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CNG/W14-09-01

September 30, 2014

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

Re: Cascade Natural Gas PGA Annual Filing

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, 2014:

Fifty-One Rev. Sheet No. 502, Canceling Fiftieth Rev. Sheet No. 502
Fifty-Sixth Rev. Sheet No. 503, Canceling Fifty-Fifth Rev. Sheet No. 503
Fortieth Rev. Sheet No. 504, Canceling Thirty-Ninth Rev. Sheet No. 504
Thirty-Ninth Rev. Sheet No. 505, Canceling Thirty-Eighth Rev. Sheet No. 505
Fifty-Sixth Rev. Sheet No. 511, Canceling Fifty-Fifth Rev. Sheet No. 511
Thirty-Sixth Rev. Sheet No. 512, Canceling Thirty-Fifth Rev. Sheet No. 512
Fifty-Third Rev. Sheet No. 541, Canceling Fifty-Second Rev. Sheet No. 541
Fiftieth Sheet No. 570, Canceling Forty-Ninth Rev. Sheet No. 570
Forty-Seventh Rev. Sheet No. 577, Canceling Forty-Sixth Rev. Sheet No. 577
Thirteenth Revision Sheet No. 663, Canceling Twelfth Revision Sheet No. 663

The proposed tariffs will result in an estimated annual revenue increase of approximately \$7.08 million or an increase in annual revenue of 2.95%. The average residential customer using 56 therms per month will see an increase of \$1.78.

The purpose of this filing is to pass on rate adjustments designed to reflect the cost of gas in the Company's current gas supply portfolio.

Service	Sch. No.	Commodity Change per therm	Demand Change per therm	Total Rate Change	Proposed Rate Per Therm	Percent Change
Dry Out	502	(\$0.00048)	\$0.03045	\$0.02997	\$0.65883	3.09%
Residential	503	(\$0.00048)	\$0.03092	\$0.03044	\$0.66190	3.11%
Commercial	504	(\$0.00048)	\$0.03045	\$0.02997	\$0.65883	3.27%
Industrial	505	(\$0.00048)	\$0.02814	\$0.02766	\$0.64362	3.67%
Industrial Lg Vol	511	(\$0.00048)	\$0.02814	\$0.02766	\$0.64362	3.67%
Compressed Nat. Gas	512	(\$0.00048)	\$0.03045	\$0.02997	\$0.65883	3.61%
Gas A/C	541	(\$0.00048)	\$0.03045	\$0.02997	\$0.65883	2.98%
Interruptible	570	(\$0.00048)	\$0.02584	\$0.02536	\$0.62845	3.92%
Interruptible Inst.	577	(\$0.00048)	\$0.02584	\$0.02536	\$0.62845	3.57%

Purchased Gas Adjustment Application details the commodity and demand units and costs of Cascade's core market gas supply portfolio including company purchased supplies, pipeline transportation and peaking resources. The cost of gas, which includes pipeline, reservation and storage costs, is up slightly from last year.

Coincident with this filing, Cascade is proposing a November 1<sup>st</sup> effective date for companion filings: Temporary Technical Adjustment (deferral amortization or TTA), Conservation Program Adjustment (CPA), and its pipeline Cost Recovery Mechanism (CRM). The impact of all four dockets combined is a revenue increase of \$13,485,321 or 5.62% increase. The impact to an average residential customer using 56 therms per month will be \$3.38.

In accordance with WAC 480-90-198, the Company declares that notice to customers was made in accordance with WAC 480-90-195. Cascade issued bill inserts to customers during August 2014 explaining the PGA process and Cascade will publish on its webpage the anticipated rate increase. A copy of the August 2014 bill insert has been included with this filing. The proposed change will affect all of Cascade's Washington customers. Cascade serves approximately 175,246 residential, 24,826 commercial and 417 industrial customers in the state of Washington.

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

Sincerely,

Michael Parvinen

Director, Regulatory Affairs

Attachments