



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

CNG/W23-09-02

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 Conservation Program Adjustment Annual Filing

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:

Eighty-Ninth Revision Sheet No. 596 Canceling Eighty- Eighth Revision Sheet No. 596

The purpose of the conservation program adjustment ("CPA") filing is to pass on changes in the amount of conservation program expenditures affecting customer rates as a result of deferral account amortizations.

The rates contain information developing the level of the per therm change necessary to amortize the outstanding deferral balances of \$11,950,621 for the twelve months ended July 31, 2023. The \$11,950,621 is comprised of \$5,669,401 for the residential program, \$1,470,605 for the commercial program, \$789,978 for the low-income program, \$3,178,696 is for administration costs, and \$841,941 is for the residual balance from last year's filing. The total amortization requested in this filing is a debit of \$12,074,017. The annual revenue change reflected in this filing is an increase of \$4,231,697 to customers, or an increase in annual revenue of 1.21 percent. Below is a table summarizing the proposed changes 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	\$0.01632	\$0.04656	1.13%
Commercial	504	\$0.01632	\$0.04656	1.26%
Industrial	505	\$0.01632	\$0.04656	1.48%
Industrial Lg Vol	511	\$0.01632	\$0.04656	1.52%
Interruptible	570	\$0.01632	\$0.04656	1.76%

The impact of the CPA is a revenue increase of \$4,231,697 or a 1.21 percent increase. The impact to an average residential customer using 54 therms per month will be an increase of \$0.88 or 1.17 percent.

The proposed change will affect all of Cascade's retail sales 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 will provide a copy of the bill insert in a separate filing, Advice No. W23-09-01.

If you have any questions, please direct them to me at (208) 377-6015 or Michael Parvinen at (509) 734-4593.

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

Attachments

NEW-CNGC-Advice-W23-09-02-CPA-Trf-Sheet-596-09-15-2023.pdf
NEW-CNGC-Advice-W23-09-02-CPA-Exh-A-09-15-2023.pdf
NEW-CNGC-Advice-W23-09-02-CPA-WP-09-15-2023.xlsx

**SCHEDULE NO. 596
CONSERVATION PROGRAM ADJUSTMENT**

APPLICABLE:

This adjustment applies to gas service rendered by the Company under the tariff of which this schedule is a part for service on and after the effective date hereof and shall be in addition to all rates and charges specified in this tariff.

MONTHLY RATES AND MINIMUM BILLS:

Each of the charges, except Demand and Customer Service Charges, of Schedule No. 503 is to be increased by \$0.04656 per therm or an appropriate multiple thereof.

Each of the charges, except Demand and Customer Service Charges, of Schedule No. 504 is to be increased by \$0.04656 per therm or an appropriate multiple thereof.

Each of the charges, except Demand and Customer Service Charges, of Schedule Nos. 505 and 511 is to be increased by \$0.04656 per therm or an appropriate multiple thereof.

Each of the charges of Schedule No. 570 is to be increased by \$0.04656 per therm or an appropriate multiple thereof.

SPECIAL TERMS AND CONDITIONS:

The rates named herein are subject to increases as set forth in Schedule No. 500, Municipal Taxes.

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CNG/W23-09-02
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

Conservation Program Adjustments

CNGC WUTC Advice No. W23-09-02 / UG-_____

September 15, 2023

CASCADE NATURAL GAS CORPORATION

EXHIBIT A

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Cascade Natural Gas Corporation
CPA CALCULATION OF PER THERM RATES TO AMORTIZE DEFERRED ACCOUNTS
State of Washington

CNGC Advice W23-09-02
CPA Exhibit A
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							PROPOSED TECH. ADJUSTMENTS			
							CORE			
Line No.	Consolidated Account	Account Balance 7/31/2023	Interest Assignments & Amortization through 10/31/2023	Interest Accruals Through Am.	Revenue Sensitive costs	Amount	503/504	All Other Core	Proposed Period of Am.	Item
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	CORE Conservation	\$ 11,950,621	\$ (769,647)	\$ 359,009	\$ 534,034	\$ 12,074,017				
2				Divide by		259,295,142	\$ 0.04656	\$ 0.04656	1 Year	Conservation Program Deferrals Core
3	TOTAL	\$ 11,950,621	\$ (769,647)	\$ 359,009	\$ 534,034	\$ 12,074,017	\$ 0.04656	\$ 0.04656		

