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September 15, 2014

Oregon Public Utility Commission
3930 Fairview Industrial Drive SE
Salem, OR 97302

Re: Advice No. **CNG/O14-08-01/UG 279**
(UM 1558)
SUPPLEMENTAL

Re: Schedule No. 177 Purchased Gas Cost Adjustment and Schedule No. 191 Temporary Gas Cost Rate Adjustment Proposal to Change Rates

Attention: Filing Center

Pursuant to OAR 860-022-0070, Docket UM 1286 Order Nos. 11-196 and 14-238, ORS 757.210 and ORS 757.259(5), Cascade hereby submits three copies of the following revisions to Cascade's P.U.C. OR No. 9 Tariffs containing an effective date on and after November 1, 2014:

Ninth Revision No. 177-A, Canceling Eighth Revision Sheet No. 177-A.
Eleventh Revision Sheet No. 191, Canceling Tenth Revision Sheet No. 191.

The purpose of this filing is to pass on a change in Cascade's gas costs, which is scheduled to occur annually as a result of the provisions established in Purchase Gas Adjustment (PGA) Tariff Schedule No. 177. The purchased gas cost change proposed in this filing results from changes in the cost of commodity gas supply, transportation capacity, and realignment of existing firm transportation capacity. In accordance with the PGA methodology, amortization of outstanding deferred gas cost balances is also developed in this filing.

Tables 1 through 3 below summarize the changes in the 1) forward looking commodity costs included in Schedule 177-A, 2) the demand costs included in Schedule 177-A, and 3) the combined changes to Schedule 177-A (both commodity and demand):

Table 1 - Schedule 177-A Commodity

<u>Rate Schedule</u>	<u>Present</u>	<u>Proposed</u>	<u>Change</u>
101, 104, 105, 111, 170	\$0.40172	\$0.41321	\$0.01149

Table 2 - Schedule 177-A Demand

<u>Rate Schedule</u>	<u>Present</u>	<u>Proposed</u>	<u>Change</u>
101, 104, 105, 111, 170	\$0.15763	\$0.16468	\$0.00705

Table 3 - Schedule 177-A Commodity + Demand

<u>Rate Schedule</u>	<u>Present</u>	<u>Proposed</u>	<u>Change</u>
101, 104, 105, 111, 170	\$0.55935	\$0.57789	\$0.01854

Commodity Costs (Schedule 177-A)

As shown in the Table 1 on the previous page, the estimated commodity cost (WACOG) change is an increase of 1.149 cents per therm. The proposed WACOG is 41.321 cents per therm compared to the present WACOG of .40172 cents per therm included in rates. The winter of 2013-2014 was significantly colder than normal not only in the western United States but also nationally. The colder than normal weather led to an increase in overall natural gas demand and a heavy reliance on natural gas storage reserves. Natural gas storage both nationally and in the west was drawn down well below its five year average balance. The cold weather and increased demand raised wholesale natural gas prices both in the winter as well as in the summer as more natural gas was required to replenish storage facilities. Nationally, storage may not be full by the coming winter, and this storage imbalance may persist through the coming winter. While prices are currently forecast to remain higher throughout the upcoming winter, natural gas prices in future winter periods are below the upcoming winter. As a result, the market prices indicate that the storage imbalance issue is temporary, and the long-term trend of lower priced gas should return.

Cascade has been hedging natural gas on both a periodic and discretionary basis throughout 2014 for the forthcoming PGA year. Approximately 40% of estimated annual load requirements for the PGA year (November 2014 through October 2015) will be hedged at a fixed price, comprised of: 1) volumes hedged for a term of one year or less and 2) volumes from prior multi-year hedges. Through June 30, 2014, a majority of the planned hedge volumes for the PGA year have been executed.

The information contained in the Company's responses to "Natural Gas Portfolio Development Guidelines" describes the Company's Natural Gas Procurement Plan ("Procurement Plan"). The Company's Procurement Plan uses a diversified approach to procure natural gas for the upcoming year. While the Procurement Plan generally incorporates a structured approach for the hedging portion of the portfolio, the Company exercises flexibility and discretion in all areas of the plan based on changes in the wholesale market. The Company meets with the Commission Staff quarterly to discuss the state of the wholesale market and the status of the Company's Procurement Plan, among other things. Should there be a deviation from the Procurement Plan due to a change in market dynamics etc., the Company documents and communicates any such changes with the Gas Supply Oversight Committee (GSOC) and provides updates to Commission Staff.

Demand Costs (Schedule 177-A)

Demand costs reflect the cost of pipeline transportation to the Company's system, as well as fixed costs associated with natural gas storage. As shown in the Table 2 above, demand costs are expected to be relatively stable, with the Company proposing only a slight increase of .705 cents per therm. No significant pipeline rate changes are anticipated for the upcoming PGA year. The primary reason for the incline in the demand rate per therm is due to assigning certain Northwest Pipeline capacity used to serve Oregon versus Washington.

Amortization of Deferral Accounts (Schedule 191)

Below summarizes the changes in the commodity and demand amortization rates included in Schedule 191, both commodity and demand:

Schedule 191 PGA Temporary Gas Cost Rate Adjustment			
Amortization			
<u>Rate Schedule</u>	<u>Present</u>	<u>Proposed</u>	<u>Change</u>
101, 104, 105, 111, 170	-\$0.01106	-\$0.00276	\$0.00830

As shown in the Table above, the current overall amortization amount approved in the Company's 2013 PGA is a refund rate of approximately 1.0 cents per therm. For reasons discussed earlier in this letter, actual wholesale natural gas prices were higher than the level approved in the Company's 2013 PGA. As a result, commodity costs exceeded collections from customers and created a surcharge deferral balance of approximately \$1.0 million or 1.4 cents per therm.

Three Percent Test

Pursuant to ORS 757.259 and OAR 860-027-0300, the overall annual average rate impact of the amortizations authorized under the statutes may not exceed three percent of the natural gas utility's gross revenues for the preceding calendar year, unless the Commission finds that allowing a higher amortization rate is reasonable under the circumstances. Total Oregon gross revenues for calendar year 2013 were \$65,973,538. The total amortization revenue requested for the "Prior Period Gas Cost Deferral" as shown in Attachment C is (\$202,146). The resulting annual average rate impact from the PGA amortization is -0.31% and falls within the requirements of the statute.

The "Non-Gas Cost Amortization" related to the Company's PGA filing also made on September 15, 2014, is a total amortization revenue request of (\$1,909,898). The net effect of "Prior Period Gas Cost Deferral" and the "Non-Gas Cost Amortization" is an overall revenue change of (\$2,112,044), an average rate impact of -3.20% which falls within the requirements of the statute.

Other Information

In this filing, the Company is requesting an increase in revenues of (\$202,350) or -.33%, effective on November 1, 2014. The current amortization rates and the proposed changes, both inclusive of the gross revenue factor, are as follows:

Rate Schedule	Description	Current Revenues	Proposed Revenues	Revenue Incr (Decr)	Percent Incr (Decr)	Therms per Month	Current Avg Bill	Proposed Avg Bill	Monthly Change	Proposed Rates % Change
101	Residential	\$34,854,642	\$34,747,783	(\$106,859)	-0.31%	54	\$51.61	\$51.45	-\$0.16	-0.31%
104	Commercial	\$21,912,957	\$21,837,383	(\$75,574)	-0.34%	232	\$188.66	\$188.01	-\$0.65	-0.34%
105	Industrial Firm	\$2,194,239	\$2,185,926	(\$8,313)	-0.38%	2,349	\$1,723.29	\$1,716.76	-\$6.53	-0.38%
111	Com-Ind Dual	\$974,822	\$970,947	(\$3,875)	-0.40%	9,554	\$6,634.01	\$6,607.64	-\$26.37	-0.40%
170	Industrial Interr	\$1,879,774	\$1,872,045	(\$7,729)	-0.41%	58,674	\$39,387.27	\$39,225.32	-\$161.95	-0.41%

Pursuant to OAR 860-022-0025 and OAR 860-022-0030, the total number of customers affected by this filing, the annual revenue before and after the impact of the rate change, and the average monthly use and resulting bills under existing and proposed rates are as follows:

<u>Rate Schedule</u>	<u>Number of Customers</u>
101	56,831
104	9,548
105	108
111	13
170	4
163	29
164	3

Cascade, under Advice Nos. O14-08-02, O14-08-03 and O14-08-04, has also filed its Non-Gas Cost Tracking Filings. The overall impact of the proposed changes results in an increase. Below is a table showing the net impact to the Company's customers, by rate schedule, inclusive of all of the filings being made by the Company on September 15, 2014:

<u>Rate Schedule</u>	<u>Proposed Rate Change</u>
Schedule 101	.77%
Schedule 104	.32%
Schedule 105	3.73%
Schedule 111	3.91%
Schedule 170	4.04%
Schedule 163	.55%
Schedule 164	.78%

The Company will issue a media release coincident with the update annual Purchased Gas Cost Adjustment ("PGA") filing in mid-September and provide notice to customers via a bill insert following the approval of this filing.

