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Utility Program

CASCADE NATURAL GAS CORPORATION

RULES AND REGULATIONS

RULE 18 - LIMITATION OF FIRM NATURAL GAS SERVICE

The Federal Power Commission of the United States has determined after thorough study that a national shortage of natural gas exists and has initiated a series of actions in Docket Nos. R-467, R-468 and R-469 intended to conserve available gas supply for high priority uses as defined therein. Highest priority is accorded to the residential and small commercial uses. Second highest priority is accorded to larger commercial and certain industrial nonboiler fuel uses. Indicated means of obtaining compliance by the intrastate Distributor, not subject to F.P.C. jurisdiction, to limit growth of market to the high priority uses will be through certification criteria for new supplies and facilities, rate design and other matters with respect to the jurisdictional pipelines.

Cascade Natural Gas Corporation's present firm gas supply is adequate to maintain the present higher priority firm sales volumes and is adequate to permit continued growth for several years in these markets. At the present time, no new additional volumes of natural gas have been certificated to Cascade's pipeline supplier for delivery into the Northwest.

To assure continuity of firm service to present and potential higher priority customers, who would be severely inconvenienced by curtailment during periods of peak demand, Cascade will accept only those applications for new or additional firm service from nonresidential applicants whose request does not exceed a maximum of 500 therms per day cumulative in any twelve month period, provided such applications would otherwise qualify under this tariff.

Applications held in abeyance as a result of this rule will be recorded by name of applicant, date of receipt and volume applied for by priority classification. Waivers to this rule may be granted only by the Oregon Public Utility Commission.

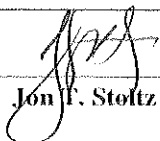
The foregoing provisions shall not apply to applications for interruptible service.

CNG/O07-06-01

ISSUED June 8, 2007

EFFECTIVE June 15, 2007

BY


Jon F. Stoltz

ISSUED BY **CASCADE NATURAL GAS CORPORATION**

TITLE Senior Vice President
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