

EXHIBIT A

BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

CASCADE NATURAL GAS CORPORATION

Decoupling Mechanism Adjustments

CNGC WUTC Advice No. W23-09-03

September 15, 2023

CASCADE NATURAL GAS CORPORATION

EXHIBIT A

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

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| Line No. | Consolidated Account | Account Balance 12/31/2022 | Interest Assignments & Amortization through 10/31/2023 | Interest Accruals Through Am. | Amount | | | | | | Proposed Period of Am. | |
|----------|----------------------|---|--|--------------------------------|-----------------------|---------------------|---------------------|---------------------|-------------------|---------------------|------------------------|-----------------------------|
| | | | | | | 503 | 504 | 505 | 511 | 570 | | |
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | | |
| | | | | | | 130,555,024 | 97,016,893 | 12,744,910 | 16,795,288 | 2,183,028 | | |
| 1 | 503 | \$ 339,922 | \$ (1,780,524) | \$ (45,994.46) | \$ (1,486,596) | (0.01139) | | | | | 1 Year | Decoupling Mechanism |
| 2 | 504 | \$ 550,349 | \$ (2,610,119) | \$ (71,550.84) | \$ (2,131,321) | | \$ (0.02197) | | | | 1 Year | Decoupling Mechanism |
| 3 | 505 | \$ 164,322 | \$ (171,679) | \$ (295.33) | \$ (7,653) | | | \$ (0.00060) | | | 1 Year | Decoupling Mechanism |
| 4 | 511 | \$ 65,580 | \$ 404,036 | \$ 18,028.10 | \$ 487,643 | | | \$ 0.02904 | | | 1 Year | Decoupling Mechanism |
| 5 | 570 | \$ (17,806) | \$ 9,423 | \$ (342.52) | \$ (8,726) | | | | \$ (0.003997) | | 1 Year | Decoupling Mechanism |
| 6 | TOTAL | \$ 1,102,366 | \$ (4,148,863) | \$ (100,155) | \$ (3,146,652) | \$ (0.01139) | \$ (0.02197) | \$ (0.00060) | \$ 0.02904 | \$ (0.00400) | | |
| 7 | | | | 3% Test Rate Adjustment (1) | | \$0.00000 | \$0.00000 | \$0.00000 | (\$0.02565) | \$0.00000 | | |
| 8 | | | | Final Proposed Decoupling Rate | | (\$0.01139) | (\$0.02197) | (\$0.00060) | \$0.00339 | (\$0.00400) | | |
| 9 | Notes | (1) See page 6 Exhibit A for earnings test and 3% test adjustment calculations. | | | | | | | | | | |

Cascade Natural Gas Corporation
DERIVATION OF PROPOSED RATE LEVEL WITHIN
RATE ADDITION SCHEDULE NO. 594
State of Washington

| Description (a) | Rate Schedule (b) | Reverse Prior Decoupling Rate Adj. (c) | Decoupling Related Temporary Rate Adj. (d) | Incremental R/S 594 Rate Change (e) | Posted R/S 594 Tariff Rate (f) |
|-----------------------------------|-------------------------|---|--|--|--------------------------------------|
| CORE MARKET RATE SCHEDULES | | | | | |
| Residential | 503 | \$ (0.01905) | \$ (0.01139) | \$ (0.03044) | \$ (0.01139) |
| Commercial | 504 | \$ (0.03650) | \$ (0.02197) | \$ (0.05847) | \$ (0.02197) |
| Industrial Firm | 505 | \$ (0.01556) | \$ (0.00060) | \$ (0.01616) | \$ (0.00060) |
| Com-Ind Dual Service | 511 | \$ 0.02887 | \$ 0.00339 | \$ 0.03226 | \$ 0.00339 |
| Industrial Interr. | 570 | \$ 0.00600 | \$ (0.00400) | \$ 0.00200 | \$ (0.00400) |

