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FACSIMILE 206-654-4039

CNG/O08-08-02

August 29, 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-A, Canceling Substitute First Revision Sheet No. 177-A.
Third Revision Sheet No. 191, Canceling Second Revision Sheet No. 191.
Third Revision Sheet No. 192, Canceling Second Revision Sheet No. 192.
Third Revision Sheet No. 193, Canceling Second Revision Sheet No. 193.
Third Revision Sheet No. 194, Canceling Second 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 6/30/08; (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.

Wemakewarmneighbors

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The overall impact of the proposed changes results in an increase of 10.73% for residential customers served on Rate Schedule No. 101, of 12.06% and 16.41% for customers served on Rate Schedule Nos. 104 and 105 respectively, and of 17.02% 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, 2008, 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 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 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	\$.89842	2.371%	\$.92024	(I)
Non-Commodity Cost	\$.08958	↓	\$.09176	(D)
Total	\$.98800	2.371%	\$1.01200	(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

ISSUED August 29, 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	\$.09561	(I) ↓ (I)
Schedule 104	\$.09561	
Schedule 105	\$.09561	
Schedule 111	\$.09561	
Schedule 112	\$.09561	
Schedule 126	\$.09561	
Schedule 170	\$.09561	

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

ISSUED August 29, 2008

EFFECTIVE November 1, 2008

BY Jon T. Stoltz

ISSUED BY CASCADE NATURAL GAS CORPORATION

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	(\$0.00292)	(D)
Schedule 104	(\$0.00112)	(D)
Schedule 105	\$0.00000	
Schedule 111	\$0.00000	
Schedule 112	\$0.00000	
Schedule 126	\$0.00000	
Schedule 170	\$0.00000	
Schedule 163 All Rate Blocks	\$0.00000	
Schedule 164 First 10,000 Therms	\$0.00000	
Next 10,000 Therms	\$0.00000	
Next 30,000 Therms	\$0.00000	
Next 50,000 Therms	\$0.00000	
Next 400,000 Therms	\$0.00000	
Over 500,000 Therms	\$0.00000	

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/O08-08-02

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EFFECTIVE November 1, 2008

BY Jon T. Stoltz

ISSUED BY CASCADE NATURAL GAS CORPORATION

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	(\$0.03593)	(D)
Schedule 104	(\$0.03593)	(D)
Schedule 105	\$0.00000	
Schedule 111	\$0.00000	
Schedule 112	\$0.00000	
Schedule 126	\$0.00000	
Schedule 170	\$0.00000	

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

ISSUED August 29, 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	\$.07837
Schedule 104	\$.07648
Schedule 105	\$.07677
Schedule 111	\$.07669
Schedule 112	\$.07618
Schedule 126	\$.07618
Schedule 170	\$.07618

<u>Interruptible Distribution Transportation Rate Schedules</u>	<u>Amount</u>
Schedule 163 -All Rate Blocks	\$.00032
Schedule 164	
First 10,000 Therms	\$.00032
Next 10,000 Therms	\$.00032
Next 30,000 Therms	\$.00032
Next 50,000 Therms	\$.00032
Next 400,000 Therms	\$.00032
Over 500,000 Therms	\$.00032
Schedule 185 -All Commodity Therms	\$.00000
Schedule 186 -All Commodity Therms	\$.00000

(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

ISSUED August 29, 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

EXHIBIT 1

Cascade Natural Gas Corporation

August 29, 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		\$ 0.11248
2	Change in Non-Commodity Cost Rate		\$ (0.01914)
3	SUBTOTAL		\$ 0.09334
REVENUE SENSITIVE COST PERCENTAGES			
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])		<u><u>\$0.09561</u></u>

