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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).

Service	Sch. No.	Commodity Change per therm	Demand Change per therm	Total Rate Change	Proposed Rate Per Therm	Percent Change
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 1st 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

CASCADE NATURAL GAS CORPORATION

TEMPORARY TECHNICAL ADJUSTMENT
SCHEDULE NO. 595

APPLICABLE:

This adjustment applies to gas service rendered by the Company under the tariff of which this schedule is a part for service on and after the effective date hereof and shall be in addition to all rates and charges specified in this tariff.

MONTHLY RATES AND MINIMUM BILLS:

Each of the charges, except Demand and Customer Service Charges, of Schedule Nos. 505 and 511 are to be decreased by (\$0.00658) per therm and (\$0.00658) per therm or an appropriate multiple thereof respectively. (R)

Each of the charges, except Demand and Customer Service Charges, of the following Schedule Nos. are to be decreased as follows: 502 by (\$0.00658) per therm, 503 by (\$0.00658) per therm, 504 by (\$0.00658) per therm, 512 by (\$0.00658) per therm and 541 by (\$0.00658) per therm or an appropriate multiple thereof. (R)
(R)

Each of the charges of Schedule Nos. 570 are to decreased by (\$0.00658) per therm or an appropriate multiple thereof. (R)
Each of the charges of Schedule No. 577 are to be decreased by (\$0.00658) per therm or an appropriate multiple thereof. (R)

The commodity rates charged under Schedule Nos. 685 and 686 are to be increased by \$0.00000 per therm or an appropriate multiple thereof.

The delivery charge under Schedule No. 663 is to be decreased by (\$0.00007). (I)

SPECIAL TERMS AND CONDITIONS:

The rates named herein are subject to increases set forth in Schedule No. 500.

WEIGHTED AVERAGE COST OF GAS (WACOG)

Each of the charges, except Demand and Customer Service Charges, are to be decreased by:

Schedule Nos.	Commodity Change per therm	Demand Change per therm	Total Rate Change
502, 503, 504	(\$0.09756)	(\$0.00632)	(\$0.10388)
505, 511	(\$0.09756)	(\$0.00584)	(\$0.10340)
512, 541	(\$0.09756)	(\$0.00632)	(\$0.10388)
570, 577	(\$0.09756)	(\$0.00536)	(\$0.10292)

(N)

(R)

(N)(R)

CNG/W15-07-03

ISSUED July 31, 2015

EFFECTIVE September 1, 2015

BY

Michael Parvinen

ISSUED BY CASCADE NATURAL GAS CORPORATION

TITLE Director

Regulatory Affairs

Cascade Natural Gas Corporation
 CALCULATION OF PER THERM RATES TO AMORTIZE DEFERRED ACCOUNTS
 State of Washington

Line No.	Consolidated Account (a)	Account Balance 6/30/2015 (b)	Interest Assignments & Amortization through 8/31/2015 (c)	Revenue Sensitive costs (d)	Interest Accruals Through Am. (e)	Amount (f)	PROPOSED TECH. ADJUSTMENTS		Proposed Period of Am. (j)	Item (k)
							CORE	NONCORE		
1	CORE Gas Cost	\$ (992,543)	\$ (626,916)	\$ (76,931)	\$ 4,030	\$ (1,692,360)				
2					Divide by	257,508,667			1 Year	Core Gas Deferrals Core
3	ALL	\$ (7,436)	\$ (77)	\$ (357)	\$ 9	\$ (7,861)				
4					Divide by	915,599,327			1 Year	Consolidation of accounts amortizing for all markets. All
5	Non-Core Transport	\$ (40,890)	\$ 3,869	\$ (1,759)	\$ 96	\$ (38,684)				
6					Divide by	658,090,660			1 Year	Consolidated Tech Adjustments - Non Core Transport Non-Core
9	TOTAL	\$ (1,040,868)	\$ (623,124)	\$ (79,047)	\$ 4,135	\$ (1,738,905)	\$ (0.00657)	\$ (0.00657)		
							\$ (0.00001)	\$ (0.00001)		
								\$ (0.00006)		
								\$ (0.00007)		

