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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/O16-07-01, UG _____
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 Cascade's P.U.C. OR No. 9 Tariffs containing an effective date on and after November 1, 2016:

**Eleventh Revision No. 177-A
Thirteenth Revision Sheet No. 191**

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, Purchase Gas Adjustment (PGA) Provision. The purchased gas cost proposed in this filing is due to a change 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 included 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-A Commodity

<u>Rate Schedule</u>	<u>Present</u>	<u>Proposed</u>	<u>Change</u>
101, 104, 105, 111, 170	\$0.30655	\$0.25152	(\$0.05503)

Table 2 - Schedule 177-A Demand

<u>Rate Schedule</u>	<u>Present</u>	<u>Proposed</u>	<u>Change</u>
101, 104, 105, 111, 170	\$0.18978	\$0.16574	(\$0.02404)

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	\$0.49633	\$0.41726	(\$0.07907)

Commodity Costs (Schedule 177-A)

As shown in the Table 1 above, the estimated commodity cost (WACOG) decreases (\$0.05503) per therm. The proposed WACOG is \$0.25152 per therm compared to the present WACOG of \$0.30655 per therm included in rates. The winter of 2014-2015 was significantly warmer than normal, leading to lower customer demand and reduced wholesale natural gas prices in the winter and spring. The downward pressure on wholesale prices has continued even after the winter period due to the abundance of natural gas in storage and continued high natural gas production levels.

Cascade has been hedging natural gas both on a periodic and discretionary basis throughout 2016 for the forthcoming PGA year. Approximately 31% of estimated annual load requirements for the PGA year (November 2016 through October 2017) will be hedged at a fixed price, comprised of physical volumes hedged for a term of one year or less and physical volumes from multi-year hedges entered into in prior years. Cascade will continue to execute fixed priced (hedges) physical transactions throughout the remainder of calendar year 2016, 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-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 Table 2 above, demand costs are expected to be relatively stable, with the Company proposing only a slight decrease of (0.02404) cents per therm. Excluding upcoming rate settlement discussions with Northwest Pipeline, pipeline demand rates are either expected to remain the same or become somewhat lower due to recent rate settlements with several of our Canadian pipelines (Foothills, Westcoast and Nova pipelines). In addition, certain Northwest Pipeline capacity was realigned, resulting in lower demand costs.

Amortization of Deferral Accounts (Schedule 191)

The table 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	(\$0.02361)	(\$0.08686)	(\$0.06325)

As shown in the Table above, the current overall amortization amount approved in the Company’s 2015 PGA is a refund rate of approximately \$0.024 per therm. For reasons discussed earlier in this letter, actual wholesale natural gas prices were lower than the level approved in the Company’s 2015 PGA. As a result, commodity costs collected from customers exceeded actual costs and created a refund deferral balance of approximately (\$4.7) million or \$0.087 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. As shown on Attachment C of the Company’s PGA workpapers, total gross revenues for calendar year 2015 was \$67,650,226. The total amortization revenue requested for the “Prior Period Gas Cost Deferral” as shown in Attachment C is (\$6,507,722). The resulting annual average rate impact from PGA amortization is (9.62%) 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 29, 2016, is a total amortization revenue request of \$1,097,649. The net effect of combining the results of these two filings is an overall revenue change of (\$5,410,073), an average rate impact of (8%), which falls within the requirement of the statute.

Other Information

In this filing, the Company is requesting a decrease in revenues of (\$6,508,476) or (10.98%), effective on November 1, 2016. The current amortization rates and the proposed changes, both inclusive of the gross revenue factor, are as follows:

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	\$30,480,352	-\$3,455,981	-10.18%	51	\$46.50	\$41.76	-\$4.74	-10.18%
104	Commerical	\$20,558,229	\$18,163,583	-\$2,394,646	-11.65%	217	\$164.82	\$145.62	-\$19.20	-11.65%
105	Industrial Firm	\$1,711,218	\$1,487,469	-\$223,749	-13.08%	1,510	\$1,015.09	\$882.36	-\$132.73	-13.08%
111	Com-Ind Dual	\$1,374,653	\$1,184,437	-\$190,216	-13.84%	11,251	\$7,062.48	\$6,085.22	-\$977.26	-13.84%
170	Industrial Interr	\$1,673,072	\$1,429,188	-\$243,884	-14.58%	52,321	\$31,176.51	\$26,631.90	-\$4,544.61	-14.58%

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	59,633
104	9,737
105	134
111	15
170	4
163	30

Cascade, under Advice Nos. O16-08-02, O16-08-03 and O16-08-04, 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 the Company's filings made on July 29, 2016:

<u>Rate Schedule</u>	<u>Proposed Rate Change</u>
Schedule 101	(11.18%)
Schedule 104	(15.00%)
Schedule 105	(20.99%)
Schedule 111	(22.48%)
Schedule 170	(23.68%)
Schedule 163	1.11%

The Company will issue a media release coincident with the update annual Purchased Gas Cost Adjustment 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 Public Utility Commission of Oregon 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. A proposed notice to the public is also included. 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, 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

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 current general rate case.

Citizens' Utility Board dockets@oregoncub.org	Michael Goetz Citizens' Utility Board mike@oregoncub.org
Tommy A Brooks Cable Huston Benedict Haagensen & Lloyd tbrooks@cablehuston.com	Chad M Stokes Cable Huston Benedict Haagensen & Lloyd cstokes@cablehuston.com
Stephanie S Andrus PUC Staff – Dept of Justice stephanie.andrus@state.or.us	Edward Finklea NWIGU efinklea@nwigu.org
Robert Jenks Citizens' Utility Board of Oregon bob@oregoncub.org	Marianne Gardner Public Utility Commission of Oregon marianne.gardner@state.or.us
Kaylie Klein Public Utility Commission of Oregon kaylie.klein@state.or.us	Lisa F Rackner McDowell, Rackner & Gibson PC dockets@mrg-law.com

Dated this 29th day of July 2016.


