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CASCADE NATURAL GAS CORPORATION

RULES AND REGULATIONS

RULE 4 - CUSTOMERS' DEPOSITS

A cash deposit may be required of any customer, as outlined in WAC 480-90-113 & 480-90-118.

Interest on deposits held shall be accrued at the rate prescribed by WAC80-90-113 & 480-90-118. Interest shall be computed on deposits from the date received by the Company until date of refund or termination of service, and to the extent not paid shall be compounded annually. (C)

An official Deposit Receipt shall be issued to each customer at time of receipt by the Company.

Deposits with accrued interest will be refunded either by refund check within 15 days following completion of 12 months satisfactory payments, or applied to the customer's bill for services in the 13th and appropriate subsequent months, whichever form the customer elects.

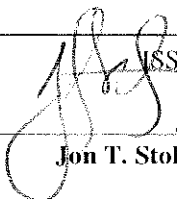
When a customer discontinues services and a final bill is prepared, customer's deposit together with interest earned shall be applied. If there is a balance of the deposit together with interest still due the customer, a check payable to the customer shall be issued in the amount due and delivered in person or mailed to the customer's last known address.

Any complaints or disputes are to be handled in accordance with WAC 480-90-173.

CNG\W03-04-01

ISSUED _____
April 30, 2003

EFFECTIVE _____
June 1, 2003

BY 
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ISSUED BY **CASCADE NATURAL GAS CORPORATION**

TITLE **Senior Vice President**
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