

Cascade Natural Gas Corporation
 WASHINGTON 13/14 PURCHASED GAS COST TRACKING APPLICATION
 DEVELOPMENT OF EMBEDDED SUPPLY & PIPELINE TRANSPORTATION RATES

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Shaded means requires manual entry from Prior Year Washington PGA Gas Cost Workbook

	UNITS	8/1/2012 RATE	AMOUNT	CURRENT COST OF GAS	
				COMMODITY	DEMAND
CANADIAN UPSTREAM RESV COSTS	177,839	\$19.857540	\$3,531,436		\$3,531,436
DOMESTIC UPSTREAM NON-DIRECT RESV COSTS	11,081	\$13.575000	\$150,421		\$150,421
SUPPLY DEMAND CHARGES	283,587	\$0.148670	\$42,161	\$42,161	
COMPANY CONTRACT SUPPLY COMMODITY	207,831,789	\$0.433080	\$90,008,123	\$89,955,641	
GTN T-1 Agmt 00179	102,773	\$1.431550	\$147,125		\$147,125
GTN T-1 (Malin) Agmt 02812	0	\$0.000000	\$0		\$0
GTN T-3 (Expansion) Agmt 00152	0	\$0.000000	\$0		\$0
GTN 2003 Expansion Agmt 08844	0	\$0.000000	\$0		\$0
GTN South to North Agmt 12094					
GTN COMMODITY	18,397,465	\$0.000170	\$3,188	\$3,188	
NWP TF-1 100002 (principle transport--All Rec/All Del contract	1,575,181	\$14.965000	\$23,572,589		\$23,572,589
NWP TF-1 Direct to Washington /1	1,050,485	\$11.223750	\$11,790,381		\$11,790,381
NWP TF-1 Split to specific OR and WA points	50,000	\$14.965000	\$748,250		\$748,250
NWP TF-1 Weyerhaeuser					
TF-1 COMMODITY	207,831,789	\$0.003180	\$660,905	\$660,905	
LS-1 DEMAND	533,516	\$0.944260	\$503,775		\$503,775
LS-1 CAPACITY	5,097,404	\$0.120820	\$615,843		\$615,843
LS-1 COMMODITY	5,097,404	\$0.532890	\$2,716,344	\$2,644,323	
LS-INVENTORY	5,097,404	\$0.000000	\$0		\$0
LS-1 LIQUEFACTION	5,097,404	\$0.090860	\$463,125	\$463,125	
LS-1 VAPORIZATION	5,097,404	\$0.003390	\$17,260	\$17,260	
TF-2 TRANSPORTATION CAPACITY	13,965	\$14.965000	\$208,994		\$208,994
TF-2 TRANSPORTATION COMMODITY	5,097,404	\$0.003000	\$15,292	\$15,292	
SGS-1 DEMAND	149,287	\$0.570130	\$85,113		\$85,113
SGS-1 CAPACITY	5,479,583	\$0.020810	\$114,003		\$114,003
SGS-1 COMMODITY	5,479,583	\$0.380040	\$2,082,485	\$2,082,485	
SGS-1 INVENTORY					
TF-2 TRANSPORTATION CAPACITY	15,013	\$14.965000	\$224,663		\$224,663
TF-2 TRANSPORTATION COMMODITY	5,479,583	\$0.003000	\$16,439	\$16,439	
SGS-JPEXP DEMAND	266,758	\$1.480440	\$394,919		\$394,919
SGS-JPEXP CAPACITY	3,173,411	\$0.127020	\$403,087		\$403,087
SGS-JPEXP STORAGE COMMODITY	3,173,411	\$0.385780	\$1,224,238	\$1,224,238	
SGS-JPEXP INVENTORY					
TF-2 TRANSPORTATION CAPACITY	8,694	\$14.965000	\$130,110		\$130,110
TF-2 TRANSPORTATION COMMODITY	3,173,411	\$0.003000	\$9,520	\$9,520	
SGS-JP3 DEMAND	95,770	\$0.570130	\$54,601		\$54,601
SGS-JP3 CAPACITY	2,812,420	\$0.020810	\$58,512		\$58,512
SGS-JP3 STORAGE COMMODITY	2,812,420	\$0.403200	\$1,133,964	\$1,133,964	
SGS-JP3 STORAGE INVENTORY					
TF-2 TRANSPORTATION CAPACITY	7,705	\$14.965000	\$115,309		\$115,309
TF-2 TRANSPORTATION COMMODITY	2,812,420	\$0.003000	\$8,437	\$8,437	
SGS-TBD1 DEMAND	0	\$0.000000	\$0		\$0
SGS-TBD1 CAPACITY	0	\$0.000000	\$0		\$0
SGS-TBD1 STORAGE COMMODITY	0	\$0.000000	\$0	\$0	
SGS-TBD1 STORAGE INVENTORY					
TF-2 TRANSPORTATION CAPACITY	0	\$0.000000	\$0		\$0
TF-2 TRANSPORTATION COMMODITY	0	\$0.000000	\$0	\$0	
SGS-TBD2 DEMAND	0	\$0.000000	\$0		\$0
SGS-TBD2 CAPACITY	0	\$0.000000	\$0		\$0
SGS-TBD2 STORAGE COMMODITY	0	\$0.000000	\$0	\$0	
SGS-TBD2 INVENTORY					
TF-2 TRANSPORTATION CAPACITY	0	\$0.000000	\$0		\$0
TF-2 TRANSPORTATION COMMODITY	0	\$0.000000	\$0	\$0	
Core Mitigation (Net Capacity Release and Storage Revenues)			(\$6,423,128)		(\$6,423,128)
			\$0		\$0
DAILY BALANCING NON-CORE CREDIT	650,332,175	(\$0.00020)	(\$130,066)		(\$130,066)
WA COMMODITY VOLUMES FOR CORE RESOURCES	224,394,607		\$134,697,418	\$98,276,978	\$36,295,937
LAST SALES/TRANSPORT VOLUMES Demand				224,835,060	224,394,607
LAST PROPOSED AVERAGE RATE				\$0.43711	\$0.16175

