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Years of making warm neighbors

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

CNG/O07-08-02-A

October 12, 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, Canceling Original Sheet No. 177.
Substitute First Revision Sheet No. 177-A, Canceling First Revision Sheet No. 177-A.
First Revision Sheet No. 177-B, Canceling Original Sheet No. 177-B.
Substitute First Revision Sheet No. 191, Canceling First Revision Sheet No. 191.
Substitute First Revision Sheet No. 194, Canceling First Revision Sheet No. 194.

The tariffs labeled "substitute" should replace the similarly numbered tariffs sent to you with Cascade's Purchase Gas Adjustment (PGA) rate application filing on August 31, 2007 under Docket UG179. The revisions correct Company and Staff identified errors in calculating the cost of the Company's contracted commodity, updated GTN transportation costs, updated price forecast, and a reallocation of specific deferred balances to include tailblock customers. Additionally, substitute Exhibits 1, 2 & 4 have been included to support the revised tariff sheets.

In addition to the above filed substitute sheets, Cascade is also filing language changes to Sheets 177 & 177-B, as the original wording had language specific to last year's PGA that is now obsolete.

Given the timing of this submittal, the Statutory Notice requirement cannot be met. Accordingly, the Company requests waiver of Statutory Notice to permit approval by the requested effective date. Enclosed is a Waiver of Statutory Notice request to facilitate approval of the proposed tariffs by November 1, 2007.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Jon T. Stoltz".

Jon T. Stoltz
Issuing Officer

JTS/ cl
Enclosures

We make warm neighbors

www.cngc.com

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

NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT.

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

To make revisions to the Company's annual PGA filing as filed under the original advice number CNG/O07-08-02.

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

Original Sheet No. 177
 First Revision Sheet No. 177-A, Canceling Original Sheet No. 177-A.
 Original Sheet No. 177-B
 First Revision Sheet No. 191, Canceling Original Sheet No. 191.
 First Revision Sheet No. 194, Canceling Original Sheet No. 194.

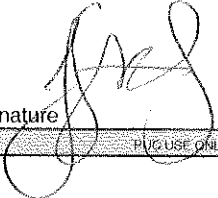
3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)

First Revision Sheet No. 177, Canceling Original Sheet No. 177.
 Substitute First Revision Sheet No. 177-A, Canceling First Revision Sheet No. 177-A.
 First Revision Sheet No. 177-B, Canceling Original Sheet No. 177-B.
 Substitute First Revision Sheet No. 191, Canceling First Revision Sheet No. 191.
 Substitute First Revision Sheet No. 194, Canceling First Revision Sheet No. 194.

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

To incorporate corrections identified by the Company and Staff to the original filing.

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE(S) OR CHANGE(S): **November 1, 2007**

<p>6. Authorized Signature </p> <p style="text-align: center; font-size: small;">PLEASE PRINT</p> <p><input type="checkbox"/> APPROVED <input type="checkbox"/> DENIED</p>	<p style="text-align: right;">Senior Vice President Regulatory Affairs & Gas Supply Date: 10/12/07</p> <p style="text-align: center;">Title</p> <hr/> <p>EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE</p>
<p>AUTHORIZED SIGNATURE</p>	<p>DATE</p>

CASCADE NATURAL GAS CORPORATION

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

APPLICABLE:

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

PURPOSE:

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

ADJUSTMENT DATES:

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

DEFINITIONS:

