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CNG/W13-09-03

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 CPA (Conservation Program Adjustment) Annual Filing,  
Docket UG-131872**

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 tariff sheets containing a requested effective date of November 1, 2013:

**Seventy-Eighth Rev. Sheet No. 596 Canceling Seventy- Seventh Rev. Sheet No. 596  
Eighteenth Revision Sheet No. 2-A Canceling Seventeenth Revision Sheet No. 2-A**

The purpose of this filing is to create a new rate schedule to pass on changes in the amount of conservation program adjustments affecting customer rates as a result of deferral account amortizations.

In previous years, the conservation deferral accounts were included in the annual gas cost deferral amortization filing. Per agreement with Public Counsel, Cascade has provided a separate filing for the deferred accounts associated with the conservation programs.

The rates contains information developing the level of the per therm change necessary to amortize the outstanding deferral balances of \$3,345,704. The annual revenue change reflected in this filing is a decrease of (\$611,126) to customers, or a decrease in annual revenue of (.34%). The slight decrease is related to reduced expenditure in Conservation. The average residential customer using 54 therms per month will see a bill reduction of \$.15. Below is a table summarizing the proposed changes reflected in this filing:

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<u>Service</u>	<u>Sch. No.</u>	<u>Rate Change</u>	<u>Proposed Rate Per Therm</u>	<u>Percent Change</u>
Dry Out	502	(\$0.00289)	\$0.01298	-0.36%
Residential	503	(\$0.00286)	\$0.01298	-0.35%
Commercial	504	(\$0.00286)	\$0.01298	-0.38%
Industrial	505	(\$0.00289)	\$0.01298	-0.48%
Industrial Lg Vol	511	(\$0.00289)	\$0.01298	-0.48%
Compressed Nat. Gas	512	(\$0.00289)	\$0.01298	-0.41%
Gas A/C	541	(\$0.00289)	\$0.01298	0.00%
Interruptible	570	(\$0.00289)	\$0.01298	-0.59%
Interruptible Inst.	577	(\$0.00289)	\$0.01298	-0.53%

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 has been included with this filing. The proposed change will affect all of Cascade's Washington core customers. Cascade serves approximately 171,951 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