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September 29, 2017

CNG/W17-09-04

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

Re: UG-171009, Schedules 303 and 594, Washington Energy Assistance Fund (WEAF) Program

Cascade Natural Gas Corporation (Cascade or the Company) herewith files the following revisions to its Tariff, WN U-3, stated to become effective with service on and after November 1, 2017:

First Revision of Sheet No. 303
First Revision of Sheet No. 303-A
First Revision of Sheet No. 593

Overview

The purpose of this filing is to threefold: First, Schedule 303, Washington Energy Assistance Fund (WEAF) Program is revised to allow other organizations that distribute Low Income Home Assistance Program (LIHEAP) funding to administer of the Company's Washington Energy Assistance Fund (WEAF) program. Second, Schedule 303 is also revised to increase the annual program cost caps consistent with Order No. 05 issued in UG-152286, which authorized increases to the "not to exceed" WEAFF program spending caps established in the settlement agreement to the Company's most current general rate case.¹ And finally, the Company adjusts the Schedule 593, WEAFF Program Cost Recovery rate to collect the budgeted amount for the 2017-2018 program year.

WEAF Administration

The Company revises language in Schedule 303 defining who can administer WEAFF. The tariff currently only says WEAFF can be administered by "a 'Qualifying Organization' as defined in RCW 82.16.046" which says:

an entity that has a contractual agreement with the department of community, trade, and economic development to administer in a specified service area low-income home energy assistance funds received from the federal government and such other funds that may be received by the entity.

¹ See Order No. 04 issued in UG-152286.

This language inadvertently is not broad enough to include organizations who receive LIHEAP funds directly from the federal government, such as tribes. The Company would like to ensure that WEAFF resources are available equally to all customers. Cascade broadens the language defining WEAFF administrators to allow other distributors of LIHEAP to become administrators of WEAFF and to participate in the WEAFF Advisory Group. Having additional qualified administrators of WEAFF would help the program reach more qualifying customers.

Revised Budget Caps

Schedule 303 is further revised to include the program year budget caps as adopted in Order No. 05 in UG 152286. The settlement to the Company's most current rate case established "not to exceed" spending caps for the five program years starting in 2016-2017 and ending in 2020-2021. The settlement agreement also contained a provision allowing Cascade to petition for additional funding if the spending caps proved insufficient to meet demand. On June 13, 2017, Cascade filed a petition with the Commission requesting authorization to increase the program year spending caps by 15%, allow an additional 5% soft cap buffer, and defer program costs that exceed the amounts collected in Schedule 593. The Commission approved this request and Schedule 303 is herein updated to include the following table defining the program year spending parameters:

Program Year	15%	soft cap
2017-2018	\$1,265,000.00	\$1,320,000.00
2018-2019	\$1,329,400.00	\$1,387,200.00
2019-2020	\$1,397,250.00	\$1,458,000.00
2020-2021	\$1,467,400.00	\$1,531,200.00

2017-2018 Program Year Cost Recovery

Schedule 593, WEAFF Program Cost Recovery is revised to collect \$824,038 which after carryover funding should provide \$1,265,000 for the 2017-2018 program year. \$1,265,000 is the 2017-2018 not-to-exceed spending cap for the program year minus about \$81,862 of carryover from the current program year² and \$359,100 of carryover from collections occurring prior to UG 152286 general rate case.

The program had \$444,840 in carryover from prior to the rate case. The settlement agreement to the rate case says the WEAFF Advisory Group will determine how to spend that money. Some of it has been used for a needs assessment study. The Company is proposing to retain \$50,000 for WEAFF-specific outreach efforts and return the remaining \$359,100 to ratepayers. The \$50,000 for outreach will be used on ideas generated by the WEAFF advisory group. If the outreach efforts prove successful, the Company may continue the efforts in future years but paid for using the programs annual budgeted funding.

The 2017-2018 program year budget of \$1,265,000 should allow the Company to spend approximately \$18,000 on outreach and provide approximately 2925 homes a grant of about \$350. This does not include the outreach funded with the pre-rate case carryover dollars.

Attachment A shows how the Schedule 593 rate was derived. Attachment B shows the WEAFF program monthly collections and expenditures for the 2016-2017 program year.