1. Actual Commodity Cost: The natural gas supply costs for commodity actually paid for the month, including Financial Transactions, fuel use, and distribution system lost and unaccounted for natural gas (LUFG) plus Gas Storage Facilities withdrawals, plus or minus the cost of natural gas associated with pipeline imbalances, plus propane costs, plus odorization charges, less Commodity Off-System Sales Revenues received during the month, plus actual Variable Transportation Costs, plus commodity-related reservation charges, less all transportation demand charges embedded in commodity costs.
2. Commodity Off-System Sales Revenues: Revenues received from the sale of natural gas to a party other than the Company's Oregon sales customers less costs associated with the sales transactions.
3. Variable Transportation Costs: Variable transportation costs, including pipeline volumetric charges, and other variable costs related to volumes of commodity delivered to sales customers.
4. Actual Non-Commodity Cost: Actual Non-Commodity gas costs shall be equal to actual Demand Costs, less actual Capacity Release benefits, plus or minus actual pipeline refunds or surcharges.
5. Demand Costs: Fixed monthly pipeline costs and other demand-related natural gas costs such as capacity reservation charges, plus any transportation demand charges embedded in commodity costs.
6. Capacity Release Benefits: This component includes revenues associated with pipeline capacity releases. The benefits to customers, through the monthly PGA deferrals, shall be 100% of the capacity release revenues up to the full pipeline rate, and 80% of the capacity release revenues in excess of full pipeline rates. Capacity release revenues shall be quantified on a transaction-by-transaction basis.
7. Estimated Weighted Average Cost of Gas (WACOG): The estimated WACOG for the period November 1st through October 31st is calculated by the following formula: (Normalized Purchases at Adjusted Contract Prices) divided by (last year's (i.e., July 1 – June 30) actual sales volumes, weather-normalized). This WACOG does not include any revenue sensitive factors. (T)
 - a. "Normalized Purchases" means last year's (July 1 – June 30) actual sales volumes, "weather-normalized", plus a percentage for distribution system LUFG.
 - b. "Weather-normalized" means normalizing assumptions and methods set at the utility's last rate case.
 - c. "Distribution system embedded LUFG" means the 5-year average of actual distribution system LUFG, not to exceed 2%.
 - d. "Adjusted contract prices" means actual and projected contract prices that are adjusted by each associated Canadian pipeline's published (closest to August 1) fuel use and line loss amount provided for by tariff, and by each associated U.S. pipeline's tariffed rate.

-Continued Next page-

CNG/O07-08-02-A

ISSUED October 12, 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

**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	\$.78594	2.371%	\$.80502	(I)
Non-Commodity Cost	\$.10872	↓	\$.11136	(D)
Total	\$.89466	2.371%	\$.91638	(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/O07-08-02-A

ISSUED October 12, 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

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

(Continued from Previous Page)

CALCULATION OF MONTHLY GAS COST FOR DEFERRAL PURPOSES:

The Company will maintain sub-accounts OF Account 191. Monthly entries into these sub-accounts shall be made to reflect the differences between: 1) the monthly Actual Commodity Cost and the monthly Embedded Commodity Cost, and 2) the monthly Actual Non-Commodity Costs and the monthly Embedded Non-Commodity Cost. The entries shall be calculated as follows:

1. A debit or credit entry shall be made equal to 100% of the difference between the Actual Non-Commodity Cost and the Embedded Non-Commodity Cost.
2. A debit or credit entry shall be made equal to 67% of the difference between the Actual Commodity Costs and the Embedded Commodity Costs.
3. Differentials shall be deemed to be positive if the actual cost exceeds embedded costs and to be negative if actual costs fall below embedded costs.
4. The cost differential entries shall be debited to the Account 191 sub-accounts if positive, and credited to the Account 191 sub-accounts if negative.
5. Interest- The Company shall compute interest on deferred balances on a monthly basis using the interest rate(s) approved by the Commission.

(T)

AMORTIZATION OF ACCOUNT 191 SUB-ACCOUNT DEFERRALS:

The Account 191 sub-account balances shall be amortized over the twelve (12) month period commencing with the November 1 adjustment date or such other time period acceptable to the Company and the Commission. The amount of amortization for the Account 191 sub-accounts shall consist of an amount necessary to recover or return the amount accumulated in the sub-accounts and other deferral accounts.

TIME AND MANNER OF FILINGS:

Applications must be made no later than 60 days in advance of the effective date.

AMOUNT OF ADJUSTMENT:

The amount of adjustment to be made to customers' rates effective on each November 1 adjustment date shall consist of the sum of the changes in the Embedded Commodity Cost and Non-Commodity Cost and the change in amortization rates of the PGA Balancing Accounts as well as other deferral accounts as the Commission may approve.

GENERAL RULES AND REGULATIONS:

This schedule is subject to the General Rules and Regulations contained in this tariff and to those prescribed by regulatory authorities. This schedule is an automatic adjustment clause as described in ORS 757.210(1) and is subject to the customer notification requirements as described in OAR 860-022-0017.

