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December 5, 2006

Via E-Mail and UPS Overnight

Commission Staff
Washington Utilities and Transportation Commission
P.O. Box 47250
1300 S. Evergreen Park Drive, SW
Olympia, WA 98504-7250

Re: In the matter of *MDU Resources Group, Inc. and Cascade Natural Gas Corp.*
Docket No.: UG-061721

Dear Commission Staff:

Enclosed for filing is an original and eleven copies of the Cost Management Services, Inc.'s Petition to Intervene.

Thank you.

Very truly yours,

Davis Wright Tremaine LLP


John A. Cameron

JAC:mq
Enclosures
cc: Service List

**BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

In the Matter of the Joint Application of

MDU RESOURCES GROUP, INC., AND
CASCADE NATURAL GAS CORPORATION

For an Order Authorizing Proposed Transaction

Docket No. UG-061721

**LATE-FILED PETITION TO
INTERVENE BY COST
MANAGEMENT SERVICES, INC.**

1. Pursuant to WAC 480-07-355 and the Commission's Notice of Prehearing Conference, dated November 27, 2006, Cost Management Services, Inc. ("CMS") hereby petitions the Commission for leave to intervene in the above-entitled docket. As grounds for intervention, CMS states the following:

2. **Names and address of petitioner:**

P. Douglas Betzold
Chief Executive Officer
Cost Management Services, Inc.
2737 78TH Avenue, S.E.
Mercer Island, WA 98040

3. **Name and address of attorney representing petitioner:**

John A. Cameron
Davis Wright Tremaine LLP
1300 SW Fifth Avenue, Suite 2300
Portland, Oregon 97201
Phone: 503-241-2300
Fax: 503-778-5299
E-mail: johncameron@dwt.com

4. **Identity of petitioner:**

CMS markets competitively priced natural gas to industrial and commercial customers, some of which are located within the service territory of joint-applicant Cascade Natural Gas Corporation ("Cascade"). These customers access CMS via the transportation option currently

available under Cascade Schedule Nos. 663 and 664. CMS focuses its marketing efforts on a market segment consisting of businesses with significant gas consumption, but not sufficiently large to warrant in-house, energy-management expertise.

5. **The petitioner has the following interest in this proceeding:**

CMS currently has pending a complaint proceeding, WUTC Docket No. UG-061256, in which it has challenged Cascade's private sales of natural gas under rates and contracts different from those on file with the Commission. This complaint case has been fully briefed and awaits Commission decision on or before January 15, 2007. This decision is expected to be issued concurrent with Commission action in the Cascade's general rate proceeding, Docket No. UG-060256, in which CMS is also a party. The relief requested by CMS in Docket No. UG-061256 includes a requested Commission order directing Cascade to cease allegedly unlawful private sales, penalties and an accounting of Cascade's revenues under private sales now in effect. If granted by this Commission, such relief would very likely affect the business and business practices of Cascade under the transaction proposed in this proceeding by the joint applicants.

6. **The petitioner will raise the following issues in this case:**

CMS expects to focus on the possible implications of this Commission's forthcoming order in Docket No. UG-061256 upon the transaction proposed in this proceeding by the joint applicants.

7. **Testimony of witnesses:**

CMS does not expect to file written direct testimony or exhibits in this proceeding. It would reserve the right to cross-examine the witnesses called by the other parties to this proceeding and to submit written briefs as appropriate.

8. **Explanation for Late Filing of Request:**

Petitioner's counsel apologizes for missing the deadline specified in the Commission's

Notice of Prehearing Conference, dated November 27, 2006. Over the past week, counsel focused on completing the CMS answer last Friday, December 1, 2006, in Docket No. UG-061256 and on reviewing initial briefs in the Cascade general rate case. In the press of this other business, counsel overlooked the three-business-day deadline for interventions specified in paragraph 6 of the Notice of Prehearing Conference. Counsel does not believe that this oversight will cause prejudice to the Commission or to any party. CMS counsel has discussed this matter with counsel for the joint-applicants, Mr. Van Norstrand.

9. **Request:**

CMS respectfully requests that its intervention in this proceeding be officially granted. Its interests cannot adequately be represented by any other likely participant in the case.

WHEREFORE, CMS prays for leave to intervene as a party to this proceeding.

RESPECTFULLY SUBMITTED this 5th of December, 2006.

DAVIS WRIGHT TREMAINE LLP
Attorneys for Cost Management Services, Inc.

By: /s/ John A. Cameron
John A. Cameron
DAVIS WRIGHT TREMAINE LLP

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this 5th day of December, 2006, served the foregoing **LATE-FILED PETITION TO INTERVENE BY COST MANAGEMENT SERVICES, INC.** upon parties of record in this proceeding, as follows:

Commission Staff

Washington Utilities and
Transportation Commission (WUTC)
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