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COMPANY NAME:

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8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166
TELEPHONE 509-734-4500 FACSIMILE 509-737-9803
www.cngc.com

November 21, 2019

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

Re: UM 1980 - Cascade Natural Gas Corporation's Application for Reauthorization for Deferred Accounting for Public Purpose Charge Expenditures

Cascade Natural Gas Corporation (Cascade or the Company) herewith files the attached Application for Reauthorization to Defer Credits and Debits Associated with its Public Purpose Charge (PPC) as defined under the Company's tariff Schedule 31.

If you have any questions regarding this filing, please contact me at (509) 734-4593.

Sincerely,

/s/ Michael Parvinen

Michael Parvinen
Director, Regulatory Affairs

Attachment

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1980**

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In the Matter of
Cascade Natural Gas Corporation
For Deferred Accounting of Expenses
And Credits Related to its
Public Purpose Charge

APPLICATION FOR
REAUTHORIZATION FOR
DEFERRED ACCOUNTING

16 In accordance with ORS 757.259, ORS 757.262, and OAR 860-027-0300, Cascade Natural Gas
17 Corporation (“Cascade” or the “Company”) files this application (“Application”) with the Public Utility
18 Commission of Oregon (“Commission”) for an order reauthorizing the Company to record and defer for
19 the twelve-month period beginning January 1, 2020, and ending December 31, 2020, the under-and
20 over-collections associated with the Company’s Schedule 31, Public Purpose Charge (“PPC”).

I. INTRODUCTION

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22 In May 2006, in accordance with the terms established in Commission Order No. 06-191 issued
23 in Docket UG-167, the Company began charging the Schedule 31, PPC. The PPC adds a charge equal to a
24 set percentage of a customer’s total monthly natural gas bill. This charge funds the Company’s energy
25 efficiency programs that are administered by the Energy Trust of Oregon (“Energy Trust”) as well as the
26 Company’s low-income weatherization and low-income bill pay assistance programs that are
27 administered by Community Action Agencies (“CAAs”). Schedule 31 establishes the parameters for the
28 PPC, including the amount charged and the percentage of monthly collections that are passed through
29 to either the Energy Trust or the CAAs.

30 The PPC charge percentages are determined by taking the annual budget for each program
31 supported by the charge then dividing the amount by expected annual revenues. The Company has

1 historically adjusted the annual budgets needed in a preceding calendar year by any carryover of
2 funding, whether that carryover is positive or negative.

3 **II. COMMUNICATIONS**

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

6

7	Michael Parvinen	Isaac Myhrum
8	Cascade Natural Gas Corporation	Cascade Natural Gas Corporation
9	8113 W. Grandridge Blvd	8113 W. Grandridge Blvd
10	Kennewick, WA 99336	Kennewick, WA 99336
11	Email: michael.parvinen@cngc.com	Email: isaac.myhrum@cngc.com
12		

13 **III. DEFERRED ACCOUNTING RULE REQUIREMENTS**

14 The following information is provided pursuant to the requirements set forth in OAR 860-027-
15 0300(3).

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

17 In this application, Cascade is requesting to defer the over- or under-collections of the Schedule
18 31, PPC.

19 **B. Reasons for Deferral – OAR 860-027-0300(3)(b)**

20 The Company's initial filing in Docket UM 1980 was in response to the Commission's ruling made
21 on April 10, 2018, on PacifiCorp's (d.b.a. Pacific Power's) Advice No. 18-001 wherein the Commission
22 determined that residual credits or debits associated with Pacific Power's pass through balancing account
23 for their Multnomah County Business Income Tax (MCBIT) collections must be tracked in a deferral
24 account in order for the debit or credit to be passed on to customers in a later period without violating the
25 prohibition against retroactive ratemaking. The Company has historically treated its PPC collection
26 account as a balancing account, passing on any over- or under-collection to customers through a revised
27 PPC rate. Since this is no longer allowed, the Company is filing this application to reauthorize deferred

1 accounting treatment for PPC debits and credits. The Commission authorized deferral treatment of the
2 Company's PPC funding per Order No. 19-100 on March 21, 2019. The deferral may be reauthorized under
3 ORS 759.259(2)(e) in order to minimize the frequency of rate changes or the fluctuation of rate levels or to
4 match appropriately the costs borne by and benefits received by ratepayers.