Maryalice Rosales
Rates and Regulatory Affairs
Cascade Natural Gas Corporation
8113 W Grandridge Blvd
Kennewick, WA 99336
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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:

	COST OF GAS PER THERM	REVENUE SENSITIVE COSTS	COST OF GAS PER THERM RATE	
WACOG	\$.24493	2.618%	\$.25152	(R)
Non-Commodity Cost	\$.16140	↓	\$.16574	(R)
Total	\$.40633	2.618%	\$.41726	(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/O16-07-01

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

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	(\$.08686)
Schedule 104	(\$.08686)
Schedule 105	(\$.08686)
Schedule 111	(\$.08686)
Schedule 112	(\$.08686)
Schedule 126	(\$.08686)
Schedule 170	(\$.08686)

(R)
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(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/O16-07-01

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

Gas Supply Portfolio and Related Transportation

Oregon Summary of Gas Cost Deferrals (Schedule 1 of 10)
Prior Commodity & Demand Amortization (Schedule 2 of 10)
Development of Gas Cost Related PGA Temporary Rate Increments (Schedule 3 of 10)
Core Market Commodity Cost Amortization Supporting 47OR.2530.01272 (Schedule 4 of 10)
Gas Cost Consolidated Accounts Amortization Supporting 47OR.2530.01285 (Schedule 5 of 10)
Consolidated Tech Adjustments 47OR.2540.20478 (Schedule 6 of 10)
Core Market Demand Amortization Supporting 47OR.2530.01273 (Schedule 7 of 10)
New WACOG Commodity (Schedule 8 of 10)
Derivation of Oregon per Therm Non-Commodity Charges (Schedule 9 of 10)
Summary of Rate and Revenue Impact (Schedule 10 of 10)

Cascade Natural Gas Corporation

July 29, 2016

Cascade Natural Gas
Oregon Summary of Gas Cost Deferrals

Line No.	Jul-2015	Aug-2015	Sept-2015	Oct-2015	Nov-2015	Dec-2015	Jan-2016	Feb-2016	Mar-2016	Apr-2016	May-2016	Jun-2016	SUM (A-L)
A	B	C	D	F	F	F	G	H	I	J	K	L	M
1	\$0.40130	\$0.40130	\$0.40130	\$0.29780	\$0.29780	\$0.29780	\$0.29780	\$0.29780	\$0.29780	\$0.29780	\$0.29780	\$0.29780	\$11,191,875
2	\$0.15993	\$0.15993	\$0.15993	\$0.18436	\$0.18436	\$0.18436	\$0.18436	\$0.18436	\$0.18436	\$0.18436	\$0.18436	\$0.18436	\$3,052,532
3													
4		8.7060%											
5		90%											
6		90%											
7													
8													
9													
10													
11													
12	1,953,209	1,664,115	2,605,176	3,757,829	10,181,812	13,420,904	11,430,762	9,274,827	7,690,596	4,628,670	2,912,020	2,724,851	72,244,771
13													
14	1,953,209	1,664,115	2,605,176	3,757,829	10,181,812	13,420,904	11,430,762	9,274,827	7,690,596	4,628,670	2,912,020	2,724,851	72,244,771
15													
16	1,953,209	1,664,115	2,605,176	3,757,829	10,181,812	13,420,904	11,430,762	9,274,827	7,690,596	4,628,670	2,912,020	2,724,851	72,244,771
17													
18													
19	783,823	\$667,809	\$1,045,457	\$1,508,017	\$3,128,823	\$3,996,745	\$3,404,081	\$2,762,043	\$2,250,259	\$1,378,418	\$867,200	\$811,461	22,644,136
20													
21	783,823	\$667,809	\$1,045,457	\$1,508,017	\$3,128,823	\$3,996,745	\$3,404,081	\$2,762,043	\$2,250,259	\$1,378,418	\$867,200	\$811,461	22,644,136
22													
23	\$312,377	\$266,142	\$416,646	\$600,990	\$1,854,299	\$2,474,278	\$2,107,375	\$1,709,907	\$1,417,838	\$853,342	\$536,860	\$502,354	13,052,407
24													
25	\$312,377	\$266,142	\$416,646	\$600,990	\$1,854,299	\$2,474,278	\$2,107,375	\$1,709,907	\$1,417,838	\$853,342	\$536,860	\$502,354	13,052,407
26													
27													
28													
29	\$ 681,277	\$ 514,430	\$ 877,789	\$ 1,206,607	\$ 2,562,815.62	\$ 3,574,959.79	\$ 2,857,119.41	\$ 2,269,792.99	\$ 1,634,828.04	\$ 930,845.50	\$ 470,376.15	\$ 214,442.10	\$ 18,202,323
30													
31	\$783,823	\$667,809	\$1,045,457	\$1,508,017	\$3,128,823	\$3,996,745	\$3,404,081	\$2,762,043	\$2,250,259	\$1,378,418	\$867,200	\$811,461	22,644,136
32													
33	(\$102,545.69)	(\$153,379)	(\$167,668)	(\$301,410)	(\$566,007)	(\$421,745)	(\$546,962)	(\$482,250)	(\$655,431)	(\$447,572)	(\$386,823)	(\$390,019)	(\$4,441,813)
34													
35	(\$92,291)	(\$138,942)	(\$150,901)	(\$271,269)	(\$509,406)	(\$379,571)	(\$492,265)	(\$443,025)	(\$589,888)	(\$402,815)	(\$357,141)	(\$371,017)	(\$3,997,632)
36													
37	(\$92,291)	(\$138,942)	(\$150,901)	(\$271,269)	(\$509,406)	(\$379,571)	(\$492,265)	(\$443,025)	(\$589,888)	(\$402,815)	(\$357,141)	(\$371,017)	(\$3,997,632)
38													
39	(\$1,967,726)	(\$2,074,572)	(\$2,227,958)	(\$2,394,807)	(\$657,676)	(\$1,171,790)	(\$1,560,028)	(\$2,065,941)	(\$2,573,351)	(\$3,134,932)	(\$3,560,187)	(\$3,943,662)	(\$4,142,907)
40													
41													
42													
43													
44	\$ 562,880	\$ 644,327	\$ 627,617.85	\$ 643,511.97	\$ 928,487.70	\$ 1,552,734.68	\$ 1,214,855.08	\$ 1,142,581.32	\$ 1,200,985.54	\$ 1,160,679.14	\$ 718,936.03	\$ 694,499.22	\$ 11,191,875
45													
46	\$312,377	\$266,142	\$416,646	\$600,990	\$1,854,299	\$2,474,278	\$2,107,375	\$1,709,907	\$1,417,838	\$853,342	\$536,860	\$502,354	\$3,052,532
47													
48	\$350,303	\$378,195	\$310,972	\$42,532	(\$925,811)	(\$921,543)	(\$892,520)	(\$367,346)	(\$216,853)	\$307,338	\$182,066	\$192,146	(\$1,860,532)
49													
50	\$329,458	\$692,197	\$1,065,438	\$1,284,037	\$956,823	\$78,148	(\$802,818)	(\$1,741,572)	(\$2,354,989)	(\$2,265,940)	(\$2,106,634)	(\$2,106,634)	(\$1,023,525)
51													
52	\$2,437	\$5,046	\$7,526	\$9,488	\$7,135	\$578	(\$6,234)	(\$12,051)	(\$17,167)	(\$16,760)	(\$15,057)	(\$15,057)	(\$53,218)
53	\$682,197	\$1,065,438	\$1,284,037	\$956,823	\$78,148	(\$802,818)	(\$1,741,572)	(\$2,354,989)	(\$2,265,940)	(\$2,106,634)	(\$2,106,634)	(\$2,106,634)	(\$1,923,525)

