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CNG/W23-09-01

September 15, 2023

Kathy Hunter
Acting 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

Director Hunter,

Cascade Natural Gas Corporation ("Cascade" or "Company") files the following tariff sheet for revision, with a requested effective date of November 1, 2023:

Seventh Revision Sheet No. 590

Overview

This filing revises two sets of rates listed in Schedule 590, Gas Cost Rate Adjustment: 1) The Weighted Average Cost of Gas ("WACOG") is updated in accordance with the Purchased Gas Adjustment ("PGA") mechanism established in Rule 19; and 2) the Temporary Technical Adjustments ("TTA") are also updated.

Purchased Gas Adjustment to WACOG

The PGA 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 overall cost of gas, which includes pipeline, reservation, and storage costs, has decreased since last year. The filing passes on rate adjustments designed to reflect the cost of gas in the Company's current gas supply portfolio.

NYMEX natural gas futures are notably lower than last summer. However, with the exception of AECO, the regional basins of British Columbia and Rockies supplies continue to experience some level of elevated pricing.

The price spike this past heating season was due to much higher-than-average demand going into November 2022 and lasting into late December 2022, which had a heavy impact on pricing in the region that still lingers to some extent at Sumas and Rockies. During this past winter, temperatures remained below average across much of the Pacific Northwest for extended periods of time, leading to notable drains on storage, including Cascade's limited storage position. Day pricing was very high due to Northwest and California pipeline constraints, which impacted storage usage even further for much of that timeframe. Cascade had very cold weather going into

bid-week for January 2023. Given the short positions across the region and the fear of continued cold weather, both Sumas and Rockies closed at unprecedented levels. While forward pricing is not at the \$14 to \$45 per dekatherm range experienced in January 2023, Cascade is still seeing the Sumas November 2023 to October 2024 average winter strip in the \$8.60 to \$9.00 range. Cascade's hedging strategy will continue to play an important role in mitigating supply costs for the upcoming PGA year.

Cascade's storage is typically filled throughout the summer, with fill targets of 100% by September/October. It is worth noting that due to the lower cost of injected supplies, Cascade's storage accounts at Mist and Jackson Prairie saw over a 50% reduction in average storage commodity costs.

The proposed rate changes to the WACOG in Schedule 590 will result in an estimated annual revenue decrease of approximately \$26,409,036 or a decrease in annual revenue of 7.56 percent. The average residential customer using 54 therms per month will see a decrease of \$5.50 or 7.31 percent. The proposed change in revenue for each customer class is shown in the following table:

Service	Sch. No.	Commodity Change per therm	Demand Change per therm	Total Rate Change	WACOG Proposed Rate Per Therm	Percent Change
Residential	503	(\$0.10022)	(\$0.00166)	(\$0.10188)	\$0.63026	-7.03%
Commercial	504	(\$0.10022)	(\$0.00163)	(\$0.10185)	\$0.62751	-7.85%
Industrial	505	(\$0.10022)	(\$0.00151)	(\$0.10173)	\$0.61394	-9.22%
Industrial Lg Vol	511	(\$0.10022)	(\$0.00151)	(\$0.10173)	\$0.61394	-9.46%
Interruptible	570	(\$0.10022)	(\$0.00138)	(\$0.10160)	\$0.60042	-10.96%

Temporary Technical Adjustments

The second part of this filing is the TTA portion, which adjusts the Temporary Gas Cost Amortization rate in Schedule 590 to include changes in the amortization rates to refund or collect the balance of deferred natural gas commodity and demand costs as well as the residual TTA balance from the prior year. All balances to be refunded or collected include accrued interest.

During the 2022-2023 winter, the Company experienced unprecedented levels of gas costs for the reasons discussed in the WACOG section above. As a result of these extraordinary gas costs, the Company's commodity deferral balance as of July 31, 2023 was \$151,045,650, significantly larger than last year's commodity deferral balance of \$42,303,713. To mitigate the impact that this large deferral would have on customer rates, the Company proposes to collect the commodity deferral balance over twenty-four months.

The Company's decision to amortize the commodity gas deferral balance over twenty-four months will require the Company to carry more debt than it otherwise would

have. Consequently, the Company anticipates filing a proforma adjustment to increase its equity ratio in its next general rate case filing.

The rates contained in the attached Sheet 590 will collect the demand costs and residual TTA deferrals over twelve months, but the commodity portion of the deferral will be spread out over twenty-four months as discussed above. The change in rates will result in an estimated annual revenue increase of \$25,683,184, or 7.36 percent. The average residential customer using 54 therms per month will see an increase of \$5.35 or 7.11 percent. 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	\$0.09905	\$0.26926	6.84%
Commercial	504	\$0.09905	\$0.26926	7.64%
Industrial	505	\$0.09905	\$0.26926	8.98%
Industrial Lg Vol	511	\$0.09905	\$0.26926	9.21%
Interruptible	570	\$0.09905	\$0.26926	10.69%

Combined Effect

The impact of the PGA and TTA changes combined is a revenue decrease of \$725,852 or an overall 0.21 percent decrease. The impact to an average residential customer using 54 therms per month will be \$0.15 or a 0.20 percent decrease.

Attached Supporting Materials

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

The Company therefore, requests that the documents contained in the spreadsheet marked confidential that are identified with the cover page as “Confidential per WAC 480-07-160” be treated as confidential under the provisions of WAC 480-07-160(8), as they each contain sensitive commercial information. It would be unduly burdensome to mark the file as required in 480-07-160(4-7).

As directed by the WUTC in the March 13, 2017, Policy and Interpretive Statement in Docket UG-132019, included as an attachment to this filing is the Company’s 2021-22 Hedging Plan. The information contained in the plan is confidential pursuant to WAC 480-07-160(2)(c) as the plan contains valuable commercial information.

