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October 31, 2013

Oregon Public Utility Commission Attn: Kathy Williams P.O. Box 1088 Salem, OR 97308-1088

Re: UM 1636(2) Request for Deferral Accounting for the Cost of Expenses for Manufactured Gas Plant in Eugene

Dear Ms. Williams

In accordance with ORS 757.259 and OAR 860-027-0300, Cascade Natural Gas Corporation applies herewith for an accounting order reauthorizing the Company to record and defer Cascade's expenses for environmental remediation work at the Manufactured Gas Plant (MGP) in Eugene, Oregon.

The Company respectfully requests that the deferral commence as of the date of this filing for later amortization in rates.

Please contact me directly at (509) 734-4593 with any questions concerning this filing.

Sincerely,

Michael Parvinen

Director, Regulatory Affairs

Enclosures

1	BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON				
2	DOCKET NO. UM 1636(2)				
3	DOCKET NO. UNI 1030(2)				
4	In the Matter of the Application by				
5	CASCADE NATURAL GAS CORPORATION APPLICATION FOR REAUTORIZATION for an Order Reauthorizing Deferral of Certain OF DEFERRAL ACCOUNTING				
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9	In accordance with ORS 757.259 and OAR 860-027-0300, Cascade Natural Gas				
10	Corporation ("Cascade" or the "Company") applies to the Public Utility Commission of Oregon				
11	("Commission") for an accounting order re-authorizing the Company to record and defer, on an				
12	ongoing basis, the cost of expenses for environmental remediation work at the Manufactured Gas				
13	Plant (MGP) in Eugene, Oregon. The Company respectfully requests that the deferral				
14	commence November 30, 2013, for a 12-month period. The Company's last authorization was				
15	approved in the Commission's Order No. 13-004.				
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17	In support of this Application, Casacade states:				
18	1. CASCADE NATURAL GAS CORPORATION				
19	Cascade Natural Gas Corporation is a public utility engaged in the distribution of				
20	natural gas in the states of Oregon and Washington and is subject to the jurisdiction of the				
21	Commission with regard to its rates, service, and accounting practices.				
22					
23	2. STATUTORY AUTHORITY				
24	This Application is filed pursuant to ORS 757.259, authorization to defer				
25	environmental costs and amounts from insurance recoveries because they are				
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1	"identifiable utility expenses or revenues, the recovery or refund of which the			
2	commission finds should be deferred in order to minimize the frequency of rate			
3	changes or to match appropriately the costs borne by and benefits received by			
4	ratepayers." ORS 757.259(2)(e)			
5				
6	3.	COMMUNICATIONS		
7		Communications regarding this Application should be addressed to:		
8		Michael Parvinen		
9		Director, Regulatory Affairs		
9 E		Cascade Natural Gas Corporation		
10		8113 West Grandridge Boulevard Kennewick, WA 99336-7166		
11		Telephone: (509) 734-4593		
		E-mail: michael.parvinen@cngc.com		
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13				
14	4.	BASIS FOR APPLICATION		
15		Due to the variable and unpredictable nature of environmental remediation costs,		
16	Cascade seeks authorization to record all environmental costs, which shall include, but			
17	are not necessarily limited to, all costs related to investigation, monitoring, legal, study,			
18	oversight, and remediation costs, and all costs associated with pursuing insurance			
19	recoveries (hereafter "Environmental Costs") that are associated with MGP projects.			
20	Cascade will pay its share (to be determined at a later date) of the remediation			
21	costs i	n the future and the other parties will pay the remainder of the costs. Through		
22	Septer	mber 30, Cascade has deferred \$1,427,631.47.		
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5. AMOUNTS SUBJECT TO DEFERRAL

Sufficient information is currently not available to determine the total cost of remediation of the MGP site or the liability involved. Management cannot predict the ultimate outcome of this matter.

For the 12-month period, Cascade proposes to transfer expenses incurred from operation and maintenance/administrative and general accounts to a deferred asset account. The proposed deferred asset account to be used is FERC Account 186.

6. ACCOUNTING

Cascade's proposed deferrals would be recorded in a sub-account of FERC Account 186 (Miscellaneous Deferred Debits). In the absence of deferral approval, Cascade would record the Environmental Costs of labor to FERC Account 920, Administrative and General Salaries, and the costs of outside services (e.g. consulting) to FERC Account 923, Outside Services Employed.

WHEREFORE, Cascade respectfully requests that in accordance with ORS 757.259 and OAR 860-027-0300, the Commission issue an order authorizing the Company to record and defer, commencing as of the date of this filing, expenses for environmental remediation work at the Manufactured Gas Plant (MGP) in Eugene, as described in this Application.

1	DATED: October 31, 2013.	
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4		Respectfully submitted,
5		CASCADE NATURAL GAS CORPORATION
6		Mil De
7		Michael Parvinen
8		Director, Regulatory Affairs
9		Cascade Natural Gas Corporation 8113 West Grandridge Boulevard
10		Kennewick, WA 99336-7166 Telephone: (509) 734-4593
11		E-mail: michael.parvinen@cngc.com
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