



8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166  
 TELEPHONE 509-734-4500 FACSIMILE 509-737-9803  
[www.cngc.com](http://www.cngc.com)

September 15, 2017

Oregon Public Utility Commission  
 201 High Street SE, Suite 100  
 Salem, OR 97301-3612

**Re: Advice No. CNG/O17-07-02, UG 336  
 SUPPLEMENTAL UM 1336, Deferred Accounting for Intervenor Funding  
 Schedule No. 192, Intervenor Funding Adjustment**

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. 10 Tariff containing an effective date on and after November 1, 2017:

**Second Revision Sheet No. 192.1**

This filing updates the Company's Intervenor Funding rates currently in effect pursuant to Section 7.9 of the Third Amended and Restated Intervenor Funding Agreement previously adopted by the Oregon Public Utility Commission ("Commission") in Order No. 15-335. In this filing, the Company is requesting a decrease in revenues of (\$57,806), or (.09 %), effective on November 1, 2017. The current amortization rates and the proposed changes, both inclusive of the gross revenue factor, are as follows:

| <u>Schedule</u> | <u>Current<br/>Amortization<br/>Rates</u> | <u>Proposed<br/>Amortization<br/>Rates</u> | <u>Difference in<br/>Amortization<br/>Rate</u> |
|-----------------|---|--|--|
| 101             | 0.00191                                   | 0.00112                                    | (0.00079)                                      |
| 105             | 0.00131                                   | 0.00073                                    | (0.00058)                                      |
| 111             | 0.00131                                   | 0.00073                                    | (0.00058)                                      |
| 170             | 0.00131                                   | 0.00073                                    | (0.00058)                                      |
| 163             | 0.00131                                   | 0.00073                                    | (0.00058)                                      |
| 800             | 0.00131                                   | 0.00073                                    | (0.00058)                                      |

In Order 16-424 in Docket No. UM 1336, the Commission approved Cascade Natural Gas' request for reauthorization to defer costs related to Intervenor Funding grants for the period November 1, 2016 through October 31, 2017. The Company made that filing pursuant to 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.

**Three Percent Test**

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.

**Other Information**

Pursuant to OAR 860-022-0025 and OAR 860-022-0030, the total number of customers affected by this filing by rate schedule are as follows:

| <u>Rate Schedule</u> | <u>Number of Customers</u> |
|----------------------|----------------------------|
| 101                  | 61,354                     |
| 105                  | 139                        |
| 111                  | 18                         |
| 170                  | 4                          |
| 163                  | 32                         |

The Table below provides 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:

| Rate Schedule | Description       | Total Current Revenues | Total Proposed Revenues | Revenue Incr (Decr) | Percent Incr (Decr) | Avg Therms per Month | Current Avg Bill | Proposed Avg Bill | Monthly Change | Proposed Rates % Change |
|---------------|-------------------|------------------------|-------------------------|---------------------|---------------------|----------------------|------------------|-------------------|----------------|-------------------------|
| 101           | Residential       | \$30,813,996           | \$30,780,544            | -\$33,452           | -0.11%              | 60                   | \$47.69          | \$47.64           | -\$0.05        | -0.11%                  |
| 105           | Industrial Firm   | \$1,609,820            | \$1,608,130             | -\$1,690            | -0.10%              | 1,813                | \$1,014.49       | \$1,013.42        | -\$1.07        | -0.10%                  |
| 111           | Com-Ind Dual      | \$1,191,800            | \$1,190,452             | -\$1,348            | -0.11%              | 11,386               | \$5,844.37       | \$5,837.76        | -\$6.61        | -0.11%                  |
| 170           | Industrial Interr | \$1,344,290            | \$1,342,631             | -\$1,659            | -0.12%              | 59,290               | \$27,893.81      | \$27,859.39       | -\$34.42       | -0.12%                  |
| 163           | Dist Trans        | \$2,142,575            | \$2,122,918             | -\$19,657           | -0.92%              | 88,264               | \$8,643.92       | \$8,546.15        | -\$97.30       | -0.92%                  |

After combining the impact of this filing along with two other regulatory filings made today,<sup>1</sup> the overall effect of the proposed rate adjustments on the monthly bill of a residential customer with consumption of 60 therms will be a net decrease of (\$2.47) or (5.18%), for a revised monthly bill of \$45.22 effective November 1, 2017.

