

Cascade Natural Gas Corporation
CONSERVATION ALLIANCE PLAN USING CASCADE HDD COEFFICIENTS WITH NO ANNUAL CAP UPDATE
DEFERRED ACCOUNTING DETAILS - TWELVE MONTHS ENDED DECEMBER 31, 2009

DESCRIPTION	January	February	March	April	May	June	July	August	September	October	November	December
Rate Schedule 503												
Bellingham (5, 17)												
Customers	74,714	74,733	74,844	74,772	74,684	74,584	74,383	74,423	74,432	74,724	75,044	75,335
Actual DD	878	751	759	510	353	119	62	85	165	476	575	919
Normal DD	756.3	660.8	600.8	458.8	332.3	187	93.9	83.6	210.8	465.2	619.8	826.5
Difference	(122)	(90)	(158)	(51)	(21)	68	32	(1)	46	(11)	45	(93)
Coefficient for Therms per DD	0.147704545	0.111345229	0.116988104	0.112955738	0.081583995	0.080390205	0.106264819	0.120641285	0.066645888	0.113697037	0.149686507	0.128623937
Weather Normalization Adjustment	(1,343,032)	(750,569)	(1,385,177)	(432,431)	(126,125)	407,716	252,147	(12,570)	227,195	(91,756)	503,242	(896,314)
Bremerton (8,9,11)												
Customers	35,854	35,864	35,635	35,582	35,477	35,364	35,182	35,118	35,156	35,273	35,425	35,575
Actual DD	738	652	717	541	396	209	150	151	164	434	550	827
Normal DD	657	580	544	448	359	240	145	128	172	376	546	696
Difference	(82)	(72)	(173)	(93)	(37)	31	(6)	(23)	8	(59)	(4)	(131)
Coefficient for Therms per DD	0.17041032	0.13049815	0.12800145	0.11503504	0.08321587	0.07692015	0.07524770	0.08135046	0.08027097	0.13206882	0.16862210	0.15008744
Weather Normalization Adjustment	(497,956)	(335,569)	(787,286)	(381,484)	(109,528)	83,238	(14,561)	(66,565)	21,729	(272,520)	(23,894)	(699,990)
Walla Walla (23, 26)												
Customers	28,580	28,632	28,657	28,589	28,535	28,551	28,531	28,597	28,641	28,784	29,154	29,313
Actual DD	918	777	692	388	164	14	-	1	32	446	588	1,105
Normal DD	908	740	528	345	191	54	9	7	84	331	680	1,000
Difference	(10)	(37)	(164)	(43)	27	40	9	6	52	(115)	92	(105)
Coefficient for Therms per DD	0.12255870	0.10155735	0.11001748	0.08343056	0.05813598	0.04970585	0.23360963	0.29106957	0.08631544	0.07546702	0.11088408	0.10314337
Weather Normalization Adjustment	(33,976)	(106,716)	(517,370)	(102,325)	43,961	56,340	58,653	45,780	127,563	(250,242)	296,440	(316,857)
Yakima (20, 29, 32)												
Customers	27,740	27,710	27,620	27,375	27,096	26,884	26,638	26,545	26,519	26,899	27,438	27,663
Actual DD	1,072	839	800	496	253	25	11	16	122	566	799	1,270
Normal DD	1,008	801	655	466	274	102	29	27	152	509	826	1,113
Difference	(64)	(38)	(145)	(30)	21	77	18	11	30	(57)	27	(158)
