

## **Cascade Natural Gas Corporation**

### **Director Code of Ethics**

As individual members of the Board of Directors, we accept the responsibility to oversee the adherence of Cascade Natural Gas Corporation to the highest ethical standards and to conduct our own activities with uncompromising integrity. We personally subscribe to the formal Ethical Standards established for the officers and employees of the Corporation, and additionally adopt and commit to follow this Director Code of Ethics.

#### ***Conflicts of Interest***

##### ***General***

The paramount duty of the Board of Directors is to protect and promote the interests of Cascade's shareholders. Directors must ensure that other commitments do not interfere with their ability to carry out their board and committee responsibilities. Directors should avoid situations that may result in a conflict, or appearance of a conflict, with the interests of the Corporation. They must promptly disclose any situation that might reasonably appear to involve such a conflict to the Chairman of the Board or to the Chairman of the Governance, Nominating and Compensation Committee and should excuse himself or herself from debating and from voting on any issue before the Board or any committee of the Board that may involve a conflict.

##### ***Interests in Other Businesses***

Directors shall not serve on boards or as executive officers of any company or organization that competes with Cascade. They should disclose to the Chairman of the Board or to the Chairman of the Governance, Nominating and Compensation Committee financial interests in competitors or suppliers of Cascade that might cause conflicts or the appearance of conflicts with the interests of Cascade. Disclosure is not required for ownership of public securities in such a firm if the value of such investment is less than the greater of 10% of the Director's annual income or \$10,000, or for indirect interests through investments in open-ended public mutual funds. The Board shall review any disclosed financial interest; shall determine whether a material potential for a conflict exists; and, if so, shall take appropriate action to protect the interests of the Corporation.

##### ***Directors as Customers***

Directors with homes and businesses in areas served by Cascade are encouraged to demonstrate their confidence in the Corporation's products and services by being customers, provided the nature or volume of service involved does not raise material issues of conflicting interests. No discounts or treatment unavailable to other similarly situated customers will be offered to or accepted by directors.

### ***Gifts or Other Benefits***

Directors will avoid acceptance of substantial gifts or benefits being made to influence their actions as Cascade board members or where the acceptance of the gift or benefit gives the appearance of a conflict of interest. They will not accept compensation for services performed for the Corporation from any source other than compensation approved by the Board of Directors for services performed as a director.

### ***Personal Benefit from Cascade Business***

Except for compensation received for service as a Director or officer of the Corporation and transactions in Company stock permitted by law and Board policy, Directors shall not profit from transactions involving Cascade or accept from Cascade loans or guarantees of personal obligations. Directors shall not use non-public information obtained through Cascade or the property, labor, reputation, or business opportunities of Cascade for personal gain or benefit.

### ***Protection of Company Assets***

Protection of the property and assets of the Company and ensuring their efficient use are important oversight responsibilities of the Board, and directors shall not engage in individual conduct that conflicts with those responsibilities.

### ***Confidentiality and Inside Information***

Except where authorized or legally mandated, directors will not disclose confidential information entrusted to them by Cascade (including any material non-public information) or any other confidential information about Cascade that they receive in their roles as directors. They will adhere to Cascade's stock trading windows and will promptly report all trades of Cascade stock.

### ***Fair Dealing***

The Board of Directors is committed to dealing fairly with the Company's customers, suppliers, competitors and employees. Directors shall not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or other unfair practices.

### ***Compliance with Laws and Regulations***

Directors shall comply, and shall oversee compliance by the Corporation and its officers, with all laws and regulations applicable to Cascade, including insider trading laws.

### ***Waiver of this Code***

Any waiver of this Code of ethics may be made only by the Board and shall be promptly disclosed to shareholders.

Initially Adopted December 2, 2003;  
Revised Version Adopted July 26, 2005

### ***Compliance Procedures***

Directors shall promptly make any disclosures required by this Code or report any suspected violations, whether deliberate or accidental, to the Chairman of the Board or to the Chairman of the Governance, Nominating and Compensation Committee for consideration or investigation and prompt action. Such reports shall be shared with the Chief Executive Officer in a timely manner. The Board may seek factual information from an individual director that it deems pertinent to specific situations after disclosure of a potential or actual violation.