFERENCE WITH PUBLIC TRAVEL – GRANTEE LIABLE FOR DAMAGE

All work done under this Franchise shall be done in a thorough and workmanlike manner. All construction, installation, maintenance, repair, relocation, or removal of the distribution system, or any portion thereof, shall be conducted in a manner that will interfere as little as possible with public use of and travel upon County roads or rights-of-ways, shall include all due and necessary measures and precautions to prevent danger to persons or property. Specifically, where such construction, installation, maintenance, repair, relocation or removal involves open trenches, ditches, or tunnels which are left open at night, the Grantee shall place sufficient warning lights and barricades about such trenches, ditches or tunnels to give adequate warning of such work. The Grantee shall assume sole liability for any injury to persons or property which occurs by reason of any trenches, ditches, or tunnels dug or maintained by the Grantee.

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VI. ALL COUNTY ROAD RIGHTS RESERVED

Benton County expressly reserves any and all rights which it now has or may hereafter acquire with respect to County roads or rights-of-ways, and this Franchise shall not be construed to in any way limit or restrict any authority, power, rights, or privileges which Benton County now has or may hereafter acquire to control and regulate the use of County roads or rights-of-ways covered by this Franchise.

VII. COUNTY MAY CHANGE AND IMPROVE ROADS WITHOUT LIABILITY

If Benton County shall at any time improve or change any County roads or rights-of-ways, subject to this Franchise by grading, regrading, surfacing, or paving the same, or by changing, altering, repairing, or relocating the grade thereof or by construction of drainage facilities, the Grantee shall, upon written notice from the County Engineer, at Grantee's sole expense, with all reasonable speed, change the location or readjust the elevation of its distribution system and other facilities so that the same shall not interfere with such county work and so such lines and facilities shall conform to such new grades as may be established. Benton County shall in no respect be held liable for any damages, costs, or expenses to said Grantee that may occur by reason of any of the County's improvements, changes or work above enumerated, except insofar as such damages, costs or expenses shall be caused by negligence of the County's employees or agents.

All work performed by the Grantee under this section shall be under the direction, approval, and shall pass the inspection of the County Engineer. The Grantee shall pay all reasonable costs of and expenses incurred in the examination, inspection, and approval of such work.

VIII. REFERENCE MONUMENTS AND MARKERS

Before any work is performed under this Franchise which may affect any existing monuments or markers of any nature relating to subdivisions, plats, roads, and all other surveys, the Grantee shall reference all such monuments and markers. The reference points shall be so located that they will not be disturbed during the Grantee's operation under this Franchise. The method of referencing these monuments or other points to be referenced shall be approved by the County Engineer. The replacement of all such monuments or markers disturbed during

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construction shall be made as expeditiously as conditions permit, and as directed by the County Engineer. The cost of monuments or other markers lost, destroyed or disturbed, and the expense of replacement by approved monuments shall be borne by the Grantee.

IX. VACATION OF COUNTY ROADS -- ALTERNATE ROUTE

If at any time Benton County shall vacate any County road, right-of-way, or other County property which is subject to rights granted by this Franchise the Board of County Commissioners for Benton County may, after granting an alternate route with the consultation of Grantee, by giving thirty (30) days written notice to the Grantee, terminate this Franchise with reference to such County road, right-of-way, or other County property so vacated and said Benton County shall in no respect be liable for any damages, costs, or expenses to the Grantee that may occur by reason of such termination.

X. GRANTEE TO INDEMNIFY COUNTY -- LIABILITY INSURANCE

The Grantee covenants, agrees and promises that it shall fully indemnify Benton County from any and all liability, loss, injury, damage, costs, charges or expenses of any nature whatever, occurring to any person, association, corporation or property of any kind by reason of any acts, actions, omissions, defaults, or neglect of the Grantee in the construction, operation, or maintenance of the distribution system.

The Grantee further covenants, agrees and promises that, in the event that any claim, suit, or cause of action shall be brought against Benton County by reason of any act, action, omission, defaults, or neglect of the Grantee in the construction, operation, or maintenance of the distribution system, it shall, at its own cost and expense, defend any such claim, suit, or cause of action, and shall pay any and all costs, charges, attorneys' fees, and other expenses therein, and any and all judgments that may be incurred by or obtained against Benton County in any such claim, suit, or cause of action.

The Grantee further covenants, agrees and promises that, in order to secure to the County full and complete performance of the covenants and conditions of this Section "X", it shall, at its own cost and expense, obtain and maintain in effect continually during the term of this Franchise, liability insurance in a company or companies to be approved by the County, such insurance to name the Grantee as the insured and Benton County as additional insured and to

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have minimum limits of not less than \$500,000.00. Written evidence of such insurance in effect shall be furnished to the County Engineer no later than the date that any work or construction under the terms of this Franchise commences. Such additional written evidence of such insurance shall be furnished to the County Engineer from time to time as the County Engineer shall require; in any event, such additional written evidence shall be provided to the County Engineer at least annually during the term of this Franchise. The Grantee's compliance with the provisions of this paragraph relating to liability insurance shall in no way alter, affect, modify or limit any of the other covenants, conditions, and provisions of this paragraph. Acceptance or approval by the County of any work performed by the Grantee shall not constitute a waiver by the County of any of the provisions of this Section "X", and shall not excuse the Grantee from any of the covenants, provisions, or requirements set forth herein.