Cascadia 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	COMPANY CONTRACT RESERV FEE	352,381	\$7.07945	\$2,494,665		\$112,523	\$2,382,142
2	COMPANY CONTRACT COMMODITY	67,530,885	\$0.77610	\$52,410,902	66,925,553	\$52,410,902	
3	PGT T-1	211,737	\$8.24555	\$1,745,890			\$1,745,890
4	PGT T-1 (Malin)	36,000	\$5.67045	\$204,136			\$204,136
5	PGT T-3 (Expansion)	74,460	\$4.38370	\$326,410			\$326,410
6	GTN 2003 Expansion	203,800	\$5.67045	\$1,155,637			\$1,155,637
7	PGT COMMODITY	48,914,320	\$0.00124	\$60,674		\$60,674	
8	NWP TF-1 DEMAND	200,364	\$13.86416	\$2,777,874			\$2,777,874
9	NWP TF-1 COMMODITY	21,717,511	\$0.00316	\$68,627		\$68,627	
10	LS-1 DEMAND	66,107	\$1.11763	\$73,883			\$73,883
11	LS-1 CAPACITY	514,512	\$0.14272	\$73,429			\$73,429
12	LS-1 COMMODITY	514,512	\$0.76191	\$392,010	514,512	\$392,010	
13	LS-1 LIQUEFACTION	514,512	\$0.06411	\$32,985			\$32,985
14	LS-1 INVENTORY	514,512	\$0.04579	\$23,560			\$23,560
15	LS-1 VAPORIZATION	514,512	\$0.00418	\$2,153			\$2,153
16	TF-2 TRANSPORTATION CAPACITY	1,697	\$13.86416	\$23,528			\$23,528
17	TF-2 TRANSPORTATION COMMODITY	514,512	\$0.00300	\$1,544		\$1,544	
18	SGS-1 DEMAND	18,284	\$0.56612	\$10,351			\$10,351
19	SGS-1 CAPACITY	553,080	\$0.02044	\$11,305			\$11,305
20	SGS-1 COMMODITY	553,080	\$0.70622	\$390,594	553,080	\$390,594	
21	SGS-1 INVENTORY	553,080	\$0.04244	\$23,475			\$23,475
22	TF-2 TRANSPORTATION CAPACITY	1,824	\$13.86416	\$25,294			\$25,294
23	TF-2 TRANSPORTATION COMMODITY	553,080	\$0.00300	\$1,659		\$1,659	
24	Capacity Release			(\$1,500,000)			(\$1,500,000)

25 TOTAL AVERAGE CURRENT GAS COSTS \$60,830,563 67,993,145 \$53,438,532 \$0.78594 \$7,392,051 = \$0.10872 \$0.89486

Cascade Natural Gas Corporation
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

Ln	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
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
CORE MARKET SERVICE											
Residential											
1	General Service	101	53,316	40,828,004	38,018,668	\$ 51,257,087	\$ 52,924,543	\$ 49,418,267	\$0.09561	\$ 3,634,965	
2	Unbilled Sales @ 06/30/08			560,339	560,339	677,360	699,395	699,395	\$0.09561	53,574	
3	Less Unbilled Sales @ 06/30/07			502,660	502,660	604,213	623,869	623,869	\$0.09561	48,059	
4	Total		53,316	40,885,683	38,076,347	\$ 51,330,234	\$ 53,000,070	\$ 49,493,794		\$ 3,640,480	7.36%
Commercial											
5	General Service	104	8,746	29,162,098	27,571,259	\$ 32,609,324	\$ 33,699,167	\$ 31,878,196	\$0.09561	\$ 2,636,088	
6	Unbilled Sales @ 06/30/08			451,783	451,783	501,792	518,562	518,562	\$0.09561	43,195	
7	Less Unbilled Sales @ 06/30/07			436,085	436,085	483,585	499,747	499,747	\$0.09561	41,694	
8	Less Company Use			68,118	68,118	77,096	79,672	79,672	\$0.09561	6,513	
9	Total		8,746	29,109,678	27,518,839	\$ 32,550,436	\$ 33,638,311	\$ 31,817,340		\$ 2,631,076	8.27%
Com-Ind Dual Service											
10	Large Volume - Commercial	111	7	643,128	605,634	\$ 654,246	\$ 683,356	\$ 640,438	\$0.09561	\$ 57,905	
11	Unbilled Sales @ 06/30/08			10,121	10,121	10,085	10,534	10,534	\$0.09561	968	
12	Less Unbilled Sales @ 06/30/07			18,249	18,249	18,491	19,314	19,314	\$0.09561	1,745	
13	Large Volume - Industrial	111	11	1,475,731	1,475,731	1,503,006	1,565,585	1,565,585	\$0.09561	141,095	
14	Total		18	2,110,731	2,073,237	\$ 2,148,846	\$ 2,240,160	\$ 2,197,242		\$ 186,222	9.02%
Industrial Firm											
15	General Service	105	82	2,399,366	2,399,366	\$ 2,531,284	\$ 2,643,304	\$ 2,643,304	\$0.09561	\$ 229,403	8.68%
Industrial Interruptible											
16	General Service	170	0	0	0	\$ 0	\$ 0	\$ 0	\$0.09561	\$ 0	0.00%
17	TOTAL CORE MARKET		62,162	74,505,458	70,067,789	\$ 88,560,799	\$ 91,521,844	\$ 86,151,679		\$ 6,699,181	7.78%
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	
19	Transportation (R/S 185,186,785,786)			456,831	456,831	16,317	16,317	16,317	\$0.00000	\$ 0	
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		\$ 6,699,181	
Adjustments											
23	City Exaction 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					\$ 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		\$ 6,699,181	

