

Cascade Natural Gas Corporation
NOTICE OF TARIFF CHANGE
February 14, 2006

Important Notice for Washington Customers

Cascade proposes 4.47% percent increase in natural gas rates

On February 14, 2006, Cascade Natural Gas Corporation filed with the Washington Utilities & Transportation Commission (WUTC) a request to increase natural gas rates by an average of 4.47% percent. This filing constitutes a general rate case application in which Cascade has requested to increase its rates to reflect the current cost of delivering natural gas to our customers. The filing includes the request to have these new rates become effective on March 16, 2006. However, the WUTC will conduct a thorough investigation of the filing and may take up to 11 months to review and rule on the request.

This is the first increase in our rates since August 1996 that reflect Cascade's operating cost and return on investment. The Company is aware that the annual Purchased Gas Adjustment filings have substantially increased our customers' natural gas bills. The high wholesale cost of natural gas has also adversely impacted the Company financially and is a major cause of the requirement to seek rate relief at this time. Currently, the best tactic for lowering the cost of natural gas is conservation. Cascade's filing includes an aggressive conservation program, including a conservation awareness and education program, low income assistance, a conservation potential study and the investment in cost effective conservation measures. Also included is a mechanism to eliminate the financial disincentive for Cascade to pursue conservation. This mechanism will also ensure that customers do not over pay for the delivery of their gas during colder than normal weather.

Cascade is also proposing to spread the revenue requirements to various customer rate schedules in a manner that better reflect the cost attributable to each customer group. The average proposed increase by customer class and rate schedule are as follows:

Line No.	Customer Type	Rate Schedule	Therms Per Month	Cost Under Current Rates	Cost Under Proposed Rates	Amount of Change	Percentage of Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Residential Customers:						
1	Winter Average (Oct -Mar)	503	85	\$ 101.41	\$ 111.05	\$ 9.64	9.50%
2	Winter High Use	503	129	\$ 151.83	\$ 163.35	\$ 11.52	7.59%
3	Summer Average (Apr -Sept)	503	27	\$ 34.94	\$ 36.10	\$ 1.16	3.31%
4	Commercial General Service	504	283	\$ 321.93	\$ 333.98	\$ 12.05	3.74%
5	Industrial General Service	505	2,098	\$ 2,226.54	\$ 2,323.86	\$ 97.33	4.37%
6	Large Volume Firm	511	9,321	\$ 9,683.46	\$ 9,090.05	\$ (593.41)	-6.13%
7	General Interruptible	570	38,859	\$ 22,383.26	\$ 22,158.36	\$ (224.90)	-1.00%
8	Institutional Interruptible	577	11,327	\$ 11,244.65	\$ 10,876.01	\$ (368.64)	-3.28%
9	Non-Core System Transportation	663	55,985	\$ 5,387.26	\$ 2,987.74	\$ (2,399.53)	-44.54%
10	Non-core Large Volume	664	539,316	\$ 20,283.22	\$ 25,881.69	\$ 5,598.47	27.60%

The effect of this filing on the average monthly winter bill of a residential customer for consumption of 85 therms will be an increase of \$9.64 or 9.5%. For the coldest winter months where the average monthly usage is 129 therms, the increase would be \$11.52 or 7.59%. For a commercial customer, the increase in the monthly bill for 283 therms will be \$12.05 or 3.74%. Industrial customers consuming 2,098 therms served under Cascade's industrial general service tariff, schedule 505, will increase \$97.33 or 4.37%. Large volume firm customers served under schedule 511 will experience an decrease of -6.13%. Large volume interruptible customers rates will decrease by -1.00%. Non-core customers will receive a decrease of -10.8%.

If you have questions about the proposed filing, call Cascade at (206) 624-3900.

The WUTC has the authority to set final rates that may be different from the requested increase based on the results of their investigation. If you would like to comment on this filing, you may contact the Washington Utilities and Transportation Commission at the following address: WUTC, 1300 S. Evergreen Park Drive S.W., P.O. Box 47250, Olympia, WA 98504-7250; by fax at (360) 664-4291, or by e-mail at wutc.wa.gov.

If you would like to be added to the Commission's mailing list to be notified of the open (public) meeting dates, or if you have questions about the rate making process, please call (800)-562-6150 and leave your name, complete mailing address, the company's name (Cascade Natural Gas), and a description of the proposal you are interested in.

A copy of the proposed tariffs are available for inspection on Cascade Natural Gas Corporation's website at www.cngc.com or can be obtained by calling (206) 624-3900, or writing:

Cascade Natural Gas Corporation
Attn: Rates Department
P.O. Box 24464
222 Fairview Avenue North
Seattle, WA 98109

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Keep Posted Until: January 14, 2007