



UG-210708

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CNG/W21-09-03

September 15, 2021

Mr. Mark L. Johnson  
 Executive Director and Secretary  
 Washington Utilities & Transportation Commission  
 P.O. Box 47250  
 Olympia, WA 98504-7250

**Re:** Schedule 594, Decoupling Mechanism Adjustment

Dear Mr. Johnson:

Cascade Natural Gas Corporation (“Cascade”) hereby encloses for filing the following proposed tariff sheet containing a requested effective date of November 1, 2021:

**Fifth Revision Sheet No. 594 Canceling Fourth Revision Sheet No. 594**

The purpose of this filing is to amortize the difference between authorized revenues and actual revenues for the timeframe of January 1, 2020, through December 31, 2020, which is consistent with the Company’s Rule 21, Decoupling Mechanism, and the terms adopted by Order No. 04 in UG-152286.

Rule 21, Decoupling Mechanism, was approved in the Company’s rate case in Docket UG-152286 and allows Cascade to defer the difference between billed revenue and the authorized margin per customer, which is a different amount per customer class, per month. Billed and authorized revenue differ for a number of reasons including the installation of conservation measures, weather variations, and different gas usage patterns. The deferred balance is then amortized through the Schedule 594 adjustment rate that becomes effective concurrently with the Purchased Gas Adjustment (PGA).

Below is a table summarizing the proposed changes reflected in this filing:

Service	Sch. No.	Rate Change	Proposed Rate Per Therm	Percent Change
Residential	503	\$0.01985	\$0.01075	1.95%
Commercial	504	\$0.02733	\$0.00319	3.00%

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Industrial	505	\$0.02144	\$0.00727	2.86%
Industrial Lg Vol	511	(\$0.03475)	(\$0.05383)	(5.01%)
Interruptible	570	(\$0.00917)	\$0.00282	(1.49%)

The changes made to Schedule 594 result in an overall rate increase of 1.77 percent or an increase in annual revenue change reflected in this filing of \$4,658,558. For the average residential customer using 56 therms, the changes made herein result in an average monthly increase of \$1.11 or 1.98 percent. For the average commercial customer using 290 therms per month, these changes result in an average increase of \$7.93 or 3.07 percent.

The proposed change will affect all of Cascade's Washington customers except transportation only customers. Cascade serves approximately 193,371 residential, 26,933 commercial and 484 industrial customers in the state of Washington.

The overall earnings test of 1.13 percent is below the 3.0 percent maximum annual rate adjustment, no adjustment for earnings sharing under UG-152286 is required.

On March 12, 2021, Cascade filed third-party (H. Gil Peach & Associates LLC and Forefront Economics Inc.) program audit of decoupling mechanism within Docket UG-152286. The third-party found an error within the three percent test for year 2019 and 2020. See attached spreadsheet, NEW, CNGC Advice W21-09-03 3 Percent WP 09-15-2021.xlsx, shows that it has self-corrected itself.

If you have any questions, please call me at (208) 377-6015.

Sincerely,

*/s/ Lori A. Blattner*

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Attachment

NEW, CNGC Advice W21-09-03 Trf Sheet 594, 09-15-2021.pdf  
NEW, CNGC Advice W21-09-03 Redlined Trf Sheet 594, 09-15-2021.pdf  
NEW, CNGC Advice W21-09-03 Exh A, 09-15-2021.pdf  
NEW, CNGC Advice W21-09-03 DMA WP, 09-15-2021.xlsx  
NEW, CNGC Advice W21-09-03 Rule 21 Decoupling WP, 09-15-2021.xlsx  
NEW, CNGC Advice W21-09-03 3 Percent WP 09-15-2021.xlsx