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CNG/O09-08-01

August 31, 2009

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, 2009:

Fourth Revision Sheet No. 177-A, Canceling Third Revision Sheet No. 177-A.
Fifth Revision Sheet No. 191, Canceling Fourth Revision Sheet No. 191.
Fifth Revision Sheet No. 192, Canceling Fourth Revision Sheet No. 192.
Fifth Revision Sheet No. 194, Canceling Fourth Revision 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 6/30/09; (b) apply new temporary adjustments to base rates to amortize the outstanding Conservation and Weatherization deferred balances.

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 a decrease of 12.41% for residential customers served on Rate Schedule No. 101, a decrease of 14.27% and 17.96% for customers

"In The Community To Serve"

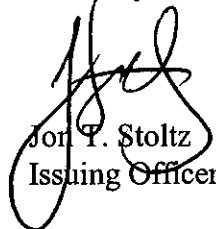
served on Rate Schedule Nos. 104 and 105 respectively, and a decrease of 18.58% for large volume firm customers served on Rate Schedule No. 111.

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 and Baseline CAP Commodity Rate per therm. 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, 2009, provided that the Commission advises the Company of the necessity for such rate adjustments 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 or Paul Schmidt at (206) 381-6825.

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 forecasted sales volumes). 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	\$.66778	2.371%	\$.68400	(R)
Non-Commodity Cost	\$.08714	↓	\$.08926	↓
Total	\$.75492	2.371%	\$.77326	(R)

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/O09-08-01

ISSUED August 31, 2009

EFFECTIVE November 1, 2009

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	(\$.17305)	(R)
Schedule 104	(\$.17305)	↓
Schedule 105	(\$.17305)	
Schedule 111	(\$.17305)	
Schedule 112	(\$.17305)	
Schedule 126	(\$.17305)	
Schedule 170	(\$.17305)	(R)

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/O09-08-01

ISSUED August 31, 2009

EFFECTIVE November 1, 2009

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	\$.01813	(I)
Schedule 104	\$.01319	(I)
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/O09-08-01

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EFFECTIVE November 1, 2009

ISSUED BY CASCADE NATURAL GAS CORPORATION

BY Jon T. Stoltz

TITLE Senior Vice President
Regulatory & 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	(\$.01010)	(R)
Schedule 104	(\$.00965)	
Schedule 105	(\$.03459)	
Schedule 111	(\$.03473)	
Schedule 112	(\$.03480)	
Schedule 126	(\$.03480)	
Schedule 170	(\$.03644)	(R)



<u>Interruptible Distribution Transportation Rate Schedules</u>	<u>Amount</u>	
Schedule 163 -All Rate Blocks	\$.00282	(I)
Schedule 164		
First 10,000 Therms	\$.00282	
Next 10,000 Therms	\$.00282	
Next 30,000 Therms	\$.00282	
Next 50,000 Therms	\$.00282	
Next 400,000 Therms	\$.00282	
Over 500,000 Therms	\$.00282	(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/O09-08-01

ISSUED August 31, 2009

EFFECTIVE November 1, 2009

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

Gas Supply Portfolio and Related Transportation

Change in System Supply Gas Costs Rates (Schedule 1 of 4)
Development of Embedded Pipeline and Supply Rates (Schedule 2 of 4)
Development of Current Pipeline and Supply Rates (Schedule 3 of 4)
Restatement of 2008/09 Gas Cost (Schedule 4 of 4)

Cascade Natural Gas Corporation

August 31, 2009

Cascade Natural Gas Corporation
 OREGON 2009 GAS COST TRACKING APPLICATION
 CHANGE IN SYSTEM SUPPLY GAS COSTS RATES