Actual Demand Cost (W/mv-us) minus Storage Mitigation

Total Demand billed (line 46)

Cost versus collection

Other Adjustment

Total Demand deferral

Demand deferral Beginning Balance

Interest

Account adjustment (balance transfers and other)

Demand deferral Ending Balance (Sept balance to rate calc sheet)

DEMAND DEFERRAL CALCULATIONS

Actual Demand Cost (W/mv-us) minus Storage Mitigation

Total Demand billed (line 46)

Cost versus collection

Other Adjustment

Total Demand deferral

Demand deferral Beginning Balance

Interest

Account adjustment (balance transfers and other)

Demand deferral Ending Balance (Sept balance to rate calc sheet)

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

Line No.	Jul-15 A	Aug-15 B	Sep-15 C	Oct-15 D	Nov-15 E	Dec-15 F	Jan-16 G	Feb-16 H	Mar-16 I	Apr-16 J	May-16 K	Jun-16 L	SUM (A:L) M
1													
2													
3													
4													
5													
6													
7													
8													
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Cascade Natural Gas
Development of Gas Cost Related PGA Temporary Rate Increments
State of Oregon

Ln No.	Account Description (a)	Class (b)	New or Residual (g)	Account Balance 6/30/2016 (e)	Estimated Thru 10/31/16 Interest Accruals & Deferrals (f)	Interest Accruals Thru Amortization (h)	Balance for Amortization (i)	Forecasted Therms (k)	Increment (l)	TEMPORARY INCREMENT Firm (m)	TEMPORARY INCREMENT Interruptible (n)
1	Commodity Cost Deferrals (47OR.2530.01272). (See Commodity Cost Deferral) UG-189 -- Consolidated Technical Adjustment--All (47OR.2540.20478)	Core	NEW	(\$4,142,907)	(\$122,931)	(\$33,364)	\$ (4,299,203)				
2	Prior gas cost amortization to be included in increment (47OR.2530.01283) (See GC Consolidated Deferral)	All	Residual	484.53	\$3	(\$377)	(42,484)				
3	Subtotal	Core	Residual	(\$316,360)	\$275,832	(\$33,741)	(\$4,341,686)	74,930,646	(0.05794)	(\$0.05794)	(\$0.05794)
4	Demand Cost Deferrals (47OR.2530.01273) (See Demand Cost Deferral)	Core	NEW	(\$4,458,783)	(\$124,507)	(\$15,550)	\$ (1,996,152)	74,930,646	(0.02664)	(\$0.02664)	(\$0.02664)
5				(\$1,923,525)	(\$57,076)						
6	SUBTOTAL AMORTIZATION RATES BEFORE REVENUE SENSITIVE COSTS										
7	REVENUE REQUIREMENT BEFORE REVENUE SENSITIVE COSTS						\$ (6,337,350)				
8	REVENUE SENSITIVE COST PERCENTAGES:						2.618%			2.618%	
9	REVENUE REQUIREMENT AFTER REVENUE SENSITIVE COSTS						\$ (6,507,722)				
10	PROPOSED AMORTIZATION RATE INCLUDING REVENUE SENSITIVE COSTS										
11	NEW WACOG - Commodity (from sch. 4)										\$ (0.08686)
12	NEW Demand Rates (from sch. 5)										\$ 0.25152
13	NEW Delivered WACOG (gas only) rate										\$ 0.16574
14	Total Gas Cost Rate										\$ 0.41726
											\$ 0.32175
											\$ 0.25152
											\$ 0.16574
											\$ 0.41726
											\$ 0.33040

State:	Oregon
Description:	Core Market Commodity Costs
Account number:	47OR.2530.01272
Class of Customers:	Core
Deferral Period:	7/1/2015 to 6/30/2016
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								(1,967,726.05)
Jul-15			(92,291.12)		0.08709	(14,554.65)		(2,074,571.82)
Aug-15			(138,041.50)		0.08709	(15,344.95)		(2,227,958.27)
Sep-15			(150,900.96)		0.08709	(15,947.91)		(2,394,807.14)
Oct-15			(271,269.13)		0.08709	(17,713.63)	2,026,113.78	(657,676.13)
Nov-15			(509,406.23)		0.08709	(4,707.70)		(1,171,790.05)
Dec-15			(379,570.88)		0.08709	(8,667.36)		(1,560,028.29)
Jan-16			(492,265.36)		0.08709	(11,539.04)	(2,108.00)	(2,065,940.69)
Feb-16			(443,025.44)		0.08709	(14,295.23)	(89.50)	(2,523,350.86)
Mar-16			(589,888.30)		0.08709	(18,664.43)	(3,028.00)	(3,134,931.60)
Apr-16			(402,815.18)		0.08709	(22,440.10)		(3,560,186.88)
May-16			(357,141.08)		0.08709	(26,333.58)		(3,943,661.54)
Jun-16			(171,016.67)		0.08709	(28,229.05)		(4,142,907.26)
Jul-16 est.			0.00		0.08709	(30,643.78)		(4,173,551.04)
Aug-16 est.			0.00		0.08709	(30,870.44)		(4,204,421.48)
Sep-16 est.			0.00		0.08709	(30,095.59)		(4,234,517.08)
Oct-16 est.					0.08709	(31,321.39)		(4,265,838.46)
Nov-16 est.		8,827,122		506,463	0.01930	(6,766.91)		(3,766,142.56)
Dec-16 est.		12,465,610		715,224	0.01930	(6,173.38)		(3,057,092.12)
Jan-17 est.		11,202,726		642,765	0.01930	(5,011.12)		(2,419,338.34)
Feb-17 est.		9,329,079		535,263	0.01930	(3,581.95)		(1,887,657.30)
Mar-17 est.		7,980,257		457,873	0.01930	(3,094.21)		(1,432,878.22)
Apr-17 est.		6,092,160		349,542	0.01930	(2,272.98)		(1,085,608.90)
May-17 est.		4,130,417		236,986	0.01930	(1,779.51)		(850,402.59)
Jun-17 est.		2,613,098		149,928	0.01930	(1,348.99)		(701,823.11)
Jul-17 est.		2,096,178		120,270	0.01930	(1,150.41)		(582,703.72)
Aug-17 est.		2,103,999		120,719	0.01930	(955.16)		(462,940.34)
Sep-17 est.		2,816,125		161,577	0.01930	(734.36)		(302,097.39)
Oct-17 est.		5,273,875		302,593	0.01930	(495.19)		0.00
Therms Nov-Oct 2017		74,930,646						0.00
Development of Amortization Rate								0.05738
June 30, 2016 Balance							(4,142,907.26)	
Interest through Oct 31, 2016							(122,931.20)	
Interest During Amortization Period (Nov 1, 2016 through Oct 31, 2017)							(33,364.16)	
Balance to Amortize							(4,299,202.62)	
							0.05738	

