

WN U-3

CASCADE NATURAL GAS CORPORATION

INDEX

<u>Schedule</u>	<u>Title</u>	<u>Sheet No.</u>
Title Page.....		1
Index Page.....		2

**Rules and Regulations**

No. 1	General.....	5
No. 2	Definitions.....	6
No. 3	Applications and Contracts for Service.....	7
No. 4	Customers' Deposits.....	8
No. 5	Notification of and Discontinuance of Service.....	9
No. 6	Billing.....	10
No. 7	Meters.....	11
No. 8	Extension of Distribution Facilities.....	12
No. 9	Main Extensions (Frozen).....	13
No. 10	House Piping.....	14
No. 11	Responsibility for Maintenance of Service Connections.....	15
No. 12	Temporary Service.....	16
No. 13	Company's Liability.....	17
No. 14	Customer's Liability.....	18
No. 15	Force Majeure.....	19
No. 16	Heating Value.....	20
No. 17	Firm Service Priority.....	21
No. 18	Limitation of Service to Applicants.....	22
No. 19	Purchase Gas Cost Adjustment Mechanism.....	23
No. 20	Unbundled Distribution System Transportation Service Rules.....	24
No. 21	Decoupling Mechanism.....	25

**Basic Bundled Rate Schedules**

200	Various Miscellaneous Charges.....	200
300	Residential Conservation Incentive Program.....	300
301	Low Income Weatherization Incentive Program.....	301
302	Commercial Industrial Conservation Program.....	302
500	Tax Additions.....	500
502	Building Construction.....	502
503	Residential Service Rate.....	503
504	General Commercial Service Rate.....	504
505	General Industrial Service Rate.....	505
511	Large Volume General Service Rate.....	511
512	Compressed Natural Gas Service Rate.....	512
570	Interruptible Service.....	570
577	Limited Interruptible Service Rate (Optional).....	577

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Optional Unbundled Services Listed on Next Page

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BY Michael Parvinen

TITLE Director  
Regulatory Affairs

WN U-3

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**INDEX**  
 (Continued from previous page)

<u>Schedule</u>	<u>Title</u>	<u>Sheet No.</u>	
<b><u>Temporary Rate Adjustments</u></b>			
594	Decoupling Mechanism Adjustment.....	594	(N)
595	Temporary Technical Adjustment.....	595	
596	Conservation Program Adjustment.....	596	
598	General Revision of Rate Schedule Charges.....	598	(D)
<b><u>Unbundled Distribution System Transportation Service</u></b>			
663	Distribution System Transportation Service .....	663	(D) (D)
<b><u>Optional Pipeline Capacity Schedules</u></b>			
685	Optional Firm Pipeline Capacity.....	685	
686	Optional Interruptible Pipeline Capacity.....	686	
<b><u>Other Optional Services</u></b>			
687	Optional Gas Management Services .....	687	
690	Buy-Sell Supply Service .....	690	
<b><u>Miscellaneous Service Schedules</u></b>			
700	Customer-Owned Piping Construction, Operation, & Maintenance .....	700	(D)

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BY Michael Parvinen

TITLE Director  
Regulatory Affairs



CASCADE NATURAL GAS CORPORATION

RULES AND REGULATIONS

**RULE 17 - FIRM SERVICE PRIORITY**

**A. Firm System Supply Customers**

The order of priority of firm service for the various classifications served by the Company under its various firm system supply service rate schedules is defined herein.

Should the Company's supply of firm system supply gas be insufficient at any time or any location, for reasons other than Force Majeure as defined in Company's Rule No. 15, to meet the full requirements of all customers served under firm system supply service base rate schedules, Company will be required to curtail service to customers receiving firm system supply service in the inverse order of the firm service classification listed hereinafter. Such curtailment, when required, will be imposed to protect continuity of service to firm system supply customers having a higher service priority.

No curtailment of customers receiving firm system supply service will be imposed by Company until all customers receiving interruptible system supply service in the area affected have been ordered curtailed to one hundred per cent of their requirements, excluding plant protection.

In the event it should become necessary to curtail firm service due to Force Majeure conditions, the Company may curtail firm service without reference to priorities established herein.

Company shall not be liable in damages or otherwise to any customer for failure to deliver gas that may be curtailed pursuant to this order of priority of firm service.

**ORDER OF PRIORITY (by Firm Service Classification)**

1. Requirements of residential customers.
2. Requirements of commercial and institutional customers as follows:
  - a. Commercial and institutional customers served under Rate Schedule Nos. 504 and 505
  - b. Commercial or institutional customers served on other base rate schedules  
Also includes requirements of: (1) Essential agricultural service, and (2) Other high priority users not covered elsewhere.
3. Requirements of industrial customers using gas as feedstock in a process in which natural gas is used as a raw material and as plant protection requirements of lower priority customers.
4. Requirements of industrial customers with consumption of less than 1,000 therms per day.
5. Requirements of industrial customers with consumption of more than 1,000 therms per day but less than 10,000 therms per day.
6. Requirements of industrial customers with consumption of more than 10,000 therms per day.

- Continued on the Next Page -

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BY Jon T. Stoltz

TITLE Senior Vice President  
Planning & Rates

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CASCADE NATURAL GAS CORPORATION

RULE 21  
 DECOUPLING MECHANISM

(C)

**PURPOSE:**

This Rule describes the revenue-per-Customer Decoupling Mechanism which annually applies a per therm credit or debit under Schedule 594, "Decoupling Mechanism Adjustment" to applicable Customers' bills for the purpose of truing up the annual difference between Margin Revenues and the Authorized Margin Revenues per Customer served as herein defined.

**APPLICABILITY:**

This Rule is applicable to all Customers served on Schedules 502, 503, 504, 505, 511, 570, and 577.

**MARGIN REVENUES**

Margin Revenue is the amount of Margin billed in a billing month, adjusted for unbilled margin revenues. Margin Revenue does not include amounts billed for the Basic Customer Charge, or Schedules 500, 594, 595, 596, and 598. The amount of Margin Revenue billed and net unbilled amounts is reduced by the 0.00417 percent to account for uncollectibles.

