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August 31, 2023

Oregon Public Utility Commission  
201 High St. SE, Suite 100  
Salem, OR 97301-3398

Re: UM 1558 - Reauthorization for Deferred Accounting Treatment of Gas Costs

Attention: Filing Center

Cascade Natural Gas Corporation (Cascade or the Company) submits the attached Application for Reauthorization to defer gas costs consistent with the parameters established in Schedule 177, Purchased Gas Adjustment Provision.

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

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](mailto:Lori.blattner@intgas.com)

Enclosures

1 **BEFORE THE PUBLIC UTILITY COMMISSION**  
2 **OF OREGON**  
3 **UM 1558**  
4  
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6  
7 In the Matter of  
8 Cascade Natural Gas Corporation  
9 For Reauthorization to Defer  
10 Gas Costs  
11

APPLICATION FOR  
REAUTHORIZATION FOR  
DEFERRED ACCOUNTING

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15 **I. INTRODUCTION**

16 In accordance with ORS 757.259 and OAR 860-027-0300(4), Cascade Natural Gas Corporation  
17 (“Cascade” or the “Company”) files this application (“Application”) with the Public Utility Commission of  
18 Oregon (“Commission”) for an order reauthorizing the Company to record and defer with interest the  
19 difference between actual and embedded commodity and non-commodity costs, in accordance with the  
20 parameters established in the Company’s Schedule 177, Purchased Gas Adjustment Provision, for the  
21 twelve month period beginning November 1, 2023, and ending October 31, 2024.

22 **II. APPLICATION FOR REAUTHORIZATION TO DEFER**

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

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

26 Cascade requests reauthorization to continue deferring gas cost differences as set forth  
27 currently in Purchase Gas Cost Adjustment (PGA) Provision Schedule No. 177. Such differences  
28 have been accumulated in subaccounts of Account No. 191 for distribution to or collection from  
29 customers at a later date consistent with the established PGA methodology. Gas cost differences  
30 will be separated between demand-related cost differences and commodity-related cost  
31 differences.

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

2 Deferring gas costs is appropriate for the same reasons that originally established  
3 the PGA mechanism in Order 89-1046: minimizing both the frequency of rate changes and  
4 the fluctuation of rate levels consistent with the authority granted the Commission in ORS  
5 757.259(2)(e).

6 Due to the volatility of the price of gas purchased for customer use, the associated  
7 costs are difficult to establish with any degree of certainty. This volatility makes the use of  
8 deferral accounting necessary.

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

10 Absent the approval of deferral accounting, the charges incurred for gas costs and  
11 other associated costs would be recorded as increases/decreases in the appropriate 800 gas  
12 expense sub-account.

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

14 Because of market fluctuations, it is impossible to estimate with any accuracy the  
15 amount that would be recorded in the deferral accounts during the 12-month period.  
16 Appendix A to this filing provides a description and explanation for entries into the deferred  
17 accounts over the last three years. Reauthorization of the continuation of deferred  
18 accounting treatment for gas cost differences is justified as they are continuing in nature.

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

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

22 **F. A Description and Explanation of the Entries in the Deferred Accounts – OAR 860-027-**  
23 **0300(4)(a)**

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

2 **G. The Reason for Continuation of Deferred Accounting – OAR 860-027-030(4)(b)**

3 The continuation of the deferred accounting of gas costs is justified as these costs are  
4 continuing in nature.

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

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

8 **1. A complete Summary Sheet, the location in the PGA filing, and an account map that  
9 highlights the transfer of dollars from one account to another.**

10 Appendix A includes the Summary Sheet, which shows the amounts deferred  
11 and demonstrates the transfer of dollars from one account to another. Appendix A was  
12 attached to the Company’s electronic 2023-2024 PGA filing as a file entitled, “UG 463  
13 UG 464 UG 465 UG 466 CNGC Gas & Non Gas Cost Model WP 7.28.23.xlsx.”

14 **2. The effective date of the deferral**

15 This application is for the 12-month period beginning November 1, 2023 and  
16 ending October 31, 2024.

17 **3. Prior Year Order Number approving the deferral**

18 Authorization to defer costs was most recently granted per Commission Order  
19 No. 22-393, issued on October 27, 2022.

