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September 15, 2015

Oregon Public Utility Commission
 201 High St. SE
 Salem, OR 97301-3612

Re: Advice No. **CNG/O15-07-01/UG 299**
(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, 2015:

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

The purpose of this filing is to pass on a change in Cascade's gas cost, 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	\$0.41321	\$0.30655	(\$0.10666)

Table 2 - Schedule 177-A Demand

<u>Rate Schedule</u>	<u>Present</u>	<u>Proposed</u>	<u>Change</u>
101, 104, 105, 111, 170	\$0.16468	\$0.18978	\$0.02510

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	\$0.57789	\$0.49633	(\$0.08156)

Commodity Costs (Schedule 177-A)

As shown in the Table 1 above, the estimated commodity cost (WACOG) change is a decrease of (.10666) cents per therm. The proposed WACOG is .30655 cents per therm compared to the present WACOG of .41321 cents per therm included in rates.

Cascade has been hedging natural gas on both a periodic and discretionary basis throughout 2015 for the forthcoming PGA year. Approximately 40% of estimated annual load requirements for the PGA year (November 2015 through October 2016) 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, 2015, 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 0.02510 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 a relocation of capacities due to acquiring Ruby capacity last year. Refinements to the new load forecast model produced a higher Oregon peak day volume than last year. The increased volume resulted in a reallocation of primary NWP capacity.

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	(\$0.00276)	(\$0.02361)	(\$0.02085)

As shown in the Table above, the current overall amortization amount approved in the Company's 2014 PGA is a refund rate of approximately 0.02 cents per therm. For reasons discussed earlier in this letter, actual wholesale natural gas prices were lower than the level approved in the Company's 2014 PGA. As a result, commodity costs over collected from customers and created an undercharge deferral balance of approximately \$1.5 million or 2.1 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 2014 were \$70,092,488. The total amortization revenue requested for the "Prior Period Gas Cost Deferral" as shown in Attachment C is (\$1,741,808). The resulting annual average rate impact from the PGA amortization is (2.5%) and falls within the requirements of the statute.

The combination of the "Prior Period Gas Cost Deferral" and the "Non-Gas Cost Amortization" related to the Company's Demand Side Management filing also made on July 31, 2015, is a total amortization revenue request of (\$1,018,320). The net effect of combining the results of these two filings is an overall revenue change of (\$976,283), an average rate impact of (-1.39%) which falls within the requirements of the statute.

Other Information

In this filing, the Company is requesting a decrease in revenues of (\$4,988,019) or (8%), effective on November 1, 2015. The current amortization rates and the proposed changes, both inclusive of the gross revenue factor, are as follows:

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	58,105
104	9,640
105	114
111	14
170	4
163	29
164	2

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	\$35,156,380	\$32,693,515	(\$2,462,865)	-7.01%	56	\$53.80	\$50.24	(\$3.56)	-6.62%
104	Commercial	\$21,738,119	\$20,026,839	(\$1,711,280)	-7.87%	236	\$192.47	\$177.55	(\$14.92)	-7.75%
105	Industrial Firm	\$2,289,827	\$1,979,020	(\$310,807)	-13.57%	1,980	\$1,508.23	\$1,305.14	(\$203.09)	-13.47%
111	Com-Ind Dual	\$1,412,509	\$1,211,709	(\$200,800)	-14.22%	10,574	\$7,629.35	\$6,544.78	(\$1,084.57)	-14.22%
170	Industrial Interr	\$2,058,259	\$1,755,992	(\$302,267)	-14.69%	52,628	\$36,757.50	\$31,359.45	(\$5,398.05)	-14.69%

Cascade under Advice Nos. O15-07-02, O15-07-03 and O15-07-04, has also filed its Non-Gas Cost Tracking Filings. The overall impact of the proposed changes results in a decrease. Below is a table showing the net impact to the Company's customers, by rate schedule, inclusive of all of the filings made by the Company on July 31, 2015:

<u>Rate Schedule</u>	<u>Proposed Rate Change</u>
Schedule 101	(6.61%)
Schedule 104	(7.75%)
Schedule 105	(13.47%)
Schedule 111	(14.22%)
Schedule 170	(14.69%)
Schedule 163	(.13%)
Schedule 164	(.37%)

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.

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, 2015 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,

A handwritten signature in blue ink, appearing to read "Michael Parvinen", with a long horizontal flourish extending to the right.

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 2015.

/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	\$.29780	2.856%	\$.30655	(R)
Non-Commodity Cost	\$.18436	↓	\$.18978	(R)
Total	\$.48216	2.856%	\$.49633	(R)

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/O15-07-01

Issued September 15, 2015

Effective with Service on and After November 1, 2015

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	(\$0.02361)
Schedule 104	(\$0.02361)
Schedule 105	(\$0.02361)
Schedule 111	(\$0.02361)
Schedule 112	(\$0.02361)
Schedule 126	(\$0.02361)
Schedule 170	(\$0.02361)

