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**CNG/W23-09-04**

September 15, 2023

Kathy Hunter  
Acting 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.

Director Hunter,

Per the partial joint settlement agreement adopted in Order No. 06 in Docket No. UG-170929, Cascade Natural Gas Corporation ("Cascade") files to revise the following proposed tariff sheet containing a requested effective date of November 1, 2023:

**Sixth Revision Sheet No. 582**

The purpose of this filing is to adjust the Unprotected EDIT (Excess Deferred Income Tax) reversals rate adjustment in accordance with the true-up provision adopted in Order No. 06 in Docket UG-170929.

Schedule 582, Unprotected EDIT, reflects an annual revenue increase of \$42,123 to customers, or an increase in annual revenue of 0.01 percent. The impact to an average residential customer using 54 therms per month will be a \$0.01 increase or 0.01 percent.

Below is a table summarizing the proposed changes reflected in rate schedule 582 in this filing:

Service	Sch. No.	Rate Change	Proposed Rate Per Therm	Percent Change
Residential	503	\$0.00015	(\$0.00291)	0.01%
Commercial	504	\$0.00011	(\$0.00222)	0.01%
Industrial	505	\$0.00007	(\$0.00141)	0.01%
Industrial Lg Vol	511	\$0.00006	(\$0.00116)	0.01%
Interruptible	570	\$0.00002	(\$0.00043)	0.01%
Distribution	663	\$0.00001	(\$0.00025)	0.04%

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.

Please direct any questions regarding this filing 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  
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Kennewick, WA 99336-7166  
[Lori.blattner@intgas.com](mailto:Lori.blattner@intgas.com)

**Attachments**

NEW-CNGC-W23-09-04-Trf Sheet-09-15-2023.pdf  
NEW-CNGC-W23-09-04-Exh-A-09-15-2023.pdf  
NEW-CNGC-W23-09-04-EDIT-WP-09-15-2023.xlsx

**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	(\$0.00287)
504	(\$0.00219)
505	(\$0.00139)
511	(\$0.00115)
570	(\$0.00042)
663	(\$0.00024)

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**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/W23-09-04

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

Excess Deferred Income Tax

CNGC WUTC Advice No. W23-09-04 / UG-\_\_\_\_\_

September 15, 2023

# CASCADE NATURAL GAS CORPORATION

## EXHIBIT A

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**CASCADE NATURAL GAS CORPORATION**  
**2023 Unprotected Tax Cost Allocation**

W23-09-04  
UPT Exhibit A  
Page 1 of 4

	Current	Proposed
Unprotected	\$ (821,192)	\$ (809,332)

Rate Schedule	503	504	505	511	570	663	Total
Current Unpro. Tax Rates	(0.00306)	(0.00233)	(0.00148)	(0.00122)	(0.00045)	(0.00026)	
% change (same for each sch)	-6.13203%	-6.13203%	-6.13203%	-6.13203%	-6.13203%	-6.13203%	
<b>Proposed Tax Increment</b>	<b>\$ (0.00287)</b>	<b>\$ (0.00219)</b>	<b>\$ (0.00139)</b>	<b>\$ (0.00115)</b>	<b>\$ (0.00042)</b>	<b>\$ (0.00024)</b>	
Proposed Tax Costs Collected	\$ (375,001)	\$ (212,188)	\$ (17,706)	\$ (19,234)	\$ (922)	\$ (184,281)	<b>\$ (809,332)</b>
Proposed Rate Adjustment	0.00019	0.00014	0.00009	0.00007	0.00003	0.00002	
Proposed Volumes	130,555,024	97,016,893	12,744,910	16,795,288	2,183,028	755,075,944	1,014,371,086

**Cascade Natural Gas Corporation**  
**UNPROTECTED TAX 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 Tax Change (f)	Amount of Change (g)	Percentage Change (h)
<b>CORE MARKET RATE SCHEDULES</b>								
1	Residential	503	202,519	130,555,024	189,128,913	0.00019	24,497.38	0.01%
2	Commercial	504	27,445	97,016,893	125,824,675	0.00014	13,861.00	0.01%
3	Industrial Firm	505	492	12,744,910	14,063,320	0.00009	1,156.65	0.01%
4	Large Volume	511	100	16,795,288	18,059,049	0.00007	1,256.47	0.01%
5	Industrial Interruptible	570	7	2,183,028	2,023,502	0.00003	60.24	0.00%
6	Subtotal Core		230,563	259,295,142	349,099,460		40,832	0.01%
<b>NONCORE MARKET RATE SCHEDULES</b>								
7	Distribution	663	197	755,075,944	25,450,772	0.00002	12,038	0.05%
8	Subtotal Non-core		197	755,075,944	25,450,772		<b>12,038</b>	
9	<b>CORE &amp; NON-CORE</b>		<b>230,760</b>	<b>1,014,371,086</b>	<b>374,550,232</b>		<b>52,870</b>	0.01%

**Cascade Natural Gas Corporation**  
**UPT 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 UPT Effects	Proposed 11/1/2023 UPT Effect Average Bill $g=c+(b*f)$	Bill Difference	Proposed 11/1/2023 UPT Effects % Bill Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Residential, Schedule 503	54	\$5	\$1.30059	\$75.23	\$1.30078	\$75.24	\$0.01	0.01%
2	Commercial, Schedule 504	271	\$13	\$1.25728	\$353.72	\$1.25742	\$353.76	\$0.04	0.01%
3	Industrial Firm, Schedule 505		\$60						
4	First 500 therms			\$1.15619	\$638.10	\$1.15628	\$638.14		
5	Next 3,500 therms			\$1.11688	\$1,666.38	\$1.11697	\$1,666.52		
6	Over 4,000 therms			\$1.11094		\$1.11103			
7	Total 505	1992			\$2,304.48		\$2,304.66	\$0.18	0.01%
8	Large Volume, Schedule 511		\$125						
9	First 20,000 therms			\$1.06448	\$17,836.88	\$1.06455	\$17,838.13		
10	Next 80,000 therms			\$1.02575		\$1.02582			
11	Over 100,000 therms			\$0.92994		\$0.93001			
12	Total 511	16,639			\$17,836.88		\$17,838.13	\$1.24	0.01%
13	Industrial Interruptible, Schedule 570		\$163						
14	First 30,000 therms			\$0.99783	\$23,345.58	\$0.99786	\$23,346.23		
15	Over 30,000 therms			\$0.93246		\$0.93249			
16	Total 570	23,233			\$23,345.58		\$23,346.23	\$0.64	0.00%
17	Transport, Schedule 663		\$625						
18	First 100,000 therms			\$ 0.06546	\$7,171.00	\$0.06548	\$7,172.59		
19	Next 200,000 therms			\$ 0.02625	\$4,879.38	\$0.02627	\$4,882.34		
20	Next 200,000 therms			\$ 0.01742		\$0.01744			
21	Over 500,000 therms			\$ 0.01024		\$0.01026			
22	663 Total	285,881			\$12,050.38		\$12,054.93	\$4.56	0.04%



**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 11/1/2022	(\$0.00306)	(\$0.00233)	(\$0.00148)	(\$0.00122)	(\$0.00045)	(\$0.00026)
	<u>Proposed Incremental Change</u>						
2	Residential	0.00019					
3	Commercial		0.00014				
4	Industrial Firm			0.00009			
5	Large Volume				0.00007		
6	Interruptible - CORE					0.00003	
7	Non-Core Customers						0.00002
8	Total Proposed Rate - Schedule 582	(\$0.00287)	(\$0.00219)	(\$0.00139)	(\$0.00115)	(\$0.00042)	(\$0.00024)