

NOTICE OF PROPOSED RATE CHANGE | FOR WASHINGTON CUSTOMERS

On September 15, 2023, Cascade Natural Gas Corporation (Cascade) filed the following requests with the Washington Utilities and Transportation Commission (WUTC) proposing an overall average 0.02 percent decrease in revenues with a variable impact to rates for customer groups with natural gas service. The rate changes are proposed to become effective November 1, 2023:

- **Purchased Gas Adjustment (PGA):** Cascade requested a decrease to rates for the cost of natural gas. Gas costs are a straight pass through of cost and Cascade does not earn a profit on these costs. For gas costs alone, the average residential customer using 54 therms per month will see a bill decrease of \$0.15 per month or 0.20 percent less. The proposed rate decrease is primarily due to a decrease in wholesale natural gas costs.
- **Cost Recovery Mechanism for Pipeline Replacement (CRM):** Cascade asked to recover the costs incurred for the replacement of aging natural gas pipes. The CRM allows Cascade to continue to provide customers with safe and reliable gas service. The typical residential customer using 54 therms per month will see a bill increase of \$0.63 per month or 0.84 percent more for the CRM costs.
- **Decoupling Mechanism Adjustment:** Decoupling is an adjustment that breaks the link between the volume of gas sold and Company revenues without removing the price signal to encourage efficient gas usage. Cascade requested to charge customers the difference between authorized revenue and actual billed revenue consistent with Cascade's Rule 21, Decoupling Mechanism, and Commission Order 04 in Docket UG-152286. Billed and authorized revenue differ for a number of reasons including the installation of conservation measures, weather variations, and different gas usage patterns. For the decoupling mechanism adjustment, the average residential customer using 54 therms per month will see a bill decrease of \$1.64 per month or 2.18 percent less.
- **Conservation:** Cascade's energy efficiency programs offer financial incentives for customers to install energy efficient appliances or weatherization measures, forestalling for all customers the increased cost of new gas supplies. Cascade requested an increase to its rates that collects actual conservation program costs. For conservation costs alone, an average residential customer using 54 therms per month will see a bill increase of \$0.88 per month or 1.17 percent more.
- **Unprotected Excess Deferred Income Tax:** This relates to the Tax Cut and Jobs Act that reduced the federal income tax rate effective January 1, 2018. For this adjustment, the average residential customer using 54 therms per month will see a bill increase of \$0.01 per month or 0.01 percent more.
- **Washington Energy Assistance Fund (WEAF) Cost Recovery:** This rate recovers the uncollected program costs from the 2022-2023 program year as well as the COVID-19 Big Heart Grants that were offered temporarily under Schedule 304. For the WEAF Cost Recovery, an average residential customer using 54 therms per month will see a bill increase of \$0.51 per month or 0.68 percent more.

The WUTC will review each of these filings 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 all proposals, the total increase for a typical residential customer using 54 therms per month will be \$0.23 more per month or 0.31 percent, bringing the total average monthly Cascade bill to \$75.46 from \$75.23. The combined proposed rate changes for residential, commercial, and industrial customers are:

Type of Service	Current Rate	Current Average Bill**	Proposed Rate	Proposed Average Bill**	Percent Change in Bill
Residential, Schedule 503	\$1.30059	\$75.23	\$1.30491	\$75.46	0.31%
Commercial, Schedule 504	\$1.25728	\$353.72	\$1.22795	\$345.77	(2.25%)
Industrial Firm, Schedule 505*	\$1.13654	\$2,304.48	\$1.14526	\$2,321.86	0.75%
Com-Ind Dual Service, Schedule 511	\$1.06448	\$17,836.88	\$1.11788	\$18,725.46	4.98%
Industrial Interruptible, Schedule 570	\$0.99783	\$23,345.58	\$1.01894	\$23,835.95	2.10%
Transport, Schedule 663*	\$0.04586	\$12,050.38	\$0.04772	\$12,582.12	4.41%

* Due to tiered rate structures based on individual customer consumption, Rate Schedules 505 and 663 reflect average rates.

** The average bill includes the monthly basic charge which will not change with these filings.



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For additional information on the proposed rate changes, conservation tips, energy efficiency programs, energy assistance programs, and bill payment plans

- ▶ Visit Cascade Natural Gas's 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.

The Commission has the authority to set final rates that may be either lower or higher than the company's request, depending on the results of its investigation. You can comment on the case by using the "Submit a Comment" feature at the Commission's web site (www.utc.wa.gov) or by using the contact information below.*

Washington Utilities and Transportation Commission
Post Office Box 47250
Olympia, WA 98504-7250

E-mail: comments@utc.wa.gov

Telephone: 1-888-333-WUTC (9882)

Commission Staff will make a recommendation to the Commissioners at an open meeting which you may attend. You will have an opportunity to provide your comments at this meeting either in person or remotely. If you intend to listen or participate remotely, call 360-664-1234 at least a day before the open meeting for instructions and to sign in. You should also call this number if you plan to attend in person to verify that the case has not been rescheduled to a later open meeting date.

The Commission's street address is 621 Woodland Square Loop SE, Lacey.

The WUTC is committed to providing reasonable accommodation for participants with disabilities. If you need reasonable accommodation to participate in this open meeting, please contact the Commission at 1-888-333-9882 or email consumer@utc.wa.gov.

*Please include your name and mailing address, reference the name of company (Cascade Natural Gas Corporation) and Advice Nos. CNG/W23-09-01, CNG/W23-09-02, CNG/W23-09-03, CNG/ W23-09-04, and CNG/W23-09-05 and Docket No. UG-230426.

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