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September 15, 2017

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

Re: Advice No. CNG/O17-07-01, UG 335
SUPPLEMENTAL, UM 1558, Deferred Accounting for Purchased Gas
Adjustment Schedule 177, Purchased Gas Cost Adjustment and Schedule No. 191
Temporary Gas Cost Rate Adjustment

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 its Tariff P.U.C. OR No. 10, stated to become effective with service on and after November 1, 2017:

First Revision of Sheet No. 177.2
First Revision of Sheet No. 191.1

The purpose of this filing is to make the annual true up to Cascade's gas cost in accordance with the provisions established in Schedule No. 177, Purchased Gas Adjustment (PGA) Provision. The purchased gas cost is revised in this filing due to a change in the cost of commodity gas supply and transportation capacity, and a realignment of existing firm transportation capacity. In accordance with the PGA methodology, the outstanding deferred gas cost balance is also amortized in this filing.

Tables 1 through 3 below summarize the changes in the following: 1) Forward looking commodity costs included in Schedule 177-A; 2) demand costs included in Schedule 177-A; and 3) the combined changes to Schedule 177-A (both commodity and demand).

Table 1 - Schedule 177.2 Commodity

<u>Rate Schedules</u>	<u>Present</u>	<u>Proposed</u>	<u>Change</u>
101, 104, 105, 111, 170	\$0.26292	\$0.23589	(\$0.02703)

Table 2 - Schedule 177.2 Demand

<u>Rate Schedules</u>	<u>Present</u>	<u>Proposed</u>	<u>Change</u>
101, 104, 105, 111, 170	\$0.16874	\$0.17071	\$0.001970

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Table 3 - Schedule 177.2 Commodity + Demand

<u>Rate Schedules</u>	<u>Present</u>	<u>Proposed</u>	<u>Change</u>
101, 104, 105, 111, 170	\$0.43166	\$0.40660	(\$0.02506)

Commodity Costs (Schedule 177.2)

As shown in Table 1 on the previous page, the weighted average cost of gas (WACOG) decreases \$0.02703 per therm. The proposed WACOG is \$0.23589 per therm compared to the present WACOG of \$0.26292 per therm. The winter of 2016-2017 was significantly colder than previous years, leading to higher customer demand and wholesale natural gas prices due to several extended cold events.

Cascade has been hedging natural gas both on a periodic and discretionary basis throughout 2017 for the forthcoming PGA year (November 2017 through October 2018). Approximately 37% of estimated annual load requirements for the PGA year will be hedged at a fixed price, comprised of physical volumes for periods not to exceed three years. Cascade will continue to execute fixed priced physical transactions for hedging purposes throughout the remainder of calendar year 2017, consistent with our historical procurement practice.

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 the Company deviate 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 177.2)

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 Table 2 on the previous page, demand costs are expected to be relatively stable, with the Company proposing only a slight increase of \$0.001970 cents per therm. Including the expected rate settlement with Northwest Pipeline, pipeline demand rates are either expected to remain the same or become somewhat lower due to current rate settlements with several Canadian pipelines. In addition, Cascade continues to achieve significant demand cost mitigation through the Company’s asset management arrangement with Tenaska Marketing.

The Company acquired an additional 10,000 per day of incremental GTN capacity at recourse rates beginning this heating season, increasing demand costs by approximately 5% when considering adjustment in Canadian exchange rate.

Amortization of Deferral Accounts (Schedule 191.1)

Table 4 below summarizes the changes in both the commodity and demand amortization rates included in Schedule 191:

Table 4
Schedule 191 PGA Temporary Gas Cost Rate Adjustment

<u>Rate Schedule</u>	<u>Amortization</u>		
	<u>Present</u>	<u>Proposed</u>	<u>Change</u>
101, 104, 105, 111, 170	(\$0.08611)	(\$0.01950)	\$0.06661

As shown in the Table above, the current overall amortization amount approved in the Company’s 2016 PGA is a refund rate of approximately \$0.09 per therm. For reasons discussed earlier in this letter, actual wholesale natural gas prices were higher than the level identified in the Company’s 2016 PGA. As a result, commodity costs were undercollected from customers’ actual costs and a deferral balance of approximately \$5.3 million or \$0.020 per therm was created.

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. As shown on Attachment C of the Company’s PGA workpapers, total gross revenue for calendar year 2016 was \$63,881,403. The total amortization revenue requested for the “Prior Period Gas Cost Deferral” as shown in Attachment C is (\$1,547,344). The resulting annual average rate impact from PGA amortization is (2.42%) 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 Conservation Alliance Plan filing also made on July 28, 2017, is a total amortization revenue request of (\$6,153,299). The net effect of combining the results of these two filings is an overall revenue change of (\$6,231,084), an average rate impact of (9.75%), which falls within the requirements of the statute.

Other Information

In this filing, the Company is requesting an increase in the Company’s annual operating revenues of \$3,296,438 or 5.16%. Table 5 below shows current and proposed gross annual revenues per customer class.

Table 5

Rate Schedule	Description	Current Revenues	Proposed Revenues	Revenue Incr (Decr)	Percent Incr (Decr)
101	Residential	\$30,813,996	\$32,573,357	\$1,759,361	5.7%
104	Commerical	\$9,984,562	\$11,185,136	\$1,200,574	12.02%
105	Industrial Firm	\$1,609,820	\$1,730,900	\$121,080	7.52%
111	Com-Ind Dual	\$1,191,800	\$1,288,369	\$96,569	8.10%
170	Industrial Interr	\$1,344,290	\$1,463,143	\$118,853	8.84%

Table 6 below provides an estimated average bill for each rate schedule as well as the average bill impact of the revisions proposed in this filing.

Table 6

Rate Schedule	Therms per Month	Current Avg Bill	Proposed Avg Bill	Monthly Change	Proposed Rates % Change
101	51	\$47.69	\$50.41	\$2.72	5.71%
104	217	\$163.35	\$182.99	\$19.64	12.02%
105	1,510	\$1,014.49	\$1,090.79	\$76.30	7.52%
111	11,251	\$5,844.37	\$6,317.93	\$473.56	8.10%
170	52,321	\$27,893.81	\$30,359.99	\$2,466.18	8.84%

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:

Table 7

Rate Schedule	Number of Customers
101	61,354
104	9,859
105	139
111	18
170	4
163	32

In Advice Nos. O17-07-02, O17-07-03 and O17-07-04, Cascade has also filed its Non-Gas Cost Tracking Filings. The impact of all proposed changes is a net decrease. Table 8 below shows the net

impact to the Company's customers, by rate schedule, inclusive of all the Company's filings made on September 15, 2017:

<u>Rate Schedule</u>	<u>Proposed Rate Change</u>
Schedule 101	(5.66%)
Schedule 104	(6.47%)
Schedule 105	7.42%
Schedule 111	7.99%
Schedule 170	8.72%
Schedule 163	(.92%)

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 supporting the per therm gas cost change consistent with the procedure described in PGA Rate Schedule No. 177. Exhibit 2 contains summary information on the proposed impacts the filings will have on the Company's rates and revenues, and the various rate schedules. Exhibit 3 contains a summary of the proposed changes to the Company's revenues.

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.