Notice to customers was made following the Company's initial filing dated July 28, 2017, by inserting an announcement in utility's regular billing to customers on August 1, 2017, in accordance with OAR 860-022-0017. The Company does not plan to re-notice customers with 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, 2017 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

---

<sup>1</sup> On September 15, 2017, Cascade Natural Gas filed Advice Nos. O17-07-01 and O17-07-03; both are effective November 1, 2017, subject to Commission approval.

**SCHEDULE NO. 192  
INTERVENOR FUNDING ADJUSTMENT**

**APPLICABLE**

Applicable to customers served on Schedules 101, 104, 105, 111, 112, 126, 163, 170, and 800.

**PURPOSE**

The purpose of this schedule is to recover the cost of Intervenor Funding Grants provided to various entities to cover their costs of advocating on behalf of customers. The awarding of such grants is governed by Section 7.3 of the First Amended and Restated Intervenor Funding agreement adopted by the Public Utility Commission of Oregon in Order No. 07-564.

**MONTHLY RATES, MINIMUM BILLS AND OTHER CHARGES**

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:

| Rate<br>Schedule | Amount     |
|------------------|------------|
| 101              | \$0.001120 |
| 104              | \$0.000000 |
| 105              | \$0.000730 |
| 111              | \$0.000730 |
| 112              | \$0.000000 |
| 126              | \$0.000000 |
| 163*             | \$0.000730 |
| 170              | \$0.000730 |
| 800*             | \$0.000730 |
| *all rate blocks |            |

(R)

(R)

**TAX ADDITIONS**

The rates named herein are subject to increases as set forth in Schedule 100 for Municipal Exactions.

**GENERAL TERMS**

Service under this schedule is governed by the terms of this schedule, the Rules contained in this Tariff, any other schedules that by their terms or by the terms of this schedule apply to service under this schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

Before the  
OREGON PUBLIC UTILITY COMMISSION

EXHIBIT 1

Intervenor Funding

Development of Intervenor Funding Temporary Rate Increments (Schedule 1 of 2)  
Summary of Proposed Intervenor Funding (Schedule 2 of 2)

Cascade Natural Gas Corporation

September 15, 2017

Cascade Natural Gas  
DEVELOPMENT OF INTERVENOR FUNDING TEMPORARY RATE INCREMENTS  
UM 1336 Related Balances