Cascade’s Hedging Program

Cascade’s Hedging Program uses a three-year, forward-looking ladder while establishing maximum and minimum percentage boundaries that allow hedge volumes to adjust to market conditions. In addition, the 2023 Hedge Plan implements a change to the years two and three maximum percentages from 50% to 55% and 30% to 35%, respectively, reflecting the Company’s increased capability for technical analysis and internal expertise.

Hedge volume comparison: hedged volumes for the 2022 plan (November 2021, through October 2022) totaled 18,902,250. Hedge volumes for the 2023 plan as of August 1st (November 2022, through October 2023) totaled 19,706,500. Over the period, since the approval of the 2022 Hedge Execution Plan (“HEP”) (April 2022-March 2023), the Cascade HEP saved customers about \$107 million of gas costs as compared to market prices. Backing out the fees paid to Gelber and Associates, the program realized a net gain of about \$106.9 million.

Customer Notice

In accordance with WAC 480-90-198, the Company declares that notice to customers was made in accordance with WAC 480-90-194. Cascade issued bill inserts to customers during August 2023, explaining the PGA process, and Cascade will publish on its webpage the anticipated rate decrease. Also, on September 15, 2023, Cascade began issuing another bill insert to customers stating the proposed decreased rates. Finally, Cascade will provide copies of the notice to Community Action agencies and organizations within its service territory and provide notice to the news media. Both copies of the 2023 bill inserts are included with this filing. The proposed change will affect all of Cascade’s Washington customers. Cascade serves approximately 202,519 residential, 27,445 commercial, 492 industrial, 100 large volume, and seven industrial interruptible customers in the state of Washington.

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

Sincerely,

/s/ Lori A. Blattner

Lori A. Blattner
Director, Regulatory Affairs
Cascade Natural Gas Corporation
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Attachments

PGA

NEW-CNGC-Advice-W23-09-01-PGA-Trf Sheets-09-15-23.pdf
NEW-CNGC-Advice-W23-09-01-PGA-Bill-Insert-09-15-23.pdf
NEW-CNGC-Advice-W23-09-01-PGA-Exhibit-A-09-15-23.pdf
NEW-CNGC-Advice-W23-09-01-PGA-WP-09-15-23.xlsx
NEW-CNGC-Advice-W23-09-01-PGA-Gas-Cost-WP-09-15-23(R).pdf
NEW-CNGC-Advice-W23-09-01-PGA-Gas-Cost-WP-09-15-23(C).xlsx

Hedge Plan

NEW-CNGC-RETROSPECTIVE-REPORT-WORKBOOK-09-15-23(C).xlsx

NEW-CNGC-RETROSPECTIVE-REPORT-WORKBOOK-09-15-23(R).pdf

NEW-CNGC-VAR-to-Life-09-15-23(C).xlsx

NEW-CNGC-VAR-to-Life-09-15-23(R).pdf

NEW-CNGC-2023-Annual-Hedge-Plan-09-15-23(C).pdf

NEW-CNGC-2023-Annual-Hedge-Plan-09-15-23 (R).pdf

NEW-CNGC-2023-HEDGE-PLAN-PROCESS-FLOW-CHARTS-09-15-23.pdf

NEW-CNGC-Annual-Plan-Check-In-Meeting-09-15-23(C).pdf

NEW-CNGC-Annual-Plan-Check-In-Meeting-09-15-23(R).pdf

NEW-CNGC-Compliance-Matrix-09.15.2023.xlsx

NEW-CNGC-GELBER-ASSOCIATES-2023-FORECAST-09-15-23(C).pdf

NEW-CNGC-GELBER-ASSOCIATES-2023-FORECAST-09-15-23(R).pdf

NEW-CNGC-Hedge-Book-Model-2023-09-15-23(C).xlsx

NEW-CNGC-Hedge-Book-Model-2023-09-15-23(R).pdf

NEW-CNGC-HEDGE-SCHDL-CHART-09-15-23.xlsx

NEW-CNGC-Mark-to-Market-Calculator-09-15-23(C).xlsx

NEW-CNGC-Mark-to-Market-Calculator-09-15-23(R).pdf

NEW-CNGC-Monthly-Guidance-09-15-23(C).pdf

NEW-CNGC-Monthly-Guidance-09-15-23(R).pdf

**GAS COST RATE ADJUSTMENT
SCHEDULE 590**

TERMS AND CONDITIONS

This adjustment applies throughout the territory served by the Company to all firm and interruptible gas sales service rendered by the Company under the tariff of which this schedule is a part. Rates in this schedule will be applied to all bills for service on and after the effective date hereof and shall be in addition to all rates and charges specified in this tariff.

PURPOSE

To reflect the demand, commodity cost of gas, and amortizations applicable to each sales rate schedule on a unit-of-sales basis, from the most recent Purchase Gas Adjustment pursuant to Rule 19.

WEIGHTED AVERAGE COST OF GAS (WACOG) RATES

The rates shown below are the Gas Costs as listed in the Rates section of each Rate Schedule. Table 1 and Table 2 charges are listed separately on customers' bills as the Average Cost of Gas and the Temporary Gas Cost Amortization, respectively.

Table 1 (Average Cost of Gas effective 11/1/2023):

Rate Schedule	Commodity Cost (per therm)	Demand Cost (per therm)	Total Rate (per therm)
503	\$0.44843	\$0.18183	\$0.63026
504	\$0.44843	\$0.17908	\$0.62751
505	\$0.44843	\$0.16551	\$0.61394
511	\$0.44843	\$0.16551	\$0.61394
570	\$0.44843	\$0.15199	\$0.60042

(R)

(R)

*Table 2 (Temporary Gas Cost Amortization effective 11/1/2023):**

Rate Schedule	Total Rate (per therm)
503, 504, 505, 511, 570	\$0.26926*

(I)

*Per Advice No. W23-09-01, a portion of the temporary gas costs are amortized over 24 months.

(N)

ADJUSTMENTS

The rates named herein are subject to adjustments as set forth in Schedule 500 and other supplemental schedules, when applicable.