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 29, 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)	\$ 0.00178	\$ 0.07618	\$ 0.07837
Commercial	104	\$ 0.00480	\$ (0.00249)	\$ (0.00201)	\$ -	\$ 0.07618	\$ 0.07648
Com-Ind Duel Service	111	\$ 0.00305	\$ (0.00152)	\$ (0.00122)	\$ 0.00020	\$ 0.07618	\$ 0.07669
Industrial Firm	105	\$ 0.00386	\$ (0.00192)	\$ (0.00155)	\$ 0.00020	\$ 0.07618	\$ 0.07677
Industrial Intert.	170	\$ -	\$ -	\$ -	\$ -	\$ 0.07618	\$ 0.07618
TOTAL CORE							
NONCORE MARKET CUSTOMERS							
Distribution	163	\$ 0.00143	\$ (0.00073)	\$ (0.00058)	\$ 0.00020	\$ -	\$ 0.00032
Lg Vol Distribution	164	\$ 0.00143	\$ (0.00073)	\$ (0.00058)	\$ 0.00020	\$ -	\$ 0.00032
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

8/29/2008

Line No.	Description	Deferral Order(s)	Account Balance @ 06-30-08	Interest			Proposed Technical Adjustment Rates				Proposed Period of Amortization	Item
				Assignments & Amortizations Thru 10/31/08	Revenue Sensitive Costs	Interest Accruals Thru Amortization	Amount	Firm Only	Other Than Interruptible	NONCORE (1) R/S 163 & 164		
(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)	(\$4,821)	(\$280,100)	(\$0.00400)	(\$0.00400)	1 Year	7/107 Core Market Commodity Costs Core Mkt Amortization	
2												
3	Account # 25308702-DG233	07-397/07-478	\$ 844,324.81	\$26,053	\$21,114	\$15,597	\$906,089	\$0.01293	\$0.01293	1 Year	7/107 Core Market Demand Costs Firm Core Mkt Amortization	
4												
5	Account # 25308702-DG243	07-397/07-478	\$ 1,952,535.33	\$43,175	\$48,467	\$35,804	\$2,079,982	\$0.02969	\$0.02969	1 Year	11/107 Core Market Commodity Costs Core Mkt Amortization	
6												
7	Account # 25308702-DG244	07-397/07-478	\$ (597,651.20)	(\$13,216)	(\$14,835)	(\$10,959)	(\$636,661)	(\$0.00909)	(\$0.00909)	1 Year	11/107 Core Market Demand Costs Firm Core Mkt Amortization	
8												
9	Account # 25308702-DG246	07-397/07-478	\$ (102,236.89)	(\$3,034)	(\$2,557)	(\$1,899)	(\$109,716)	(\$0.00157)	(\$0.00157)	1 Year	OR 11/07 Tenaska Gas Storage Mitigation Firm Core Mkt Amortization	
10												