REVISED

| Ln No. | Account Description (a)                                      | Order (b) | Class (c)       | New or Residual (d) | Account Balance 06-30-17 (e) | Estimated Thru 10/31/17 Interest Accruals (f) | Amortizations (g) | Interest Accruals Thru Amortization (h) | Balance for Amortization (i) | Forecasted Terms (j) | Increment (k) | TEMPORARY INCREMENT FOR ALL RATE SCHEDULES |            |            |            |            |
|--------|--|-----------|-----------------|---------------------|------------------------------|---|-------------------|---|------------------------------|----------------------|---------------|--|------------|------------|------------|------------|
|        |  |           |                 |                     |                              |   |                   |   |                              |                      |               | 101 (l)                                    | 105 (m)    | 111 (n)    | 170 (o)    | 163 (p)    |
| 1      | UM-1336 -- CUB Intervenor Deferral (47OR-1862.20444)         | 16-424    | 101             | New Residual        | \$ 56,863                    | \$ 1,409                                      |                   | \$ 545                                  | \$ 58,817                    | 42,345,204           | 0.00139       | \$0.00139                                  |            |            |            |            |
|        | UM-1336 -- CUB Intervenor Funding (47OR-1862.20443)          | 16-424    | 101             | New Residual        | \$ (1,693)                   | \$ (34)                                       | (11,127)          | (120)                                   | (12,974)                     | 42,345,204           | (0.00031)     | (\$0.00031)                                |            |            |            |            |
| 2      | UM-1336 -- NWISU Intervenor Deferral (47OR-1860.20449)       | 16-424    | 105/111/170/163 | New Residual        | \$ 30,961                    | 767   |                   | 398                                     | 32,126                       | 41,992,085           | 0.00077       | 0.00077                                    |            |            |            |            |
|        | UM-1336 -- NWISU Intervenor Funding (47OR-1860.20448)        | 16-424    | 105/111/170/163 | New Residual        | \$ 1,615                     | 64  | (17,120)          | (31)                                    | (2,471)                      | 41,992,085           | (0.00006)     | (0.00006)                                  |            |            |            |            |
| 3      | SUBTOTAL AMORTIZATION RATES BEFORE REVENUE SENSITIVE COSTS   |           |                 |                     |                              |   |                   |   |                              |                      |               |  |            |            |            |            |
| 4      | REVENUE REQUIREMENT BEFORE REVENUE SENSITIVE COSTS           |           |                 |                     | \$ 100,746                   | \$ 2,206                                      | (28,247)          | 792                                     | 75,498                       |                      |               |  | \$0.00071  | \$0.00071  | \$0.00071  |            |
| 5      | REVENUE SENSITIVE COST PERCENTAGES:                          |           |                 |                     |                              |   |                   |   | 2.940%                       |                      |               |  | 2.940%     | 2.940%     | 2.940%     |            |
| 6      | REVENUE REQUIREMENT AFTER REVENUE SENSITIVE COSTS            |           |                 |                     |                              |   |                   |   | \$ 777,85                    |                      |               |  |            |            |            |            |
| 7      | PROPOSED AMORTIZATION RATE INCLUDING REVENUE SENSITIVE COSTS |           |                 |                     |                              |   |                   |   |                              |                      |               |  | \$ 0.00112 | \$ 0.00073 | \$ 0.00073 | \$ 0.00073 |

Cascade Natural Gas Corporation  
SUMMARY OF PROPOSED INTERVENOR FUNDING  
State of Oregon

| Ln<br>No.                         | Description<br>(a)   | Rate<br>Schedule<br>(b) | Reversal  | Proposed  | R/S 192                     |
|-----------------------------------|----------------------|-------------------------|---|---|-----------------------------|
|                                   |                      |                         | 15/16 UM-1336<br>Intervenor Funding<br>Temp. Rate Adj.<br>(c) | UM-1336<br>Intervenor Funding<br>Temp. Rate Adj.<br>(d) | Rate Change<br>Total<br>(e) |
| <b>CORE MARKET RATE SCHEDULES</b> |                      |                         |   |   |                             |
| 1                                 | Residential          | 101                     | \$ (0.00191)  | \$ 0.00112  | \$ (0.00079)                |
| 2                                 | Commercial           | 104                     | \$ -  | \$ -  | \$ -                        |
| 3                                 | Com-Ind Dual Service | 111                     | \$ (0.00131)  | \$ 0.00073  | \$ (0.00058)                |
| 4                                 | Industrial Firm      | 105                     | \$ (0.00131)  | \$ 0.00073  | \$ (0.00058)                |
| 5                                 | Industrial Interr.   | 170                     | \$ (0.00131)  | \$ 0.00073  | \$ (0.00058)                |
| <b>NONCORE MARKET CUSTOMERS</b>   |                      |                         |   |   |                             |
| 6                                 | Distribution         | 163                     | \$ (0.00131)  | \$ 0.00073  | \$ (0.00058)                |
| 7                                 |                      |                         |   |   |                             |
| 8                                 |                      |                         | \$ -  | \$ -  | \$ -                        |