Line No.	Description (a)	AVERAGE BASE GAS COST CHANGE (b)	Effect on Revenue (c)
<u>CHANGE IN RATES (BEFORE REVENUE SENSITIVE)</u>			
1	Current WACOG	\$0.83429	
2	PROPOSED WACOG	<u>\$0.66778</u>	
3	Change In Average WACOG	(\$0.16651)	(\$12,501,347)
4	Current WACOG	\$0.08958	
5	PROPOSED WACOG	<u>\$0.08714</u>	
6	Change in Non-Commodity Cost Rate	(\$0.00244)	(\$183,156)
7	SUBTOTAL	<u>(\$0.16895)</u>	<u>(\$12,684,503)</u>
<u>REVENUE SENSITIVE COST PERCENTAGES</u>			
8	Provision for Uncollectibles		0.286%
9	City Franchise Fees		1.835%
10	Gross Revenue Fee		0.250%
11	TOTAL		<u>2.371%</u>
<u>CHANGE IN RATES (WITH REVENUE SENSITIVE)</u>			
(Divide TOTAL Line 3 & 6 By [1-0.02371])			
12	Change In Average WACOG	(\$0.17055)	(\$12,804,371)
13	Change in Non-Commodity Cost Rate	<u>(\$0.00250)</u>	<u>(\$187,692)</u>
14	SUBTOTAL	<u>(\$0.17305)</u>	<u>(\$12,992,063)</u>

Cascade Natural Gas Corporation
 OREGON 2009 GAS COST TRACKING APPLICATION
 AVERAGE BASE GAS COST DETERMINATION
 DEVELOPMENT OF EMBEDDED PIPELINE AND SUPPLY RATES

LINE No.	DESCRIPTION (a)	UNITS (b)	NOV 1, 2008 RATE (c)	AMOUNT (d)	SALES THERMS (e)	COMMODITY COST OF GAS (f)	FIXED COST OF GAS (g)
1	COMPANY CONTRACT RESERV FEE	262,458	\$8.28337	\$2,174,034		\$38,036	\$2,135,998
2	COMPANY CONTRACT COMMODITY	73,811,371	\$0.82443	\$60,851,961	73,112,584	\$60,851,961	
3	PGT T-1	209,014	\$8.48905	\$1,774,330			\$1,774,330
4	PGT T-1 (Main)	36,000	\$5.79564	\$208,643			\$208,643
5	PGT T-3 (Expansion)	74,460	\$4.47197	\$332,983			\$332,983
6	GTN 2003 Expansion	203,800	\$5.79564	\$1,181,151			\$1,181,151
7	PGT COMMODITY	54,276,091	\$0.00073	\$39,470		\$39,470	
8	NWP TF-1 DEMAND	161,368	\$13.82730	\$2,231,283			\$2,231,283
9	NWP TF-1 COMMODITY	23,107,156	\$0.00319	\$73,712		\$73,712	
10	LS-1 DEMAND	53,444	\$1.11471	\$59,574			\$59,574
11	LS-1 CAPACITY	517,982	\$0.14235	\$73,735			\$73,735
12	LS-1 COMMODITY	517,982	\$0.87500	\$453,232	517,982	\$453,232	
13	LS-1 LIQUEFACTION	517,982	\$0.06411	\$33,208			\$33,208
14	LS-1 INVENTORY	517,982	\$0.05259	\$27,239			\$27,239
15	LS-1 VAPORIZATION	517,982	\$0.00418	\$2,167			\$2,167
16	TF-2 TRANSPORTATION CAPACITY	1,372	\$13.82730	\$18,971			\$18,971
17	TF-2 TRANSPORTATION COMMODITY	517,982	\$0.00300	\$1,554		\$1,554	
18	SGS-1 DEMAND	14,782	\$0.56466	\$8,347			\$8,347
19	SGS-1 CAPACITY	556,811	\$0.02044	\$11,381			\$11,381
20	SGS-1 COMMODITY	556,811	\$0.77993	\$434,275	556,811	\$434,275	
21	SGS-1 INVENTORY	556,811	\$0.04687	\$26,100			\$26,100
22	TF-2 TRANSPORTATION CAPACITY	1,475	\$13.82730	\$20,395			\$20,395
23	TF-2 TRANSPORTATION COMMODITY	556,811	\$0.00300	\$1,670		\$1,670	
24	Capacity Release			(\$1,500,000)			(\$1,500,000)
25	TOTAL AVERAGE CURRENT GAS COSTS			\$68,539,415	74,187,377	\$61,893,911	\$6,645,504

= \$0.83429 = \$0.08958 = \$0.92387

Cascade Natural Gas Corporation
 OREGON 2009 GAS COST TRACKING APPLICATION
 AVERAGE CURRENT GAS COST DETERMINATION
 DEVELOPMENT OF CURRENT PIPELINE AND SUPPLY RATES

