CASCADE NATURAL GAS CORPORATION

COST RECOVERY MECHANISM (CRM) ELEVATED RISK PIPELINE FACILITY REPLACEMENTS SCHEDULE NO. 597

APPLICABLE:

This adjustment applies to gas service rendered by the Company under the tariff of which this schedule is a part for service on and after the effective date hereof and shall be in addition to all rates and charges specified in this tariff.

MONTHLY RATES AND MINIMUM BILLS:

Each of the charges, except Demand and Customer Service Charges, are to be increased as shown:

Schedule 502 - \$0.01396 per therm
Schedule 503 - \$0.01396 per therm
Schedule 504 - \$0.01039 per therm
Schedule 505 - \$0.00842 per therm
Schedule 511 - \$0.00590 per therm
Schedule 512 - \$0.00842 per therm
Schedule 570 - \$0.00251 per therm
Schedule 577 - \$0.00251 per therm
Schedule 663 - \$0.00192 per therm

SPECIAL TERMS AND CONDITIONS:

The rates named herein are subject to increases set forth in Schedule No. 500.

CNG/W17-05-02 Issued May 31, 2017 Effective for Service on and after November 1, 2017

Issued by CASCADE NATURAL GAS CORPORATION

By: Michael Parvinen Director, Regulatory Affairs

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Replacement Projects 11-1-16 to 10-31-17

Project	Location	Estimtimated Cost	30-Apr-17 Actual Cost	TYPE OF PIPE TO BE REPLACED					
1 CRM RPL ANACORTES BARE STEEL 2 CRM RPL LONGVIEW BARE STEEL 3 CRM VANCE CREEK EXPOSUBE REPLACE 4 CRM CAMP CREEK EXPOSUBE REPLACEMENT 5 CRM 3" BURLINGTON HP LINE REPLACEMENT 6 CRM BELLINGHAM BRIDGE CROSSINGS RMV 7 CRM KELSO GRADE ST BRIDGE RELOCATE 8 2 IN STEEL IP BORE BELFAIR PL 9 CRM 6" NOB HILL REPLACEMENT 10 KENNEWICK RR CROSS NEAR KAMIAKIN 11 CRM RPL 12" STEEH HP, Kelso 12 CRM Shelton Pipe Replacement 13 Vance Creek Replacement (#2) 14 CRM RPL 2" STL MN - Bellingham 15	MT. VERNON LONGVIEW ABERDEEN ABERDEEN MT. VERNON BELLINGHAM LONGVIEW KENNEWICK YAKIMA KENNEWICK KELSO SHELTON ABERDEEN BELLINGHAM	\$3,356,853 \$2,266,946 \$245,721 \$246,080 \$2,181,189 \$46,627 \$137,791 \$181,638 \$97,169 \$70,698 \$1,900,838 \$1,364,034 \$624,725 \$182,239	\$117,274 \$245,721 \$246,080 \$1,444,694 (\$29,107) \$83,820 \$181,638 \$58,013	BARE STEEL/PRE-CNG PIPE - IDENTIFIED HIGH (RED) RISK IN DIMP BARE STEEL/PRE-CNG PIPE - IDENTIFIED HIGH (RED) RISK IN DIMP EXPOSED PIPE (CORROSION) IN ADDITION TO MODERATE (ORANGE) RISK IN DIMP EXPOSED PIPE (CORROSION) IN ADDITION TO MODERATE (ORANGE) RISK IN DIMP PRE-CNG PIPE - IDENTIFIED HIGH (RED) RISK IN DIMP PRE-CNG PIPE - IDENTIFIED HIGH (RED) RISK IN DIMP EXPOSED PIPE SUSCEPTIBLE TO CORROSION RISK - MODERATE (ORANGE) MODERATE (ORANGE) RISK IN DIMP IDENTIFIED HIGH (RED) RISK IN DIMP MODERATE (ORANGE) RISK IN DIMP					
17 18 19									
20 Total Estimated Replacement Cost		\$12,902,548	\$4,321,194 Schedule 502/503	Schedule 504	Schedule 541	Schedule 505/512	Schedule 511	Schedule 570/577	Schedule 663
38 Rate Base Allocation from UG-152286 Company COS 39 Percentage		\$269,194,121 100.00%	\$126,742,143 47.08%	\$65,362,490 24.28%	0.00%	\$6,946,804 2.58%	\$4,640,252 1.72%	\$749,893 0.28%	\$64,752,539 24.05%
40 Total Investment	Ln 20	12,902,548							
41 Depreciation Expense - Rate 2.58% 42 Accumulated Depr. (Avg) 43 Accum Tax depreciation 44 Deferred Tax 45 Accum Def Tax (Avg) 46 FIT 47 Interest Coordination Adj (Rate Base x Weighted Cost of Debt (2.6475%) x 35% FIT) 48 Rate Bate 49 Authorized ROR from UG-152286	Ln 40* 2.58% Ln 41 / 2 Ln 40 *3.75% (Ln 43 - Ln 41) * .35 Ln 44 / 2 Ln 41* .35 Ln 20 - Ln 42 - Ln 45	332,886 166,443 483,846 52,836 26,418 12,709,687 7.35%	332,886 116,510 117,771						
50 NOI 51 Total NOI 52 Conversion Factor in UG-152286 53 Revenue Requirement (Current Year Investment) Previous Year Revenue Requirement	((Ln 48 * Ln 49) + Ln 37) and (Ln 41 - Sum Ln 50	Ln 46-Ln 47) \$934,162 \$1,032,767 0.62095 \$1,663,204 \$1,866,216	\$98,605						
54 Total Revenue Requirement Less UG-160788 Revenue Requirement	Lm 53	\$3,529,420 \$1,921,720							
Increase in Revenue Requirement 55 Allocation Rev Req to Schedules 56 Weather Normalized 2016 Volumes	Ln 54 * Ln 39	\$1,607,700	\$1,661,724 119,055,109	\$856,971 82,468,894	\$0 0	\$91,080 10,820,728	\$60,839 10,315,598	\$9,832 3,923,308	\$848,974 441,939,805
57 Rate Charge	Ln 55 / Ln 56		\$0.01396	\$0.01039		\$0.00842	\$0.00590	\$0.00251	\$0.00192
58 2016 Commission Basis Total Revenue 59 Percentage Increase in Revenue	(Ln 54 / Ln 58		\$215,674,763 0.75%						