



8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166  
 TELEPHONE 509-734-4500 FACSIMILE 509-737-7166  
 www.cngc.com

**CNG/W22-09-04**

September 15, 2022

Ms. Amanda Maxwell  
 Executive Director and Secretary  
 Washington Utilities & Transportation Commission  
 P.O. Box 47250  
 Olympia, WA 98504-7250

**Re:** Scheduled 582, Unprotected Excess Deferred Income Tax (EDIT) Reversals Rate Adjust.

Dear Ms. Maxwell:

Per the partial joint settlement agreement in Docket No. UG-170929, Cascade Natural Gas Corporation (“Cascade”) encloses for filing the following proposed tariff sheet containing a requested effective date of November 1, 2022

**Fifth Revision Sheet No. 582 Canceling Fourth Revision Sheet No. 582**

The purpose of this revised tariff sheet is to adjust the Unprotected EDIT (Excess Deferred Income Tax) reversals rate adjustment for the true-up provision adopted in Docket UG-170929.

Schedule 582, Unprotected EDIT, reflects an annual revenue decrease of \$85,601 to customers, or a decrease in annual revenue of 0.03 percent. The impact to an average residential customer using 54 therms per month will be a \$0.02 decrease or 0.03 percent.

Below is a table summarizing the proposed changes reflected in rate schedule 582 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	(\$0.00032)	(\$0.00306)	(0.03%)
Commercial	504	(\$0.00024)	(\$0.00233)	(0.02%)
Industrial	505	(\$0.00015)	(\$0.00148)	(0.02%)
Industrial Lg Vol	511	(\$0.00013)	(\$0.00122)	(0.02%)
Interruptible	570	(\$0.00005)	(\$0.00045)	(0.01%)
Distribution	663	(\$0.00003)	(\$0.00026)	(0.07%)

The proposed changes will affect all of Cascade's Washington customers. Cascade serves approximately 200,356 residential, 27,285 commercial and 511 industrial customers in the state of Washington.

If you have any questions, please call me at (208) 377-6015.

Sincerely,

*/s/ Lori A. Blattner*

Lori A. Blattner  
Director, Regulatory Affairs  
Cascade Natural Gas Corporation  
8113 W. Grandridge Blvd.  
Kennewick, WA 99336-7166  
[Lori.blattner@intgas.com](mailto:Lori.blattner@intgas.com)

**Attachments**

NEW-CNGC-W22-09-04-Trf Sheet-09.15.2022.pdf  
NEW-CNGC-W22-09-04-Redlined-Trf-Sheet-09.15.2022.pdf  
NEW-CNGC-W22-09-04-Exh-A-09.15.2022.pdf  
NEW-CNGC-W22-09-04-EDIT-WP-09.15.2022.xlsx

EXHIBIT A

BEFORE THE  
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

CASCADE NATURAL GAS CORPORATION

Excess Deferred Income Tax

CNGC WUTC Advice No. W22-09-04 / UG-\_\_\_\_\_

September 15, 2022

# CASCADE NATURAL GAS CORPORATION

## EXHIBIT A

### TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
2022 Unprotected Tax Cost Allocation	1
Unprotected Tax Amount of Change by Rate Schedule	2
Unprotected Tax Proposed Typical Monthly Bill by Class	3
Unprotected Tax Derivation of Proposed Rate Adjustment	4

**CASCADE NATURAL GAS CORPORATION**  
**2022 Unprotected Tax Cost Allocation**

W22-09-04  
 UPT Exhibit A  
 Page 1 of 4

	Current	Proposed
Unprotected	\$ (743,418)	\$ (821,192)

Rate Schedule	503	504	505	511	570	663	Total
Current Unpro. Tax Rates	(0.00274)	(0.00209)	(0.00133)	(0.00109)	(0.00040)	(0.00023)	
% change (same for each sch)	11.63693%	11.63693%	11.63693%	11.63693%	11.63693%	11.63693%	
<b>Proposed Tax Increment</b>	<b>\$ (0.00306)</b>	<b>\$ (0.00233)</b>	<b>\$ (0.00148)</b>	<b>\$ (0.00122)</b>	<b>\$ (0.00045)</b>	<b>\$ (0.00026)</b>	
Proposed Tax Costs Collected	\$ (403,750)	\$ (218,313)	\$ (19,163)	\$ (18,921)	\$ (1,041)	\$ (160,004)	\$ (821,192)
Proposed Rate Adjustment	(0.00032)	(0.00024)	(0.00015)	(0.00013)	(0.00005)	(0.00003)	
Proposed Volumes	131,993,811	93,567,597	12,906,568	15,549,500	2,331,721	623,152,191	879,501,388