State:	Oregon
Description:	OR 11/01/15 Consolidated Accounts: Gas Cost Related PGA Temporary Rate Increments
Account number:	47OR.2530.01285
Class of Customers:	Core
Deferral Period:	
Deferral Account Order:	
Amortization Period:	11/1/2016 through 10/31/2016
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
Balance Transferred from 2015 Core Market Commodity Costs 01272							(2,026,113.78)	
Balance Transferred from 2015 Core Market Demand & Gas Storage Mitigation Costs 01273							339,233.48	
OR 11/01/15 Consolidated Accounts: Gas Cost Related PGA Temporary Rate Increments 01283							1,069.17	
								(1,685,811.13)
Nov-15	Prorated	4,790,818		50,537.54	0.01930	(2,674.20)		(1,637,947.79)
Dec-15	0.02294	11,117,003		255,024.06	0.01930	(2,684.89)		(1,385,608.63)
Jan-16	0.02294	13,474,376		309,102.19	0.01930	(2,271.26)		(1,078,777.71)
Feb-16	0.02294	10,626,043		243,761.43	0.01930	(1,654.22)		(836,670.51)
Mar-16	0.02294	9,325,461		213,926.07	0.01930	(1,371.45)		(624,115.87)
Apr-16	0.02294	6,550,836		150,276.18	0.01930	(990.04)		(474,829.74)
May-16	0.02294	3,680,423		84,428.90	0.01930	(778.33)		(391,179.17)
Jun-16	0.02294	3,288,572		75,439.84	0.01930	(620.53)		(316,359.86)
Jul-16 est.	0.02294	2,042,806		46,861.97	0.01930	(518.57)		(270,016.46)
Aug-16 est.	0.02294	2,060,982		47,278.93	0.01930	(442.61)		(223,180.14)
Sep-16 est.	0.02294	2,719,332		62,381.48	0.01930	(354.03)		(161,152.70)
Oct-16 est.	0.02294	5,200,959		119,310.00	0.01930	(264.16)		(42,106.86)
Nov-16 est.	0.00057	8,827,122		5,004.75	0.02200	(76.14)		(37,178.24)
Dec-16 est.	0.00057	12,465,610		7,067.68	0.02200	(69.47)		(30,180.02)
Jan-17 est.	0.00057	11,202,726		6,351.66	0.02200	(56.39)		(23,884.76)
Feb-17 est.	0.00057	9,329,079		5,289.35	0.02200	(41.75)		(18,637.15)
Mar-17 est.	0.00057	7,980,257		4,524.60	0.02200	(34.82)		(14,147.38)
Apr-17 est.	0.00057	6,092,160		3,454.10	0.02200	(25.58)		(10,718.86)
May-17 est.	0.00057	4,130,417		2,341.84	0.02200	(20.03)		(8,397.04)
Jun-17 est.	0.00057	2,613,098		1,481.56	0.02200	(15.18)		(6,930.67)
Jul-17 est.	0.00057	2,096,178		1,188.48	0.02200	(12.95)		(5,755.14)
Aug-17 est.	0.00057	2,103,999		1,192.91	0.02200	(10.75)		(4,572.98)
Sep-17 est.	0.00057	2,816,125		1,596.67	0.02200	(8.27)		(2,984.58)
Oct-17 est.	0.00057	5,273,875		2,990.15	0.02200	(5.58)		(0.00)
2016/17 PGA Year Therms		74,930,646					Balance at end of Amort Period:	(0.00)
							Amort Rate to Achieve This:	0.00057
Development of Amortization Rate								
June 30, 2016 Balance							(316,359.86)	
Interest through Oct 31, 2016							(1,579.36)	
Amortizations through Oct 31, 2016							275,832.37	
Interest During Amortization Period (Nov 1, 2016 through Oct 31, 2017)							(376.91)	
Balance to Amortize							(42,483.77)	
							0.00057	

State:	Oregon
Description:	OR 11/01/13 Consolidated Tech Adjustments
Account number:	47OR.2540.20478
Class of customers:	All
Deferral period:	N/A
Amortization period:	November 1, 2014 through October 31, 2015
Narrative:	This account consolidates all the deferral accounts corresponding to the temporary technical adjustments included in the PGA tracker effective 11/1/14 for residual earnings sharing, Oregon Regulatory Fee and unrefunded temporary rate credits that are incorporated into all customers' per therm rates through rate schedule 194-B.