**AUTHORIZED MARGIN REVENUE PER CUSTOMER**

The Authorized Margin per month per customer is established in the tables below Table 1 shows January through June, and Table 2 shows July through December.

Table 1

	Jan	Feb	March	April	May	June
502	\$9.63	\$8.26	\$7.43	\$4.70	\$2.78	\$1.49
503	\$35.50	\$30.25	\$25.61	\$18.32	\$12.42	\$7.87
504	\$113.86	\$100.81	\$69.71	\$59.50	\$42.79	\$32.21
505						
< 500 Therms	\$69.69	\$68.05	\$63.60	\$57.06	\$49.84	\$39.78
> 500 & < 4,000 Therms	\$204.77	\$200.33	\$179.31	\$146.82	\$122.17	\$99.94
>4,000 Therms	\$168.99	\$240.06	\$159.85	\$89.43	\$81.44	\$64.12
511						
< 20,000 Therms	\$1,493.82	\$1,373.65	\$2,776.83	\$960.53	\$692.66	\$532.29
> 20k & < 100K Therms	\$285.16	\$264.35	\$758.53	\$253.17	\$162.26	\$92.21
> 100,000 Therms	\$121,737.37	\$140,212.47	\$85,686.09	\$0.00	\$0.00	\$0.00
512	\$733.66	\$805.60	\$877.55	\$768.36	\$849.61	\$850.88
570						
< 30,000 Therms	\$1,125.02	\$1,136.01	\$1,156.12	\$1,107.98	\$1,132.78	\$1,161.68
> 30,000 Therms	\$823.07	\$828.86	\$573.16	\$556.06	\$491.32	\$313.68
577						
< 4,000 Therms	\$420.00	\$420.00	\$420.00	\$420.00	\$420.00	\$410.65
> 4,000 Therms	\$764.82	\$753.11	\$510.23	\$475.95	\$383.38	\$231.74

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BY Michael Parvinen

TITLE: Director  
 Regulatory Affairs

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CASCADE NATURAL GAS CORPORATION
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**RULE 21  
DECOUPLING MECHANISM (Continued)**

**AUTHORIZED MARGIN REVENUE PER CUSTOMER (Continued)**

Table 2

	July	Aug	Sept	Oct	Nov	Dec
502	\$0.93	\$0.74	\$0.71	\$1.25	\$3.68	\$10.02
503	\$6.60	\$4.96	\$5.48	\$7.44	\$13.75	\$33.88
504	\$28.07	\$22.89	\$25.42	\$31.94	\$41.76	\$107.08
505						
< 500 Therms	\$34.74	\$33.21	\$36.77	\$43.75	\$50.37	\$70.75
> 500 & < 4,000 Therms	\$87.30	\$78.10	\$97.59	\$124.87	\$135.50	\$205.96
>4,000 Therms	\$69.18	\$44.08	\$77.85	\$302.30	\$133.86	\$206.77
511						
< 20,000 Therms	\$399.24	\$446.91	\$334.84	\$498.48	\$701.03	\$1,483.92
> 20k & < 100K Therms	\$39.35	\$41.95	\$24.23	\$53.92	\$72.44	\$268.81
> 100,000 Therms	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$124,010.29
512	\$836.28	\$817.03	\$919.02	\$880.09	\$709.66	\$798.19
570						
< 30,000 Therms	\$1,144.36	\$1,119.85	\$1,130.25	\$1,146.27	\$1,135.76	\$1,133.71
> 30,000 Therms	\$252.46	\$213.10	\$207.09	\$231.52	\$329.46	\$688.11
577						
< 4,000 Therms	\$415.73	\$396.06	\$392.35	\$408.63	\$415.10	\$420.00
> 4,000 Therms	\$278.21	\$158.97	\$154.60	\$217.97	\$333.36	\$621.36

**DECOUPLING CALCULATION:**

On a monthly basis the Company will perform the following steps separately for each customer class that is applicable to the rate adjustment in this Rule:

- 1) Record Number of Customers per Customer Class
- 2) Determine Actual Margin Revenues
- 3) Determined Authorized Revenue by multiplying the number of Customers per Customer class (No. 1 above) times the Authorized Revenue for the corresponding month per Customer class as established in Tables 1 & 2 above.

- Continued on Next Page -

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BY \_\_\_\_\_  
Michael Parvinen

TITLE: Director  
Regulatory Affairs

(N)

(N)

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**RULE 21  
DECOUPLING MECHANISM (Continued)**

**DECOUPLING CALCULATION (Continued)**

- 4) Determine then record the Deferral Amount by subtracting the Authorized Margin Revenue (No. 3 above) from Actual Margin Revenue (No. 2 above).
- 5) Annually determine the new rate to be applied in Schedule 594 by taking the annual sum of monthly Deferral Amounts and dividing the total by forecasted volumes per Customer class.

**SPECIAL CONDITIONS:**

- 1) **Earnings Test:** The earnings test will be based on the Company's year-end Commission Basis Reports (CBR) stated on an average-of-monthly-averages basis, prepared in accordance with WAC 480-90-257. This report is prepared using actual recorded results of operations and rate base, adjusted for any material out-of-period, non-operating, nonrecurring, and extraordinary items or any other item that materially distorts reporting period earnings and rate base. These adjustments are consistent with the adjustments described in paragraph (2) (b) of WAC 480-90-257 a. The CBR includes normalizing adjustments, such as adjustments to reflect operations under normal conditions. For the earnings test, the decoupling accounting entries adjust revenues from a therm sales basis to a revenue per customer basis. The CBR will not include any annualizing or pro forma adjustments.

If the Company is earning more than 100 basis points above its authorized rate of return, one of the following will apply:

- The Deferral Amount subject for surcharge will be reduced by 50%; or
- The Deferral Amount will be increased by 50%

If the Company is earning less than its authorized rate of return no adjustment will be applied to either a surcharge or credit applied under this Rule.

