

CASCADE NATURAL GAS CORP
 Form 4
 July 06, 2007

FORM 4

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

OMB APPROVAL

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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

(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)

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

____ Director
 Officer (give title below) _____ Other (specify below)
 Vice President Operations

SEATTLE, WA 98109

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

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

(City) (State) (Zip)

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.

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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)	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.