The rate adjustments proposed in this filing are consistent with the Oregon Public Utility Commission Staff's recommendations with regard to rate spread requirements and amortization procedures.

Attached in support of this filing are Exhibits 1, 2, and 3. Exhibit 1 contains schedules developing the level of the per therm gas cost change consistent with the procedure described in PGA Rate Schedule No. 177. Exhibit 2 contains summary information of the proposed impacts of the filings on the Company's rates and revenues on the various rate schedules as well as a proposed notice to the public. Exhibit 3 contains a summary of the proposed changes to the company's revenues.

The Company agrees to rate adjustments and refunds should the Commission determine that these rates have been inappropriately calculated. Any rate adjustments and refunds will be retroactive to November 1, 2014 provided that the Commission advises the Company of the necessity for such rate adjustments or refunds within 30 days after the effective date of these rates.

Please direct any questions regarding this filing to me at (509) 734-4593.

Sincerely,



Michael Parvinen
Director, Regulatory Affairs

Enclosures

CERTIFICATE OF SERVICE

I certify that I have this day served the foregoing notice of Cascade's Purchase Gas Adjustment Filing upon all parties of record in the proceeding by emailing an electronic copy to the following parties or attorneys of parties:

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DATED at Kennewick, WA this 15th day of September 2014.

/s/Maryalice Rosales

Regulatory Analyst II
Cascade Natural Gas Corporation

CASCADE NATURAL GAS CORPORATION

**PURCHASED GAS COST ADJUSTMENT PROVISION
 SCHEDULE NO. 177**

(Continued from Previous Page)

- 8. Estimated annual Non-Commodity gas costs shall be equal to estimated annual Demand Costs, less estimated annual Capacity Release Benefits, plus or minus estimated annual pipeline refunds or surcharges.
- 9. Estimated Non-Commodity Cost per Therm: The Estimated Non-Commodity cost per therm is calculated by the following formula: (Estimated annual Non-Commodity Cost divided by forecasted sales volumes). This estimate does not include any revenue-sensitive factors.

The Estimated Cost of Gas per therm is as follows:

	<u>COST OF GAS PER THERM</u>	<u>REVENUE SENSITIVE COSTS</u>	<u>COST OF GAS PER THERM RATE</u>	
WACOG	\$.40130	2.883%	\$.41321	(I)
Non-Commodity Cost	\$.15993	↓	\$.16468	(I)
Total	\$.56123	2.883%	\$.57789	(I)

- 10. Actual Monthly Calendar Sales Volumes: Actual billed sales therms, adjusted for estimated unbilled therms, for firm and interruptible sales schedules.
- 11. Embedded Commodity Cost: The Estimated WACOG multiplied by the Actual Monthly Calendar Sales Volumes.
- 12. Embedded Non-Commodity Cost: The Estimated Non-Commodity Cost per Therm multiplied by the Actual Calendar Sales Volumes less interruptible sales volumes.
- 13. Financial Transactions: Cost of Financial Transactions related to gas supply, including but not limited to, hedges, swaps, puts, calls, options and collars that are exercised to provide price stability/control or supply reliability for sales service customers.
- 14. Gas Storage Facilities: The cost of natural gas for injections shall be the actual cost of purchasing gas for storage and the cost of injection of the gas into the storage facility. Withdrawals of natural gas shall be valued at the weighted average cost of gas in the facility plus any variable withdrawal costs. Only the cost of natural gas withdrawn from Gas Storage Facilities will be included in the Actual Commodity Cost, as defined herein.

CNG/O14-08-01

Issued September 15, 2014

Effective with Service on and After November 1, 2014

ISSUED BY CASCADE NATURAL GAS CORPORATION

BY Scott W. Madison

TITLE Executive Vice President
and General Manager

CASCADE NATURAL GAS CORPORATION

TEMPORARY GAS COST RATE ADJUSTMENT
SCHEDULE NO. 191

APPLICABLE:

The temporary rate addition 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.

PURPOSE:

The purpose of this provision is to adjust the rate schedules listed below to amortize the outstanding deferred gas cost account balances in accordance with Schedule No. 177, Purchased Gas Cost Adjustment.

RATES:

Each of the charges specified in the schedules for gas service hereinafter listed shall be adjusted by the following per therm increase or (decrease) or appropriate multiple thereof in determining annual minimum bill, if any:

<u>Rate Schedule</u>	<u>Amount</u>
Schedule 101	(\$.00276)
Schedule 104	(\$.00276)
Schedule 105	(\$.00276)
Schedule 111	(\$.00276)
Schedule 112	(\$.00276)
Schedule 126	(\$.00276)
Schedule 170	(\$.00276)

(I)
|
(I)

LIMITATION:

This temporary rate addition shall remain in effect until cancelled pursuant to order of the Oregon Public Utility Commission.

SPECIAL TERMS AND CONDITIONS:

The rates named herein are subject to increases as set forth in Schedule No. 100 Municipal Exactions.

CNG/O14-08-01

Issued September 15, 2014

Effective with Service on and After November 1, 2014

ISSUED BY CASCADE NATURAL GAS CORPORATION

BY Scott W. Madison

TITLE Executive Vice President
and General Manager

Before the
OREGON PUBLIC UTILITY COMMISSION

EXHIBIT 1

Gas Supply Portfolio and Related Transportation

Oregon Summary of Gas Cost Deferrals (Schedule 1 of 9)
Prior Commodity & Demand Amortization (Schedule 2 of 9)
Development of Gas Cost Related PGA Temporary Rate Increments (Schedule 3 of 9)
Core Market Commodity Cost Amortization Supporting 47OR.2530.01272 (Schedule 4 of 9)
Gas Cost Consolidated Accounts Amortization Supporting 47OR.2530.01281 (Schedule 5 of 9)
Core Market Demand Amortization Supporting 47OR.2530.01273 (Schedule 6 of 9)
New WACOG Commodity (Schedule 7 of 9)
Derivation of Oregon per Therm Non-Commodity Charges (Schedule 8 of 9)
Summary of Rate and Revenue Impact (Schedule 9 of 9)