**Cascade Natural Gas Corporation**  
**UNPROTECTED TAX AMOUNT OF CHANGE BY RATE SCHEDULE**  
**Bills and Revenues Based Upon the Twelve Months Ended 7/31/22**  
**State of Washington**

Line No.	Description (a)	Rate Schedule (b)	Average # of Bills (c)	Forecasted Therms Sold (d)	Actual Revenue (e)	Per Therm Tax Change (f)	Amount of Change (g)	Percentage Change (h)
<b>CORE MARKET RATE SCHEDULES</b>								
1	Residential	503	200,356	131,993,811	160,697,460	(0.00032)	(42,086.46)	-0.03%
2	Commercial	504	27,210	93,567,597	103,915,277	(0.00024)	(22,757.00)	-0.02%
3	Industrial Firm	505	487	12,906,568	11,638,460	(0.00015)	(1,997.56)	-0.02%
4	Large Volume	511	99	15,549,500	12,937,587	(0.00013)	(1,972.34)	-0.02%
5	Industrial Interruptible	570	7	2,331,721	1,682,022	(0.00005)	(108.54)	-0.01%
6	Subtotal Core		228,159	256,349,197	290,870,806		(68,922)	-0.02%
<b>NONCORE MARKET RATE SCHEDULES</b>								
7	Distribution	663	198	623,152,191	22,879,392	(0.00003)	(16,679)	-0.07%
8	Subtotal Non-core		198	623,152,191	22,879,392		(16,679)	
9	<b>CORE &amp; NON-CORE</b>		<b>228,357</b>	<b>879,501,388</b>	<b>313,750,197</b>		<b>(85,601)</b>	<b>-0.03%</b>

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

Line No.	Type of Service	UG-210755		Current	Current	Proposed	Proposed	Bill Difference	Proposed 11/1/2022 UPT Effects % Bill Change
		Typical Monthly Therm Used	Basic Service Charge	10/1/2022 Billing Rates	10/1/2022 Average Bill	11/1/2022 UPT Effects	11/1/2022 UPT Effect Average Bill		
	(a)	(b)	(c)	(d)	e=c+(b*d) (e)	(f)	g=c+(b*f) (g)	(h)	(i)
1	Residential, Schedule 503	54	\$5	\$1.03712	\$61.00	\$1.03680	\$60.99	-\$0.02	-0.03%
2	Commercial, Schedule 504	271	\$13	\$0.97066	\$276.05	\$0.97042	\$275.98	-\$0.07	-0.02%
3	Industrial Firm, Schedule 505		\$60						
4	First 500 therms			\$0.89552	\$507.76	\$0.89537	\$507.68		
5	Next 3,500 therms			\$0.85544	\$1,276.32	\$0.85529	\$1,276.09		
6	Over 4,000 therms			\$0.84938		\$0.84923			
7	Total 505	1992			\$1,784.08		\$1,783.77	-\$0.31	-0.02%
8	Com-Ind Dual Service, Schedule 511		\$125						
9	First 500 therms			\$0.78754	\$518.77	\$0.78741	\$518.71		
10	Next 3,500 therms			\$0.74804	\$2,618.14	\$0.74791	\$2,617.70		
11	Over 4,000 therms			\$0.65034	\$8,219.65	\$0.65021	\$8,218.04		
12	Total 511	16,639			\$11,356.56		\$11,354.45	-\$2.11	-0.02%
13	Industrial Interruptible, Schedule 570		\$163						
14	First 30,000 therms			\$0.75482	\$17,699.73	\$0.75477	\$17,698.65		
15	Over 30,000 therms			\$0.68815		\$0.68810			
16	Total 570	23,233			\$17,699.73		\$17,698.65	-\$1.08	-0.01%
17	Transport, Schedule 663		\$625						
18	First 100,000 therms			\$0.06583	\$7,208.00	\$0.06580	\$7,205.32		
19	Next 200,000 therms			\$0.02584	\$4,803.17	\$0.02581	\$4,798.19		
20	Next 200,000 therms			\$0.01684		\$0.01681			
21	Over 500,000 therms			\$0.00952		\$0.00949			
22	663 Total	285,881			\$12,011.17		\$12,003.51	-\$7.65	-0.06%

**Cascade Natural Gas Corporation**  
**UNPROTECTED TAX DERIVATION OF PROPOSED RATE ADJUSTMENT**  
**State of Washington**