(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/O15-07-01

Issued September 15, 2015

Effective with Service on and After November 1, 2015

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, 2015

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

Line No.		8.7090%	90%	90%											
1	Current commodity (WACOG) without revenue sensitive, Order No.14-384	\$0.38994	\$0.38994	\$0.38994	\$0.38994	\$0.38994	\$0.40130	\$0.40130	\$0.40130	\$0.40130	\$0.40130	\$0.40130	\$0.40130	\$0.40130	\$0.40130
2	Current demand billing rate without revenue sensitive, Order No.14-384	\$0.15300	\$0.15300	\$0.15300	\$0.15300	\$0.15300	\$0.15993	\$0.15993	\$0.15993	\$0.15993	\$0.15993	\$0.15993	\$0.15993	\$0.15993	\$0.15993
3	Current seasonal commodity (Winter/Seasonal WACOG) w/out rev sens, Order No.														
4	Monthly incremental commodity cost w/out rev sens, Order No.														
5	Annual RDR (Interest rate), per Order No. 07-220			8.7090%											
6	Deferral percentage July - October			90%											
7	Deferral percentage November - June			90%											
8															
9															
10		Jul_2014	Aug_2014	Sep_2014	Oct_2014	Nov_2014	Dec_2014	Jan_2015	Feb_2015	Mar_2015	Apr_2015	May_2015	Jun_2015	SUM (All)	
11		A	B	C	D	F	F	G	H	I	J	K	L	M	
12	Oregon Calendar Month Sales	2,941,187	2,048,811	2,568,626	3,612,066	9,902,760	11,651,018	11,152,485	7,936,280	6,787,528	5,745,335	3,350,729	1,664,082	69,360,907	
13	Sales volumes subject to WACOG	2,941,187	2,048,811	2,568,626	3,612,066	9,902,760	11,651,018	11,152,485	7,936,280	6,787,528	5,745,335	3,350,729	1,664,082	69,360,907	
14	Sales volumes subject to Winter/Seasonal WACOG													0	
15	Sales volumes subject to Monthly Incremental Costs													0	
16	Total Sales	2,941,187	2,048,811	2,568,626	3,612,066	9,902,760	11,651,018	11,152,485	7,936,280	6,787,528	5,745,335	3,350,729	1,664,082	69,360,907	
17	Commodity collections at WACOG	\$1,146,886	\$798,913	\$1,001,610	\$1,408,489	\$3,966,214	\$4,675,554	\$4,475,492	\$3,184,829	\$2,723,835	\$2,305,603	\$1,344,648	\$667,796	27,699,870	
18	Commodity collections at Winter/Seasonal WACOG													0	
19	Commodity collections at Monthly Incremental Costs													0	
20	Total Commodity collections	\$1,146,886	\$798,913	\$1,001,610	\$1,408,489	\$3,966,214	\$4,675,554	\$4,475,492	\$3,184,829	\$2,723,835	\$2,305,603	\$1,344,648	\$667,796	27,699,870	
21	Demand collections at \$0.153	\$450,002	\$313,468	\$393,000	\$552,646	\$1,579,013	\$1,863,347	\$1,783,617	\$1,269,249	\$1,085,529	\$918,852	\$535,882	\$266,137	11,010,741	
22	Demand collections at other rates (interruptible rates & MDDV based)													0	
23	Total Demand collections	\$450,002	\$313,468	\$393,000	\$552,646	\$1,579,013	\$1,863,347	\$1,783,617	\$1,269,249	\$1,085,529	\$918,852	\$535,882	\$266,137	11,010,741	
24	COMMODITY DEFERRAL CALCULATIONS														
25	Actual Commodity Cost (w/true ups, net of storage injections, bookouts, etc.)	\$ 1,394,294	\$ 694,497	\$ 1,107,854	\$ 1,538,009	\$ 4,325,497.64	\$ 5,021,095.99	\$ 3,230,962.02	\$ 2,224,384.00	\$ 1,911,334.46	\$ 2,022,928.25	1,113,487.99	861,324.97	25,545,671	
26	Total Commodity billed (line 22)	\$1,146,886	\$798,913	\$1,001,610	\$1,408,489	\$3,966,214	\$4,675,554	\$4,475,492	\$3,184,829	\$2,723,835	\$2,305,603	\$1,344,648	\$667,796	27,699,870	
27	Cost versus collection	\$247,407.95	(\$104,417)	\$106,244	\$129,520	\$359,283	\$345,542	(\$1,144,530)	(\$960,445)	(\$812,500)	(\$282,674)	(\$231,160)	\$193,529	(\$2,154,199)	
28	Customer share (line 31 * applicable deferral percentage)	\$222,667	(\$93,975)	\$95,620	\$116,568	\$323,355	\$310,988	(\$1,030,077)	(\$864,401)	(\$731,250)	(\$254,406)	(\$208,044)	\$174,176	(\$1,938,779)	
29	Storage Adjustment	\$0												\$0	
30	Other Adjustment													\$0	
31	Total Commodity deferral	\$222,667	(\$93,975)	\$95,620	\$116,568	\$323,355	\$310,988	(\$1,030,077)	(\$864,401)	(\$731,250)	(\$254,406)	(\$208,044)	\$174,176	(\$1,938,779)	
32	Commodity deferral Beginning Balance	\$3,014,902	\$3,259,869	\$3,190,006	\$3,308,461	\$345,138	\$670,964	\$986,915	(\$35,862)	(\$900,503)	(\$1,638,414)	(\$1,904,548)	(\$2,126,679)	(\$1,967,726)	
33	Interest	\$22,300	\$24,112	\$22,834	\$24,472	\$2,471	\$4,963	\$7,300	(\$240)	(\$6,661)	(\$11,728)	(\$14,087)	(\$15,223)	\$60,513	
34	Account adjustment (balance transfers and other)				(\$3,104,362)									(\$3,104,362)	
35	Commodity deferral Ending Balance (Sept balance to rate calc sheet)	3,014,902	\$3,259,869	\$3,190,006	\$3,308,461	\$345,138	\$670,964	\$986,915	(\$35,862)	(\$900,503)	(\$1,638,414)	(\$1,904,548)	(\$2,126,679)	(\$1,967,726)	
36	DEMAND DEFERRAL CALCULATIONS														
37	Actual Demand Cost (w/true-ups) minus Storage Mitigation	\$ 597,907	\$ 590,837	\$ 572,453.40	\$ 652,604.46	\$ 989,823.39	1,025,112.71	1,882,607.22	1,230,639.45	1,318,691.50	1,189,069.32	658,035.56	636,460.22	\$11,344,241	
38	Total Demand billed (line 26)	\$450,002	\$313,468.08	\$393,000	\$552,646	\$1,579,013	\$1,863,347	\$1,783,617	\$1,269,249	\$1,085,529	\$918,852	\$535,882	\$266,137	\$11,010,741	
39	Cost versus collection	\$147,905	\$277,369	\$179,454	\$99,958	(\$589,189)	(\$838,235)	\$98,990	(\$38,610)	\$233,162	\$270,218	\$122,153	\$370,324	\$333,500	
40	Other Adjustment													\$0	
41	Total Demand deferral	\$147,905	\$277,369	\$179,454	\$99,958	(\$589,189)	(\$838,235)	\$98,990	(\$38,610)	\$233,162	\$270,218	\$122,153	\$370,324	\$333,500	
42	Demand deferral Beginning Balance	(\$3,497,367)	(\$3,375,331)	(\$3,122,928)	(\$2,965,829)	\$713,336	\$129,253	(\$708,026)	(\$614,272)	(\$656,986)	(\$428,683)	(\$161,534)	(\$40,576)	\$329,458	
43	Interest	(\$25,869)	(\$24,966)	(\$22,354)	(\$21,937)	\$5,106	\$956	(\$5,237)	(\$4,104)	(\$4,860)	(\$3,069)	(\$1,195)	(\$290)	(\$107,819)	
44	Account adjustment (balance transfers and other)				\$3,601,143									\$3,601,143	
45	Demand deferral Ending Balance (Sept balance to rate calc sheet)	(3,497,367)	(\$3,375,331)	(\$3,122,928)	(\$2,965,829)	\$713,336	\$129,253	(\$708,026)	(\$614,272)	(\$656,986)	(\$428,683)	(\$161,534)	(\$40,576)	\$329,458	

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

Line
No.

Line No.	Jul-14 A	Aug-14 B	Sep-14 C	Oct-14 D	Nov-14 E	Dec-14 F	Jan-15 G	Feb-15 H	Mar-15 I	Apr-15 J	May-15 K	Jun-15 L	SUM (A:M) M
1	Current prior amortization rate, \$/therm (source: deferral sheets)				BLEND RATE	\$0.00268	\$0.00268	\$0.00268	\$0.00268	\$0.00268	\$0.00268	\$0.00268	\$0.00268
3	Interest Rate, %, Re: authorizing order				1.770%	1.770%	1.770%	1.770%	1.770%	1.770%	1.770%	1.770%	1.770%
5	Ending balance, 6/30/2010, \$ NA												
9	-	-	-	-	-	11,126,210	11,239,426	9,855,665	8,394,498	6,198,870	4,370,701	3,114,168	54,299,538
11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,818	\$ 30,122	\$ 26,413	\$ 22,497	\$ 16,613	\$ 11,713	\$ 8,346	\$ 145,523
13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (253)	\$ (209)	\$ (148)	\$ (124)	\$ (88)	\$ (66)	\$ (47)	\$ (936)
15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	\$ -	\$ -	\$ -	\$ -	\$ (168,558)	\$ (138,993)	\$ (109,080)	\$ (82,815)	\$ (60,443)	\$ (43,918)	\$ (32,270)	\$ (23,971)	\$ (23,971)
19	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Demand therms - Interruptible (for nwn)												
23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Cascade Natural Gas
Development of Gas Cost Related PGA Temporary Rate Increments
State of Oregon