20 **4. The amount deferred last year**

	<b>Commodity</b>	<b>Demand</b>
	<u>Acct 01272</u>	<u>Acct 01273</u>
21 22 23 24 Deferral balances through July 31, 2023	\$29,355,721.26	(\$1,215,048.90)



DATED: August 31, 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](mailto:lori.blattner@intgas.com)

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## Appendix A

State:	Oregon
Description:	Core Market Commodity Costs
Account number:	47OR.1910.01272 (Previously 47OR.2530.01272)
Class of Customers:	Core
Deferral Period:	11/1/2022 to 10/31/2023
Deferral Account Order:	N/A
Amortization Period:	N/A
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.

### 3rd Party Damage

*Debit (Credit)*

Month/Year	Rate	Therms	Deferral	Amortization	Interest	Adjustments	Deferred Balance
						TRANSFER BALANCE TO 01287	(5,204,631.56)
							(208,517.65)
Nov-20			224,258.28		(1,245.96)		14,494.67
Dec-20			878,541.08		89.50	(56.20)	893,069.05
Jan-21			647,905.73		5,514.27	(250.09)	1,546,238.96
Feb-21			456,378.82		8,387.31	(361.36)	2,010,643.73
Mar-21			369,026.95		12,074.93	(84,659.91)	2,307,085.70
Apr-21			136,304.26		13,408.28	(395.79)	2,456,402.45
May-21			214,081.92		14,751.94	(2,200.63)	2,683,035.68
Jun-21			145,358.58		15,593.22	(56.20)	2,843,931.28
Jul-21			(17,843.89)		17,079.25	(1,614.81)	2,841,551.83
Aug-21			289,712.23		17,064.96	(1,525.58)	3,146,803.44
Sep-21			317,899.99		18,288.53	(568.96)	3,482,423.00
Oct-21			917,314.23		20,913.72	(1,172.29)	4,419,478.66
						TRANSFER BALANCE TO 01287	(2,912,305.23)
							1,507,173.43
Nov-21			908,273.31		8,759.36	(340.75)	2,423,865.35
Dec-21			1,966,307.94		14,556.54	1,087.51	4,405,817.34
Jan-22			1,966,424.86		26,459.17	(3,179.73)	6,395,521.64
Feb-22			1,261,460.37		34,691.41	(238.11)	7,691,435.31
Mar-22			776,404.76		46,190.97	(271.39)	8,513,759.65
Apr-22			1,174,416.04		49,480.11	(1,297.27)	9,736,358.53
May-22			1,066,349.21		58,471.77	(10,859.77)	10,850,319.74
Jun-22			852,363.97		63,059.68	(928.22)	11,764,815.17
Jul-22			260,494.28		70,653.68	(18.55)	12,095,944.58
Aug-22			237,032.71		72,642.28	(706.85)	12,404,912.72
Sep-22			505,993.64		72,094.63	(2,795.43)	12,980,205.56
Oct-22			638,388.83		77,952.71	(1,043.26)	13,695,503.84
						TRANSFER BALANCE TO 01287	(12,047,665.50)
							1,647,838.34
Nov-22			1,758,976.38		9,576.88	(33,065.96)	3,383,325.64
Dec-22			5,656,616.93		20,318.59	(862.02)	9,059,399.14
Jan-23			19,063,614.04		54,406.28	(45,819.88)	28,131,599.58
Feb-23			2,692,103.23		152,595.04		30,976,297.85
Mar-23			29,740.34		186,028.37	(31,909.94)	31,160,156.62
Apr-23			(1,085,371.95)		181,096.00	2,524.89	30,258,405.56
May-23			(714,023.80)		181,717.06	(594.98)	29,725,503.84
Jun-23			(548,526.66)		172,758.11	(61,049.50)	29,288,685.79
Jul-23			(117,123.70)		175,893.40	8,265.77	29,355,721.26

## Appendix A

State:	Oregon
Description:	Core Market Demand & Gas Storage Mitigation Costs
Account number:	47OR.1910.01273 (Previously 47OR.2530.01273)
Class of Customers:	Core
Deferral Period:	11/1/2022 to 10/31/2023
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.