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

Cascade Natural Gas Corporation

CERTIFICATE OF SERVICE

I hereby certify that I have this day served by electronic mail the foregoing notice of Cascade's Purchase Gas Adjustment Filing upon all parties of record in UG-305, which is the Company's most recent general rate case.

Citizens' Utility Board dockets@oregoncub.org	Michael Goetz Citizens' Utility Board mike@oregoncub.org
Tommy A Brooks Cable Huston Benedict Haagenesen & Lloyd tbrooks@cablehuston.com	Chad M Stokes Cable Huston Benedict Haagenesen & Lloyd cstokes@cablehuston.com
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Dated this 15th day of September 2017.



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**SCHEDULE 177
PURCHASED GAS COST ADJUSTMENT PROVISION**

DEFINITIONS (continued)

1. Capacity Release Benefits: This component includes revenues associated with pipeline capacity releases. The benefits to customers, through the monthly PGA deferrals, shall be 100% of the capacity release revenues up to the full pipeline rate, and 80% of the capacity release revenues in excess of full pipeline rates. Capacity release revenues shall be quantified on a transaction-by-transaction basis.

2. Estimated Weighted Average Cost of Gas (WACOG): The estimated WACOG for the period November 1st through October 31st is calculated by the following formula: (Forecasted Purchases at Adjusted Contract Prices) divided by (forecasted sales volumes). This WACOG does not include any revenue sensitive factors.
 - a. Forecasted Purchases means this year’s forecasted sales volumes plus a percentage for distribution system LUGF and pipeline fuel in kind.
 - b. Distribution system embedded LUGF means the 5-year average of actual distribution system LUGF, not to exceed 2%.
 - c. Adjusted contract prices means actual and projected contract prices that are adjusted by each associated Canadian pipeline’s published (closest to August 1) fuel use and line loss amount provided for by tariff, and by each associated U.S. pipeline’s tariffed rate.

3. Estimated Non-Commodity Cost: 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.

4. 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:

	Cost of Gas Per Therm	Revenue Sensitive Costs	Cost of Gas Per Therm Rate	
WACOG	\$0.228960	2.94%	\$0.235890	(R)
Non-Commodity Cost	\$0.165700	2.94%	\$0.170710	(I)
TOTAL	\$0.394660	2.94%	\$0.406600	(R)

10. Actual Monthly Calendar Sales Volumes: Actual billed sales therms, adjusted for estimated unbilled therms, for firm and interruptible sales schedules.

(continued)

**SCHEDULE NO. 191
TEMPORARY GAS COST RATE ADJUSTMENT**

APPLICABLE

The temporary rate applies to Schedules 101, 104, 105, 111, 112, 126, and 170.

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	Amount	
101	(\$0.019500)	(I) — (I)
104	(\$0.019500)	
105	(\$0.019500)	
111	(\$0.019500)	
112	(\$0.019500)	
126	(\$0.019500)	
170	(\$0.019500)	

LIMITATION

This temporary rate adjustment shall remain in effect until cancelled pursuant to a Commission order.

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

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.2530.01287 (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, 2017

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

Line No.	REVISED	A	B	C	D	F	G	H	I	J	K	L	M	
		Jul. 2016	Aug. 2016	Sep. 2016	Oct. 2016	Nov. 2016	Dec. 2016	Jan. 2017	Feb. 2017	Mar. 2017	Apr. 2017	May 2017	Jun. 2017	SUM(L+M)
1	\$0.29780	\$0.29780	\$0.29780	\$0.29780	\$0.29780	\$0.25604	\$0.25604	\$0.25604	\$0.25604	\$0.25604	\$0.25604	\$0.25604	\$0.25604	
2	\$0.18436	\$0.18436	\$0.18436	\$0.18436	\$0.18436	\$0.16433	\$0.16433	\$0.16433	\$0.16433	\$0.16433	\$0.16433	\$0.16433	\$0.16433	
3														
4														
5	Annual ROC (Interest rate), per Order No. 15-412/16-477		7.4680%	7.4680%	7.2840%									
6	Deferral percentage July - October		90%	90%										
7	Deferral percentage November - June		90%	90%										
8														
9														
10														
11														
12	Oregon Calendar Month Sales	2,193,783	2,080,165	2,766,064	5,608,642	7,890,963	16,558,758	15,985,272	12,339,961	8,645,489	6,210,867	5,336,384	1,452,180	87,068,528
13	Sales volumes subject to WACOG	2,193,783	2,080,165	2,766,064	5,608,642	7,890,963	16,558,758	15,985,272	12,339,961	8,645,489	6,210,867	5,336,384	1,452,180	87,068,528
14	Sales volumes subject to Winter/Seasonal WACOG													
15	Sales volumes subject to Monthly Incremental Costs													
16	Total Sales	2,193,783	2,080,165	2,766,064	5,608,642	7,890,963	16,558,758	15,985,272	12,339,961	8,645,489	6,210,867	5,336,384	1,452,180	87,068,528
17	Commodity collections at WACOG	\$653,309	\$619,473	\$823,734	\$1,670,254	\$2,024,953	\$4,239,704	\$4,092,869	\$3,159,524	\$2,213,591	\$1,590,230	\$1,366,328	\$371,816	22,825,785
18	Commodity collections at Winter/Seasonal WACOG													
19	Commodity collections at Monthly Incremental Costs													
20	Total Commodity collections	\$653,309	\$619,473	\$823,734	\$1,670,254	\$2,024,953	\$4,239,704	\$4,092,869	\$3,159,524	\$2,213,591	\$1,590,230	\$1,366,328	\$371,816	22,825,785
21	Demand collections at other rates (interruptible rates & MDDV based)	\$404,446	\$383,499	\$509,952	\$1,034,009	\$1,298,905	\$2,721,101	\$2,626,860	\$2,027,826	\$1,420,713	\$1,020,632	\$876,928	\$238,637	14,563,507
22	Total Demand collections	\$404,446	\$383,499	\$509,952	\$1,034,009	\$1,298,905	\$2,721,101	\$2,626,860	\$2,027,826	\$1,420,713	\$1,020,632	\$876,928	\$238,637	14,563,507
23														
24														
25														
26														
27														
28														
29														
30	Actual Commodity Cost (w/true ups, net of storage injections, bookouts, etc.)	\$ 486,480	\$ 493,791	\$ 625,652	\$ 1,364,571	\$ 2,134,073	\$ 4,850,808	\$ 5,146,837	\$ 3,340,499	\$ 2,252,187	\$ 1,604,778	\$ 1,482,415	\$ 557,906	24,339,997
31	Total Commodity billed (line 22)	\$653,309	\$619,473	\$823,734	\$1,670,254	\$2,024,953	\$4,239,704	\$4,092,869	\$3,159,524	\$2,213,591	\$1,590,230	\$1,366,328	\$371,816	22,825,785
32	Cost versus collection	(\$166,828.70)	(\$125,682)	(\$198,082)	(\$305,683)	(\$109,119.78)	\$611,104	\$1,053,968	\$180,975	\$38,596	\$14,548	\$116,087	\$186,090	\$1,514,212
33	Customer share (line 31 * applicable deferral percentage)	(\$150,146)	(\$113,114)	(\$178,274)	(\$275,114)	\$98,208	\$549,994	\$948,571	\$162,878	\$34,736	\$13,093	\$104,479	\$167,481	\$1,362,791
34	Storage Adjustment	\$0												
35	Other Adjustment													
36	Total Commodity deferral	(\$150,146)	(\$113,114)	(\$178,274)	(\$275,114)	\$98,208	\$549,994	\$948,571	\$162,878	\$34,736	\$13,093	\$104,479	\$167,481	\$1,362,791
37	Commodity deferral Beginning Balance	(\$4,127,074)	(\$4,303,450)	(\$4,444,556)	(\$4,651,819)	(\$724,518)	(\$631,532)	(\$85,544)	\$862,484	\$1,030,303	\$1,071,231	\$1,090,683	\$1,201,909	\$1,376,585
38	Interest	(\$26,177)	(\$27,295)	(\$27,281)	(\$29,505)	(\$4,447)	(\$4,006)	(\$543)	\$4,941	\$6,374	\$6,413	\$6,747	\$7,196	(\$87,582)
39	Account adjustment (balance transfers and other)	(\$54)	(\$697)	(\$1,708)	(\$4,231,921)	(\$775)	(\$85,544)	(\$543)	\$4,941	(\$181,751)	(\$4,451)	\$6,747	\$7,196	(\$4,228,450)
40	Commodity deferral Ending Balance (June balance to rate calc sheet)	(\$4,303,450)	(\$4,444,556)	(\$4,651,819)	(\$724,518)	(\$631,532)	(\$85,544)	\$862,484	\$1,030,303	\$1,071,231	\$1,090,683	\$1,201,909	\$1,376,585	\$1,376,585
41														
42														
43														
44	Actual Demand Cost (w/true-ups) minus Storage Mitigation	\$ 730,916	\$ 734,312	\$ 697,555.20	\$ 720,417.86	\$ 1,124,987.20	\$ 1,152,355.88	\$ 1,154,708.01	\$ 1,078,797.40	\$ 1,158,993.94	\$ 1,092,769.00	\$ 637,626.80	\$ 628,803.74	\$10,912,253
45	Total Demand billed (line 26)	\$404,446	\$383,499.22	\$509,952	\$1,034,009	\$1,298,905	\$2,721,101	\$2,626,860	\$2,027,826	\$1,420,713	\$1,020,632	\$876,928	\$238,637	\$14,563,507
46	Cost versus collection	\$326,470	\$350,813	\$187,614	(\$313,591)	(\$173,918)	(\$1,568,745)	(\$1,472,152)	(\$949,028)	(\$261,719)	\$72,137	(\$239,301)	\$390,167	(\$3,651,254)
47	Other Adjustment													
48	Total Demand deferral	\$326,470	\$350,813	\$187,614	(\$313,591)	(\$173,918)	(\$1,568,745)	(\$1,472,152)	(\$949,028)	(\$261,719)	\$72,137	(\$239,301)	\$390,167	(\$3,651,254)
49														
50	Demand deferral Beginning Balance	(\$1,912,088)	(\$1,597,746)	(\$1,257,067)	(\$1,077,169)	\$563,071	\$392,610	(\$1,173,645)	(\$2,653,241)	(\$3,617,469)	(\$3,901,568)	(\$3,852,789)	(\$4,115,925)	(\$3,750,999)
51	Interest	(\$12,128)	(\$10,134)	(\$7,716)	(\$6,832)	\$3,456	\$2,490	(\$7,444)	(\$15,200)	(\$22,379)	(\$23,358)	(\$23,835)	(\$24,641)	(\$147,721)
52	Account adjustment (balance transfers and other)													
53	Demand deferral Ending Balance (June balance to rate calc sheet)	(\$1,597,746)	(\$1,257,067)	(\$1,077,169)	\$563,071	\$392,610	(\$1,173,645)	(\$2,653,241)	(\$3,617,469)	(\$3,901,568)	(\$3,852,789)	(\$4,115,925)	(\$4,750,999)	(\$1,960,664)