CNG/O07-08-02-A

ISSUED October 12, 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 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	\$.01405	(1) (1)
Schedule 104	\$.01405	
Schedule 105	\$.01405	
Schedule 111	\$.01405	
Schedule 112	\$.01405	
Schedule 126	\$.01405	
Schedule 170	\$.01405	

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-A

ISSUED October 12, 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	(\$.03652)	(D)
Schedule 104	(\$.03375)	
Schedule 105	(\$.03281)	
Schedule 111	(\$.03200)	
Schedule 112	(\$.02895)	
Schedule 126	(\$.02895)	
Schedule 170	(\$.02895)	
<u>Interruptible Distribution Transportation Rate Schedules</u>	<u>Amount</u>	
Schedule 163 -All Rate Blocks	(\$.00259)	(D)
Schedule 164		
First 10,000 Therms	(\$.00259)	
Next 10,000 Therms	(\$.00259)	
Next 30,000 Therms	(\$.00259)	
Next 50,000 Therms	(\$.00259)	
Next 400,000 Therms	(\$.00259)	
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-A

ISSUED October 12, 2007

EFFECTIVE November 1, 2007

ISSUED BY CASCADE NATURAL GAS CORPORATION

BY Jon T. Stoltz

TITLE Senior Vice President
 Regulatory and Gas Supply

Before the
OREGON PUBLIC UTILITY COMMISSION

REVISED
EXHIBIT 1

Cascade Natural Gas Corporation

October 12, 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		\$ 0.03483
2	Change in Non-Commodity Cost Rate		\$ (0.02111)
3	SUBTOTAL		\$ 0.01372
<u>REVENUE SENSITIVE COST PERCENTAGES:</u>			
4	Provision for Uncollectibles	0.286%	
5	City Franchise Fees	1.835%	
6	Gross Revenue Fee	0.250%	
7	TOTAL	2.371%	
8	<u>CHANGE IN RATES:</u>		
9	(Divide TOTAL Line 3 By [1-0.02371])		<u>\$0.01405</u>

File: 007-PGA
Cascade Natural Gas Corporation
OREGON 2007 GAS COST TRACKING APPLICATION
AVERAGE CURRENT GAS COST DETERMINATION
DEVELOPMENT OF CURRENT PIPELINE AND SUPPLY RATES

LINE No.	UNITS	OCT 1, 2006 RATE	AMOUNT	SALES TERMS	COMMODITY COST OF GAS	FIXED COST OF GAS
1	352,633	\$7.90841	\$2,788,767		\$252,093	\$2,536,675
2	66,151,232	\$0.74137	\$49,042,540	65,524,616	\$49,042,540	
3	211,814	\$11.39452	\$2,413,521			\$2,413,521
4	36,000	\$6.67651	\$240,354			\$240,354
5	74,460	\$4.14571	\$308,690			\$308,690
6	203,800	\$6.67651	\$1,360,672			\$1,360,672
7	47,991,088	\$0.00168	\$80,706		\$80,706	
8	194,174	\$14.98181	\$2,909,076			\$2,909,076
9	22,089,271	\$0.00094	\$20,676		\$20,676	
10	66,358	\$1.11742	\$74,149			\$74,149
11	539,445	\$0.14276	\$77,013			\$77,013
12	539,445	\$0.66787	\$360,279	539,445	\$360,279	
13	539,445	\$0.06411	\$34,584			\$34,584
14	539,445	\$0.04014	\$21,653			\$21,653
15	539,445	\$0.00418	\$2,257			\$2,257
16	1,703	\$14.98181	\$25,521			\$25,521
17	539,445	\$0.00076	\$408		\$408	
18	18,353	\$0.59977	\$11,008			\$11,008
19	579,889	\$0.02202	\$12,770			\$12,770
20	579,889	\$0.61598	\$357,198	579,889	\$357,198	
21	579,889	\$0.03702	\$21,468			\$21,468
22	1,831	\$14.98181	\$27,437			\$27,437
23	579,889	\$0.00076	\$438		\$438	
24	16,589	\$6.85470	\$113,716			\$113,716
25	480,571	\$0.62626	\$288,439	460,571	\$288,439	
26	1,454	\$14.98181	\$21,790			\$21,790
27	480,571	\$0.00076	\$348		\$348	
28			(\$1,500,000)			(\$1,500,000)

