



222 FAIRVIEW AVENUE N., SEATTLE, WASHINGTON 98109-5312 206-624-3900  
FACSIMILE 206-654-4039

March 10, 2008

Ms. Carole J. Washburn, Executive Secretary  
Washington Utilities & Transportation Commission  
1300 S. Evergreen Park Drive SW  
Olympia, WA 98504-9022

**Filed Electronically (hard copy to follow via overnight mail)**

Re: Compliance Filing – WUTC Docket UG-061256, Order 8; UG070332, Order 7;  
UG070639, Order 02; and UG-072337 Order 01

Pursuant to RCW 80.28.060, WAC-480-07-880 and -883, enclosed for filing are three copies of the following revised tariff sheets:

**Tariff WN U-3**  
**Substitute Sixth Revision Sheet No. 682**  
**Substitute Fourth Revision Sheet No. 684**  
**Substitute Third Revision Sheet No. 684-A**

The purpose of this filing is to comply with the Commission's Order 08 in Docket UG-061256, et. al, Accepting Settlement Agreement on Condition; Dismissing Complaint and Order Suspending Tariff revision; Approving Tariff Revisions; Requiring Compliance Filing; Approving Transfer of Contracts; Closing Dockets . The attached tariff sheets reflect the terms of the Settlement Agreement authorized in the Order.

The enclosed tariff sheets reflect issue dates of March 7, 2008 and include an effective date of April 1, 2008 by authority of the Commission in Docket UG-070332. Although the parties requested an approval of the Settlement agreement by March 7, 2008, the Company is requesting a later effective date of the tariffs, in order to facilitate the transfer of the contracts held by CGC Energy back to Cascade and to facilitate the billing process. A number of CGC Energy contracts expire on March 31, 2008 and therefore, by delaying the effective date of the tariffs, they will simply expire and no transfer will be necessary. Additionally, by delaying the effective date, customers will receive only one bill for gas management services during March. If the tariffs become effective during mid-month, CGC Energy would bill customers for sales prior to the effective date of the tariff, and Cascade Natural Gas Corporation would bill for usage after the tariff effective date.

The requested delay in the effective date of the tariff sheets will have no impact on the implementation of the terms of the approved settlement agreement, including the customer notification process outlined in the agreement (Settlement Agreement, Exhibit A). The Company has begun the notification process, and

*We make warm neighbors*

www.cngc.com

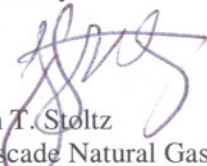
Ms. Washburn  
Page 2

has attached, as Exhibit 1, a copy of the notification letter that is being distributed to customers. Additionally, the settlement agreement includes the revenue sharing provisions from the Commission's Order in UG-060256, regardless of whether the sales are made by Cascade or CGC Energy, and therefore there is no impact to ratepayers.

As required by WAC 480-07-883 (2), a copy of this filing has been served on each party to this proceeding.

Any questions regarding this filing should be directed to Katherine Barnard at (206) 381-6824.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jon T. Stoltz", is written over the typed name.

Jon T. Stoltz  
Cascade Natural Gas Corporation  
Sr. Vice President – Gas Supply & Regulatory

Enclosures



## CASCADE NATURAL GAS CORPORATION

**OPTIONAL BEST EFFORTS SPOT MARKET GAS SUPPLY  
SCHEDULE NO. 682**

(N)

**APPLICABILITY:**

This schedule applies throughout the territory served by the Company under the tariff of which this schedule is a part, as a supplemental schedule to unbundled distribution system transportation service.

**EXPIRATION OF SERVICE AVAILABILITY**

Optional Best Efforts Spot Market Gas Supply service under this schedule shall not be available after October 31, 2008.

**GAS SUPPLY DESCRIPTION**

The per therm cost of gas supplied to customers under this **Optional Best Efforts Spot Market Gas Supply** will be based upon the per therm cost of gas supplies purchased by Company at a negotiated price available on the open spot market for gas, plus all of the costs incurred by Company to deliver the gas to the city gate.

**CONTRACT TERM:**

Customers choosing **Optional Best Efforts Spot Market Gas Supply** under this schedule shall execute a service contract with a primary term that has a termination date in any year of September 30 of that year. In no event shall a term of contract be less than one year. Said contract shall state the maximum daily volume of gas to be delivered under this gas supply schedule as well as the distribution system transportation rate schedule under which customers will be receiving all gas delivered by the Company.