Cascade Natural Gas Corporation
CPA DERIVATION OF PROPOSED RATE LEVEL WITHIN
RATE ADDITION SCHEDULE NO. 596
State of Washington

Description (a)	Rate Schedule (b)	Reverse Prior Conservation Rate Adj. (c)	Conservation Related Temporary Rate Adj. (d)	Incremental R/S 596 Rate Change (e)	Posted R/S 596 Tariff Rate (f)
CORE MARKET RATE SCHEDULES					
Residential	503	\$ (0.03024)	\$ 0.04656	\$ 0.01632	\$ 0.04656
Commercial	504	\$ (0.03024)	\$ 0.04656	\$ 0.01632	\$ 0.04656
Com-Ind Dual Service	511	\$ (0.03024)	\$ 0.04656	\$ 0.01632	\$ 0.04656
Industrial Firm	505	\$ (0.03024)	\$ 0.04656	\$ 0.01632	\$ 0.04656
Industrial Interr.	570	\$ (0.03024)	\$ 0.04656	\$ 0.01632	\$ 0.04656

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

CNGC Advice W23-09-02

CPA Exhibit A

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Line No.	Description (a)	Rate Schedule (b)	Average # of Bills (c)	Forecasted Therms Sold (d)	Actual Revenue (e)	Per Therm Conservation Change (f)	Amount of Change (g)	Percentage Change (h)
CORE MARKET RATE SCHEDULES								
1								
2	Residential	503	202,519	130,555,024	189,128,913	\$ 0.01632	\$ 2,130,658	1.13%
3	Commercial	504	27,445	97,016,893	125,824,675	\$ 0.01632	\$ 1,583,316	1.26%
4	Industrial Firm	505	492	12,744,910	14,050,384	\$ 0.01632	\$ 207,997	1.48%
5	Large Volume	511	100	16,795,288	18,059,049	\$ 0.01632	\$ 274,099	1.52%
6	Industrial Interruptible	570	7	2,183,028	2,023,502	\$ 0.01632	\$ 35,627	1.76%
7	Total Core		230,563	259,295,142	349,086,524		\$ 4,231,697	1.21%

Cascade Natural Gas Corporation
CPA 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 $e=c+(b*d)$	Proposed 11/1/2023 CPA Effects	Proposed 11/1/2023 CPA Effect Average Bill $g=c+(b*f)$	Bill Difference	Proposed 11/1/2023 CPA Effects % Bill Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Residential, Schedule 503	54	\$5	\$1.30059	\$75.23	\$1.31691	\$76.11	\$0.88	1.17%
2	Commercial, Schedule 504	271	\$13	\$1.25728	\$353.72	\$1.27360	\$358.15	\$4.42	1.25%
3	Industrial Firm, Schedule 505		\$60						
4	First 500 therms			\$1.15619	\$638.10	\$1.17251	\$646.26		
5	Next 3,500 therms			\$1.11688	\$1,666.38	\$1.13320	\$1,690.73		
6	Over 4,000 therms			\$1.11094		\$1.12726			
7	Total 505	1,992			\$2,304.48		\$2,336.99	\$32.51	1.41%
8	Large Volume, Schedule 511		\$125						
9	First 20,000 therms			\$1.06448	\$17,836.88	\$1.08080	\$18,108.43		
10	Next 80,000 therms			\$1.02575		\$1.04207			
11	Over 100,000 therms			\$0.92994		\$0.94626			
12	Total 511	16,639			\$17,836.88		\$18,108.43	\$271.55	1.52%
13	Industrial Interruptible, Schedule 570		\$163						
14	First 30,000 therms			\$0.99783	\$23,345.58	\$1.01415	\$23,724.75		
15	Over 30,000 therms			\$0.93246		\$0.94878			
16	Total 570	23,233			\$23,345.58		\$23,724.75	\$379.16	1.62%