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August 1, 2014

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

Advice No. **CNG/O14-08-04/UG** _____

Re: Schedule No. 194-B Other Residual Temporary Adjustment Proposal to Change Rates

Attention Filing Center:

Pursuant to Order No.10-279 in Docket No. UM 1147, ORS 757.210 and ORS 757.259(5), Cascade Natural Gas submitted herewith 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.

Third Revision Sheet No. 194-B, Canceling Second Revision Sheet No. 194-B.

The purpose of this filing is to amortize residual balances related to non-gas cost deferral accounts. These rate adjustments are in compliance with ORS 757.259, which allows a public utility that provides financial assistance to broad customer interests to defer inclusion of these funds into rates.

The Company revises rates for this purpose annually; the last filing was effective November 1, 2013. The Company is requesting an increase in revenues of \$16,427 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>Rate Schedule</u>	<u>Current Amortization Rates</u>	<u>Proposed Rate Change</u>	<u>Updated Amortization Rate</u>
101	(0.00006)	0.00009	0.00003
104	(0.00006)	0.00009	0.00003
105	(0.00023)	0.00026	0.00003
111	(0.00023)	0.00026	0.00003
170	(0.00023)	0.00026	0.00003
163	(0.00023)	0.00026	0.00003
164	(0.00023)	0.00026	0.00003

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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. However, per ORS 757.259(4), the amortization of residual account is not subject to an earnings review, and the residual deferral amortization balance is not included in the three percent test. Order No. 10-279, "permit each utility to create a deferred account for the purpose of rolling any residual amount left at the end of the amortization period of any other deferred account so long as the amount is equal to or less than .05 percent of a utility's retail operating revenues in the previous calendar year."

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

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	\$34,858,127	\$3,485	0.01%	54	\$51.61	\$51.62	\$0.01	0.01%
104	Commercial	\$21,912,957	\$21,915,603	\$2,464	0.01%	232	\$188.66	\$188.68	\$0.02	0.01%
105	Industrial Firm	\$2,194,239	\$2,195,033	\$783	0.04%	2,349	\$1,723.29	\$1,723.90	\$0.61	0.04%
111	Com-Ind Dual	\$974,822	\$975,187	\$365	0.04%	9,554	\$6,634.01	\$6,636.49	\$2.48	0.04%
170	Industrial Interr	\$1,879,774	\$1,880,502	\$728	0.04%	58,674	\$39,387.27	\$39,402.52	\$15.25	0.04%
163	Dist Trans	\$1,063,391	\$1,068,261	\$4870	0.46%	53,825	\$6,409.85	\$6,439.21	\$29.36	0.46%
164	Dist Trans	\$543,883	\$547,433	\$3550	0.65%	379,284	\$18,353.03	\$18,472.82	\$119.79	0.65%

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 the development of rate increments associated with residual non-gas cost balances and summary of proposed residual 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

¹On August 1, 2014, Cascade Natural Gas filed to update effective November 1, 2014, Advice Nos. O14-08-01, O14-08-02 and O14-08-03.