**RATE:****Commodity Gas Supply Charge:**

The charge for the commodity cost of gas for customers electing this option shall include all costs of such supply at the city gate. The cost of such commodity for the upcoming month, for the Customers "estimated gas supply requirements" as defined in Rule 20's Operating Obligations and Conditions Section 1, shall be communicated to each customer served under this **Optional Best Efforts Spot Market Gas Supply** at the beginning of the month.

Customer gas supply requests during the current month that are in excess of that month's "estimated gas supply requirements" will be considered incremental supplies. Such requests shall be subject to availability and payment of incremental costs incurred in obtaining such supplies.

**GROSS REVENUE FEE REIMBURSEMENT CHARGE**

The total of all charges invoiced by Company shall be subject to a Gross Revenue Fee reimbursement charge of 4.535% to cover governmental levies imposed upon the Company.

**TERMS OF PAYMENT:**

Payment shall be due and payable within fifteen (15) days from the date the bill is rendered.

**SPECIAL TERMS AND CONDITIONS**

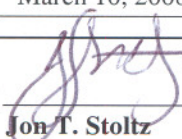
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(N)

By Authority of the Commission's Order 07 in Docket No. UG-070332

ISSUED March 10, 2008EFFECTIVE April 1, 2008

BY



Jon T. Stoltz

ISSUED BY **CASCADE NATURAL GAS CORPORATION**

TITLE Senior Vice President  
Regulatory & Gas Supply

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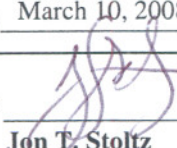
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**Regulatory & Gas Supply**

## CASCADE NATURAL GAS CORPORATION

OPTIONAL GAS SUPPLY  
SCHEDULE NO. 684

(N)

**APPLICABILITY:**

This schedule applies throughout the territory served by the Company under the tariff of which this schedule is a part, as a supplemental schedule to unbundled distribution system transportation service.

**EXPIRATION OF SERVICE AVAILABILITY**

Optional Gas Supply service under this schedule shall not be available after October 31, 2008.

**GAS SUPPLY DESCRIPTION**

Company shall provide gas supply to customers electing service under this rate schedule at a Point of Sale either at the City Gate or a Pipeline Receipt point under the terms and conditions of this rate schedule. The per dekatherm price of gas supplied under this schedule shall be negotiated and included as part of a contract between customer and Company. The price shall be based upon the Company's cost of the gas supply purchased to serve customer, all of the costs incurred by Company to deliver the supply to the Point Of Sale, a risk-premium mark-up for each customer electing this option, and other charges, as reflected in this rate schedule. The customer shall select either a fixed or variable price for gas supply. A fixed price shall be based upon the forward prices at the Point of Sale for the required period at the time of making the contract. A variable price shall be based upon the published First-Of-The-Month index price related to the source of the supply.

**POINT OF SALE**

Point Of Sale shall refer to the location where the change in custody or ownership from the Company to the customer shall occur.

**Pipeline Receipt Point:** For those customers that choose to acquire pipeline transportation capacity on Northwest Pipeline Corporation's (NPC) system, either directly from NPC or through the Capacity Release marketplace, the point of sale shall be the authorized receipt point(s) as designated in the customer's Transportation Agreement with NPC. Such receipt points may be Sumas Receipt, Stanfield Receipt, Opal Receipt or other authorized receipt point(s). Customers with such NPC capacity shall provide sufficient quantities of gas supply directly to NPC to satisfy NPC's fuel-in-kind requirements and shall be invoiced directly from NPC for the cost of pipeline transportation. These customers shall not pay the Company any additional charges for pipeline transportation.

**City Gate:** For those customers that choose the Point Of Sale to be the City Gate connecting the Company's distribution system to NPC's pipeline, the Company will include in the price of gas supply the current market value of the released capacity, determined at the time of entering the contract based upon NPC tariffs and market data, and the cost of providing sufficient quantities of supply to satisfy NPC's fuel-in-kind requirements in its determination of the City Gate price.

**RISK-PREMIUM MARK-UP**

The price offered by the Company shall include a Risk-Premium Mark-Up that, in the sole judgment of the Company, provides compensation for the financial risk the Company will be incurring in providing gas supply services to the customer. The following lists the range of Risk-Premium Mark-Up the Company will include in its prices for the various types of supply arrangements.