Month/Year	Rate	Therms	Deferral	Debit (Credit)		Adjustments Total	Deferred Balance
				Amortization	Interest		
							566.17
Nov-15	Prorated	7,490,316		(87.97)	0.90		479.10
Dec-15	0.00000	13,551,499		0.00	0.79		479.89
Jan-16	0.00000	16,278,554		0.00	0.79		480.68
Feb-16	0.00000	13,270,810		0.00	0.74		481.42
Mar-16	0.00000	12,037,823		0.00	0.79		482.21
Apr-16	0.00000	9,330,006		0.00	0.76		482.97
May-16	0.00000	6,392,476		0.00	0.79		483.76
Jun-16	0.00000	6,026,557		0.00	0.77		484.53
Jul-16 est	0.00000	4,535,901		0.00	0.79		485.32
Aug-16 est	0.00000	4,634,260		0.00	0.80		486.12
Sep-16 est	0.00000	5,506,517		0.00	0.77		486.89
Oct-16 est	0.00000	7,703,946		0.00	0.80		487.69

Development of Amortization Rate

June 30, 2016 Balance	484.53
Interest through Oct 31, 2016	3.16
Amortizations through Oct 31, 2016	0.00
Remaining balance to transfer to Consolidated	487.69

State:	Oregon
Description:	Core Market Demand & Gas Storage Mitigation Costs
Account number:	47OR.2530.01273
Class of Customers:	Core
Deferral Period:	7/1/2015 to 6/30/2016
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
								329,457.59
Balance Forward								
Jul-15			350,302.96		0.08709	2,436.89		682,197.45
Aug-15			378,194.91		0.08709	5,046.00		1,065,438.36
Sep-15			210,972.05		0.08709	7,626.50		1,284,036.91
Oct-15			42,522.38		0.08709	9,497.62	(339,233.48)	996,823.43
Nov-15			(925,811.21)		0.08709	7,135.34		78,147.56
Dec-15			(921,543.18)		0.08709	578.03		(842,817.60)
Jan-16			(892,520.20)		0.08709	(6,234.06)		(1,741,571.87)
Feb-16			(567,345.79)		0.08709	(12,050.77)		(2,320,968.41)
Mar-16			(216,852.74)		0.08709	(17,167.47)		(2,554,988.62)
Apr-16			307,337.54		0.08709	(18,288.82)		(2,265,939.90)
May-16			182,066.02		0.08709	(16,760.44)		(2,100,634.32)
Jun-16			192,145.69		0.08709	(15,036.51)		(1,923,525.13)
Jul-16 est.					0.08709	(14,227.71)		(1,937,752.84)
Aug-16 est.					0.08709	(14,332.95)		(1,952,085.79)
Sep-16 est.					0.08709	(13,973.19)		(1,966,058.98)
Oct-16 est.					0.08709	(14,542.32)		(1,980,601.30)
Nov-16 est.		8,827,122		235,154.43	0.01930	(3,141.83)		(1,748,588.70)
Dec-16 est.		12,465,610		332,083.71	0.01930	(2,866.25)		(1,419,371.24)
Jan-17 est.		11,202,726		298,440.49	0.01930	(2,326.60)		(1,123,257.35)
Feb-17 est.		9,329,079		248,526.56	0.01930	(1,722.43)		(876,453.21)
Mar-17 est.		7,980,257		212,593.95	0.01930	(1,436.66)		(665,295.92)
Apr-17 est.		6,092,160		162,295.07	0.01930	(1,055.36)		(504,056.21)
May-17 est.		4,130,417		110,034.26	0.01930	(826.24)		(394,848.18)
Jun-17 est.		2,613,098		69,612.90	0.01930	(626.35)		(325,861.63)
Jul-17 est.		2,096,178		55,842.16	0.01930	(534.15)		(270,553.64)
Aug-17 est.		2,103,999		56,050.51	0.01930	(443.49)		(214,946.61)
Sep-17 est.		2,816,125		75,021.54	0.01930	(340.97)		(140,266.05)
Oct-17 est.		5,273,875		140,495.97	0.01930	(229.92)		(0.00)
Therms Nov-Oct 2016		74,930,646						(0.00)
								0.02664
								(1,923,525.13)
								(57,076.17)
								(15,550.24)
								(1,996,151.54)
								0.02664

Cascade Natural Gas Corporation
 2016-2017 PGA - OREGON
 Derivation of Oregon per Therm Non-Commodity Charges

Oregon Derivation of Demand Increments

		Without Revenue Sensitive	With Revenue Sensitive
	(a)	(c)	(d)
1			
2			
3	(a)	(c)	(d)
4	System Demand for Allocation	\$53,093,987	
5	Oregon Allocation Factor (Based on Peak Day)	19.37%	
6	Oregon Allocated Demand Costs	\$10,282,661	
7	Ruby Demand for Allocation	\$2,025,000	
8	Oregon Allocation Factor (Based Non-NWP Allocation)	87.96%	
9	Oregon Ruby Allocated System Demand	\$1,781,274	
10	Plus Demand Costs -Central Oregon	\$1,606,262	
11	Less Oregon Capacity Release Credits	(\$1,576,019)	
12	OREGON DEMAND COSTS	\$12,094,178	\$ 12,419,316
13			
14	Oregon Sales Forecasted Normal Volumes	74,930,646	74,930,646
15			
16	Proposed Demand Increment Per Therm (line 12/line 13)	\$0.16140	\$0.16574
17			
18	Current Firm Demand Per Therm	\$0.18436	\$0.18978
19			
20	Percent Change in Firm Demand	-12.45%	-12.67%
21			
22			
23	1/Allocation Factor: Forecasted Peak Volumes (excl. Central Oregon):		
24		<u>Washington</u>	<u>Oregon</u>
25			<u>System</u>
26	Total Peak	2,184,730	963,710
27	Less Central Oregon		664,780
28	Peak Day Capacity	2,184,730	298,930
29	Allocation Factor	87.96%	12.04%
			100.00%

Cascade Natural Gas Corporation
2016-2017 PGA - OREGON
Summary of Rate and Revenue Impact

(a)	(b)	Without Revenue Sensitive (c)	With Revenue Sensitive (d)
PROPOSED PER THERM RATE CHANGES			
1 Proposed Commodity WACOG		0.24493	0.25152
2 Current Commodity WACOG		0.29780	0.30655
3 Proposed Rate Change-Commodity WACOG		(0.05287)	(0.05503)
4			
5 Proposed Firm Demand Per Therm		0.16140	0.16574
6 Current Firm Demand Per Therm		0.18436	0.18978
7 Proposed Rate Change-Firm Demand WACOG		(0.02296)	(0.02404)
8			
9 Proposed Temporary Rate Increment		(0.08458)	(0.08686)
Current Temporary Rate Increment		(0.02294)	(0.02361)
Proposed Rate Change-Temporary Rate Increment		(0.06164)	(0.06325)
10			
11 TOTAL PROPOSED PGA RATE CHANGE			(0.14232)
12			
13 Oregon Forecasted Therm Sales		74,930,646	
14			
15 REVENUE IMPACT			
16			
17 Commodity Cost Change			(4,123,433)
18 Demand Cost Change			(1,801,333)
19			
20 Amortization of Commodity and Demand Cost Differences			(4,739,363.36)
21			
22 Total Revenue Impact Due to PGA Filing			(10,664,130)
23			
24 Operating Revenues for 12 Month Period Ending 12/31/14			67,650,226
25			
26 PERCENTAGE CHANGE IN REVENUES DUE TO PGA FILING			-15.76%