Cascade Natural Gas Corporation
DERIVATION OF PROPOSED RATE LEVEL WITHIN
RATE ADDITION SCHEDULE NO. 595
State of Washington

TTA Exhibit
Schedule 1 of 1
Page 2 of 5

Description (a)	Rate Schedule (b)	Reverse Prior Temporary Rate Adj. (c)	Gas Cost Related Temporary Rate Adj. (d)	Incremental R/S 595 Rate Change (f)	Posted R/S 595 Tariff Rate (g)
CORE MARKET RATE SCHEDULES					
Dry Out	502	\$ (0.04347)	\$ (0.00658)	\$ (0.05005)	\$ (0.00658)
Residential	503	\$ (0.04347)	\$ (0.00658)	\$ (0.05005)	\$ (0.00658)
Commercial	504	\$ (0.04347)	\$ (0.00658)	\$ (0.05005)	\$ (0.00658)
Compressed Nat. Gas	512	\$ (0.04347)	\$ (0.00658)	\$ (0.05005)	\$ (0.00658)
Gas A/C	541	\$ (0.04347)	\$ (0.00658)	\$ (0.05005)	\$ (0.00658)
Com-Ind Dual Service	511	\$ (0.04347)	\$ (0.00658)	\$ (0.05005)	\$ (0.00658)
Industrial Firm	505	\$ (0.04347)	\$ (0.00658)	\$ (0.05005)	\$ (0.00658)
Industrial Interr.	570	\$ (0.04347)	\$ (0.00658)	\$ (0.05005)	\$ (0.00658)
Institutional Interr.	577	\$ (0.04347)	\$ (0.00658)	\$ (0.05005)	\$ (0.00658)
NONCORE MARKET CUSTOMERS					
Distribution	663	\$ 0.00023	\$ (0.00007)	\$ 0.00016	\$ (0.00007)
Transportation	685/686	\$ -	\$ -	\$ -	\$ -
Special Contract	9xx	\$ -	\$ -	\$ -	\$ -

(c) from 2012 TTA Exhibit__(KJB-1), Schedule 1, pg 3

(d) from TTA Exhibit, Schedule 1, pg 1

(e) from TTA Exhibit, Schedule 1, pg 2

Cascade Natural Gas Corporation
 WASHINGTON 2014 PURCHASED GAS ADJUSTMENT APPLICATION
 BASED UPON THE TWELVE MONTHS ENDED 6/30/2015
 State of Washington

TTA Exhibit
 Schedule 1 of 1
 Page 3 of 5

Line No.	Description (a)	Rate Schedule (b)	Average # of Bills (c)	Actual Therms Sold (d)	Actual Revenue (e)	Per Therm TTA Change (g)	Amount of Change (h)	
CORE MARKET RATE SCHEDULES								
1	Dry Out	502	489	288,672	322,653	\$ (0.05005)	\$ (14,448)	-4.48%
2	Residential	503	177,383	97,203,982	107,962,519	\$ (0.05005)	\$ (4,865,059)	-4.51%
3	Commercial	504	25,034	68,175,988	70,867,597	\$ (0.05005)	\$ (3,412,208)	-4.81%
4	Industrial Firm	505	431	10,884,754	9,662,934	\$ (0.05005)	\$ (544,782)	-5.64%
5	Large Volume	511	80	9,088,995	7,796,892	\$ (0.05005)	\$ (454,904)	-5.83%
6	Compressed Natural Gas	512	1	42,600	41,002	\$ (0.05005)	\$ (2,132)	-5.20%
7	Gas A/C	541	-	-	-	\$ (0.05005)	\$ -	0
8	Industrial Interruptible	570	10	3,777,902	2,824,032	\$ (0.05005)	\$ (189,084)	-6.70%
9	Institutional	577	3	292,438	250,489	\$ (0.05005)	\$ (14,637)	-5.84%
10	Subtotal Core		203,431	189,755,331	199,728,118		\$ (9,497,254)	
NONCORE MARKET RATE SCHEDULES								
11	Pipeline Transportation	685/686		-	-	\$ -	\$ -	
	Distribution	663	181	396,254,383	13,100,585	\$ 0.00016	\$ 63,401	0.48%
12	Special Contracts	9xx	13	291,320,688	5,237,198	\$ -	\$ -	
13	Subtotal Non-core		194	687,575,071	18,337,783		\$ 63,401	
14	CORE & NON-CORE		203,625	877,330,402	218,065,901		\$ (9,433,853)	-4.33%

