

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 1

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 1: Please define the term "gas supply" as used in the quoted sentence.

Response:

Gas Supply or gas supply is meant to mean the commodity traded physical supply of gas that can be purchased on the open market.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 2

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 2: Please provide a copy of the regulatory order or other authorization from the Washington Utilities and Transportation Commission ("WUTC") under which the Company sells, or offers to sell, "gas supply" to eligible customers requesting such supply from the Company in connection with Schedule 663 service to that customer.

Response:

Cascade has been authorized to sell gas supplies to our non-core or transportation customers since the inception of unbundled services in November 1989. Attached are copies of the Commission's Order in Docket 89-3364-T, Docket 89-3365-T and Docket 89-3449-T.

NOV 29 1989

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Requested)	
Waiver of Statutory Notice in)	DOCKET NO. 89-3364-T
Connection with the Tariff)	
Revision Filed by CASCADE)	W.S.N. ORDER
NATURAL GAS CORPORATION.)	
.....)	

Cascade Natural Gas Corporation, November 8, 1989 filed with the Commission under its Advice No. W89-11-02 a revision to its currently effective Tariff WN U-3, designated as Tenth Revision Sheet No. 595.

The tariff sheet bears an inserted effective date of December 10, 1989. This date recognizes statutory notice as required. The company requests, however, that statutory notice be waived and that the revision become effective December 1, 1989.

The purpose of this filing is to pass on the net decrease resulting from wholesale gas cost savings, refunds and direct billings associated with prior period gas purchase transactions.

Waiver of statutory notice is requested so that this adjustment may be passed on to customers as soon as possible.

The original filing was made in a timely manner but was withdrawn in order to redevelop the application at the request of WUTC staff.

Since the tariff revision filed herein is fair, just and reasonable, and waiver of statutory notice is not inconsistent with the public interest, in view of the above, it is deemed appropriate that the company be granted the waiver it is requesting and an effective date of December 1, 1989.

FINDINGS

After careful examination of the tariff revision filed herein by Cascade Natural Gas Corporation, November 8, 1989, and giving consideration to all relevant matters and for good cause shown, the Commission finds that the tariff revision should become effective December 1, 1989.

CC: Rate Committee

*cc: Rate Com
Order Book*

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Requested)	
Waiver of Statutory Notice in)	DOCKET NO. 89-3365-T
Connection with the Tariff)	
Revisions filed by CASCADE)	W.S.N. ORDER
NATURAL GAS CORPORATION.)	
.....))	

Cascade Natural Gas Corporation, November 8, 1989, filed with the Commission under its Advice No. W-89-11-03 revisions to its currently effective Tariff WN U-3, designated as:

Fifth Revision Sheet No. 1	Original Sheet No. 682-A
Twenty-Sixth Revision Sheet No. 2	Original Sheet No. 682-B
Ninth Revision Sheet No. 2-A	Original Sheet No. 683
Third Revision Sheet No. 21	Original Sheet No. 683-A
Third Revision Sheet No. 21-A	Original Sheet No. 683-B
Second Revision Sheet No. 21-B	Original Sheet No. 683-C
First Revision Sheet No. 21-C	Original Sheet No. 684
Fifty-First Revision Sheet No. 500	Original Sheet No. 684-A
Sixth Revision Sheet 500-A	Original Sheet No. 684-B
Original Sheet No. 678	Original Sheet No. 684-C
Original Sheet No. 678-A	Original Sheet No. 685
Original Sheet No. 678-B	Original Sheet No. 685-A
Original Sheet No. 678	Original Sheet No. 685-B
Original Sheet No. 679-A	Original Sheet No. 685-C
Original Sheet No. 679-B	Original Sheet No. 686
Original Sheet No. 681	Original Sheet No. 686-A
Original Sheet No. 681-A	Original Sheet No. 687
Original Sheet No. 681-B	Original Sheet No. 687-A
Original Sheet No. 681-C	Original Sheet No. 688
Original Sheet No. 682	Original Sheet No. 688-A

The tariff sheets bear an inserted effective date of December 10, 1989. This date recognizes statutory notice as required. The company requests, however, that statutory notice be waived and that the revisions become effective December 1, 1989.

The purpose of this filing is to establish the majority of the service schedules envisioned under the unbundled service schedule proposal intended for the company's general rate decrease application (Docket No. 89-3349-T). The filing also consolidates the company's current WN U-1 Tariff into the company's existing WN U-3 Tariff.

DOCKET NO. 89-3365-T

Waiver of statutory notice is requested so that the proposed tariff revisions can become effective on the same date as the proposed rate decrease application (Docket No. 89-3349-T) is approved.

Since the tariff revisions filed herein are fair, just and reasonable and waiver of statutory notice is not inconsistent with the public interest, in view of the above, it is deemed appropriate that the company be granted the waiver it is requesting and an effective date of December 1, 1989.

FINDINGS

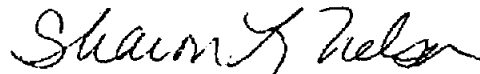
After careful examination of the tariff revisions filed herein by Cascade Natural Gas Corporation, November 8, 1989, and giving consideration to all relevant matters and for good cause shown, the Commission finds that the tariff revisions should become effective December 1, 1989.

O R D E R

THE COMMISSION THEREFORE ORDERS That the requested waiver of statutory notice in connection with the tariff revisions filed herein by Cascade Natural Gas Corporation, November 8, 1989, is hereby granted, and said tariff revisions shall become effective December 1, 1989.

DATED at Olympia, Washington, and effective this 29th day of November, 1989.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



SHARON L. NELSON, Chairman



RICHARD D. CASAD, Commissioner



A. J. PARDINI, Commissioner

Docket Number: 89-3365-T
Cascade Natural Gas Company (Cascade)

Staff: Ken Elgin, Utilities Rate Research Specialist *K*
Jim Russell, Revenue Requirements Specialist *R*
Pete Caballero, Revenue Requirements Specialist *P*
Dick Bostwick, Utility Tariff Specialist *B*

Recommendation:

Issue an order approving the tariff revisions filed in Docket No. 89-3365-T to become effective December 1, 1989 by Waiver of Statutory Service.

Discussion:

This filing is the last element of Cascade's plan designed to unbundle the natural gas services offered through its tariff for its non-core customers. This filing would enable Cascade to provide optional standby service, underground storage service and balancing service to its non-core customers. In addition, the filing also revises Rule 17 of the company's tariff, Firm Service Priority, to account for the new gas supply options available to the company's non-core customers--specifically, those non-core customers purchasing both optional firm gas supply and optional firm pipeline transportation capacity. Finally, the filing consolidates the company's WN U-1 and WN U-3 tariffs.

Last November, Cascade began to unbundle the services on its system. In Docket No. 88-2498-T, the company proposed tariffs establishing gas supply options for its customers, which eventually became the distinction for the core and non-core customer groups of Cascade. This September, the company then filed, in Docket No. 89-3273-T, a tariff revision offering its non-core customers pipeline capacity at rates that would directly bill its customers for those pipeline capacity costs. (The company chose to retain, rather than release to the Pipeline, approximately 780,000 therms per day of firm transportation capacity on Northwest Pipeline's system.) This filing completes the package by introducing Schedule 679--Distribution Capacity Standby Service, Schedule 687--Optional Best Efforts Balancing Service and Schedule 688--Optional Underground Gas Storage.

The Distribution Capacity Standby Service is designed to reimburse Cascade for its cost of distribution facilities, should a customer bypass Cascade's system, but still desire the optional services available under Cascade's tariff. The proposed rates are \$1.00 per therm of monthly contract demand and 1 cent per therm for each therm delivered up to the contract demand plus all commodity charges. The schedule also calls for overrun penalties of 19.389 cents per therm, should the customer request deliveries in excess of its contract demand.

Docket Number: 89-3365-T
Cascade Natural Gas Company
Page 2

Schedule 687 is the proposed balancing service designed for customers that can expect to have wide fluctuations in their daily usage over and above their daily nominations. The company will utilize its entitlement to storage service (SGS-1) or interruptible overrun service (IOS-1) as needed to meet the customer's daily fluctuations. The rates for the balancing service are 2.525 cents per therm, plus the incremental cost of any available gas supply to meet the imbalances. If the company determines that storage service is available to meet the imbalance, the customer will pay both injection and withdrawal fees and have 30 days to reverse the imbalance.

Rate Schedule 688 proposes an optional storage service for its non-core customers. The company will contract with the owners or operators of storage capacity for the term requested by the customer. The proposed rates and charges as currently proposed are a direct flow through of FERC approved rates plus any gross revenue fees imposed upon Cascade. Currently, there is no storage service available that Cascade could obtain to offer its non-core customers. The Staff views Cascade's offering of optional storage service to non-core customers as an enhancement of its distribution services.

The Commission should note that in the company's general rate filing, Docket No. 89-3449-T, Cascade has proposed no pro forma revenues for any of these new services. Once Cascade has operational data available from these offerings, Staff will be able to normalize revenue into future results of operations.