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

July 29, 2016

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

Ln No.	Customer Class (a)	Schedule (b)	Block (c)	Current 2/1/2016 Rate (d)	Total Proposed Changes				Total Change (i) = e thru h	Proposed 11/1/2016 Rate (j) = d + i
					PGA Base Gas Cost (e)	CAP Baseline Adj (f)	Remove 15 (g)	Non Gas Cost Temporary Rate Adj Add New (h)		
CORE MARKET SERVICE										
1	Residential	101		\$0.85293	(\$0.14232)	\$0.03368	(\$0.01137)	\$0.01812	(\$0.10189)	\$0.75104
2	Commercial	104		\$0.74570	(\$0.14232)	\$0.02247	(\$0.01035)	\$0.01630	(\$0.11390)	\$0.63180
3	Com-Ind Dual	111		\$0.62772	(\$0.14232)		(\$0.00006)	\$0.00126	(\$0.14112)	\$0.48660
4	Industrial Firm	105		\$0.66430	(\$0.14232)		(\$0.00006)	\$0.00126	(\$0.14112)	\$0.52318
5	Industrial Interruptible	170		\$0.59587	(\$0.14232)		(\$0.00006)	\$0.00126	(\$0.14112)	\$0.45475
NONCORE MARKET SERVICE										
6	Distribution Transportation	163	First 10,000	\$0.12408	\$0.00000	\$0.00000	(\$0.00006)	\$0.00126	\$0.00120	\$0.12528
7	Distribution Transportation	163	Next 10,000	\$0.11194	\$0.00000	\$0.00000	(\$0.00006)	\$0.00126	\$0.00120	\$0.11314
8	Distribution Transportation	163	Next 30,000	\$0.10518	\$0.00000	\$0.00000	(\$0.00006)	\$0.00126	\$0.00120	\$0.10638
9	Distribution Transportation	163	Next 50,000	\$0.06462	\$0.00000	\$0.00000	(\$0.00006)	\$0.00126	\$0.00120	\$0.06582
10	Distribution Transportation	163	Next 400,000	\$0.03281	\$0.00000	\$0.00000	(\$0.00006)	\$0.00126	\$0.00120	\$0.03401
11	Distribution Transportation	163	Over 500,000	\$0.01761	\$0.00000	\$0.00000	(\$0.00006)	\$0.00126	\$0.00120	\$0.01881

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

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 2/1/2016 Rate (h)	Current Avg Bill (i)	Total Proposed 11/1/2016 Rate (j)	Total Proposed Avg Bill (k)	Monthly Change in Avg Bill (l)	Proposed Rates (m)	% Change (n)
						= d / e			= g + (f * h)					= l / i
CORE MARKET SERVICE														
1	Residential	101		36,255,164	59,633	51	\$3.00	\$0.85293	\$46.50	\$0.75104	\$41.30	(\$5.20)	-11.18%	
2	Commercial	104		25,356,977	9,737	217	\$3.00	\$0.74570	\$164.82	\$0.63180	\$140.10	(\$24.72)	-15.00%	
3	Com-Ind Dual	111		2,025,236	15	11,251	\$0.00	\$0.62772	\$7,062.48	\$0.48660	\$5,474.74	(\$1,587.74)	-22.48%	
4	Industrial Firm	105		2,427,832	134	1,510	\$12.00	\$0.66430	\$1,015.09	\$0.52318	\$802.00	(\$213.09)	-20.99%	
5	Industrial Interruptible	170		2,511,398	4	52,321	\$0.00	\$0.59587	\$31,176.51	\$0.45475	\$23,792.97	(\$7,383.54)	-23.68%	
NONCORE MARKET SERVICE														
6	Distribution Transportation	163	10,000	3,133,235	30		\$500.00	\$0.12408	\$1,740.80	\$0.12528	\$1,752.80			
7	Distribution Transportation	163	10,000	2,368,737				\$0.11194	\$1,119.40	\$0.11314	\$1,131.40			
8	Distribution Transportation	163	30,000	3,924,736				\$0.10518	\$3,155.40	\$0.10638	\$3,191.40			
9	Distribution Transportation	163	50,000	3,554,490				\$0.06462	\$946.39	\$0.06582	\$963.97			
	Distribution Transportation	163	400,000	9,586,180				\$0.03281						
	Distribution Transportation	163	Over 500,000	705,000				\$0.01761						
11	Total			23,272,378		64,645			\$6,961.99		\$7,039.57	\$77.57		1.11%

Cascade Natural Gas Corporation

NOTICE TO THE PUBLIC

Oregon Service Area

Cascade Natural Gas Corporation is on this date filing with the Oregon Public Utility Commission (OPUC) at Salem, Oregon, revisions to Rate Schedule Nos. 177, 191, 192, and 193, which upon approval by the Commission will become effective November 1, 2016.

The rate adjustments proposed in this filing are designed to pass on 1.) changes in the cost of gas and transportation services paid by Cascade to gas suppliers and interstate natural gas pipelines, temporary differences in purchased gas costs, that occur over time, as a result of differences between the actual cost of gas paid by the Company and the amount allowed for in Core customer rates, and removal of certain technical deferral refunds that have expired; and 2.) changes resulting from the Company's Conservation Alliance Plan.

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 small commercial customers, the decrease in the monthly bill for consumption of 217 therms will be (\$24.72) or (15%). Large volume core customers will experience an average decrease of (20.99%) depending on monthly volumes consumed. Large volume interruptible customers will experience an average decrease of (23.68%). Large volume non-core customers will experience an average increase of 1.11% for distribution service from Cascade depending on the monthly volumes consumed.

By: Michael Parvinen
Director, Regulatory Affairs

Date: July 31, 2016

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

July 29, 2016

**Cascade Natural Gas
2016 PGA
Incremental Revenue Change by Customer Rate Schedule
Attachment A**

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	33,936,333	29,882,339	(4,053,994)	-11.95%	49.30%
104	Commercial	20,558,229	17,418,116	(3,140,113)	-15.27%	38.18%
105	Industrial	1,711,218	1,347,697	(363,521)	-21.24%	4.42%
111	Large Volume	1,374,653	1,065,613	(309,041)	-22.48%	3.76%
112	Compressed Natural Gas					0.00%
126	Emergency Institution					0.00%
170	Interruptible	1,673,072	1,276,838	(396,234)	-23.68%	4.82%
163	Transportation	1,980,680	2,020,120	39,440	1.99%	-0.48%
		61,234,186	53,010,723	(8,223,463)		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.

