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October 25, 2023

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

Attention: Filing Center

Re: UM 1557(15) - Reauthorization to Defer Changes in Distribution Margin

Cascade Natural Gas Corporation ("Cascade" or "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").

If there are any questions regarding this filing, please contact me at (208) 377-6015 or Michael Parvinen at (509) 734-4593.

Sincerely,

/s/ Lori A. Blattner

Lori A. Blattner
Director, Regulatory Affairs
Cascade Natural Gas Corporation
8113 W. Grandridge Blvd.
Kennewick, WA 99336-7166
Lori.blattner@intgas.com

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION
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

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I. INTRODUCTION

In accordance with ORS 757.259 and OAR 860-027-0300, Cascade Natural Gas Corporation (“Cascade” or “Company”) applies to the Public Utility Commission of Oregon (“Commission”) for an accounting order reauthorizing the Company to record and defer, on an ongoing basis, costs related to the Company’s Conservation Alliance Plan (“CAP”), as established in Rule 19. The Company’s request is for the 12-month period beginning January 1, 2024, and ending December 31, 2024.

II. APPLICATION FOR REAUTHORIZATION TO DEFER

In compliance with the requirements established in OAR 860-027-0300(3) and (4) and Commission Order No 09-263, Cascade submits the following:

A. Description of Utility Expense – OAR 860-027-0300(3)(a)

Cascade requests authorization to continue deferring under- or over-collections of margin due to conservation or extreme weather, consistent with the procedures outlined in the Company's CAP Rule 19, which was most 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 collection from customers annually at the time of the Company’s PGA filing.

1 **B. Reason for Deferral – OAR 860-027-0300(3)(b)**

2 It is appropriate that deferral accounting be reauthorized for the same reasons that originally
3 established the CAP mechanism in Order 06-191. The CAP mechanism, which requires deferred
4 accounting, minimizes both the frequency of rate changes and the fluctuation of rate levels pursuant to
5 subsection (2)(e) of ORS 757.259.

6 **C. Proposed Accounting - OAR 860-027-0300(3)(c)**

7 In the absence of the Commission’s approval of this Application, the Company would record
8 under- or over-collected margins as utility operating revenue in FERC Account 480. Cascade’s proposed
9 deferrals will be recorded in a sub-account of FERC Account 186 (Miscellaneous Deferred Debits).

10 **D. Estimate of Amounts - OAR 860-027-0300(3)(d)**

11 The Company cannot accurately estimate the variances in collections due to conservation and
12 weather.

13 **E. A Copy of the Notice of Application and Certificate of Service – OAR 860-027-0300(3)(e)**

14 Attached as Appendix B is the copy of the notice and the certificate of service verifying the
15 notice was served on parties to the Company’s most recent general rate case, UG-390.

16 **F. A Description and Explanation of the Entries in the Deferred Accounts – OAR 860-027-
17 0300(4)(a)**

18 Please see the response under II(A) above as well as Appendix A.

19 **G. The Reason for Continuation of Deferred Accounting – OAR 860-027-0300(4)(b)**

20 The continuation of the deferred accounting of gas costs is justified as these costs are continuing
21 in nature and the Commission has previously approved the CAP mechanism.

22 **H. Requirements per Commission Order No. 09-263**

23 Below is the information required per Commission Order No. 09-263, issued in Docket UM-1286,
24 Staff’s investigation into purchased gas adjustment mechanism.

1. 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 2023-2024 PGA filing (UG 465) as a file entitled, "UG 463 UG 464 UG 465 UG 466 Supplemental CNGC Gas & Non Gas Cost Model WP 9.15.23."

2. The effective date of the deferral

This application is for the 12-month period beginning January 1, 2024, and ending December 31, 2024.

3. Prior Year Order Number approving the deferral

Authorization to defer costs was most recently granted per Commission Order No. 22-394.

