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May 13, 2024

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

RE: UG-240141
Advice No. 24-03-01, Schedule 700, Temporary Climate Commitment Act Schedule

Director Jeff Killip,

On March 1, 2024, Cascade Natural Gas (Cascade or Company) filed Advice No. 24-03-01, docketed as UG-240141, to implement Schedule 700, Temporary Climate Commitment Act Schedule, which introduces a new charge and a new credit related to 2022 through 2024 compliance with the Climate Commitment Act (CCA). The Washington Utilities and Transportation Commission (Commission) considered the Company's filing at its April 25, 2024, open meeting. Based on the Commission's recommendations, the Company submitted a request on April 25, 2024, to extend the filing's effective date from May 1, 2024, to June 1, 2024, allowing Cascade the time to modify Schedule 700 in accordance with the Commission's guidance. The Company files the following substitute pages stated to become effective on and after June 1, 2024:

Original Sheet No. 700-1
Original Sheet No. 700-2

Sheet No. 2-A remains as originally filed, and the Company's requested effective date of May 1, 2024, is unchanged.

This filing revises the Schedule 700 charges and credits in the following ways:

WA Climate Fee

- Cascade has replaced forecasted Climate Commitment Act compliance costs for the first quarter of 2024 with actual costs and has reduced its forecasted compliance costs for the balance of the year based on the results of the first quarter auction and stabilized market conditions. The Company believes this complies with the direction provided during the April 25, 2024, Open Meeting.
- The Company also provided Commission Staff with invoices and explanations regarding Cascade's consultant costs. The Company updated its consulting costs to include the first quarter of 2024

actuals. Cascade removed the forecasted consulting costs and will request recovery of those costs in a subsequent CCA filing.

WA Climate Credit

- Pursuant to the enactment of Engrossed House Bill 2199 (EHB 2199), the Company revised its maximum WA CCA Credits listed in Schedule 700 such that the credits do not include \$1.13 million in 2024 forecasted Business and Occupation (B&O) taxes on carbon emission allowance auction revenue. In addition, the Company made an adjustment to remove B&O taxes attributed to prior carbon emission allowance auction revenue.

Bill Impacts

With the changes made herein, the bill impact for known-low-income residential customers remains at zero percent. For non-low-income residential customers who use 54 therms per month at a location where gas service was installed on or before July 25, 2021, the Schedule 700 credit and charge will result in a rate increase of 1.46 percent or \$1.12 per month. A summary of the bill impact for all customer classes is provided in the table below.

Customer Class	Current Monthly Bill	Pre July 2021 Locations		Post July 2021 Locations	
		Proposed Monthly Difference	Proposed Bill Impact	Proposed Monthly Difference	Proposed Bill Impact
Known-Low-Income Residential (Sch 503)	\$76.64	\$0	0%	\$0	0%
Non-Known-Low-Income Residential (Sch. 503)	\$76.64	\$1.12	1.46%	\$15.80	20.61%
Commercial (Sch. 504)	\$348.01	\$6.46	1.85%	\$78.96	22.69%
Industrial Firm (Sch. 505)	\$2,495.28	\$56.07	2.25%	\$622.36	24.94%
Com-Ind Dual Svc.(Sch.511)	\$14,167.36	\$308.09	2.17%	\$3,640.78	25.70%
Interruptible (Sch. 570)	\$24,600.66	\$873.37	3.55%	\$6,969.44	28.33%
Transport (Sch. 663)	\$8,372.34	\$4,734.32	56.55%	\$38,111.54	455.21%

Overall Impacts

By making the changes mentioned above, the total CCA Costs are approximately \$131.5 million and the total CCA benefits \$111.0 million. With this filing, the Company is requesting an increase in revenue of approximately \$20.55 million.

Recovery Period

With this filing, the Company is also updating its recovery period. In its original filing, the recovery period was eleven months, recovering costs from May 1, 2024, through March 31, 2025. The Company has updated its recovery period to ten months to recognize that the effective date has been postponed by one month. The Company is proposing to recover costs from June 1, 2024, through March 31, 2025.

Components of Filing

The following files are attached in support of this filing:

- UG-240141-CNGC-Advice-No.-W24-03-01-CCA-CLtr-05-13-2024.pdf
- UG-240141-CNGC-Advice-No.-W24-03-01-CCA-Trf-05-13-2024.pdf
- UG-240141-CNGC-Advice-No.-W24-03-01-CCA-WP-05-13-2024 (C).xlsx
- UG-240141-CNGC-Advice-No.-W24-03-01-CCA-WP-05-13-2024 (R).xlsx

If you have any questions regarding this filing, please contact me at (208) 377-6015 or Zach Harris at (208) 870-2476.

Sincerely,

/s/ Lori Blattner

Lori Blattner
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Attachments

CASCADE NATURAL GAS CORPORATION

WN U-3

Original Sheet No. 700.1

TEMPORARY CLIMATE COMMITMENT ACT RATE ADJUSTMENT SCHEDULE NO. 700

AVAILABILITY

This schedule is applicable to Schedule 503, 504, 505, 511, 570, and 663 customers with the exception of those customers identified in the Exemptions section below.

