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September 15, 2022

Oregon Public Utility Commission
 Attn: Filing Center
 201 High Street S.E., Suite 100
 Salem, OR 97301-3398

**Re: Advice No. CNG/O22-07-04, UG 444
 SUPPLEMENTAL UM 1557, Conservation and Weatherization Variances Deferral**

Pursuant to Docket UM 1557, ORS 757.210 and ORS 757.259(5), Cascade Natural Gas submits the following revisions to P.U.C. OR No. 10 Tariff containing an effective date of November 1, 2022 along with the supporting workpapers:

Sixth Revision of Sheet No. 193.1

Cascade noticed an error within Docket UG 444 filed on July 29, 2022. The model for the Conservation Alliance Plan (“CAP”) was not capturing the revised rates that went into effect November 1, 2021. The results decrease Cascade’s request by approximately \$132,000.

The purpose of this filing is to apply new temporary adjustments to base rates amortizing outstanding deferred balances for variances in collections due to conservation and weatherization, as authorized in Docket UM 1557. The Company revises rates for this purpose annually; the last filing was effective November 1, 2021. The Company is requesting a decrease in annual revenues of \$700,622 or 0.90 percent, effective on November 1, 2022. The current amortization rates and the proposed changes, both inclusive of the gross revenue factor, are as follows:

| <u>Schedule</u> | <u>Current Amortization Rates</u> | <u>Proposed Amortization Rates</u> | <u>Difference in Amortization Rate</u> |
|-----------------|-----------------------------------|------------------------------------|--|
| 101 | (0.00250) | (0.00824) | (0.00574) |
| 104 | (0.00432) | (0.01699) | (0.01267) |

This filing complies with ORS 757.210 which authorizes deferred utility expenses or revenues to be allowed (amortized) in rates to the extent authorized by the Commission in a proceeding to change rates. All of the deferrals included in this filing occurred with appropriate Commission authorization as rate orders or under approved tariffs.

Three Percent Test

Pursuant to ORS 757.259 and OAR 860-027-0300(9), the overall annual average rate impact of amortizations authorized under the statutes may not exceed three percent of the natural gas utility’s gross revenues for the preceding calendar year, unless the Commission finds that allowing a higher amortization rate is reasonable under the circumstances pursuant to ORS 757.259(7). Cascade’s total Oregon gross revenues for calendar year 2021 were \$77,563,145. The total amortization requested in this filing is a rebate of \$966,833 with the resulting annual average rate impact of (1.25) percent. The total revenue change of Prior Period Gas cost deferral concurrently filed in O22-07-02 is \$12,671,052 and the resulting annual average rate impact of that filing is 16.34 percent. The resulting annual average rate impact combined of 15.09% which does not fall within the requirements of the statute due to higher commodity costs in year 2021.

Other Information

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

| <u>Rate Schedule</u> | <u>Number of Customers</u> |
|----------------------|----------------------------|
| 101 | 68,534 |
| 104 | 10,306 |

The Table below provides, the annual revenue before and after the impact of the rate change, and the average monthly use and resulting bills under existing and proposed rates.

| Rate Schedule | Description | Total Current Revenues | Total Proposed Revenues | Revenue Incr (Decr) | Percent Incr (Decr) | Avg Therms per Month | Current Avg Bill | Proposed Avg Bill | Monthly Change | Proposed Rates % Change |
|---------------|-------------|------------------------|-------------------------|---------------------|---------------------|----------------------|------------------|-------------------|----------------|-------------------------|
| 101 | Residential | \$43,071,488 | \$ 42,784,604 | (\$286,884) | -0.67% | 62 | \$59.81 | \$59.41 | -\$0.40 | -0.67% |
| 104 | Commercial | \$24,067,962 | \$ 23,654,224 | (\$413,738) | -1.72% | 272 | \$213.72 | \$210.04 | -\$3.67 | -1.72% |

After combining the impact of this filing along with the two other regulatory filings made in July¹ and September, the overall effect of the proposed rate adjustments on the monthly bill of a residential customer with consumption of 62 therms will be a net increase of \$15.09 or 25.23 percent, for a revised monthly bill of \$74.90 effective November 1, 2022.

The Company will issue a media release coincident with the updated annual Purchased Gas Cost Adjustment (PGA) filing in mid-September and provide notice to customers via a bill insert.

¹ On July 29, 2022, Cascade Natural Gas filed Advice Nos. O22-07-02 and O22-07-03; both have requested effective dates of November 1, 2022.

Attached in support of this filing is Exhibit 1 which contains the development of the CAP temporary cost rate increments associated with this filing and a summary of proposed CAP-related technical adjustment rates.

The Company agrees to rate adjustments and refunds should the Commission determine that these rates have been inappropriately calculated. Any rate adjustments and refunds will be retroactive to November 1, 2022, 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.

If there are any questions regarding this filing, please contact me at (208) 377-6015.

Sincerely,

/s/ Lori A. Blattner

Lori A. Blattner

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Enclosures

**SCHEDULE 193
CONSERVATION ALLIANCE PLAN ADJUSTMENT**

APPLICABLE

This rate applies to Schedules 101 and 104.

PURPOSE

The purpose of this schedule is to amortize deferred conservation and weather variances associated with the Company's approved conservation alliance plan as outlined in Rule 19 of the Company's tariff.

RATES

Each of the charges specified in the schedules for gas service hereinafter listed shall be adjusted by the following per therm increase or decrease or appropriate multiple thereof in determining annual minimum bill, if any:

| Rate Schedule | Rate | |
|---------------|-------------|-----|
| 101 | (\$0.00824) | (R) |
| 104 | (\$0.01699) | (R) |

LIMITATION

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

TAX ADDITIONS

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

GENERAL TERMS

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

**SCHEDULE 193
CONSERVATION ALLIANCE PLAN ADJUSTMENT**

APPLICABLE

This rate applies to Schedules 101 and 104.