29 TOTAL AVERAGE CURRENT GAS COSTS \$59,115,477 67,104,521 \$50,403,123 \$0,751,111 \$8,712,354 = \$0,129,533 \$0,880,94

Cascade Natural Gas Corporation
OREGON 2007 GAS COST TRACKING APPLICATION
AVERAGE CURRENT GAS COST DETERMINATION
DEVELOPMENT OF CURRENT PIPELINE AND SUPPLY RATES

LINE No.	UNITS	NOV 1, 2007 RATE	AMOUNT	SALES THERMS	COMMODITY COST OF GAS	FIXED COST OF GAS
1	352,351	\$7.07945	\$2,484,665		\$112,523	\$2,382,142
2	67,530,885	\$9.77610	\$652,410,902	66,925,553	\$52,410,902	
3	211,737	\$8.24555	\$1,745,890			\$1,745,890
4	36,000	\$5.67045	\$204,136			\$204,136
5	74,460	\$4.38370	\$326,410			\$326,410
6	203,800	\$5.67045	\$1,155,637			\$1,155,637
7	48,914,920	\$0.00124	\$60,674		\$60,674	
8	200,364	\$13.86416	\$2,777,874			\$2,777,874
9	21,717,511	\$0.00316	\$68,627		\$68,627	
10	66,107	\$11.1763	\$73,883			\$73,883
11	514,512	\$0.14272	\$73,429			\$73,429
12	514,512	\$0.76191	\$392,010	514,512	\$392,010	
13	514,512	\$0.06411	\$32,985			\$32,985
14	514,512	\$0.04579	\$23,560			\$23,560
15	514,512	\$0.00418	\$2,153			\$2,153
16	1,697	\$13.86416	\$23,528			\$23,528
17	514,512	\$0.00300	\$1,544		\$1,544	
18	18,294	\$0.56612	\$10,351			\$10,351
19	553,080	\$0.02044	\$11,305			\$11,305
20	553,080	\$0.70622	\$390,594	553,080	\$390,594	
21	553,080	\$0.04244	\$23,475			\$23,475
22	1,824	\$13.86416	\$25,294			\$25,294
23	553,080	\$0.00300	\$1,659		\$1,659	
24			(\$1,500,000)			(\$1,500,000)