Line No.	Revised Description	503 Residential Customers	504 Commercial Customers	505 Firm Indust Customers	511 Lrg Volumes Customers	570 Interruptible Customers	663 Distribution Customers
1	Unprotected Rate Adjustment Effective 11/1/2021	(\$0.00274)	(\$0.00209)	(\$0.00133)	(\$0.00109)	(\$0.00040)	(\$0.00023)
<u>Proposed Incremental Change</u>							
2	Residential	(0.00032)					
3	Commercial		(0.00024)				
4	Industrial Firm			(0.00015)			
5	Large Volume				(0.00013)		
6	Interruptible - CORE					(0.00005)	
7	Non-Core Customers						(0.00003)
8	Total Proposed Rate - Schedule 582	(\$0.00306)	(\$0.00233)	(\$0.00148)	(\$0.00122)	(\$0.00045)	(\$0.00026)



**SCHEDULE 582  
UNPROTECTED EXCESS DEFERRED INCOME TAX (EDIT) REVERSALS  
RATE ADJUSTMENT SCHEDULE**

**PURPOSE**

The Tax Cut and Jobs Act (the Act), signed into law by President Trump on December 22, 2017, reduced the federal corporate income tax rate from 35% to 21% effective for tax years beginning after December 31, 2017. This rate adjustment schedule annually returns to customers the unprotected excess deferred income tax (EDIT) amortizations in accordance with the terms and conditions established in the Partial Joint Settlement Agreement filed in UG-170929.

**APPLICABLE**

This rate adjustment schedule is applicable to Schedules 503, 504, 505, 511, 570, and 663.

**RATES**

This following adjustment rate will apply on a per therm basis for each rate schedule as listed in the table below:

Rate Schedule	Per Therm Charge
503	(\$0.00 <del>274</del> <u>306</u> )
504	(\$0.00 <del>209</del> <u>233</u> )
505	(\$0.00 <del>133</del> <u>148</u> )
511	(\$0.00 <del>109</del> <u>122</u> )
570	(\$0.00 <del>000</del> <u>4045</u> )
663	(\$0.00 <del>000</del> <u>2326</u> )

(R)  
|  
(R)

**SPECIAL CONDITION**

This adjustment schedule shall be updated annually, effective November 1.

**TERM**

This rate schedule adjustment shall be effective for a term of ten years, ending October 31, 2028.

**TAX ADDITIONS**

Adjustment charges are subject to increases as set forth in Schedule 500, Municipal Taxes.

**GENERAL TERMS**

Service under this adjustment schedule is governed by the terms of this schedule, the rules contained in this Tariff, any other schedules that by their terms or by the terms of this schedule apply to service under this schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

**SCHEDULE 582  
UNPROTECTED EXCESS DEFERRED INCOME TAX (EDIT) REVERSALS  
RATE ADJUSTMENT SCHEDULE**

**PURPOSE**

The Tax Cut and Jobs Act (the Act), signed into law by President Trump on December 22, 2017, reduced the federal corporate income tax rate from 35% to 21% effective for tax years beginning after December 31, 2017. This rate adjustment schedule annually returns to customers the unprotected excess deferred income tax (EDIT) amortizations in accordance with the terms and conditions established in the Partial Joint Settlement Agreement filed in UG-170929.

**APPLICABLE**

This rate adjustment schedule is applicable to Schedules 503, 504, 505, 511, 570, and 663.

**RATES**

This following adjustment rate will apply on a per therm basis for each rate schedule as listed in the table below:

Rate Schedule	Per Therm Charge
503	(\$0.00306)
504	(\$0.00233)
505	(\$0.00148)
511	(\$0.00122)
570	(\$0.00045)
663	(\$0.00026)

(R)  
|  
(R)

**SPECIAL CONDITION**

This adjustment schedule shall be updated annually, effective November 1.

**TERM**

This rate schedule adjustment shall be effective for a term of ten years, ending October 31, 2028.

**TAX ADDITIONS**

Adjustment charges are subject to increases as set forth in Schedule 500, Municipal Taxes.

**GENERAL TERMS**

Service under this adjustment schedule is governed by the terms of this schedule, the rules contained in this Tariff, any other schedules that by their terms or by the terms of this schedule apply to service under this schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

CNG/W22-09-04

Issued September 15, 2022

Effective for Service on and after

November 1, 2022

**Issued by CASCADE NATURAL GAS CORPORATION**

By: 

Lori A. Blattner

Director, Regulatory Affairs