4. The amount deferred last year

	CAP Residential Weather	CAP Residential Conservation
	<u>Acct 1862.20482</u>	<u>Acct 1862.20483</u>
Deferred balance as of September 2023	(\$527,739.64)	(\$579,484.24)
	CAP Commercial Weather	CAP Commercial Conservation
	<u>Acct 1862.20484</u>	<u>Acct 1862.20485</u>
Deferred balance as of September 2023	(\$219,337.80)	(\$729,085.21)

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1 **5. The amount amortized last year**

	Consolidated
	<u>Acct</u> <u>1862.20476</u>
Amortized amounts November 2022 through September 2023 with interest	\$979,364.15

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3 **6. The interest rate that will be applied to accounts**

4 The deferred balance accrues interest at the rate of 7.071%.¹ The amortized
5 balance will accrue interest at the rate of 1.82% through October 2023. Beginning
6 November 2023, the amortized balance will accrue interest at the rate of 5.13%.²

7 **7. An estimate of the upcoming PGA-period deferral and/or amortization**

8 Cascade is unable to estimate the amount it will defer during the next PGA
9 cycle. The Company’s intent is to amortize the total amount that is deferred.

10 **III. COMMUNICATIONS**

11 Cascade hereby waives service by means of other than service by electronic mail. Consistent
12 with that waiver, communications regarding this Application should be addressed to all of the following:

13 Lori A. Blattner	Department of Regulatory Affairs
14 Cascade Natural Gas Corporation	Cascade Natural Gas Corporation
15 8113 W. Grandridge Blvd	8113 W. Grandridge Blvd
16 Kennewick, WA 99336	Kennewick, WA 99336
17 Email: lori.blattner@intgas.com	Email: CNGCregulatory@cngc.com

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19 **IV. CONCLUSION**

20 Cascade requests that in accordance with ORS 757.259, the Commission authorize the Company
21 to defer the expenses described in this Application.

¹ Authorized Rate of Return as approved in the Company’s most recently concluded rate case, Commission Order No. 21-001 in docket No. UG-390.
² Modified Blended Treasury (MBT) rates per annual staff calculation authorized in Dockets UM 1147 and UG 221.

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DATED: October 25, 2023

Sincerely,

/s/Lori A. Blattner

Lori A. Blattner
Director, Cascade Natural Gas Corporation
8113 W. Grandridge Blvd
Kennewick, WA 99336
lori.blattner@intgas.com

Appendix A

State:	Oregon
Description:	OR CAP - Residential Weather Deferral
Account number:	47OR.1862.20482
Class of Customers:	Core: rate schedules 101
Deferral Period:	11/1/2022 - 10/31/2023
Deferral Account Order:	UG390 Order 21-001
Narrative:	OR Conservation Alliance Plan (CAP) Residential Weather variance associated with OR decoupling.

Debit (Credit)

Month/Year	Rate	Therms	Deferral	Amortization	Interest	Adjustments	Deferred Balance
Jan-21							0.00
Feb-21			(128,458.11)		0.00		(128,458.11)
Mar-21			(37,507.88)		(286.94)		(166,252.93)
Apr-21			132,529.39		(359.38)		(34,082.92)
May-21			130,767.49		(76.13)		96,608.44
Jun-21			47,314.02		208.83		144,131.29
Jul-21			0.00		321.95		144,453.24
Aug-21			0.00		322.67		144,775.91
Sep-21			38,616.39		312.95		183,705.25
Oct-21			66,409.20		410.34		250,524.79
				TRANSFER BALANCE TO 20476		(145,412.94)	105,111.85
Nov-21			484,297.84		107.13		589,516.82
Dec-21			231,669.17		620.85		821,806.84
Jan-22			210,285.33		865.49		1,032,957.66
Feb-22			12,082.87		982.58		1,046,023.11
Mar-22			185,349.09		1,101.62		1,232,473.82
Apr-22			(300,536.60)		1,256.11		933,193.33
May-22			(73,296.32)		982.79		860,879.80
Jun-22			38,334.11		877.39		900,091.30
Jul-22			0.00		947.93		901,039.23
Aug-22			0.00		948.93		901,988.16
Sep-22			75,429.17		919.29		978,336.62
Oct-22			456,461.59		1,030.34		1,435,828.55
				TRANSFER BALANCE TO 20476		(903,858.35)	531,970.20
Nov-22			(436,628.68)		795.77		96,137.29
Dec-22			(290,355.92)		148.60		(194,070.03)
Jan-23			(69,612.69)		(299.98)		(263,982.70)
Feb-23			(151,244.37)		(368.56)		(415,595.63)
Mar-23			(453,998.89)		(642.41)		(870,236.93)
Apr-23			(32,980.56)		(1,301.78)		(904,519.27)
May-23			298,584.65		(1,398.16)		(607,332.78)
Jun-23			64,806.04		(908.50)		(543,435.24)
Jul-23			0.00		(840.02)		(544,275.26)
Aug-23			0.00		(841.32)		(545,116.58)
Sep-23			18,192.37		(815.43)		(527,739.64)

Appendix A

State:	Oregon
Description:	OR CAP - Residential Conservation Deferral
Account number:	47OR.1862.20483
Class of Customers:	Core: rate schedules 101
Deferral Period:	11/1/2022 - 10/31/2023
Deferral Account Order:	UG390 Order 21-001
Narrative:	OR Conservation Alliance Plan (CAP) Residential Conservation variance associated with OR decoupling.