(N)

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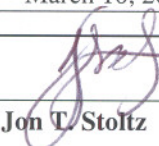
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## CASCADE NATURAL GAS CORPORATION

**OPTIONAL GAS SUPPLY  
SCHEDULE NO. 684  
(Continued from Previous Page)**

(N)

**RISK-PREMIUM MARK-UP (Continued)**

**Baseload or fixed volume per month:** Customer agrees to purchase a set quantity of gas supply each month of the contract term. In such cases, the Risk-Premium Mark-Up shall be no more than \$.10 per Dekatherm or less than \$.005 per Dekatherm.

**Baseload or fixed volume with  $\pm 5\%$  tolerance:** Customer agrees to purchase between 95% and 105% of a set quantity of gas supply each month of the contract term. In such cases, the Risk-Premium Mark-Up shall be no more than \$.15 per Dekatherm or less than \$.01 per Dekatherm.

**Baseload or fixed volume with  $\pm 10\%$  tolerance:** Customer agrees to purchase between 90% and 110% of a set quantity of gas supply each month of the contract term. In such cases, the Risk-Premium Mark-Up shall be no more than \$.25 per Dekatherm or less than \$.02 per Dekatherm.

**100% Volumetric:** Customer agrees to purchase all gas required each month of the contract term. In such cases, the Risk-Premium Mark-Up shall be no more than \$1.00 per Dekatherm or less than \$.02 per Dekatherm.

**GROSS REVENUE FEE REIMBURSEMENT CHARGE**

The total of all charges invoiced by Company for Optional Gas Supply Services shall be subject to a Gross Revenue Fee reimbursement charge to cover state utility tax and other governmental levies imposed upon the Company. The current Gross Revenue Fee is 4.535%.

**CONTRACT:**

Customers receiving Gas Supply service under this schedule shall execute a NAESB Base service contract including a Transaction Confirmation Sheet or a Gas Management Services Agreement.

**TERMS OF PAYMENT:**

Payment shall be due and payable within fifteen (15) days from the date the bill is rendered.

**SPECIAL TERMS AND CONDITIONS**

1. Customers served under this schedule are subject to Rule 20 Unbundled Distribution Transportation service rules.

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**OPTIONAL GAS SUPPLY  
SCHEDULE NO. 684  
(Continued from Previous Page)**

(N)

**RISK-PREMIUM MARK-UP (Continued)**

**Baseload or fixed volume per month:** Customer agrees to purchase a set quantity of gas supply each month of the contract term. In such cases, the Risk-Premium Mark-Up shall be no more than \$.10 per Dekatherm or less than \$.005 per Dekatherm.

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**OPTIONAL GAS SUPPLY  
SCHEDULE NO. 684  
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**RISK-PREMIUM MARK-UP (Continued)**

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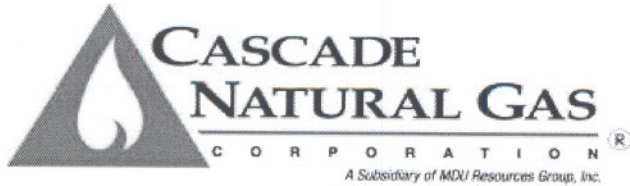
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TITLE Senior Vice President  
Regulatory & Gas Supply



*In the Community to Serve®*

7 March 2008

{!Contact.FirstName} {!Contact.LastName}  
{!Account.Name}  
{!Contact.MailingAddress}  
{!Contact.MailingCity} {!Contact.MailingState} {!Contact.MailingPostalCode}

Dear {!Contact.FirstName} {!Contact.LastName},

In our previous communication to you as our valued customer, we notified you that a Settlement Agreement had been filed with the Washington Utilities and Transportation Commission (“WUTC”), effectively terminating all business activities by Cascade Natural Gas Corporation (“Cascade”) and CGC Energy, Inc. (“CGCE”) that were associated with unbundled retail gas supply sales in Washington. As of March 6, 2008, this Settlement Agreement has been approved by the WUTC. Therefore, Cascade and CGCE will no longer be allowed to engage in retail natural gas supply sales activities after October 31, 2008.

We will not be renewing any existing contracts, but we assure you again that any current gas supply contract you have with Cascade or CGCE will be honored in full to the expiration date of that contract. There is the potential for a transfer of your contract and its terms to a third party marketing company and should that opportunity materialize, you will be contacted again in that regard.

These changes will not affect Cascade as your regulated natural gas distribution company, nor will the Settlement Agreement change your distribution service or other bundled services that may be available through Cascade.