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

Line No.	Jul-16 A	Aug-16 B	Sep-16 C	Oct-16 D	Nov-16 E	Dec-16 F	Jan-17 G	Feb-17 H	Mar-17 I	Apr-17 J	May-17 K	Jun-17 L	SUM (A-L) M
1					BLEND RATE	\$0.08385	\$0.08385	\$0.08385	\$0.08385	\$0.08385	\$0.08385	\$0.08385	\$0.08385
2					2.200%	2.200%	2.200%	2.200%	2.200%	2.200%	2.200%	2.200%	2.200%
3					Current prior amortization rate, \$/therm (source: deferral sheets)								
4					Interest Rate, %, Re: authorizing order								
5					Ending balance, 6/30/2017, \$ NA								
6													
7													
8													
9					Commodity therms	10,829,084	17,619,193	13,908,062	12,027,100	7,120,759	6,088,836	3,617,050	71,210,084
10					Amortization amount, (ln. 9 * ln. 1), \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11					Interest amount, \$, (ln.11 * ln.3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12					Other adjustments (switchers' amortization, balance transfers, etc.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13						10,829,084	17,619,193	13,908,062	12,027,100	7,120,759	6,088,836	3,617,050	71,210,084
14						908,019	1,477,369	1,166,191	1,008,472	597,076	510,549	303,290	5,970,966
15						(11,325)	(9,649)	(6,239)	(4,740)	(2,772)	(1,754)	(777)	(37,255)
16						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17					Commodity amortization balance, \$	\$ (6,060,942)	\$ (3,696,528)	\$ (2,536,575)	\$ (1,532,843)	\$ (938,539)	\$ (429,743)	\$ (127,231)	\$ (127,231)
18					Demand therms (for nwn, Firm)								
19					Demand therms - Interruptible (for nwn)								
20					Amortization amount, (ln. 19 * ln. 1, col. D)+(line 21 * line 1, col.E), \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21					Interest amount, \$, (ln. 21 * ln. 3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22					Other adjustments (switchers' amortization, balance transfers, etc.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23					Demand amortization balance, \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24													
25													
26													
27													
28													
29													

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

REVISED

Ln No.	Account Description (a)	Order (b)	Class (c)	New or Residual (d)	Account Balance 6/30/2017 (e)	Estimated Thru 10/31/17 Interest Accruals (f)	Amortizations & Deferrals (g)	Interest Accruals Thru Amortization (h)	Balance for Amortization (i)	Forecasted Therms (j)	Increment (k)	TEMPORARY INCREMENT Firm (l)	Interruptible (m)
1	Current Commodity and Demand Deferrals	16-386	Core	New	\$1,376,585	\$34,102		\$13,606	\$ 1,424,293				
2	Commodity Cost Deferrals (47OR.2530.01272) (See Commodity Cost Deferral)	16-386	Core	Residual	(\$127,231)	\$1,204	\$1,071,142	\$9,116	\$ 954,230	79,336,658	0,029980	0,029980	0,029980
3	Prior gas cost amortization to be included in increment (47OR.2530.01283) (See GC Consolidated Deferral)				\$1,249,355	\$35,306	\$1,071,142	\$22,721	\$2,378,523				
3	Subtotal									79,336,658	0,029980	0,029980	0,029980
4	Demand Cost Deferrals (47OR.2530.01273) (See Demand Cost Deferral)	16-386	Core	New	(\$3,750,399)	(\$92,908)		(\$37,068)	\$ (3,880,376)	79,336,658	(0,048910)	(0,048910)	(0,048910)
5	SUBTOTAL AMORTIZATION RATES BEFORE REVENUE SENSITIVE COSTS											(\$0,018930)	(\$0,018930)
6	REVENUE REQUIREMENT BEFORE REVENUE SENSITIVE COSTS							\$ (14,347)	\$ (1,501,852)				
7	REVENUE SENSITIVE COST PERCENTAGES:											2.940%	2.940%
8	REVENUE REQUIREMENT AFTER REVENUE SENSITIVE COSTS								\$ (1,547,344)				
9	PROPOSED AMORTIZATION RATE INCLUDING REVENUE SENSITIVE COSTS												
10	NEW WACOG - Commodity (from sch. 4)												\$ 0.235980
11	NEW Demand Rates (from sch. 5)												\$ 0.170710
12	NEW Delivered WACOG (Gas only) rate												\$ 0.406600
13	Total Gas Cost Rate												\$ 0.375726

