



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

CNG/O08-08-02-A

October 10, 2008

Ms. Vikie Bailey-Goggins
Oregon Public Utility Commission
550 Capitol Street NE
Salem, OR 97310-1380

Dear Ms. Bailey-Goggins:

Submitted herewith are three (3) copies of the following revisions to Cascade's P.U.C. OR No. 9 Tariffs containing an effective date of November 1, 2008:

Second Revision Sheet No. 177, Canceling First Revision Sheet No. 177
Substitute Second Revision Sheet No. 177-A, Canceling Second Revision Sheet No. 177-A
Substitute Third Revision Sheet No. 191, Canceling Third Revision Sheet No. 191
Substitute Third Revision Sheet No. 194, Canceling Third Revision Sheet No. 194

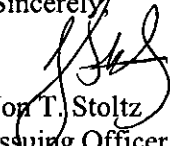
The tariffs labeled "substitute" should replace the similarly numbered tariffs sent to you with Cascade's Purchase Gas Adjustment (PGA) rate application filing on August 29, 2008, under Docket UG185. The revisions update the price forecast and the terms used to calculate the rates for the deferred balances. Additionally, substitute Exhibits 1, 2 & 4 have been included to support the revised tariff sheets.

In addition to the above filed substitute sheets, Cascade is also filing language changes to Sheets 177 and 177-A to change all references from historical weather-normalized terms to forecasted terms when calculating the PGA.

Given the timing of this submittal, the Statutory Notice requirement cannot be met. Accordingly, the Company requests waiver of Statutory Notice to permit approval by the requested effective date. Enclosed is a Waiver of Statutory Notice request to facilitate approval of the proposed tariffs by November 1, 2008.

Please direct any questions regarding this filing to Katherine Barnard at (206) 381-6824 or Paul Schmidt at (206) 381-6825.

Sincerely,


Jon T. Stoltz
Issuing Officer

JTS/ cl

Enclosures

We make warm neighbors

www.cngc.com

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON
550 CAPITAL ST NE
SALEM, OR 97310-1380

IN THE MATTER OF THE APPLICATION OF) UTILITY L.S.N. APPLICATION
Cascade Natural Gas Corporation) NO. _____
(Utility Company)
TO WAIVE STATUTORY NOTICE:)

NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT.

1. GENERAL DESCRIPTION OF THE PROPOSED SCHEDULE(S) ADDITION, OR CHANGE. (SCHEDULE INCLUDES ALL RATES, TOLLS AND CHARGES FOR SERVICE AND ALL RULES AND REGULATIONS AFFECTING THE SAME)

To make revisions to the Company's annual PGA filing as filed under the original advice number CNG/O08-08-02.

2. APPLICANT DESIRES TO CHANGE THE SCHEDULE(S) NOW ON FILE KNOWN AND DESIGNATED AS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)

First Revision Sheet No. 177 Canceling Original Revision Sheet No. 177
Second Revision Sheet No. 177-A, Canceling Substitue First Revision Sheet No. 177-A
Third Revision Sheet No. 191, Canceling Second Revision Sheet No. 191
Third Revision Sheet No. 194, Canceling Second Revision Sheet No. 194

3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)

Second Revision Sheet No. 177, Canceling First Sheet No. 177
Substitute Second Revision Sheet No. 177-A, Canceling Second Revision Sheet No. 177-A
Substitute Third Revision Sheet No. 191, Canceling Third Revision Sheet No. 191
Substitute Third Revision Sheet No. 194, Canceling Third Revision Sheet No. 194

4. REASON(S) FOR REQUESTING A WAIVER OF STATUTORY NOTICE.

To incorporate updates and corrections to the original filing.

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE(S) OR CHANGE(S): **November 1, 2008**

6. Authorized Signature



Title

Senior Vice President
Regulatory Affairs & Gas Supply Date:10/10/08

APPROVED

DENIED

EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE

AUTHORIZED SIGNATURE

DATE

CASCADE NATURAL GAS CORPORATION

PURCHASED GAS COST ADJUSTMENT PROVISION
SCHEDULE NO. 177**APPLICABLE:**

This schedule applies to all schedules for natural gas sales service within the entire territory served by the Company in the State of Oregon. The definitions and provisions described herein shall establish the natural gas costs for Purchased Gas Adjustment (PGA) deferral purposes on a monthly basis.

PURPOSE:

The purpose of this provision is to allow the Company, on established Adjustment Dates, to adjust rate schedules for changes in the cost of gas purchased in accordance with the rate adjustment provisions described herein.

ADJUSTMENT DATES:

The Adjustment Date shall be November 1 of each year for changes in annual gas costs. The Company may file out-of-cycle PGA adjustments to be effective at times other than November 1 of each year, if the sum of the Company's annual Actual Commodity Costs and Actual Non-Commodity Costs differs from the sum of the annual Embedded Commodity Costs and Embedded Non-Commodity Costs by 10 percent or more, or for such other reasons and on such terms as the Commission may approve.

DEFINITIONS:

1. Actual Commodity Cost: The natural gas supply costs for commodity actually paid for the month, including Financial Transactions, fuel use, and distribution system lost and unaccounted for natural gas (LUGF) plus Gas Storage Facilities withdrawals, plus or minus the cost of natural gas associated with pipeline imbalances, plus propane costs, plus odorization charges, less Commodity Off-System Sales Revenues received during the month, plus actual Variable Transportation Costs, plus commodity-related reservation charges, less all transportation demand charges embedded in commodity costs.
2. Commodity Off-System Sales Revenues: Revenues received from the sale of natural gas to a party other than the Company's Oregon sales customers less costs associated with the sales transactions.
3. Variable Transportation Costs: Variable transportation costs, including pipeline volumetric charges, and other variable costs related to volumes of commodity delivered to sales customers.
4. Actual Non-Commodity Cost: Actual Non-Commodity gas costs shall be equal to actual Demand Costs, less actual Capacity Release benefits, plus or minus actual pipeline refunds or surcharges.
5. Demand Costs: Fixed monthly pipeline costs and other demand-related natural gas costs such as capacity reservation charges, plus any transportation demand charges embedded in commodity costs.
6. Capacity Release Benefits: This component includes revenues associated with pipeline capacity releases. The benefits to customers, through the monthly PGA deferrals, shall be 100% of the capacity release revenues up to the full pipeline rate, and 80% of the capacity release revenues in excess of full pipeline rates. Capacity release revenues shall be quantified on a transaction-by-transaction basis.
7. Estimated Weighted Average Cost of Gas (WACOG): The estimated WACOG for the period November 1st through October 31st is calculated by the following formula: (Forecasted Purchases at Adjusted Contract Prices) divided by (forecasted sales volumes). This WACOG does not include any revenue sensitive factors. (T)
 - a. "Forecasted Purchases" means this year's forecasted sales volumes plus a percentage for distribution system LUGF and pipeline fuel in kind. (T)
 - b. "Distribution system embedded LUGF" means the 5-year average of actual distribution system LUGF, not to exceed 2%.
 - c. "Adjusted contract prices" means actual and projected contract prices that are adjusted by each associated Canadian pipeline's published (closest to August 1) fuel use and line loss amount provided for by tariff, and by each associated U.S. pipeline's tariffed rate.