XI. FRANCHISE NOT EXCLUSIVE

This Franchise shall not be deemed to be an exclusive Franchise. It shall in no manner prohibit Benton County from granting other Franchises of a like nature or Franchises for public or private utilities under, along, across, over, and upon any of the County roads or rights-of-ways, subject to this Franchise and shall in no way restrict, prevent, or prohibit Benton County from constructing, altering, maintaining, or using any of said roads or rights-of-way, drainage structures or facilities, irrigation structures or facilities, or any other County property or affect its jurisdiction over them or any part of them with full power to make all necessary construction, alterations, changes, relocations, repairs, or maintenance, which the County may deem necessary.

XII. PROVISIONS HEREOF BIND SUCCESSOR

All provisions, conditions, covenants, and requirements herein contained shall be binding upon any and all successors and assigns of the Grantee, and all privileges, as well as all obligations and liabilities of the Grantee, shall inure to its successors and assigns equally as if they were specifically mentioned herein wherever the Grantee is mentioned, provided, however, that neither this Franchise nor any rights, privileges, or obligations granted in this order and agreement shall be assigned without the prior written approval of the County Engineer, unless such assignments is to a wholly-owned subsidiary of the Grantee or to a parent company owning

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more than 50% of the Grantee, and unless Benton County is provided with prior written notice of such assignment giving the name and address of the subsidiary or parent company assignee.

XIII. REVOCATION FOR NON-COMPLIANCE

In the event that the Grantee substantially violates or fails to comply with any of the material provisions of this Franchise, the Grantee shall forfeit all rights conferred hereunder and this Franchise shall be revocable by the Board of Benton County Commissioners at their discretion, provided, however, the Board of County Commissioners shall provide the Grantee with written notice of its intention to revoke the Franchise, specifying the nature of such violation, failure, or neglect, and giving the Grantee thirty (30) days in which to cure such violation, failure, or neglect. The Grantee shall be entitled to a hearing, within such thirty-day period, before the Board of County Commissioners.

In the event such hearing is held, the Grantee shall be given prior written notice of the time and place for such hearing. Subject to applicable federal and state law, in the event the Board of County Commissioners, after such hearing, determines that Grantee is in default of any provision of the Franchise, the Board of County Commissioners may:

- a. Foreclose on all or any part of any security provided under this Franchise, if any, including, without limitation, any bonds or other surety; provided, however, the foreclosure shall only be in such a manner and in such amount as the Franchising Authority reasonably determines is necessary to remedy the default;
- b. Commence an action at law for monetary damage or seek other equitable relief;
- c. In the case of substantial default of a material provision of the Franchise, declare the Franchise Agreement to be revoked; or
- d. Seek specific performance of any provision, which reasonably leads itself to such remedy, as an alternative to damages.

XIV. CONFORMITY WITH STATE AND COUNTY

Benton County expressly reserves the right at any time, upon ninety (90) days written notice to the Grantee, to change, amend, modify, or amplify any of the provisions or conditions herein enumerated to conform to any state statute, rule or regulation, or county ordinance, rule or regulation, relating to the regulation of highways or the public welfare, health, safety, as may

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hereafter be enacted, adopted or promulgated, and the County further expressly reserves the right to terminate this Franchise at any time, in accordance with the procedures stated in Section "XIII" above, in the event that the Grantee's distribution system is not operated or maintained in accordance with such statute, ordinance, rule, or regulation.

XV. ACTS OF GOD

The Grantee shall not be held in default or non-compliance with the provisions of the Franchise, nor suffer any enforcement or penalty relating thereto, where such non-compliance or alleged defaults are caused by strikes, acts that are solely the result of an Act of God or similar circumstance, power outages, or other events reasonably beyond its ability to control.

XVI. SEVERABILITY

If any section, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other Section, sentence, paragraph, term, or provision hereof, all of which will remain in full force and effect for the term of the Franchise or any renewal or renewals thereof.

XVII. COMPLAINT PROCEDURES

The Grantee agrees to maintain a local business office which subscribers may telephone during regular business hours without incurring added message or toll charges so that service shall be promptly available. The Grantee agrees to notify each subscriber, at the time of initial subscription to the Grantee's service, of the procedures for reporting and resolving such complaints.

XVIII. ACCEPTANCE BY GRANTEE

Written acceptance by the Grantee of the Franchise granted herein and all provisions, conditions, covenants, and requirements contained in this order and agreement shall be indicated by endorsement by the Grantee where indicated herein below, and a copy of this order and agreement so endorsed by the Grantee shall be filed with the Clerk of the Board of County Commissioners of Benton County within thirty (30) days from the date of acceptance by the

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Board. Such filing of the endorsed order and agreement within the period above specified shall be a condition precedent to this Franchise taking effect, and unless this order and agreement is accepted and filed within such time, it shall be null and void.

XIX. TERM

This nonexclusive Franchise agreement shall be in full force and effect upon execution and shall expire June 30, 2021.

XXI. GRANTEE'S ADDRESS

Information for the Grantee is:

Cascade Natural Gas Corporation

ATTN: Tim Clark

8113 W Grandridge Blvd Kennewick, WA 99336

Phone: 509-734 4500

Any notification required to be given to the Grantee may be given to the address above stated, provided that the Grantee may from time to time notify Benton County in writing of address to which notifications are to be sent.

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FOR GRANTEE:

[Signature]

Date 6-16-2011

APPROVED AS TO FORM:

[Signature]
Benton County Deputy Prosecuting Attorney

Date 6/21/11

FOR BENTON COUNTY,
WASHINGTON.

[Signature]
Chairman

[Signature]
Chairman Pro-Tem

[Signature]
Member

Constituting the Board of County
Commissioners, Benton County,
Washington.

ATTEST:

[Signature]
Clerk of the Board

Date 6-27-11

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EXHIBIT A

All unincorporated areas of Benton County