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July 29, 2016

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

**Re: Advice No. CNG/O16-07-02, UG _____
 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. 9 Tariffs containing an effective date on and after November 1, 2016:

Thirteenth Revision Sheet No. 192

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 Public Utilities Commission of Oregon (“Commission”) in Order No. 15-335. In this filing, the Company is requesting an increase in revenues of \$80,359, or .20 %, effective on November 1, 2016. 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	0.00102	0.00182	0.00080
105	0.00006	0.00129	0.00120
111	0.00006	0.00129	0.00120
170	0.00006	0.00129	0.00120
163	0.00006	0.00129	0.00120

In the Community to Serve®

In Order 15-307 in Docket No. UM 1336, the Commission approved Cascade Natural Gas’s request for reauthorization to defer costs related to Intervenor Funding grants for the period November 1, 2015, through October 31, 2016. 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	59,633
105	134
111	15
170	4
163	30

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	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	\$33,936,333	\$34,008,747	\$72,414	0.21%	51	\$46.50	\$46.60	\$0.10	0.21%
105	Industrial Firm	\$1,711,218	\$1,714,541	\$3,246	0.19%	1,510	\$1,015.09	\$1,017.06	\$1.93	0.19%
111	Com-Ind Dual	\$1,374,653	\$1,377,478	\$2,759	0.20%	11,251	\$7,062.48	\$7,076.99	\$14.17	0.20%
170	Industrial Interr	\$1,673,072	\$1,676,694	\$3,538	0.21%	52,321	\$31,176.51	\$31,244.00	\$65.93	0.21%
163	Dist Trans	\$1,980,680	\$2,022,092	\$41,412	2.09%	64,645	\$6,961.99	\$7,107.55	\$145.56	2.09%

After combining the impact of this filing along with three 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 51 therms will be a net decrease of (\$5.20) or (11.18%), for a revised monthly bill of \$41.30 effective November 1, 2016.

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 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, 2016 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

¹ On July 29, 2016, Cascade Natural Gas filed Advice Nos. O16-07-01 and O16-07-03; both are effective November 1, 2016, subject to Commission approval.

CASCADE NATURAL GAS CORPORATION

UM 1336 INTERVENOR FUNDING ADJUSTMENT
SCHEDULE NO. 192

APPLICABLE:

To all of the below listed schedules for gas service of tariff P.U.C. Or. No. 9.

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 7.9 of the Second Amended and Restated Intervenor Funding agreement adopted by the Public Utility Commission of Oregon in Order No. 12-452.

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:

<u>Rate Schedule</u>	<u>Amount</u>	
Schedule 101	\$.00182	(I)
Schedule 104	\$.00000	
Schedule 105	\$.00126	(I)
Schedule 111	\$.00126	(I)
Schedule 112	\$.00000	
Schedule 126	\$.00000	
Schedule 170	\$.00126	(I)
Schedule 163 All Rate Blocks	\$.00126	(I)

GENERAL RULES AND REGULATIONS:

This schedule is subject to the Rules and Regulations contained in this tariff and to those prescribed by regulatory authorities.

CNG/O16-07-02

Issued July 29, 2016 Effective with Service on and After November 1, 2016

ISSUED BY CASCADE NATURAL GAS CORPORATION

BY Mark A. Chiles

TITLE Vice President
Regulatory Affairs and Customer Service

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

July 29, 2016

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

Ln No.	Account Description (a)	Order (b)	Class (c)	New or Residual (d)	Account Balance 05-20-16 (e)	Estimated Thru 10/31/16		Interest Accruals Thru Amortization (h)	Balance for Amortization (i)	Forecasted Terms (k)	TEMPORARY INCREMENT FOR ALL RATE SCHEDULES					
						Interest Accruals (f)	Amortizations (g)				101 (m)	105 (n)	111 (o)	170 (p)	163 (q)	164 (r)
1	UM-1336 -- CUB Intervenor Funding (47OR.1862.20443)	15-307	101	Residual	\$ 74,720	\$ 478	\$ (5,371)	\$ 599	\$ 70,427	39,787,946	\$0.00177					
2	UM-1336 -- NWITGU Intervenor Funding (47OR.1860.20448)	15-307	105/111/170	Residual	\$ 49,552	\$ 321	(733)	\$ 565	\$ 49,706	40,439,956	0.00123	0.00123	0.00123	0.00123	0.00123	0.00123
3	SUBTOTAL AMORTIZATION RATES BEFORE REVENUE SENSITIVE COSTS										\$0.00177	\$0.00123	\$0.00123	\$0.00123	\$0.00123	\$0.00123
4	REVENUE REQUIREMENT BEFORE REVENUE SENSITIVE COSTS				\$ 124,272	\$ 800	\$ (6,104)	\$ 1,165	\$ 120,132		2.618%	2.618%	2.618%	2.618%	2.618%	2.618%
5	REVENUE SENSITIVE COST PERCENTAGES															
6	REVENUE REQUIREMENT AFTER REVENUE SENSITIVE COSTS															
7	PROPOSED AMORTIZATION RATE INCLUDING REVENUE SENSITIVE COSTS										\$ 0.00182	\$ 0.00126	\$ 0.00126	\$ 0.00126	\$ 0.00126	\$ 0.00126

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

Ln No.	Description (a)	Rate Schedule (b)	Reversal	Proposed	R/S 192
			14/15 UM-1336 Intervenor Funding Temp. Rate Adj. (c)	UM-1336 Intervenor Funding Temp. Rate Adj. (d)	Rate Change Total (e)
CORE MARKET RATE SCHEDULES					
1	Residential	101	\$ (0.00102)	\$ 0.00182	\$ 0.00080
2	Commercial	104	\$ -	\$ -	\$ -
3	Com-Ind Dual Service	111	\$ (0.00006)	\$ 0.00126	\$ 0.00120
4	Industrial Firm	105	\$ (0.00006)	\$ 0.00126	\$ 0.00120
5	Industrial Interr.	170	\$ (0.00006)	\$ 0.00126	\$ 0.00120
NONCORE MARKET CUSTOMERS					
6	Distribution	163	\$ (0.00006)	\$ 0.00126	\$ 0.00120
7	Lg. Vol Distribution	164	\$ (0.00006)	\$ 0.00126	\$ 0.00120
8	Special Contract	902	\$ -	\$ -	\$ -