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October 22, 2021

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

Attention: Filing Center

Re: UM 1557(13) - Reauthorization to Defer Changes in Distribution Margin

Cascade Natural Gas Corporation (Cascade or the Company) submits the attached Application for Reauthorization to Defer variances in its collection of distribution margin due to conservation and weather. Such deferral entries will be consistent with the parameters outlined in the Company's Rule 19, Conservation Alliance Plan (CAP).

Please direct any questions regarding this filing to Isaac Myhrum at <u>isaac.myhrum@cngc.com</u> or call (509) 734-4684.

Sincerely,

/s/ Christopher Mickelson

Christopher Mickelson Manager, Regulatory Affairs Phone: (509) 734-4549

**Enclosures** 

# OF OREGON UM 1557

In the Matter of Cascade Natural Gas Corporation For Reauthorization to Defer Costs Related to The Company's Conservation Alliance Plan (CAP)

APPLICATION FOR
REAUTHORIZATION FOR
DEFERRED ACCOUNTING

INTRODUCTION 1 I. 2 In accordance with ORS 757.259 and OAR 860-027-0300, Cascade Natural Gas Corporation ("Cascade" or the "Company") applies to the Public Utility Commission of Oregon ("Commission") for an 3 4 accounting order reauthorizing the Company to record and defer, on an ongoing basis, costs related to 5 the Company's Conservation Alliance Plan (CAP), as established in Rule 19. The Company's request is for 6 the 12-month period beginning January 1, 2022 and ending December 31, 2022. 7 II. APPLICATION FOR REAUTHORIZATION TO DEFER 8 In compliance with the requirements established in OAR 860-027-0300(3) and (4) and 9 Commission Order No 09-263, Cascade submits the following: 10 Description of Utility Expense – OAR 860-027-0300(3)(a) 11 Cascade requests reauthorization to continue deferring margin differences associated with 12 changes in margin due to conservation and variances from normal weather, consistent with the procedures outlined in the Company's Conservation Alliance Plan (CAP) Rule 19, which was most 13 14 recently approved by the Commission in Docket ADV 1071. According to the provisions in the Company's Rule 19, the CAP margin differences accumulate as regulatory assets or liabilities for distribution to, or 15 16 collection from, customers annually at the time of the Company's PGA filing.

В.	Reason for Deferral – OAR 860-027-03	300(3)(b)	١
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- 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.
- 5 C. Proposed Accounting OAR 860-027-0300(3)(c)
  - 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. Cascade's proposed deferrals would be recorded in a sub-account of FERC Account 186 (Miscellaneous Deferred Debits).
  - D. Estimate of Amounts OAR 860-027-0300(3)(d)
- The Company cannot accurately estimate the variances in collections due to conservation andweather.
- 12 E. A Copy of the Notice of Application and Certificate of Service OAR 860-027-0300(3)(e)
- Attached as Appendix B is the copy of the notice and the certificate of service verifying the notice was served on parties to the Company's most recent general rate case, UG-390.
- 15 F. A Description and Explanation of the Entries in the Deferred Accounts OAR 860-027-
- 16 **0300(4)(a)**

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- 17 Please see the response under II(A) above as well as Appendix A.
- 18 G. The Reason for Continuation of Deferred Accounting OAR 860-027-0300(4)(b)
- The continuation of the deferred accounting of gas costs is justified as these costs are continuing
  in nature and the Commission has previously approved the CAP mechanism.
- 21 H. Requirements per Commission Order No. 09-263
- Below is the information required per Commission Order No. 09-263, issued in Docket UM-1286,

  Staff's investigation into purchased gas adjustment mechanism.

 A complete Summary Sheet, the location in the PGA filing of the backup work papers, and an account map that highlights the transfer of dollars from one account to another.

Appendix A includes the Summary Sheet, which shows the amounts deferred and demonstrates the transfer of dollars from one account to another. The backup workpapers are attached to the Company's electronic 2021-2022 PGA filing (UG-419) as a file entitled, "UG 418 UG 419 CNGC Non Gas Cost and Deferral Amortization WP 7.30.21".

#### 2. The effective date of the deferral

This application is for the 12-month period beginning January 1, 2022 and ending December 31, 2022.

#### 3. Prior Year Order Number approving the deferral

Authorization to defer costs was most recently granted per Commission Order No. 20-441.