Customer Schedule No.	Rate Class Type	Block	Adjustment Tariff No. 177-A PGA Gas Costs WACOG		Margin (Base Rate) 101/104/105/111/112/126 /170/163		Adjustment Tariff No. 191 Temporary Gas		Adjustment Tariff No. 192 Intervenor		Adjustment Tariff No. 193 Conservation		2016-2017		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	Forecast Terms	Revenue at Current			
101	Residential		\$ 0.49633	0.41726	\$ 0.36884	0.40252	\$ (0.02361)	(0.08686)	\$ 0.00102	0.00182	\$ 0.01055	0.01630	39,787,946	\$33,936,333	\$29,882,339	(\$4,053,994)	-11.95%
104	Commercial		\$ 0.49633	0.41726	\$ 0.26263	0.28510	\$ (0.02361)	(0.08686)	\$ -	0.00000	\$ 0.01035	0.01630	27,569,035	\$20,558,229	\$17,418,116	(\$3,140,113)	-15.27%
105	Industrial		\$ 0.49633	0.41726	\$ 0.19152	0.19152	\$ (0.02361)	(0.08686)	\$ 0.00006	0.00126	\$ -	0.00000	2,575,972	\$1,711,218	\$1,347,697	(\$363,521)	-21.24%
111	Large Volume		\$ 0.49633	0.41726	\$ 0.15494	0.15494	\$ (0.02361)	(0.08686)	\$ 0.00006	0.00126	\$ -	0.00000	2,189,915	\$1,374,653	\$1,065,613	(\$309,041)	-22.48%
112	Compressed Natural Gas		\$ 0.49633	0.41726	\$ 0.22600	0.22600	\$ (0.02361)	(0.08686)	\$ -	0.00000	\$ -	0.00000	0	\$0	\$0	\$0	0.00%
126	Emergency Institution		\$ 0.49633	0.41726	\$ 0.26670	0.26670	\$ (0.02361)	(0.08686)	\$ -	0.00000	\$ -	0.00000	0	\$0	\$0	\$0	0.00%
170	Interruptible		\$ 0.49633	0.41726	\$ 0.12309	0.12309	\$ (0.02361)	(0.08686)	\$ 0.00006	0.00126	\$ -	0.00000	2,807,781	\$1,673,072	\$1,276,838	(\$396,234)	-23.68%
163	Transportation	Block 1	\$ -	0.00000	\$ 0.12402	0.12402	\$ -	0.00000	\$ 0.00006	0.00126	\$ -	0.00000	3,222,353	\$395,830	\$403,696	\$3,867	0.97%
		Block 2	\$ -	0.00000	\$ 0.11188	0.11188	\$ -	0.00000	\$ 0.00006	0.00126	\$ -	0.00000	2,505,654	\$280,483	\$283,490	\$3,007	1.07%
		Block 3	\$ -	0.00000	\$ 0.10512	0.10512	\$ -	0.00000	\$ 0.00006	0.00126	\$ -	0.00000	4,426,676	\$465,598	\$470,910	\$5,312	1.14%
		Block 4	\$ -	0.00000	\$ 0.06456	0.06456	\$ -	0.00000	\$ 0.00006	0.00126	\$ -	0.00000	4,011,819	\$259,244	\$264,058	\$4,814	1.86%
		Block 5	\$ -	0.00000	\$ 0.03275	0.03275	\$ -	0.00000	\$ 0.00006	0.00126	\$ -	0.00000	16,198,875	\$531,485	\$550,924	\$19,439	3.66%
		Block 6	\$ -	0.00000	\$ 0.01755	0.01755	\$ -	0.00000	\$ 0.00006	0.00126	\$ -	0.00000	2,500,910	\$44,041	\$47,042	\$3,001	6.81%

**Cascade Natural Gas
2016 PGA
Incremental Revenue Change by Adjustment Schedule
Attachment B**

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	\$37,190,329	\$31,265,563	(\$5,924,766)	72.05%
191 Temporary Gas Cost Adj	(\$1,769,113)	(\$6,508,476)	(\$4,739,363)	57.63%
192 Intervenor Funding	\$43,010	\$123,369	\$80,359	-0.98%
193 CAP	\$697,145	\$1,097,919	\$400,774	-4.87%
194-B Other Residual	\$0	\$0	\$0	0.00%
Margin	\$25,072,815	\$27,032,349	\$1,959,534	-23.83%
			\$0	0.00%
			\$0	0.00%
Total	\$61,234,186	\$53,010,724	(\$8,223,462)	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.