Cascade Natural Gas Corporation
 WASHINGTON 14/15 PURCHASED GAS COST TRACKING APPLICATION
 DEVELOPMENT OF PROPOSED SUPPLY & PIPELINE TRANSPORTATION RATES

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	UNITS	CURRENT RATE	AMOUNT	CURRENT COST OF GAS		EMBEDDED DIFFERENCE
				COMMODITY	DEMAND	
CANADIAN UPSTREAM RESV COSTS	214,600	\$13.12828	\$2,817,330		\$2,817,330	(\$714,106)
DOMESTIC UPSTREAM NON-DIRECT RESV COSTS	108,538	\$1.35000	\$146,527		\$146,527	(\$3,894)
SUPPLY DEMAND CHARGES	283,587	\$0.05013	\$14,216	\$14,216		
COMPANY CONTRACT SUPPLY COMMODITY	213,822,293	\$0.42848	\$ 91,180,212	\$91,180,212		\$ 1,182,089
GTN T-1 Agmt 00179	103,035	\$9.07707	\$935,257		\$935,257	\$788,132
GTN T-1 (Malin) Agmt 02812	0	\$8.28482	\$0	\$2,233,674	\$0	
GTN T-3 (Expansion) Agmt 00152	0	\$4.83323	\$0		\$0	
GTN 2003 Expansion Agmt 08844	0	\$8.28482	\$0		\$0	
GTN South to North Agmt 12094	10,854	\$5.83376	\$63,319		\$63,319	
GTN COMMODITY	3,000,966	\$0.03922	\$117,686	\$117,686		\$114,498
NWP TF-1 100002 (principle transport--All Rec/Alt Del contract)	1,859,827	\$14.86500	\$27,832,315		\$27,832,315	\$4,259,726
NWP TF-1 Direct to Washington /f	688,850	\$13.26344	\$9,871,252		\$9,871,252	(\$2,918,129)
NWP TF-1 Split to specific OR and WA points	381,635	\$14.86500	\$5,711,168		\$5,711,168	\$4,982,918
NWP TF-1 Weyerhaeuser	50,000	\$14.86500	\$748,250		\$748,250	\$748,250
TF-1 COMMODITY	227,248,973	\$0.00312	\$709,017	\$709,017		\$48,112
LS-1 DEMAND	534,877	\$0.94426	\$505,060		\$505,060	\$1,285
LS-1 CAPACITY	5,156,337	\$0.12082	\$622,963		\$622,963	\$7,120
LS-1 COMMODITY	5,156,337	\$0.38370	\$1,978,489	\$1,978,489		(\$737,855)
LS-INVENTORY	5,156,337	\$0.023066	\$118,907		\$118,907	\$118,907
LS-1 LIQUEFACTION	5,156,337	\$0.09086	\$468,479		\$468,479	\$5,354
LS-1 VAPORIZATION	5,156,337	\$0.00339	\$17,459		\$17,459	\$199
TF-2 TRANSPORTATION CAPACITY	14,127	\$14.86500	\$211,410		\$211,410	\$2,416
TF-2 TRANSPORTATION COMMODITY	5,156,337	\$0.00300	\$15,469	\$15,469		\$177
SGS-1 DEMAND	149,667	\$0.57013	\$85,330		\$85,330	\$217
SGS-1 CAPACITY	5,542,934	\$0.02081	\$115,321		\$115,321	\$1,318
SGS-1 COMMODITY	5,542,934	\$0.38004	\$2,106,582	\$2,106,582		\$24,077
SGS-1 INVENTORY	5,542,934	\$0.022841	\$126,604		\$126,604	\$126,604
TF-2 TRANSPORTATION CAPACITY	15,186	\$14.86500	\$227,280		\$227,280	\$2,597
TF-2 TRANSPORTATION COMMODITY	5,542,934	\$0.00300	\$16,629	\$16,629		\$190