Cascade Natural Gas Corporation

September 15, 2014

**Cascade Natural Gas
Oregon Summary of Gas Cost Deferrals**

Line No.	Jul. 2013	Aug. 2013	Sep. 2013	Oct. 2013	Nov. 2013	Dec. 2013	Jan. 2014	Feb. 2014	Mar. 2014	Apr. 2014	May. 2014	Jun. 2014	SUM (All)
	A	B	C	D	F	F	G	H	I	J	K	L	M
1	\$0.38443	\$0.38443	\$0.38443	\$0.38443	\$0.38994	\$0.38994	\$0.38994	\$0.38994	\$0.38994	\$0.38994	\$0.38994	\$0.38994	\$0.38994
2	\$0.14913	\$0.14913	\$0.14913	\$0.14913	\$0.15300	\$0.15300	\$0.15300	\$0.15300	\$0.15300	\$0.15300	\$0.15300	\$0.15300	\$0.15300
3													
4		8.7090%											
5		90%											
6		90%											
7													
8													
9													
10													
11	1,846,428	2,411,217	2,483,835	6,418,440	9,856,683	13,564,873	10,736,372	10,939,523	7,230,199	5,167,648	3,190,354	2,525,538	76,371,110
12													
13													
14	1,846,428	2,411,217	2,483,835	6,418,440	9,856,683	13,564,873	10,736,372	10,939,523	7,230,199	5,167,648	3,190,354	2,525,538	76,371,110
15													
16													
17	1,846,428	2,411,217	2,483,835	6,418,440	9,856,683	13,564,873	10,736,372	10,939,523	7,230,199	5,167,648	3,190,354	2,525,538	76,371,110
18													
19	\$709,822	\$926,944	\$954,861	\$2,467,441	\$3,839,901	\$5,289,487	\$4,186,541	\$4,265,758	\$2,819,344	\$2,015,073	\$1,244,047	\$984,808	29,704,026
20													
21													
22	\$709,822	\$926,944	\$954,861	\$2,467,441	\$3,839,901	\$5,289,487	\$4,186,541	\$4,265,758	\$2,819,344	\$2,015,073	\$1,244,047	\$984,808	29,704,026
23													
24	\$275,358	\$359,585	\$370,414	\$957,182	\$1,505,534	\$2,075,426	\$1,642,665	\$1,673,747	\$1,106,220	\$790,650	\$488,124	\$386,407	11,651,313
25													
26	\$275,358	\$359,585	\$370,414	\$957,182	\$1,505,534	\$2,075,426	\$1,642,665	\$1,673,747	\$1,106,220	\$790,650	\$488,124	\$386,407	11,651,313
27													
28	\$709,822	\$853,896	\$846,128	\$2,333,597	\$3,036,092	\$6,731,070	\$4,598,348	\$4,980,510	\$3,286,923	\$2,805,808	\$1,437,823	\$1,077,597	32,797,115
29													
30	\$709,822	\$926,944	\$954,861	\$2,467,441	\$3,839,901	\$5,289,487	\$4,186,541	\$4,265,758	\$2,819,344	\$2,015,073	\$1,244,047	\$984,808	29,704,026
31	(\$499)	(\$73,048)	(\$108,733)	(\$133,844)	(\$803,809)	\$1,441,583	\$411,807	\$714,753	\$467,579	\$850,735	\$159,777	\$92,788	\$3,093,089
32	(\$449)	(\$65,743)	(\$97,860)	(\$120,459)	(\$723,428)	\$1,297,425	\$370,627	\$643,277	\$420,821	\$801,662	\$174,399	\$83,509	\$2,783,780
33													
34													
35	(\$449)	(\$65,743)	(\$97,860)	(\$120,459)	(\$723,428)	\$1,297,425	\$370,627	\$643,277	\$420,821	\$801,662	\$174,399	\$83,509	\$2,783,780
36													
37	\$1,564,786	\$1,575,911	\$1,521,824	\$1,434,858	(\$120,460)	(\$84,750)	\$446,427	\$820,355	\$1,469,114	\$1,900,801	\$2,716,069	\$2,910,558	\$3,014,901
38													
39	\$11,574	\$11,657	\$10,893	\$10,613	(\$862)	(\$6,248)	\$3,302	\$5,481	\$10,867	\$13,606	\$20,090	\$20,834	\$111,806
40	\$1,576,360	\$1,587,568	\$1,532,717	\$1,445,471	(\$116,718)	(\$90,998)	\$449,729	\$825,836	\$1,479,981	\$1,914,407	\$2,736,159	\$2,931,392	\$3,026,707
41													
42													
43	\$607,136	\$433,185	\$594,130	\$670,363	\$987,100	\$973,234	\$859,566	\$861,544	\$948,408	\$837,839	\$600,550	\$536,527	\$8,909,581
44	\$275,358	\$359,584	\$370,414	\$957,182	\$1,505,534	\$2,075,426	\$1,642,665	\$1,673,747	\$1,106,220	\$790,650	\$488,124	\$386,407	\$11,651,313
45													
46	\$331,778	\$73,600	\$223,716	(\$286,819)	(\$518,434)	(\$1,102,192)	(\$783,099)	(\$812,203)	(\$157,913)	\$47,188	\$112,426	\$150,119	(\$2,721,731)
47													
48	\$331,778	\$73,600	\$223,716	(\$286,819)	(\$518,434)	(\$1,102,192)	(\$783,099)	(\$812,203)	(\$157,913)	\$47,188	\$112,426	\$150,119	(\$2,721,731)
49													
50	(\$2,363,663)	(\$2,049,368)	(\$1,990,927)	(\$1,781,462)	(\$286,819)	(\$807,306)	(\$1,915,469)	(\$2,712,736)	(\$3,546,062)	(\$3,727,082)	(\$3,706,572)	(\$3,621,562)	(\$3,497,367)
51													
52	(\$1,445,471)	(\$15,159)	(\$14,251)	(\$13,177)	(\$2,053)	(\$5,971)	(\$14,168)	(\$19,123)	(\$26,679)	(\$26,207)	(\$27,416)	(\$25,923)	(\$206,611)
53	(\$2,049,368)	(\$1,990,927)	(\$1,781,462)	(\$286,819)	(\$807,306)	(\$1,915,469)	(\$2,712,736)	(\$3,546,062)	(\$3,727,082)	(\$3,706,572)	(\$3,621,562)	(\$3,497,367)	(\$1,794,639)

Reference to Quarterly Deferral Reports
 1 Monthly Commodity Deferrals (Terms Sold)
 2 Monthly Commodity Deferrals (Commodity Cost Incurred-Total Booked)
 3 Monthly Demand Deferrals (Incurred Demand Cost - Storage Mitigation)

*See attached worksheets for simple references for August links
 All subsequent values follow same location references for each month

**Cascade Natural Gas
Prior Commodity & Demand Amortization**

Line No.	Jul-13 A	Aug-13 B	Sep-13 C	Oct-13 D	Nov-13 E	Dec-13 F	Jan-14 G	Feb-14 H	Mar-14 I	Apr-14 J	May-14 K	Jun-14 L	SUM (A-L) M
1													
2													
3													
4													
5													
6													
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Cascade Natural Gas
Development of Gas Cost Related PGA Temporary Rate Increments
State of Oregon

Ln No.	Account Description (a)	Class (b)	New or Residual (d)	Account Balance 6/30/2014 (e)	Revised		Interest Accruals Thru Amortization (h)	Balance for Amortization (i)	Forecasted Terms (k)	Increment (l)	TEMPORARY INCREMENT		
					Estimated Thru 10/31/14 Interest Amortizations & Deferrals (g)	Estimated Thru 10/31/14 Interest Accruals (f)					Firm (m)	Interruptible (n)	
1	Current Commodity and Demand Deferrals												
2	Commodity Cost Deferrals (47OR.2530.01272) (See Commodity Cost Deferral)	Core	NEW	\$3,014,902	\$89,460	\$22,498	\$ 3,126,860						
3	Prior gas cost amortization to be included in increment (47OR.2530.01281) (See GC Consolidated Deferral)	Core	Residual	\$194,153	\$1,008	\$2,188	\$ 304,064						
3	Subtotal			\$3,209,055	\$90,468	\$24,686	\$3,430,924	73,315,059	0.04680			\$0.04680	\$0.04680
4	Demand Cost Deferrals (47OR.2530.01273) (See Demand Cost Deferral)	Core	NEW	(\$3,497,367)	(\$103,776)	(\$26,098)	\$ (3,627,242)	73,315,059	(0.04947)			(\$0.04947)	(\$0.04947)
5	SUBTOTAL AMORTIZATION RATES BEFORE REVENUE SENSITIVE COSTS												
6	REVENUE REQUIREMENT BEFORE REVENUE SENSITIVE COSTS			\$ (288,312)	\$ (13,308)	\$ (1,413)	\$ (196,318)					2.883%	2.883%
7	REVENUE SENSITIVE COST PERCENTAGES:												
8	REVENUE REQUIREMENT AFTER REVENUE SENSITIVE COSTS						\$ (207,146)						
9	PROPOSED AMORTIZATION RATE INCLUDING REVENUE SENSITIVE COSTS											\$ (0.00276)	\$ (0.00276)
10	NEW WACOG - Commodity (from sch. 4)											\$0.41321	\$0.41321
11	NEW Demand Rates (from sch. 5)											\$0.16468	\$0.16468
12	NEW Delivered WACOG (gas only) rate											\$0.57789	\$0.57789
13	Total Gas Cost Rate											0.55855	\$0.57513

State:	Oregon
Description:	Core Market Commodity Costs
Account number:	47OR.2530.01272
Class of Customers:	Core
Deferral Period:	7/1/2013 to 6/30/2014
Deferral Account Order:	N/A
Amortization Period:	
Narrative:	Deferral of 90% of the difference between core commodity gas costs actually incurred and the average monthly base commodity gas cost as defined in rate schedule 177-A.