#### 4. The amount deferred last year

	<b>CAP Weather Variance</b>	<b>CAP Conservation Variance</b>	
	Acct 1862.20462	Acct 1862.20463	
Deferred amounts November 2020 through September 2021	\$1,432,075.67	(\$1,355,732.18)	

#### 5. The amount amortized last year

	Consolidated
	<u>Acct</u>
	<u>1862.20476</u>
nortized amounts November 2020 rough September 2021 with interest	\$6,961.61

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#### 6. The interest rate that will be applied to accounts

1	The interest rate for deferral accounts is 7.071%. Monies transferred for						
2	amortization accrue interest at the rate of 2.63% through October 2021. Beginning						
3	November 2021, the amortized balance will accrue interest at the rate of 1.24%.						
4	7. An estimate of the upcoming PGA-period deferral and/or amortization						
5	Cascade is unable to estimate the amount it will defer during the next PGA						
6	cycle. The Company's intent is to amortize the total amount that is deferred.						
7	III. COMMUNICATIONS						
8	Cascade hereby waives service by means of other than service by electronic mail. Consistent						
9	with that waiver, communications regarding this Application should be addressed to all of the following:						
10 11 12 13 14 15	Christopher Mickelson Cascade Natural Gas Corporation Cascade						
16	IV. CONCLUSION						
17	Cascade requests that in accordance with ORS 757.259, the Commission authorize the Company						
18	to defer the expenses described in this Application.						
19 20 21	DATED: October 22, 2021 // //						
22	Sincerely,						
23 24 25 26 27 28 29 30	/s/ Christopher Mickelson Christopher Mickelson Manager, Regulatory Affairs Cascade Natural Gas Corporation 8113 W. Grandridge Blvd Kennewick, WA 99336 christopher.mickelson@cngc.com						

#### **APPENDIX A**

State: Oregon

Description: OR CAP Weather Variance Deferral

Account number: 47OR.1862.20462

Class of Customers: Core: rate schedules 101 & 104 11/1/2020 - 10/31/2021

Deferral Period: Deferral Account Order:

Amortization Period:

Narrative: OR Conservation Alliance Plan (CAP) weather variance associated with the OR decoupling.

Debit (Credit)

	Debit (Credit) General Ledger						General Ledger	
Month/Year	Rate	Therms	Deferral	Amortization	Interest	Adjustments	Deferred Balance	Balance
Worlding Tear	Nate	111011113		TRANSFER BALAN		(523,855.58)	174,392.00	Dalatice
Nov-18			48,926.18		1,044.06	(323,033.30)	224,362.24	224,362.24
Dec-18			418,087.92		1,388.00		643,838.16	643,838.16
Jan-19			337,165.61		3,983.05		984,986.82	984,986.82
Feb-19			(660,575.82)		5,503.84		329,914.84	329,914.84
Mar-19			(700,943.19)		2,040.99		(368,987.36)	(368,987.36)
Apr-19			247,658.31		(2,204.83)		(123,533.88)	(123,533.88)
May-19			290,466.29		(762.76)		166,169.65	166,169.65
, Jun-19			40,468.98		992.92		207,631.55	207,631.55
Jul-19			0.00		1,282.03		208,913.58	208,913.58
Aug-19			0.00		1,289.94		210,203.52	210,203.52
Sep-19			(5,639.17)		1,256.04		205,820.39	205,820.39
Oct-19			(445,440.67)		1,270.84		(238,349.44)	(238,349.44)
				TRANSFER BALAN	CE TO 20476	(212,765.22)	(451,114.66)	
Nov-19			(60,175.15)		(2,695.56)		(513,985.37)	(513,985.37)
Dec-19			481,827.51		(3,173.61)		(35,331.47)	(35,331.47)
Jan-20			582,495.84		(112.23)		547,052.14	546,946.22
Feb-20			127,659.96		1,625.57		676,337.67	677,765.43
Mar-20			(226,082.01)		2,148.34		452,404.00	455,868.30
Apr-20			208,176.45		1,390.68		661,971.13	666,768.72
May-20			170,617.14		2,102.71		834,690.98	841,502.84
Jun-20			19,556.10		2,565.82		856,812.90	866,087.21
Jul-20			0.00		2,721.61		859,534.51	871,434.88
Aug-20			0.00		2,730.26		862,264.77	876,815.57
Sep-20			117,297.43		2,650.58		982,212.78	999,352.27
Oct-20			199,669.62		3,119.94		1,185,002.34	1,185,002.34
				TRANSFER BALAN		(867,662.70)	317,339.64	
Nov-20			177,530.82		685.98		495,556.44	495,556.44
Dec-20			540,236.73		1,106.92		1,036,900.09	1,036,900.09
Jan-21			364,149.05		2,316.12		1,403,365.26	1,403,365.26
Feb-21			3,990.17		2,831.34		1,410,186.77	1,410,186.77
Mar-21			0.00		3,149.93		1,413,336.70	1,413,336.70
Apr-21			0.00		3,055.13		1,416,391.83	1,416,391.83
May-21			0.00		3,163.79		1,419,555.62	1,419,555.62
Jun-21			0.00		3,068.57		1,422,624.19	1,422,624.19
Jul-21			0.00		3,177.71		1,425,801.90	1,425,801.90
Aug-21			0.00		3,184.81		1,428,986.71	1,428,986.71
Sep-21			0.00		3,088.96		1,432,075.67	1,432,075.67