LINE No.	DESCRIPTION (a)	UNITS (b)	NOV 1, 2009 RATE (c)	AMOUNT (d)	SALES THERMS (e)	COMMODITY COST OF GAS (f)	FIXED COST OF GAS (g)
1	COMPANY CONTRACT RESERV FEE	296,380	\$6.64774	\$1,970,255		\$30,777	\$1,939,478
2	COMPANY CONTRACT COMMODITY	74,774,705	\$0.65945	\$49,310,391	74,007,410	\$49,310,391	
3	PGT T-1	209,491	\$8.47521	\$1,775,482			\$1,775,482
4	PGT T-1 (Malin)	36,000	\$5.79564	\$208,643			\$208,643
5	PGT T-3 (Expansion)	74,460	\$4.47197	\$332,983			\$332,983
6	GTN 2003 Expansion	203,800	\$5.79564	\$1,181,151			\$1,181,151
7	PGT COMMODITY	53,110,537	\$0.00073	\$38,623		\$38,623	
8	NWP TF-1 DEMAND	188,219	\$13.86416	\$2,332,211			\$2,332,211
9	NWP TF-1 COMMODITY	23,314,850	\$0.00317	\$73,908		\$73,908	
10	LS-1 DEMAND	55,333	\$1.11763	\$61,842			\$61,842
11	LS-1 CAPACITY	515,440	\$0.14272	\$73,561			\$73,561
12	LS-1 STORAGE COMMODITY	515,440	\$0.71800	\$370,084	515,440	\$370,084	
13	LS-1 LIQUEFACTION	515,440	\$0.06411	\$33,045			\$33,045
14	LS-1 INVENTORY	515,440	\$0.04315	\$22,242			\$22,242
15	LS-1 VAPORIZATION	515,440	\$0.00418	\$2,157			\$2,157
16	TF-2 TRANSPORTATION CAPACITY	1,420	\$13.86416	\$19,693			\$19,693
17	TF-2 TRANSPORTATION COMMODITY	515,440	\$0.00300	\$1,546		\$1,546	
18	SGS-1 DEMAND	15,483	\$0.56612	\$8,765			\$8,765
19	SGS-1 CAPACITY	554,085	\$0.02044	\$11,325			\$11,325
20	SGS-1 STORAGE COMMODITY	554,085	\$0.55514	\$307,597	554,085	\$307,597	
21	SGS-1 INVENTORY	554,085	\$0.03336	\$18,487			\$18,487
22	TF-2 TRANSPORTATION CAPACITY	1,527	\$13.86416	\$21,172			\$21,172
23	TF-2 TRANSPORTATION COMMODITY	554,085	\$0.00300	\$1,662		\$1,662	
24	Capacity Release			(\$1,500,000)			(\$1,500,000)
25	TOTAL AVERAGE CURRENT GAS COSTS			\$56,676,824	75,076,934	\$50,134,588	\$6,542,236

= \$0.66778 = \$0.08714 =

Cascade Natural Gas Corporation
 OREGON 2009 GAS COST TRACKING APPLICATION
 RESTATEMENT OF 2008/09 GAS COST

Line No.	Description (a)	Rate (b)	Costs (c)	Revenue Change (d)
1	FORECASTED 2009/10 VOLUMES		75,076,934	
	<u>RESTATE CURRENT GAS COSTS</u>			
2	2008/09 WACOG	\$0.83429	\$62,635,935	
3	2008/09 Non-Commodity Rate	\$0.08958	\$6,725,392	
4	RESTATED GAS COST		<u>\$69,361,327</u>	
	<u>ESTIMATED 2009/10 GAS COSTS</u>			
5	2009/10 Proposed WACOG	\$0.66778	\$50,134,588	
6	2009/10 Non-Commodity Rate	\$0.08714	\$6,542,236	
7	TOTAL PROPOSED GAS COST		<u>\$56,676,824</u>	
8	Effect of Change in WACOG Rate			(\$12,501,347)
9	Effect of Change in Non-Commodity Rate			(\$183,156)
10	TOTAL REVENUE EFFECT			<u><u>(\$12,684,503)</u></u>

Before the
OREGON PUBLIC UTILITY COMMISSION

EXHIBIT 2

Temporary Technical Adjustment

Summary of Proposed Technical Adjustment Rates (Schedule 1 of 5)
Development of Amortization Rates for Deferred Balances (Schedule 2 of 5)
Calculation of Earnings Sharing Amortization Rate (Schedule 3 of 5)
Calculation of UM1283 Revenue Credits Amortization Rate (Schedule 4 of 5)
3% Test for Deferred Account Amortization Review (Schedule 5 of 5)