Your Account Managers are in place to help, and will be available to assist you during this transition. As part of this assistance, attached to this letter you will find a listing of active marketing companies that may be contacted as your replacement natural gas provider. As always, please feel free to e-mail or call your Account Managers if you require clarification or if you have any questions or concerns:

**Dennis Gates**  
206-381-6835  
[dgates@cngc.com](mailto:dgates@cngc.com)

**Mickey Patton**  
206-381-6852  
[mpatton@cngc.com](mailto:mpatton@cngc.com)

**Paula Allen**  
206-381-6834  
[pallen@cngc.com](mailto:pallen@cngc.com)

It has been an honor and a pleasure serving you with natural gas supplies and assisting you with the energy needed to run your business effectively and competitively. Although we will no longer be in the natural gas supply business, we look forward to our continued relationship with you as Cascade Natural Gas Corporation, providing you with a full array of distribution services and partnering with you for success.



**CASCADE NATURAL GAS LIST OF ACTIVE NATURAL GAS MARKETERS**

March-08

COMPANY NAME	TITLE	NAME	PHONE	FAX	E-MAIL	CELL
<b>IGI RESOURCES, INC., a subsidiary of BP ENERGY COMPANY</b>						
	President	Randy Schultz	208-395-0512		<a href="mailto:schultrl@bp.com">schultrl@bp.com</a>	
	Manager, Marketing Services	Ralph Epling	425-576-1266		<a href="mailto:epling@bp.com">epling@bp.com</a>	
<b>CMS (Cost Management Services), INC. 206-236-8807</b>						
	President	Beth Ann Beatty	206-236-8808		<a href="mailto:beth@cmsnaturalgas.com">beth@cmsnaturalgas.com</a>	253-380-8326
	Account Manager	Carolyn J Rider	206-236-8808		<a href="mailto:carolyn@cnsnaturalgas.com">carolyn@cnsnaturalgas.com</a>	206-390-5660
<b>SHELL ENERGY NORTH AMERICA/CORAL ENERGY</b>						
	Director	Rick J. Kunz	503-223-6344		<a href="mailto:rick.kunz@shell.com">rick.kunz@shell.com</a>	503-504-9505
	General Manager	Michael D'Arienzo	509-688-6037		<a href="mailto:michael.dariento@shell.com">michael.dariento@shell.com</a>	509-954-4601
<b>NATIONAL FUEL MARKETING</b>						
	Senior Originator	Dana Zentz	509-448-7589		<a href="mailto:dzantz@nationalfuelmarketing.com">dzantz@nationalfuelmarketing.com</a>	
	Scheduling	Buddy Farah	303-996-6782			
<b>KIMBALL RESOURCES</b>						
	Director, Business Development	Bruce Langmade	360-433-0733		<a href="mailto:blangmade@kimballresources.com">blangmade@kimballresources.com</a>	360-624-3660
	Account Manager	Robin Pierce	360-427-3500		<a href="mailto:rpierce@masoncountyfp.com">rpierce@masoncountyfp.com</a>	
<b>SEMPRA ENERGY TRADING</b>						
	Marketing/Seller	Damon Suter	949-759-1939		<a href="mailto:dsuter@sempratradng.com">dsuter@sempratradng.com</a>	
	Marketing/Seller	Jim Vallillo	203-414-1506			
<b>PPM ENERGY 801-456-2306</b>						
	President	Ralph Curry	503-796-7024		<a href="mailto:ralph.curry@ppmenergy.com">ralph.curry@ppmenergy.com</a>	
	VP	Dave Santucci	281-379-7440		<a href="mailto:dave.santucci@ppmenergy.com">dave.santucci@ppmenergy.com</a>	
	Director of Gas Originaton	Todd Blackford	281-379-7430		<a href="mailto:todd.blackford@ppmenergy.com">todd.blackford@ppmenergy.com</a>	
<b>KTM, INC.</b>						
	Sr. Vice President	Jon W. Engers	303-885-4140 x105		<a href="mailto:jengers1@ktmnc.com">jengers1@ktmnc.com</a>	
	Gas Manager	Renato Nitura	303-564-8396 x104		<a href="mailto:rnitura@ktmnc.com">rnitura@ktmnc.com</a>	
<b>OCCIDENTAL ENERGY MARKETING</b>						
	Marketer/Seller	Jay Powell	801-534-4416		<a href="mailto:jay_powell@oxy.com">jay_powell@oxy.com</a>	
	Marketer/Seller	Eric Hendry	713-215-7621		<a href="mailto:eric_hendry@oxy.com">eric_hendry@oxy.com</a>	