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September 15, 2025

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

RE: NEW, CNGC Advice No. W25-09-07
Rule 19, Purchase Gas Adjustment Housekeeping

Director Killip

Cascade Natural Gas Corporation ("Cascade" or "Company") submits to the Washington Utilities and Transportation Commission ("Commission") the following revisions to its Tariff WN U-3, stated to become effective with service on and after November 1, 2025:

Third Revision of Sheet No. 23

The purpose of this housekeeping filing is to revise Rule 19 Purchase Gas Adjustment Mechanism so that the Weighted Average Cost of Gas ("WACOG") includes "other miscellaneous expenses directly related to the Company's acquisition of natural gas commodities." In Docket UG-250151, Cascade filed an accounting petition requesting authority to defer additional expenses related to Canadian tariff costs because Rule 19 does not currently contemplate these types of costs in the definition of WACOG. After discussion with Commission Staff, the Company determined that it would file the proposed revision to Rule 19 so that Cascade could defer a broader category of costs to its PGA deferral accounts going forward, consistent with Cascade's peer utilities in Washington.¹

¹ See Puget Sound Energy's Rule No. 26, Sheet No.40-A, found here: PSE <https://www.pse.com/en/search-page#q=purchased%20gas%20adjustment> | Search results. Also, see Avista's Rule 150, Purchase Gas Adjustment – Washington, Sheet 150A, found here: <https://www.myavista.com/about-us/our-rates-and-tariffs/washington-natural-gas>.

This electronic filing is comprised of the following files:

- NEW-CNGC-Advice-No.-W25-09-07-PGA-Housekeeping-CLtr-09-15-2025.pdf
- NEW-CNGC-Advice-No.-W25-09-07-PGA-Housekeeping-Trf-09-15-2025.pdf

Please direct any questions regarding this filing to me at (208) 377-6015 or Jacob Darrington at (208) 377-6041.

Sincerely,

/s/ Lori Blattner

Lori Blattner
Director, Regulatory Affairs
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Attachment

cc: Chris McGuire, Commission Staff

RULE 19**PURCHASE GAS ADJUSTMENT MECHANISM****APPLICABLE**

The purchased gas adjustment (PGA) mechanism applies to the calculation of all Rate Schedules in this Tariff for which system gas supplies are purchased by the Company.

PURPOSE

The purpose of this rule is: a) to define the procedures for timely recovery and periodic tracking revisions in rates due to changes in the Company's cost of purchased gas; and b) to define the procedures for balancing the Company's need to communicate to Customers changes and trends in the market price of gas, and the deferral of differences experienced between the Company's actual cost of purchased gas and the cost of purchased gas incorporated in the rates and charges specified in its rate schedules for core service.

REVISIONS TO BASE RATES DUE TO CHANGES IN THE FORECASTED GAS COSTS

1. The Company shall file annually PGA Filing with the Commission, subject to the Commission review, to update all Sales Rate Schedules for forecasted changes in the Weighted Average Cost of Gas (WACOG) to reflect changes in purchased gas costs resulting from adjustments in the rates and prices of the Company's suppliers resources.
2. The WACOG includes the following related charges, if applicable: a) commodity charges and commodity-related fixed charges under the Company's acquisition contracts of all types of natural gas commodities including renewable natural gas (RNG) from producers, suppliers, or marketers; b) pipeline transportation charges; c) storage charges related to withdrawals and injections of natural gas from storage sources; d) off-system sales, capacity releases and exchanges; e) wholesale market hedge program credit facility costs, and f) other miscellaneous expenses directly related to the Company's acquisition of natural gas commodities. (C)
(C)
(C)
3. The demand and commodity costs included in the embedded WACOG will be determined on the basis of the Company's projected volumetric commodity purchase requirements for the prospective twelve-month period. These projected costs will be based on reasonable and consistent methods of forward price forecasting and reflect anticipated material contract changes.

DEFERRAL OF PURCHASED GAS COST DIFFERENCES

1. The Company will maintain purchased gas cost adjustment deferral accounts as sub-accounts of Account No. 191, Unrecovered Purchased Gas Costs. Monthly entries will be made to reflect the difference between the Company's actual cost of purchased gas and the cost of purchased gas collected from volumes consumed by ratepayers, priced at rates and charges as established in the Company's most recent PGA filing plus any offsetting revenues received from a voluntary RNG program.
2. Actual purchased gas costs entered into the adjustment account will be the actual gas commodity costs, demand costs and reservation charges experienced by the Company. Imbalance penalties paid to service or gas suppliers and any refunds or credits received for prior periods will be included in the actual costs of the month in which such amounts are paid or received.

(continued)

CNG/W25-09-07

Issued September 15, 2025

Effective for Service on and after

November 1, 2025

Issued by CASCADE NATURAL GAS CORPORATION

By: 

Lori Blattner

Director, Regulatory Affairs