*Debit (Credit)*

Month/Year	Rate	Therms	Deferral	Amortization	Interest	Adjustments	Deferred Balance
				TRANSFER BALANCE TO 01287		2,733,056.12	1,302,043.61
Nov-20			(227,867.26)		7,780.16		1,081,956.51
Dec-20			(617,074.10)		6,680.56		471,562.97
Jan-21			(449,391.46)		2,911.68		25,083.19
Feb-21			(498,475.74)		136.06		(473,256.49)
Mar-21			61,661.27		(2,842.15)		(414,437.37)
Apr-21			439,662.27		(2,408.62)		22,816.28
May-21			231,576.79		137.02		254,530.09
Jun-21			475,166.41		1,479.27		731,175.77
Jul-21			459,622.50		4,391.08		1,195,189.35
Aug-21			557,250.94		7,177.72		1,759,618.01
Sep-21			394,164.46		10,226.51		2,164,008.98
Oct-21			10,014.13		12,995.97		2,187,019.08
				TRANSFER BALANCE TO 01287		(578,516.17)	1,608,502.91
Nov-21			(126,153.29)		9,348.27		1,491,697.89
Dec-21			(731,689.54)		8,958.40		768,966.75
Jan-22			(706,206.44)		4,618.04		67,378.35
Feb-22			(378,823.17)		365.48		(311,079.34)
Mar-22			(35,061.96)		(1,868.19)		(348,009.49)
Apr-22			101,038.20		(2,022.55)		(248,993.84)
May-22			(7,673.58)		(1,495.33)		(258,162.75)
Jun-22			381,148.41		(1,500.39)		121,485.27
Jul-22			622,589.12		729.58		744,803.97
Aug-22			559,011.70		4,472.93		1,308,288.60
Sep-22			478,780.31		7,603.49		1,794,672.40
Oct-22			104,589.79		10,777.92		1,910,040.11
				TRANSFER BALANCE TO 01287		(124,406.02)	1,785,634.09
Nov-22			(638,912.44)		10,377.71		1,157,099.36
Dec-22			(833,603.06)		6,948.97		330,445.27
Jan-23			(2,177,141.95)		1,984.49		(1,844,712.19)
Feb-23			(620,024.54)		(10,006.33)		(2,474,743.06)
Mar-23			(192,835.99)		(14,862.09)		(2,682,441.14)
Apr-23			5,187.34		(15,589.76)		(2,692,843.56)
May-23			451,856.48		(16,171.89)		(2,257,158.97)
Jun-23			413,446.53		(13,118.11)		(1,856,830.55)
Jul-23			652,932.86		(11,151.21)		(1,215,048.90)



## Appendix A

State:	Oregon
Description:	OR 11/01/16 Consolidated Accounts: Gas Cost Related PGA Temporary Rate Increments
Account number:	47OR.1910.01287 (Previously 47OR.2530.01287)
Class of Customers:	Core
Deferral Period:	N/A
Deferral Account Order:	N/A
Amortization Period:	11/1/2022 through 10/31/2023
Narrative:	This records the consolidated deferral accounts corresponding to the temporary technical adjustments included in the PGA tracker effective 11/1/2016 that are incorporated into the customers' per therm gas rates. (Schedule 191)

