

NOTICE OF PROPOSED RATE INCREASE

Cascade Natural Gas Corporation proposes a 5.283 percent or \$13.8 million increase in natural gas rates.

Issued Date: November 20, 2020

On June 19, 2020, Cascade Natural Gas Corporation (Cascade) filed a general rate request with the Washington Utilities and Transportation Commission (WUTC) to increase gas base rates. 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. If approved, the filed request would increase annual natural gas base revenues by \$13.8 million or 5.283 percent ; this request includes a rate of return of 7.54 percent. 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 May 21, 2021.

Bill Impacts: A typical residential customer using 56 therms per month would see a 5.04 percent or \$2.86 increase to their bill. A typical small commercial customer using 290 therms per month would see a 4.76 percent or \$12.42 increase to their bill, while a typical industrial customer using 2,273 therms per month would see a 3.65 percent or \$64.38 increase to their bill.

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.

Type of Service	Current Rate**	Current Average Bill*	Proposed Rate**	Proposed Average Bill*	Percent Change in Bill
Residential, Schedule 503	\$0.92030	\$56.72	\$0.97119	\$59.58	5.04%
Commercial, Schedule 504	\$0.85625	\$261.00	\$0.89913	\$273.42	4.76%
Industrial Firm, Schedule 505	\$0.77768	\$1,762.15	\$0.81073	\$1826.53	3.65%
Com-Ind Dual Service, Schedule 511	\$0.72342	\$10,400.59	\$0.74981	\$10,556.62	1.50%
Industrial Interruptible, Schedule 570	\$0.67876	\$16,665.43	\$0.69344	\$17,022.34	2.14%
Transport, Schedule 663	\$0.05961	\$10,809.92	\$0.06942	\$12,490.89	15.55%

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

** Due to tiered rate structures based on individual customer consumption, Rate Schedules 505, 511, 570, and 663 reflect average rates.

General Rate Case Information

A general rate case is the legal proceeding in which the WUTC examines 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.

¹12.6 percent marginal increase.

The WUTC will investigate 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 proposed request.

For additional information about the proposed request or to contact Cascade, please reach us at 1-888-522-1130 or <https://www.cngc.com/rates-services/rate-cases/>.

Public Comment Hearing

The WUTC will conduct a virtual public hearing to take comments from the public. You can participate via the Microsoft Teams link or by phone:

January 26, 2021, at 6pm | Microsoft Teams: <https://bit.ly/3kTDE1y> | Phone: (253) 372-2181 and enter Conference ID: 683 125 418#

If you plan to participate, please call 1-888-333-9882 at least one day before the hearing to sign in. When you join the hearing via Teams, please mute your connection using the button with the image of a microphone. If participating via phone, press *6 or mute your phone.

Note: The Commissioners function as judges in adjudicated cases, such as, this general rate case and cannot answer questions. This comment hearing is to take comments from the public. If you have questions, please contact commission staff or Cascade Natural Gas with the contact information provided below.

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-200568 in your comment.

- 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:
WUTC
P.O. BOX 47250
Olympia, WA 98504-7250

The WUTC is committed to providing reasonable accommodations to participants with disabilities: Contact WUTC at 360-664-1132, 306-664-1243 or email humanresources@utc.wa.gov.

Public Counsel

The Public Counsel Unit of the Washington State Attorney General's Office represents residential and small business customers. 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

Cascade Natural Gas
8113 W Grandridge Blvd
Kennewick, WA 99336-7166
888-522-1130 | www.cngc.com



In the Community to Serve®