

Exhibit No. ___ (MPP-3)

Docket No. UG-060256

Witness: Michael P. Parvinen

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**CASCADE NATURAL GAS
CORPORATION,**

Respondent.

DOCKET NO. UG-060256

ERRATA TO

EXHIBIT TO TESTIMONY OF

MICHAEL P. PARVINEN

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Results of Operation

September 25, 2006

Cascade Natural Gas Corporation
SUMMARY OF ADJUSTMENTS
State of Washington

Line No.	Description (a)	Statement of Operations Per Books (b)	Total Restating Adjustments (c)	Total Restated Results (d)=(b)+(c)	Total Pro forma Adjustments (e)	Total Pro forma Results (f)=(d)+(e)	Revenue Increase Required (g)	Twelve Months Ended 9/30/05 Pro forma (h)=(f)+(g)
	Operating Revenues							
1	Natural Gas Sales	\$ 232,428,111	\$ 58,505,621	\$ 290,933,732	\$ 6,116	\$ 290,939,848	\$ 1,564,132	\$ 292,503,980
2	Gas Transportation Revenue	18,411,461	(18,411,461)	0	0	0	0	0
3	Other Operating Revenue	889,298	0	889,298	0	889,298	0	889,298
4	Total Revenues	\$ 251,728,870	\$ 40,094,160	\$ 291,823,030	\$ 6,116	\$ 291,829,146	\$ 1,564,132	\$ 293,393,278
	Operating Expenses							
5	Natural Gas Purchased	\$ 163,837,631	\$ 35,812,291	\$ 199,649,922	\$ 0	\$ 199,649,922	\$ 0	\$ 199,649,922
6	Distribution	7,682,852	0	7,682,852	0	7,682,852	0	7,682,852
7	Customer Accounts	4,158,014	(67,543)	4,090,471	19	4,090,490	4,816	4,095,306
8	Customer Service & Information	344,136	0	344,136	0	344,136	0	344,136
9	Sales	625,296	(183,585)	441,711	0	441,711	0	441,711
10	Administrative & General	18,556,164	(2,143,627)	16,412,537	532,624	16,945,162	0	16,945,162
11	Wage Adjustment	0	188,561	188,561	832,522	1,021,083	0	1,021,083
12	Depreciation & Amortization	13,632,109	0	13,632,109	(35,514)	13,596,595	0	13,596,595
13	Total Operating Expenses	\$ 208,836,202	\$ 33,606,097	\$ 242,442,299	\$ 1,329,652	\$ 243,771,950	\$ 4,816	\$ 243,776,766
14								
	Operating Taxes							
15	Other Than Income	\$ 23,837,552	\$ 1,207,822	\$ 25,045,374	\$ 89,069	\$ 25,134,443	\$ 63,037	\$ 25,197,480
16	State Income	0	0	0	0	0	0	0
17	Federal Income	3,293,908	1,795,282	5,089,190	(457,705)	4,631,485	508,735	5,140,220
18	Total Taxes	\$ 27,131,460	\$ 3,003,104	\$ 30,134,564	\$ (368,636)	\$ 29,765,928	\$ 571,772	\$ 30,337,700
19	Total Op. Rev. Deductions	\$ 235,967,662	\$ 36,609,201	\$ 272,576,863	\$ 961,015	\$ 273,537,878	\$ 576,588	\$ 274,114,466
20	Net Operating Income	\$ 15,761,208	\$ 3,484,959	\$ 19,246,167	\$ (954,899)	\$ 18,291,268	\$ 987,544	\$ 19,278,812
21	Rate Base	\$ 231,460,401	\$ 0	\$ 231,460,401	\$ 0	\$ 231,460,401	\$ 0	\$ 231,460,401
22	Rate of Return	6.81%		8.32%		7.90%		8.33%