Cascade Natural Gas Corporation
TYPICAL MONTHLY THERM USAGE AND COST BY CLASS
FOR TWELVE MONTHS ENDED 6/30/2015
State of Washington

TTA Exhibit
Schedule 1 of 1
Page 4 of 5

Line No.	Description (a)	Therm Sales (b)	Revenue at 11/01/2014 Rates (c)	Per Therm Rate Change (d)	Amount of Change (e)	Percent Change (f)
1	Residential (503)	97,203,982	107,962,519	\$ (0.05005)	(4,865,059)	-4.51%
2	Commercial (504)	68,175,988	70,867,597	\$ (0.05005)	(3,412,208)	-4.81%
3	Industrial (505)	10,884,754	9,662,934	\$ (0.05005)	(544,782)	-5.64%
4	Industrial Lg Vol (511)	9,088,995	7,796,892	\$ (0.05005)	(454,904)	-5.83%
5	Interruptible (570)	3,777,902	2,824,032	\$ (0.05005)	(189,084)	-6.70%
6	Interruptible Inst. (577)	292,438	250,489	\$ (0.05005)	(14,637)	-5.84%
7	Noncore Dist (663)	396,254,383	13,100,585	\$ 0.00016	63,401	0.48%
8	Noncore Trans (685, 686) *	-	-	\$ -	-	-

* 685 Therm Sales represent true-up between Williams Pipeline and Cascade; remainder of sales are transportation under 901 contract.

Cascade Natural Gas Corporation
TYPICAL MONTHLY THERM USAGE AND COST BY CLASS
FOR TWELVE MONTHS ENDED 6/30/2015
State of Washington

TTA Exhibit
Schedule 1 of 1
Page 5 of 5

Line No.	Description (a)	Typical Monthly Therm Use (b)	Avg Bill @ 09/01/2015 Rates (c)	Present Filing Changes (d)	Proposed Typical Bill (e)	Percent Change (f)
1	Residential (503)	46	\$ 50.72	\$ (2.29)	\$ 48.43	-4.51%
2	Commercial (504)	227	\$ 235.90	\$ (11.36)	\$ 224.55	-4.81%
3	Industrial (505)	N/A*	\$ 0.88775	\$ (0.05005)	\$ 0.83770	-5.64%
4	Industrial Lg Vol (511)	N/A*	\$ 0.85784	\$ (0.05005)	\$ 0.80779	-5.83%
5	Interruptible (570)	N/A*	\$ 0.74751	\$ (0.05005)	\$ 0.69746	-6.70%
6	Interruptible Inst. (577)	N/A*	\$ 0.85655	\$ (0.05005)	\$ 0.80650	-5.84%
7	Noncore Dist (663)	N/A*	\$ 0.03306	\$ 0.00016	\$ 0.03322	0.48%
8	Noncore Trans (685, 686)	N/A*	N/A	\$ -	N/A	N/A

**The large variation among customers in the Industrial, Interruptible, and Noncore customer classes renders average consumption numbers meaningless, therefore only per-therm figures have been listed*

Cascade Natural Gas Corporation
 WASHINGTON 14/15 PURCHASED GAS COST TRACKING APPLICATION
 DEVELOPMENT OF EMBEDDED SUPPLY & PIPELINE TRANSPORTATION RATES