<i>Debit (Credit)</i>								
Month/Year	Rate	Therms	Deferral	Amortization	Interest Rate	Interest	Adjustments	Deferred Balance
Balance Forward								1,564,785.86
Jul-13			(449.03)		0.08709	11,574.23		1,575,911.06
Aug-13			(65,743.29)		0.08709	11,656.52		1,521,824.28
Sep-13			(97,859.76)		0.08709	10,893.34		1,434,857.87
Oct-13			(120,459.34)		0.08709	10,613.19	(1,445,471.06)	(120,459.34)
Nov-13			(723,427.97)		0.08709	(862.26)		(844,749.56)
Dec-13			1,297,424.90		0.08709	(6,248.35)		446,426.99
Jan-14			370,626.55		0.08709	3,302.08		820,355.62
Feb-14			643,277.41		0.08709	5,480.69		1,469,113.73
Mar-14			420,821.36		0.08709	10,866.57		1,900,801.66
Apr-14			801,661.55		0.08709	13,606.09		2,716,069.31
May-14			174,399.11		0.08709	20,089.91		2,910,558.33
Jun-14			83,509.49		0.08709	20,834.02		3,014,901.83
Jul-14 est.			0.00		0.08709	22,300.28		3,037,202.11
Aug-14 est.			0.00		0.08709	22,465.23		3,059,667.34
Sep-14 est.			0.00		0.08709	21,901.35		3,081,568.69
Oct-14 est.					0.08709	22,793.39		3,104,362.08
Nov-14 est.		8,504,013		(362,693)	0.01770	4,516.21		2,746,185.31
Dec-14 est.		11,906,304		(507,799)	0.01770	4,128.31		2,242,514.20
Jan-15 est.		10,698,302		(456,279)	0.01770	3,371.14		1,789,606.75
Feb-15 est.		9,006,654		(384,130)	0.01770	2,429.94		1,407,906.26
Mar-15 est.		8,090,508		(345,057)	0.01770	2,116.49		1,064,965.60
Apr-15 est.		6,246,154		(266,396)	0.01770	1,549.31		800,118.77
May-15 est.		4,347,080		(185,401)	0.01770	1,202.81		615,920.24
Jun-15 est.		2,587,203		(110,343)	0.01770	896.04		506,473.03
Jul-15 est.		1,771,914		(75,571)	0.01770	761.37		431,662.94
Aug-15 est.		1,790,217		(76,352)	0.01770	648.91		355,959.76
Sep-15 est.		2,751,693		(117,359)	0.01770	517.85		239,118.92
Oct-15 est.		5,615,017		(239,478)	0.01770	359.46		0.00
Therms Nov-Oct 2015		73,315,059						0.00
Development of Amortization Rate								(0.04265)
June 30, 2014 Balance							3,014,901.83	
Interest through Oct 31, 2014							89,460.25	
Interest During Amortization Period (Nov 1, 2014 through Oct 31, 2015)							22,497.84	
Balance to Amortize							<u>3,126,859.92</u>	
								(0.04265)

State:	Oregon
Description:	OR 11/01/12Consolidated Accounts: Gas Cost Related PGA Temporary Rate Increments
Account number:	47OR.2530.01281
Class of Customers:	Core
Deferral Period:	
Deferral Account Order:	
Amortization Period:	11/1/2013 through 10/31/2014
Narrative:	This records the consolidated deferral accounts corresponding to the temporary technical adjustments included in the PGA tracker effective 11/1/2013 that are incorporated into the customers' per therm gas rates through schedule 191.

Month/Year	Rate	Revised		Debit (Credit)			Adjustments	Deferred Balance
		Therms	Deferral	Amortization	Interest Rate	Interest		
							1,445,471.06	
							(1,794,639.19)	
							(507,539.72)	(856,707.85)
Nov-13	Prorated	6,109,157		404,864.31	0.01380	(971.72)		(452,815.26)
Dec-13	0.01073	11,676,380		125,287.57	0.01380	(530.72)		(328,058.41)
Jan-14	0.01073	12,886,326		138,270.28	0.01380	(384.50)		(190,172.64)
Feb-14	0.01073	11,604,863		124,520.18	0.01380	(201.32)		(65,853.79)
Mar-14	0.01073	9,837,593		105,557.36	0.01380	(77.18)		39,626.39
Apr-14	0.01073	6,936,309		74,426.60	0.01380	44.95		114,097.93
May-14	0.01073	4,462,547		47,883.13	0.01380	133.73		162,114.79
Jun-14	0.01073	2,968,756		31,854.75	0.01380	183.88		194,153.42
Jul-14 est.	0.01073	1,210,538		12,989.07	0.01380	227.56		207,370.05
Aug-14 est.	0.01073	1,237,649		13,279.98	0.01380	243.05		220,893.07
Sep-14 est.	0.01073	2,210,381		23,717.39	0.01380	250.55		244,861.00
Oct-14 est.	0.01073	5,286,865		56,728.06	0.01380	286.99		301,876.05
Nov-14 est.	(0.00415)	8,504,013		(35,269.19)	0.01770	439.17		267,046.03
Dec-14 est.	(0.00415)	11,906,304		(49,379.71)	0.01770	401.45		218,067.78
Jan-15 est.	(0.00415)	10,698,302		(44,369.69)	0.01770	327.82		174,025.91
Feb-15 est.	(0.00415)	9,006,654		(37,353.82)	0.01770	236.29		136,908.38
Mar-15 est.	(0.00415)	8,090,508		(33,554.23)	0.01770	205.81		103,559.96
Apr-15 est.	(0.00415)	6,246,154		(25,905.04)	0.01770	150.66		77,805.58
May-15 est.	(0.00415)	4,347,080		(18,028.90)	0.01770	116.96		59,893.65
Jun-15 est.	(0.00415)	2,587,203		(10,730.06)	0.01770	87.13		49,250.72
Jul-15 est.	(0.00415)	1,771,914		(7,348.76)	0.01770	74.04		41,976.00
Aug-15 est.	(0.00415)	1,790,217		(7,424.67)	0.01770	63.10		34,614.43
Sep-15 est.	(0.00415)	2,751,693		(11,412.26)	0.01770	50.36		23,252.53
Oct-15 est.	(0.00415)	5,615,017		(23,287.49)	0.01770	34.96		(0.00)
2014/15 PGA Year Therms		73,315,059					Balance at end of Amort Period:	(0.00)
							Amort Rate to Achieve This:	(0.00415)

Development of Amortization Rate

June 30, 2014 Balance	194,153.42
Interest through Oct 31, 2014	1,008.15
Amortizations through Oct 31, 2014	106,714.49
Interest During Amortization Period (Nov 1, 2014 through Oct 31, 2015)	2,187.75
Balance to Amortize	304,063.80
	(0.00415)

State:	Oregon
Description:	Core Market Demand & Gas Storage Mitigation Costs
Account number:	47OR.2530.01273
Class of Customers:	Core
Deferral Period:	7/1/2013 to 6/30/2014
Deferral Account Order:	N/A
Amortization Period:	N/A
Narrative:	This records the deferral of the differences between core demand costs actually incurred and the embedded demand costs collected in the tariffs as well as the Tenaska capacity reservation and gas storage mitigation costs based on therms.

