

**CASCADE NATURAL GAS CORPORATION**  
**Washington Utilities & Transportation Commission**  
**2006 Rate Case Data Request**

**Request No. 229**

Date prepared: September 29, 2006

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**WUTC STAFF DATA REQUEST NO. 229:**

**Re: Removal of Management Services**

Referring to the responses to WUTC Staff Data Requests Nos. 220 to 223, please provide an explanation of how Cascade recovers or refunds the monthly imbalance.

**Response:**

The current Gas Management Contracts with customers are all volumetric contracts, which mean the customer only pays for those volumes actually consumed. Any difference between volumes purchased and volumes consumed is maintained within the non-core gas supply portfolio as an imbalance and recorded under FERC 2320. The Company delivers the imbalance volume as first gas through the meter the following month and at month close the Company compares total supply available (last months imbalance plus current month's purchases) with gas consumed to determine the current monthly imbalance. If the imbalance becomes too large, the Company either purchases additional supplies (FERC 8040) or sells the excess (FERC 4810).