- 2) Following the application of the Earnings Test, the amount of the incremental proposed rate increase under this Rule alone cannot impact the overall per therm rate charged for natural gas and transmission services more than 3%.
- 3) The Company shall apply interest on the deferred balance on a monthly basis using the interest rate published by FERC. This calculation will be consistent with the current deferred accounting procedures detailed in WAC 480-90-233.

- Continued on Next Page -

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TITLE: Director  
Regulatory Affairs

(N)

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CASCADE NATURAL GAS CORPORATION

**RULE 21**  
**DECOUPLING MECHANISM (Continued)**

**REPORTING:**

The Company's annual true-up filing to revise the rate herein will include a work paper detailing monthly amounts deferred, the monthly customer count, and a reconciliation of amounts amortized and recovered in the prior twelve months.

**TERM:**

This Adjustment Mechanism shall remain for five years, with the final charge or credit billing on December 31, 2021.

**GENERAL TERMS:**

Service under this Rate Schedule is governed by the terms of this Rate Schedule, the General Rules and Regulations contained in this Tariff, any other Schedules that by their terms or by the terms of this Rate Schedule apply to service under this Rate Schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

(N)

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CASCADE NATURAL GAS CORPORATION

LOW INCOME WEATHERIZATION INCENTIVE PROGRAM

**AVAILABILITY:**

This program is available to income-eligible residential dwellings served by Cascade Natural Gas where the primary heating equipment in the residential dwelling is fueled by natural gas. Any residential dwelling that received assistance for the installation of the same or similar measures under any other energy efficiency program will not be eligible for assistance under this program.

**PROGRAM DESCRIPTION:**

This program is designed to increase energy efficiency in low-income households within Cascade's service territory by providing rebates for the installation of certain energy efficiency measures in qualifying residential dwellings following the completion of a home energy evaluation performed by a qualifying Agency.

**ELIGIBILITY:**

To qualify for the program, the following guidelines must be met. The customer must be a residential customer of Cascade Natural Gas and must be certified as low-income by a Community Action Agency (CAA) or Low Income Agency (LIA).

**ENERGY EFFICIENCY MEASURES:**

The following measures qualify for rebate under this program:

- Ceiling insulation
- Wall insulation
- Floor insulation
- Duct sealing and insulation
- Infiltration reduction

**REBATE CALCULATION & PAYMENT:**

Cascade will provide a rebate to participating Agencies for the installation of the measures listed above. The following formula will be used to calculate the rebate:

$$\text{Projected Annual Therm Savings of Measure(s)} \times 100\% \text{ of the Avoided Cost per Therm}$$

The rebate will not exceed 100% of the Avoided cost of the annual therm savings.

The avoided cost per therm for 30 year measures is \$8.09 which is based on the Company's most recent Integrated Resource Plan, which is the 2012 IRP.

**GENERAL PROVISIONS:**

The low-income weatherization investment costs associated with this program will be accounted for and recovered through a temporary technical adjustment mechanism in the deferral tracking portion of the Company's annual PGA filing. All installations of weatherization must comply with all codes and permit requirements applicable in the state of Washington and must be properly inspected, if required, by appropriate agencies. The Company reserves the right to verify installation prior to payment of any rebates.

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BY Michael Parvinen

TITLE Director  
Regulatory Affairs

(D)

CASCADE NATURAL GAS CORPORATION

BUILDING CONSTRUCTION TEMPORARY HEATING AND DRY-OUT SERVICE  
SCHEDULE NO. 502

AVAILABILITY:

This schedule is available upon written application throughout the territory served by the Company under the tariff of which this schedule is a part provided adequate capacity and supply exist in Company's system. Service under this schedule shall be for natural gas supplied at a permanent point of delivery for use in permanently installed gas heating equipment to be used for temporary heating and dry-out purposes during the period (maximum of six months) that building is under construction and prior to occupancy.

LIMITS OF AVAILABILITY:

Upon occupation or sale, whichever is first after completion of construction or, in any event, after a maximum period not to exceed six (6) months, service under this schedule shall immediately terminate and billings thereafter shall be made under the terms and conditions of the regular applicable rate schedule.

RATE:

	Margin	WACOG	Total
Basic Service Charge			\$14.00 per month
All gas used per month at	\$0.08746	\$0.65883	\$0.74629 per therm

(I)

RATE ADJUSTMENT:

Service under this schedule is subject to various adjustments as specified in Schedule 594, 595, 596, and 597 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission.

(C)

MINIMUM CHARGE:

Minimum monthly bill \$14.00

TERMS OF PAYMENT:

Above rates are net. Each monthly bill shall be due and payable within fifteen (15) days from the date of rendition. Past due balances will be subject to a late payment charge.

RECONNECTION CHARGE:

A reconnection charge of twenty-four dollars (\$24.00) during regular business hours or sixty dollars (\$60.00) during non-business hours may be made for restoration of service when service has been turned off for nonpayment of any bill due, or for other reasons arising through the action of the customer. In the event service has been turned off for nonpayment of any bill due under this schedule, a new service under this schedule at another location shall not be established in the name of the customer until all previous bills shall be paid in full.

TAX ADDITIONS:

The rates named herein are subject to increases as set forth in Schedule No. 500, entitled "Tax Additions".

SPECIAL TERMS AND CONDITIONS:

1. The application of this rate schedule is subject to the General Rules and Regulations of the Company as they may be in effect from time to time and as approved by the Washington Utilities and Transportation Commission.
2. Gas purchased under this schedule shall not be resold to others.

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BY Michael Parvinen

TITLE Director  
Regulatory Affairs

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CASCADE NATURAL GAS CORPORATION

RESIDENTIAL SERVICE RATE  
SCHEDULE NO. 503

AVAILABILITY:

This schedule is available to residential customers throughout the territory served by the Company under the tariff of which this schedule is a part for natural gas supplied for all purposes provided adequate capacity and supply exist in the Company's system. Service under this schedule shall be through one or more meters, billed separately.

