

CASCADE NATURAL GAS CORPORATION

RULES AND REGULATIONS

RULE 2 - DEFINITIONS

When used in these Rules and Regulations the following terms shall have the meanings defined below:

- A. Company - Cascade Natural Gas Corporation acting through its duly authorized officers or employees within the scope of their respective duties.
- B. Customer - Any person, firm, or corporation purchasing gas service from the Company under these Rules and Regulations at one location under one rate classification contract.
- C. Residential Service - Service to customers for residential purposes to a single family dwelling, two family (duplex) dwelling or to an individual dwelling unit in a multiple family dwelling building.
 - (1) Dwelling - Means a building designed exclusively for residential purposes, including one family, two family and multiple dwellings, but not including hotel or motel units having no kitchens.
 - (2) Dwelling Unit - One or more rooms designed for or occupied by one family for living or sleeping purposes and containing kitchen and bathroom facilities for use solely by one family. All rooms comprising a dwelling unit shall have access through an interior door to other parts of the dwelling unit.
 - (3) Dwelling, One Family - A detached building designed exclusively for occupancy by one family and containing one dwelling unit.
 - (4) Dwelling, Two Family (Duplex) - A building designed exclusively for occupancy by two families living independently of each other, and containing two dwelling units.
 - (5) Dwelling, Multiple - A building designed exclusively for occupancy by three or more families living independently of each other and containing three or more dwelling units.
- D. Commercial Service - Service to customer engaged in selling, warehousing, or distributing a commodity, in some business activity or in a profession, or in some form of economic or social activity (office, stores, clubs, hotels, etc.) and for purposes that do not come directly under another classification of service.
- E. Industrial Service - Service to customer engaged in a process which creates or changes raw or unfinished materials into another form or product. (Factories, mills, machine shops, mines, oil wells, refineries, pumping plants, creameries, canning and packing plants, shipyards, etc., i.e., in extractive, fabricating or processing activities).
- F. Institutional Service - Service to customer of a public character including but not limited to governmental buildings, universities, colleges and schools, hospitals, clinics, institutions for the care or detention of persons, and similar establishments.
- G. Margin - The portion of revenue required to cover the cost of doing business other than the cost of purchased gas; Rate minus WACOG or revenue minus gas costs. (N)
- H. Month - The period between any two (2) regular readings of the Company's meters at approximately thirty (30) day intervals.
- I. Therm - 100,000 British Thermal Units.
- J. Gas Day - The 24-hour period designated by the upstream transportation pipeline serving Cascade as the period when gas flows to customers. The gas day will be as designated in Northwest Pipeline's tariff.
- K. WACOG - The Weighted Average Cost of Gas. (N)

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By Authority of the Commission's FOURTH SUPPLEMENTAL ORDER in Docket No. UG-951415

ISSUED July 24, 1996

EFFECTIVE August 1, 1996

BY

Jon T. Stoltz

ISSUED BY CASCADE NATURAL GAS CORPORATION

TITLE Senior Vice President
Planning & Rates

JUN 16 1997

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WASH. UT. & TRANS. COMM.

CASCADE NATURAL GAS CORPORATION

RULES AND REGULATIONS
(Continued from previous page)

RULE 2 - DEFINITIONS

L. Core Market Customer - A customer who purchases bundled gas services from Cascade under one tariff that includes gas supply, distribution services from Cascade, and pipeline transportation services.

M. Non-core Market Customer - A customer who purchases unbundled gas services. A non-core customer purchases distribution services from Cascade and purchases gas supply and pipeline transportation services separately.

N. Regular Business Hours shall mean 8:00 a.m. until 5:00 p.m., Monday through Friday, except for holidays. The regular business hours charges for service may be available in certain service areas for calls received prior to 7:00 p.m. on Monday through Friday, unless the day of the call is a holiday.

(N)

O. Customer Advances in Aide of Construction - The amount of customer advance required for a refundable customer advance in the aide of constructing new distribution main extensions, or for non-refundable excess service line charges or for the non-refundable cost of relocation of distribution facilities for the benefit of the customer shall include the Federal Income Tax effect that results from such construction contributions. In order to include the Federal Income Tax effect, the difference between the total cost of construction minus the free allowance as provided under these Rules and Regulations shall be multiplied by 1.2387.

(N)

BY AUTH. OF ORDER OF WASH. UTILITIES & TRANSPORTATION COMM., DOCKET NO. UG-971013

CNG/W97-06-01

ISSUED June 13, 1997

EFFECTIVE September 25, 1997
~~July 16, 1997~~

BY  ISSUED BY **CASCADE NATURAL GAS CORPORATION**

TITLE Senior Vice President
Planning & Rates