

CASCADE NATURAL GAS CORP

Form 4

July 06, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
Gardner Michael J

2. Issuer Name **and** Ticker or Trading
Symbol

CASCADE NATURAL GAS CORP
[CGC]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)

222 FAIRVIEW AVENUE N

(Street)

SEATTLE, WA 98109

(City) (State) (Zip)

3. Date of Earliest Transaction
(Month/Day/Year)
07/02/2007

4. If Amendment, Date Original
Filed(Month/Day/Year)

____ Director ____ 10% Owner
____X____ Officer (give title ____ Other (specify
below) below)

Vice President Operations

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock <u>(1)</u>	07/02/2007		M		1,000	A	\$ 20.84
Common Stock <u>(2)</u>	07/02/2007		U		3,123.4057	D	\$ 26.50

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form
displays a currently valid OMB control
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(9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy) ⁽³⁾	\$ 20.84	07/02/2007		M		1,000		03/29/2003	03/29/2012	Common Stock	1,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Gardner Michael J 222 FAIRVIEW AVENUE N SEATTLE, WA 98109	Vice President Operations

Signatures

James Haug by Power of Attorney
07/06/2007

Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Options were exercised as provided in the Agreement and Plan of Merger by and among the Company, Firemoon Acquisition, Inc. and MDU Resources Group, Inc. (the "Merger Agreement"). Option holders received cash in an amount equal to the difference between the merger consideration and the exercise price, as provided in the Merger Agreement.
- (2) Reporting person disposed of 3123.4057 shares of Common Stock pursuant to an Agreement and Plan of Merger by and Among MDU Resources Group, Inc., Firemoon Acquisition, Inc., and Cascade Natural Gas Corporation, dated as of July 8, 2006.
- (3) Cash exercise of 1000 stock options granted under the CNGC 1998 Stock Incentive Plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.