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July 28, 2017

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

**Re: Advice No. CNG/O17-07-03, UG 337
 UM 1557, Conservation and Weatherization Variances Deferral**

Attention: Filing Center

Pursuant to Docket UM 1557, ORS 757.210 and ORS 757.259(5), Cascade Natural Gas hereby submits the following revisions to P.U.C. OR No. 10 Tariff containing an effective date of November 1, 2017 along with a copy of its supporting workpapers:

First Revision of Sheet No. 193.1

The purpose of this filing is to apply new temporary adjustments to base rates amortizing outstanding deferred balances for variances in collections due to conservation and weatherization, as authorized in Docket UM 1557. The Company revises rates for this purpose annually; the last filing was effective November 1, 2016. The Company is requesting a decrease in revenues of (\$5,842,220), or (9.15)%, 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 Amortization Rates</u>	<u>Proposed Amortization Rates</u>	<u>Difference in Amortization Rate</u>
101	0.01619	(0.06582)	(0.08201)
104	0.01619	(0.06582)	(0.08201)

In Order 16-490 issued in Docket No. UM 1557, the Commission approved Cascade Natural Gas request for reauthorization to defer margin differences associated with conservation and weather variances during the period January 1, 2017 through December 31, 2017. The Company made that filing pursuant to ORS 757.259 and OAR 860-027-0300(4). This filing complies 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 Commission authorization as rate orders or under approved tariffs.

Three Percent Test

Pursuant to ORS 757.259 and OAR 860-027-0300(9), the overall annual average rate impact of 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. Cascade's total Oregon gross revenues for calendar year 2016 were \$63,881,403. The total amortization requested in this filing is a credit of (\$4,689,006) with the resulting annual average rate impact of (7.34%). The total revenue change of Prior Period Gas cost deferral concurrently filed in O17-07-01 is (\$1,550,739) and the resulting annual average rate impact of that filing is (2.43%). The net effect of combining the results of these two filings is an overall revenue change of (\$6,239,745), an average rate impact of (9.77%) which falls within the requirements of the statute.

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
104	9,859

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	\$27,341,430	\$(3,472,566)	-11.27%	60	\$47.69	\$42.32	-\$5.37	-11.27%
104	Commerical	\$9,984,562	\$7,614,908	\$(2,369,654)	-23.73%	255	\$163.35	\$124.58	-\$38.77	-23.73%

After combining the impact of this filing along with the four other regulatory filings made today,¹ 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 (\$2.53) or (5.31%), for a revised monthly bill of \$45.16 effective November 1, 2017.

¹ On July 28, 2017, Cascade Natural Gas filed Advice Nos. O17-07-01 and O17-07-02; both have requested effective dates of November 1, 2017.

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 of this filing.

Attached in support of this filing is Exhibit 1 which contains the development of the Conservation Alliance Plan (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, 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,

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

**SCHEDULE 193
CONSERVATION ALLIANCE PLAN ADJUSTMENT**

APPLICABLE

This rate applies to Schedules 101 and 104.

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:

Rate Schedule	Rate	
101	(\$0.065820)	(R)
104	(\$0.065820)	(R)

LIMITATION

This temporary rate addition shall remain in effect until cancelled pursuant to an order from the Public Utility Commission of Oregon.

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

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

July 28, 2017

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 06-30-17 (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 BY RATE SCHEDULE	
												101 (l)	104 (m)
1	UG 167 -- 15/16 OR CAP Weather Variance (47OR.1862.20462)	16-490	101 & 104	New	\$ (1,045,427.34)	\$ (26,559)		\$ (10,241)	\$ (1,062,227)	71,237,898	(0.01519)	(0.01519)	
2	UG 167 -- 15/16 OR CAP Conservation Variance (47OR.1862.20463)	16-490	101 & 104	New	\$ (3,177,130.67)	\$ (80,714)		\$ (31,123)	\$ (3,288,968)	71,237,898	(0.04617)	(0.04617)	
3	UG 167 -- OR Residual Technical Adjustments-Conservation (47.OR.1862.20476)	07-397	101 & 104	Residual	\$ (6,085.04)	\$ (391)	(171,776)	(1,703)	(179,955)	71,237,898	(0.00253)	(0.00253)	
4													
5	SUBTOTAL AMORTIZATION RATES BEFORE REVENUE SENSITIVE COSTS												
6	UG 167 -- REVENUE REQUIREMENT BEFORE REVENUE SENSITIVE COSTS				\$ (4,228,643.05)	\$ (107,663.15)	\$ (171,775.97)	\$ (43,067.33)	\$ (4,551,150)				
7	REVENUE SENSITIVE COST PERCENTAGES:												
8	REVENUE REQUIREMENT AFTER REVENUE SENSITIVE COSTS											2.940%	2.940%
9	PROPOSED AMORTIZATION RATE INCLUDING REVENUE SENSITIVE COSTS												\$ (0.06582) \$ (0.06582)

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)
			15/16 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	\$ (0.01619)	\$ (0.06582)	\$ (0.08201)
2	Commercial	104	\$ (0.01619)	\$ (0.06582)	\$ (0.08201)
3	Com-Ind Dual Service	111	\$ -	\$ -	\$ -
4	Industrial Firm	105	\$ -	\$ -	\$ -
5	Industrial Interr.	170	\$ -	\$ -	\$ -
NONCORE MARKET CUSTOMERS					
6	Distribution	163	\$ -	\$ -	\$ -
7					
8	Special Contract	902	\$ -	\$ -	\$ -