



8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166
 TELEPHONE 509-734-4500 FACSIMILE 509-737-9803
www.cngc.com

September 15, 2014

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

Re: Advice No. **CNG/O14-08-03/UG 281**
(UM 1557)
SUPPLEMENTAL

Attention: Filing Center

Pursuant to Docket UM 1557, ORS 757.210 and ORS 757.259(5), Cascade Natural Gas hereby submits are three (3) copies of the following revisions to P.U.C. OR No. 9 Tariff containing an effective date of November 1, 2014 along with a copy of its supporting workpapers.

Eighth Revision Sheet No. 193, Canceling Seventh Revision Sheet No. 193.

The purpose of this filing is to apply new temporary adjustments to base rates amortizing outstanding deferred balances associated with the conservation and weatherization deferred balances relating to Docket UM 1557. The Company revises rates for this purpose annually; the last filing was effective November 1, 2013. The Company is requesting a decrease in revenues of \$(1,909,601), or (3.36%), 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	(0.00693)	(0.02196)	(0.02889)
104	(0.00693)	(0.02196)	(0.02889)

In Order 13-171 in Docket No. UM 1557, the Commission approved Cascade Natural Gas's request for reauthorization to defer margin differences associated with changes in margin due to conservation and weather variance 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.

In the Community to Serve®

Pursuant to ORS 757.259 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. Total Oregon gross revenues for calendar year 2013 were \$65,973,538. The total amortization requested in this filing is a credit of (\$1,909,898) with the resulting annual average rate impact of -2.9%. The total revenue change of Prior Period Gas cost deferral concurrently filed in O14-08-01 is (\$202,146) and the resulting annual average rate impact of that filing is -.31%. The net effect of combining the results of these two filings is an overall revenue change of (\$2,112,044), an average rate impact of -3.20% which falls within the requirements of the statute.

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

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	\$33,736,106	(\$1,118,536)	(3.21%)	54	\$51.61	\$49.95	(\$1.66)	(3.21%)
104	Commerical	\$21,912,957	\$21,121,892	(\$791,065)	(3.61%)	232	\$188.66	\$181.85	(\$6.81)	(3.61%)

After combining the impact of this filing along with four 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 \$.37 or .72%, for a revised monthly bill of \$51.99 effective November 1, 2014.

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

¹On September 15, 2014, Cascade Natural Gas filed to update effective November 1, 2014, Advice Nos. O14-08-01, O14-08-02, and O14-08-04.

Attached in support of this filing is Exhibit 1 which contains a development of CAP temporary cost rate increments associated with this filing and a summary of proposed CAP – related technical adjustment rates.

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

CASCADE NATURAL GAS CORPORATION

UG 167 CONSERVATION ALLIANCE PLAN TEMPORARY ADJUSTMENTS
SCHEDULE NO. 193

APPLICABLE:

This 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 schedule is to amortize deferred conservation and weather variances associated with the Company's approved conservation alliance plan as outlined in Rule 19 of the Company's tariff.

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>Applicable Rate Schedules</u>	<u>Amount</u>
Schedule 101	(\$.02889)
Schedule 104	(\$.02889)

(R)
(R)

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/O14-08-03

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

Conservation Alliance Plan

Development of CAP Temporary Rate Increments UG 167 Related Balances (Schedule 1 of 2)
Summary of Proposed CAP Technical Adjustment Rates (Schedule 2 of 2)

Cascade Natural Gas Corporation

September 15, 2014

Cascade Natural Gas
DEVELOPMENT OF CAP TEMPORARY RATE INCREMENTS
UG 167 Related Balance

State of Oregon

Ln No.	Account Description (a)	Order (b)	Class (c)	New or Residual (d)	Account Balance 06-30-14 (e)	Estimated Thru 10/31/14		Interest Accruals Thru Amortization (h)	Balance for Amortization (i)	Forecasted Terms (j)	Increment (k)	TEMPORARY INCREMENT BY RATE SCHEDULE	
						Interest Accruals (f)	Amortizations (g)					101 (l)	104 (n)
1	UG 167 -- 12/13 OR CAP Weather Variance (47OR.1862.20462)	08-523/09-448	101 & 104	NEW	\$ (610,373.10)	\$ (18,111)		\$ (4,522)	\$ (633,006)	66,099,010	(0,00958)	(0,00958)	
2	UG 167 -- 12/13 OR CAP Conservation Variance (47OR.1862.20463)	08-523/09-448	101 & 104	NEW	\$ (1,205,058.76)	(35,757)		(8,928)	\$ (1,249,744)	66,099,010	(0,01891)	(0,01891)	
3	UG 167 -- OR Residual Technical Adjustments-Conservation (47.OR.1862.20471)	07-397	101 & 104	Residual	\$ (30,384.09)	(85)	58,184	199	\$ 27,915	66,099,010	0,00042	0,00042	
4									\$ -				
5	SUBTOTAL AMORTIZATION RATES BEFORE REVENUE SENSITIVE COSTS												
6	UG 167 -- REVENUE REQUIREMENT BEFORE REVENUE SENSITIVE COSTS				\$ (1,845,815.95)			\$ (13,250.18)	\$ (1,854,830)		(0,02806)	(0,02806)	
7	REVENUE SENSITIVE COST PERCENTAGES:								2,883%				
8	REVENUE REQUIREMENT AFTER REVENUE SENSITIVE COSTS								\$ (1,509,898)				2,883%
9	PROPOSED AMORTIZATION RATE INCLUDING REVENUE SENSITIVE COSTS												\$ (0,02889) \$ (0,02889)

Cascade Natural Gas Corporation
SUMMARY OF PROPOSED CAP TECHNICAL ADJUSTMENT RATES
State of Oregon

Ln No.	Description (a)	Rate Schedule (b)	Reversal	Proposed	R/S 193 Rate Change Total (e)
			13/14 UG-167 CAP Deferral Accts Temp. Rate Adj. (c)	UG-167 CAP Deferral Accts Temp. Rate Adj. (d)	
CORE MARKET RATE SCHEDULES					
1	Residential	101	\$ 0.00693	\$ (0.02889)	\$ (0.02196)
2	Commercial	104	\$ 0.00693	\$ (0.02889)	\$ (0.02196)
3	Com-Ind Dual Service	111	\$ -	\$ -	\$ -
4	Industrial Firm	105	\$ -	\$ -	\$ -
5	Industrial Interr.	170	\$ -	\$ -	\$ -
NONCORE MARKET CUSTOMERS					
6	Distribution	163	\$ -	\$ -	\$ -
7	Lg. Vol Distribution	164	\$ -	\$ -	\$ -
8	Special Contract	902	\$ -	\$ -	\$ -