REVISED

Ln No.	Account Description (a)	Class (b)	New or Residual (d)	Account Balance 6/30/2015 (e)	Estimated Thru 10/31/15		Interest Accruals Thru Amortization (h)	Balance for Amortization (i)	Forecasted Therms (k)	Increment (l)	TEMPORARY INCREMENT		
					Interest Accruals (f)	Amortizations & Deferrals (g)					Firm (m)	Interruptible (n)	
1	Current Commodity and Demand Deferrals	Core	NEW	(\$1,967,726)	(\$58,388)		(\$15,826)	\$ (2,041,940)					
2	Commodity Cost Deferrals (47OR.2530.01272) (See Commodity Cost Deferral)	Core	Residual	(\$23,971)	(\$91)	\$31,985	\$62	\$ 7,985					
3	Prior gas cost amortization to be included in increment (47OR.2530.01283) (See GC Consolidated Deferral)	Core		(\$1,991,697)	(\$58,479)	\$31,985	(\$15,764)	(\$2,033,955)	73,766,778	(0.02757)	(\$0.02757)	(\$0.02757)	
4	Demand Cost Deferrals (47OR.2530.01273) (See Demand Cost Deferral)	Core	NEW	\$329,458	\$9,776		\$2,660	\$ 341,894	73,766,778	0.00463	\$0.00463	\$0.00463	
5	SUBTOTAL AMORTIZATION RATES BEFORE REVENUE SENSITIVE COSTS											(\$0.02294)	(\$0.02294)
6	REVENUE REQUIREMENT BEFORE REVENUE SENSITIVE COSTS			\$ (1,662,240)	\$ (48,703)	\$ 31,985	\$ (13,104)	\$ (1,692,062)					
7	REVENUE SENSITIVE COST PERCENTAGES:							2.856%				2.856%	2.856%
8	REVENUE REQUIREMENT AFTER REVENUE SENSITIVE COSTS							\$ (1,741,808)					
9	PROPOSED AMORTIZATION RATE INCLUDING REVENUE SENSITIVE COSTS											\$ (0.02361)	\$ (0.02361)
10	NEW WACOG - Commodity (from sch. 4)											\$0.30655	\$0.30655
11	NEW Demand Rates (from sch. 5)											\$0.18978	\$0.18978
12	NEW Delivered WACOG (gas only) rate											\$0.49633	\$0.49633
13	Total Gas Cost Rate											0.45922	\$0.47272

State:	Oregon
Description:	Core Market Commodity Costs
Account number:	47OR.2530.01272
Class of Customers:	Core
Deferral Period:	7/1/2014 to 6/30/2015
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								3,014,901.83
Jul-14			222,667.16		0.08709	22,300.28		3,259,869.27
Aug-14			(93,975.12)		0.08709	24,112.23		3,190,006.38
Sep-14			95,620.01		0.08709	22,834.33		3,308,460.72
Oct-14			116,567.84		0.08709	24,471.64	(3,104,362.08)	345,138.12
Nov-14			323,355.05		0.08709	2,470.53		670,963.70
Dec-14			310,988.22		0.08709	4,962.91		986,914.83
Jan-15			(1,030,077.19)		0.08709	7,299.90		(35,862.46)
Feb-15			(864,400.65)		0.08709	(239.59)		(900,502.70)
Mar-15			(731,250.33)		0.08709	(6,660.73)		(1,638,413.76)
Apr-15			(254,406.49)		0.08709	(11,727.90)		(1,904,548.15)
May-15			(208,043.60)		0.08709	(14,087.34)		(2,126,679.09)
Jun-15			174,175.98		0.08709	(15,222.94)		(1,967,726.06)
Jul-15 est.			0.00		0.08709	(14,554.65)		(1,982,280.71)
Aug-15 est.			0.00		0.08709	(14,662.31)		(1,996,943.01)
Sep-15 est.			0.00		0.08709	(14,294.28)		(2,011,237.29)
Oct-15 est.					0.08709	(14,876.49)		(2,026,113.78)
Nov-15 est.		8,502,607		235,361	0.01930	(3,214.03)		(1,793,966.91)
Dec-15 est.		12,166,860		336,791	0.01930	(2,940.63)		(1,460,116.36)
Jan-16 est.		11,137,925		308,309	0.01930	(2,393.39)		(1,154,200.55)
Feb-16 est.		9,609,368		265,997	0.01930	(1,708.85)		(889,912.22)
Mar-16 est.		7,891,877		218,455	0.01930	(1,458.72)		(672,915.69)
Apr-16 est.		5,840,946		161,683	0.01930	(1,067.45)		(512,299.74)
May-16 est.		4,020,872		111,302	0.01930	(839.75)		(401,837.62)
Jun-16 est.		2,593,663		71,795	0.01930	(637.44)		(330,679.80)
Jul-16 est.		2,080,589		57,593	0.01930	(542.04)		(273,629.00)
Aug-16 est.		2,080,770		57,598	0.01930	(448.53)		(216,479.68)
Sep-16 est.		2,715,949		75,180	0.01930	(343.40)		(141,642.83)
Oct-16 est.		5,125,352		141,875	0.01930	(232.18)		0.00

Therms Nov-Oct 2016	73,766,778	Balance at end of Amort Period:	0.00
Development of Amortization Rate		Amort Rate to Achieve This:	0.02768

June 30, 2015 Balance	(1,967,726.06)
Interest through Oct 31, 2015	(58,387.73)
Interest During Amortization Period (Nov 1, 2015 through Oct 31, 2016)	(15,826.41)
Balance to Amortize	<u>(2,041,940.19)</u>
	0.02768