Month/Year	Rate	Therms	Debit (Credit)				Deferred Balance
			Deferral	Amortization	Interest Rate	Interest	
Balance Forward							(2,363,662.93)
Jul-13			331,777.92		0.08709	(17,483.27)	(2,049,368.28)
Aug-13			73,599.75		0.08709	(15,158.53)	(1,990,927.06)
Sep-13			223,716.00		0.08709	(14,251.22)	(1,781,462.28)
Oct-13			(286,818.99)		0.08709	(13,176.92)	1,794,639.19 (286,819.00)
Nov-13			(518,434.20)		0.08709	(2,053.07)	(807,306.27)
Dec-13			(1,102,191.79)		0.08709	(5,971.39)	(1,915,469.45)
Jan-14			(783,098.76)		0.08709	(14,168.12)	(2,712,736.33)
Feb-14			(812,202.93)		0.08709	(18,123.46)	(3,543,062.72)
Mar-14			(157,812.66)		0.08709	(26,206.92)	(3,727,082.30)
Apr-14			47,188.38		0.08709	(26,678.76)	(3,706,572.68)
May-14			112,426.06		0.08709	(27,416.35)	(3,621,562.97)
Jun-14			150,119.24		0.08709	(25,923.45)	(3,497,367.17)
Jul-14 est.					0.08709	(25,868.92)	(3,523,236.09)
Aug-14 est.					0.08709	(26,060.27)	(3,549,296.36)
Sep-14 est.					0.08709	(25,406.16)	(3,574,702.51)
Oct-14 est.					0.08709	(26,440.95)	(3,601,143.46)
Nov-14 est.	8,504,013			420,733.61	0.01770	(5,238.92)	(3,185,648.77)
Dec-14 est.	11,906,304			589,060.98	0.01770	(4,788.95)	(2,601,376.74)
Jan-15 est.	10,698,302			529,295.43	0.01770	(3,910.62)	(2,075,991.93)
Feb-15 est.	9,006,654			445,601.63	0.01770	(2,818.80)	(1,633,209.09)
Mar-15 est.	8,090,508			400,275.57	0.01770	(2,455.18)	(1,235,388.70)
Apr-15 est.	6,246,154			309,026.68	0.01770	(1,797.24)	(928,159.26)
May-15 est.	4,347,080			215,070.54	0.01770	(1,395.29)	(714,484.00)
Jun-15 est.	2,587,203			128,001.13	0.01770	(1,039.43)	(587,522.30)
Jul-15 est.	1,771,914			87,664.94	0.01770	(883.22)	(500,740.59)
Aug-15 est.	1,790,217			88,570.47	0.01770	(752.76)	(412,922.88)
Sep-15 est.	2,751,693			136,139.22	0.01770	(600.72)	(277,384.38)
Oct-15 est.	5,615,017			277,801.36	0.01770	(416.99)	(0.00)
Therms Nov-Oct 2014	73,315,059						(0.00)
							Balance at end of Amort Period:
							Amort Rate to Achieve This:
							0.04947
Development of Amortization Rate							
June 30, 2014 Balance							(3,497,367.17)
Interest through Oct 31, 2014							(103,776.29)
Interest During Amortization Period (Nov 1, 2014 through Oct 31, 2015)							(26,098.10)
							<u>(3,627,241.56)</u>
Balance to Amortize							0.04947

Cascade Natural Gas Corporation
2014-2015 PGA
New WACOG Commodity

SYSTEM COSTS

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
	November	December	January	February	March	April	May	June	July	August	September	October	TOTAL		
1															
2															
3															
4															
5															
6															
7															
8															
9															
10															
11															
12															
13															
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19															
20															
21															
22															
23															
24															
25															
26															
27															
28															

Cascade Natural Gas Corporation
 2014-2015 PGA - OREGON
 Derivation of Oregon per Therm Non-Commodity Charges

Oregon Derivation of Demand Increments		Revised	
		Without Revenue Sensitive	With Revenue Sensitive
	(a) (b)	(c)	(d)
1			
2			
3			
4	System Demand for Allocation	\$52,403,342	
5	Oregon Allocation Factor (Based on Peak Day)	18.86%	
6	Oregon Allocated Demand Costs	\$9,883,413	
7	Ruby Demand for Allocation	\$1,350,000	
8	Oregon Allocation Factor (Based Non-NWP Allocation)	89.15%	
9	Oregon Ruby Allocated System Demand	\$1,203,473	
10	Plus Demand Costs -Central Oregon	\$1,841,723	
11	Less Oregon Capacity Release Credits	(\$1,203,281)	
12	OREGON DEMAND COSTS	\$11,725,328	\$ 12,073,405
13			
14	Oregon Sales Forecasted Normal Volumes	73,315,060	73,315,060
15			
16	Proposed Demand Increment Per Therm (line 11/line 12)	\$0.15993	\$0.16468
17			
18	Current Firm Demand Per Therm	\$0.15300	\$0.15763
19			
20	Percent Change in Firm Demand	4.53%	4.47%
21			
22			
23	1/Allocation Factor: Forecasted Peak Volumes (excl. Central Oregon):		
24		<u>Washington</u>	<u>Oregon</u>
25			<u>System</u>
26	Total Peak	2,177,073	849,462
27	Less Central Oregon		584,396
28	Peak Day Capacity	2,177,073	265,066
29	Allocation Factor	89.15%	10.85%
			3,026,535
			2,442,139
			100.00%

Cascade Natural Gas Corporation
 2014-2015 PGA - OREGON
 Summary of Rate and Revenue Impact

Revised

	(a)	(b)	Without Revenue Sensitive (c)	With Revenue Sensitive (d)
	PROPOSED PER THERM RATE CHANGES			
1	Proposed Commodity WACOG		0.40130	0.41321
2	Current Commodity WACOG		0.38994	0.40172
3	Proposed Rate Change-Commodity WACOG		0.01136	0.01149
4				
5	Proposed Firm Demand Per Therm		0.15993	0.16468
6	Current Firm Demand Per Therm		0.15300	0.15763
7	Proposed Rate Change-Firm Demand WACOG		0.00693	0.00705
8				
9	Proposed Temporary Rate Increment		(0.00268)	(0.00276)
	Current Temporary Rate Increment		(0.01073)	(0.01106)
	Proposed Rate Change-Temporary Rate Increment		0.00805	0.00830
10				
11	TOTAL PROPOSED PGA RATE CHANGE			0.02684
12				
13	Oregon Forecasted Therm Sales		73,315,060	
14				
15	REVENUE IMPACT			
16				
17	Commodity Cost Change			842,390
18	Demand Cost Change			516,871
19				
20	Amortization of Commodity and Demand Cost Differences			608,515
21				
22	Total Revenue Impact Due to PGA Filing			1,967,776
23				
24	Operating Revenues for 12 Month Period Ending 12/31/13			65,973,538
25				
26	PERCENTAGE CHANGE IN REVENUES DUE TO PGA FILING			2.98%

**Before the
OREGON PUBLIC UTILITY COMMISSION**

EXHIBIT 2

Summary of Proposed Changes

Summary of Total Proposed Rates (Schedule 1 of 3)
Total Proposed Rates Impact on Average Bill by Rate Schedule (Schedule 2 of 3)
Notice to the Public (Schedule 3 of 3)

Cascade Natural Gas Corporation

September 15, 2014

Cascade Natural Gas Corporation
SUMMARY OF TOTAL PROPOSED RATES
 STATE OF OREGON

Revised

Ln No.	Customer Class (a)	Schedule (b)	Block (c)	Current 11/1/2013 Rate (d)	Total Proposed Changes				Total Change (i) = e thru h	Proposed 11/1/2014 Rate (j) = d + i
					PGA Base Gas Cost (e)	CAP Baseline Adj (f)	Remove 12 (g)	Non Gas Cost Temporary Rate Adj Add New (h)		
CORE MARKET SERVICE										
1	Residential	101		\$0.90024	\$0.02684	\$0.00161	\$0.00595	(\$0.02749)	\$0.00691	\$0.90715
2	Commercial	104		\$0.80027	\$0.02684	(\$0.00242)	\$0.00699	(\$0.02886)	\$0.00255	\$0.80282
3	Com-Ind Dual	111		\$0.69437	\$0.02684		\$0.00009	\$0.00022	\$0.02715	\$0.72152
4	Industrial Firm	105		\$0.72852	\$0.02684		\$0.00009	\$0.00022	\$0.02715	\$0.75567
5	Industrial Interruptible	170		\$0.67129	\$0.02684		\$0.00009	\$0.00022	\$0.02715	\$0.69844
NONCORE MARKET SERVICE										
6	Distribution Transportation	163 & 164	First 10,000	\$0.12393	\$0.00000	\$0.00000	\$0.00009	\$0.00022	\$0.00031	\$0.12424
7	Distribution Transportation	163 & 164	Next 10,000	\$0.11179	\$0.00000	\$0.00000	\$0.00009	\$0.00022	\$0.00031	\$0.11210
8	Distribution Transportation	163 & 164	Next 30,000	\$0.10503	\$0.00000	\$0.00000	\$0.00009	\$0.00022	\$0.00031	\$0.10534
9	Distribution Transportation	163 & 164	Next 50,000	\$0.06447	\$0.00000	\$0.00000	\$0.00009	\$0.00022	\$0.00031	\$0.06478
10	Distribution Transportation	163 & 164	Next 400,000	\$0.03266	\$0.00000	\$0.00000	\$0.00009	\$0.00022	\$0.00031	\$0.03297
11	Distribution Transportation	164 ONLY	Over 500,000	\$0.01746	\$0.00000	\$0.00000	\$0.00009	\$0.00022	\$0.00031	\$0.01777

Cascade Natural Gas Corporation
TOTAL PROPOSED RATES IMPACT ON AVERAGE BILL BY RATE SCHEDULE
 STATE OF OREGON