CNG/W23-09-01

Issued September 15, 2023

Effective for Service on and after

November 1, 2023

Issued by CASCADE NATURAL GAS CORPORATION

By:  Lori A. Blattner

Director, Regulatory Affairs

EXHIBIT A

BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

CASCADE NATURAL GAS CORPORATION

Annual Purchased Gas Cost and
Temporary Technical Adjustments

CNGC WUTC Advice No.
W23-09-01 September 15, 2023

CASCADE NATURAL GAS CORPORATION

EXHIBIT A

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PGA Amount of Change by Rate Schedule	4
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PGA Derivation of Proposed Rate Adjustment	6
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Cascade Natural Gas Corporation
WASHINGTON 22/23 PURCHASED GAS COST TRACKING APPLICATION
DEVELOPMENT OF EMBEDDED SUPPLY & PIPELINE TRANSPORTATION RATES

CNGC Advice W23-09-01
PGA Exhibit A
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	UNITS	RATE	AMOUNT	CURRENT COST OF GAS	
				COMMODITY	DEMAND
CANADIAN UPSTREAM RESV COSTS	229,014	\$17.163381	\$3,930,650		\$3,930,650
DOMESTIC UPSTREAM NON-DIRECT RESV COSTS	16,299	\$13.500000	\$220,040		\$220,040
SUPPLY DEMAND CHARGES			\$50,361	\$50,361	\$0
COMPANY CONTRACT SUPPLY COMMODITY	227,991,412	\$0.523813	\$119,424,942	\$119,424,942	
GTN T-1 Agmt 00179	103,021	\$7.907699	\$814,658		\$814,658
GTN T-1 (Malin) Agmt 18507	89,134	\$4.505805	\$401,620		\$401,620
GTN T-3 (Expansion) Agmt 00152	0	\$3.476603	\$0		\$0
GTN 2003 Expansion Agmt 08844	0	\$4.505805	\$0		\$0
GTN South to North #13687	16,299	\$4.349388	\$70,892		\$70,892
GTN COMMODITY	15,982,705	\$0.002861	\$45,730	\$45,730	
NWP TF-1 100002 (principle transport--All Rec/All Del contract)	1,810,513	\$13.596250	\$24,701,298		\$24,701,298
NWP TF-1 Direct to Washington /1	292,160	\$13.596250	\$3,972,280		\$3,972,280
NWP TF-1 Split to specific OR and WA points	441,477	\$13.596250	\$6,002,437		\$6,002,437
NWP TF-1 Weyerhaeuser	50,000	\$13.596250	\$679,813		\$679,813
TF-1 COMMODITY	256,349,197	\$0.001055	\$270,448	\$270,448	
PLY-1 DEMAND	534,803	\$1.144640	\$612,157		\$612,157
PLY-1 CAPACITY	5,011,103	\$0.146365	\$733,450		\$733,450
PLY-1 STORAGE COMMODITY	5,011,103	\$0.387935	\$1,943,984	\$1,943,984	
PLY-1 INVENTORY	5,011,103	\$0.023315	\$116,833		\$116,833
PLY-1 LIQUEFACTION	5,011,103	\$0.058646	\$293,881		\$293,881
PLY-1 VAPORIZATION	5,011,103	\$0.007272	\$36,441		\$36,441
TF-2 TRANSPORTATION CAPACITY	13,729	\$13.596250	\$186,664		\$186,664
TF-2 TRANSPORTATION COMMODITY	5,011,103	\$0.000935	\$4,685	\$4,685	
PLY-2 DEMAND	161,555	\$1.144640	\$184,922		\$184,922
PLY-2 CAPACITY	891,338	\$0.146365	\$130,461		\$130,461
PLY-2 STORAGE COMMODITY	891,338	\$0.379667	\$338,411	\$338,411	
PLY-2 INVENTORY	891,338	\$0.022818	\$20,339		\$20,339
PLY-2 LIQUEFACTION	891,338	\$0.058646	\$52,273		\$52,273
PLY-2 VAPORIZATION	891,338	\$0.007272	\$6,482		\$6,482
TF-2 TRANSPORTATION CAPACITY	2,442	\$13.596250	\$33,202		\$33,202
TF-2 TRANSPORTATION COMMODITY	891,338	\$0.000935	\$833	\$833	
JP-1 DEMAND	149,647	\$0.810300	\$121,259		\$121,259
JP-1 CAPACITY	5,386,811	\$0.029565	\$159,261		\$159,261
JP-1 STORAGE COMMODITY	5,386,811	\$0.538915	\$2,903,034	\$2,903,034	
JP-1 INVENTORY	5,386,811	\$0.032389	\$174,472		\$174,472
TF-2 TRANSPORTATION CAPACITY	14,758	\$13.596250	\$200,659		\$200,659
TF-2 TRANSPORTATION COMMODITY	5,386,811	\$0.000935	\$5,037	\$5,037	
JP-2 DEMAND	267,401	\$1.238445	\$331,162		\$331,162
JP-2 CAPACITY	3,119,684	\$0.106215	\$331,357		\$331,357
JP-2 STORAGE COMMODITY	3,119,684	\$0.335723	\$1,671,289	\$1,671,289	
JP-2 INVENTORY	3,119,684	\$0.032197	\$100,444		\$100,444
TF-1 TRANSPORTATION CAPACITY	8,547	\$13.596250	\$116,208		\$116,208
TF-1 TRANSPORTATION COMMODITY	3,119,684	\$0.000935	\$2,917	\$2,917	
JP-3 DEMAND	54,167	\$0.810300	\$43,891		\$43,891
JP-3 CAPACITY	1,590,682	\$0.029565	\$47,029		\$47,029
JP-3 STORAGE COMMODITY	1,590,682	\$0.549895	\$874,709	\$874,709	
JP-3 INVENTORY	1,590,682	\$0.033049	\$52,570		\$52,570
TF-2 TRANSPORTATION CAPACITY	4,358	\$13.596250	\$59,253		\$59,253
TF-2 TRANSPORTATION COMMODITY	1,590,682	\$0.000935	\$1,487	\$1,487	
JP-4 DEMAND	31,197	\$0.810300	\$25,279		\$25,279
JP-4 CAPACITY	916,135	\$0.029565	\$27,086		\$27,086
JP-4 STORAGE COMMODITY	916,135	\$0.522827	\$478,980	\$478,980	
JP-4 INVENTORY	916,135	\$0.031422	\$28,787		\$28,787
TF-2 TRANSPORTATION CAPACITY	2,510	\$13.596250	\$34,126		\$34,126
TF-2 TRANSPORTATION COMMODITY	916,135	\$0.000935	\$857	\$857	
MIST DEMAND	267,401	\$5.558172	\$1,486,263		\$1,486,263
MIST CAPACITY	5,348,029	\$0.067256	\$359,686		\$359,686
MIST STORAGE COMMODITY	5,348,029	\$0.310786	\$1,662,090	\$1,662,090	
MIST INVENTORY	5,348,029	\$0.018678	\$99,892		\$99,892
TRANSPORTATION CAPACITY	14,652	\$13.596250	\$199,214		\$199,214
TRANSPORTATION COMMODITY	5,348,029	\$0.000935	\$5,000	\$5,000	
MIST2 DEMAND	178,268	\$4.460400	\$795,145		\$795,145
MIST2 CAPACITY	9,269,917	\$0.060000	\$556,195		\$556,195
MIST2 STORAGE COMMODITY	9,269,917	\$0.510378	\$4,731,158	\$4,731,158	
MIST2 INVENTORY	9,269,917	\$0.030674	\$284,343		\$284,343
TRANSPORTATION CAPACITY	25,397	\$13.596250	\$345,304		\$345,304
TRANSPORTATION COMMODITY	9,269,917	\$0.000935	\$8,667	\$8,667	
WINTER PEAKING RESERVATION (WWP)	0	\$0.000000	\$0		\$0
WINTER PEAKING COMMODITY	0	\$0.000000	\$0	\$0	
TF-2 TRANSPORTATION CAPACITY	0	\$0.000000	\$0		\$0
TF-2 TRANSPORTATION COMMODITY	0	\$0.000000	\$0	\$0	
Core Mitigation (Net Capacity Release and Storage Revenues)			(\$3,980,227)		(\$3,980,227)
DAILY BALANCING NON-CORE CREDIT	841,988,357	(\$0.00040)	(\$336,795)		(\$336,795)
WA COMMODITY VOLUMES FOR CORE RESOURCES	259,525,113		\$179,287,275	\$134,424,621	\$44,862,654
LAST SALES/TRANSPORT VOLUMES Demand				259,525,113	259,525,113
LAST PROPOSED AVERAGE RATE				\$0.52438	\$0.17501

