

CASCADE NATURAL GAS CORPORATION

EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS

CHARTER

Organization

The Executive Committee of the Board of Directors of Cascade Natural Gas Corporation is composed of five directors appointed by the Board. A substantial majority of the Executive Committee members shall be independent of Company management and free of any relationship that, in the opinion of the Board of Directors, would interfere with their exercise of independent judgment as committee members. Independent members of the Executive Committee may not receive from the Company any compensation other than Board-approved fees for service on the Board and its committees. The Non-management Chairman of the Board shall chair the meetings of the committee.

Statement of Policy

The Executive Committee assists Cascade's Board of Directors in fulfilling its responsibility to shareholders, potential shareholders, and the investment community relating to strategic planning, establishing financial goals, and risk management. The Committee may delegate specific responsibilities to appropriate subcommittees. It shall also perform such other duties and exercise such powers as from time to time may be directed or delegated by the Board of Directors as permitted by law.

Responsibilities

Between board meetings, the Executive Committee shall perform such duties as may be delegated to it by the Board, and shall have the following additional responsibilities and authority:

1. Review the long term corporate strategy and recommend action plans, as appropriate, to the board;
2. Review and provide recommendations to the board on the corporation's capital structure and long range financing plans;
3. Review and recommend long range earnings and shareholder dividend objectives to the board;
4. Review the corporate risk profile and management's plans for managing risk;
5. Have the authority to retain independent legal, accounting or other advisors. The Company shall provide appropriate funding, as determined by the Executive Committee, for the engagement of such advisors;

6. Report matters discussed at each committee meeting to the Board of Directors and submit Executive Committee minutes for their review and approval;
7. Annually review this charter and recommend changes to the Board of Directors;
8. Annually perform a self-assessment of the Executive Committee.