Cascade Natural Gas Corporation

SCHEDULE OF RESTATING ADJUSTMENTS

State of Washington

Line No.	Description (a)	Restatement of Test Period at Current Rates (b)	Removal of Gas Management Services (c)	Restate Gas Cost For Lost & Unaccounted For Gas (d)	Reclassify Gas Transportation into Rate Schedules (e)	Removal of Severance Expenses (f)	Restated Wages and Related Costs (g)	Restated Property Tax Expense (h)	Restated Franchise Fees Expense (i)	Adjustment to Remove Promotional Expense (j)	Restate Test Period For Normal Weather (k)	Restate per books to actual uncollectibles (l)	Total Restating Adjustments (m) = sum(b)-(l)
Operating Revenues													
1	Natural Gas Sales	\$ 37,836,114	\$ 0	\$ 0	\$ 18,411,461	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,258,046	\$ 0	\$ 58,505,621
2	Gas Transportation Revenue	0	0	0	(18,411,461)	0	0	0	0	0	0	0	(18,411,461)
3	Other Operating Revenue	0	0	0	0	0	0	0	0	0	0	0	0
4	Total	\$ 37,836,114	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,258,046	\$ 0	\$ 40,094,160
Operating Expenses													
5	Natural Gas Purchased	\$ 35,812,291	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,812,291
6	Manufactured Gas Production	0	0	0	0	0	0	0	0	0	0	0	0
7	Distribution	0	0	0	0	0	0	0	0	0	0	0	0
8	Customer Accounts	116,510	0	0	0	0	0	0	0	0	6,953	(191,006)	(67,543)
9	Customer Service & Information	0	0	0	0	0	0	0	0	0	0	0	0
10	Sales	0	0	0	0	0	0	0	0	0	0	0	0
11	Administrative & General	0	0	0	0	(2,143,627)	0	0	0	(183,585)	0	0	(183,585)
12	Wage Adjustment	0	0	0	0	0	0	0	0	0	0	0	(2,143,627)
13	Depreciation & Amortization	0	0	0	0	0	188,561	0	0	0	0	0	188,561
14	Total Operating Expenses	\$ 35,928,801	\$ 0	\$ 0	\$ 0	\$ (2,143,627)	\$ 188,561	\$ 0	\$ 0	\$ (183,585)	\$ 6,953	\$ (191,006)	\$ 33,606,097
Operating Taxes													
15	Other Than Income	\$ 1,524,848	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 86,974	\$ (495,002)	\$ 0	\$ 91,002	\$ 0	\$ 1,207,822
16	State Income	0	0	0	0	0	0	0	0	0	0	0	0
17	Federal Income	130,038	0	0	0	728,833	(64,111)	(29,571)	168,301	62,419	734,431	64,942	1,795,282
18	Total Taxes	\$ 1,654,886	\$ 0	\$ 0	\$ 0	\$ 728,833	\$ (64,111)	\$ 57,403	\$ (326,701)	\$ 62,419	\$ 825,433	\$ 64,942	\$ 3,003,104
19	Total Op. Rev. Deductions	\$ 37,583,687	\$ 0	\$ 0	\$ 0	\$ (1,414,794)	\$ 124,450	\$ 57,403	\$ (326,701)	\$ (121,166)	\$ 832,386	\$ (126,064)	\$ 36,609,201
20	Net Operating Income	\$ 232,427	\$ 0	\$ 0	\$ 0	\$ 1,414,794	\$ (124,450)	\$ (57,403)	\$ 326,701	\$ 121,166	\$ 1,425,660	\$ 126,064	\$ 3,484,959
21	Rate Base	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Cascade Natural Gas Corporation				
Weather Normalization Adjustment For Twelve Months Ended 9/30/05				
State of Washington				
<u>Line</u>				
<u>No.</u>	Description	Current Rate	Therms	Margin
	(a)	(b)	(c)	(d)
	<u>Residential</u>			
1	Rate Schedule No. 503 Therm Adjustment		6,102,948	
2	Commodity Margin	0.22658		\$ 1,382,806
	<u>Commercial</u>			
3	Rate Schedule No. 504 Therm Adjustment		4,495,557	
4	Commodity Margin	0.19469		\$ 875,240
5	Totals		10,598,505	\$ 2,258,046 1/

1/ Carried forward to Exhibit ____ (MPP-3), page 2, column (k), line 1.