-Continued Next page-

CNG/O08-08-02-A

ISSUED October 10, 2008EFFECTIVE November 1, 2008

ISSUED BY CASCADE NATURAL GAS CORPORATION

BY Jon T. StoltzTITLE Senior Vice President
Regulatory & Gas Supply

CASCADE NATURAL GAS CORPORATION

**PURCHASED GAS COST ADJUSTMENT PROVISION
 SCHEDULE NO. 177**

(Continued from Previous Page)

8. Estimated Non-Commodity Cost: Estimated annual Non-Commodity gas costs shall be equal to estimated annual Demand Costs, less estimated annual Capacity Release Benefits, plus or minus estimated annual pipeline refunds or surcharges.
9. Estimated Non-Commodity Cost per Therm: The Estimated Non-Commodity cost per therm is calculated by the following formula: (Estimated annual Non-Commodity Cost divided by forecasted sales volumes). This estimate does not include any revenue-sensitive factors. (T)

The Estimated Cost of Gas per therm is as follows:

	<u>COST OF GAS PER THERM</u>	<u>REVENUE SENSITIVE COSTS</u>	<u>COST OF GAS PER THERM RATE</u>	
WACOG	\$.83429	2.371%	\$.85455	(I)
Non-Commodity Cost	\$.08958	↓	\$.09176	(D)
Total	\$.92387	2.371%	\$.94631	(I)

10. Actual Monthly Calendar Sales Volumes: Actual billed sales therms, adjusted for estimated unbilled therms, for firm and interruptible sales schedules.
11. Embedded Commodity Cost: The Estimated WACOG multiplied by the Actual Monthly Calendar Sales Volumes.
12. Embedded Non-Commodity Cost: The Estimated Non-Commodity Cost per Therm multiplied by the Actual Calendar Sales Volumes less interruptible sales volumes.
13. Financial Transactions: Cost of Financial Transactions related to gas supply, including but not limited to, hedges, swaps, puts, calls, options and collars that are exercised to provide price stability/control or supply reliability for sales service customers.
14. Gas Storage Facilities: The cost of natural gas for injections shall be the actual cost of purchasing gas for storage and the cost of injection of the gas into the storage facility. Withdrawals of natural gas shall be valued at the weighted average cost of gas in the facility plus any variable withdrawal costs. Only the cost of natural gas withdrawn from Gas Storage Facilities will be included in the Actual Commodity Cost, as defined herein.

CNG/O08-08-02-A

ISSUED October 10, 2008

EFFECTIVE November 1, 2008

ISSUED BY CASCADE NATURAL GAS CORPORATION

BY Jon T. Stoltz

TITLE Senior Vice President
 Regulatory and Gas Supply

CASCADE NATURAL GAS CORPORATION

TEMPORARY RATE ADDITION
SCHEDULE NO. 191

APPLICABLE:

The temporary rate addition applies to gas service rendered by the Company under the tariff of which this schedule is a part for service on and after the effective date hereof and shall be in addition to all rates and charges specified in this tariff.

RATES:

Each of the charges specified in the schedules for gas service hereinafter listed shall be adjusted by the following per therm increase or (decrease) or appropriate multiple thereof in determining annual minimum bill, if any:

<u>Rate Schedule</u>	<u>Amount</u>
Schedule 101	\$.02992
Schedule 104	\$.02992
Schedule 105	\$.02992
Schedule 111	\$.02992
Schedule 112	\$.02992
Schedule 126	\$.02992
Schedule 170	\$.02992

(I)
↓
(I)

LIMITATION:

This temporary rate addition shall remain in effect until cancelled pursuant to order of the Oregon Public Utility Commission.

SPECIAL TERMS AND CONDITIONS:

The rates named herein are subject to increases as set forth in Schedule No. 100 Municipal Exactions.

CNG/O08-08-02-A

ISSUED October 10, 2008

EFFECTIVE November 1, 2008

ISSUED BY CASCADE NATURAL GAS CORPORATION

BY Jon T. Stoltz

TITLE Senior Vice President
Regulatory and Gas Supply

CASCADE NATURAL GAS CORPORATION

TEMPORARY RATE ADDITION
SCHEDULE NO. 194

APPLICABLE:

This temporary rate addition applies to gas service rendered by the Company under the tariff of which this schedule is a part for service on and after the effective date hereof and shall be in addition to all rates and charges specified in this tariff.

RATES:

Each of the charges specified in the schedules for gas service hereinafter listed shall be adjusted by the following per therm increase or (decrease) or appropriate multiple thereof in determining annual minimum bill, if any:

<u>Core Rate Schedules</u>	<u>Amount</u>	
Schedule 101	\$.07665	(I)
Schedule 104	\$.07485	
Schedule 105	\$.07514	
Schedule 111	\$.07506	
Schedule 112	\$.07455	
Schedule 126	\$.07455	
Schedule 170	\$.07455	
<u>Interruptible Distribution Transportation Rate Schedules</u>	<u>Amount</u>	
Schedule 163 -All Rate Blocks	\$.00036	
Schedule 164		
First 10,000 Therms	\$.00036	
Next 10,000 Therms	\$.00036	
Next 30,000 Therms	\$.00036	
Next 50,000 Therms	\$.00036	
Next 400,000 Therms	\$.00036	
Over 500,000 Therms	\$.00036	(I)
Schedule 185 -All Commodity Therms	\$.00000	
Schedule 186 -All Commodity Therms	\$.00000	

LIMITATION:

This temporary rate addition shall remain in effect until cancelled pursuant to order of the Oregon Public Utility Commission.