Shaded means requires manual entry from Prior Year Washington PGA Gas Cost Workbook

	UNITS	8/1/2012 RATE	AMOUNT	CURRENT COST OF GAS	
				COMMODITY	DEMAND
CANADIAN UPSTREAM RESV COSTS	214,600	\$13.128260	\$2,817,330		\$2,817,330
DOMESTIC UPSTREAM NON-DIRECT RESV COSTS	108,538	\$1.350000	\$146,527		\$146,527
SUPPLY DEMAND CHARGES	283,587	\$0.050130	\$14,216	\$14,216	
COMPANY CONTRACT SUPPLY COMMODITY	213,822,293	\$0.426480	\$91,190,212	\$91,190,212	
GTN T-1 Agmt 00179	103,035	\$9.077070	\$935,257		\$935,257
GTN T-1 (Malin) Agmt 02812	0	\$6.264820	\$0	\$2,233,674	\$0
GTN T-3 (Expansion) Agmt 00152	0	\$4.833230	\$0		\$0
GTN 2003 Expansion Agmt 08844	0	\$6.264820	\$0		\$0
GTN South to North Agmt 12094	10,854	\$5.833760	\$63,319		\$63,319
GTN COMMODITY	3,000,966	\$0.039220	\$117,686	\$117,686	
NWP TF-1 100002 (principle transport--All Rec/All Del contract)	1,859,827	\$14.965000	\$27,832,315		\$27,832,315
NWP TF-1 Direct to Washington /1	668,850	\$13.263440	\$8,871,252		\$8,871,252
NWP TF-1 Split to specific OR and WA points	381,635	\$14.965000	\$5,711,168		\$5,711,168
NWP TF-1 Weyerhaeuser	50,000	\$14.965000	\$748,250		\$748,250
TF-1 COMMODITY	227,248,973	\$0.003120	\$709,017	\$709,017	
LS-1 DEMAND	534,877	\$0.944260	\$505,060		\$505,060
LS-1 CAPACITY	5,156,337	\$0.120820	\$622,963		\$622,963
LS-1 COMMODITY	5,156,337	\$0.383700	\$1,978,489	\$1,978,489	
LS-INVENTORY	5,156,337	\$0.023060	\$118,907		\$118,907
LS-1 LIQUEFACTION	5,156,337	\$0.090860	\$468,479		\$468,479
LS-1 VAPORIZATION	5,156,337	\$0.003390	\$17,459		\$17,459
TF-2 TRANSPORTATION CAPACITY	14,127	\$14.965000	\$211,410		\$211,410
TF-2 TRANSPORTATION COMMODITY	5,156,337	\$0.003000	\$15,469	\$15,469	
SGS-1 DEMAND	149,667	\$0.570130	\$85,330		\$85,330
SGS-1 CAPACITY	5,542,934	\$0.020810	\$115,321		\$115,321
SGS-1 COMMODITY	5,542,934	\$0.380040	\$2,106,562	\$2,106,562	
SGS-1 INVENTORY	5,542,934	\$0.022841	\$126,604		\$126,604
TF-2 TRANSPORTATION CAPACITY	15,186	\$14.965000	\$227,260		\$227,260
TF-2 TRANSPORTATION COMMODITY	5,542,934	\$0.003000	\$16,629	\$16,629	
SGS-JPEXP DEMAND	267,438	\$1.480440	\$395,927		\$395,927
SGS-JPEXP CAPACITY	3,210,100	\$0.127020	\$407,747		\$407,747
SGS-JPEXP STORAGE COMMODITY	3,210,100	\$0.406200	\$1,303,927	\$1,303,927	
SGS-JPEXP INVENTORY	3,210,100	\$0.024412	\$78,366		\$78,366
TF-2 TRANSPORTATION CAPACITY	8,795	\$14.965000	\$131,614		\$131,614
TF-2 TRANSPORTATION COMMODITY	3,210,100	\$0.003000	\$9,630	\$9,630	
SGS-JP3 DEMAND	95,770	\$0.570130	\$54,601		\$54,601
SGS-JP3 CAPACITY	2,812,420	\$0.020810	\$58,512		\$58,512
SGS-JP3 STORAGE COMMODITY	2,812,420	\$0.412190	\$1,159,244	\$1,159,244	
SGS-JP3 STORAGE INVENTORY	2,812,420	\$0.024772	\$69,671		\$69,671
TF-2 TRANSPORTATION CAPACITY	7,705	\$14.965000	\$115,309		\$115,309
TF-2 TRANSPORTATION COMMODITY	2,812,420	\$0.003000	\$8,437	\$8,437	
SGS-TBD1 DEMAND	0	\$0.000000	\$0		\$0
SGS-TBD1 CAPACITY	0	\$0.000000	\$0		\$0
SGS-TBD1 STORAGE COMMODITY	0	\$0.000000	\$0	\$0	
SGS-TBD1 STORAGE INVENTORY	0	\$0.000000	\$0		\$0
TF-2 TRANSPORTATION CAPACITY	0	\$0.000000	\$0		\$0
TF-2 TRANSPORTATION COMMODITY	0	\$0.000000	\$0	\$0	
SGS-TBD2 DEMAND	0	\$0.000000	\$0		\$0
SGS-TBD2 CAPACITY	0	\$0.000000	\$0		\$0
SGS-TBD2 STORAGE COMMODITY	0	\$0.000000	\$0	\$0	
SGS-TBD2 INVENTORY	0	\$0.000000	\$0		\$0
TF-2 TRANSPORTATION CAPACITY	0	\$0.000000	\$0		\$0
TF-2 TRANSPORTATION COMMODITY	0	\$0.000000	\$0	\$0	
Core Mitigation (Net Capacity Release and Storage Revenues)			(\$6,470,859)		(\$6,470,859)
			\$0		\$0
DAILY BALANCING NON-CORE CREDIT	650,332,175	(\$0.00020)	(\$130,066)		(\$130,066)
WA COMMODITY VOLUMES FOR CORE RESOURCES	230,544,084		\$142,964,551	\$100,863,192	\$44,335,033
LAST SALES/TRANSPORT VOLUMES Demand				224,835,060	230,544,084
LAST PROPOSED AVERAGE RATE				\$0.44861	\$0.19231