Debit (Credit)

Month/Year	Rate	Therms	Deferral	Amortization	Interest	Adjustments	Deferred Balance
Jan-21							0.00
Feb-21			(170,475.56)		0.00		(170,475.56)
Mar-21			(4,559.51)		(380.79)		(175,415.86)
Apr-21			(24,822.69)		(379.19)		(200,617.74)
May-21			(146,758.99)		(448.12)		(347,824.85)
Jun-21			5,776.83		(751.87)		(342,799.89)
Jul-21			(125,855.97)		(765.71)		(469,421.57)
Aug-21			45,596.51		(1,048.55)		(424,873.61)
Sep-21			14,747.75		(918.43)		(411,044.29)
Oct-21			(1,454.57)		(918.15)		(413,417.01)
				TRANSFER BALANCE TO 20476		345,848.15	(67,568.86)
Nov-21			(286,481.40)		(68.86)		(354,119.12)
Dec-21			(140,204.78)		(372.94)		(494,696.84)
Jan-22			(163,503.04)		(520.99)		(658,720.87)
Feb-22			113,051.82		(626.60)		(546,295.65)
Mar-22			(355,328.65)		(575.33)		(902,199.63)
Apr-22			(70,814.33)		(919.50)		(973,933.46)
May-22			(205,492.76)		(1,025.70)		(1,180,451.92)
Jun-22			(119,669.26)		(1,203.09)		(1,301,324.27)
Jul-22			143,517.15		(1,370.49)		(1,159,177.61)
Aug-22			24,217.44		(1,220.79)		(1,136,180.96)
Sep-22			120,720.54		(1,157.97)		(1,016,618.39)
Oct-22			(69,127.29)		(1,070.65)		(1,086,816.33)
				TRANSFER BALANCE TO 20476		1,306,770.55	219,954.22
Nov-22			(468,301.56)		329.03		(248,018.31)
Dec-22			(66,764.34)		(383.38)		(315,166.03)
Jan-23			413,249.13		(487.17)		97,595.93
Feb-23			(363,509.71)		136.26		(265,777.52)
Mar-23			(105,003.80)		(410.83)		(371,192.15)
Apr-23			(563,175.46)		(555.26)		(934,922.87)
May-23			76,909.86		(1,445.16)		(859,458.17)
Jun-23			(82,330.39)		(1,285.66)		(943,074.22)
Jul-23			221,100.62		(1,457.76)		(723,431.36)
Aug-23			76,286.41		(1,118.25)		(648,263.20)
Sep-23			69,748.69		(969.73)		(579,484.24)

Appendix A

State:	Oregon
Description:	OR CAP - Commercial Weather Deferral
Account number:	47OR.1862.20484
Class of Customers:	Core: rate schedules 104
Deferral Period:	11/1/2022 - 10/31/2023
Deferral Account Order:	UG390 Order 21-001
Narrative:	OR Conservation Alliance Plan (CAP) Commercial Weather variance associated with OR decoupling.

Debit (Credit)