SGS-JPEXP DEMAND	267,438	\$1.48044	\$395,927		\$395,927	\$1,008
SGS-JPEXP CAPACITY	3,210,100	\$0.12702	\$407,747		\$407,747	\$4,860
SGS-JPEXP STORAGE COMMODITY	3,210,100	\$0.40620	\$1,303,927	\$1,303,927		\$79,889
SGS-JPEXP INVENTORY	3,210,100	\$0.024412	\$78,366		\$78,366	\$78,366
TF-2 TRANSPORTATION CAPACITY	8,795	\$14.86500	\$131,614		\$131,614	\$1,504
TF-2 TRANSPORTATION COMMODITY	3,210,100	\$0.00300	\$9,630	\$9,630		\$110
SGS-JP3 DEMAND	95,770	\$0.57013	\$54,601		\$54,601	\$0
SGS-JP3 CAPACITY	2,812,420	\$0.02081	\$58,512		\$58,512	\$0
SGS-JP3 STORAGE COMMODITY	2,812,420	\$0.41219	\$1,159,244	\$1,159,244		\$25,280
SGS-JP3 STORAGE INVENTORY	2,812,420	\$0.024772	\$69,671		\$69,671	\$69,671
TF-2 TRANSPORTATION CAPACITY	7,705	\$14.86500	\$115,309		\$115,309	\$0
TF-2 TRANSPORTATION COMMODITY	2,812,420	\$0.00300	\$8,437	\$8,437		\$0
SGS-TBD1 DEMAND	0	\$0.00000	\$0		\$0	\$0
SGS-TBD1 CAPACITY	0	\$0.00000	\$0		\$0	\$0
SGS-TBD1 STORAGE COMMODITY	0	\$0.00000	\$0	\$0		\$0
SGS-TBD1 STORAGE INVENTORY	0	\$0.00000	\$0		\$0	\$0
TF-2 TRANSPORTATION CAPACITY	0	\$0.00000	\$0		\$0	\$0
TF-2 TRANSPORTATION COMMODITY	0	\$0.00000	\$0	\$0		\$0
SGS-TBD2 DEMAND	0	\$0.00000	\$0		\$0	\$0
SGS-TBD2 CAPACITY	0	\$0.00000	\$0		\$0	\$0
SGS-TBD2 STORAGE COMMODITY	0	\$0.00000	\$0	\$0		\$0
SGS-TBD2 INVENTORY	0	\$0.00000	\$0		\$0	\$0
TF-2 TRANSPORTATION CAPACITY	0	\$0.00000	\$0		\$0	\$0
TF-2 TRANSPORTATION COMMODITY	0	\$0.00000	\$0	\$0		\$0
Core Mitigation (Net Capacity Release and Storage Revenues)			(\$8,470,859)		(\$6,470,859)	(\$47,731)
DAILY BALANCING NON-CORE CREDIT	650,332,175	(\$0.00020)	(\$130,068)		(\$130,066)	\$0
WA COMMODITY VOLUMES FOR CORE RESOURCES	230,544,084		\$142,984,552	\$100,863,193	\$44,335,033	\$8,231,780
SALES/TRANSPORT VOLUMES				230,544,083	230,544,083	
PROPOSED AVERAGE RATE				\$0.43750	\$0.19231	\$0.62981
CURRENT AVERAGE RATE IN RATES				\$0.43796	\$0.16175	\$0.59971
GROSS RATE CHANGE				(\$0.00046)	\$0.03056	\$0.03010
REVENUE ADJUSTMENT FACTOR				1.04535	1.04535	1.04535
TOTAL PROPOSED ADJUSTMENT				(\$0.00046)	\$0.03195	\$0.03147
ANNUAL GAS COST CHANGE DETERMINATION			\$	8,493,693	15.891%	4.779%
				-0.105%		

CASCADE NATURAL GAS CORPORATION
2014 PGA Gas Demand Cost Allocation

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	Current	Proposed
Demand Costs	\$ 36,295,937	\$ 44,335,033
Commodity Costs	98,276,978	100,863,193