Cascade Natural Gas Corporation
 WASHINGTON 15/16 PURCHASED GAS COST TRACKING APPLICATION
 DEVELOPMENT OF PROPOSED SUPPLY & PIPELINE TRANSPORTATION RATES

	UNITS	CURRENT RATE	AMOUNT	CURRENT COST OF GAS		EMBEDDED DIFFERENCE
				COMMODITY	DEMAND	
CANADIAN UPSTREAM RESV COSTS	217,808	\$12.87020	\$2,800,661		\$2,800,661	(\$16,669)
DOMESTIC UPSTREAM NON-DIRECT RESV COSTS	196,347	\$1.35750	\$266,541		\$266,541	\$120,014
SUPPLY DEMAND CHARGES	278,578	\$0.05083	\$14,160	\$14,160		
COMPANY CONTRACT SUPPLY COMMODITY	219,808,998	\$0.34002	\$ 74,740,498	\$74,740,498		\$ (16,449,714)
GTN T-1 Agmt 00179	100,451	\$9.07707	\$911,798		\$911,798	(\$23,459)
GTN T-1 (Malin) Agmt 02812	0	\$6.26482	\$0		\$0	\$0
GTN T-3 (Expansion) Agmt 00152	0	\$4.83323	\$0		\$0	\$0
GTN 2003 Expansion Agmt 08844	0	\$6.26482	\$0		\$0	\$0
GTN South to North Agmt 12094	19,635	\$5.83376	\$114,544		\$114,544	
GTN COMMODITY	20,488,261	\$0.03922	\$803,468	\$803,468		\$685,782
NWP TF-1 100002 (principle transport--All Rec/All Del contract)	1,791,420	\$14.96500	\$26,808,595		\$26,808,595	(\$1,023,720)
NWP TF-1 Direct to Washington /1	668,850	\$12.24250	\$8,188,399		\$8,188,399	(\$882,853)
NWP TF-1 Split to specific OR and WA points	381,635	\$14.96500	\$5,711,168		\$5,711,168	(\$0)
NWP TF-1 Weyerhaeuser	50,000	\$14.96500	\$748,250		\$748,250	\$0
TF-1 COMMODITY	233,903,032	\$0.00312	\$729,777	\$729,777		\$20,760
LS-1 DEMAND	521,461	\$0.94684	\$493,742		\$493,742	(\$11,318)
LS-1 CAPACITY	5,136,014	\$0.12115	\$622,208		\$622,208	(\$755)
LS-1 COMMODITY	5,136,014	\$0.31088	\$1,596,679	\$1,596,679		(\$381,810)
LS-INVENTORY	5,136,014	\$0.018684	\$95,960		\$95,960	(\$22,947)
LS-1 LIQUEFACTION	5,136,014	\$0.09086	\$466,633		\$466,633	(\$1,846)
LS-1 VAPOORIZATION	5,136,014	\$0.00339	\$17,391		\$17,391	(\$68)
TF-2 TRANSPORTATION CAPACITY	14,033	\$15.00600	\$210,577		\$210,577	(\$833)
TF-2 TRANSPORTATION COMMODITY	5,136,014	\$0.00300	\$15,408	\$15,408		(\$61)
SGS-1 DEMAND	145,914	\$0.57169	\$83,418		\$83,418	(\$1,912)
SGS-1 CAPACITY	5,521,087	\$0.02086	\$115,181		\$115,181	(\$140)
SGS-1 COMMODITY	5,521,087	\$0.31395	\$1,733,360	\$1,733,360		(\$373,202)
SGS-1 INVENTORY	5,521,087	\$0.018689	\$104,175		\$104,175	(\$22,429)
TF-2 TRANSPORTATION CAPACITY	15,085	\$15.00600	\$226,365		\$226,365	(\$695)
