



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

CNG/O07-08-02

September 6, 2007

Oregon Public Utility Commission  
550 Capitol Street NE  
Salem, OR 97310-1380

Attention: Ms. Vikie Bailey-Goggins

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, 2007:

- First Revision Sheet No. 177-A, Canceling Original Sheet No. 177-A.**
- First Revision Sheet No. 191, Canceling Original Sheet No. 191.**
- First Revision Sheet No. 192, Canceling Original Sheet No. 192.**
- First Revision Sheet No. 193, Canceling Original Sheet No. 193.**
- First Revision Sheet No. 194, Canceling Original Sheet No. 194.**

The first purpose of this filing is to pass on a change in Cascade's gas cost, which is scheduled to occur annually as a result of the provisions established in Purchase Gas Adjustment (PGA) Tariff Schedule No. 177. The purchased gas cost change proposed in this filing results from changes in the cost of commodity gas supply and transportation capacity, and realignment of existing firm transportation capacity. In accordance with the PGA methodology, amortization of outstanding deferred gas cost balances is also developed in this filing.

The second purpose of this filing is to (a) make permanent adjustments to base rates associated with the Company's Conservation Alliance Plan, which requires an annual update of the Commodity Margin Rate to reflect the weather normalized usage for the twelve months ended 6/30/07; (b) apply new temporary adjustments to base rates to amortize the outstanding Conservation and Weatherization deferred balances.

*We make warm neighbors*

www.cngc.com

Oregon Public Utility Commission

Page 2

September 6, 2007

The rate adjustments proposed in this filing are consistent with the Oregon Public Utility Commission Staff's recommendations with regard to rate spread requirements and amortization procedures.

The overall impact of the proposed changes results in an decrease of -0.63% for residential customers served on Rate Schedule No. 101, of -1.14% and -3.41% for customers served on Rate Schedule Nos. 104 and 105 respectively, and of -3.46% for large volume firm customers served on Rate Schedule No. 111.

Attached in support of this filing are Exhibits 1 through 4. Exhibit 1 contains schedules developing the level of the per therm gas cost change consistent with the procedures described in PGA Rate Schedule No. 177. Exhibit 2 contains the development of deferral account amortizations. Exhibit 3 contains the development of the Conservation Alliance Plan, Baseline CAP Commodity Rate per therm as well as the amortization rate for the deferred Conservation and Weather Variance balances. Exhibit 4 contains summary information of the proposed impacts of the filing on the Company's rates and revenues on the various rate schedules.

The Company agrees to rate adjustments and refunds should the Commission determine that these rates have been inappropriately calculated. Any rate adjustments and refunds will be retroactive to November 1, 2007, provided that the Commission advises the Company of the necessity for such rate adjustment or refunds within 30 days after the effective date of these rates.

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

Sincerely,



Jon T. Stoltz  
Issuing Officer

JTS/ cl

Enclosures

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 last year's (i.e., July 1 – June 30) actual sales volumes, weather-normalized). This estimate does not include any revenue-sensitive factors.

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	\$.75076	2.371%	\$.76899
Non-Commodity Cost	\$.12668	↓	\$.12975
Total	\$.87744	2.371%	\$.89874

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/O07-08-02

ISSUED August 31, 2007

EFFECTIVE November 1, 2007

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	(\$0.00359)
Schedule 104	(\$0.00359)
Schedule 105	(\$0.00359)
Schedule 111	(\$0.00359)
Schedule 112	(\$0.00359)
Schedule 126	(\$0.00359)
Schedule 170	(\$0.00359)

**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/O07-08-02

ISSUED August 31, 2007

EFFECTIVE November 1, 2007

ISSUED BY CASCADE NATURAL GAS CORPORATION

BY Jon T. Stoltz

TITLE Senior Vice President  
Regulatory and Gas Supply

CASCADE NATURAL GAS CORPORATION

**GENERAL REVISION OF RATE SCHEDULE CHARGES  
SCHEDULE NO. 192**

**APPLICABLE:**

To all of the below listed schedules for gas service of tariff P.U.C. Or. No. 9.