SPECIAL TERMS AND CONDITIONS:

The rates named herein are subject to increases as set forth in Schedule No. 100 Municipal Exactions.

CNG/O08-08-02-A

ISSUED October 10, 2008

EFFECTIVE November 1, 2008

BY Jon T. Stoltz

ISSUED BY CASCADE NATURAL GAS CORPORATION

TITLE Senior Vice President
Regulatory and Gas Supply

Before the
OREGON PUBLIC UTILITY COMMISSION

REVISED
EXHIBIT 1

Cascade Natural Gas Corporation

October 10, 2008

Cascade Natural Gas Corporation
 OREGON 2008 GAS COST TRACKING APPLICATION
 CHANGE IN SYSTEM SUPPLY GAS COSTS RATES

State of Oregon

Line No. (a)	Description (b)	Percent of Gross Revenue (c)	AVERAGE BASE GAS COST CHANGE (d)
1	Change in Average WACOG		\$ 0.04835
2	Change in Non-Commodity Cost Rate		\$ (0.01914)
3	SUBTOTAL		\$ 0.02921
	<u>REVENUE SENSITIVE COST PERCENTAGES</u>		
4	Provision for Uncollectibles	0.286%	
5	City Franchise Fees	1.835%	
6	Gross Revenue Fee	0.250%	
7	TOTAL	<u>2.371%</u>	
	<u>CHANGE IN RATES</u>		
8	(Divide TOTAL Line 3 By [1-0.02371])		<u>\$0.02992</u>

Cascade Natural Gas Corporation
OREGON 2008 GAS COST TRACKING APPLICATION
AVERAGE CURRENT GAS COST DETERMINATION
DEVELOPMENT OF CURRENT PIPELINE AND SUPPLY RATES

LINE No.	UNITS	NOV 1, 2007 RATE	AMOUNT	SALES THERMS	COMMODITY COST OF GAS	FIXED COST OF GAS
1	352,381	\$7.07945	\$2,494,665		\$112,523	\$2,382,142
2	67,530,885	\$0.77610	\$52,410,902	66,925,553	\$52,410,902	
3	211,737	\$8.24555	\$1,745,890			\$1,745,890
4	36,000	\$5.67045	\$204,136			\$204,136
5	74,460	\$4.38370	\$326,410			\$326,410
6	203,800	\$5.67045	\$1,155,637			\$1,155,637
7	48,914,320	\$0.00124	\$60,674		\$60,674	
8	200,364	\$13.86416	\$2,777,874			\$2,777,874
9	21,717,511	\$0.00316	\$68,627		\$68,627	
10	66,107	\$1.11763	\$73,883			\$73,883
11	514,512	\$0.14272	\$73,429			\$73,429
12	514,512	\$0.76191	\$392,010	514,512	\$392,010	
13	514,512	\$0.06411	\$32,985			\$32,985
14	514,512	\$0.04579	\$23,560			\$23,560
15	514,512	\$0.00418	\$2,153			\$2,153
16	1,697	\$13.86416	\$23,528			\$23,528
17	514,512	\$0.00300	\$1,544		\$1,544	
18	18,284	\$0.56612	\$10,351			\$10,351
19	553,080	\$0.02044	\$11,305			\$11,305
20	553,080	\$0.70622	\$390,594	553,080	\$390,594	
21	553,080	\$0.04244	\$23,475			\$23,475
22	1,824	\$13.86416	\$25,294			\$25,294
23	553,080	\$0.00300	\$1,659		\$1,659	
24	Capacity Release		(\$1,500,000)			(\$1,500,000)

25 TOTAL AVERAGE CURRENT GAS COSTS \$60,830,583 67,993,145 \$53,438,532 = \$0.78594 \$7,392,051 = \$0.10872 \$0.89466

Cascade Natural Gas Corporation
OREGON 2008 GAS COST TRACKING APPLICATION
AVERAGE CURRENT GAS COST DETERMINATION
DEVELOPMENT OF CURRENT PIPELINE AND SUPPLY RATES

LINE No.	UNITS	NOV 1, 2008 RATE	AMOUNT	SALES THERMS	COMMODITY COST OF GAS	FIXED COST OF GAS
1	262,458	\$8.28337	\$2,174,034		\$38,036	\$2,135,998
2	73,811,371	\$0.82443	\$60,851,961	73,112,584	\$60,851,961	
3	209,014	\$8.48905	\$1,774,330			\$1,774,330
4	36,000	\$5.79564	\$208,643			\$208,643
5	74,460	\$4.47197	\$332,983			\$332,983
6	203,800	\$5.79564	\$1,181,151			\$1,181,151
7	54,276,091	\$0.00073	\$39,470		\$39,470	
8	161,368	\$13.82730	\$2,231,283			\$2,231,283
9	23,107,156	\$0.00319	\$73,712		\$73,712	
10	53,444	\$1.11471	\$59,574			\$59,574
11	517,982	\$0.14235	\$73,735			\$73,735
12	517,982	\$0.87500	\$453,232	517,982	\$453,232	
13	517,982	\$0.06411	\$33,208			\$33,208
14	517,982	\$0.05259	\$27,239			\$27,239
15	517,982	\$0.00418	\$2,167			\$2,167
16	1,372	\$13.82730	\$18,971			\$18,971
17	517,982	\$0.00300	\$1,554		\$1,554	
18	14,782	\$0.56466	\$8,347			\$8,347
19	556,811	\$0.02044	\$11,381			\$11,381
20	556,811	\$0.77993	\$434,275	556,811	\$434,275	
21	556,811	\$0.04687	\$26,100			\$26,100
22	1,475	\$13.82730	\$20,395			\$20,395
23	556,811	\$0.00300	\$1,670		\$1,670	
24			(\$1,500,000)			(\$1,500,000)