2016-2017

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				\$ 0.49633	0.41726	39,787,946	\$19,747,951	\$16,601,918	(\$3,146,033)
104	Commercial				\$ 0.49633	0.41726	27,569,035	\$13,683,339	\$11,503,456	(\$2,179,883)
105	Industrial		Revised		\$ 0.49633	0.41726	2,575,972	\$1,278,532	\$1,074,850	(\$203,682)
111	Large Volume				\$ 0.49633	0.41726	2,189,915	\$1,086,921	\$913,764	(\$173,157)
112	Compressed Natural Gas				\$ 0.49633	0.41726	0	\$0	\$0	\$0
126	Emergency Institution				\$ 0.49633	0.41726	0	\$0	\$0	\$0
170	Interruptible				\$ 0.49633	0.41726	2,807,781	\$1,393,586	\$1,171,575	(\$222,011)
Advice 177-A							Total	\$37,190,329	\$31,265,563	(\$5,924,766)
O14-08-01 PGA										
101	Residential				\$ (0.02361)	(0.08686)	39,787,946	(\$939,393)	(\$3,455,981)	(\$2,516,588)
104	Commercial				\$ (0.02361)	(0.08686)	27,569,035	(\$650,905)	(\$2,394,646)	(\$1,743,741)
105	Industrial				\$ (0.02361)	(0.08686)	2,575,972	(\$60,819)	(\$223,749)	(\$162,930)
111	Large Volume				\$ (0.02361)	(0.08686)	2,189,915	(\$51,704)	(\$190,216)	(\$138,512)
112	Compressed Natural Gas				\$ (0.02361)	(0.08686)	0	\$0	\$0	\$0
126	Emergency Institution				\$ (0.02361)	(0.08686)	0	\$0	\$0	\$0
170	Interruptible				\$ (0.02361)	(0.08686)	2,807,781	(\$66,292)	(\$243,884)	(\$177,592)
Advice 191							Total	(\$1,769,113)	(\$6,508,476)	(\$4,739,363)
O14-08-01 Temp Gas Cost										
101	Residential				\$ 0.00102	0.00182	39,787,946	\$40,584	\$72,414	\$31,830
104	Commercial				\$ -	0.00000	27,569,035	\$0	\$0	\$0
105	Industrial				\$ 0.00006	0.00126	2,575,972	\$155	\$3,246	\$3,091
111	Large Volume				\$ 0.00006	0.00126	2,189,915	\$131	\$2,759	\$2,628
112	Compressed Natural Gas				\$ -	0.00000	0	\$0	\$0	\$0
126	Emergency Institution				\$ -	0.00000	0	\$0	\$0	\$0
170	Interruptible				\$ 0.00006	0.00126	2,807,781	\$168	\$3,538	\$3,370
163	Distribution			Block 1	\$ 0.00006	0.00126	3,222,353	\$193	\$4,060	\$3,867
				Block 2	\$ 0.00006	0.00126	2,505,654	\$150	\$3,157	\$3,007
				Block 3	\$ 0.00006	0.00126	4,426,676	\$266	\$5,578	\$5,312
				Block 4	\$ 0.00006	0.00126	4,011,819	\$241	\$5,055	\$4,814
				Block 5	\$ 0.00006	0.00126	16,198,875	\$972	\$20,411	\$19,439
				Block 6	\$ 0.00006	0.00126	2,500,910	\$150	\$3,151	\$3,001
Advice No. 192							Total	\$43,010	\$123,369	\$80,359
O14-08-02 Intervenor										
101	Residential				\$ 0.01035	0.01630	39,787,946	\$411,805	\$648,544	\$236,739
104	Commercial				\$ 0.01035	0.01630	27,569,035	\$285,340	\$449,375	\$164,035
Advice No. 193							Total	\$697,145	\$1,097,919	\$400,774
O14-08-03 CAP										

Adjustment
Schedule No.

2016-2017

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				\$ 0.36884	0.40252	39,787,946	\$14,675,386	\$16,015,444	\$1,340,058
104	Commerical				\$ 0.26263	0.28510	27,569,035	\$7,240,456	\$7,859,932	\$619,476
105	Industrial				\$ 0.19152	0.19152	2,575,972	\$493,350	\$493,350	\$0
111	Large Volume				\$ 0.15494	0.15494	2,189,915	\$339,305	\$339,305	\$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	2,807,781	\$345,610	\$345,610	\$0
163	Distribution			Block 1	\$ 0.12402	0.12402	3,222,353	\$399,636	\$399,636	\$0
				Block 2	\$ 0.11188	0.11188	2,505,654	\$280,333	\$280,333	\$0
				Block 3	\$ 0.10512	0.10512	4,426,676	\$465,332	\$465,332	\$0
				Block 4	\$ 0.06456	0.06456	4,011,819	\$259,003	\$259,003	\$0
				Block 5	\$ 0.03275	0.03275	16,198,875	\$530,513	\$530,513	\$0
				Block 6	\$ 0.01755	0.01755	2,500,910	\$43,891	\$43,891	\$0
							Total	\$25,072,815	\$27,032,349	\$1,959,534
Advice No.										
O14-08-05	Margin									

**Cascade Natural Gas
2016-2017 PGA
Three Percent Test
Attachment C**

	<u>Surcharge</u>	<u>Credit</u>	
Prior Period Gas Cost Deferral True-Up	(6,507,722)		
 <u>Non-Gas Cost Amortizations</u>			
Intervenor Funding	\$123,362		
Other Residuals			
Decoupling		1,097,649	
		\$0	
		\$0	
		0	
Subtotal	<u>123,362</u>	<u>1,097,649</u>	
Total	(6,384,360)	1,097,649	
Total Proposed Amortization			(\$5,286,711)
Less: Intervenor Funding ¹			\$123,362
Net Proposed Amortizations (subject to the 3% test)			(\$5,410,073)
Utility Gross Revenues (2015)			\$67,650,226
3% of Utility Gross Revenues²			\$2,029,507
Allowed Amortization			(\$5,410,073)
Allowed Amortization as % of Gross Revenues			-8.00%

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
2016-2017 PGA
Attachment D**

Class of Service	Rate Schedule	RATE IMPACTS*		
		Current Rate per Therm	Proposed Rate per Therm	Change Rate per Therm
Residential				
Avista	410	\$0.00000	\$0.00000	0.00000 #DIV/0!
Cascade	101	\$0.85293	\$0.75104	-0.10189 -11.95%
NW Natural	2	\$0.00000	\$0.00000	0.00000 #DIV/0!
Commercial				
Avista	420	\$0.00000	\$0.00000	0.00000 #DIV/0!
Cascade	104	\$0.74570	\$0.63180	-0.11390 -15.27%
NW Natural	3	\$0.00000	\$0.00000	0.00000 #DIV/0!
Industrial				
Avista	424	\$0.00000	\$0.00000	0.00000 #DIV/0!
Cascade	105	\$0.66430	\$0.52318	-0.14112 -21.2%
NW Natural	31ISF	\$0.00000	\$0.00000	0.00000 #DIV/0!
Interruptible				
Avista	440	\$0.00000	\$0.00000	0.00000 #DIV/0!
Cascade	170	\$0.59587	\$0.45475	-0.14112 -23.7%
NW Natural	32ISI	\$0.00000	\$0.00000	0.00000 #DIV/0!

RESIDENTIAL BILL IMPACTS											
Rate Schedule	Average January Therms	Customer Charge	Current January		Proposed January		Annual Therms/Month	Change January		%Change January	
			Bill	Change	Bill	Change		Bill	Change	Bill	Change
Avista	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0.00	#DIV/0!	\$0.00	#DIV/0!
Cascade	106	\$3.00	\$93.41	\$82.61	\$82.61	51	-\$10.80	\$3.00	-11.6%	-\$5.20	-11.2%
NW Natural	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0.00	#DIV/0!	\$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.