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May 18, 2026

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

RE: UG-260212, Cascade Advice No. W26-03-02, Supplemental Filing
Schedule 700, Climate Commitment Act (CCA) Rate Adjustment

Director Killip

On March 31, 2026, Cascade Natural Gas Corporation (Cascade or Company) filed Advice No. W26-03-02, docketed as UG-260212 to revise Schedule 700, Climate Commitment Act (CCA) Rate Adjustment. Cascade now submits the following replacement sheets with an unchanged effective date of June 1, 2026:

Third Revision of Sheet No. 700.1
Third Revision of Sheet No. 700.2

The purpose of this supplemental filing is to revise the amount it expects to collect through the WA Climate Act fee and the amount it plans to credit customers through the WA Climate Act Credit in alignment with conversations the Company has had with Washington Utilities and Transportation Commission Staff (Staff). Cascade makes the following changes with this supplemental filing:

- Updates its forecast of allowance costs
- Delays recovery of the residual deferral costs for one year
- Allocates the residual benefit deferral amounts using actual therms
- Withholds \$30 million of residual allowance benefits for future decarbonization programs

The result of the proposed changes are an overall rate impact of -1.68 percent and a decrease to revenues of \$7,560,455.

WA Climate Act Fee

The WA Climate Act Fee is set to collect the CCA compliance costs of \$118.49 million. This amount excludes the full remaining balance of \$48.56 million of residual deferral costs for one year. In the Company's 2027 CCA rate adjustment annual filing, Cascade will request recovery of the residual deferral balance. The total fee results in an increase of \$15.94 million from the costs in UG-250214 of \$102.54 million. The dollar amount Cascade is seeking to collect from customers is revised to include additional forecasted costs.

WA Climate Act Benefit

Cascade proposes to provide customers with \$121.47 million in benefits through the WA Climate Act Credit. This amount consists of (1) the deferral balance of \$70.75 million less \$30.00 million, which is being withheld for future decarbonization programs, plus (2) the forecasted benefits of \$80.72 million.

The deferral balance of \$70.75 million includes two amounts: \$52.28 million and \$18.48 million. The \$52.28 million is the difference between what Cascade forecasted in its 2025 CCA Annual filing (\$97.9 million) and what the Company actually amortized (\$38 million plus an additional \$14 million forecast for April and May 2026). This amount is being allocated to each customer class using the actual therms used per customer class in 2025. The \$18.48 million is the additional no-cost allowance dollars and is being allocated using the forecasted therm usage for each customer class.

The total credit amount of \$121.47 million is \$23.50 million more than the \$97.97 million distributed to customers as a result of Cascade's 2025 CCA rate adjustment filing docketed as UG-250214. The customer benefit is increasing due to a change in the forecasted no-cost benefit allowance amount.

Cascade is withholding \$30.00 million of residual no-cost allowance benefit dollars from Residential, Commercial, Industrial, and Large Volume customer classes at Staff's request for future decarbonization programs or for potential bill offsets. Possible programs include investments in renewable natural gas, thermal energy networks, dual energy source programs, and accelerated energy efficiency programs. Cascade will develop a plan for the use of the withheld funds within one year in collaboration with its Equity Advisory Group. The Company will explore departmental needs to research, manage, and execute potential projects and programs.

Customer Bill Impacts

The bill impact for low-income residential customers will be zero percent. For non-low-income residential customers who use 53 therms per month at a location where gas service was installed before July 25, 2021, the Schedule 700 credit and fee will result in an average monthly bill decrease of \$0.67 or -0.81 percent. A summary of the bill impacts for customers served at locations that were connected to gas service by July 25, 2021, are provided in the Table 1 below. The actual impact may vary depending on a customer's actual natural gas usage and is subject to the proposed cap of the lesser of the maximum WA Climate Act Credit as stated in Schedule 700 or 100 percent of the billed WA Climate Act Fee; (Transportation Schedule 663 customers will remain at the currently effective cap of the lesser of the maximum WA Climate Act Credit as stated in Schedule 700 or 85 percent of the billed WA Climate Act Fee).

Table 1 - Bill Impacts for Customers at Locations where Gas Service was Installed on or before July 25, 2021

Customer Class	Current Monthly Bill	Proposed Monthly Difference	Proposed Bill Impact
Low-Income Residential (Sch 503)	\$80.25	\$0	0%
Non-Low-Income Residential (Sch. 503)	\$82.13	-\$0.67	-0.81%
Commercial (Sch. 504)	\$376.12	-\$7.04	-1.87%
Industrial (Sch. 505)	\$2,431.89	-\$62.45	-2.57%
Large Volume (Sch.511)	\$15,834.05	-\$498.21	-3.15%
Interruptible (Sch. 570)	\$25,456.54	-\$601.20	-2.36%
Transportation (Sch. 663)	\$8,432.56	\$1,008.36	11.96%

Table 2 provides the bill impacts for customers receiving service at locations where gas service was installed after July 25, 2021.