**MONTHLY RATES, MINIMUM BILLS AND OTHER CHARGES:**

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:

<u>Rate Schedule</u>	<u>Amount</u>
Schedule 101	\$.01693
Schedule 104	\$.00934
Schedule 105	\$.00000
Schedule 111	\$.00000
Schedule 112	\$.00000
Schedule 126	\$.00000
Schedule 170	\$.00000
 Schedule 163 All Rate Blocks	 \$.00000
 Schedule 164 First 10,000 Therms	 \$.00000
Next 10,000 Therms	\$.00000
Next 30,000 Therms	\$.00000
Next 50,000 Therms	\$.00000
Next 400,000 Therms	\$.00000
Over 500,000 Therms	\$.00000

**GENERAL RULES AND REGULATIONS:**

This schedule is subject to the Rules and Regulations contained in this tariff and to those prescribed by regulatory authorities.

CNG/007-08-02

ISSUED August 31, 2007

EFFECTIVE November 1, 2007

ISSUED BY **CASCADE NATURAL GAS CORPORATION**

BY Jon T. Stoltz

TITLE Senior Vice President  
**Regulatory & Gas Supply**

CASCADE NATURAL GAS CORPORATION

TEMPORARY TECHNICAL ADJUSTMENT  
SCHEDULE NO. 193

**APPLICABLE:**

This adjustment 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. This schedule does not apply to customer(s) whose service is provided exclusively by a special contract whose rate is not specified under one of the rate schedules listed below.

**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	\$.01538
Schedule 104	\$.01538
Schedule 105	\$.00000
Schedule 111	\$.00000
Schedule 112	\$.00000
Schedule 126	\$.00000
Schedule 170	\$.00000

**SPECIAL TERMS AND CONDITIONS:**

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

CNG/O07-08-02

ISSUED August 31, 2007

EFFECTIVE November 1, 2007

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	(\$03657)
Schedule 104	(\$03379)
Schedule 105	(\$03284)
Schedule 111	(\$03204)
Schedule 112	(\$02898)
Schedule 126	(\$02898)
Schedule 170	(\$02898)

<u>Interruptible Distribution Transportation Rate Schedules</u>	<u>Amount</u>
Schedule 163 -All Rate Blocks	(\$00272)
Schedule 164	
First 10,000 Therms	(\$00272)
Next 10,000 Therms	(\$00272)
Next 30,000 Therms	(\$00272)
Next 50,000 Therms	(\$00272)
Next 400,000 Therms	(\$00272)
Over 500,000 Therms	\$00000
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/O07-08-02

ISSUED August 31, 2007

EFFECTIVE November 1, 2007

BY Jon T. Stoltz

ISSUED BY CASCADE NATURAL GAS CORPORATION

TITLE Senior Vice President  
Regulatory and Gas Supply

**Before the**  
**OREGON PUBLIC UTILITY COMMISSION**

**EXHIBIT 1**

**Cascade Natural Gas Corporation**

**August 31, 2007**



Cascade Natural Gas Corporation  
 OREGON 2007 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		\$ (0.00035)
2	Change in Non-Commodity Cost Rate		\$ (0.00315)
3	SUBTOTAL		\$ (0.00350)
<b>REVENUE SENSITIVE COST PERCENTAGES</b>			
4	Provision for Uncollectibles	0.286%	
5	City Franchise Fees	1.835%	
6	Gross Revenue Fee	0.250%	
7	TOTAL	2.371%	
8	CHANGE IN RATES		
9	( Divide TOTAL Line 3 By [1-0.02371] )		( \$0.00359 )





Cascade Natural Gas Corporation  
 REVENUE UNDER PROPOSED RATES BASED UPON  
 NORMALIZED TEST PERIOD THERM SALES AND REVENUES FOR THE TWELVE MONTHS  
 ENDED 06/30/07 RESTATED AT 6/15/07 RATES  
 State of Oregon