PURPOSE

The purpose of this schedule is to collect costs incurred and credit revenues received in compliance with the Climate Commitment Act (CCA) as codified in Revised Code of Washington (RCW) 70A.65 and Chapter 173-446 of the Washington Administrative Code (WAC).

LOW-INCOME RESIDENTIAL CUSTOMER

For the purpose of this adjustment schedule, a low-income residential customer is a customer who receives gas service on Schedule 503 customers and simultaneously is actively enrolled in the Cascade Arrearage Relief and Energy Savings (CARES) program as defined in Rule 20 and offered per Schedule 302, regardless of whether or not the CARES discount has been temporarily suspended for the application of a Low-Income Home Energy Assistance Program (LIHEAP) grant.

MONTHLY RATES

Table 1 – WA Climate Act Fee and WA Climate Act Credit

Rate Schedule	WA Climate Act Fee	Maximum WA Climate Act Credit^{1, 2}
Schedule 503, Low-Income Residential Customers	\$0.28995 per therm	Credit will equal the customer's total monthly WA Climate Act Fee
Schedule 503, Residential (not including Low-Income Residential Customers)	\$0.28995 per therm	See the Monthly Credits listed in Table 2 Below
Schedule 504, General Commercial Customers	\$0.29104 per therm	See the Monthly Credits listed in Table 2 Below
Schedule 505, Industrial Customers	\$0.29104 per therm	(\$566.28) per month
Schedule 511, Large Volume Customers	\$0.29104 per therm	(\$3,332.70) per month
Schedule 570, Interruptible Gas Service Customers	\$0.29104 per therm	(\$6,096.07) per month
Schedule 663, Transportation Customers	\$0.29104 per therm	(\$33,377.22) per month

1. With the exception of Low-Income Residential customers, a customer receiving service at a site that was connected to natural gas after July 25, 2021, is not applicable to receive the WA Climate Act Credit.
2. The WA Climate Act Credit shall be the lesser of 80% of the WA Climate Act Fee as charged in the billing month or the maximum WA Climate Act Credit amount as listed in the table above.

(continued)

CNG/W24-03-01
Issued May 13, 2024

Effective for Service on and after
June 1, 2024

Issued by **CASCADE NATURAL GAS CORPORATION**

By:  Lori A. Blattner

Director, Regulatory Affairs

CASCADE NATURAL GAS CORPORATION

WN U-3

Original Sheet No. 700.2

TEMPORARY CLIMATE COMMITMENT ACT RATE ADJUSTMENT SCHEDULE NO. 700

MONTHLY RATES (continued)

Table 2 – Non-Low-Income Residential and General Commercial WA Climate Act Credit

Maximum WA Climate Act Credit ¹										
	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
Sch. 503, Residential ²	(\$4.51)	(\$3.88)	(\$3.83)	(\$4.85)	(\$12.01)	(\$20.75)	(\$27.98)	(\$27.36)	(\$23.05)	(\$18.58)
Sch. 504, General Commercial	(\$27.35)	(\$25.87)	(\$25.82)	(\$28.19)	(\$56.58)	(\$95.25)	(\$132.37)	(\$132.58)	(\$111.46)	(\$89.49)

1. The WA Climate Act Credit shall be the lesser of 80% of the WA Climate Act Fee as charged in the billing month or the maximum WA Climate Act Credit amount as listed in the table above.
2. The Maximum WA Climate Act Credit is not applicable to Low-Income Residential Customers, who receive a monthly WA Climate Act Credit equal to the customer's total monthly WA Climate Act Fee.

TERM

These rates will be in effect until March 31, 2025.

EXEMPTIONS

1. With the exception of Low-Income Residential Customers, the WA Climate Act Credit will not be applicable to customers served on accounts where the gas service line and meter was installed after July 25, 2021. The installation of a gas service line and meter does not include maintenance or repairs to an existing service, relocated service lines, or where service was temporarily disconnected per WAC 480-90-128.
2. The following customers are exempt from the WA Climate Act Fee and WA Climate Act Credit established in this schedule if they notify the Company of their exempt status and provide evidence from Department of Ecology verifying that they should be exempt from this schedule:
 - a. Customers with emissions from facilities with North American Industry Classification System code 928110 (National Security).
 - b. Customers that are designated as covered entities by the Washington State Department of Ecology (Ecology) as subject to RCW 70A.65.060 through 70A.65.210 as noted in RCW 70A.65.010(23).
 - c. Customers identified by Ecology as an Emissions-Intensive Trade-Exposed (EITE) under RCW 70A.65.110. It is the responsibility of the Customer to ensure that the Company has received such evidence of the Customer's status as an EITE.

TERMS AND CONDITIONS

1. The rates established herein are subject to increases as set forth in Schedule 500, Municipal Taxes.
2. Service under this adjustment schedule is governed by the terms and conditions outlined in this schedule, the Rules contained in this Tariff, any other applicable schedules, and all rules and regulation prescribed by regulatory authorities, subject to amendments from time to time.

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