Cascade Natural Gas Corporation
Decoupling AMOUNT OF CHANGE BY RATE SCHEDULE
Bills and Revenues Based Upon the Twelve Months Ended 7/31/23
State of Washington

| Line No. | Description (a) | Rate Schedule (b) | Average # of Bills (c) | Forecasted Therms Sold (d) | Actual Revenue (e) | Per Therm Decoupling Change (f) | Amount of Change (g) | Percentage Change (h) |
|-----------------------------------|--------------------------|-------------------|------------------------|----------------------------|--------------------|---------------------------------|-----------------------|-----------------------|
| CORE MARKET RATE SCHEDULES | | | | | | | | |
| 1 | Residential | 503 | 202,519 | 130,555,024 | 189,128,913 | \$ (0.03044) | \$ (3,973,703) | -2.10% |
| 2 | Commercial | 504 | 27,445 | 97,016,893 | 125,824,674 | \$ (0.05847) | \$ (5,672,481) | -4.51% |
| 3 | Industrial Firm | 505 | 492 | 12,744,910 | 14,063,320 | \$ (0.01616) | \$ (205,958) | -1.46% |
| 4 | Large Volume | 511 | 100 | 16,795,288 | 18,059,049 | \$ 0.03226 | \$ 541,732 | 3.00% |
| 5 | Industrial Interruptible | 570 | 7 | 2,183,028 | 2,023,502 | \$ 0.00200 | \$ 4,373 | 0.22% |
| 6 | | | 230,563 | 259,295,142 | 349,099,459 | | \$ (9,306,037) | -2.67% |

Cascade Natural Gas Corporation
DMA PROPOSED TYPICAL MONTHLY BILL BY CLASS
State of Washington

| Line No. | Type of Service | UG-210755 | | Current | Current | Proposed | Proposed | Bill Difference | Proposed |
|----------|--|----------------------------|----------------------|------------------------|-----------------------|-----------------------|-----------------------------------|-----------------|-------------------------------------|
| | | Typical Monthly Therm Used | Basic Service Charge | 3/1/2023 Billing Rates | 3/1/2023 Average Bill | 11/1/2023 DMA Effects | 11/1/2023 DMA Effect Average Bill | | 11/1/2023 DMA Effects % Bill Change |
| | (a) | (b) | (c) | (d) | e=c+(b*d) | (f) | g=c+(b*f) | | |
| 1 | Residential, Schedule 503 | 54 | \$5 | \$1.30059 | \$75.23 | \$1.27015 | \$73.59 | -\$1.64 | -2.18% |
| 2 | Commercial, Schedule 504 | 271 | \$13 | \$1.25728 | \$353.72 | \$1.19881 | \$337.88 | -\$15.85 | -4.48% |
| 3 | Industrial Firm, Schedule 505 | | \$60 | | | | | | |
| 4 | First 500 therms | | | \$1.15619 | \$638.09 | \$1.14003 | \$630.01 | | |
| 5 | Next 3,500 therms | | | \$1.11688 | \$1,666.38 | \$1.10072 | \$1,642.27 | | |
| 6 | Over 4,000 therms | | | \$1.11094 | | \$1.09478 | | | |
| 7 | Total 505 | 1,992 | | | \$2,304.47 | | \$2,272.28 | -\$32.19 | -1.40% |
| 8 | Com-Ind Dual Service, Schedule 511 | | \$125 | | | | | | |
| 9 | First 500 therms | | | \$1.06448 | \$657.24 | \$1.09673 | \$673.37 | | |
| 11 | Next 3,500 therms | | | \$1.02575 | \$3,590.11 | \$1.05800 | \$3,703.01 | | |
| 12 | Over 4,000 therms | | | \$0.92994 | \$11,753.47 | \$0.96219 | \$12,161.14 | | |
| 13 | Total 511 | 16,639 | | | \$16,000.82 | | \$16,537.51 | \$536.69 | 3.35% |
| 14 | Industrial Interruptible, Schedule 570 | | \$163 | | | | | | |
| 15 | First 30,000 therms | | | \$0.99783 | \$23,345.67 | \$0.99984 | \$23,392.21 | | |
| 16 | Over 30,000 therms | | | \$0.93246 | | \$0.93447 | | | |
| 17 | Total 570 | 23,233 | | | \$23,345.67 | | \$23,392.21 | \$46.54 | 0.20% |