Coefficient for Therms per DD	0.11783826	0.09759677	0.09643744	0.07871321	0.05725488	0.05337709	0.16968164	0.13733187	0.04830242	0.06102028	0.10036499	0.10245797
Weather Normalization Adjustment	(209,205)	(102,767)	(386,222)	(65,290)	32,889	111,068	82,264	39,371	38,044	(93,723)	72,976	(446,401)
Total Washington												
Customers	166,888	166,939	166,756	166,318	165,792	165,383	164,734	164,683	164,748	165,680	167,061	167,886
Baseline Commodity Margin/Customer	\$ 32.14	\$ 17.82	\$ 18.33	\$ 16.10	\$ 7.05	\$ 6.44	\$ 4.65	\$ 4.69	\$ 5.30	\$ 11.82	\$ 22.70	\$ 32.66
Expected Commodity Margin	\$ 5,363,780.32	\$ 2,974,852.98	\$ 3,056,637.48	\$ 2,677,719.80	\$ 1,168,833.60	\$ 1,065,066.52	\$ 766,013.10	\$ 772,363.27	\$ 873,164.40	\$ 1,958,337.60	\$ 3,792,284.70	\$ 5,483,156.76
Actual Therms	21,165,819	14,721,303	15,147,499	7,857,376	4,660,690	3,149,992	2,572,070	2,860,189	3,156,571	7,698,422	13,468,191	21,595,726
Actual Commodity Margin	\$ 5,555,604.17	\$ 3,864,047.61	\$ 3,975,915.54	\$ 2,062,404.05	\$ 1,223,337.91	\$ 826,809.90	\$ 675,116.93	\$ 750,742.41	\$ 828,536.76	\$ 2,020,681.81	\$ 3,535,130.77	\$ 5,668,446.16
Weather Normalization Adjustment	(2,084,170)	(1,295,622)	(3,076,055)	(981,530)	(158,804)	658,363	378,503	6,017	414,531	(708,241)	848,764	(2,359,563)
Weather Normalized Therms	19,081,649	13,425,681	12,071,444	6,875,846	4,501,886	3,808,355	2,950,573	2,866,206	3,571,102	6,990,181	14,316,955	19,236,163
Weather Normalized Commodity Margin	\$ 5,008,551.18	\$ 3,523,972.87	\$ 3,168,512.74	\$ 1,804,772.04	\$ 1,181,655.14	\$ 999,616.95	\$ 774,466.45	\$ 752,321.68	\$ 937,342.98	\$ 1,834,782.65	\$ 3,757,914.34	\$ 5,049,108.17
Margin Change Due to Weather Normalization	\$ (547,052.99)	\$ (340,074.75)	\$ (807,402.79)	\$ (257,632.01)	\$ (41,682.77)	\$ 172,807.05	\$ 99,349.52	\$ 1,579.27	\$ 108,806.22	\$ (185,899.15)	\$ 222,783.57	\$ (619,337.99)
T Accounts:												
Do Not Book Weather related Margin loss												
Do Not Book Weather related Margin loss												
Conservation Difference-Res	\$ 355,229.14	\$ (549,119.89)	\$ (111,875.26)	\$ 872,947.76	\$ (12,821.54)	\$ 65,449.57	\$ (8,453.35)	\$ 20,041.59	\$ (64,178.58)	\$ 123,554.95	\$ 34,370.36	\$ 434,048.59
T Accounts:												\$ -
FERC 4800 - Residential Revenue	\$ (355,229.14)	\$ 549,119.89	\$ 111,875.26	\$ (872,947.76)	\$ 12,821.54	\$ (65,449.57)	\$ 8,453.35	\$ (20,041.59)	\$ 64,178.58	\$ (123,554.95)	\$ (34,370.36)	\$ (434,048.59)
FERC 1860	\$ 355,229.14	\$ (549,119.89)	\$ (111,875.26)	\$ 872,947.76	\$ (12,821.54)	\$ 65,449.57	\$ (8,453.35)	\$ 20,041.59	\$ (64,178.58)	\$ 123,554.95	\$ 34,370.36	\$ 434,048.59