Cascade Natural Gas Corporation

August 31, 2009

Cascade Natural Gas Corporation
 SUMMARY OF PROPOSED TECHNICAL ADJUSTMENT RATES
 State of Oregon

Ln No.	Description (a)	Rate Schedule (b)	Reversal 2007 Earnings Sharing Deferral Temporary rate (c)	Reversal 08/09 UM 1283 Revenue Credit Temporary rate (d)	Reversal Other Deferral Accounts Rate Change (e)	Proposed 2008 Earnings Sharing Deferral Temp. Rate Adj. (f)	Proposed 09/10 UM 1283 Revenue Credit Temp. Rate Adj. (g)	Proposed Other Deferral Accounts Rate Change (h)	R/S 194 Rate Change Total (i)
CORE MARKET RATE SCHEDULES									
1	Residential	101	\$ 0.00397	\$ 0.00319	\$ (0.00864)	\$ (0.00314)	\$ (0.00308)	\$ (0.00240)	\$ (0.01010)
2	Commercial	104	\$ 0.00249	\$ 0.00201	\$ (0.00695)	\$ (0.00195)	\$ (0.00191)	\$ (0.00334)	\$ (0.00965)
3	Com-Ind Duel Service	111	\$ 0.00152	\$ 0.00122	\$ (0.02770)	\$ (0.00121)	\$ (0.00119)	\$ (0.00723)	\$ (0.03459)
4	Industrial Firm	105	\$ 0.00192	\$ 0.00155	\$ (0.02770)	\$ (0.00165)	\$ (0.00162)	\$ (0.00723)	\$ (0.03473)
5	Industrial Interr.	170	\$ -	\$ -	\$ (0.02750)	\$ (0.00086)	\$ (0.00085)	\$ (0.00723)	\$ (0.03644)
NONCORE MARKET CUSTOMERS									
6	Distribution	163	\$ 0.00073	\$ 0.00058	\$ 0.00092	\$ (0.00055)	\$ (0.00054)	\$ 0.00168	\$ 0.00282
7	Lg. Vol Distribution	164	\$ 0.00073	\$ 0.00058	\$ 0.00092	\$ (0.00055)	\$ (0.00054)	\$ 0.00168	\$ 0.00282
8	Special Contract	902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(c) from Revised 2008 PGA Filing, Exhibit 2 of 4, Schedule 1 of 1, Page 1 of 6, Col. D
 (d) from Revised 2008 PGA Filing, Exhibit 2 of 4, Schedule 1 of 1, Page 5 of 6, Column J
 (e) from Exhibit 2 of 4, Schedule 2 of 5, Line 18
 (f) from Exhibit 2 of 4, Schedule 3 of 5, Column (k)
 (g) from Exhibit 2 of 4, Schedule 4 of 5, Column (f)
 (h) from Exhibit 2 of 4, Schedule 2 of 5, line 17