RATE:

	Margin	WACOG	Total
Basic Service Charge			\$ 4.00 per month
All Gas Used Per Month	\$ .36287	\$ 0.66190	\$1.02477 per therm

RATE ADJUSTMENT:

Service under this schedule is subject to various adjustments as specified in Schedules 594, 595, 596, and 597 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission.

MINIMUM CHARGE:

Basic Service Charge: \$ 4.00 per month

TERMS OF PAYMENT:

Above rates are net. Each monthly bill shall be due and payable within fifteen (15) days from the date of rendition. Past due balances will be subject to a late payment charge.

RECONNECTION CHARGE:

A reconnection charge of twenty-four dollars (\$24.00) during regular business hours or sixty dollars (\$60.00) during non-business hours may be made for restoration of service when service has been turned off for nonpayment of any bill due, seasonal turnoff, or for other reasons arising through the action of the customer.

TAX ADDITIONS:

The rates named herein are subject to increases as set forth in Schedule No. 500, entitled "Tax Additions".

SPECIAL TERMS AND CONDITIONS:

1. The application of this rate schedule is subject to the General Rules and Regulations of the Company as they may be in effect from time to time and as approved by the Washington Utilities and Transportation Commission.
2. Gas purchased under this schedule shall not be submetered or resold to others without special permission from the Company.

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BY Michael Parvinen

TITLE

Director  
Regulatory Affairs

CASCADE NATURAL GAS CORPORATION

GENERAL COMMERCIAL SERVICE RATE  
SCHEDULE NO. 504

AVAILABILITY:

This schedule is available to commercial customers throughout the territory served by the Company under the tariff of which this schedule is a part for natural gas supplied for all purposes provided adequate capacity and supply exist in the Company's system. Service under this schedule may be through one or more meters, billed separately.

RATE:

	Margin	WACOG	Total	
Basic Service Charge			\$10.00	per month
All Therms Used	\$0.24196	\$0.65883	\$0.90079	per therm

(I)

RATE ADJUSTMENT:

Service under this schedule is subject to various adjustments as specified in Schedules 594, 595, 596, and 597 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission.

(C)

MINIMUM CHARGE:

Basic Service Charge \$10.00

TERMS OF PAYMENT:

Above rates are net. Each monthly bill shall be due and payable within fifteen (15) days from the date of rendition. Past due balances will be subject to a late payment charge.

RECONNECTION CHARGE:

A reconnection charge of twenty-four dollars (\$24.00) during regular business hours or sixty dollars (\$60.00) during non-business hours may be made for restoration of service when service has been turned off for nonpayment of any bill due, seasonal turnoff, or for other reasons arising through the action of the customer.

TAX ADDITIONS:

The rates named herein are subject to increases as set forth in Schedule No. 500, entitled "Tax Additions".

SPECIAL TERMS AND CONDITIONS:

1. The application of this rate schedule is subject to the General Rules and Regulations of the Company as they may be in effect from time to time and as approved by the Washington Utilities and Transportation Commission.
2. Gas purchased under this schedule shall not be submetered or resold to others without special permission from the Company.

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BY Michael Parvinen

TITLE

Director  
Regulatory Affairs

CASCADE NATURAL GAS CORPORATION

GENERAL INDUSTRIAL SERVICE RATE  
SCHEDULE NO. 505

AVAILABILITY:

This schedule is available to industrial customers throughout the territory served by the Company under the tariff of which this schedule is a part for natural gas supplied for all purposes provided adequate capacity and supply exist in the Company's system. Service under this schedule shall be through one or more meters, billed separately.

RATE:

	Margin	WACOG	Total	
Basic Service Charge			\$48.00	per month
First 500 therms/month	\$0.18491	\$0.64362	\$0.82853	per therm
Next 3,500 therms/month	\$0.14926	\$0.64362	\$0.79288	per therm
All over 4,000 therms/month	\$0.14386	\$0.64362	\$0.78748	per therm

RATE ADJUSTMENT:

Service under this schedule is subject to various adjustments as specified in Schedules 594, 595, 596, and 597 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission.

MINIMUM CHARGE:

Basic Service Charge \$48.00

TERMS OF PAYMENT:

Above rates are net. Each monthly bill shall be due and payable within fifteen (15) days from the date of rendition. Past due balances will be subject to a late payment charge.

RECONNECTION CHARGE:

A reconnection charge of twenty-four dollars (\$24.00) during regular business hours or sixty dollars (\$60.00) during non-business hours may be made for restoration of service when service has been turned off for nonpayment of any bill due, seasonal turnoff, or for other reasons arising through the action of the customer.

TAX ADDITIONS:

The rates names herein are subject to increases as set forth in Schedule No. 500 entitled "Tax Additions".

SPECIAL TERMS AND CONDITIONS:

1. The application of this rate schedule is subject to the General Rules and Regulations of the Company as they may be in effect from time to time and as approved by the Washington Utilities and Transportation Commission.
2. Gas purchased under this schedule shall not be submetered or resold to others without special permission from the Company.

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BY Michael Parvinen

TITLE

Director  
Regulatory Affairs

(I)

(R)

(R)

(C)

(I)

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CASCADE NATURAL GAS CORPORATION

LARGE VOLUME GENERAL SERVICE RATE  
SCHEDULE NO. 511

AVAILABILITY:

This schedule is available to customers throughout the territory served by the Company under the tariff of which this schedule is a part provided adequate capacity and supply exist in the Company's system. Service under this schedule shall be for natural gas supplied for all purposes to customers having an annual fuel requirement of not less than 50,000 therms.

RATE:

	Margin	WACOG	Total		
Basic Service Charge			\$100.00	per month	(I)
First 20,000 therms/month	\$0.14591	\$0.64362	\$0.78953	per therm	(R)
Next 80,000 therms/month	\$0.11146	\$0.64362	\$0.75508	per therm	(I)
All over 100,000 therms/month	\$0.02624	\$0.64362	\$0.66986	per therm	(I)

RATE ADJUSTMENT:

Service under this schedule is subject to various adjustments as specified in Schedules 594, 595, 596, and 597 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission. (C)

WEIGHTED AVERAGE COMMODITY GAS COST:

The per therm average commodity gas cost unit rate is \$0.45734 plus the commodity rate change reflected on Schedule 595.

