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October 31, 2014

Oregon Public Utility Commission  
P.O. Box 1088  
Salem, OR 97308-1088

Attention: Filing Center

Re: UM 1557(6) Request for Reauthorization for Deferral Accounting for Changes in Margin Due to Conservation and Variances from Normal Weather in Compliance with Order No. 13-079

In compliance with OPUC Order No. 13-079, Cascade Natural Gas Corporation submits an original and three (3) copies of a request for an order reauthorizing it to utilize deferral accounting for changes in margin due to conservation and variances from normal weather, consistent with the procedures outlined in the Company's Conservation Alliance Plan (CAP) Schedule No. 30 that was approved by the Commission's Order No. 06-191.

Cascade seeks, with this application, to receive reauthorization of this deferral for the 12-months beginning January 1, 2015 thru December 31, 2015.

Please direct any questions regarding this filing to me at (509) 734-4593.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Parvinen", with a long horizontal flourish extending to the right.

Michael Parvinen  
Director, Regulatory Affairs

Enclosures

*In the Community to Serve®*

**BEFORE THE OREGON PUBLIC UTILITY COMMISSION**

**DOCKET NO. UM 1557(6)**

IN THE MATTER OF THE APPLICATION OF ) APPLICATION FOR  
CASCADE NATURAL GAS CORPORATION ) REAUTHORIZATION OF  
FOR AN ORDER REAUTHORIZING ) DEFERRAL ACCOUNTING  
DEFERRAL OF CERTAIN COSTS RELATED )  
TO THE COMPANY'S CONSERVATION )  
ALLIANCE PLAN (CAP) )  
(OAR 860-27-0300(4))

Cascade Natural Gas Corporation (herein "Cascade") pursuant to ORS 757.259, OAR 860-27-300(4), and in compliance with Order No. 13-079, applies to the Oregon Public Utility Commission ("Commission") for an order reauthorizing it to utilize deferral accounting for the 12-months beginning January 1, 2015. The Company's last reauthorization, was approved in the Commission's Order No. 13-463.

Specifically, in this Application, Cascade requests reauthorization to defer:

1. Amounts associated with changes in margin due to conservation and variances from normal weather, consistent with the procedures outlined in the Company's Conservation Alliance Plan (CAP) Schedule No. 30 that was extended by the Commission's Order No. 13-079 (UG 224).

**Item 1 – Conservation and Weather Variance Accounts**

Cascade requests reauthorization to continue deferring margin differences associated with changes in margin due to conservation and variances from normal weather, consistent with the procedures outlined in the Company's Conservation Alliance Plan (CAP) Schedule No. 30 that was originally approved by the Commission's Order No. 06-191 and which was originally scheduled to expire on September 30, 2010. In Order No. 07-221, the Commission extended the term of the decoupling mechanism to September 30, 2012, as part of the Commission's approval of Cascade's purchase by MDU Resources Group, Inc. The Commission extended Cascade's decoupling mechanism through April 30, 2013, in Order No. 13-102. In Order No. 13-463, the Commission approved the supplemental application for reauthorization extending the CAP through December 31, 2014.

According to the provisions in Schedule 30, such margin differences are accumulated as regulatory assets or liabilities for distribution to or collection from customers annually at the time of the Company's PGA filing.

It is appropriate that deferral accounting be reauthorized for the same reasons that originally established the CAP mechanism in Order 06-191. Deferral minimizes both the frequency of rate changes and the fluctuation of rate levels pursuant to subsection (2) (e) of ORS 757.259. In the absence of the Commission's approval of this Application, the company would record under- or over-collected margins as utility operating revenue in FERC Account 480.

### Item 2 – Amount Deferred During the last Deferral Period

Description	Account Number	Amount deferred during the current deferral period November 2013 - September 2014	Total Amount deferred over the latest 12-month period November 2012-October 2013
CAP Weather Variance	47OR.1862.20462	83,763	119,186
CAP Conservation Variance	47OR.1862.20463	(1,332,615)	(1,058,656)
Residual Tech. Adj. Conservation	47OR.1862.20471	0	0

Description	Account Number	Amount amortized during the current deferral period November 2013 - September 2014	Total Amount amortized over the latest 12-month period November 2012-October 2013
CAP Weather Variance	47OR.1862.20462	0	0
CAP Conservation Variance	47OR.1862.20463	0	0
Residual Tech. Adj. Conservation	47OR.1862.20471	443,510	387,027

An interest rate of 8.709% was applied to the current deferred amounts and will apply to the deferred amounts during the proposed deferral period.

### Item 3 – Notification

The copy of this Application for an order reauthorizing these accounts was sent to all parties and interested persons that participated in Docket UG 224.

The estimated or projected deferrals are difficult to measure due to weather volatility.

WHEREFORE, Cascade respectfully requests that the Conservation and Weather Variance Accounts deferral accounts referred to above be appropriately reauthorized.

DATED this 31<sup>th</sup> day of October, 2014.

Respectfully submitted,

CASCADE NATURAL GAS CORPORATION

By:   
Michael Parvinen  
Director, Regulatory Affairs

**CERTIFICATE OF SERVICE**

I certify that I have this day served the foregoing notice of Cascade's application to reauthorize to defer accounting for changes in margin due to conservation and variances from normal weather, consistent with the procedures outlined in the Company's Conservation Alliance Plan (CAP) Schedule No. 30 that was approved by the Commission's Order No. 06-191 upon all parties of record in the (UG 224) proceeding by emailing an electronic copy to the following parties or attorneys of parties:

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DATED at Kennewick, WA, this 31<sup>st</sup> day of October 2014.

/s/ Maryalice Rosales  
Maryalice Rosales  
Regulatory Analyst II  
Cascade Natural Gas Corporation