Cascade Natural Gas Corporation
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 DEFERRED ACCOUNTING DETAILS - TWELVE MONTHS ENDED DECEMBER 31, 2009

DESCRIPTION	January	February	March	April	May	June	July	August	September	October	November	December
Rate Schedule 504												
Bellingham (5, 17)												
Customers	9,139	9,154	9,143	9,142	9,099	9,065	9,020	8,997	8,965	8,999	9,057	9,107
Actual DD	878	751	759	510	353	119	62	85	165	476	575	919
Normal DD	756	661	601	459	332	187	94	84	211	465	620	827
Difference	(122)	(90)	(158)	(51)	(21)	68	32	(1)	46	(11)	45	(93)
Coefficient for Therms per DD	0.518738513	0.40030118	0.398774115	0.365201477	0.266083778	0.294629715	0.418610051	0.568003092	0.267060364	0.382270149	0.478060942	0.446440959
Weather Normalization Adjustment	(576,949)	(330,525)	(576,796)	(170,940)	(50,117)	181,616	120,450	(7,154)	109,654	(37,153)	193,975	(376,081)
Bremerton (8,9,11)												
Customers	4,705	4,704	4,697	4,688	4,673	4,652	4,639	4,624	4,620	4,630	4,662	4,680
Actual DD	738	652	717	541	396	209	150	151	164	434	550	827
Normal DD	657	580	544	448	359	240	145	128	172	376	546	696
Difference	(82)	(72)	(173)	(93)	(37)	31	(6)	(23)	8	(59)	(4)	(131)
Coefficient for Therms per DD	0.68631889	0.51697762	0.46275795	0.40087850	0.28143112	0.31018069	0.28799331	0.39442053	0.37326253	0.52539202	0.63564312	0.59727797
Weather Normalization Adjustment	(263,174)	(174,365)	(375,159)	(175,152)	(48,791)	44,155	(7,348)	(42,495)	13,278	(142,305)	(11,853)	(366,459)
Walla Walla (23, 26)												
Customers	4,116	4,126	4,137	4,123	4,101	4,092	4,081	4,068	4,067	4,078	4,116	4,158
Actual DD	918	777	692	388	164	14	-	1	32	446	588	1,105
Normal DD	908	740	528	345	191	54	9	7	84	331	680	1,000
Difference	(10)	(37)	(164)	(43)	27	40	9	6	52	(115)	92	(105)
Coefficient for Therms per DD	0.61512845	0.52681898	0.49955879	0.35222098	0.19470840	0.24305085	0.73051163	3.01703063	0.68106546	0.39900467	0.51133810	0.50951419
Weather Normalization Adjustment	(24,559)	(79,773)	(339,141)	(62,300)	21,160	39,484	26,235	67,503	142,926	(187,447)	192,998	(222,025)
Yakima (20, 29, 32)												
Customers	5,991	5,993	5,991	5,961	5,928	5,889	5,869	5,857	5,831	5,875	5,947	5,987
Actual DD	1,072	839	800	496	253	25	11	16	122	566	799	1,270
Normal DD	1,008	801	655	466	274	102	29	27	152	509	826	1,113
Difference	(64)	(38)	(145)	(30)	21	77	18	11	30	(57)	27	(158)
Coefficient for Therms per DD	0.56443634	0.48094678	0.44511808	0.33032019	0.22754347	0.33906771	1.37487829	1.17475569	0.42479709	0.33274597	0.43026399	0.49268093
Weather Normalization Adjustment	(216,418)	(109,528)	(386,672)	(59,662)	28,596	154,550	146,859	74,310	73,567	(111,624)	67,808	(464,575)
Total Washington												
Customers	23,951	23,977	23,968	23,914	23,801	23,698	23,609	23,546	23,483	23,582	23,782	23,932
Baseline Commodity Margin/Customer	\$ 131.95	\$ 84.72	\$ 74.05	\$ 62.45	\$ 34.28	\$ 33.74	\$ 28.73	\$ 30.41	\$ 33.30	\$ 50.36	\$ 86.30	\$ 135.71
Expected Commodity Margin	\$ 3,160,334.45	\$ 2,031,331.44	\$ 1,774,830.40	\$ 1,493,429.30	\$ 815,898.28	\$ 799,570.52	\$ 678,286.57	\$ 716,033.86	\$ 781,983.90	\$ 1,187,589.52	\$ 2,052,386.60	\$ 3,247,811.72
Actual Therms	14,931,430	11,776,038	11,203,949	6,007,773	4,024,469	3,264,142	2,770,385	3,070,509	3,277,352	6,067,590	8,290,375	14,977,929
Actual Commodity Margin	\$ 3,460,956.16	\$ 2,729,567.85	\$ 2,596,963.34	\$ 1,392,541.70	\$ 932,831.67	\$ 756,595.47	\$ 642,147.54	\$ 711,713.28	\$ 759,657.42	\$ 1,406,406.69	\$ 1,921,626.02	\$ 3,471,734.16
Weather Normalization Adjustment	(1,081,101)	(694,191)	(1,677,768)	(468,054)	(49,151)	419,804	286,195	92,164	339,426	(478,528)	442,927	(1,429,139)
Weather Normalized Therms	13,850,329	11,081,847	9,526,181	5,539,719	3,975,318	3,683,946	3,056,580	3,162,673	3,616,778	5,589,062	8,733,302	13,548,790
Weather Normalized Commodity Margin	\$ 3,210,367.73	\$ 2,568,661.40	\$ 2,208,073.51	\$ 1,284,051.46	\$ 921,438.84	\$ 853,901.94	\$ 708,484.78	\$ 733,075.95	\$ 838,332.92	\$ 1,295,488.67	\$ 2,024,292.11	\$ 3,140,473.98
Margin Change Due to Weather Normalization	\$ (250,588.43)	\$ (160,906.45)	\$ (388,889.83)	\$ (108,490.24)	\$ (11,392.82)	\$ 97,306.46	\$ 66,337.24	\$ 21,362.67	\$ 78,675.50	\$ (110,918.01)	\$ 102,666.09	\$ (331,260.19)
T Accounts:												
Do Not Book Weather related Margin loss												
Do Not Book Weather related Margin loss												
Conservation Difference-Res	\$ (50,033.28)	\$ (537,329.96)	\$ (433,243.11)	\$ 209,377.84	\$ (105,540.56)	\$ (54,331.42)	\$ (30,198.21)	\$ (17,042.09)	\$ (56,349.02)	\$ (107,899.15)	\$ 28,094.49	\$ 107,337.74
T Accounts:												
FERC 4810 - Commercial Revenue	\$ 50,033.28	\$ 537,329.96	\$ 433,243.11	\$ (209,377.84)	\$ 105,540.56	\$ 54,331.42	\$ 30,198.21	\$ 17,042.09	\$ 56,349.02	\$ 107,899.15	\$ (28,094.49)	\$ (107,337.74)
FERC 1860	\$ (50,033.28)	\$ (537,329.96)	\$ (433,243.11)	\$ 209,377.84	\$ (105,540.56)	\$ (54,331.42)	\$ (30,198.21)	\$ (17,042.09)	\$ (56,349.02)	\$ (107,899.15)	\$ 28,094.49	\$ 107,337.74