Cascade Natural Gas Corporation
WASHINGTON 23/24 PURCHASED GAS COST TRACKING APPLICATION
DEVELOPMENT OF PROPOSED SUPPLY & PIPELINE TRANSPORTATION RATES

CNGC Advice W23-09-01
PGA Exhibit A
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	UNITS	CURRENT RATE	AMOUNT	CURRENT COST OF GAS COMMODITY	DEMAND	EMBEDDED DIFFERENCE	COMMODITY UNITS
CANADIAN UPSTREAM RESV COSTS	264,336	\$15.64336	\$4,135,110		\$4,135,110	\$204,460	
DOMESTIC UPSTREAM NON-DIRECT RESV COSTS	16,181	\$13.57500	\$219,653		\$219,653	(\$387)	
HEDGING ADMIN COSTS			\$50,369	\$50,369		\$8	
COMPANY CONTRACT SUPPLY COMMODITY	230,944,665	\$0.43357	\$100,129,781	\$100,129,781		(\$19,295,162)	230,944,665
GTN T-1 Agmt 00179	103,112	\$7.92936	\$817,615		\$817,615	\$2,957	
GTNX #20180 November 1, 2023	21,574	\$10.24800	\$221,093		\$221,093	\$221,093	
GTN T-1 (Malin) Agmt 18507	10,787	\$4.53084	\$48,875		\$48,875	(\$352,745)	
GTN T-3 (Expansion) Agmt 00152	0	\$3.49592	\$0		\$0	\$0	
GTN 2003 Expansion Agmt 08844	0	\$4.53084	\$0		\$0	\$0	
GTN South to North #13687	16,181	\$4.36130	\$70,569		\$70,569	(\$323)	
GTN COMMODITY	44,429,765	\$0.00286	\$127,122	\$127,122		\$81,393	
NWP TF-1 100002 (principle transport--All Rec/All Del contract)	1,812,119	\$13.63350	\$24,790,647		\$24,790,647	\$89,348	
NWP TF-1 Direct to Washington /1	292,160	\$13.63350	\$3,983,163		\$3,983,163	\$10,883	
NWP TF-1 Split to specific OR and WA points	441,614	\$13.63350	\$6,020,748		\$6,020,748	\$18,311	
NWP TF-1 Weyerhaeuser	50,000	\$13.63350	\$681,675		\$681,675	\$1,863	
TF-1 COMMODITY	259,295,142	\$0.00109	\$281,335	\$281,335		\$10,887	
PLY-1 DEMAND	535,277	\$1.14778	\$614,378		\$614,378	\$2,222	
PLY-1 CAPACITY	5,015,548	\$0.14677	\$736,112		\$736,112	\$2,662	
PLY-1 STORAGE COMMODITY	5,015,548	\$0.40395	\$2,026,028	\$2,026,028		\$82,044	5,015,548
PLY-1 INVENTORY	5,015,548	\$0.024277	\$121,764		\$121,764	\$4,931	
PLY-1 LIQUEFACTION	5,015,548	\$0.05865	\$294,142		\$294,142	\$261	
PLY-1 VAPORIZATION	5,015,548	\$0.00727	\$36,473		\$36,473	\$32	
TF-2 TRANSPORTATION CAPACITY	13,704	\$13.63350	\$186,829		\$186,829	\$166	
TF-2 TRANSPORTATION COMMODITY	5,015,548	\$0.00094	\$4,690	\$4,690		\$4	
PLY-2 DEMAND	161,698	\$1.14778	\$185,593		\$185,593	\$671	
PLY-2 CAPACITY	892,129	\$0.14677	\$130,934		\$130,934	\$473	
PLY-2 STORAGE COMMODITY	892,129	\$0.58261	\$519,763	\$519,763		\$181,352	892,129
PLY-2 INVENTORY	892,129	\$0.035015	\$31,238		\$31,238	\$10,899	
PLY-2 LIQUEFACTION	892,129	\$0.05865	\$52,320		\$52,320	\$46	
PLY-2 VAPORIZATION	892,129	\$0.00727	\$6,488		\$6,488	\$6	
TF-2 TRANSPORTATION CAPACITY	2,438	\$13.63350	\$33,232		\$33,232	\$29	
TF-2 TRANSPORTATION COMMODITY	892,129	\$0.00094	\$834	\$834		\$1	