Docket Number: 89-3449-T
Cascade Natural Gas Company (Cascade)

Staff: Ken Elgin, Utilities Rate Research Specialist *KE*
Jim Russell, Revenue Requirements Specialist *JR*
Pete Caballero, Revenue Requirements Specialist *PC*
Dick Bostwick, Utility Tariff Specialist *DB*

Recommendation:

Issue an order permitting the tariff revisions filed in Docket No. 89-3449-T to become effective December 1, 1989 by Waiver of Statutory Notice.

Discussion:

This filing is an effort by Cascade to incorporate into its general rates a reduction of \$18,366,008. The proposed reduction is the result of several important changes to Cascade's cost of service. The primary element of the reduction is Cascade's new service agreement with Northwest Pipeline Corporation, the company's assignment of 780,000 therms of firm Pipeline capacity directly to Cascade's non-core markets, and new rates for service from the company's primary pipeline supplier. The Commission in two prior dockets, Numbers 88-2498-T and 89-3237-T, approved tariff revisions that define Cascade's non-core markets. Those tariffs require the non-core customers to elect their gas supply and pipeline capacity options independent of service through Cascade's distribution system. These schedules also provide the mechanism for recovering the costs of pipeline capacity directly assigned to the non-core markets.

In addition to the purchased gas cost adjustment, which accounts for a reduction of \$17.6 million, the filing also contains proposed restating and pro forma adjustments for: annualized revenues, wages, taxes, insurance and rate of return. Since this filing proposes a completely new rate design for the non-core markets, it was necessary to develop fully restated pro forma results of operations. On the basis of staff's audit of Cascade's results of operations, we recommend that Cascade be allowed to file tariff revisions that reduce rates by \$18.4 million.

The company's authorized rate of return determined in Cause No. U-86-100 is 12.40 percent based upon a 13.55 percent return on equity and an equity ratio of approximately 40 percent. The Commission staff has updated the discounted cash flow analysis used in Cause No. U-86-100 and calculated a pro forma cost of debt and preferred stock as of September 30, 1990. These adjustments will more accurately reflect the cost of money expected during the period rates will be in effect. The rate of return found by staff to be reasonable for purposes of establish-

Docket Number: 89-3363-T
Cascade Natural Gas Company
Page 2

ing a revenue requirement is 11.95 percent. The return on equity is 13.25 percent with an equity ratio of 40.94 percent.

Turning to rate design, the filing creates a new schedule, Number 663, entitled "Distribution System Transportation Service." This rate schedule is reserved for Cascade's non-core customers that have pursued options under the company's supplemental gas supply and pipeline capacity schedules previously discussed. The proposed rate schedule is a declining rate comprised of six separate blocks with a tail block rate for consumption above 500,000 therms per month at 2.0 cents. The schedule also calls for a \$500 per month service charge designed to recover the specific customer costs associated with transportation customers. This filing eliminates the concept of an equal margin transportation rate, and therefore, Cascade proposes to eliminate all previous industrial sales rate schedules that were used by customers for transportation on Cascade's system. All transportation customers will now use Schedule 663 exclusively for transportation service in conjunction with the rate schedules defining optional gas supply and pipeline capacity options.

Under the proposed rate design, all volumes transported under Schedule 663 will generate an average rate of approximately 4.8 cents per therm. The cost of service analysis indicates this average rate to be appropriate for the entire class. However, the staff recognizes the potential for the proposed tail-block rate of 2.0 cents per therm to approach the average rate for very large customers on Schedule 663.

Current rates for the non-core customers generate \$15.4 million in contribution toward fixed cost of service, which includes recovery of fixed pipeline capacity charges. The proposed rates for distribution service on Cascade's system under rate Schedule 663 will now generate \$13.1 million towards fixed cost of distribution service. In addition to paying for distribution service under the proposed schedule, the non-core customers will be directly billed for any fixed costs of pipeline capacity whether that capacity is purchased directly from the Pipeline or from Cascade under its tariff. Cascade estimates \$7.5 million will be generated under their optional pipeline capacity rate schedules.

The rate design proposed for the core markets is an equal percentage decrease by rate schedule. Each rate schedule will, therefore, be reduced by 11.995 percent. The average residential customer using 60 therms per month will pay \$4.25 per month less, and commercial customers using 300 therms per month will pay \$18.77 per month less.

11/27/89
 01:08 PM

CASCADE NATURAL GAS COMPANY
 RESULTS OF OPERATIONS (Wa)
 FOR TEST YEAR END 12/88

Line No.	Description	(a)	(b)	(c)	(d)	(e)	(f)	(g)	Total Pro Forma With Rates
			Statement Of Operations Per Books	Total Restating Adjustments	Restated Results	Total Pro Forma Adjustments	Pro Forma Results	Effect of New Rates	
1	Operating Revenues:								
2	Natural Gas Sales	131,959,777	131,959,777	34,428,568	166,388,345	(22,582,337)	143,806,008	(18,366,014)	125,439,994
3	Gas Transportation Revenues	1,364,880	1,364,880	0	59,710	0	59,710	0	59,710
4	Other Operating Revenue	59,710	59,710	0	166,448,055	(22,582,337)	143,865,718	(18,366,014)	125,499,704
5	Total Operating Revenues	133,384,367	133,384,367	33,063,688	166,448,055	(22,582,337)	143,865,718	(18,366,014)	125,499,704
6	Operating Expenses:								
7	Natural Gas Purchased	88,208,367	88,208,367	31,577,986	119,786,353	(38,433,611)	81,352,742		81,352,942
8	Manufactured Gas Production	(5,635)	(5,635)	0	(5,635)	0	(5,635)		(5,635)
9	Distribution	4,682,128	4,682,128	0	4,682,128	0	4,682,128		4,682,128
10	Customer Accounts	2,936,701	2,936,701	31,080	2,936,781	(21,227)	2,915,553	(17,264)	2,898,289
11	Customer Service and Inform.	1,340,648	1,340,648	0	1,340,648	0	1,340,648		1,340,648
12	Sales	35,900	35,900	0	35,900	0	35,900		35,900
13	Administrative and General	6,486,219	6,486,219	0	6,486,219	(154,694)	6,331,525		6,331,525
14	Vege Adjustment	0	0	(255,572)	(255,572)	489,104	233,532		233,532
15	Depreciation and Amortization	5,078,270	5,078,270	2,996	5,081,266	0	5,081,266		5,081,266
16	Total Operating Expenses	108,731,798	108,731,798	31,356,490	140,088,288	(38,120,428)	101,967,860	(17,264)	101,950,596
17	Operating Taxes:								
18	Other Than Income	10,276,141	10,276,141	1,402,687	11,678,828	(958,028)	10,720,800	(779,156)	9,941,644
19	State Income	0	0	0	0	0	0		0
20	Federal Income	2,837,550	2,837,550	103,534	2,941,084	5,904,765	8,845,849	(5,973,662)	2,872,187
21	Total Taxes	13,113,691	13,113,691	1,506,221	14,619,912	4,946,737	19,566,648	(6,752,818)	12,813,830
22	Total Operating Deductions	121,845,489	121,845,489	32,862,711	154,708,200	(33,173,692)	121,534,508	(6,770,082)	114,764,426
23	Net Operating Income	11,538,878	11,538,878	200,977	11,739,855	10,591,355	22,331,210	(11,595,932)	10,735,278
24	Rate Base:								
25	Plant in Service	159,283,118	159,283,118	40,490	159,323,608	0	159,323,608		159,323,608
26	Accumulated Depreciation	(63,227,915)	(63,227,915)	(1,498)	(63,229,413)	0	(63,229,413)		(63,229,413)
27	Contributions in Aid	(215,688)	(215,688)	0	(215,688)	0	(215,688)		(215,688)
28	Deferred Income Taxes	(6,619,115)	(6,619,115)	0	(6,619,115)	121,838	(6,497,277)		(6,497,277)
29	Deferred Weatherization Costs	129,679	129,679	0	129,679	0	129,679		129,679
30	Working Capital Allowance	1,215,919	1,215,919	(891,866)	324,053	0	324,053		324,053
31	Total Net Rate Base	90,565,998	90,565,998	(852,874)	89,713,124	121,838	89,834,962	0	89,834,962
32	Rate of Return		12.74%		13.09%		24.86%		11.95%

CASCADE NATURAL GAS COMPANY
 SUMMARY OF PRO FORMA ADJUSTMENTS
 FOR TEST YEAR END 12/88

Line No.	Description	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		Pro Forma Federal Income Tax	Pro Forma Wages & Related Costs	Pro Forma Gen. Ins. Pro Forma Adj	Pro Forma Gas Costs	Pro Forma 4/1/88 Sal. & Wages	Pro Forma 4/1/89 Sal. & Wages	Pro Forma Debt Adjustment	Total Pro Forma Adjustments	
1	Operating Revenues:									
2	Natural Gas Sales				(22,582,337)				(22,582,337)	0
3	Gas Transportation Revenues									0
4	Other Operating Revenue	0	0	0	(22,582,337)	0	0	0	(22,582,337)	0
5	Total Operating Revenues									
6	Operating Expenses:				(38,433,611)				(38,433,611)	0
7	Natural Gas Purchased									0
8	Manufactured Gas Production				(21,227)				(21,227)	0
9	Distribution									0
10	Customer Accounts									0
11	Customer Service and Inform. Sales									0
12	Administrative and General			(154,694)			381,782		(154,694)	489,104
13	Wage Adjustment and Amortization									0
14	Depreciation and Amortization									0
15	Total Operating Expenses	0	0	(154,694)	(38,454,838)	107,322	381,782	0	(38,120,428)	0
16	Operating Taxes:				(958,028)				(958,028)	0
17	Other Than Income	100,715	0	52,596	5,722,380	(36,489)	(129,806)	195,369	5,904,765	0
18	State Income	100,715	0	52,596	6,764,352	(36,489)	(129,806)	195,369	4,946,737	0
19	Federal Income	100,715	0	(102,098)	(33,690,487)	70,833	251,976	195,369	(33,173,692)	0
20	Total Taxes	(100,715)	0	102,098	11,108,150	(70,833)	(251,976)	(195,369)	10,591,355	0
21	Net Operating Income									
22	Rate Base:									
23	Plant in Service									0
24	Accumulated Depreciation									0
25	Contributions in Aid	121,838							121,838	0
26	Deferred Income Taxes									0
27	Deferred Weatherization Costs									0
28	Working Capital Allowance									0
29	Total Net Rate Base	121,838	0	0	0	0	0	0	121,838	0

