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CNG/W17-09-03
 State Of WASH.
 UTIL. AND TRANSP.
 COMMISSION
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October 19, 2017

Mr. Steven V. King
 Executive Director and Secretary
 Washington Utilities & Transportation Commission
 P.O. Box 47250
 Olympia, WA 98504-7250

Re: UG-171014, Schedule 594, Revised Decoupling Mechanism Adjustment

Dear Mr. King:

Cascade Natural Gas Corporation (“Cascade”) hereby encloses for filing the following proposed tariff sheet containing a requested effective date of November 1, 2017:

First Revision Sheet No. 594 Canceling Original Sheet No. 594

The purpose of this filing is to amortize the difference between authorized revenues and actual revenues for the timeframe of September 1, 2016, through December 31, 2016, 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 last rate case 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:

<u>Service</u>	<u>Sch. No.</u>	<u>Rate Change</u>	<u>Proposed Rate Per Therm</u>	<u>Percent Change</u>
Dry Out	502	(\$0.00161)	(\$0.00161)	(0.19%)

Residential	503	(\$0.00141)	(\$0.00141)	(0.16%)
Commercial	504	\$0.00126	\$0.00126	0.16%
Industrial	505	\$0.00804	\$0.00805	1.21%
Industrial Lg Vol	511	(\$0.01810)	(\$0.01811)	(2.88%)
Compressed Nat. Gas	512	\$0.00040	\$0.00040	0.05%
Interruptible	570	(\$0.00371)	(\$0.00372)	(0.71%)
Interruptible Inst.	577	(\$0.00104)	(\$0.00104)	(0.25%)

The changes made to Schedule 594 result in an overall rate decrease of .09% or a decrease in annual revenue change reflected in this filing of \$213,969. For the average residential customer using 58 therms, the changes made herein result in an average monthly decrease of \$0.08. For the average commercial customer using 296 therms per year, these changes result in an average increase of \$0.37.

The proposed change will affect all of Cascade's Washington customers except transportation only customers. Cascade serves approximately 182,718 residential, 25,666 commercial and 454 industrial customers in the state of Washington.

As this proposed rate is a decrease, no adjustment for earning sharing under UG-152286 is required.

If you have any questions, please call me at (509) 734-4593.

Sincerely,

/s/ Michael Parvinen

Michael Parvinen
Director, Regulatory Affairs
Cascade Natural Gas Corporation
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Kennewick, WA 99336-7166
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Attachment

UG-171014 Revised CNGC Advice W17-09-03 Trf Sheet 594 10-19-2017

UG-171014 Revised CNGC Advice W17-09-03 Exh A 10-19-2017

UG-171014 Revised CNGC Advice W17-09-03 Decoupling Adj WP 10-19-2017