

EXHIBIT A

BEFORE THE  
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

CASCADE NATURAL GAS CORPORATION

Decoupling Mechanism Adjustments

CNGC WUTC Advice No. W24-09-03

September 13, 2024

# CASCADE NATURAL GAS CORPORATION

## EXHIBIT A

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**Cascade Natural Gas Corporation**  
**DMA CALCULATION OF PER THERM RATES TO AMORTIZE DEFERRED ACCOUNTS**  
**State of Washington**  
**Decoupling Mechanism**

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Line No.	Consolidated Account	Account Balance 12/31/2023	Interest Assignments & Amortization through 10/31/2024	Interest Accruals Through Amortization.	Amount						Proposed Period of Am.	
						(a)	(b)	(c)	(d)	(e)		503 (f)
						140,216,275	103,631,783	13,457,822	16,601,133	2,353,805		Forecasted Therms
1	503	\$ 1,120,899	\$ 1,145,795	\$ 77,226	\$ 2,343,920	0.01672					1 Year	<b>Decoupling Mechanism</b>
2	504	\$ (2,403,927)	\$ 1,391,182	\$ (36,375)	\$ (1,049,121)		\$ (0.01012)				1 Year	<b>Decoupling Mechanism</b>
3	505	\$ (65,188)	\$ 1,701	\$ (2,549)	\$ (66,036)			\$ (0.00491)			1 Year	<b>Decoupling Mechanism</b>
4	511	\$ 956,728	\$ 28,898	\$ 39,872	\$ 1,025,497				\$ 0.06177		1 Year	<b>Decoupling Mechanism</b>
5	570	\$ (11,730)	\$ 5,886	\$ (229)	\$ (6,074)					\$ (0.002581)	1 Year	<b>Decoupling Mechanism</b>
6	<b>TOTAL</b>	<b>\$ (403,220)</b>	<b>\$ 2,573,461</b>	<b>\$ 77,945</b>	<b>\$ 2,248,186</b>	<b>\$ 0.01672</b>	<b>\$ (0.01012)</b>	<b>\$ (0.00491)</b>	<b>\$ 0.06177</b>	<b>\$ (0.00258)</b>		
7				3% Test Rate Adjustment (1)		\$0.00000	\$0.00000	\$0.00000	(\$0.02674)	\$0.00000		
8				<b>Final Proposed Decoupling Rate</b>		<b>\$0.01672</b>	<b>(\$0.01012)</b>	<b>(\$0.00491)</b>	<b>\$0.03503</b>	<b>(\$0.00258)</b>		

Notes  
(1) See page 6 Exhibit A for earnings test and 3% test adjustment calculations.

**Cascade Natural Gas Corporation**  
**DERIVATION OF PROPOSED RATE LEVEL WITHIN**  
**RATE ADDITION SCHEDULE NO. 594**  
**State of Washington**

Description (a)	Rate Schedule (b)	Reverse Prior Decoupling Rate Adj. (c)	Decoupling Related Temporary Rate Adj. (d)	Incremental R/S 594 Rate Change (e)	Posted R/S 594 Tariff Rate (f)
<b>CORE MARKET RATE SCHEDULES</b>					
Residential	503	\$ 0.01139	\$ 0.01672	\$ 0.02811	\$ 0.01672
Commercial	504	\$ 0.02197	\$ (0.01012)	\$ 0.01185	\$ (0.01012)
Industrial Firm	505	\$ 0.00060	\$ (0.00491)	\$ (0.00431)	\$ (0.00491)
Com-Ind Dual Service	511	\$ (0.00339)	\$ 0.03503	\$ 0.03164	\$ 0.03503
Industrial Interr.	570	\$ 0.00400	\$ (0.00258)	\$ 0.00142	\$ (0.00258)

**Cascade Natural Gas Corporation**  
**Decoupling AMOUNT OF CHANGE BY RATE SCHEDULE**  
**Bills and Revenues Based Upon the Twelve Months Ended 7/31/24**  
**State of Washington**

Line No.	Description (a)	Rate Schedule (b)	Average # of Bills (c)	Forecasted Therms Sold (d)	Actual Revenue (e)	Per Therm Decoupling Change (f)	Amount of Change (g)	Percentage Change (h)
<b>CORE MARKET RATE SCHEDULES</b>								
1	Residential	503	204,189	140,216,275	\$ 184,270,125	\$ 0.02811	\$ 3,940,919	2.14%
2	Commercial	504	27,579	103,631,783	\$ 124,333,138	\$ 0.01185	\$ 1,227,622	0.99%
3	Industrial Firm	505	495	13,457,822	\$ 14,347,313	\$ (0.00431)	\$ (57,963)	-0.40%
4	Large Volume	511	99	16,601,133	\$ 17,512,226	\$ 0.03164	\$ 525,310	3.00%
5	Industrial Interruptible	570	7	2,353,805	\$ 2,109,806	\$ 0.00142	\$ 3,340	0.16%
6			<b>232,369</b>	<b>276,260,819</b>	<b>\$ 342,572,608</b>		<b>\$ 5,639,227</b>	<b>1.65%</b>