CASCADE NATURAL GAS COMPANY
Calculation of Revenue Requirement
Test Year Ended 12/88

Pro Forma Rate Base	89,834,962
Rate Of Return	11.95%
Total M.O.I. Requirement	10,735,278
Pro Forma M.O.I.	22,331,210
Additional M.O.I. Requirement	(11,595,932)
Net to Gross	0.63138
Revenue Requirement	(18,366,014)

CASCADE NATURAL GAS COMPANY
Conversion Factor
Test Year Ended 12/88

Gross Revenue	1.00000
Less Uncollectibles	0.00094
Net Revenue	0.99906

Revenue Sensitive Costs:

Gross Revenue Fee	0.00140	
City Franchise fee	0.00254	
Public Utility Tax	0.03848	0.04242
Net Before Federal Income Tax		0.95664
Federal Income Tax (at 34%)		0.32526
Net to Gross		0.63138

Cascade Natural Gas Corporation
 COMPLIANCE FILING BASED UPON SETTLEMENT COST OF SERVICE LEVELS
 APPLICATION OF EQUAL PERCENTAGE DECREASE TO THE CORE MARKET RATE SCHEDULES
 State of Washington

Line No.	Description (a)	Rate Schedule (b)	Total Adjusted Therms Sales (c)	Total Adjusted Revenue at 4/01/88 Rates (d)	Equal Percentage Decrease (e)	Decreased Revenue By Customer Group (f)	Resulting Per Therm Decrease (g)	Revenue at Proposed Rates (h)
Residential								
1	General Service	401/501	22,916,274	\$ 13,506,033	-11.9950%	\$ (1,619,951)	\$ (0.07069)	\$ 11,886,082
2	Optional Service	403/503	22,250,191	12,297,504	-11.9950%	(1,474,973)	(0.06635)	10,822,531
3	Total		45,146,464	\$ 25,803,538		\$ (3,094,924)		\$ 22,708,614
Res-Com Dual Service								
4	Dry-out	402/502	546,453	\$ 179,580	-11.9950%	\$ (21,542)	\$ (0.06218)	\$ 158,038
5	Gas Air Conditioning	441/541	1,344,296	688,954	-11.9950%	(82,634)	(0.06147)	606,320
6	Total		1,690,750	\$ 868,534		\$ (104,176)		\$ 764,358
Commercial								
7	General Service	404/504	48,519,182	\$ 25,509,091	-11.9950%	\$ (3,035,345)	\$ (0.06257)	\$ 22,273,246
8	Compressed Natural Gas	412/512	25,844	13,603	-11.9950%	(1,632)	(0.06315)	11,971
9	Total		48,545,026	\$ 25,322,694		\$ (3,037,477)		\$ 22,285,217
Com-Ind Dual Service								
10	Large Volume	411/511	27,648,524	\$ 12,144,578	-11.9950%	\$ (1,456,301)	\$ (0.05269)	\$ 10,687,777
12	Total		27,648,524	\$ 12,144,578		\$ (1,456,301)		\$ 10,687,777
Industrial Fire								
13	General Service	405/505	5,762,213	\$ 2,610,110	-11.9950%	\$ (313,061)	\$ (0.05433)	\$ 2,297,049
17	Total		5,762,213	\$ 2,610,110		\$ (313,061)		\$ 2,297,049
Interruptible								
20	General (Industrial)	470/570	9,528,731	\$ 3,467,843	-11.9950%	(416,691)	(0.04373)	3,051,152
21	General (Commercial)	470/570	2,161,632	794,104	-11.9950%	(94,528)	(0.04373)	699,576
26	Institutional	477/577	1,975,704	787,360	-11.9950%	(94,458)	(0.04781)	692,902
27	Total		13,666,067	\$ 5,049,307		\$ (605,677)		\$ 4,443,630
Non-Core								
	Distribution Trans.	563	272,043,572	\$ 15,539,440		\$ (2,238,778)	(\$0.00825)	\$ 13,100,662
	Discounts From Benchmark			(3,699,943)		3,699,943	\$0.01360	0
	Transportation (Fixed vrs 586)			13,085,296		(5,601,826)		7,483,470
	Cost of Gas (DOL-1 vrs 582)			66,666,999		(28,195,574)		38,471,424
	Spot Market Credits			(22,582,337)		22,582,337		0
	Dispatch Fees			366,000		0		366,000
	Total		272,043,572	\$ 69,175,454		\$ (9,753,898)		\$ 59,421,556
28	SUBTOTAL		414,502,616	\$ 140,974,213		\$ (18,566,014)		\$ 122,608,199
Adjustments								
29	BID Tax		0	\$ 2,831,795		0		\$ 2,831,795
30	Total Adjustments		0	\$ 2,831,795		0		\$ 2,831,795
31	TOTAL		414,502,616	\$ 143,806,008		\$ (18,566,014)		\$ 125,439,994

CASCADENE NATURAL GAS CORPORATION
 Cost of Capital
 As of March 31, 1989

Line No.	Long-Term Debt	Mar 31, 1989	Jan 89	Jul 89	Aug 89	Dec 89	Jan 90	Jun 90	Jul 90	Aug 90	Sep 90	Other	Bal. Out. 30, 1990	Annual Coal Rate	Cost	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	
First Mfg Bonds																
1	Series M	607,000	607,000										0	8.25%	0	
2	Series I	1,600,000	800,000			800,000							0	8.70%	0	
3	Series E	555,324	163,831			163,831							163,831	10.04%	16,419	
4	Series L	3,000,000			1,000,000					2,000,000			0	15.98%	0	
5	7% Senior Notes	40,000	40,000										0	7.00%	0	
6	12.15% Senior Notes	7,500,000									2,500,000		5,000,000	12.63%	831,500	
7	10.15% Senior Notes	20,000,000											20,000,000	11.77%	2,354,000	
8	First Mortgage Note	373,533		45,465		17,625			49,887				230,576	8.74%	22,458	
9	10-1/8% Debentures	12,569,000											12,569,000	10.83%	1,319,116	
10	8.875% Debentures	24,000,000											22,000,000	11.40%	2,508,000	
11	New Financing											1/ 12,000,000	12,000,000	10.03%	1,203,600	
12		58,244,877	1,610,831	45,465	1,000,000	963,831	47,625	163,831	49,887	1,000,000	2,500,000		71,863,407	11.25%	8,085,153	
Senior Preferred																
13	Series A	903,520											903,520	5.50%	49,691	
14	Series B	888,300				52,500							635,800	5.95%	49,130	
15	Series C	1,231,172											1,231,172	5.61%	81,380	
16		3,022,992				52,500							2,970,492	5.85%	180,801	
Common Equity Bal.																
17	Out Mar 31, 1989	51,177,024											51,872,110	13.25%	6,873,055	
18	Total Capital	8124,444,833											8186,706,009	11.95%	815,139,012	
Intcos																
19	Long-Term Debt	51,843											56,123	11.25%	6,388	
20	Preferred Stocks	2,432											2,343	6.09%	0,115	
21	Common Equity	42,133											40,918	13.25%	5,133	
22		100,000											100,000			

1/ See Exhibit (088-2), Schedule 2, Page 1, Line 16, column (c)
 2/ See Exhibit (080-2), Schedule 2, Page 2 Line 5, column (c)

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Requested)
 Waiver of Statutory Notice in)
 Connection with the Tariff)
 Revisions filed by CASCADE)
 NATURAL GAS CORPORATION.)
)

DOCKET NO. 89-3449-T ✓

W.S.N. ORDER

Cascade Natural Gas Corporation, November 22, 1989, filed with the Commission under its Advice No. W89-11-04 revisions to its currently effective Tariff WN U-3, designated as Original Sheet No. 663, Original Sheet No. 663-A, and Eighteenth Revision Sheet No. 598.

The tariff sheets bear an inserted effective date of December 24, 1989. This date recognizes statutory notice as required. The company requests, however, that statutory notice be waived and that the revisions become effective December 1, 1989.