#### **APPENDIX A**

State: Oregon

Description: OR CAP Conservation Variance Deferral

Account number: 470R.1862.20463

Class of Customers: Core: rate schedules 101 & 104
Deferral Period: 11/1/2018 - 10/31/2019

Deferral Account Order:

Amortization Period:

Narrative:

OR Conservation Alliance Plan (CAP) conservation variance associated with the OR decoupling.

Debit (Credit)

								<b>General Ledger</b>
Month/Year	Rate	Therms	Deferral	Amortization	Interest	Adjustments	Deferred Balance	Balance
				TRANSFER BALA		1,749,225.03	218,444.51	
Nov-18			(26,085.17)		1,307.79		193,667.13	193,667.13
Dec-18			(423,768.05)		1,198.10		(228,902.82)	(228,902.82)
Jan-19			(900,322.32)		(1,416.09)		(1,130,641.23)	(1,130,641.23)
Feb-19			(21,574.04)		(6,317.71)		(1,158,532.98)	(1,158,532.98)
Mar-19			(367,163.58)		(7,167.16)		(1,532,863.72)	(1,532,863.72)
Apr-19			(576,332.02)		(9,159.39)		(2,118,355.13)	(2,118,355.13)
May-19			123,271.31		(13,079.83)		(2,008,163.65)	(2,008,163.65)
Jun-19			(122,268.98)		(11,999.47)		(2,142,432.10)	(2,142,432.10)
Jul-19			(18,504.28)		(13,228.49)		(2,174,164.87)	(2,174,164.87)
Aug-19			239,960.86		(13,424.43)		(1,947,628.44)	(1,947,628.44)
Sep-19			(118,874.61)		(11,637.75)		(2,078,140.80)	(2,078,140.80)
Oct-19			(489,222.07)		(12,831.52)		(2,580,194.39)	(2,580,194.39)
				TRANSFER BALA	NCE TO 20476	2,195,403.48	(384,790.91)	
Nov-19			26,407.87		(2,299.26)		(360,682.30)	(360,682.30)
Dec-19			(227,671.85)		(2,227.04)		(590,581.19)	(590,581.19)
Jan-20			(614,004.38)		(1,875.94)		(1,206,461.51)	(1,208,232.13)
Feb-20			(107,159.29)		(3,585.01)		(1,317,205.81)	(1,322,370.37)
Mar-20			40,199.21		(4,184.02)		(1,281,190.62)	(1,290,336.16)
Apr-20			(90,132.89)		(3,938.34)		(1,375,261.85)	(1,388,179.25)
May-20			(20,223.06)		(4,368.43)		(1,399,853.34)	(1,416,973.65)
Jun-20			(84,960.64)		(4,303.11)		(1,489,117.09)	(1,510,401.19)
Jul-20			(29,994.16)		(4,730.09)		(1,523,841.34)	(1,549,721.35)
Aug-20			(5,584.23)		(4,840.39)		(1,534,265.96)	(1,564,874.37)
Sep-20			(15,314.56)		(4,716.29)		(1,554,296.81)	(1,589,539.59)
Oct-20			(111,122.09)		(4,937.13)		(1,670,356.03)	(1,670,356.03)
			1	TRANSFER BALA	NCE TO 20476	1,507,973.75	(162,382.28)	
Nov-20			(378,989.94)		(351.01)		(541,723.23)	(541,723.23)
Dec-20			(528,081.51)		(1,210.05)		(1,071,014.79)	(1,071,014.79)
Jan-21			(258,915.04)		(2,392.32)		(1,332,322.15)	(1,332,322.15)
Feb-21			0.00		(2,688.01)		(1,335,010.16)	(1,335,010.16)
Mar-21			0.00		(2,982.01)		(1,337,992.17)	(1,337,992.17)
Apr-21			0.00		(2,892.26)		(1,340,884.43)	(1,340,884.43)
May-21			0.00		(2,995.13)		(1,343,879.56)	(1,343,879.56)
Jun-21			0.00		(2,904.99)		(1,346,784.55)	(1,346,784.55)
Jul-21			0.00		(3,008.31)		(1,349,792.86)	(1,349,792.86)
Aug-21			0.00		(3,015.03)		(1,352,807.89)	(1,352,807.89)
Sep-21			0.00		(2,924.29)		(1,355,732.18)	(1,355,732.18)