Rate Schedule	503	502, 504, 512 & 541	505/511	570/577	Total
Current Demand Rates	0.16394	0.16146	0.14923	0.13704	
% change (same for each sch)	18.85914%	18.85914%	18.85914%	18.85914%	
Proposed Demand Increment	\$ 0.19486	\$ 0.19191	\$ 0.17737	\$ 0.16288	
Proposed Demand Costs Collected	\$ 23,282,704	\$ 18,758,800	\$ 1,535,856	\$ 757,674	\$ 44,335,033
Proposed Change in Demand	0.03092	0.03045	0.02814	0.02584	
Revenue Adjustment Factor	1.04535	1.04535	1.04535	1.04535	
Proposed Rate Adjustment	\$ 0.03232	\$ 0.03183	\$ 0.02942	\$ 0.02702	
Proposed Volumes	119,485,689	97,747,915	8,658,881	4,651,598	230,544,083

Note: Demand Cost Allocation Methodology From UG-951415

Cascade Natural Gas Corporation
WASHINGTON 2013 PURCHASED GAS ADJUSTMENT APPLICATION
BASED UPON THE TWELVE MONTHS ENDED 7/31/12
State of Washington

Line No.	Description (a)	Rate Schedule (b)	Average # of Bills (c)	Actual Therms Sold (d)	Actual Revenue (e)	Per Therm Gas Cost Change (g)	Amount of Change (h)	
CORE MARKET RATE SCHEDULES								
1	Dry Out	502	579	411,467	417,001	0.03135	12,899.14	3.09%
2	Residential	503	175,146	118,476,427	121,197,050	0.03184	3,772,187.43	3.11%
3	Commercial	504	24,894	80,983,340	77,628,809	0.03135	2,538,758.00	3.27%
4	Industrial Firm	505	387	13,450,676	10,594,609	0.02894	389,250.98	3.67%
5	Large Volume	511	81	8,608,384	6,795,588	0.02894	249,119.22	3.67%
6	Compressed Natural Gas	512	1	46,067	40,035	0.03135	1,444.16	3.61%
7	Gas A/C	541	1	555	583	0.03135	17.40	2.98%
8	Industrial Interruptible	570	10	4,238,887	2,870,316	0.02654	112,496.41	3.92%
9	Institutional	577	3	412,711	307,005	0.02654	10,952.99	3.57%
10	Subtotal Core		201,102	226,628,514	219,850,996		7,087,126	3.22%

*a Core and R/S 663 revenues are restated at base rates at 11/01/2011

Cascade Natural Gas Corporation
TYPICAL MONTHLY THERM USAGE AND COST BY CLASS
 State of Washington

Line No.	Description (a)	Typical Monthly Therm Use (b)	Avg Bill @ 11/1/13 Rates (c)	Present Filing Changes (d)	Proposed Typical Bill (e)	Percent Change (f)
1	Residential (503)	56	\$55.97	\$1.78	\$57.75	3.19%
2	Commercial (504)	271	\$252.46	\$8.50	\$260.96	3.37%
3	Industrial (505)	N/A*	\$0.78766	\$0.02894	\$0.81660	3.67%
4	Industrial Lg Vol (511)	N/A*	\$0.78942	\$0.02894	\$0.81835	3.67%
5	Interruptible (570)	N/A*	\$0.67714	\$0.02654	\$0.70368	3.92%
6	Institutional Interruptible (577)	N/A*	\$0.74387	\$0.02654	\$0.77041	3.57%

* The large variation among customers in the Industrial and Interruptible customer classes renders average consumption numbers meaningless, therefore only per therm figures have been listed.

DERIVATION OF PROPOSED RATE ADJUSTMENT
State of Washington

Line No.	Description	503 Residential Customers	502/504/512/541 Commercial Customers	505/511 Firm Indust Customers	570/577 Interruptible Customers
1	WACOG Effective November 1, 2013	\$0.63006	\$0.62748	\$0.61468	\$0.60191
<u>Proposed Incremental Change</u>					
2	Residential	\$0.03184			
3	Commercial		\$0.03135		
4	Industrial Firm			\$0.02894	
5	Interruptible - CORE				\$0.02654
6	NON-CORE Customers				
7	Total Proposed Rate	<u>\$0.66190</u>	<u>\$0.65883</u>	<u>\$0.64362</u>	<u>\$0.62845</u>

What is a PGA?

In the natural gas industry, PGA means Purchased Gas Adjustment. Simply stated, a PGA is a method designed to pass the actual costs of gas supplies to customers.

Each year, Cascade Natural Gas Corporation makes the best possible projection of the cost of gas supplies for the coming year. Any differences between the gas costs included in the company's overall rates and the actual cost of supplies are calculated and passed back to customers in the next PGA filing.

If actual gas costs are lower than originally projected, customers will see lower rates. If gas costs are higher, rates will go up. Whether the change in rates is an increase or a decrease, a PGA filing does not affect the company's profits.

Based on 2014-15 projected gas cost, Cascade Natural Gas is anticipating an increase to rates in its PGA filing. Cascade Natural Gas encourages you to use energy wisely and continue your conservation efforts.



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