CASCADE NATURAL GAS CORPORATION
 CALCULATION OF EARNINGS SHARING AMORTIZATION RATE
 State of Oregon

Ln #	Description (a)	Rate Schedule (b)	Average Number of Bills/Month (c)	Actual Therms Sold CYE 12/31/08 (d)	Commodity Margin per Therm (e)	Commodity Margin (f)	Service Charge Revenues CYE 12/31/08 (g)	Total Margin CYE 12/31/08 (h)	Allocation of Earnings Sharing Deferral (i)	Forecasted Therms Nov 2009 to Oct 2010 (j)	Per Therm Temporary Adjustment (k)
CORE MARKET RATE SCHEDULES											
Residential											
1	General Service	101	53,647	39,045,090	\$ 0.32878	12,837,245	1,931,274	14,768,519			
2	Unbilled 12/31/08			4,652,528	\$ 0.32878	1,529,658		1,529,658			
3	Unbilled 12/31/07			(3,893,027)	\$ 0.32878	(1,279,949)		(1,279,949)			
4	Total		53,647	39,804,591		13,086,953	1,931,274	15,018,227	\$ (123,252)	39,274,944	\$ (0.00314)
Commercial											
5	General Service	104	8,899	28,164,493	\$ 0.22716	6,397,846	320,364	6,718,210			
6	Unbilled 12/31/08			3,085,478	\$ 0.22716	700,897		700,897			
7	Unbilled 12/31/07			(2,579,220)	\$ 0.22716	(585,896)		(585,896)			
8	Company Use			(49,409)	\$ 0.22716	(11,224)		(11,224)			
9	Total		8,899	28,621,342		6,501,624	320,364	6,821,988	\$ (55,987)	28,775,698	\$ (0.00195)
Com-Ind Dual Service											
10	Large Volume - COM	111	7	600,955	\$ 0.14617	87,842	0	87,842			
11	Unbilled 12/31/08			366,404	\$ 0.14617	53,557		53,557			
12	Unbilled 12/31/07			(341,790)	\$ 0.14617	(49,959)		(49,959)			
13	Large Volume - IND	111	10	1,318,075	\$ 0.14617	192,663	0	192,663			
14	Total		17	1,943,644		284,102	0	284,102	\$ (2,332)	1,919,066	\$ (0.00121)
Industrial Firm											
15	General Service	105	80	2,221,525	\$ 0.18032	400,585	11,520	412,105	\$ (3,382)	2,051,432	\$ (0.00165)
Industrial Interr.											
16	General Service	170	4	3,066,053		322,008		322,008	\$ (2,643)	3,055,794	\$ (0.00086)
17	TOTAL CORE		62,647	75,657,155	0	20,595,273	2,263,158	22,858,431	\$ (187,595)	75,076,934	
NONCORE MARKET CUSTOMERS											
18	General Transportation	163	22	12,270,557	see calc	1,007,583	132,000	1,139,583	\$ (9,352)		
19	Large Vol Transportation	164	3	19,026,788	below	787,762	18,000	805,762	\$ (6,613)		
20	Special Cont. Distribution	902	4	288,715,360		0		0	\$ -		
21	TOTAL NONCORE		29	320,012,705		1,795,345	150,000	1,945,345	\$ (15,965)	28,967,884	\$ (0.00055)
22	TOTAL CORE & NONCORE		62,676	395,669,860		22,390,619	2,413,158	24,803,777	\$ (203,560)		

CASCADE NATURAL GAS CORPORATION
 CALCULATION OF UM 1283 REVENUE CREDITS AMORTIZATION RATE
 State of Oregon

Ln #	Description (a)	Rate Schedule (b)	Total Margin CYE 12/31/08 (c)	Allocation UM 1283 Rate Credit (d)	Forecasted Therms Nov 1, 2009 to Oct 31, 2010 (e)	Proposed Per Therm Rate Credit (f)
CORE MARKET RATE SCHEDULES						
Residential						
1	General Service	101	\$ 14,768,519			
2	Unbilled 12/31/08		\$ 1,529,658			
3	Unbilled 12/31/07		\$ (1,279,949)			
4	Total		\$ 15,018,227	\$ (121,096)	39,274,944	\$ (0.00308)
Commercial						
5	General Service	104	\$ 6,718,210			
6	Unbilled 12/31/08		\$ 700,897			
7	Unbilled 12/31/07		\$ (585,896)			
8	Company Use		\$ (11,224)			
9	Total		\$ 6,821,988	\$ (55,008)	28,775,698	\$ (0.00191)
Com-Ind Duel Service						
10	Large Volume - COM	111	\$ 87,842			
11	Unbilled 12/31/08		\$ 53,557			
12	Unbilled 12/31/07		\$ (49,959)			
13	Large Volume - IND	111	\$ 192,663			
14	Total		\$ 284,102	\$ (2,291)	1,919,066	\$ (0.00119)
Industrial Firm						
15	General Service	105	\$ 412,105	\$ (3,323)	2051432	\$ (0.00162)
Industrial Interr.						
16	General Service	170	\$ 322,008	\$ (2,596)	3,055,794	\$ (0.00085)
17	TOTAL CORE		\$ 22,858,431	\$ (184,314)	75,076,934	
NONCORE MARKET CUSTOMERS						
18	General Transportation	163	\$ 1,139,583	\$ (9,189)		
19	Large Vol Transportation	164	\$ 805,762	\$ (6,497)		
20	Special Contract Distribution	902	\$ -	\$ -		
21	TOTAL NONCORE		\$ 1,945,345	\$ (15,686)	28,967,884	\$ (0.00054)
22	TOTAL CORE & NONCORE		\$ 24,803,777	\$ (200,000)	104,044,818	

(c) from Exhibit 2 of 4, Schedule 3 of 5, Column (h)