25 TOTAL AVERAGE CURRENT GAS COSTS \$ 68,539,415 74,187,377 \$61,893,911 = \$0.83429 \$6,645,504 = \$0.08958 \$0.92387

REVENUE UNDER PROPOSED RATES BASED UPON
 NORMALIZED TEST PERIOD THERM SALES AND REVENUES FOR THE TWELVE MONTHS
 ENDED 06/30/08 RESTATED AT 11/1/07 RATES
 State of Oregon

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Description	Rate Schedule	Average Number of Bills	Actual Therms Sold	Weather Normalized Therms Sales	Actual Revenue	Revenue @ 11/1/07 Rates	Weather Normalized Revenue @ 11/1/07 Rates	Proposed Per Therm Change	Revenue Impact of Per Therm Change	Resulting Percentage Change
CORE MARKET SERVICE										
Residential										
1	General Service	53.316	40,828,004	38,018,668	\$ 51,257,087	\$ 52,924,543	\$ 49,418,267	\$0.02992	\$ 1,137,519	
2	Unbilled Sales @ 06/30/08		560,339	560,339	677,360	699,395	699,395	\$0.02992	16,765	
3	Less Unbilled Sales @ 05/30/07		502,660	502,660	604,213	623,869	623,869	\$0.02992	15,040	
4	Total	53.316	40,885,663	38,076,347	\$ 51,330,234	\$ 53,000,070	\$ 49,493,794		\$ 1,139,244	2.30%
Commercial										
5	General Service	8.746	29,162,098	27,571,259	\$ 32,609,324	\$ 33,699,167	\$ 31,878,196	\$0.02992	\$ 824,932	
6	Unbilled Sales @ 06/30/08		451,783	451,783	501,792	518,562	518,562	\$0.02992	13,517	
7	Less Unbilled Sales @ 06/30/07		436,085	436,085	483,585	499,747	499,747	\$0.02992	13,048	
8	Less Company Use		68,118	68,118	77,096	79,672	79,672	\$0.02992	2,038	
9	Total	8.746	29,109,678	27,518,939	\$ 32,550,436	\$ 33,638,311	\$ 31,817,340		\$ 823,364	2.59%
Com-Ind Dual Service										
10	Large Volume - Commercial	7	643,128	605,634	\$ 654,246	\$ 683,356	\$ 640,438	\$0.02992	\$ 18,121	
11	Unbilled Sales @ 06/30/08		10,121	10,121	10,085	10,534	10,534	\$0.02992	303	
12	Less Unbilled Sales @ 06/30/07		18,249	18,249	18,491	19,314	19,314	\$0.02992	546	
13	Large Volume - Industrial	11	1,475,731	1,475,731	1,503,006	1,565,585	1,565,585	\$0.02992	44,154	
14	Total	18	2,110,731	2,073,237	\$ 2,148,846	\$ 2,240,160	\$ 2,197,242		\$ 62,031	2.82%
Industrial Firm										
15	General Service	82	2,399,366	2,399,366	\$ 2,531,284	\$ 2,643,304	\$ 2,643,304	\$0.02992	\$ 71,789	2.72%
Industrial Interruptible										
16	General Service	0	0	0	\$ 0	\$ 0	\$ 0	\$0.02992	\$ 0	0.00%
17	TOTAL CORE MARKET	62.162	74,505,458	70,067,789	\$ 88,560,799	\$ 91,521,844	\$ 86,151,679		\$ 2,096,428	2.43%
NONCORE MARKET SERVICE										
18	Gas Supply (R/S 181,182,183,187)		18,751,059	18,751,059	\$ 18,795,663	\$ 18,795,663	\$ 18,795,663	\$0.00000	\$ 0	0.00%
19	Transportation (R/S 185,186,785,786)		456,831	456,831	\$ 16,317	\$ 16,317	\$ 16,317	\$0.00000	\$ 0	0.00%
20	Distribution (R/S 163,164,902)	32	308,693,784	308,693,784	\$ 4,292,418	\$ 4,379,455	\$ 4,379,455	\$0.00000	\$ 0	0.00%
21	TOTAL NONCORE	32	308,693,784	308,693,784	\$ 23,104,399	\$ 23,191,436	\$ 23,191,436		\$ 0	
22	TOTAL CORE & NON-CORE	62.194	383,199,242	378,761,573	\$ 111,665,198	\$ 114,713,280	\$ 109,343,115		\$ 2,096,428	
Adjustments										
23	City Excavation Tax				\$ 1,345,708	\$ 1,345,708	\$ 1,345,708	\$	\$ 0	\$
24	Billing/Tech. Adjustments				(399,610)	(399,610)	(399,610)	\$	\$ 0	\$
25	Other Operating Revenue				120,523	120,523	120,523	\$	\$ 0	\$
26	Overrun Penalty Revenue				0	0	0	\$	\$ 0	\$
27	TOTAL ADJUSTMENTS		0		\$ 1,066,622	\$ 1,066,622	\$ 1,066,622		\$ 0	\$
28	TOTAL	62.194	383,199,242		\$ 112,731,820	\$ 115,779,901	\$ 110,409,736		\$ 2,096,428	\$

1a Therms shown represent both Cascade and Customer Owned supplies.
 1b Only shows therms supplied under Cascade's agreements with Northwest Pipeline & Pacific Gas Transmission.

Before the
OREGON PUBLIC UTILITY COMMISSION

REVISED
EXHIBIT 2

Cascade Natural Gas Corporation

October 10, 2008

Cascade Natural Gas Corporation

State of Oregon

Description (a)	Rate Schedule (b)	Reversal 2007 Earnings Sharing Deferral Temporary rate (c)	Proposed 2008 Earnings Sharing Deferral Temp. Rate Adj. (d)	Proposed UM 1283 Revenue Credit Temp. Rate Adj. (e)	Proposed Intervenor Funding Temp. Rate Adj. (f)	Other Deferral Accounts Rate Change (g)	R/S 194 Rate Change Total (h)
CORE MARKET RATE SCHEDULES							
Residential	101	\$ 0.00757	\$ (0.00397)	\$ (0.00319)	\$ 0.00169	\$ 0.07455	\$ 0.07665
Commercial	104	\$ 0.00480	\$ (0.00249)	\$ (0.00201)	\$ -	\$ 0.07455	\$ 0.07485
Com-Ind Duel Service	111	\$ 0.00305	\$ (0.00152)	\$ (0.00122)	\$ 0.00020	\$ 0.07455	\$ 0.07506
Industrial Firm	105	\$ 0.00386	\$ (0.00192)	\$ (0.00155)	\$ 0.00020	\$ 0.07455	\$ 0.07514
Industrial Interr.	170	\$ -	\$ -	\$ -	\$ -	\$ 0.07455	\$ 0.07455
TOTAL CORE							
NONCORE MARKET CUSTOMERS							
Distribution	163	\$ 0.00143	\$ (0.00073)	\$ (0.00058)	\$ 0.00020	\$ 0.00004	\$ 0.00036
Lg Vol Distribution	164	\$ 0.00143	\$ (0.00073)	\$ (0.00058)	\$ 0.00020	\$ 0.00004	\$ 0.00036
Special Contract	902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

