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CNG/W15-07-03

July 31, 2015

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

**Re: Cascade Natural Gas PGA TTA Annual Filing**

Dear Mr. King:

Cascade Natural Gas Corporation ("Cascade") hereby encloses for filing the following proposed tariff sheet containing a requested effective date of November 1, 2014:

**Thirty-Fourth Rev. Sheet No. 595, Canceling Thirty-Third Rev. Sheet No. 595**

The purpose of this filing is to pass on changes in the amount of temporary technical adjustments affecting customer rates as a result of deferral account amortizations and charges to the prospective purchased gas costs. Temporary Technical Adjustment Schedule No. 595 combines prior period rate adjustments and new rate adjustments designed to amortize current outstanding deferral account balances (including accrued interest) as well as the prospective changes to expected gas costs, the Purchase Gas Adjustment (PGA) component.

The rates contained in the attached Schedule 595 will credit the remaining deferral balance of (\$1,040,868). The annual revenue change reflected in this filing is a decrease of (\$9,433,853) to customers, or a decrease in annual revenue (4.33%). The average residential customer using 46 therms per month will see a decrease of (\$2.29). Below is a table summarizing the proposed changes reflected in the deferral amortization portion of the filing:

*In the Community to Serve®*

<u>Service</u>	<u>Sch. No.</u>	<u>Rate Change</u>	<u>Proposed Rate Per Therm</u>	<u>Percent Change</u>
Dry Out	502	(\$0.05005)	(\$0.00658)	(4.48%)
Residential	503	(\$0.05005)	(\$0.00658)	(4.51%)
Commercial	504	(\$0.05005)	(\$0.00658)	(4.81%)
Industrial	505	(\$0.05005)	(\$0.00658)	(5.64%)
Industrial Lg Vol	511	(\$0.05005)	(\$0.00658)	(5.83%)
Compressed Nat. Gas	512	(\$0.05005)	(\$0.00658)	(5.20%)
Gas A/C	541	(\$0.05005)	(\$0.00658)	0.00%
Interruptible	570	(\$0.05005)	(\$0.00658)	(6.70%)
Interruptible Inst.	577	(\$0.05005)	(\$0.00658)	(5.84%)
Distribution	663	\$0.00016	(\$0.00007)	0.48%

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.

The proposed tariffs will result in an estimated annual revenue decrease of approximately (\$19.8) million or a decrease in annual revenue of (9.06%). The average residential customer using 46 therms per month will see a decrease of (\$4.80).

<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	(\$0.09756)	(\$0.00632)	(\$0.10388)	\$0.55466	(9.32%)
Residential	503	(\$0.09756)	(\$0.00642)	(\$0.10388)	\$0.55763	(9.39%)
Commercial	504	(\$0.09756)	(\$0.00632)	(\$0.10388)	\$0.55466	(10.02%)
Industrial	505	(\$0.09756)	(\$0.00584)	(\$0.10340)	\$0.53995	(11.68%)
Industrial Lg Vol	511	(\$0.09756)	(\$0.00584)	(\$0.10340)	\$0.53995	(12.09%)
Compressed Nat. Gas	512	(\$0.09756)	(\$0.00632)	(\$0.10388)	\$0.55466	(10.82%)
Gas A/C	541	(\$0.09756)	(\$0.00632)	(\$0.10388)	\$0.55466	(0.00%)
Interruptible	570	(\$0.09756)	(\$0.00536)	(\$0.10292)	\$0.52528	(13.80%)
Interruptible Inst.	577	(\$0.09756)	(\$0.00536)	(\$0.10292)	\$0.52528	(12.05%)

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 September 1<sup>st</sup> effective date for a companion filing: Conservation Program Adjustment (CPA). The impact of both dockets combined is a revenue decrease of (\$29,407,433) or (13.49%) decrease. The impact to an average residential customer using 46 therms per month will be (\$7.10).

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 2015 explaining the PGA process and Cascade will publish on its webpage the anticipated rate decrease. A copy of the August 2015 bill insert has been included with this filing. The proposed change will affect all of Cascade's Washington customers. Cascade serves approximately 178,098 residential, 25,104 commercial and 451 industrial customers in the state of Washington.

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

Sincerely,

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

Michael Parvinen  
Director, Regulatory Affairs

Attachments