



ALISHA TILL
Direct (503) 290-3628
alisha@mrg-law.com

February 8, 2019

VIA ELECTRONIC FILING

Attention: Filing Center
Public Utility Commission of Oregon
201 High Street SE, Suite 100
P.O. Box 1088
Salem, Oregon 97308-1088

Re: Docket UG 347 – Cascade Natural Gas Corporation’s Application for a General Rate Revision.

Attention Filing Center:

Attached for filing in the above-captioned docket is the Stipulation Addendum of the Joint Parties.

Please contact this office with any questions.

Sincerely,

Alisha Till
Paralegal

Attachment

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UG 347

In the Matter of

CASCADE NATURAL GAS CORPORATION

Application for a General Rate Revision.

STIPULATION ADDENDUM

I. INTRODUCTION

1 On January 22, 2019, Cascade Natural Gas Corporation (Cascade or Company), Staff
2 of the Public Utility Commission of Oregon (Staff), the Oregon Citizens' Utility Board (CUB),
3 and the Alliance of Western Energy Customers (AWEC) (collectively, the Stipulating Parties),
4 filed a stipulation (Stipulation) in this docket. While the Stipulation resolved all contested
5 issues in this docket, it overlooked one issue that should have been addressed. Specifically,
6 the Stipulation did not address the Stipulating Parties' agreement as to the Company's
7 proposed treatment of its deferred environmental remediation expenses. For this reason, the
8 Stipulating Parties are entering this addendum to the Stipulation (Stipulation Addendum)
9 which is intended to supplement the terms of the Stipulation.

II. BACKGROUND

10 Pursuant to Order 13-004, issued in UM 1636, Cascade has been deferring costs
11 associated with its environmental remediation efforts related to a manufactured gas plant site
12 located in Eugene, Oregon.¹ Cascade shares the remediation liability for the site with Eugene
13 Water and Electric Board and PacifiCorp, and the parties have a cost sharing agreement for
14 site investigation, remedial design and remediation activities. In Cascade's last general rate
15 case, UG 305, the Company began a three-year amortization of the deferred balance that had

¹ The Company has filed supplemental applications each year for reauthorization of the deferral, which have been granted. See, Order Nos. 13-484, 14-10, 16-10, 17-306, and 17-491.

1 been accrued to date. In the current general rate case, Cascade has proposed to combine
2 the remaining unamortized balance authorized for amortization in UG 305, which is
3 approximately \$54,000, with the current deferred balance of approximately \$193,000, and to
4 amortize the total \$247,000 over three years. To implement this request, the Company has
5 requested an update to Schedule 197 to reflect a three-year amortization of the total balance,
6 collecting \$84,858 per year. Because of an increase in projected gas volumes, the rate per
7 therm in Schedule 197 would decrease from the current \$0.000514 to \$0.000303.

8 Through testimony filed in this case, Staff explained that it had reviewed the new
9 deferred expenses, and found that they were (a) actually incurred; (b) solely incremental; and
10 (c) associated with the environmental remediation activities required for this project. For these
11 reasons, Staff recommended that the Commission approval the requested update to Schedule
12 197 and allow amortization of the deferred balance to occur over the proposed three-year
13 period.² No party disagreed with Staff's recommendation.

III. TERMS OF AGREEMENT

14 1. Prudence of Deferred Amounts. The Stipulating Parties agree that the
15 Commission should find the current deferred balance of \$193,000 was prudently incurred
16 and should be approved for amortization.

17 2. Update to Schedule 197. The Stipulating Parties agree that the total deferred
18 amount (both past unamortized amounts and the current deferred balance) of \$247,000
19 should be amortized over three years, which equates to an amortization of \$84,858 per year,
20 with a per therm amount of \$0.000303.

21 3. Revenue True-up. The Stipulating Parties agree that the updated schedule
22 197 rate does not consider whether actual Schedule 197 revenues were higher, or lower
23 than the \$162,000 amount authorized for amortization in UE 305. Accordingly, in a future

² Staff/600, Moore/10-11.

1 request for amortization, or at the time when the deferred account balance becomes zero,
2 a Stipulating Party may propose to true up the revenue collections extending back to March
3 1, 2017 when the original amortization schedule was authorized in UE 305.

4 4. General Terms and Conditions. This Stipulation Addendum is intended to
5 supplement the Stipulation filed on January 22, 2019, and is subject to the general terms
6 and conditions contained in paragraphs 13 through 19 of the Stipulation.

7 This Stipulation Addendum is entered into by each Stipulating Party on the date
8 entered below such Stipulating Party's signature.

9 DATED this 8th day of February 2019.

CASCADE NATURAL GAS
CORPORATION

By: _____

Date: _____

2-8-19

STAFF OF PUBLIC UTILITY COMMISSION
OF OREGON

By: _____

Date: _____

OREGON CITIZENS' UTILITY BOARD

By: _____

Date: _____

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By: _____

Date: _____

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CASCADE NATURAL GAS
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By: _____

Date: _____

STAFF OF PUBLIC UTILITY COMMISSION
OF OREGON

By: Johanna Riemisch

Date: 2-8-19

OREGON CITIZENS' UTILITY BOARD

By: _____

Date: _____

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By: _____

Date: _____

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STAFF OF PUBLIC UTILITY COMMISSION
OF OREGON

By: _____

By: _____

Date: _____

Date: _____

OREGON CITIZENS' UTILITY BOARD

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By: *Michael P. Gately*

By: _____

Date: 2/8/19

Date: _____

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By: _____

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Date: _____

Date: _____

OREGON CITIZENS' UTILITY BOARD

ALLIANCE OF WESTERN ENERGY
CONSUMERS

By: _____

By:  _____

Date: _____

Date: 2/8/19 _____