State:	Oregon
Description:	OR 11/01/12Consolidated Accounts: Gas Cost Related PGA Temporary Rate Increments
Account number:	47OR.2530.01283
Class of Customers:	Core
Deferral Period:	
Deferral Account Order:	
Amortization Period:	11/1/2014 through 10/31/2015
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	Therms	Deferral	Amortization	Interest Rate	Interest	Adjustments	Deferred Balance
							Balance Transferred from 2013 Core Market Commodity Costs 01272	3,104,362.08
							Balance Transferred from 2014 Core Market Demand & Gas Storage Mitigation Costs 01273	(3,601,143.47)
							OR 11/01/13 Consolidated Accounts: Gas Cost Related PGA Temporary Rate Increments 01281	293,802.19
								(202,979.20)
Nov-14	Prorated	4,595,603		34,716.43	0.01770	(295.29)		(168,558.06)
Dec-14	0.00268	11,126,210		29,818.25	0.01770	(253.39)		(138,993.21)
Jan-15	0.00268	11,239,426		30,121.66	0.01770	(208.95)		(109,080.49)
Feb-15	0.00268	9,855,665		26,413.18	0.01770	(148.11)		(82,815.42)
Mar-15	0.00268	8,394,498		22,497.24	0.01770	(124.50)		(60,442.66)
Apr-15	0.00268	6,198,870		16,612.97	0.01770	(87.93)		(43,917.61)
May-15	0.00268	4,370,701		11,713.48	0.01770	(66.02)		(32,270.15)
Jun-15	0.00268	3,114,168		8,345.97	0.01770	(46.95)		(23,971.12)
Jul-15 est.	0.00268	2,059,797		5,520.26	0.01770	(36.04)		(18,486.90)
Aug-15 est.	0.00268	2,076,727		5,565.63	0.01770	(27.79)		(12,949.06)
Sep-15 est.	0.00268	2,678,320		7,177.90	0.01770	(18.84)		(5,790.00)
Oct-15 est.	0.00268	5,119,907		13,721.35	0.01770	(8.70)		7,922.64
Nov-15 est.	(0.00011)	8,502,607		(920.35)	0.01930	12.57		7,014.86
Dec-15 est.	(0.00011)	12,166,860		(1,316.98)	0.01930	11.50		5,709.37
Jan-16 est.	(0.00011)	11,137,925		(1,205.61)	0.01930	9.36		4,513.13
Feb-16 est.	(0.00011)	9,609,368		(1,040.15)	0.01930	6.92		3,479.90
Mar-16 est.	(0.00011)	7,891,877		(854.24)	0.01930	5.70		2,631.36
Apr-16 est.	(0.00011)	5,840,946		(632.24)	0.01930	4.17		2,003.29
May-16 est.	(0.00011)	4,020,872		(435.23)	0.01930	3.28		1,571.34
Jun-16 est.	(0.00011)	2,593,663		(280.75)	0.01930	2.49		1,293.08
Jul-16 est.	(0.00011)	2,080,589		(225.21)	0.01930	2.12		1,069.99
Aug-16 est.	(0.00011)	2,080,770		(225.23)	0.01930	1.75		846.52
Sep-16 est.	(0.00011)	2,715,949		(293.98)	0.01930	1.34		553.88
Oct-16 est.	(0.00011)	5,125,352		(554.79)	0.01930	0.91		0.00
2015/16 PGA Year Therms		73,766,778					Balance at end of Amort Period:	0.00
							Amort Rate to Achieve This:	(0.00011)

Development of Amortization Rate

June 30, 2015 Balance	(23,971.12)
Interest through Oct 31, 2015	(91.37)
Amortizations through Oct 31, 2015	31,985.13
Interest During Amortization Period (Nov 1, 2015 through Oct 31, 2016)	62.12
Balance to Amortize	<u>7,984.77</u>
	(0.00011)

State:	Oregon
Description:	Core Market Demand & Gas Storage Mitigation Costs
Account number:	47OR.2530.01273
Class of Customers:	Core
Deferral Period:	7/1/2014 to 6/30/2015
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	Deferral	Amortization	Interest Rate	Interest	Adjustments	Deferred Balance
Balance Forward								(3,497,367.18)
Jul-14			147,905.15		0.08709	(25,868.92)		(3,375,330.95)
Aug-14			277,369.04		0.08709	(24,966.26)		(3,122,928.18)
Sep-14			179,453.62		0.08709	(22,354.18)		(2,965,828.73)
Oct-14			99,958.39		0.08709	(21,937.30)	3,601,143.47	713,335.83
Nov-14			(589,189.12)		0.08709	5,106.12		129,252.83
Dec-14			(838,234.60)		0.08709	956.04		(708,025.73)
Jan-15			98,990.29		0.08709	(5,237.04)		(614,272.48)
Feb-15			(38,609.81)		0.08709	(4,103.88)		(656,986.17)
Mar-15			233,162.21		0.08709	(4,859.52)		(428,683.48)
Apr-15			270,217.81		0.08709	(3,068.55)		(161,534.22)
May-15			122,153.47		0.08709	(1,194.82)		(40,575.56)
Jun-15			370,323.59		0.08709	(290.44)		329,457.59
Jul-15 est.					0.08709	2,436.89		331,894.48
Aug-15 est.					0.08709	2,454.92		334,349.40
Sep-15 est.					0.08709	2,393.30		336,742.70
Oct-15 est.					0.08709	2,490.78		339,233.48
Nov-15 est.		8,502,607		(39,407.80)	0.01930	538.13		300,363.81
Dec-15 est.		12,166,860		(56,390.84)	0.01930	492.35		244,465.32
Jan-16 est.		11,137,925		(51,621.95)	0.01930	400.72		193,244.09
Feb-16 est.		9,609,368		(44,537.41)	0.01930	296.33		149,003.02
Mar-16 est.		7,891,877		(36,577.20)	0.01930	244.24		112,670.06
Apr-16 est.		5,840,946		(27,071.56)	0.01930	178.73		85,777.23
May-16 est.		4,020,872		(18,635.90)	0.01930	140.60		67,281.94
Jun-16 est.		2,593,663		(12,021.08)	0.01930	106.73		55,367.59
Jul-16 est.		2,080,589		(9,643.09)	0.01930	90.76		45,815.24
Aug-16 est.		2,080,770		(9,643.93)	0.01930	75.10		36,246.41
Sep-16 est.		2,715,949		(12,587.85)	0.01930	57.50		23,716.06
Oct-16 est.		5,125,352		(23,754.93)	0.01930	38.87		0.00
Therms Nov-Oct 2016		73,766,778						0.00
								(0.00463)

Development of Amortization Rate	
June 30, 2015 Balance	329,457.59
Interest through Oct 31, 2015	9,775.89
Interest During Amortization Period (Nov 1, 2015 through Oct 31, 2016)	2,660.06
Balance to Amortize	<u>341,893.54</u>
	(0.00463)