Line	Description (a)	Rate Schedule (b)	Average Number of Bills (c)	Actual Therms Sold (d)	Weather Normalized Therms Sales (e)	Actual Revenue (f)	Revenue @ 6/15/07 Rates (g)	Weather Normalized Revenue @ 6/15/07 Rates (h)	Proposed Per Therm Change (i)	Revenue Impact of Per Therm Change (g)	Resulting Percentage Change (h)	
<b>CORE MARKET SERVICE</b>												
<b>Residential</b>												
1	General Service	101	51,318	37,286,018	36,672,269	\$ 46,466,103	\$ 47,279,898	\$ 46,532,904	(\$0.00359)	\$ (131,653)		
2	Unbilled Sales @ 06/30/07			502,660	502,660	604,213	614,795	614,795	(\$0.00359)	(1,805)		
3	Less Unbilled Sales @ 06/30/06			513,000	513,000	573,703	583,751	583,751	(\$0.00359)	(1,842)		
4	Total		51,318	37,275,678	36,661,929	\$ 46,496,613	\$ 47,310,943	\$ 46,563,949		\$ (131,616)	-0.28%	
<b>Commercial</b>												
5	General Service	104	8,409	26,695,961	26,477,356	\$ 29,481,390	\$ 30,240,588	\$ 29,995,472	(\$0.00359)	\$ (95,054)		
6	Unbilled Sales @ 06/30/07			436,085	436,085	483,585	496,038	496,038	(\$0.00359)	(1,566)		
7	Less Unbilled Sales @ 06/30/06			420,980	420,980	429,404	440,462	440,462	(\$0.00359)	(1,511)		
8	Less Company Use			45,155	45,155	51,377	52,700	52,700	(\$0.00359)	(152)		
9	Total		8,409	26,665,911	26,447,306	\$ 29,484,194	\$ 30,243,464	\$ 29,998,348		\$ (94,946)	-0.32%	
<b>Com-Ind Dual Service</b>												
10	Large Volume - Commercial	111	7	583,896	582,951	\$ 592,849	\$ 612,215	\$ 611,157	(\$0.00359)	\$ (2,093)		
11	Unbilled Sales @ 06/30/07			18,249	18,249	18,491	19,095	19,095	(\$0.00359)	(66)		
12	Less Unbilled Sales @ 06/30/06			8,420	8,420	7,781	8,035	8,035	(\$0.00359)	(30)		
13	Large Volume - Industrial	111	11	1,560,278	1,560,278	1,569,376	1,635,957	1,635,957	(\$0.00359)	(5,601)		
14	Total		18	2,154,003	2,153,058	\$ 2,172,935	\$ 2,259,232	\$ 2,258,174		\$ (7,729)	-0.34%	
<b>Industrial Firm</b>												
15	General Service	105	86	2,730,850	2,730,850	\$ 2,888,896	\$ 2,969,141	\$ 2,969,141	(\$0.00359)	\$ (9,804)		
<b>Industrial Interruptible</b>												
16	General Service	170	0	0	0	\$ 0	\$ 0	\$ 0	(\$0.00359)	\$ 0	0.00%	
17	TOTAL CORE MARKET		59,831	68,826,442	67,993,143	\$ 81,042,638	\$ 82,782,780	\$ 81,789,612		\$ (244,095)	-0.30%	
<b>NONCORE MARKET SERVICE</b>												
18	Gas Supply (R/S 181,182,183,187)			15,622,261	15,522,261	\$ 10,977,992	\$ 10,977,932	\$ 10,977,932		\$ 0		
19	Transportation (R/S 185,186,785,786)			(48,052)	(48,052)	9,124	9,124	9,124	\$0.00000	\$ 0	0.00%	
20	Distribution (R/S 163,164,902)		29	314,734,718	314,734,718	\$ 3,948,327	\$ 3,596,509	\$ 3,596,509	\$0.00000	\$ 0	0.00%	
21	TOTAL NONCORE		29	314,734,718	314,734,718	\$ 14,935,383	\$ 14,583,565	\$ 14,583,565		\$ 0		
22	TOTAL CORE & NON-CORE		59,860	383,561,160	382,727,861	\$ 95,978,021	\$ 97,366,346	\$ 96,373,178		\$ (244,095)		
<b>Adjustments</b>												
23	City Exaction Tax			0	0	\$ 934,664	\$ 934,664	\$ 934,664		\$ 0		
24	Billing/Tech. Adjustments			1,236,939	1,236,939	\$ 1,236,939	\$ 1,236,939	\$ 1,236,939		\$ 0		
25	Other Operating Revenue			(131,947)	(131,947)	(131,947)	(131,947)	(131,947)		\$ 0		
26	Overrun Penalty Revenue			(170,328)	(170,328)	(170,328)	(170,328)	(170,328)		\$ 0		
27	TOTAL ADJUSTMENTS			0	0	\$ 0	\$ 0	\$ 0		\$ 0		
28	TOTAL		59,860	383,561,160	382,727,861	\$ 96,912,685	\$ 98,301,010	\$ 97,307,842		\$ (244,095)		