The purpose of this filing is to effect a general rate decrease. On November 8, 1989, the company submitted proposed exhibits and tariff sheets that constituted the decrease. After review of the company's proposal, staff recommended that the company decrease rates by \$18,366,014 rather than by the \$17,914,280 as proposed. Based upon staff's recommendation at the November 22, 1989 Commission meeting, the Commission elected to take no action on the company's November 8, 1989 tariff filing (Advice No. CNG/W89-11-01).

The company has reviewed staff's adjustments and find such adjustments to be reasonable. The company therefore adopts staff's recommendation that such rates be decreased by \$18,366,014; approximately 12 percent to all core market schedules.

Waiver of statutory notice is requested to that this adjustment may be passed on to customers as soon as possible.

Since the tariff revisions filed herein are fair, just and reasonable and waiver of statutory notice is not inconsistent with the public interest, in view of the above, it is deemed appropriate that the company be granted the waiver it is requesting and an effective date of December 1, 1989.

DOCKET NO. 89-3449-T

Page 2

FINDINGS

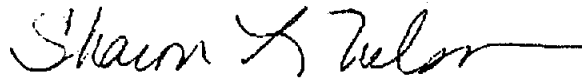
After careful examination of the tariff revisions filed herein by Cascade Natural Gas Corporation, November 22, 1989, and giving consideration to all relevant matters and for good cause shown, the Commission finds that the tariff revisions should become effective December 1, 1989.

ORDER

THE COMMISSION THEREFORE ORDERS That the requested waiver of statutory notice in connection with the tariff revisions filed herein by Cascade Natural Gas Corporation, November 22, 1989, is hereby granted, and said tariff revisions shall become effective December 1, 1989.

DATED at Olympia, Washington, and effective this 29th day of November, 1989.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



SHARON L. NELSON, Chairman



RICHARD D. CASAD, Commissioner



A. J. PARDINI, Commissioner

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 3

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 3: Describe the price regulation, oversight, or other mechanism by which the WUTC regulates the Company's furnishing of gas supply to Schedule 663 customers.

Response:

As indicated in the tariff schedule, Gas Supplies purchased through the Company under Schedule 663 are in accordance with FERC regulations. With respect to WUTC oversight of such services, Cascade provides the Commission with all required budgets, financial reports and other documents as prescribed by the Commission's rules, Title 480 WAC. Cascade has been available to answer any of Staff's questions on any subject regarding the Company's Washington gas operations, including the inter-workings of certain provisions of particular tariffs. During the full period that Rate Schedule 663 has been in existence, Mr. Stoltz has served as Vice President of Regulatory Affairs, and believes the Company has satisfactorily responded to any requests for information from WUTC Staff concerning Schedule 663 services.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 4

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 4: In what percentage of its transactions are the prices charged by the Company for gas supplies furnished to Schedule 663 customers below the Company's wholesale average cost of gas?

Response:

Cascade objects to this data request on the grounds of relevance. The requested information does not relate to matters that are at issue in this proceeding, given that the provision of "Gas Supplies" under Schedule 663 is FERC-jurisdictional and Cascade's gas management services are not included within the scope of this proceeding. Without waiving this objection, Cascade responds as follows:

Cascade does not calculate such comparisons, since the gas supply portfolios for the two groups are totally separate. The Core Portfolio is procured pursuant to an established strategy. Physical gas supply acquisitions are prescribed and certain time tables are established for the purchase or swap of price hedges. In contrast, the Non-Core Portfolio contains only supplies purchased for a particular customer or groups of customers that have agreed to purchase the supply. The prices in the Non-Core Portfolio may be higher or lower than supplies in the Core Portfolio due to timing differences. The price of the Non-Core supply is set based upon the time the customer agreed to it. The market price of that particular non-core supply is likely lower than some of the contracts in the Core Portfolio and higher than others.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 5

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 5: Please provide a list of all customers taking service under Schedule 663.

Response:

Attached is a list of all customers taking service under Schedule 663. The attached response is marked as "CONFIDENTIAL" and is being provided subject to the terms of the Protective Order in this proceeding.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 6

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 6: Of the customers identified in response to the foregoing Data Request, identify those that also secure "gas supply" from the Company.

Response:

Cascade objects to this data request on the grounds of relevance. The requested information does not relate to matters that are at issue in this proceeding, given that the provision of "Gas Supplies" under Schedule 663 is FERC-jurisdictional and Cascade's gas management services are not included within the scope of this proceeding. Without waiving this objection, Cascade responds as follows:

All non-core customers are eligible to secure gas supplies from the Company. The number of customers receiving gas supply from the Company at any given time varies depending on the attractiveness of competing offers from the Company's competitors, including CMS, IGI, Avista Energy, Wasatch, and others. Forty of the customers served on 663 purchased gas supply from Cascade during at least one month of the test period

(Attached is an excel file entitled "Gas Supply Sales to 663.xls". This file list all Rate Schedule 663 customers that purchased gas supply from Cascade during at least one month of the test period. The information contained in this response is **Confidential Per Protective Order in WUTC Docket UG-060256.**)

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 7

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 7: Provide a copy of the Company's standardized form of contract for "gas supply" relating to Schedule 663 service.

Response:

Cascade objects to this data request on the grounds of relevance. The requested information does not relate to matters that are at issue in this proceeding, given that the provision of "Gas Supplies" under Schedule 663 is FERC-jurisdictional and Cascade's gas management services are not included within the scope of this proceeding. Without waiving this objection, Cascade responds as follows:

WUTC Staff indicated that since gas supply sales services to non-core customers are authorized by FERC regulations, Cascade need not submit a standardized form of contract to the Commission. The basic concept of our gas supply contracts is the standardized NAESB with a "deal sheet" that says:

Cascade Natural Gas Corporation Agrees to Sell to "Non-Core Customer"
XXX quantity of gas at
YYY dollars per MMBtu
for ZZZ period.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 8

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 8: Please provide a copy of the regulatory order or other authorization under which the Company sells, or offers to sell, "pipeline transportation capacity services" to eligible customers requesting such supply from the Company in connection with Schedule 663 service to that customer.

Response:

Cascade has been authorized to sell "pipeline transportation capacity services to our non-core or transportation customers since the inception of unbundled services in November 1989. Copies of the Commission's Orders are attached to CMS DR 2.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 9

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 9: Does the use of initial capitalization for the term "Gas Supplies" in this sentence connote any different meaning for the term than its use in the preceding sentence of the referenced paragraph in Schedule 663?

Response:

No. See response to **CMS Data Request No. 1.**

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 10

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 10: Explain the relevance of 18 CFR Part 284.402 to sales of "Gas Supplies" by the Company to customers taking service under Schedule 663.

Response:

Customers taking service under Schedule 663 are entitled to purchase gas supply from anyone they choose, including the gas supplies Cascade may offer to sell them as authorized by 18 CFR Part 284.402.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 11

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 11: List by number of customers and volume of sales the sales-for-resale made by the Company to customers electing Schedule 663 service.

Response:

Cascade made no sales-for-resale to customers electing Schedule 663 service.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 12

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 12: Does the phrase "purchased through the Company," as used in the referenced sentence, connote a broader range of arrangements than purchases of gas supplies from the Company? If so, please describe each such additional arrangement.

Response:

It means gas supply related services to non-core customers that elect to purchase gas supplies through the Company. Those services include making arrangements for the physical supply, possibly arranging pipeline transportation, nominating the physical supply, monitoring the flow of the physical supply, comparing consumption verses nominations and adjusting daily volumes as appropriate.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Stipulated Facts
Exh. No. 20
Page 28 of 66

Request No. 13

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 13: Describe any and all other gas supply arrangements in addition to sales, such as brokerage, that the Company arranges for Schedule 663 customers.

Response:

Certain contracts in the past that required a minimum commitment to be taken by the customer contained concepts that allowed Cascade, under the direction of the customer, to dispose of the unused supply at competitive prices on the open market, minus a fee, which one could relate to as a brokerage fee. Cascade has not found such term of contract in favor in the current market. Our supply arrangements attempt to match the arrangements offered by our competition like CMS, IGI, Avista Energy, Wasatch and others.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 14

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 14: Please define the term "gas supply" as used in the quoted sentence.

Response:

Gas Supply or gas supply is meant to mean the commodity traded physical supply of gas that can be purchased on the open market.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 15

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 15: Please provide a copy of the regulatory order or other authorization from the Washington Utilities and Transportation Commission ("WUTC") under which the Company sells, or offers to sell, "gas supply" to eligible customers requesting such supply from the Company in connection with Schedule 664 service to that customer.

Response:

Cascade has been authorized to sell gas supplies to our non-core or transportation customers since the inception of unbundled services in November 1989. Copies of the Commission's Orders area attached to CMS DR 2.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 16

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 16: Describe the price regulation, oversight, or other mechanism by which the WUTC regulates the Company's furnishing of gas supply to Schedule 664 customers.

Response:

See response to CMS Data Request No. 3. The extent of WUTC oversight with respect to the furnishing of gas supply under Schedule 664 is the same as for Schedule 663.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 17

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 17: In what percentage of its transactions are the prices charged by the Company for gas supplies furnished to Schedule 664 customers below the Company's wholesale average cost of gas?