Month/Year	Rate	Therms	Deferral	Amortization	Interest	Adjustments	Deferred Balance
Jan-21							0.00
Feb-21			(54,189.73)		0.00		(54,189.73)
Mar-21			(10,434.58)		(121.04)		(64,745.35)
Apr-21			41,351.48		(139.96)		(23,533.83)
May-21			35,281.89		(52.57)		11,695.49
Jun-21			12,859.80		25.28		24,580.57
Jul-21			683.20		54.91		25,318.68
Aug-21			0.00		56.55		25,375.23
Sep-21			27,007.97		54.85		52,438.05
Oct-21			22,118.25		117.13		74,673.43
				TRANSFER BALANCE TO 20476		(24,799.15)	49,874.28
Nov-21			172,132.78		50.83		222,057.89
Dec-21			82,842.76		233.86		305,134.51
Jan-22			64,421.53		321.35		369,877.39
Feb-22			(14,902.68)		351.84		355,326.55
Mar-22			66,317.50		374.21		422,018.26
Apr-22			(105,037.37)		430.11		317,411.00
May-22			(23,138.41)		334.28		294,606.87
Jun-22			9,407.43		300.26		304,314.56
Jul-22			310.97		320.49		304,946.02
Aug-22			0.00		321.15		305,267.17
Sep-22			58,819.39		311.12		364,397.68
Oct-22			163,652.94		383.77		528,434.39
				TRANSFER BALANCE TO 20476		(305,588.17)	222,846.22
Nov-22			(168,421.60)		333.35		54,757.97
Dec-22			(110,510.96)		84.64		(55,668.35)
Jan-23			(21,361.02)		(86.05)		(77,115.42)
Feb-23			(62,486.10)		(107.67)		(139,709.19)
Mar-23			(170,947.47)		(215.96)		(310,872.62)
Apr-23			(15,721.07)		(465.03)		(327,058.72)
May-23			81,398.04		(505.55)		(246,166.23)
Jun-23			16,493.39		(368.24)		(230,041.08)
Jul-23			682.25		(355.59)		(229,714.42)
Aug-23			0.00		(355.08)		(230,069.50)
Sep-23			11,075.86		(344.16)		(219,337.80)

Appendix A

State:	Oregon
Description:	OR CAP - Commercial Conservation Deferral
Account number:	47OR.1862.20485
Class of Customers:	Core: rate schedules 104
Deferral Period:	11/1/2022 - 10/31/2023
Deferral Account Order:	UG390 Order 21-001
Narrative:	OR Conservation Alliance Plan (CAP) Commercial Conservation variance associated with OR decoupling.

Debit (Credit)

Month/Year	Rate	Therms	Deferral	Amortization	Interest	Adjustments	Deferred Balance
Jan-21							0.00
Feb-21			(69,108.49)		0.00		(69,108.49)
Mar-21			(98,468.87)		(154.37)		(167,731.73)
Apr-21			(6,080.37)		(362.58)		(174,174.68)
May-21			(64,849.36)		(389.05)		(239,413.09)
Jun-21			35,768.71		(517.53)		(204,161.91)
Jul-21			(48,613.10)		(456.04)		(253,231.05)
Aug-21			30,266.56		(565.64)		(223,530.13)
Sep-21			(18,795.64)		(483.19)		(242,808.96)
Oct-21			7,215.11		(542.36)		(236,136.21)
				TRANSFER BALANCE TO 20476		205,977.37	(30,158.84)
Nov-21			(41,600.16)		(30.74)		(71,789.74)
Dec-21			(100,678.88)		(75.61)		(172,544.23)
Jan-22			(106,700.82)		(181.72)		(279,426.77)
Feb-22			(35,277.55)		(265.80)		(314,970.12)
Mar-22			(236,045.37)		(331.71)		(551,347.20)
Apr-22			(111,343.00)		(561.92)		(663,252.12)
May-22			(124,733.62)		(698.50)		(788,684.24)
Jun-22			(51,281.60)		(803.81)		(840,769.65)
Jul-22			89,970.14		(885.46)		(751,684.97)
Aug-22			18,073.43		(791.64)		(734,403.18)
Sep-22			3,382.29		(748.49)		(731,769.38)
Oct-22			(50,648.94)		(770.66)		(783,188.98)
				TRANSFER BALANCE TO 20476		844,288.42	61,099.44
Nov-22			(102,926.96)		91.40		(41,736.12)
Dec-22			(173,029.79)		(64.51)		(214,830.42)
Jan-23			31,977.67		(332.07)		(183,184.82)
Feb-23			(216,627.09)		(255.76)		(400,067.67)
Mar-23			(151,155.87)		(618.41)		(551,841.95)
Apr-23			(316,533.63)		(825.50)		(869,201.08)
May-23			48,755.18		(1,343.57)		(821,789.47)
Jun-23			(52,713.92)		(1,229.31)		(875,732.70)
Jul-23			118,001.93		(1,353.67)		(759,084.44)
Aug-23			40,659.61		(1,173.36)		(719,598.19)
Sep-23			(8,410.58)		(1,076.44)		(729,085.21)