State:	Oregon
Description:	Core Market Commodity Costs
Account number:	47OR.2530.01272
Class of Customers:	Core
Deferral Period:	7/1/2016 to 6/30/2017
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.

REVISED

<i>Debit (Credit)</i>								
Month/Year	Rate	Therms	Deferral	Amortization	Interest Rate	Interest	Adjustments	Deferred Balance
Balance Forward								(4,127,073.82)
Jul-16			(150,145.83)		0.07468	(26,176.73)	(53.77)	(4,303,450.17)
Aug-16			(113,113.75)		0.07468	(27,295.43)	(697.00)	(4,444,556.36)
Sep-16			(178,273.56)		0.07468	(27,281.05)	(1,707.65)	(4,651,818.62)
Oct-16			(275,114.50)		0.07468	(29,505.02)	4,231,920.56	(724,517.59)
Nov-16			98,207.80		0.07468	(4,447.15)	(775.49)	(631,532.42)
Dec-16			549,993.55		0.07468	(4,005.61)		(85,544.49)
Jan-17			948,571.31		0.07468	(542.58)		862,484.25
Feb-17			162,877.66		0.07468	4,941.07		1,030,302.96
Mar-17			34,735.97		0.07284	6,373.88	(181.75)	1,071,231.07
Apr-17			13,092.88		0.07284	6,413.30	(54.45)	1,090,682.80
May-17			104,478.51		0.07284	6,747.41		1,201,908.73
Jun-17			167,481.02		0.07284	7,195.65		1,376,585.40
Jul-17 est.			0.00		0.07284	8,516.12		1,385,101.52
Aug-17 est.			0.00		0.07284	8,568.81		1,393,670.33
Sep-17 est.			0.00		0.07284	8,343.69		1,402,014.02
Oct-17 est.					0.07284	8,673.43		1,410,687.46
Nov-17 est.		9,270,059		(166,421)	0.02380	2,759.54		1,247,026.02
Dec-17 est.		13,086,991		(234,945)	0.02380	2,520.70		1,014,602.18
Jan-18 est.		12,174,954		(218,571)	0.02380	2,050.89		798,081.89
Feb-18 est.		9,989,188		(179,331)	0.02380	1,457.10		620,207.84
Mar-18 est.		8,650,656		(155,301)	0.02380	1,253.67		466,160.39
Apr-18 est.		6,023,020		(108,128)	0.02380	911.89		358,943.86
May-18 est.		4,184,322		(75,119)	0.02380	725.56		284,550.26
Jun-18 est.		2,810,658		(50,458)	0.02380	556.63		234,648.48
Jul-18 est.		2,266,866		(40,696)	0.02380	474.31		194,426.82
Aug-18 est.		2,312,164		(41,509)	0.02380	393.01		153,310.65
Sep-18 est.		2,969,666		(53,313)	0.02380	299.90		100,297.55
Oct-18 est.		5,598,114		(100,500)	0.02380	202.74		0.00

Therms Nov-Oct 2018	79,336,658	Balance at end of Amort Period:	0.00
Development of Amortization Rate		Amort Rate to Achieve This:	(0.01795)

June 30, 2017 Balance	1,376,585.40
Interest through Oct 31, 2017	34,102.06
Interest During Amortization Period (Nov 1, 2017 through Oct 31, 2018)	13,605.92
Balance to Amortize	1,424,293.38
	(0.01795)

State: Oregon
 Description: OR 11/01/16 Consolidated Accounts: Gas Cost Related PGA Temporary Rate Increments
 Account number: 47OR.2530.01287
 Class of Customers: Core
 Deferral Period:
 Deferral Account Order:
 Amortization Period: 11/1/2016 through 10/31/2017
 Narrative: This records the consolidated deferral accounts corresponding to the temporary technical adjustments included in the PGA tracker effective 11/1/2015 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
							(4,231,920.56)	
							(1,960,664.13)	
							487.69	
							(77,337.79)	
								(6,269,434.79)
Nov-16	Prorated	5,293,244		219,829.68	0.02200	(11,336.51)		(6,060,941.62)
Dec-16	0.08385	10,829,084		908,018.70	0.02200	(11,324.83)		(5,164,247.76)
Jan-17	0.08385	17,619,193		1,477,369.33	0.02200	(9,649.36)		(3,696,527.79)
Feb-17	0.08385	13,908,062		1,166,191.00	0.02200	(6,238.52)		(2,536,575.31)
Mar-17	0.08385	12,027,100		1,008,472.33	0.02200	(4,739.57)		(1,532,842.55)
Apr-17	0.08385	7,120,759		597,075.64	0.02200	(2,771.72)		(938,538.63)
May-17	0.08385	6,088,836		510,548.90	0.02200	(1,753.65)		(429,743.38)
Jun-17	0.08385	3,617,050		303,289.64	0.02200	(777.07)		(127,230.81)
Jul-17 est.	0.08385	2,165,698		181,593.78	0.02200	(237.73)		54,125.23
Aug-17 est.	0.08385	2,251,946		188,825.67	0.02200	101.13		243,052.04
Sep-17 est.	0.08385	2,845,002		238,553.42	0.02200	439.49		482,044.95
Oct-17 est.	0.08385	5,511,852		462,168.79	0.02200	900.70		945,114.44
Nov-17 est.	(0.01203)	9,270,059		(111,496.61)	0.02380	1,848.80		835,466.63
Dec-17 est.	(0.01203)	13,086,991		(157,405.15)	0.02380	1,688.79		679,750.26
Jan-18 est.	(0.01203)	12,174,954		(146,435.53)	0.02380	1,374.03		534,688.75
Feb-18 est.	(0.01203)	9,989,188		(120,146.00)	0.02380	976.21		415,518.96
Mar-18 est.	(0.01203)	8,650,656		(104,046.67)	0.02380	839.92		312,312.21
Apr-18 est.	(0.01203)	6,023,020		(72,442.50)	0.02380	610.93		240,480.64
May-18 est.	(0.01203)	4,184,322		(50,327.37)	0.02380	486.10		190,639.37
Jun-18 est.	(0.01203)	2,810,658		(33,805.48)	0.02380	372.92		157,206.81
Jul-18 est.	(0.01203)	2,266,866		(27,264.97)	0.02380	317.77		130,259.61
Aug-18 est.	(0.01203)	2,312,164		(27,809.79)	0.02380	263.30		102,713.12
Sep-18 est.	(0.01203)	2,969,666		(35,717.97)	0.02380	200.92		67,196.07
Oct-18 est.	(0.01203)	5,598,114		(67,331.90)	0.02380	135.83		0.00

