

NOTICE OF PROPOSED RATE INCREASE

On February 28, 2019, Cascade Natural Gas Corporation (Cascade) filed the following request with the Washington Utilities and Transportation Commission (WUTC) proposing an overall average 11.94 percent temporary revenue increase, effective April 1, 2019. The increase is proposed to be in place for two years.

Deferred Gas Cost Recovery: Cascade requested an adjustment to rates to recover the increased cost of natural gas resulting from a pipeline explosion on the Enbridge supply pipeline that occurred on October 9, 2018. The explosion and subsequent repair impacted gas supplies and prices beginning in October 2018 through the current year. This temporary rate increase is proposed to be in place for two years to help mitigate the financial burden on customers.

Gas costs are a straight pass through, meaning, Cascade does not earn a profit on the cost of gas. The actual cost of gas is compared to the approved cost built into customer rates with the difference ultimately being charged or refunded to customers in a subsequent period. This filing is the true-up component to pass on actual increased gas costs that Cascade has incurred and paid.

Cascade has worked diligently to manage gas costs and even with the proposed increase, customers' bills are 19 percent lower than they were in 2009.

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Avg Res Bill	\$61.54	\$55.49	\$48.98	\$45.41	\$54.12	\$57.34	\$48.81	\$45.71	\$49.30	\$43.75	\$49.82

The WUTC will review this filing and has the authority to set final rates that may vary from Cascade's requests, either higher or lower, depending on the results of its investigation.

If the WUTC approves this proposal, the total increase for a residential customer using 54 therms per month will be 13.88 percent or \$6.07 more per month, increasing the total average monthly Cascade bill from \$43.75 to \$49.82.

The combined proposed rate changes for residential, commercial, and industrial customers are:

Type of Service	Current Rate**	Current Avg Bill *	Proposed Rate**	Proposed Avg Bill *	Percent Change in Bill
Residential, Schedule 503	\$0.71755	\$43.75	\$0.83000	\$49.82	13.88%
Commercial, Schedule 504	\$0.66846	\$196.83	\$0.78091	\$227.75	15.71%
Industrial Firm, Schedule 505	\$0.59931	\$15,928.93	\$0.71176	\$18,906.48	18.69%
Com-Ind Dual Service, Schedule 511	\$0.48410	\$81,273.12	\$0.59655	\$100,122.85	23.19%
Industrial Interruptible, Schedule 570	\$0.47938	\$120,437.68	\$0.59183	\$148,650.83	23.43%

* The average bill includes the monthly basic charge which has not changed with this filing.

** Rate Schedules 505, 511, 570 show an average current and proposed rate due to the tiered rate structure.

For additional information on the proposed rate increase, conservation tips, energy efficiency programs, energy assistance programs and bill payment plans, visit the Cascade Natural Gas website at www.cngc.com; call 1-888-522-1130; or write to c/o Cascade Regulatory Department, 8113 W Grandridge Blvd, Kennewick WA 99336-7166.

You can contact the WUTC to submit questions or to be notified of the scheduled open meeting, at which time the proposal will be considered by the commission:

- On the WUTC website at www.utc.wa.gov, and click on Submit a Comment
- By email to comments@utc.wa.gov
- By phone at 1-888-333-9882
- In writing: WUTC
P.O. BOX 47250
Olympia, WA 98504-7250

Please include your name and mailing address, reference the name of company (Cascade Natural Gas Corporation) and Advice No. CNG/W19-02-02.

The WUTC is committed to providing reasonable accommodations to participants with disabilities: Contact WUTC at 360-664-1132, 306-664-1243 or email humanresources@utc.wa.gov.

