CASCADE
NATURAL GAS
C O R P O R A T I O N ®
A Subsidiary of MDU Resources Group, Inc.

October 11, 2016

Public Utility Commission of Oregon
Attn: Filing Center
201 High St SE
PO Box 1088
Salem OR 97308-1088

RE: Cascade Natural Gas Corporation's Responses to AR 601, Severe Weather Moratorium
Considerations

Cascade Natural Gas Corporation (Cascade or Company) provides the following written responses to the
questions provided in Phil Boyle's letter dated July 21, 2016, to utilities. These questions were discussed
at the October 28, 2016, workshop held to discuss parameters for a severe weather moratorium rule.

1) **Should the rule allow each utility the discretion to formulate its own plan or should the
Commission prescribe the standards to use.**

While Cascade believes utilities have done a good job using their personal discretion in imposing
severe weather moratoriums, the Company concedes that Community Action Partnership of
Oregon (CAPO), Citizen's Utility Board (CUB), and the Commission believe a clearly stated rule is
necessary for clarity and consistency, and the Company has no objection to having a standard
adopted in a rule.

2) **What are the appropriate winter and summer temperature triggers?**

The Company believes it would be best to have a minimum standard applicable to the entire
state, where each utility could exercise discretion in choosing to impose severe weather
moratoriums on disconnections for nonpayment when the forecasted temperatures are less
severe than the threshold stated in the rule.

As a utility with territory in eastern Oregon, we recognize that we are more apt to experience
severe weather in Baker City than in Bremerton.[1] The table below, prepared from actual
weather data from the past 35 years, compares the average number of days per year that Baker
City and Bremerton would be disconnected if the severe cold weather threshold were set at any

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[1] While Bremerton is in Washington rather than Oregon, the Company uses this city in its service territory to
illustrate the weather differences between the west and eastside of Interstate-5.

temperature from 25° Fahrenheit to 35° Fahrenheit. In summary, it demonstrates that the weather on the east side of the state is much colder than on the west side.

City	25°F	26°F	27°F	28°F	29°F	30°F	31°F	32°F	33°F	34°F	35°F
Baker City	32	37	41	46	51	57	63	70	77	85	94
Bremerton	2	2	2	3	4	4	6	8	10	14	19

A threshold of 32° Fahrenheit would result in over two months where the Company would have delay disconnecting for nonpayment in Baker City. For Baker City, a 32° Fahrenheit threshold would be similar to having a full winter season moratorium.

Rules exist now to prevent utilities from disconnecting on Friday afternoons or days before holidays to ensure customers can get to pay stations or consumer action agencies to make payments or arrangements so that their service can be reestablished without a significant delay. Cascade assumes the same concern is driving the severe weather moratorium. As mentioned at the workshop, people who living cities with colder weather are more adept at dealing with the colder temperatures. While freezing temperatures may pose significant driving concerns in Portland, they are less likely to be an immediate concern in eastern Oregon. For this reason, Cascade proposes the rule adopt statewide cold weather threshold of 25° Fahrenheit; and as stated previously, this would be a minimum threshold and utilities would continue to have discretion to impose a severe winter moratorium at higher temperatures.

Cascade is not recommending a severe hot weather threshold since gas is not used for cooling and Staff has not proposed implementing a severe hot weather moratorium on gas utilities.

3) **Period of time trigger must be met before a moratorium is initiated (e.g. 24 hours, 48 hours).**

At the workshop, Avista suggested we move away from using an hourly based timeframe and instead use the term "daily" as the parameter for when the moratorium is effective. A daily requirement would be consistent with the utilities' current practices of pursuing or forgoing disconnections based on that day's forecasted weather. Cascade believes once a moratorium is called for the day, it should remain in effect. Each day thereafter would be separately evaluated based on that day's forecast.

4) **How long should the moratorium remain in effect and under what conditions should it end?**

The moratorium should be effective one business day as discussed in the response to question number 3 above.

5) **Should there be different triggers for different geographic areas (e.g Eastern Oregon vs. Western Oregon vs Southern Oregon)?**

The Company prefers having one minimum standard for the whole state but believes the standard should take into consideration the more severe weather experienced on the eastside of the state. Please see the Company's response to question number 2 above.

6) Are there other circumstances under which a moratorium should be put into effect?

Yes, the Company believes moratoriums on disconnections may be necessary for other force majeure situations but does not believe the rule should attempt to plan for all possible situations. The Company will continue to exercise discretion on whether or not to perform disconnections, assessing if unusual or severe situations might negatively impact the health or safety of its crews and customers.

7) What will it cost utilities to implement a severe weather program?

The Company currently imposes severe weather moratoriums by assessing the circumstances in a region and then manually cancelling disconnection orders. This process could be automated but due to the many necessary inputs, Cascade is not able to provide a cost estimate. Since the Company will continue implementing discretionary moratoriums manually —such as when a circumstances other than temperature causes unsafe travel conditions —the Company does not believe it needs to automate processes to comply with a severe weather moratorium rule.

If you have any questions about this filing, please contact Jennifer Gross at (509)734-4465.

Sincerely,

Michael Parvinen
Director, Regulatory Affairs