CONTRACT:

Customers receiving service under this rate schedule shall execute a contract for a minimum period of twelve (12) consecutive months' use. The Annual Minimum Quantity is to be negotiated and included as part of the contract but shall in no case be less than 50,000 therms. Said contract shall also state the Maximum Winter Daily Requirement of natural gas that Company agrees to deliver as well as the Maximum Non-Winter Daily Requirement if the Non-Winter requirement is greater than the Winter requirement.

ANNUAL DEFICIENCY BILL:

In the event customer purchases less than the Annual Minimum Quantity as stated in the contract, customer shall be charged an Annual Deficiency Bill. Annual Deficiency Bill shall be calculated as the difference between the Annual Minimum Quantity less actual purchase or transport therms times the difference between the per therm rates effective in this schedule and any modifying schedules less the weighted average commodity cost of gas rate as such rate is reflected in the Company's tariff.

TERMS OF PAYMENT:

Above rates are net. Each monthly bill shall be due and payable within fifteen (15) days from the date of rendition. Past due balances will be subject to a late payment charge.

TAX ADDITIONS:

The rates named herein are subject to increases as set forth in Schedule No. 500, entitled "Tax Additions".

SPECIAL TERMS AND CONDITIONS:

1. The application of this rate is subject to the General Rules and Regulations of the Company as they may be in effect from time to time and as approved by the Washington Utilities and Transportation Commission.

- Continued on Next Page -

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BY Michael Parvinen

TITLE Director  
Regulatory Affairs

CASCADE NATURAL GAS CORPORATION

COMPRESSED NATURAL GAS SERVICE  
RATE SCHEDULE NO. 512

AVAILABILITY:

This schedule is available to all customers throughout the territory served by the Company under the tariff of which this schedule is a part for natural gas supplied for the sole purpose of compressing natural gas for use as a fuel in vehicular internal combustion engines. Service under this schedule shall be through one or more meters, at the option of the Company, provided they are located on contiguous property not divided by streets, roads, alleys or other public thoroughfares. Service for any end use of natural gas other than the compression of natural gas for vehicle use, such as space heating, water heating, or any other direct processing or boiler fuel use, is not permitted under this rate schedule or through the meter through which service under this rate schedule is offered.

RATE:

	Margin	WACOG	Total	
Basic Service Charge			\$14.00	per month
All gas used per month at	\$0.21161	\$0.65883	\$0.87044	per therm

RATE ADJUSTMENT:

Service under this schedule is subject to various adjustments as specified in Schedules 594, 595, 596, and 597 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission.

MINIMUM CHARGE:

Basic Service Charge \$14.00

CONTRACT:

Customers receiving service under this rate schedule shall sign a contract of such term and containing such provisions regarding indemnification and insurance as the Company deems necessary or desirable with respect to a particular customer.

TERMS OF PAYMENT:

Above rates are net. Each monthly bill shall be due and payable within fifteen (15) days from the date of rendition. Past due balances will be subject to a late payment charge.

RECONNECTION CHARGE:

A reconnection charge of twenty-four dollars (\$24.00) during regular business hours or sixty dollars (\$60.00) during non-business hours may be made for restoration of service when service has been turned off for nonpayment of any bill due, seasonal turnoff, or for other reasons arising through the action of the customer.

TAX ADDITIONS:

The rates names herein are subject to increases as set forth in Schedule No. 500, entitled "Tax Additions".

SPECIAL TERMS AND CONDITIONS:

1. The application of this rate schedule is subject to the General Rules and Regulations of the Company as they may be in effect from time to time and as approved by the Washington Utilities and Transportation Commission.
2. Gas purchased under this schedule shall not be submetered or resold to others without special permission from the Company.

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ISSUED BY **CASCADE NATURAL GAS CORPORATION**

BY Michael Parvinen

TITLE Director  
Regulatory Affairs

CASCADE NATURAL GAS CORPORATION

INTERRUPTIBLE SERVICE  
SCHEDULE NO. 570

AVAILABILITY:

This schedule is available throughout the territory served by the Company under the tariff of which this schedule is a part provided adequate capacity and supply exist in Company's system. Service under this schedule shall be for natural gas delivered for all purposes to customers having an annual fuel requirement of not less than 60,000 therms per year, which shall include all firm gas delivered, if any, and where customer agrees to maintain standby fuel burning facilities and an adequate supply of standby fuel to replace the entire supply of natural gas delivered hereunder. Service under this schedule shall be subject to curtailment by the Company when, in the judgment of the Company, such curtailment or interruption of service is necessary. Company shall not be liable for damages for or because of any curtailment of natural gas deliveries hereunder.

RATE:

	Margin	WACOG	Total	
Basic Service Charge			\$130.00	per month (I)
First 30,000 therms/month	\$0.08070	\$0.62845	\$0.70915	per therm (R)
All over 30,000 therms/month	\$0.02245	\$0.62845	\$0.65090	per therm (I)

RATE ADJUSTMENT:

Service under this schedule is subject to various adjustments as specified in Schedules 594, 595, 596, and 597 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission. (C)

WEIGHTED AVERAGE COMMODITY GAS COST:

The per therm average commodity gas cost unit rate is \$0.45734 plus the commodity rate change reflected on Schedule 595.

ANNUAL DEFICIENCY BILL:

In the event customer purchases less than the Annual Minimum Quantity as stated in the contract, customer shall be charged an Annual Deficiency Bill. Annual Deficiency Bill shall be calculated by multiplying the difference between the Annual Minimum Quantity and the therms actually taken ("Deficiency Therms") times the difference between the commodity rate in this Rate Schedule No. 570, as modified by any applicable rate adjustments and the weighted average commodity cost of gas rate as modified by any applicable modifying rate schedules or changes, as such rates are reflected in the Company's tariffs. If service is curtailed or interrupted by Company, the Annual Minimum Quantity shall be reduced by a fraction, the numerator of which is the actual number of days, or fraction thereof, service was curtailed and the denominator of which is 365.