Response:

Cascade objects to this data request on the grounds of relevance. The requested information does not relate to matters that are at issue in this proceeding, given that the provision of "Gas Supplies" under Schedule 664 is FERC-jurisdictional and Cascade's gas management services are not included within the scope of this proceeding. Without waiving this objection, Cascade responds as follows:

Cascade does not calculate such comparisons, since the gas supply portfolios for the two groups are totally separate. The Core Portfolio is procured pursuant to an established strategy. Physical gas supply acquisitions are prescribed and certain time tables are established for the purchase or swap of price hedges. The Non-Core Portfolio, however, only contains supplies purchased for a particular customer or groups of customers that have agreed to purchase the supply. The prices in the Non-Core Portfolio may be higher or lower than supplies in the Core Portfolio due to timing differences. The price of the Non-Core supply is set based upon the time the customer agreed to it. The market price of any particular non-core supply is likely lower than some of the contracts in the Core Portfolio and higher than others.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 18

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 18: Please provide a list of all customers taking service under Schedule 664.

Response:

Attached is a list of all customers taking service under Schedule 664. The attached response is marked as "CONFIDENTIAL" and is being provided subject to the terms of the Protective Order in this proceeding.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 19

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 19: Of the customers identified in response to the foregoing Data Request, identify those that also secure "gas supply" from the Company.

Response:

Cascade objects to this data request on the grounds of relevance. The requested information does not relate to matters that are at issue in this proceeding, given that the provision of "Gas Supplies" under Schedule 664 is FERC-jurisdictional and Cascade's gas management services are not included within the scope of this proceeding. Without waiving this objection, Cascade responds as follows:

All non-core customers are eligible to secure gas supplies from the Company. The number of customers receiving gas supply from the Company at any given time varies depending on the attractiveness of competing offers from the Company's competitors, including CMS, IGI, Avista Energy, Wasatch, and others. Four of the customers served on 664 purchased gas supply from Cascade during at least one month of the test period

(Attached is an excel file entitled "Gas Supply Sales to 664.xls". This file lists all Rate Schedule 664 customers that purchased gas supply from Cascade during at least one month of the test period. The information contained in this response is **Confidential Per Protective Order in WUTC Docket UG-060256.**)

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 20

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 20: Provide a copy of the Company's standardized form of contract for "gas supply" relating to Schedule 664 service.

Response:

See Response to **CMS Data Request No. 7**

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 21

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 21: Please provide a copy of the regulatory order or other authorization under which the Company sells, or offers to sell, "pipeline transportation capacity services" to eligible customers requesting such supply from the Company in connection with Schedule 664 service to that customer.

Response:

See Response to CMS Data Request No. 8

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 22

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

The following 2 data requests concern Schedule 663 664(SIC), specifically the paragraph entitled "Other Services," and the sentence that reads "Gas Supplies purchased through the Company will be in accordance with the FERC regulations (18 CFR Part 284.402 Blanket Marketing Certificates)."

CMS Data Request No. 22: Does the use of initial capitalization for the term "Gas Supplies" in this sentence connote any different meaning for the term than its use in the preceding sentence of the referenced paragraph in Schedule 663 664(SIC)?

Response:

See Response to **CMS Data Request No. 1**

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 23

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 23: Explain the relevance of 18 CFR Part 284.402 to sales of "Gas Supplies" by the Company to customers taking service under Schedule 663 664(SIC).

Response:

See Response to **CMS Data Request No. 10**

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 24

Date prepared: May 8, 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 24: List by number of customers and volume of sales the sales-for-resale made by the Company to customers electing Schedule 663 664(SIC)service.

Response:

Cascade made no sales-for-resale to customers electing Schedule 664 service.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 25

Date prepared: April 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 25: Does the phrase "purchased through the Company," as used in the referenced sentence, connote a broader range of arrangements than purchases of gas supplies from the Company? *If so, please describe each such additional arrangement.*

Response:

See Response to CMS Data Request No. 12

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 26

Date prepared: April 2006

Preparer: Jon Stoltz

Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 26: Describe any and all other gas supply arrangements in addition to sales, such as brokerage, that the Company arranges for Schedule 663 664(SIC)customers.

Response:

See Response to CMS Data Request No. 13.

**CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request**

Request No. 27

Date prepared: June 22, 2006

Preparer: Christine Kautzman

Likely Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 27:

Please provide a copy of the original Schedule 663, which was authorized by the Commission's Order in Docket 89-3364-T, Docket 89-3365-T and Docket 89-3449-T, with an effective date of December 1, 1989.

Response: Please see attached.

RECEIVED
NOV 22 1989

WN U-3

Original Sheet No. 663

WASH. UT. & TRANS. COMM.

CASCADE NATURAL GAS CORPORATION

DISTRIBUTION SYSTEM TRANSPORTATION SERVICE
SCHEDULE NO. 663

09

AVAILABILITY:

This unbundled distribution system transportation service schedule is available throughout the territory served by the Company under the tariff of which this schedule is a part, provided, in the sole judgment of the Company, there are adequate facilities in place at the existing distribution line or as such line may be enhanced by the Company from time to time to provide service. Service under this schedule shall be in conjunction with service provided under optional gas supply supplemental Schedule Nos. 681, 682, 683, or 684 and shall be in conjunction with service provided under optional pipeline capacity supplemental Schedule Nos. 685 or 686. In the absence of customer's specification of firm or interruptible pipeline capacity service under Schedule No. 685 or No. 686, customer shall be billed at the rates then in effect under Schedule No. 686.

RATE:

A. Dispatching Service Charge \$500.00 per month

All customers receiving gas supply service through this schedule will be invoiced a monthly Dispatching Service Charge under this schedule or under one of the optional gas supply supplemental schedules, but in no event shall customer be billed a monthly Dispatching Service Charge under more than one schedule for service at a single metering facility.

B. Commodity Charge For All Therms Delivered Per Month

First 10,000	\$0.13313 Per Therm Per Month
Next 10,000	\$0.12099 Per Therm Per Month
Next 30,000	\$0.11423 Per Therm Per Month
Next 50,000	\$0.07367 Per Therm Per Month
Next 400,000	\$0.04186 Per Therm Per Month
Over 500,000	\$0.02000 Per Therm Per Month

C. The total of all charges invoiced by Company shall be subject to a Gross Revenue Fee reimbursement charge to cover state utility tax and other governmental levies imposed upon the Company, as those fees and levies may be in effect from time to time.

All other terms and conditions of services shall be pursuant to the Rules and Regulations set forth in the Company's filed tariff.

OTHER SERVICES:

Service under this schedule shall include transportation on the Company's distribution facilities only. Access to interstate pipeline or other upstream facilities, either new or existing, shall be pursuant to other schedules if such services are to be obtained through the Company.

RATE ADJUSTMENTS:

Rates for service under this schedule are subject to various adjustments as specified in Schedule Nos. 595, 596, 597, 598, and 599 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities & Transportation Commission.

- Continued on Next Page -

BY APPROVAL OF THE WASHINGTON UTILITIES & TRANSPORTATION COMMISSION ORDER NO 89-2449-T

CNC/89-11-4

ISSUED

November 22, 1989

EFFECTIVE

Dec. 1, 1989

BY *[Signature]*
Jon T. Stoltz

ISSUED BY CASCADE NATURAL GAS CORPORATION

TITLE

Vice President - Gas Supply,
Rates & Special Studies

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 28

Date prepared: June 22, 2006

Preparer: Christine Kautzman

Likely Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 28:

Please provide a copy of the original Schedule 664, which was authorized by the Commission's Order in Docket 89-3364-T, Docket 89-3365-T and Docket 89-3449-T, with an effective date of December 1, 1989.

Response: The separation of non-core distribution system services into two rate schedules (Distribution System Transportation Service Schedule No. 663 & Large Volume Distribution System Transportation Service Schedule No. 664) did not occur until the conclusion of the 1994 general rate case. Prior to that date, all non-core customers that did not have a Special Contract were served on 663. Attached is the Original Sheet No. 664.

WN U-3

Original Sheet No. 664

CASCADE NATURAL GAS CORPORATION

**LARGE VOLUME DISTRIBUTION SYSTEM TRANSPORTATION SERVICE
SCHEDULE NO. 664**

(N)

AVAILABILITY:

This unbundled distribution system transportation service schedule is available throughout the territory served by the Company under the tariff of which this schedule is a part, provided, in the sole judgment of the Company, there are adequate facilities in place at the existing distribution line or as such line may be enhanced by the Company from time to time to provide service. Service under this schedule shall be in conjunction with service provided under optional gas supply supplemental Schedule Nos. 681, 682, 683, or 684 and shall be in conjunction with service provided under optional pipeline capacity supplemental Schedule Nos. 685 or 686. In the absence of customer's specification of firm or interruptible pipeline capacity service under Schedule No. 685 or No. 686, customer shall be billed at the rates then in effect under Schedule No. 686.

ANNUAL MINIMUM QUANTITY AND ANNUAL MINIMUM BILL:

Customers must consume a minimum of 2,400,000 metered therms annually to be served under this schedule. Existing customers must show a history of the most recent 12 months of consuming the 2,400,000 annual minimum therm requirement or must demonstrate enough newly connected gas equipment such that the total consumption will meet or exceed the 2,400,000 annual minimum therm requirement to qualify for this schedule. New customers must clearly demonstrate their annual therm consumption will be greater than the 2,400,000 therm annual minimum consumption requirement to qualify for this schedule. The annual minimum quantity stated in a customer's contract served under this schedule will be negotiated, but in no event be less than 2,400,000 therms.