11	Account # 25308702-DG248	07-397/07-478	\$ (445,487.26)	(\$13,219)	(\$11,140)	(\$8,229)	(\$478,075)	(\$0.00682)	(\$0.00682)	1 Year	OR GTN Reservation Refund Core Mkt Amortization	
12												
13	Account # 25308702-DG250	07-397/07-478	\$ (2,420.05)	(\$72)	(\$61)	(\$45)	(\$2,597)	(\$0.00004)	(\$0.00004)	1 Year	OR NWPL Refund, Clay Basin Core Mkt Amortization	
14												
15	Account # RESIDUAL ACCOUNT - CORE		\$ 185,512.46	\$432,368	\$15,005	\$10,899	\$643,776	\$0.00919	\$0.00919	1 Year	Consolidation Core Mkt Amortization	
16												
17	Account # RESIDUAL ACCOUNT - ALL		\$ (51,939.45)	(\$63,636)	(\$2,744)	(\$2,194)	(\$120,414)	(\$0.00116)	(\$0.00116)	1 Year	Consolidation All Del Customers Amort.	
18												
19	TOTAL		\$ 1,521,630.78	\$399,766	\$46,723	\$34,162	\$2,002,282	\$0.02913	\$0.02913			
20		Reversal of										
21		11/07 TECH ADJUSTMENTS						\$0.04705	\$0.04705		\$0.00116	
		EFFECTIVE RATE SCHEDULE NO. 194 AMORTIZATION RATE						\$0.07618	\$0.07618		\$0.00000	

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 Unbilled 12/31/07 Unbilled 12/31/06 Total	101	52,585	37,828,990 3,893,027 (3,616,200)	\$ 0.33170 \$ 0.33170 \$ 0.33170	12,547,876 1,291,317 (1,199,494)	1,893,060	14,440,936 1,291,317 (1,199,494)		
Commercial General Service Unbilled 12/31/07 Unbilled 12/31/06 Company Use Total	104	8,569	27,192,888 2,579,220 (2,362,011) (65,753)	\$ 0.22828 \$ 0.22828 \$ 0.22828 \$ 0.22828	6,207,592 588,784 (539,200) (15,010)	308,472	6,516,064 588,784 (539,200) (15,010)		
Com-Ind Dual Service Large Volume - COM Unbilled 12/31/07 Unbilled 12/31/06 Large Volume - IND Total	111	7	638,441 375,554 (374,074)	\$ 0.14617 \$ 0.14617 \$ 0.14617	93,321 54,895 (54,678)	0	93,321 54,895 (54,678)		
Industrial Firm General Service Industrial Interr. General Service TOTAL CORE	105 170	83 0	2,654,175 0	\$ 0.18032 0	478,601 0	11,928	490,529 0	\$ (5,102)	\$ (0.00192)
NONCORE MARKET CUSTOMERS									
General Transportati Large Vol Transportati Distribution TOTAL NONCORE	163 164 902	24 3 4	14,071,950 14,452,380 272,542,334	see calc below	1,219,508 608,533 0	146,500 15,000	1,366,008 623,533 0	\$ (14,209) \$ (6,486) \$ -	\$ (0.00073)
TOTAL CORE & NONCORE		61,285	371,376,059		21,510,822	2,374,960	23,885,782	(248,450)	