25 TOTAL AVERAGE CURRENT GAS COSTS

\$ 60,830,563 : 67,993,145 : \$53,438,332 : \$0.78594 : \$7,392,051 = \$0.89466

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

Ln	Description (a)	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 (f)	Revenue Impact of Change (g)	Resulting Percentage Change (h)	
CORE MARKET SERVICE												
Residential												
1	General Service	101	51,318	37,286,018	36,672,269	\$ 46,466,103	\$ 47,279,898	\$ 46,532,904	\$0.01405	\$ 515,245		
2	Unbilled Sales @ 06/30/07			502,660	502,660	604,213	614,795	614,795	\$0.01405	7,062		
3	Less Unbilled Sales @ 06/30/06			513,000	513,000	573,703	583,751	583,751	\$0.01405	7,208		
4	Total		51,318	37,275,678	36,661,929	\$ 46,496,613	\$ 47,310,943	\$ 46,563,949		\$ 515,100	1.11%	
Commercial												
5	General Service	104	8,409	26,695,961	26,477,356	\$ 29,481,990	\$ 30,240,588	\$ 29,995,472	\$0.01405	\$ 372,007		
6	Unbilled Sales @ 06/30/07			436,085	436,085	483,585	496,038	496,038	\$0.01405	6,127		
7	Less Unbilled Sales @ 06/30/06			420,980	420,980	429,404	440,462	440,462	\$0.01405	5,915		
8	Less Company Use			45,155	45,155	51,377	52,700	52,700	\$0.01405	634		
9	Total		8,409	26,665,911	26,447,306	\$ 29,484,194	\$ 30,243,464	\$ 29,998,348		\$ 371,585	1.24%	
Com-Ind Dual Service												
10	Large Volume - Commercial	111	7	583,896	582,951	\$ 592,849	\$ 612,215	\$ 611,157	\$0.01405	\$ 8,190		
11	Unbilled Sales @ 06/30/07			18,249	18,249	18,491	19,095	19,095	\$0.01405	256		
12	Less Unbilled Sales @ 06/30/06			8,420	8,420	7,781	8,035	8,035	\$0.01405	118		
13	Large Volume - Industrial	111	11	1,560,278	1,560,278	1,569,376	1,635,957	1,635,957	\$0.01405	21,922		
14	Total		18	2,154,003	2,153,058	\$ 2,172,935	\$ 2,259,232	\$ 2,258,174		\$ 30,250	1.34%	
Industrial Firm												
15	General Service	105	86	2,730,850	2,730,850	\$ 2,888,896	\$ 2,969,141	\$ 2,969,141	\$0.01405	\$ 38,368	1.29%	
Industrial Interruptible												
16	General Service	170	0	0	0	\$ 0	\$ 0	\$ 0	\$0.01405	\$ 0	0.00%	
17	TOTAL CORE MARKET		59,831	68,826,442	67,993,143	\$ 81,042,638	\$ 82,782,780	\$ 81,789,612		\$ 955,304	1.17%	
NONCORE MARKET SERVICE												
18	Gas Supply (R/S 181,182,183,187)			15,522,261	15,522,261	\$ 10,977,932	\$ 10,977,932	\$ 10,977,932	\$ 0	\$ 0		
19	Transportation (R/S 185,186,785,786)			(48,052)	(48,052)	9,124	9,124	9,124	\$0.00000	\$ 0		
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		\$ 955,304		
Adjustments												
23	City Exaction Tax					\$ 1,236,939	\$ 1,236,939	\$ 1,236,939	\$ 0	\$ 0		
24	Billing/Tech. Adjustments					(131,947)	(131,947)	(131,947)	\$ 0	\$ 0		
25	Other Operating Revenue					(170,328)	(170,328)	(170,328)	\$ 0	\$ 0		
26	Overrun Penalty Revenue					0	0	0	\$ 0	\$ 0		
27	TOTAL ADJUSTMENTS			0		\$ 934,664	\$ 934,664	\$ 934,664		\$ 0		
28	TOTAL		59,860	383,561,160		\$ 96,912,685	\$ 98,301,010	\$ 97,307,842		\$ 955,304		