Ln No.	Customer Class (a)	Schedule (b)	Therms in Block (c)	Normalized Volumes (d)	Average Customers (e)	Therms Per Month (f)	Monthly Charge (g)	Revised		Current Avg Bill (i)	Total Proposed 11/1/2014 Rate (j)	Total Proposed Avg Bill (k)	Monthly Change in Avg Bill (l)	Proposed Rates % Change (m)
								Current 11/1/2013 Rate (h)	Current Avg Bill (i) = g + (f * h)					
CORE MARKET SERVICE														
1	Residential	101	10,000	37,116,805	56,831	54	\$3.00	\$0.90024	\$51.61	\$0.90715	\$51.99	\$0.37	0.72%	
2	Commercial	104	10,000	26,600,354	9,548	232	\$3.00	\$0.80027	\$188.66	\$0.80282	\$189.25	\$0.59	0.31%	
3	Com-Ind Dual	111	30,000	1,490,360	13	9,554	\$0.00	\$0.69437	\$6,634.01	\$0.72152	\$6,893.40	\$259.39	3.91%	
4	Industrial Firm	105	50,000	3,043,715	108	2,349	\$12.00	\$0.72852	\$1,723.29	\$0.75567	\$1,787.07	\$63.78	3.70%	
5	Industrial Interruptible	170	Over 100,000	2,816,372	4	58,674	\$0.00	\$0.67129	\$39,387.27	\$0.69844	\$40,980.27	\$1,593.00	4.04%	
NONCORE MARKET SERVICE														
6	Distribution Transportation	163	10,000	241,001	29		\$500.00	\$0.12393	\$1,739.30	\$0.12424	\$1,742.40			
7	Distribution Transportation	163	10,000	1,265,419				\$0.11179	\$1,117.90	\$0.11210	\$1,121.00			
8	Distribution Transportation	163	30,000	3,374,853				\$0.10503	\$3,552.65	\$0.10534	\$3,563.13			
9	Distribution Transportation	163	50,000	2,680,452				\$0.06447		\$0.06478				
10	Distribution Transportation	163	Over 100,000	11,169,406				\$0.03266	\$6,409.85	\$0.03297	\$6,426.53	\$16.69	0.26%	
11	Total			18,731,131										
12	Distribution Transportation	164	10,000	240,000	3		\$500.00	\$0.12393	\$1,739.30	\$0.12424	\$1,742.40			
13	Distribution Transportation	164	10,000	240,000				\$0.11179	\$1,117.90	\$0.11210	\$1,121.00			
14	Distribution Transportation	164	30,000	720,000				\$0.10503	\$3,150.90	\$0.10534	\$3,160.20			
15	Distribution Transportation	164	50,000	1,200,000				\$0.06447	\$3,223.50	\$0.06478	\$3,239.00			
16	Distribution Transportation	164	Next 400,000	9,067,495				\$0.03266	\$9,121.43	\$0.03297	\$9,208.00			
17	Distribution Transportation	164	Over 500,000	2,186,740				\$0.01746	\$18,353.03	\$0.01777	\$18,470.60	\$117.58	0.64%	
18	Total			13,654,235										

Cascade Natural Gas Corporation

NOTICE TO THE PUBLIC

Oregon Service Area

Cascade Natural Gas Corporation is on this date filing with the Oregon Public Utility Commission (OPUC) at Salem, Oregon, revisions to Rate Schedule Nos. 177, 191, 192, 193, and 194, which upon approval by the Commission will become effective November 1, 2014.

The rate adjustments proposed in this filing are designed to pass on 1.) changes in the cost of gas and transportation services paid by Cascade to gas suppliers and interstate natural gas pipelines, temporary differences in purchased gas costs, that occur over time, as a result of differences between the actual cost of gas paid by the Company and the amount allowed for in Core customer rates, and removal of certain technical deferral refunds that have expired; and 2.) changes resulting from the Company's Conservation Alliance Plan.

The overall effect of the proposed rate adjustments on the monthly bill of a residential customer with consumption of 54 therms will be a net increase of \$0.37 or .72%. For small commercial customers, the increase in the monthly bill for consumption of 232 therms will be \$0.59 or .31%. Large volume core customers will experience an average increase of 3.70% depending on monthly volumes consumed. Large volume interruptible customers will experience an average increase of 4.04%. Large volume non-core customers will experience an average increase of .26% for distribution service from Cascade depending on the monthly volumes consumed.

By: Michael Parvinen
Director, Regulatory Affairs

Date: September 15, 2014

**Before the
OREGON PUBLIC UTILITY COMMISSION**

EXHIBIT 3

Attachments to Staff's Public Meeting Memos

Attachment A - Incremental Change to Revenue by Rate Schedule

Attachment B - Incremental Change to Revenue by Adjustment

Attachment C - Three Percent Test

Attachment D - Bill Impacts

Cascade Natural Gas Corporation

September 15, 2014

**Cascade Natural Gas
2014 PGA
Incremental Revenue Change by Customer Rate Schedule
Attachment A**

Customer Rate Schedule	Description	Gas Cost & Adjustment Schedule Total Revenue at Current ¹	Gas Cost & Adjustment Schedule Total Revenue at Proposed	Total Incremental Change in Revenue	Incremental Percentage Change by Rate Schedule	Percent Contribution to Total Incremental Change
101	Residential	34,854,642	35,122,176	267,535	0.77%	49.24%
104	Commercial	21,912,957	21,982,781	69,824	0.32%	12.85%
105	Industrial	2,194,239	2,276,012	81,773	3.73%	15.05%
111	Large Volume	974,822	1,012,938	38,116	3.91%	7.02%
112	Compressed Natural Gas					0.00%
126	Emergency Institution					0.00%
170	Interruptible	1,879,774	1,955,800	76,027	4.04%	13.99%
163	Distribution	1,063,391	1,069,197	5,807	0.55%	1.07%
164	Distribution	543,883	548,116	4,233	0.78%	0.78%
						0.00%
						0.00%
						0.00%
						0.00%
						0.00%
						0.00%
		63,423,707	63,967,021	543,314		100.00%
			Revised			

Notes:

¹ Revenue at "Current" does not reflect current revenues, but rather what the revenues would be if existing rates continued to be in effect during the upcoming year (i.e. current rates times forecasted therms). There will be small differences with the Advice filings.