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		Proposed Period of Amortization (i)	Item (j)
							Residential Amortization Rate (g)	Industrial Amortization Rate (h)		
1	RA 43 CUB Intervenor Funding	\$ 63,345.03	\$ 1,880	\$ 1,584	\$ 1,083	\$67,892	\$0.00178		1 Year	Residential (RS 101)
2					Divide by	38,076,347				
3	RA 48 NWIGU Intervenor Funding	\$ 6,958.62	\$ 206	\$ 174	\$ 158	\$ 7,497			1 Year	Industrial (RS 105, 111, 163 & 164)
4					Divide by	37,480,183				
5	TOTAL	\$ 70,303.65	\$ 2,086	\$ 1,758	\$ 1,242	\$ 75,389	\$ 0.00178	\$ 0.00020		
6	Reversal of				Prior Intervenor Funding Amortization Adjustments		\$ 0.00000	\$ 0.00000		
7					Carried Forward to Page 1 of 6, Column (f)		\$ 0.00178	\$ 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 12/31/07 (d)	Margin per Therm (e)	Margin (f)	Service Charge Revenues 12/31/07 (g)	Total Margin 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 Duel 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 Interr.									
General Service	170	0	0	0	0		0		
TOTAL CORE		61,255	70,309,395	0	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

			<u>AMOUNT</u>
Actual Recorded Revenues for the 12 Month Period Ending 06/30/08			\$ 112,731,820
<u>PROPOSED AMORTIZATIONS</u>	<u>AMORTIZATION RATE</u>	<u>THERMS</u>	
FIRM CORE MARKET CUSTOMERS			
Net Effective Rate	\$0.02913	70,067,788	\$2,041,075
INTERRUPTIBLE CORE MARKET CUSTOMERS			
Net Effective Rate	\$0.02913	0	\$0
NONCORE DISTRIBUTION CUSTOMERS			
Net Effective Rate	(\$0.00116)	33,605,086	(\$38,982)
INTERVENOR FUNDING			\$ 70,304
EARNINGS SHARING			(\$248,450)
CAP PLAN AMORTIZATIONS			(1,131,304)
SUBTOTAL - PROPOSED AMORTIZATIONS			\$692,643
Ratio: Proposed Amortizations to Earnings			0.61%

Before the
OREGON PUBLIC UTILITY COMMISSION

EXHIBIT 3

Cascade Natural Gas Corporation

August 29, 2008

Cascade Natural Gas Corporation CONSERVATION ALLIANCE PLAN FILING SUMMARY OF CAP ADJUSTMENTS					
Line # (a)	Description (b)	Source	Proposed Rate (c)	Current Rate (d)	Change in Rate (e)
1	Residential Baseline CAP Commodity Rate Per Therm Schedule 101	In 5, Pg 2 of 3	\$ 0.32878	0.33170	\$ (0.00292)
2	Commercial Baseline CAP Commodity Rate Per Therm Schedule 104	In 10, Pg 2 of 3	\$ 0.22716	\$ 0.22828	\$ (0.00112)
3	Amortization Rate Per Therm		\$ (0.02055)	\$ 0.01538	\$ (0.03593)
4	Total Change in Rate Schedule 101	In 1 + In 3			<u>\$ (0.03885)</u>
5	Total Change in Rate Schedule 104	In 2 + In 3			<u>\$ (0.03705)</u>

Cascade Natural Gas Corporation					
CONSERVATION ALLIANCE PLAN FILING					
CAP Adjustment Calculation @ June 30, 2008					
Line # (a)	Description (b)		Amount (c)	Current Rate (d)	Change in Rate (e)
Residential					
1	Number of Customers @ 6/30/2008		53,316		
2	Annual Baseline Commodity Margin per Customer		\$ 234.80		
3	Total Margin	ln 1 * Ln 2	\$ 12,518,596.80		
4	Weather Normalized Therms @ 6/30/2008		38,076,347		
5	New Baseline CAP Commodity Rate Per Therm	ln 3 / ln 4	\$ 0.32878	0.3317	\$ (0.00292) (a)
Commercial					
6	Number of Customers @ 6/30/2008		8,746		
7	Annual Baseline Commodity Margin per Customer		\$ 714.77		
8	Total Margin	ln 6 * Ln 7	\$ 6,251,259.29		
9	Weather Normalized Therms @ 6/30/2008		27,518,839		
10	New Baseline CAP Commodity Rate Per Therm	ln 8 / ln 9	\$ 0.22716	0.22828	\$ (0.00112) (b)