*Debit (Credit)*

Month/Year	Rate	Therms	Deferral	Amortization	Interest	Adjustments	Deferred Balance
<b>Transfer Balance from 01272 &amp; 01273</b>						2,374,475.98	2,749,398.33
Nov-20	Prorated	7,238,161		(362,958.08)	5,943.22		2,392,383.47
Dec-20	(0.030990)	13,037,539		(404,033.35)	5,343.86		1,993,693.98
Jan-21	(0.030990)	13,574,064		(420,660.24)	4,453.31		1,577,487.05
Feb-21	(0.030990)	12,423,340		(384,999.31)	3,182.63		1,195,670.37
Mar-21	(0.030990)	12,589,069		(390,135.25)	2,670.77		808,205.89
Apr-21	(0.030990)	8,966,512		(277,872.20)	1,747.05		532,080.74
May-21	(0.030990)	5,048,877		(156,464.70)	1,188.51		376,804.55
Jun-21	(0.030990)	4,051,800		(125,565.28)	814.52		252,053.79
Jul-21	(0.030990)	2,377,245		(73,670.82)	563.01		178,945.98
Aug-21	(0.030990)	2,149,915		(66,625.86)	399.71		112,719.83
Sep-21	(0.030990)	2,552,826		(79,112.07)	243.66		33,851.42
Oct-21	(0.030990)	3,985,417		(123,508.07)	75.61		(89,581.04)
<b>Transfer Balance from 01272 &amp; 01273</b>						3,490,821.40	3,401,240.36
Nov-21	Prorated	6,845,996		(224,260.58)	3,466.47		3,180,446.25
Dec-21	(0.036110)	10,699,667		(386,364.97)	3,349.49		2,797,430.77
Jan-22	(0.036110)	16,047,471		(579,474.18)	2,946.12		2,220,902.71
Feb-22	(0.036110)	12,735,651		(459,884.35)	2,112.60		1,763,130.96
Mar-22	(0.036110)	12,890,793		(465,486.54)	1,856.84		1,299,501.26
Apr-22	(0.036110)	8,594,412		(310,344.22)	1,324.42		990,481.46
May-22	(0.036110)	7,579,423		(273,692.96)	1,043.13		717,831.63
Jun-22	(0.036110)	5,059,028		(182,681.50)	731.60		535,881.73
Jul-22	(0.036110)	3,522,448		(127,195.61)	564.36		409,250.48
Aug-22	(0.036110)	2,408,421		(86,968.09)	431.00		322,713.39
Sep-22	(0.036110)	2,656,853		(95,938.96)	328.90		227,103.33
Oct-22	(0.036110)	5,317,590		(192,018.17)	239.17		35,324.33
<b>Transfer Balance from 01272 &amp; 01273</b>						12,172,071.52	12,207,395.85
Nov-22	Prorated	14,868,874		(1,895,983.51)	18,260.93		10,329,673.27
Dec-22	(0.133730)	16,890,960		(2,258,828.07)	15,967.13		8,086,812.33
Jan-23	(0.133730)	13,672,028		(1,828,360.32)	12,500.22		6,270,952.23
Feb-23	(0.133730)	14,404,394		(1,926,299.61)	8,755.28		4,353,407.90
Mar-23	(0.133730)	11,902,476		(1,591,718.12)	6,729.30		2,768,419.08
Apr-23	(0.133730)	9,492,599		(1,269,445.25)	4,141.25		1,503,115.08
May-23	(0.133730)	3,031,326		(405,379.22)	2,323.45		1,100,059.31
Jun-23	(0.133730)	3,301,919		(441,565.64)	1,645.57		660,139.24
Jul-23	(0.133730)	1,528,251		(204,373.01)	1,020.41		456,786.64

**Appendix B**

**Cascade Natural Gas Corporation**

August 31, 2023

**NOTICE OF APPLICATION FOR REAUTHORIZATION TO DEFER GAS COSTS**

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 gas costs. 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  
[lori.blattner@intgas.com](mailto:lori.blattner@intgas.com)

Public Utility Commission of Oregon  
Attn: Ishraq Ahmed  
201 High Street SE, Suite 100  
Salem, OR 97301-3398  
971-375-5084  
[Ishraq.ahmend@puc.oregon.gov](mailto:Ishraq.ahmend@puc.oregon.gov)

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 REAUTHORIZAION TO DEFER GAS COSTS upon all parties of record in UG-390, which is the Company's most recent general rate case.

Oregon Citizens' Utility Board dockets@oregoncub.org	Michael Goetz Oregon Citizens' Utility Board mike@oregoncub.org
Tommy A Brooks Cable Huston LLP tbrooks@cablehuston.com	Chad M Stokes Cable Huston LLP cstokes@cablehuston.com
Jocelyn C Pease McDowell, Rackner & Gibson PC jocelyn@mrg-law.com	Edward Finklea Alliance of Western Energy Consumers efinklea@awec.solutions
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William Gehrke Oregon Citizens' Utility Board will@oregoncub.com	

Dated this 31th day of August 2023.

/s/ Jacob Betterbed  
Jacob Betterbed  
Regulatory Analyst I  
Cascade Natural Gas Corporation  
8113 W Grandridge Blvd  
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