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August 1, 2014

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

Re: Advice No. **CNG/O14-08-02/UG _____**
(UM 1336)

Modify Schedule No. 192 Intervenor Funding Adjustment Rates

Attention: Filing Center

Pursuant to Docket UM 1336, 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:

Eleventh Revision Sheet No. 192, Canceling Tenth Revision Sheet No. 192.

This filing proposes to update the Company’s Intervenor Funding amortization rates currently in effect pursuant to Section 7.9 of the Second Amended and Restated Intervenor Funding Agreement previously adopted by the Public Utilities Commission of Oregon (“Commission”) in Order No. 12-452. In this filing, the Company is requesting an increase in revenues of \$13,983, or .03 %, effective on November 1, 2014. The current amortization rates and the proposed changes, both inclusive of the gross revenue factor, are as follows:

<u>Schedule</u>	<u>Current Amortization Rates</u>	<u>Proposed Rate Change</u>	<u>Updated Amortization Rate</u>
101	0.00104	0.00031	0.00135
105	0.00014	0.00005	0.00019
111	0.00014	0.00005	0.00019
170	0.00014	0.00005	0.00019
163	0.00014	0.00005	0.00019
164	0.00014	0.00005	0.00019

In Order 13-297 in Docket No. UM 1336, the Commission approved Cascade Natural Gas's request for reauthorization to defer costs related to Intervenor Funding grants for the period November 2013 through October 2014. The Company made that filing under ORS 757.259 and OAR 860-027-0300(4). This filing is in compliance with ORS 757.210 which authorizes deferred utility expenses or revenues to be allowed (amortized) in rates to the extent authorized by the Commission in a proceeding to change rates. All of the deferrals included in this filing occurred with appropriate application by Commission authorization, as rate orders or under approved tariffs.

Pursuant to ORS 757.259(5-7) and OAR 860-027-0300(9), 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. However, per ORS 757.259(4), the amortization of Intervenor Funding is not subject to an earnings review, and the Intervenor Funding amortization balance is not included in the three percent test.

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
105	108
111	13
170	4
163	29
164	3

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	\$34,826,378	\$12,002	0.03%	54	\$51.61	\$51.63	\$0.02	0.03%
105	Industrial Firm	\$2,194,239	\$2,194,390	\$151	0.01%	2,349	\$1,723.29	\$1,723.41	\$0.12	0.01%
111	Com-Ind Dual	\$974,822	\$974,892	\$70	0.01%	9,554	\$6,634.01	\$6,634.49	\$0.48	0.01%
170	Industrial Interr	\$1,879,774	\$1,879,914	\$140	0.01%	58,674	\$39,387.27	\$39,390.20	\$2.93	0.01%
163	Dist Trans	\$1,063,391	\$1,064,328	\$937	0.09%	53,825	\$6,409.85	\$6,415.50	\$5.65	0.09%
164	Dist Trans	\$543,883	\$544,566	\$683	0.13%	379,284	\$18,353.03	\$18,376.08	\$23.05	0.13%

After combining the impact of this filing along with three other regulatory filings made today¹, 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 \$1.90 or 3.68%, for a revised monthly bill of \$53.51 effective November 1, 2014.

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 on this filing.

Attached in support of this filing is Exhibit 1 which contains a development of intervenor funding temporary rate increments and a summary of proposed intervenor funding.

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

¹On August 1, 2014, Cascade Natural Gas filed to update effective November 1, 2014, Advice Nos. O14-08-01, O14-08-03, and O14-08-04.