

NOTICE OF PROPOSED RATE INCREASE

Cascade Natural Gas Corporation proposes an overall average 15.89 percent increase in natural gas rates.

On September 13, 2024, Cascade Natural Gas Corporation (Cascade) filed the following requests with the Washington Utilities and Transportation Commission (WUTC) proposing an overall average 15.89 percent increase for all customer groups with natural gas service. The changes are proposed to become effective November 1, 2024:

- **Purchased Gas Adjustment (PGA):** Cascade requested an increase to rates to recover the cost of natural gas. Gas costs are a straight pass through of costs, where Cascade does not earn a profit on these costs. For gas costs alone, the average residential customer using 54 therms per month will see a bill increase of \$9.78 per month or 10.67 percent more. The proposed rate increase is primarily due to an increase in wholesale natural gas costs above the level presently included in rates.
- **Cost Recovery Mechanism for Pipeline Replacement (CRM):** Cascade asked for an increase to rates to recover costs incurred for the replacement of aging natural gas pipes from November 1, 2023, through October 31, 2024. The CRM helps Cascade continue to provide customers with safe and reliable gas service. The typical residential customer using 54 therms per month will see a bill increase of \$0.52 per month or 0.56 percent for the CRM costs alone.
- **Decoupling Mechanism Adjustment:** Decoupling refers to the disassociation of utility profits from total gas sales, so utilities do not have an incentive to try to sell more energy. The proposed rate increase is due to an increase in installation of conservation measures, weather variations, and different gas usage patterns. For the decoupling mechanism adjustment, the average residential customer using 54 therms per month will see a bill increase of \$1.52 per month or 1.66 percent.
- **Conservation:** Energy efficiency programs offer financial incentives that can reduce the cost of energy for customers. Cascade requested an increase to rates to collect actual conservation costs from the previous twelve-month period. The purpose of the conservation adjustment is to pass on changes in the amount of conservation program expenditures compared to what has been collected from customers. An average residential customer using 54 therms per month will see a bill increase of \$0.89 per month or .97 percent.
- **Unprotected Excess Deferred Income Tax:** This relates to the Tax Cut and Jobs Act that reduced the federal income tax rate effective January 1, 2018. The average residential customer using 54 therms per month will see a bill increase of \$0.01 cents per month or 0.01 percent.
- **Cascade Arrearage Relief Energy Savings (CARES):** The CARES program offers ongoing bill discounts and, if necessary, arrearage relief grants to qualifying low-income customers. Cascade requested cost recovery for this program. An average residential customer using 54 therms per month will see a bill decrease of \$0.54 per month or 0.58 percent.

The WUTC will review each of these filings and has the authority to set final rates that may vary from Cascade's requests, either higher or lower, depending on the results of its investigation. If the WUTC approves all proposals, the total increase for a typical residential customer using 54 therms per month will be \$12.17 more per month or 13.28 percent, bringing the total average monthly Cascade bill to \$103.83 from \$91.66. The combined proposed rate changes for residential, commercial, and industrial customers are:

Type of Service	Current Rate**	Current Average Bill*	Proposed Rate**	Proposed Average Bill*	Percent Change in Bill
Residential, Schedule 503	\$1.60485	\$91.66	\$1.83027	\$103.83	13.28%
Commercial, Schedule 504	\$1.52590	\$426.52	\$1.73363	\$482.81	13.20%
Industrial Firm, Schedule 505	\$1.43181	\$2,909.67	\$1.62706	\$3,298.61	13.37%
Com-Ind Dual Service, Schedule 511	\$1.35581	\$23,645.39	\$1.58345	\$27,433.09	16.02%
Industrial Interruptible, Schedule 570	\$1.27886	\$30,634.01	\$1.48208	\$35,355.42	15.41%
Transport, Schedule 663	\$0.32345	\$95,987.90	\$0.32264	\$95,756.34	-0.24%

* The average bill includes the monthly basic charge which has not changed with this filing.

** Due to tiered rate structures based on individual customer consumption, Rate Schedules 505, 511, 570, and 663 reflect average rates.



For additional information on the proposed rate changes, conservation tips, energy efficiency programs, energy assistance programs, and bill payment plans

- ▶ Visit Cascade Natural Gas's website at www.cngc.com
- ▶ Call 1-888-522-1130
- ▶ Or write to:
c/o Cascade Regulatory Department
8113 W Grandridge Blvd
Kennewick WA 99336-7166.

The Commission has the authority to set final rates that may be either lower or higher than the company's request, depending on the results of its investigation. You can comment on the case by using the "Submit a Comment" feature at the Commission's web site (www.utc.wa.gov) or by using the contact information below.*

Washington Utilities and Transportation Commission
Post Office Box 47250
Olympia, WA 98504-7250
E-mail: comments@utc.wa.gov
Telephone: 1-888-333-WUTC (9882)

Commission Staff will make a recommendation to the Commissioners at an open meeting which you may attend. You will have an opportunity to provide your comments at this meeting either in person or remotely. If you intend to listen or participate remotely, call 360-664-1234 at least a day before the open meeting for instructions and to sign in. You should also call this number if you plan to attend in person to verify that the case has not been rescheduled to a later open meeting date. The Commission's street address is 621 Woodland Square Loop SE, Lacey.

The WUTC is committed to providing reasonable accommodation for participants with disabilities. If you need reasonable accommodation to participate in this open meeting, please contact the Commission at 1-888-333-9882 or email comments@utc.wa.gov.

**Please include your name and mailing address, reference the name of company (Cascade Natural Gas Corporation) and Advice Nos. CNG/W24-05-01 (UG-240418), CNG/W24-09-01, CNG/W24-09-02, CNG/W24-09-03, CNG/W24-09-04, and CNG/W24-09-05.*

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