² As of September 8, 2017, the WEAFF program has \$156,612 in carryover. The Company is retaining \$50,000 to cover costs for the final program month of September.

The change proposed herein to Schedule 593 decreases rates to all rate classes by 0.14%. The average residential customer using 58 therms per month will see a decrease of \$0.06 per month, the average bill decreasing from \$51.68 to \$51.62 per month. The average commercial customer using 296 therms per month will see a decrease of \$0.30 per month, the average bill decreasing from \$236.50 to \$236.20 per month.

This filing has been discussed and shared in draft form with the Company's WEAFA Advisory Group.

This filing submitted electronically includes the following two files:

NEW CNGC Advice No. W17-09-04, WEAFA, 9.29.17.pdf

NEW CNGC Advice No. W17-09-04, Attch A, 9.29.17.xlsx

NEW CNGC Advice No. W17-09-04, Attch B, 9.29.17.xlsx

If you have any questions, please contact Jennifer Gross at 509.734.4635.

Sincerely,

/s/ Michael Parvinen

Michael Parvinen
Director, Regulatory Affairs
Cascade Natural Gas Corporation
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Attachments

ATTACHMENT A

CASCADE NATURAL GAS
 Advice No. WA17-09-04
 Schedule 593 WEAFF Program Cost Recovery

Program Year Budget	\$1,265,000	Spending cap per Order No. 05 in UG-152286 plus the soft cap
Minus carryover		
-2016-2 Program year carryover	\$81,862	\$156,612 remaining as of September 8, 2017. \$50,000 retained for final month in Program Year
- Rate Case Carry Over	\$359,100	See Rate Case Carryover below
SUBTOTAL	\$824,038	
- Plus Revenue Sensitive Costs	\$36,826	4.469% of subtotal to cover WUTC fees, uncollectibles, and state utility tax
Amount to Collect	\$860,864	

RATE CASE CARRYOVER		
Carryover at time of rate case	\$444,840	
minus EWU Study	\$35,740	Total cost of the study is \$38,740. Cascade is covering \$3000 of the study costs.
Remaining	\$409,100	
- retain for outreach	\$50,000	For WEAFF branded giveaways and outreach for next 4 years
Return to ratepayers	\$359,100	For use in 2017-2018 through 2020-2021

Schedule 593 Rate for 2017-2018

Percent Per Margin Per UG-152286

Forecasted Volumes as used in 2017-2018 PGA

Rate Schedules	502	503	504	505	511	512	570	577	663	
Nov-17	51,607	14,023,327	9,401,502	1,734,026	1,512,463	7,011	682,744	30,677	36,813,780	27443357
Dec-17	89,454	20,326,056	12,935,774	1,636,296	1,654,138	5,049	678,705	30,773	47,325,836	37356245
Jan-18	79,001	19,731,772	13,503,344	1,275,602	1,460,062	2,925	409,139	19,188	48,213,689	36481033
Feb-18	66,342	15,633,323	11,215,085	1,104,424	1,217,117	2,354	331,233	15,942	38,120,179	29585820
Mar-18	60,396	13,473,935	9,308,231	1,045,964	1,213,094	2,679	165,790	13,628	38,434,474	25283716
Apr-18	37,011	8,886,153	5,987,290	744,409	893,562	2,863	155,259	13,058	36,583,499	16719606
May-18	25,419	5,856,594	4,126,238	599,618	695,546	3,253	107,752	9,404	28,242,340	11423825
Jun-18	14,639	3,762,618	3,162,561	496,982	693,379	3,186	83,524	8,505	29,343,332	8225395
Jul-18	4,801	3,037,431	2,758,968	460,501	591,807	4,224	105,799	9,845	45,444,104	6973376
Aug-18	3,486	2,897,395	2,815,843	518,728	603,215	4,379	184,190	9,161	59,781,468	7036397
Sep-18	5,318	3,626,816	3,489,780	766,876	643,921	5,235	273,508	12,266	49,699,552	8823720
Oct-18	18,354	7,050,156	5,596,030	1,684,888	942,757	5,887	497,906	22,476	37,455,337	15818453
Total	455,828	118,305,576	84,300,645	12,068,315	12,121,061	49,045	3,675,550	194,923	495,457,590	
% per Margin	0.1388%	51.5714%	27.4961%	2.4050%	1.6798%	0.0122%	0.2543%	0.0407%	16.4017%	100.00%
Amt to Collect	\$1,194.85	\$443,960.06	\$236,704.12	\$20,703.50	\$14,460.94	\$105.00	\$2,189.04	\$350.02	\$141,196.74	\$860,864.26
Rate	\$0.00262	\$0.00375	\$0.00281	\$0.00172	\$0.00119	\$0.00214	\$0.00060	\$0.00180	\$0.00028	

