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September 30, 2014

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

Re: Pipeline Replacement Cost Recovery Mechanism **update** in Accordance with Commission Policy Statement in Docket UG-120715. Original filing under Advice No. CNG/W14-05-01, Docket UG-141202

Dear Mr. King:

In accordance with the Commission's policy statement in Docket UG-120715 Cascade hereby submits its update to the Cost Recovery Mechanism with actual costs as of August 31, 2014, and estimated costs through October 31, 2014.

Cascade will be providing its final update once September actual costs are known per the policy statement. Cascade will also replace the originally filed tariff based on the data in the final update.

If there are any questions regarding this update please contact me at (509) 734-4593.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Parvinen", with a long horizontal flourish extending to the right.

Michael Parvinen
Director, Regulatory Affairs

In the Community to Serve

Project	Location	Estimated Cost	Actual Cost	31-Aug-14
1 2" Richard IP Canal Crossing	Kennewick	\$0	\$0	
2 College Station Replacement (CARS Project)	Walla Walla	\$0	\$0	
3 9" HP Replacement	Wenatchee	\$188,644	\$23,117	
4 Wenatchee River Railroad Bridge Replacement	"	\$0	\$64,518	
5 Othello Replacement	Aberdeen	\$145,852	\$95,852	
6 Sangison Loop Replacement	"	\$41,063	\$6,690	
7 Young Street Bridge	"	\$50,371	\$5,371	
8 Fry Creek Exposure	Bellingham	\$294,031	\$280,730	
9 James Street Relocate	"	\$24,669	\$11,968	
10 James Street Relocate - IP	"	\$0	\$15,020	
11 8" Bellingham HP Line #1 Replacement	"	\$15,020	\$10,779	
12 2" Steel Main Replacement - James Street	"	\$24,656	\$2,116	
13 4" Steel Main Replacement - Magnolia & State Street	"	\$7,041	\$2,116	
14 2" Steel Main Replacement - Magnolia & State Street	Bremerton	\$1,789,127	\$1,789,127	
15 SR 3 - Belfair Relocate	"	\$0	\$0	
16 R-146 (associated Piping)	"	\$323,528	\$323,528	
17 Longview Bare Steel Replacement - Phase II	Longview	\$1,143,831	\$129,690	
18 Longview Bare Steel Replacement - Phase III	"	\$335,377	\$335,377	
19 Ocean Beach Highway	Kelso	\$540,696	\$540,696	
20 Kelso Main Street Relocate	"	\$28,599	\$28,540	
21 Anacortes Bare Steel Replacement - Phase I	Mt Vernon	\$1,071,157	\$771,382	
22 Anacortes Bare Steel Replacement - Phase II	"	\$104,492	\$104,492	
23 Fir Street Replacement	"	\$199,757	\$199,757	
24 Zillah Replacement at Meyers Bridge	"	\$50,000	\$50,000	
25 LaConner Bridge	"	\$6,385,285	\$4,481,249	

	Schedule 503	Schedule 502	Schedule 504	Schedule 512	Schedule 511	Schedule 505	Schedule 570	Schedule 577	Schedule 663	
26 Rate Base Allocation from UG-060256 Company COS	\$218,725,267	\$101,213,281	\$1,206,702	\$70,606,839	\$26,846	\$4,562,375	\$8,250,589	\$541,665	\$109,353	\$32,230,617
27 Percentage	100.00%	46.27%	0.55%	32.28%	0.01%	2.09%	3.76%	0.25%	0.05%	14.74%

28 Total Investment Ln 25 6,385,285

29 Depreciation Expense - Rate 2.58% Ln 28* 2.58% 164,740
 30 Accumulated Dep. (Avg) Ln 29 / 2 82,370
 31 Tax depreciation - Rate 5.00% Ln 28 * 5% 319,284
 32 Deferred Tax (Ln 31 - Ln 29) * .35 Ln 31 - Ln 29) * .35 54,083
 33 Accum Dep Tax (Avg) Ln 32 / 2 27,042
 34 FIT Ln 29 * .35 57,659
 35 Rate Base 6,275,874
 36 Authorized ROR from UG-060256 8.85%

37 NOI (Ln 35 * Ln 36) and (Ln 29 - Ln 47) \$555,415
 38 Total NOI Sum Ln 37 \$107,081
 39 Conversion Factor from Company Testimony in UG-060256 \$662,496
 40 Revenue Requirement (Current Year Investment) 0.6218025
 41 Revenue Requirement from Previous Year Invest) \$1,065,444
 42 Total Revenue Requirement Ln 40 + Ln 41 \$1,012,249
 43 Allocation Req Req to Schedules Ln 42 * Ln 27 \$2,077,694

44 Weather Normalized 2013 Volumes \$961,435
 45 Rate Change Ln 43 / Ln 44 \$0.00930
 46 S02 and S03 Combined Rev. Req. Ln 46 / Ln 47 \$972,898
 47 S02 and S03 Combined Weather Norm. Vol. 116,270,961
 48 Combined S02 and S03 Rate Schedule \$0.00837
 49 2013 Commission Basis Total Revenue \$210,300,690
 50 Percentage Increase in Revenue (Ln 42 - UG-131959 (Ln 21) / Ln 49 0.49%