**Cascade Natural Gas Corporation**  
**DMA PROPOSED TYPICAL MONTHLY BILL BY CLASS**  
**State of Washington**

Line No.	Type of Service	UG-210755		Current	Current	Proposed	Proposed	Bill Difference	Proposed 11/1/2024 DMA Effects % Bill Change
		Typical Monthly Therm Used	Basic Service Charge	6/1/2024 Billing Rates	6/1/2024 Average Bill	11/1/2024 DMA Effects	11/1/2024 Average Bill		
		(a)	(c)	(d)	e=c+(b*d) (e)	(f)	g=c+(b*f) (g)		
1	Residential, Schedule 503	54	\$5	\$1.60485	\$91.66	\$1.63296	\$93.18	\$1.52	1.66%
2	Commercial, Schedule 504	271	\$13	\$1.52590	\$426.52	\$1.53775	\$429.73	\$3.21	0.75%
3	Industrial Firm, Schedule 505		\$60						
4	First 500 therms			\$1.46000	\$790.00	\$1.45569	\$787.85		
5	Next 3,500 therms			\$1.42069	\$2,119.67	\$1.41638	\$2,113.24		
6	Over 4,000 therms			\$1.41475		\$1.41044			
7	Total 505	1,992			\$2,909.67		\$2,901.09	-\$8.58	-0.29%
8	Large Volume, Schedule 511		\$125						
9	First 20,000 therms			\$1.41357	\$23,645.39	\$1.44521	\$24,171.90		
11	Next 80,000 therms			\$1.37484		\$1.40648			
12	Over 100,000 therms			\$1.27903		\$1.31067			
13	Total 511	16,639			\$23,645.39		\$24,171.90	\$526.51	2.23%
14	Industrial Interruptible, Schedule 570		\$163						
15	First 30,000 therms			\$1.31154	\$30,634.01	\$1.31296	\$30,666.98		
16	Over 30,000 therms			\$1.24617		\$1.24759			
17	Total 570	23,233			\$30,634.01		\$30,666.98	\$32.97	0.11%

**2023 Commission Basis Earnings Test for Decoupling**

Line No.		Natural Gas
1	Rate Base	\$ 569,074,804
2	Net Income	\$ 32,433,675
3	Calculated ROR	5.70%
4	Base ROR UG-210755	6.85%
5	Excess ROR	-1.15%
6	Excess Earnings	\$ -
7	Conversion Factor	0.75506
8	Excess Revenue (Excess Earnings/CF)	\$ -
9	Sharing %	50%
10	2023 Total Earnings Test Sharing	\$ -
11	Adjusted Revenues from CBR	\$ 146,880,373
12	2023 Decoupling Deferral Balance	\$ 2,248,186
13	Earnings Test	1.53%

**3% Incremental Surcharge Test**

Line No.		Residential 503	Commerical 504	Industrial 505	Large Volume 511	Indust. Interr. 570	Total WA
1	Revenue From 2023 Normalized Loads and Customers at Present Billing Rates (1)	\$ 184,270,125	\$ 124,333,138	\$ 14,347,313	\$ 17,512,226	\$ 2,109,806	\$ 342,572,608
2	August 2024 - July 2025 Usage	140,216,275	103,631,783	13,457,822	16,601,133	2,353,805	276,260,819
3	Proposed Decoupling Recovery Rates	\$0.01672	(\$0.01012)	(\$0.00491)	\$0.06177	(\$0.00258)	
4	Present Decoupling Surcharge Recovery Rates	(0.01139)	(0.02197)	(0.00060)	0.00339	(0.00400)	
5	Incremental Decoupling Recovery Rates	\$0.02811	\$0.01185	(\$0.00431)	\$0.05838	\$0.00142	
6	Incremental Decoupling Recovery	\$ 3,940,919	\$ 1,227,622	\$ (57,963)	\$ 969,224	\$ 3,340	\$ 6,083,142
7	Incremental Surcharge %	2.14%	0.99%	-0.40%	5.53%	0.16%	
8	3% Test Adjustment (2)	\$0	\$0	\$0	(\$443,857)	\$0	
9	3% Test Rate Adjustment	\$0.00000	\$0.00000	\$0.00000	(\$0.02674)	\$0.00000	
10	Adjusted Proposed Decoupling Recovery Rates	\$0.01672	(\$0.01012)	(\$0.00491)	\$0.03503	(\$0.00258)	
11	Adjusted Incremental Decoupling Recovery	\$ 3,940,919	\$ 1,227,622	\$ (57,963)	\$ 525,310	\$ 3,340	\$ 5,639,228
12	Adjusted Incremental Surcharge %	2.14%	0.99%	-0.40%	3.00%	0.16%	

Notes:

- (1) Revenue from 2023 normalized loads and customers at present billing rates effective since November 1, 2023.
- (2) The carryover balances will differ from the 3% adjustment amounts due to the revenue related expense gross up partially offset by additional interest on the outstanding balance during the amortization period.