If a customer does not consume a minimum of 2,400,000 therms annually (twelve months ending on the customer's contract anniversary date) the customer will pay for the deficiency balance of the 2,400,000 therms not used as though the deficiency therms were consumed in the twelfth month of the contract year. If such an annual minimum deficiency occurs due to force majeure or low product demand conditions, in the sole judgement of the company, the customer may be required to shift to another qualifying schedule to receive distribution service. If such an annual minimum deficiency occurs absent of force majeure or low product demand conditions, the customer will be required to shift to another qualifying schedule to receive distribution service.

RATE:

A. Dispatching Service Charge \$500.00 per month
 All therms delivered \$0.00050 per therm
 All customers receiving gas supply service through this schedule will be invoiced a monthly Dispatching Service Charge under this schedule or under one of the optional gas supply supplemental schedules, but in no event shall customer be billed Dispatching Service Charges under more than one schedule for service at a single metering facility.

B. Delivery Charge For All Therms Delivered Per Month

First 100,000	\$0.09660 Per Therm Per Month
Next 200,000	\$0.03951 Per Therm Per Month
Next 200,000	\$0.03951 Per Therm Per Month
Next 100,000	\$0.02000 Per Therm Per Month
Next 300,000	\$0.02000 Per Therm Per Month
Next 400,000	\$0.02000 Per Therm Per Month
Over 1,300,000	\$0.02000 Per Therm Per Month

C. The total of all charges invoiced by Company shall be subject to a Gross Revenue Fee reimbursement charge of 4.633% to cover state utility tax and other governmental levies imposed upon the Company.

All other terms and conditions of services shall be pursuant to the Rules and Regulations set forth in the Company's filed tariff.

- Continued on Next Page -

(N)

By Authority of the Commission's FOURTH SUPPLEMENTAL ORDER in Docket No. UG-951415

ISSUED July 24, 1996

EFFECTIVE August 1, 1996

BY

Jon T. Stolfz

ISSUED BY CASCADE NATURAL GAS CORPORATION

TITLE Senior Vice President
Planning & Rates

UG-960962

Sub

WN U-3

Original Sheet No. 664-A

CASCADE NATURAL GAS CORPORATION

LARGE VOLUME DISTRIBUTION SYSTEM TRANSPORTATION SERVICE

SCHEDULE NO. 664

(N)

(Continued from Previous Page)

OTHER SERVICES:

Service under this schedule shall include transportation on the Company's distribution facilities only. Access to interstate pipeline or other upstream facilities, either new or existing, shall be pursuant to other schedules if such services are to be obtained through the Company.

RATE ADJUSTMENTS:

Rates for service under this schedule are subject to various adjustments as specified in Schedule Nos. 595, 596, 598, and 599 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities & Transportation Commission.

CONTRACT TERM:

Customers choosing Distribution System Transportation Service 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 a contract be less than one year. Said contract shall state the Annual Minimum Quantity of gas, the maximum daily volume of gas to be delivered under this distribution system capacity schedule as well as the optional gas supply supplemental schedule(s) and the optional pipeline capacity supplemental schedule(s) under which customer will be receiving all gas delivered by the Company.

ANNUAL MINIMUM CHARGE:

Annual minimum charge is to be negotiated and included as part of contract between Company and customer and may be in addition to amounts otherwise due under this schedule. This annual minimum charge is separate from the annual minimum bill described above.

TERM OF PAYMENT:

Above rates are net. Each monthly bill shall be due and payable fifteen (15) days from the date of rendition.

SPECIAL TERMS AND CONDITIONS:

1. The application of this rate is subject to the general service provisions of the Company as they may be in effect
2. Service under this schedule shall be rendered through metering facility at the single point of delivery.
3. Capacity under this schedule shall not be assigned to others without written approval from the Company.
4. Each customer served under this distribution system transportation service shall be required to satisfy any imbalance condition as such conditions are specified within Northwest Pipeline Corporation's ("NPC") FERC Tariff, Section 15. Cascade will bill the customer an imbalance penalty if the customer served under this rate schedule has not completely satisfied such imbalance condition. These non-entitlement penalties are "\$10.00 per MMBtu on the imbalance over the greater of 5,000 MMBtu or 5%" on a monthly basis with 45 non-entitlement days to eliminate any imbalances.

TAX ADDITIONS:

The rates named herein are subject to increases as set forth in Schedule No. 500, entitled "Tax Additions".

By Authority of the Commission's FOURTH SUPPLEMENTAL ORDER in Docket No. UG-951415 (N) UG-960962

By Authority of the Commission's FOURTH SUPPLEMENTAL ORDER in Docket No. UG-951415

ISSUED July 24, 1996

EFFECTIVE August 1, 1996

BY

[Signature]
Jon T. Stoltz

ISSUED BY CASCADE NATURAL GAS CORPORATION

TITLE Senior Vice President
Planning & Rates

**CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request**

Request No. 29

Date prepared: June 22, 2006

Preparer: Paul Schmidt

Likely Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 29:

In Docket 89-3363-T, it was estimated the Schedule 663 would generate an average rate of approximately 4.8 cents per therm. Please provide the average rate in cents per therm for Schedule 663 for the years 2002, 2003, 2004 and 2005, and the supporting work papers.

Response:

See the attached file entitled **Data Request 29-CMS.xls**.

CASCADE NATURAL GAS CORPORATION
 CMS

Rate Case Data Request
 Request #29

Rate Schedule 663

YEAR	MONTH	Commodity Revenue	Dispatch Service Charge Revenue	Total Revenues excluding GRF	Gross Revenue Fee 4.633%	Total Revenues	Total Therms
2002	JANUARY	\$ 645,869.34	\$ 62,701.90	\$ 708,571.24	\$ 32,828.11	\$ 741,399.35	8,509,382.00
2002	FEBRUARY	\$ 636,946.53	\$ 63,611.04	\$ 700,557.57	\$ 32,456.83	\$ 733,014.40	8,066,210.00
2002	MARCH	\$ 666,500.64	\$ 64,198.30	\$ 730,698.94	\$ 33,853.28	\$ 764,552.22	8,491,571.00
2002	APRIL	\$ 597,990.72	\$ 63,814.83	\$ 661,805.55	\$ 30,661.45	\$ 692,467.00	7,323,859.00
2002	MAY	\$ 557,878.76	\$ 64,814.88	\$ 622,693.64	\$ 28,849.40	\$ 651,543.04	6,574,262.00
2002	JUNE	\$ 513,461.40	\$ 66,134.93	\$ 579,596.33	\$ 26,852.70	\$ 606,449.03	5,707,725.00
2002	JULY	\$ 502,408.43	\$ 66,615.48	\$ 569,023.91	\$ 26,362.88	\$ 595,386.79	5,577,438.00
2002	AUGUST	\$ 561,123.70	\$ 66,825.29	\$ 627,948.99	\$ 29,092.88	\$ 657,041.87	6,626,450.00
2002	SEPTEMBER	\$ 628,397.85	\$ 67,543.75	\$ 695,941.60	\$ 32,242.97	\$ 728,184.57	7,720,415.00
2002	OCTOBER	\$ 782,374.44	\$ 68,594.36	\$ 850,968.80	\$ 39,425.38	\$ 890,394.18	10,471,704.00
2002	NOVEMBER	\$ 720,796.62	\$ 69,305.25	\$ 790,101.87	\$ 36,605.42	\$ 826,707.29	9,026,038.00
2002	DECEMBER	\$ 677,083.04	\$ 69,252.13	\$ 746,335.17	\$ 34,577.71	\$ 780,912.88	8,566,856.00
Total						\$ 8,668,052.62	92,661,910
Average Rate Per Therm						\$	0.0935

CASCADE NATURAL GAS CORPORATION
 CMS

2006 Rate Case Data Request
 Request #29

Rate Schedule 663

YEAR	MONTH	Commodity Revenue	Dispatch Service Charge Revenue	Total Revenues excluding GRF	Gross Revenue Fee 4.633%	Total Revenues	Total Therms
2003	JANUARY	\$ 713,771.56	\$ 71,357.87	\$ 785,129.43	\$ 36,375.05	\$ 821,504.48	9,289,111.00
2003	FEBRUARY	\$ 654,528.82	\$ 70,184.06	\$ 724,712.88	\$ 33,575.95	\$ 758,288.83	8,097,350.00
2003	MARCH	\$ 669,872.42	\$ 70,698.72	\$ 740,571.14	\$ 34,310.66	\$ 774,881.80	8,493,482.00
2003	APRIL	\$ 632,254.96	\$ 69,539.68	\$ 701,794.64	\$ 32,514.15	\$ 734,308.79	7,697,943.00
2003	MAY	\$ 596,603.27	\$ 69,925.39	\$ 666,528.66	\$ 30,880.27	\$ 697,408.93	7,127,129.00
2003	JUNE	\$ 529,646.87	\$ 70,223.21	\$ 599,870.08	\$ 27,791.98	\$ 627,662.06	6,115,927.00
2003	JULY	\$ 523,967.91	\$ 70,175.00	\$ 594,142.91	\$ 27,526.64	\$ 621,669.55	5,874,902.00
2003	AUGUST	\$ 541,053.54	\$ 69,750.44	\$ 610,803.98	\$ 28,298.55	\$ 639,102.53	6,252,194.00
2003	SEPTEMBER	\$ 620,117.53	\$ 70,030.40	\$ 690,147.93	\$ 31,974.55	\$ 722,122.48	7,651,828.00
2003	OCTOBER	\$ 733,205.12	\$ 69,951.36	\$ 803,156.48	\$ 37,210.24	\$ 840,366.72	9,756,870.00
2003	NOVEMBER	\$ 711,518.03	\$ 69,331.61	\$ 780,849.64	\$ 36,176.76	\$ 817,026.40	9,167,591.00
2003	DECEMBER	\$ 700,757.37	\$ 69,325.21	\$ 770,082.58	\$ 35,677.93	\$ 805,760.51	9,124,861.00
Total						\$ 8,860,103.08	94,649,188
Average Rate Per Therm						\$	0.0936