2017/18 PGA Year Therms 79,336,658
 Balance at end of Amort Period: 0.00
 Amort Rate to Achieve This: (0.01203)

Development of Amortization Rate

June 30, 2017 Balance	(127,230.81)
Interest through Oct 31, 2017	1,203.59
Amortizations through Oct 31, 2017	1,071,141.66
Interest During Amortization Period (Nov 1, 2017 through Oct 31, 2018)	9,115.52
Balance to Amortize	954,229.96
	(0.01203)

State:	Oregon
Description:	Core Market Demand & Gas Storage Mitigation Costs
Account number:	47OR.2530.01273
Class of Customers:	Core
Deferral Period:	7/1/2016 to 6/30/2017
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	REVISED	Deferral	Amortization	Debit (Credit)		Adjustments	Deferred Balance
		Therms			Interest Rate	Interest		
Balance Forward								(1,912,088.25)
Jul-16			326,469.72		0.07468	(12,127.77)		(1,597,746.31)
Aug-16			350,813.16		0.07468	(10,134.00)		(1,257,067.15)
Sep-16			187,613.64		0.07468	(7,715.98)		(1,077,169.50)
Oct-16			(313,591.38)		0.07468	(6,832.15)	1,960,664.13	563,071.12
Nov-16			(173,917.68)		0.07468	3,456.18		392,609.62
Dec-16			(1,568,744.81)		0.07468	2,490.20		(1,173,644.99)
Jan-17			(1,472,151.74)		0.07468	(7,444.06)		(2,653,240.79)
Feb-17			(949,028.39)		0.07468	(15,200.09)		(3,617,469.27)
Mar-17			(261,719.27)		0.07284	(22,379.15)		(3,901,567.69)
Apr-17			72,137.23		0.07284	(23,358.10)		(3,852,788.58)
May-17			(239,301.18)		0.07284	(23,834.93)		(4,115,924.69)
Jun-17			390,167.00		0.07284	(24,641.42)		(3,750,399.11)
Jul-17 est.					0.07284	(23,201.51)		(3,773,600.62)
Aug-17 est.					0.07284	(23,345.04)		(3,796,945.66)
Sep-17 est.					0.07284	(22,731.74)		(3,819,677.40)
Oct-17 est.					0.07284	(23,630.09)		(3,843,307.50)
Nov-17 est.		9,270,059		453,400.90	0.02380	(7,518.14)		(3,397,424.74)
Dec-17 est.		13,086,991		640,088.00	0.02380	(6,867.45)		(2,764,204.19)
Jan-18 est.		12,174,954		595,480.04	0.02380	(5,587.48)		(2,174,311.63)
Feb-18 est.		9,989,188		488,573.68	0.02380	(3,969.76)		(1,689,707.70)
Mar-18 est.		8,650,656		423,105.75	0.02380	(3,415.52)		(1,270,017.47)
Apr-18 est.		6,023,020		294,587.41	0.02380	(2,484.36)		(977,914.42)
May-18 est.		4,184,322		204,656.23	0.02380	(1,976.73)		(775,234.91)
Jun-18 est.		2,810,658		137,469.99	0.02380	(1,516.49)		(639,281.41)
Jul-18 est.		2,266,866		110,872.98	0.02380	(1,292.22)		(529,700.67)
Aug-18 est.		2,312,164		113,088.52	0.02380	(1,070.72)		(417,682.87)
Sep-18 est.		2,969,666		145,247.11	0.02380	(817.06)		(273,252.82)
Oct-18 est.		5,598,114		273,805.16	0.02380	(552.35)		(0.00)
2017/18 PGA Year Therms		79,336,658						(0.00)
								0.04891
Development of Amortization Rate								
June 30, 2017 Balance							(3,750,399.11)	
Interest through Oct 31, 2017							(92,908.39)	
Interest During Amortization Period (Nov 1, 2017 through Oct 31, 2018)							(37,068.28)	
							(3,880,375.77)	
							0.04891	

REVISED
SYSTEM COSTS

(a)	(b)	(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	
3														
4	COSTS													
5	Supply Commodity Cost	\$2,070,809	\$3,000,713	\$2,762,161	\$2,387,572	\$2,014,194	\$1,185,200	\$794,664	\$551,913	\$446,471	\$457,372	\$599,772	\$1,149,551	\$17,420,393
6	tab Supply All Schedule & Cost, row 912, columns G to S													
7	Volumetric Pipeline Chgs	\$62,400.28	\$64,342.82	\$64,053.20	\$61,957.12	\$61,871.52	\$59,964.05	\$2,317.71	\$1,845.85	\$1,705.53	\$1,720.14	\$1,886.45	\$3,082.93	\$387,147.61
8	tab OK Pipeline Comm Costs by Month, row 30 D to O													
9	Commodity Cost from Storage	\$31,288	\$87,931	\$171,185	\$48,965	\$17,676	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$357,045
10	tab Storage Cost and Flow, row 88, column e through p													
11	Other Costs & Miscellaneous Changes													
12														
13	Total Commodity Cost	\$2,164,497	\$3,152,987	\$2,997,399	\$2,498,495	\$2,093,742	\$1,245,164	\$796,982	\$553,759	\$448,177	\$459,092	\$601,658	\$1,152,634	\$18,164,586
14														
15	VOLUMES													
16	Pipeline Commodity at Receipt Points	9,316,677	13,152,823	12,236,859	10,039,453	8,693,565	6,051,885	4,204,107	2,894,569	2,278,480	2,323,968	2,984,521	5,625,767	79,732,674
17	Pipeline Fuel Use	(31,622)	(44,662)	(42,210)	(34,106)	(28,916)	(19,122)	(13,016)	(9,365)	(7,947)	(8,063)	(10,051)	(18,597)	(267,677)
18	Total Pipeline Gas Arriving at City Gate	9,285,055	13,108,161	12,194,649	10,005,347	8,664,649	6,032,763	4,191,091	2,815,204	2,270,533	2,315,905	2,974,470	5,607,170	79,464,997
19	Storage Gas Deliveries													
20	Total Gas At Citygate (Storage and Pipeline)	9,285,055	13,108,161	12,194,649	10,005,347	8,664,649	6,032,763	4,191,091	2,815,204	2,270,533	2,315,905	2,974,470	5,607,170	79,464,997
21														
22	Unaccounted for Gas	(14,996)	(21,170)	(19,695)	(16,159)	(13,993)	(9,743)	(6,769)	(4,546)	(3,667)	(3,741)	(4,804)	(9,056)	(128,339)
23														
24	Load Served	9,270,059	13,086,991	12,174,954	9,989,188	8,650,656	6,023,020	4,184,322	2,810,658	2,266,866	2,312,164	2,969,666	5,598,114	79,336,658
25														
26	Annual Sales WACOG													\$0.228956
27														\$0.235890
28	OREGON Sales WACOG with Revenue Sensitive													