Revised

Customer Schedule No.	Rate Class Type	Block	Adjustment Tariff No. 177-A PGA Gas Costs		Margin (Base Rate) 101/104/105/111/112/126/170/163/164		Adjustment Tariff No. 191		Adjustment Tariff No. 192		Adjustment Tariff No. 193		Adjustment Tariff No. 194-B		2014-2015		% Change		
			Current Rate	Proposed Rate	Current Rate	Proposed Rate	Current Rate	Proposed Rate	Current Rate	Proposed Rate	Current Rate	Proposed Rate	Current Rate	Proposed Rate	Current Rate	Proposed Rate		Current Revenue	Proposed Revenue
101	Residential		\$ 0.55935	0.57789	\$ 0.35790	0.35951	\$(0.01106)	\$(0.00276)	\$0.00104	0.00137	\$(0.00693)	0.00137	\$(0.00006)	0.00003	38,717,055	\$34,854,642	\$35,122,176	\$267,535	0.77%
104	Commercial		\$ 0.55935	0.57789	\$ 0.25897	0.25655	\$(0.01106)	\$(0.00276)	\$0.00014	0.00000	\$(0.00693)	0.00000	\$(0.00006)	0.00003	27,381,955	\$21,912,957	\$21,982,781	\$69,824	0.32%
105	Industrial		\$ 0.55935	0.57789	\$ 0.18032	0.18032	\$(0.01106)	\$(0.00276)	\$0.00014	0.00019	0.00000	0.00019	\$(0.00023)	0.00003	3,011,913	\$2,194,239	\$2,276,012	\$81,773	3.75%
111	Large Volume		\$ 0.55935	0.57789	\$ 0.14617	0.14617	\$(0.01106)	\$(0.00276)	\$0.00014	0.00000	0.00000	0.00000	\$(0.00023)	0.00003	1,403,894	\$974,822	\$1,012,938	\$38,116	3.91%
112	Compressed Natural Gas		\$ 0.55935	0.57789	\$ 0.22600	0.22600	\$(0.01106)	\$(0.00276)	\$ -	0.00000	0.00000	0.00000	\$(0.00023)	0.00003	0	\$0	\$0	\$0	0.00%
126	Emergency Institution		\$ 0.55935	0.57789	\$ 0.26670	0.26670	\$(0.01106)	\$(0.00276)	\$ -	0.00000	0.00000	0.00000	\$(0.00023)	0.00003	0	\$0	\$0	\$0	0.00%
170	Interruptible		\$ 0.55935	0.57789	\$ 0.12309	0.12309	\$(0.01106)	\$(0.00276)	\$0.00014	0.00019	0.00000	0.00019	\$(0.00023)	0.00003	2,800,241	\$1,879,774	\$1,955,800	\$76,027	4.04%
163	Distribution	Block 1	\$ -	0.00000	\$ 0.12402	0.12402	\$ -	0.00000	\$0.00014	0.00019	\$ -	0.00000	\$(0.00023)	0.00003	241,001	\$29,942	\$29,942	\$0	0.00%
		Block 2	\$ -	0.00000	\$ 0.11188	0.11188	\$ -	0.00000	\$0.00014	0.00019	\$ -	0.00000	\$(0.00023)	0.00003	1,265,419	\$141,853	\$141,853	\$0	0.28%
		Block 3	\$ -	0.00000	\$ 0.10512	0.10512	\$ -	0.00000	\$0.00014	0.00019	\$ -	0.00000	\$(0.00023)	0.00003	3,374,853	\$354,461	\$354,461	\$0	0.30%
		Block 4	\$ -	0.00000	\$ 0.06456	0.06456	\$ -	0.00000	\$0.00014	0.00019	\$ -	0.00000	\$(0.00023)	0.00003	2,680,452	\$172,809	\$175,640	\$2,831	0.48%
		Block 5	\$ -	0.00000	\$ 0.03275	0.03275	\$ -	0.00000	\$0.00014	0.00019	\$ -	0.00000	\$(0.00023)	0.00003	11,169,406	\$368,255	\$368,255	\$0	0.95%
164	Distribution	Block 1	\$ -	0.00000	\$ 0.12402	0.12402	\$ -	0.00000	\$0.00014	0.00019	\$ -	0.00000	\$(0.00023)	0.00003	240,000	\$29,743	\$29,818	\$74	0.25%
		Block 2	\$ -	0.00000	\$ 0.11188	0.11188	\$ -	0.00000	\$0.00014	0.00019	\$ -	0.00000	\$(0.00023)	0.00003	240,000	\$26,830	\$26,904	\$74	0.28%
		Block 3	\$ -	0.00000	\$ 0.10512	0.10512	\$ -	0.00000	\$0.00014	0.00019	\$ -	0.00000	\$(0.00023)	0.00003	720,000	\$75,622	\$75,845	\$223	0.30%
		Block 4	\$ -	0.00000	\$ 0.06456	0.06456	\$ -	0.00000	\$0.00014	0.00019	\$ -	0.00000	\$(0.00023)	0.00003	1,200,000	\$77,364	\$77,736	\$372	0.48%
		Block 5	\$ -	0.00000	\$ 0.03275	0.03275	\$ -	0.00000	\$0.00014	0.00019	\$ -	0.00000	\$(0.00023)	0.00003	9,067,495	\$296,144	\$298,955	\$2,811	0.95%
		Block 6	\$ -	0.00000	\$ 0.01755	0.01755	\$ -	0.00000	\$0.00014	0.00019	\$ -	0.00000	\$(0.00023)	0.00003	2,186,740	\$38,180	\$38,858	\$678	1.78%

**Cascade Natural Gas
2014 PGA
Incremental Revenue Change by Adjustment Schedule
Attachment B**

Adjustment Schedule No. & Description		Gas Cost & Adjustment Schedule Revenue at Current ¹	Gas Cost & Adjustment Revenue at Proposed	Total Incremental Change in Revenue	% Contribution to Total Incremental Change
177-A	PGA	\$41,008,779	\$42,368,038	\$1,359,259	250.18%
191	Temporary Gas Cost Adj	(\$810,865)	(\$202,350)	\$608,515	112.00%
192	Intervenor Funding	\$45,811	\$60,566	\$14,755	2.72%
193	CAP	(\$458,066)	(\$1,909,601)	(\$1,451,535)	-267.17%
194-B	Other Residual	(\$13,075)	\$3,170	\$16,245	2.99%
195	Public Purpose				0.00%
196	Earnings Sharing Margin	\$23,651,124	\$23,647,194	(\$3,930)	-0.72%
				\$0	0.00%
				\$0	0.00%
Total		\$63,423,708	\$63,967,017	\$543,309	100.00%
			Revised		

Note:

¹ Revenue at "Current" does not reflect current revenues, but rather what the revenues would be if existing rates continued to be in effect during the upcoming year (i.e. current rates times forecasted therms). There will be small differences with the Advice filings.

Adjusted
Schedule No.

2014-2015

Schedule

Advice No.	Description	No.	Rate Class Type	Block	Current Rate	Proposed Rate	Therms	Revenue at Current	Revenue at Proposed	Change in Revenue
177-A										
PGA										
101	Residential				\$ 0.55935	0.57789	38,717,055	\$21,656,385	\$22,374,199	\$717,814
104	Commercial				\$ 0.55935	0.57789	27,381,955	\$15,316,097	\$15,823,758	\$507,661
105	Industrial				\$ 0.55935	0.57789	3,011,913	\$1,684,714	\$1,740,554	\$55,840
111	Large Volume				\$ 0.55935	0.57789	1,403,894	\$785,268	\$811,296	\$26,028
112	Compressed Natural Gas				\$ 0.55935	0.57789	0	\$0	\$0	\$0
126	Emergency Institution				\$ 0.55935	0.57789	0	\$0	\$0	\$0
170	Interruptible				\$ 0.55935	0.57789	2,800,241	\$1,566,315	\$1,618,231	\$51,916
							Total	\$41,008,779	\$42,368,038	\$1,359,259
191										
Temp Gas Cost										
101	Residential				\$ (0.01106)	(0.00276)	38,717,055	(\$428,211)	(\$106,859)	\$321,352
104	Commercial				\$ (0.01106)	(0.00276)	27,381,955	(\$302,844)	(\$75,574)	\$227,270
105	Industrial				\$ (0.01106)	(0.00276)	3,011,913	(\$33,312)	(\$8,313)	\$24,999
111	Large Volume				\$ (0.01106)	(0.00276)	1,403,894	(\$15,527)	(\$3,875)	\$11,652
112	Compressed Natural Gas				\$ (0.01106)	(0.00276)	0	\$0	\$0	\$0
126	Emergency Institution				\$ (0.01106)	(0.00276)	0	\$0	\$0	\$0
170	Interruptible				\$ (0.01106)	(0.00276)	2,800,241	(\$30,971)	(\$7,729)	\$23,242
							Total	(\$810,865)	(\$202,350)	\$608,515
192										
Intervenor										
101	Residential				\$ 0.00104	0.00137	38,717,055	\$40,266	\$53,042	\$12,776
104	Commercial				\$ -	0.00000	27,381,955	\$0	\$0	\$0
105	Industrial				\$ 0.00014	0.00019	3,011,913	\$422	\$572	\$150
111	Large Volume				\$ 0.00014	0.00019	1,403,894	\$197	\$267	\$70
112	Compressed Natural Gas				\$ -	0.00000	0	\$0	\$0	\$0
126	Emergency Institution				\$ -	0.00000	0	\$0	\$0	\$0
170	Interruptible				\$ 0.00014	0.00019	2,800,241	\$392	\$532	\$140
				Block 1	\$ 0.00014	0.00019	241,001	\$34	\$46	\$12
				Block 2	\$ 0.00014	0.00019	1,265,419	\$177	\$240	\$63
				Block 3	\$ 0.00014	0.00019	3,374,853	\$472	\$641	\$169
				Block 4	\$ 0.00014	0.00019	2,680,452	\$375	\$509	\$134
				Block 5	\$ 0.00014	0.00019	11,169,406	\$1,564	\$2,122	\$558
				Block 6	\$ 0.00014	0.00019	240,000	\$34	\$46	\$12
				Block 7	\$ 0.00014	0.00019	240,000	\$34	\$46	\$12
				Block 8	\$ 0.00014	0.00019	720,000	\$101	\$137	\$36
				Block 9	\$ 0.00014	0.00019	1,200,000	\$168	\$228	\$60
				Block 10	\$ 0.00014	0.00019	9,067,495	\$1,269	\$1,723	\$454
				Block 11	\$ 0.00014	0.00019	2,186,740	\$306	\$415	\$109
							Total	\$45,811	\$60,566	\$14,755

Adjusted
Schedule No.