CASCADE NATURAL GAS CORPORATION
 CMS
 2006 Rate Case Data Request
 Request #29

Rate Schedule 663

YEAR	MONTH	Commodity Revenue	Dispatch Service Charge Revenue	Total Revenues excluding GRF	Gross Revenue Fee 4.633%	Total Revenues	Total Therms
2004	JANUARY	\$ 723,167.99	\$ 69,419.62	\$ 792,587.61	\$ 36,720.58	\$ 829,308.19	9,597,843.00
2004	FEBRUARY	\$ 673,370.97	\$ 69,209.14	\$ 742,580.11	\$ 34,403.74	\$ 776,983.85	8,545,496.00
2004	MARCH	\$ 640,241.26	\$ 68,979.64	\$ 709,220.90	\$ 32,858.20	\$ 742,079.10	7,881,998.00
2004	APRIL	\$ 588,651.43	\$ 68,376.34	\$ 657,027.77	\$ 30,440.10	\$ 687,467.87	6,881,292.00
2004	MAY	\$ 553,501.46	\$ 68,288.89	\$ 621,790.35	\$ 28,807.55	\$ 650,597.90	6,444,721.00
2004	JUNE	\$ 535,146.28	\$ 68,184.05	\$ 603,330.33	\$ 27,952.29	\$ 631,282.62	5,920,287.00
2004	JULY	\$ 453,243.29	\$ 67,610.06	\$ 520,853.35	\$ 24,131.14	\$ 544,984.49	4,810,913.00
2004	AUGUST	\$ 546,818.36	\$ 68,246.42	\$ 615,064.78	\$ 28,495.95	\$ 643,560.73	6,232,131.00
2004	SEPTEMBER	\$ 623,820.17	\$ 68,483.70	\$ 692,303.87	\$ 32,074.44	\$ 724,378.31	7,418,449.00
2004	OCTOBER	\$ 706,784.89	\$ 68,789.64	\$ 775,574.53	\$ 35,932.37	\$ 811,506.90	8,948,203.00
2004	NOVEMBER	\$ 689,786.74	\$ 68,718.99	\$ 758,505.73	\$ 35,141.57	\$ 793,647.30	8,595,977.00
2004	DECEMBER	\$ 671,091.26	\$ 68,174.89	\$ 739,266.15	\$ 34,250.20	\$ 773,516.35	8,374,468.00
Total						\$ 8,609,313.61	89,651.778
Average Rate Per Therm						\$	0.0960

CASCADE NATURAL GAS CORPORATION
CMS

Rate Case Data Request
Request #29

Rate Schedule 663

YEAR	MONTH	Commodity Revenue	Dispatch Service Charge Revenue	Total Revenues excluding GRF	Gross Revenue Fee 4.633%	Total Revenues	Total Therms
2005	JANUARY	\$ 705,305.21	\$ 68,298.94	\$ 773,604.15	\$ 35,841.08	\$ 809,445.23	8,997,056.00
2005	FEBRUARY	\$ 650,221.46	\$ 68,078.25	\$ 718,299.71	\$ 33,278.83	\$ 751,578.54	7,891,350.00
2005	MARCH	\$ 647,665.85	\$ 68,069.57	\$ 715,735.42	\$ 33,160.02	\$ 748,895.44	7,847,868.00
2005	APRIL	\$ 561,975.54	\$ 67,386.12	\$ 629,361.66	\$ 29,158.33	\$ 658,519.99	6,286,577.00
2005	MAY	\$ 543,075.54	\$ 67,227.88	\$ 610,303.42	\$ 28,275.36	\$ 638,578.78	6,152,508.00
2005	JUNE	\$ 651,113.51	\$ 68,119.83	\$ 719,233.34	\$ 33,322.08	\$ 752,555.42	7,552,223.00
2005	JULY	\$ 514,384.83	\$ 68,094.25	\$ 582,479.08	\$ 26,986.26	\$ 609,465.34	5,599,933.00
2005	AUGUST	\$ 585,230.36	\$ 68,293.82	\$ 653,524.18	\$ 30,277.78	\$ 683,801.96	6,855,976.00
2005	SEPTEMBER	\$ 591,654.16	\$ 68,388.97	\$ 660,043.13	\$ 30,579.80	\$ 690,622.93	6,944,533.00
2005	OCTOBER	\$ 703,562.28	\$ 68,828.21	\$ 772,390.49	\$ 35,784.85	\$ 808,175.34	9,141,057.00
2005	NOVEMBER	\$ 688,368.56	\$ 65,755.29	\$ 754,123.85	\$ 34,938.56	\$ 789,062.41	8,776,307.00
2005	DECEMBER	\$ 677,984.21	\$ 65,740.21	\$ 743,724.42	\$ 34,456.75	\$ 778,181.17	8,700,873.00
Total						\$ 8,718,882.53	90,746,261

Average Rate Per Therm \$ 0.0961

**CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request**

Request No. 30

Date prepared: June 22, 2006

Preparer: Kathie Barnard

Likely Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 30:

Please provide the following for the year ending December 31, 2004:

- 1) The number of customers taking service on Schedule 663 and the total annual volume in therms.
- 2) The number of customers purchasing Northwest Pipeline capacity from Cascade Natural Gas for city gate delivery.
- 3) The total number of therms delivered to those customers in part 2.
- 4) The total revenue derived from that capacity used by the customers in part 2.
- 5) The number of customers purchasing "Gas Supplies" from Cascade Natural Gas for city gate delivery.
- 6) The total revenue derived from the sale of those "Gas Supplies" ... Gas only.

Response:

- 1) Average number of customers on Rate Schedule 663 was 134 with a total annual volume of 89,651,778 therms.
- 2) 27 customers purchased NPC capacity for city gate delivery.
- 3) Therms delivered to customers in part 2 totaled 3,378,249.
- 4) Revenues derived from the capacity used by customers in part 2 was \$24,290.
- 5) 27 customers purchased gas supplies for city gate delivery.
- 6) Revenue derived from sale of those gas supplies was \$2,052,881.

**CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request**

Request No. 31

Date prepared: June 22, 2006

Preparer: Kathie Barnard

Likely Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 31:

Please provide the following for the year ending December 31, 2005:

- 1) The number of customers taking service on Schedule 663 and the total annual volume in therms.
- 2) The number of customers purchasing Northwest Pipeline capacity from Cascade Natural Gas for city gate delivery.
- 3) The total number of therms delivered to those customers in part 2.
- 4) The total revenue derived from that capacity used by the customers in part 2.
- 5) The number of customers purchasing "Gas Supplies" from Cascade Natural Gas for city gate delivery.
- 6) The total revenue derived from the sale of those "Gas Supplies" ... Gas only.

Response:

- 1) Average number of customers on Rate Schedule 663 was 132 with a total annual volume of 90,617,347 therms.
- 2) 50 customers purchased NPC capacity for city gate delivery.
- 3) Therms delivered to customers in part 2 totaled 27,623,935.
- 4) Revenues derived from the capacity used by customers in part 2 was \$234,244.
- 5) 50 customers purchased gas supplies for city gate delivery.
- 6) Revenue derived from sale of those gas supplies was \$22,343,983.

**CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request**

Request No. 32

Date prepared: June 22, 2006

Preparer: Pattie Grable

Likely Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 32:

Does Cascade Natural Gas utilize Northwest Pipeline bulletin board to determine the value of Northwest Pipeline capacity to non-core customers.

Response: Yes, Cascade Natural Gas does utilize Northwest Pipeline bulletin board, along with other market indicators, to determine the value of Northwest Pipeline capacity to non-core customers.

**CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request**

Request No. 33

Date prepared: June 22, 2006

Preparer: Jon Stoltz

Likely Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 33:

Are Rate Schedule 685, Optional Firm Pipeline Capacity, and Rate Schedule 686, Optional Interruptible Pipeline Capacity, the only means of collecting capacity charges from non-core customers? If not, please provide other the rate schedules or documentation of charges.

Response: No. Cascade also collects the market value of capacity within the total charges for city gate gas supply deliveries under Rate Schedule 687.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 34

Date prepared: June 22, 2006

Preparer: Kathie Barnard

Likely Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 34:

Please provide the following for the year ending December 31, 2004:

- 1) The total number of therms of firm capacity available to non-core customers.
- 2) The total number of therms of firm capacity used by and billed to non-core customers by Cascade.
- 3) The total revenue derived from the sale of the firm capacity in part 2.