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**

**EXHIBIT 2**

**Cascade Natural Gas Corporation**

**August 31, 2007**

Cascade Natural Gas Corporation  
State of Oregon

Description (a)	Rate Schedule (b)	Proposed Oregon Earnings Sharing Deferral Temp. Rate Adj. (c)	Other Deferral Accounts Rate Change (d)	R/S 194 Rate Change Total (e)
<b>CORE MARKET RATE SCHEDULES</b>				
Residential	101	\$ (0.00759)	\$ (0.02898)	\$ (0.03657)
Commercial	104	\$ (0.00481)	\$ (0.02898)	\$ (0.03379)
Com-Ind Dual Service	111	\$ (0.00306)	\$ (0.02898)	\$ (0.03204)
Industrial Firm	105	\$ (0.00386)	\$ (0.02898)	\$ (0.03284)
Industrial Interr.	170	\$ -	\$ (0.02898)	\$ (0.02898)
<b>TOTAL CORE</b>				
<b>NONCORE MARKET CUSTOMERS</b>				
Distribution	163	\$ (0.00153)	\$ (0.00119)	\$ (0.00272)
Lg Vol Distribution	164	\$ (0.00153)	\$ (0.00119)	\$ (0.00272)
Special Contract	902	\$ -	\$ -	\$ -