Cascade Natural Gas Corporation
 2015-2016 PGA
 New WACOG Commodity

REVISED

SYSTEM COSTS

	(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	
COSTS													
Supply Commodity Cost	\$2,426,150	\$3,477,970	\$3,302,234	\$2,778,753	\$2,395,387	\$1,578,663	\$1,101,474	\$724,453	\$586,083	\$586,359	\$760,833	\$1,446,364	\$21,164,723
tab Supply All Schedule & Cost, row 904, columns F to Q													
Volumetric Pipeline Chgs	\$ 65,982.75	\$ 66,876.26	\$ 66,397.15	\$ 65,579.77	\$ 65,016.75	\$ 63,314.78	\$ 2,713.67	\$ 1,573.50	\$ 1,413.48	\$ 1,417.98	\$ 1,811.85	\$ 2,963.50	\$ 405,061.44
tab OR Pipeline Comm Costs by Month, row 30 D to O													
Commodity Cost from Storage	\$24,356	\$104,612	\$181,232	\$87,680	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$397,880
tab Storage Cost and Flow, row 88, column e through p													
Other Costs & Miscellaneous Changes													
Total Commodity Cost	\$2,516,489	\$3,649,458	\$3,549,863	\$2,932,013	\$2,460,404	\$1,641,977	\$1,104,188	\$726,027	\$587,497	\$587,777	\$762,644	\$1,449,328	\$21,967,665
VOLUMES													
Pipeline Commodity at Receipt Points	8,626,175	12,577,726	11,791,131	9,955,801	7,933,385	5,870,676	4,040,875	2,606,897	2,091,738	2,091,810	2,730,156	5,152,211	75,468,580
Pipeline Fuel Use	(29,135)	(41,660)	(38,699)	(32,321)	(26,018)	(18,266)	(12,110)	(8,144)	(7,065)	(6,955)	(8,877)	(16,799)	(246,049)
Total Pipeline Gas Arriving at City Gate	8,597,040	12,536,066	11,752,432	9,923,480	7,907,367	5,852,410	4,028,765	2,598,753	2,084,673	2,084,855	2,721,279	5,135,412	75,222,531
Storage Gas Deliveries	77,744	345,324	592,645	295,250	0	0	0	0	0	0	0	0	1,310,962
Total Gas At Citygate (Storage and Pipeline)	8,519,296	12,190,742	11,159,787	9,628,230	7,907,367	5,852,410	4,028,765	2,598,753	2,084,673	2,084,855	2,721,279	5,135,412	73,911,569
Unaccounted for Gas	(16,689)	(23,882)	(21,862)	(18,862)	(15,490)	(11,464)	(7,893)	(5,090)	(4,084)	(4,085)	(5,330)	(10,060)	(144,791)
Load Served	8,502,607	12,166,860	11,137,925	9,609,368	7,891,877	5,840,946	4,020,872	2,593,663	2,080,589	2,080,770	2,715,949	5,125,352	73,766,778
Annual Sales WACOG													\$0.29780
OREGON Sales WACOG with Revenue Sensitive													\$0.30655

Cascade Natural Gas Corporation
 2015-2016 PGA - OREGON
 Derivation of Oregon per Therm Non-Commodity Charges

REVISED

Oregon Derivation of Demand Increments

	(a)	(b)	Without Revenue Sensitive (c)	With Revenue Sensitive (d)
1				
2				
3				
4	System Demand for Allocation		\$53,432,875	
5	Oregon Allocation Factor (Based on Peak Day)		21.27%	
6	Oregon Allocated Demand Costs		\$11,365,380	
7	Ruby Demand for Allocation		\$2,036,250	
8	Oregon Allocation Factor (Based Non-NWP Allocation)		86.91%	
9	Oregon Ruby Allocated System Demand		\$1,769,709	
10	Plus Demand Costs -Central Oregon		\$1,851,955	
11	Less Oregon Capacity Release Credits		(\$1,387,209)	
12	OREGON DEMAND COSTS		\$13,599,834	\$ 13,999,665
13				
14	Oregon Sales Forecasted Normal Volumes		73,766,778	73,766,778
15				
16	Proposed Demand Increment Per Therm (line 12/line 13)		\$0.18436	\$0.18978
17				
18	Current Firm Demand Per Therm		\$0.15993	\$0.16468
19				
20	Percent Change in Firm Demand		15.28%	15.24%
21				
22				
23	1/Allocation Factor: Forecasted Peak Volumes (excl. Central Oregon):			
24		<u>Washington</u>	<u>Oregon</u>	<u>System</u>
25				
26	Total Peak	1,994,933	931,647	2,926,580
27	Less Central Oregon		631,184	
28	Peak Day Capacity	1,994,933	300,463	2,295,396
29	Allocation Factor	86.91%	13.09%	100.00%

Cascade Natural Gas Corporation
 2015-2016 PGA - OREGON
 Summary of Rate and Revenue Impact

REVISED		Without Revenue Sensitive	With Revenue Sensitive
(a)	(b)	(c)	(d)
PROPOSED PER THERM RATE CHANGES			
1	Proposed Commodity WACOG	0.29780	0.30655
2	Current Commodity WACOG	0.40130	0.41321
3	Proposed Rate Change-Commodity WACOG	(0.10350)	(0.10666)
4			
5	Proposed Firm Demand Per Therm	0.18436	0.18978
6	Current Firm Demand Per Therm	0.15993	0.16468
7	Proposed Rate Change-Firm Demand WACOG	0.02443	0.02510
8			
9	Proposed Temporary Rate Increment	(0.02294)	(0.02361)
	Current Temporary Rate Increment	(0.00268)	(0.00276)
	Proposed Rate Change-Temporary Rate Increment	(0.02026)	(0.02085)
10			
11	TOTAL PROPOSED PGA RATE CHANGE		(0.10241)
12			
13	Oregon Forecasted Therm Sales	73,766,778	
14			
15	REVENUE IMPACT		
16			
17	Commodity Cost Change		(7,867,965)
18	Demand Cost Change		1,851,546
19			
20	Amortization of Commodity and Demand Cost Differences		(1,538,037.32)
21			
22	Total Revenue Impact Due to PGA Filing		(7,554,456)
23			
24	Operating Revenues for 12 Month Period Ending 12/31/14		70,092,488
25			
26	PERCENTAGE CHANGE IN REVENUES DUE TO PGA FILING		-10.78%

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, 2015

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

Ln No.	Customer Class	Schedule	Block	Current 11/1/2014 Rate	Total Proposed Changes				Total Change (i) = e thru h	Proposed 11/1/2015 Rate (j) = d + i
					PGA Base Gas Cost (e)	CAP Baseline Adj (f)	Non Gas Cost Temporary Rate Adj			
	(a)	(b)	(c)	(d)			Remove 14 (g)	Add New (h)		
CORE MARKET SERVICE										
1	Residential	101		\$0.90715	(\$0.10241)		\$0.02749	\$0.01137	(\$0.06355)	\$0.84360
2	Commercial	104		\$0.80282	(\$0.10241)		\$0.02886	\$0.01035	(\$0.06320)	\$0.73962
3	Com-Ind Dual	111		\$0.72152	(\$0.10241)		(\$0.00022)	\$0.00006	(\$0.10257)	\$0.61895
4	Industrial Firm	105		\$0.75567	(\$0.10241)		(\$0.00022)	\$0.00006	(\$0.10257)	\$0.65310
5	Industrial Interruptible	170		\$0.69844	(\$0.10241)		(\$0.00022)	\$0.00006	(\$0.10257)	\$0.59587
NONCORE MARKET SERVICE										
6	Distribution Transportation	163 & 164	First 10,000	\$0.12424	\$0.00000	\$0.00000	(\$0.00022)	\$0.00006	(\$0.00016)	\$0.12408
7	Distribution Transportation	163 & 164	Next 10,000	\$0.11210	\$0.00000	\$0.00000	(\$0.00022)	\$0.00006	(\$0.00016)	\$0.11194
8	Distribution Transportation	163 & 164	Next 30,000	\$0.10534	\$0.00000	\$0.00000	(\$0.00022)	\$0.00006	(\$0.00016)	\$0.10518
9	Distribution Transportation	163 & 164	Next 50,000	\$0.06478	\$0.00000	\$0.00000	(\$0.00022)	\$0.00006	(\$0.00016)	\$0.06462
10	Distribution Transportation	163 & 164	Next 400,000	\$0.03297	\$0.00000	\$0.00000	(\$0.00022)	\$0.00006	(\$0.00016)	\$0.03281
11	Distribution Transportation	164 ONLY	Over 500,000	\$0.01777	\$0.00000	\$0.00000	(\$0.00022)	\$0.00006	(\$0.00016)	\$0.01761