TF-2 TRANSPORTATION COMMODITY	5,521,087	\$0.00300	\$16,563	\$16,563		(\$66)
SGS-JPEXP DEMAND	280,731	\$1.48450	\$387,053		\$387,053	(\$8,874)
SGS-JPEXP CAPACITY	3,197,447	\$0.12737	\$407,252		\$407,252	(\$495)
SGS-JPEXP STORAGE COMMODITY	3,197,447	\$0.27686	\$885,253	\$885,253		(\$418,674)
SGS-JPEXP INVENTORY	3,197,447	\$0.016639	\$53,204		\$53,204	(\$25,162)
TF-2 TRANSPORTATION CAPACITY	8,736	\$14.96500	\$130,737		\$130,737	(\$877)
TF-2 TRANSPORTATION COMMODITY	3,197,447	\$0.00300	\$9,592	\$9,592		(\$38)
SGS-JP3 DEMAND	95,770	\$0.57169	\$54,751		\$54,751	\$150
SGS-JP3 CAPACITY	2,812,420	\$0.02086	\$58,673		\$58,673	\$161
SGS-JP3 STORAGE COMMODITY	2,812,420	\$0.29702	\$835,346	\$835,346		(\$323,898)
SGS-JP3 STORAGE INVENTORY	2,812,420	\$0.017851	\$50,204		\$50,204	(\$19,467)
TF-2 TRANSPORTATION CAPACITY	7,684	\$15.00600	\$115,309		\$115,309	\$0
TF-2 TRANSPORTATION COMMODITY	2,812,420	\$0.00300	\$8,437	\$8,437		\$0
SGS-TBD1 DEMAND	0	\$0.00000	\$0		\$0	\$0
SGS-TBD1 CAPACITY	0	\$0.00000	\$0		\$0	\$0
SGS-TBD1 STORAGE COMMODITY	0	\$0.00000	\$0	\$0		\$0
SGS-TBD1 STORAGE INVENTORY	0	\$0.00000	\$0		\$0	\$0
TF-2 TRANSPORTATION CAPACITY	0	\$0.00000	\$0		\$0	\$0
TF-2 TRANSPORTATION COMMODITY	0	\$0.00000	\$0	\$0		\$0
SGS-TBD2 DEMAND	0	\$0.00000	\$0		\$0	\$0
SGS-TBD2 CAPACITY	0	\$0.00000	\$0		\$0	\$0
SGS-TBD2 STORAGE COMMODITY	0	\$0.00000	\$0	\$0		\$0
SGS-TBD2 INVENTORY	0	\$0.00000	\$0		\$0	\$0
TF-2 TRANSPORTATION CAPACITY	0	\$0.00000	\$0		\$0	\$0
TF-2 TRANSPORTATION COMMODITY	0	\$0.00000	\$0	\$0		\$0
Core Mitigation (Net Capacity Release and Storage Revenues)			(\$6,286,930)		(\$6,286,930)	\$183,929
DAILY BALANCING NON-CORE CREDIT	650,332,175	(\$0.00020)	(\$130,066)		(\$130,066)	\$0
WA COMMODITY VOLUMES FOR CORE RESOURCES	236,475,965		\$124,214,334	\$81,388,542	\$42,825,792	(\$18,801,386)
SALES/TRANSPORT VOLUMES				236,475,965	236,475,965	
PROPOSED AVERAGE RATE			\$0.34417		\$0.18110	\$0.52527
CURRENT AVERAGE RATE IN RATES			\$0.43750		\$0.19231	\$0.62981
GROSS RATE CHANGE			(\$0.09333)		(\$0.01121)	(\$0.10454)
REVENUE ADJUSTMENT FACTOR			1.04535		1.04535	
TOTAL PROPOSED ADJUSTMENT			(\$0.09756)		(\$0.01172)	(\$0.10926)
ANNUAL GAS COST CHANGE DETERMINATION			\$ (19,232,658)			
			-27.117%		-6.190%	-19.902%