- (a) Carried forward to Exhibit 3 of 4, Schedule 1 of 1, Page 1 of 3, Ln 1
(b) Carried forward to Exhibit 3 of 4, Schedule 1 of 1, Page 1 of 3, Ln 2

Line No.	Description (a)	Proposed Technical Adjustment Rates					Item (h)
		Account Balance @ 06-30-08 (b)	Interest Assignments & Amortizations Thru 10/31/08 (c)	Interest Accruals Thru Amortization (d)	Amount (e)	Firm Only (f)	
1	RA-45 CAP Weather Deferrals	\$ (760,455.28)	(\$22,750)	(\$13,288)	(\$796,494)		7/1/07 to 6/30/08 CAP
2				Divide by	65,595,186	(\$0.01214)	Weather Variance Deferrals
3	RA 46 CAP Conservation Deferrals	\$ (451,909.08)	(\$13,520)	(\$7,897)	(\$473,325)		7/1/07 to 6/30/08 CAP
4				Divide by	65,595,186	(\$0.00722)	Conservation Variance
5	RA35&36 RESIDUAL ACCOUNT	\$ 81,060.41	(\$158,081)	(\$1,235)	(\$78,256)		Consolidation Residual Variance
6	(RA-35 & RA-36)			Divide by	65,595,186	(\$0.00119)	
7	TOTAL	\$ (1,131,303.95)	(\$194,351)	(\$22,420)	(\$1,348,075)	(\$0.02055)	
8	Reversal of		11/07 CAP Amortization Adjustments			(\$0.01538)	
9						(\$0.03593)	

Carried Forward to Page 1 of 3, Ln 3

Before the
OREGON PUBLIC UTILITY COMMISSION

EXHIBIT 4

Cascade Natural Gas Corporation

August 29, 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)	0.09561	0.09561	0.09561	0.09561	0.09561		
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)	0.07837	0.07648	0.07677	0.07669	0.07618	0.00032	0.00032
5	Total	<u>\$0.13513</u>	<u>\$0.13504</u>	<u>\$0.17238</u>	<u>\$0.17230</u>	<u>\$0.17179</u>	<u>\$0.00032</u>	<u>\$0.00032</u>

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

Ln	Customer Class (a)	Schedule (b)	Current Commodity Rate (c)	Current Average Total Rate /1 (d)	Proposed Changes					Total Change (k)=e thru j	Proposed Average Total Rate /2 (l)=d+k	Proposed Commodity Rate (m)=c+k	Normalized Therm Sales/Thruput (n)
					PGA Base Gas Cost (e)	CAP Baseline Adj (f)	CAP Temporary Adj Remove 07 (g)	CAP Temporary Adj Add New (h)	Temporary Rate Adj Remove 07 (i)				
CORE MARKET SERVICE													
1	Residential	101	120.884	125.925	9.561	(0.292)	(1.538)	(2.055)	5.462	2.375	139.438	134.397	38,076,347
2	Commercial	104	110.819	111.963	9.561	(0.112)	(1.538)	(2.055)	5.185	2.463	125.467	124.323	27,518,839
3	Com-Ind Dual	111	101.245	101.245	9.561	0.000	0.000	0.000	5.010	2.659	118.475	118.475	2,073,237
4	Industrial Firm	105	104.579	105.071	9.561	0.000	0.000	0.000	5.091	2.586	122.309	121.817	2,399,366
5	Industrial Interr.	170	99.242	99.242	9.561	0.000	0.000	0.000	4.705	2.913	116.421	116.421	0
NONCORE MARKET SERVICE													
Distribution Transportation Schedule Nos. 163 & 164													
Blocking													
7	R/S 163 & 164 First 10,000		12.143		0.000	0.000	0.000	0.000	0.259	(0.227)	12.175		27,426,381
8	R/S 163 & 164 Next 10,000		10.929		0.000	0.000	0.000	0.000	0.259	(0.227)	10.961		2,666,823
9	R/S 163 & 164 Next 30,000		10.253		0.000	0.000	0.000	0.000	0.259	(0.227)	10.285		2,258,426
10	R/S 163 & 164 Next 50,000		6.197		0.000	0.000	0.000	0.000	0.259	(0.227)	6.229		4,240,126
11	R/S 163 & 164 Next 100,000		3.016		0.000	0.000	0.000	0.000	0.259	(0.227)	3.048		3,803,712
12	R/S 164 ONLY Over 500,000		1.496		0.000	0.000	0.000	0.000	0.259	(0.227)	1.528		12,502,668
													1,954,626

