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CNG/W23-09-03

September 15, 2023

Kathy Hunter
Acting Executive Director and Secretary
Washington Utilities & Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Re: Schedule 594, Decoupling Mechanism Adjustment

Dear Director Hunter:

Cascade Natural Gas Corporation ("Cascade") encloses for filing the following proposed tariff sheet containing a requested effective date of November 1, 2023:

Seventh Revision Sheet No. 594 Canceling Sixth Revision Sheet No. 594

The purpose of this filing is to amortize the difference between authorized revenues and actual revenues for the timeframe of January 1, 2022, through December 31, 2022, which is consistent with the Company's Rule 21, Decoupling Mechanism, and the terms adopted by Order No. 04 in UG-152286.

Rule 21, Decoupling Mechanism, was approved in the Company's rate case in Docket UG-152286 and allows Cascade to defer the difference between billed revenue and the authorized margin per customer, which is a different amount per customer class, per month. Billed and authorized revenue differ for a number of reasons including the installation of conservation measures, weather variations, and different gas usage patterns. The deferred balance is then amortized through the Schedule 594 adjustment rate that becomes effective concurrently with the Purchased Gas Adjustment (PGA).

The changes made to Schedule 594 result in an overall revenue decrease of 2.67 percent or a decrease in annual revenue of \$9,306,037. Below is a table summarizing the proposed changes in revenue reflected in this filing:

<u>Service</u>	<u>Sch. No.</u>	<u>Rate Change</u>	<u>Proposed Rate Per Therm</u>	<u>Percent Change</u>
Residential	503	(\$0.03044)	(\$0.01139)	(2.10%)
Commercial	504	(\$0.05847)	(\$0.02197)	(4.51%)
Industrial	505	(\$0.01616)	(\$0.00060)	(1.46%)
Industrial Lg Vol	511	\$0.03226	\$0.00339	3.00%
Interruptible	570	\$0.00200	(\$0.00400)	0.22%

For the average residential customer using 54 therms, the changes proposed in this filing result in an average monthly bill decrease of \$1.64 or 2.18 percent. For the average commercial customer using 271 therms per month, these changes result in an average monthly bill decrease of \$15.85 or 4.48 percent.

The proposed change will affect all of Cascade's Washington customers except transportation only customers. Cascade serves approximately 202,519 residential, 27,445 commercial and 492 industrial customers in the state of Washington.

In compliance with WAC 480-90-194(3), the Company will mail customers a bill insert notifying them of the proposed rate increase. The issuance of bill inserts to customers will begin on September 15. In addition, Cascade will publish on its webpage the anticipated rate increase, provide copies of the notice to Community Action agencies and organizations within its service territory, and provide notice to the news media. The Company has provided a copy of the bill insert in Advice No. W23-09-01.

The overall earnings test of 2.33 percent is below the 3.0 percent maximum annual rate adjustment, no adjustment for earnings sharing under UG-152286 is required.

Please direct any questions regarding this filing to me at (208) 377-6015 or Christopher Mickelson at (509) 734-4549.

Sincerely,

/s/ Lori A. Blattner

Lori A. Blattner
Director, Regulatory Affairs
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Attachments:

NEW-CNGC-Advice-W23-09-03-Trf-Sheet-594-09.15.2023.pdf

NEW-CNGC-Advice-W23-09-03-Exh-A-09.15.2023.pdf

NEW-CNGC-Advice-W23-09-03-DMA-WP-09.15.2023.xlsx

NEW-CNGC-Advice-W23-09-03-Rule-21-Decoupling-WP-09.15.2023.xlsx