2022 Commission Basis Earnings Test for Decoupling

| Line No. | | Natural Gas |
|----------|-------------------------------------|----------------|
| 1 | Rate Base | \$ 530,175,012 |
| 2 | Net Income | \$ 27,946,563 |
| 3 | Calculated ROR | 5.27% |
| 4 | Base ROR | 6.85% |
| 5 | Excess ROR | -1.58% |
| 6 | Excess Earnings | \$ - |
| 7 | Conversion Factor | 0.75506 |
| 8 | Excess Revenue (Excess Earnings/CF) | \$ - |
| 9 | Sharing % | 50% |
| 10 | 2022 Total Earnings Test Sharing | \$ - |
| 11 | Adjusted Revenues from CBR | \$ 134,935,407 |
| 12 | 2023 Decoupling Deferral Balance | \$ (3,146,652) |
| 13 | Earnings Test | -2.33% |

3% Incremental Surcharge Test

| Line No. | | Residential 503 | Commerical 504 | Industrial 505 | Com-Ind 511 | Indust. Interr. 570 | Total WA |
|----------|---|--------------------|-------------------|-------------------|----------------|------------------------|----------------|
| 1 | Revenue From 2022 Normalized Loads and Customers at Present Billing Rates (1) | \$ 189,128,913 | \$ 125,824,674 | \$ 14,063,320 | \$ 18,059,049 | \$ 2,023,502 | \$ 349,099,459 |
| 2 | August 2023 - July 2024 Usage | 130,555,024 | 97,016,893 | 12,744,910 | 16,795,288 | 2,183,028 | 259,295,142 |
| 3 | Proposed Decoupling Recovery Rates | (\$0.01139) | (\$0.02197) | (\$0.00060) | \$0.02904 | (\$0.00400) | |
| 4 | Present Decoupling Surcharge Recovery Rates | 0.01905 | 0.03650 | 0.01556 | (0.02887) | (0.00600) | |
| 5 | Incremental Decoupling Recovery Rates | (\$0.03044) | (\$0.05847) | (\$0.01616) | \$0.05791 | \$0.00200 | |
| 6 | Incremental Decoupling Recovery | \$ (3,973,703) | \$ (5,672,481) | \$ (205,958) | \$ 972,531 | \$ 4,373 | \$ (8,875,238) |
| 7 | Incremental Surcharge % | -2.10% | -4.51% | -1.46% | 5.39% | 0.22% | |
| 8 | 3% Test Adjustment (2) | \$0 | \$0 | \$0 | (\$430,760) | \$0 | |
| 9 | 3% Test Rate Adjustment | \$0.00000 | \$0.00000 | \$0.00000 | (\$0.02565) | \$0.00000 | |
| 10 | Adjusted Proposed Decoupling Recovery Rates | (\$0.01139) | (\$0.02197) | (\$0.00060) | \$0.00339 | (\$0.00400) | |
| 11 | Adjusted Incremental Decoupling Recovery | \$ (3,973,703) | \$ (5,672,481) | \$ (205,958) | \$ 541,732 | \$ 4,373 | \$ (9,306,037) |
| 12 | Adjusted Incremental Surcharge % | -2.10% | -4.51% | -1.46% | 3.00% | 0.22% | |

Notes:

- (1) Revenue from 2022 normalized loads and customers at present billing rates effective since November 1, 2022.
- (2) The carryover balances will differ from the 3% adjustment amounts due to the revenue related expense gross up partially offset by additional interest on the outstanding balance during the amortization period.