Response:

- 1) Capacity available on a firm basis to non-core or other secondary markets for the 12 month period ending December 31, 2004 was 540,723,752 therms.
- 2) Total firm capacity used by non-core customers was 27,804,126 therms.
- 3) Total revenues were \$1,179,321. It should be noted that these revenues are credited against the Company's core gas costs.

**CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request**

Request No. 35

Date prepared: June 22, 2006

Preparer: Kathie Barnard

Likely Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 35:

Please provide the following for the year ending December 31, 2004:

- 1) The total number of therms of interruptible capacity available to non-core customers.
- 2) The total number of therms of interruptible capacity used by and billed to non-core customers by Cascade.
- 3) The total revenue derived from the sale of the interruptible capacity in part 2.

Response:

- 1) In theory, since Interruptible capacity is interruptible, there is no limit on the amount of interruptible capacity available.
- 2) Billed Interruptible Capacity therms for the 12 months ending December 31, 2004 totaled 4,426,470 therms.
- 3) The revenues derived from those sales totaled \$128,331. It should be noted that these revenues are credited against the company's core gas costs.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 36

Date prepared: June 22, 2006

Preparer: Kathie Barnard

Likely Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 36:

Please provide the following for the year ending December 31, 2005:

- 1) The total number of therms of firm capacity available to non-core customers.
- 2) The total number of therms of firm capacity used by and billed to non-core customers by Cascade.
- 3) The total revenue derived from the sale of the firm capacity in part 2.

Response:

- 1) Capacity available on a firm basis to non-core or other secondary markets for the 12 month period ending December 31, 2005 was 558,217,095 therms.
- 2) Total firm capacity used by non-core customers was 32,226,479 therms.
- 3) Total revenues were \$712,193. It should be noted that these revenues are credited against the Company's core gas costs.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 37

Date prepared: June 2, 2006

Preparer: Kathie Barnard

Likely Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 37:

Please provide the following for the year ending December 31, 2005:

- 1) The total number of therms of interruptible capacity available to non-core customers.
- 2) The total number of therms of interruptible capacity used by and billed to non-core customers by Cascade.
- 3) The total revenue derived from the sale of the interruptible capacity in part 2.

Response:

- 1) In theory, since Interruptible capacity is interruptible, there is no limit on the amount of interruptible capacity available.
- 2) Billed Interruptible Capacity therms for the 12 months ending December 31, 2005 totaled 8,355,256 therms.
- 3) The revenues derived from those sales totaled \$141,746. It should be noted that these revenues are credited against the company's core gas costs.

**CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request**

Request No. 38

Date prepared: June 22, 2006

Preparer: Jon Stoltz

Likely Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 38:

Please provide the number of instances in the last three years that the Company has sold fixed-price Term gas supplies at prices that were lower than the then-current effective WACOG (with Term being defined as one quarter or longer).

Response:

Cascade objects to this data request on the grounds of relevance. The requested information does not relate to matters that are at issue in this proceeding, given that the gas management services are FERC-jurisdictional and Cascade's gas management services are not included within the scope of this proceeding. Without waiving this objection, Cascade responds as follows:

Cascade does not calculate such comparisons, since the gas supply portfolios for the two groups are totally separate. The Core Portfolio is procured pursuant to an established strategy. Physical gas supply acquisitions are prescribed and certain time tables are established for the purchase or swap of price hedges. The Non-Core Portfolio, however, contains only supplies purchased for a particular customer or groups of customers that have agreed to purchase the supply. The prices in the Non-Core Portfolio may be higher or lower than WACOG of supplies in the Core Portfolio due to timing differences. The price of the Non-Core supply is set based upon the time at which the customer agreed to it.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 39

Date prepared: July 28, 2006

Preparer: Jon Stoltz

Likely Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 39:

Please provide a list of all capacity sold or otherwise committed to Schedule 663 or Schedule 664 customers during the last three years, and the arrangements (rates, firm or interruptible/recallable, and other such terms of the transaction) under which the capacity was sold or committed. Please include all transactions that were effective during the last three years (not just entered into over the past three years).

Response:

Cascade objects to this data request on the grounds of relevance. The requested information does not relate to matters that are at issue in this proceeding, given that the gas management services are FERC-jurisdictional and Cascade's gas management services are not included within the scope of this proceeding. Without waiving this objection, Cascade responds as follows:

The requested information is included in the attached excel files entitled "CMS DR 39CapRel2003-2005.xls", "CMS DR 39 685 2003-2005.xls"; and "CMS DR 39 Citygate2003-2005.xls". Please note that the attached files have been marked "CONFIDENTIAL" and are subject to the terms of the Protective Order issued in this proceeding.

**CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request**

Request No. 40

Date prepared: June 22, 2006

Preparer: Mark Sellers-Vaughn

Likely Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 40:

Please provide a list of capacity releases that the Company has made on Northwest Pipeline's electronic bulletin board (EBB), including release terms during the last three years. In addition, indicate whether or not the releases were subject to bidding.

Response:

Please see the attached file entitled **CMS DataRequest 40 CapRel2003-2005.xls**. Releases that required posting are indicated in the "Bid Posted" column. Please note that the attached file has been marked "CONFIDENTIAL" and is subject to the terms of the Protective Order issued in this proceeding.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 41

Date prepared: June 22, 2006

Preparer: Jon Stoltz

Likely Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 41:

To the extent that the Company is not recovering the full cost of its Northwest Pipeline capacity through such sales or releases, please explain who is responsible for the difference between the cost and value received (i.e., rate payers or shareholders).

Response:

All of the capacity released by the Company is unused capacity reserved for core customers. All capacity related cost recovered from non-core customers and other secondary capacity market participants are credited to the core customers as mitigation of these capacity costs. The core customers are responsible for the full cost, minus any mitigation, of the capacity.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 42

Date prepared: June 22, 2006

Preparer: Jon Stoltz

Likely Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 42:

Please indicate if any of the capacity sales or releases over the last three years have not or do not cover the marginal costs associated with performing under the transaction (i.e., do not cover fuel-in-kind reimbursement, Northwest Pipeline volumetric charges, applicable taxes, and/or Company administrative costs). In the event that such transactions exist (i.e., transactions that do not cover their marginal cost), please explain who absorbs the losses associated with the transactions (e.g., ratepayers or shareholders).

Response:

The marginal costs have been covered in all capacity sales or releases over the last three years.

CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request

Request No. 43

Date prepared: June 2, 2006

Preparer: Jon Stoltz

Likely Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 43:

To the extent that such activities are not regulated by the WUTC, please explain the methodology under which the Company determines acceptable or reasonable levels of cost recovery and administrative margins for pipeline capacity sales and gas supply sales.

Response:

The Company has a Risk Assessment Committee (recently renamed Gas Supply Oversight Committee) that consists of the CEO, CFO, Senior Vice President of Gas Supply and Regulatory, Treasurer, Controller, Senior Director of Gas Supply, Senior Director of Field Customer Service and Senior Director of Regulatory Affairs. This Committee is responsible for evaluating the risks and acceptable margin for Gas Management activities, which include pipeline capacity sales and gas supply sales. The Committee, in determining acceptable margins, considers customer creditworthiness, supplier creditworthiness, volumetric risk, and other pertinent factors that could affect the profitability of the projects.

**CASCADE NATURAL GAS CORPORATION
Cost Management Service
2006 Rate Case Data Request**

Request No. 44

Date prepared: June 21, 2006

Preparer: Jon Stoltz

Likely Witness: Jon Stoltz

Telephone: 206-381-6823

CMS Data Request No. 44:

Please explain (i) the extent to which the Company has had excess Northwest Pipeline capacity (i.e., capacity in excess of that required to serve its firm, jurisdictional customers) over the past five years; (ii) the Company's projections regarding excess Northwest Pipeline capacity for the next 10 years; and (iii) the extent to which the Company had, or will have, opportunities to terminate Northwest Pipeline capacity contracts over the last five years or during the next 10 years.

Response:

- i. The Company has not had enough firm pipeline capacity (TF-1) to meet the design peak day requirements of its firm core customers at all times during the last five years. However, the firm pipeline capacity associated with Northwest Pipeline's SGS service (TF-2), the deliverability diversity provided by Northwest Pipeline's LNG service (LS-1), the acquisition of city gate supply resources (where the supplier provides transportation to the city gate), and the long-term released capacity Cascade obtained in 1994 provide adequate winter peaking deliverability to augment the TF-1 capacity so that the design peak day requirements are adequately covered. On days other than design or near design peak days, the Company does have unused capacity that is available for the capacity release or the capacity secondary market. Capacity limitations are particularly pronounced along NPC's Wenatchee lateral and the Shelton lateral where the physical limitations of the existing pipe precludes the acquisition of additional capacity unless these laterals are enhanced with additional facilities.
- ii. The Company does not have any excess capacity on a design peak day today and will not have excess design peak day capacity at anytime during the next ten years unless it participates in a pipeline expansion project or a needle peaking storage project at some time during that ten year period.
- iii. The Company did not have, nor will have, excess capacity available to turn back in a capacity rationalization program.