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

Ln No.	Customer Class	Schedule	Therms in Block	Normalized Volumes	Average Customers	Therms Per Month	Monthly Charge	Current 11/1/2014 Rate	Current Avg Bill	Total Proposed 11/1/2015 Rate	Total Proposed Avg Bill	Monthly Change in Avg Bill	Proposed Rates % Change
REVISED													
= d / e													
= g + (f * h)													
= g + (f * j)													
= l / i													
CORE MARKET SERVICE													
1	Residential	101		39,224,150	58,105	56	\$3.00	\$0.90715	\$53.80	\$0.84360	\$50.24	(\$3.56)	-6.61%
2	Commercial	104		27,353,904	9,640	236	\$3.00	\$0.80282	\$192.47	\$0.73962	\$177.55	(\$14.92)	-7.75%
3	Com-Ind Dual	111		1,776,477	14	10,574	\$0.00	\$0.72152	\$7,629.35	\$0.61895	\$6,544.78	(\$1,084.58)	-14.22%
4	Industrial Firm	105		2,708,226	114	1,980	\$12.00	\$0.75567	\$1,508.23	\$0.65310	\$1,305.14	(\$203.09)	-13.47%
5	Industrial Interruptible	170		2,526,128	4	52,628	\$0.00	\$0.69844	\$36,757.50	\$0.59587	\$31,359.45	(\$5,398.05)	-14.69%
NONCORE MARKET SERVICE													
6	Distribution Transportation	163	10,000	2,850,689	29		\$500.00	\$0.12424	\$1,742.40	\$0.12408	\$1,740.80		
7	Distribution Transportation	163	10,000	2,366,423				\$0.11210	\$1,121.00	\$0.11194	\$1,119.40		
8	Distribution Transportation	163	30,000	3,713,946				\$0.10534	\$3,613.19	\$0.10518	\$3,607.71		
9	Distribution Transportation	163	50,000	2,798,927				\$0.06478		\$0.06462			
10	Distribution Transportation	163	Over 100,000	7,166,522				\$0.03297		\$0.03281			
11	Total			18,896,507		54,300			\$6,476.59		\$6,467.91	(\$8.69)	-0.13%
12	Distribution Transportation	164	10,000	240,000	2		\$500.00	\$0.12424	\$1,742.40	\$0.12408	\$1,740.80		
13	Distribution Transportation	164	10,000	240,000				\$0.11210	\$1,121.00	\$0.11194	\$1,119.40		
14	Distribution Transportation	164	30,000	720,000				\$0.10534	\$3,160.20	\$0.10518	\$3,155.40		
15	Distribution Transportation	164	50,000	1,200,000				\$0.06478	\$3,239.00	\$0.06462	\$3,231.00		
16	Distribution Transportation	164	Next 400,000	9,159,445				\$0.03297	\$15,858.55	\$0.03281	\$15,781.59		
17	Distribution Transportation	164	Over 500,000	2,384,542				\$0.01777		\$0.01761			
18	Total			13,943,987		580,999			\$25,121.15		\$25,028.19	(\$92.96)	-0.37%



8113 W Grandridge Blvd
Kennewick, WA 99336-7166

Cascade Natural Gas files rate decrease request with Oregon Public Utility Commission

KENNEWICK, WASH. – Sept. 16, 2015 – Cascade Natural Gas Corporation announced today that it has filed a Purchased Gas Adjustment (PGA) with the Oregon Public Utility Commission to reflect the decrease in pipeline capacity, reservation and storage for natural gas. The overall request, which also includes the end of a year-long refund, means an approximately 7.1 percent decrease for Cascade customers in Oregon.

“Changes in what Cascade pays for the cost of natural gas and transportation services has decreased, which allows us to pass along those savings to our Oregon customers,” said Scott Madison, executive vice president and general manager for Cascade. “The cost of gas makes up the largest segment of a customer’s bill and is a pass-through cost to customers, so this decrease will translate into a nice cost reduction for our customers.”

The request, coupled with the end of a year-long refund, means a residential customer using 56 therms a month can expect a decrease of \$3.56 on average per month, or approximately \$43 for a 12-month period. A commercial customer using an average of 236 therms a month can expect a decrease of \$14.92 per month or approximately \$179 for a 12-month period.

A PGA is a mechanism designed to pass the actual costs of gas supplies to customers. It is very common for the company to either under or over collect through the year as the natural gas market changes throughout the year. The actual purchase price usually differs from the projected price.

The proposed rate increase is expected to go into effect on Nov. 1, 2015, upon PUC approval.

Cascade Natural Gas is a natural gas distribution company serving approximately 260,000 residential, commercial, industrial and transportation customers in 96 communities in Washington and Oregon. Cascade is a subsidiary of MDU Resources Group, Inc., a multidimensional natural resources enterprise traded on the New York Stock Exchange as “MDU.” For more information about MDU Resources, visit the company’s Web site at www.mdu.com. For more information about Cascade, visit www.cngc.com.