c) from 2007 PGA Filing, Exhibit 2 of 4, Schedule 1 of 1, Page 1 of 4, Col. C

d) from Exhibit 2 of 4, Schedule 1 of 1, Page 3 of 6, Column J

e) from Exhibit 2 of 4, Schedule 1 of 1, Page 5 of 6, Column J

f) from Exhibit 2 of 4, Schedule 1 of 1, Page 4 of 6, line #7

g) from Exhibit 2 of 4, Schedule 1 of 1, Page 2 of 6, line #29

CALCULATION OF PER THERM RATES TO AMORTIZE DEFERRED ACCOUNTS

Proposed Technical Adjustment Rates

NONCORE (1)
R/S 163 & 164
Transportation

Interest
Assignments &
Amortizations
Thru 10/31/08

Account
Balance
@ 06-30-08

Deferral
Order(s)

Description

(a)

(b)

(c)

(d)

(e)

(f)

(g)

(h)

(i)

(j)

(k)

(l)

Line No.	Description	Deferral Order(s)	Account Balance @ 06-30-08	Interest Assignments & Amortizations Thru 10/31/08	Revenue Sensitive Costs	Interest Accruals Thru Amortization	Amount	Firm Only	Other Than Transportation Interruptible	NONCORE (1) R/S 163 & 164 Transportation	Proposed Period of Amortization	Item
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)

1	Account # 25308702-DG232	07-397/07-478	\$ (261,006.97)	(\$7,745)	(\$6,527)	(\$4,764)	(\$280,043)	(\$0.00377)	(\$0.00377)		1 Year	7/1/07 Core Market Commodity Costs Core Mkt Amortization
2						Divide by	74,187,377					

3	Account # 25308702-DG233	07-397/07-478	\$ 844,324.81	\$25,053	\$21,114	\$15,411	\$905,903	\$0.01221	\$0.01221		1 Year	7/1/07 Core Market Demand Costs Firm Core Mkt Amortization
4						Divide by	74,187,377					

5	Account # 25308702-DG243	07-397/07-478	\$ 1,952,535.33	\$43,175	\$48,467	\$35,377	\$2,079,555	\$0.02803	\$0.02803		1 Year	11/1/07 Core Market Commodity Costs Core Mkt Amortization
6						Divide by	74,187,377					

7	Account # 25308702-DG244	07-397/07-478	\$ (597,651.20)	(\$13,216)	(\$14,835)	(\$10,828)	(\$636,531)	(\$0.00858)	(\$0.00858)		1 Year	11/1/07 Core Market Demand Costs Firm Core Mkt Amortization
8						Divide by	74,187,377					

9	Account # 25308702-DG246	07-397/07-478	\$ (102,236.89)	(\$3,034)	(\$2,557)	(\$1,866)	(\$109,693)	(\$0.00148)	(\$0.00148)		1 Year	OR 11/07 Tenaska Gas Storage Mitigation Firm Core Mkt Amortization
10						Divide by	74,187,377					

11	Account # 25308702-DG248	07-397/07-478	\$ (445,487.26)	(\$13,219)	(\$11,140)	(\$8,131)	(\$477,977)	(\$0.00644)	(\$0.00644)		1 Year	OR GTN Reservation Refund Core Mkt Amortization
12						Divide by	74,187,377					

13	Account # 25308702-DG250	07-397/07-478	\$ (2,420.05)	(\$72)	(\$61)	(\$44)	(\$2,597)	(\$0.00003)	(\$0.00003)		1 Year	OR WWFL Refund, Clay Basin Core Mkt Amortization
14						Divide by	74,187,377					

15	Account # RESIDUAL ACCOUNT - CORE		\$ 185,512.46	\$432,358	\$15,005	\$10,783	\$643,660	\$0.00868	\$0.00868		1 Year	Consolidation Core Mkt Amortization
16						Divide by	74,187,377					

17	Account # RESIDUAL ACCOUNT - ALL		\$ (51,939.45)	(\$63,536)	(\$2,744)	(\$2,183)	(\$120,403)	(\$0.00112)	(\$0.00112)		1 Year	Consolidation All Dist Customers Amort.
18						Divide by	107,792,463					
19	TOTAL		\$ 1,521,630.78	\$399,766	\$46,723	\$33,754	\$2,001,874	\$0.02750	\$0.02750			

20	Reversal of			11/07 TECH ADJUSTMENTS			\$0.04705	\$0.04705				
21	EFFECTIVE RATE SCHEDULE NO. 194 AMORTIZATION RATE						\$0.07455	\$0.07455				

CASCADE NATURAL GAS CORPORATION
CALCULATION OF EARNINGS SHARING DEFERRAL ON AN EQUAL PERCENTAGE OF MARGIN BASIS
 State of Oregon