CONTRACT:

Customers receiving service under this rate schedule shall execute a contract for a minimum period of twelve (12) consecutive months' use. The Annual Minimum Quantity is to be negotiated and included as part of the contract but in no case shall the Annual Minimum Quantity be less than 60,000 therms which shall include all firm therms, if any. Said contract shall state the maximum daily consumption of natural gas that Company agrees to deliver.

TERMS OF PAYMENT:

Above rates are net. Each monthly bill shall be due and payable within fifteen (15) days from the date of rendition. Past due balances will be subject to a late payment charge.

UNAUTHORIZED USE OF GAS:

Gas taken by customer under this schedule by reason of its failure to comply with Company's curtailment order shall be considered as any unauthorized overrun volume. Company shall bill and customer shall pay for such unauthorized overrun at the rate of \$0.25 per therm for all gas used between 103% and 105% of the customer's gas day allocation and \$0.50 per therm for all gas used in excess of 105%, in addition to the regular charges incurred in the RATE section of this schedule. The payment of an overrun penalty shall not under any circumstances be considered as giving customer the right to take unauthorized overrun gas or to exclude any other remedies which may be available to the Company to prevent such overrun.

- Continued on Next Page -

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BY Michael Parvinen

TITLE Director  
Regulatory Affairs



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CASCADE NATURAL GAS CORPORATION

LIMITED INTERRUPTIBLE SERVICE RATE (OPTIONAL)  
 SCHEDULE NO. 577

**AVAILABILITY:**

This schedule is available throughout the territory served by the company under the tariff of which this schedule is a part, provided in the sole judgment of the Company, there is adequate gas supply and facilities over and above gas requirements of customers receiving firm service. Service under this schedule shall be limited to natural gas delivered for institutional service such as schools, colleges, hospitals, nursing homes, public buildings, governmental facilities, etc., who will consume in excess of 50,000 therms of natural gas per year. Customers served under this schedule agree to maintain standby fuel burning facilities and have an adequate supply of standby fuel to replace the entire supply of gas to be delivered hereunder. Service under this schedule shall be subject to curtailment by the Company when in the judgment of the Company such curtailment or interruption of service is necessary. Company shall not be liable for damages for or because of any curtailment of natural gas deliveries hereunder.

**RATE:**

	Margin	WACOG	Total	
Basic Service Charge			\$130.00	per month
First 4,000 therms/month	\$.10213	\$0.62845	\$0.73058	per therm
All over 4,000 therms/month	\$.08314	\$0.62845	\$0.71159	per therm

(I)  
(R)  
(R)

**RATE ADJUSTMENT:**

Service under this schedule is subject to various adjustments as specified in Schedules 594, 595, 596, and 597 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission.

(C)

**WEIGHTED AVERAGE COMMODITY GAS COST:**

The per therm average commodity gas cost unit rate is \$0.45734 plus the commodity rate change reflected on Schedule 595

**CONTRACT:**

Customers receiving service under this rate schedule shall execute a contract for a minimum period of twelve (12) consecutive months' use. The Annual Minimum Quantity or a Monthly Minimum Bill is to be negotiated and included as part of the contract but in no case shall the Annual Minimum Quantity be less than 50,000 therms nor shall the sum of 12 Monthly Minimum Bills be less than the margin associated with 50,000 therms. Said contract shall state the maximum daily consumption of natural gas that Company agrees to deliver.

**ANNUAL DEFICIENCY BILL:**

In the event customer purchases less than the Annual Minimum Quantity as stated in the contract, customer shall be charged an Annual Deficiency Bill unless contract states a monthly minimum bill and customer has satisfied such monthly minimum bill. Annual Deficiency Bill shall be calculated by multiplying the difference between the Annual Minimum Quantity and the therms actually taken ("Deficiency Therms") times the difference between the commodity rate in this Rate Schedule No. 577, as modified by any applicable rate adjustments and the weighted average commodity cost of gas rate as modified by any applicable modifying rate schedules or changes, as such rates are reflected in the Company's tariffs. If service is curtailed or interrupted by Company, the Annual Minimum Quantity shall be reduced by a fraction, the numerator of which is the actual number of days, or fraction thereof, service was curtailed and the denominator of which is 365.

**TERMS OF PAYMENT:**

Above rates are net. Each monthly bill shall be due and payable within fifteen (15) days from the date of rendition. Past due balances will be subject to a late payment charge.

-Continued on Next Page -

**CNG/W15-12-01**

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BY Michael Parvinen

TITLE Director  
Regulatory Affairs

CASCADE NATURAL GAS CORPORATION
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**SCHEDULE 594  
DECOUPLING MECHANISM ADJUSTMENT**

**PURPOSE:**

The purpose of this Decoupling Mechanism Adjustment is to apply the rate annually determined in accordance with Rule 21, Decoupling Mechanism.

**APPLICABILITY:**

This Rule is applicable to all Customers served on Schedules 502, 503, 504, 505, 511, 570, and 577.

**RATES:**

The following rates are effective with service as of January 1, 2016:

Rate Schedule	Rate per Therm
502	\$0.00
503	\$0.00
504	\$0.00
505	
<500 Therms	\$0.00
>500 & <4,000 Therms	\$0.00
>4,000 Therms	\$0.00
511	
<20,000 Therms	\$0.00
>20k & <100K Therms	\$0.00
>100,000 Therms	\$0.00
512	\$0.00
570	
<30,000 Therms	\$0.00
>30,000 Therms	\$0.00
577	
<4,000 Therms	\$0.00
>4,000 Therms	\$0.00

**SPECIAL CONDITIONS**

The rates in this Schedule are subject to the taxes established in Schedule 500.

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BY Michael ParvinenTITLE: Director  
Regulatory Affairs

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CASCADE NATURAL GAS CORPORATION

TEMPORARY TECHNICAL ADJUSTMENT  
 SCHEDULE NO. 595

**APPLICABLE:**

This adjustment applies to gas service rendered by the Company under the tariff of which this schedule is a part for service on and after the effective date hereof and shall be in addition to all rates and charges specified in this tariff.