c) from Exhibit 2 of 4, Schedule 1 of 1, Page 3 of 4

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

CALCULATION OF PER THERM RATES TO AMORTIZE DEFERRED ACCOUNTS

Line No.	Description (a)	Deferral Order(s) (b)	Account Balance @ 06-30-07 (c)	Interest Assignments & Amortizations Thru 10/31/07 (d)	Revenue Sensitive Costs (e)	Interest Accruals Thru Amortization (f)	Amount (g)	Proposed Technical Adjustment Rates			Proposed Period of Amortization (k)	Item (l)
								Firm Only (h)	Other Than Transportation Interruptible (i)	NONCORE [1] R/S 163 & 164 Transportation (j)		
1	Account # 25308702-DG220	06-569/06-508	\$ (233,153.56)	(\$6,918)	(\$5,830)	Divide by (\$8,841)	(\$254,744)	(\$0.00375)	(\$0.00375)		1 Year	7/1/06 Core Market Commodity Costs Core Mkt Amortization
2							67,993,143					
3	Account # 25308702-DG221	06-569/06-508	\$ 844,276.42	\$25,052	\$21,112	Divide by \$32,016	\$922,457	\$0.01357	\$0.01357		1 Year	7/1/06 Core Market Demand Costs Firm Core Mkt Amortization
4							67,993,143					
5	Account # 25308702-DG222	06-569/06-508	\$ (1,850,814.38)	\$0	(\$44,949)	Divide by (\$68,163)	(\$1,963,925)	(\$0.02888)	(\$0.02888)		1 Year	10/1/06 Core Market Commodity Costs Core Mkt Amortization
6							67,993,143					
7	Account # 25308702-DG223	06-569/06-508	\$ (1,285,506.21)	\$0	(\$31,220)	Divide by (\$47,343)	(\$1,364,071)	(\$0.02006)	(\$0.02006)		1 Year	10/1/06 Core Market Demand Costs Firm Core Mkt Amortization
8							67,993,143					
9	Account # 25308702-DG227	06-569/06-508	\$ (155,462.17)	(\$4,613)	(\$3,888)	Divide by (\$5,895)	(\$169,858)	(\$0.00250)	(\$0.00250)		1 Year	Tenaska Gas Storage Mitigation FY07 Firm Core Mkt Amortization
10							67,993,143					
13	Account # 25309604-RL12		\$ (104,440.00)	\$0	(\$2,536)	Divide by (\$4,169)	(\$111,146)	(\$0.00119)	(\$0.00119)		1 Year	Oregon Tax Kicker All Market Amortization
14							93,464,898					
19	Account # RESIDUAL ACCOUNT - CORE		\$ (109,807.39)	(\$164,157)	(\$6,653)	Divide by (\$9,921)	(\$290,536)	(\$0.00427)	(\$0.00427)		1 Year	Consolidation Core Mkt Amortization
20							67,993,143					
21	TOTAL		(\$2,894,909)	(\$160,536)	(\$73,964)	Divide by (\$112,317)	(\$3,231,825)	(\$0.04708)	(\$0.04708)			
22		Reversal of			11/06 TECH ADJUSTMENTS		\$0.01810	\$0.01810	\$0.00000			
23					EFFECTIVE RATE SCHEDULE NO. 164 AMORTIZATION RATE		(\$0.02898)	(\$0.02898)	(\$0.00119)			

[1] Based upon OPUC Staff direction amortizations applied to these schedules do not flow to the R/S 164.2 CentTherm Tail Block rate.

**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 FYE 9/30/06 (d)	Margin per Therm (e)	Margin (f)	Service Charge Revenues YE 19/30/06 (g)	Total Margin FYE 9/30/06 (h)	Allocation of Earnings Sharing Deferral (i)	Per Therm Temporary Adjustment (j)
<b>CORE MARKET RATE SCHEDULES</b>									
Residential General Service Unbilled 09/30/06	101	48,920	36,785,509	\$ 0.32659	12,013,779	1,761,114	13,774,893		
Unbilled 09/30/05			617,400 (676,500)	\$ 0.32659	201,637 (220,938)		201,637 (220,938)		
Total		48,920	36,726,409	\$ 0.32659	11,994,478	1,761,114	13,755,592	\$ (278,656)	\$ (0.00759)
Commercial General Service Unbilled 09/30/06	104	8,248	27,010,166	\$ 0.22639	6,114,831	296,922	6,411,753		
Unbilled 09/30/05			587,985 (646,205)	\$ 0.22639	133,114 (146,294)		133,114 (146,294)		
Company Use			(25,630)	\$ 0.22639	(5,802)		(5,802)		
Total		8,248	26,926,316	\$ 0.22639	6,095,849	296,922	6,392,771	\$ (129,502)	\$ (0.00481)
Com-Ind Duel Service Large Volume - COM Unbilled 09/30/06	111	6	396,880	\$ 0.15112	59,977	0	59,977		
Unbilled 09/30/05			213,541 (218,121)	\$ 0.15112	32,270 (32,962)		32,270 (32,962)		
Large Volume - IND	111	11	1,568,060	\$ 0.15112	236,965	0	236,965		
Total		17	1,960,360	\$ 0.15112	296,250	0	296,250	\$ (6,001)	\$ (0.00306)
Industrial Firm General Service	105	91	3,167,455	\$ 0.18658	590,984	13,140	604,124	\$ (12,238)	\$ (0.00386)
Industrial Interr.	170	0	0	0	0		0		
TOTAL CORE		57,276	68,780,540	0	18,977,560	2,071,176	21,048,736	\$ (426,398)	
<b>NONCORE MARKET CUSTOMERS</b>									
General Transportatid	163	22	13,576,920	see calc	1,197,322	134,000	1,331,322	\$ (26,969)	
Large Vol Transportatid	164	2	13,944,506	below	550,105	12,000	562,105	\$ (11,387)	
Distribution	902	4	250,071,785		0		0		
TOTAL NONCORE		28	277,593,211		1,747,427	146,000	1,893,427	\$ (38,356)	\$ (0.00153)
TOTAL CORE & NONCORE		57,304	346,373,751		20,724,987	2,217,176	22,942,163	(464,754)	