Description (a)	Rate Schedule (b)	Average Number of Bills/Month (c)	Actual Therms Sold CYE 12/31/07 (d)	Margin per Therm (e)	Margin (f)	Service Charge Revenues CYE 12/31/07 (g)	Total Margin CYE 12/31/07 (h)	Allocation of Earnings Sharing Deferral (i)	Per Therm Temporary Adjustment (j)
CORE MARKET RATE SCHEDULES									
Residential									
General Service	101	52,585	37,828,990	\$ 0.33170	12,547,876	1,893,060	14,440,936		
Unbilled 12/31/07			3,893,027	\$ 0.33170	1,291,317		1,291,317		
Unbilled 12/31/06			(3,616,200)	\$ 0.33170	(1,199,494)		(1,199,494)		
Total		52,585	38,105,817		12,639,699	1,893,060	14,532,759	\$ (151,149)	\$ (0.00397)
Commercial									
General Service	104	8,569	27,192,888	\$ 0.22828	6,207,592	308,472	6,516,064		
Unbilled 12/31/07			2,579,220	\$ 0.22828	588,784		588,784		
Unbilled 12/31/06			(2,362,011)	\$ 0.22828	(539,200)		(539,200)		
Company Use			(65,753)	\$ 0.22828	(15,010)		(15,010)		
Total		8,569	27,344,344		6,242,167	308,472	6,550,639	\$ (68,131)	\$ (0.00249)
Com-Ind Dual Service									
Large Volume - COM	111	7	638,441	\$ 0.14617	93,321	0	93,321		
Unbilled 12/31/07			375,554	\$ 0.14617	54,895		54,895		
Unbilled 12/31/06			(374,074)	\$ 0.14617	(54,678)		(54,678)		
Large Volume - IND	111	11	1,565,138	\$ 0.14617	228,776	0	228,776		
Total		18	2,205,059		322,313	0	322,313	\$ (3,352)	\$ (0.00152)
Industrial Firm									
General Service	105	83	2,654,175	\$ 0.18032	478,601	11,928	490,529	\$ (5,102)	\$ (0.00192)
Industrial Interr.									
General Service	170	0	0	0	0		0		
TOTAL CORE		61,255	70,309,395		19,682,781	2,213,460	21,896,241	\$ (227,734)	
NONCORE MARKET CUSTOMERS									
General Transportat	163	24	14,071,950	see calc	1,219,508	146,500	1,366,008	\$ (14,207)	
Large Vol Transportat	164	3	14,452,380	below	608,533	15,000	623,533	\$ (6,485)	
Distribution	902	4	272,542,334		0		0	\$ -	
TOTAL NONCORE		31	301,066,664		1,828,041	161,500	1,989,541	\$ (20,692)	\$ (0.00073)
TOTAL CORE & NONCORE		61,285	371,376,059		21,510,822	2,374,960	23,885,782	\$ (248,426)	

Total distribution noncore therms
 less R/S 902
 Net noncore therms

301,066,664
 (272,542,334)
28,524,330

Line No.	Description (a)	Account Balance @ 06-30-08 (b)	Interest Assignments & Amortizations Thru 10/31/08 (c)	Revenue Sensitive Costs (d)	Interest Accruals Thru Amortization (e)	Amount (f)	Proposed Technical Adjustment Rates			Item (j)
							Residential Amortization Rate (g)	Industrial Amortization Rate (h)	Proposed Period of Amortization (i)	
1	RA 43 CUB Intervenor Funding	\$ 63,345.03	\$ 1,980	\$ 1,584	\$ 1,151	\$ 67,959.88				
2					Divide by	40,293,459	\$0.00169			1 Year Residential (R/S 101)
3	RA 48 NWIGU Intervenor Funding	\$ 6,958.62	\$ 206	\$ 174	\$ 157	\$ 7,496				
4					Divide by	37,705,822	\$0.00020			1 Year Industrial (R/S 105, 111, 163 & 164)
5	TOTAL	\$ 70,303.65	\$ 2,086	\$ 1,758	\$ 1,308	\$ 75,456	\$0.00169	\$0.00020		
6	Reversal of				Prior Intervenor Funding Amortization Adjustments		\$0.00000	\$0.00000		
7					Carried Forward to Page 1 of 6, Column (f)		\$0.00169	\$0.00020		

CASCADE NATURAL GAS CORPORATION
CALCULATION OF UM 1283 REVENUE CREDITS ON AN EQUAL PERCENTAGE OF MARGIN BASIS

State of Oregon

Description (a)	Rate Schedule (b)	Average Number of Bills/Month (c)	Actual Therms Sold CYE 12/31/07 (d)	Margin per Therm (e)	Margin (f)	Service Charge Revenues CYE 12/31/07 (g)	Total Margin CYE 12/31/07 (h)	Allocation UM 1283 Rate Credit (i)	Per Therm Temporary Adjustment (j)
CORE MARKET RATE SCHEDULES									
Residential									
General Service	101	52,585	37,828,990	\$ 0.33170	12,547,876	1,893,060	14,440,936		
Unbilled 12/31/07			3,893,027	\$ 0.33170	1,291,317		1,291,317		
Unbilled 12/31/06			(3,616,200)	\$ 0.33170	(1,199,494)		(1,199,494)		
Total		52,585	38,105,817		12,639,699	1,893,060	14,532,759	\$ (121,685)	\$ (0.00319)
Commercial									
General Service	104	8,569	27,192,888	\$ 0.22828	6,207,592	308,472	6,516,064		
Unbilled 12/31/07			2,579,220	\$ 0.22828	588,784		588,784		
Unbilled 12/31/06			(2,362,011)	\$ 0.22828	(539,200)		(539,200)		
Company Use			(65,753)	\$ 0.22828	(15,010)		(15,010)		
Total		8,569	27,344,344		6,242,167	308,472	6,550,639	\$ (54,850)	\$ (0.00201)
Com-Ind Dual Service									
Large Volume - COM	111	7	638,441	\$ 0.14617	93,321	0	93,321		
Unbilled 12/31/07			375,554	\$ 0.14617	54,895		54,895		
Unbilled 12/31/06			(374,074)	\$ 0.14617	(54,678)		(54,678)		
Large Volume - IND	111	11	1,565,138	\$ 0.14617	228,776	0	228,776		
Total		18	2,205,059		322,313	0	322,313	\$ (2,699)	\$ (0.00122)
Industrial Firm									
General Service	105	83	2,654,175	\$ 0.18032	478,601	11,928	490,529	\$ (4,107)	\$ (0.00155)
Industrial Inter.									
General Service	170	0	0	0	0		0		
TOTAL CORE		61,255	70,309,395		19,682,781	2,213,460	21,896,241	\$ (183,341)	
NONCORE MARKET CUSTOMERS									
General Transportati	163	24	14,071,950	see calc	1,219,508	146,500	1,366,008	\$ (11,438)	
Large Vol Transportati	164	3	14,452,380	below	608,533	15,000	623,533	\$ (5,221)	
Distribution	902	4	272,542,334		0		0	\$ -	
TOTAL NONCORE		31	301,066,664		1,828,041	161,500	1,989,541	\$ (16,659)	\$ (0.00058)
TOTAL CORE & NONCORE		61,285	371,376,059		21,510,822	2,374,960	23,885,782	\$ (200,000)	