Cascade Natural Gas Corporation
CONSERVATION ALLIANCE PLAN USING CASCADE HDD COEFFICIENTS WITH NO ANNUAL CAP UPDATE
 DEFERRED ACCOUNTING DETAILS - TWELVE MONTHS ENDED DECEMBER 31, 2009

DESCRIPTION	January	February	March	April	May	June	July	August	September	October	November	December
Monthly Deferral CONSERVATION VARIANCE DEFERRAL BALANCE	\$ 305,195.86	\$ (1,086,449.85)	\$ (545,118.37)	\$ 1,082,325.60	\$ (118,362.11)	\$ 11,118.15	\$ (38,651.56)	\$ 2,999.50	\$ (120,527.60)	\$ 15,655.79	\$ 62,464.85	\$ 541,386.33
Cumulative Deferred Balance	\$ 305,195.86	\$ (781,253.99)	\$ (1,326,372.36)	\$ (244,046.76)	\$ (362,408.86)	\$ (351,290.71)	\$ (389,942.28)	\$ (386,942.78)	\$ (507,470.38)	\$ (491,814.58)	\$ (429,349.73)	\$ 112,036.60

State: [Washington](#)
 Description: [Washington CAP Conservation Variance Deferral](#)
 Account number: [47WA.1862.20453 / 18604301-RA53](#)
 Class of customers: [R/S 503 & 504](#)
 Deferral period: [1/1/09 - 12/31/09](#)
 Amortization period: [N/A](#)

Narrative: [To record deferrals for WA CAP Conservation Program](#)

Debit (Credit)							
Month/Year	Rate	Therms	Deferral	Amortization	Interest	Adjustment	Deferred Balance
Jan-09			305,195.86		0.00		305,195.86
Feb-09			(1,086,449.85)		1,072.93		(780,181.06)
Mar-09			(545,118.37)		(3,036.64)		(1,328,336.07)
Apr-09			1,082,325.60		(3,730.41)		(249,740.88)
May-09			(118,362.11)		(724.73)		(368,827.72)
Jun-09			11,118.15		(1,035.79)		(358,745.36)
Jul-09			(38,651.56)		(1,003.99)		(398,400.91)
Aug-09			2,999.50		(1,114.97)		(396,516.38)
Sep-09			(120,527.60)		(1,073.90)		(518,117.88)
Oct-09			15,655.79		(1,450.01)		(503,912.10)
Nov-09			62,464.85		(1,364.76)		(442,812.01)
Dec-09			541,386.33		(1,239.26)		97,335.06