



Bob Ferguson
ATTORNEY GENERAL OF WASHINGTON
Utilities and Transportation Division
PO Box 40128 • Olympia WA 98504-0128 • (360) 664-1183

August 30, 2018

Mark Johnson
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250

Re: *Washington Utilities & Transp. Comm'n v. Cascade Natural Gas Corp.*
Docket UG-170929

Dear Mr. Johnson:

On July 20, 2018, the Washington Utilities and Transportation Commission (Commission) entered Order 06, Final Order Rejecting Tariff Sheets; Resolving Contested Issue; Approving and Adopting Settlement Agreement; and Authorizing and Requiring Compliance Filing (Order 06) in the above-referenced docket. Order 06, among other things, required Cascade Natural Gas Corporation (Cascade or Company) to file tariff sheets in compliance with this Order no later than five (5) business days prior to their stated effective date.¹ Cascade filed the revised tariff sheets in compliance with Order 06 and the Joint Partial Settlement Agreement. The Commission approved Cascade's compliance filing on July 31, 2018.

On August 24, 2018, Cascade filed with the Commission a Supplemental Compliance Filing, to correct its monthly authorized revenue under the decoupling mechanism. The error stems from the Company's use of billed sales as billing determinants for rate spread, instead of booked sales (i.e., billed sales plus an adjustment for unbilled sales) which more accurately depicts usage in a calendar month. The error needs to be corrected because it will cause an inaccurate spread of authorized decoupled revenue on monthly basis. The revision to correct the Company's monthly authorized revenue does not affect the revenue requirement or approved rates to customers. It

¹*Wash. Utils. & Transp. Comm'n v. Cascade Natural Gas Corp.*, Docket UG-170929, Order 06 at 27, ¶¶ 108-109 (Jul. 20, 2018).

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also does not change the authorized decoupled revenue on an annual basis. The revision only changes the allocation of the annual revenue per customer among different months for customers on Schedule 503 and 504.

Commission Staff (Staff) reviewed Cascade's Supplemental Compliance Filing dated August 24, 2018, and finds that it contains sufficient detail with respect to the revision of WN U-3, Sheet No. 25. Staff believes that the Supplemental Compliance Filing complies with the Commission's Order 06, entered July 20, 2018, and therefore the Commission should allow the revised tariff sheets to become effective tomorrow, August 31, 2018.

Sincerely,

/s/ Christopher M. Casey, WSBA No. 46733
Assistant Attorney General
Office of the Attorney General
Utilities and Transportation Division
P.O. Box 40128, Olympia, WA 98504-0128
(360) 664-1189
chris.casey@utc.wa.gov

CMC:klg
cc: Parties