JP-1 DEMAND	149,780	\$0.81252	\$121,699		\$121,699	\$440	
JP-1 CAPACITY	5,391,589	\$0.02965	\$159,839		\$159,839	\$578	
JP-1 STORAGE COMMODITY	5,391,589	\$0.25547	\$1,377,404	\$1,377,404		(\$1,525,630)	5,391,589
JP-1 INVENTORY	5,391,589	\$0.015354	\$82,782		\$82,782	(\$91,690)	
TF-2 TRANSPORTATION CAPACITY	14,731	\$13.63350	\$200,837		\$200,837	\$178	
TF-2 TRANSPORTATION COMMODITY	5,391,589	\$0.00094	\$5,041	\$5,041		\$4	
JP-2 DEMAND	267,639	\$1.24184	\$332,364		\$332,364	\$1,202	
JP-2 CAPACITY	3,122,451	\$0.10651	\$332,560		\$332,560	\$1,203	
JP-2 STORAGE COMMODITY	3,122,451	\$0.32002	\$999,254	\$999,254		(\$672,035)	3,122,451
JP-2 INVENTORY	3,122,451	\$0.019233	\$60,055		\$60,055	(\$40,389)	
TF-1 TRANSPORTATION CAPACITY	8,531	\$13.63350	\$116,311		\$116,311	\$103	
TF-1 TRANSPORTATION COMMODITY	3,122,451	\$0.00094	\$2,919	\$2,919		\$3	
JP-3 DEMAND	54,215	\$0.81252	\$44,051		\$44,051	\$159	
JP-3 CAPACITY	1,592,093	\$0.02965	\$47,199		\$47,199	\$171	
JP-3 STORAGE COMMODITY	1,592,093	\$0.25381	\$404,092	\$404,092		(\$470,617)	1,592,093
JP-3 INVENTORY	1,592,093	\$0.015254	\$24,286		\$24,286	(\$28,284)	
TF-2 TRANSPORTATION CAPACITY	4,350	\$13.63350	\$59,305		\$59,305	\$53	
TF-2 TRANSPORTATION COMMODITY	1,592,093	\$0.00094	\$1,489	\$1,489		\$1	
JP-4 DEMAND	31,225	\$0.81252	\$25,371		\$25,371	\$92	
JP-4 CAPACITY	916,948	\$0.02965	\$27,184		\$27,184	\$98	
JP-4 STORAGE COMMODITY	916,948	\$0.28962	\$265,563	\$265,563		(\$213,417)	916,948
JP-4 INVENTORY	916,948	\$0.017406	\$15,960		\$15,960	(\$12,826)	
TF-2 TRANSPORTATION CAPACITY	2,505	\$13.63350	\$34,156		\$34,156	\$30	
TF-2 TRANSPORTATION COMMODITY	916,948	\$0.00094	\$857	\$857		\$1	
MIST DEMAND	267,639	\$5.57340	\$1,491,657		\$1,491,657	\$5,394	
MIST CAPACITY	5,352,773	\$0.06744	\$360,991		\$360,991	\$1,305	
MIST STORAGE COMMODITY	5,352,773	\$0.31079	\$1,663,563	\$1,663,563		\$1,473	5,352,773
MIST INVENTORY	5,352,773	\$0.018678	\$99,980		\$99,980	\$89	
TRANSPORTATION CAPACITY	14,625	\$13.63350	\$199,391		\$199,391	\$177	
TRANSPORTATION COMMODITY	5,352,773	\$0.00094	\$5,005	\$5,005		\$4	
MIST2 DEMAND	178,426	\$4.47262	\$798,031		\$798,031	\$2,886	
MIST2 CAPACITY	9,278,140	\$0.06016	\$558,214		\$558,214	\$2,019	
MIST2 STORAGE COMMODITY	9,278,140	\$0.35138	\$3,260,160	\$3,260,160		(\$1,470,998)	9,278,140
MIST2 INVENTORY	9,278,140	\$0.021118	\$195,936		\$195,936	(\$88,407)	
TRANSPORTATION CAPACITY	25,350	\$13.63350	\$345,611		\$345,611	\$306	
TRANSPORTATION COMMODITY	9,278,140	\$0.00094	\$8,675	\$8,675		\$8	
WINTER PEAKING RESERVATION (WWP)	0	\$0.00000	\$0		\$0	\$0	
WINTER PEAKING COMMODITY	0	\$0.00000	\$0	\$0		\$0	-
TF-2 TRANSPORTATION CAPACITY	0	\$0.00000	\$0		\$0	\$0	
TF-2 TRANSPORTATION COMMODITY	0	\$0.00000	\$0	\$0		\$0	

