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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:

Submitted herewith are three copies of the following revisions to Cascade's P.U.C. OR No. 9 Tariffs containing an effective date of November 1, 2014:

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. 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 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.

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

OTHER RESIDUAL TEMPORARY ADJUSTMENT SCHEDULE NO. 194-B

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 tariff is to amortize residual balances associated with temporary revenue credits and consolidated technical adjustments.

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:

| Core Rate Schedules | <u>Amount</u> |
|---|---------------|
| Schedule 101 | \$.00003 |
| Schedule 104 | \$.00003 |
| Schedule 105 | \$.00003 |
| Schedule 111 | \$.00003 |
| Schedule 112 | \$.00003 |
| Schedule 126 | \$.00003 |
| Schedule 170 | \$.00003 |
| Interruptible Distribution Transportation | |
| Rate Schedules | <u>Amount</u> |
| Schedule 163 - All Rate Blocks | \$.0003 |
| Schedule 164 - All Rate Blocks | \$.00003 |

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/O14-08-04 | | | |
|---------------|----------------|---------------------------------------|------------------|
| Issued | August 1, 2014 | Effective with Service on and After _ | November 1, 2014 |

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Before the

OREGON PUBLIC UTILITY COMMISSION

EXHIBIT 1

Residual Accounts

Development of Temporary Rate Increments Associated with Residual Non Gas Cost Balances (Schedule 1 of 2) Summary of Proposed Residual Technical Adjustment Rates (Schedule 2 of 2)

Cascade Natural Gas Corporation

August 1, 2014

Cascade Natural Gas DEVELOPMENT OF TEMPORARY RATE INCREMENTS ASSOCIATED WITH RESIDUAL NON GAS COST BALANCES State of Oregon

| _ | | | _ | | | | | | | | | 7 10 |
|---|--|----------------------------|------------------------|------------------|--|--|--|--|---|--|--|---|
| | | | 164 | ઉ | | _ | | | 0.00003 | \$0.00003 | 2.883% | \$ 0.00003 |
| | 02.55 | JUES | 163 | ε | | | | | 0.00003 | \$0.0003 | 2.883% | \$ 0.00003 |
| | | L RATE SCHEDULES | 170 | (b) | | | | | 0.00003 | \$0.00003 | 2.883% | 0.00003 |
| | | | 111 | (d) | | | | | 0.00003 | \$0.00003 | 2.883% | 0.00003 |
| | | TEMPORARY INCREMENT FOR AL | 105 | (0) | | | | | 0.00003 | \$0.00003 | 2.883% | 0.00003 \$ |
| *************************************** | | TEMPORA | 104 | Ξ | | | | | 0.00003 | \$0.00003 | 2.883% | 0.00003 |
| | | | 101 | (E) | | | | | 0.00003 | \$0.00003 | 2.883% | \$0.00003 \$0.00003 \$0.00003 \$0.00003 \$0.00003 \$0.00003 |
| | 1 | | ncrement | € | | | *** | | 0.00003 | 169 | | ₩. |
| | | Forecasted | Therms In | (K) | | | | | 105,982,945 0 | ******* | | |
| | | Salance for | Amortization | (9) | 418 | 482 | (10,099) | 12,226 | 3,027 | | 3,027 2.883% 3,117 | |
| | Interest | Accruais Thru Balance for | Arnortization A | | ₩ | ₩. | 1 | 1 | 1 | | ् - <u></u> | |
| | Estimated Thru 10/31/14 | | Accruals Amortizations | t — | 204 | (612) | (1,383) | 4,898 | 3,106 | | 3,106 | |
| | stimated Th | Interest | Accruais Ar | Θ | | 27 | (42) | 6 | 78 | | 56 | |
| | Account | Balance | 06-30-14 | (e) | 213 | 1,068 | (8,674) | 7,288 | (105) | | (105) | |
| | | New or | _ | 1 | Residual \$ | Residual \$ | 11-285 101 & 104 Residual \$ (8,674) | Residual \$ | Residual \$ | | U | |
| | | | Clace | (0) | ₩ | ₹ | 101 & 104 | М | W W | | | |
| | | Original | Order | (g) | 09-448 | | 11-285 | 08-504 | | | | |
| | The state of the s | | Accessor Description | (a) | 1 UG-189 — Consolidated Technical Adjustment—All (470R.2540.20473) | 2 UM 1283 Over-refunded Temp. Revenue Credit Ail (470R.1860.20471) | 3 UG 167 OR PPC Additional Funding (470R.1860.20461) | 4 UM-903 Oregon 2011 Earning Sharing All (470R,2530.03015) | Subtotal of Balances to be Consolidated to 11/1/13 Residual Account-All | 6 SUBTOTAL AMORTIZATION RATES BEFORE REVENUE SENSITIVE COSTS | REVENUE REQUIREMENT BEFORE REVENUE SENSITIVE COSTS REVENUE SENSITIVE COST PERCENTAGES: REVENUE REQUIREMENT AFTER REVENUE SENSITIVE COSTS | 10 11 PROPOSED AMORTIZATION RATE INCLUDING REVENUE SENSITIVE COSTS |
| | | - | i <u>ş</u> | | | 7 | <u></u> | 4 | 'n | φ | V 80 EV | 유무 |

Cascade Natural Gas Corporation SUMMARY OF PROPOSED NON-GAS COST TECHNICAL ADJUSTMENT RATES State of Oregon

| | | | Reversal | Proposed | | | |
|-----|----------------------------|----------|-----------------|----------------|-------------|--|--|
| | | | 2013/14 | Other Residual | R/S 194-B | | |
| | | Rate | Other Deferral | Accounts | Rate Change | | |
| Ln | Description | Schedule | Temp. Rate Adj. | Rate Change | Total | | |
| No. | (a) | (b) | (c) | (d) | (e) | | |
| | CORE MARKET RATE SCHEDULES | | | | | | |
| 1 | Residential | 101 | \$ 0.00006 | \$ 0.00003 | \$ 0.00009 | | |
| 2 | Commercial | 104 | \$ 0.00006 | \$ 0.00003 | \$ 0.00009 | | |
| 3 | Com-Ind Dual Service | 111 | \$ 0.00023 | \$ 0.00003 | \$ 0.00026 | | |
| 4 | Industrial Firm | 105 | \$ 0.00023 | \$ 0.00003 | \$ 0.00026 | | |
| 5 | Industrial Interr. | 170 | \$ 0.00023 | \$ 0.00003 | \$ 0.00026 | | |
| | NONCORE MARKET CUSTOMERS | | | | | | |
| 6 | Distribution | 163 | \$ 0.00023 | \$ 0.00003 | \$ 0.00026 | | |
| 7 | Lg. Vol Distribution | 164 | \$ 0.00023 | \$ 0.00003 | \$ 0.00026 | | |
| 8 | Special Contract | 902 | \$ - | \$ - | \$ - | | |