Media Contact: Mark Hanson at (701) 530-1093 or mark.hanson@mduresources.com

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, 2015

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		2015-2016		Forecast Therms	Revenue at Current	Revenue at Proposed	Change in Revenue	% 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							
101	Residential		\$ 0.57789	0.49633	\$ 0.35951	0.35951	\$ (0.00276)	(0.02361)	\$0.00137	0.00102	\$ (0.02889)	0.01035	\$ 0.00003	0.00000	38,754,759	\$35,156,380	\$32,693,515	(\$2,462,865)	-7.01%		
104	Commercial		\$ 0.57789	0.49633	\$ 0.25655	0.25655	\$ (0.00276)	(0.02361)	\$ -	0.00000	\$ (0.02889)	0.01035	\$ 0.00003	0.00000	27,077,201	\$21,738,119	\$20,026,839	(\$1,711,279)	-7.87%		
105	Industrial		\$ 0.57789	0.49633	\$ 0.18032	0.18032	\$ (0.00276)	(0.02361)	\$0.00019	0.00006	\$ -	0.00000	\$ 0.00003	0.00000	3,030,195	\$2,289,827	\$1,979,020	(\$310,807)	-13.57%		
111	Large Volume		\$ 0.57789	0.49633	\$ 0.14617	0.14617	\$ (0.00276)	(0.02361)	\$0.00019	0.00006	\$ -	0.00000	\$ 0.00003	0.00000	1,957,685	\$1,412,509	\$1,211,709	(\$200,800)	-14.22%		
112	Compressed Natural Gas		\$ 0.57789	0.49633	\$ 0.22600	0.22600	\$ (0.00276)	(0.02361)	\$ -	0.00000	\$ -	0.00000	\$ 0.00003	0.00000	0	\$0	\$0	\$0	0.00%		
126	Emergency Institution		\$ 0.57789	0.49633	\$ 0.26670	0.26670	\$ (0.00276)	(0.02361)	\$ -	0.00000	\$ -	0.00000	\$ 0.00003	0.00000	0	\$0	\$0	\$0	0.00%		
170	Interruptible		\$ 0.57789	0.49633	\$ 0.12309	0.12309	\$ (0.00276)	(0.02361)	\$0.00019	0.00006	\$ -	0.00000	\$ 0.00003	0.00000	2,946,938	\$2,058,259	\$1,755,992	(\$302,267)	-14.69%		
163	Transportation	Block 1	\$ -	0.00000	\$ 0.12402	0.12402	\$ -	0.00000	\$0.00019	0.00006	\$ -	0.00000	\$ 0.00003	0.00000	2,850,689	\$354,170	\$353,713	(\$456)	-0.13%		
		Block 2	\$ -	0.00000	\$ 0.11188	0.11188	\$ -	0.00000	\$0.00019	0.00006	\$ -	0.00000	\$ 0.00003	0.00000	2,366,423	\$265,276	\$264,897	(\$379)	-0.14%		
		Block 3	\$ -	0.00000	\$ 0.10512	0.10512	\$ -	0.00000	\$0.00019	0.00006	\$ -	0.00000	\$ 0.00003	0.00000	3,713,946	\$391,227	\$390,633	(\$594)	-0.15%		
		Block 4	\$ -	0.00000	\$ 0.06456	0.06456	\$ -	0.00000	\$0.00019	0.00006	\$ -	0.00000	\$ 0.00003	0.00000	2,798,927	\$181,314	\$180,867	(\$448)	-0.25%		
		Block 5	\$ -	0.00000	\$ 0.03275	0.03275	\$ -	0.00000	\$0.00019	0.00006	\$ -	0.00000	\$ 0.00003	0.00000	7,166,522	\$236,280	\$235,134	(\$1,147)	-0.49%		
164	Transportation	Block 1	\$ -	0.00000	\$ 0.12402	0.12402	\$ -	0.00000	\$0.00019	0.00006	\$ -	0.00000	\$ 0.00003	0.00000	240,000	\$29,818	\$29,779	(\$38)	-0.13%		
		Block 2	\$ -	0.00000	\$ 0.11188	0.11188	\$ -	0.00000	\$0.00019	0.00006	\$ -	0.00000	\$ 0.00003	0.00000	240,000	\$26,904	\$26,866	(\$38)	-0.14%		
		Block 3	\$ -	0.00000	\$ 0.10512	0.10512	\$ -	0.00000	\$0.00019	0.00006	\$ -	0.00000	\$ 0.00003	0.00000	720,000	\$75,845	\$75,730	(\$115)	-0.15%		
		Block 4	\$ -	0.00000	\$ 0.06456	0.06456	\$ -	0.00000	\$0.00019	0.00006	\$ -	0.00000	\$ 0.00003	0.00000	1,200,000	\$77,736	\$77,544	(\$192)	-0.25%		
		Block 5	\$ -	0.00000	\$ 0.03275	0.03275	\$ -	0.00000	\$0.00019	0.00006	\$ -	0.00000	\$ 0.00003	0.00000	9,159,445	\$301,987	\$300,521	(\$1,466)	-0.49%		
		Block 6	\$ -	0.00000	\$ 0.01755	0.01755	\$ -	0.00000	\$0.00019	0.00006	\$ -	0.00000	\$ 0.00003	0.00000	2,384,542	\$42,373	\$41,992	(\$382)	-0.90%		

**Cascade Natural Gas
2015 PGA
Incremental Revenue Change by Adjustment Schedule
Attachment B**

REVISED

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	\$42,629,084	\$36,612,666	(\$6,016,418)	120.49%
191 Temporary Gas Cost Adj	(\$203,596)	(\$1,741,634)	(\$1,538,038)	30.80%
192 Intervenor Funding	\$60,844	\$41,976	(\$18,868)	0.38%
193 CAP	(\$1,901,885)	\$681,361	\$2,583,246	-51.73%
194-B Other Residual	\$3,199	\$0	(\$3,199)	0.06%
195 Public Purpose				0.00%
196 Earnings Sharing				0.00%
Margin	\$24,050,383	\$24,050,383	\$0	0.00%
			\$0	0.00%
			\$0	0.00%
Total	\$64,638,029	\$59,644,752	(\$4,993,277)	100.00%

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.

Adjustment Schedule No.		REVISÉD		2015-2016						
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		\$ 0.57789	0.49633	38,754,759	\$22,395,988	\$19,235,150	(\$3,160,838)
		104	Commerical		\$ 0.57789	0.49633	27,077,201	\$15,647,644	\$13,439,227	(\$2,208,417)
		105	Industrial	Revised	\$ 0.57789	0.49633	3,030,195	\$1,751,119	\$1,503,977	(\$247,142)
		111	Large Volume		\$ 0.57789	0.49633	1,957,685	\$1,131,327	\$971,658	(\$159,669)
		112	Compressed Natural Gas		\$ 0.57789	0.49633	0	\$0	\$0	\$0
		126	Emergency Institution		\$ 0.57789	0.49633	0	\$0	\$0	\$0
		170	Interruptible		\$ 0.57789	0.49633	2,946,938	\$1,703,006	\$1,462,654	(\$240,352)
Advice O14-08-01	177-A PGA						Total	\$42,629,084	\$36,612,666	(\$6,016,418)
		101	Residential		\$ (0.00276)	(0.02361)	38,754,759	(\$106,963)	(\$915,000)	(\$808,037)
		104	Commerical		\$ (0.00276)	(0.02361)	27,077,201	(\$74,733)	(\$639,293)	(\$564,560)
		105	Industrial		\$ (0.00276)	(0.02361)	3,030,195	(\$8,363)	(\$71,543)	(\$63,180)
		111	Large Volume		\$ (0.00276)	(0.02361)	1,957,685	(\$5,403)	(\$46,221)	(\$40,818)
		112	Compressed Natural Gas		\$ (0.00276)	(0.02361)	0	\$0	\$0	\$0
		126	Emergency Institution		\$ (0.00276)	(0.02361)	0.00%	\$0	\$0	\$0
		170	Interruptible		\$ (0.00276)	(0.02361)	2,946,938	(\$8,134)	(\$69,577)	(\$61,443)
Advice O14-08-01	191 Temp Gas Cost						Total	(\$203,596)	(\$1,741,634)	(\$1,538,038)
		101	Residential		\$ 0.00137	0.00102	38,754,759	\$53,094	\$39,530	(\$13,564)
		104	Commerical		\$ -	0.00000	27,077,201	\$0	\$0	\$0
		105	Industrial		\$ 0.00019	0.00006	3,030,195	\$576	\$182	(\$394)
		111	Large Volume		\$ 0.00019	0.00006	1,957,685	\$372	\$117	(\$255)
		112	Compressed Natural Gas		\$ -	0.00000	0	\$0	\$0	\$0
		126	Emergency Institution		\$ -	0.00000	0	\$0	\$0	\$0
		170	Interruptible		\$ 0.00019	0.00006	2,946,938	\$560	\$177	(\$383)
		163	Distribution	Block 1	\$ 0.00019	0.00006	2,850,689	\$542	\$171	(\$371)
				Block 2	\$ 0.00019	0.00006	2,366,423	\$450	\$142	(\$308)
				Block 3	\$ 0.00019	0.00006	3,713,946	\$706	\$223	(\$483)
				Block 4	\$ 0.00019	0.00006	2,798,927	\$532	\$168	(\$364)
				Block 5	\$ 0.00019	0.00006	7,166,522	\$1,362	\$430	(\$932)
		164	Distribution	Block 1	\$ 0.00019	0.00006	240,000	\$46	\$14	(\$32)
				Block 2	\$ 0.00019	0.00006	240,000	\$46	\$14	(\$32)
				Block 3	\$ 0.00019	0.00006	720,000	\$137	\$43	(\$94)
				Block 4	\$ 0.00019	0.00006	1,200,000	\$228	\$72	(\$156)
				Block 5	\$ 0.00019	0.00006	9,159,445	\$1,740	\$550	(\$1,190)
				Block 6	\$ 0.00019	0.00006	2,384,542	\$453	\$143	(\$310)
Advice No. O14-08-02	192 Intervenor						Total	\$60,844	\$41,976	(\$18,868)

Adjustment
Schedule No.