Cascade Natural Gas Corporation
 2017-2018 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		\$52,652,809	
5	Oregon Allocation Factor (Based on Peak Day)		21.19%	
6	Oregon Allocated Demand Costs		\$11,156,603	
7	Ruby Demand for Allocation		\$2,025,000	
8	Oregon Allocation Factor (Based Non-NWP Allocation)		87.74%	
9	Oregon Ruby Allocated System Demand		\$1,776,693	
10	Plus Demand Costs -Central Oregon		\$1,606,262	
11	Less Oregon Capacity Release Credits		(\$1,393,851)	
12	OREGON DEMAND COSTS		\$13,145,707	\$ 13,543,898
13				
14	Oregon Sales Forecasted Normal Volumes		79,336,658	79,336,658
15				
16	Proposed Demand Increment Per Therm (line 12/line 14)		\$0.165700	\$0.170710
17				
18	Current Firm Demand Per Therm		\$0.16433	\$0.168740
19				
20	Percent Change in Firm Demand		0.83%	1.17%
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	2,021,377	877,716	2,899,093
27	Less Central Oregon		595,212	
28	Peak Day Capacity	2,021,377	282,503.87	2,303,881
29	Allocation Factor	87.74%	12.26%	100.00%

Cascade Natural Gas Corporation
2017-2018 PGA - OREGON
Summary of Rate and Revenue Impact

REVISED

	(a)	(b)	Without Revenue Sensitive (c)	With Revenue Sensitive (d)
	PROPOSED PER THERM RATE CHANGES			
1	Proposed Commodity WACOG		0.228960	0.235890
2	Current Commodity WACOG		0.256040	0.262920
3	Proposed Rate Change-Commodity WACOG		(0.027080)	(0.027030)
4				
5	Proposed Firm Demand Per Therm		0.165700	0.170710
6	Current Firm Demand Per Therm		0.164330	0.168740
7	Proposed Rate Change-Firm Demand WACOG		0.001370	0.001970
8				
9	Proposed Temporary Rate Increment		(0.018930)	(0.019500)
	Current Temporary Rate Increment		(0.083850)	(0.086110)
	Proposed Rate Change-Temporary Rate Increment		0.064920	0.066610
10				
11	TOTAL PROPOSED PGA RATE CHANGE			0.041550
12				
13	Oregon Forecasted Therm Sales		79,336,658	
14				
15	REVENUE IMPACT			
16				
17	Commodity Cost Change			(2,144,470)
18	Demand Cost Change			156,293
19				
20	Amortization of Commodity and Demand Cost Differences			5,284,614.79
21				
22	Total Revenue Impact Due to PGA Filing			3,296,438
23				
24	Operating Revenues for 12 Month Period Ending 12/31/16			63,881,403
25				
26	PERCENTAGE CHANGE IN REVENUES DUE TO PGA FILING			5.16%

Before the
OREGON PUBLIC UTILITY COMMISSION

EXHIBIT 2

Summary of Proposed Changes

Summary of Total Proposed Rates (Schedule 1 of 2)
Total Proposed Rates Impact on Average Bill by Rate Schedule (Schedule 2 of 2)

Cascade Natural Gas Corporation

September 15, 2017

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

REVISED

Ln No.	Customer Class (a)	Schedule (b)	Block (c)	Current 3/1/2017 Rate (d)	Total Proposed Changes				Proposed 11/1/2017 Rate (j) = d + i
					PGA Base Gas Cost (e)	CAP Baseline Adj (f)	Non Gas Cost Temporary Rate Adj Remove 16 (g)	Add New (h)	
CORE MARKET SERVICE									
1	Residential	101		\$0.728234	\$0.04155		(\$0.01810)	(\$0.06463)	\$0.687054
2	Commercial	104		\$0.624884	\$0.04155		(\$0.01619)	(\$0.06575)	\$0.584494
3	Com-Ind Dual	111		\$0.513294	\$0.04155		(\$0.00131)	\$0.00073	\$0.554264
4	Industrial Firm	105		\$0.552944	\$0.04155		(\$0.00131)	\$0.00073	\$0.593914
5	Industrial interruptible	170		\$0.470464	\$0.04155		(\$0.00131)	\$0.00073	\$0.511434
NONCORE MARKET SERVICE									
6	Distribution Transportation	163	First 10,000	\$0.125844	\$0.00000		(\$0.00131)	\$0.00073	\$0.125264
7	Distribution Transportation	163	Next 10,000	\$0.113704	\$0.00000		(\$0.00131)	\$0.00073	\$0.113124
8	Distribution Transportation	163	Next 30,000	\$0.106944	\$0.00000		(\$0.00131)	\$0.00073	\$0.106364
9	Distribution Transportation	163	Next 50,000	\$0.066384	\$0.00000		(\$0.00131)	\$0.00073	\$0.065804
10	Distribution Transportation	163	Next 400,000	\$0.034574	\$0.00000		(\$0.00131)	\$0.00073	\$0.033994
11	Distribution Transportation	163	Over 500,000	\$0.019374	\$0.00000		(\$0.00131)	\$0.00073	\$0.018794

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

REVISED

Ln No.	Customer Class (a)	Schedule (b)	Therms in Block (c)	Normalized Volumes (d)	Average Customers (e)	Therms Per Month (f)	Monthly Charge (g)	Current 3/1/2017 Rate (h)	Current Avg Bill (i)	Total Proposed 11/1/2017 Rate (j)	Total Proposed Avg Bill (k)	Monthly Change in Avg Bill (l)	Proposed Rates % Change (m)
						= d / e			= g + (f * h)			= (k) - (i)	= (m) / (l)
CORE MARKET SERVICE													
1	Residential	101		44,031,060	61,354	60	\$4.00	\$0.728234	\$47,69	\$0.687054	\$45.22	(\$2.47)	-5.18%
2	Commercial	104		30,112,857	9,859	255	\$4.00	\$0.624884	\$163.35	\$0.584494	\$153.05	(\$10.30)	-6.31%
3	Com-Ind Dual	111		2,459,420	18	11,386	\$0.00	\$0.513294	\$5,844.37	\$0.554264	\$6,310.85	\$466.48	7.98%
4	Industrial Firm	105		3,023,521	139	1,813	\$12.00	\$0.552944	\$1,014.49	\$0.599914	\$1,088.77	\$74.28	7.32%
5	Industrial Interruptible	170		2,845,912	4	59,290	\$0.00	\$0.470464	\$27,893.81	\$0.511434	\$30,322.92	\$2,429.11	8.71%
NONCORE MARKET SERVICE													
6	Distribution Transportation	163	10,000	3,345,238	32		\$500.00	\$0.125844	\$1,758.44	\$0.125264	\$1,752.64		
7	Distribution Transportation	163	10,000	2,610,063				\$0.113704	\$1,137.04	\$0.113124	\$1,131.24		
8	Distribution Transportation	163	30,000	4,863,706				\$0.106944	\$3,208.32	\$0.106364	\$3,190.92		
9	Distribution Transportation	163	50,000	4,748,472				\$0.066384	\$2,540.12	\$0.065804	\$2,517.92		
	Distribution Transportation	163	400,000	16,567,848				\$0.034574		\$0.033994			
	Distribution Transportation	163	Over 500,000	1,757,998				\$0.019374	\$8,643.92	\$0.018794	\$8,592.72	(\$51.19)	-0.59%
11	Total			33,893,325		88,264							