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

277,593,211  
(252,545,733)  
25,047,478



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

	<u>AMORTIZATION</u>		<u>AMOUNT</u>
<u>PROPOSED AMORTIZATIONS</u>	<u>RATE</u>	<u>THERMS</u>	
Actual Recorded Revenues for the 12 Month Period Ending 06/30/07			\$ 97,641,898
<b>FIRM CORE MARKET CUSTOMERS</b>			
Net Effective Rate	(\$0.04708)	67,993,143	(\$3,201,117)
<b>INTERRUPTIBLE CORE MARKET CUSTOMERS</b>			
Net Effective Rate	(\$0.04708)	0	\$0
<b>NONCORE DISTRIBUTION CUSTOMERS</b>			
Net Effective Rate	(\$0.00119)	25,471,755	(\$30,311)
<b>EARNINGS SHARING</b>			(\$464,754)
<b>CAP PLAN AMORTIZATIONS</b>			938,112
<b>SUBTOTAL - PROPOSED AMORTIZATIONS</b>			<b>(\$2,758,071)</b>
Ratio: Proposed Amortizations to Earnings			-2.82%

**Before the**  
**OREGON PUBLIC UTILITY COMMISSION**

**EXHIBIT 3**

**Cascade Natural Gas Corporation**

**August 31, 2007**

Cascade Natural Gas Corporation					
CONSERVATION ALLIANCE PLAN FILING					
CAP Calculation @ June 30, 2007					
Line #	Description		Amount	Current Rate	Change in Rate
<b>CHANGE IN BASELINE RATES:</b>					
<b>Residential</b>					
1	Average Customers @ 6/30/2007		51,318		
2	Annual Baseline Commodity Margin per Customer		\$ 236.97		
3	Total Margin	ln 1 * Ln 2	\$ 12,160,826.46		
4	Weather Normalized Therms @ 6/30/2007		36,661,929		
5	New Baseline CAP Commodity Rate Per Therm	ln 3 / ln 4	\$ 0.33170	0.31477	\$ <u>0.01693</u>
<b>Commercial</b>					
6	Average Customers @ 6/30/2007		8,409		
7	Annual Baseline Commodity Margin per Customer		\$ 717.92		
8	Total Margin	ln 6 * Ln 7	\$ 6,037,288.41		
9	Weather Normalized Therms @ 6/30/2007		26,447,306		
10	New Baseline CAP Commodity Rate Per Therm	ln 8 / ln 9	\$ 0.22828	0.21894	\$ <u>0.00934</u>
<b>Amortization of Deferral Balances:</b>					
CONSERVATION VARIANCE DEFERRAL					
11	BALANCE		\$ 562,521.90		
12	Interest During Amortization		\$19,543		
13	Total Deferral Balance	ln 11 + ln 12	\$ 582,064.73		
14	Total Therms @ 6/30/2007		63,109,235		
15	Amortization Rate	ln 13 / ln 14	\$ 0.00922	\$ -	\$ 0.00922
16	WEATHER VARIANCE DEFERRAL BALANCE		\$ 375,589.61		
17	Interest During Amortization		\$13,049		
18	Total Deferral Balance	ln 16 + ln 17	\$ 388,638.14		
19	Total Therms @ 6/30/2007		63,109,235		
20	Amortization Rate	ln 18 / ln 19	\$ 0.00616	\$ -	\$ 0.00616
21	Total Amortization Rate Per Therm	ln 15 + ln 20			\$ <u>0.01538</u>
22	Total Change in Rate Schedule 101	ln 5 + ln 21			\$ <u>0.03231</u>
23	Total Change in Rate Schedule 104	ln 6 + ln 21			\$ <u>0.02472</u>