Core Mitigation (Net Capacity Release and Storage Revenues) and Other Credits			(\$3,853,759)		(\$3,853,759)	\$126,468	
DAILY BALANCING NON-CORE CREDIT	841,988,357	(\$0.00040)	(\$336,795)		(\$336,795)	\$0	
WA COMMODITY VOLUMES FOR CORE RESOURCES	262,506,335		\$156,095,808	\$ 111,133,944	\$44,961,864	(\$23,191,467)	262,506,335
SALES/TRANSPORT VOLUMES(Mainline Gas Costs)				262,506,335	262,506,335		
PROPOSED AVERAGE RATE(Mainline Gas Costs)				\$0.42336	\$0.17128	\$0.59464	
Forecasted PGA Volumes (City Gate Gas Costs)				259,295,142	259,295,142		
PROPOSED AVERAGE RATE(City Gate Gas Costs)				\$0.42860	\$0.17340	\$0.60200	
CURRENT AVERAGE RATE IN RATES				\$0.52438	\$0.17501	\$0.69939	
GROSS RATE CHANGE				(\$0.09578)	(\$0.00161)	(\$0.09739)	
REVENUE ADJUSTMENT FACTOR		UG-210755		0.04423	0.04423	0.04423	
TOTAL PROPOSED ADJUSTMENT				(\$0.10022)	(\$0.00169)	(\$0.10190)	
proposed rate w/revenue factor			\$	0.44843			
current rate w/revenue factor			\$	0.54865			
			\$	(0.10022)			

CASCADE NATURAL GAS CORPORATION
2023 PGA Gas Demand Cost Allocation

	Current	Proposed
From Summary-WA Gas Cost Tracking tab		
Demand Costs	\$ 44,862,654	\$44,961,864
Commodity Costs	134,424,621	111,133,944

Rate Schedule	503	504	505/511	570	Total
Current Demand Rates	0.17537	0.17272	0.15963	0.14659	
% change (same for each sch)	-0.902%	-0.902%	-0.902%	-0.902%	
Proposed Demand Increment	0.17379	0.17116	0.15819	0.14527	
Proposed Demand Costs Collect	\$ 23,543,042	\$ 17,821,965	\$ 3,284,340	\$ 312,518	\$ 44,961,864
Proposed Change in Demand	(0.00158)	(0.00156)	(0.00144)	(0.00132)	
Revenue Adjustment Factor	0.95577	0.95577	0.95577	0.95577	
Proposed Rate Adjustment	\$ (0.00166)	\$ (0.00163)	\$ (0.00151)	\$ (0.00138)	
Proposed Volumes	135,469,736	104,123,309	20,761,971	2,151,320	262,506,335

Cascade Natural Gas Corporation
PGA AMOUNT OF CHANGE BY RATE SCHEDULE
Bills and Revenues Based Upon the Twelve Months Ended 7/31/23
State of Washington

Line No.	Description (a)	Rate Schedule (b)	Average # of Bills (c)	Forecasted Therms Sold (d)	Actual Revenue (e)	Per Therm Gas Cost Change (f)	Amount of Change (g)	Percent Change (h)
CORE MARKET RATE SCHEDULES								
1	Residential	503	202,519	130,555,024	189,128,913	(0.10188)	(13,300,946)	-7.03%
2	Commercial	504	27,445	97,016,893	125,824,675	(0.10185)	(9,881,171)	-7.85%
3	Industrial Firm	505	492	12,744,910	14,063,320	(0.10173)	(1,296,540)	-9.22%
4	Large Volume	511	100	16,795,288	18,059,049	(0.10173)	(1,708,585)	-9.46%
5	Industrial Interruptible	570	7	2,183,028	2,023,502	(0.10160)	(221,796)	-10.96%
6	Total Core		230,563	259,295,142	349,099,460		(26,409,036)	-7.56%

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

Line No.	Type of Service	UG-210755 Typical Monthly Therm Used	Basic Service Charge	Current 3/1/2023 Billing Rates	Current 3/1/2023 Average Bill	Proposed 11/1/2023 PGA Effects	Proposed 11/1/2023 PGA Effect Average Bill	Bill Difference	Proposed 11/1/2023 PGA Effects % Bill Change
	(a)	(b)	(c)	(d)	e=c+(b*d) (e)	(f)	g=c+(b*f) (g)	(h)	(i)
1	Residential, Schedule 503	54	\$5	\$1.30059	\$75.23	\$1.19871	\$69.73	-\$5.50	-7.31%
2	Commercial, Schedule 504	271	\$13	\$1.25728	\$353.72	\$1.15543	\$326.12	-\$27.60	-7.80%
3	Industrial Firm, Schedule 505		\$60						
4	First 500 therms			\$1.15619	\$638.10	\$1.05446	\$587.23		
5	Next 3,500 therms			\$1.11688	\$1,666.38	\$1.01515	\$1,514.60		
6	Over 4,000 therms			\$1.11094		\$1.00921			
7	Total 505	1,992			\$2,304.48		\$2,101.83	-\$202.65	-8.79%
8	Large Volume, Schedule 511		\$125						
9	First 20,000 therms			\$1.06448	\$17,836.88	\$0.96275	\$16,144.20		
10	Next 80,000 therms			\$1.02575		\$0.92402			
11	Over 100,000 therms			\$0.92994		\$0.82821			
12	Total 511	16,639			\$17,836.88		\$16,144.20	-\$1,692.69	-9.49%
13	Industrial Interruptible, Schedule 570		\$163						
14	First 30,000 therms			\$0.99783	\$23,345.58	\$0.89623	\$20,985.11		
15	Over 30,000 therms			\$0.93246		\$0.83086			
16	Total 570	23,233			\$23,345.58		\$20,985.11	-\$2,360.47	-10.11%

Cascade Natural Gas Corporation
PGA DERIVATION OF PROPOSED RATE ADJUSTMENT
State of Washington

Line No.	Description	503 Residential Customers	504 Commercial Customers	505/511 Firm Indust Customers	570 Interruptible Customers
1	WACOG Effective November 1, 2022	\$0.73214	\$0.72936	\$0.71567	\$0.70202
	<u>Proposed Incremental Change</u>				
2	Residential	(\$0.10188)			
3	Commercial		(\$0.10185)		
4	Industrial Firm			(\$0.10173)	
5	Interruptible - CORE				(\$0.10160)
6	NON-CORE Customers				
7	Total Proposed Rate	\$0.63026	\$0.62751	\$0.61394	\$0.60042