**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, 2017

**Cascade Natural Gas
2017 PGA
Incremental Revenue Change by Customer Rate Schedule
Attachment A**

REVISED						
Customer Rate Schedule	Description	Gas Cost & Adjustment Schedule Total Revenue at Current ¹	Gas Cost & Adjustment Schedule Total Revenue at Proposed	Total Incremental Change in Revenue	Incremental Percentage Change by Rate Schedule	Percent Contribution to Total Incremental Change
101	Residential	30,813,996	29,070,303	(1,743,693)	-5.66%	67.10%
104	Commercial	18,040,980	16,873,923	(1,167,057)	-6.47%	44.91%
105	Industrial	1,609,820	1,729,210	119,389	7.42%	-4.59%
111	Large Volume	1,191,800	1,287,022	95,222	7.99%	-3.66%
112	Compressed Natural Gas					0.00%
126	Emergency Institution					0.00%
170	Interruptible	1,344,290	1,461,484	117,194	8.72%	-4.51%
163	Transportation	2,142,575	2,122,916	(19,658)	-0.92%	0.76%
		55,143,461	52,544,859	(2,598,602)	-4.71%	100.00%

Notes:

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 Tariff No. Margin (Base Rate) Adjustment Tariff No. Adjustment Tariff No. Adjustment Tariff No.
 177-A PGA Gas Costs 101/104/105/111/112/126
 WACOG /170/163

REVISED

2017-2018

Customer Schedule No.	Rate Class Type	Block	Current Rate	Proposed Rate	Current Rate	Proposed Rate	191 Temporary Gas Current Rate	Proposed Rate	192 Intervenor Current Rate	Proposed Rate	193 Conservation Current Rate	Proposed Rate	Forecast Therms	Revenue at Current	Revenue at Proposed	Change in Revenue	% Change
101	Residential		\$ 0.43166	0.40660	\$ 0.36407	0.36407	\$ (0.08611)	(0.01950)	\$0.00191	0.00112	\$ 0.01619	(0.06575)	42,343,204	\$30,813,996	\$29,070,303	(\$1,743,693)	-5.66%
104	Commercial		\$ 0.43166	0.40660	\$ 0.26263	0.26263	\$ (0.08611)	(0.01950)	\$ -	0.00000	\$ 0.01619	(0.06575)	28,894,694	\$18,040,980	\$16,873,923	(\$1,167,057)	-6.47%
105	Industrial		\$ 0.43166	0.40660	\$ 0.20557	0.20557	\$ (0.08611)	(0.01950)	\$0.00131	0.00073	\$ -	0.00000	2,914,071	\$1,609,820	\$1,729,210	\$119,389	7.42%
111	Large Volume		\$ 0.43166	0.40660	\$ 0.16592	0.16592	\$ (0.08611)	(0.01950)	\$0.00131	0.00073	\$ -	0.00000	2,324,194	\$1,191,800	\$1,287,022	\$95,222	7.99%
112	Compressed Natural Gas		\$ 0.43166	0.40660	\$ 0.22600	0.22600	\$ (0.08611)	(0.01950)	\$ -	0.00000	\$ -	0.00000	0	\$0	\$0	\$0	0.00%
126	Emergency Institution		\$ 0.43166	0.40660	\$ 0.26670	0.26670	\$ (0.08611)	(0.01950)	\$ -	0.00000	\$ -	0.00000	0	\$0	\$0	\$0	0.00%
170	Interruptible		\$ 0.43166	0.40660	\$ 0.12309	0.12309	\$ (0.08611)	(0.01950)	\$0.00131	0.00073	\$ -	0.00000	2,860,495	\$1,344,290	\$1,461,484	\$117,194	8.72%
163	Transportation	Block 1	\$ -	0.00000	\$ 0.12402	0.12402	\$ -	0.00000	\$0.00131	0.00073	\$ -	0.00000	3,345,238	\$419,259	\$417,318	(\$1,940)	-0.46%
		Block 2	\$ -	0.00000	\$ 0.11188	0.11188	\$ -	0.00000	\$0.00131	0.00073	\$ -	0.00000	2,610,063	\$295,433	\$293,919	(\$1,514)	-0.51%
		Block 3	\$ -	0.00000	\$ 0.10512	0.10512	\$ -	0.00000	\$0.00131	0.00073	\$ -	0.00000	4,863,706	\$517,644	\$514,823	(\$2,821)	-0.54%
		Block 4	\$ -	0.00000	\$ 0.06456	0.06456	\$ -	0.00000	\$0.00131	0.00073	\$ -	0.00000	4,748,472	\$312,782	\$310,028	(\$2,754)	-0.88%
		Block 5	\$ -	0.00000	\$ 0.03275	0.03275	\$ -	0.00000	\$0.00131	0.00073	\$ -	0.00000	16,567,848	\$564,301	\$554,692	(\$9,609)	-1.70%
		Block 6	\$ -	0.00000	\$ 0.01755	0.01755	\$ -	0.00000	\$0.00131	0.00073	\$ -	0.00000	1,757,998	\$33,156	\$32,136	(\$1,020)	-3.08%

**Cascade Natural Gas
2017 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	\$34,246,462	\$32,258,285	(\$1,988,177)	76.51%
191	Temporary Gas Cost Adj	(\$6,831,679)	(\$1,547,065)	\$5,284,614	-203.36%
192	Intervenor Funding	\$135,884	\$78,078	(\$57,806)	2.22%
193	CAP	\$1,153,341	(\$4,683,892)	(\$5,837,233)	224.63%
194-B	Other Residual	\$0	\$0	\$0	0.00%
	Margin	\$26,439,451	\$26,439,451	\$0	0.00%
				\$0	0.00%
				\$0	0.00%
				\$0	0.00%
	Total	\$55,143,459	\$52,544,857	(\$2,598,602)	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.

REVIS Adjustment Schedule No.