**Before the**  
**OREGON PUBLIC UTILITY COMMISSION**

**EXHIBIT 4**

**Cascade Natural Gas Corporation**

**August 31, 2007**

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 163	R/S 164 [1]
Proposed Per Therm Changes							
1	Gas Cost Change (Rate Schedule 191)	(0.00359)	(0.00359)	(0.00359)	(0.00359)	(0.00359)	(0.00359)
2	Cons. Alliance Plan (CAP) (Rate Schedule 192)	0.01693	0.00934				
3	Temporary Adjustment-CAP Amortization (Rate Schedule 193)	0.01538	0.01538				
3	Technical Adjustment Change (Rate Schedule 194)	(0.03657)	(0.03379)	(0.03284)	(0.03204)	(0.02898)	(0.00272)
4	Total	<u>(\$0.00785)</u>	<u>(\$0.01266)</u>	<u>(\$0.03643)</u>	<u>(\$0.03563)</u>	<u>(\$0.03257)</u>	<u>(\$0.00272)</u>

[1] Based upon OPUC Staff direction, this adjustment rate does not apply to the R/S 164 1.755 Cent/Therm Tail Block Rate.

CASCADE NATURAL GAS CORPORATION  
Summary of Proposed Rates and Revenues  
Effective 11/01/07

**RATES (in Cents Per Therm)**

Ln	Customer Class (a)	Schedule (b)	Current Commodity Rate (c)	Current Average Total Rate /2 (d)	Proposed Changes				Proposed Average Total Rate /2 (l)=g+k	Proposed Tariff Commodity Rate (m)=c+h	Normalized Therm Sales/Thruput (n)			
					PGA Base Gas Cost (e)	CAP Baseline Adj. (f)	CAP Temporary Adj. Remove 06 (g)	Add New (h)				Temporary Rate Adj. Remove 06 (i)	Add New (j)	Total Change (k)=e thru j
<b>CORE MARKET SERVICE</b>														
1	Residential	101	119.900	124.939	(0.359)	1.693	0.000	1.538	1.810	(5.467)	(0.785)	124.154	119.115	36,681,929
2	Commercial	104	110.317	111.462	(0.359)	0.934	0.000	1.538	1.810	(5.189)	(1.266)	110.196	109.051	26,447,306
3	Com-Ind Dual	111	103.040	103.040	(0.359)	0.000	0.000	0.000	1.810	(5.014)	(3.563)	99.477	99.477	2,153,058
4	Industrial Firm	105	106.455	106.908	(0.359)	0.000	0.000	0.000	1.810	(5.094)	(3.643)	103.265	102.812	2,730,850
5	Industrial Interr.	170	100.732	100.732	(0.359)	0.000	0.000	0.000	1.810	(4.708)	(3.257)	97.475	97.475	0
<b>NONCORE MARKET SERVICE</b>														
6	Distribution Transportation Schedule Nos. 163 & 164 _Blocking_													25,471,755
7	R/S 163 & 164 First 10,000		12.402		0.000	0.000	0.000	0.000	0.000	(0.272)	(0.272)	12.130		2,666,823
8	R/S 163 & 164 Next 10,000		11.188		0.000	0.000	0.000	0.000	0.000	(0.272)	(0.272)	10.916		2,258,426
9	R/S 163 & 164 Next 30,000		10.512		0.000	0.000	0.000	0.000	0.000	(0.272)	(0.272)	10.240		4,240,126
10	R/S 163 & 164 Next 50,000		6.456		0.000	0.000	0.000	0.000	0.000	(0.272)	(0.272)	6.184		3,803,712
11	R/S 163 & 164 Next 100,000		3.275		0.000	0.000	0.000	0.000	0.000	(0.272)	(0.272)	3.003		12,502,668
12	R/S 164 ONLY Over 500,000		1.755		0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.755		1,954,626

