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CNG/W16-09-03

September 30, 2016

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

Re: Cascade Natural Gas CPA (Conservation Program Adjustment) 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, 2016:

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

The purpose of this filing is to pass on changes in the amount of conservation program expenditures affecting customer rates as a result of deferral account amortizations.

The rates contain information developing the level of the per therm change necessary to amortize the outstanding deferral balances of \$3,759,941 for the twelve months ended July 31, 2016. The \$3,759,941 is comprised of \$438,117 for the residential programs, \$515,139 is for the Commercial program, \$90,090 is Low Income, \$1,898,332 is administration costs, and \$818,263 is for the residual balance from last year filing. The annual revenue change reflected in this filing is an increase of \$721,580 to customers, or an increase in annual revenue of .39%. The slight increase is related to program targets in Conservation. The average residential customer using 49 therms per month will see a bill increase of \$.17. Below is a table summarizing the proposed changes reflected in this filing:

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<u>Service</u>	<u>Sch. No.</u>	<u>Rate Change</u>	<u>Proposed Rate Per Therm</u>	<u>Percent Change</u>
Dry Out	502	\$0.00352	\$0.01427	0.36%
Residential	503	\$0.00352	\$0.01427	0.37%
Commercial	504	\$0.00352	\$0.01427	0.40%
Industrial	505	\$0.00352	\$0.01427	0.47%
Industrial Lg Vol	511	\$0.00352	\$0.01427	0.49%
Compressed Nat. Gas	512	\$0.00352	\$0.01427	0.42%
Interruptible	570	\$0.00352	\$0.01427	0.58%
Interruptible Inst.	577	\$0.00352	\$0.01427	0.53%

Cascade submits an annual plan each December 1, including an annual conservation budget. The calendar year budget for 2015 was \$615,000 for the residential program, \$561,000 for the commercial program, \$145,848 for NEEA Gas Market, and \$1,200,000 for administration costs. The calendar year budget for 2016 was \$1,128,698 for the residential program, \$638,494 for the commercial program, \$53,442 for Low Income, \$244,996 for NEEA Gas Market and \$1,490,500 for the administration costs.

A copy of the October 2016 bill insert has been included with this filing. The proposed change will affect all of Cascade's Washington core customers. Cascade serves approximately 180,313 residential, 25,386 commercial and 460 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