2017-2018

Advice No.	Description	Schedule		Block	Current		Proposed		Revenue at		Change in Revenue
		No.	Rate Class Type		Rate	Rate	Current	Proposed	Current	Proposed	
101	Residential				\$ 0.43166	0.40660	42,343,204	\$18,277,867	\$17,216,747	(\$1,061,120)	
104	Commercial				\$ 0.43166	0.40660	28,894,694	\$12,472,684	\$11,748,583	(\$724,101)	
105	Industrial		Revised		\$ 0.43166	0.40660	2,914,071	\$1,257,888	\$1,184,861	(\$73,027)	
111	Large Volume				\$ 0.43166	0.40660	2,324,194	\$1,003,262	\$945,017	(\$58,245)	
112	Compressed Natural Gas				\$ 0.43166	0.40660	0	\$0	\$0	\$0	
126	Emergency Institution				\$ 0.43166	0.40660	0	\$0	\$0	\$0	
170	Interruptible				\$ 0.43166	0.40660	2,860,495	\$1,234,761	\$1,163,077	(\$71,684)	
Advice 177-A							Total	\$34,246,462	\$32,258,285	(\$1,988,177)	
O17-07-01 PGA											
101	Residential				\$ (0.08611)	(0.01950)	42,343,204	(\$3,646,173)	(\$825,692)	\$2,820,481	
104	Commercial				\$ (0.08611)	(0.01950)	28,894,694	(\$2,488,122)	(\$563,447)	\$1,924,675	
105	Industrial				\$ (0.08611)	(0.01950)	2,914,071	(\$250,931)	(\$56,824)	\$194,107	
111	Large Volume				\$ (0.08611)	(0.01950)	2,324,194	(\$200,136)	(\$45,322)	\$154,814	
112	Compressed Natural Gas				\$ (0.08611)	(0.01950)	0	\$0	\$0	\$0	
126	Emergency Institution				\$ (0.08611)	(0.01950)	0	\$0	\$0	\$0	
170	Interruptible				\$ (0.08611)	(0.01950)	2,860,495	(\$246,317)	(\$55,780)	\$190,537	
Advice 191							Total	(\$6,831,679)	(\$1,547,065)	\$5,284,614	
O17-07-01 Temp Gas Cost											
101	Residential				\$ 0.00191	0.00112	42,343,204	\$80,876	\$47,424	(\$33,452)	
104	Commercial				\$ -	0.00000	28,894,694	\$0	\$0	\$0	
105	Industrial				\$ 0.00131	0.00073	2,914,071	\$3,817	\$2,127	(\$1,690)	
111	Large Volume				\$ 0.00131	0.00073	2,324,194	\$3,045	\$1,697	(\$1,348)	
112	Compressed Natural Gas				\$ -	0.00000	0	\$0	\$0	\$0	
126	Emergency Institution				\$ -	0.00000	0	\$0	\$0	\$0	
170	Interruptible				\$ 0.00131	0.00073	2,860,495	\$3,747	\$2,088	(\$1,659)	
163 Distribution				Block 1	\$ 0.00131	0.00073	3,345,238	\$4,382	\$2,442	(\$1,940)	
				Block 2	\$ 0.00131	0.00073	2,610,063	\$3,419	\$1,905	(\$1,514)	
				Block 3	\$ 0.00131	0.00073	4,863,706	\$6,371	\$3,551	(\$2,820)	
				Block 4	\$ 0.00131	0.00073	4,748,472	\$6,220	\$3,466	(\$2,754)	
				Block 5	\$ 0.00131	0.00073	16,567,848	\$21,704	\$12,095	(\$9,609)	
				Block 6	\$ 0.00131	0.00073	1,757,998	\$2,303	\$1,283	(\$1,020)	
Advice No. 192							Total	\$135,884	\$78,078	(\$57,806)	
O17-07-02 Intervenor											
101	Residential				\$ 0.01619	(0.06575)	42,343,204	\$685,536	(\$2,784,066)	(\$3,469,602)	
104	Commercial				\$ 0.01619	(0.06575)	28,894,694	\$467,805	(\$1,899,826)	(\$2,367,631)	
Advice No. 193							Total	\$1,153,341	(\$4,683,892)	(\$5,837,233)	
O17-07-03 CAP											

Adjustment
Schedule No.

2017-2018

REVISED

Advice No.	Description	Schedule No.	Rate Class Type	Block	Current		Proposed		Revenue at		Change in Revenue
					Rate	Rate	Therms	Current	Proposed	Current	
101	Residential				\$ 0.36407	0.36407	42,343,204	\$15,415,890	\$15,415,890	\$0	
104	Commercial				\$ 0.26263	0.26263	28,894,694	\$7,588,613	\$7,588,613	\$0	
105	Industrial				\$ 0.20557	0.20557	2,914,071	\$599,046	\$599,046	\$0	
111	Large Volume				\$ 0.16592	0.16592	2,324,194	\$385,630	\$385,630	\$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	2,860,495	\$352,098	\$352,098	\$0	
163	Distribution			Block 1	\$ 0.12402	0.12402	3,345,238	\$414,876	\$414,876	\$0	
				Block 2	\$ 0.11188	0.11188	2,610,063	\$292,014	\$292,014	\$0	
				Block 3	\$ 0.10512	0.10512	4,863,706	\$511,273	\$511,273	\$0	
				Block 4	\$ 0.06456	0.06456	4,748,472	\$306,561	\$306,561	\$0	
				Block 5	\$ 0.03275	0.03275	16,567,848	\$542,597	\$542,597	\$0	
				Block 6	\$ 0.01755	0.01755	1,757,998	\$30,853	\$30,853	\$0	
				Total			\$26,439,451	\$26,439,451	\$26,439,451	\$0	

Margin

Cascade Natural Gas
2017-2018 PGA
Three Percent Test
Attachment C

REVISED	Surcharge	Credit
Prior Period Gas Cost Deferral True-Up	(1,547,344)	
 <u>Non-Gas Cost Amortizations</u>		
Intervenor Funding	\$77,785	
Other Residuals		
Decoupling		(4,683,740)
		\$0
		\$0
		0
Subtotal	77,785	(4,683,740)
Total	(1,469,559)	(4,683,740)
Total Proposed Amortization		(6,153,299)
Less: Intervenor Funding ¹		\$77,785
Net Proposed Amortizations (subject to the 3% test)		(6,231,084)
Utility Gross Revenues (2016)		\$63,881,403
3% of Utility Gross Revenues²		\$1,916,442
Allowed Amortization		(6,231,084)
Allowed Amortization as % of Gross Revenues		-9.75%

¹ Intervenor Funding is excluded from the result of the 3% test pursuant to ORS 757.259(4)

² Unadjusted 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
2017-2018 PGA
Attachment D**

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	\$0.000000	\$0.000000	\$0.000000	#DIV/0!
Cascade	101	\$0.728234	\$0.687054	-\$0.041180	-5.65%
NW Natural	2	\$0.000000	\$0.000000	\$0.000000	#DIV/0!
Commercial					
Avista	420	\$0.000000	\$0.000000	\$0.000000	#DIV/0!
Cascade	104	\$0.624884	\$0.584494	-\$0.040390	-6.46%
NW Natural	3	\$0.000000	\$0.000000	\$0.000000	#DIV/0!
Industrial					
Avista	424	\$0.000000	\$0.000000	\$0.000000	#DIV/0!
Cascade	105	\$0.552944	\$0.593914	\$0.040970	7.4%
NW Natural	3IISF	\$0.000000	\$0.000000	\$0.000000	#DIV/0!
Interruptible					
Avista	440	\$0.000000	\$0.000000	\$0.000000	#DIV/0!
Cascade	170	\$0.470464	\$0.511434	\$0.040970	8.7%
NW Natural	32ISI	\$0.000000	\$0.000000	\$0.000000	#DIV/0!

RESIDENTIAL BILL IMPACTS												
Rate Schedule	Average January Therms	Customer Charge		Proposed January Bill		Change January Bill		%Change January Bill		Annual Therms/ Month		
		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	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	0	\$0.00	\$0.00	\$0.00	#DIV/0!
Cascade	114	\$4.00	\$87.02	\$82.32	-\$4.69	-\$4.69	-5.4%	60	\$47.69	\$45.22	-\$2.47	-5.2%
NW Natural	0	\$4.00	\$0.00	\$4.00	\$4.00	\$4.00	#DIV/0!	0	\$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.