

NOTICE OF PROPOSED RATE INCREASE

Cascade Natural Gas Corporation proposes a 5.56 percent (or \$12.7 million) increase in natural gas rates.

On March 29, 2019, Cascade Natural Gas Corporation (Cascade) filed a general rate request with the Washington Utilities and Transportation Commission (WUTC) to increase gas base rates. If approved, the filed request would increase annual natural gas base revenues by \$12.7 million (5.56 percent). This request includes a rate of return of 7.73 percent and 10.30 percent return on shareholder equity.

The WUTC will review Cascade's request. It has up to 11 months to review the filing. If approved, changes will go into effect no later than March 1, 2020.

Capital investment in Cascade's natural gas distribution system, as well as increased cost to operate and maintain that system, are the main drivers in Cascade's request with the WUTC to increase prices.

Bill Impact: The proposed rate will increase residential rates by 6.16%. The average residential customers using 57 therms per month will pay \$2.84 more per month and the average industrial customer using 2,109 therms per month will pay \$58.62 more per month.

Below is a chart showing what the typical customer in each customer class pays per month and what that customer would pay if the Company's rate case proposal is approved.

Rate Schedule	Current Rate**	Current Avg Bill *	Proposed Rate**	Proposed Avg Bill *	Percent Change in Bill
Residential, Schedule 503	\$0.71755	\$46.01	\$0.76710	\$48.85	6.16%
Commercial, Schedule 504	\$0.66846	\$206.97	\$0.66948	\$219.20	5.91%
Industrial Firm, Schedule 505	\$0.63696	\$1348.74	\$0.66948	\$1407.36	4.35%
Com-Ind Dual Service, Schedule 511	\$0.54695	\$6322.18	\$0.57305	\$6452.49	2.06%
Industrial Interruptible, Schedule 570	\$0.52910	\$11332.41	\$0.54348	\$11635.98	2.68%
Transport, Schedule 663	\$0.05387	\$8671.07	\$0.06358	\$10112.49	16.62%

* The average bill includes the monthly basic charge which has not changed with this filing.

** Rate Schedules 505, 511, 570 show an average current and proposed rate due to the tiered rate structure.

General Rate Case Information

A general rate case is the legal proceeding in which the WUTC will examine a utility's operations and costs to ensure regulated companies provide safe and reliable service to customers at reasonable rates, while allowing the utility the opportunity to earn a fair return on its investments.

The WUTC will conduct an investigation and hold hearings to examine the requested increase. The WUTC Staff, Cascade, Public Counsel, and other parties will participate and make recommendations to the WUTC. The WUTC has the authority to set final rates based on the results of its investigation, which may be higher or lower than Cascade's requested increase.

Public Comment Hearing:

The WUTC will conduct a public hearing to take comments from the public at the following location:

September 5, at 6pm
UTC Headquarters – Lacey
1st Floor Hearing Room
621 Woodland Square Loop SE
Lacey, WA

You can participate by phone by calling (360) 407-3810 and entering conference ID number 7780139 at the prompt, or via [Skype](https://lync.wa.gov/utc.wa.gov/meet/aldcalendar/M8N20JJJ) by visiting <https://lync.wa.gov/utc.wa.gov/meet/aldcalendar/M8N20JJJ>. **If you plan to participate by phone or Skype, please call 1-888-333-9882 at least one day before the hearing so we can sign you in. Failure to call in advance will not preclude you from calling the day of the hearing.**

Share your comments with the WUTC in the following ways:

Please include your name and mailing address, reference Cascade Natural Gas Corporation and Docket UG-190210 in your comment.

- In person at a public hearing (outlined in this notice)
- On the WUTC website at www.utc.wa.gov, and click on "Submit a Comment"
- By email to comments@utc.wa.gov
- By phone at 1-888-333-9882
- In writing to: WUTC
PO Box 47250
Olympia, WA 98504-7250

The WUTC is committed to providing reasonable accommodations to participants with disabilities. Contact WUTC at: 360-664-1243 or email: human_resources@utc.wa.gov.

Public Counsel

The Public Counsel Unit of the Washington State Attorney General's Office represents residential and small businesses. You may contact Public Counsel in writing:

Public Counsel Attorney General of Washington

800 5th Ave., Suite 2000
Seattle, WA 98104-3188
By email: utility@atg.wa.gov
For more information about Public Counsel:
www.atg.wa.gov/utilities-regulated

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