REVISED

2015-2016

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		\$ (0.02889)	0.01035	38,754,759	(\$1,119,625)	\$401,112	\$1,520,737
		104	Commerical		\$ (0.02889)	0.01035	27,077,201	(\$782,260)	\$280,249	\$1,062,509
Advice No.	193						Total	(\$1,901,885)	\$681,361	\$2,583,246
O14-08-03	CAP									
		101	Residential		\$ 0.00003	0.00000	38,754,759	\$1,163	\$0	(\$1,163)
		104	Commerical		\$ 0.00003	0.00000	27,077,201	\$812	\$0	(\$812)
		105	Industrial		\$ 0.00003	0.00000	3,030,195	\$91	\$0	(\$91)
		111	Large Volume		\$ 0.00003	0.00000	1,957,685	\$59	\$0	(\$59)
		112	Compressed Natural Gas		\$ 0.00003	0.00000	0	\$0	\$0	\$0
		126	Emergency Institution		\$ 0.00003	0.00000	0	\$0	\$0	\$0
		170	Interruptible		\$ 0.00003	0.00000	2,946,938	\$88	\$0	(\$88)
		163	Distribution	Block 1	\$ 0.00003	0.00000	2,850,689	\$86	\$0	(\$86)
				Block 2	\$ 0.00003	0.00000	2,366,423	\$71	\$0	(\$71)
				Block 3	\$ 0.00003	0.00000	3,713,946	\$111	\$0	(\$111)
				Block 4	\$ 0.00003	0.00000	2,798,927	\$84	\$0	(\$84)
				Block 5	\$ 0.00003	0.00000	7,166,522	\$215	\$0	(\$215)
		164	Distribution	Block 1	\$ 0.00003	0.00000	240,000	\$7	\$0	(\$7)
				Block 2	\$ 0.00003	0.00000	240,000	\$7	\$0	(\$7)
				Block 3	\$ 0.00003	0.00000	720,000	\$22	\$0	(\$22)
				Block 4	\$ 0.00003	0.00000	1,200,000	\$36	\$0	(\$36)
				Block 5	\$ 0.00003	0.00000	9,159,445	\$275	\$0	(\$275)
				Block 6	\$ 0.00003	0.00000	2,384,542	\$72	\$0	(\$72)
Advice No.	194-B						Total	\$3,199	\$0	(\$3,199)
O14-08-04	Other Residual									
		101	Residential		\$ 0.35951	0.35951	38,754,759	\$13,932,723	\$13,932,723	\$0
		104	Commerical		\$ 0.25655	0.25655	27,077,201	\$6,946,656	\$6,946,656	\$0
		105	Industrial		\$ 0.18032	0.18032	3,030,195	\$546,405	\$546,405	\$0
		111	Large Volume		\$ 0.14617	0.14617	1,957,685	\$286,155	\$286,155	\$0
		112	Compressed Natural Gas		\$ 0.22600	0.22600	0	\$0	\$0	\$0
		126	Emergency Institution		\$ 0.26670	0.26670	0	\$0	\$0	\$0
		170	Interruptible		\$ 0.12309	0.12309	2,946,938	\$362,739	\$362,739	\$0
		163	Distribution	Block 1	\$ 0.12402	0.12402	2,850,689	\$353,542	\$353,542	\$0
				Block 2	\$ 0.11188	0.11188	2,366,423	\$264,755	\$264,755	\$0
				Block 3	\$ 0.10512	0.10512	3,713,946	\$390,410	\$390,410	\$0
				Block 4	\$ 0.06456	0.06456	2,798,927	\$180,699	\$180,699	\$0
				Block 5	\$ 0.03275	0.03275	7,166,522	\$234,704	\$234,704	\$0
		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

Adjustment Schedule No.		REVISÉD		2015-2016						
Advice No.	Description	Schedule No.	Rate Class Type	Block	Current Rate	Proposed Rate	Proposed Therms	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	9,159,445	\$299,972	\$299,972	\$0
				Block 6	\$ 0.01755	0.01755	2,384,542	\$41,849	\$41,849	\$0
							Total	\$24,050,383	\$24,050,383	\$0
O14-08-05	Margin									

**Cascade Natural Gas
2015-2016 PGA
Three Percent Test
Attachment C**

	Surcharge	Credit
Prior Period Gas Cost Deferral True-Up	(1,741,808)	
 <u>Non-Gas Cost Amortizations</u>		
Intervenor Funding	\$42,037	\$0
Other Residuals	\$0	\$0
Decoupling		681,451
		\$0
		\$0
		\$0
		0
Subtotal	42,037	681,451
Total	(1,699,771)	681,451
Total Proposed Amortization		(\$1,018,320)
Less: Intervenor Funding ¹		\$42,037
Net Proposed Amortizations (subject to the 3% test)		(\$976,283)
Utility Gross Revenues (2014)		\$70,092,488
3% of Utility Gross Revenues²		\$2,102,775
Allowed Amortization		(\$976,283)
Allowed Amortization as % of Gross Revenues		-1.39%

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
2015-2016 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	\$0.90715	\$0.84360	-0.06355	-7.01%
NW Natural	2	\$0.00000	\$0.00000	0.00000	#DIV/0!
Commercial					
Avista	420	\$0.00000	\$0.00000	0.00000	#DIV/0!
Cascade	104	\$0.80282	\$0.73962	-0.06320	-7.87%
NW Natural	3	\$0.00000	\$0.00000	0.00000	#DIV/0!
Industrial					
Avista	424	\$0.00000	\$0.00000	0.00000	#DIV/0!
Cascade	105	\$0.75567	\$0.65310	-0.10257	-13.6%
NW Natural	31ISF	\$0.00000	\$0.00000	0.00000	#DIV/0!
Interruptible					
Avista	440	\$0.00000	\$0.00000	0.00000	#DIV/0!
Cascade	170	\$0.69844	\$0.59587	-0.10257	-14.7%
NW Natural	32ISI	\$0.00000	\$0.00000	0.00000	#DIV/0!

RESIDENTIAL BILL IMPACTS													
	Rate Schedule	Average January Therms	Customer Charge	Current January Bill	Proposed January Bill	Change January Bill	%-Change January Bill	Annual Therms/Month	Customer Charge	Current Monthly Bill	Proposed Monthly Bill	Change Monthly Bill	%-Change Monthly Bill
Avista	410	0	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	0	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Cascade	101	121	\$3.00	\$112.77	\$105.08	-\$7.69	-6.8%	56	\$3.00	\$53.80	\$50.24	-\$3.56	-6.6%
NW Natural	2	0	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	0	\$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.