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September 17, 2018

Mr. Mark L. Johnson
 Executive Director and Secretary
 Washington Utilities & Transportation Commission
 P.O. Box 47250
 Olympia, WA 98504-7250

Re: Cascade Natural Gas PGA and TTA Annual Filing

Dear Mr. Johnson:

Cascade Natural Gas Corporation (“Cascade”) hereby encloses for filing the following proposed tariff sheet containing a requested effective date of November 1, 2018:

Thirty-Eighth Revision Sheet No. 595, Canceling Thirty-Seventh Rev. Sheet No. 595

The Purchased Gas Adjustment (PGA) portion of this 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 down slightly from last year. 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 tariff will result in an estimated annual revenue decrease of approximately (\$5.8) million or a decrease in annual revenue of (2.49%). The average residential customer using 54 therms per month will see a decrease of (\$1.32).

Service	Sch. No.	Commodity Change per therm	Demand Change per therm	Total Rate Change	WACOG Proposed Rate Per Therm	Percent Change
Residential	503	(\$0.03244)	\$0.00798	(\$0.02446)	\$0.43589	(2.55%)
Commercial	504	(\$0.03244)	\$0.00786	(\$0.02458)	\$0.43314	(2.84%)
Industrial	505	(\$0.03244)	\$0.00726	(\$0.02517)	\$0.41950	(3.64%)
Industrial Lg Vol	511	(\$0.03244)	\$0.00726	(\$0.02517)	\$0.41950	(3.90%)
Interruptible	570	(\$0.03244)	\$0.00667	(\$0.02577)	\$0.40591	(4.48%)

The second part of this filing is the Temporary Technical Adjustments (TTA) portion. These adjustments pass on changes in the amounts 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 PGA component.

The rates contained in the attached Schedule 595 will debit the remaining deferral balance of \$3,428,748. The annual revenue change reflected in this filing is a decrease of (\$11,283,763) to customers, which reflects a decrease in annual revenue (4.85%). The average residential customer using 54 therms per month will see a decrease of (\$2.59). Below is a table summarizing the proposed changes reflected in the deferral amortization portion of the filing:

<u>Service</u>	<u>Sch. No.</u>	<u>Rate Change</u>	<u>Proposed Rate Per Therm</u>	<u>Percent Change</u>
Residential	503	(\$0.04797)	\$0.00774	(5.01%)
Commercial	504	(\$0.04797)	\$0.00774	(5.54%)
Industrial	505	(\$0.04797)	\$0.00774	(6.94%)
Industrial Lg Vol	511	(\$0.04797)	\$0.00774	(7.42%)
Interruptible	570	(\$0.04797)	\$0.00774	(8.34%)

The impact of the PGA and TTA changes combined is a revenue decrease of (\$17,069,199) or an overall (7.34%) decrease. The impact to an average residential customer using 54 therms per month will be (\$3.91).

As directed by the WUTC in the March 13, 2017 Policy and Interpretive Statement in Docket UG-132019, the Company's 2018-19 Hedging Plan will be filed separately by September 28. The information contained in the plan is confidential pursuant to WAC 480-07-160(2)(c) as the plan contains valuable commercial information.

In addition to the supporting materials submitted as part of this combined filing, the Company will separately submit all workpapers in electronic format.

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 2018 explaining the PGA process and Cascade will publish on its webpage the anticipated rate decrease. A copy of the August 2018 bill insert has been included with this filing. The proposed change will affect all of Cascade's Washington customers. Cascade serves approximately 186,554 residential, 26,029 commercial and 466 industrial customers in the state of Washington.

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

Sincerely,

/s/ Michael Parvinen

Michael Parvinen
Director, Regulatory Affairs
Cascade Natural Gas Corporation
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Attachments

NEW, CNGC Advice W18-09-01 PGA Trf Sheet 595, 09-17-2018.pdf
NEW, CNGC Advice W18-09-01 PGA Redlined Trf Sheet 595, 09-17-2018.pdf
NEW, CNGC Advice W18-09-01 PGA Bill Insert, 09-17-2018.pdf
NEW, CNGC Advice W18-09-01 PGA Exhibit A, 09-17-2018.pdf
NEW, CNGC Advice W18-09-01 PGA WP, 09-17-2018.xlsx
NEW, CNGC Advice W18-09-01 PGA Gas Cost WP, 09-17-2018(R).pdf
NEW, CNGC Advice W18-09-01 PGA Gas Cost WP, 09-17-2018(C).xlsx