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September 28, 2007

Oregon Public Utility Commission
550 Capitol Street NE
Salem, OR 97310-1380

Attention: Ms. Vikie Bailey-Goggins

Re: UM-1283 Merger Commitment Submittal

Dear Ms. Bailey-Goggins:

In compliance with Merger Commitment No. 14, Cascade Natural Gas Corporation herein submits the attached schedule, which shows the preliminary accounting of the merger related transaction costs that are recorded on Cascade's books. Although the Company believes that the majority of the transaction related costs have already been processed and recorded, there still remain a few charges to be received. Therefore, the Company has not yet closed the accounting for transaction costs. Cascade will submit a final tabulation of the accounting for transaction costs within 60 days of the close of accounting for the transaction.

Cascade will exclude all costs of transaction, including integration costs from utility accounts for ratemaking purposes such as earnings reviews, PGA filings etc.

If you have any questions concerning this submittal, please contact the undersigned.

Sincerely,



Jon P. Stoltz
Sr. Vice President – Gas Supply and Regulatory

enclosure:

Cascade Natural Gas Corporation
Preliminary Accounting of Transaction Costs
Date Prepared: September 26, 2007

FERC	FY2006	FY2007 *	Total
9200	-	741,885	\$ 741,885
9210	-	1,467	\$ 1,467
9230	2,655,168	3,139,055	\$ 5,794,223
9302	48,167	-	\$ 48,167
Total	\$ 2,703,335	\$ 3,882,407	\$ 6,585,742

* Through August 2007