Total distribution noncore therms
less R/S 902
Net noncore therms

301,066,664
(272,542,334)
28,524,330

Cascade Natural Gas Corporation
 3% TEST DETERMINATION FOR DEFERRED ACCOUNT AMORTIZATION REVIEWS
 State of Oregon

Revised
 Exhibit 2 of 4
 Schedule 1 of 1
 Page 6 of 6

	<u>AMORTIZATION</u>	<u>THERMS</u>	<u>AMOUNT</u>
Actual Recorded Revenues for the 12 Month Period Ending 06/30/08			\$ 112,731,820
<u>PROPOSED AMORTIZATIONS</u>			
FIRM CORE MARKET CUSTOMERS			
Net Effective Rate	\$0.02750	70,067,788	\$1,926,864
INTERRUPTIBLE CORE MARKET CUSTOMERS			
Net Effective Rate	\$0.02750	0	\$0
NONCORE DISTRIBUTION CUSTOMERS			
Net Effective Rate	(\$0.00112)	33,605,086	(\$37,638)
INTERVENOR FUNDING			\$ 70,304
EARNINGS SHARING			(\$248,426)
CAP PLAN AMORTIZATIONS			(1,131,304)
SUBTOTAL - PROPOSED AMORTIZATIONS			\$579,800
Ratio: Proposed Amortizations to Earnings			0.51%

Before the
OREGON PUBLIC UTILITY COMMISSION

REVISED
EXHIBIT 4

Cascade Natural Gas Corporation

October 10, 2008

Cascade Natural Gas Corporation
 DERIVATION OF PROPOSED RATE LEVEL CHANGE
 BY RATE SCHEDULE
 State of Oregon

Line No.	Description	CORE MARKET RATE SCHEDULES				NONCORE MARKET RATE SCHEDULES		
		R/S 101	R/S 104	R/S 105	R/S 111	R/S 170	R/S 163	R/S 164
Proposed Per Therm Changes								
1	Gas Cost Change (Rate Schedule 191)	0.02992	0.02992	0.02992	0.02992	0.02992		
2	Cons. Alliance Plan (CAP) (Rate Schedule 192)	(0.00292)	(0.00112)					
3	Temporary Adjustment-CAP Amortization (Rate Schedule 193)	(0.03593)	(0.03593)					
4	Technical Adjustment Change (Rate Schedule 194)	0.07665	0.07485	0.07514	0.07506	0.07455	0.00036	0.00036
5	Total	<u>\$0.06772</u>	<u>\$0.06772</u>	<u>\$0.10506</u>	<u>\$0.10498</u>	<u>\$0.10447</u>	<u>\$0.00036</u>	<u>\$0.00036</u>

CASCADE NATURAL GAS CORPORATION
Summary of Proposed Rates and Revenues
Effective 11/01/08

Ln	RATES (in Cents Per Therm)			Proposed Changes				Current Average Total Rate /1 (d)	Current Commodity Rate (c)	PGA Base Gas Cost (e)	CAP Baseline Adj (f)	CAP Temporary Adj Remove 07 (g)	CAP Temporary Adj Add New (h)	Temporary Rate Remove 07 (i)	Temporary Rate Add New (j)	Total Change (k)=e thru j	Proposed Average Total Rate /2 (l)=d+k	Proposed Tariff Commodity Rate (m)=c+k	Normalized Therm Sales/ThruPut (n)
	Customer Class (a)	Schedule (b)	Current Tariff Commodity Rate (c)																
CORE MARKET SERVICE																			
1	Residential	101	120.884	2.992	(0.292)	(1.538)	(2.055)	5.462	2.203	6.772	132.697	127.656	38,076,347						
2	Commercial	104	110.819	2.992	(0.112)	(1.538)	(2.055)	5.185	2.300	6.772	118.735	117.591	27,518,839						
3	Com-Ind Dual	111	101.245	2.992	0.000	0.000	0.000	5.010	2.496	10.498	111.743	111.743	2,073,237						
4	Industrial Firm	105	104.579	2.992	0.000	0.000	0.000	5.091	2.423	10.506	115.577	115.085	2,399,366						
5	Industrial Interr.	170	99.242	2.992	0.000	0.000	0.000	4.705	2.750	10.447	109.689	109.689	0						
NONCORE MARKET SERVICE																			
Distribution Transportation Schedule Nos. 163 & 164																			
<u>Blocking</u>																			
7	R/S 163 & 164 First 10,000		12.143	0.000	0.000	0.000	0.000	0.259	(0.223)	0.036	12.179	12.179	2,666,823						
8	R/S 163 & 164 Next 10,000		10.929	0.000	0.000	0.000	0.000	0.259	(0.223)	0.036	10.965	10.965	2,258,426						
9	R/S 163 & 164 Next 30,000		10.253	0.000	0.000	0.000	0.000	0.259	(0.223)	0.036	10.289	10.289	4,240,126						
10	R/S 163 & 164 Next 50,000		6.197	0.000	0.000	0.000	0.000	0.259	(0.223)	0.036	6.233	6.233	3,803,712						
11	R/S 163 & 164 Next 100,000		3.016	0.000	0.000	0.000	0.000	0.259	(0.223)	0.036	3.052	3.052	12,502,668						
12	R/S 164 ONLY Over 500,000		1.496	0.000	0.000	0.000	0.000	0.259	(0.223)	0.036	1.532	1.532	1,954,626						

REVENUES (in dollars)

