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**CNG/W19-09-01**

September 13, 2019

Mr. Mark L. Johnson  
 Executive Director and Secretary  
 Washington Utilities & Transportation Commission  
 P.O. Box 47250  
 Olympia, WA 98504-7250

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 09/13/19 11:50  
 State Of WASH.  
 UTIL. AND TRANSP.  
 COMMISSION

**Re:** Cascade Natural Gas PGA and TTA Annual Filing

Dear Mr. Johnson:

Cascade Natural Gas Corporation (“Cascade or “Company”) hereby encloses for filing the following proposed tariff sheet containing a requested effective date of November 1, 2019:

**Thirty-Ninth Revision Sheet No. 595, Canceling Thirty- Eighth Revision Sheet No. 595**

The Purchased Gas Adjustment (PGA) portion of this 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 slightly up from last year. 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.

The proposed tariff will result in an estimated annual revenue increase of approximately \$606,568 or an increase in annual revenue of .27 percent. The average residential customer using 55 therms per month will see an increase of \$0.13.

Service	Sch. No.	Commodity Change per therm	Demand Change per therm	Total Rate Change	WACOG Proposed Rate Per Therm	Percent Change
Residential	503	\$0.00283	(\$0.00039)	\$0.00244	\$0.43833	0.28%
Commercial	504	\$0.00283	(\$0.00039)	\$0.00244	\$0.43558	0.31%
Industrial	505	\$0.00283	(\$0.00036)	\$0.00247	\$0.42197	0.37%
Industrial Lg Vol	511	\$0.00283	(\$0.00036)	\$0.00247	\$0.42197	0.43%
Interruptible	570	\$0.00283	(\$0.00033)	\$0.00025	\$0.40840	0.49%

The second part of this filing is the Temporary Technical Adjustments (TTA) portion. These adjustments pass on changes in the amounts affecting customer rates as a result of deferral

account amortizations and charges to the prospective purchased gas costs. Temporary Technical Adjustment Schedule No. 595 combines prior period rate adjustments and new rate adjustments designed to amortize current outstanding deferral account balances (including accrued interest) as well as the prospective changes to expected gas costs, the PGA component.

The rates contained in the attached Schedule 595 will debit the remaining deferral balance of \$38,423,175 to extend the amortization period to three-years. The annual revenue change reflected in this filing is an increase of \$12,758,991 to customers, which reflects an increase in annual revenue 5.73 percent. The average residential customer using 55 therms per month will see an increase of \$2.84. Below is a table summarizing the proposed changes reflected in the deferral amortization portion of the filing:

<u>Service</u>	<u>Sch. No.</u>	<u>Rate Change</u>	<u>Proposed Rate Per Therm</u>	<u>Percent Change</u>
Residential	503	\$0.05141	\$0.05915	5.92%
Commercial	504	\$0.05141	\$0.05915	6.60%
Industrial	505	\$0.05141	\$0.05915	7.73%
Industrial Lg Vol	511	\$0.05141	\$0.05915	8.90%
Interruptible	570	\$0.05141	\$0.05915	10.01%

The impact of the PGA and TTA changes combined is a revenue increase of \$13,365,559 or an overall 6 percent increase. The impact to an average residential customer using 55 therms per month will be \$2.97 or 5.92 percent increase.

In addition to the supporting materials submitted as part of this combined filing, the Company will separately submit all workpapers in electronic format.

The Company therefore requests that the documents contained in the spreadsheet marked confidential that are identified with the cover page as “Confidential per WAC 480-07-160” be treated as confidential under the provisions of WAC 480-07-160(8), as they each contain sensitive commercial information. It would be unduly burdensome to mark as required in 480-07-160(4-7).

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 2019 explaining the PGA process and Cascade will publish on its webpage the anticipated rate increase. Also, at the beginning of September 2019, Cascade issued another bill insert to customers stating what the increased rates will be. Both copies of the 2019 bill insert have been included with this filing. The proposed change will affect all of Cascade’s Washington customers. Cascade serves approximately 190,130 residential, 26,357 commercial and 477 industrial customers in the state of Washington.

As directed by the WUTC in the March 13, 2017 Policy and Interpretive Statement in Docket UG-132019, the Company's 2019-20 Hedging Plan was filed separately on September 11, 2019. The information contained in the plan is confidential pursuant to WAC 480-07-160(2)(c) as the plan contains valuable commercial information.

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

Sincerely,

*/s/ Michael Parvinen*

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Attachments

NEW, CNGC Advice W18-09-01 PGA Trf Sheet 595, 09-13-2019.pdf  
NEW, CNGC Advice W18-09-01 PGA Redlined Trf Sheet 595, 09-13-2019.pdf  
NEW, CNGC Advice W18-09-01 PGA Bill Insert, 09-13-2019.pdf  
NEW, CNGC Advice W18-09-01 PGA Exhibit A, 09-13-2019.pdf  
NEW, CNGC Advice W18-09-01 PGA WP, 09-13-2019.xlsx  
NEW, CNGC Advice W18-09-01 PGA Gas Cost WP, 09-13-2019(R).pdf  
NEW, CNGC Advice W18-09-01 PGA Gas Cost WP, 09-13-2019(C).xlsx