



8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166  
TELEPHONE 509-734-4500 FACSIMILE 509-737-7166  
www.cngc.com

CNG/W13-09-01

October 24, 2013

Mr. Steven V. King  
Acting Executive Director and Secretary  
Washington Utilities & Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

**Re: Cascade Natural Gas PGA Annual Filing, Docket UG-131870**

Dear Mr. King:

Cascade Natural Gas Corporation ("Cascade") hereby encloses this replacement cover letter per discussion with Commission Staff in order to provide more detail in the letter.

The following proposed tariff sheet containing a requested effective date of November 1, 2013:

**Forty-Ninth Rev. Sheet No. 502, Canceling Forty-Eighth Rev. Sheet No. 502**  
**Fifty-Fourth Rev. Sheet No. 503, Canceling Fifty-Third Rev. Sheet No. 503**  
**Thirty-Eighth Rev. Sheet No. 504, Canceling Thirty-Seventh Rev. Sheet No. 504**  
**Thirty-Seventh Rev. Sheet No. 505, Canceling Thirty-Sixth Rev. Sheet No. 505**  
**Fifty-Third Rev. Sheet No. 511, Canceling Fifty-Second Rev. Sheet No. 511**  
**Thirty-Fourth Rev. Sheet No. 512, Canceling Thirty-Third Rev. Sheet No. 512**  
**Fifty-First Rev. Sheet No. 541, Canceling Fiftieth Rev. Sheet No. 541**  
**Forty-Eighth Sheet No. 570, Canceling Forty-Seventh Rev. Sheet No. 570**  
**Forty-Fifth Rev. Sheet No. 577, Canceling Forty-Fourth Rev. Sheet No. 577**

The proposed tariffs will result in an estimated annual revenue increase of approximately \$10.5 million or an increase in annual revenue of 5.86%. The average residential customer using 54 therms per month will see an increase of \$2.67.

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.

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<b>Service</b>	<b>Sch. No.</b>	<b>Commodity Change per therm</b>	<b>Demand Change per therm</b>	<b>Total Rate Change</b>	<b>Proposed Rate per therm</b>	<b>Percent Change</b>
Dry Out	502	\$0.03674	\$0.01254	\$0.04928	\$0.62748	5.59%
Residential	503	\$0.03674	\$0.01273	\$0.04947	\$0.63006	5.56%
Commercial	504	\$0.03674	\$0.01254	\$0.04928	\$0.62748	5.98%
Industrial	505	\$0.03674	\$0.01159	\$0.04833	\$0.61468	7.14%
Industrial Lg Vol	511	\$0.03674	\$0.01159	\$0.04833	\$0.61468	7.14%
Compressed Nat. Gas	512	\$0.03674	\$0.01254	\$0.04928	\$0.62748	6.37%
Gas A/C	541	\$0.03674	\$0.01254	\$0.04928	\$0.62748	0.00%
Interruptible	570	\$0.03674	\$0.01064	\$0.04738	\$0.60191	8.37%
Interruptible Inst.	577	\$0.03674	\$0.01064	\$0.04738	\$0.60191	7.59%

Purchased Gas Adjustment 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 up slightly from last year.

Coincident with this filing, Cascade is proposing a November 1<sup>st</sup> effective date for companion filings; Temporary Technical Adjustment (deferral amortization or TTA), Conservation Program Adjustment (CPA), and its pipeline Cost Recovery Mechanism (CRM). The impact of all four dockets combined is a revenue increase of \$34,244,620 (17.29%). The impact to an average residential customer using 54 therms per month will be \$8.70.

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 2013 explaining the PGA process and Cascade will publish on its webpage the anticipated rate increase. Additionally, the Company will issue bill inserts to all of its customers following final disposition of this filing. A copy of the August 2013 bill insert and a draft of the post-approval notification have been included with this filing. The proposed change will affect all of Cascade's Washington customers. Cascade serves approximately 172,951 residential, 24,720 commercial and 360 industrial customers in the state of Washington.

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

Sincerely,



Michael Parvinen  
Director, Regulatory Affairs

Attachments