Customer Class (a)	Schedule (b)	Proposed Changes				Revenue at Current Avg Rates /1 (c)	PGA Base Gas Cost (d)	CAP Baseline Adj (e)	CAP Temporary Adj Remove 07 (f)	CAP Temporary Adj Add New (g)	Temporary Rate Remove 07 (h)	Temporary Rate Add New (i)	Total Change (j)=d thru l	Revenue at Proposed Avg Rates /1 (k)=c+j	Percent Change /1 (l)=k/c
		Remove 07 (f)	Add New (g)	Remove 07 (h)	Add New (i)										
CORE MARKET SERVICE															
13	Residential	101	\$47,947,593	\$1,139,244	(\$111,183)	(\$585,614)	(\$782,469)	\$2,079,730	\$838,822	\$2,578,530	\$50,526,124	5.38%			
14	Commercial	104	\$30,810,952	\$823,364	(\$30,821)	(\$423,240)	(\$566,512)	\$1,426,852	\$632,933	\$1,863,576	\$32,674,528	6.05%			
15	Com-Ind Dual	111	\$2,099,049	\$62,031	\$0	\$0	\$0	\$103,869	\$51,748	\$217,648	\$2,316,698	10.37%			
16	Industrial Firm	105	\$2,521,041	\$71,789	\$0	\$0	\$0	\$122,152	\$58,137	\$252,077	\$2,773,118	10.00%			
17	Industrial Interr.	170	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%			
NONCORE MARKET SERVICE															
Dist Transportation 163/164															
18	Dist Transportation	163/164	\$1,833,434	\$0	\$0	\$0	\$0	\$71,034	(\$61,161)	\$9,873	\$1,843,307	0.54%			
19	Other		\$20,536,523	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,536,523	0.00%			
20	Total Revenues		\$105,748,592	\$2,096,428	(\$142,004)	(\$1,008,854)	(\$1,347,981)	\$3,803,637	\$1,520,479	\$4,921,705	\$110,670,297	4.65%			

1/ Reflects inclusion of monthly customer service charges, which does not change in this tracking filing, as well as division of costs by normalized terms sales.

Cascade Natural Gas Corporation
AVERAGE MONTHLY USE AND COST BY RATE SCHEDULE
 TWELVE MONTHS ENDED 06/30/08
 State of Oregon

Line No.	Rate Schedule	Average Normalized		AVERAGE MONTHLY REVENUE		
		Monthly Therms	As Billed	Normalized 11/1/07 Rates	Proposed Rates Using Therm Adj	Monthly Change
	(a)	(b)	(c)	(d)	(e)	(f)
1	101	59 \$	80.11 \$	74.94 \$	78.97 \$	4.03
2	104	263 \$	310.71 \$	293.58 \$	311.33 \$	17.76
3	105	2,438 \$	2,572.44 \$	2,562.03 \$	2,818.21 \$	256.18
4	111	9,636 \$	9,987.28 \$	9,717.82 \$	10,725.45 \$	1,007.63
5	170	0 \$	0 \$	0 \$	0 \$	-

Advise No. CNG\O08-08-02-A

Cascade Natural Gas Corporation

NOTICE TO THE PUBLIC

Oregon Service Area

Cascade Natural Gas Corporation is on this date filing with the Oregon Public Utility Commission (OPUC) at Salem, Oregon, revisions to Rate Schedule Nos. 191, 192, 193 and 194, which upon approval by the Commission will become effective November 1, 2008.

The rate adjustments proposed in this filing are designed to pass on 1.) changes in the cost of gas and transportation services paid by Cascade to gas suppliers and interstate natural gas pipelines, temporary differences in purchased gas costs, that occur over time, as a result of differences between the actual cost of gas paid by the Company and the amount allowed for in Core customer rates, and removal of certain technical deferral refunds that have expired; and 2.) changes resulting from the Company's Conservation Alliance Plan.

The overall effect of the proposed rate adjustments on the monthly bill of a residential customer with consumption of 59 therms will be a net increase of \$4.03 or 5.38%. For small commercial customers, the increase in the monthly bill for consumption of 263 therms will be \$17.76 or 6.05%. Large volume core customers will experience an average increase of 10.19% depending on monthly volumes consumed. Large volume non-core customers will experience an average increase of 0.54% for distribution service from Cascade depending on the monthly volumes consumed.

By: Jon T. Stoltz
Senior Vice President
Regulatory and Gas Supply

Date: October 10, 2008

CERTIFICATE OF SERVICE

I certify that I have this day served the foregoing NOTICE OF CASCADE'S SUBMITTAL OF REVISIONS TO TARIFFS RELATED TO THE COMPANY'S PGA WHICH WAS ORIGINALLY FILED ON AUGUST 29, 2008, upon all parties of record in the (UG 185) proceeding by emailing an electronic copy to the following parties or attorneys of parties:

**CABLE HUSTON BENEDICT
HAAGENSEN & LLOYD LLP**
EDWARD A FINKLEA
1001 SW 5TH - STE 2000
PORTLAND OR 97204
efinklea@chbh.com

CHAD M STOKES
1001 SW 5TH - STE 2000
PORTLAND OR 97204
cstokes@chbh.com

CASCADE NATURAL GAS
JON T STOLTZ
SR VICE PRESIDENT--REGULATORY &
GAS
PO BOX 24464
SEATTLE WA 98124
jstoltz@cngc.com

CITIZENS' UTILITY BOARD OF OREGON
LOWREY R BROWN
UTILITY ANALYST
610 SW BROADWAY - STE 308
PORTLAND OR 97205
lowrey@oregoncub.org

JASON EISDORFER
ENERGY PROGRAM DIRECTOR
610 SW BROADWAY STE 308
PORTLAND OR 97205
jason@oregoncub.org

ROBERT JENKS
610 SW BROADWAY STE 308
PORTLAND OR 97205
bob@oregoncub.org

DEPARTMENT OF JUSTICE
STEPHANIE S ANDRUS
ASSISTANT ATTORNEY GENERAL
REGULATED UTILITY & BUSINESS
SECTION
1162 COURT ST NE
SALEM OR 97301-4096
stephanie.andrus@state.or.us

NORTHWEST INDUSTRIAL GAS USERS
PAULA E PYRON
EXECUTIVE DIRECTOR
4113 WOLF BERRY CT
LAKE OSWEGO OR 97035-1827
ppyron@nwigu.org

PERKINS COIE LLP
JAMES M VAN NOSTRAND
1120 NW COUCH STREET, 10TH FLOOR
PORTLAND OR 97209-4128
jvannostrand@perkinscoie.com

DATED at Seattle, WA, this 10th day of October, 2008.

/s/ Curt Lulias
Curt Lulias
Cascade Natural Gas Corporation