Appendix A

State:	Oregon
Description:	OR Residual Technical Adjustments - Conservation
Account number:	47OR.1862.20476
Class of Customers:	Core: rate schedules 101 and 104
Deferral Period:	n/a
Deferral Account Order:	n/a
Amortization Period:	11/1/2022 - 10/31/2023
Narrative:	Residual OR Conservation technical adjustments related to Conservation Alliance Program. (Schedule 192, 193)

Debit (Credit)

Month/Year	Rate	Therms	Deferral	Amortization	Interest	Adjustments	Deferred Balance
Transfer Balance from 20462 & 20463						(640,311.05)	(631,937.68)
Nov-20	Prorated	9,683,230		108,871.47	(1,366.02)		(524,432.23)
Dec-20	0.00767	11,901,663		91,285.76	(1,171.42)		(434,317.89)
Jan-21	0.00767	12,541,455		96,192.96	(970.14)		(339,095.07)
Feb-21	0.00767	11,444,274		87,777.58	(684.14)		(252,001.63)
Mar-21	0.00767	11,640,617		89,283.54	(562.90)		(163,280.99)
Apr-21	0.00767	8,216,608		63,021.38	(352.96)		(100,612.57)
May-21	0.00767	4,519,818		34,667.00	(224.74)		(66,170.31)
Jun-21	0.00767	3,574,720		27,418.10	(143.04)		(38,895.25)
Jul-21	0.00767	2,060,471		15,803.82	(86.88)		(23,178.31)
Aug-21	0.00767	1,816,274		13,930.82	(51.77)		(9,299.26)
Sep-21	0.00767	2,122,683		16,280.97	(20.10)		6,961.61
Oct-21	0.00767	3,393,118		26,025.22	15.55		33,002.38
Transfer Balance from 20462, 20463, & 20482-20485						(305,099.41)	(272,097.03)
Nov-21	Prorated	6,034,619		37,260.09	(277.32)		(235,114.26)
Dec-21	Various	9,640,267		29,857.40	(247.61)		(205,504.47)
Jan-22	Various	14,788,237		45,855.82	(216.43)		(159,865.08)
Feb-22	Various	11,567,076		36,028.27	(152.07)		(123,988.87)
Mar-22	Various	12,070,884		37,618.05	(130.58)		(86,501.40)
Apr-22	Various	7,785,379		24,189.51	(88.16)		(62,400.05)
May-22	Various	6,904,510		21,538.35	(65.72)		(40,927.42)
Jun-22	Various	4,563,144		14,375.87	(41.71)		(26,593.26)
Jul-22	Various	3,132,540		10,010.51	(28.01)		(16,610.77)
Aug-22	Various	2,023,388		6,539.23	(17.49)		(10,089.02)
Sep-22	Various	2,285,162		7,433.60	(10.28)		(2,665.70)
Oct-22	Various	4,590,334		14,573.52	(2.81)		11,905.01
Transfer Balance from 20462, 20463, & 20482-20485						(941,612.45)	(929,707.44)
Nov-22	Prorated	13,965,125		154,326.16	(1,390.74)		(776,772.02)
Dec-22	Various	15,564,311		174,383.59	(1,200.70)		(603,589.13)
Jan-23	Various	12,416,834		140,729.86	(933.00)		(463,792.27)
Feb-23	Various	13,385,816		150,929.72	(647.53)		(313,510.08)
Mar-23	Various	10,790,357		121,230.65	(484.61)		(192,764.04)
Apr-23	Various	8,649,448		97,716.46	(288.35)		(95,335.93)
May-23	Various	2,434,717		27,909.69	(147.37)		(67,573.61)
Jun-23	Various	2,833,211		33,493.69	(101.08)		(34,181.00)
Jul-23	Various	1,148,940		13,664.63	(52.84)		(20,569.21)
Aug-23	Various	1,824,463		21,766.07	(31.79)		1,165.07
Sep-23	Various	2,833,926		33,919.19	1.74		35,086.00

Appendix B

Cascade Natural Gas Corporation

October 25, 2023

**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: Lori Blattner
8113 W Grandridge Blvd
Kennewick, WA 99336
208-377-6015
CNGCregulatory@cngc.com

Public Utility Commission of Oregon
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.

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Dated this 25th day of October 2023.

/s/ Jacob Betterbed
Jacob Betterbed
Regulatory Analyst I
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