**MONTHLY RATES AND MINIMUM BILLS:**

Each of the charges, except Demand and Customer Service Charges, of Schedule Nos. 505 and 511 are to be decreased by (\$0.00630) per therm and (\$0.00630) per therm or an appropriate multiple thereof respectively.

Each of the charges, except Demand and Customer Service Charges, of the following Schedule Nos. are to be decreased as follows: 502 by (\$0.00630) per therm, 503 by (\$0.00630) per therm, 504 by (\$0.00630) per therm and 512 by (\$0.00630) per therm or an appropriate multiple thereof.

Each of the charges of Schedule Nos. 570 are to be decreased by (\$0.00630) per therm or an appropriate multiple thereof. Each of the charges of Schedule No. 577 are to be decreased by (\$0.00630) per therm or an appropriate multiple thereof.

The commodity rates charged under Schedule Nos. 685 and 686 are to be increased by \$0.00000 per therm or an appropriate multiple thereof.

The delivery charge under Schedule No. 663 is to be decreased by (\$0.00007).

**SPECIAL TERMS AND CONDITIONS:**

The rates named herein are subject to increases set forth in Schedule No. 500.

**WEIGHTED AVERAGE COST OF GAS (WACOG)**

Each of the charges, except Demand and Customer Service Charges, are to be decreased by:

Schedule Nos.	Commodity Change per therm	Demand Change per therm	Total Rate Change
502, 504, 512	(\$0.09756)	(\$0.01149)	(\$0.10905)
503	(\$0.09756)	(\$0.01166)	(\$0.10922)
505, 511	(\$0.09756)	(\$0.01062)	(\$0.10818)
570, 577	(\$0.09756)	(\$0.00975)	(\$0.10731)

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BY Michael Parvinen

TITLE Director  
 Regulatory Affairs

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WN U-3

Eighty-First Rev. Sheet No. 596  
Canceling  
Eightieth Rev. Sheet No. 596

CASCADE NATURAL GAS CORPORATION

CONSERVATION PROGRAM ADJUSTMENT  
SCHEDULE NO. 596

**APPLICABLE:**

This adjustment applies to gas service rendered by the Company under the tariff of which this schedule is a part for service on and after the effective date hereof and shall be in addition to all rates and charges specified in this tariff.

**MONTHLY RATES AND MINIMUM BILLS:**

Each of the charges, except Demand and Customer Service Charges, of Schedule No. 503 are to be decreased by \$0.01075 per therm or an appropriate multiple thereof.

Each of the charges, except Demand and Customer Service Charges, of Schedule Nos. 502, 504 and 512 are to be decreased by \$0.01075 per therm or an appropriate multiple thereof.

Each of the charges, except Demand and Customer Service Charges, of Schedule Nos. 505 and 511 are to be decreased by \$0.01075 per therm or an appropriate multiple thereof.

Each of the charges of Schedule Nos. 570 and 577 are to be decreased by \$0.01075 per therm or an appropriate multiple thereof.

**SPECIAL TERMS AND CONDITIONS:**

The rates named herein are subject to increases set forth in Schedule No. 500.

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BY Michael Parvinen TITLE Director  
Regulatory Affairs

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CASCADE NATURAL GAS CORPORATION

**COST RECOVERY MECHANISM (CRM)  
ELEVATED RISK PIPELINE FACILITY REPLACEMENTS  
SCHEDULE NO. 597**

**APPLICABLE:**

This adjustment applies to gas service rendered by the Company under the tariff of which this schedule is a part for service on and after the effective date hereof and shall be in addition to all rates and charges specified in this tariff.

**MONTHLY RATES AND MINIMUM BILLS:**

Each of the charges, except Demand and Customer Service Charges, are to be increased as shown:

- Schedule 502 - \$.01029 per therm
- Schedule 503 - \$.01029 per therm
- Schedule 504 - \$.01017 per therm
- Schedule 505 - \$.00817 per therm
- Schedule 511 - \$.00647 per therm
- Schedule 512 - \$.00705 per therm
- Schedule 541 - \$.01017 per therm
- Schedule 570 - \$.00155 per therm
- Schedule 577 - \$.00314 per therm

The delivery charge under Schedule No. 663 is to be increased by \$0.00086.

**SPECIAL TERMS AND CONDITIONS:**

The rates named herein are subject to increases set forth in Schedule No. 500.

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BY Michael Parvinen

TITLE

Director  
**Regulatory Affairs**

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WN U-3

CASCADE NATURAL GAS CORPORATION

DISTRIBUTION SYSTEM TRANSPORTATION SERVICE  
SCHEDULE NO. 663

**AVAILABILITY:**

This unbundled distribution system transportation service schedule is available throughout the territory served by the Company under the tariff of which this schedule is a part, provided, in the sole judgment of the Company, there are adequate facilities in place at the existing distribution line or as such line may be enhanced by the Company from time to time to provide service.

**RATE:**

The rates set forth in sections A - D are exclusive of fuel use requirements designed to cover distribution system lost and unaccounted for gas.

- A. Contract Demand Charge (Per CD Therms per month) \$ .20 per month (I)  
(D)
- B. Basic Service Charge \$500.00 per month (T)  
(T)  
All customers receiving gas supply service through this schedule will be invoiced a monthly Basic Service Charge for each single metering facility.
- C. Delivery Charge For All Therms Delivered Per Month (R)
  - First 100,000 \$ 0.04284 Per Therm Per Month (I)
  - Next 200,000 \$ 0.01886 Per Therm Per Month (I)
  - Next 200,000 \$ 0.01086 Per Therm Per Month (I)
  - Over 500,000 \$ 0.00436 Per Therm Per Month (I)
- D. System Balancing Charge \$.0004 per therm (N)
- E. The total of all charges invoiced by Company shall be subject to a Gross Revenue Fee reimbursement charge to cover state utility tax and other governmental levies imposed upon the Company. The current Gross Revenue Fee is 4.137%. (T)  
(R)
- F. Fuel use requirements (T)  
Customer served on 663 shall provide the company with in-kind fuel for distribution system lost and unaccounted for gas. The fuel use factor is based on the Company's 5-year average lost and unaccounted for percentage, which shall be updated annually. The current rate is 0.1348%

All other terms and conditions of services shall be pursuant to the Rules and Regulations set forth in the Company's filed tariff.