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

Before the
OREGON PUBLIC UTILITY COMMISSION

REVISED
EXHIBIT 2

Cascade Natural Gas Corporation

October 12, 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)
CORE MARKET RATE SCHEDULES				
Residential	101	\$ (0.00757)	\$ (0.02895)	\$ (0.03652)
Commercial	104	\$ (0.00480)	\$ (0.02895)	\$ (0.03375)
Com-Ind Dual Service	111	\$ (0.00305)	\$ (0.02895)	\$ (0.03200)
Industrial Firm	105	\$ (0.00386)	\$ (0.02895)	\$ (0.03281)
Industrial Interr.	170	\$ -	\$ (0.02895)	\$ (0.02895)
TOTAL CORE				
NONCORE MARKET CUSTOMERS				
Distribution	163	\$ (0.00143)	\$ (0.00116)	\$ (0.00259)
Lg Vol Distribution	164	\$ (0.00143)	\$ (0.00116)	\$ (0.00259)
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	Deferral Order(s)	Account Balance @ 06-30-07	Interest Assignments & Amortizations Thru 10/31/07	Revenue Sensitive Costs	Interest Accruals Thru Amortization	Proposed Technical Adjustment Rates			Proposed Period of Amortization	Item
							Amount	Firm Only	Other Than Transportation Interruptible		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(k)	(l)
1	Account # 25308702-DG220	06-569/06-508	\$ (233,153.56)	(\$6,916)	(\$5,630)	(\$8,841)	(\$254,744)	(\$0,00375)	(\$0,00375)	1 Year	7/1/06 Core Market Commodity Costs
2						Divide by	67,993,143				Core Mkt. Amortization
3	Account # 25308702-DG221	06-569/06-508	\$ 844,276.42	\$25,052	\$21,112	\$32,016	\$922,457	\$0,01357	\$0,01357	1 Year	7/1/06 Core Market Demand Costs
4						Divide by	67,993,143				Firm Core Mkt. Amortization
5	Account # 25308702-DG222	06-569/06-508	\$ (1,850,814.38)	\$0	(\$44,949)	(\$68,163)	(\$1,963,925)	(\$0,02888)	(\$0,02888)	1 Year	10/1/06 Core Market Commodity Costs
6						Divide by	67,993,143				Core Mkt. Amortization
7	Account # 25308702-DG223	06-569/06-508	\$ (1,285,508.21)	\$0	(\$31,220)	(\$47,343)	(\$1,364,071)	(\$0,02006)	(\$0,02006)	1 Year	10/1/06 Core Market Demand Costs
8						Divide by	67,993,143				Firm Core Mkt. Amortization
9	Account # 25308702-DG227	06-569/06-508	\$ (155,462.17)	(\$4,613)	(\$3,868)	(\$5,895)	(\$169,858)	(\$0,00250)	(\$0,00250)	1 Year	Tenaska Gas Storage Mitigation FY07
10						Divide by	67,993,143				Firm Core Mkt. Amortization
13	Account # 25308604-RL12		\$ (104,440.00)	\$0	(\$2,536)	(\$4,172)	(\$11,148)	(\$0,00116)	(\$0,00116)	1 Year	Oregon Tax Kicker
14						Divide by	95,419,524				All Market Amortization
19	Account # RESIDUAL ACCOUNT - CORE		\$ (109,807.39)	(\$164,157)	(\$6,653)	(\$9,921)	(\$290,538)	(\$0,00427)	(\$0,00427)	1 Year	Consolidation
20						Divide by	67,993,143				Core Mkt. Amortization
21	TOTAL		(\$2,894,909)	(\$150,636)	(\$73,664)	(\$112,319)	(\$3,231,828)	(\$0,04705)	(\$0,04705)		
22	Reversal of				11/06 TECH ADJUSTMENTS		\$0,01810	\$0,01810	\$0,00000		
23					EFFECTIVE RATE SCHEDULE NO. 184 AMORTIZATION RATE		(\$0,02895)	(\$0,02895)	(\$0,00116)		

[1] Based upon OPUJC Staff direction amortizations applied to these schedules do not flow to the RS 164.2 CentTherm Tail Block rate.

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 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)
CORE MARKET RATE SCHEDULES									
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		11,994,478	1,761,114	13,755,592	\$ (278,045)	\$ (0.00757)
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) (25,630)	\$ 0.22639	133,114 (146,294) (5,802)		133,114 (146,294) (5,802)		
Company Use				\$ 0.22639	(5,802)		(5,802)		
Total		8,248	26,926,316		6,095,849	296,922	6,392,771	\$ (129,219)	\$ (0.00480)
Com-Ind Dual 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		296,250	0	296,250	\$ (5,988)	\$ (0.00305)
Industrial Firm									
General Service	105	91	3,167,455	\$ 0.18658	590,984	13,140	604,124	\$ (12,211)	\$ (0.00386)
Industrial Interr.									
General Service	170	0	0	0	0		0		
TOTAL CORE		57,276	68,780,540		18,977,560	2,071,176	21,048,736	\$ (425,464)	
NONCORE MARKET CUSTOMERS									
General Transportation	163	22	13,576,920	see calc	1,197,322	134,000	1,331,322	\$ (26,910)	
Large Vol Transportation	164	2	13,944,506	below	600,956	12,000	612,956	\$ (12,390)	
Distribution	902	4	250,071,785		0		0	\$ -	
TOTAL NONCORE		28	277,593,211		1,798,278	146,000	1,944,278	\$ (39,300)	\$ (0.00143)
TOTAL CORE & NONCORE		57,304	346,373,751		20,775,838	2,217,176	22,993,014	(464,764)	

Total distribution noncore therms 277,593,211
 less R/S 902 (250,071,785)
 Net noncore therms 27,521,426