TTA CALCULATION OF PER THERM RATES TO AMORTIZE DEFERRED ACCOUNTS

Line No.	Consolidated Account (a)	Account Balance 7/31/2023 (b)	Interest Assignments & Amortization through 10/31/2023 (c)	Interest Accruals Through Am. (d)	Revenue Sensitive costs (e)	Amount (f)	PROPOSED TECH. ADJUSTMENTS		Proposed Period of Am. (j)	Item (k)
							CORE			
							503/504 (g)	All Other Core (h)		
1	Core Market Commodity Costs	\$ 151,045,650	\$ 3,074,159	\$ 11,136,349	\$7,647,530	\$ 172,903,689				
				Divide by		518,590,284	0.33341	0.33341	2 Year	Core Gas Deferrals
2	Core Market Demand Costs & TTA Residual	\$ (9,507,685)	\$ (5,895,029)	\$ (494,564)	\$ (735,676)	\$ (16,632,953)				Core
				Divide by		259,295,142	\$ (0.06415)	\$ (0.06415)	1 Year	Core Gas Deferrals
3										
4										
5										
6										
7	TOTAL	\$ 141,537,965	\$ (2,820,870)	\$ 10,641,785	\$6,911,855	\$ 156,270,735	\$ 0.26926	\$ 0.26926		

Cascade Natural Gas Corporation
TTA DERIVATION OF PROPOSED RATE LEVEL WITHIN
RATE ADDITION SCHEDULE NO. 590
State of Washington

Line No.	Description (a)	Rate Schedule (b)	Reverse Prior Temporary Rate Adj. (c)	Gas Cost Related Temporary Rate Adj. (d)	Incremental R/S 590 Rate Change (e)	Posted R/S 590 Tariff Rate (f)
CORE MARKET RATE SCHEDULES						
1	Residential	503	\$ (0.17021)	\$ 0.26926	\$ 0.09905	\$ 0.26926
2	Commercial	504	\$ (0.17021)	\$ 0.26926	\$ 0.09905	\$ 0.26926
3	Com-Ind Dual Service	511	\$ (0.17021)	\$ 0.26926	\$ 0.09905	\$ 0.26926
4	Industrial Firm	505	\$ (0.17021)	\$ 0.26926	\$ 0.09905	\$ 0.26926
5	Industrial Interr.	570	\$ (0.17021)	\$ 0.26926	\$ 0.09905	\$ 0.26926

6 (c) from 2022 TTA Exhibit A , Page 7 of 10

7 (d) from TTA Exhibit A, Page 7 of 10

Cascade Natural Gas Corporation
TTA AMOUNT OF CHANGE BY RATE SCHEDULE
Bills and Revenues Based Upon the Twelve Months Ended 7/31/23
State of Washington

Line No.	Description (a)	Rate Schedule (b)	Average # of Bills (c)	Forecasted Therms Sold (d)	Actual Revenue (e)	Per Therm TTA Change (f)	Amount of Change (g)	Percent Change (h)
CORE MARKET RATE SCHEDULES								
1	Residential	503	202,519	130,555,024	189,128,913	\$ 0.09905	\$ 12,931,475	6.84%
2	Commercial	504	27,445	97,016,893	125,824,675	\$ 0.09905	\$ 9,609,523	7.64%
3	Industrial Firm	505	492	12,744,910	14,063,320	\$ 0.09905	\$ 1,262,383	8.98%
4	Large Volume	511	100	16,795,288	18,059,049	\$ 0.09905	\$ 1,663,573	9.21%
5	Industrial Interruptible	570	7	2,183,028	2,023,502	\$ 0.09905	\$ 216,229	10.69%
6	Total Core		230,563	259,295,142	349,099,460		\$ 25,683,184	7.36%

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

Line No.	Type of Service	UG-210755 Typical Monthly Therm Used	Basic Service Charge	Current 3/1/2023 Billing Rates	Current 3/1/2023 Average Bill	Proposed 11/1/2023 TTA Effects	Proposed 11/1/2023 TTA Effect Average Bill	Bill Difference	Proposed 11/1/2023 TTA Effects % Bill Change
	(a)	(b)	(c)	(d)	e=c+(b*d) (e)	(f)	g=c+(b*f) (g)	(h)	(i)
1	Residential, Schedule 503	54	\$5	\$1.30059	\$75.23	\$1.39964	\$80.58	\$5.35	7.11%
2	Commercial, Schedule 504	271	\$13	\$1.25728	\$353.72	\$1.35633	\$380.57	\$26.84	7.59%
3	Industrial Firm, Schedule 505		\$60						
4	First 500 therms			\$1.15619	\$638.10	\$1.25524	\$687.62		
5	Next 3,500 therms			\$1.11688	\$1,666.38	\$1.21593	\$1,814.17		
6	Over 4,000 therms			\$1.11094		\$1.20999			
7	Total 505	1,992			\$2,304.48		\$2,501.79	\$197.31	8.56%
8	Large Volume, Schedule 511		\$125						
9	First 20,000 therms			\$1.06448	\$17,836.88	\$1.16353	\$19,484.98		
10	Next 80,000 therms			\$1.02575		\$1.12480			
11	Over 100,000 therms			\$0.92994		\$1.02899			
12	Total 511	16,639			\$17,836.88		\$19,484.98	\$1,648.09	9.24%
13	Industrial Interruptible, Schedule 570		\$163						
14	First 30,000 therms			\$0.99783	\$23,345.58	\$1.09688	\$25,646.81		
15	Over 30,000 therms			\$0.93246		\$1.03151			
16	Total 570	23,233			\$23,345.58		\$25,646.81	\$2,301.23	9.86%