Table 2 – Customer Bill Impacts for Customers at Locations where Gas Service was Installed after July 25, 2021

Customer Class	Current Monthly Bill	Proposed Monthly Difference	Proposed Bill Impact
Low-Income Residential (Sch 503)	\$80.25	\$0	0%
Non-Low-Income Residential (Sch. 503)	\$92.78	\$4.15	4.47%
Commercial (Sch. 504)	\$431.79	\$21.66	5.02%
Industrial (Sch. 505)	\$2,843.87	\$160.31	5.64%
Large Volume (Sch.511)	\$18,657.21	\$1,098.55	5.89%
Interruptible (Sch. 570)	\$30,342.98	\$1,952.73	6.44%
Transportation (Sch. 663)	\$25,293.56	\$6,560.98	25.94%

Exhibit A

The attached Exhibit A titled, “260212-CNGC-Advice-No.-W26-03-02-Sch700-WP-05-18-2026 (C),” provides the summary of the CCA compliance costs and benefits, the WA Climate Act Fee and the WA Climate Act Credit, for each customer class and the customer bill impact. Below is a description of each page:

- CCA Revenue Impact: An overview of the proposed CCA costs and benefits and a comparison of the currently-approved CCA costs and benefits
- CCA Allocation: An apportionment of the CCA costs and benefits across rate schedules based on allocation methodology
- WA Climate Act Credit, 503 and 504: The calculations for determining the monthly credits for Schedules 503 and 504
- Customer Bill Impact: The bill impacts of the Schedule 700 WA Climate Act Fee and the WA Climate Act Credit
- RNG Plant Calculation: The calculation of the RNG plant investment for the recovery period

- Summary of Deferral Accounts: The summary of the deferral balances for the CCA deferral accounts

This electronic filing is comprised of the following files:

- UG-260212-CNGC-Advice-No.-W26-03-02-Sch700-CLtr-05-18-2026.pdf
- UG-260212-CNGC-Advice-No.-W26-03-02-Sch700.2-Trf-05-18-2026.pdf
- UG-260212-CNGC-Advice-No.-W26-03-02-Sch700.1-Trf-05-18-2026.pdf
- UG-260212-CNGC-Advice-No.-W26-03-02-Sch700-WP-05-18-2026(C).xlsx
- UG-260212-CNGC-Advice-No.-W26-03-02-Sch700-WP-05-18-2026(R).xlsx

Please direct any questions regarding this filing to Zach Harris at (208) 870-2476.

Sincerely,

/s/ Michael Parvinen

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Attachments

**CLIMATE COMMITMENT ACT (CCA) 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 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^{2,3}	
Schedule 503, Low-Income Residential Customers	\$0.31484 per therm	Credit will equal the customer’s total monthly WA Climate Act Fee	(I)
Schedule 503, Residential (not including Low-Income Residential Customers)	\$0.31484 per therm	See the Monthly Credits listed in Table 2 Below	(I)
Schedule 504, General Commercial Customers	\$0.31463 per therm	See the Monthly Credits listed in Table 2 Below	(I)
Schedule 505, Industrial Customers	\$0.31463 per therm	(\$634.74) per month	(I)
Schedule 511, Large Volume Customers	\$0.31463 per therm	(\$4,953.81) per month	(I)
Schedule 570, Interruptible Gas Service Customers	\$0.31463 per therm	(\$7,440.37) per month	(I)
Schedule 663, Transportation Customers	\$0.31463 per therm	(\$22,413.63) per month	(I)

1. Includes \$0.00207 for Renewable Natural Gas plant costs
2. 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. (N)
(T)
3. For Schedule 663 customers, the WA Climate Act Credit shall be the lesser of 85% 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. (C)
For all other rate schedules, the WA Climate Act Credit shall be the lesser of 100% 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. (C)
(C)

(continued)

**CLIMATE COMMITMENT ACT (CCA) 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	April	May
Sch. 503, Residential ²	(\$5.35)	(\$4.73)	(\$3.70)	(\$4.80)	(\$11.43)	(\$21.72)	(\$31.48)	(\$32.01)	(\$25.98)	(\$22.29)	(\$14.26)	(\$7.87)
Sch. 504, General Commercial	(\$31.43)	(\$31.50)	(\$26.54)	(\$35.19)	(\$70.64)	(\$116.57)	(\$165.00)	(\$167.10)	(\$135.01)	(\$117.55)	(\$73.55)	(\$42.34)

(R)

(R)

1. The WA Climate Act Credit shall be the lesser of 100% 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 May 31, 2027.

(C)

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.

CNG/W26-03-02
Issued March 31, 2026

Effective for Service on and after
June 1, 2026

Issued by CASCADE NATURAL GAS CORPORATION

By:  Michael Parvinen

Director, Regulatory Affairs