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Cascade Natural Gas requests a decrease in natural gas rates in Washington

KENNEWICK, WASH. – Oct. 31, 2011 – Cascade Natural Gas Corporation announced today that it has filed a Purchased Gas Adjustment (PGA) with the Washington Utility and Transportation Commission to reflect the decline in the wholesale price of natural gas. The request would save residential customers 6.5 percent on their natural gas bill.

“We continue to see wholesale natural gas prices remain low, and that allows us to offer our Washington customers a rate decrease,” said Frank Morehouse, executive vice president and general manager for Cascade.

The request, coupled with an additional one-year rate reduction approved by the WUTC on Thursday, means a typical residential customer using 58 therms a month would see a reduction of \$7.01 a month, or 11.37 percent. A commercial customer using 291 therms a month would see a decrease of \$35.22 a month, or a 12.15 percent decrease.

The cost of gas, which makes up the largest part of a customer’s bill, is a straight pass-through to the customer; the utility cannot make a profit on the cost of gas.

A PGA is a mechanism designed to pass the actual costs of gas supplies to customers. The proposed rate reduction is expected to go into effect on Dec. 1, 2011.

Cascade Natural Gas is a natural gas distribution company serving approximately 260,000 residential, commercial, industrial and transportation customers in 96 communities in Washington and Oregon. Cascade is a subsidiary of MDU Resources Group, Inc., a multidimensional natural resources enterprise traded on the New York Stock Exchange as “MDU.” For more information about MDU Resources, visit the company’s Web site at www.mdu.com. For more information about Cascade, visit www.cngc.com.

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