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

Exhibit 2 of 4
Schedule 1 of 1
Page 4 of 4
REVISED

	AMORTIZATION		AMOUNT
PROPOSED AMORTIZATIONS	RATE	THERMS	
Actual Recorded Revenues for the 12 Month Period Ending 06/30/07			\$ 97,641,898
FIRM CORE MARKET CUSTOMERS			
Net Effective Rate	(\$0.04705)	67,993,143	(\$3,199,077)
INTERRUPTIBLE CORE MARKET CUSTOMERS			
Net Effective Rate	(\$0.04705)	0	\$0
NONCORE DISTRIBUTION CUSTOMERS			
Net Effective Rate	(\$0.00116)	27,426,381	(\$31,815)
EARNINGS SHARING			(\$464,764)
CAP PLAN AMORTIZATIONS			938,112
SUBTOTAL - PROPOSED AMORTIZATIONS			(\$2,757,544)
Ratio: Proposed Amortizations to Earnings			-2.82%

Before the
OREGON PUBLIC UTILITY COMMISSION

REVISED
EXHIBIT 4

Cascade Natural Gas Corporation

October 12, 2007

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

NONCORE MARKET RATE SCHEDULES

CORE MARKET RATE SCHEDULES

Line No.	Description	R/S 101	R/S 104	R/S 105	R/S 111	R/S 170	R/S 163	R/S 164 [1]
Proposed Per Therm Changes								
1	Gas Cost Change (Rate Schedule 191)	0.01405	0.01405	0.01405	0.01405	0.01405		
2	Cons. Alliance Plan (CAP) (Rate Schedule 192)	0.01693	0.00934					
3	Temporary Adjustment-CAP Amortization (Rate Schedule 193)	0.01538						
3	Technical Adjustment Change (Rate Schedule 194)	(0.03652)	(0.03375)	(0.03281)	(0.03200)	(0.02895)	(0.00259)	(0.00259)
4	Total	<u>\$0.00984</u>	<u>\$0.00502</u>	<u>(\$0.01876)</u>	<u>(\$0.01795)</u>	<u>(\$0.01490)</u>	<u>(\$0.00259)</u>	<u>(\$0.00259)</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

Ln	Customer Class (a)	Schedule (b)	Current Commodity Rate (c)	Current Average Total Rate /2 (d)	Proposed Changes						Proposed Average Total Rate /2 (l)=d+k	Proposed Commodity Rate (m)=c+k	Normalized Therm Sales/Throughput (n)
					PGA Base Gas Cost (e)	CAP Baseline Adj. (f)	CAP Remove 06 (g)	CAP Temporary Adj. Add New (h)	Remove 06 (i)	Temporary Rate Adj. Add New (j)			
CORE MARKET SERVICE													
1	Residential	101	119.900	124.939	1.405	1.693	0.000	1.538	1.810	(5.462)	0.984	36,661,929	
2	Commercial	104	110.317	111.462	1.405	0.934	0.000	1.538	1.810	(5.185)	0.502	26,447,306	
3	Com-Ind Dual	111	103.040	103.040	1.405	0.000	0.000	0.000	1.810	(5.010)	(1.795)	2,153,058	
4	Industrial Firm	105	106.455	106.908	1.405	0.000	0.000	0.000	1.810	(5.091)	(1.876)	2,730,850	
5	Industrial Interr.	170	100.732	100.732	1.405	0.000	0.000	0.000	1.810	(4.705)	(1.490)	0	
NONCORE MARKET SERVICE													
6	Distribution Transportation Schedule Nos. 163 & 164											25,471,755	
Blocking													
7	R/S 163 & 164 First 10,000		12,402		0.000	0.000	0.000	0.000	0.000	(0.259)	(0.259)	2,666,823	
8	R/S 163 & 164 Next 10,000		11,188		0.000	0.000	0.000	0.000	0.000	(0.259)	(0.259)	2,258,426	
9	R/S 163 & 164 Next 30,000		10,512		0.000	0.000	0.000	0.000	0.000	(0.259)	(0.259)	4,240,126	
10	R/S 163 & 164 Next 50,000		6,456		0.000	0.000	0.000	0.000	0.000	(0.259)	(0.259)	3,803,712	
11	R/S 163 & 164 Next 100,000		3,275		0.000	0.000	0.000	0.000	0.000	(0.259)	(0.259)	12,502,668	
12	R/S 164 ONLY Over 500,000		1,755		0.000	0.000	0.000	0.000	0.000	(0.259)	(0.259)	1,954,826	