CASCADE NATURAL GAS CORPORATION
2015 PGA Gas Demand Cost Allocation

PGA Exhibit 1
Schedule 1 of 1
Page 3 of 6

	Current	Proposed
Demand Costs	\$ 44,335,033	\$ 42,825,792
Commodity Costs	100,863,192	81,388,542

Rate Schedule	503	502, 504, 512 & 541	505/511	570/577	Total
Current Demand Rates	0.19486	0.19191	0.17737	0.16288	
% change (same for each sch)	-3.29354%	-3.29354%	-3.29354%	-3.29354%	
Proposed Demand Increment	\$ 0.18844	\$ 0.18559	\$ 0.17153	\$ 0.15752	
Proposed Demand Costs Collected	\$ 23,501,433	\$ 16,260,268	\$ 2,385,173	\$ 678,918	\$ 42,825,792
Proposed Change in Demand	(0.00642)	(0.00632)	(0.00584)	(0.00536)	
Revenue Adjustment Factor	1.04535	1.04535	1.04535	1.04535	
Proposed Rate Adjustment	\$ (0.00671)	\$ (0.00661)	\$ (0.00611)	\$ (0.00561)	
Proposed Volumes	124,714,273	87,614,224	13,905,422	4,310,164	230,544,083

Note: Demand Cost Allocation Methodology From UG-951415

Cascade Natural Gas Corporation
WASHINGTON 2015 PURCHASED GAS ADJUSTMENT APPLICATION
BASED UPON THE TWELVE MONTHS ENDED 6/30/15
State of Washington

