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July 27, 2018

Records Center  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
Olympia, WA 98504

**Re: UG-160967, Informational Filing  
July 2018 Line Extension Data**

On July 29, 2016, Cascade Natural Gas Corporation's (Cascade or Company) submitted Advice No. W16-07-01, docketed as UG-160967, which the Commission approved with an effective date of September 1, 2016.

The filing revised the Company's line extension policy to offer an upfront allowance based on the perpetual net present value (PNPV) of the revenues generated from that customer.

A PNPV allowance is the annual basic service charge and distribution revenue for the average residential or average commercial customers, as applicable, divided by 7.35%, which is the Company's rate of return as approved in Commission Order No. 04 issued in UG-152286. This methodology provides an upfront allowance for residential customers not to exceed \$3,255 and an allowance of no more than \$12,350 for commercial customers. The Company will soon update the allowances to reflect its new authorized margin revenues and rate of return (ROR) as approved in its most recently concluded rate case.<sup>1</sup>

When the Commission approved the Company's filing, they expressed an interest in receiving line extension data to track the impact of the policy changes. The table below provides a history of the number of new services added per quarter, the total length of new service lines and mains installed, the overall cost, and the average cost per foot of pipe.

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<sup>1</sup> See Commission Order No. 06 in UG-170929

Year-Quarter	Number of Services	Total Service Footage	Total Main Footage	Total Footage	Cost	Cost Per Foot
<b>2014 Q3 - July thru September Total</b>	471	26,821	35,754	62,575	573,663.87	9.17
<b>2014 Q4 - October thru December Total</b>	552	34,805	40,937	75,742	946,773.45	12.50
<b>2015 Q1 - January thru March Total</b>	523	32,106	32,051	64,157	818,538.39	12.76
<b>2015 Q2 - April thru June Total</b>	561	30,706	56,432	87,138	1,594,264.57	18.30
<b>2015 Q3 - July thru September Total</b>	529	27,913	40,772	68,685	977,336.95	14.23
<b>2015 Q4 - October thru December Total</b>	751	43,354	45,809	89,163	1,441,120.47	16.16
<b>2016 Q1 - January thru March Total</b>	630	32,314	41,385	73,699	1,034,005.55	14.03
<b>2016 Q2 - April thru June Total</b>	735	36,056	26,084	62,140	913,930.95	14.71
<b>2016 Q3 - July thru September Total</b>	647	34,350	27,431	61,781	986,557.67	15.97
<b>2016 Q4 - October thru December Total</b>	745	41,415	18,508	59,923	843,103.54	14.07
<b>2017 Q1 - January thru March Total</b>	524	30,271	34,163	64,434	1,466,013.02	22.75
<b>2017 Q2 - April thru June Total</b>	644	37,935	20,000	57,935	1,533,194.46	26.46
<b>2017 Q3 - July thru September Total</b>	957	55,107	101,168	156,275	4,108,224.43	26.29
<b>2017 Q4 - October thru December Total</b>	1,051	67,551	44,642	112,193	2,668,589.04	23.79
<b>2018 Q1 - January thru March Total</b>	1,031	61,877	67,547	129,424	3,320,183.43	25.65
<b>2018 Q2 - April thru June Total</b>	1,191	67,777	30,368	98,145	3,244,220.12	33.06
<b>Grand Total</b>	11,542	660,358	663,051	1,323,409	26,469,719.91	20.00

The number of services installed in 2018 Q2 are trending up. The Company assumes this is a result of its revised line extension policy.

The Company submits semi-annual informational filings by the end of January and July of each year. Each filing provides an additional two quarters of line extension information. The next update will be filed in January 2019.

This submission is comprised of the following two files:

UG-160967, CNGC Line Ext Data CLtr, 7.27.18.pdf  
UG-160967, CNGC Line Ext Data WP, 7.27.18.xlsx

If you have any questions regarding this report, please contact Isaac Myhrum at (509) 734-4684.

Sincerely,

*/s/ Michael Parvinen*

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