#### **APPENDIX A**

State: Oregon

Description: OR Residual Technical Adjustments - Conservation

Account number: 470R.1862.20476

Class of Customers: Core: rate schedules 101 and 104

Deferral Period: n/a
Deferral Account Order: n/a

Amortization Period: 11/1/2020 - 10/31/2021

Narrative: Residual OR Conservation technical adjustments related to Conservation Alliance Program.

Debit (Credit)

				Debit (C.	reuitj			
								General Ledger
Month/Year	Rate	Therms	Deferral	Amortization	Interest	Adjustments	Deferred Balance	Balance
		0.706.670	Irar	nsfer Balance from 2		(1,225,369.45)	(1,314,570.95)	(4.040.450.55)
Nov-18	Prorated	8,796,670		275,567.37	(3,154.97)		(1,042,158.55)	(1,042,158.55)
Dec-18	0.01692	10,954,260		185,346.08	(2,584.55)		(859,397.02)	(859,397.02)
Jan-19	0.01692	12,623,719		213,593.32	(2,131.30)		(647,935.00)	(647,935.00)
Feb-19	0.01692	11,793,307		199,542.75	(1,451.37)		(449,843.62)	(449,843.62)
Mar-19	0.01692	13,365,097		226,137.45	(1,115.61)		(224,821.78)	(224,713.82)
Apr-19	0.01692	9,062,424		153,336.22	(539.57)		(72,025.13)	(72,025.13)
May-19	0.01692	4,723,425		79,920.35	(178.62)		7,716.60	7,716.60
Jun-19	0.01692	3,227,056		54,601.78	18.52		62,336.90	62,336.90
Jul-19	0.01692	2,342,731		39,639.01	154.60		102,130.51	102,130.51
Aug-19	0.01692	1,961,672		33,191.49	253.28		135,575.28	135,575.28
Sep-19	0.01692	1,933,312		32,711.64	325.38		168,612.30	168,612.30
Oct-19	0.01692	4,656,166		78,782.32	418.16		247,812.78	247,812.78
			Trar	sfer Balance from 2	0462 & 20463	(1,982,638.26)	(1,734,825.48)	
Nov-19	Prorated	7,331,517		141,393.24	(5,332.81)		(1,598,765.05)	(1,598,765.05)
Dec-19	0.02339	10,862,758		254,079.91	(5,078.38)		(1,349,763.52)	(1,349,763.52)
Jan-20	0.02339	13,521,497		316,267.81	(4,287.44)		(1,037,783.15)	(1,037,783.15)
Feb-20	0.02339	10,568,871		247,205.89	(3,083.78)		(793,661.04)	(793,873.71)
Mar-20	0.02339	10,301,890		240,961.21	(2,521.02)		(555,220.85)	(555,271.50)
Apr-20	0.02339	8,224,229		192,364.71	(1,706.73)		(364,562.87)	(364,562.87)
May-20	0.02339	4,096,605		95,819.59	(1,158.01)		(269,901.29)	(269,901.29)
Jun-20	0.02339	3,236,702		75,706.46	(829.67)		(195,024.50)	(195,052.15)
Jul-20	0.02339	2,390,819		55,921.26	(619.48)		(139,722.72)	(139,722.72)
Aug-20	0.02339	1,736,293		40,611.89	(443.82)		(99,554.65)	(99,554.65)
Sep-20	0.02339	1,949,241		45,592.75	(306.03)		(54,267.93)	(54,267.93)
Oct-20	0.02339	2,685,493		62,813.68	(172.38)		8,373.37	8,373.37
		, ,	Trar	nsfer Balance from 2		(640,311.05)	(631,937.68)	,
Nov-20	Prorated	9,683,230		108,871.47	(1,366.02)	. , ,	(524,432.23)	(524,432.23)
Dec-20	0.00767	11,901,663		91,285.76	(1,171.42)		(434,317.89)	(434,317.89)
Jan-21	0.00767	12,541,455		96,192.96	(970.14)		(339,095.07)	(339,095.07)
Feb-21	0.00767	11,444,274		87,777.58	(684.14)		(252,001.63)	(252,001.63)
Mar-21	0.00767	11,640,617		89,283.54	(562.90)		(163,280.99)	(163,280.99)
Apr-21	0.00767	8,216,608		63,021.38	(352.96)		(100,612.57)	(100,612.57)
May-21	0.00767	4,519,818		34,667.00	(224.74)		(66,170.31)	(66,170.31)
Jun-21	0.00767	3,574,720		27,418.10	(143.04)		(38,895.25)	(38,895.25)
Jul-21	0.00767	2,060,471		15,803.82	(86.88)		(23,178.31)	(23,178.31)
Aug-21	0.00767	1,816,274		13,930.82	(51.77)		(9,299.26)	(9,299.26)
Sep-21	0.00767	2,122,683		16,280.97	(20.10)		6,961.61	6,961.61
3CP 21	0.00707	2,122,003		10,200.37	(20.10)		0,501.01	0,301.01