2014-2015

Schedule

Revenue at
Proposed
Revenue

Advice No.	Description	Schedule No.	Rate Class Type	Block	Current Rate	Proposed Rate	Proposed Therms	Revenue at Current	Revenue at Proposed	Change in Revenue
101	Residential	101	Residential		\$ (0.00693)	(0.02889)	38,717,055	(\$268,309)	(\$1,118,536)	(\$850,227)
104	Commercial	104	Commercial		\$ (0.00693)	(0.02889)	27,381,955	(\$189,757)	(\$791,065)	(\$601,308)
193		CAP					Total	(\$458,066)	(\$1,909,601)	(\$1,451,535)
101	Residential	101	Residential		\$ (0.00006)	0.00003	38,717,055	(\$2,323)	\$1,162	\$3,485
104	Commercial	104	Commercial		\$ (0.00006)	0.00003	27,381,955	(\$1,643)	\$821	\$2,464
105	Industrial	105	Industrial		\$ (0.00023)	0.00003	3,011,913	(\$693)	\$90	\$783
111	Large Volume	111	Large Volume		\$ (0.00023)	0.00003	1,403,894	(\$323)	\$42	\$365
112	Compressed Natural Gas	112	Compressed Natural Gas		\$ (0.00023)	0.00003	0	\$0	\$0	\$0
126	Emergency Institution	126	Emergency Institution		\$ (0.00023)	0.00003	0	\$0	\$0	\$0
170	Interruptible	170	Interruptible		\$ (0.00023)	0.00003	2,800,241	(\$644)	\$84	\$728
163	Distribution	163	Distribution	Block 1	\$ (0.00023)	0.00003	241,001	(\$55)	\$7	\$62
				Block 2	\$ (0.00023)	0.00003	1,265,419	(\$291)	\$38	\$329
				Block 3	\$ (0.00023)	0.00003	3,374,853	(\$776)	\$101	\$877
				Block 4	\$ (0.00023)	0.00003	2,680,452	(\$617)	\$80	\$697
				Block 5	\$ (0.00023)	0.00003	11,169,406	(\$2,569)	\$335	\$2,904
164	Distribution	164	Distribution	Block 1	\$ (0.00023)	0.00003	240,000	(\$55)	\$7	\$62
				Block 2	\$ (0.00023)	0.00003	240,000	(\$55)	\$7	\$62
				Block 3	\$ (0.00023)	0.00003	720,000	(\$166)	\$22	\$188
				Block 4	\$ (0.00023)	0.00003	1,200,000	(\$276)	\$36	\$312
				Block 5	\$ (0.00023)	0.00003	9,067,495	(\$2,086)	\$272	\$2,358
				Block 6	\$ (0.00023)	0.00003	2,186,740	(\$503)	\$66	\$569
194-B		Other Residual					Total	(\$13,075)	\$3,170	\$16,245
101	Residential	101	Residential		\$ 0.35790	0.35951	38,717,055	\$13,856,834	\$13,919,168	\$62,334
104	Commercial	104	Commercial		\$ 0.25897	0.25655	27,381,955	\$7,091,105	\$7,024,841	(\$66,264)
105	Industrial	105	Industrial		\$ 0.18032	0.18032	3,011,913	\$543,108	\$543,108	\$0
111	Large Volume	111	Large Volume		\$ 0.14617	0.14617	1,403,894	\$205,207	\$205,207	\$0
112	Compressed Natural Gas	112	Compressed Natural Gas		\$ 0.22600	0.22600	0	\$0	\$0	\$0
126	Emergency Institution	126	Emergency Institution		\$ 0.26670	0.26670	0	\$0	\$0	\$0
170	Interruptible	170	Interruptible		\$ 0.12309	0.12309	2,800,241	\$344,682	\$344,682	\$0
163	Distribution	163	Distribution	Block 1	\$ 0.12402	0.12402	241,001	\$29,889	\$29,889	\$0
				Block 2	\$ 0.11188	0.11188	1,265,419	\$141,575	\$141,575	\$0
				Block 3	\$ 0.10512	0.10512	3,374,853	\$354,765	\$354,765	\$0
				Block 4	\$ 0.06456	0.06456	2,680,452	\$173,050	\$173,050	\$0
				Block 5	\$ 0.03275	0.03275	11,169,406	\$365,798	\$365,798	\$0
164	Distribution	164	Distribution	Block 1	\$ 0.12402	0.12402	240,000	\$29,765	\$29,765	\$0
				Block 2	\$ 0.11188	0.11188	240,000	\$26,851	\$26,851	\$0
				Block 3	\$ 0.10512	0.10512	720,000	\$75,686	\$75,686	\$0

Adjusted
Schedule No.

2014-2015

Advice No.	Description	Schedule No.	Rate Class Type	Block	Current Rate	Proposed Rate	Proposed Terms	Revenue at Current	Revenue at Proposed	Change in Revenue
	Block 4				\$ 0.06456	0.06456	1,200,000	\$77,472	\$77,472	\$0
	Block 5				\$ 0.03275	0.03275	9,067,495	\$296,960	\$296,960	\$0
	Block 6				\$ 0.01755	0.01755	2,186,740	\$38,377	\$38,377	\$0
Advice No.	Margin			Total				\$23,651,124	\$23,647,194	(\$3,930)

**Cascade Natural Gas
2014-2015 PGA
Three Percent Test
Attachment C**

Revised	<u>Surcharge</u>	<u>Credit</u>	
Prior Period Gas Cost Deferral True-Up	(202,146)		
<u>Non-Gas Cost Amortizations</u>			
Intervenor Funding	\$60,887	\$0	
Other Residuals	\$0	\$0	
Decoupling		(1,909,898)	
		\$0	
		\$0	
		\$0	
		0	
Subtotal	60,887	(1,909,898)	
Total	(141,259)	(1,909,898)	
Total Proposed Amortization			(\$2,051,157)
Less: Intervenor Funding ¹			\$60,887
Net Proposed Amortizations (subject to the 3% test)			(\$1,990,270)
Utility Gross Revenues (2013)			\$65,973,538
3% of Utility Gross Revenues²			\$1,979,206
Allowed Amortization			(\$1,990,270)
Allowed Amortization as % of Gross Revenues			-3.02%

¹ Intervenor Funding is excluded from the result of the 3% test pursuant to ORS 757.259(4)

² Unadusted general revenues as shown in the most recent Results of Operation.

**Proposed Rate & Bill Increases for ALL Oregon Local Distribution Companies by Class of Service
2014-2015 PGA
Attachment D**

Revised

Class of Service	Rate Schedule	RATE IMPACTS*			
		Current Rate per Therm	Proposed Rate per Therm	Change Rate per Therm	%-Change Rate per Therm
Residential					
Avista	410	\$0.00000	\$0.00000	0.00000	#DIV/0!
Cascade	101	\$0.90024	\$0.90715	0.00691	0.77%
NW Natural	2	\$0.00000	\$0.00000	0.00000	#DIV/0!
Commercial					
Avista	420	\$0.00000	\$0.00000	0.00000	#DIV/0!
Cascade	104	\$0.80027	\$0.80282	0.00255	0.32%
NW Natural	3	\$0.00000	\$0.00000	0.00000	#DIV/0!
Industrial					
Avista	424	\$0.00000	\$0.00000	0.00000	#DIV/0!
Cascade	105	\$0.72852	\$0.75567	0.02715	3.7%
NW Natural	31ISF	\$0.00000	\$0.00000	0.00000	#DIV/0!
Interruptible					
Avista	440	\$0.00000	\$0.00000	0.00000	#DIV/0!
Cascade	170	\$0.67129	\$0.69844	0.02715	4.0%
NW Natural	32ISI	\$0.00000	\$0.00000	0.00000	#DIV/0!

RESIDENTIAL BILL IMPACTS																		
Class of Service	Rate Schedule	Average January Therms	Customer Charge	Current January		Proposed January		Change January		Annual Therms/Month	Customer Charge		Proposed Monthly		Change Monthly		% -Change Monthly	
				Bill	Bill	Bill	Bill	Bill	Bill		Bill	Bill	Bill	Bill	Bill	Bill	Bill	Bill
Avista	410	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Cascade	101	103	\$3.00	\$95.72	\$96.44	\$0.71	\$0.71	\$0.71	0.7%	54	\$3.00	\$51.61	\$51.99	\$0.38	\$0.38	\$0.38	\$0.38	0.7%
NW Natural	2	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!

* The residential rates illustrated above do not include pass-through charges included on customer bills that utilities are required to collect and distribute to the appropriate third parties, such as for franchise fees or the Public Purposes Charge.