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

Ln No.	Description (a)	AMOUNT (b)
1	Operating Revenues for 12 Month Period Ending 12/31/08	\$ 108,417,382
	<u>PROPOSED AMORTIZATIONS</u>	
2	GAS COST/RESIDUAL AMORTIZATIONS 1/	(\$812,311)
3	RESIDUAL BALANCES 2/	\$333,513
4	INTERVENOR FUNDING AMORTIZATIONS 3/	\$33,422
5	CAP PLAN AMORTIZATIONS 4/	256,652
6	EARNINGS SHARING 5/	<u>(\$203,560)</u>
7	SUBTOTAL - PROPOSED AMORTIZATIONS	(\$392,284)
8	RATIO: PROPOSED AMORTIZATIONS TO EARNINGS	-0.36%

- 1/ Source Exhibit 2, Schedule 2 of 5, Lines 1 through 3
- 2/ Source Exhibit 2, Schedule 2 of 5, Lines 8 through 12
- 3/ Source Exhibit 2, Schedule 2 of 5, Lines 6 and 7
- 4/ Source Exhibit 2, Schedule 2 of 5, Lines 4 and 5
- 5/ Source Exhibit 2, Schedule 3 of 5, Line 22

Before the
OREGON PUBLIC UTILITY COMMISSION

EXHIBIT 3

Conservation Alliance Plan (CAP) Baseline Adjustment

Calculation of Baseline Adjustment (Schedule 1 of 1)

Cascade Natural Gas Corporation

August 31, 2009

Cascade Natural Gas Corporation CONSERVATION ALLIANCE PLAN FILING CAP Baseline Adjustment Calculation @ June 30, 2009				
Line #	Description (a)	Amount (b)	Current Rate (c)	Change in Rate (d)
	Residential			
1	Number of Customers @ 6/30/2009	53,756		
2	Annual Baseline Commodity Margin per Customer	\$ 234.80		
3	Total Margin	\$ 12,621,908.80		
4	Weather Normalized Therms @ 6/30/2009	36,384,053		
5	New Baseline CAP Commodity Rate Per Therm	\$ 0.34691	0.32878	\$ 0.01813
	Commercial			
6	Number of Customers @ 6/30/2009	9,022		
7	Annual Baseline Commodity Margin per Customer	\$ 714.77		
8	Total Margin	\$ 6,448,595.38		
9	Weather Normalized Therms @ 6/30/2009	26,830,300		
10	New Baseline CAP Commodity Rate Per Therm	\$ 0.24035	0.22716	\$ 0.01319

Before the
OREGON PUBLIC UTILITY COMMISSION

EXHIBIT 4

Summary of Proposed Changes

Summary of Proposed Rates (Schedule 1 of 5)
Proposed Rates Impact on Average Bill by Rate Schedule (Schedule 2 of 5)
Summary of Proposed Rates Effect on Revenue (Schedule 3 of 5)
Derivation of Proposed Rate Level Change (Schedule 4 of 5)
Notice to the Public (Schedule 5 of 5)