#### Appendix B

### **Cascade Natural Gas Corporation**

October 22, 2021

# NOTICE OF APPLICATION TO DEFER COSTS RELATED TO DECOUPLING

#### To All Parties Who Participated in UG-390

Please be advised that today, Cascade Natural Gas Corporation ("Cascade" or the "Company") applied for reauthorization to defer differences in margin due to conservation and variances from normal weather, consistent with the procedures outlined in the Company's Conservation Alliance Plan (CAP), Rule 19. Copies of the Company's application are available for inspection at the Company's main office.

Parties who would like additional information or would like a copy of the filing, or notice of the time and place of any hearing, if scheduled, should contact the Company or the Public Utility Commission of Oregon as follows:

Cascade Natural Gas Attn: Christopher Mickelson 8113 W Grandridge Blvd Kennewick, WA 99336 509-734-4549 CNGCregulatory@cngc.com Public Utility Commission of Oregon Attn: Brian Fjeldheim 201 High Street SE, Suite 100 Salem, OR 97301-3398

Any person may submit to the Commission written comments on the application no sooner than 25 days from the date of this notice.

The Company's application will not authorize a change in rates but will permit the Commission to consider allowing such deferred amount in rates in a subsequent proceeding.

#### Appendix B

## **Cascade Natural Gas Corporation**

#### **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served by electronic mail the foregoing NOTICE OF APPLICATION FOR REAUTHORIZATION TO DEFER DIFFERENCES IN MARGIN DUE TO CONSERVATION AND VARIANCES FROM NORMAL WEATHER, CONSISTENT WITH THE PROCEDURES OUTLINED IN THE COMPANY'S CONSERVATION ALLIANCE PLAN (CAP) upon all parties of record in UG-390, which was the Company's most recent general rate case.

Oregon Citizens' Utility Board	Michael Goetz
dockets@oregoncub.org	Oregon Citizens' Utility Board
	mike@oregoncub.org
William Gehrke	Chad M Stokes
Oregon Citizens' Utility Board	Cable Huston LLP
will@oregoncub.com	cstokes@cablehuston.com
Tommy A Brooks	Edward Finklea
Cable Huston LLP	Alliance of Western Energy Consumers
tbrooks@cablehuston.com	efinklea@awec.solutions
Stephanie S Andrus	Marianne Gardner
PUC Staff – Dept of Justice	Public Utility Commission of Oregon
Stephanie.andrus@state.or.us	marianne.gardner@state.or.us
Jocelyn C Pease	Lisa F Rackner
McDowell, Rackner & Gibson PC	McDowell, Rackner & Gibson PC
jocelyn@mrg-law.com	dockets@mrg-law.com

Dated this 22<sup>nd</sup> day of October 2021.

/s/ Isaac Myhrum\_\_\_

Isaac Myhrum
Regulatory Analyst II
Cascade Natural Gas Corporation
8113 W Grandridge Blvd
Kennewick, WA 99336
isaac.myhrum@cngc.com