Line No.	Description (a)	Rate Schedule (b)	Average # of Bills (c)	Actual Therms Sold (d)	Actual Revenue (e)	Per Therm Gas Cost Change (g)	Amount of Change (h)	
CORE MARKET RATE SCHEDULES								
1	Dry Out	502	489	288,672	322,653	(0.10417)	(30,071.69)	-9.32%
2	Residential	503	177,383	97,203,982	107,962,519	(0.10427)	(10,135,703.72)	-9.39%
3	Commercial	504	25,034	68,175,988	70,867,597	(0.10417)	(7,102,064.00)	-10.02%
4	Industrial Firm	505	431	10,884,754	9,662,934	(0.10367)	(1,128,449.83)	-11.68%
5	Large Volume	511	80	9,088,995	7,796,892	(0.10367)	(942,278.98)	-12.09%
6	Compressed Natural Gas	512	1	42,600	41,002	(0.10417)	(4,437.75)	-10.82%
7	Gas A/C	541	0	-	-	(0.10417)	0.00	0.00%
8	Industrial Interruptible	570	10	3,777,902	2,824,032	(0.10317)	(389,775.65)	-13.80%
9	Institutional	577	3	292,438	250,489	(0.10317)	(30,171.56)	-12.05%
10	Subtotal Core		203,431	189,755,331	199,728,118		(19,762,953)	-9.89%

*a Core and R/S 663 revenues are restated at base rates at 11/01/2011

Cascade Natural Gas Corporation
 TYPICAL MONTHLY THERM USAGE AND COST BY CLASS
 State of Washington

Line No.	Description (a)	Typical Monthly Therm Use (b)	Avg Bill @ 11/1/14 Rates (c)	Present Filing Changes (d)	Proposed Typical Bill (e)	Percent Change (f)
1	Residential (503)	46	\$49.94	(\$4.80)	\$45.14	-9.60%
2	Commercial (504)	227	\$226.58	(\$23.65)	\$202.93	-10.44%
3	Industrial (505)	N/A*	\$0.88775	(\$0.10367)	\$0.78408	-11.68%
4	Industrial Lg Vol (511)	N/A*	\$0.85784	(\$0.10367)	\$0.75417	-12.09%
5	Interruptible (570)	N/A*	\$0.74751	(\$0.10317)	\$0.64434	-13.80%
6	Institutional Interruptible (577)	N/A*	\$0.85655	(\$0.10317)	\$0.75338	-12.05%

* The large variation among customers in the Industrial and Interruptible customer classes renders average consumption numbers meaningless, therefore only per therm figures have been listed.

**DERIVATION OF PROPOSED RATE ADJUSTMENT
 State of Washington**

Line No.	Description	503 Residential Customers	502/504/512/541 Commercial Customers	505/511 Firm Indust Customers	570/577 Interruptible Customers
1	WACOG Effective November 1, 2014	\$0.66190	\$0.65883	\$0.64362	\$0.62845
<u>Proposed Incremental Change</u>					
2	Residential	(\$0.10427)			
3	Commercial		(\$0.10417)		
4	Industrial Firm			(\$0.10367)	
5	Interruptible - CORE				(\$0.10317)
6	NON-CORE Customers				
7	Total Proposed Rate	\$0.55763	\$0.55466	\$0.53995	\$0.52528

What is a PGA?

In the natural gas industry, PGA means Purchased Gas Adjustment. Simply stated, a PGA is a method designed to pass the actual costs of gas supplies to customers.

Each year, Cascade Natural Gas Corporation makes the best possible projection of the cost of gas supplies for the coming year. Any differences between the gas costs included in the company's overall rates and the actual cost of supplies are calculated and passed back to customers in the next PGA filing.

If actual gas costs are lower than originally projected, customers will see lower rates. If gas costs are higher, rates will go up. Whether the change in rates is an increase or a decrease, a PGA filing does not affect the company's profits.

Based on projected gas costs, Cascade Natural Gas is anticipating a decrease to rates in its PGA filing. Cascade Natural Gas encourages you to use energy wisely and continue your conservation efforts.



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