PURPOSE

The purpose of this schedule is to amortize deferred conservation and weather variances associated with the Company’s approved conservation alliance plan as outlined in Rule 19 of the Company’s tariff.

RATES

Each of the charges specified in the schedules for gas service hereinafter listed shall be adjusted by the following per therm increase or decrease or appropriate multiple thereof in determining annual minimum bill, if any:

| Rate Schedule | Rate | |
|---------------|------------------------------|------------------|
| 101 | (\$0.00 250824) | (R) |
| 104 | (\$0.00 4321699) | (R) |

LIMITATION

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

TAX ADDITIONS

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

GENERAL TERMS

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

Before the
PUBLIC UTILITY COMMISSION OF OREGON

EXHIBIT 1

Conservation Alliance Plan

Development of CAP Temporary Rate Increments UG 167 Related Balances (Schedule 1 of 2)
Summary of Proposed CAP Technical Adjustment Rates (Schedule 2 of 2)

Cascade Natural Gas Corporation

September 15, 2022

Cascade Natural Gas
DEVELOPMENT OF CAP TEMPORARY RATE INCREMENTS
UG 167 Related Balance
State of Oregon

REVISED

| Ln No. | Account Description (a) | Order (b) | Class (c) | New or Residual (d) | Account Balance 06-30-22 (e) | Estimated Thru 10/31/22 | | Interest Accruals Thru Amortization (h) | Balance for Amortization (i) | Forecasted Therms (j) | Increment (k) | TEMPORARY INCREMENT BY RATE SCHEDULE | |
|--------|---|--------------|--------------|------------------------|------------------------------------|--------------------------|----------------------|--|---------------------------------|--------------------------|------------------|--------------------------------------|--------------|
| | | | | | | Interest Accruals (f) | Amortizations (g) | | | | | 101 (l) | 104 (m) |
| 1 | UG 167 -- 21/22 OR CAP Weather Residential (47OR.1862.20482) UM 1557 | 21-420 | 101 | New | 900,091.30 | 2,993.84 | | 6,356 | \$ 909,440.93 | 49,979,679 | 0.01820 | 0.01820 | |
| 2 | UG 167 -- 21/22 OR CAP Weather Commercial (47OR.1862.20484) UM 1557 | 21-420 | 104 | New | \$ 304,314.56 | 1,274 | | 2,229 | \$ 307,817.35 | 32,654,893 | 0.00943 | | 0.00943 |
| 3 | UG 167 -- 21/22 OR CAP Conservation Residential (47OR.1862.20483) UM 1557 | 21-420 | 101 | New | \$ (1,301,324.27) | (5,446) | | (9,197) | \$ (1,315,967.41) | 49,979,679 | (0.02633) | (0.02633) | |
| 4 | UG 167 -- 21/22 OR CAP Conservation Commercial (47OR.1862.20485) UM 1557 | 21-420 | 104 | New | \$ (840,769.65) | (3,519) | | (6,159) | \$ (850,447.23) | 32,654,893 | (0.02604) | | (0.02604) |
| 5 | UG 167 -- OR Residual Technical Adjustments-Conservation (47.OR.1862.20476) | 07-397 | 101 & 104 | Residual | \$ (26,593.26) | (71) | 38,104 | 82 | \$ 11,521.49 | 82,634,572 | 0.00014 | 0.00014 | 0.00014 |
| 6 | SUBTOTAL AMORTIZATION RATES BEFORE REVENUE SENSITIVE COSTS | | | | | | | | | | | (0.00799) | (0.01648) |
| 7 | UG 167 -- REVENUE REQUIREMENT BEFORE REVENUE SENSITIVE COSTS | | | | \$ (964,281.32) | \$ (4,768.57) | \$ 38,104.05 | \$ (6,689.03) | \$ (937,634.87) | | | | |
| 8 | REVENUE SENSITIVE COST PERCENTAGES: | | | | | | | | 3.02% | | | 3.02% | 3.02% |
| 9 | REVENUE REQUIREMENT AFTER REVENUE SENSITIVE COSTS | | | | | | | | \$ (966,833.00) | | | | |
| 16 | PROPOSED AMORTIZATION RATE INCLUDING REVENUE SENSITIVE COSTS | | | | | | | | | | | \$ (0.00824) | \$ (0.01699) |

Cascade Natural Gas Corporation
SUMMARY OF PROPOSED CAP TECHNICAL ADJUSTMENT RATES
State of Oregon

REVISED

| Ln No. | Description (a) | Rate Schedule (b) | Reversal 21/22 UG-167 CAP Deferral Accts Temp. Rate Adj. (c) | Proposed Rate UG-167 CAP Deferral Accts Temp. Rate Adj. (d) | R/S 193 Rate Change Total (e) |
|-----------------------------------|----------------------|-------------------------|--|--|--|
| CORE MARKET RATE SCHEDULES | | | | | |
| 1 | Residential | 101 | \$ 0.00250 | \$ (0.00824) | \$ (0.00574) |
| 2 | Commercial | 104 | \$ 0.00432 | \$ (0.01699) | \$ (0.01267) |
| 3 | Com-Ind Dual Service | 111 | \$ - | \$ - | \$ - |
| 4 | Industrial Firm | 105 | \$ - | \$ - | \$ - |
| 5 | Industrial Interr. | 170 | \$ - | \$ - | \$ - |
| NONCORE MARKET CUSTOMERS | | | | | |
| 6 | Distribution | 163 | \$ - | \$ - | \$ - |
| 7 | | | | | |
| 8 | Special Contract | 902 | \$ - | \$ - | \$ - |