REVENUES (in dollars)

Customer Class (a)	Schedule (b)	Proposed Changes					Revenue at Current Avg Rates /1 (c)	Revenue at Proposed Avg Rates /1 (k)=c+j	Percent Change /1 (l)=k/c				
		PGA Base Gas Cost (d)	CAP Baseline Adj (e)	CAP Temporary Adj Remove 07 (f)	CAP Temporary Adj Add New (g)	Temporary Rate Adj Remove 07 (h)				Temporary Rate Adj Add New (i)	Total Change (j)=d thru i		
CORE MARKET SERVICE													
13	Residential	101	\$47,947,593	(\$111,183)	(\$565,614)	(\$782,469)	\$2,079,730	\$904,313	\$5,145,257	\$3,640,480	\$3,640,480	\$3,640,480	10.73%
14	Commercial	104	\$30,810,952	(\$30,821)	(\$423,240)	(\$565,512)	\$1,426,852	\$677,789	\$3,716,144	\$2,631,076	\$2,631,076	\$2,631,076	12.06%
15	Com-Ind Dual	111	\$2,099,049	\$0	\$0	\$0	\$103,869	\$55,127	\$357,219	\$198,222	\$198,222	\$198,222	17.02%
16	Industrial Firm	105	\$2,521,041	\$0	\$0	\$0	\$122,152	\$62,048	\$413,603	\$229,403	\$229,403	\$229,403	16.41%
17	Industrial Interr.	170	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
NONCORE MARKET SERVICE													
18	Dist Transportation	163/164	\$1,833,434	\$0	\$0	\$0	\$71,034	(\$62,258)	\$8,776	\$0	\$1,842,210	\$1,842,210	0.48%
19	Other		\$20,536,523	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,536,523	\$20,536,523	0.00%
20	Total Revenues		<u>\$105,748,592</u>	<u>(\$142,004)</u>	<u>(\$1,008,854)</u>	<u>(\$1,347,981)</u>	<u>\$3,803,637</u>	<u>\$1,637,019</u>	<u>\$9,640,999</u>	<u>\$0</u>	<u>\$115,389,591</u>	<u>\$115,389,591</u>	<u>9.12%</u>

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 Monthly Therms	AVERAGE MONTHLY REVENUE			Monthly Change
			As Billed	Normalized 11/1/07 Rates	Proposed Rates Using Therm Adj	
	(a)	(b)	(c)	(d)	(e)	(f)
1	101	59 \$	80.11 \$	74.94 \$	82.98 \$	8.04
2	104	263 \$	310.71 \$	293.58 \$	328.99 \$	35.41
3	105	2,438 \$	2,572.44 \$	2,562.03 \$	2,982.36 \$	420.33
4	111	9,636 \$	9,987.28 \$	9,717.82 \$	11,371.61 \$	1,653.79
5	170	0 \$	0 \$	0 \$	0 \$	-

Advise No. CNG\O08-08-02

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, 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 \$8.04 or 10.73%. For small commercial customers, the increase in the monthly bill for consumption of 263 therms will be \$35.41 or 12.06%. Large volume core customers will experience an average increase of 16.72% depending on monthly volumes consumed. Large volume non-core customers will experience an average increase of 0.48% for distribution service from Cascade depending on the monthly volumes consumed.

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

Date: August 29, 2008

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 29th day of August 2008.

/s/ Curt Lulias

Curt Lulias
Regulatory Affairs
Cascade Natural Gas Corporation