Prepared By:	Tony Durado
Reconciliation Date:	September 7, 2017

WA Energy Assistance Fund (Low Income Bill Assistance)

2016-2017 Program Year

47WA.2429.02

Per agreement effective 9-1-16 (Docket # UG-152286) in connection with settling the WA 2016 Rate Case CNGC will bill WA customers in rate schedules 502, 503, 504, 505, 511, 512, 570, 577, & 663 a rate (adjusted annually) to be used for WEAFF. Annual WA Dept of Revenue LIHEAP Tax Credits are to be added to collected amounts for program expense availability.

Collected funds will be used in 3 ways:

- 1) Payments made to assistance agencies, processed thru the AP system
to be charged to accrual account 47WA.2429.02
- 2) Payments made directly to customer accounts as directed by the agencies.
These payments will be processed in the customer accounting department and charged to 47WA.2429.02 thru the monthly Customer Billing Interface JE
- 3) Other Program Costs, such as conducting needs studies and targeted marketing costs, connecting customers with needs to appropriate resources: Payments to be made thru the AP system and charged to the accrual account 47WA.2429.02.

	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	16'-17' Program Yr *
Beg GL Balance	(439,588.96)	(444,840.23)	(470,185.19)	(507,488.89)	(618,515.05)	(727,443.34)	(759,685.20)	(759,958.24)	(736,808.71)	(683,214.08)	(648,993.88)	(621,212.53)	(610,514.36)	(444,840.23)
Customer Billings (CC&B C11573)	(11,218.30)	(60,200.59)	(74,785.55)	(136,728.56)	(228,862.27)	(184,204.19)	(165,403.61)	(104,907.58)	(81,146.34)	(53,859.87)	(40,167.17)	(45,409.03)		(1,175,674.76)
Payments to Customer Accounts (CC&B C11573)	34,832.93	45,043.54	57,921.66	78,591.71	90,026.75	98,211.61	107,807.83	93,488.46	89,198.76	42,949.67	44,952.77	45,691.42		793,884.18
WEAF Accrual on Unbilled Revenues	(38,512.30)	(56,537.61)	(86,077.42)	(154,366.73)	(144,034.50)	(119,461.78)	(83,039.04)	(71,420.39)	(51,887.38)	(30,222.56)	(35,002.33)	(33,811.55)		(865,861.29)
Reversal of Prior month Accrual	-	38,512.30	56,537.61	86,077.42	154,366.73	144,034.50	119,461.78	83,039.04	71,420.39	51,887.38	30,222.56	35,002.33	33,811.55	904,373.59
Payments to agencies thru AP	9,646.40	7,837.40	9,100.00	15,400.00	19,575.00	19,178.00	20,900.00	22,950.00	18,900.00	18,000.00	13,025.52	9,225.00		174,090.92
Other Program Costs						10,000.00			7,109.20	5,465.58	14,750.00			37,324.78
WA Dept of Revenue (LIHEAP Tax Credit)														-
Ending Balance	(444,840.23)	(470,185.19)	(507,488.89)	(618,515.05)	(727,443.34)	(759,685.20)	(759,958.24)	(736,808.71)	(683,214.08)	(648,993.88)	(621,212.53)	(610,514.36)	(576,702.81)	(576,702.81)
GL Balance	(444,840.23)	(470,185.19)	(507,488.89)	(618,515.05)	(727,443.34)	(759,685.20)	(759,958.24)	(736,808.71)	(683,214.08)	(648,993.88)	(621,212.53)	(610,514.36)		
Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	(576,702.81)

Distribution List:	
Mike Parvinen	} Email Monthly
Jim Abrahamson	
Del Herner	
Shannon Steed	
Jennifer Gross	
Jacqueline Schaible	
Allison Spector	

* 16'-17' Program Year does not include September 2016.