**OTHER SERVICES:**

Service under this schedule shall include transportation on the Company's distribution facilities only. Service under this schedule requires customer to secure both gas supply and pipeline transportation capacity services either through the Company or through third party arrangements.

**RATE ADJUSTMENTS:**

Rates for service under this schedule are subject to various adjustments as specified in Schedule Nos. 595, 596, and 597 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities & Transportation Commission.

(Continued on Next Page)

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BY Michael Parvinen TITLE **Director**  
Regulatory Affairs

WN U-3

CASCADE NATURAL GAS CORPORATION

**OPTIONAL FIRM PIPELINE CAPACITY  
SUPPLEMENTAL SCHEDULE NO. 685**  
(Continued from Previous Page)

**WAIVER OF FIRM PIPELINE CAPACITY:**

Customer(s) electing to rely upon interruptible pipeline capacity in lieu of firm pipeline capacity for any part of customer's current or future gas requirements waive any right to automatically purchase firm pipeline capacity at some future date for such customer requirement covered by interruptible pipeline capacity. Such future requests shall be subject to effects on availability or cost of such pipeline capacity to other customers and may require a charge to offset any incremental costs of meeting such requests.

**FORCE MAJEURE:**

Company shall not be liable for any failure of William's Northwest Pipeline or other applicable transmission pipeline company to provide firm transportation service; provided such failure is due to causes outside the reasonable control of Company.

**FIRST COME FIRST SERVED QUEUE:**

Firm pipeline capacity available for service under this schedule shall be allotted or allocated to customers or potential customers desiring such service on a first come first served basis in the following manner. Such customers or potential customers shall file requests with the Company for firm pipeline capacity service. All such requests shall state the amount of firm pipeline capacity and the duration of the contract desired (not to exceed twenty-five (25) years) and shall be sent certified mail with return receipt requested to:

Cascade Natural Gas Corporation  
8113 W Grandridge Blvd  
Kennewick, WA 99336  
Attention: Industrial Sales Department

The Company will maintain a log of written requests from all persons desiring such capacity to satisfy such requests with capacity surplus to the bundled sales service customers' (core market) needs or as new or released firm pipeline capacity becomes available up to the volume requested by such customer(s) in the following manner. All such written requests shall be given a queue date of the month and year that the request was postmarked. Any available firm pipeline capacity will be allotted first to those requests having the earliest queue date. If sufficient capacity is not available to meet all requests having the same queue date, the available capacity shall be allotted to those requests specifying the longest contract duration. If all requests naming the same contract duration cannot be fulfilled, all requests for that term shall be allocated the remaining firm capacity pro rata, based upon the amount of capacity in the written requests.

Company shall notify customers and potential customers of the level of firm capacity that has been allotted or allocated to the customers pursuant to their requests for service under Rate Schedule No. 685. If customer has not executed a contract for such service within 30 days of such notification, the Company may offer such firm capacity service to other customers in the first come first served queue.

Any core market customer receiving firm sales service under the Company's basic bundled service schedules that elects to become a non-core customer may elect to convert that firm pipeline capacity used to serve the customer under the firm sales rate schedule to firm pipeline capacity under this schedule without going through the queue. Such core-market firm customer shall, however, be responsible for any core gas supply contract reformation costs that may be directly attributable to the customer's decision to become a non-core customer.

- Continued on Next Page -

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ISSUED BY **CASCADE NATURAL GAS CORPORATION**

BY Jon T. Stoltz

TITLE Senior Vice President  
Regulatory & Gas Supply

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(T)

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WN U-3

CASCADE NATURAL GAS CORPORATION

OPTIONAL GAS MANAGEMENT SERVICES  
SCHEDULE NO. 687

**AVAILABILITY:**

These services are available throughout the Company's service territory to Non-core end users who currently purchase their own gas supply that is transported on Northwest Pipeline (NWP, Westcoast Transmission, and/or Gas Transmission Northwest (GTN)).

(T)

**GAS MANAGEMENT SERVICES DESCRIPTION:**

The company will, acting as an agent, manage the transportation & delivery of natural gas on the interstate pipelines. Services offered under this schedule include the following:

- Daily Nominations on Northwest Pipeline, Westcoast Transmission, Cascade Natural Gas Corporation, and/or GTN.
- Review of all nomination confirmations
- Pipeline Balancing services
- Monthly Management reports detailing delivered volumes, account balance positions, load factors achieved and weighted average cost of gas by month and year-to-date.
- Release unused firm transportation capacity on behalf of customer. Capacity equivalent to the Company's similarly situated unused firm capacity will be marketed on a nondiscriminatory basis.

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**CONTRACT:**

Customers receiving service under this schedule shall execute a Gas Management Services agreement for those services for a period of not less than one year.

**RATE:**

A. Gas Management Fee

A monthly management fee, for the performance of the daily gas management services, will be charged on a per MMBTU basis, for all natural gas consumed by the customer. The fee is to be negotiated and included as part of the contract. In no case shall the fee be more than \$.10 per MMBTU or less than \$.005 per MMBTU.

B. Mitigation Fee

A mitigation fee, equal to a percentage of the mitigated transportation expense, will be charged for capacity released on behalf of the customer. The fee is to be negotiated and included as part of the contract. In no case shall the fee be more than 100% of the mitigated transportation expense or less than \$50 per transaction.

C. The total of all charges invoiced by Company shall be subject to a Gross Revenue Fee reimbursement charge to cover state utility tax and other governmental levies imposed upon the Company. The current Gross Revenue Fee is 4.535%.

**TERMS OF PAYMENT:**

Payment shall be due and payable within fifteen (15) days from the date the bill is rendered.

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BY Michael Parvinen

TITLE

Director  
Regulatory Affairs