**REVENUES (in dollars)**

Customer Class (a)	Schedule (b)	Proposed Changes				Revenue at Current Avg Rates /2 (c)	Revenue at Proposed Avg Rates /2 (k)=c+j	Percent Change /2 (l)=k/c				
		PGA Base Gas Cost (d)	CAP Baseline Adj. (e)	CAP Temporary Adj. Remove 06 (f)	Add New (g)				Temporary Rate Adj. Remove 06 (h)	Add New (i)	Total Change (j)=d thru l	
<b>CORE MARKET SERVICE</b>												
13	Residential				\$45,805,101	\$620,686	\$563,860	\$663,581	(\$2,004,308)	(\$287,796)	\$45,517,305	-0.63%
14	Commercial				\$29,478,599	\$247,018	\$406,760	\$478,696	(\$1,372,351)	(\$334,823)	\$29,143,776	-1.14%
15	Com-Ind Dual				\$2,218,511	\$0	\$0	\$38,970	(\$107,954)	(\$76,713)	\$2,141,798	-3.46%
16	Industrial Firm				\$2,919,510	\$0	\$0	\$49,428	(\$139,109)	(\$99,485)	\$2,820,026	-3.41%
17	Industrial Interr.				\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
<b>NONCORE MARKET SERVICE</b>												
18	Dist Transportation	163/164			\$1,866,468	\$0	\$0	\$0	(\$69,283)	(\$69,283)	\$1,817,185	-3.67%
19	Other				\$12,711,599	\$0	\$0	\$0	\$0	\$0	\$12,711,599	0.00%
20	Total Revenues				\$85,019,788	\$867,704	\$970,620	\$1,230,676	(\$3,693,005)	(\$868,101)	\$84,151,687	-0.91%

1/ R/S 163 & 164 Volumes exclude therms in S.01755 tail block since OPUC directive establishes that this block is not affected by any rate changes.  
2/ Reflects inclusion of monthly customer service charges, which does not change in this tracking filing, as well as division of costs by normalized therms sales.

Cascade Natural Gas Corporation  
 AVERAGE MONTHLY USE AND COST BY RATE SCHEDULE  
 TWELVE MONTHS ENDED 06/30/07  
 State of Oregon

Line No.	Rate Schedule (a)	Average Normalized Monthly Therms (b)		AVERAGE MONTHLY REVENUE			Monthly Change (f)
		As Billed (c)	Normalized 11/1/06 Rates (d)	Normalized 11/1/06 Rates (d)	Proposed Rates Using Therm Adj (e)	Monthly Change (f)	
1	101	60 \$	75.45 \$	74.38 \$	73.91 \$	(0.47)	
2	104	262 \$	292.16 \$	292.13 \$	288.82 \$	(3.32)	
3	105	2,646 \$	2,799.32 \$	2,828.98 \$	2,732.58 \$	(96.40)	
4	111	9,922 \$	10,010.30 \$	10,270.88 \$	9,915.73 \$	(355.15)	
5	170	0 \$	0 \$	0 \$	0 \$	-	

Advise No. CNG\007-08-02

**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, 2007.

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 60 therms will be a net decrease of \$0.47 or 0.63%. For small commercial customers, the decrease in the monthly bill for consumption of 262 therms will be \$3.32 or -1.14%. Large volume core customers will experience an average decrease of -3.43.% depending on monthly volumes consumed. Large volume non-core customers will experience an average decrease of 3.67% for distribution service from Cascade depending on the monthly volumes consumed.

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

Date: August 31, 2007



## CERTIFICATE OF SERVICE

I certify that I have this day served Cascade Natural Gas Corporation's application to incorporate the tracking rates into the appropriate schedule upon all parties of record in the (UG 173) 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@engc.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 6th day of September 2007.

/s/ Curt Lulias

Curt Lulias  
Regulatory Affairs Coordinator  
Cascade Natural Gas Corporation