NOTICE OF PROPOSED RATE CHANGE | FOR WASHINGTON CUSTOMERS

On September 15, 2023, Cascade Natural Gas Corporation (Cascade) filed the following requests with the Washington Utilities and Transportation Commission (WUTC) proposing an overall average 0.02 percent decrease in revenues with a variable impact to rates for customer groups with natural gas service. The rate changes are proposed to become effective November 1, 2023:

- **Purchased Gas Adjustment (PGA):** Cascade requested a decrease to rates for the cost of natural gas. Gas costs are a straight pass through of cost and Cascade does not earn a profit on these costs. For gas costs alone, the average residential customer using 54 therms per month will see a bill decrease of \$0.15 per month or 0.20 percent less. The proposed rate decrease is primarily due to a decrease in wholesale natural gas costs.
- **Cost Recovery Mechanism for Pipeline Replacement (CRM):** Cascade asked to recover the costs incurred for the replacement of aging natural gas pipes. The CRM allows Cascade to continue to provide customers with safe and reliable gas service. The typical residential customer using 54 therms per month will see a bill increase of \$0.63 per month or 0.84 percent more for the CRM costs.
- **Decoupling Mechanism Adjustment:** Decoupling is an adjustment that breaks the link between the volume of gas sold and Company revenues without removing the price signal to encourage efficient gas usage. Cascade requested to charge customers the difference between authorized revenue and actual billed revenue consistent with Cascade's Rule 21, Decoupling Mechanism, and Commission Order 04 in Docket UG-152286. Billed and authorized revenue differ for a number of reasons including the installation of conservation measures, weather variations, and different gas usage patterns. For the decoupling mechanism adjustment, the average residential customer using 54 therms per month will see a bill decrease of \$1.64 per month or 2.18 percent less.
- **Conservation:** Cascade's energy efficiency programs offer financial incentives for customers to install energy efficient appliances or weatherization measures, forestalling for all customers the increased cost of new gas supplies. Cascade requested an increase to its rates that collects actual conservation program costs. For conservation costs alone, an average residential customer using 54 therms per month will see a bill increase of \$0.88 per month or 1.17 percent more.
- **Unprotected Excess Deferred Income Tax:** This relates to the Tax Cut and Jobs Act that reduced the federal income tax rate effective January 1, 2018. For this adjustment, the average residential customer using 54 therms per month will see a bill increase of \$0.01 per month or 0.01 percent more.
- **Washington Energy Assistance Fund (WEAF) Cost Recovery:** This rate recovers the uncollected program costs from the 2022-2023 program year as well as the COVID-19 Big Heart Grants that were offered temporarily under Schedule 304. For the WEAF Cost Recovery, an average residential customer using 54 therms per month will see a bill increase of \$0.51 per month or 0.68 percent more.

The WUTC will review each of these filings and has the authority to set final rates that may vary from Cascade's requests, either higher or lower, depending on the results of its investigation. If the WUTC approves all proposals, the total increase for a typical residential customer using 54 therms per month will be \$0.23 more per month or 0.31 percent, bringing the total average monthly Cascade bill to \$75.46 from \$75.23. The combined proposed rate changes for residential, commercial, and industrial customers are:

Type of Service	Current Rate	Current Average Bill**	Proposed Rate	Proposed Average Bill**	Percent Change in Bill
Residential, Schedule 503	\$1.30059	\$75.23	\$1.30491	\$75.46	0.31%
Commercial, Schedule 504	\$1.25728	\$353.72	\$1.22795	\$345.77	(2.25%)
Industrial Firm, Schedule 505*	\$1.13654	\$2,304.48	\$1.14526	\$2,321.86	0.75%
Com-Ind Dual Service, Schedule 511	\$1.06448	\$17,836.88	\$1.11788	\$18,725.46	4.98%
Industrial Interruptible, Schedule 570	\$0.99783	\$23,345.58	\$1.01894	\$23,835.95	2.10%
Transport, Schedule 663*	\$0.04586	\$12,050.38	\$0.04772	\$12,582.12	4.41%

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

** The average bill includes the monthly basic charge which will not change with these filings.



In the Community to Serve®

NOTICE OF PROPOSED RATE CHANGE | FOR WASHINGTON CUSTOMERS

For additional information on the proposed rate changes, conservation tips, energy efficiency programs, energy assistance programs, and bill payment plans

- ▶ Visit Cascade Natural Gas's website at **www.cngc.com**
- ▶ Call 1-888-522-1130
- ▶ Or write to:
c/o Cascade Regulatory Department
8113 W, Grandridge Blvd
Kennewick WA 99336-7166.

The Commission has the authority to set final rates that may be either lower or higher than the company's request, depending on the results of its investigation. You can comment on the case by using the "Submit a Comment" feature at the Commission's web site (www.utc.wa.gov) or by using the contact information below.*

Washington Utilities and Transportation Commission
Post Office Box 47250
Olympia, WA 98504-7250

E-mail: comments@utc.wa.gov

Telephone: 1-888-333-WUTC (9882)

Commission Staff will make a recommendation to the Commissioners at an open meeting which you may attend. You will have an opportunity to provide your comments at this meeting either in person or remotely. If you intend to listen or participate remotely, call 360-664-1234 at least a day before the open meeting for instructions and to sign in. You should also call this number if you plan to attend in person to verify that the case has not been rescheduled to a later open meeting date.

The Commission's street address is 621 Woodland Square Loop SE, Lacey.

The WUTC is committed to providing reasonable accommodation for participants with disabilities. If you need reasonable accommodation to participate in this open meeting, please contact the Commission at 1-888-333-9882 or email consumer@utc.wa.gov.

*Please include your name and mailing address, reference the name of company (Cascade Natural Gas Corporation) and Advice Nos. CNG/W23-09-01, CNG/W23-09-02, CNG/W23-09-03, CNG/ W23-09-04, and CNG/W23-09-05 and Docket No. UG-230426.

CASCADE NATURAL GAS CORPORATION
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