



8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166  
TELEPHONE 509-734-4500 FACSIMILE 509-737-7166  
www.cngc.com

June 1, 2016

Advice No. CNG/W16-06-01

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

Re: Pipeline Replacement Cost Recovery Mechanism in Accordance with Commission Policy Statement in Docket UG-120715.

Dear Mr. King:

In accordance with the Commission's policy statement in Docket UG-120715 Cascade hereby submits its update to the Cost Recovery Mechanism with actual costs as of April 30, 2016, and estimated costs through October 31, 2016. The proposed effective date is November 1, 2016.

Cascade has included for recovery, O&M expenses that it believes meet the guideline in the Commission's policy statement in Docket UG-120715. The O&M expenses are related to incremental costs associated with the Company's Maximum Allowed Operating Pressure (MAOP) Determination and Validation Plan submitted on April 29, 2016, in accordance with the stipulated agreement in Docket PG-150120.

Cascade has simultaneously filed an Accounting Petition as a preferred approach, seeking deferral treatment of such incremental O&M costs. If the accounting petition is approved the O&M costs in this filing will be removed.

This filing request increases revenues by \$4.6 million or 1.97%. The average impact to a residential customer using 54 therms per month is an increase of \$1.02 per month.

If there are any questions regarding this update please contact me at (509) 734-4593.

Sincerely,

Michael Parvinen  
Director, Regulatory Affairs

*In the Community to Serve®*