Cascade Natural Gas Corporation

August 31, 2009

Cascade Natural Gas Corporation
 SUMMARY OF PROPOSED RATES
 STATE OF OREGON

Ln No.	Customer Class (a)	Schedule (b)	Block (c)	Current 11/1/2008 Rate (d)	Proposed Changes					Proposed 11/1/2009 Rate (i) = d + i
					PGA Base Gas Cost (e)	CAP Baseline Adj. (f)	Remove 08 (g)	Temporary Rate Adj Add New (h)	Total Change (i)	
CORE MARKET SERVICE										
1	Residential	101		\$1.27656	(\$0.17305)	\$0.01813	(\$0.00148)	(\$0.00862)	(\$0.16502)	\$1.11154
2	Commercial	104		\$1.17591	(\$0.17305)	\$0.01319	(\$0.00245)	(\$0.00720)	(\$0.16951)	\$1.00640
3	Com-Ind Dual	111		\$1.11743	(\$0.17305)	\$0.00000	(\$0.02496)	(\$0.00963)	(\$0.20764)	\$0.90979
4	Industrial Firm	105		\$1.15085	(\$0.17305)	\$0.00000	(\$0.02423)	(\$0.01050)	(\$0.20778)	\$0.94307
5	Industrial Interruptible	170		\$1.09689	(\$0.17305)	\$0.00000	(\$0.02750)	(\$0.00894)	(\$0.20949)	\$0.88740
NONCORE MARKET SERVICE										
6	Distribution Transportation	163 & 164	First 10,000	\$0.12179	\$0.00000	\$0.00000	\$0.00223	\$0.00059	\$0.00282	\$0.12461
7	Distribution Transportation	163 & 164	Next 10,000	\$0.10965	\$0.00000	\$0.00000	\$0.00223	\$0.00059	\$0.00282	\$0.11247
8	Distribution Transportation	163 & 164	Next 30,000	\$0.10289	\$0.00000	\$0.00000	\$0.00223	\$0.00059	\$0.00282	\$0.10571
9	Distribution Transportation	163 & 164	Next 50,000	\$0.06233	\$0.00000	\$0.00000	\$0.00223	\$0.00059	\$0.00282	\$0.06515
10	Distribution Transportation	163 & 164	Next 400,000	\$0.03052	\$0.00000	\$0.00000	\$0.00223	\$0.00059	\$0.00282	\$0.03334
11	Distribution Transportation	164 ONLY	Over 500,000	\$0.01532	\$0.00000	\$0.00000	\$0.00223	\$0.00059	\$0.00282	\$0.01814

Cascade Natural Gas Corporation
PROPOSED RATES IMPACT ON AVERAGE BILL BY RATE SCHEDULE
STATE OF OREGON

Ln No.	Customer Class (a)	Schedule (b)	Terms in Block (c)	Normalized Volumes (d)	Average Customers (e)	Terms Per Month (f)	Monthly Charge (g)	Current 11/1/2008 Rate (h)	Current Avg Bill (i) = g + (f * h)	Proposed 11/1/2009 Rate (j)	Proposed Avg Bill (k) = g + (f * j)	Monthly Change in Avg Bill (l)	Proposed Rates (m)
													% Change (m)
CORE MARKET SERVICE													
1	Residential	101		36,384,053	53,756	56	\$3.00	\$1.27656	\$74.49	\$1.11154	\$65.25	(\$9.24)	-12.41%
2	Commercial	104		26,831,681	9,022	248	\$3.00	\$1.17591	\$294.63	\$1.00640	\$252.59	(\$42.04)	-14.27%
3	Com-Ind Dual	111		1,821,738	17	8,930	\$0.00	\$1.11743	\$9,978.65	\$0.90979	\$8,124.42	(\$1,854.23)	-18.58%
4	Industrial Firm	105		1,948,312	78	2,082	\$12.00	\$1.15085	\$2,408.07	\$0.94307	\$1,975.47	(\$432.60)	-17.96%
5	Industrial Interruptible	170		2,922,715	4	60,890	\$0.00	\$1.09689	\$66,789.63	\$0.88826	\$54,086.15	(\$12,703.48)	-19.02%
NONCORE MARKET SERVICE													
6	Distribution Transportation	163	10,000	2,232,643	22		\$500.00	\$0.12179	\$1,717.90	\$0.12461	\$1,746.10		2.38%
7	Distribution Transportation	163	10,000	1,614,755				\$0.10965	\$1,096.50	\$0.11247	\$1,124.70		
8	Distribution Transportation	163	30,000	2,528,695				\$0.10289	\$2,578.15	\$0.10571	\$2,648.81		
9	Distribution Transportation	163	50,000	1,771,194				\$0.06233	\$0.06233	\$0.06515			
10	Distribution Transportation	163	Over 100,000	3,747,846				\$0.03052	\$5,392.55	\$0.03334	\$5,519.61		
11	Total			11,895,133		45,057						\$127.06	
12	Distribution Transportation	164	10,000	370,000	3		\$500.00	\$0.12179	\$1,717.90	\$0.12461	\$1,746.10		
13	Distribution Transportation	164	10,000	370,000				\$0.10965	\$1,096.50	\$0.11247	\$1,124.70		
14	Distribution Transportation	164	30,000	1,110,000				\$0.10289	\$3,086.70	\$0.10571	\$3,171.30		
15	Distribution Transportation	164	50,000	1,850,000				\$0.06233	\$3,116.50	\$0.06515	\$3,257.50		
16	Distribution Transportation	164	Next 400,000	12,057,560				\$0.03052	\$11,421.90	\$0.03334	\$12,477.26		
17	Distribution Transportation	164	Over 500,000	1,315,191				\$0.01532	\$20,439.50	\$0.01814	\$21,776.86		
18	Total			17,072,751		474,243						\$1,337.37	6.54%