REVENUES (in dollars)

Customer Class (a)	Schedule (b)	Revenue at Current Avg Rates /2 (c)			Proposed Changes			Revenue at Proposed Avg Rates /2 (k)=c+l		
		PGA Base Gas Cost (d)	CAP Baseline Adj. (e)	CAP Temporary Adj. Remove 06 (f)	Remove 06 (g)	Temporary Rate Adj. Add New (h)	Total Change (j)=d thru i	Proposed Rates /2 (k)=c+l	Percent Change /2 (l)=k/c	
CORE MARKET SERVICE										
13	Residential	\$515,100	\$620,686	\$0	\$663,581	(\$2,002,475)	\$360,753	\$46,165,854	0.79%	
14	Commercial	\$371,685	\$247,018	\$0	\$478,696	(\$1,371,293)	\$132,765	\$29,611,364	0.45%	
15	Com-Ind Dual	\$30,250	\$0	\$0	\$98,970	(\$107,868)	(\$38,847)	\$2,179,864	-1.74%	
16	Industrial Firm	\$38,368	\$0	\$0	\$49,428	(\$139,028)	(\$51,231)	\$2,868,280	-1.75%	
17	Industrial Interr.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	
NONCORE MARKET SERVICE										
18	Dist Transportation	\$0	\$0	\$0	\$0	(\$65,972)	(\$65,972)	\$1,820,496	-3.50%	
19	Other	\$0	\$0	\$0	\$0	\$0	\$0	\$12,711,599	0.00%	
20	Total Revenues	<u>\$955,304</u>	<u>\$867,704</u>	<u>\$0</u>	<u>\$1,230,678</u>	<u>(\$3,686,635)</u>	<u>\$337,669</u>	<u>\$95,357,456</u>	<u>0.36%</u>	

1/ R/S 163 & 164 Volumes exclude therm in \$,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 therm 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			
			As Billed (c)	Normalized 11/1/06 Rates (d)	Proposed Rates Using Therm Adj (e)	Monthly Change (f)
1	101	60 \$	75.45 \$	74.38 \$	74.97 \$	0.59
2	104	262 \$	292.16 \$	292.13 \$	293.45 \$	1.32
3	105	2,646 \$	2,799.32 \$	2,828.98 \$	2,779.34 \$	(49.64)
4	111	9,922 \$	10,010.30 \$	10,270.88 \$	10,091.96 \$	(178.92)
5	170	0 \$	0 \$	0 \$	0 \$	-

Advise No. CNG\O07-08-02-A

Cascade Natural Gas Corporation

NOTICE TO THE PUBLIC

Oregon Service Area

Cascade Natural Gas Corporation is on this date filing with the Oregon Public Utility Commission (OPUC) at Salem, Oregon, revisions to Rate Schedule Nos. 191, 192, 193 and 194, which upon approval by the Commission will become effective November 1, 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 increase of \$0.59 or 0.79%. For small commercial customers, the increase in the monthly bill for consumption of 262 therms will be \$1.32 or 0.45%. Large volume core customers will experience an average decrease of 1.75% depending on monthly volumes consumed. Large volume non-core customers will experience an average decrease of 3.50% for distribution service from Cascade depending on the monthly volumes consumed.

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

Date: October 12, 2007

CERTIFICATE OF SERVICE

I certify that I have this day served the foregoing NOTICE OF CASCADE'S SUBMITTAL OF REVISIONS TO TARIFFS RELATED TO THE COMPANY'S PGA WHICH WAS ORIGINALLY FILED ON AUGUST 31, 2007 upon all parties of record in the (UG 179) proceeding by emailing an electronic copy to the following parties or attorneys of parties:

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DATED at Seattle, WA, this 12th day of October, 2007.

/s/ Curt Lulias

Curt Lulias
Cascade Natural Gas Corporation