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

6 Cascade proposes to account for balancing PPC debit and credits in the deferral sub-account
7 242.9. In the absence of deferred accounting, the Company would record PPC program expenses in the
8 appropriate sub-account for FERC Account 908.

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

10 The Company is not able to estimate the amount that may be deferred and considered a
11 carryover balance at the end of 12-months since these funds are passed through to other third parties
12 who manage the spending of these dollars.

13 **E. Notice – OAR 860-27-0300(6)**

14 The Notice of Application and a Certificate of Service are provided as an attachment to this
15 application.

16 **F. A Description and Explanation of Entries in the Deferred Account – OAR 860-027-300(4)(a)**

17 In this application, Cascade is requesting to defer the over- or under-collections of the Schedule
18 31, PPC. The PPC debits and credits derive from the Company's conservation and low-income programs.
19 This includes payments by the Company to Energy Trust for its administration of energy efficiency
20 programs as well as the Company's low-income weatherization and low-income bill pay assistance
21 programs that are administered by CAAs.

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

1 The continuation of deferred debits and credits associated with the Company’s Public Purpose
2 Charge is justified as these allocations are continuing in nature and were previously approved by the
3 Commission per Docket No. UM 1980, Order No. 19-100 on March 21, 2019.

4 **IV. CONCLUSION**

5 Cascade requests that in accordance with ORS 757.259, the Commission reauthorize the
6 Company to defer the debits and credits described in this Application.

7 DATED: November 21, 2019

Sincerely,

/s/ Michael Parvinen

Michael Parvinen
Director, Cascade Natural Gas Corporation
8113 W. Grandridge Blvd
Kennewick, WA 99336
michael.parvinen@cngc.com

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Cascade Natural Gas Corporation

November 21, 2019

NOTICE OF APPLICATION FOR REAUTHORIZATION FOR DEFERRED ACCOUNTING FOR CASCADE'S PUBLIC PURPOSE CHARGE

To All Parties Who Are Participating in UG-347:

Please be advised that today, Cascade Natural Gas Corporation ("Cascade" or the "Company") filed an application for authorization to defer debits and credits associated with its Public Purpose Charge. 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: Michael Parvinen
8113 W Grandridge Blvd
Kennewick, WA 99336
509-734-4593

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Salem, OR 97308-1088
503-378-6678

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.

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 FOR DEFERRED ACCOUNTING FOR CASCADE'S PUBLIC PURPOSE CHARGE upon all parties of record in UG 347, which is the Company's current general rate case.

Oregon Citizens' Utility Board dockets@oregoncub.org	Michael Goetz Oregon Citizens' Utility Board mike@oregoncub.org
Tommy A Brooks Cable Huston Benedict Haagensen & Lloyd tbrooks@cablehuston.com	Chad M Stokes Cable Huston Benedict Haagensen & Lloyd cstokes@cablehuston.com
Johanna Riemenschneider PUC PUC Staff – Dept of Justice johanna.riemenschneider@doj.state.or.us	Edward Finklea Alliance of Western Energy Consumers efinklea@awec.solutions
Stephanie S Andrus PUC Staff-Department of Justice Stephanie.andrus@state.or.us	Marianne Gardner Public Utility Commission of Oregon marianne.gardner@state.or.us
John Jamieson Hermiston Generating Company LP jj.jamieson@perennialpower.net	William Gehrke Oregon Citizens' Utility Board will@oregoncub.org
Oregon Dockets PACIFICORP, DBA Pacific Power oregondockets@pacificorp.com	Jocelyn C Pease McDowell Rackner Gibson PC jocelyn@mrg-law.com
Matthew McVee PACIFICORP matthew.mcvee@pacificorp.com	Lisa F Rackner McDowell Rackner Gibson PC dockets@mrg-law.com
Rates & Regulatory Affairs Northwest Natural efiling@nwnatural.com	

Dated this 21st day of November, 2019.

/s/ Isaac Myhrum

Isaac Myhrum
Rates and Regulatory Affairs
Cascade Natural Gas Corporation
8113 W Grandridge Blvd
Kennewick, WA 99336
Isaac.myhrum@cngc.com