Cascade Natural Gas Corporation
SUMMARY OF PROPOSED RATES EFFECT ON REVENUE
 STATE OF OREGON

Ln No.	Description (a)	Amount (b)	Amount (c)	Source/Calculation (d)
	<u>Purchased Gas Cost Adjustment</u>			
1	Commodity Cost Change	(\$12,804,371)		Exhibit 1, Schedule 1, line 12
2	Demand Cost Change	(\$187,692)		Exhibit 1, Schedule 1, line 13
3	Total Gas Cost Change	(\$12,992,063)		Sum of lines 1 & 2
	<u>Temporary Increments</u>			
4	Amortization of Commodity and Demand Cost Differences	(\$478,798)		Exhibit 2, Schedule 5, lines 2 & 3
5	Amortization of Intervenor Funding - CUB & N/WIGU	\$33,422		Exhibit 2, Schedule 5, line 4
6	Amortization of 2008 Earnings Sharing	(\$203,560)		Exhibit 2, Schedule 5, line 6
7	Amortization of Decoupling (Residential & Commercial)	\$256,652		Exhibit 2, Schedule 5, line 6
8	Amortization of UM 1283 Revenue Credits	\$200,000		Exhibit 2, Schedule 4, line 22
9	Total Proposed Temporary Increments	(\$192,284)		Sum of lines 4 through 8
10	Removal of Current Temporary Increments	(\$245,669)		2008 Filing Temp Rates x 2009 Forecasted Volumes
11	Total Net Temporary Rate Adjustment	(\$437,954)		Sum of lines 10 & 11
	<u>Permanent Rate Adjustments</u>			
12	CAP Baseline Adjustment		\$1,013,535	Exhibit 3, Schedule 1, Change in Rate x Volumes
13	Total Net Base Rate Adjustment			
14	TOTAL OF ALL COMPONENTS OF ALL RATE CHANGES		(\$12,416,483)	Sum of lines 3, 11, & 12
15	Operating Revenues for 12 Month Period Ending 12/31/08	\$108,417,382		2008 Oregon Earnings Test
16	PERCENTAGE CHANGE IN REVENUES DUE TO PGA FILING		-11.45%	Line 14 / Line 15

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

Line No.	Description (a)	CORE MARKET RATE SCHEDULES				NONCORE MARKET RATE SCHEDULES		
		R/S 101 (b)	R/S 104 (c)	R/S 105 (d)	R/S 111 (e)	R/S 170 (f)	R/S 163 (g)	R/S 164 (h)
Proposed Per Therm Changes								
1	Gas Cost Change (Rate Schedule 191)	(0.17305)	(0.17305)	(0.17305)	(0.17305)	(0.17305)		
2	Cons. Alliance Plan (CAP) (Rate Schedule 192)	0.01813		0.01319				
3	Technical Adjustment Change (Rate Schedule 194)	(0.01010)	(0.00965)	(0.03459)	(0.03473)	(0.03644)	0.00282	0.00282
4	Total	<u>(\$0.16502)</u>	<u>(\$0.16951)</u>	<u>(\$0.20764)</u>	<u>(\$0.20778)</u>	<u>(\$0.20949)</u>	<u>\$0.00282</u>	<u>\$0.00282</u>

Source Documents Line 1 = Exhibit 1, Schedule 1, Line 14, Col. (b)
 Line 2 = Exhibit 3, Schedule 1, Lines 5 & 10, Col. (d)
 Line 3 = Exhibit 2, Schedule 1, Col. (i)

Advice No. CNG\O09-08-01

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 and 194, which upon approval by the Commission will become effective November 1, 2009.

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 56 therms will be a net decrease of \$9.24 or 12.41%. For small commercial customers, the decrease in the monthly bill for consumption of 248 therms will be \$42.04 or 14.27%. Large volume core customers will experience an average decrease of 18.27% depending on monthly volumes consumed. Large volume interruptible customers will experience an average decrease of 19.02%. Large volume non-core customers will experience an average increase of 4.45% 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, 2009

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:

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DATED at Seattle, WA, this 31st day of August 2009.

/s/ Curt Lulias

Curt Lulias
Regulatory
Cascade Natural Gas Corporation