



News Release

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Orca Natural Gas Pipeline Project Development Suspended

September 13, 2000—Seattle, WA — Westcoast Energy Inc. of Vancouver, B.C., announced today that development of the Orca Natural Gas Pipeline project will be placed on hold. Citing a lack of firm commitment from major potential customers at this time, Westcoast stated that it could not proceed further with the project's technical development phase.

The proposed natural gas pipeline would have brought natural gas from Canada, through Sumas Washington, south to South Whidbey Island and then west, across Admiralty Inlet to serve east Jefferson County including Port Townsend and surrounding communities south of Port Townsend. Many northwest Washington communities that would benefit from the proposed project are served by Cascade Natural Gas Corporation. Westcoast intends to reopen the project when they are able to acquire the required market support.

Cascade's Vice President, Districts, Will Odell said, "The project would have provided greater flexibility, reliability, and market liquidity of natural gas supplies for western Washington and east Jefferson County. While this decision by Westcoast is disappointing, we still believe that additional natural gas capacity will be required to meet future energy demands in northwest Washington. We appreciated the positive support we received from individuals, businesses, and local officials and we remain committed to finding opportunities to serve these new communities. We will continue to keep all interested parties informed of any significant changes."

Cascade Natural Gas Corporation is a Seattle-based local distribution company that provides natural gas service to 184,000 residential, commercial, industrial and transportation customers in 90 communities in Washington and Oregon. The Company's stock is listed on the New York Stock Exchange (NYSE:CGC).

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